SUSTAINABILITY REPORT 2022-2023

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"THE SEA IS MADE UP OF WATER DROPS"

Silvestro Niboli

Dear Reader,

We are delighted to publish the fifth edition of our Sustainability Report, in which we have reported on the actions taken in 2022 and 2023.

In our previous report, we described some of the difficulties arising from the health emergency related to Covid-19, but we were also able to show our resilience in facing and overcoming it.

The past two years have seen the development of numerous projects and initiatives aimed at our stakeholders.

This was made possible thanks to the continuous collaboration between the different working groups and with the parent company, which in 2023 expanded and modernised the logistics division with the opening of a plant of more than 8,000 m^2 built in record time and according to the highest standards of sustainability.
This philosophy drives all the companies which are part of OLI World, including our division, which will be subject to redevelopment and expansion following the acquisition of a new plant.

This most recent period has also been particularly significant in terms of reporting on our sustainability performance.
Looking towards the future, the company has already begun to adapt to the new reporting guidelines, which you will learn about in more detail later in this document.

Innovation, quality and sustainability are the three guiding principles that guide us every year as we face new challenges, with the goal of continuous evolution. The following pages will therefore talk about what has been accomplished, but also a vision of new goals for the coming years.

Enjoy the read!

The President,

Pier Andreino Niboli

Managing Director,

Federica Niboli

1. INTRODUCTION TO THE REPORT

BETWEEN GRI AND CSRD

Committed as ever to transparency and social responsibility, as always we have prepared our Sustainability Reports following the standards of the Global Reporting Initiative.
However, in a world that is rapidly evolving towards more stringent regulations and higher standards with respect to sustainability, we recognise the importance of adapting to the latest regulatory changes.

With the adoption of the Corporate Sustainability Reporting Directive (CSRD) in the European Union and the associated European Sustainability Reporting Standards (ESRS), we are fully aware of the new path mapped out for companies in terms of sustainability regulations. Although OLI is outside the scope of the CSRD, we are part of a larger industrial group which will be held accountable to these obligations.
We have therefore resolutely embarked on a process to integrate these new regulations, on a voluntary basis, into our reporting, ensuring that our commitment to sustainability is constant and lives up to future expectations.

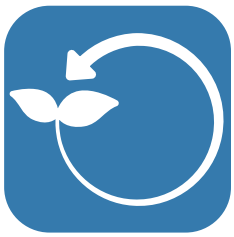
This report has been prepared in accordance with the standards of the Global Reporting Initiative (GRI), and we have already begun to include distinctive elements of the CSRD and the ESRS.
For example, the concept of financial materiality is discussed in the chapter on sustainability management, while climate change mitigation plans are described in detail in the chapter on climate and energy transition. We have also introduced the concept of impact materiality into the analysis of the topics which will be covered within the document.

This transition represents not only a regulatory adjustment, but also an opportunity to continuously improve our sustainability processes and communication.

What has not changed is our focus on the sustainability challenges that guide all the company's efforts and that will be described within this document in the form of indicators, projects implemented and future ambitions.

Facilitating the energy transition

Promoting energy efficiency through detailed knowledge of activities, increasing the use of renewable energy, and fostering sustainable mobility through improved infrastructure for electric vehicles.



Moving toward circularity of resources

Continuing our decades-long commitment to circularity, emphasizing the elimination of production waste, the smart use of raw materials, and collaborating industrially for greater sustainability.

Tackling the challenges of climate change

Analysing risks and adapting to improve our resilience to extreme events, regulatory changes, and market changes.

Harmonizing technological, professional and personal development

Investing in the development of our employees and improving their skills and optimising processes for greater operational efficiency.

Ensuring well-being in the company

Through welfare initiatives and a constant focus on physical, emotional and social health.

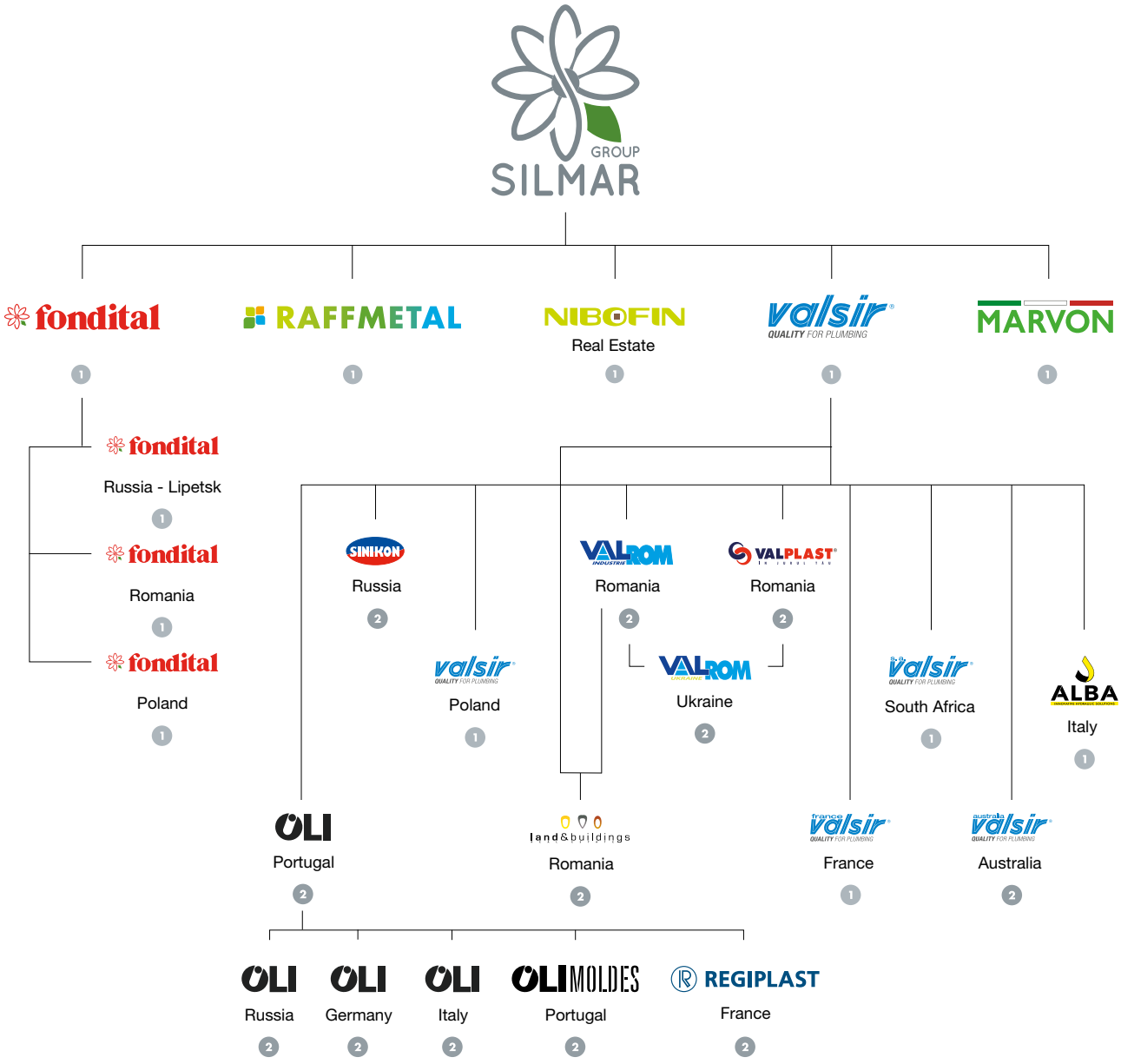
Supporting the local community

Supporting the development of our local community through partnerships, training, donations and an ongoing commitment to remain active in our host territory.

2. SILMAR GROUP, OLI AND SUSTAINABILITY

ABOUT US - SILMAR GROUP

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



LEGEND:

1 Subsidiary
2 Associated company

2022

Turnover
1,515,810,000 €

Investments
117,728,000 €

Employees
3,651

2023

Turnover
1,412,740,000 €

Investments
105,766,000 €

Employees
3,548

ABOUT US - OUR REALITY

OLI S.r.l. was established to market the products of OLI - Sistemas Sanitários in Italy, in addition to a range of PP and HDPE siphons. The OLI brand was established, a solid international company that manufactures and markets plumbing products and systems, thanks to constant innovation, modern industrial structure and competent sales and service network. Since 2004 it has opened up to the world of flue pipes, expanding its range of products and services, introducing the production of the innovative OLIflex flue system.

OLI S.r.l. is part of OLI World, one of the leading manufacturers of external cisterns, flush-mounted cisterns and ceramic cistern mechanisms, which has distinguished itself in the plumbing market over the years for high-design products. The parent company, OLI - Sistemas Sanitários S.A., founded in 1954 in Aveiro as Oliveira & Irmão, officially entered the plumbing market in the 1980s. Its strong growth in the years that followed meant that in 1993 it became part of the Silmar Group, with whom it shares, among other aspects, its great attachment to family values and corporate tradition.
OLI World manufactures and markets its products in more than 80 countries worldwide and the entire production process takes place in its own factories.

Today, just as in the past, the company's hallmarks are tenacity, the pursuit of excellence, honesty and reliability. And these characteristics have precisely enabled it to achieve a position of prestige and credibility in the market.

OLI - Sistemas Sanitários, S.A.

- **Location**: Aveiro (Portugal)
- **Surface area**: 84,543 m² of which 33,307 m² indoors
- **Number of employees**: 443
- **Production:** external and built-in flush cisterns, mechanisms, valves and floats for ceramic cisterns and designer plates.

OLI Italia - Italy

- **Location**: Casto (Brescia)
- **Surface area**: 17,070 m² of which 11,300 m² indoors
- **Number of employees**: 40
- **Production:** siphons, plastic polymer and steel flue system, floor-level shower systems and designer plates.

OLI MOLDES

- **Location**: Aveiro (Portugal)
- **Surface area**: 3,200 m² of which 2,400 m² indoors
- **Number of employees**: 35
- **Production:** mould production.

OLI - Russia

- **Location**: Mosca (Russia)
- **Surface area**: 2,247 m² indoors
- **Number of employees**: 40
- **Production:** mechanisms for ceramic cisterns and logistics hub.

OLI - Germany

- **Location**: Möckmül (Germany)
- **Surface area**: 1,290 m² indoors
- **Number of employees**: 5
- **Activity**: commercial-logistic facility.

The 2023 figures of OLI World

128,039 m²
Total surface area

565
Employees

102,639,000 €
Turnover

9,710,055 €
Investments

29
Patents

2,002,500
Flush cisterns produced in one year

2,664,000
Internal mechanisms for flush cisterns produced in one year

Management system and certifications

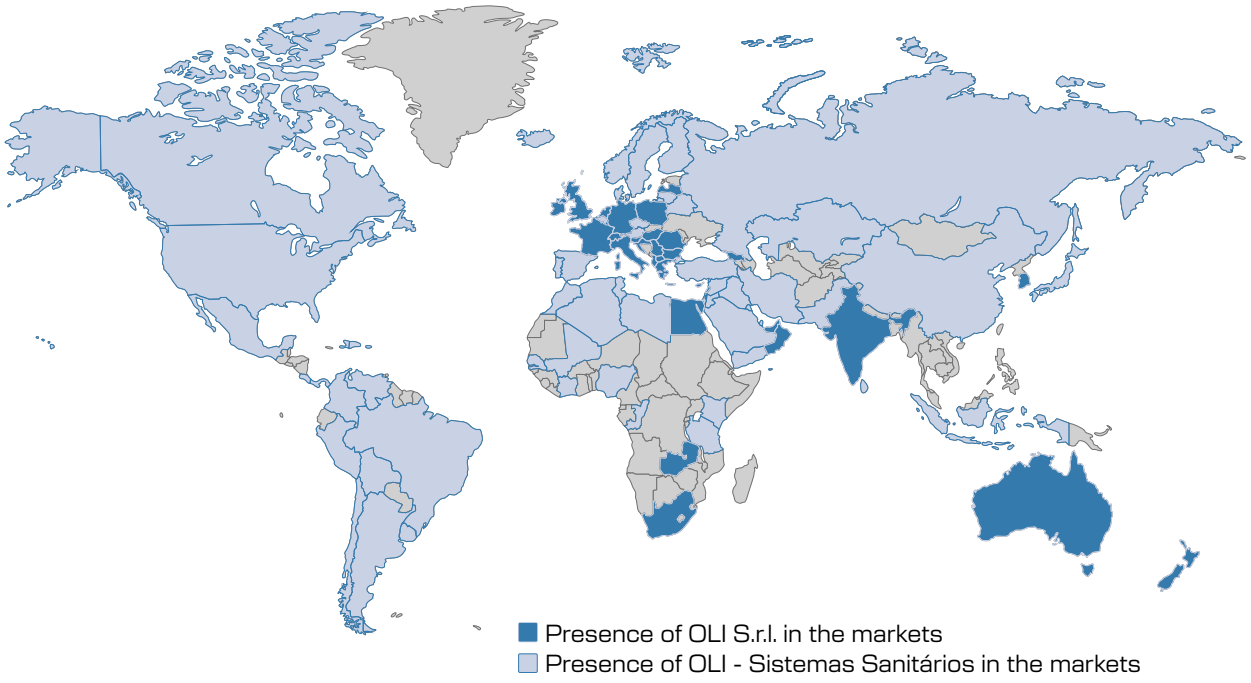
APCER ISO 9001
Quality management system
(in force since 2000)

APCER ISO 14001
Environmental Management System
(in force since 2013)

APCER ISO 45001
Occupational health and safety management system
(in force since 2019)

NP 4457
System for managing innovation
(in force since 2010)

Markets served by OLI World



Mission

Our mission is excellence in creating quality plumbing products that are innovative and ecologically sustainable.

Values

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

The 2023 figures of OLI Italia

17,070 m²
Total surface area

40
Employees

19,635,000 €
Turnover

524,000 €
Investments

13
Product line

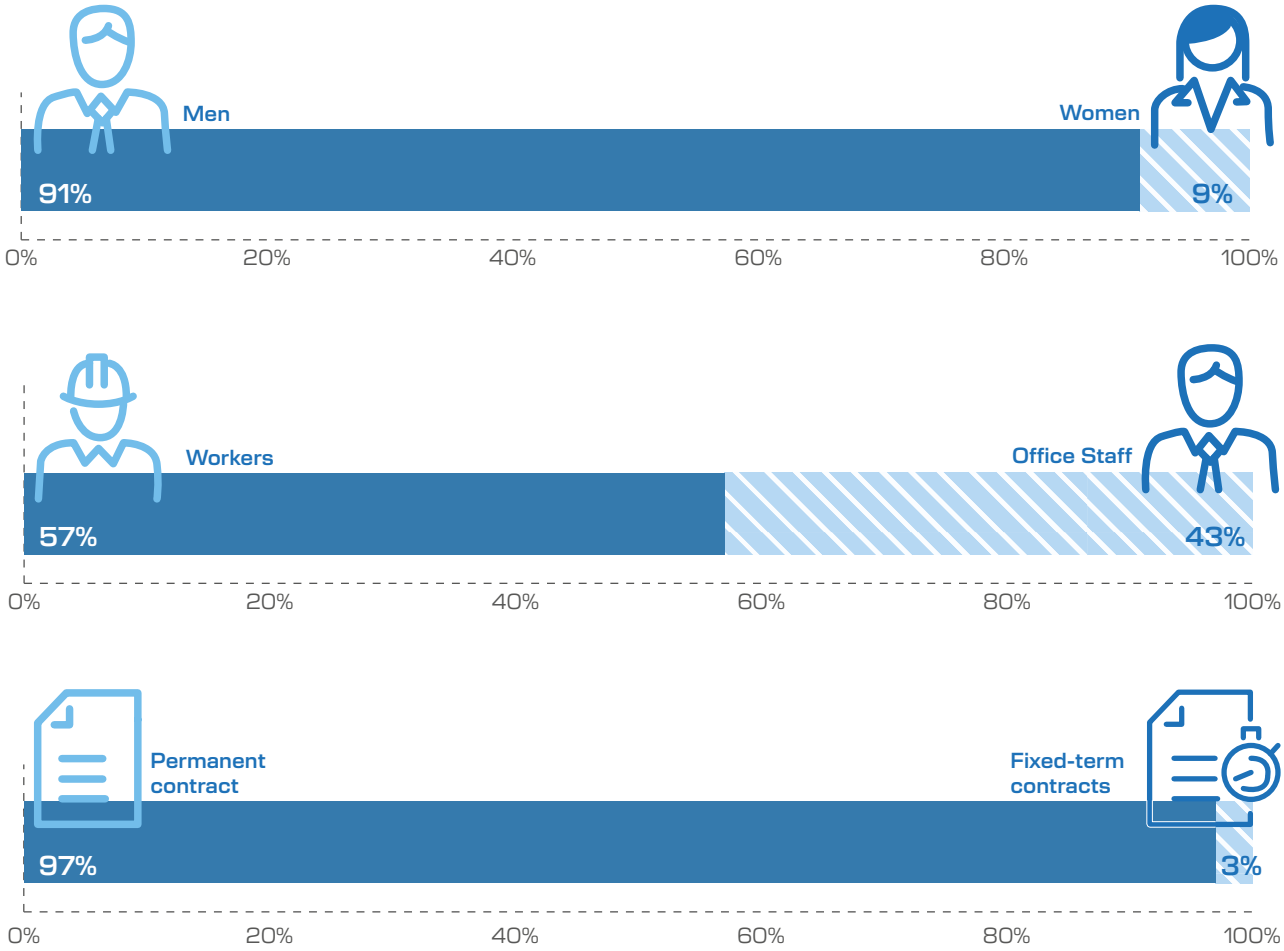
1,750
Items produced at the Casto plant

Management system and certifications

ISO 9001:2015
Quality management system
(in force since 2007)

ISO 50001:2018
Energy management system
(in force since 2019)

OLI Italia's workforce in 2023



40
Employees

SUSTAINABILITY MANAGEMENT

Sustainability for OLI Italia

For us, sustainability means: working, recycling and improving with respect for people and the environment, in order to safeguard our future in the most ethical and efficient manner possible, whilst at the same time generating profit in a sustainable way. We want to be seen as an example of integration between companies, people and local area.
Our aspiration is to also become a leading company on sustainability issues and to be recognised as a point of reference for the industry.

