

SUSTAINABILITY

& LEADERSHIP

Sustainability Report
2023

Consolidated non-financial statement
pursuant to Italian Legislative Decree 254/2016

“

By integrating sustainability into our core business practices, we aim to create long-term value for both our company and society at large.

”

Nicola Piovan
Executive Chairman



Letter from the Chairman

Dear Stakeholders,

I am pleased to present the Non-Financial Statement for 2023, a year defined by unprecedented results and strategic progress that has led the PiovanGroup to consolidate its leadership worldwide. As we focus on the year ahead, it is with great pleasure that I share with you the extraordinary results we have achieved, the transformations in our brand strategy and the approval of our ambitious sustainability goals.

Record performance

I am delighted to announce that 2023 marked another record year for the PiovanGroup. Despite challenging market conditions and a macroeconomic landscape affected by a backdrop of ongoing conflicts, our economic performance far exceeded all expectations. Revenues reached an all-time high of 570 million euros, and our profitability reflects solid growth with an EBITDA margin up by nearly 2 percentage points. These results testify to the hard work and dedication of our talented Group, the resilience of our business model and ongoing commitment to providing value to our shareholders.

Evolution of the brand strategy

On the strength of our rapid expansion in recent years and in recognition of the dynamic nature of the market in which we operate, in 2023 we initiated a process of streamlining the architecture of our brands, aiming to consolidate our Group identity in the global market and strengthen cohesion among the various companies within our Group. Ninety years on from our founding and sixty years after the company's entry into the polymers market, the PiovanGroup's **brand architecture** is now stronger than ever before and speaks directly to stakeholders from all around the world with a clear and recognisable image, promoting the Group's effective integration.

Approval of sustainability goals

In response to the increasing importance of sustainable business practices and the growing demand for corporate social responsibility, I am pleased to announce the Group's adoption of a set of sustainability goals. These ambitious goals and initiatives will guide our efforts to minimize our environmental impact, promoting corporate social responsibility and making a positive contribution to the community in which we operate. By integrating sustainability into our core business practices, we aim to create long-term value for both our company and society at large.

We remain faithful to our three long-standing essential pillars - our **CUSTOMERS, OUR PEOPLE** and **INNOVATION** -, and we are confident that these strategic initiatives will help consolidate the PiovanGroup's leadership in our industry and continue to create lasting value for all our stakeholders.

I extend my sincere gratitude to our employees, our loyal customers and esteemed shareholders for their unwavering support. Together, we will continue to take on new challenges, welcome new opportunities and build a brighter and more sustainable future for all.

Best Regards,

Nicola Piovan
Executive Chairman
Piovan S.p.A.



Executive Summary

The PiovanGroup

The PiovanGroup is a multinational, world-leading developer and manufacturer of production process automation systems for the storage, transport and processing of polymers, plastic powders and foodstuffs.

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



1934

YEAR OF INCORPORATION OF THE PIOVANGROUP

571 million

TOTAL REVENUES AND OTHER INCOME FY 2023

1,805

NUMBER OF PIOVANGROUP EMPLOYEES
OF WHICH 660 IN ITALY

43

ACTIVE SERVICE AND SALES COMPANIES
AT A LOCAL LEVEL

18 IN EMEA
13 IN ASIA
11 IN NORTH AMERICA
1 IN SOUTH AMERICA

14

NUMBER OF PRODUCTION
FACILITIES ON 4 CONTINENTS

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

70+

COUNTRIES IN THE WORLD WHERE
THE PIOVANGROUP IS PRESENT
THANKS TO ITS SALES NETWORK AND
DISTRIBUTORS.

CUSTOMERS REACHED IN OVER 100
COUNTRIES WORLDWIDE

THE PIOVANGROUP OFFERS SOLUTIONS FOR:

PLASTIC SECTOR



PET Preforms
and Bottles



Rigid
Packaging



Automobile
components



Technical
Articles



Medical
devices



Technical and
thermoforming
sheets



Flexible film



Pipes, Profiles,
Cables



Fibres and
Straps



Recycling



Compounds



Biscuits



Wafers and
Snacks



Chocolate



Caramel



Creams

FOOD SECTOR

2023 in summary

ESG



ENVIRONMENTAL

- 4 new patents related to the circular economy
- 85% of the Piovan product can be recycled if properly disposed of
- Approval of the Group's Environmental Policy
- Strong growth both as an impact on turnover and as an absolute value of revenues related to the circular economy, 30.8% compared to 25.3% in 2022
- Photovoltaic system on the roof of the logistics hub of Piovan S.p.A. (+ 44% of self-produced electricity)



SOCIAL

- Approval of the Group's policies on Health and Safety, Protection of Human Rights, Protection of Diversity, Equity and Inclusion, Working Hours
- Global Employee Survey that involved all Group employees with an 80% participation rate and job satisfaction for 77% of respondents
- + 8% of training hours compared to 2022

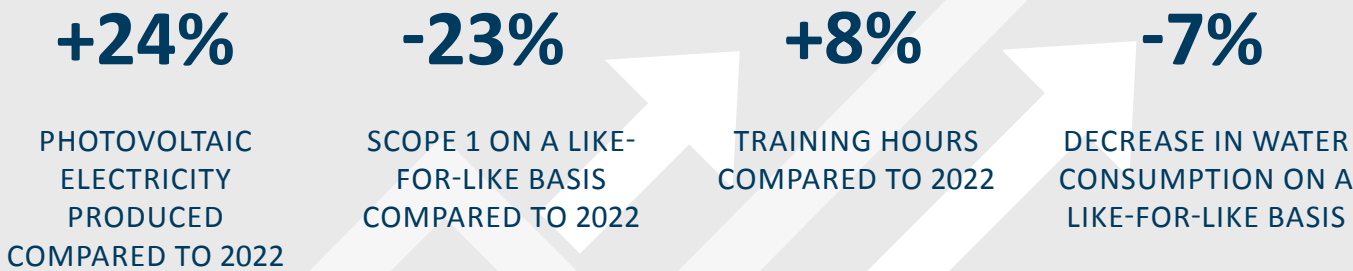


GOVERNANCE

- 71% of BoD members are independent
- 29% of BoD members are female
- Approval of the Policy for the management of the Group's taxation
- Approval of the "Anti-money laundering policy"

APPROVAL OF GROUP SUSTAINABILITY GOALS ALIGNED WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

RESULTS FOR 2023



What does this mean sustainable plastic for the PiovanGroup?

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. In this context, plastic plays a positive role by having a low environmental impact in its production phase.



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.



THE 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 CO₂¹ for every 100 km driven, which is equal to the amount absorbed by one tree every 2.5 days².



VEHICLE WEIGHT REDUCED THANKS TO THE USE OF PLASTIC¹.

Plastic is 85% lighter than other materials used to build cars, trucks, buses, trains and aircraft. This simplifies the logistics management of the product reducing expenditures during handling.



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 GUARANTEES:



LOW IMPACT ON CLIMATE CHANGE

Plastic has a low environmental impact in the production phase due to its relatively low melting temperature and light weight.



REDUCED USE OF SCARCE RESOURCES

Plastic has a low impact on scarce resources insofar as derived from processing scraps if virgin, or else from recycled materials (unlike other types of packaging, such as paper, which may contribute to deforestation).

1. Automotive- The world moves with plastics, Plastics Europe 2018
2. On International Day, UNECE/FAO Forestry and Timber Section releases 10 facts to fall in love with forests, FAO, 2019



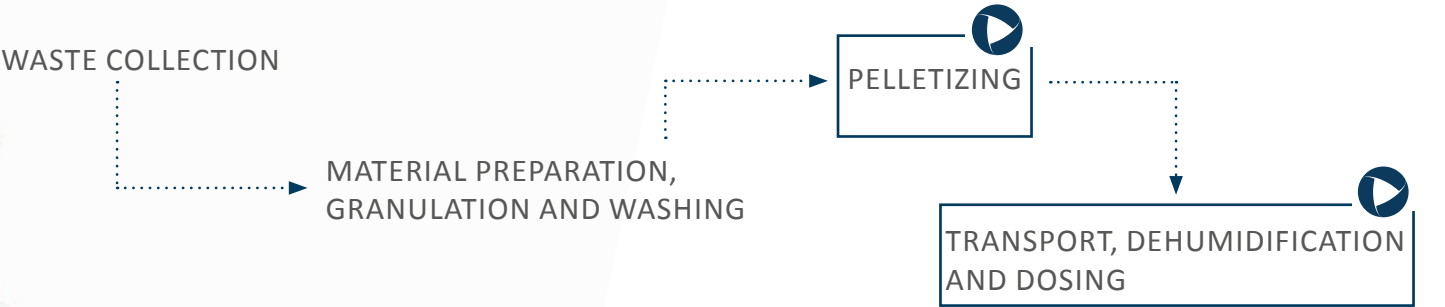
We strive to be accelerators of sustainability, making a real, amplified contribution to the transition of the plastics value chain towards models within the circular economy.

