

SUSTAINABILITY

& LEADERSHIP

2021 Sustainability
Report

Consolidated Non-Financial Report as per
Legislative Decree 254/2016



Chairperson's letter

Dear reader,

This last year, 2021, was again marked by the ongoing COVID-19 pandemic; however, thanks to a general loosening of restrictions around the world and the strong foundations of our Group, the year closed having made major progress in all aspects of our organization.

Revenue grew 27.5%, enabling EBITDA to increase 27.6%, and our workforce went from 1,148 employees to 1,196. The year also marked a fundamental milestone in the growth of the Group following the acquisition of the American group IPEG. With this acquisition, the Piovan Group is now an undisputed leader in the U.S. market and has further consolidated its global leadership, bringing revenue to more than Euro 450 million with a workforce of some 1,800 people.

The Group's expansion will enable further growth in terms of the circular economy and digitalization investments (Industry 4.0).

The Piovan Group has also gained a greater awareness of ESG topics and created clearer and more incisive action plans.

In fact, I would like to mention that after obtaining its ESG Risk Rating in November 2021, Piovan was also awarded an Industry Top Rated 2022 badge by Sustainalytics, a Morningstar company and leader in independent ESG research, ratings and data to support investors in the development and implementation of responsible investment strategies.

The ESG risk rating of 21.9 places the Piovan Group in the Medium Risk category, improving by 11.8 points from our previous assessment (33.7) with the best scores coming in the following categories:

- Own carbon dioxide emissions
- Environmental and social impact of products and services
- Occupational health and safety

At the time the rating was issued, Piovan placed in the 29th percentile of the Sustainalytics global rankings, with a further improvement in the Industrial Machinery subcategory, where Piovan placed in the 5th percentile. Achieving Industry Top Rated status clearly demonstrates the Group's excellence in its sector of reference.

We are particularly proud of this award because it is the result of a strategy we have been pursuing for some time now, one that focuses on the Environment, Corporate governance, and Social aspects. We firmly believe that the Group's financial growth is intrinsically linked to its strong commitment to ESG topics and protecting all of its stakeholders.

As such, this document seeks to inform stakeholders about recent sustainability developments and to confirm, once again, that it is both possible and our duty to combine economic growth and shareholder profit with a respect for environmental, social equality, and governance values.

Nicola Piovan

Our pillars



CUSTOMERS

Our approach to business has always been rooted in our relationship with our customers. We strive every day to build partnerships based on the creation and sharing of value, while promoting trust and providing solutions of excellence to achieve success.

CUSTOMERS AND SUSTAINABILITY

Only by working in harmony with the customer can we reach our goals of environmental sustainability. In this way, it is possible to do things that would not have otherwise been possible for the Piovan Group alone, such as effective and efficient plastics recycling, through a cycle consisting of collection, preparation and reuse.



PEOPLE

Businesses are made up of people, and our people are the true driving force behind the Piovan Group. Our shared values are the ultimate objective of all that we do.

PEOPLE AND SUSTAINABILITY

People are fundamental to our philosophy of sustainability. First and foremost, our employees are able to count on an organization that values and motivates them and that provides a workplace that is ideally suited to developing their talents. The performance and success of a company come out of the well-being of the society in which it operates. Every day, the Piovan Group works to share knowledge and experience with the community in order to be a driver of sustainable development.



INNOVATION

Creating value for the customer through innovation has always been our strategic objective, right from the start. It is thanks to research, technological development, and the constant, determined exploration of new ways forward, that we have been able to grow and to become a recognized leader.

INNOVATION AND SUSTAINABILITY

It is possible to develop a path to environmental sustainability and make the transition to a circular economy only through real, concerted commitment to innovation in both products and processes. We believe in research and development and in sharing innovation with our customers, because only through this synergy can we take concrete action for the planet and its people. This is the only way to change our models of production and consumption. And it is the only way that sustainability can become a fundamental, integral part of our daily lives.





Executive Summary

The Piovan Group

The Piovan Group is a multinational enterprise and a global leader in the development and manufacture of automation systems for the storage, shipping and processing of polymers, and plastic and food powders.

Piovan S.p.A. has been listed in the STAR segment of the Italian stock exchange since October 19, 2018.



1934

PIOVAN GROUP FOUNDED

287 million

CONSOLIDATED REVENUES IN 2021

1,196

NUMBER OF PIOVAN GROUP EMPLOYEES

OF WHICH 620 IN ITALY AND 576 IN THE REST OF THE WORLD

9

NUMBER OF PRODUCTION FACILITIES ON 4 CONTINENTS

5 IN ITALY
1 IN GERMANY
1 IN THE USA
1 IN CHINA
1 IN BRAZIL

31

LOCAL SERVICE AND SALES COMPANIES

20 IN EMEA
6 IN ASIA
4 IN NORTH AMERICA
1 IN SOUTH AMERICA

70

COUNTRIES WHERE THE PIOVAN GROUP IS PRESENT

THANKS TO COMMERCIAL NETWORK AND DISTRIBUTORS. CUSTOMERS IN REACHED 120 COUNTRIES WORLDWIDE.

THE PIOVAN GROUP OFFERS SOLUTIONS FOR:

THE PLASTIC SECTOR



PET Preforms and Bottles



Rigid Packaging



Automotive Components



Technical parts



Medical solutions



Thermoforming and Technical Sheets



Flexible Films



Pipes, Profiles, Cables



Fibres and Strapping



Recycling



Compounds



Cookies



Wafers and Snacks



Chocolate



Creams



Caramel

THE FOOD SECTOR

2021 at a glance

GROWTH IN 2021

+27.5%

IN TURNOVER
COMPARED TO 2020

+4.2%

EMPLOYEES
COMPARED TO 2020

+9.1%

R&D INVESTMENTS
COMPARED TO 2020

RECOGNITION

ESG Risk Rating issued by Sustainalytics: ranked in the 29th percentile globally and 5th in the industrial machinery sector¹.

InspectaBe: finalist in The Sustainability Awards by greatly simplifying the adoption of sustainable rPET packaging in the food industry.

ESG



ENVIRONMENTAL

- Significant increase in self-generated energy (+49%) compared to 2020
- Best ESG rating scores in the categories of carbon emissions and product environmental impact
- 85% of Piovan products entirely recyclable
- Piovan S.p.A. product manuals are paperless and available from an online portal
- In 2021, thanks to Energys, the Piovan Group helped reduce its CO₂ emissions by a volume equivalent to the amount of carbon absorbed by 2,276 acres of forest in a year²



SOCIAL

- +7.7% of female employees compared to 2020, with a total employee increase of 4.2%
- +62% training compared to 2020
- 23.4% injury rate reduction compared to 2020
- Foundation of the Group Academy
- Best ESG rating scores in the categories of product social impact and occupational health and safety



GOVERNANCE

- 57% of the members of the Board of Directors are independent
- 29% of the members of the Board of Directors are female

1. for further details see chapter 1, paragraph 1.2.
2. for further details see chapter 1, paragraph 1.4.

What does sustainable plastic mean to the Piovan Group?

Protecting the environment is an issue of great importance around the world. Issues regarding climate change, scarce resources and supply shortages require companies to use materials reasonably and efficiently. Plastic has a positive influence in this context thanks to the low environmental impact of plastic production.

-97%

ENERGY REQUIRED TO PRODUCE ONE PLASTIC BOTTLE COMPARED TO ONE GLASS BOTTLE.

The energy needed to produce one plastic bottle is 33 times less than the energy needed to produce one glass bottle.

-1
kg of CO₂

REDUCTION IN CONSUMPTION OF A CAR THAT, THANKS TO PLASTIC, WEIGHS 100 KG LESS.

The lighter weight of vehicles that use plastics in place of metals translates into lower fuel consumption. A car that is 100 kg lighter emits up to 1 kg less CO₂³ for every 100 km driven, which is equal to the amount absorbed by one tree every 2.5 days.⁴

-85%

VEHICLE WEIGHT REDUCED THANKS TO THE USE OF PLASTIC⁵.

Plastic is 85% lighter than other materials used to build cars, trucks, buses, trains and aircraft. This simplifies logistics while also reducing fuel consumption.

-94%

REDUCED DETERIORATION OF FOODS STORED IN PLASTIC PACKAGING.

It is estimated that plastic packaging reduces food deterioration from 50% to 3%, making a substantial contribution to the reduction of food waste.

PLASTIC ENSURES:



LOW IMPACT ON CLIMATE CHANGE

Plastics production is a process with a low environmental impact thanks both to the relatively low temperatures needed to melt it and to its light weight.



REDUCED USAGE OF SCARCE RESOURCES

Plastic has a low impact on scarce resources as it can be made from processing waste material, be it virgin or recycled (unlike other types of packaging, such as paper, which may contribute to deforestation).

3. www.plasticseurope.org/download_file/force/935/750

4. www.un.org/esa/forests/news/2019/03/on-international-day-unece-fao-forestry-and-timber-section-releases-10-facts-to-fall-in-love-with-forests/

5. www.plasticseurope.org/download_file/force/1355/419

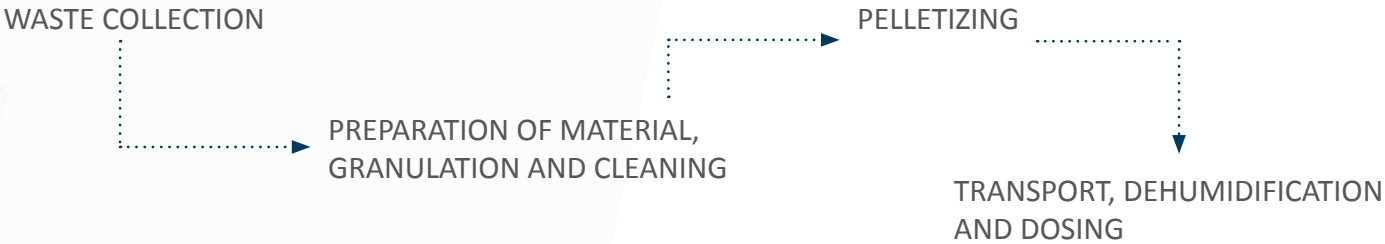
We strive to be accelerators of sustainability, making a real, amplified contribution to the transition of the plastics value chain towards models within the circular economy.

Plastic and
the circular economy

01 CONCRETE COMMITMENT

VIRTUOUS INDIVIDUAL BEHAVIOR + EFFICIENT WASTE CYCLE + INNOVATION FOR THE CIRCULAR ECONOMY

02 RECYCLING



03 TRANSFORMATION OF RECYCLED MATERIAL





Plastic is much more recyclable than one might think. In fact, a lot of plastic polymers can potentially be recycled to create new products, thus minimizing environmental pollution.

However, it takes the concrete, concerted commitment of the primary actors in waste management and the circular economy.

Our goal is to provide customers with the best technologies possible in order to process recycled plastic to the highest quality standards, while optimizing impact and providing reliable, well-designed and high-performance products.

THE PIOVAN GROUP AIMS TO ACTIVELY CONTRIBUTE TO:



RAISING AWARENESS AMONG PLASTIC PRODUCERS AND USERS ABOUT THE INCREASED USE OF RECYCLED PLASTICS AND BIOPLASTICS



PROVIDING THE MARKET WITH UNIQUE PRODUCTS DESIGNED FOR THIS PURPOSE



HELPING PARTNERS TO RESEARCH, COMMISSION, SUPERVISE, MONITOR AND MAINTAIN CUTTING-EDGE SYSTEMS

The Piovan Group: accelerators of sustainability

OUR APPROACH TO SUSTAINABILITY IS SUPPORTED BY THREE PILLARS:



ANALYSIS

CRITICAL ANALYSIS AND ASSESSMENT OF SUSTAINABILITY PRACTICES WITHIN THE GROUP AIMED AT CONSTANT IMPROVEMENT AND WITH A FOCUS ON THE EMERGING NEEDS OF PROCESSORS.



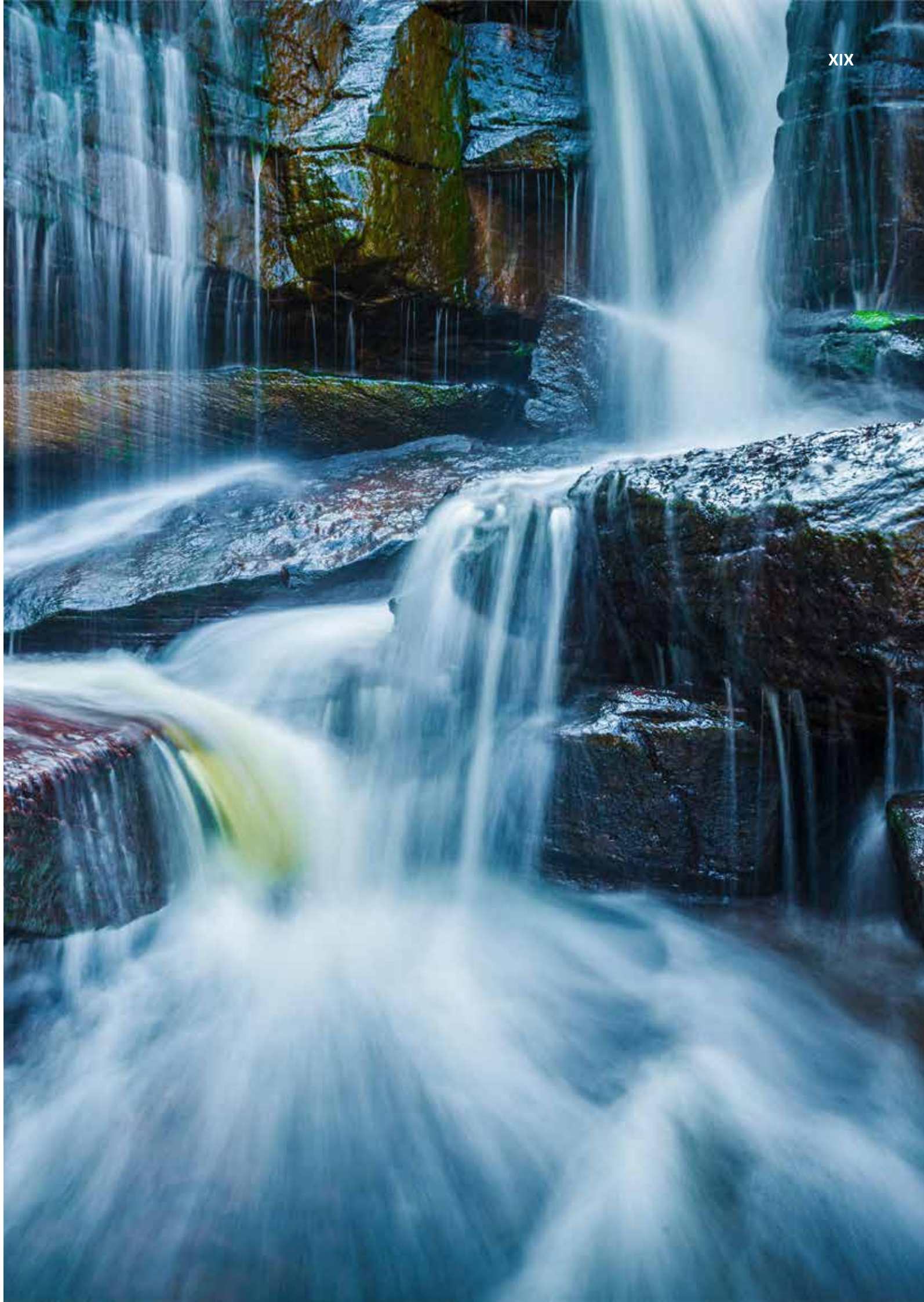
INNOVATION

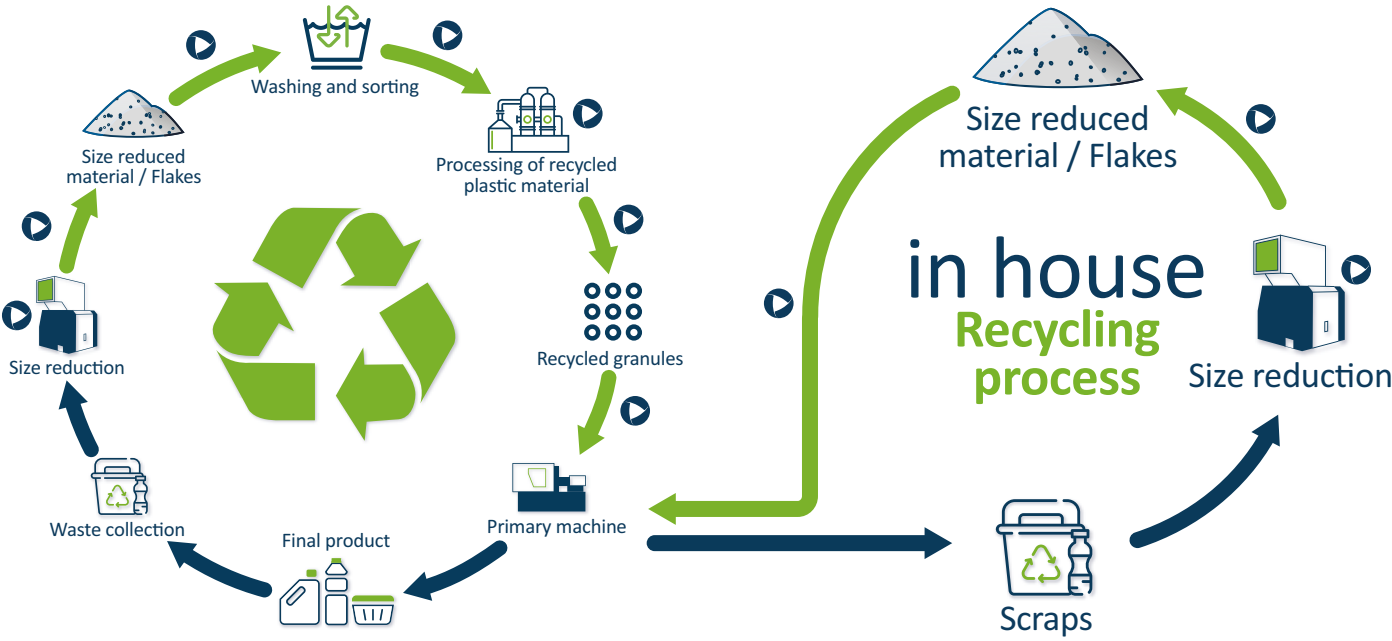
CONSTANT FOCUS ON PRODUCT AND PROCESS INNOVATION WITH A VIEW TO DEVELOPING TECHNOLOGIES AND OTHER SOLUTIONS FOR THE PROCESSING OF RECYCLED PLASTICS.



EDUCATION

A COMMITMENT TO DEVELOPING INCREASED AWARENESS OF SUSTAINABILITY THROUGHOUT THE VALUE CHAIN.





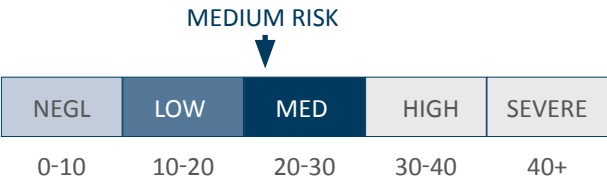
▶ Stages in which the Piovan Group is an actor.

THE PIOVAN GROUP OBTAINS A SUSTAINALYTICS ESG RATING

During 2021, the Piovan Group further confirmed its commitment to sustainable development by obtaining an ESG Risk Rating from Sustainalytics, a Morningstar company and leader in independent ESG research, ratings and data to support investors in the development and implementation of responsible investment strategies.



At the time the rating was issued, Piovan placed in the 29th percentile of the Sustainalytics global rankings, with a further improvement in the Industrial Machinery subcategory, where Piovan placed in the 5th percentile⁶.



ESG Risk Rating Ranking - Nov-'21

Universe	Rank (1 st =lower risk)	Percentile (1 st =lower risk)
Global Universe	4150/14620	29 th
Machinery- industry	29/502	7 th
Industrial Machinery- subindustry	16/362	5 th

6. for further details see chapter 1, paragraph 1.2.



SUSTAINABILITY COMES OUT OF CONCRETE INVESTMENT



€ 9,600,000

R&D COSTS AND INVESTMENTS
(3.4% OF TOTAL REVENUES)



58

PATENTS HELD BY THE GROUP,
OF WHICH 11 ARE RELATED TO
TECHNOLOGIES FOR PRODUCTION
WITH RECYCLED PLASTICS



211

R&D SPECIALISTS

TO ACCELERATE PLASTIC SUSTAINABILITY

Inspecta Detect contaminants
Improve quality standards.



2021
FINALIST

THE
SUSTAINABILITY
AWARDS

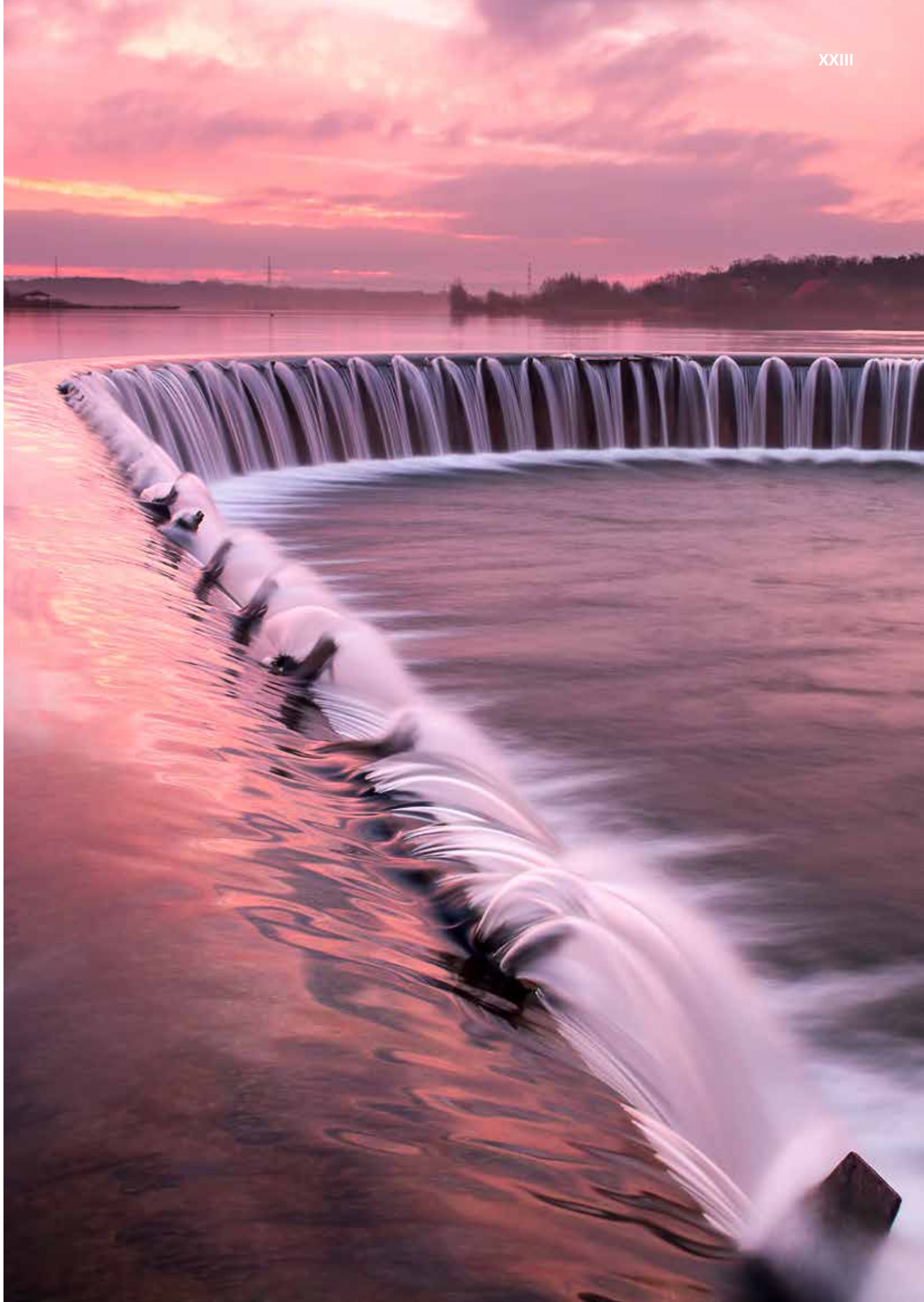
Brought
to you by:



InspectaBe was a finalist in The Sustainability Awards thanks to the way it significantly simplifies the adoption of sustainable rPET packaging in the food industry.

RECYCLABILITY OF PIOVAN PRODUCTS

The Group designs and makes products with an average useful life of 10-15 years and ensures high standards of post-sale service, including a retrofit service that increases a product's remaining useful life. Once a machine is decommissioned, it can be dismantled for parts, which are over 85% recyclable.



Sharing economic value with stakeholders

REVENUES BY BUSINESS LINE



€287,029,000
CONSOLIDATED REVENUES

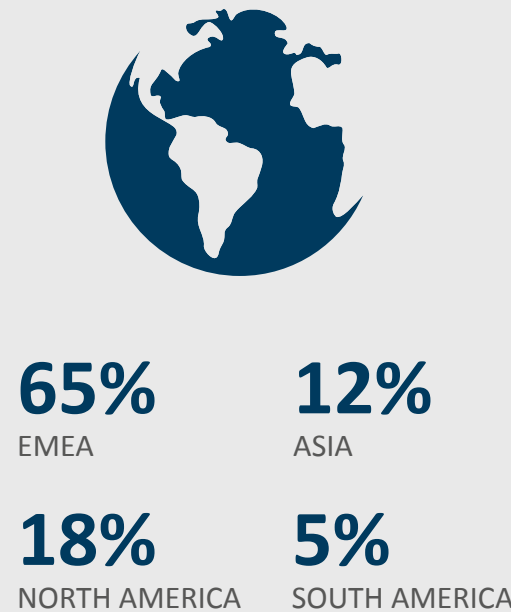
€41,151,000
EBITDA

€33,626,000
EBIT

€27,676,000
PROFIT FOR THE YEAR



REVENUE BY GEOGRAPHICAL AREA



Focus on suppliers and the value chain

DEVELOPMENT OF STRONG PARTNERSHIPS

2,200

SUPPLIERS USED BY THE PIOVAN GROUP.



PRELIMINARY SUPPLIER SCREENING AUDITS ACCORDING TO THE STANDARDS REQUIRED BY THE GROUP.



SHARING OF SUITABLE PROVISIONING AGREEMENTS.



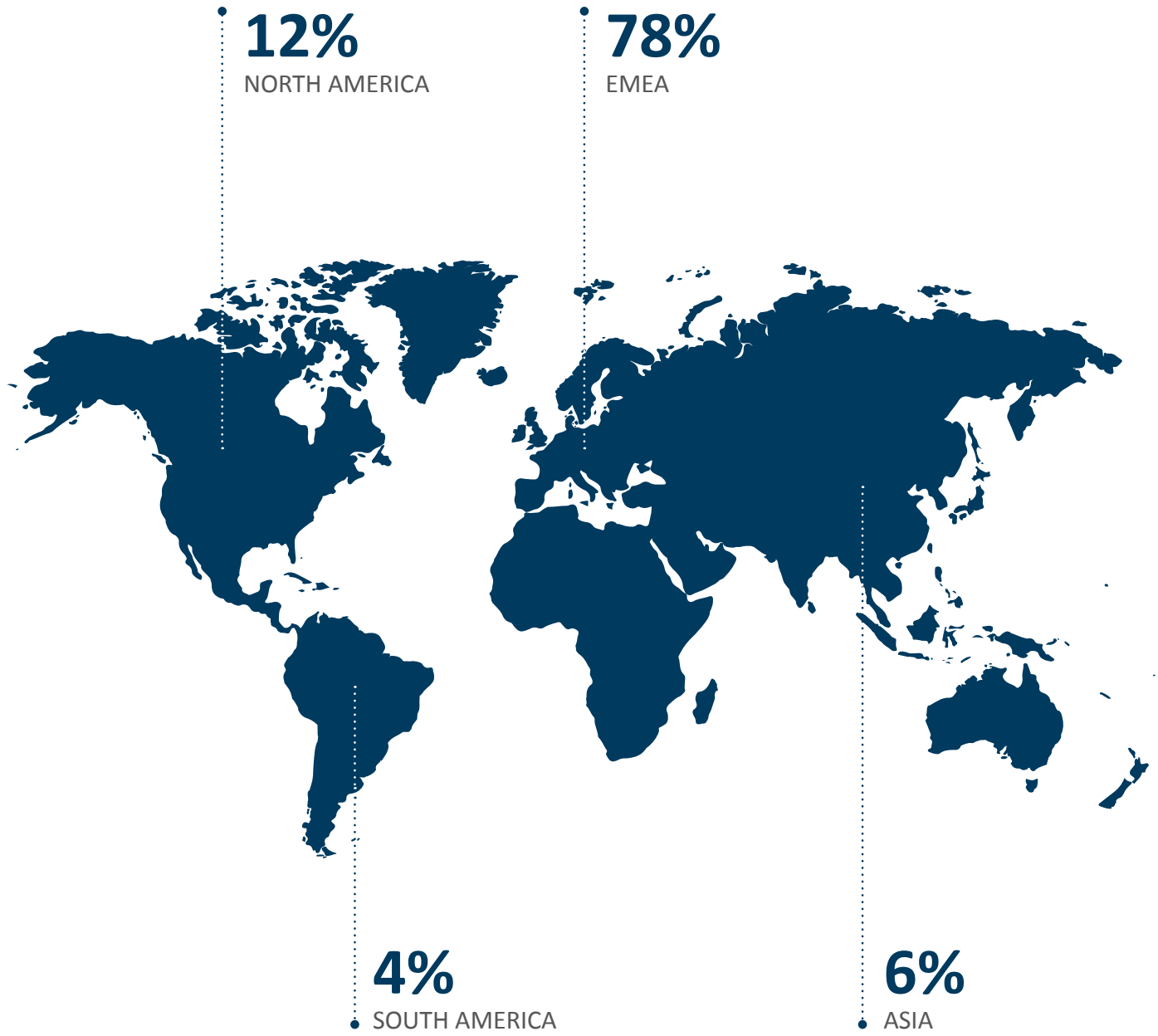
SELECTION OF SUPPLIERS ON THE BASIS OF CERTIFIED AND SHARED CRITERIA.

143.1 Euro millions
VALUE OF PURCHASES.



CONSTANT MONITORING OF SUPPLIER PERFORMANCE.

VOLUME OF PURCHASES IMPACTING THE SUPPLY CHAIN BY GEOGRAPHICAL AREA



Focus on the environment

The responsibility that derives from the impact of our operations on the environment is a fundamental part of our philosophy. To this end, we orient our business towards actions and behaviors that are as ecologically sustainable as possible.

This includes the project undertaken by Piovan S.p.A. to certify the Company's environmental management system based on the ISO 14001:2015 standard (achieved on December 7, 2019, for the head office in Santa Maria di Sala, Venice).

PIOVAN'S SUPPORT FOR CUSTOMER ENERGY EFFICIENCY

In the interests of accelerating the sustainability journeys of our customers, we have created Energys S.r.l., a certified ESCo aiming to offer specific advice on what they can do to save energy, whether it be related to producing plastic or other materials. Energys S.r.l. offers services and technology to allow its customers to carry out detailed analyses of their energy consumption, identifying any potential energy or financial savings within the company.