Corporate sustainability governance:

CSR working group

A strategic and operational body which, in agreement with the Executive Board, brings the sustainability approach and resulting projects to life.

It is made up of people from within the company at executive and managerial levels.

From the CSR working group and depending on the projects, functional teams are organised to carry out each individual project.

CSR Manager

Reference point of the entire governance system.

This role refers to all those who work in CSR projects and sustainability in different capacities.

This role is closely linked to other company departments for the implementation of projects.

Department heads and managers

Department managers are involved in promoting CSR culture and sustainability goals in the company.

They are an active part of the process of spreading the culture to all their staff both through regular meetings and by promoting continuous improvement ideas.

MATERIALITY ANALYSIS

The process we followed to define materiality falls within the broader context of the **Corporate Sustainability Reporting Directive (CSRD)**, which places special emphasis on double materiality. This approach not only considers the financial impacts of sustainability-related risks and opportunities on businesses, but also the impact of business activities on people and the environment.

The following steps were taken to define the company's materiality profile:

- **Analysis Of Areas Of Impact In The Context Of The Doughnut Economics**
  We examined possible areas of impact considering both the UN Sustainable Development Goals and the principles of the doughnut economics. This approach has allowed us to assess how our activities affect both the ecological boundaries of the planet (climate change, biodiversity loss, sustainable water use and others) and the social base, seeing how our operations contribute to ensuring essential living conditions in the communities we operate in.
- **Application Of The Analysis Key To The Company System**
  We applied this method of analysis to explore each segment of our company system, identifying key actions and their direct results. This led us to compile an initial list of impacts - positive and negative, potential and actual, direct and indirect - as well as a list of risks and opportunities.
  At this stage, we identified 12 negative impacts, 9 positive impacts, 28 risks and 15 opportunities.
- **Gravity Of The Impacts**
  The severity of the impacts was assessed by the core working group considering the following parameters:
  - **Magnitude**, namely, how severe the negative impact is or how much benefit the positive impact brings to people or the environment.
  - **Scope**, how widespread the positive or negative impacts are.

The parameter of irremediable nature was considered only for negative impacts, i.e. the extent to which negative impacts can be remedied, restoring the environment and the people affected to their original state.

For potential impacts, we also assessed the probability of occurrence.

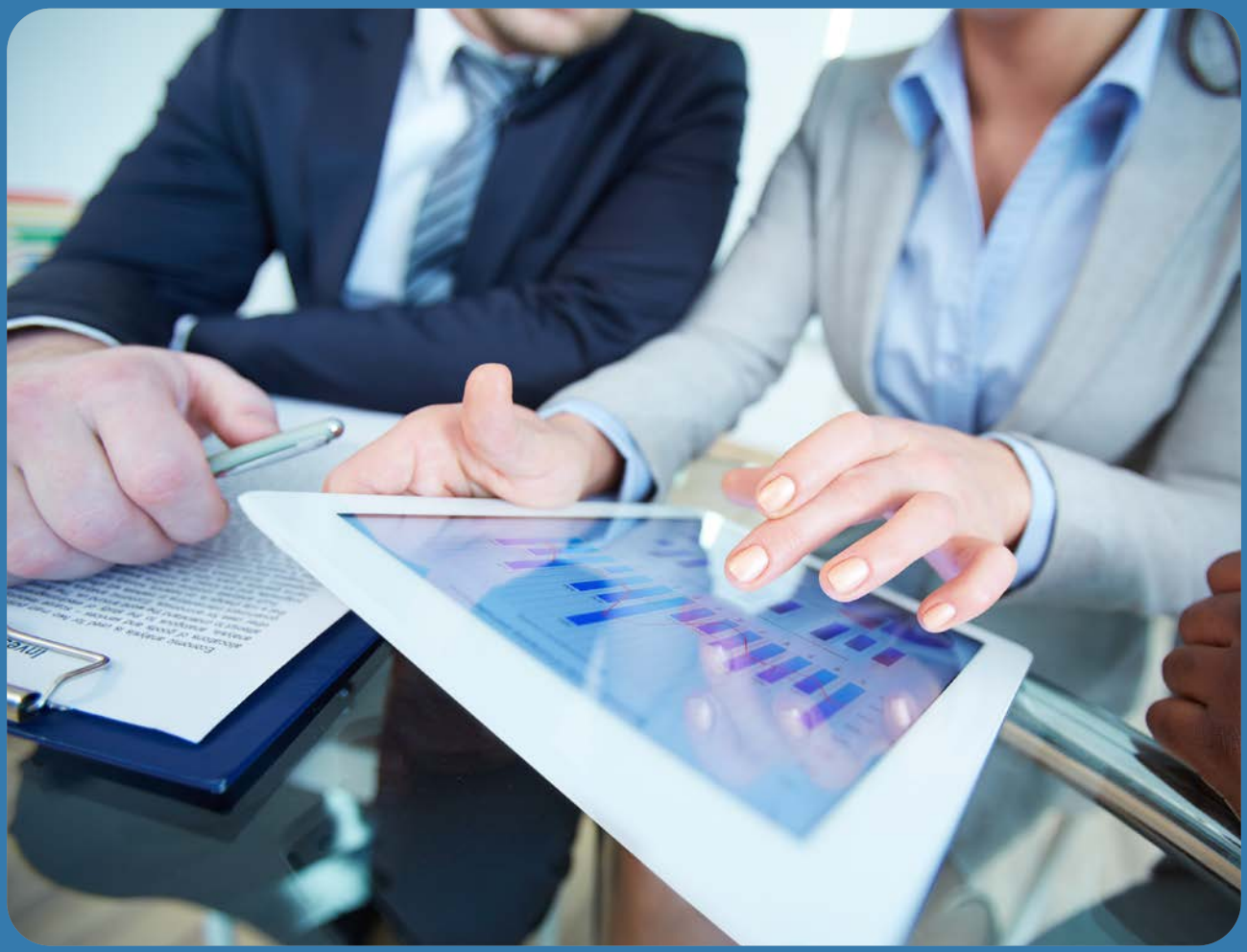
We then organised the results into a final list that includes all impacts deemed above the materiality threshold, i.e. those found to be "critical", "significant" and "important". Impacts that were found to be "informative" or "minimal" in the analysis of the above parameters were considered to be below the materiality threshold and therefore not taken into account for the purposes of this report and for the definition of our sustainability plan. This final list of material impacts, which will be presented on the following pages, consists of 10 negative and 9 positive impacts.

Financial Materiality - Assessment Of Risks And Opportunities

In parallel we worked on the assessment of financial materiality by carefully examining the environmental, social and governance (ESG) risks and opportunities identified. This process involved analysing the likelihood of such risks or opportunities arising, as well as assessing the potential financial impact, which can be negative in the case of risks or positive in the presence of opportunities. We considered three time horizons - short, medium and long term - and at this stage based the estimation of the financial effects on qualitative criteria. Also in this analysis we defined a materiality threshold that included all risks and opportunities classified as "critical", "significant" or "important" in at least one of the time scenarios assessed. Consequently, we have excluded risks and opportunities that, according to the parameters mentioned above, were judged to be only "informative" or of "minimal" significance.

Definition of materiality

As part of the definition of materiality, we categorised the impacts, risks and opportunities that exceed our set threshold according to their topic relevance. The material topics explored in this document emerged from this grouping.



Accurately identifying sustainability-related impacts, risks and opportunities is essential not only for effective reporting but also to strategically steer the company's development towards an approach aimed at mitigating/resolving negative impacts and strengthening/monitoring the positive ones.

NOTE ON THE ASSESSMENT

In assessing the impact, we took into account the effect itself (e.g. global warming) and not just the contribution we have on that impact, a reasoning we then made in the conclusion to better understand the magnitude of the various impacts with respect to our company operations.

To assess the risks and opportunities, we considered the probability of occurrence multiplied by the potential financial effect that could be generated for the company.

This evaluation results in the severity, which is summarised on a scale of 1 (lowest) to 5 (critical).

■□□□□	■■□□□	■■■□□	■■■■□	■■■■■
Minimum	Informative	Important	Significant	Critical

KEY

Impact type	Risk or Opportunity	Current or Potential	Direct or Indirect	Rating
- Negative	R Risk	! Current	▶ Direct	■■■■■ Critical
				■■■■□ Significant
+ Positive	O Opportunity	? Potential	▷ Indirect	■■■□□ Important
				■■□□□ Informative
				■□□□□ Minimum

Material topics: impact analysis

Climate change and energy transition

Impact	Impact type	Current/ Potential	Direct	Indirect	Rating
Global warming.	-	!	▶	▷	■■■■■

Biodiversity and pollution

Impact	Impact type	Current/ Potential	Direct	Indirect	Rating
Land use changes, loss of biodiversity along the chain.	-	!		▷	■■■■■
Land use changes, loss of in situ biodiversity.	-	!	▶		■■■□□
Atmospheric aerosol load.	-	!	▶		■■■□□
Chemical pollution, contamination of environmental matrices.	-	!	▶		■■■■□
Depletion of fresh water in situ.	-	!	▶		■■■■■
Depletion of fresh water along the chain.	-	!		▷	■■■■■

Circularity and Design

Impact	Impact type	Current/ Potential	Direct	Indirect	Rating
Depletion of raw materials along the supply chain.	-	?	▶	▷	■■■■■
Depletion of raw materials (end-of-life).	-	?		▷	■■■■■
Global warming linked to raw material extraction.	-	!		▷	■■■□□

Safety and well-being

Impact	Impact type	Current/ Potential	Direct	Indirect	Rating
Damage to health, due to the nature of the work and accidents.	-	!	▶		■■■□□
Damage to the health of the populace (where raw materials are extracted and processed).	-	!		▷	■■■■■
Economic inequality, with particular disadvantages for vulnerable groups.	-	!		▷	■■■■■
Well-being of people, at the local level.	+	!	▶		■■■■□

People and growth

Impact	Impact type	Current/ Potential	Direct	Indirect	Rating
Education, development of internal skills.	+	!	▶	▷	■■■□□
Gender and social equity, diversity and inclusion.	+	!	▶		■■■■■
Education, development of external skills.	+	!	▶	▷	■■■□□
Income and work, creation and distribution of economic value, donations.	+	!	▶		■■■□□

KEY

Impact type		Risk - Opportunity		Current - Potential		Direct - Indirect	
-	Negative	R	Risk	!	Current	▶	Direct
+	Positive	O	Opportunity	?	Potential	▷	Indirect

Rating

■■■■■ Critical ■■■■□ Significant ■■■□□ Important ■■□□□ Informative ■□□□□ Minimum

Material topics: risk and opportunity analysis

Climate change and energy transition

Risk/Opportunity	Classification
Risks of decreased competitiveness due to the lack of technological advancement.	R
Increased demand for a product with a low carbon footprint (and low environmental footprint in general) and access to new markets.	R

Circularity and Design

Risk/Opportunity	Classification
Dependence on unsustainable and exhaustible raw materials brings with it the risk that they will become increasingly difficult to obtain, and therefore more expensive.	R
Market instability, price increases, difficulties in sourcing raw materials and components.	R
Use of End of Waste (e.g. materials from recycling, materials from cascading systems originated from other production processes).	O
Competitive advantage in offering more sustainable and circular products.	O

KEY

Impact type		Risk - Opportunity		Current - Potential		Direct - Indirect	
-	Negative	R	Risk	!	Current	▶	Direct
+	Positive	O	Opportunity	?	Potential	▷	Indirect

Rating

■■■■■ Critical ■■■■□ Significant ■■■□□ Important ■■□□□ Informative ■□□□□ Minimum

Safety and well-being

Risk/Opportunity	Classification
Absence of workers due to illness/injury resulting in difficulties to work.	R
Expansion of job opportunities, including in new territories where the company is active, with consequent increase and stability of the workforce.	O

Business conduct

Risk/Opportunity	Classification
Risks related to the financial viability of activities by credit institutions.	R
Requirement to analyse and report information with respect to one's supply chain, down to the most distant supplier.	R

Methodological note

This Report was prepared in accordance with the 2021 GRI (Global Reporting Initiative) Standards. The information and data refer to the company OLI S.r.l. located in Via Piani di Mura, 1 Casto (BS) for the period from January 1, 2022 to December 31, 2023 unless otherwise stated. The scope of the business is defined by OLI S.r.l.

In the formulation of the indicators and targets, as well as in the materiality process, we also took into account the new European Corporate Sustainability Reporting Directive (CSRD) and related European Sustainability Reporting Standards (ESRS) indicators, defined by the European Financial Reporting Advisory Group (EFRAG) and published in the Official Journal in the summer of 2023.

The Report also includes indicators that are not explicitly required by GRI, but are collected internally to better govern production processes and targets.

Prepared on a biannual basis, this document is the fifth edition of the company's Sustainability Report.

3. CLIMATE AND ENERGY TRANSITION

Related target SDGs

Ref. 7.1 - 7.2 - 7.3

Ref. 13.1 - 13.3

VISION

We are aware that climate change is part of our daily lives, and we want to continue our efforts to be proactive players in this global challenge, demonstrating our utmost commitment to sustainability. We want to prepare a short- and long-term climate change adaptation strategy in order to be prepared to manage the risks and seize the opportunities. We are committed to continuous improvement in energy performance, and aim to maximise the share of renewable energy in our energy mix. For direct Scope1 and indirect Scope2 emissions, we are committed to limiting the global average temperature increase to well below 2°C compared to pre-industrial times, with the goal of limiting it to 1.5°C.

Through the company carpooling service, we aim to further improve the sustainability of how employees travel from home to work. Furthermore, we support the transition to electric mobility by providing employees with a free recharging service for the first two years of commuting and reduced rates for the following years. Through more sustainable and decarbonised processes, the development of new technologies and materials, and the implementation of integrated standards and policies, we will be able to offer our customers even more sustainable products during their entire life cycle, from design to disposal. We will actively involve all our stakeholders in this transition process, including suppliers and partners, to promote environmental awareness and the search for climate-sustainable solutions. Furthermore, we believe that all employees are an integral part of a sustainable path. Therefore, we are committed to providing them with ongoing training and information to increase their environmental awareness and encourage them to adopt sustainable practices both in the workplace and in their personal lives.

KEY

Impact type		Risk - Opportunity		Current - Potential		Direct - Indirect	
-	Negative	R	Risk	!	Current	▶	Direct
+	Positive	O	Opportunity	?	Potential	▷	Indirect

Rating

■■■■■ Critical ■■■■□ Significant ■■■□□ Important ■■□□□ Informative ■□□□□ Minimum

IMPACTS, RISKS AND OPPORTUNITIES

Global warming

Impact	Impact type	Current/ Potential	Direct	Indirect	Rating
Energy consumption: use of electricity and power generation through trigeneration.	-	!	▶	▷	■■■■■
Fuel use: use of fuels for internal transport and logistics.	-	!	▶	▷	■■■■■
Raw materials: indirect impacts from extraction and the production of raw materials.	-	!	▶	▷	■■■■■
Fuels: emissions from natural gas combustion.	-	!	▶	▷	■■■■■
Process emissions: release of greenhouse gases from industrial processes.	-	!	▶	▷	■■■■■
Transportation: environmental impact of employee commuting and stakeholder travel.	-	!	▶	▷	■■■■■
Fugitive emissions: leaks of fluorinated gases from industrial systems.	-	!	▶	▷	■■■■■

Land use changes - loss of biodiversity along the chain

Impact	Impact type	Current/ Potential	Direct	Indirect	Rating
Oil extraction for virgin plastic production, which contributes to climate change through the significant release of greenhouse gases and the intensive use of non-renewable resources.	-	!		▷	■■■■■

Decarbonisation and technological progress; AI and the fourth industrial revolution

Risk/Opportunity	Classification	Rating short term	Rating medium term	Rating long term
The risks of diminishing competitiveness related to the lack of technological advancement in the context of climate change include being overtaken by more innovative economies adopting green technologies, failure to comply with increasingly stringent international emissions standards, as well as loss of market opportunities and investment in emerging sustainability-related sectors.	R	■□□□□	■■□□□	■■■■□
Increasing demand for low carbon footprint products stimulates access to new markets and offers competitive advantages to companies that adopt sustainable practices, paving the way for growth opportunities in the green sector.	O	■■■■□	■■■■■	■■■■■

KEY

Impact type		Risk - Opportunity		Current - Potential		Direct - Indirect	
-	Negative	R	Risk	!	Current	▶	Direct
+	Positive	O	Opportunity	?	Potential	▷	Indirect

Rating

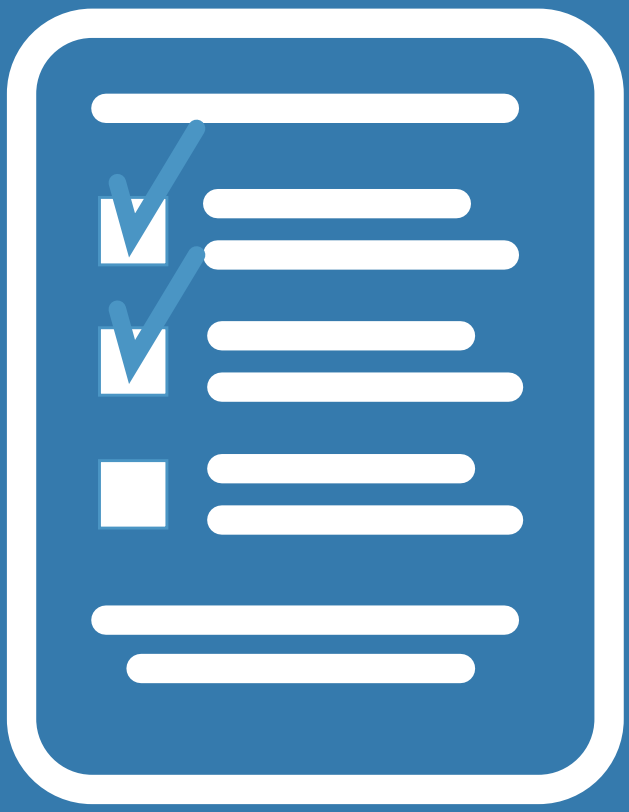
■■■■■ Critical ■■■■□ Significant ■■■□□ Important ■■□□□ Informative ■□□□□ Minimum

POLICY ON THIS TOPIC

By systematically assessing the potential impact on all areas of our business, we ensure that we are prepared to meet the challenges and seize the opportunities emerging from these global changes.