Plastic and the Circular Economy

01 CONCRETE COMMITMENT



02 RECYCLING



03 TRANSFORMATION OF RECYCLED MATERIAL





Plastic is much more recyclable than you think; in fact, many of the plastic polymers can potentially be recycled, if properly disposed of through a process of recovery and valorisation, to give life to new products minimising environmental pollution.

However, this requires a concrete and coordinated commitment of the main players in the waste cycle 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 optimising impact and providing reliable, well-designed and high-performance products.

PIOVANGROUP HAS THE AMBITION TO ACTIVELY CONTRIBUTE TO THIS BY:



RAISING AWARENESS
AMONG PLASTIC
PRODUCERS AND USERS
OF THE INCREASING USE
OF RECYCLED PLASTICS OR
BIOPLASTICS



PROVIDING THE MARKET
WITH UNIQUE PRODUCTS
DESIGNED FOR THIS
PURPOSE



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

The PiovanoGroup: 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 TRANSFORMERS.



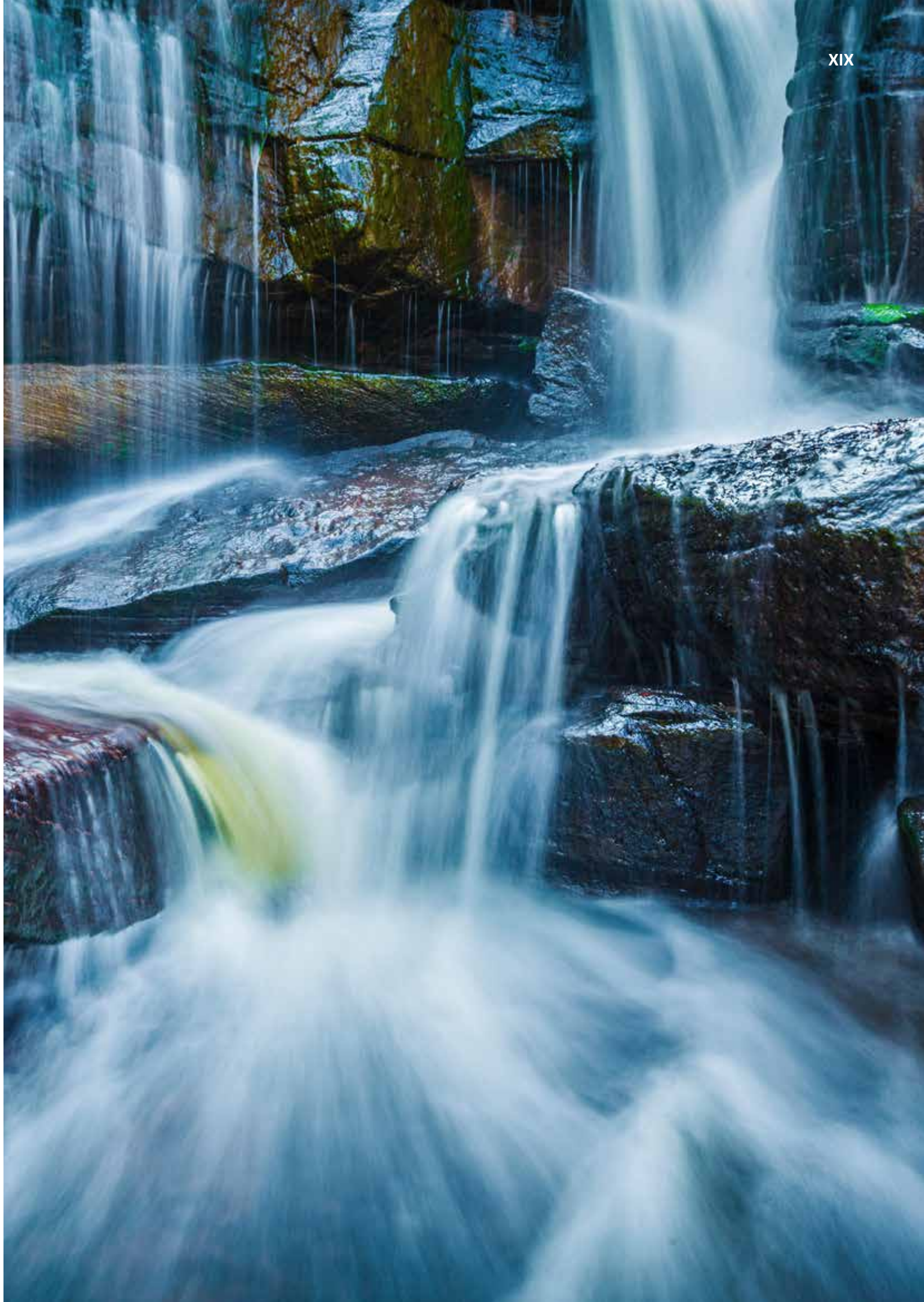
INNOVATION

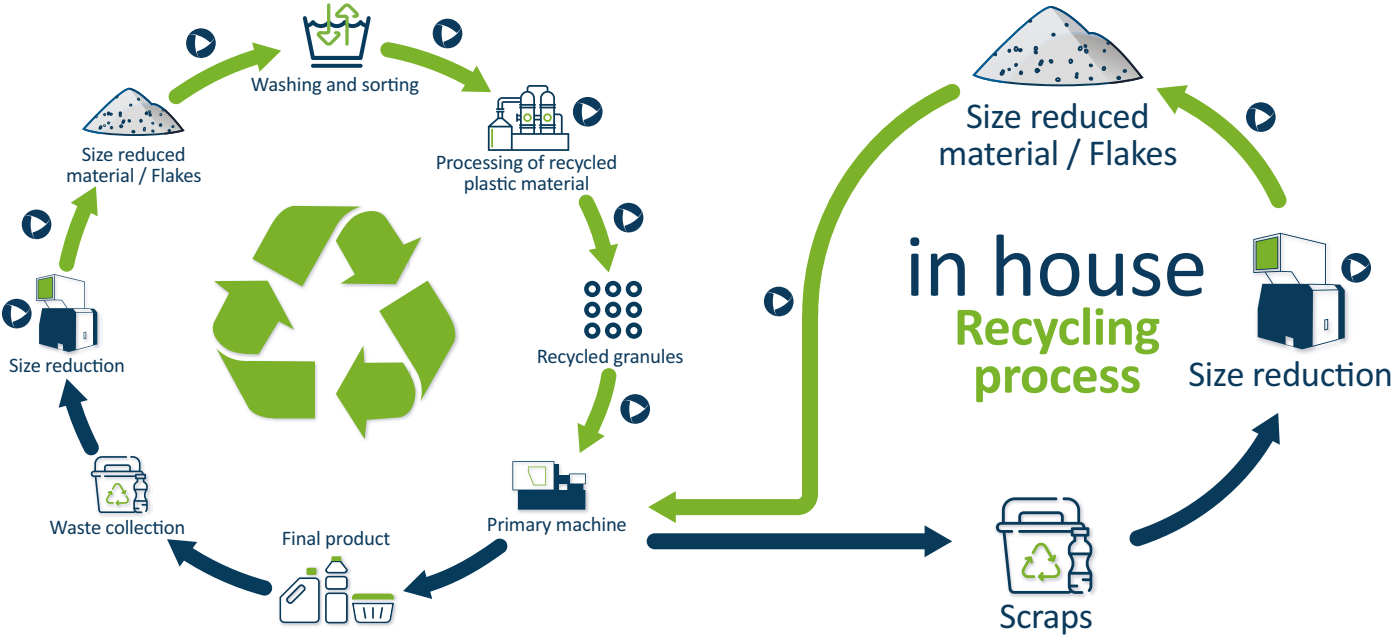
CONSTANT FOCUS ON PRODUCT AND PROCESS INNOVATION WITH A VIEW TO DEVELOPING TECHNOLOGIES AND OTHER SOLUTIONS FOR THE PROCESSING OF RECYCLED PLASTICS.



RAISING AWARENESS

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





▶ Phases in which the PiovanGroup is involved.

The PiovanGroup is assessed for ESG by CDP, Ecovadis and Sustainalytics.