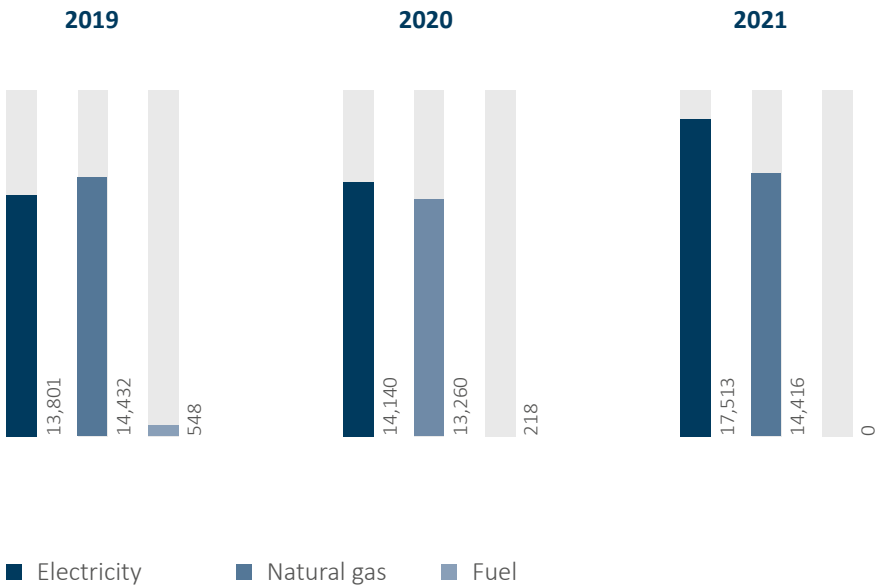
2,290
EECS OBTAINED IN 2021

16,103 GJ
CUSTOMER SAVINGS GENERATED BY WHITE CERTIFICATES

MANAGEMENT OF ENERGY CONSUMPTION

TOTAL INTERNAL ENERGY CONSUMPTION AT THE ORGANIZATION (IN GJ)			
	2019	2020	2021
Total electricity consumed	14,000	15,129	17,513
Electricity acquired	13,900	14,248	16,204
of which from certified renewable sources	99	108	92
Natural gas	14,432	13,260	14,416
Fuel (diesel)	548	218	-
SELF-PRODUCED ELECTRICITY (IN GJ)			
Electricity that is produced on site and consumed (from photovoltaic sources)	99	880	1,309
Electricity that is produced on site and fed back into the grid (from photovoltaic sources)	16	13	20

CONSUMPTION FROM NON-RENEWABLE SOURCES (GJ)



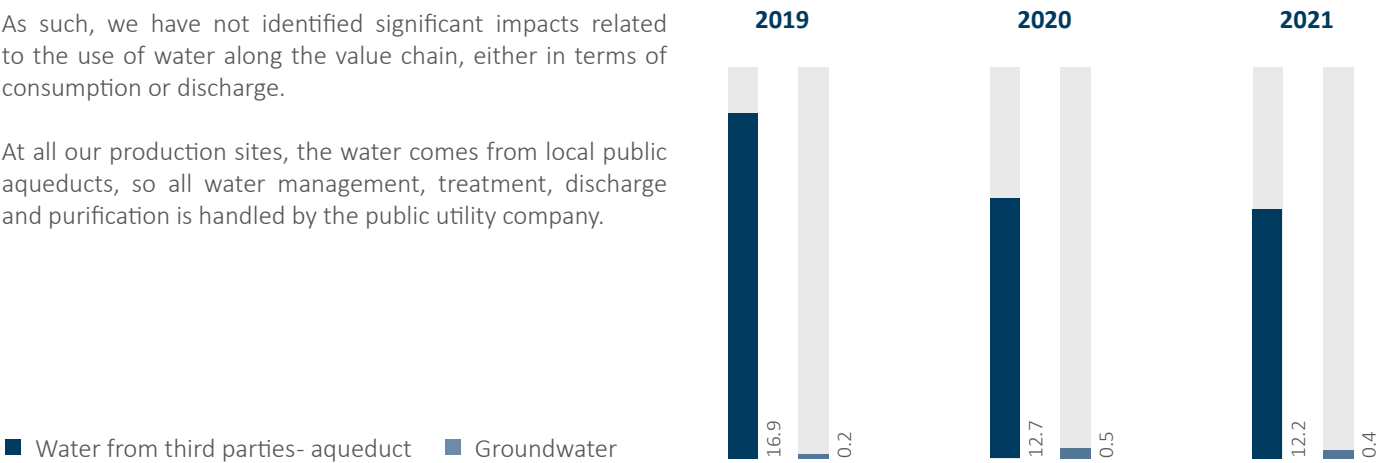
WATER CONSUMPTION MANAGEMENT

In our assembly process, water is not a resource that is used in the production cycle. It is not, for example, stored for future use, or used in products or for cooling purposes.

As such, we have not identified significant impacts related to the use of water along the value chain, either in terms of consumption or discharge.

At all our production sites, the water comes from local public aqueducts, so all water management, treatment, discharge and purification is handled by the public utility company.

WATER CONSUMPTION IN MEGALITERS

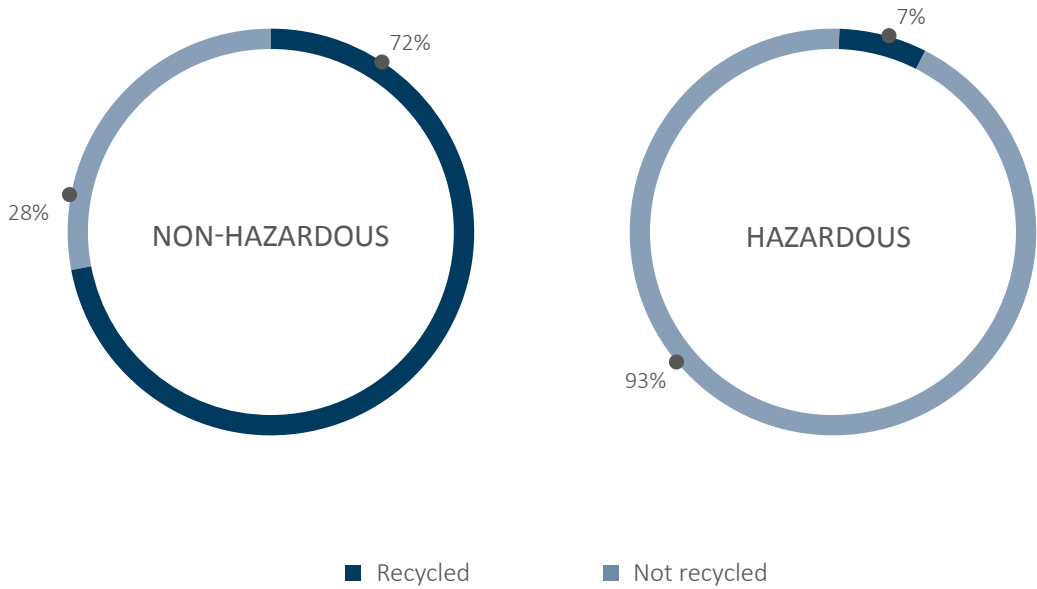


WATER CONSUMPTION BY SOURCE TYPE (MEGALITERS)

	2019	2020	2021
Water from third parties- aqueduct	16.9	12.7	12.2
Groundwater	0.2	0.5	0.4
Total	17.1	13.2	12.6

WASTE MANAGEMENT

WASTE RECYCLED IN 2021



861 t

TOTAL WASTE COLLECTED IN 2021

-6%

REDUCED QUANTITY OF HAZARDOUS WASTE TREATED IN 2021 COMPARED TO 2020

In 2021 the number of employees increased by 4.2 percent, with a 7.7 percent increase in female workers compared to 2020

1,196
EMPLOYEES OF THE
PIOVAN GROUP

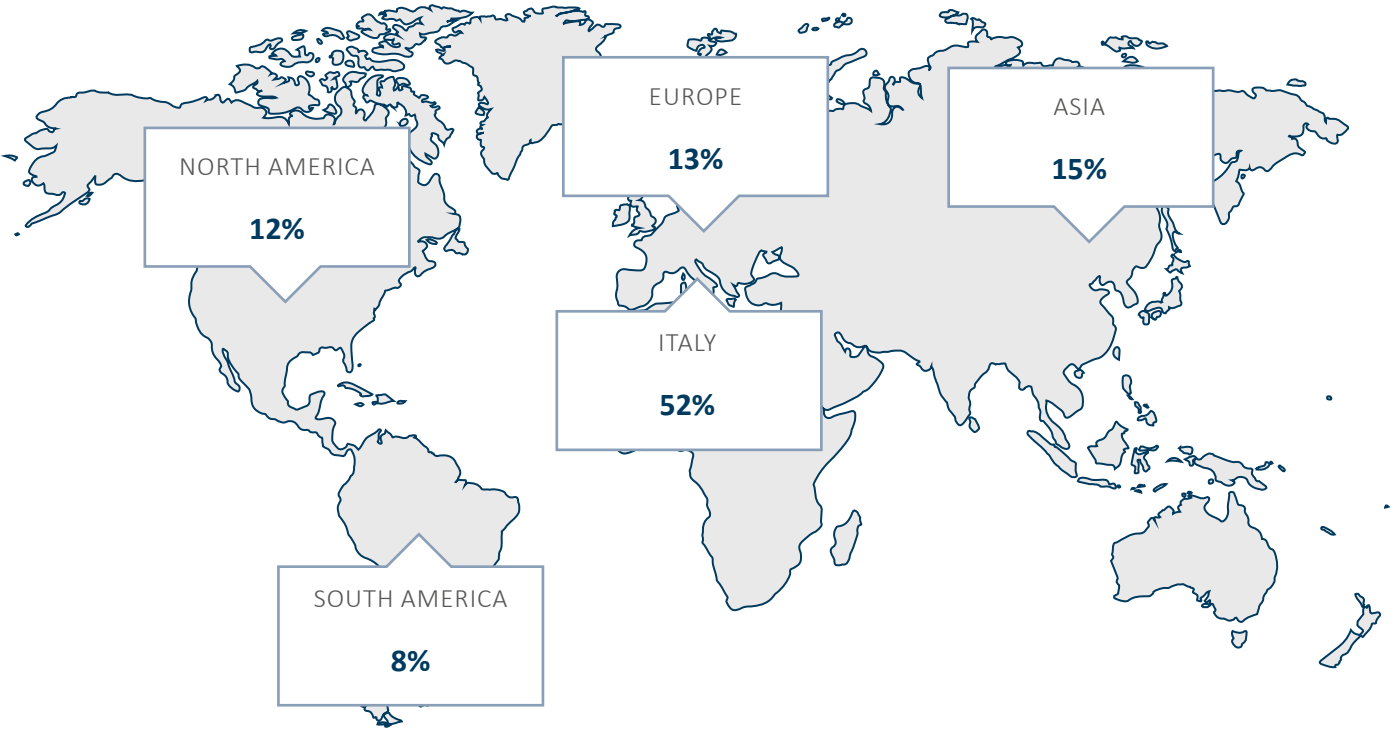
48
NET INCREASE IN THE
WORKFORCE
IN 2021

67,350,000
VALUE DISTRIBUTED TO
EMPLOYEES AS SALARIES,
WAGES, SOCIAL SECURITY
CONTRIBUTIONS AND BENEFITS

TOTAL PIOVAN GROUP EMPLOYEES BY CATEGORY AND GENDER

	2019			2020			2021		
	male	female	total	male	female	total	male	female	total
Executives	27	1	28	28	2	30	26	1	27
Managers	54	9	63	63	9	72	63	8	71
White-collar	473	144	617	503	164	667	523	173	696
Blue-collar	381	12	393	371	8	379	387	15	402
Total	935	166	1,101	965	183	1,148	999	197	1,196

PERCENTAGE DISTRIBUTION OF EMPLOYEES BY GEOGRAPHICAL AREA



Focus on collaborators

People are at the core of our values and of the way we do business. All human resource management and development is carried out with a view to fostering the skills, potential and commitment of every employee, using objective and documented evaluation criteria. To increase inclusion, we promote the responsible participation

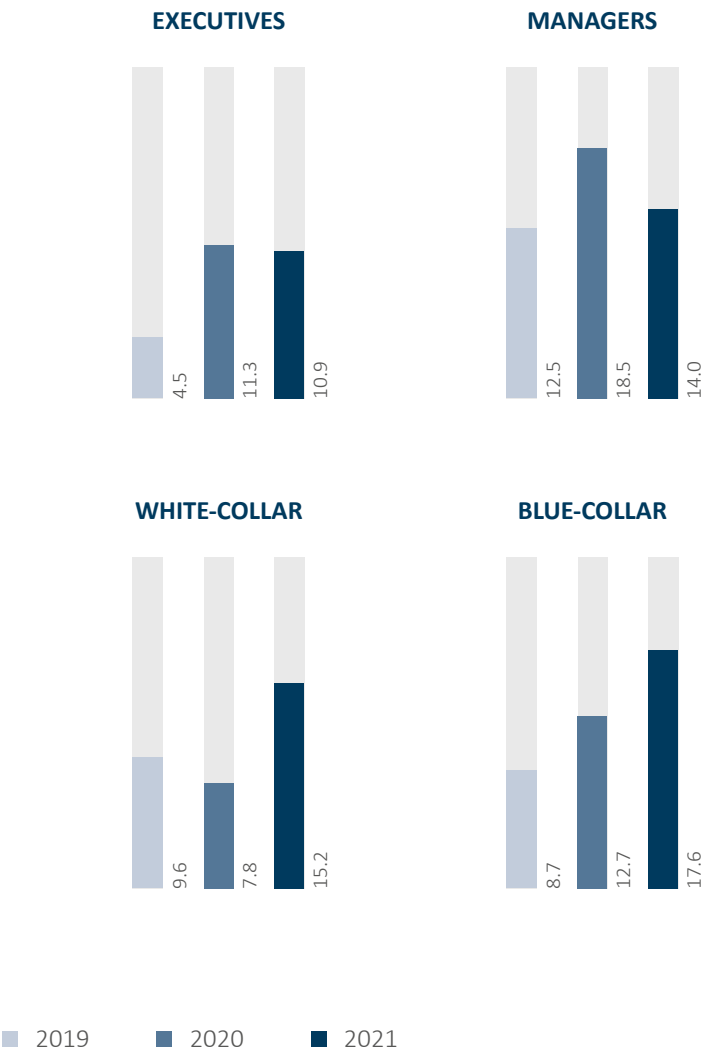
and engagement of our staff, including by way of social dialogue, and we ensure free association with trade unions and the right to collective bargaining. We strive to maintain a constructive dialogue with the trade unions and with all other organizations that represent Piovani employees around the world.

People are essential and so is their development.

Investing in training does not only mean supporting our new arrivals, but also following them throughout their career training over time. The development and sharing of skills are key to the Company's success. This is why we focus not only on technical skills (in both production and in the service area) but also on soft skills like team working and change management.

This is why the average training hours per capita carried out by the Group in 2021 is 62% higher than 2020.

AVERAGE TRAINING HOURS PER CAPITA BY PROFESSIONAL CATEGORY FOR THE PIOVAN GROUP



TRAINING AND DEVELOPMENT

18,950 +62%

HOURS OF TRAINING PROVIDED IN 2021

5,534 +20%

HOURS OF TRAINING PROVIDED ON GENERAL SAFETY

5,551 +192%

HOURS OF TRAINING PROVIDED TO NEW HIRES

1,386 +7%

HOURS OF TECHNICAL TRAINING



On October 1, 2021, the **Group Academy** was created. This is a specialization of the HR function focused on organizing, delivering and monitoring training activities in line with the Company's needs at a global level, which made it possible to combine technical-specialist and cross-department training within a single entity.

OCCUPATIONAL HEALTH AND SAFETY

The health and safety of our people come before all else. Creating a safe, comfortable workplace for us means not only ensuring that we comply with applicable laws and regulations, but also constantly working to keep thorough risk analyses up to date and promoting a culture of health and safety.

In confirmation of this commitment to occupational health and safety, Piovan S.p.A. obtained ISO 45001:2018 certification on November 26, 2019, for its offices, production site, and warehouse located in Santa Maria di Sala, Venice. In addition, 2021 saw a 23.4 percent reduction in injury rates compared to 2020.

INJURY RATES

	2019	2020	2021
Recordable work-related injuries	16	13	12
of which fatal	-	-	-
of which with serious consequences	2	1	-
of which on commute	-	-	-
Days lost due to injury	242	205	144
No. of cases of work-related ill-health	-	-	-
Rate of death due to work-related injury	-	-	-
Rate of work-related injuries with serious consequences (excluding deaths)	1.06	0.54	-
Rate of recordable work-related injury	8.44	6.97	5.34



Sustainability Report



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Commitment to a circular economy

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1

Commitment to a circular economy

Protecting the environment has become increasingly important in modern times. Issues regarding climate change, scarce resources and supply shortages require companies to use materials reasonably and efficiently.

Protecting the environment has become increasingly important in modern times. Issues regarding climate change, scarce resources and supply shortages require companies to use materials reasonably and efficiently.

The challenges we are currently facing concern:

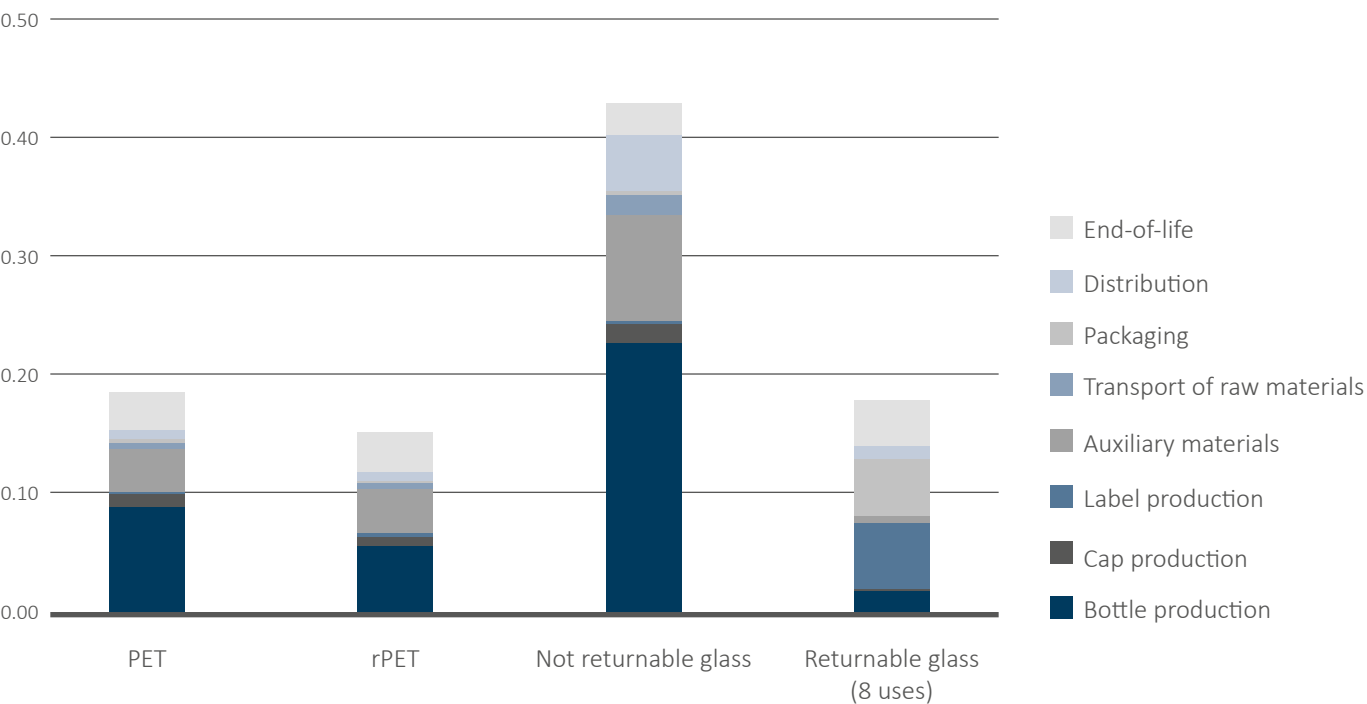
CLIMATE CHANGE

THE FACTORS MOST AFFECTING CLIMATE CHANGE ARE:

- FOSSIL FUEL COMBUSTION;
- DEFORESTATION;
- INTENSIVE CATTLE FARMING.

Plastic has a positive influence in this context thanks to the low environmental impact of plastic production. The relatively low melting point of this lightweight material means that transforming plastic from a raw material into a finished product has less of an impact on the environment compared to other materials, such as glass or aluminium. For example, the energy required to make a glass bottle is approximately 33 times that needed to make a plastic bottle.

COMPARISON OF 1-LITRE MILK BOTTLES, IN KG CO₂ EQ.⁵



1. PlasticsEurope AISBL- "Plastica- un nuovo modo di pensare l'energia"
2. PlasticsEurope AISBL- "Automotive The world moves with plastics"
3. www.un.org/esa/forests/news/2019/03/on-international-day-unece-fao-forestry-and-timber-section-releases-10-facts-to-fall-in-love-with-forests/
4. <https://www.sciencedirect.com/science/article/pii/S1369702107702766>
5. https://www.oecd-ilibrary.org/sites/de747aef-en/1/3/2/index.html?itemId=/content/publication/de747aef-en&_csp_=e9020c542dd024467e760066b0abe328&itemGO=oecd&itemContenttype=book#figure-d1e2806
6. "[...]semi-finished thermoplastic fibre composite[...]", https://tu-dresden.de/ing/maschinenwesen/ilk/das-institut/news/neuartige-wasserstoffdruckspeicher-fuer-optimale-integration-in-fahrzeugstruktur?set_language=en

Thanks to their intrinsic characteristics, these polymers can be used to develop state-of-the-art hydrogen mobility technologies such as, for example, hydrogen tanks made from technical polymers⁶.

LACK OF RESOURCES

Examples of scarce resources include forests, drinking water and food, because they are limited natural resources.

Plastic, on the other hand, has a low impact on scarce resources as it can be made from processing waste material, be it virgin or recycled (unlike other types of packaging, such as paper, which may contribute to deforestation). Its use also helps to preserve other scarce natural resources. It is estimated that the use of plastic packaging reduces food spoilage from 50% to 3%.

ENVIRONMENTAL POLLUTION

Many polluting substances used for domestic and industrial purposes are dispersed into the soil, sea and atmosphere. These polluting substances include plastic, which can take hundreds of years to break down once dispersed into the environment.

However, a lot of plastic polymers can potentially be recycled to create new products, thus minimizing environmental pollution. From this point of view, it's important to implement an awareness-raising policy with regard to the conscious use of plastics, so that waste materials may also be considered a resource. This is a key prerequisite for a circular economy.

Following amendments to EU legislation on plastic production and use, the market could start to favour the use of recycled plastics, to the detriment of traditional plastics.

This potential change, dictated by EU legislation, represents an opportunity for Piovan S.p.A. ("Piovan", the "Company" or the "Parent Company") and its subsidiaries (together with Piovan, the "Group", or "Piovan Group"). The Group has always made sure to use recycled materials and will now be able to provide the market with cutting-edge machinery to encourage the use of recycled materials to a much greater degree than required by law. The hope is to promote a circular economy where possible.

The Group has a strategic advantage over its competitors, both in terms of technology and time-frame.

01 CONCRETE COMMITMENT

INDIVIDUAL VIRTUOUS CONDUCT

+

EFFICIENCY IN WASTE MANAGEMENT

+

INNOVATION FOCUSED ON THE CIRCULAR ECONOMY

02 RECYCLING

WASTE COLLECTION



MATERIAL PREPARATION, GRANULATION AND CLEANING



PELLETIZING




TRANSPORT, DEHUMIDIFICATION AND DOSING

03 TRANSFORMATION OF RECYCLED MATERIAL




1.1 The Piovan Group strategy


PIOVAN GROUP IS ALREADY PARTICIPATING IN THE CHANGE PROCESS IN THE FOLLOWING WAYS:



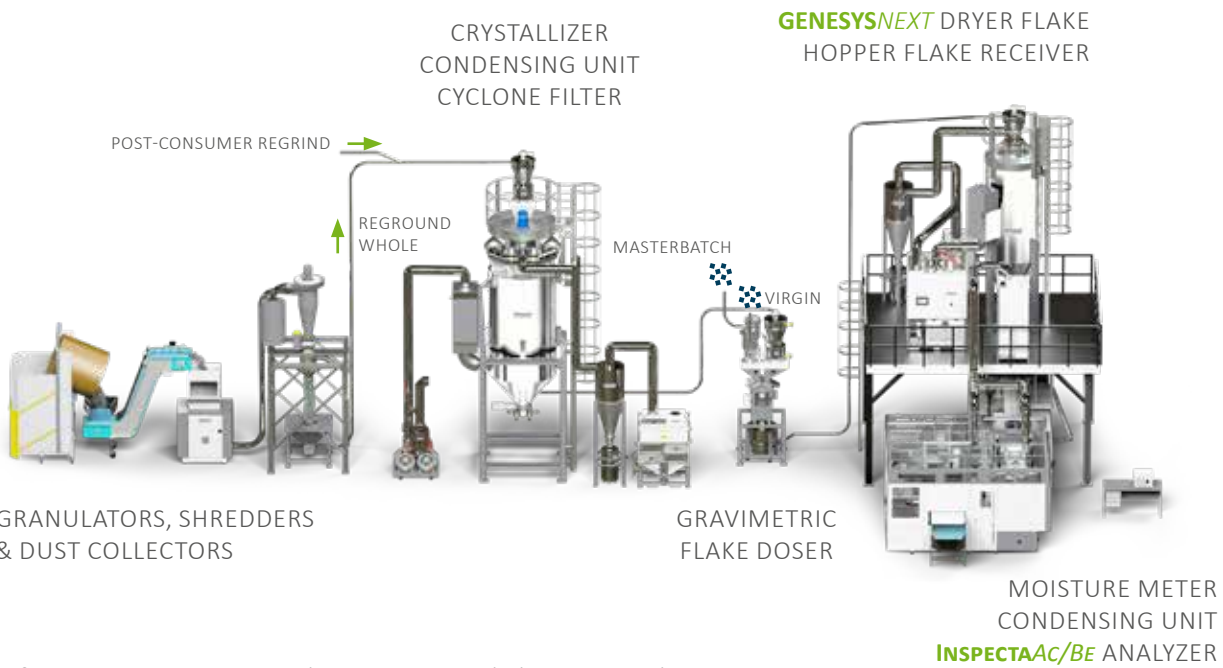
BY CRITICALLY ANALYZING BUSINESS PRACTICES



BY CONTINUALLY INNOVATING ITS SERVICES, WHILE PAYING CLOSE ATTENTION TO TECHNOLOGIES USED TO PROCESS



BY RAISING CUSTOMER AWARENESS ON THE USE OF ENERGY-SAVING AND CIRCULAR-ECONOMY SOLUTIONS



Example of Piovan Group system used to process recycled raw materials.

Since 2006, the Group has supplied equipment and systems for over 300 plants dedicated to recycling plastics or using recycled plastics.



With (EU) Directive 2019/904, Europe is introducing a range of new regulations, including one that requires all PET bottles to contain at least 25% recycled plastic from 2025, and one that requires all beverage bottles to contain 30% recycled plastic from 2030. The ambition of Piovan Group is

to contribute to the achievement of this objective by raising awareness among its partners and helping them to reach 50% and 60% automation specifically for the use of recycled PET plastic in the packaging sector.

EU OBJECTIVES

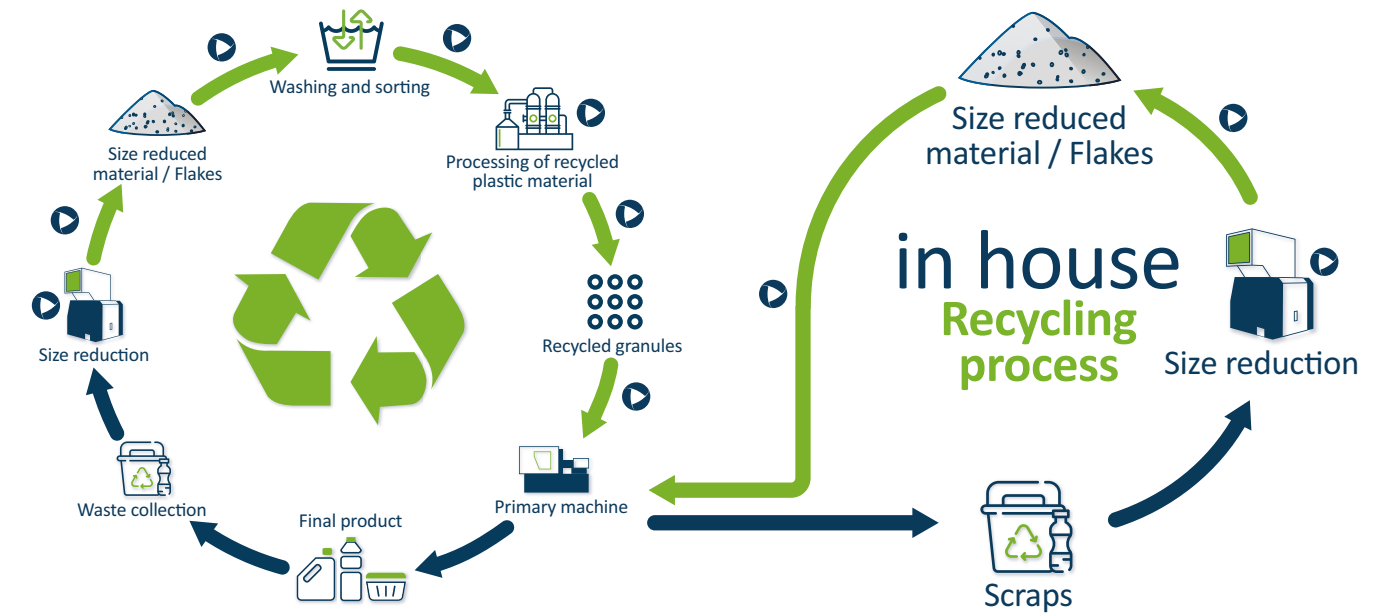
25% RECYCLED PLASTIC IN PET BOTTLES BY 2025

30% RECYCLED PLASTIC IN PET BOTTLES BY 2030

PIOVAN GROUP'S OBJECTIVES

50% OF AUTOMATIONS FOR THE USE OF RECYCLED PET PLASTIC IN PACKAGING BY 2025

60% OF AUTOMATIONS FOR THE USE OF RECYCLED PET PLASTIC IN PACKAGING BY 2030



Developing solutions for a circular economy can be fairly technologically complex, due to the variability of raw materials, which can differ greatly in comparison to oil, for example. In fact, vast chemical-physical differences are often found in

raw materials, including within individual batches. As such, systems need to be able to manage these differences while continuing to deliver products of a very high quality.

In order to do so, we rely on three pillars:

01 DEVELOPMENT

DEVELOPING SPECIFIC PRODUCTS FOR THE RECYCLED MATERIAL SUPPLY CHAIN, SUCH AS:

- **GENESYS NEXT**, a high-efficiency dehumidifier with proprietary technology capable of reducing VOCs⁷ present in process air and controlling injection pressure, thus improving the yield and quality of finished products;
- **INSPECTA**, to immediately detect NIAs⁸ in PET. In fact, InspectaBe, which detects benzene, was among the finalists for a Sustainability Award⁹ as it greatly simplifies the use of sustainable rPET packaging in the food sector;
- **WINFACTORY 4.0**, a system for monitoring, automating and tracing all products, but above all, recycled products, in order to guarantee quality.



EDUCATION

02 RAISING CUSTOMER AWARENESS ABOUT THE EXISTENCE OF GOOD PLASTICS ORIGINATING FROM RECYCLED MATERIALS OR PLANT-BASED RAW MATERIALS.

SUPPORT

03 SUPPORT, TO GUARANTEE QUALITY AND EFFICIENCY ACROSS ALL SYSTEM LIFE STAGES:

- design
- installation
- start-up
- preventive and corrective maintenance

The widest possible distribution of ‘circular economy friendly’ products is key to sustainability. In a world in which global plastic recycling is still limited, the challenge is to create a supply chain capable of recovering, transforming and reusing a raw material with one the best ecological footprints, if employed properly.

The social drive towards replacing plastic with other packaging materials for food and drink moves the problem away from environmental pollution and towards greenhouse gas emissions. The most promising strategy involves improving plastic recycling rates by changing consumer habits and creating an efficient collection chain.



Millions of tons of CO₂ emitted into the atmosphere if every 500 ml PET bottle produced in the UK in 2016 were replaced with packaging using other materials¹⁰.

THE PIOVAN GROUP AIMS TO ACTIVELY CONTRIBUTE TO:

- RAISING AWARENESS AMONG PLASTIC PRODUCERS AND USERS ABOUT THE INCREASED USE OF RECYCLED PLASTICS AND BIOPLASTICS
- PROVIDING THE MARKET WITH UNIQUE PRODUCTS DESIGNED FOR THIS PURPOSE.
- HELPING PARTNERS TO RESEARCH, COMMISSION, SUPERVISE, MONITOR AND MAINTAIN CUTTING-EDGE SYSTEMS.

In 2021, the Group estimates that approximately 21% of its revenues within segments where the use of recycled plastics is relevant (mainly packaging, fibres, recycling and compounding) is related to circular economy activities.

7. Volatile Organic Compounds.
8. Not Intentionally Added Substances.
9. <https://packagingeurope.com/finalist-interview-inspecta-be-from-piovan/1166.article>

10. Voulvoulis N.(a), Kirkman R.(b), Giakoumis T.(a), Metivier P.(b), Kyle C.(b), Midgley V.(b), 2020. Examining material evidence the carbon fingerprint.(a) Centre for Environmental Policy, Imperial College London (b) Veolia UK.
PHOTO GALLERY: Example of products made from recycled plastics or biopolymers with the help of Piovan Group solutions.



1.2 Commitment to sustainability: ESG rating

During 2021, the Piovan Group further confirmed its commitment to sustainable development by obtaining an ESG Risk Rating from Sustainalytics, a Morningstar company and leader in independent ESG research, ratings and data to support investors in the development and implementation of responsible investment strategies¹¹.

The rating was awarded following a process of analysis and interaction that lasted more than 2 months and is based on a comprehensive analysis framework, which goes into greater depth than the core framework previously used by Sustainalytics to assess the Piovan Group.