Specifically, we commit to:

- annually updating GHG emissions for Scopes1 and 2;
- defining a decarbonisation plan;
- investing in new technologies to promote an energy transmission path;
- expanding the company's photovoltaic park and evaluating PPA (Power Purchase Agreement) with GOs (Guarantees of Origin) contracts;
- involving the supply chain to facilitate decarbonisation along the supply chain;
- participating in regulatory and institutional fora to review regulations limiting the use of recycled material in our products;
- collaborating with companies, institutions, governments and NGOs (Non-Governmental Organisations) to address the challenges of climate change in an integrated manner;
- organising educational programmes to raise awareness of this topic;
- promoting sustainable mobility models (carpooling, electric car charging stations).



PROJECT REPORTING

Below are some projects developed during the reporting period pertaining to this issue.

Energy demand

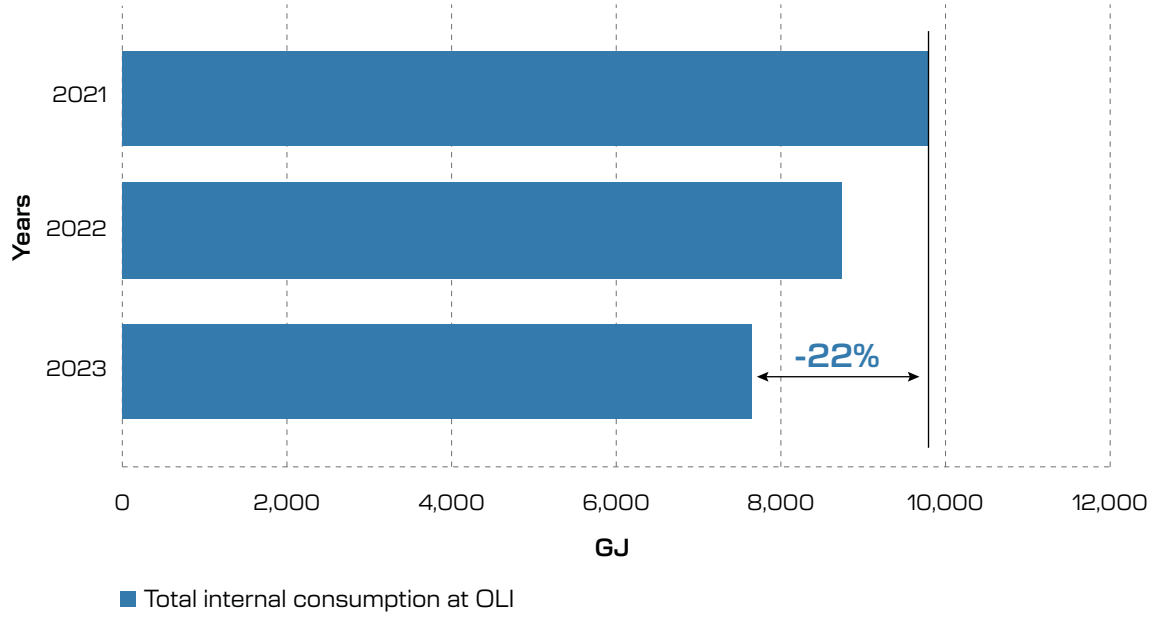
In the two-year period under review, the company's total energy consumption (demand) decreased by 22% compared to 2021, the year of reference.

Total energy consumption (demand)
-22%
compared to 2021

This significant achievement is due to the policy of waste reduction and continuous improvement of energy efficiency now established and integrated into the ISO 50001-certified Energy Management System, combined with economic market factors that have led to a reduction in the production level.

Total internal energy consumption at OLI

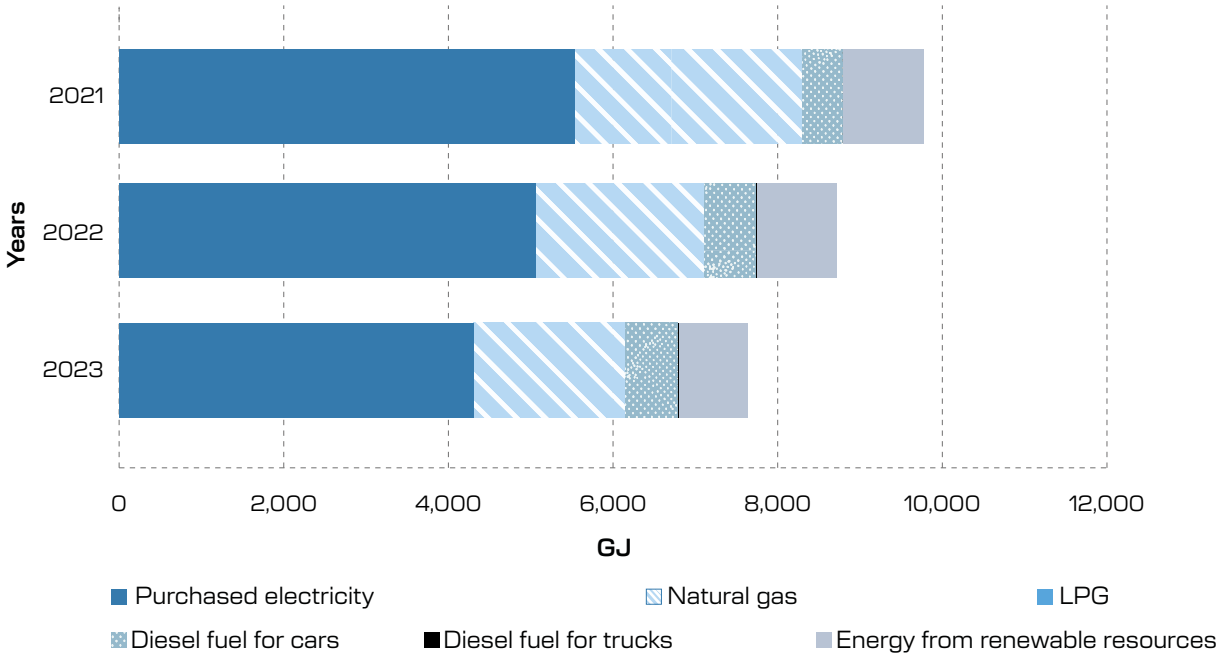
The graph below shows the trend in the last three years of total energy consumption, which, for 2023, shows a significant reduction from the previous two years.



Total internal energy consumption at OLI by source

The trend of OLI's total energy consumption broken down by source shows a share from renewable sources, which in 2023 represented 12% of the entire electricity, natural gas and diesel fuel requirements and 16.3% of the electricity-only requirements.

The consumption of natural gas used for space heating has been steadily decreasing as a result of energy efficiency improvements made on both the building envelope and thermal energy production systems and due to less severe winters.



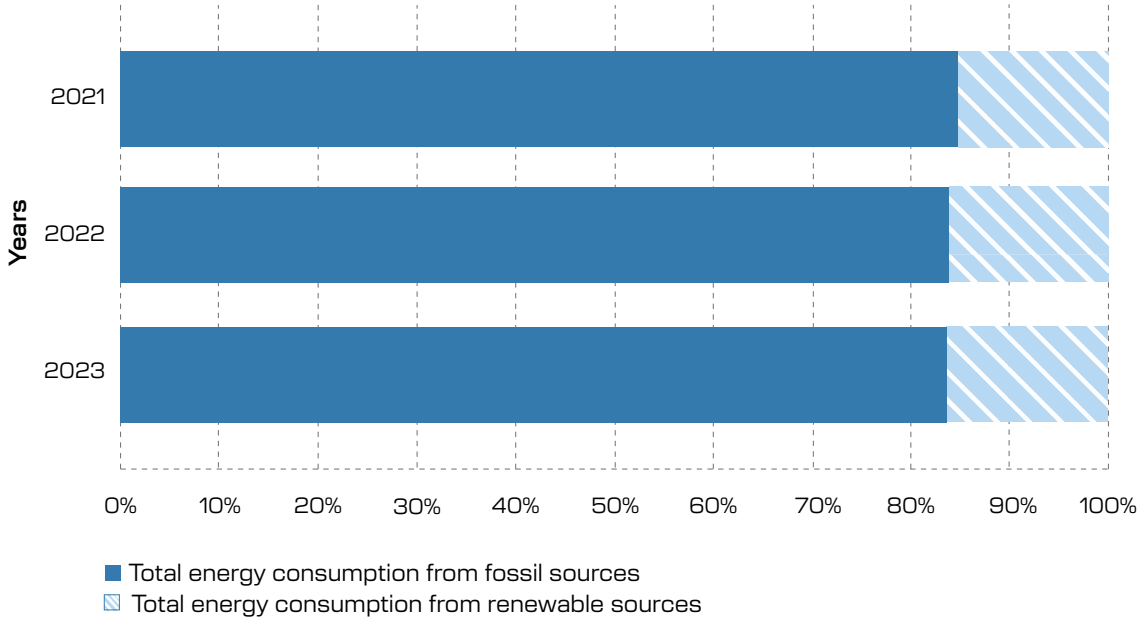
Production of energy from renewable resources

16.3%
of the electricity demand
was met by renewable energy
in 2023

The **399 kWp** system, installed in 2011 on the roof of the plant, continues to make its important contribution to the production of energy from renewable sources.

Share from renewable sources of total energy

The following chart shows the share of energy from renewable sources of OLI's total energy (electricity + natural gas + diesel + LPG).



Renewable energy production helps not only to ensure greater energy independence and reduce costs, but also to mitigate the organisation's Scope2 indirect emissions. These will be dealt with in more detail in the following paragraphs.

The company will consider expanding its photovoltaic park in 2025 in conjunction with the acquisition and redevelopment of a plant adjacent to the current one.

Energy performance and process efficiency

The year of reference chosen by OLI as the baseline for calculating consumption reduction is 2016.

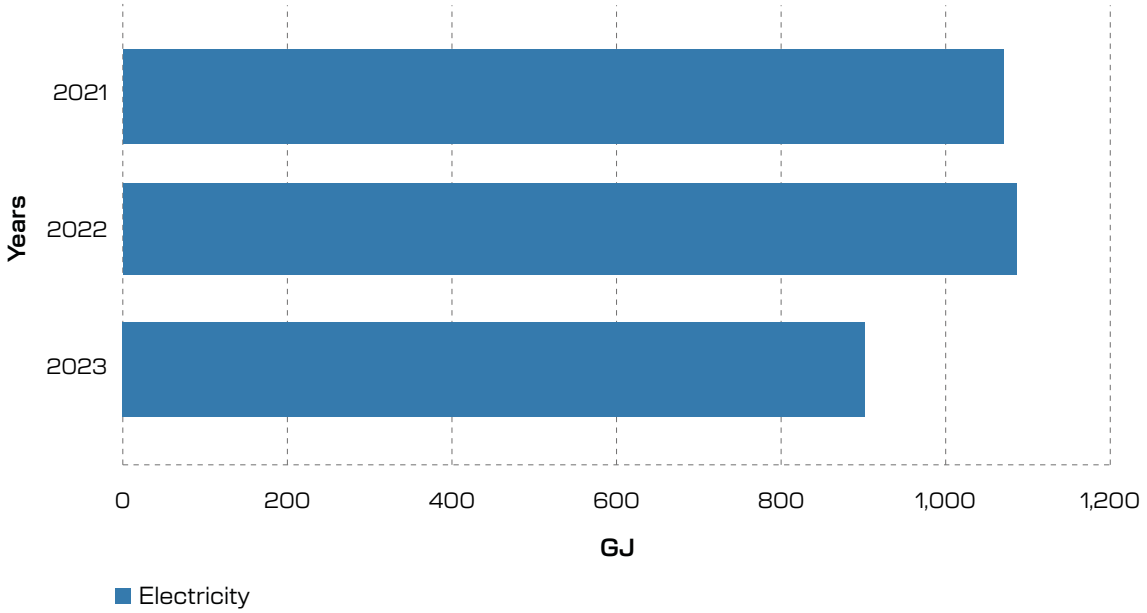
In fact, that was the year when the Energy Management System (SGE) was implemented, certified according to ISO 50001 in 2018.

The EMS adoption made it necessary to define a more intensive monitoring plan and a more precise and reliable measurement and verification system than in the past.

The verification of savings is carried out year by year by normalising each action carried out for the relevant variables (e.g. kg worked, hours worked, climate data, etc.) and determining the total annual savings. This way it is possible to compare current energy consumption with that of 2016 and accurately measure the savings achieved.

As shown in the graph, if the company had made no energy efficiency improvements from 2016 to the present, it would have consumed **902 GJ** more electricity in 2023 alone.

Energy saved



With regard to the measurement and verification standard adopted, reference is made where possible to the IPMVP (International Performance Measurement and Verification Protocol), or in any case to methods complying with the requirements of ISO 50001:2018.

For calculations the company has its own Energy Management software and energy analysis models developed in-house, which are required to maintain the certification.

Over the next two years the software will undergo a major upgrade that will equip OLI with more sophisticated energy analysis tools and models capable of harnessing the full power of AI.

New screw compressor with inverter

During 2022, a new inverter-driven screw compressor was installed to more efficiently meet the compressed air demand of the plant.

Over the past two years, this compressor has improved the energy performance of the compressor room by **16%**, achieving annual savings of approximately 31,000 kWh of electricity, while avoiding the release of about **9** tonCO_{2eq} into the atmosphere (Scope2).

Annual savings of
31,000 kWh
of electricity

Equivalent to the annual consumption of
12 HOUSEHOLDS

High-efficiency motors

At the end of 2023, the hydraulic pumps and related electric motors of the freecooling plant used for cooling the production lines were replaced.

This system, which has already been efficient in the past, will further improve the energy performance of the cooling plant.

Measuring and verifying the savings made will be carried out in 2024 and will be reported in the next edition of the Sustainability Report.

Search for compressed air leaks

During the Management Review of the Energy Management System, it was decided to perform three compressed air leak inspections per year. In order to carry out this activity in a systemic and effective way, a shared calendar was created allowing those in charge of research to better plan the activity in relation to specific departmental needs.

The leaks detected and repaired resulted in a reduction in compressed air flow rate and a reduction in power consumption of approximately:

Reduction of
66,184 kWh
in electricity consumption

Equivalent to the annual consumption of
25 HOUSEHOLDS

Electric presses instead of hydraulic presses

Compared to the 2021, the energy performance of the moulding department expressed in kWh/kg far exceeded the target and IMPROVED BY 16%.
This major achievement was made possible through the installation of electric presses (expanding in 2022 with a new unit) and to greater and more objective awareness of the most efficient mould/press combination to adopt.

The analysis showed that each kg processed by the electric press consumes

57% LESS ENERGY

than the hydraulic press replaced

In addition to reduced consumption, this choice results in a whole range of other benefits, such as increased productivity, increased moulding precision and quality, quieter operation, and reduced heat dissipated into the environment.

In the next two years, the company will consider replacing more hydraulic presses with electric units to continue improving energy efficiency in the industrial sector.

Revamping the current photovoltaic system

The possibility of revamping the current photovoltaic system, replacing the 240 Wp panels with more efficient units, has been evaluated. However, the cost-benefit analysis showed that the investment would not be sustainable for the way the company is structured now.
Following the acquisition of a new plant, the analysis will be repeated in order to assess the energy consumption of both plants.

Update of the documentation for the Quality, Environment and Energy Management Systems

In the last two years a major revision and updating of the documentation for the company's quality, environment and energy management systems was undertaken.

A significant portion of the effort was devoted to the criteria for assessing risks and opportunities, including those related to climate change, which have become increasingly important for all organisations in recent years, in line with the Corporate Sustainability Reporting Directive (CSRD) guidelines.

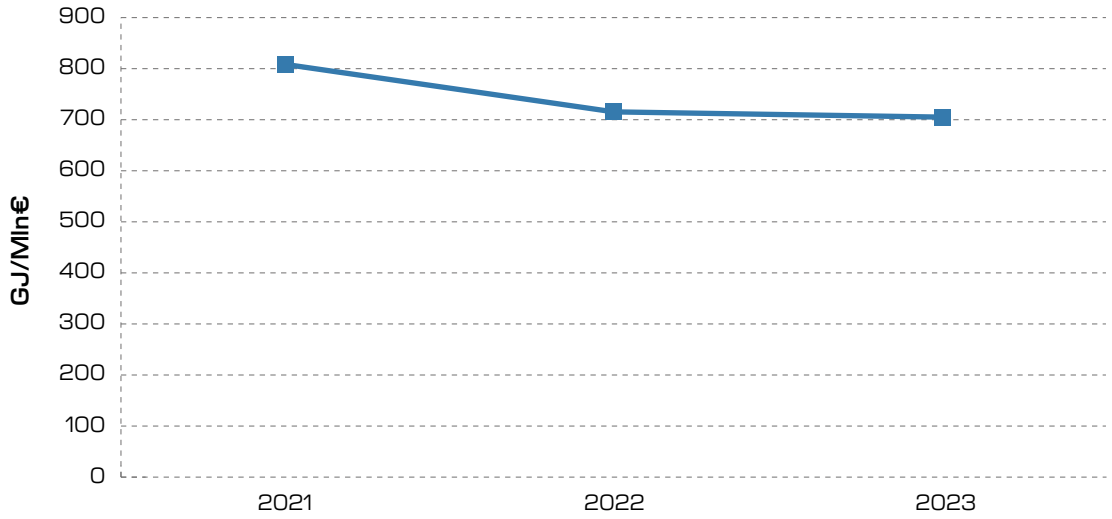
This review improved the effectiveness of our management systems, ensuring greater consistency and alignment with current regulations and industry best practices.