SUSTAINABILITY COMES OUT OF CONCRETE INVESTMENT



€20,700,000

R&D COSTS AND INVESTMENTS (3.6% OF TOTAL REVENUES)



292

PATENTS HELD BY THE GROUP, DIVIDED INTO 125 PATENT FAMILIES, OF WHICH 18 IN THE CIRCULAR ECONOMY



294

RESOURCES DEDICATED TO THE ENGINEERING & INNOVATION DEPARTMENT

NEW FRONTIERS IN PLASTIC RECYCLING - COMMITMENTS AND INNOVATIONS IN 2023:

- Implementation of an advanced r-PET transformation system in Spain, capable of treating up to 4,000 kg/h of pet flake, pioneer in the sustainable production of food grade r-PET through an innovative mixing process that guarantees homogeneity and stability of the product
- Start-up of an rPP/rPE deodorization plant in Turkey, designed to process 1,000 kg/h of material, integrating advanced technologies for the removal of volatile particles ensuring a high quality final product thanks to the precise control of the heating process
- Investment in an r-PET crystallisation system in Italy, with a capacity of up to 3,000 kg/h, characterised by a high temperature crystallisation phase that eliminates contaminants, promoting a sustainable process of transformation of the r-PET granule.

These initiatives represent only part of the PiovanGroup's ongoing efforts to promote innovative and environmentally friendly solutions in the plastic recycling sector, aiming at a more sustainable and responsible production.

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-sales 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



€570,521,000

TOTAL REVENUES AND OTHER INCOME

€78,415,000

EBITDA

€64,655,000

EBIT

€48,910,000

NET PROFIT FOR THE YEAR



REVENUE BY GEOGRAPHICAL AREA



33%

EMEA

10%

ASIA

54%

NORTH AMERICA

3%

SOUTH AMERICA



Attention to suppliers and supply chains

DEVELOPMENT OF STRONG PARTNERSHIPS

more than **3,500**
SUPPLIERS USED BY THE
PIOVANGROUP.



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



SHARING OF APPROPRIATE
SUPPLY AND PROCUREMENT
CONTRACTS.



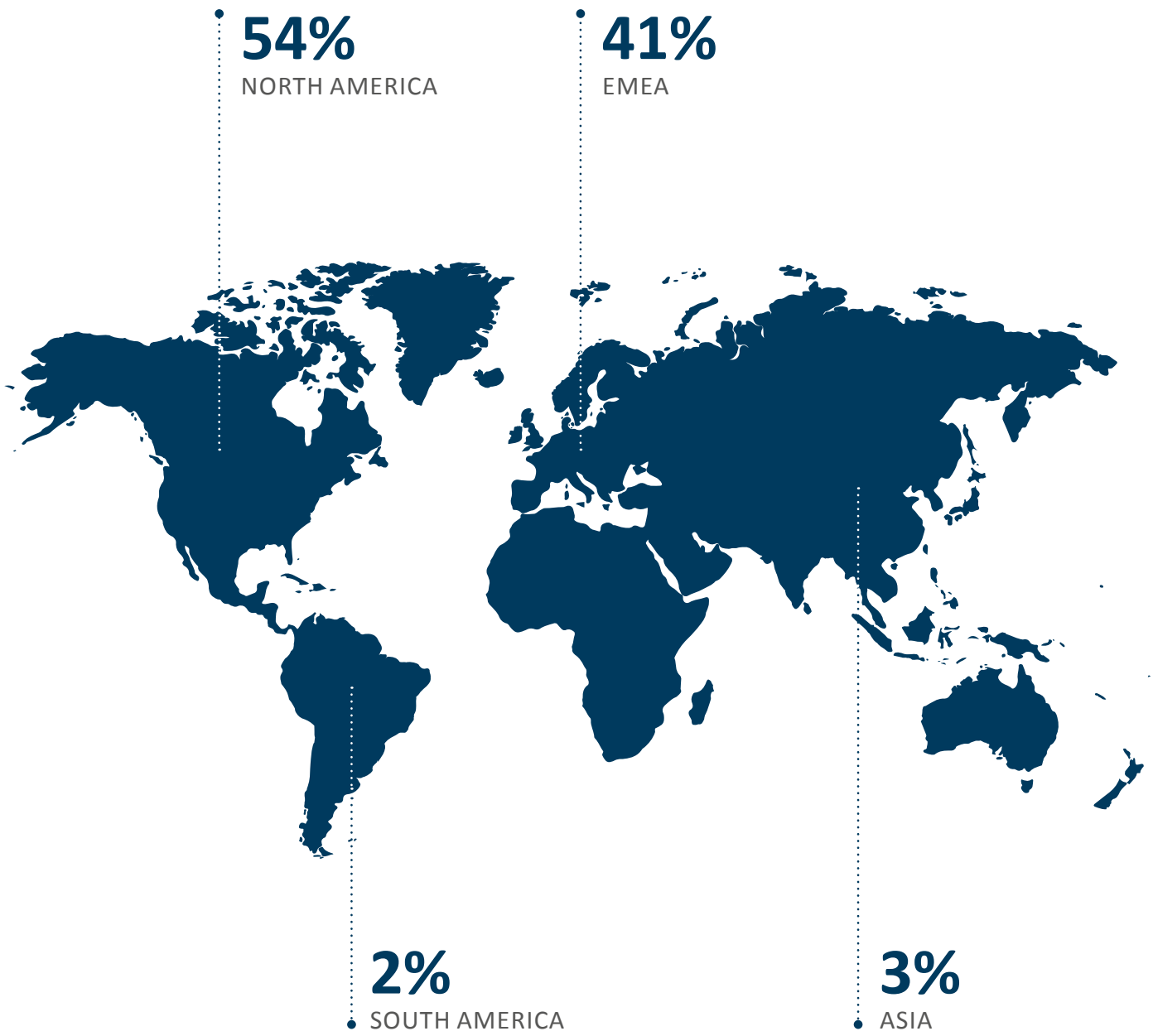
SELECTION OF SUPPLIERS BASED
ON CERTIFIED AND SHARED
CRITERIA.

271.7 Million Euros
THE VALUE OF
CHARACTERISTIC PURCHASES.



CONSTANT MONITORING OF
SUPPLIER PERFORMANCE.

VOLUME OF PURCHASES IMPACTING THE SUPPLY CHAIN BY GEOGRAPHICAL AREA



Attention to 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 behaviour that are as ecologically sustainable as possible.**

In this context, the path undertaken by Piovan S.p.A. for the certification of its environmental management system pursuant to the international standard **UNI EN ISO 14001** took place on 07/12/2019 for the operational headquarters, located in Santa Maria di Sala, Venice.

MANAGEMENT OF ENERGY CONSUMPTION

TOTAL ENERGY CONSUMPTION WITHIN THE ORGANISATION (IN GJ)

	2021 (ex IPEG Group)	2022 (incl IPEG Group)	2023 (incl IPEG Group)	Var 2023 vs 2022
Electricity purchased	16,204	26,061	26,467	2%
produced from 100% certified renewable sources	92	87	2,238	2472%
of which purchased from non-renewable sources	16,112	25,974	24,229	-7%
Electricity produced on site (from photovoltaic sources)	1,329	1,270	1,580	24%
of which self-consumed	1,309	1,259	1,387	10%
of which sold	20	10	193	1761%
Natural Gas	14,416	27,364	19,726	-28%
Total consumption	31,930	54,684	47,580	-13%
Diesel	n/a	n/a	13,371	-
Petrol	n/a	n/a	26,201	-
Total	-	-	39,572	-
TOTAL	n/a	n/a	87,151	-

PIOVAN 'S SUPPORT FOR CUSTOMERS' ENERGY EFFICIENCY

With a view to accelerating sustainability for our customers, we have established Energys S.r.l., a certified ESCo, which aims to do specific consultancy on everything that can lead to energy savings, be it related to the production of plastics or otherwise. Energys S.r.l., offers its customers services and technology and to perform an in-depth analysis of consumption, identifying all potential savings, both energy and economic, within a company.