11. Copyright ©2021 Sustainalytics. All rights reserved. This document contains information compiled by Sustainalytics (www.sustainalytics.com). This information and data are the property of Sustainalytics and/or its third party providers (Third Party Data) and are provided for informative purposes only. They do not constitute an endorsement of any product or project, or investment advice, and are not guaranteed to be comprehensive, timely, accurate, or fit for a specific purpose. Their use is subject to the conditions available at <https://www.sustainalytics.com/legal-disclaimers>.

The analysis considered aspects related to: human rights, occupational health and safety, carbon emissions, business ethics, human capital, environmental and social impact of products and services.

Sustainalytics issued its assessment in November 2021, giving the Piovan Group an ESG Risk Rating of 21.9, which placed us in the Medium Risk category, improving by 11.8 points from our previous assessment (33.7) with the best scores coming in the following categories:

- Own carbon dioxide emissions
- Environmental and social impact of products and services
- Occupational health and safety

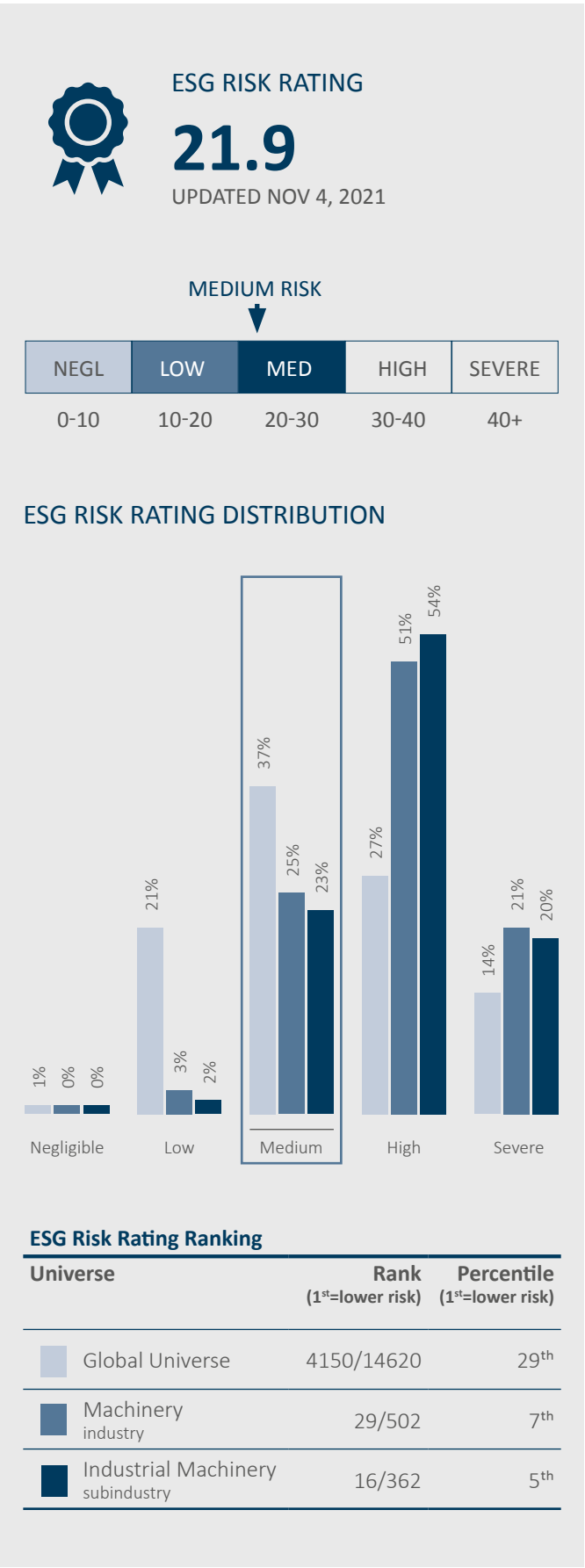
At the time the rating was issued, Piovan placed in the 29th percentile of the Sustainalytics global rankings, with a further improvement in the Industrial Machinery subcategory, where Piovan placed in the 5th percentile.



Thanks to its high rating, at the beginning of 2022, the Group received further recognition from Sustainalytics by means of its Industry Top Rated 2022 badge, which is awarded to companies that stand out in their sector.

Both the rating and the Industry Top Rated 2022 badge are reviewed once a year, and the Group intends to maintain and improve its ranking in the future.

For more details, the report abstract is available on the Sustainalytics website at: <https://www.sustainalytics.com/esg-rating/piovan-spa/2002586028>



ESG Risk Rating Ranking

Universe	Rank (1 st =lower risk)	Percentile (1 st =lower risk)
Global Universe	4150/14620	29 th
Machinery industry	29/502	7 th
Industrial Machinery subindustry	16/362	5 th



1.3 Piovan product recyclability

During 2021, the Group continued to actively invest in the fight against climate change, aware that the topic will become increasingly relevant to the Company and is a requirement for thinking differently and responsibly about business. Both the EU and the US are undergoing a **green** transition from a linear to a circular economy, where products are managed cyclically to reduce waste. In the future, demand will increase for products that achieve more with less. Against this backdrop, the Piovan Group designs and creates products with an average useful life of 10-15 years, which are generally replaced by the introduction of higher performance products, rather than because of limits to their functionality.

The Group’s policy also consists of providing customers with high-quality after-sales service that includes, among other things, a particularly wide range of replacement parts for products in production, in addition to a “retrofit service”. This enables the creation of exchange kits for machines that are no longer in production but still used by customers, and further extends the useful life of its products. It is not unusual for these activities to be performed on machines and plants that have been in service for more than 20 years.

Once a machine is decommissioned, it can be dismantled for parts (mainly metal), which are over 85% recyclable.



During 2021, the Group expanded its monitoring activities to include the technical analysis of the recyclability of the materials it uses to manufacture the products it brings to market. Based on an analysis of 83% of the products shipped by the parent company Piovan S.p.A. in 2021, 85% of them could be recycled in full (if disposed of correctly).

In addition, the considerable rise in the costs of all raw materials during 2021 helped improve the intrinsic end-of-life value of Piovan’s products, further increasing the financial incentive for customers to dismantle and recycle Piovan equipment at the end of its useful life.

OUR CIRCULAR APPROACH IS EMBODIED IN THE FOLLOWING ACTIONS:



SELECTING MATERIALS, STUDYING PRODUCT DESIGN, AND EMPHASIZING LONGEVITY, DURABILITY, REPARABILITY, MODULARITY, DISASSEMBLY, AND RECYCLABILITY



MAKING USE OF USED, RECYCLED, OR RENEWABLE RESOURCES, REDUCING THE USE OF VIRGIN RAW MATERIALS IN FAVOR OF SECOND-HAND, RECYCLED OR RENEWABLE RESOURCES, AND REPLACING HAZARDOUS MATERIALS WITH NON-HAZARDOUS EQUIVALENTS



TAKING BACK USED PRODUCTS, CREATING PROGRAMS TO RECLAIM USED PRODUCTS, THEREBY AVOIDING RESOURCES BEING DISCARDED

These aspects are all reflected in the products and services Piovan Group offers its customers.

In addition, to further reduce the environmental impact of its products, Piovan S.p.A. began the process of distributing its product manuals digitally in 2021. Previously supplied on a CD with machines, manuals can now be downloaded from a dedicated portal by filling in a form or by scanning a QR code on the machine’s nameplate.



Digital product manuals available from the online portal via a QR code



1.4 ENERGYS S.R.L.

Recently, the Piovan Group incorporated Energys S.r.l., a certified ESCo aiming to offer Group customers specific advice on what they can do to save energy, whether it be related to producing plastic or other materials.

The Italian Legislative Decree No. 102 of July 4, 2014, implementing Directive 2012/27/EU on energy efficiency, states that large companies and energy-intensive businesses must carry out an energy audit every four years. The decree also stipulates that the assessment must be carried out by an ESCo (Energy Service Company).

Energys S.r.l., a consolidated company of the Piovan Group, was founded in 2012 and specializes in the energy sector, being a certified ESCo (UNI CEI 11352:2014). It offers services and technologies to allow its customers to carry out detailed analyses of their energy consumption, identifying any potential energy or financial savings within the Company. Specifically, it deals with:

- MONITORING AND ANALYSIS OF ENERGY EFFICIENCY
- ENERGY AUDITS
- OBTAINING WHITE CERTIFICATES

The work carried out by Energys is widely applicable to the industrial sector, and particularly to the plastics and food industries- the core business of the Piovan Group.

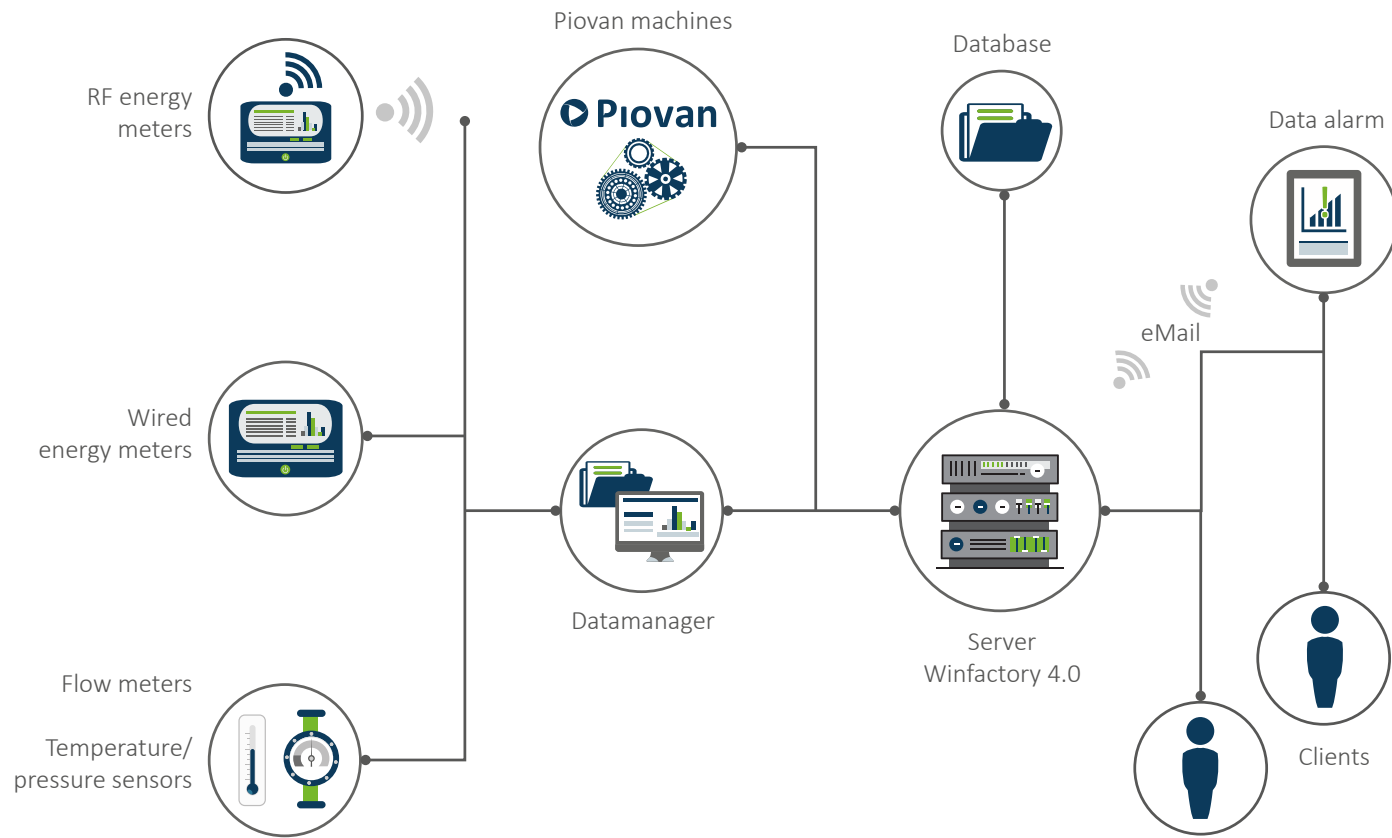
As such the Group not only designs and develops machines with the most advanced energy efficiency systems available on the market, but also offers services aimed at further reducing the environmental impact of its customers' production processes.

ENERGY MANAGEMENT

Monitoring production activities makes it possible to efficiently manage energy consumption with a view to reducing emissions while simultaneously achieving financial benefits and savings.

The Piovan Group moves into this area with Winenergy, a system that controls and analyses consumption using proprietary software.

WINENERGY ARCHITECTURE



The Winenergy monitoring systems allow real time measurement of the quantities of energy carriers and flows used by the Company: electricity, fluid flow (e.g. natural gas, compressed air, water), temperature and pressure.

They therefore allow analysis of the energy performance of not only individual users, but also of entire production lines

and sites. The aim is to identify energy consumption centers and map the Company's energy efficiency status, helping to identify inefficiencies.

This makes it possible to carry out evaluations and formulate hypotheses to improve the efficiency of the process in question.

A FEASIBILITY STUDY EVALUATES THE FOLLOWING:

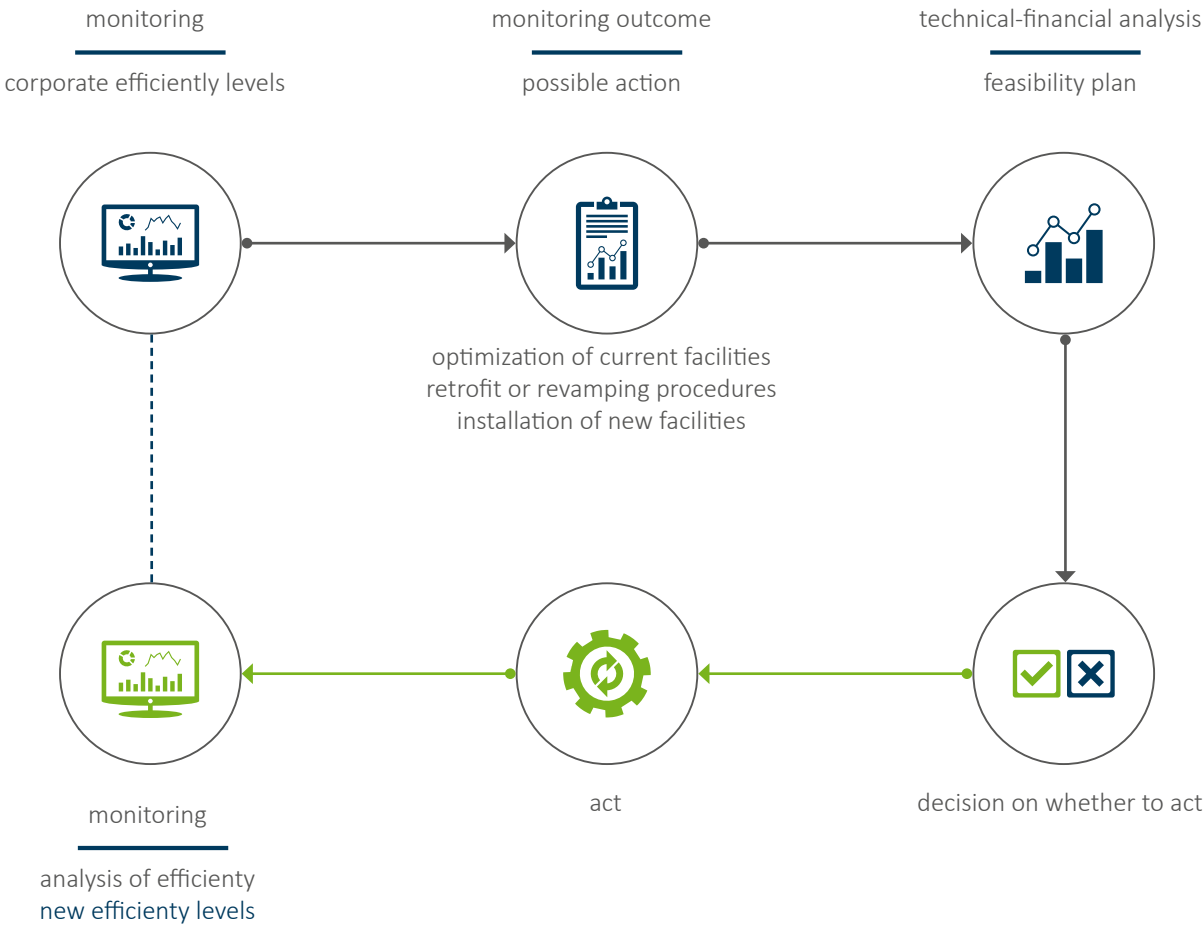


THE POTENTIAL BENEFITS, BOTH IN TERMS OF REDUCED CONSUMPTION AND FINANCIAL ADVANTAGES



THE PAYBACK TIME OF THE INVESTMENT IDENTIFIED

Energys S.r.l. allows its customers to comply with energy audit legislation as per regulation UNI CEI EN 16247.



EXAMPLES AND CASE STUDIES

In 2021, Energys helped a customer company obtain funding as part of the 2014-2020 “Sustainable Energy and Quality of Life” ERDF OP funds for Piedmont. Energys helped said company report on the energy savings it made in 2020 thanks to various new energy saving measures; in particular, the replacement of filament bulbs with LED bulbs, and the installation of more

powerful compressors. The opportunity was also taken to install a heat recovery system when refurbishing the compressor room, which significantly reduced the Company’s thermal energy consumption. Overall, the entire project resulted in the 246,347 kWh less electricity and 98,000 kWh less heat being consumed.

As part of its consultancy activities, Energys helped another Italian company obtain EU funding by assisting with its participation in the CETH “HORIZON-CL4-2021-TWIN-TRANSITION-01-21 Design and optimization of energy flexible industrial processes (IA)” tender.

The company is a customer of Piovan and wished to replace its drying system, comprising 35 small dryers, with a centralized system. Piovan submitted a proposal for a system comprising 2 Piovan dryers: a 64 kW GMP70 ADAPTIVE and a 64 kW GMP100 ADAPTIVE.

These new dryers would result in several energy benefits as they are fully electric and much more energy efficient than the current hybrid electric and compressed air-driven dryers.

The new plant would reduce electricity consumption by an estimated 103,000 kWh, which is equal to a GHG reduction of 42,797 tons of CO₂.

In addition to replacing the drying system, the tender would also fund research into the installation of a system that could recover heat from press molds via an electric heat pump. The proposed design would use waste heat to power air conditioning units in office spaces or to keep rooms containing certain equipment cool. The solution would immediately reduce gas consumption while also making use of waste energy that would otherwise be lost and would have to be disposed of using chillers, which consume additional energy.

In both instances, the project and actions presented and accepted for funding would reduce gas consumption.



WHITE CERTIFICATES

White certificates, also known as Energy Efficiency Certificates (EEC) are tradable certificates that certify the achievement of energy end-use savings through energy-efficiency operations and projects.

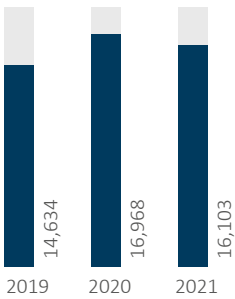
Energys, as a certified ESCo, is authorized to manage the process for obtaining white certificates, which is done by presenting projects and operations necessary for their award.

During 2021, Energys S.r.l. obtained 2,290 EECs and sold 2,358, in line with 2020.

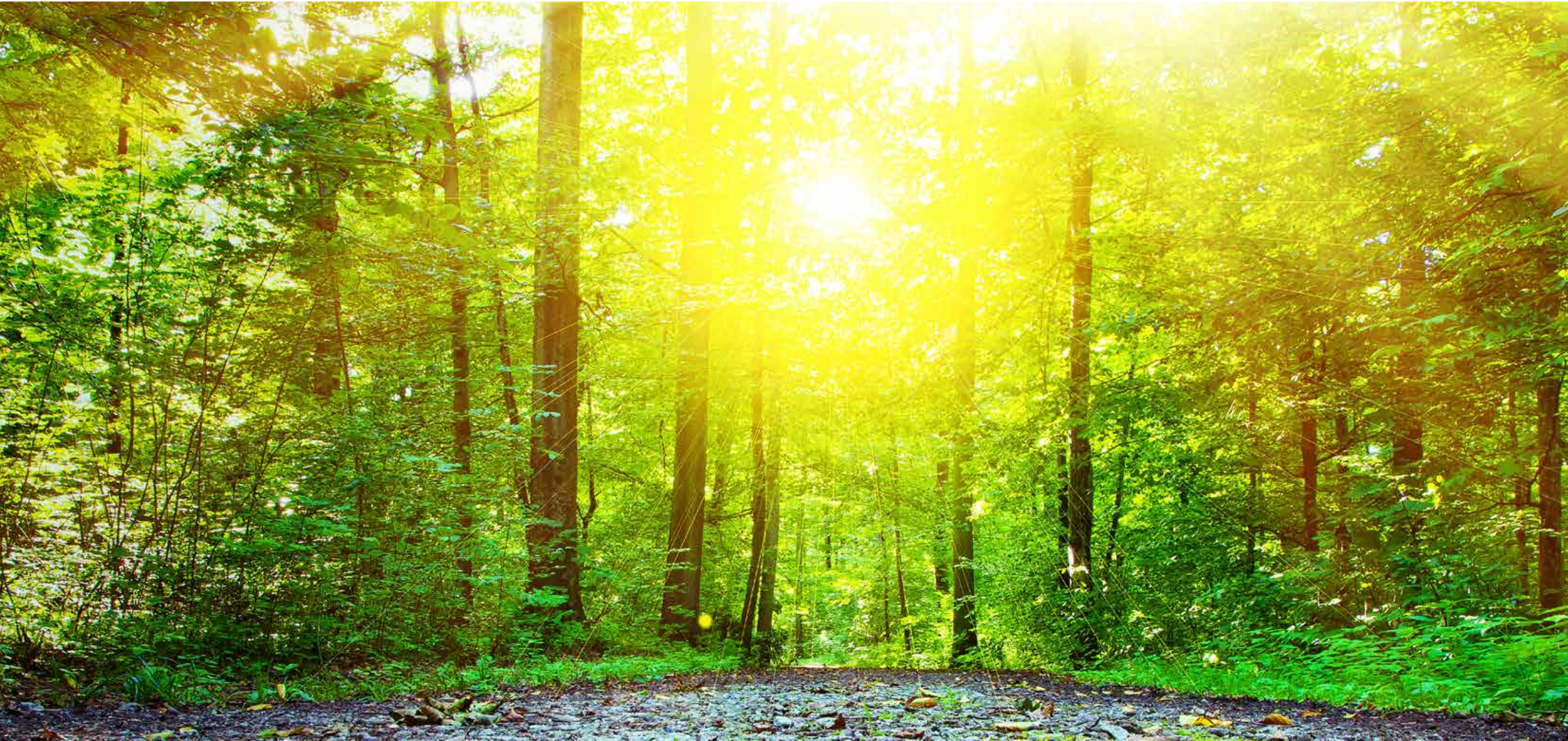
White certificates obtained by Energys S.r.l. during 2021 allowed its customers to save 16,102.99 GJ. These figures confirm the trend established in previous years.

12. 16,103 GJ converted with <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

GJ SAVED



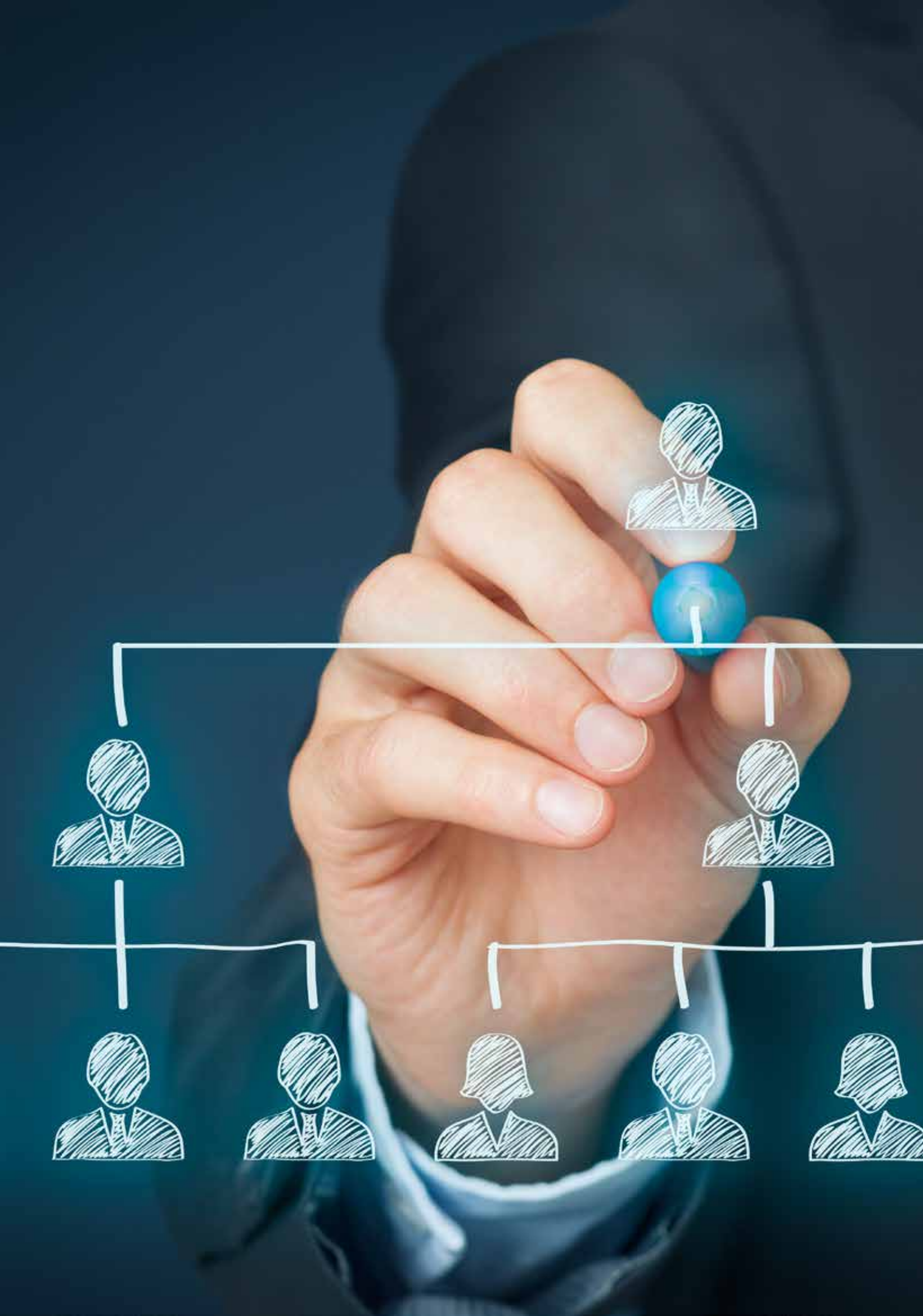
IN 2021, THANKS TO ENERGYS, THE PIOVAN GROUP HELPED REDUCE CO₂ EMISSIONS BY A VOLUME EQUIVALENT TO THE AMOUNT OF CARBON ABSORBED BY 2,276 ACRES OF FOREST IN A YEAR¹².



2

Management business model and organization of company activities

Development of systems to automate and increase the efficiency of the entire storage, shipping and treatment processes of virgin polymers, recycled plastics and bioplastics, as well as the main food powders. Continual technical assistance on global basis to guarantee optimal product performance.



THE PIOVAN GROUP IN A NUTSHELL:



Euro 287 million

CONSOLIDATED REVENUES FOR THE YEAR 2021



Euro 6 million

SHARE CAPITAL (FULLY PAID-IN)



1,196

EMPLOYEES: OF WHICH 620 IN ITALY AND 576 IN THE REST OF THE WORLD



9

PRODUCTION PLANT ON 4 CONTINENTS: 5 IN ITALY AND 4 IN GERMANY, THE UNITED STATES, BRAZIL AND CHINA

Costante Piovan & Figli originated in Padua in 1934 as a mechanical workshop named after its founder. In 1964, Piovan introduced the first auxiliary polymer processing equipment to the Italian market. In 1997 it became a joint-stock company and assumed its current name of Piovan S.p.A., with registered office in Via delle Industrie 16, Santa Maria di Sala (VE).

Piovan has strengthened its leadership position worldwide. At the end of 2014, the Group welcomed Penta, a company operating in the plastic industry and food sector. During 2020, the Group consolidated its position in food processing by acquiring a majority stake in Penta. Aquatech has been operative since January 2015 and is a new company specializing in industrial refrigeration. Energys was created to offer energy and consultancy services in the name of energy efficiency.

The company joined the Progema Group, which designs and produces automation and control systems for industrial processes. New branches have opened their doors: Piovan

Japan in Kobe, Piovan Gulf in Dubai Piovan Vietnam in Ho Chi Minh City and Piovan Maroc in Kenitra, Morocco. In 2019 new entries to the Group were FEA p.t.p S.r.l. - an Italian company specialized in food industry automation, and more specifically, the installation and production of machinery to transport viscous liquids- and Toba Pnc Co. Ltd. in South Korea.

In 2020 Piovan acquired 100% of the share capital of Doteco S.p.A., a leader in dosing technologies for plastic films (for food and non-food packaging) and synthetic fibers. This allowed the Group to take a significant step towards international leadership in the sector of automation in the production of films for food, agriculture and other uses.

At the end of 2021, Piovan announced the signing of an agreement whereby Piovan will acquire the entirety of the share capital in Sewickley Capital Inc. - which in turn owns 100% of IPEG Inc., an industry leader in North America - from the selling shareholders at Sewickley Capital, thereby

further strengthening its global leadership in this industry. **The acquisition was completed in January 2022 and as such, none of the figures in this document take this transaction into consideration.**

Through local legal entities, the Piovan Group is directly present in 20 countries around the world.

The Group is now a multinational enterprise and a global leader in the development and manufacture of automation systems for the storage, shipping and processing of polymers and of plastic and food powders.

Specifically, the Group develops, manufactures and markets systems and equipment that enable customers to automate and increase the efficiency of the entire storage, shipping and treatment processes of virgin polymers, recycled plastics and bioplastics, as well as the main food powders such as sugar, flour, cocoa and milk powder.

The Group's technical solutions include in particular: (i) the design of equipment, systems and engineering solutions; (ii) the production of equipment and systems; and (iii) installation and initialization at the customer's production facilities.

The Group also supports its customers globally through continual technical assistance, including the sale of spare parts for machinery and the provision of a range of additional services ("Services and Spare Parts"), and support activities from the preliminary design phase through to installation and initialization of the equipment and machinery. These steps guarantee optimal product performance and consolidate customer relationships.

The Group reports consolidated revenues of Euro 287 million for 2021. The Group's revenues come from 4 different geographical areas: EMEA, North America, South America and Asia.

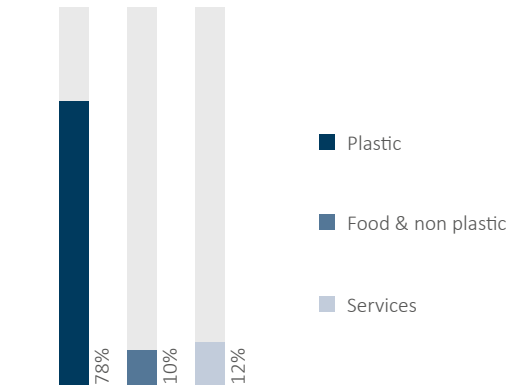
Chaired by Nicola Piovan, the Group has 1,196 employees: 620 in Italy and 576 in the rest of the world (153 in Europe excluding Italy, 139 in North America, 183 in Asia and 101 in Brazil), supported by a commercial network of 31 service and sales companies operating locally (20 in EMEA, 6 in ASIA, 4 in North America and 1 in South America). Including distributors, the Group operates in 70 countries. The Group reaches customers in 120 countries around the world.

The Group has 9 production plants on 4 continents: 5 in Italy and 4 in Germany, the United States, Brazil and China. Piovan S.p.A. was listed on the STAR segment of the Italian Stock Exchange on 19 October 2018.

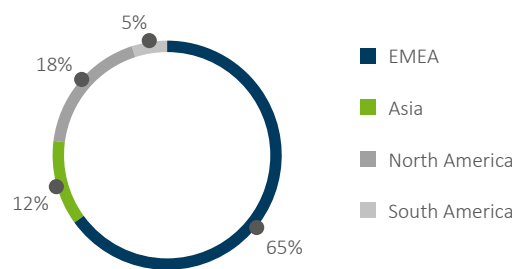
Piovan S.p.A. is a member of national associations and institutions that contribute to promoting quality and innovation, the culture of automation and sustainability:

- Confindustria;
- Amaplast, an association of Italian manufacturers of plastic and rubber molds and machines.