Energy intensity indicators

In line with the requirements of the ESRS, the OLI specific parameter identified as the denominator for calculating the quotient is net revenue. All of the company's energy consumption (fuels for stationary and mobile facilities, renewable and nonrenewable electricity) is included in the intensity index.

The quotient takes into account energy consumption within the organisation (expressed in GJ according to GRI).

Energy intensity versus net revenues

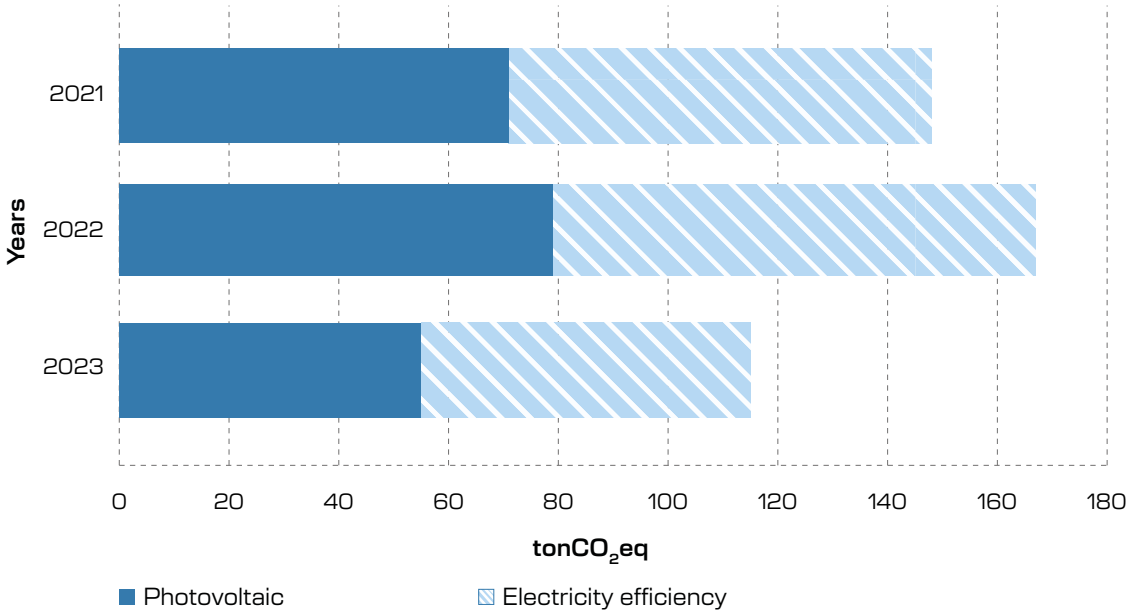


Significant resources have been invested over the past two years to improve the company's energy performance and increase the amount of energy produced and self-consumed from renewable sources. These activities have resulted in a reduction in GHG emissions, especially those in Scope2 where the largest investments have been focused.

The monitoring system calculates and continuously updates the improvements achieved in energy, economic, and environmental (GHG) terms for each activity implemented.

The results shown in the graph refer to the GHG emissions (Scope1 and Scope2) that the company would have generated if it had not implemented any of the improvement activities carried out from 2016 to the present and if it had not invested in renewable energy production.

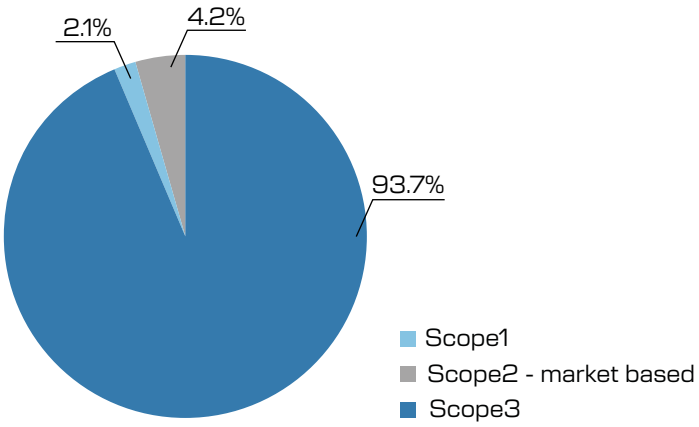
Emissions avoided



Greenhouse gas (GHG) emissions

In 2022 the company decided to measure its Corporate Carbon Footprint in accordance with the standards of UNI EN ISO 14064-1.

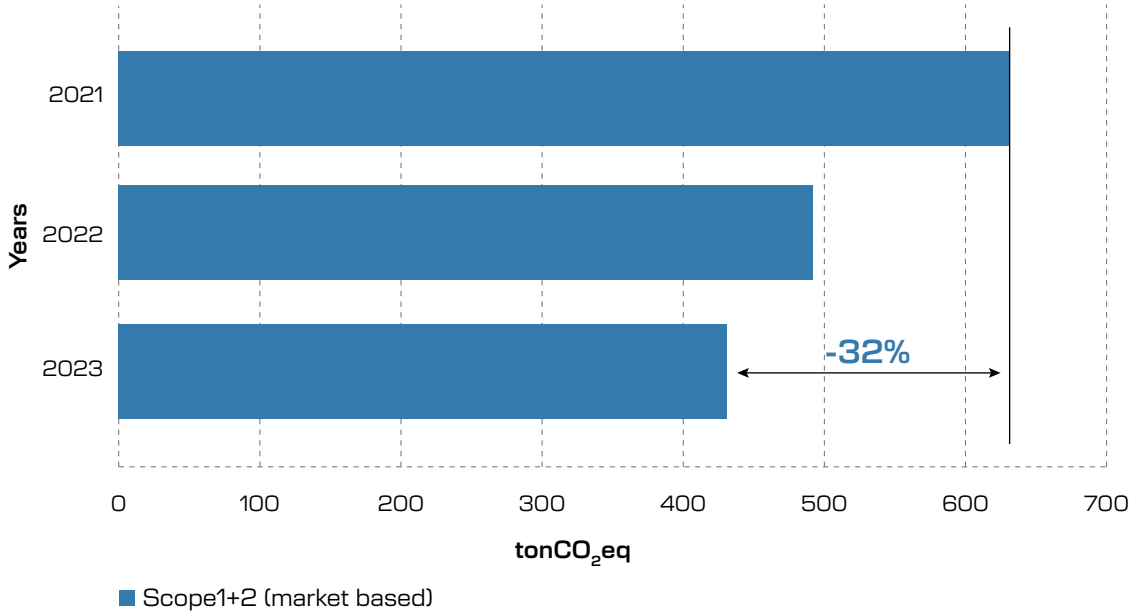
GHG 2022 emissions



Scope 1+2 gross direct emission volume

an in-depth analysis of the company's emission impact was carried out, considering not only the present but also the past. The analysis included the calculation of Scope 3 emissions for the year 2016, allowing for an understanding of the indirect impact of the supply chain on the company and its products.

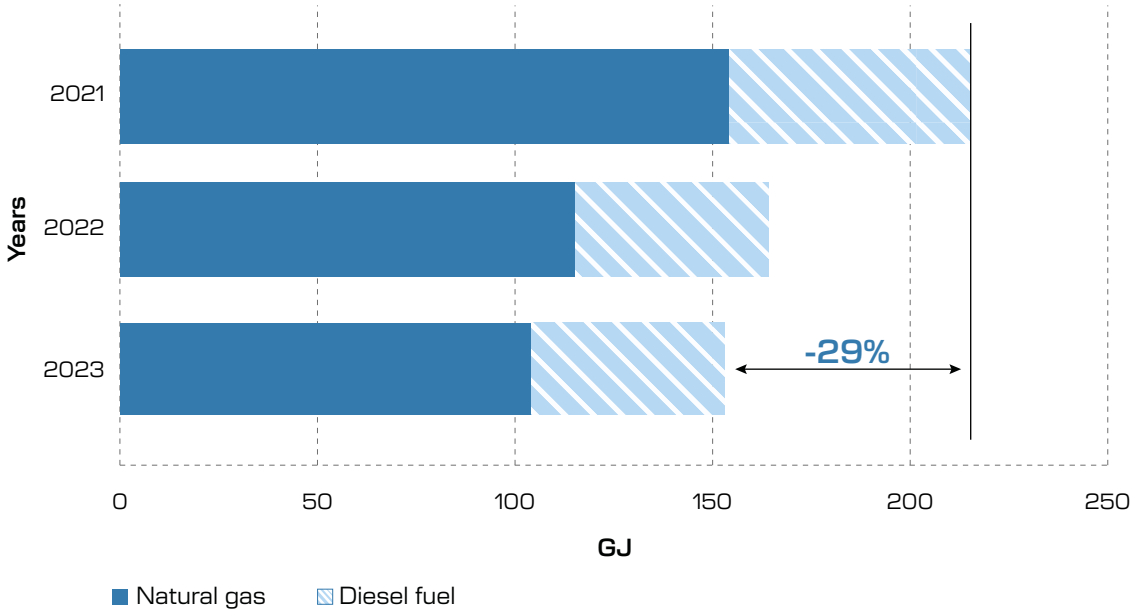
As shown in the graph below, the company's total Scope1 and 2 emissions fell by **32%** as a result of the improvements made over the years and cyclical factors due to the market.



Scope1 gross direct emission volume

Total absolute Scope1 emissions for the last three years are down **29%** mainly due to the natural gas carrier.

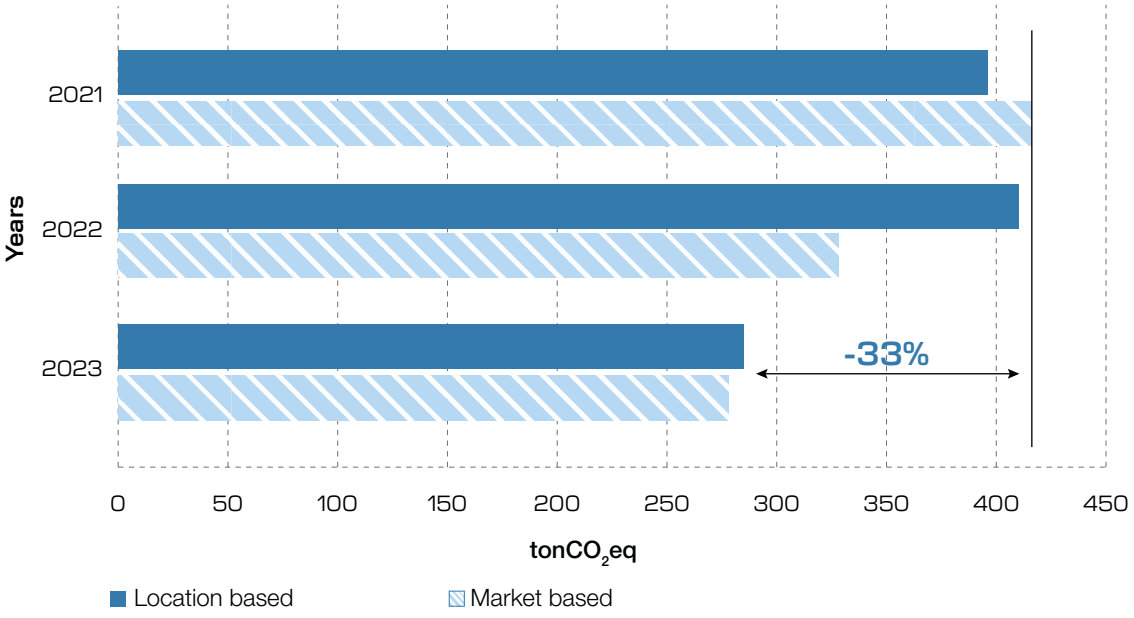
This sharp reduction is due to some heating system efficiency improvements and milder winters.



Scope2 gross indirect emission volume

Scope 2 (market based) indirect emissions are due to the consumption of electricity drawn from the grid and are calculated by applying the emission factor resulting from the supplier's energy mix.

The positive effects of investments in improved energy performance and renewable energy production, combined with those due to a slight market downturn, resulted in a reduction of **33%** in absolute Scope2 emissions in 2023 compared to 2021.



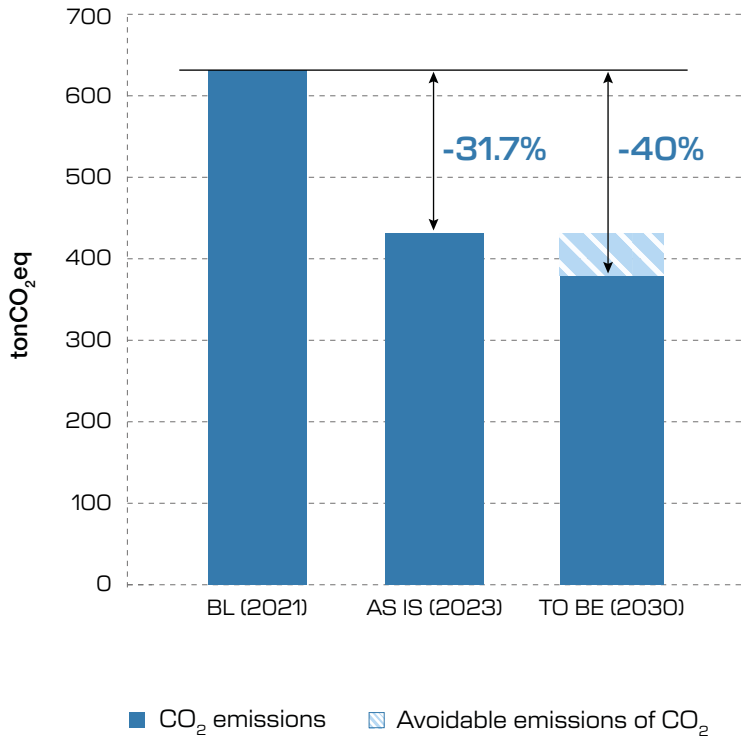
The company subsequently developed a 2030 decarbonisation plan that sets out a series of concrete actions aimed at reducing emissions. The goal is an ambitious one: to mitigate the environmental impact of the company's processes and products, thus contributing to the decarbonisation targets set by international agreements, such as those established during the Paris climate conference.

Scope 1+2 decarbonisation plan

As shown in the chart, there was a reduction of **31.7%** in the absolute Scope 1+2 emissions in the 2023 "AS IS" scenario compared to the 2021 "BL - baseline".
This important result was made possible by the structural improvements mentioned in the previous paragraphs, combined with cyclical market factors.

Through interventions carried out in 2023 which will have an impact in 2024 and to those included in the 2030 decarbonisation plan, we will be able to reduce absolute Scope1+2 emissions by **40%** compared to 2021.

On the other hand, as far as Scope3 emissions are concerned, which are calculated to make up almost 93% of the organisation's total emissions (in 2022), the main objective for the next two years is to develop a management system capable of collecting and processing the primary data required for the annual update of the emissions.



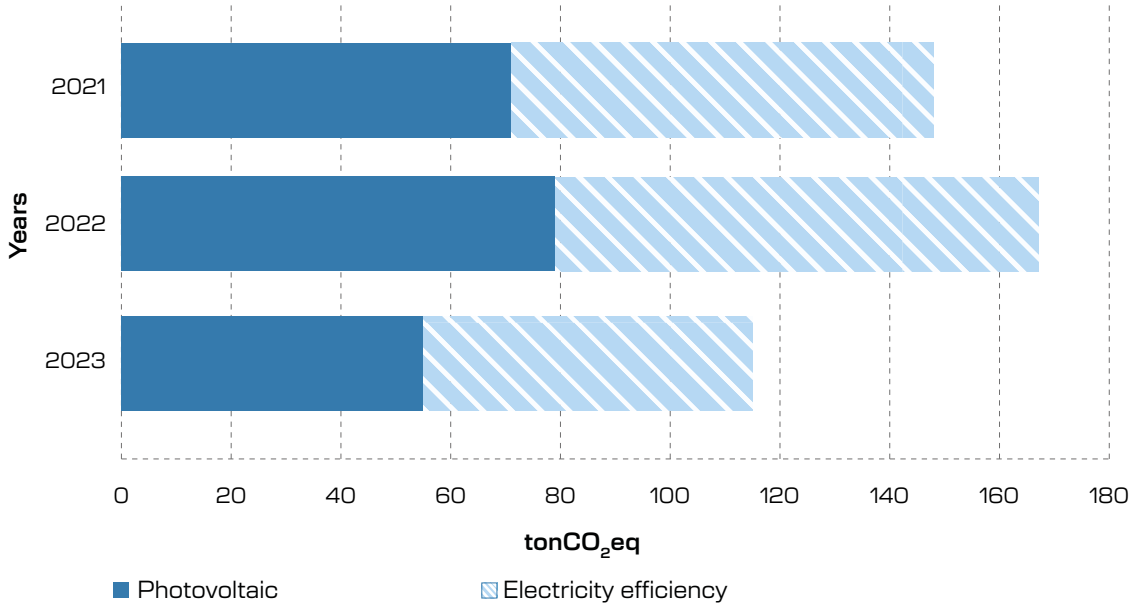
Greenhouse gas emissions avoided

OLI has developed a monitoring system that calculates and continuously updates the improvement results achieved in energy, economic, and environmental (GHG) terms for each activity implemented.

The monitoring system developed calculates and continuously updates the improvements achieved in energy, economic, and environmental (GHG) terms for each activity implemented.

As with energy, the results for emissions shown in the graph refer specifically to the GHG emissions (Scope1 and Scope2) which the company would have produced if it had not implemented any of the improvement activities carried out from 2016 to the present.