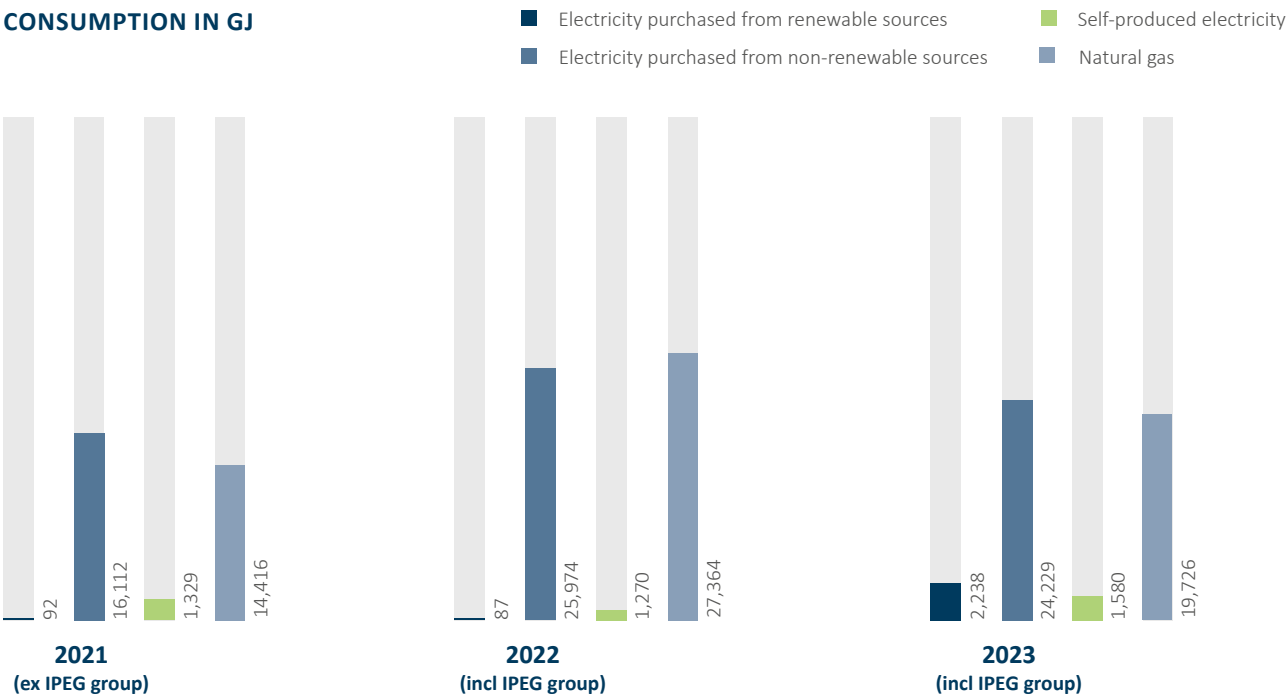
933

EECs SOLD IN 2023

8,624 GJ

CUSTOMER SAVINGS GENERATED BY WHITE CERTIFICATES

CONSUMPTION IN GJ



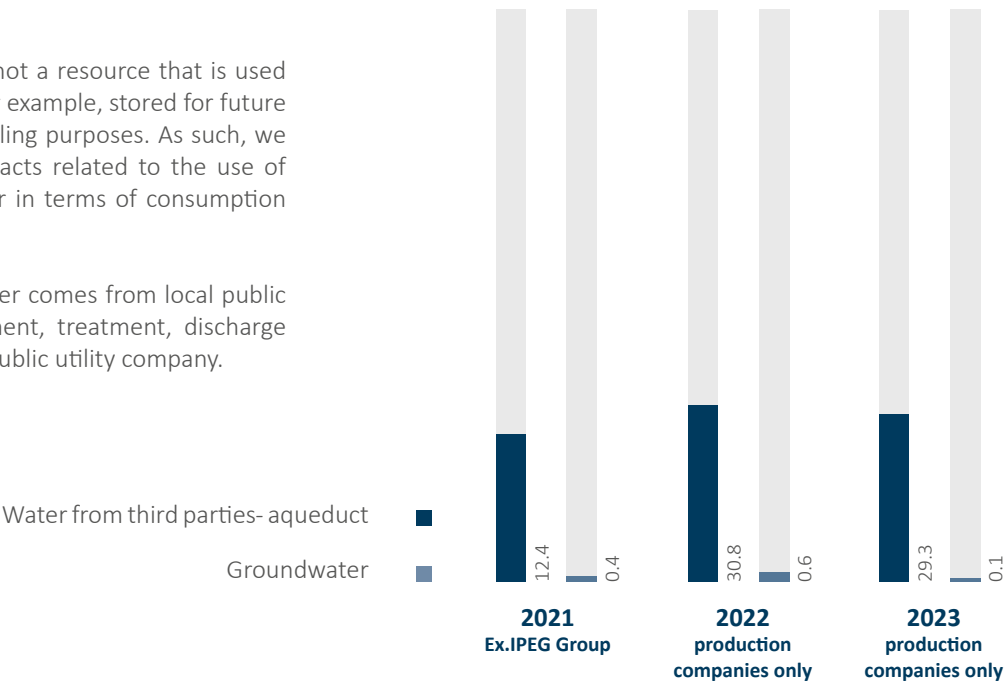
NOTE: During the analysis and collection of the current year's data, it emerged that a restatement of the 2022 gas and electricity consumption for Ipeg Inc's plant in Franklin, North America, was necessary.

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 BY SOURCE TYPE



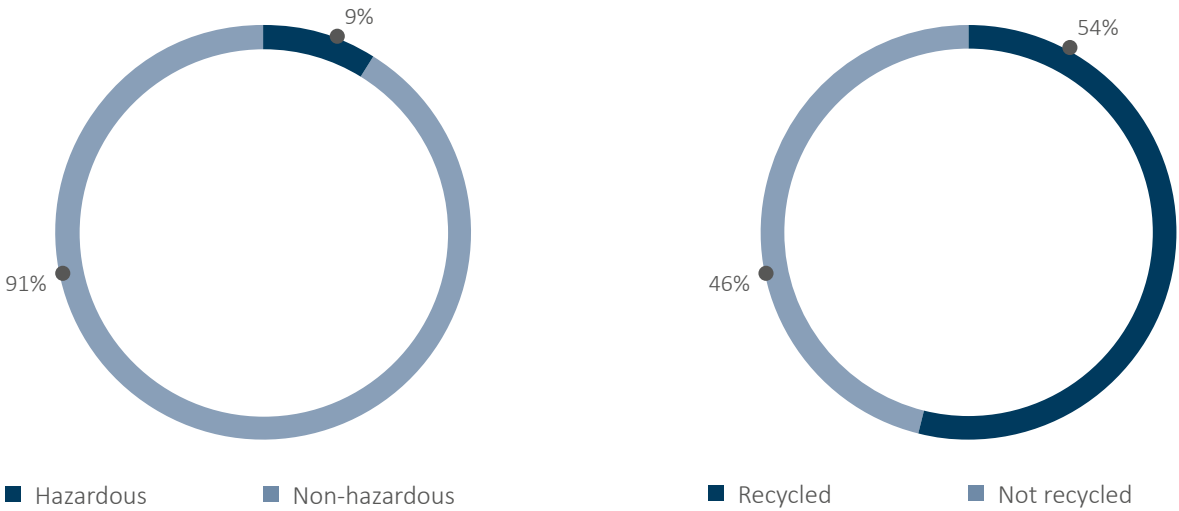
WATER CONSUMPTION BY SOURCE TYPE (MEGALITRES)

	2021 ex. IPEG Group	2022 production companies only	2023 production companies only	2023 All Group Companies	Change 2023 vs. 2022 on a like-for- like basis
Groundwater	0.4	0.6	0.1	0.1	
Water from third parties- aqueduct	12.4	30.8	29.3	35.3	
Total	12.8	31.4	29.3	35.3	(7)%