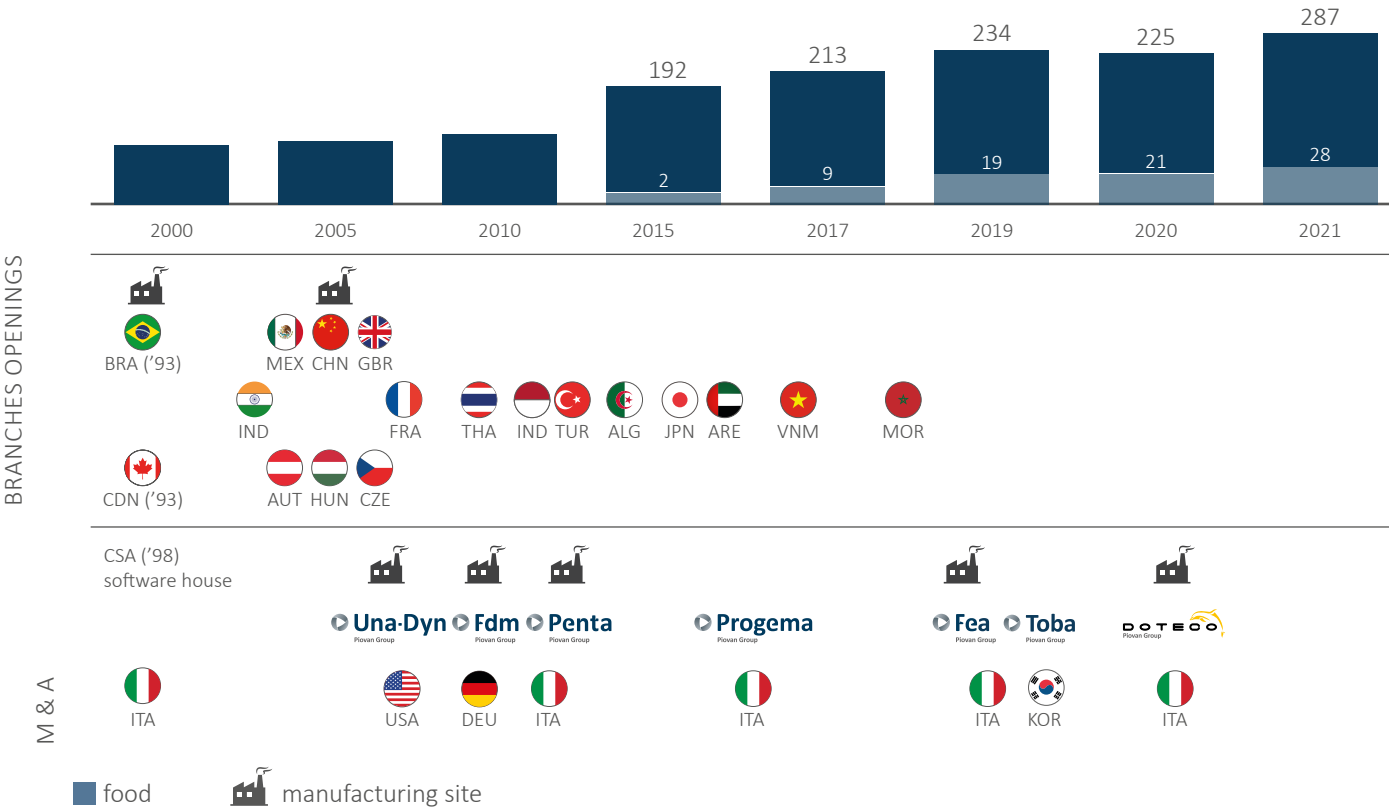
CORE REVENUES BY BUSINESS LINE



CORE REVENUES BY REGION

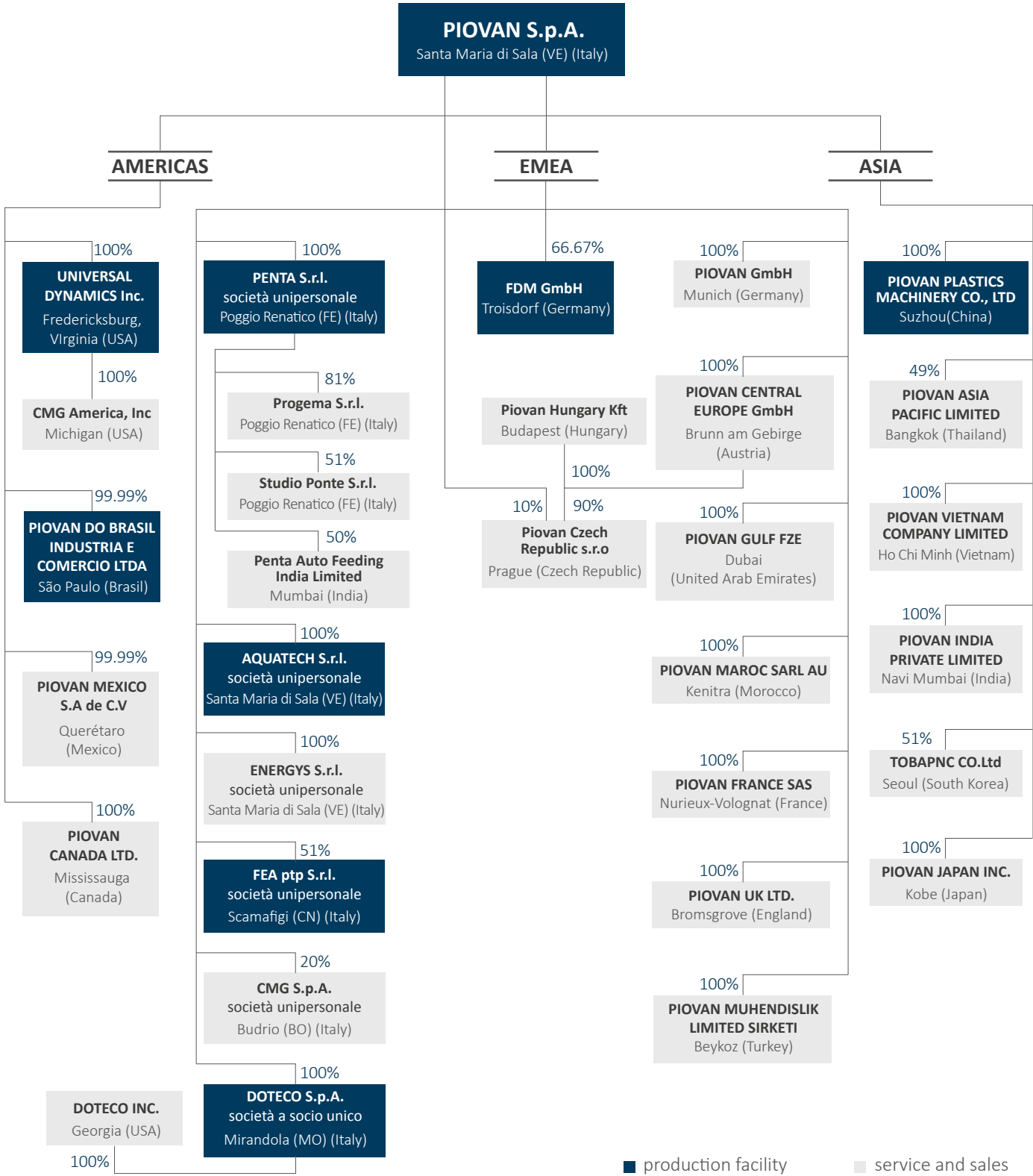


REVENUES 2020 (€M)



2.1 Group structure

As at December 31, 2021, the Piovan Group was divided into a structure headed by Piovan S.p.A. and can be illustrated as follows:





2.2 Corporate governance

Piovan considers a proper governance structure and an effective Internal Control and Risk Management System to be key to its management and organization. These two elements take the form of tools, processes and entities deemed necessary and useful to oversee, manage and supervise Company operations, with a view to carrying out efficient and ethical business activities.

The Company’s corporate governance structure abides by the principles of Borsa Italiana S.p.A.’s Corporate Governance Code

for listed companies (the “Corporate Governance Code”). The corporate boards that make up the Piovan S.p.A. governance system include:

- Board of Directors
- Board of Statutory Auditors
- Internal Committees
- Shareholders’ Meeting
- Supervisory Board

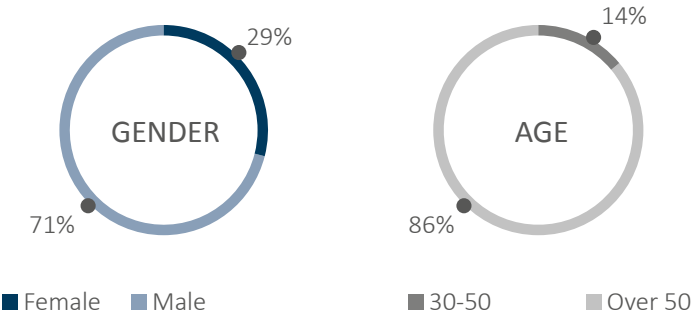
In particular, the Board of Directors is supported by three committees: (i) the Nomination and Remuneration Committee, (ii) the Control, Risks and Sustainability Committee, and the (iii) Related Parties Committee. The Board of Directors also appointed a Supervisory Board in accordance with Legislative Decree No. 231/2001.

2.2.1 Corporate boards of Piovan S.p.A.

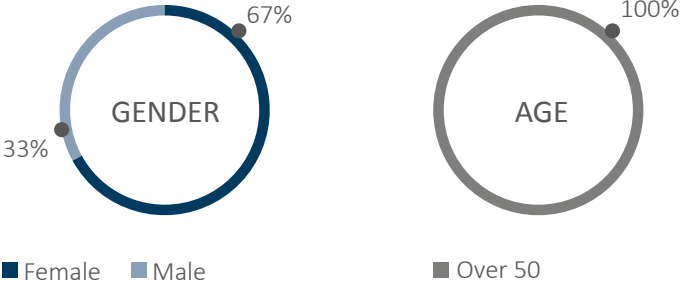
The Board of Directors currently comprises **seven members, of which five non-executive and four independent**. The Chairperson of the Board of Directors has an executive role. In addition to the powers assigned in accordance with law and the By-Laws, the Board of Directors is exclusively responsible for making the most important decisions from an economic and strategic point of view and in terms of structural impact on operations, i.e. those functional to the exercise of the monitoring and guidance activities of the Company and the Group. **It was appointed by the Shareholders’ Meeting of April 29, 2021, and will remain in office until the approval of the financial statements at December 31, 2023.**

The Board of Statutory Auditors comprises **three Statutory Auditors and two Alternate Auditors**. The Board of Statutory Auditors was appointed by the Shareholders’ Meeting of April 29, 2021 and will remain in office until the approval of the financial statements at December 31, 2023. The Board of Statutory Auditors verifies compliance with law and the By-Laws, the principles of correct administration, the adequacy of the administration and accounting organization adopted by the Company and its correct functioning. **All members of the Board of Statutory Auditors meet the requirements of independence.**

COMPOSITION OF THE BOD



COMPOSITION OF THE BOARD OF STATUTORY AUDITORS



IN 2021 THE “SHAREHOLDER COMMUNICATION POLICY” WAS APPROVED, WHICH SEEKS TO PROMOTE AN OPEN AND ONGOING DIALOGUE WITH SHAREHOLDERS AND THE FINANCIAL COMMUNITY.

The By-Laws govern the procedures and criteria to be followed when appointing Directors and Statutory Auditors, in compliance with current legislation and provisions on gender equality.

During 2021, the Nomination and Remuneration Committee and the Control, Risks and Sustainability Committee were renewed in compliance with the Corporate Governance Code’s recommendations, and both committees comprise 3 Non-Executive and Independent Directors, as was the case last year. For further information on this subject, reference should be made to the Corporate Governance and Ownership Structure Report and to the Report on the policy regarding remuneration and fees paid published by the Company on its website.

During the year, the Board of Directors continued to hone the Group’s Corporate Governance procedures, with a view to

continuous improvement. The Group’s Diversity Policy- which was approved in 2020 to promote and protect the diversity of gender, age, and seniority within managing bodies - was followed by the approval of the Shareholder Communication Policy in 2021, which seeks to promote an open and ongoing dialogue with shareholders and the financial community, and to ensure the consistent circulation of comprehensive, transparent, and timely information on business. For further information, reference should be made to the document published on the Company’s website in the Corporate Governance section (<https://cg.piovangroup.com/en/>).

It should be noted that no one on the corporate boards falls into a protected category.

2.2.2 Ethics Code

In order to clearly define core values and responsibilities, the Piovan Group has decided to adopt an Ethics Code which has been approved by the Parent Company Board of Directors and adopted by the subsidiaries. The Code is addressed to Directors, Statutory Auditors, management and internal employees, as well as all those who permanently

or temporarily establish, for any reason, relationships and collaborations with Group companies in the pursuit of its corporate objectives.

Compliance with the Ethics Code by addressees, each within the scope of its functions and responsibilities, is fundamental

to the efficiency, trustworthiness and reputation of the Piovan Group. In addition to the statement of mandatory and prohibited conduct, the principles set out in the Code seek to increase organizational efficiency and guide addressees towards positive objectives that are beneficial both for those directly concerned and for the environment as a whole,

through the improvement of internal relationships and attention to good reputation.

The Ethics Code can be found on the page <https://cg.piovangroup.com>

THE GROUP WISHES TO USE THIS ETHICS CODE TO HIGHLIGHT AND DISSEMINATE THE VALUES THAT IT HAS ALWAYS HELD, FOR EXAMPLE:



Fairness:

the Piovan Group’s relationships are based on the principles of loyalty, fairness, transparency and efficiency. These principles represent a commitment to creating an honest, open and collaborative working environment, and to conducting business responsibly with respect to the community.



Transparency and accessibility of information:

by establishing suitable procedures for internal management and external communication, the Group guarantees the confidentiality of acquired information. Internal and external communications are in verbal or written form, and are easily and immediately comprehensible.



Diligence and Professionalism:

the Piovan Group is committed to ensuring that all its corporate boards and personnel act with impartiality and loyalty, not only in the performance of their duties but also in inter-Company and third-party dealings.



Value and responsibilities of human resources and proper use of company assets:

Piovan considers human resources to be a key and indispensable part of the Group and for the achievement of its objectives. The Group strongly rejects all discrimination based on age, racial and ethnic origin, nationality, political opinions, religious beliefs, gender, sexuality or health status.



Equal opportunities and prohibition of harassment:

to foster professional growth opportunities for its staff, the Piovan Group offers equal opportunities for professional growth, ensuring that treatment of all personnel is fair, based on criteria of merit, and free from discrimination.



Occupational health and safety:

the Piovan Group is committed to managing its production activities in full compliance with existing laws and regulations at every plant, so as to avoid or minimize occupational risks and thereby ensure the safety of its employees.



2.3 Organization, management and control model as per legislative decree no. 231/2001

The Piován S.p.A. Board of Directors adopted an Organization, Management and Control Model (hereinafter the “Model”) in accordance with Legislative Decree No. 231/2001 of June 8, 2001. The Model complies with the Group’s corporate policies and commitment to creating and maintaining a governance system that meets high ethical standards.

The Model’s primary goal is to provide an organic, structured system of supervisory procedures and principles aimed at preventing the offences listed in Legislative Decree No. 231 of June 8, 2001 (“Decree 231”).

The Model forms the basis of the Group’s governance system and helps promote a corporate culture based on fairness, transparency and lawfulness.

The Model was adopted with a Piován S.p.A Board of Directors’ motion on August 2, 2018 and was subsequently updated to bring it into line with legislative changes and corporate requirements. In particular, in 2021, the Model was updated to reflect the addition of tax and smuggling offences to the list of relevant offences for the purposes of Decree 231.

On September 16, 2019, the Italian subsidiaries Penta S.r.l., Aquatech S.r.l., Studio Ponte S.r.l., Progema S.r.l. and Energys S.r.l. decided, in line with Group policy, to adopt their own Organization, Management and Control Models, as per Decree 231, and Supervisory Boards.

Moreover, in 2019, the Piován Group’s foreign¹ subsidiaries adopted guidelines on Corporate Criminal Liability & Compliance (the “Guidelines”), to create a standard set of organizational and behavioral principles for the Group, inspired by lawfulness, fairness, and transparency.

For further information, see the Organization, Management and Control Model adopted by PIOVAN S.p.A pursuant to Legislative Decree. No. 231/2001.

<https://cg.piovangroup.com>

1. It should be noted that Toba PNC formally adopted the Corporate Criminal Liability & Compliance guidelines in March 2021.

BUSINESS INTEGRITY (MITIGATION OF BRIBERY AND CORRUPTION)

NUMBER OF CONFIRMED INCIDENTS OF CORRUPTION AND ACTION TAKEN	2021	IF POSSIBLE, DESCRIBE THE NATURE OF THE CONFIRMED INCIDENTS OF CORRUPTION
Total number of confirmed incidents of corruption. (at least in the first degree)	None	N/A
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	None	N/A
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	None	N/A
Public legal cases regarding corruption brought against the organization or its employees during the reporting period	None	N/A

The Piován Group abides by the values and principles of its Ethics Code. The Group believes that ethics should guide both internal and external relationship management. To this end, tackling and rejecting all forms of bribery and corruption is a key Group commitment. The Model, the Guidelines, the Ethics Code, and the relative changes adopted by the Italian and foreign subsidiaries, form an integrated corpus (the “Corpus”) of internal rules that seek to promote a culture based on ethics and corporate transparency.

For this reason, the Company’s adoption of the Model represented the beginning of an overarching Group objective to identify and prevent corruption.

Under no circumstances may the pursuit of Group or Company interests justify behavior that is illicit and/or contradicts Piován’s Ethics Code.

This key objective translates into the following actions implemented by the Group:

- identification of bribery and corruption risks, as well as the implementation and maintenance of anti-corruption and extortion policies and practices;
- adoption of an organization, management and control model pursuant to Legislative Decree 231/01 by subsidiaries with offices in Italy², along with the planning

of updates needed to incorporate new offences into the Model, which is in turn supplemented by the Ethics Code;

- adoption of the Corporate Criminal Liability and Compliance guidelines by subsidiaries with offices abroad in order to promote the principles and practices necessary to combat corruption³.

The Piován Group intends to **improve anti-corruption awareness among its employees, representatives, suppliers and business partners**, as well as anyone who carries out activities on the Group’s behalf or under its control. Piován also aims to encourage active employee involvement in order to **increase policy effectiveness and the Group’s ethical reputation**.

The Supervisory Boards of the Group companies that have adopted an Organization, Management and Control Model pursuant to Decree 231, have not found evidence of any of the unlawful activities listed in the Group’s Ethics Code and the respective Organization, Management and Control Models.

During 2021, audits did not reveal any incidents that could in any way be linked to corruption-related activities.

2. With the exception, at December 31, 2021, of Fea PTP S.r.l., acquired during H2 2019, and Dotecco S.p.A., acquired during Q4 2020. In this regard, the process for adopting an Organization, Management and Control Model pursuant to Legislative Decree No. 231/01 has been started for the two aforementioned companies.
3. It should be noted that Toba PNC formally adopted the Corporate Criminal Liability & Compliance guidelines in March 2021.

2.4 The Group's reputation



+23.5%

**FOLLOWERS
ON LINKEDIN
COMPARED TO
DECEMBER 2020.**

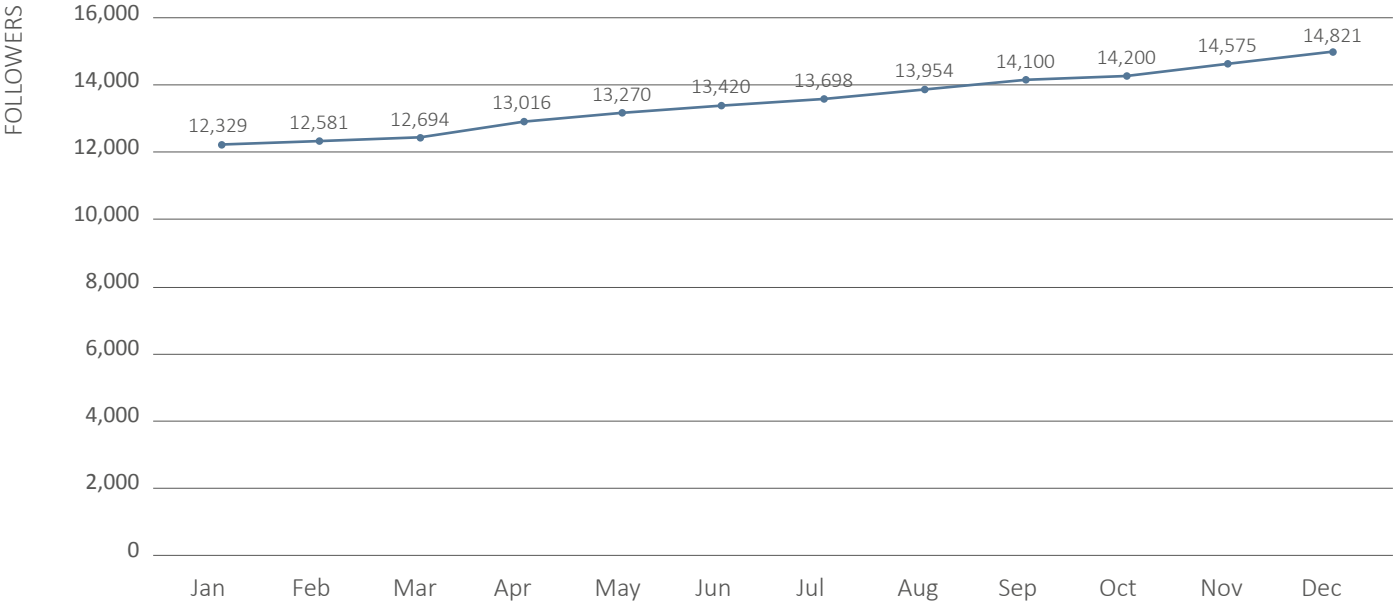
In the current climate, reputation is key to corporate success. Brand **reputation** is the result of the perceptions, assessments and expectations that stakeholders have of a company. The **level of trust** between a company and its various stakeholders is fundamental, this includes customers, employees, suppliers, lenders and investors. 'Reputation' is a complex concept because it encompasses the expectations, evaluations and level of confidence stakeholders have in a company. These factors are often based on past events, communication and corporate conduct.

For these reasons, the Piovan Group pays great attention to its reputation, specifically to the perception of the brand and what this represents for its customers. Customers, people and innovation have always been the building blocks of Piovan's philosophy. The Group is committed to pursuing its objectives with honesty, integrity

and transparency. The latter is key to avoiding non-compliance with legal regulations, as well as other issues regarding the Company's relationship with its customers, employees and stakeholders. The Group is committed to communicating transparently with investors and the financial community.

During 2021, there were no complaints regarding violations of customer privacy.

As regards the new digital channels and the presence of the Piovan Group in the social world, during 2021 digital activities led to a steady increase in followers who receive updates on the Company's news. On the professional networking website LinkedIn® in particular, the number of followers has shown consistent growth.



Several elements contribute to the consolidation of a company's reputation over time:



THE PRODUCTS AND SERVICES IT OFFERS:

The Piovan Group has always undertaken extensive planning, testing and engineering as well as a sophisticated quality control system that oversees the entire production cycle and individual products. Particularly great attention is paid to the choice of suppliers, so as to ensure adequate levels of product quality, timely services and deliveries, and the reputation of the suppliers themselves. In addition, over the years an extensive customer support network and rapid technical assistance service have been developed.



INNOVATION:

this is a key pillar of the Piovan philosophy. It expresses an ability to adapt to change and to continuously suggest new solutions that meet developing customer needs (improved performance and waste reduction) and community needs (lower environmental impact of plastics). Brand reputation and image go hand-in-hand with the degree of innovation a company can offer the market.



ABILITY TO ATTRACT TALENT:

The Piovan Group considers human resources to be essential to the achievement of its objectives. The ability to attract talent is fundamental to corporate success. Satisfied employees are a brand's main spokespersons.

2.5 Economic value generated and distributed

Economic value generated and distributed is indicative of a company’s ability to generate profit for its stakeholders.

The Piovan Group considers economic growth to be an integral part of its strategy, pledging to create long-term value for all its stakeholders. To minimize the risk of a lack of growth, the Group operates worldwide and positions itself as a leader in the reference sector. The economic value generated by the Piovan Group in 2021 amounted to Euro 288 million, while the economic value distributed amounted to Euro 261 million. 91% of the economic value produced in 2021 was distributed to internal and external stakeholders. The Group retained the remaining 9%.

Profits in 2021 totaled Euro 28 million.
The above table lists the economic value generated and distributed and its allocation among stakeholders:

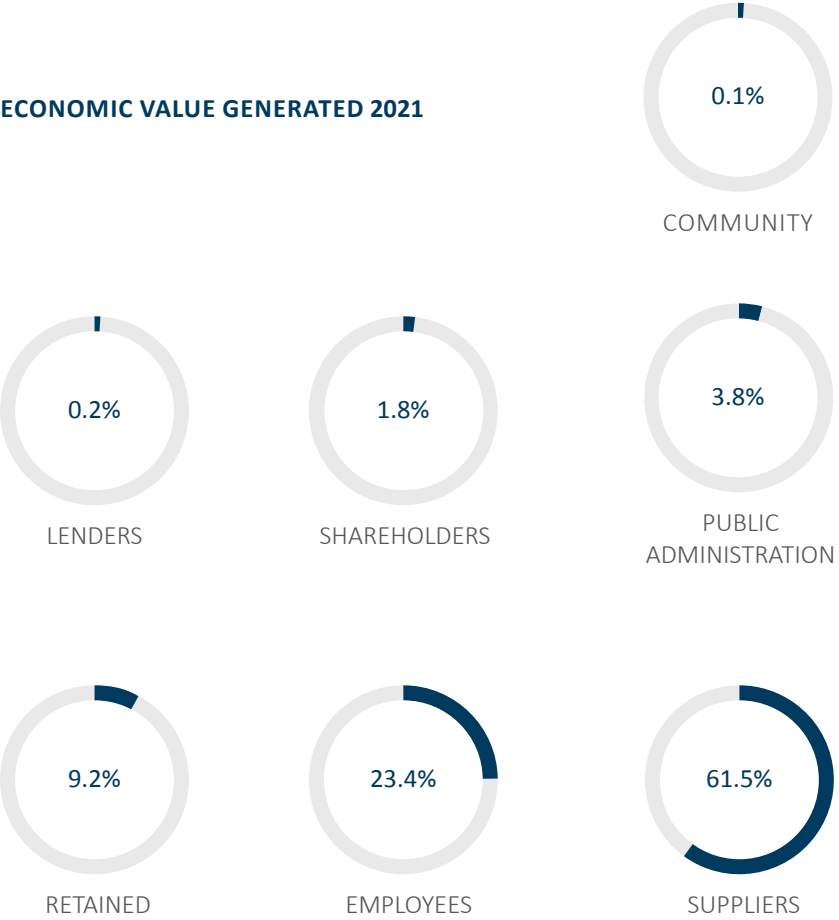
- Suppliers (operating costs)
- Employees
- Public sector
- Lenders
- Shareholders
- Community

For further information on the operating and financial performance, see the Financial Statements section.

EURO THOUSANDS	2020	2021
ECONOMIC VALUE GENERATED	225,733	287,529
ECONOMIC VALUE DISTRIBUTED	205,442	261,048
Operating costs	133,788	176,866
Value distributed to employees	56,159	67,350
Value distributed to public sector	8,137	10,900
Value distributed to the community	125	171
Value distributed to lenders	613	667
Value distributed to shareholders*	6,621	5,093
ECONOMIC VALUE RETAINED	20,291	26,481

* Dividends refer to the value listed in the 2021 financial statements, as approved by the Board of Directors on March 23, 2022.

ECONOMIC VALUE GENERATED 2021



Economic value distributed to suppliers (operating costs) is the largest share, accounting for 61.5% of economic value generated.

Economic value distributed to employees through wages and salaries, social security costs and benefits is the second largest share, accounting for 23.4% of economic value generated. This is a 20% increase compared to 2020.

Value allocated to the Public Administration in the form of taxes and duties accounts for 3.8% of economic value produced.

Lenders were allocated 2.0% of the economic value generated, in the form of interest paid, financial charges and dividends.

The community received 0.1% of total economic value produced, through social utility costs and donations.

2.6 Approach to taxation

Taxes are an important economic policy instrument used by governments to guarantee macroeconomic stability and to finance general public services. As such, they fulfil a social function, as they allow income to be redistributed among citizens and enable works and services to be carried out that would otherwise not be accessible to large sections of society.

Taxes thus represent one of the ways in which companies contribute to the economy of the countries in which they operate. The Piovan Group’s international vocation is

embodied in its network of production and commercial subsidiaries located in Europe, Asia, the Middle East and the Americas.

This physical presence in the territories in which Piovan operates translates into proximity to the customer, the possibility of finding a local workforce, access to the relevant supply markets, infrastructures and public services. This demonstrates how the Group’s taxation is closely linked to the territories in which it operates, in compliance with the tax regulations of the various countries. The Piovan Group

believes that good fiscal practice contributes to promoting trust and credibility with stakeholders, in particular with the Public Administration, investors and in a broader sense the entire community.

The Piovan Group is aware that tax practices are of interest to various stakeholders, investors, and the Public Sector, first and foremost, and that the way in which the Group collaborates with these entities is key to maintaining relationships built on trust.

The involvement of the latter is based on the ongoing mutual exchange of information and the values of honesty, integrity, legality, and transparency. As

such, the Group’s approach to taxation, which is defined by senior management, is based on the following guidelines:

- compliance with and application of the tax regulations in force in the countries in which the Group operates, and use of tax incentives and breaks where provided for by law. Each company is taxed at local level and pays its taxes independently, with the exception of Piovan S.p.A., Aquatech S.r.l., and Penta S.r.l. which are consolidated companies and thus adhere to the Group’s taxation procedure, as per the option exercised by the consolidating company Pentaфин S.p.A. pursuant to Articles 117 to 128 of Presidential Decree No. 917/1986, as amended by Legislative Decree No. 344/2003;
- each branch is obliged to inform the Parent Company Piovan S.p.A. of any requests from local tax authorities, so as to ensure that information flows are efficiently managed and that the data exchanged are transparent and high in quality;
- the Group employs high-level tax advisors in each country to perform audits and accurate calculations, and guarantee compliance with the various local laws;
- compliance with double taxation directives, such as the so-called Parent-Subsidiary Directive for EU countries and the regulations set out in the “International treaties against the double taxation of income and capital and to prevent tax evasion and avoidance”;
- avoiding aggressive tax planning tools, i.e., artificial devices aimed at shifting income to countries with lower tax rates.

Tax jurisdiction Euro thousands	Revenue from sales to third parties ⁴	Revenue from intra-Group transactions with other tax jurisdictions	Pre-tax profit/loss	Corporate income tax accrued on profit/loss	Tax on company income paid on a cash basis	Rate	Number of employees	Tangible assets other than cash and cash equivalents
Italy	133,544	43,516	23,259	3,994	4,295	27.9%	620	36,898
Germany	30,997	1,258	2,382	663	811	30.2%	64	3,125
France	8,784	462	451	89	0	26.5%	25	750
Austria	13,618	410	826	160	255	25.0%	11	298
UK	10,060	56	402	92	116	19.0%	22	338
Czech Republic	229	998	229	45	75	19.0%	10	37
Hungary	102	153	70	11	5	9.0%	2	4
Turkey	1,004	213	52	133	107	25.0%	9	76
United Arab Emirates	124	599	95	0	0	0.0%	9	23
Morocco	15	257	86	14	13	28.5%	1	19
India	825	157	233	65	49	27.8%	11	106
China	15,028	771	971	214	399	25.0%	109	1,414
Thailand	6,996	329	550	150	103	20.0%	38	80
Vietnam	119	70	-17	0	0	20.0%	2	1
Japan	60	203	99	1	1	20.0%	2	1
South Korea	4,930	34	-548	0	193	0.0%	21	426
USA	30,737	830	3,508	583	1,379	24.0%	109	7,789
Canada	5,181	201	800	212	111	26.5%	7	374
Mexico	6,813	298	1,077	322	0	30.0%	23	239
Brazil	10,870	976	792	325	287	34.0%	101	1,057

The table below, categorized by tax jurisdiction – i.e., the countries in which the various Group companies are resident for tax purposes – shows: revenues from third-party sales and intra-group transactions with other jurisdictions, pre-tax profits or losses; corporate income taxes accrued on profits or losses; tax on company income paid on a cash basis; the tax rates in force in the various jurisdictions; the number of employees; and tangible assets other than cash and cash equivalents.

4. Revenues from sales to third parties are net of other revenues and income.



2.7 Management of risks and opportunities

In 2019, the Piovan Group started developing a risk monitoring and management system that also includes non-financial risks. A risk mapping plan was drawn up to include general risks that impact a range of Group departments. The policy for preparing the NFR helps improve the management of material risks.

The Internal Audit function performs a risk assessment on risks connected to the Parent Company’s business on an annual basis, measuring the inherent risk (estimated in terms of probability and impact) and the residual risk (from the point of view of self-assessment with the various risk owners) for over 100 risk identified and relating to every company area.

As part of this activity - which seeks to provide the Board of Directors with an effective tool to improve its internal control system over time - the identified risks (which can also be defined from an ESG perspective) undergo a preliminary analysis.