Emissions avoided



The emissions avoided in 2023 correspond to those generated by a person flying

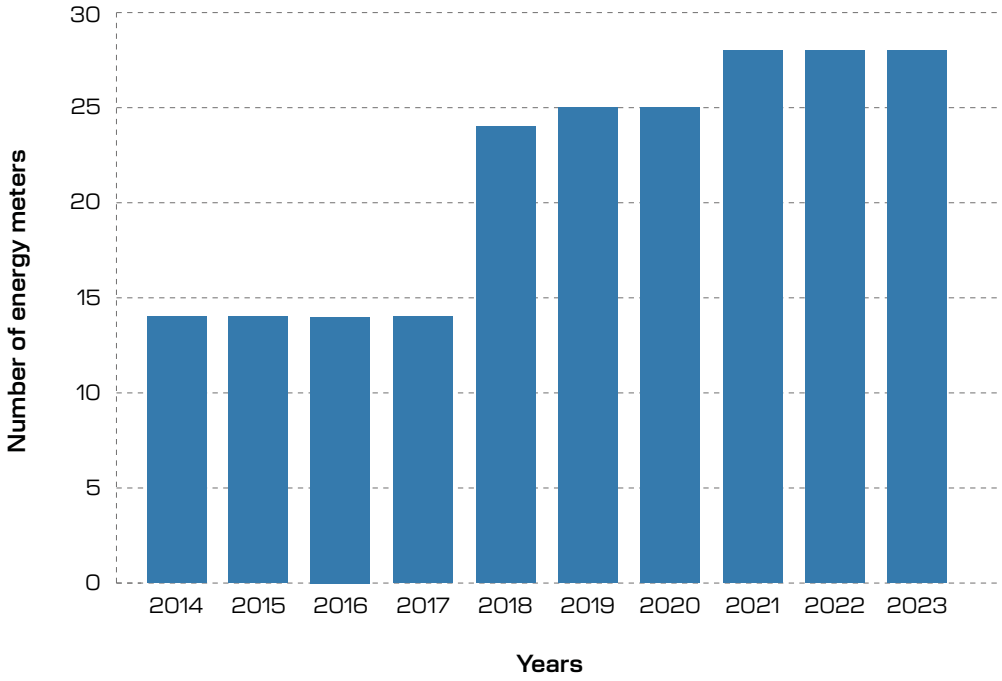
134 TIMES FROM MILAN TO NEW YORK (RETURN)

Monitoring

Using an extensive monitoring system, the Energy Management department is able to measure and verify the actual energy efficiency improvement of the investments the company makes each year.

Number of meters installed

In 2023, as the historical chart shows, OLI installed 28 energy meters.



Efficiency through training

In 2021, an energy questionnaire was administered to all function and department heads with the aim of understanding the average level of knowledge and awareness of significant energy uses and the most relevant issues concerning the rational use of energy and natural resources.

Based on the results obtained, training days were held in 2022 and 2023 targeting key personnel and covering the following topics:

- OLI's approach to Environmental and Energy Management;
- energy transition;
- emissions;
- climate risks.

Sustainable mobility

The European Union aims to eliminate emissions from the transport sector by 90% by 2050 by promoting low-emission vehicles, e-mobility and cycling infrastructure as well as the use of public transport.

OLI decided to promote sustainable mobility through concrete actions such as:

Carpooling

In 2020, a carpooling platform was adopted by the company, which employees can use free of charge to share their cars. Following the Covid-19 pandemic, the service was suspended for safety reasons until the situation normalised, restarting in February 2022.

The platform also allows participants to benefit from an incentive system provided by the company and through which they can earn a cashback credit to spend on some of the most popular on-line shopping platforms for goods and services.

In 2022/2023, OLI, Valsir, Marvon and Alba saved:

110,000 km
saved through
car sharing

reduction of
14.7 ton CO_2
Scope3 emissions

almost
3 TIMES
a trip around the world

Such a great achievement was the result of the commitment of many employees. The results were presented to all guests during the 2023 Christmas Dinner, reaffirming the importance of carpooling in the company's decarbonisation process.

Charging of 100% electric cars

The strong commitment to supporting employees' adoption of full-electric cars has continued.

The company offers all employees with electric cars a free charging service for two years.

Assessment of the risks and opportunities of climate change

The World Economic Forum has identified climate change as one of the main global risks for the next decade. Recognising the urgency of this problem, our company decided to take a proactive approach by developing a climate mitigation and adaptation strategy.

To effectively outline this strategy, it is crucial to analyse future climate projections to anticipate how changes might affect both our direct operations and the entire value chain, which includes suppliers and customers. In this context, we consulted the climate scenarios put forward by the Euro-Mediterranean Centre on Climate Change and supplemented this data with a detailed analysis of the specifics of our company operations.

Listed below are some of the main risks and opportunities that the company might face:

We believe that climate change represents a complex challenge, but also a source of opportunities for companies like OLI that are ready to adapt and adopt innovative strategies to deal with its impacts. Effectively managing climate risks and seizing opportunities can be crucial for the long-term sustainability and competitiveness of the company.

Based on these analyses, we have identified the main risks and opportunities related to climate change, enabling the company to plan targeted interventions both in the short and long term and involving our stakeholders.

The cross-functional involvement of all business areas is also crucial to capitalise on emerging opportunities in the development of new products and markets. This integrated approach not only strengthens our ability to respond to climate change, but also helps position us as a sustainability leader in our industry, ensuring that the company remains resilient and competitive in a rapidly changing landscape.

PROJECTS FOR THE NEXT TWO YEARS

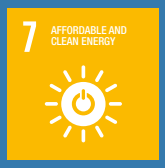
- Expanding the energy monitoring system to the new plant;
- upgrading the Energy Management software with new functions and development of AI models;
- evaluating the installation of new photovoltaic power on the roof of the new plant;
- complending the office relamping activity;
- proceeding with the search and repair of compressed air leaks;
- proceeding with the plan to replace hydraulic presses with more efficient electric units;
- entering into PPA (Power Purchase Agreement) contracts;
- evaluating the purchase of Guarantees of Origin (GOs) for the reduction of Scope2 emissions (market-based);
- confirming the energy transition plan together with decarbonisation targets to be achieved by 2030;
- developing a management system capable of collecting and processing the primary data required for the annual update of Scope3 emissions.

GOALS FOR 2026

- Maintain three campaigns per year of compressed air leak detection;
- further reduce electricity and natural gas consumption;
- reduce natural gas consumption by 6% through the installation of smart thermostatic valves;
- involving suppliers with the greatest impact on indirect Scope3 emissions.

4. BIODIVERSITY AND POLLUTION

Related target SDGs



Ref. 7.3

Ref. 9.4 - 9.5

Ref. 12.2 - 12.5

VISION

Our area is our home and as such it comes first for us.

To protect it in all respects, we first want to gain a deeper understanding of the extent of atmospheric emissions we produce so that we can initiate further containment and reduction measures.

We aim to minimise the waste of our production: we want to maintain the high recycling rates of packaging that we have reached.

KEY

Impact type		Risk - Opportunity		Current - Potential		Direct - Indirect	
-	Negative	R	Risk	!	Current	▶	Direct
+	Positive	O	Opportunity	?	Potential	▷	Indirect

Rating

■■■■■ Critical ■■■■□ Significant ■■■□□ Important ■■□□□ Informative ■□□□□ Minimum

IMPACTS, RISKS AND OPPORTUNITIES

Land use changes - loss of biodiversity along the chain

Impact	Impact type	Current/ Potential	Direct	Indirect	Rating
Creation of infrastructure for the extraction of raw materials.	-	!		▷	■■■■■

Land use changes - loss of in situ biodiversity

Impact	Impact type	Current/ Potential	Direct	Indirect	Rating
Redevelopment of brownfield sites for the construction of new factories.	+	!		▷	■■■□□

Atmospheric aerosol load

Impact	Impact type	Current/ Potential	Direct	Indirect	Rating
Presence of combustion plants.	-	!		▷	■■■□□
Emission of dust from grinding and production.	-	!		▷	■■■□□

Chemical pollution, contamination of environmental matrices

Impact	Impact type	Current/ Potential	Direct	Indirect	Rating
Direct emissions into the atmosphere (emissions from company smokestacks and transport).	-	!	▶		■■■■□
Indirect emissions into the atmosphere and water (plastic, rubber, brass, copper, nickel, aluminium, steel) from the supply chain.	-	!	▶		■■■■□
Waste sent to the landfill and/or for recovery.	-	!	▶		■■■■□

Depletion of fresh water

Impact	Impact type	Current/ Potential	Direct	Indirect	Rating
Use of well water.	-	!	▶		■■■■■
Use of water from the aqueduct.	-	?		▷	■■■■■

Depletion of raw materials

Risk/Opportunity	Classification	Rating short term	Rating medium term	Rating long term
Increased market demand and the need for recycled material.	O	■■□□□	■■■□□	■■■■□

Depletion of raw materials (oil extraction)

Risk/Opportunity	Classification	Rating short term	Rating medium term	Rating long term
Dependence on raw materials considered unsustainable and exhaustible and consequent risk that they will become increasingly difficult to obtain, and thus more expensive.	R	■■□□□	■■□□□	■■■□□
Use of End of Waste (e.g. materials from recycling, materials from cascading systems originated from other production processes).	O	■□□□□	■■□□□	■■■■■

KEY

Impact type		Risk - Opportunity		Current - Potential		Direct - Indirect	
-	Negative	R	Risk	!	Current	▶	Direct
+	Positive	O	Opportunity	?	Potential	▷	Indirect

Rating

■■■■■ Critical ■■■■□ Significant ■■■□□ Important ■■□□□ Informative ■□□□□ Minimum

Global conflicts, geopolitical instability and conflicts in geographical areas of interest to the market

Risk/Opportunity	Classification	Rating short term	Rating medium term	Rating long term
Market instability, price increases, difficulties in sourcing raw materials and components.	R	■■■■■	■■■■■	■■■■□
Competitive advantage in offering more sustainable and circular products.	O	■■■■■	■■■■■	■■■■□

KEY

Impact type		Risk - Opportunity		Current - Potential		Direct - Indirect	
-	Negative	R	Risk	!	Current	▶	Direct
+	Positive	O	Opportunity	?	Potential	▷	Indirect

Rating

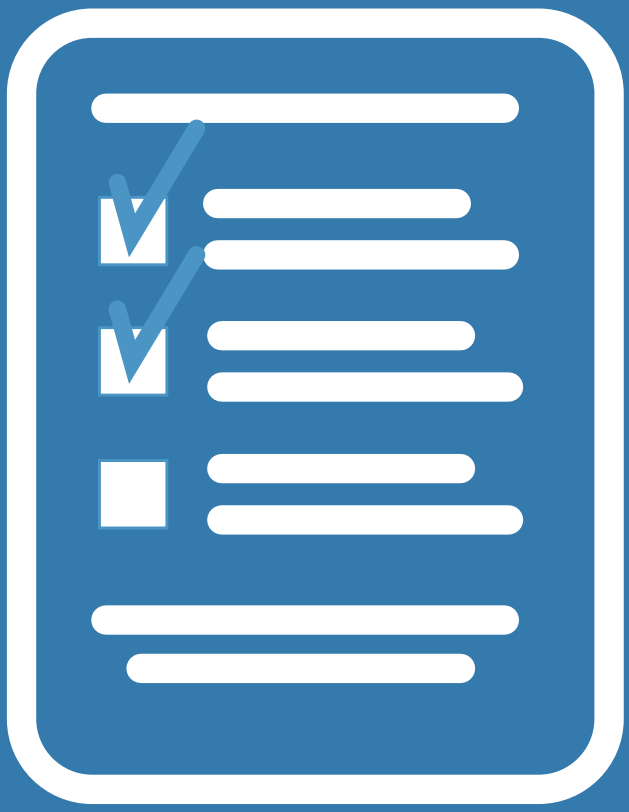
■■■■■ Critical ■■■■□ Significant ■■■□□ Important ■■□□□ Informative ■□□□□ Minimum

POLICY ON THIS TOPIC

We are committed to preserving biodiversity and reducing pollution.

To demonstrate our commitment, we have developed a strategy involving several initiatives:

- designing plants in a multi-disciplinary manner to assess these issues from the outset;
- adopting systems for capturing and conveying emissions;
- drafting and disseminating clear, precise instructions for the proper sorting and recycling of waste;
- specifying the product categorisation of plastic materials to understand which fractions can be reused directly, recovered within our recovery facilities or at other facilities, leaving disposal as the last option.



PROJECT REPORTING

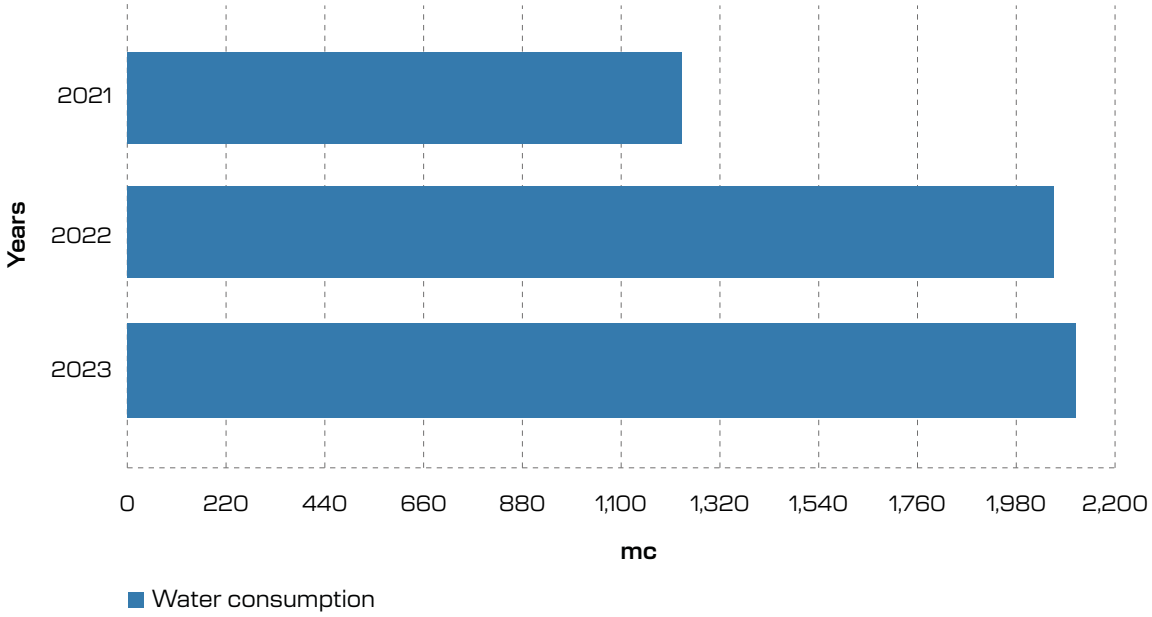
Water use and waste water management

Water use

Cooling water is managed through a closed circuit.

Water taken from the aqueduct is used in the services and locker rooms, while a small portion is used to replenish the cooling circuit.

Data on annual water consumption is presented below:

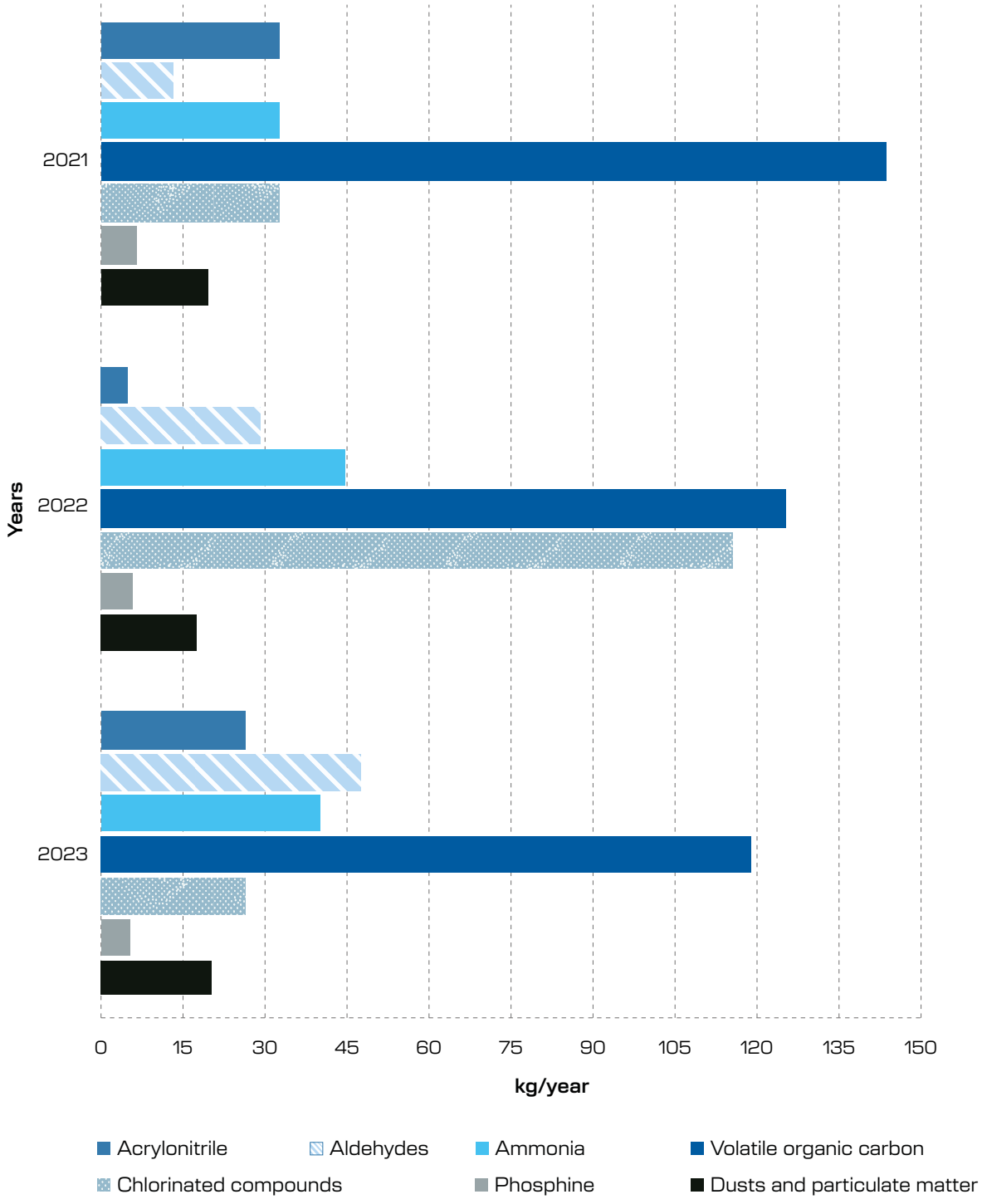


Atmospheric emissions

100% of the emissions produced are conveyed in such a way that the quality of the air emitted into the atmosphere can be constantly verified.