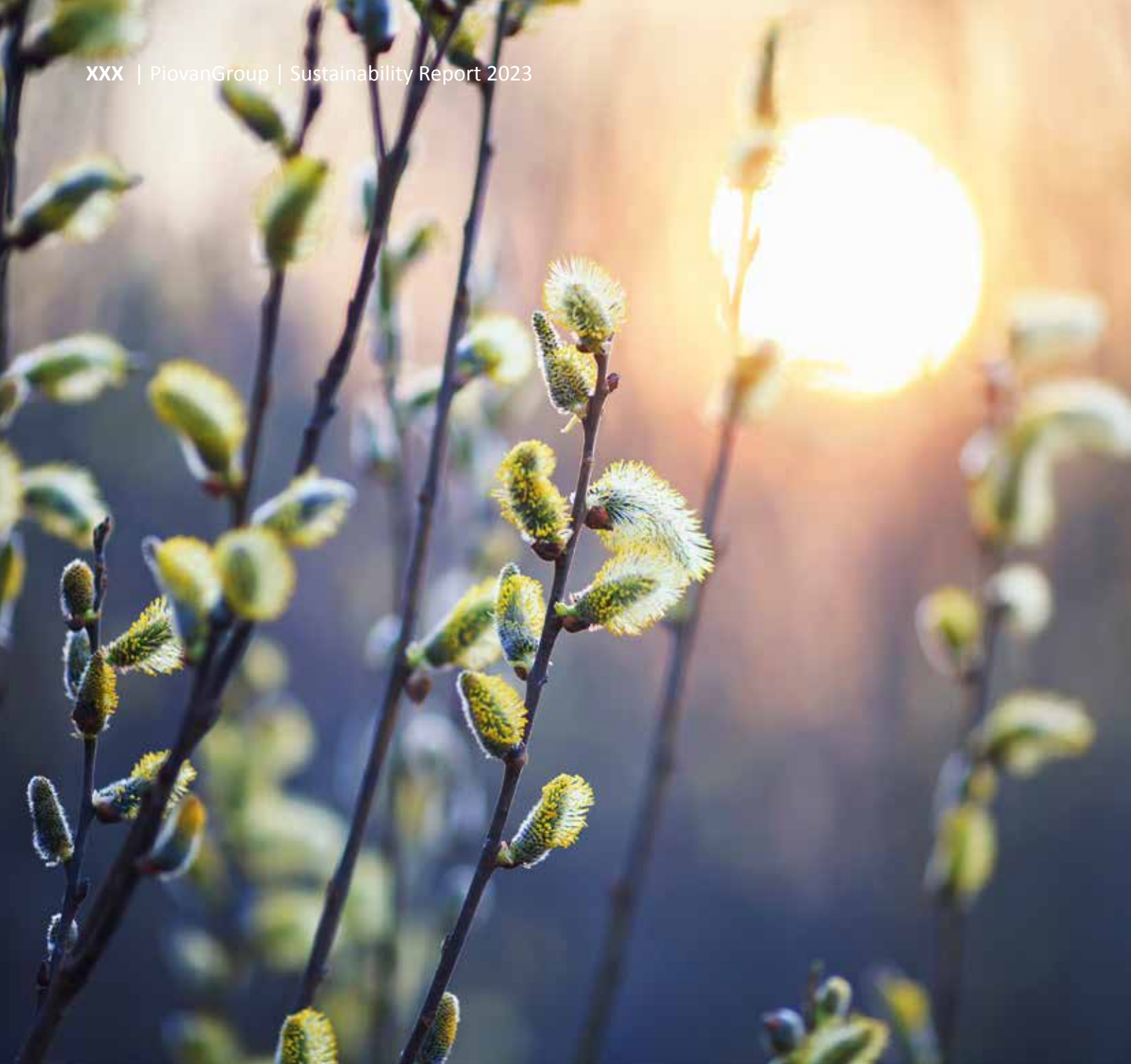
NOTE: During the analysis and collection of the current year's data, it emerged that a restatement of the 2022 gas and electricity consumption for Ipeg Inc's plant in Franklin, North America, was necessary.

WASTE MANAGEMENT

WASTE IN 2023



Compared to 2022, the total waste collected, on a like-for-like basis, increased by 16%. There is a positive trend in the decrease of hazardous waste in total, in 2021 it was 126 tonnes, today it is 118 tonnes, even though in the same period the Group in terms of turnover has grown by 99%, in fact doubling in size.



Attention to 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 organisations that represent Piovan employees around the world.

TOTAL PIOVANGROUP EMPLOYEES BY CATEGORY AND GENDER

	2021			2022			2023		
	male	female	total	male	female	total	male	female	total
Managers	26	1	27	38	3	41	40	3	43
Junior Managers	63	8	71	94	14	108	98	16	114
White Collars	523	173	696	788	254	1,042	793	260	1,053
Blue collars	387	15	402	582	31	613	563	32	595
Total	999	197	1,196	1,502	302	1,804	1,494	311	1,805

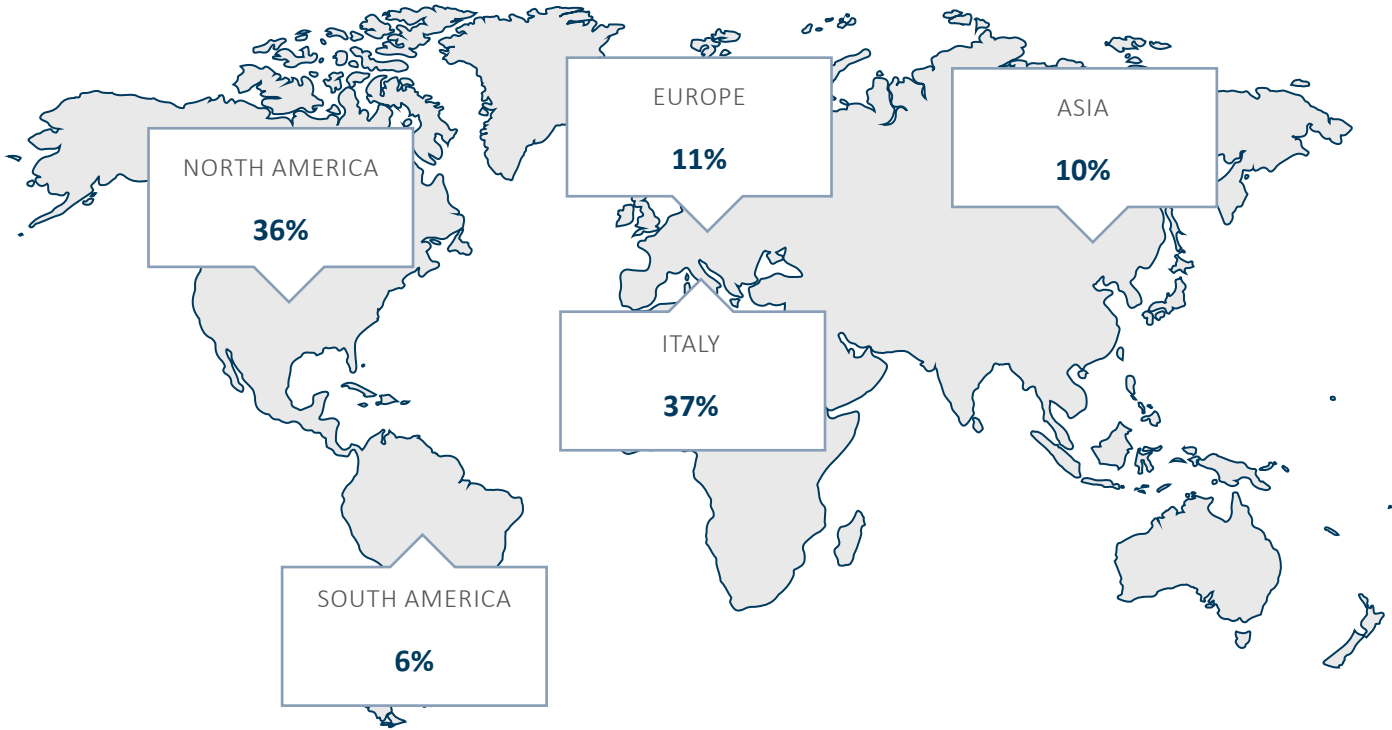
1,805
EMPLOYEES OF THE
PIOVANGROUP

128,743,000
THE VALUE DISTRIBUTED
TO EMPLOYEES IN THE
FORM OF SALARIES,
WAGES, SOCIAL SECURITY
CONTRIBUTIONS AND
BENEFITS



17%
OF EMPLOYEES IS
FEMALE

PERCENTAGE DISTRIBUTION OF EMPLOYEES BY GEOGRAPHICAL AREA

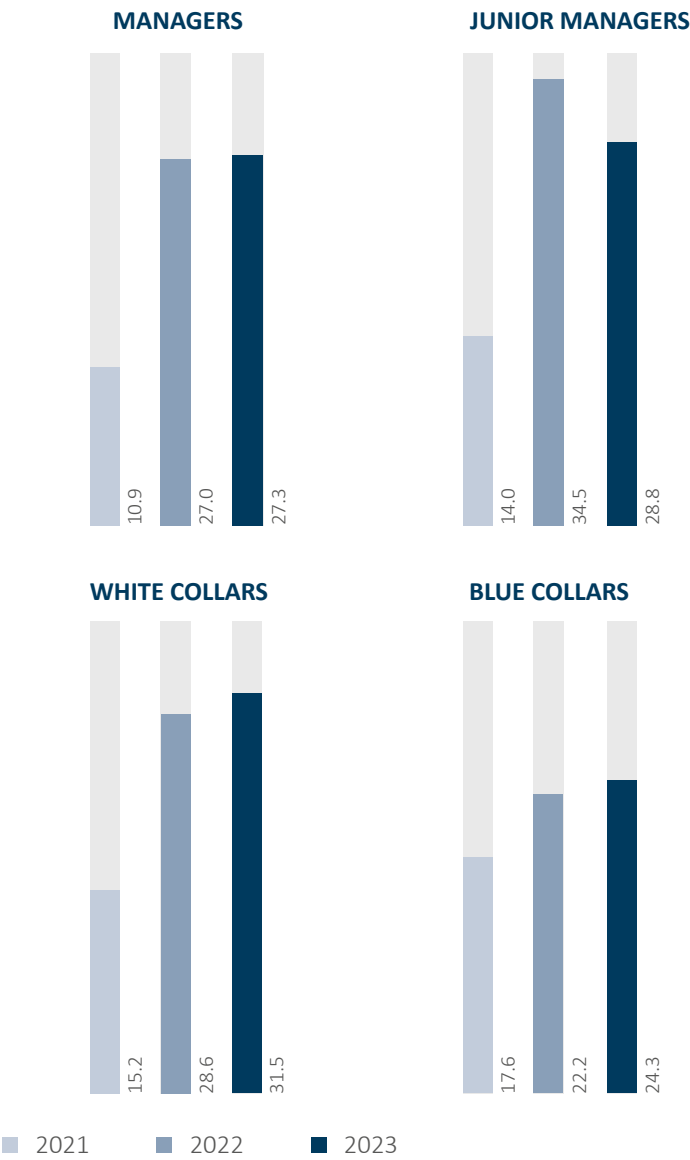


People are essential and so is their development.