The Group is exposed to various types of risk with regard to material topics. The table on the right lists the main risks and management methods adopted by the Group.

LEG. DECREE NO. 254/2016 SCOPE:	TOPIC	RISK	POLICIES ADOPTED	MANAGEMENT METHODS
EMPLOYEES AND HUMAN RIGHTS	MANAGEMENT OF PERSONNEL, EQUAL OPPORTUNITIES AND DIVERSITY	Failure to manage personnel, failure to respect ethical and diversity principles.	The Piovan S.p.A. Quality Manual, Ethics Code and Organization, Management and Control Model, as per Legislative Decree No. 231/2001 (ITA), Diversity Policy.	Group Management has always been attentive to its respect for Diversity and inclusion. The managing bodies have adopted the Diversity Policy Continuous dialog with trade unions and institutional bodies that represent employees. Workers' rights are protected through the application of collective agreements in compliance with local regulations in all countries where the Group is present.
	COMPANY WELFARE	Failure to comply with welfare plans.	Company welfare initiatives for specific companies of the Piovan Group.	Activation of a welfare platform and individual solutions, such as flex time part time, to ensure the compatibility of work with one's personal life.
	PROTECTION OF HUMAN RIGHTS	Risk of discrimination and inequality of treatment throughout the supply chain (Human Rights).	The Piovan S.p.A. Quality Manual, Ethics Code and Organization, Management and Control Model, as per Legislative Decree No. 231/2001 (ITA), Diversity Policy.	Respect of fundamental human rights.
	TRAINING AND DEVELOPMENT	Lack of training and related development opportunities; inadequate organizational structure with regard to the Company's complexity; loss of attractiveness among key roles and potential loss of expertise.	Organization, Management and Control Model as per Legislative Decree No. 231/2001 (ITA).	Annual training plan, both for compulsory and specific training needs.
	RELATIONS WITH CUSTOMERS	Risk of unauthorized publication by employees of confidential material acquired at customer premises (e.g., publication of photos of machinery/plants installed at customer premises on social media platforms not directly controlled by the Piovan Group).	Ethics Code.	Training on privacy and data management topics for key employees.
	OCCUPATIONAL HEALTH AND SAFETY	Lack of compliance with local regulations; potential work-related injuries and/or ill health.	ISO 45001 (for Piovan S.p.A.).	Compliance with existing laws and regulations; risk analysis to identify suitable prevention and protection measures, as well as any necessary improvement interventions; employee health and safety training.

LEG. DECREE NO. 254/2016 SCOPE:	TOPIC	RISK	POLICIES ADOPTED	MANAGEMENT METHODS
SOCIAL	QUALITY, PRODUCT SAFETY, SUPPLY CHAIN MANAGEMENT	Non-compliance of the supply chain with the Group's quality standards. Non-compliance of the supply chain with regulations regarding work, security and health and safety. Defective raw materials and/or components, and/or delivery times not respected.	Ethics Code and ISO 9001 certified quality management system, ISO 9001 certified quality management system, Organization, Management and Control Model pursuant to Legislative Decree No. 231/2001 (ITA), supplier quality control procedure, checks pursuant to the Machine Directive valid for the European Community (CE marking), CRM and electronic document management, Integrated ERP System (SAP®), use of the ECOVADIS platform.	Previous relationship with suppliers founded on trust and a consolidated connection, and their selection based on a preliminary company analysis to screen suppliers for compatibility with the Group's standards.
	THE GROUP'S REPUTATION	Lack of stakeholder trust.	Ethics Code.	The Group is committed to pursuing its objectives with honesty, integrity and transparency. The latter is key to avoiding non-compliance with legal regulations, as well as other issues regarding the Company's relationship with its customers, employees and stakeholders. Constant, transparent communication with investors.
	INNOVATION, RESEARCH, DEVELOPMENT AND CO-ENGINEERING	Inadequate management of research and development activities with potential loss of competitive edge and market attractiveness. Risk of losing qualified local suppliers and customers.	Investment in research and development, training, constant dialogue and collaboration with customers and suppliers.	The Group operates faster than its competitors in supporting continuous innovation and the development of new adaptive solutions to the changing needs of its customers (such as trends in bioplastics and plastic recycling). The Group has set up a specific research and development department within each production plant.
	ECONOMIC VALUE CREATION AND GROWTH	Not creating value for stakeholders.	Economic growth and presence on global markets.	The Group considers economic growth to be integral to its business strategy, pledging to create long-term value for all its stakeholders.
	APPROACH TO TAXATION	Damage to reputation. Deterioration of relations with tax authorities.	Ethics Code Organization, Management and Control Model as per Legislative Decree No. 231/2001 (ITA).	Respect for and application of the tax regulations in force in the countries in which the Group operates; compliance with directives against double taxation; avoidance of aggressive tax planning instruments.

LEG. DECREE NO. 254/2016 SCOPE:	TOPIC	RISK	POLICIES ADOPTED	MANAGEMENT METHODS
ENVIRONMENT	ENERGY MANAGEMENT AND EMISSIONS REDUCTION	Potential non-compliance with locally applicable regulations; potential loss of ISO 14001 certification.	Regulatory compliance and possession of all authorizations issued by competent bodies.	Compliance with environmental legislation.
	WASTE MANAGEMENT		ISO 14001 (for Piovan S.p.A.).	Environmental impact management and control system, with a view to constant, effective and primarily sustainable improvement.
	RECYCLING, A CIRCULAR ECONOMY AND ENERGY IMPACT FOR CUSTOMERS	Recent European regulatory changes regarding plastic production/use and climate change as a cross-cutting Group challenge.	Development of specific products for the recycled material supply chain.	The Group's strategy is to develop specific products to create solutions for the circular economy and to introduce its customers to good plastics, be them recycled or made from plant-based materials. The Group offers its customers the opportunity to monitor and manage consumption by reducing emissions. Compliance with environmental legislation.
ANTI-CORRUPTION	BUSINESS INTEGRITY, MITIGATION OF BRIBERY AND CORRUPTION	Risk of fraud and/or illegal conduct, and of active/passive corruption in all forms, including bribery.	Ethics Code.	Adoption and implementation of the Ethics Code and 231 Model.
			Organization, Management and Control Model as per Legislative Decree No. 231/2001 (ITA).	Conduct of audits by the Internal Audit function and by the Supervisory Board.
			Corporate & crime liability guidelines.	Adoption of corporate & crime liability guidelines by subsidiaries based abroad.
			Self-Governance Code for listed companies, as prepared by the Borsa Italiana S.p.A. (ITA) Corporate Governance Committee. 1INFO system for storing Regulated Information as required by the Transparency Directive (ITA).	The Piovan Group intends to improve anti-corruption awareness among its employees, representatives, suppliers and business partners, as well as anyone who carries out activities on the Group's behalf or under its control. Piovan also aims to encourage active employee involvement in order to increase policy effectiveness and the Group's ethical reputation.



3

Materiality analysis

The Piovan Group seeks to identify and prioritize such topics that influence the Piovan Group's economic, environmental, and social impact, and which may substantially influence stakeholder opinions and decisions.

The point of departure for preparing and updating financial statements involves analyzing materiality, which is a key point of reference established by the GRI Standards. The process seeks to identify and prioritize material topics, such as those that influence the Piovan Group's economic, environmental, and social impact, and which may substantially influence stakeholder opinions and decisions. The Group's material topics were identified and the process was divided into the following phases, in accordance with the provisions of Decree 254:

- identification of topics relevant to the Piovan Group through dialogue and comparison among the members of the internal working group;
- identification of relevant topics for key stakeholders through benchmarking;
- comparing topics relevant to the Piovan Group and its stakeholders so as to prioritize relevant topics and consequently construct the materiality matrix.

In 2018, a process was put in place to identify potentially relevant issues for the Piovan Group, and there is a desire to update it annually whenever new priorities emerge for stakeholders and/or the Group.

Members of the internal working group identified the relevant topics within eight macro areas: Governance, Economic and Business Responsibility, Environmental Responsibility, Human Resources Responsibility, The Supply Chain, Human Rights, Community Responsibility and Product Responsibility.

The Group's approach to taxation has been identified as a relevant topic since 2021, as the Piovan Group considers fiscal transparency to be necessary in order to promote trust and credibility in the eyes of its stakeholders, investors, the Public Sector, and the wider community. The Group's taxation is closely related to the countries in which it operates.

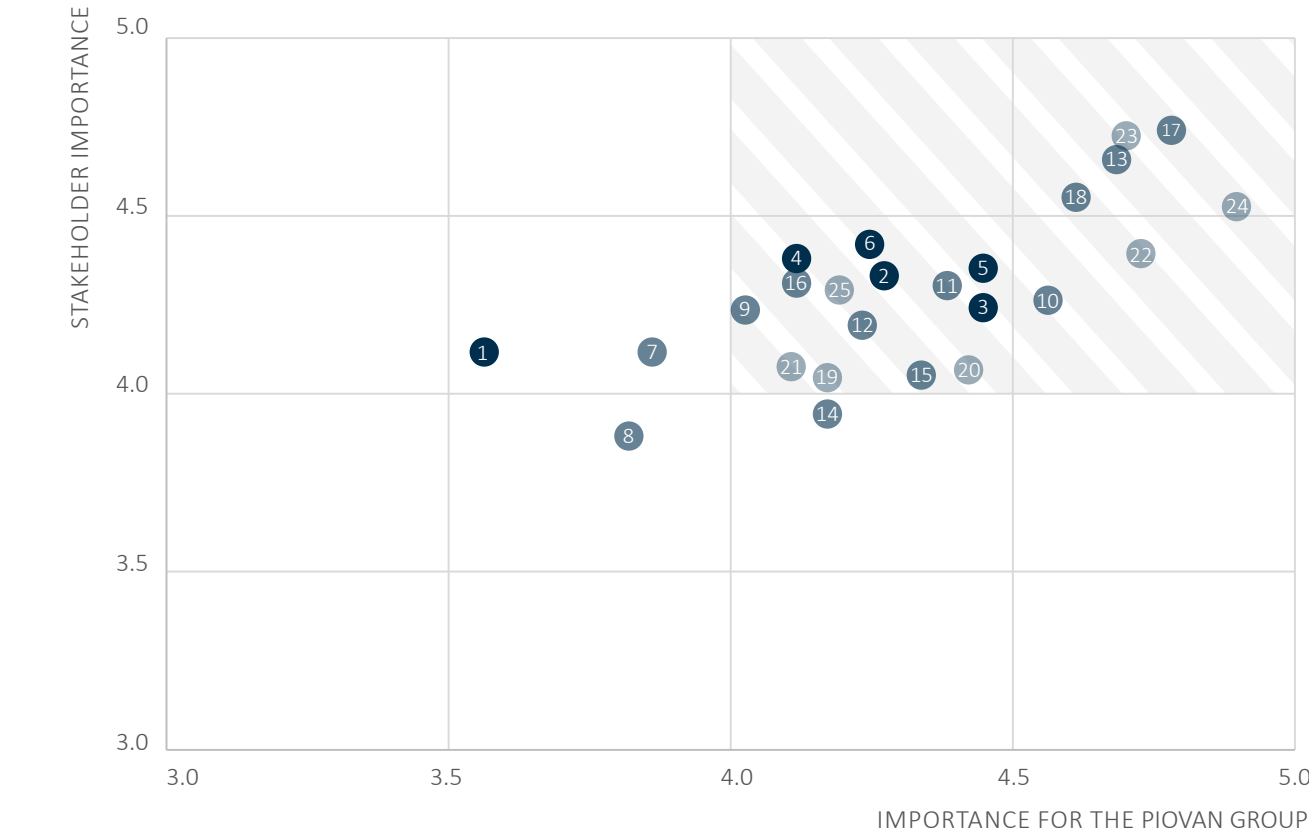
In order to correctly define 'materiality,' the Group decided to actively involve stakeholders during 2021, gathering their point of view through a stakeholder engagement process targeted at suppliers and Group departmental managers. Stakeholder engagement was carried out by identifying Piovan S.p.A.'s main suppliers and the employees involved in investigations to prepare financial statements. A questionnaire was sent out to assess topics relevant to the Group.

The materiality questionnaire for 2021 was created using the Google Forms app. Doing so allowed users to visualize topics and rate them more easily.

THE PIOVAN GROUP REFERENCE STAKEHOLDERS FOR THE YEAR 2021 ARE:



MATERIALITY MATRIX



■ financial	■ social/human resources	■ environmental	■ material topics
1	Water consumption management	14	Training and career opportunities
2	Energy and emissions management	15	Reputation of the Group
3	Waste reduction	16	Diversity and Equal Opportunity
4	Waste management	17	Occupational health and safety
5	Recycling and circular economy	18	Protection of human rights
6	Energy impact for customers	19	Quality and supply chain management
7	Clear identification and distinction of managerial roles	20	International market presence and proximity to customers
8	Shared Know-How Development with regional participation	21	Co-engineering
9	Data security and protection	22	Innovation / R&D
10	Fairness in relationships	23	Product quality and safety
11	Customer involvement, dialogue and satisfaction	24	Economic value creation and growth
12	Company Welfare	25	Approach to tax
13	Anti-corruption		

The assessment scale used a score between 1 (limited relevance) and 5 (extremely relevant). The materiality matrix, shown above, considers the average values of topics relevant to the Piovan Group (x-axis), and the average values of topics relevant to stakeholders (y-axis). In order to create the matrix, the eight macro-areas were further grouped into three macro-areas: Environmental, Financial, and Social/Human Resources. For both axes, topics with a value above 4 (defined as the

"materiality threshold") on the scale from 1 to 5 are considered material for the Piovan Group.

This year, in addition to the confirmed importance attributed to economic value creation/growth and to product quality/safety, the analysis revealed an increased sensitivity to health and safety in the workplace, on the part of both Piovan Group and its stakeholders.

The correlation between the areas provided for by Decree 254, the material topics of the Piovan Group and the aspects of GRI, as well as evidence of their impact (internal and/or external to the Group), is show below:

ASPECTS RELATED TO LEGISLATIVE DECREE No. 254/16	MATERIAL ASPECTS FOR PIOVAN GROUP	TOPIC-SPECIFIC GRI STANDARDS	INTERNAL PERIMETER	EXTERNAL PERIMETER
HUMAN RESOURCES	Company welfare	Employment (GRI 401)	Piovan Group	
	Occupational health and safety	Occupational health and safety (GRI 403)	Piovan Group	
	Training and career opportunities	Training and education (GRI 404)	Piovan Group	
	Fairness in relationships	*	Piovan Group	Suppliers
	Diversity	Diversity and Equal Opportunity (GRI 405)	Piovan Group	
	Clear identification and distinction of managerial roles	General Disclosures (GRI 102)	Piovan Group	
HUMAN RIGHTS	Protection of human rights	Incidents of discrimination and corrective actions takes (GRI 406-1)	Piovan Group	
ANTI-CORRUPTION	Anti-corruption	Anti-corruption (GRI 205)	Piovan Group	
SOCIAL	Shared Know-How Development with regional participation	Local Communities (GRI 413)	Piovan Group	
	Innovation/R&D	*	Piovan Group	
	The Group's Reputation	*	Piovan Group	Suppliers / Customers
	Product quality and safety	Customer health and safety (GRI 416) Materials (GRI 301)	Piovan Group	Customers
	Quality and supply chain management	Supply chain (GRI 102- 9) Supplier environmental assessment (GRI 308- 1) Supplier social assessment (GRI 414- 1)	Piovan Group	Suppliers
	Co-engineering	*	Piovan Group	Suppliers / Customers
	Economic value creation and growth	Economic performance (GRI 201)	Piovan Group	
	Approach to taxation	Tax (GRI 207)	Piovan Group	
	Involvement, listening and customer satisfaction	*	Piovan Group	Customers
	Data security and protection	Customer privacy (GRI 418)	Piovan Group	Customers
	International market presence and proximity to customers	*	Piovan Group	Customers
ENVIRONMENT	Energy and emissions management	Energy (GRI 302), Emissions (GRI 305)	Piovan Group	
	Waste management	Waste (GRI 306)	Piovan Group	
	Water consumption management	Water and Effluents (GRI 303)	Piovan Group	
	Recycling and circular economy	*	Piovan Group	Customers
	Energy impact for customers	*	Piovan Group	Customers
	Waste reduction	*	Piovan Group	

*Theme not directly related to a Topic- Specific GRI Standards: As required by the GRI Standards, the Piovan Group includes in this document a table containing the GRI Indicators, the management approach adopted, and the relative indicators.

As regards the scope of external reporting, it should be noted that reporting is not currently extended to suppliers and customers.





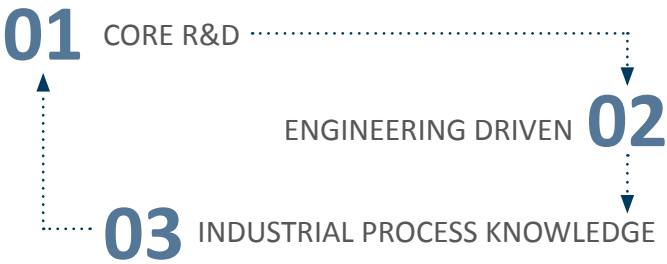
4

Innovation, research and development

The Piovan Group attaches strategic importance to the research and development of the products and new solutions required to maintain its market leadership position.

The Piovan Group attaches strategic importance to the research and development of the products and new solutions required to maintain its market leadership position.

The Group considers innovation as one of its founding values, one which all employees must be aware of in order to improve customer process efficiency and encourage the creation of innovative projects.



EURO 9.6M INVESTED IN R&D, +9.1% COMPARED TO 2020

11 PATENTS LINKED TO THE CIRCULAR ECONOMY

211 STAFF MEMBERS IN THE ENGINEERING & INNOVATION DEPARTMENT

Again in 2021, the R&D team focused on creating innovative solutions for processing recycled materials, while not neglecting core products. The Group is structured in technical offices located in specific branches that report functionally to the research and development department located at the headquarters, in order to better coordinate technology transfer activities.

Including costs and investments, 2021 spending on R&D totaled Euro 9.6 million, which accounted for 3.4% of total revenues and recurring income.

THE STRENGTHS OF THE GROUP'S RESEARCH AND DEVELOPMENT ARE:

- THE ABILITY TO MAKE INNOVATIVE, LOCALLY-DEVELOPED SOLUTIONS AVAILABLE GLOBALLY;
- THE ABILITY TO OFFER BESPOKE ENGINEERING SOLUTIONS.

This is made possible by the substantial expertise gained from in-depth knowledge of the industrial processes carried out in the various end-markets that the Group serves.

The Group considers obtaining the most innovative and promising technologies vital to its success. Continuous innovation is essential in maintaining leadership in the face of increased competition and seeking new business opportunities in the markets in which it operates. Particular attention is therefore paid to the competitive advantage that can be obtained from intellectual property and the creation and management of a portfolio of brands, patents and licenses. In 2021 Piovan Group continued to invest in patent activity: 2 new patents and numerous territorial extensions were filed, bringing the number to 58 patent families, 11 of which are in the area of the circular economy or linked to recycling. Industrial property titles across

countries rose to 135, including 105 granted (up 22% from 2020) and 30 pending. This enables greater protection of expertise and intellectual property in all major markets. All technologies introduced are fully integrated in the proprietary supervision software Winfactory 4.0 and aim to provide the customer with more ways to safely and reliably track progress.

Among the awards obtained by Piovan Group in the circular economy, in 2021 InspectaBe was one of the finalists in the Machinery category of the prestigious SUSTAINABILITY AWARDS 2021, which seeks to promote the spread of sustainable packaging. The international Sustainability Awards are organized by the industry journal Packaging Europe with the goal of promoting a culture of innovation and sustainability in packaging in response to emergencies such as pollution and climate change. Now in its eighth year, in 2021 there were 309 nominations for this award in eight categories, with 32 finalists.

The result of Piovan Group's constant commitment to innovation, InspectaBe is designed to detect benzene in finished products - plates and bottles- or semi-finished products - granules or preforms - with different percentages of rPET. Benzene could be present in finished products when residual traces of PVC remain in PET after the post-consumer sorting process. InspectaBe makes it possible to take measurements in just 60 minutes at the production site and, together with the supervision software Winfactory 4.0, is a valuable adjunct to the Quality System, enabling storage of the history of measurements associated with production batches as evidence of process safety. With its unique, patented technology, InspectaBe features a simple, rapid and highly automated process compared to traditional mass spectrometry gas chromatographs. This reduces variability due to operator interventions and increases the number of samples.

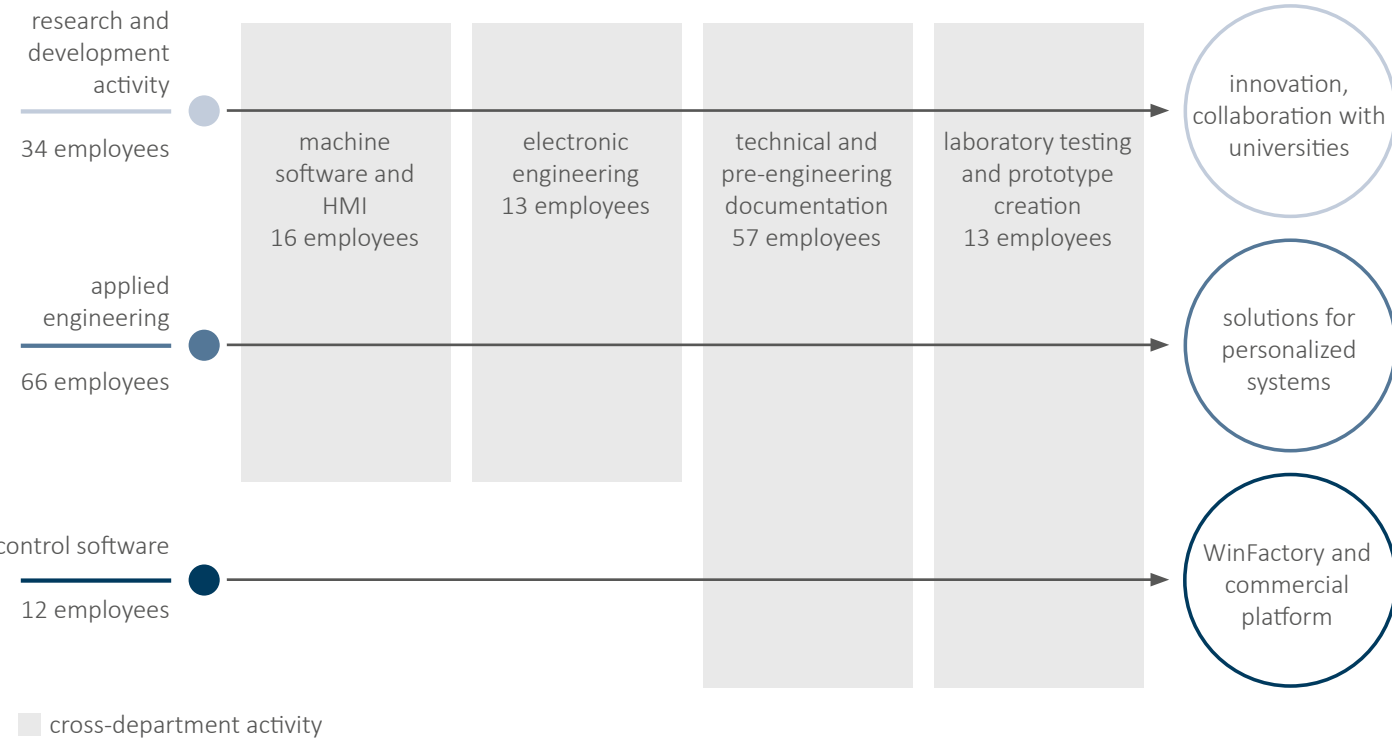


THE VARIOUS BENEFITS OF INSPECTABE INCLUDE:

- CONSTANT MONITORING OF THE PRODUCTION PROCESS;
- MAXIMUM ACCURACY AND REPRODUCIBILITY OF ANALYSES, ANYWHERE IN THE WORLD;
- EASE OF USE, AS ANALYSES CAN BE PERFORMED BY ANY LINE OPERATOR.

To consolidate and strengthen its leadership in innovation, the Group implements recruitment policies aimed at hiring young, highly qualified professionals to the R&D department so as to develop innovative solutions capable of creating added value for the Group. As at the end of 2021 there are 211 staff members in the Engineering & Innovation department.

RESEARCH & DEVELOPMENT AND ENGINEERING ORGANISATIONAL STRUCTURE



In 2021 cooperation also began with some Engineering Faculties in Italy to launch research projects to improve certain production processes linked to the use of post-consumer recycled polymers.

A strong collaboration has been formalized with a spin-off of the University of Padua, a company largely owned by researchers and university professors which investigates innovative research projects. Relationships of this type enable the Group to take a long-term view of projects and processes in its target market.

The subject of Industry 4.0 continues to be a topic of great interest and Piovan continues to invest resources in this direction. Group guidelines in this regard concern data integration and digital interconnection. Piovan continues to work to improve the material traceability system, MTS, which optimizes the storage of materials and identifies the flow of the different batches from the initial phase to the finished product, with the possibility to link to the batches the results of the analysis performed with the Inspecta family of instruments.

4.1 Co-engineering

The Group's business model focuses mainly on two aspects: innovation and customer relations. Specifically, the Group's business model involves customers in the development and production process from the initial application and development phase of the commercial offer.

When implementing complex projects for customers with objectives regarding production capacity, process quality, performance level, integration between production sites and others, the Group also involves these customers in co-engineering processes to create innovative solutions. The Group further uses its expertise in innovation and integration of technology from various industrial sectors to create cross-fertilization and develop bespoke solutions.



5

Quality, product safety, supply chain management

The Piovan Group is a global leader in the development and manufacturing of automation systems for the storage, shipping and processing of polymers and plastic powders. It has been increasingly involved also for food powders.

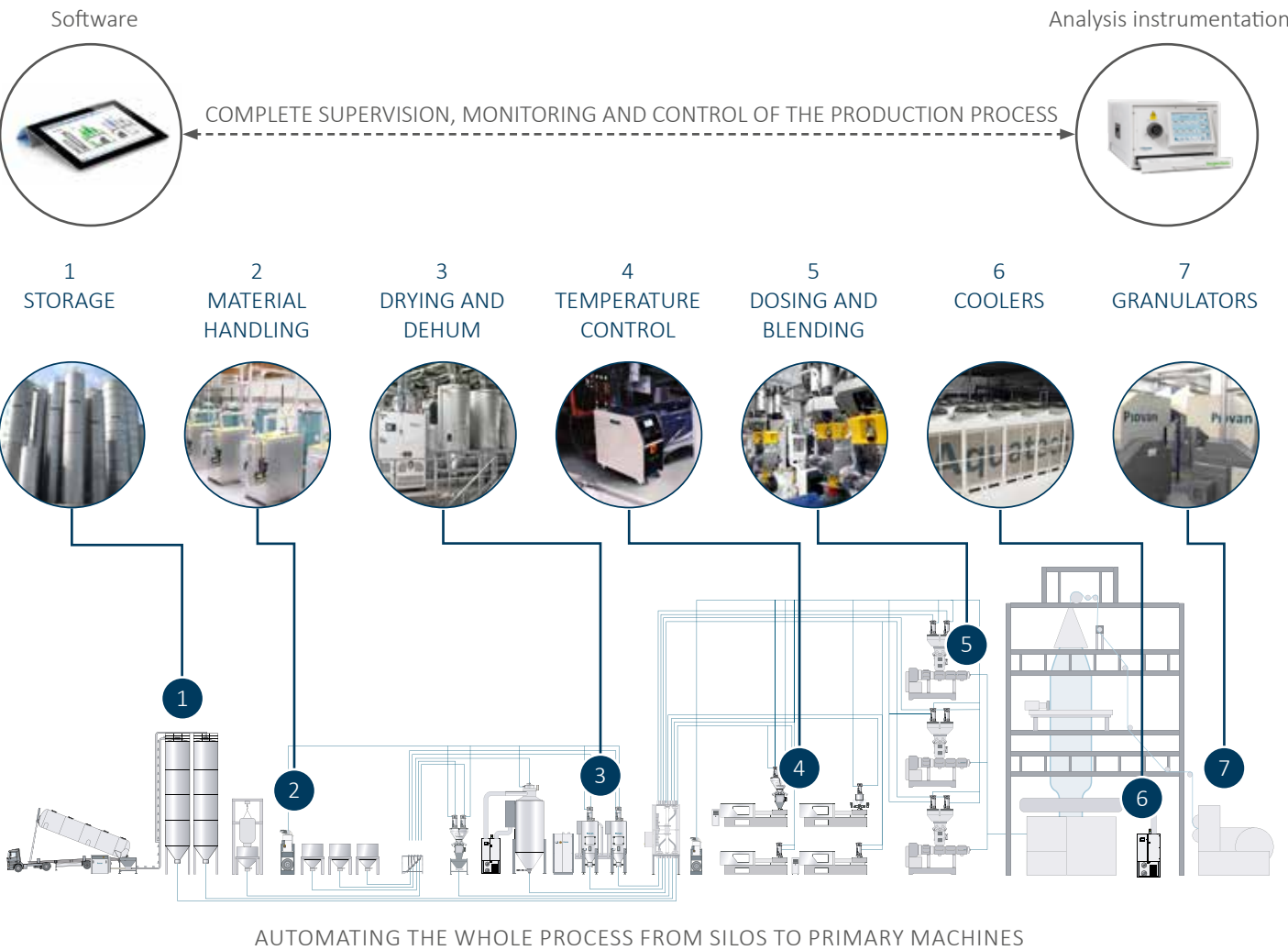
5.1 Product

The Piovan Group is a global leader in the development and manufacturing of automation systems for the storage, shipping and processing of polymers and plastic powders (“plastics area systems”). Since 2015, the Group has been increasingly involved in developing automation systems to store, transport and process food powders (“food systems”). As such, the group is taking advantage of its leading market position, replicating the business model adopted for system development and production in the plastics sector, and making the most of cross-selling opportunities.

The Group has also developed and markets **supervision and control software** to guarantee the connectivity of all the systems and machines in the plants it supplies. The Group also

supports its customers globally through continual technical assistance, including the sale of spare parts for machinery and a range of additional services, such as support activities from the preliminary design phase through to installation and initialization of equipment and machinery. These steps guarantee optimal product performance and consolidate customer relationships.

A distinctive element of the Group’s products is **the high degree of flexibility** which, together with the Group’s skills and expertise in developing complex engineering solutions, allows these machines to adapt to customer needs and to integrate with systems and plant parts developed and produced by third parties, offering a service/product of significant quality.



5.2 Quality and supply chain

The Group adheres to the highest production standards in the hope of providing its customers with reliable, quality products. The Group makes use of nationally and internationally accredited workers and certification bodies to manufacture products that comply with all applicable regulations.

The main risk associated with the supply chain is that it does not comply with the Group’s quality standards, as well as the regulations on work, security, health and safety. Furthermore, there is a possibility that raw materials and/or components could be defective or not correspond to agreed terms, or that they might not be delivered within the pre-set time-frame. This could potentially have a negative effect on the production cycle and cause delays when delivering products to customers. All this could have negative repercussions on the Piovan Group’s reputation.

The Group aims to establish long-lasting relationships with its suppliers to mitigate risk. Said relationships are based on trust, a consolidated connection, proper supplier selection and preliminary organizational analysis to screen suppliers for compatibility with the Group’s standards.

In 2021, as in previous years, no complaints were made regarding the violation of human rights or environmental regulations in the Piovan supply chain (at both a Group level and in Italy). Controls are conducted by the individual buyers with the support of the central Purchasing Division.

The Piovan Group has implemented a sophisticated quality control system that oversees the entire supply chain, from supplier selection to production and post-production. Functional tests are carried



out on individual machines. The Group places particular emphasis on selecting suppliers based on their ability to ensure both sufficient quality standards and timeliness and reliability in delivery.

As such, Piovan S.p.A., Aquatech S.r.l. and Penta S.r.l. each possess an ISO 9001:2015 certification for their Quality Management Systems, which span the entire product life cycle, from research and development to sales, delivery, installation and post-sales assistance. In this regard, in 2021 Piovan S.p.A., Aquatech S.r.l. and Penta S.r.l. accounted for approximately 54% of Group production.

The Group's strategic approach to total quality has resulted in a significant competitive advantage and allows Piovan to meet customer expectations and continuously improve its products and production processes.

All products undergo functional tests before delivery to ensure customers receive safe products, as well as the services they paid for. Each piece of machinery is tested when it comes off the production line and before it is delivered. For machinery or systems that are sold complete with installation, the final customer is asked to sign a document of acceptance. This acceptance report serves as a product certification.

In order to constantly improve company processes, avoid issues relating to product manufacture, personalization and delivery, the Group has implemented the Kaizen model in combination with the Kanban Method (a technique aimed at avoiding overproduction by circulating information within the Company and to suppliers). This approach allows the Group to respond to customer needs as quickly and efficiently as possible and to ensure that finished products are delivered within the agreed time period.