The graph below shows the calculated mass flows for atmospheric emissions. The calculation was made from the average concentration of the parameters covered by the periodic analyses multiplied by the flow rate of the emission for the hours worked by the plants connected to the emission point.

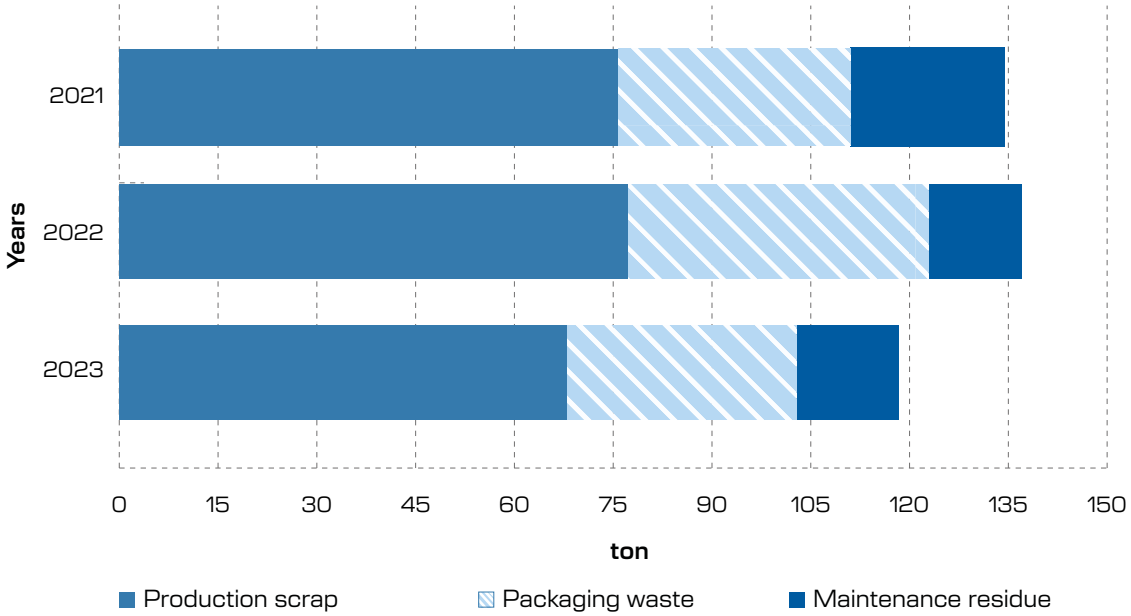
In the graph it is possible to see the trend of these parameters merged into families.



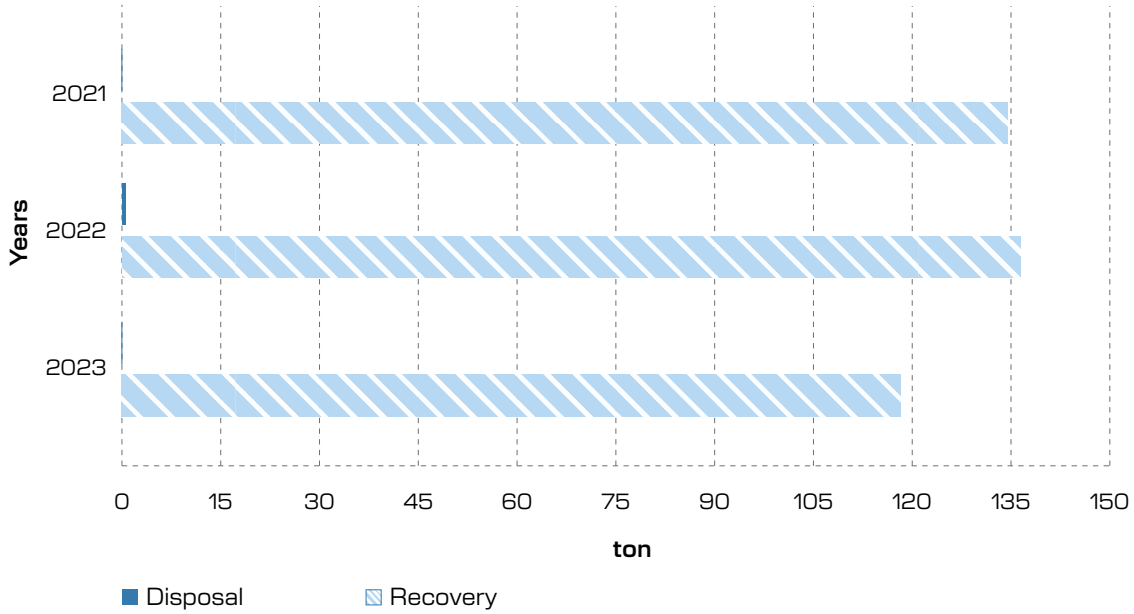
Waste management

Total waste produced

The graph shows the quantities of waste generated by category:



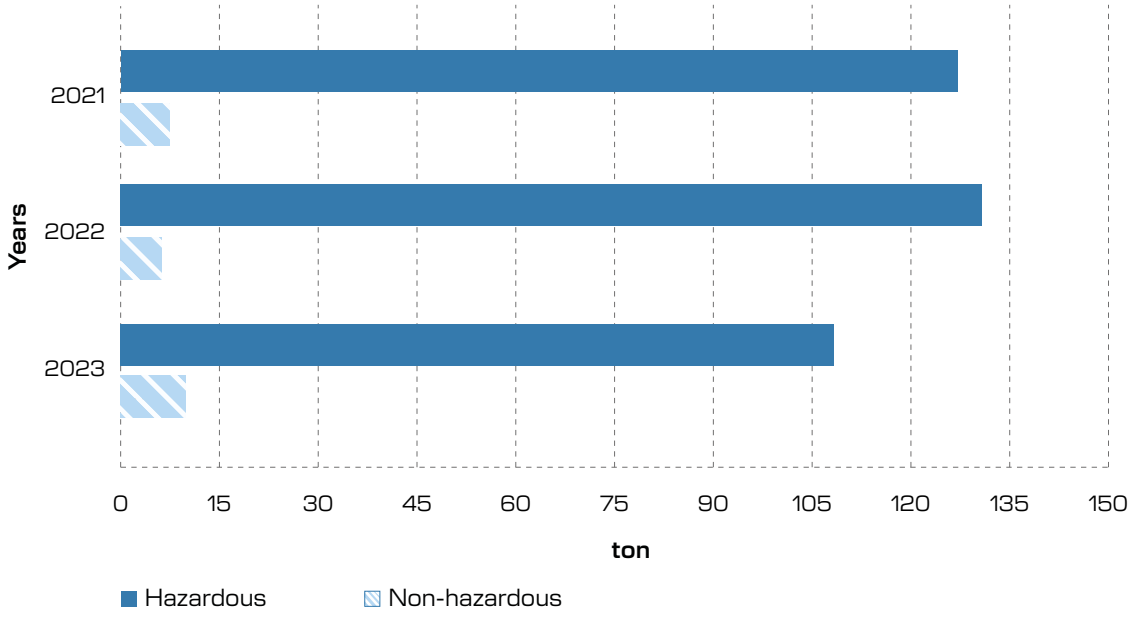
The next graph illustrates the tons of waste produced, broken down by disposal method: recovery or disposal. Most of the waste is sent for recovery, highlighting our commitment to the enhancement and reuse of resources.



In order to better govern the storage of paper waste, we introduced a container equipped with compressed air into the company. Through this operation the number of pick-ups has been significantly reduced thereby helping to reduce a significant CO_2 impact.

The graph below shows the total waste produced divided into hazardous and non-hazardous.

Quantity of waste generated broken down by hazardous and non-hazardous



PROJECTS FOR THE NEXT TWO YEARS

- Continuing with activities already in place by increasing the monitoring of operations.

GOALS FOR 2026

- Continuously promoting a culture of recycling and proper waste separation;
- creating a procedure for the commodity cataloguing of plastic materials to understand which fractions can be regenerated and which must be disposed of in order to minimise raw material which can no longer be used, and rather optimise the recovery of valuable materials.

5. SAFETY AND WELL-BEING

Related target SDGs

Ref. 3.5 - 3.8 Ref. 4.4 - 4.7 Ref. 8.8 - 8.5 Ref. 9.4

VISION

We are committed to fostering a working environment where the well-being of all employees is a top priority, and our corporate culture is founded on safety in the workplace.

We are committed to fostering a positive organisational climate, where employees feel not only welcome but also valued, protected and deeply motivated to contribute to the company's success.

We encourage the active participation of our employees in the decision-making process through dialogue and discussion mechanisms, to ensure that our policies and initiatives best reflect the needs and expectations of our corporate community.

IMPACTS, RISKS AND OPPORTUNITIES

Damage to health (physical, psychological, social) due to the nature of the work and accidents

Impact	Impact type	Current/ Potential	Direct	Indirect	Rating
Traffic (distress) and objective risks present (including forklift traffic) that could lead to accidents or occupational diseases.	-	!	▶		■■■□□
Air pollution and exposure to chemicals present in the company.	-	!	▶		■■■□□
Potential contamination in raw materials.	-	!	▶		■■■□□
Noise pollution and effects on people's health.	-	!	▶		■■■□□

KEY

Impact type		Risk - Opportunity		Current - Potential		Direct - Indirect	
-	Negative	R	Risk	!	Current	▶	Direct
+	Positive	O	Opportunity	?	Potential	▷	Indirect

Rating

■■■■■ Critical ■■■■□ Significant ■■■□□ Important ■■□□□ Informative ■□□□□ Minimum

Damage to the health of local populations (where raw materials are extracted and/or processed)

Impact	Impact type	Current/ Potential	Direct	Indirect	Rating
Working conditions of the supply chain - EU.	-	!		▷	■■■■■
Working conditions of the supply chain - NON-EU.	-	!		▷	■■■■■

Economic inequality - with particular disadvantages for vulnerable groups such as indigenous populations

Impact	Impact type	Current/ Potential	Direct	Indirect	Rating
Use of virgin raw materials and their production that starts with the extraction of fossil fuels.	-	!		▷	■■■■■

Well-being of people - at the local level

Impact	Impact type	Current/ Potential	Direct	Indirect	Rating
Corporate welfare.	+	!	▶		■■■■□
WHP.	+	!	▶		■■■■□
Company surveys (climate, stress, etc.).	+	!	▶		■■■■□
Work-life balance.	+	!	▶		■■■■□

Damage to health (physical, psychological, social) due to the nature of the work and accidents

Risk/Opportunity	Classification	Rating short term	Rating medium term	Rating long term
Absence of workers due to illness/ injury resulting in difficulties to work.	R	■□□□□	■■■□□	■■■□□

Well-being provided by the company (economic and other) to the people locally

Risk/Opportunity	Classification	Rating short term	Rating medium term	Rating long term
Increase in the attractiveness of the area as a place to live and work.	O	■□□□□	■■■□□	■■■□□

KEY

Impact type		Risk - Opportunity		Current - Potential		Direct - Indirect	
-	Negative	R	Risk	!	Current	▶	Direct
+	Positive	O	Opportunity	?	Potential	▷	Indirect

Rating

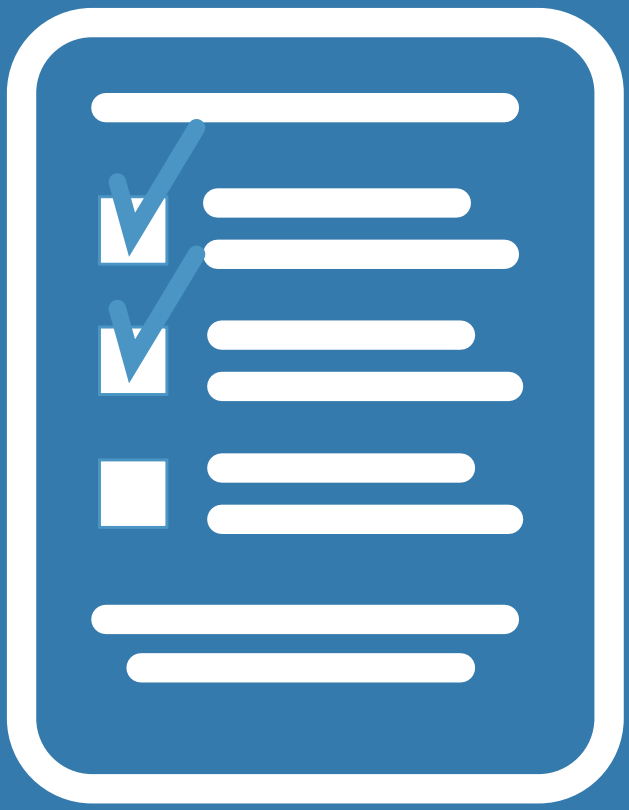
■■■■■ Critical ■■■■□ Significant ■■■□□ Important ■■□□□ Informative ■□□□□ Minimum

POLICY ON THIS TOPIC

Our company is committed to promoting the health, safety, and well-being of all employees through a series of strategic policies and initiatives that aim to create a safe, productive work environment on the one hand, and motivated, satisfied employees on the other.

Therefore, we are committed to:

- promoting a culture aimed at identifying "near misses";
- increasing individual and collective responsibility to eliminate risky actions in daily habits;
- providing for the integration of safety in the development of new projects;
- continually improving the health conditions of company areas through their optimisation and innovation;
- constantly monitoring automation processes;
- maintaining a portfolio of welfare services to meet the needs of employees;
- organising regular departmental meetings to intensify dialogue, empower and share new ideas;
- providing continuous training by analysing the specific needs of employees;
- keeping employees constantly informed of news through various channels;
- promoting wellness initiatives and programmes aimed at engaging in a healthy lifestyle.



PROJECT REPORTING

Prevention and safety

Identification of hazards, risk assessment

In cooperation with the person in charge of the protection and prevention service, the company physician and the workers' representatives, also making use of qualified external consultants, the Employer has carried out an assessment of all the risks present in the company as required by the mandatory regulations and agrees to constantly update this assessment subsequent to organisational, process or product changes.

Data collection and possible changes are also made through participation in departmental meetings.

In order to keep everyone up to date, the members of the HSE office attend departmental meetings during which the initiatives and actions taken, the data collected and the resulting analyses are presented. The measures decided upon are then shared and further proposals for improvement are collected.

The management system adopted stipulates that every injury, accident, near miss or report collected be analysed in order to bring out the root causes and thus enable the study of measures to reduce these risks and control hazards.

The causes of the injuries, accidents and near misses that occurred were analysed, as well as the reports made by employees.

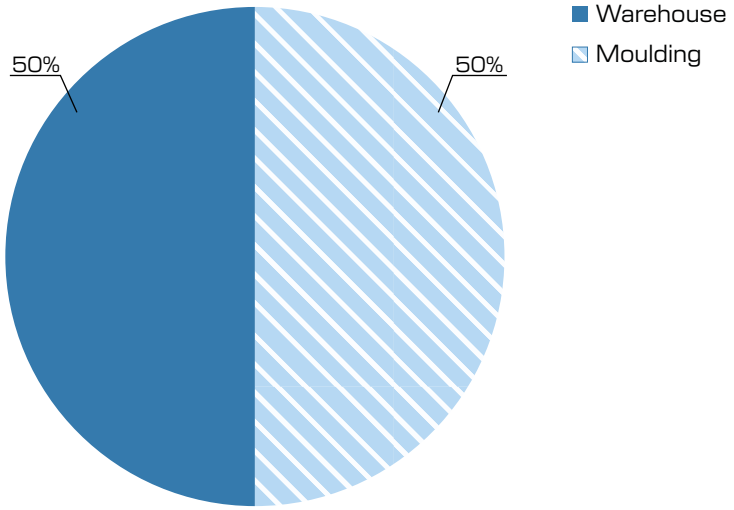
Investigation of incidents that have caused or contributed to serious injuries during the reporting period

In the two-year period 2022/2023 the number of accidents rose to:

0
number of accidents

Measures taken or initiated to eliminate other work-related hazards and to minimise risks

In the two-year period 2022/2023, four near misses were managed: three in 2022 and one in 2023. The graphic representation can be seen in the diagrams below.



We believe that near miss analysis is an extremely useful tool for preventing injuries, as it helps to raise awareness and increase the attention of operators, involving all levels of the organisation. The benefits are an increased awareness among employees regarding the use of the PPE provided and the tasks they perform.

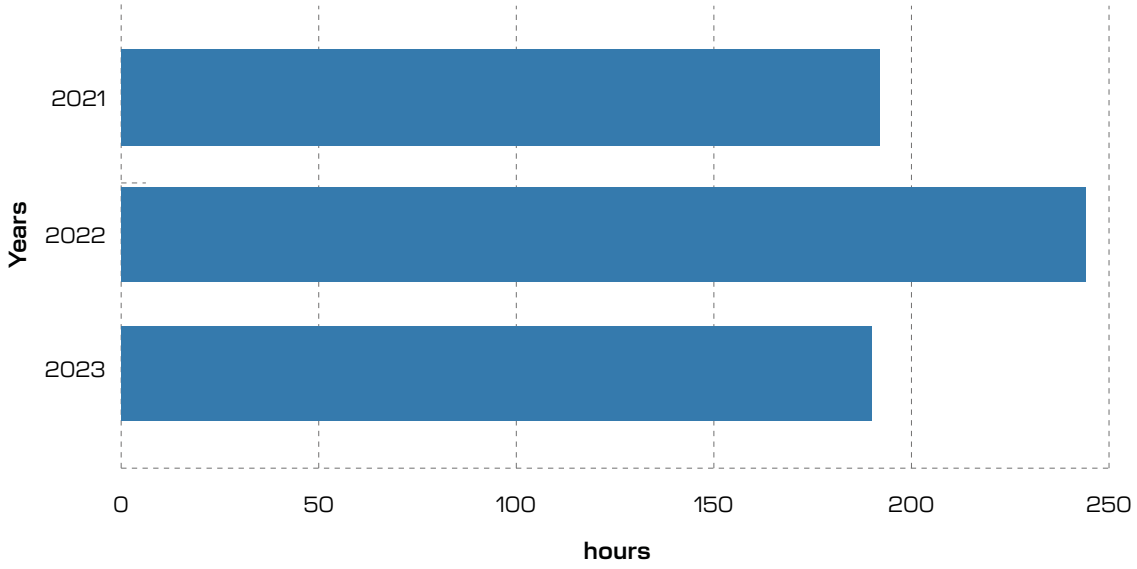
Training of employees in the field of occupational health and safety

The company is committed to providing all the necessary training for its employees to work safely, including initiatives such as a welcome for new hires, microlearning, periodic refresher courses and field training.