For us, investing in training does not only mean accompanying the employee in the initial phase, but following him or her along a path of continuous learning distributed over time. Developing and sharing skills are key factors for business 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.

During 2023, 52,124 hours of training were provided by the Group, (+8% compared to last year), equal to an average of 28.9 hours per capita, 2 hours per capita more than in 2022.

AVERAGE TRAINING HOURS PER CAPITA BY PROFESSIONAL CATEGORY FOR THE PiovanGroup



TRAINING AND DEVELOPMENT

52,124

HOURS OF TRAINING PROVIDED IN 2023

23,574

HOURS OF TECHNICAL TRAINING

11,054

HOURS OF HEALTH AND SAFETY TRAINING

4,781

HOURS OF SOFT SKILLS TRAINING



The establishment of the **Group Academy**, which took place in 2021, made it possible to combine technical-specialist training and transversal training activities within a single entity, in order to optimise the time, costs and methods used in the analysis of training needs, as well as the dissemination of a globally shared corporate culture.

OCCUPATIONAL HEALTH AND SAFETY

The safety and health of our employees come first. For us, creating a safe and comfortable workplace means not only ensuring full compliance with laws and regulations, but also working constantly to draw up and keep up-to-date a comprehensive risk analysis and disseminating a health and safety culture.

As a confirmation of our commitment to occupational health and safety, Piovan S.p.A. achieved ISO 45001:2018 certification on 26/11/2019 for the offices, production site and warehouse of the operating unit located in Santa Maria di Sala, Venice. During 2023, the Health and Safety Policy was approved at a Group level, which complements the existing policies.

ACCIDENTS AT WORK - EMPLOYEES

	2021	2022	2023
Recordable occupational injuries	12	25	25
Frequency index	5.34	7.72	7.50
Hours worked*	2,249,029	3,237,073	3,333,658

*: Multiplier used 1,000,000



Sustainability Report



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**Commitment to
a circular economy**

5



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**Management business
model and organisation
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**Piovano's approach to
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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, supply shortages and pollution require companies to use materials reasonably and efficiently.

The challenges we are currently facing concern:

CLIMATE CHANGE.

THE FACTORS MOST AFFECTING CLIMATE CHANGE ARE:

- THE USE OF FOSSIL FUELS;
- DEFORESTATION;
- INTENSIVE LIVESTOCK RAISING.

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. Furthermore, plastic does not weigh much, meaning that its use

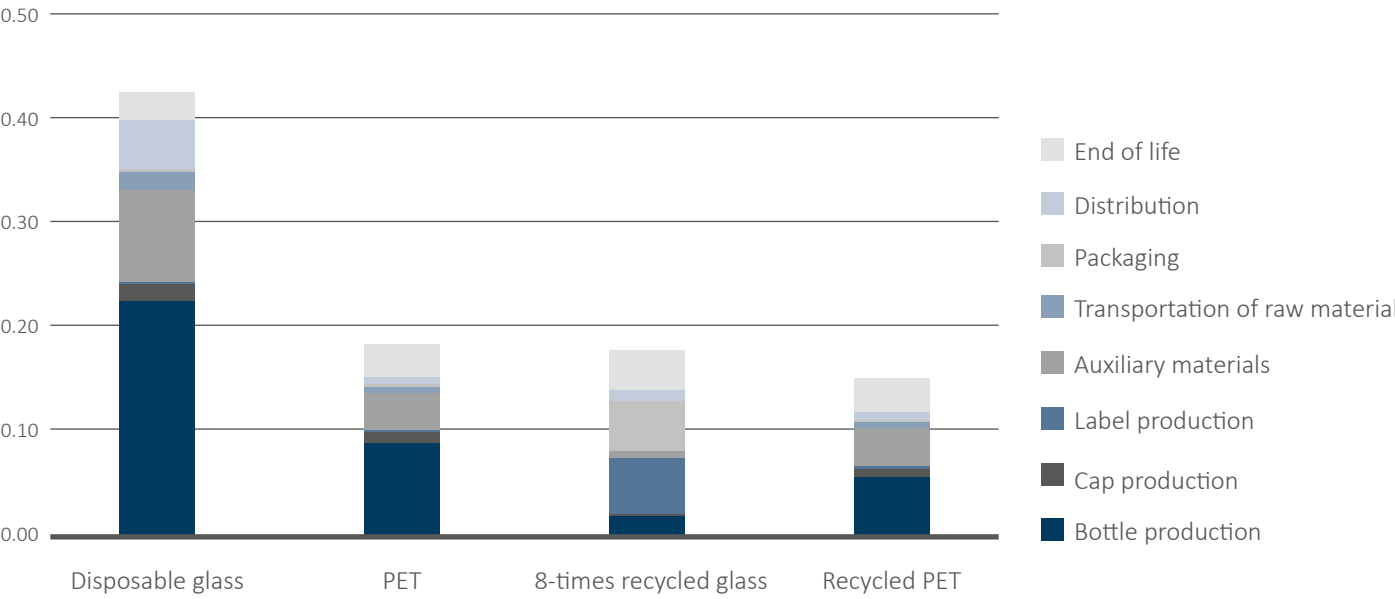
in vehicles helps reduce their environmental impact. Plastic, compared to other materials, is 85% lighter³, thus significantly reducing the fuel consumption of transport vehicles. A car that is 100 kg lighter emits up to 1 kg less CO₂⁴ for every 100 km driven, which is equal to the amount absorbed by one tree every 2.5 days⁵.

The drive to decarbonize is also facilitated by plastics. In fact, polymers are widely used in consolidated renewable energy generation systems - e.g., protective films for solar panels, PV inverter capacitor dielectrics, and electrical insulators in general – in addition to several new technologies, including flexible⁶ solar panels and new, efficient, and lightweight wind turbines.

In addition, new technopolymers – which have innovative electrochemical properties, are lightweight, and boast mechanical and thermal resistance – play a key role in the development of sustainable mobility.

E-mobility- and specifically the automotive sector’s transition to electric vehicles - cannot be achieved without replacing heavy metal components with new, lightweight, cutting-edge technical polymers.

COMPARISON BETWEEN 1 LITRE MILK BOTTLES, IN KG OF CO₂ EQ⁵



3. PlasticsEurope AISBL- "Plastica- un nuovo modo di pensare l'energia"
4. PlasticsEurope AISBL- "Automotive The world moves with plastics"
5. <https://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/index.html>
6. <https://www.sciencedirect.com/science/article/pii/S1369702107702766>



SCARCE 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 insofar as derived from processing scraps if virgin, or else from recycled materials (unlike other packaging, such as, for example, the paper-based type, which contributes to deforestation), and its use also helps to preserve the planet's other scarce 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 is 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 for its subsidiaries (together with Piovan, the "Group" or "PiovanGroup"). In fact, the Group, which has always been attentive to the use of recycled material, will now be able to offer cutting-edge machinery on the market that will be able to recycled material in a much higher percentage than required by the European directive in order to increasingly encourage the circular economy.

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


1.1 The PiovanGroup Strategy

The strategy remains in line with previous years as it is rewarded by the results obtained and customer feedback.