**SUPPLIER ENGAGEMENT CONCERNING
QUALITY CONTROL, OCCUPATIONAL
HEALTH AND SAFETY, AND
ENVIRONMENTAL ASPECTS.**



**FUNCTIONAL TESTING ON ALL
PRODUCTS.**

The Company manages these outsourced processes via the:

01 SELECTION OF SUPPLIERS/CONTRACTORS ON THE
BASIS OF CERTIFIED AND SHARED CRITERIA

Suppliers are screened using a procedure that determines their ability to supply materials, products and services in compliance with given requests and specifications. The aim is to keep disputes to a minimum, do away with production waste, improve product performance and reliability, reduce monitoring costs, reduce production downtime, increase knowledge of supplier skills and potential and finally, to reduce risks relating to health, safety and the environment.

Suppliers are evaluated based on their organization, technical capabilities, production systems, reliability, compliance, and the timeliness of their deliveries.

Suppliers are assessed and added to a Vendor List. In 2021, the supplier evaluation and monitoring system was reviewed and expanded, with a greater focus on ESG aspects

and certifications to demonstrate suppliers' commitment to mandatory points and those of particular interest for Piovan. All vendors were contacted, covering 95% of the December 2020 - November 2021 purchase value, and feedback was collected at a rate of 61%, with a commitment to increase the scope in future years. In addition to dealing with topics already included such as quality control and occupational health and safety, the new questionnaire sent out has an expanded environmental section and a new section on social responsibility. As of 2022, the new format will replace the previous supplier evaluation form. This will create more knowledge and awareness of these issues outside the Company and will guide the Group's supply chain towards behaviors in line with the relevant corporate policies.

02 DRAFTING AND DELIVERY OF SUITABLE SUPPLY
AND PROCUREMENT CONTRACTS (GENERAL
PROCUREMENT/SUPPLY CONDITIONS, PURCHASE
ORDERS, TECHNICAL DOCUMENTATION)

The general conditions applied by the Group to its suppliers include:

- the option, in the event that the supplier does not comply with product conformity obligations, to refuse the delivery and ask the supplier to deliver compliant products, or to immediately terminate the corresponding purchase order and/or contract;
- the option to request the replacement or repair, at the supplier's expense, of products that have proved to be defective or non-compliant within 24 months of their delivery, or within 12 months of their entry into service;
- the payment of compensation by the supplier in the event that the delay in the delivery of a product

or the performance of a service (a) is not promptly communicated to the Company, or (b) exceeds 30 calendar days. In both instances, the Company retains the right to terminate all or part of the associated purchase order or contract. There have yet to be any situations in which these measures have been applied;

- adherence to the Ethics Code and the Organization, Management and Control Model pursuant to Legislative Decree No. 231/2001 which are attached to every supply contract concluded by the Group.

03 CONTINUOUS MONITORING OF SUPPLIER
PERFORMANCE THROUGH PRODUCT/SERVICE
CHECKS, AUDITS AT PRODUCTION SITES AND CHECKS
DURING SYSTEM START-UPS AT CUSTOMER SITES

Suppliers involved in the production process are constantly monitored for their product/service quality and timely delivery. Monitoring is carried out on the basis of certified and shared company procedures, and includes all internal company departments involved in managing the Supply Chain.

There were no significant changes to the structure of the supply chain or supplier relations during 2021.

PIOVAN S.P.A. RELIES ON QUALIFIED SUPPLIERS FOR THE FOLLOWING PRODUCTION ACTIVITIES:



DESIGN (ELECTRONICS,
STRUCTURAL WORK)



PRODUCTION OF METAL
STRUCTURES/CUSTOM-MADE
PIOVAN COMPONENTS



SUPPLY OF COMMERCIAL
COMPONENTS AND PARTS



ASSEMBLY OF
SWITCHBOARDS



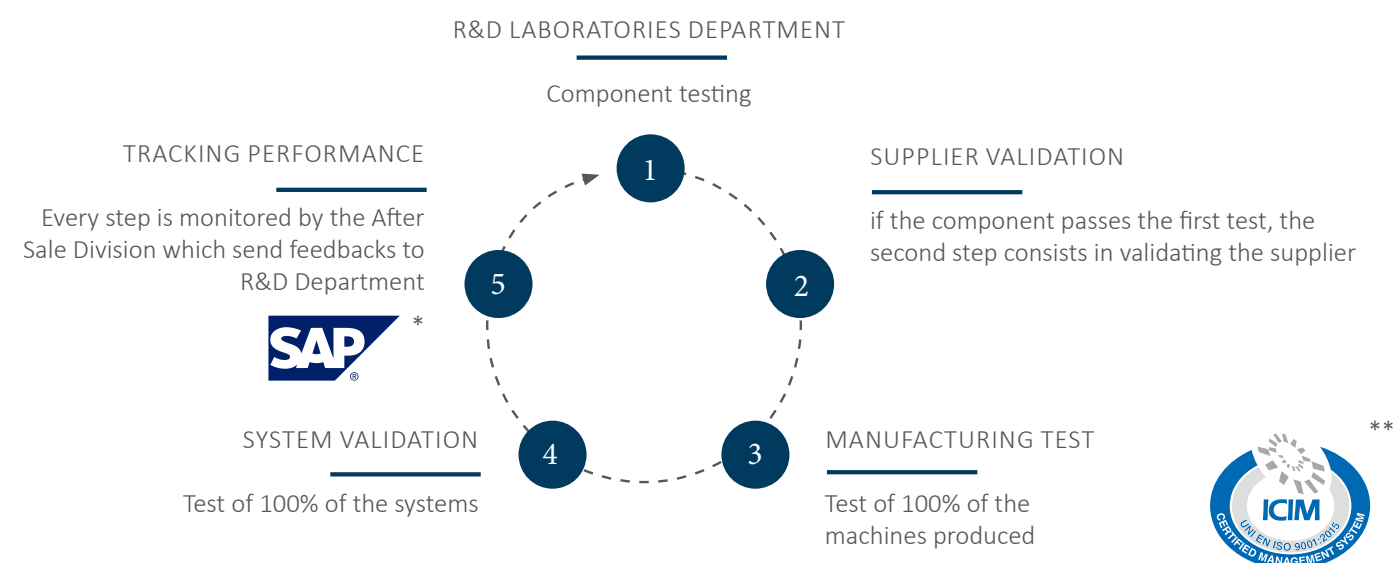
SUPPLY AND
MANUFACTURE OF
PACKAGING FOR
FINISHED PRODUCTS



TRANSPORT



CUSTOMER-SITE
INSTALLATIONS



The Group aims to **open at least one factory per continent in order to “locally” serve its various geographical markets**. The Group has built a series of local supplier networks with the aim of meeting the very best product/project quality and safety standards and supplying customers with an effective service. This approach has allowed Piovan to develop local expertise coordinated by its technology and production management teams. As such, the Group has been able to build a continuous, trustworthy supply chain.

In order to avoid production and product delivery delays due to interruptions and/or disruptions and/or malfunctions at supplier sites, Piovan has adopted specific procurement and material management policies. These policies include framework orders with associated delivery plans, keeping

strategic stock in company warehouses and using alternate suppliers to provide the semi-finished materials required to produce final products.

There were no identified cases of non-compliance with regulations and/or self-regulation codes relating to the impact on product and service health and safety in 2021.

The Group’s supply chain can be traced to the following accounts in the consolidated financial statements: the purchase of raw materials, equal to approximately Euro 103.1 million and approximately 40.7% of total costs, the purchase of finished products, equal to approximately Euro 11.6 million and 4.6% of total costs, the purchase of third-party technical assistance, equal to approximately Euro 13.8 million and 5.4% of total costs, the purchase of third-party workmanship, equal to approximately Euro 11.2 million and 4.4% of total costs, the purchase of ancillaries and consumables, equal to approximately Euro 1.5 million and approximately 0.6% of total

costs and the purchase of packaging, equal to Euro 1.9 million and 0.8% of total costs. Analysis was carried out on production company purchases from suppliers for accounts that impact the supply chain. Said analysis revealed that the Company uses more than 2,200 suppliers.

The Piovan Group prefers to use local suppliers. Specifically, when analysis was carried out on production company purchases from suppliers with reference only to the value of the purchases¹ that impact the supply chain, figures showed that 63% of purchases were made in Italy. This is in line with the fact that the Group gives preference to sourcing from local suppliers. The chart below shows purchase percentages divided by geographical area. The majority of the year’s purchase volume is concentrated in EMEA, at 78%, followed by North America, at 12%.



* Information coming from customers are continuously controlled and monitored through SAP® software.
** All the Piovan S.p.A. quality procedures are certified by ISO 9001.

1.The total value of purchases that impact the supply chain was calculated on the basis of the following production company purchases only: raw materials, ancillaries and consumables, finished products, packaging, third-party workmanship, transport for purchases and third-party technical assistance.



6

Environment

The Piovan Group bases its business on practices and conduct that are as far as possible ecologically sustainable.

The Piovan Group places great importance on its social responsibility, which derives from the environmental impact of its business activities. It therefore bases its business on practices and conduct that are as far as possible ecologically sustainable. The Parent Company Piovan S.p.A. has certified its Environmental Management System to the accredited international standard **ISO 14001:2015**. Certification was obtained during 2019 for the Parent Company’s operating offices in Santa Maria di Sala, Venice. In this regard, in 2021 Piovan S.p.A. accounted for approximately 40% of Group production.

Also in 2021, following the expansion of Piovan S.p.A.’s production site and construction of the new Aquatech S.r.l. building, design choices were made that met certain financial and sustainability criteria. Two new photovoltaic plants were installed, one at Aquatech and the other at Piovan’s Logistics Hub. In 2021, these facilities produced 340,000 kWh fully for own use, compared to 2,501,455 kWh purchased from the grid. Given the trend in the purchase price of electricity and the ever-increasing higher consumption, Piovan is considering a potential expansion of the photovoltaic system to be installed on the roofs of its buildings. A new 22kW charge point for two electric cars was ordered in 2021. This charge point is in addition to the two existing 7.5 kW points, serving two company cars. The aim in the future is to install dedicated EV charge points or, when renewing the fleet, to give priority to electric cars.



The future goal is to further improve energy efficiency at the Group’s production sites in Italy.

The main risk associated with the environmental issues to be tackled by the Piovan Group is a potential for non-compliance with locally applicable legislation and the potential loss of its ISO 14001 certification¹. To prevent this, the Group is committed to carrying out all business activities in compliance with environmental legislation. No fines or non-monetary sanctions were imposed in 2021 due to a failure to comply with environmental laws and/or regulations. The Piovan Group is also committed to maintaining an adequate management and control system with regard to its environmental impact and with a view to effective and sustainable improvement.

In 2021, training sessions on environmental issues were organized to raise awareness among workers and managers on reducing negative impacts on the environment. For this purpose, procedures have also been developed for handling environmental emergencies such as accidental spillages of hazardous substances.

Air quality also plays a key role in environmental protection. Analyses were performed to check on the quality of welding fumes. According to the measurements, all values remain below the legal limits.

THIS CHAPTER REPORTS ON ENVIRONMENTAL PERFORMANCE INDICATORS IN THE FOLLOWING AREAS:



ENERGY CONSUMPTION AND RELATED EMISSIONS



WASTE MANAGEMENT



WATER CONSUMPTION MANAGEMENT

1. In compliance with ISO 14001/2015, the following environmental aspects were assessed: Soil and subsoil, energy consumption, natural resource consumption, atmospheric emissions, greenhouse gases, heating systems, wastewater, waste, fire prevention, dangerous chemicals, noise, electromagnetic fields and transportation.

6.1 Energy consumption management

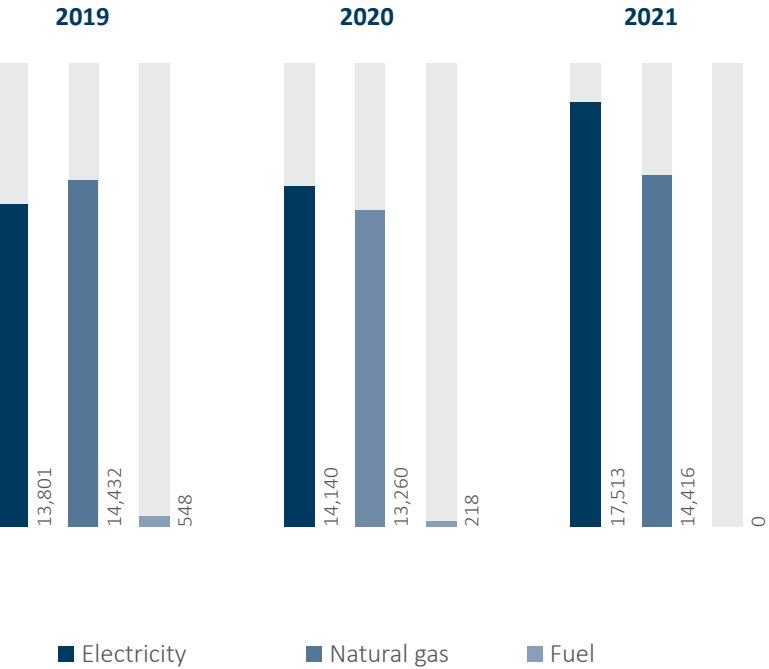
TOTAL INTERNAL ENERGY CONSUMPTION AT THE ORGANIZATION (IN GJ)

	2019	2020	2021
Total electricity consumed	14,000	15,129	17,513
Electricity acquired	13,900	14,248	16,204
of which from certified renewable sources	99	108	92
Natural gas	14,432	13,260	14,416
Fuel (diesel)	548	218	-

ELECTRICITY THAT IS PRODUCED ON SITE (IN GJ)

Electricity that is produced on site and consumed (from photovoltaic sources)	99	880	1,309
Electricity that is produced on site and fed back into the grid (from photovoltaic sources)	16	13	20

CONSUMPTION FROM NON-RENEWABLE SOURCES (GJ)



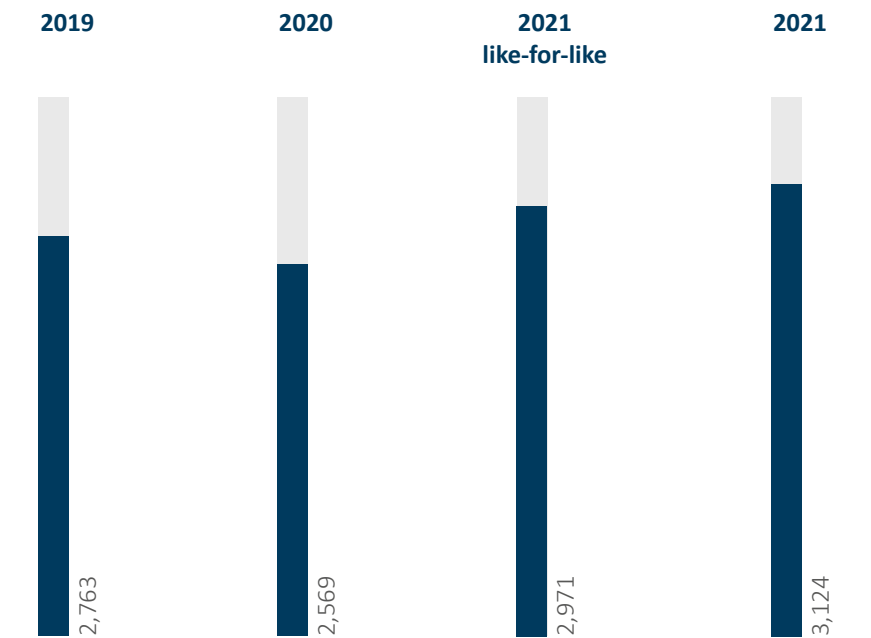
Piovan Group’s production activity essentially consists of assembly, and as such is not as energy-intensive as manufacturing. This feature of the Group’s business model was recognized as one of the Group’s strengths when it obtained its Sustainalytics ESG rating in 2021. This is discussed in more detail in Chapter 1.

In 2021, the entirety of the Group’s energy consumption came from electrical energy and natural gas. Electrical energy is used both in the production process and in normal business activities. In 2021, energy consumption stood at 17,513 GJ, of which 1,401 GJ came from renewable sources, representing the emission of 2,315 tons of market-based CO₂ into the atmosphere. Natural gas is not consumed in the production process, but is used for space heating, and its consumption is therefore linked to weather conditions. In 2021, energy consumption stood at 14,416 GJ, representing the emission of 809 tons of CO₂ into the atmosphere. The increase in both electricity and natural gas consumption compared to 2020 is due to the return to full production activity after a year affected by the COVID-19 pandemic. Moreover, the 2021 scope includes Doteco S.p.A. (production plant) and Doteco Inc. These were not included in 2020, as they only became part of the Group in late 2020.

The table below shows scope 1 and scope 2 (location-based and market-based) emissions trends.

GREENHOUSE GAS EMISSIONS	TON CO ₂ EQ 2019	TON CO ₂ EQ 2020	TON CO ₂ EQ 2021/ON A LIKE-FOR-LIKE BASIS	TON CO ₂ EQ 2021
Direct emissions – Scope 1	765	701	743	809
Emissions from natural gas consumption	761	699	743	809
Emissions from fuel consumption	4	2	-	-
Indirect emissions – Scope 2				
Emissions from electricity consumption (Location-Based Method)	2,253	2,233	2,391	2,484
Emissions from electricity consumption (Market-Based Method)	1,997	1,868	2,227	2,315
Total direct (Scope 1) + indirect (Scope 2) - Market-Based emissions	2,763	2,569	2,971	3,124

TOTAL SCOPE 1 AND SCOPE 2 EMISSIONS MARKET-BASED (t)



During 2021, emissions analyses were carried out on emissions exhaust flues in production areas at Piovan S.p.A. plant, and did not register any substance concentrations exceeding legal levels.

6.2 Waste management

The quantity and type of waste produced by an organization are the result of the activities required to create its products and carry out its operations. Understanding where in the value chain this waste is created is vital in understanding its impacts, in implementing processes designed to minimize its effects and adopting measures designed to achieve circularity.

The Piovan Group has identified two types of impact associated with waste: those relating to outgoing waste, i.e. waste generated by its operations, and those relating to waste generated at the end of its value chain, i.e. those connected to the product at the end of its useful life. This section deals with the environmental factors relating to waste generated by the Piovan Group’s activities. For information on the factors associated with the product and its recyclability at the end of its useful life, reference should be made to Chapter 1, paragraph 1.3: Piovan Product Recyclability.

The waste produced by the Piovan Group is essentially scrap from the production process and office activities. This consists, on the

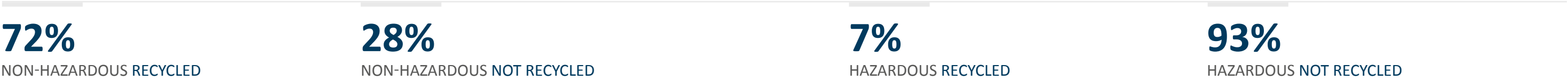
one hand, of mixed packaging materials such as paper, cardboard and wood, and on the other hand residues from the assembly process, such as shavings of ferrous material, aluminium and steel. During 2021, 861 tons of waste were collected, of which 734 tons were non-hazardous and 126 tons hazardous. The latter consists mainly of liquid waste, residues and scrap from the washing of metals after processing.

Total waste collected was up 10.4% on 2020. This increase is linked to the fact that the consolidation scope also includes the production company Doteco S.p.A., not included in 2020 as it only joined the Group in the last quarter of 2020. The increase was primarily in non-hazardous waste, up 14%, while hazardous waste was down 6%. Data analysis shows a positive trend in the decrease of hazardous waste. It has fallen from 159 tons in 2019 - the start of reporting on this environmental indicator - to 126 tons currently.

TOTAL WASTE BY DISPOSAL METHOD (IN TONS)

	2019			2020			2021		
	hazardous	non-hazardous	total	hazardous	non-hazardous	total	hazardous	non-hazardous	total
Waste directed to disposal									
Preparation for reuse	-	13	13	-	9	9	-	13	13
Recycling	-	281	281	-	481	481	8	491	500
Other collection operations	-	-	-	-	-	-	-	27	27
Total	-	293	293	-	490	490	8	531	540
Waste not for disposal									
Incinerated with energy recovery	0	4	4	0	10	10	-	-	-
Incinerated without energy recovery	-	-	-	-	-	-	-	8	8
To landfill	123	251	375	116	63	179	108	75	183
Other disposal operations	35	133	168	18	83	101	10	120	130
Total	159	388	547	134	156	290	118	203	321

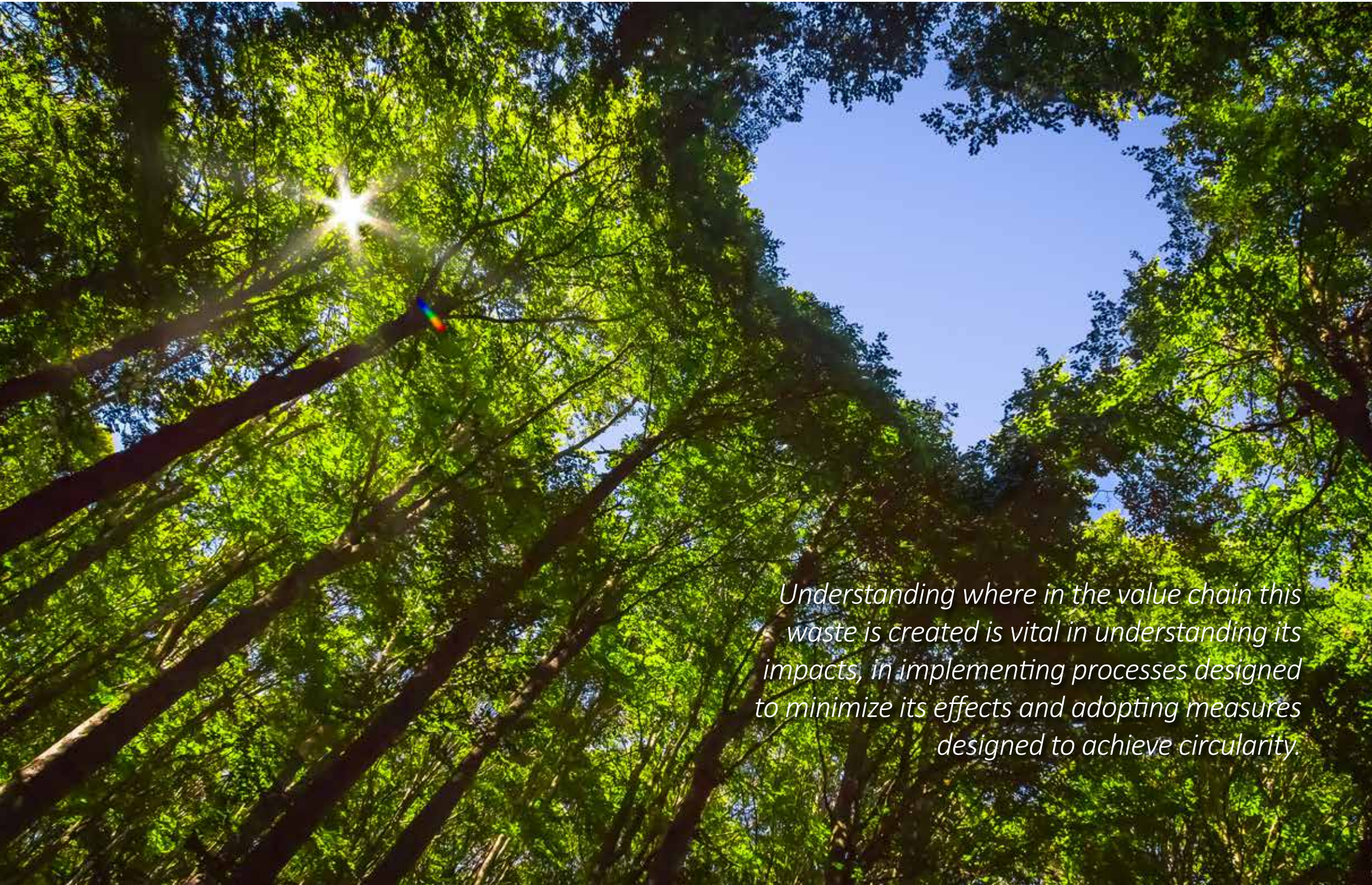
WASTE RECYCLED IN 2021



Waste produced is monitored using a specific loading/disposal register, which records the type and quantity produced. All waste generated by company activities is collected and disposed of in compliance with local regulations. The collection, processing and recycling of non-hazardous waste and the disposal of hazardous waste takes place at external sites through local service suppliers. We note that 72% of non-hazardous waste was recycled in 2021 (531 tons).

The Piovani Group places great importance on separate waste collection. In both Italian and overseas plant, all staff have been informed of the criteria and compliance with separate waste collection. Special ‘islands’ have been set up for separate waste collection (paper and cardboard, food waste, plastic, cans, used batteries and dry non-recyclables) in production departments, offices and refreshment areas in order to encourage the reuse of recyclable materials and the proper disposal of materials that are not reusable but potentially harmful to the environment. To facilitate the transport and external delivery of waste, the Italian plant of the Parent Company and Aquatech make use of a “train” consisting of a number of containers for each type of waste and a shelving unit to organize the temporary storage of liquid and special waste.

2021 saw the continuation of an information campaign on the most significant environmental issues, which was targeted at the Group’s office and production staff. In offices, the topics covered included energy saving and proper waste delivery, while in production areas the focus was on issues related to waste management, atmospheric emissions, the importance of labelling disposal containers correctly, and management of environmental emergencies caused by spillages of oil or hazardous chemical substances.



Understanding where in the value chain this waste is created is vital in understanding its impacts, in implementing processes designed to minimize its effects and adopting measures designed to achieve circularity.



6.3 Water consumption management

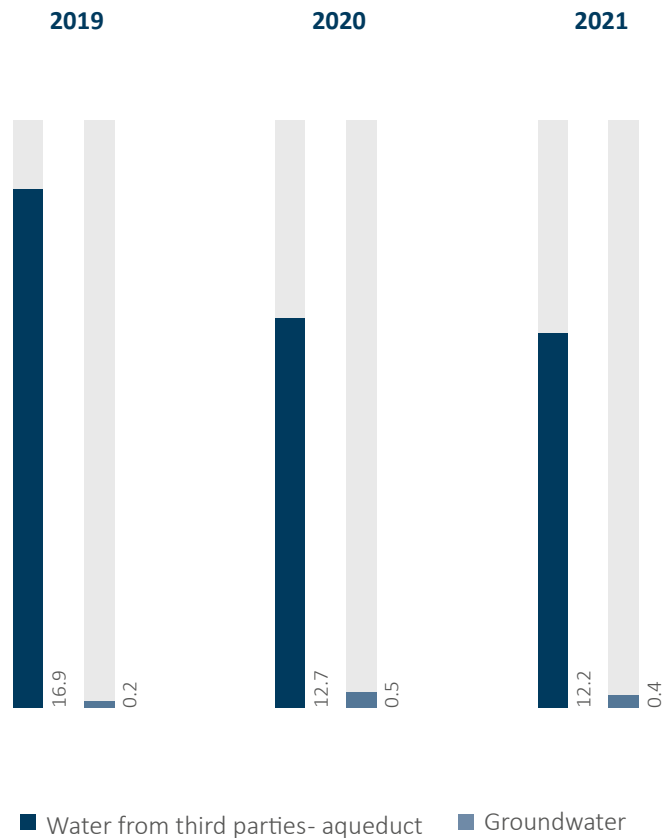
Piovan Group’s production activity essentially consists of assembly, and water is not a resource that is used in the production cycle. It is not, for example, stored for future use, or used in products or for cooling purposes. As such, the Piovan Group has not identified significant impacts related to the use of water along its value chain, either in terms of consumption or discharge. The use of water resources therefore derives almost entirely from civil use, i.e. for hygiene services and catering areas.

At all our production sites, the water comes from local public aqueducts, so all water management, treatment, discharge and purification is handled by the public utility company. For these reasons, no ad hoc monitoring or survey procedures are currently in place regarding water consumption. Reporting on the topic can be carried out, however, using the invoices received from third-party suppliers.

In water consumption reporting, it has been assumed that the amount of water consumed is equal to the amount of water withdrawn. This is because, as explained above, water is not used in the production cycle. As such, it is reasonable to think that water withdrawn is the same as water actually consumed.

12.6 megaliters of water were consumed in 2021. This consisted almost entirely of fresh water, with only a small amount (3.2%) related to other types of water. The table below illustrates consumption by source type (in megaliters). No withdrawals were made from water-stressed areas.

WATER CONSUMPTION IN MEGALITERS



WATER CONSUMPTION BY SOURCE TYPE (MEGALITERS)

	2019	2020	2021
Water from third parties- aqueduct	16.9	12.7	12.2
Groundwater	0.2	0.5	0.4
Total	17.1	13.2	12.6



7

Social aspects

The Piovan Group considers human resources to be an essential and indispensable part of the achievement of its objectives. Human resource management and development is carried out with a view to fostering the skills, potential and commitment of every employee.

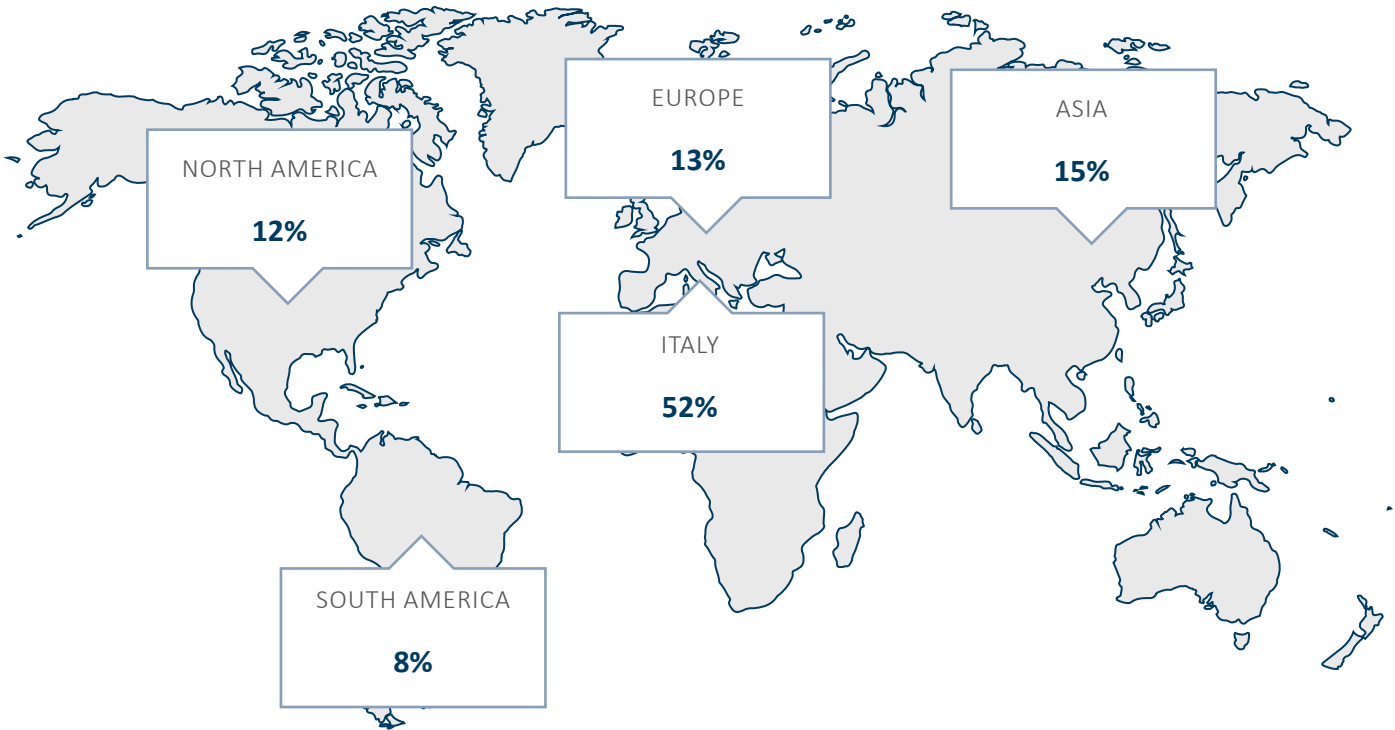
The Piovan Group considers human resources to be an essential and indispensable element for the achievement of its objectives. Human resource management and development is carried out with a view to fostering the skills, potential and commitment of every employee, using objective and documented evaluation criteria.

In its human resource management, the Group bases its decisions and rules of conduct on the ethical principles and values of equality, cohesion, honesty, respect, and protection of the individual, and on the principles of the ILO Conventions on the issue. In both internal relationships and relationships with third parties, the Company strictly avoids any form of discrimination and promotes respect for work and workers. The Piovan Group works continuously to ensure the protection

of the physical and moral integrity of its workers, encouraging continual development of their technical and professional skills.

The Piovan Group incentivises staff participation and involvement, including through social dialogue, to further include them and help them fully understand the Group's values and culture. For this reason, free association in trade unions and collective bargaining associations is entirely permitted, in full respect of human rights and diversity. In order to mitigate the risk of strikes or other forms of abstention, as well as union-related issues, the Group expects relationships and negotiations with trade unions to be managed by Group companies on a local basis.