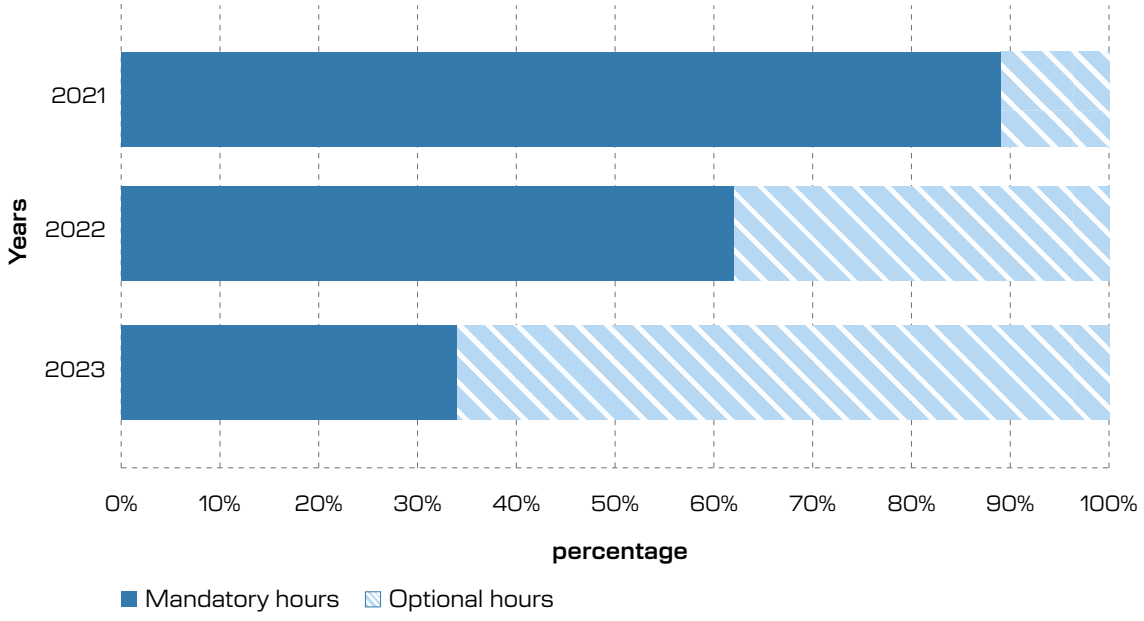
The company believes that people always make a difference, also in ensuring maximum safety at work. For this reason, OLI pays special attention to training in this field.

Below are the hours of training devoted to employees covered and the ratio of mandatory training to that offered voluntarily by the company.

Total hours of training broken down over the years

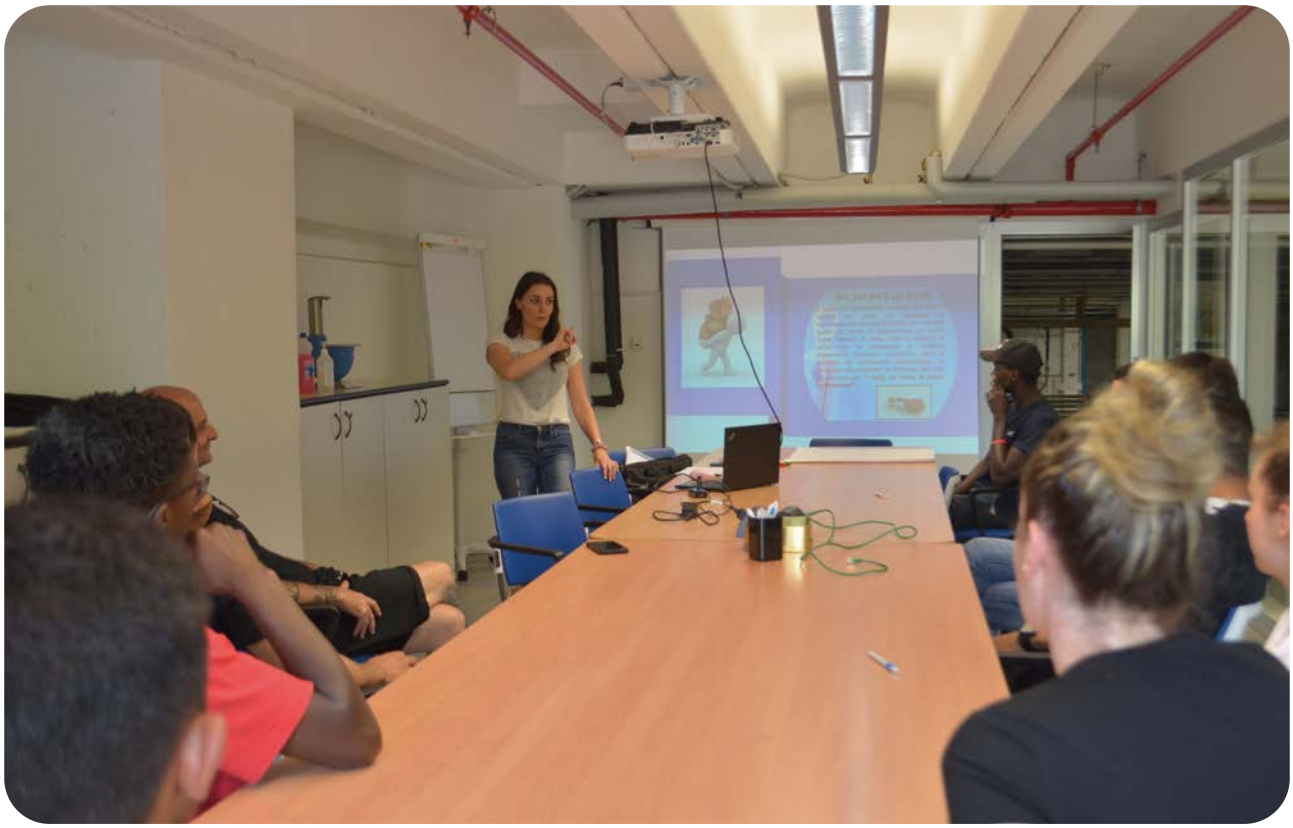


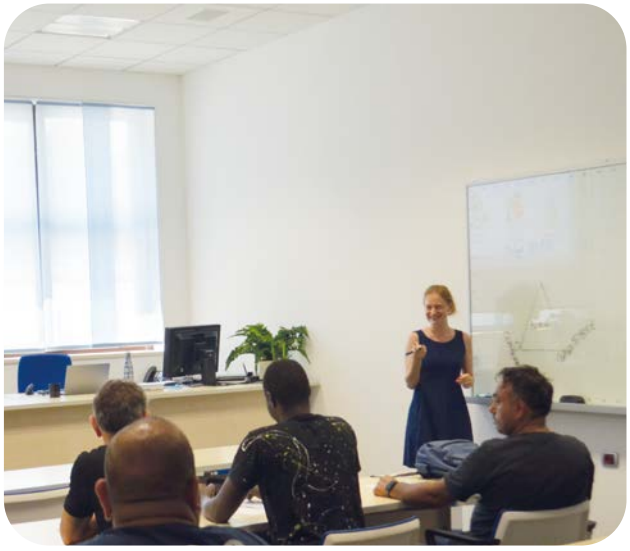
Percentage of mandatory and voluntary training hours



Welcome for new hires

In addition to the mandatory training as required by current regulations, there is also specific environmental and safety training carried out by the safety agency directly in the field when the employee joins the company. This way new employees are welcomed, and in addition to a presentation of the company, they are given all the important information they need to be able to work safely from their first day. The company objectives, values and principles guiding prevention and protection activities are then shared with the workers.





Microlearning

At departmental meetings, specific topics are addressed, and any accidents or near misses that occurred in the department or in other areas are analysed focusing on the type, cause or manner of occurrence to correct or change improper behaviour or habits or to raise awareness among workers for them to be more attentive. At the same time, short training sessions on specific topics are provided.

HSE technicians are at the disposal of employees to collect any observations, reports or to provide specific information.

During the two-year period 2022/2023, the main topics discussed at the monthly meetings were:

- traffic rules for pedestrians, forklifts and passing vehicles;
- accidents, near misses, ideas for improvement;
- personal protective equipment to be used;
- warning measures in the event of an emergency;
- study of chemical risks and analysis of safety data sheets;
- awareness-raising among employees of the prevention and protection measures undertaken or planned.

Periodic updating of training and field training

The following topics were covered during the training sessions:

- risks associated with the manual handling of loads and repetitive movements of the upper limbs: in collaboration with GymHub, a spin-off of the University of Padua specialising in the prevention of musculoskeletal disorders, specific training sessions were held with practical examples of correct postures, during which the benefits of engaging in adapted exercises were highlighted;
- psycho-social risks: specific training extended to all employees on topics such as bullying, work-related stress and harassment in the workplace, aimed at raising the awareness of risky behaviour among workers and how to report it;
- specific course on visual checks to be carried out on lifting equipment before handling.

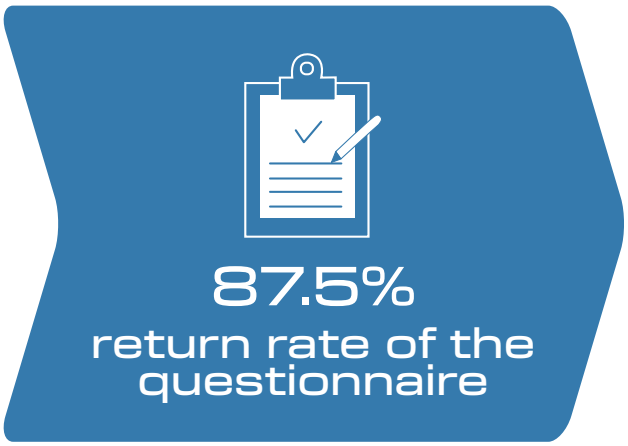
Training of emergency management personnel

The plant emergency plan has been updated in accordance with the introduction of the new decrees of September 2021, with particular reference to emergency response procedures and internal controls on the safeguards to be performed in operation. In this regard, emergency management officers have been trained.

Company climate and welfare

Being able to respond to the needs of employees means first of all creating the space to understand how people feel within the company, what their perceptions are and how they interpret the company's development processes.

In spring 2024, while preparing this report, we once again proposed a climate questionnaire, which was distributed to all employees.



The results show a high satisfaction rate, both in offices and the production departments.
The solidity, stability and reliability of the company are particularly appreciated, also with regard to remuneration.
The company is recognised for its innovative and investment power as well as its ability to value people.
Among the areas for improvement, the topics of communication and collaboration stand out as requiring our attention.

With respect to knowledge of departmental objectives and strategy, there was a good result, which indicates that the meeting system developed over the years has been effective.

This system is reported as the main channel through which people are informed about company strategy and policy.

Promotion of sport and health-related initiatives

For several years now, OLI, together with Valsir, Marvon and Alba, has supported numerous initiatives to promote healthy lifestyles.

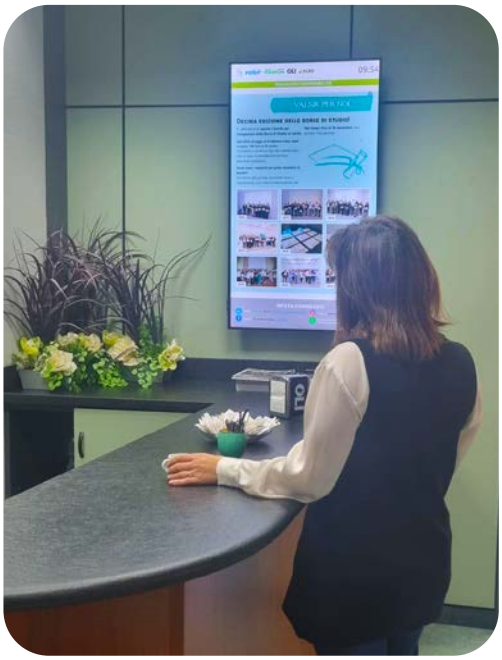
This manifests itself through various actions and projects such as:

- financial support when registering for recreational sports events. The companies support the payment of registration fees for initiatives that always have a charitable purpose;
- "Stagione della salute" project: a project developed in cooperation with the partner Synlab aimed at promoting active and healthy lifestyles. The project opened with an evening organised at Valsir Expo, during which Synlab doctors discussed the following topics: the main risk factors for cardiovascular diseases (smoking, stress, lack of exercise, poor diet, hypertension, etc.) and the impact of exercise and nutrition on them.
  This was followed by specialised medical examinations to get a snapshot of one's current health. During 2023 and 2024, challenges were made via an app through which co-workers can monitor their physical activity but also motivate each other to exercise. The project ended in June 2024 with comparisons with the initial numbers. The project was launched in 2022 with the organisation of an informative evening and later evolved into this format in 2023.

Digitising sustainability nuggets

The digitisation of sustainability nuggets has significantly improved communication within our four companies, making it more fluid and interactive.

These short, informative updates are now available in all break areas of the companies, enabling constant and dynamic communication. The sustainability nuggets are updated and disseminated every two weeks, which keeps employees informed and involved in the company's latest sustainable initiatives and developments.



Bonus (spending and fuel), special bonus

For 2022 and 2023 spending bonuses and fuel vouchers were awarded in view of the company's important achievements. These forms of rewards are highly valued by employees and fit within the bonuses already in place in the company.

FASGP Fund

FASGP is the Supplementary Healthcare Fund for workers in the rubber, electric cables and related and plastics industries addressed to themselves and their family members. It provides healthcare services that are supplementary to the National Health Service. In 2022 the initiative was introduced with voluntary subscription for employees. From 2024, however, it is aimed at all employees automatically.

PROJECTS FOR THE NEXT TWO YEARS

- Introducing cross-company audits (safety and environment): aimed at facilitating a constructive and learning exchange.

GOALS FOR 2026

- Implementing actions based on the results of the business climate analysis;
- maintaining all actions already in place, always monitoring progress and satisfaction;
- strengthening the involvement of managers and all employees being more and more strategical.

6. PEOPLE AND GROWTH

Related target SDGs

Ref. 4.4 - 4.7

VISION

It is our intention to continue to devote our attention to the topic of training, both internal and external. We are committed to ensuring that all people can experience professional and personal growth through inclusive and customisable training paths that respect different perspectives and backgrounds.

We undertake to maintain an ongoing dialogue with employees in order to get their feedback on the effectiveness of the training so that we can update and refine our training programme on an ongoing basis.

IMPACTS, RISKS AND OPPORTUNITIES

Education - Development of internal skills

Impact	Impact type	Current/ Potential	Direct	Indirect	Rating
Training and development opportunities promoted by the company for its employees, including initiatives such as seminars and programmes to raise internal awareness.	+	!	▶		■■■□□

Gender and social equity - Diversity and inclusion

Impact	Impact type	Current/ Potential	Direct	Indirect	Rating
Presence of policies in the code of ethics that ensure the protection of diversity and the promotion of inclusion.	+	!	▶		■■■■□

Education - Development of external skills

Impact	Impact type	Current/ Potential	Direct	Indirect	Rating
Training and development initiatives offered by the company to the local region (internships, work-study).	+	!	▶	▷	■■■□□
Growth in the cultural level of the community.	+	!	▶	▷	■■■□□

Income and work - Creation and distribution of economic value

Impact	Impact type	Current/ Potential	Direct	Indirect	Rating
Donations in the territory to associations and schools.	+	!	▶		■■■□□

KEY

Impact type		Risk - Opportunity		Current - Potential		Direct - Indirect	
-	Negative	R	Risk	!	Current	▶	Direct
+	Positive	O	Opportunity	?	Potential	▷	Indirect

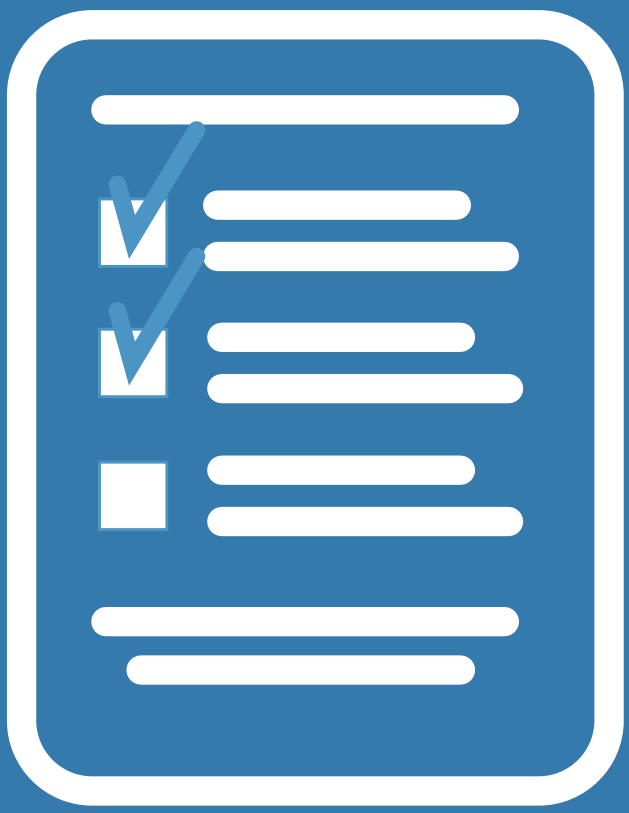
Rating

■■■■■ Critical ■■■■□ Significant ■■■□□ Important ■■□□□ Informative ■□□□□ Minimum

POLICY ON THIS TOPIC

Our policy on managing people's career paths within the company is focused on skills development and articulated through various initiatives such as:

- onboarding programmes to welcome new hires;
- monitoring, analysis of in-house training needs;
- development of both internal and external training programmes.