PIOVANGROUP IS ALREADY PARTICIPATING IN THE CHANGE PROCESS IN THE FOLLOWING WAYS:




CRITICALLY
ANALYSING THEIR PRACTICES

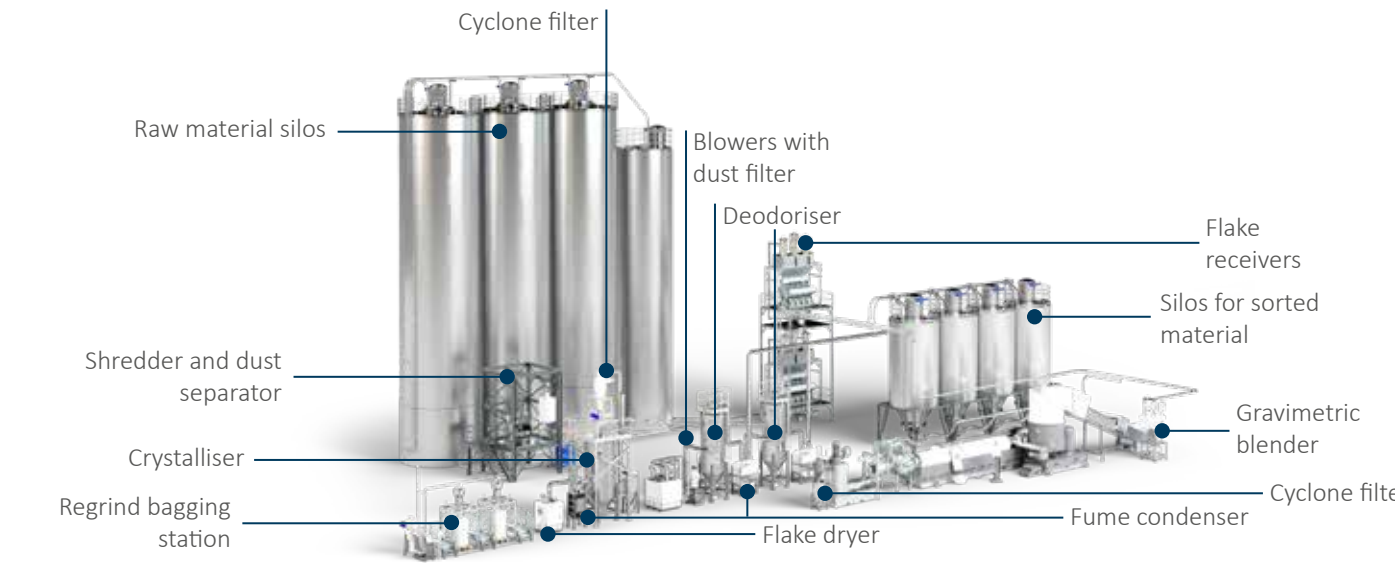


CONTINUALLY
INNOVATING ITS OFFER WITH
THE UTMOST FOCUS ON
TECHNOLOGIES FOR PROCESSING
RECYCLED PLASTICS AND
BIOPOLYMERS WITH MINIMUM
TCO* FOR THE CUSTOMER

*(Total Cost of Ownership)



RAISING
AWARENESS AMONGST
THEIR CUSTOMERS TO THE
USE OF CIRCULAR ECONOMY
AND ENERGY-SAVING
SOLUTIONS



Example of a PiovanGroup system for the treatment of recycled raw material.

Since 2006, the Group has supplied equipment and systems for over 350 plants dedicated to recycling plastics or using recycled plastics.

The European Parliament and Commission are currently negotiating the proposed PPWR regulation. In this evolving scenario, the debate hinges on the weight of reuse with respect to recycling.

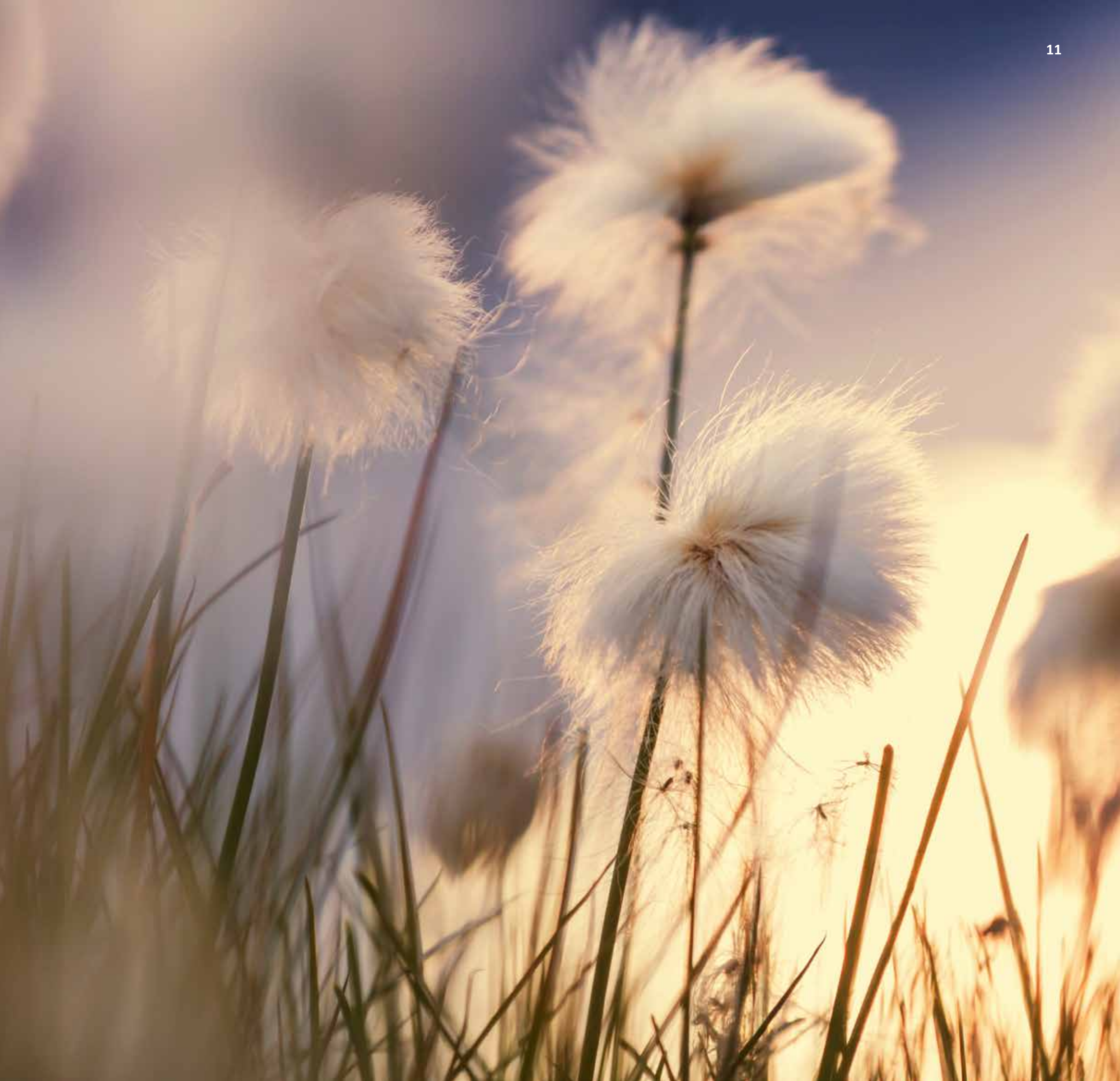
Europe is continuing its commitment towards a more sustainable and circular economy, setting new targets and implementing directives to promote recycling and reduce packaging waste. Through the PPWR directive (“Packaging and Packaging Waste Europe”), which is still in the draft for discussion stage, the aim is to achieve high recycling rates and at the same time, reduce packaging in steps until 2040. The adoption of a new calculation method based on the materials involved in the pelletising, extrusion and moulding processes, will reduce recycling values with respect to the current calculation method, highlighting the need for investments to achieve future objectives.