7.1 Personnel management



In 2021, the Piovan Group employed 1,196 people, an increase of 4.2% compared to 2020.

As regards human resources, risk management methods and related human opportunities involve the whole Group. Piovan operates in over 20 countries with different social and cultural backgrounds and as such, the Group aims to approach the daily challenges that come with multicultural diversity by adopting an Ethics Code and Organization, Management and Control Model pursuant to Legislative Decree No. 231/2001 (231 Model).

The Group's management team practices the principle of valuing diversity and inclusion on a daily basis and promotes said principle throughout the organization. Continuous dialog with trade unions and associations representing Piovan's employees around the world has ensured that no strikes or union-related disagreements have occurred. Managing personnel and the risks associated with a failure to do so is mitigated by the fact the Group considers human resources to be a key asset and has always recognized the strategic importance and core role played by individuals to deliver upon objectives and tackle innovative challenges. Guidance on managing human resources, selecting employees, training them and handling employment contracts has been included in the Piovan S.p.A. Quality Manual. The protection of workers' rights - and associated risks - is managed through the application of collective agreements and compliance with local regulations in all countries where the Group is present.

The Piovan Group works in full awareness of the needs of the community in which it operates, contributing to improvements in quality of life, to economic, cultural and civil development, and also promoting connection and exchange and the sharing and creation of knowledge.

100% of the Group's Italian staff are subject to **collective bargaining**¹ in line with the Company's policy of creating stable and long-term employment for its workers. Similarly, in countries where collective bargaining exists, 100% of the Group's staff are employed in this way. Among other things, this guarantees a maximum number of working hours for each individual, and the right to freedom of association. The Group estimates that over 75% of its workers are covered by collective bargaining.

Staff distribution reflects the Piovan Group's business model, which aims to retain professional figures with critical and specialist expertise within the Company. At a Group level, the majority of employees fall into the category of office workers (58%, or 696 employees).

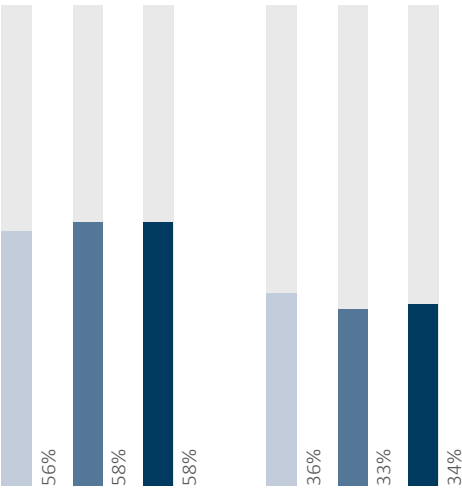
The Piovan Group prefers the establishment of a stable and lasting working relationship. This is why 90% of the entire workforce, i.e. 1,076 employees, are on permanent employment contracts.

91% of men are employed on permanent contracts, while the equivalent figure for women is 83%. The gender breakdown of staff shows that women account for 17% of the total. This percentage is a result of the Group's core business, which is strongly focused on metalworking in a highly technical engineering field.

PIOVAN GROUP EMPLOYEES BY CATEGORY

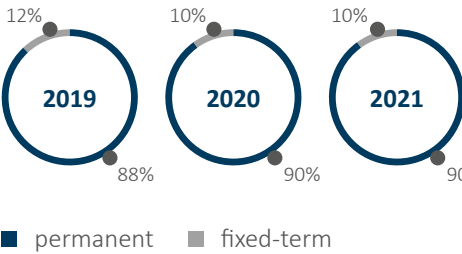


WHITE-COLLAR BLUE-COLLAR



2019 2020 2021

GROUP EMPLOYEES BY CONTRACT TYPE



1. The Company is regulated by the National Collective Bargaining Agreement of the Engineering Industry for Metalworking and Plant Installation.

TOTAL PIOVAN GROUP EMPLOYEES BY CONTRACT TYPE AND GENDER

	2019			2020			2021		
	male	female	total	male	female	total	male	female	total
Permanent	836	133	969	881	147	1,028	912	164	1,076
Fixed-term	99	33	132	84	36	120	87	33	120
Total	935	166	1,101	965	183	1,148	999	197	1,196

TOTAL PIOVAN GROUP EMPLOYEES BY CATEGORY AND GENDER

	2019			2020			2021		
	male	female	total	male	female	total	male	female	total
Executives	27	1	28	28	2	30	26	1	27
Managers	54	9	63	63	9	72	63	8	71
White-collar	473	144	617	503	164	667	523	173	696
Blue-collar	381	12	393	371	8	379	387	15	402
Total	935	166	1,101	965	183	1,148	999	197	1,196

TOTAL PIOVAN GROUP EMPLOYEES BY AGE AND GENDER

Age	2019			2020			2021		
	male	female	total	male	female	total	male	female	total
Under 30	124	17	141	183	32	215	128	24	152
From 30 to 50	552	116	668	553	122	675	561	129	690
Over 50	260	32	292	229	29	258	310	44	354
Total	936	165	1,101	965	183	1,148	999	197	1,196

TOTAL NUMBER OF PIOVAN GROUP EMPLOYEES DIVIDED BY WORKING CONTRACT (FULL-TIME/PART-TIME) AND GENDER

	2019			2020			2021		
	male	female	total	male	female	total	male	female	total
Full-time	929	140	1,069	960	157	1,117	996	182	1,178
Part-time	6	26	32	5	26	31	3	15	18
Total	935	166	1,101	965	183	1,148	999	197	1,196

Most Group employees are between the ages of 30 and 50. The Piovan Group allow employees and women workers who submit a reasonable request to work part-time. In 2021, there were 18 part-time contracts, of which 15 were held by women (8% of all female employees). As at December 31, 2021, 2% of staff are employed on part-time contracts. As of December 31, 2021, the Group employs 60 employees belonging to vulnerable categories, which is 5% of the total workforce. No cases of discrimination of any kind were recorded during 2021.



Personnel are employed under regular labor contracts; no form of irregular labor or exploitation of child labor is tolerated.

The employee **hire rate** (i.e. the number of employees hired over a certain period of time compared to the number of staff members employed at the end of the period) is **16%**, up compared to 2020.

HIRES

2019		2020		2021	
No. of hires	% of total	No. of hires	% of total	No. of hires	% of total
Age					
Under 30	62 39%	31 29%		61 32%	
From 30 to 50	77 48%	68 64%		106 55%	
Over 50	20 13%	8 7%		25 13%	
Total	159	107		192	
Gender					
Male	128 81%	90 84%		160 83%	
Female	31 19%	17 16%		32 17%	
Total	159	107		192	

New hires are required to participate in training courses alongside skilled employees. The idea is to promote professional growth and facilitate the sharing of resources between employees. New hires are given a copy of the company regulations, the national sector collective agreement, and all agreements in place at their time of hiring. An initial training session is conducted by the HR department to help orient new employees.

The rate is back to 2020 levels (14%), a sign of recovery from the global pandemic. 192 new employees joined the Group this year, mainly men. 61 new hires are under 30, while 106 are aged between 30 and 50 years old. In terms of geographical distribution: 70 new employees were hired Italy, 26 were hired in the rest of EMEA, 43 in Asia, 10 in South America, and 43 in North America.

2021 saw the departure of 144 employees (126 men and 18 women).

Among the employees that left the Group, 28 were under 30, while 90 were aged 30 to 50 years old. As regards geographic distribution, 51 terminated employees were employed in Italy, 25 in the rest of EMEA, 28 in North America, 8 in South America, and 32 in Asia.

DEPARTURES

2019		2020		2021	
No. of departures	% of total	No. of departures	% of total	No. of departures	% of total
Age					
Under 30	27 19%	24 18%		28 19%	
From 30 to 50	86 59%	83 63%		90 63%	
Over 50	32 22%	24 18%		26 18%	
Total	145	131		144	
Gender					
Male	121 83%	115 88%		126 88%	
Female	24 17%	16 12%		18 12%	
Total	145	131		144	

The Group’s focus on people is evident in its **low turnover**. The termination rate is 12%.



7.2 Training and development

The Piovan Group believes that training is a key strategic resource. In fact, the Group’s investment in training goes far beyond new hire inductions. Courses are organized over a prolonged period of time to encourage professional growth, motivation and professionalism, thus ensuring that products and services meet the Group’s quality standards. Piovan has always believed that developing and sharing skills are key factors in creating a solid and successful company: testament to this is the creation on October 1, 2021 of the **Group Academy**, a specialization of the HR function focused on the organization, delivery and monitoring of training activities in line with the Group’s global needs.

It currently consists of six people: three Technical Trainers (specialized in the design and delivery of technical training for the products supplied by Piovan Group), one Academy Specialist (whose role is to monitor the process and coordinate the activities of the Technical Trainers), one Training Manager, who coordinates and plans soft skills training activities and the General Manager & Director, who sets guidelines and instructions for all activities in the short, medium and long term.

Training covers the entire production process and all company departments. A training budget is allocated annually and is drawn up by department managers and approved by the senior management team. Training includes technical and linguistic skills and ‘cross-cutting’ skills, with a particular focus on team-working skills and a propensity for change. These skills are essential when working for a Group such as Piovan, where competitiveness represents a means of leverage for development.

Setting up the Group Academy has made it possible to bring together technical/specialist training and soft skills training under one roof, to optimize time, costs and the methods used to analyze training needs.

The Group firmly believes in the importance of continuing professional development, especially with regard to the service department. Workplace training courses are organized on an ongoing basis so as to maintain quality and efficiency standards. Risks associated with training concern a lack of training and the subsequent lack of development opportunities. This could lead to a poor organizational structure with respect to the operational complexity and to non-compliance with regulatory obligations. A lack of training could lead, moreover, to failures to attract key personnel and possible loss of company know-

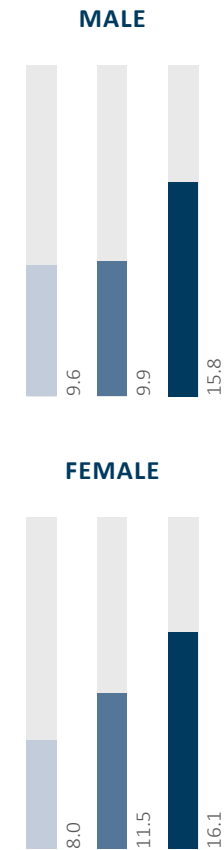
how, with the risk of a drop in the quality of services offered, including after-sales service. In the current climate this is deemed vitally important, given the ever-increasing need for business continuity and the losses that every plant downtime entails. In order to overcome these potential risks, the Group invests in training and draws up a new training plan every year. Each branch is required to create its own plan, identifying mandatory training needs and specific requirements per company department.

In addition, as soon as the Group Academy was set up it immediately focused on developing a training path for each new employee to follow from day one at the Company; this training path takes into account various aspects, such as an employee’s office and his/her role and activity. The direct manager has the option to tailor and add to the training on specific issues. This activity therefore has two aims: firstly, to provide employees with all the tools they need to carry out their daily activities correctly, and, secondly, to speed up the induction phase.

Alongside the induction activities for all new recruits, periodic refresher courses are being developed for current employees, at all levels of seniority within the Company and for all roles in the company structure.

In 2021, 18,950 hours of training were provided by the Group (up 55% from the previous year on a like-for-like basis, since in 2021 training hours held by Doteco S.p.A. and Doteco Inc. are included), i.e. an average of **15.8** hours per person. 815 Group employees received training. It covered workplace safety, fire prevention training, the training of new hires, specialist training, first aid and management development. The average number of training hours undertaken by women in 2021 amounted to 16.1 hours, and the average number of training hours undertaken by men amounted to 15.8 hours. Awareness-raising meetings on environmental issues began, involving 163 Group employees (including 15 from the purchasing department), to give a total of 506 training hours. The 2021 figures also include Doteco S.p.A. and Doteco Inc. training, for a total of 832 hours. The significant increase is mainly due to induction training for new hires, safety courses, English courses and service training.

AVERAGE TRAINING HOURS PER CAPITA BY PROFESSIONAL GENDER FOR THE PIOVAN GROUP

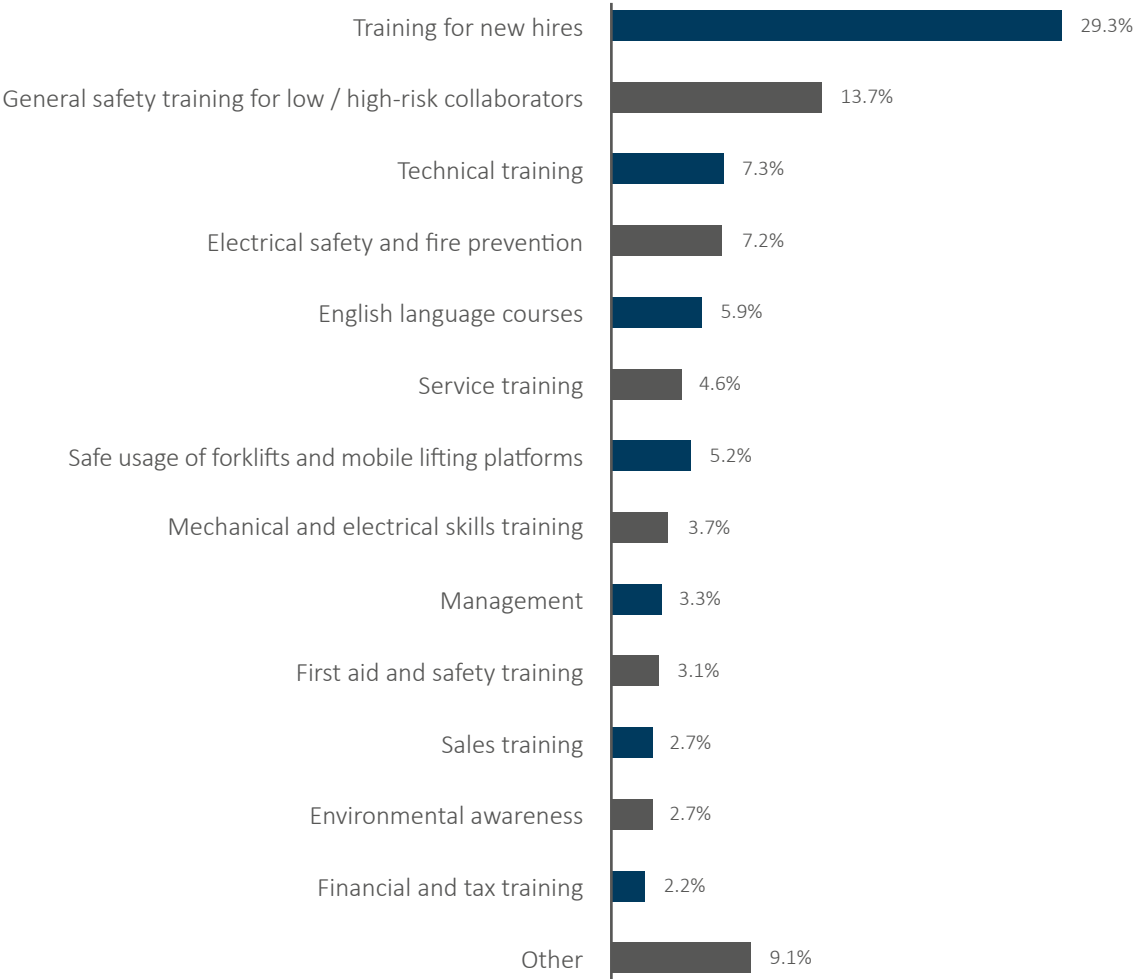


AVERAGE TRAINING HOURS PER CAPITA BY PROFESSIONAL CATEGORY FOR THE PIOVAN GROUP



Piovan has always believed that developing and sharing skills are key factors in creating a solid and successful company.

TYPES OF TRAINING WITHIN THE PIOVAN GROUP



System 4.0

The Group has launched several initiatives to improve employee training and professional development. Research and innovation are the cornerstones of the Piovan Group's philosophy and employee skills are developed in line with these principles.

Piovan organized courses on the principles of dehumidification and Modula solutions in order to efficiently and automatically regulate process parameters. Courses were organized around the topics of industry 4.0 systems and energy efficiency (Winfactory 4.0 and Winenergy). Through Piovan Academy, the Group is implementing ongoing training in which a team of experts passes on their talents to end users, OEMs, research centers and universities. The team provides ongoing training to the Group's international post-sale network, with

maximum flexibility in training delivery, which may be both remote and in person, alternating theoretical aspects and case studies. The System 4.0 implemented in Piovan S.p.A., with the most complex equipment that the Company sells, makes it possible to continuously create practical exercises to prepare service personnel and installers to manage activities in the field in the best possible way.

In 2022, each employee's training needs will be identified through a precise survey, involving all departmental heads in carrying out detailed mapping of the skills in their work teams. The mapping of skills will also be repeated periodically, firstly to check on the effectiveness of the training courses organized, and secondly to identify any new needs that the market may bring to light. Anonymous questionnaires to measure satisfaction with the training received and customer surveys on the quality of services received (an activity already carried out by service managers) will be vital ways to ensure continuous improvement of the Academy team's activities, in terms of content, methodology and frequency.

7.3 Occupational health and safety

The Piovan Group's **primary concern is employee health and safety** and as such, the Group aims to create a comfortable and safe place to work. The risks associated with an irresponsible approach to workplace health and safety, i.e. a failure to comply with local regulations or the potential for work-related injuries and/or ill health, represent a corporate and social burden that is simply not sustainable.

For these reasons, the Group is committed to managing its production activities in full compliance with existing laws and regulations at every plant, so as to avoid or minimize occupational risks and thereby ensure the safety of its employees, in



addition to any other person directly or indirectly involved in company activities.

Furthermore, the Piovon Group aims to develop and maintain a comprehensive risk analysis. Said analysis is used to identify **all potential prevention and protection measures**, as well as any necessary interventions to improve safety conditions in the workplace.

The Company also strives to promote a culture of health and safety in the workplace, in the hope that staff members will help make the prevention system more effective.

In 2021, Piovon also made a commitment to addressing the COVID-19 pandemic. The measures introduced in 2020 were also effective in avoiding the spread of the virus within the workplace in 2021. In addition to protective measures such as the use of masks, tests to detect the virus played an important role in prevention. Swab tests made it possible to identify some positive cases, allowing isolation and removal and preventing the spread of the virus within the various departments or offices. A major change in 2021 was the introduction of the requirement for a “Green Pass” in order to enter Company premises. For monitoring purposes, a wide network was organized involving coordinators and managers appointed for the purpose, using the dedicated government app.

In the area of emergency management, again, sickness simulations were carried out for the first time to enable emergency teams to test the effectiveness of the procedures. The tests were successfully completed. Fire drills were also carried out and successfully completed. For protection purposes, all facilities such as fire doors, emergency doors and active guards have been upgraded. These play an important role in allowing the evacuation of personnel in emergencies.



Personal protection of workers also plays a key role in safety, especially in terms of quality, availability and management of proof of material having been delivered. Examples of initiatives carried out in 2021 at Piovon include the installation of a Personal Protective Equipment (PPE) automatic dispenser. Operators can pass their badge over the reader to be authorized to collect PPE at any time, without the help of an operator. At the same time the system records the collection without the need for a signature on a paper document to confirm delivery.



Falls from a height were another issue addressed during the year. Through the involvement of all safety managers, a structural system called the “anti-fall portal” has been set up. This allows personnel to hook up before carrying out activities at height, thus keeping workers safe and arresting any fall.

In order to demonstrate its commitment to occupational health and safety, the parent company Piovon S.p.A. obtained an ISO 45001:2018 certification on November 26, 2019, for its offices, production site, and warehouse located in Santa Maria di Sala, Venice. Obtaining certification demonstrates that an adequate management system is in place to map, eliminate and/or reduce risks and increase workplace health and safety, with a view to continuous improvement. In this regard, in 2021 Piovon S.p.A. accounted for approximately 40% of Group production.

Verifications are conducted systematically in order to minimize potential risks and hazards in the workplace. Any hazards identified are first mapped based on: the tasks conducted; the equipment used; any chemical/hazardous substances; and the characteristics of the building. The activities are then categorized as high risk or low risk. In order to minimize the risk of the high-risk activities, the Group ensures that all measures of prevention (e.g. reducing speed limits, delimiting and indicating pedestrian lanes, high-visibility vests) come used. For the branch offices in Italy, agreements are reached with the trade unions concerning decisions on the management of COVID-19 containment efforts and on all safety procedures that concern the offices and production facilities.

Occupational health services aim to ensure employee health in relation to their workplace. This is made possible by competent, qualified professionals in line with standards and guidelines in effect in the various countries in which the Group operates. The occupational health services aim to minimize health and safety risks and identify hazards in order to eliminate them.

In order to facilitate access to occupational health services, appointments are available on site during business hours. The Group does not use personal health information as criteria for making decisions on employment, terminations, or salary. This information is archived confidentially, and only the company doctor has access to such archives. Employee medical files are provided to the employer in sealed envelopes, so the employer does not have access to this information.

The Group is committed to communicating with employees with regard to health and safety both on bulletin boards within the various production areas and digitally on the company intranet, which is accessible to all employees. These communications concern new procedures, temporary notices, trends in injuries, invitations to training programs, appointments for medical exams. The safety office organizes events annually (and as needed) to discuss work-related injuries, the use of new equipment, safety procedures, emergency response, and the use of new personal protective equipment. Scheduled and extraordinary consultations with employer health and safety representatives (EHSR) can also be held. Scheduled consultations are held to analyze the overall state of health and

safety in the workplace and the various measures adopted in order to reduce or minimize any critical issues encountered. Extraordinary meetings are called by the EHSR in the event of potential, imminent danger or other situations in which steps need to be taken without delay.

For the Italian branches, in order to promote access to all types of prevention and mechanisms to ensure health and safety, the Group has enrolled all employees in a health-care fund (Metasalute) in which the families of employees may also participate. Each foreign branch works to promote employee health and safety by enrolling in local health-care funds and/or by way of on-site medical exams and training.

During 2021, 12 work-related injuries occurred, none of which were fatal, and none of which had serious consequences. 144 days were lost to injury during the course of the year (calculated from the first day of the accident). The following table shows the main accident indicators for the Group. The rate of work-related injury with serious consequences is 0, whereas the rate of recordable work-related injury came to 5.34.

The Piovon Group’s primary concern is employee health and safety.



INJURY RATES

	2019	2020	2021
Recordable work-related injuries	16	13	12
of which fatal	-	-	-
of which with serious consequences	2	1	-
of which on commute	-	-	-
Days lost due to injury	242	205	144
No. of cases of occupational illness	-	-	-
Rate of death due to work-related injury	-	-	-
Rate of work-related injuries with serious consequences (excluding deaths)	1.06	0.54	-
Rate of recordable work-related injury	8.44	6.97	5.34

INJURY RATES BY GEOGRAPHICAL AREA FOR 2021

	EMEA	ASIA	NORTH AMERICA	SOUTH AMERICA
Work-related injuries	9	-	3	-
of which fatal	-	-	-	-
of which with serious consequences	-	-	-	-
of which on commute	-	-	-	-
Days lost due to injury	138	-	6	-
No. of cases of occupational illness	-	-	-	-
Rate of death due to work-related injury	-	-	-	-
Rate of work-related injuries with serious consequences (excluding deaths)	-	-	-	-
Rate of recordable work-related injury	6.61	-	11.24	-

Of the work-related injuries recorded in the Companies, nine were in the EMEA area and three in North America.

Analysis has not revealed any particular category of employee deemed to be at a higher risk of injury or occupational illness. The following routine maintenance activities were carried out in Piovan’s working environments and production plants during 2021 to guarantee employee safety. They involved plants, machinery and work equipment. Machinery and equipment **maintenance** has been included within the Company’s

management software in order to optimize measures by automating the monitoring system and making it more efficient. Work continues to upgrade machinery built prior to 1996, the year in which the current “Machine Directive” went into effect. Health training and oversight, chemical safety information, injury and safety reports, certifications, information on machinery, systems and equipment, and safety and environmental safety document deadlines have also been entered into SAP® in order to achieve integrated management and make monitoring more efficient.

Customers and/or third parties are duly informed of all potential risks prior to visiting Company sites and are equipped with all appropriate preventive measures. Piovan S.p.A. has enforced all health and safety procedures in order to adhere to the management model of Legislative Decree 231/07. Together with those relating to the Group’s ISO certification, these procedures have helped govern the people in charge of certain processes and the way they are managed, with a view to continuous improvement.

New procedures and operating instructions will also be introduced, such as safe access for maintenance workers to the automated warehouse, which features moving equipment presenting a high risk to the activities carried out there.

6 defibrillators have been purchased and installed at the Group’s production sites to help implement prevention measures. 27 employees have been trained to operate them.

In order to mitigate the significant impact on occupational health and safety of tasks directly related to operations and in commercial relations, the Company follows and complies with local laws and regulations, and annual training is provided. Across the Group in 2021, training courses were provided on the following topics:

- **general health and safety** for employees at a **low/high risk**: for a total of 2,596 training hours;
- **electrical and fire safety**: for a total of 1,367 training hours;
- **the safe operation of forklifts and mobile lifting platforms**: 977 training hours;
- **first aid**: 595 training hours.



7.4 Fairness in relationships

Fair relationships, honesty and transparency are core company values and have been communicated to the management team in order to improve conduct at a group and brand level. The Ethics Code (a self-regulation tool) aims to guide business activities and render them transparent. In fact, the Ethics Code aims to establish specific professional conduct regulations to be followed by all Group employees.

The Ethics Code can be found on the page:
<https://cg.piovangroup.com>

7.5 Initiatives for employees and corporate welfare

Already attentive to employee well-being, Piovan S.p.A. has developed a welfare plan that allows employees to improve their work life balance and access innovative personnel management policies.

There are many actions in place, ranging from flexible working hours that allow independent time management, to various types of part-time and remote working, to the introduction of sustainable mobility initiatives (such as the installation of electric car charge points and subsidies for bicycle purchase). As for personal growth, events are organized periodically, such as workshops and opportunities to 'improve' physical and mental well-being. Piovan S.p.A. also places importance on its physical workplace. In order to make it as comfortable as possible, hot and cold water dispensers have been installed, as well as vending machines serving hot drinks, beverages and snacks, and dedicated refreshment areas.

Putting people first has always been incredibly important to Piovan S.p.A., as such, the 'Piovan Club' project has been created to offer a series of services to employees and their

families in the provinces of Padua, Venice and Treviso. Five main areas of shared interest have been identified: Health, Finance, Insurance Services, Wellness and Sport, and Family. Piovan S.p.A. has selected and identified a number of service providers offering exclusive services in each area.

The Piovan Club remains dynamic, versatile and up-to-date, thanks also to employee suggestions. The HR office, by way of an employee dedicated to "people care", is responsible for signing agreements and contacts local companies, shops, pharmacies, gyms, insurance companies and banks to make being part of Piovan S.p.A. a privilege for employees, who are consequently able to make excellent use of discounts in the region. The stipulated agreements are communicated by e-mail and archived internally. In-company personal package pick-up is also available, in the view that time is a fundamental personal resource for employees.

All the aforementioned benefits are provided to all employees, regardless of whether they are in full-time or part-time work or have a fixed-term or permanent contract².

Piovan places its employees at the heart of its business, and as such, attention is also paid to their health. A range of initiatives has been introduced, from ergonomic chairs to wellness events and on-site catering facilities that use quality produce to contribute to a healthy diet. Piovan S.p.A.'s main office houses a company canteen, which provides a good service and publishes a weekly menu listing all allergens and ingredients. In order to encourage employees to pay greater attention to their health, the number of calories in each dish is also displayed on a daily basis. The menu is certified by a nutritionist and biologist registered with the association of biologists. Piovan S.p.A. contributes a very significant percentage to the cost of employee meals.

Piovan S.p.A. also contributes to the sponsorship and promotion of sports and youth activities in the area.

IN ADDITION, THE COMPANY OFFERS A NUMBER OF FINANCIAL INCENTIVES, INCLUDING:



holiday bonuses, which are paid to employees before the summer on an annual basis



production bonuses, which are paid to employees based on the Company's end-of-year results on an annual basis. The basis for calculating bonuses is an integration of the second-level contract agreed with trade unions and workers' representatives issued during the first half of the financial year



Corporate welfare, the option for all employees to choose whether their production bonuses or national collective agreement bonuses are paid in the form of remuneration or flexible benefits, such as goods and services, which consequently benefits the tax wedge in favor of employees. The portal is managed by an external provider and offers numerous services and goods for employee use (covering five main areas: reimbursement of school expenses, healthcare, complimentary pensions, sports, recreation and vouchers) with a particular interest in family establishments



option to apply for a business loan, the Company has set up a Loan Fund for employees who need financing



marriage bonus, paid to employees who decide to get married.

2. Benefits provided if in force at the end of the year.

7.6 Initiatives for local communities

Piovan S.p.A.'s social commitment is based on the principle of responsibility towards the social context in which it operates, and expresses the will of its top management. This deep bond with its region manifests itself as a constant exchange of knowledge and experience, as the Company's performance and success are inextricably linked to the **well-being of the society** in which it operates. As such, Piovan S.p.A. supports and promotes training and cultural programs, and in particular those of a technical nature.

Since 2012, Piovan S.p.A. has worked closely with the **Istituto Tecnico Superiore Meccatronico del Veneto**, a technical school in the form of a "small polytechnic" which specializes in mechatronics, and whose aim is to train highly-qualified specialist personnel. The two paths available in our field are Senior Technician for Process and Mechanical Product Innovation and Senior Technician for Automation and Mechatronic Systems. The school offers an alternative educational route to those offered by universities, based on significant in-company training and class-based learning centered around work projects, case studies and workshops. During the school year, students have three days of lessons at school and two days of apprenticeship within the Company, which immediately brings them into contact with the world of work.

In the last five years, Piovan S.p.A. has hosted several apprentices as part of these alternating school-work projects. Three of these were hired on completion of their training and now work in R&D and the Technical Department, demonstrating the effectiveness of close collaboration between school and the world of work.

On December 31, 2021, the Group had 24 interns, of whom 17 were male and 7 were female. The Italian subsidiaries have 12 interns and there are 11 in the EMEA area and 1 in North America.

Piovan S.p.A. also promotes training through its relationships with universities, specifically with the University of Padua and the University of Ferrara. By participating in events organized by the universities, including Career Days, Piovan S.p.A. encourages meetings with students and graduates. **University participation** is key to attracting new talent and allowing people to contribute new ideas and solutions to help consolidate corporate expertise.





8

The new taxonomy

The classification of activities that can be considered sustainable based on alignment with the EU's environmental targets.

8.1 Reference framework

Regulation (EU) 2020/852 (the “European Taxonomy” or “Taxonomy Regulation”) introduced into the European regulatory system a taxonomy of environmentally sustainable economic activities, a classification of activities that can be considered sustainable based on alignment with the EU’s environmental targets. With reference to the 3 pillars of ESG (Environmental, Social, Governance) sustainability, the Taxonomy currently focuses on pillar E (environmental).

The European Taxonomy sets out six environmental objectives for identifying environmentally sustainable economic activities:

1. CLIMATE CHANGE MITIGATION
2. CLIMATE CHANGE ADAPTATION
3. SUSTAINABLE USE AND PROTECTION OF WATER AND MARINE RESOURCES
4. TRANSITION TO A CIRCULAR ECONOMY
5. POLLUTION PREVENTION AND CONTROL
6. THE PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS

At the time of writing, only two of the six environmental and climate goals have been mapped in detail by the legislature, which has identified specified technical screening criteria under which specific economic activities can contribute substantially to **1. Climate change mitigation** and **2. Climate change adaptation**.