PROJECT REPORTING

In-house training

In the last edition of the Sustainability Report, we set out to develop in-house training programmes that reflect the key themes of our strategy, so that employees could actively contribute to the company's goals.

Over the past few years we have also developed training initiatives outlining the required skills and development opportunities for each company function. Having achieved this important goal, our efforts now focus on keeping this system up to date and monitored, ensuring that it is always aligned with the company's evolution.

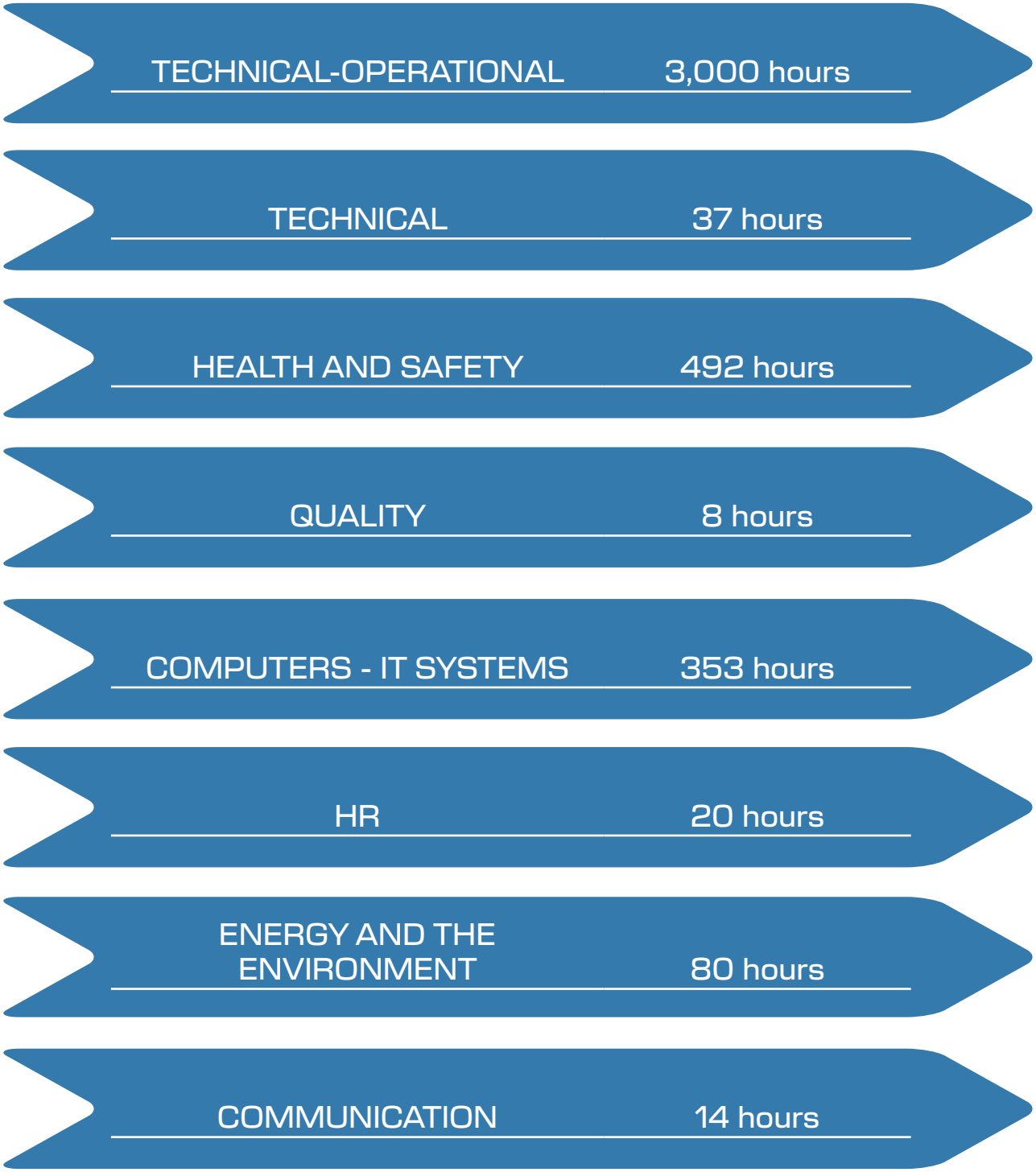
Lastly, in this two-year period we committed to the continuity of personal development courses for all employees, both in person and online.

2022	2023
Total training hours	
2,718	1,177
People trained	
49	45
Average training hours per person	
55.50	39.50

Specific training in the onboarding plan

Learning area	Gender	Position	No. of participants
Quality	Woman	White collar	1
	Man	White collar	3
HR - human resources and CSR	Woman	White collar	1
	Man	White collar	3

Types of courses and hours of professional training in 2022/2023



One of the goals we had set in the previous edition of the Sustainability Report was to deepen the knowledge of all employees regarding the Quality System for continuous improvement. This goal is to be considered achieved and maintained. During departmental meetings of offices and production, space is set aside to discuss aspects of this issue in depth.

Ambition for growth

We consider it essential to ensure transparency with regard to ambitions and prospects for professional growth within our company in order to map out a clear, inclusive development path that can be followed by all employees. To effectively support this process, we rely on data collected through questionnaires and annual evaluations. During these interviews, we analyse the employees' professional aspirations, working together with them to identify and plan their future development.

This assessment approach, already emphasised in the goals of our previous Sustainability Report, has been expanded to include all categories of staff through regular monitoring meetings, meaning that 100% of employees receive regular reviews of presentations and personal development opportunities.

The "opportunity board" project inaugurated during the previous reporting cycle also continues. This tool allows information on current vacancies to be shared with all employees, giving everyone the opportunity to apply for positions of interest.

Training for professionals

Our training, conferences and in-depth technical discussions with professional bodies are a key aspect of our educational approach. We firmly believe in the value of sharing knowledge with industry professionals, as this is beneficial to all and essential for growth in the marketplace.
These meetings are designed as spaces for useful dialogue, where professionals can gain specific expertise regarding products and how they work, and the company can obtain direct feedback from the market to improve its products and ability to respond to real needs through a process of co-creation.

The goal is to strengthen and spread technical training throughout the territory, contributing to the recognition of Professional Training Credits (CFPs). This goal is supported by the organisation of conferences with professional associations and collaboration with universities.

Data is provided below on overall training for both the flue pipe and plumbing worlds:

	2022	2023
Total number of events	143	98
Number of participants	6,125	6,015
Number of hours	286	196
Number of training credits issued	5,456	8,997

PROJECTS FOR THE NEXT TWO YEARS

- Continuity in the planning and implementation of a series of regular trainings covering various professional and personal aspects, monitoring the effectiveness of the programmes and adjusting the curriculum based on feedback and changes in business needs;
- implementing an offboarding system.

GOALS FOR 2026

- Ensuring continuous, extensive training for all OLI employees.

7. BUSINESS CONDUCT

VISION

We are committed to maintaining an ethical and legal working environment. It is essential to continuously work on our internal procedures and company culture to prevent the risk of unlawful behaviour. To achieve this, we develop, implement and regularly update policies that orient our employees towards ethical and responsible behaviour.

In parallel, we want to ensure that our supply chain is free of environmental, social and governance risks, thus contributing to a more sustainable and responsible global economy.

IMPACTS, RISKS AND OPPORTUNITIES

Reorienting regulations towards sustainability

Risk/Opportunity	Classification	Rating short term	Rating medium term	Rating long term
Risks related to the financial viability of activities by credit institutions.	R	■■□□□	■■□□□	■■■□□

Supply chain transparency regulations

Risk/Opportunity	Classification	Rating short term	Rating medium term	Rating long term
Requirement to analyse and report information with respect to one's supply chain, down to the most distant supplier.	R	■□□□□	■■□□□	■■■■■

PROJECT REPORTING

Supply chain

We initiated a project related to the upstream supply chain, which takes a proactive approach to supply chain management, inspired by the European Union Corporate Sustainability Due Diligence Directive (CSDD). While the directive is not directly applicable to our company, it provides a solid reference for the effective management of ESG (Environmental, Social and Governance) risks along the supply chain.

The aim is to implement due diligence processes to assess and mitigate the risks associated with our suppliers and partners. This includes analysing environmental risks, respecting human rights and labour standards, protecting local communities and preventing unethical practices such as corruption and child labour.

We have reviewed current procurement and supplier qualification procedures to define how to effectively implement due diligence principles, and thus we:

- Initiated an analysis of ESG performance.
- Created a classification system.
- Set out the risk profile through a number of factors consistent with ESG principles.

In the coming months we will finalise the risk analysis and proceed with the classification of suppliers into high, medium and low risk categories. This will allow us to establish specific actions for each product sub-category and for individual suppliers, where necessary.

Whistleblowing

Italian Legislative Decree no. 24 of 10 March 2023 implemented (EU) Directive 2019/1937 on the protection of persons who report breaches of European Union law (Whistleblowing Directive). In order to implement the provisions introduced by Italian Legislative Decree no. 24/2023, our company has established Regulations that provide clear operational guidance on how to transmit and handle reports involving "violations," as well as the protective measures provided.

Reports can be submitted by all those who have a relationship with our company.

A report can be made by accessing the Whistleblowing platform, available through a link on the company website. The management of the channel and the verification of the validity of the reports are entrusted to a Whistleblowing Committee external to our company, which verifies the reported facts in accordance with the principles of objectivity and confidentiality, including the possible hearing of the reporter and any other individuals who may report on the reported facts. To this end, the Committee may avail itself of the support and cooperation of external consultants or the relevant company offices.

PROJECTS FOR THE NEXT TWO YEARS

- Continuing with initiatives related to the supply chain and due diligence.

8. GRI REFERENCES

Disclosure	Title of the disclosure	Page	Notes
2-1	Details of the organisation	12 - 13	
2-2	Entities included in the Sustainability Report		The data provided in the Sustainability Report refer to the plant located in Casto in the province of Brescia.
2-3	Reporting period, frequency and point of contact		This report refers to the 2022/2023 fiscal year. The Sustainability Report is published on a biannual basis. Contact details are available on the back cover.
2-4	Restatements of information		No changes were made to the data submitted compared to the previous report.
2-5	External assurance		The sustainability report is not subject to external assurance.
2-6	Activities, supply chain and other business relations	12	
2-7	Employees	17	
2-9	Governance structure and composition	19	At the top of the organisation is a Board of Directors consisting of three members: a President, an employer Managing Director and a Director without delegated powers. The Female Managing Director also holds the position of General Manager as well as overseeing the development of Welfare and Sustainability projects, while the Director has no proxy or power of attorney. Below the BoD are the executives and middle managers with management functions in production, finance, purchasing, sales and personnel. Page 19 describes the sustainability governance.
2-10	Nominating and selecting the highest governance body		The BoD is appointed through the shareholders' meeting. The criteria for appointment are expertise in one's delegated areas and the ability to assume the relevant responsibilities. The BoD remains in office until revoked and is appointed by the shareholders' meeting.

Disclosure	Title of the disclosure	Page	Notes
2-11	Chair of the highest governance body		The highest governance body is chaired by the Chair and CEO, with powers of ordinary and extraordinary administration, including sustainability. The management function coordinates the various roles to optimise management and efficiency in compliance with all regulations. Any conflicts of interest are overcome through decisions taken by the Board of Directors after the persons involved have abstained from voting.
2-12	Role of the highest governance body in managing impacts		The highest governance body is informed about the sustainability governance system aimed at identifying impacts, risks and opportunities, assessing their significance, determining mitigation actions and monitoring systems.
2-13	Delegation of authority for managing impacts	19	Impacts found to be above the materiality threshold were grouped into the company's material topics. To manage these topics, there is a central working group in support of which other dedicated working groups are organised, with members selected and appointed by the highest governing body and coordinated by a manager. Working groups consisting of managers and employees have the task of proposing development actions and collecting and monitoring data. The final approval of the proposed targets and data to be transmitted lies with the highest governance body.
2-14	Role of the highest governing body in the Sustainability Report	19	The highest governance body was involved in the approval of the numbers and goals of this report.
2-16	Communication of critical concerns	82	OLI has a Whistleblowing procedure and channel to address and manage reports of misconduct, including those related to ESG areas. In compliance with Italian Legislative Decree no. 24 of 10 March 2023, the company implemented an on-line platform to facilitate the handling of such reports.
2-17	Collective knowledge of the BoD		Board members are informed about sustainability issues relevant to the company and the process of analysing, mitigating and measuring impacts, risks and opportunities by the central working group, which includes the Managing Director.

Disclosure	Title of the disclosure	Page	Notes
2-18	Evaluation of the performance of the highest governance body		The procedures for evaluating the performance of the highest governance body are based on data collection and the definition of key performance indicators (KPIs). Continuous and systematic monitoring of impacts is carried out by means of reports drawn up by dedicated working groups aimed at monitoring the actual achievement of sustainability objectives, through the use of specific KPIs to measure the results achieved with respect to the objectives set.
2-19	Remuneration policies		This information is not reported for reasons of company confidentiality.
2-20	Process for determining remuneration		This information is not reported for reasons of company confidentiality.
2-21	Annual total remuneration rate		This information is not reported for reasons of company confidentiality.
2-22	Statement on sustainable development strategy	7	
2-23	Commitments made through policies	31, 53, 63, 76	Management systems and policies are presented for each material topic.
2-24	Integration of policy commitments		For the proper conduct of each activity, the designated lead person is responsible for drawing up a policy and ensuring compliance with it as well as the achievement of the objectives/targets set.
2-25	Processes to remedy negative impacts	32 - 46, 54 - 57, 64 - 71, 77 - 79	A vision and operational objectives were identified for each material topic in the report. Our task in the coming years will be to increasingly align these visions and goals with the principle of mitigating the negative impacts and risks identified by the impact materiality analysis, and in the future the financial materiality analysis. An important step will be to delve into some of the negative impacts not included in the list of impacts, as we have not yet been able to gather the information needed to conduct a timely assessment.
2-26	Mechanisms for seeking advice and raising concerns	82	

Disclosure	Title of the disclosure	Page	Notes
2-27	Compliance with laws and regulations		No cases of non-compliance occurred during the reporting period.
2-28	Membership of associations		APPLiA Italia - CTI Comitato Termotecnico Italiano.
2-29	Approach to stakeholder engagement		In preparation for the adoption of the European CSRD regulation, for this edition of the Report we mainly involved internal stakeholders, with the aim of building a solid basis for the double materiality analysis. In the coming months, we will engage a broader group of external stakeholders.
2-30	Collective bargaining agreements		There are no collective bargaining agreements in the company.
3-1	Process to determine material topics	20 - 22	
3-2	List of material topics	23 - 27	
3-3	Management of material topics	28 - 47, 48 - 58, 59 - 72, 73 - 80, 81 - 83	In the chapters on the material topics an explanation is given of the vision the company promotes and pursues in this regard, management approach, policies, monitoring process, KPIs and goals.
302-1	Absolute energy consumption within the organisation (type and quantity of energy)	32 - 33	
302-4	Reduction of energy consumption	36	
302-3	Energy intensity	38	
305-1	Direct (Scope1) GHG emissions	40 - 41	
305-2	Indirect (Scope2) GHG emissions from energy consumption	40 - 41	
305-3	Indirect (Scope3) GHG emissions	40 - 41	

Disclosure	Title of the disclosure	Page	Notes
305-5	Reduction of greenhouse gas emissions	42 - 43	
303-2	Management of water discharge-related impacts	54	
303-3	Water withdrawal	54	
305-7	Emissions into the air (dust/ particulate matter, COT, aluminium residues, NOx, CO)	55	
306-1	Waste generation and significant waste-related impacts	49 - 50	Impacts related to waste found to be above thresholds are presented in the chapter "Biodiversity and Pollution", broken down by production process.
306-2	Management of significant waste-related impacts	53, 56	Management policies concerning waste and actions taken to mitigate its impacts are presented in the chapter "Biodiversity and Pollution".
306-3	Waste generated	56 - 57	
306-4	Waste diverted from disposal	56 - 57	
306-5	Waste directed to disposal	56 - 57	
403-1	Occupational health and safety management system	64	
403-2	Hazard identification, risk assessment, and incident investigation	64	Management policies concerning worker safety are presented in the relevant chapter.
403-3	Occupational health services	64	
403-4	Worker participation, consultation, and communication on occupational health and safety	64 - 65	Management policies concerning worker inclusion are presented in the relevant chapter.
403-5	Worker training on occupational health and safety	66	

Disclosure	Title of the disclosure	Page	Notes
403-6	Promotion of worker health	70	Membership of the WHP (Workplace Health Promotion) project.
403-8	Workers covered by an occupational health and safety management system	64	100% of workers covered and implementation of the management system.
403-9	Accidents in the workplace	65	
404-1	Average hours of training per year per employee	77 - 78	
404-3	Percentage of employees receiving regular performance and career development reviews	79	

9. GLOSSARY

Word	Definition
CO_2eq	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	Energy consumption reduction and waste prevention.
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 of both a natural and man-made type, and they are absorbed and emitted at specific wavelengths within the spectrum of infrared radiation. 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.
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.
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.
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.
Scm	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.

Word	Definition
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.
Scope3	Indirect emissions from all other activities of the company that are not covered by Scope2. These emissions are related to the entire value chain, including suppliers, consumers, transportation, waste management, product use and end of life, etc.
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 consumption, taking into account the indicators relevant to the company's business, by excluding any fluctuations that might be caused by extrinsic factors from the measurement.
Stakeholders	Groups of people and entities who hold values, needs, interests and expectations in relation to the company.
Stakeholder engagement	The activity by which the company interacts with and listens to its interest groups. In this Sustainability Report this term refers to the employees, customers, territory and public institutions with whom we have engaged in dialogue.
Waste water	Any water discharged from buildings or installations where business activities or manufacturing processes are carried out.

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