In the overall strategy outlined by the European Commission to finance sustainable growth, a central role is assigned to the harmonization of the criteria used to determine whether an economic activity can be considered environmentally sustainable in terms of certain environmental objectives. An economic activity is therefore defined as environmentally sustainable, according to the principles of Taxonomy, if:

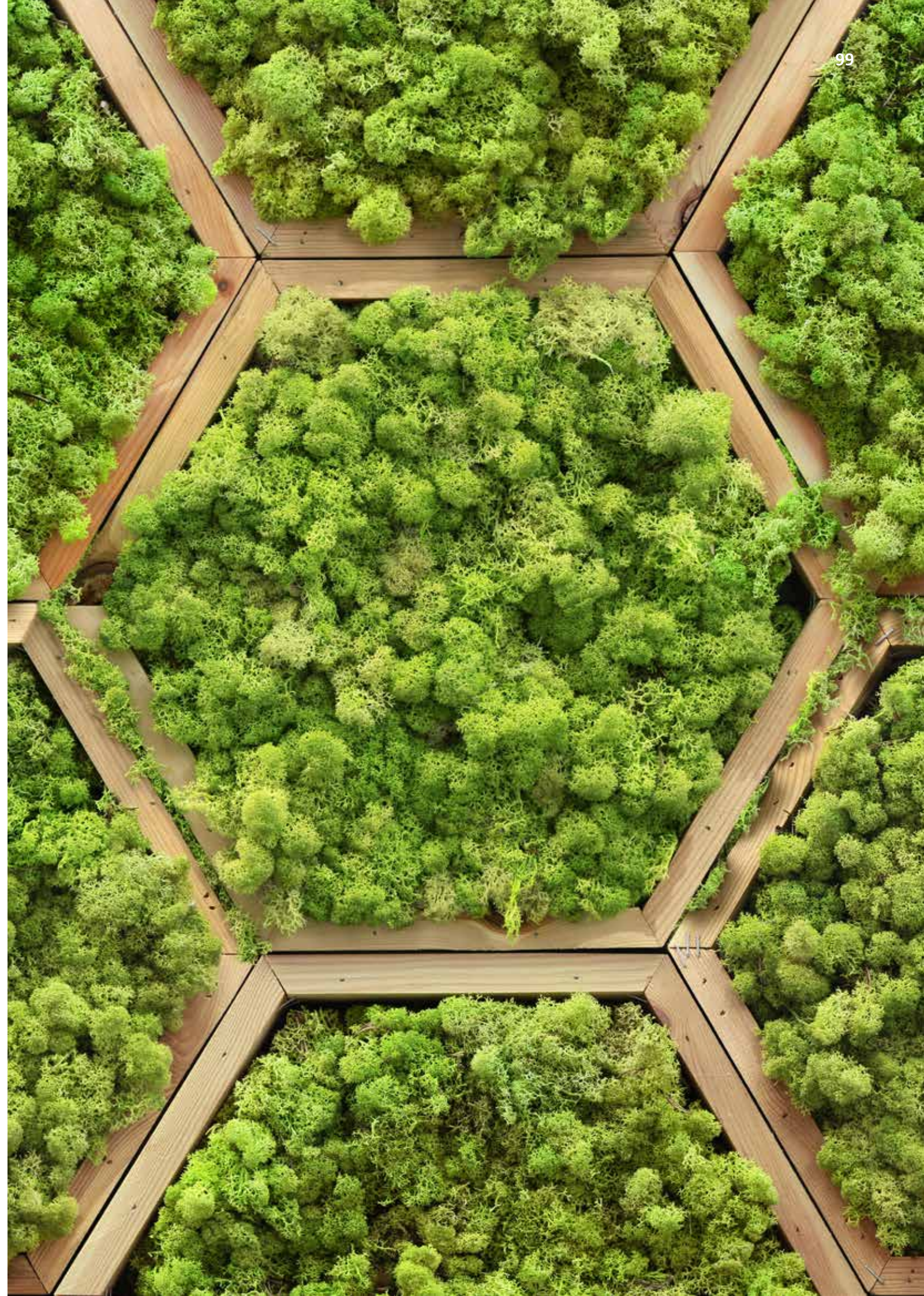
- it contributes substantially to the achievement of one or more of the six environmental objectives mentioned above;
- it does no significant harm to any of the environmental objectives (Do No Significant Harm principle- DNSH);
- it is carried out in compliance with minimum safeguards (procedures implemented by an undertaking that is carrying out an economic activity to ensure alignment with the OECD Guidelines for Multinational Enterprises

and the United Nations Guiding Principles on Business and Human Rights);

- it complies with the technical screening criteria adopted by the European Commission (which provide concrete specifications for the general definitions set out in the Regulation) with respect to the substantial contribution of an economic activity to environmental objectives without causing significant harm to them.

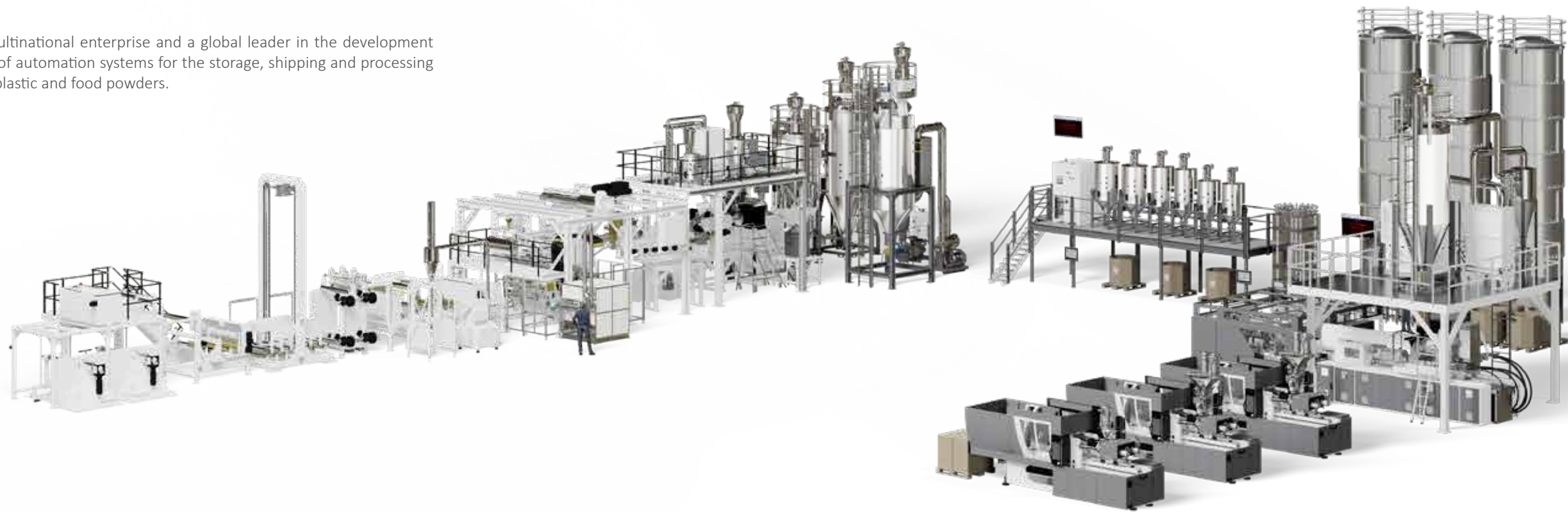
As per Article 8 of the Taxonomy Regulation, companies are required to include in their non-financial reports (“NFRs”) information on how and to what extent their activities are associated with environmentally sustainable economic activities. Environmentally sustainable activities are identified according to the criteria set out in the Taxonomy Regulation. On July 6, 2021, the EU Commission published the final version of the Delegated Regulation, which indicates the content, timing and manner in which this information must be published. In particular, non-financial companies must publish information on:

- turnover deriving from products or services associated with economic activities aligned with the European Taxonomy;
- the portion of capital expenditure (Capex) and operating expenditure (Opex) relating to assets or processes associated with economic activities aligned with the European Taxonomy.



8.2 The Piovan Group business

The Group is a multinational enterprise and a global leader in the development and manufacture of automation systems for the storage, shipping and processing of polymers, and plastic and food powders.



Specifically, the Group develops, manufactures and markets systems and equipment that enable customers to automate and increase the efficiency of the entire storage, shipping and treatment processes of virgin polymers, recycled plastics and bioplastics, as well as the main food powders such as sugar, flour, cocoa and milk powder. The Group's technical solutions include in particular:

- the design of equipment, systems and engineering solutions;
- the production of the machinery required for these equipment and systems to function;
- installation and initialization at the customer's production facilities.

The Group also supports its customers globally through continual technical assistance, including the sale of spare parts for machinery and the provision of a range of additional services, and support activities from the preliminary design phase through to installation and initialization of the equipment and machinery. Operating in sectors linked to the consumption of plastic - which are have particularly high environmental impacts - the commitment of the Piovan Group in this sense continues to be concrete and unwavering, especially as regards the development of the circular economy. In fact, the Group is increasingly investing in the development of technologies for the recovery and recycling of plastic (in the "primary process") and works

unceasingly alongside the largest players in the sector to offer its customers innovative solutions that involve the use of recycled or biodegradable plastic instead of virgin plastic (the "secondary process").

By way of example, it should be noted that of the 58 patents held by the Group to date, 11 are related to technologies for manufacturing with recycled plastic. In 2021, one of these

products - InspectaBe - was among the finalists in the Machinery category of the prestigious SUSTAINABILITY AWARDS 2021, an award which seeks to promote the spread of sustainable packaging. InspectaBe ensures strict control over the presence of benzene throughout the production chain with recycled PET. See Section 4 for further information.

In 2021, the Group estimates that approximately **21% of its revenues** within segments where the use of recycled plastics is relevant (mainly packaging, fibers, recycling and compounding) will be related to circular economy activities. The Piovan Group reasonably believes that these activities may be reported as part of the Taxonomy in the future, beginning with the non-financial disclosure for the period 2022 when the related targets are regulated in detail.



8.3 The role of the Piovan Group in climate change mitigation

In line with the provisions of the European Union’s Taxonomy, which sets itself the ambitious goal of providing a common language for all stakeholders in ESG matters and which pays particular attention to the issue of decarbonizing the Union’s economy by 2050, the Piovan Group has decided to take on board the provisions of the Taxonomy, albeit in a context in which the activities that most pertain to the circular economy - and which are closest to the core of the Group’s efforts - have not yet been mapped. This year the Group is therefore reporting eligibility as regards one of the two Objectives currently available and regulated (**Climate Change Mitigation**) among the six set out in the European Taxonomy.

Piovan Group’s production activity essentially consists of assembly, and as such is not as energy-intensive as manufacturing (see Section 6.1). Similarly, the machinery manufactured by the Group and used within its systems and facilities is energy efficient and - for the most part - generates low emissions.

However, the Group does operate in some areas - such as the automotive sector or the industrial chillers sector - where energy consumption is a critical factor in customers’ purchasing decisions. In order to meet these needs, in recent years the Piovan Group has developed technologies and machinery designed to provide solutions that help its customers to reduce energy consumption and thus, indirectly, emissions.

With this analysis framework in mind, the Group analyzed the reference chapters found in the Technical Annexes published by the European Commission in July 2021 and linked its activities to the following categories:

3.6. Manufacturing of other low-carbon technologies, with the intention of developing technologies to reduce greenhouse gas emissions.

- The group companies involved in these activities are Piovan S.p.A., Aquatech, Unadyn, Doteco (for the Plastic segment), Penta, and Fea (for the Food and Non Plastic segment);
- For this first year of reporting, the analysis of Revenues, Capex and Opex KPIs focused on Piovan S.p.A. and Aquatech S.r.l. only.

9.3. Professional services related to the energy performance of buildings, which among the Group companies are part of the business model of the subsidiary Energys S.r.l.

- For this first year of reporting, the analysis of Revenues and Opex KPIs focused on Energys S.r.l. only.

8.4 How the Piovan Group adopts the taxonomy

For the purposes of Taxonomy-based analyses, the Piovan Group’s economic activities have been divided into two different categories, as defined by the Regulations:



ELIGIBLE

ANY ECONOMIC ACTIVITY THAT SIMULTANEOUSLY SATISFIES TWO CONDITIONS:

- Be explicitly included in the Taxonomy Regulation because it contributes substantially to Goal 1: Climate Change Mitigation or Goal 2: Climate Change Adaptation;
- Satisfies the criteria in the Taxonomy Regulation regarding the first two environmental objectives.



NON ELIGIBLE

ANY ECONOMIC ACTIVITY FOR WHICH NO TECHNICAL SCREENING CRITERIA ARE AVAILABLE TO VERIFY SUBSTANTIAL CONTRIBUTION TO AT LEAST ONE OF THE EUROPEAN UNION’S ENVIRONMENTAL OBJECTIVES, AS EXCLUDED FROM THE TAXONOMY REGULATION.

A more detailed description of the procedures followed to arrive at the turnover, capex and opex indicators associated with economic activities aligned with the European Taxonomy can be found below.

8.4.1 Turnover

As noted above, the Piovan Group does operate in some areas - such as the automotive sector or the industrial chillers sector- where energy consumption is a critical factor in customers’ purchasing decisions.

As such, the Piovan Group portfolio includes technologies and machinery to provide solutions that help its customers to reduce energy consumption and therefore, indirectly, emissions.

These technologies include, for example:

- Some families of Dryers, such as Genesys (GP and GMP) and Genesys Next (GN). All Piovan Genesys dryers, except the GMP Smart, are equipped with inverters that modulate the air flow rate and therefore also the electrical power used. The reduction of internal pressure drops within the machine, and therefore the reduction of the energy required to move the air through the ducts, guarantees a range of products with lower energy consumption than other products on the market.

In addition to being equipped with inverters, Genesys dryers are able to modulate energy consumption according to hourly production, and are therefore known as “Adaptive”. They also contain sensors that allow optimization of the temperature inside the hopper containing the material to be dried.



Genesys Next products, on the other hand, are designed not only to optimize energy consumption, but also to optimize production. They are a specific product for the world of recycling, containing a PureTech filter that removes the airborne contaminants generated during the drying of recycled material. This makes the dryer not only efficient, but also suitable for any application in the recycling world.

- Some families of Chillers, such as: Easycool and Ecosmart by Aquatech. Aquatech’s chillers and drycoolers can be low GWP (Global Warming Potential) gas solutions. Their energy performance is above the regulatory reference values, guaranteeing higher performance than the market average.

To identify revenues from systems using these technologies, the Group used SAP® reporting on the analysis period for the year just ended (2021).

Beginning with revenues deriving solely from ordinary operations (sale of machine systems, spare parts and assistance), the values relating to projects containing the

above technologies were extrapolated for the numerator. Net revenues were reported in the denominator.

Given that the scope of the analysis includes Piovan S.p.A., Aquatech S.r.l. and Energys S.r.l. only, the analysis tables are presented both for the consolidated total and for the scope of the analysis alone.

CLIMATE CHANGE MITIGATION

ELIGIBLE ACTIVITIES	REVENUES (2021) % of Consolidated Total
% ON TOTAL CONSOLIDATED REVENUES	6%
% ON TOTAL REVENUES SCOPE ANALYZED	14%

8.4.2 CAPEX

To define the related KPI, the Piovan Group analyzed the evolution of investments between 2019 and 2021 within the analysis scope and which met the criteria set out in the Taxonomy in the area of Climate Change Mitigation.

The numerator therefore includes, for example, the increase in assets due to investments made for the installation of photovoltaic panels in the Piovan and Aquatech factories, the installation of the heating system powered by heat pumps (which uses the electricity produced by the photovoltaic systems) and the installation of recharging columns for hybrid

and electric cars for company vehicles and visiting customers. The denominator includes all the tangible (property, plant and equipment) and intangible investments for the three-year period under review, including the value deriving from the application of IFRS 16 determining a right of use, as indicated in the Taxonomy Regulation and in the explanatory notes provided.

Also in this case, the scope of analysis concerns Piovan S.p.A., Aquatech S.r.l. and Energys S.r.l., while the analysis period is the last three financial years.

CLIMATE CHANGE MITIGATION

ELIGIBLE ACTIVITIES	CAPEX (2019-2021) % of Consolidated Total
% ON TOTAL CONSOLIDATED INVESTMENTS	5%
% ON TOTAL INVESTMENTS SCOPE ANALYZED	6%

8.4.3 OPEX

To define the OPEX KPI, the Group considered for the numerator the research and development expenses for the creation of prototypes aimed at reducing energy consumption - and therefore emissions - and the formulation of the related patents.

These are mainly machines related to dehumidification, refrigeration and material transport technologies. The largest portion of these costs relates to personnel dedicated to the design and development of prototypes and the cost of external consulting. In order to extrapolate these numbers, the Company developed a specific analysis of the timesheets and activities dedicated to the development of these prototypes based on actual hours and parametric allocations.

Research and development costs, maintenance and repair costs and direct expenses related to the maintenance of property, plant and equipment have been included in the denominator.

Also in this case, the analysis tables are presented both for the consolidated total and for the scope of the analysis alone (Piovan S.p.A., Aquatech S.r.l. and Energys S.r.l.)

CLIMATE CHANGE MITIGATION

ELIGIBLE ACTIVITIES	OPEX (2021) % of Consolidated Total
% ON TOTAL CONSOLIDATED COSTS	8%
% ON TOTAL COSTS SCOPE ANALYZED	13%

As mentioned in previous paragraphs, it should be noted that the analyses presented exclude - for this first year 2021 - activities related to the circular economy.

The Piovan Group reasonably believes that such activities may be reported in the future as part of the European Taxonomy and potentially lead to an improvement in the indicators presented.





9

Methodological note

This document clearly illustrates the integration between the Piovan Group's economic sustainability and the social and environmental sustainability implemented in its corporate decision-making processes, strategy, governance and business model.

Piovan S.p.A. (hereinafter “The Piovan Group”), in its capacity as a public-interest entity as per Article 16 of Legislative Decree no. 39 of January 27, 2010, and subsequent amendments, having a number of employees, a balance sheet and net revenues from sales and services exceeding the size limits set out in Article 2, paragraph 1 of Legislative Decree No. 254 of December 30, 2016 (hereinafter “Decree 254”), is subject to the application of the same Decree 254, “Implementation of Directive 2014/95/EU of the European Parliament and of the Council of October 22, 2014, amending Directive 2013/34/EU as regards non-financial and diversity disclosure by certain large undertakings and groups.”

Piovan Group has always paid close attention to the areas covered by the aforementioned Decree. The Company has decided to consolidate and publish a non-financial report on an annual basis, starting in 2018.

This consolidated Non-Financial Report (NFR) of the Piovan Group as at December 31, 2021, has been prepared in accordance with the provisions contained in Decree 254. Furthermore, following the 2019 budget law, information contained in the Company’s Non-Financial Report has been expanded. In addition to describing the primary non-financial risks generated or suffered, the Group will now include the methods implemented to manage them in the same report.

The Non-Financial Report should be considered a supplement to and conclusion of the Directors’ Report and other Consolidated Financial Statement documentation. It represents the Piovan Group’s commitment to reporting on the social and environmental impact of its activity, respect for human rights, and its policies in these areas and on diversity, in accordance with the provisions of Decree 254. The structure of this NFR prioritizes consistency with the thematic areas covered in the Decree.

This document clearly illustrates the integration between the Piovan Group’s economic sustainability and the social and environmental sustainability implemented in its corporate decision-making processes, strategy, governance and business model.

The indicators and aspects to be reported on were chosen based on a comprehensive materiality analysis carried out during the phases described in chapter 3.

In order to comply with the reporting criteria for non-financial information, the Piovan Group has adopted as a guideline the GRI Standards (referenced service) issued in 2016, and subsequently updated, by the Global Reporting Initiative, the most commonly-used international reference for sustainability reporting.

A table summarizing the information reported by the Piovan Group and the GRI indicators is presented in Chapter 3 of this Report.

The Piovan Group’s Non-Financial Report can be viewed on the following website: <https://ir.piovangroup.com>

Please contact us for further information or clarification:

Email: ir@piovan.com



9.1 Reporting process

The reporting process for this Non-Financial Report is continually being improved and follows the Policy for Preparation of the Non-Financial Report.

This document defines the process for collecting and approving the non-financial information included in the Non-Financial Report of the Piovan Group in line with the provisions of Decree 254.

The fundamental steps in this process, as managed by the Finance and Control Department at the Piovan S.p.A. main office, are as follows:

- the sending of data collection sheets with collaboration from managers and data owners in various company departments belonging to both the Parent Company and other Italian and international Group companies;
- the receipt of the data by the data owners of the Parent Company and of the branches and subject to certification by the General Manager/competent Executive that said information is reliable, complete in relation to the specified scope, in line with documented figures, and free from false claims or the omission of relevant facts;
- the aggregation, analysis and processing of data received at a centralized level to ensure compliance with the relevant reporting standard requirements. Data processing is carried out via precise calculations (or estimates if not possible or specified by the relevant standard). Financial data refer to the 2021 Consolidated Financial Statements;
- approval of the Non-Financial Report by the Board of Directors on March 23, 2022;
- the release of an assessment by the independent audit firm BDO Italia S.p.A. of the Non-Financial Report's compliance in the form of limited assurance;
- publication of the report on the Group's website in order to make it available to all stakeholders.

As regards the conversion factors used to process data, reference has been made to:

- The conversion factors used to convert different energy quantities into GJ have been taken from the GRI Standard, which in turn uses indicators deriving from The Greenhouse Gas Protocol (GHG) Corporate Accounting and Reporting Standard by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). In addition, reference has been made to a document entitled Greenhouse Gas Reporting: conversion factors 2020 - UK Government.
- The conversion factors used to calculate the CO₂ emissions

reported in this NFR are taken from TERNA, 2020, International Comparisons and from DEFRA, 2021.

- The conversion factors used for the calculation of CO₂ equivalent forest acres are taken from the Greenhouse Gas Equivalencies Calculator of the United States Environmental Protection Agency.
- The conversion factors used to process data on waste are taken from Waste Weight Determination, Agency of Statistics of Bosnia and Herzegovina, Sarajevo, 2015 and from Material Bulk Density, Resource Future, 2009.

9.2 Scope of the non-financial report

All reporting information within this document refers to the 2021 financial year. As explained in the methodological note, in compliance with Decree 254, the following Sustainability

Report will be published annually together with the Group's Consolidated Financial Statements.

THE PIOVAN GROUP HAS DEFINED FOUR REPORTING AREAS:

THE FIRST:

applies fully to **all the companies consolidated in the Consolidated Financial Statements** and deals with financial information, environmental issues related to energy consumption, anti-corruption, and social issues inherent to the composition and characteristics of human resources, and to training, health and safety specifically.

THE SECOND:

corresponds to **the Group's production companies** and refers to waste and water management and issues concerning suppliers. The production companies are as follows: Piovan S.p.A., Aquatech S.r.l., Penta S.r.l., Fea Ptp S.r.l., Doteco S.p.A., FDM GmbH, Piovan Plastics Machinery Co. Ltd., Universal Dynamics Inc., and Piovan Do Brasil Industria e Comercio Ltda. The decision to structure the reporting scope in this way stems from the fact that the waste and water impact of non-production companies does not need to be taken into consideration in order to understand the Group's business activities, performance, results and their subsequent effects.

THE THIRD:

corresponds to the **parent company Piovan S.p.A.** for the analysis of materials used by weight and volume, the use of recycled materials and for the assessment of new suppliers according to social and environmental criteria.

During the year, the following was added:

THE FOURTH:

relates to the parent company, **Piovan S.p.A., Aquatech S.r.l. and Energys S.r.l.** as regards the indicators contained in Section 8 of the European Taxonomy.

Any changes to and limitations of these areas will be indicated within this document in the relevant section. For more company details, please refer to the 'Group Structure' section in paragraph 2.1.



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GRI table

GRI STANDARD TITLE	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PAGE NUMBER	OMISSION
GRI 102: GENERAL DISCLOSURES 2016 - ORGANIZATIONAL PROFILE	102-1	Name of the organization	Cover	
	102-2	Activities, brands, products, and services	26-28; 60	
	102-3	Location of headquarters	26-28	
	102-4	Location of operations	26-28	
	102-5	Ownership and legal form	29-31	
	102-6	Markets served	28	
	102-7	Scale of the organization	26-28	
	102-8	Information on employees and other workers	26;28;78-83	
	102-9	Supply chain	61-65	
	102-10	Significant changes to the organization and its supply chain	61	
	102-11	Precautionary Principle or approach	42-45	
	102-12	External initiatives	94	
	102-13	Membership of associations	28	
GRI 102: GENERAL DISCLOSURES 2016 - STRATEGY	102-14	Statement from senior decision-maker	II-III	
GRI 102: GENERAL DISCLOSURES 2016 - ETHICS AND INTEGRITY	102-16	Values, principles, standards, and norms of behaviour	32-35	
GRI 102: GENERAL DISCLOSURES 2016 - GOVERNANCE	102-18	Governance structure	30-31	
	102- 32	Highest governance body's role in sustainability reporting	31	
GRI 102: GENERAL DISCLOSURES 2016 - STAKEHOLDER ENGAGEMENT	102-40	List of stakeholder groups	48	
	102-41	Collective bargaining agreements	78-79	
	102-42	Identifying and selecting stakeholders	48-49	
	102-43	Approach to stakeholder engagement	48-49	

GRI STANDARD TITLE	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PAGE NUMBER	OMISSION
GRI 102: GENERAL DISCLOSURES 2016 - REPORTING PRACTICE	102-45	Entities included in the consolidated financial statements	29; 113	
	102-46	Defining report content and topic Boundaries	112-113	
	102-47	List of material topics	49	
	102-48	Restatements of information	110-113	
	102-49	Changes in reporting	110-113	
	102-50	Reporting period	110-113	
	102-51	Date of most recent report	110-113	
	102-52	Reporting cycle	110-113	
	102-53	Contact point for questions regarding the report	110	
	102-54	Claims of reporting in accordance with the GRI Standards	110	
	102-55	GRI content index	115-121	
	102-56	External assurance	125	
GRI 201: ECONOMIC PERFORMANCE 2016	103	Management Approach	42-45	
	201-1	Direct economic value generated and distributed	38-39	
	201-2	Financial implications and other risks and opportunities due to climate change	5-8	
GRI 204: PROCUREMENT PRACTICES 2016	103	Management Approach	42-45; 61-63	
	204-1	Proportion of spending on local suppliers	65	

GRI STANDARD TITLE	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PAGE NUMBER	OMISSION
GRI 205: ANTI-CORRUPTION 2016	103	Management Approach	42-45; 34-35	
	205-3	Confirmed incidents of corruption and actions taken	35	
GRI 207: TAX 2019	103	Management Approach	42-45; 40-41	
	207-1	Approach to tax	40-41	
	207-2	Tax governance, control, and risk management	40-41	
	207-3	Stakeholder engagement and management of concerns related to tax	40-41	
	207- 4	Country-by-country reporting	40-41	
GRI 301: MATERIALS 2016	103	Management Approach	42-45	
	301- 2	Recycled input materials used	16-17	
GRI 302: ENERGY 2016	103	Management Approach	42-45; 68	
	302-1	Energy consumption within the organization	69	
GRI 303: WATER AND EFFLUENTS 2018	103	Management Approach	42-45; 74-75	
	303-1	Interaction with water as a shared resource	74-75	
	303-2	Management of water discharge-related impacts	74-75	
	303-5	Water consumption	75	

GRI STANDARD TITLE	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PAGE NUMBER	OMISSION
GRI 305: EMISSIONS 2016	103	Management Approach	42-45; 69-70	
	305-1	Direct (Scope 1) GHG emissions	70	
	305-2	Energy indirect (Scope 2) GHG emissions	70	
GRI 306: WASTE 2020	103	Management Approach	42-45; 71-72	
	306-1	Waste generation and significant waste-related impacts	71	
	306-2	Management of significant waste-related impacts	71	
	306-3	Waste generated	71	
	306-4	Waste diverted from disposal	71	
GRI 307: ENVIRONMENTAL COMPLIANCE 2016	306-5	Waste directed to disposal	71	
	103	Management Approach	42-45	
	307-1	Non-compliance with environmental laws and regulations	68	
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	103	Management Approach	42-45	
	308- 1	New suppliers that were screened using environmental criteria	63	

GRI STANDARD TITLE	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PAGE NUMBER	OMISSION
GRI 401: EMPLOYMENT 2016	103	Management Approach	42-45; 77-79	
	401-1	New employee hires and employee turnover	82	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	92-93	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	103	Management Approach	42-45; 87-89	
	403-1	Occupational health and safety management system	88-89	
	403-2	Hazard identification, risk assessment and incident investigation	88-89	
	403-3	Occupational health services	89	
	403-4	Worker participation, consultation and communication on occupational health and safety	89	
	403-5	Worker training on occupational health and safety	91	
	403-6	Promotion of worker health	88-89	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	91	
	403-8	Workers covered by an occupational health and safety management system	88-89	
	403-9	Work-related injuries	90	The document does not report the information related to workers who are not employees but whose work and/or workplace is controlled by the organization
	403-10	Work-related ill health	90	

GRI STANDARD TITLE	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PAGE NUMBER	OMISSION
GRI 404: TRAINING AND EDUCATION 2016	103	Management Approach	42-45; 84	
	404-1	Average hours of training per year per employee	84	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	103	Management Approach	42-45; 78-79	
	405-1	Diversity of governance bodies and employees	78-79; 31	
GRI 406: NON-DISCRIMINATION 2016	103	Management Approach	33; 42-45; 78-79	
	406-1	Incidents of discrimination and corrective actions taken	81	
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	103	Management Approach	42-45; 79	
	407- 1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	79	The document reports only the measures taken in order to support rights to excercise freedom of association and collective bargaining
GRI 413: LOCAL COMMUNITIES 2016	103	Management Approach	42-45; 94	
	413-1	Operations with local community engagement, impact assessments, and development programs	94	
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	103	Management Approach	42-45	
	414-1	New suppliers that were screened using social criteria	63	
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	103	Management Approach	42-45; 61	
	416-1	Assessment of the health and safety impacts of product and service categories	60-61	
GRI 418: CUSTOMER PRIVACY 2016	103	Management Approach	42-45	
	418- 1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	36	

Santa Maria di Sala (Venezia), 23/03/2022

For the Board of Directors, the Chairperson
NICOLA PIOVAN



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Independent Auditor Report



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Independent Auditors' Report

on the consolidated non-financial statement pursuant to article 3, paragraph 10 of Legislative Decree no. 254 of December 30, 2016 and of art. 5 of CONSOB Regulation n. 20267 of January 2018

To the Board of Directors of Piovani S.p.A.

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 ("Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Piovani S.p.A. and subsidiaries (the "Group" or "Piovani Group") as of December 31, 2021 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 23, 2022 (hereinafter the "NFS").

The limited assurance engagement performed by us does not extend to the data contained in paragraph "The new Taxonomy" of the NFS, required by article 8 of the European Regulation 2020/852.

Directors' and Board of Statutory Auditors' responsibility on the Consolidated Non-Financial Statement

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and with "Global Reporting Initiative Sustainability Reporting Standards" established by GRI - Global Reporting Initiative ("GRI Standards"), with reference to the selection of GRI Standards, identified as a reporting standard. The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for the identification of the content of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the Group's business and characteristics, to the extent necessary to ensure an understanding of the Group's business, performance, results and the related impacts.

Finally, the Directors are responsible to design a business management model for the organisation of the Group's activities, as well as, with reference to the topics identified and reported in the NFS, for the policies for the identification and management of the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, compliance with the provisions set out in the Decree.

Auditors' Independence and quality check

We are independent in compliance with the independence and all other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control that includes directives and procedures concerning compliance with ethical requirements, professional standards and applicable legal and



regulatory requirements.

Auditors' responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the requirements of the Decree and the GRI Standards. We carried out our work in accordance with the criteria established in the *International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 Revised")*, issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with *ISAE 3000 Revised*, and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS are based on our professional judgement and include inquiries, primarily of the company's personnel responsible for the preparation of the information presented in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence, as appropriate.

Specifically, we carried out the following procedures:

1. Analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the process in place for the selection process in the light of the provisions of article 3 of the Decree and taking into account the adopted reporting standard.
2. Analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance to the Decree.
3. If applicable: comparison of data and financial economic disclosures presented in the NFS with those included in the Group's consolidated financial statements.
4. Understanding of the following matters:
 - Business management model of the Group's activity, with reference to the management of the topics set out in article 3 of the Decree;
 - Policies adopted by the entity in connection with the topics set out in article 3 of the Decree, achieved results and related key performance indicators;
 - Main risks generated and/or undertaken, in connection with the topics set out in article 3 of the Decree.

With reference to these matters, we compared them with the disclosures presented in the NFS and carried out the procedures described in point 5, letter a).

5. Understanding of the processes underlying the origination, recording and management of significant qualitative and quantitative information disclosed in the NFS.

Specifically, we carried out interviews and discussions with the management of Piovani S.p.A. We also performed limited documentary verifications, in order to gather information on the processes and procedures supporting the collection, aggregation, processing and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, with respect to significant information, taking into consideration the Group's

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Piovani S.p.A. | Independent Auditors' Report on the consolidated non-financial statement pursuant to article 3, paragraph 10 of Legislative Decree no. 254 of December 30, 2016 and of art. 5 of CONSOB Regulation n. 20267

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business and characteristics, at parent company's level (Piovan S.p.A.):

- a) with regards to qualitative information included in the NFS, and specifically with reference to the business model, policies applied and main risks, we carried out interviews and gathered supporting documentation to check for consistency with available evidence.
- b) with regards to quantitative information, we carried out both analytical and limited procedures to ensure, on a sample basis, the correct aggregation of data.
- c) we carried out site visits, to meet its management and gather supporting documentation with reference to the correct application of the procedures and methods used to calculate the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Piovan Group as of December 31, 2021 has not been prepared, in all material respects, in accordance with the requirements of article 3 and 4 of the Decree and the selected GRI Standards.

Our conclusions on the NFS of Piovan Group do not extend to the data contained in paragraph "The new Taxonomy" thereof, required by article 8 of the European Regulation 2020/852.

Padova, March 30, 2022

BDO Italia S.p.A.

Stefano Bianchi
Socio

*This report has been translated into English language
Solely for the convenience of international readers.*



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