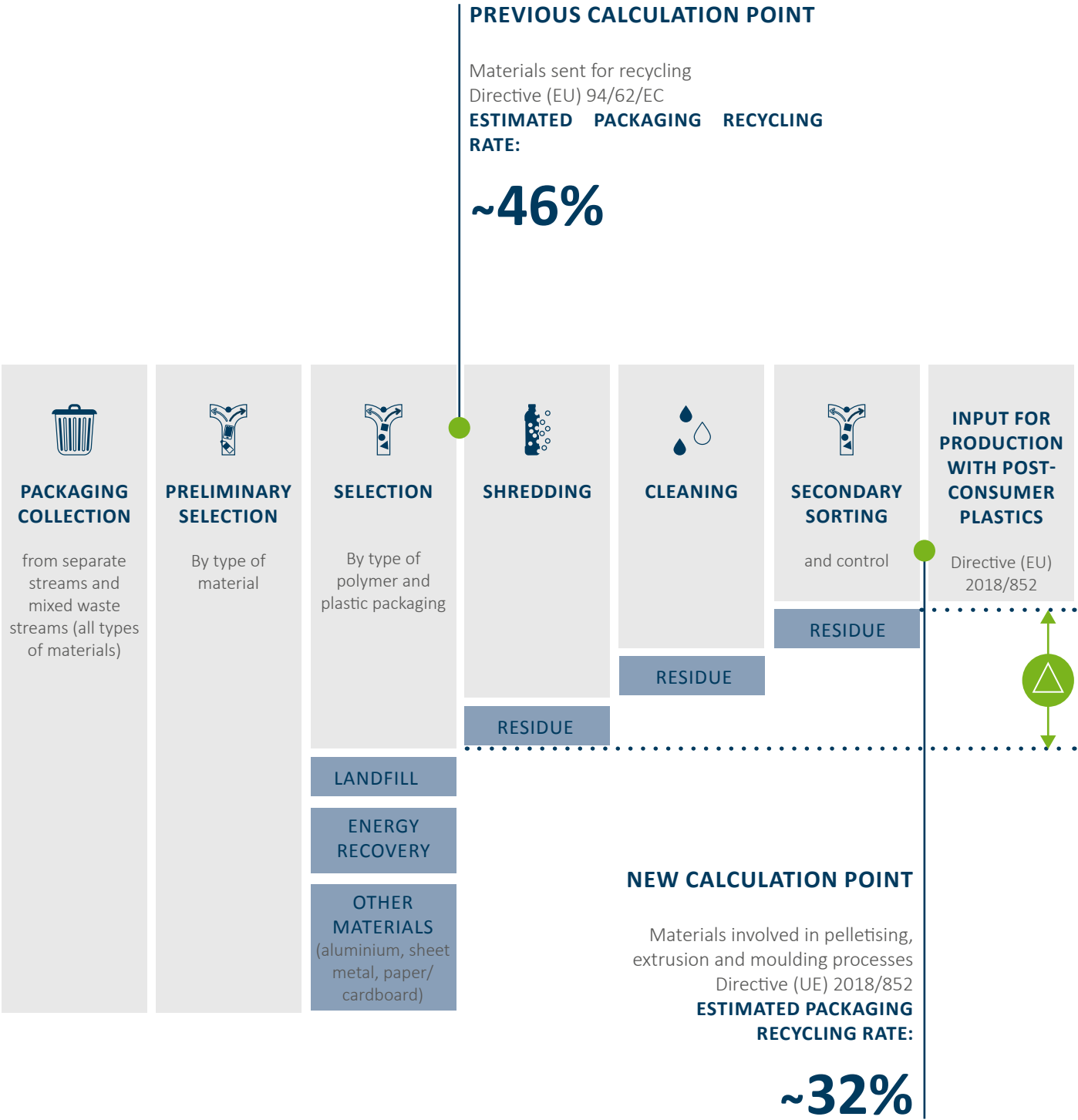
The new draft directive also includes measures to control the use of imported recycled plastics. If the aim is to maximise the local circular economy in Europe, this choice could be a driver for this business outside of Europe. This would be an opportunity that PiovanGroup could easily welcome, given its global presence. Additional legislative changes aim to eliminate the use of single-use products in restaurants and non-essential packaging to prevent food waste, having a marginal impact on the Group. Moreover, the inclusion of compostable materials in the legislation opens new doors to innovation and differentiation in the market, to the benefit of PiovanGroup, which is already in a leading position.

The promotion of reuse, albeit limited in terms of its current applications, implies the possibility of exploring new types of products and components with targeted investments and the emergence of new potential markets.

The promotion of deposit-return systems for single-use plastic bottles aims to improve the quality of the recycled material, further benefiting the Group, recognised for its excellence in production using post-consumer plastics with respect to those who primarily focus on sorting. Finally, Europe’s commitment to sustainability and the conscious use of resources represents a landmark opportunity for PiovanGroup.

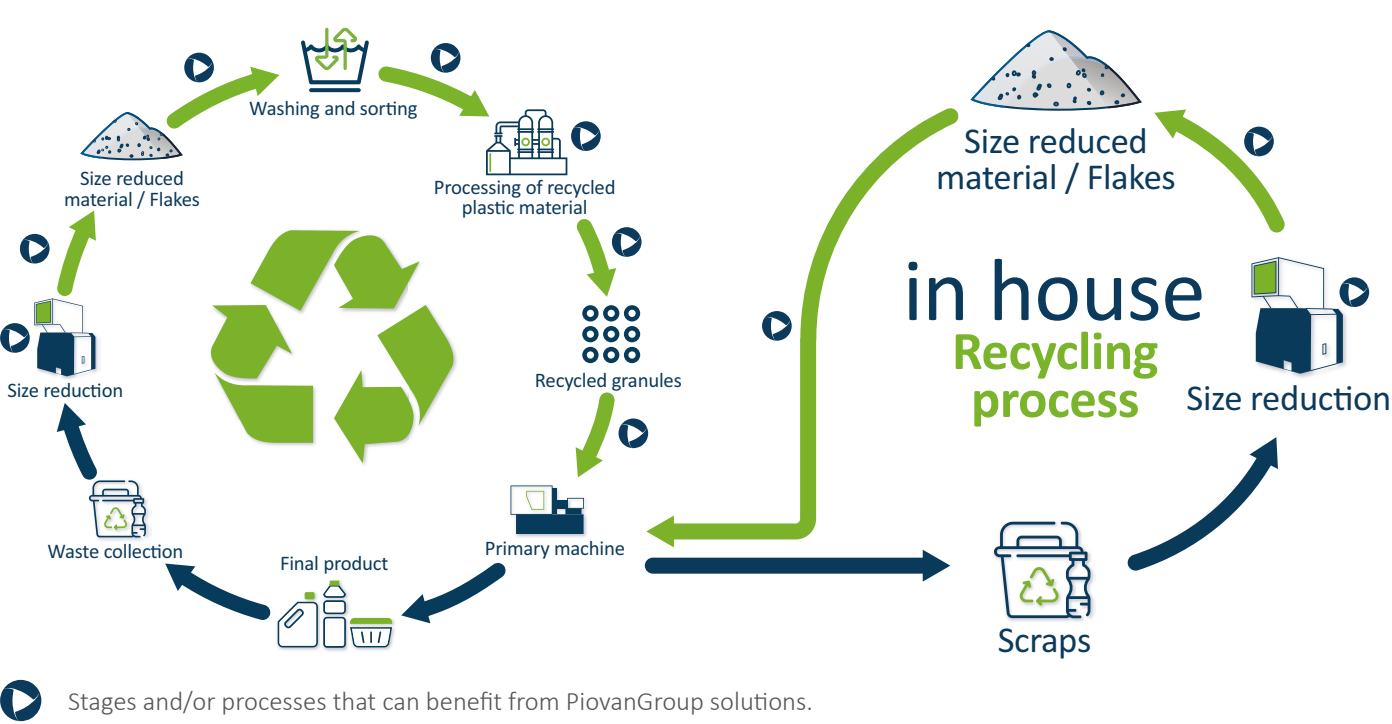
The direction taken by the EU, consisting of ambitious targets and specific measures, is perfectly aligned with the Group's vision of promoting innovative and sustainable solutions, strengthening our leadership in the recycled plastics market.





The 46% recycling rate for plastic packaging calculated in accordance with the criteria of Directive (EU) 94/62/EC would potentially be 32% using the new method (Directive (EU) 2018/852). This highlights the need for investment in order to reach the **55% recycling target** for plastic packaging waste. (Source: “The Circular Economy For Plastics”, 2022, Plastics Europe).

PiovanGroup aims to contribute to change through the circular economy, raising awareness and helping its partners install automations specifically designed for the use of recycled plastics in the packaging industry.



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.

The Group's strategy rests on 3 main pillars:

01 DEVELOPMENT

THE DEVELOPMENT OF SPECIFIC PRODUCTS FOR THE RECYCLING CHAIN.

02 INFORMING

INFORMING ITS CUSTOMERS ON THE ISSUES OF GOOD PLASTIC DERIVED FROM RECYCLING OR FROM PLANT-BASED RAW MATERIALS.

03 SUPPORT

SUPPORT, GUARANTEEING QUALITY AND EFFICIENCY, DURING ALL STAGES OF THE SYSTEM'S LIFE:

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



The proximity to the customer of trained technicians is crucial in the success of PiovanGroup especially for solutions related to the use of post-consumer plastic. Proper maintenance of the systems effectively maximises their service life and ensures a safe and quality finished product. Remote assistance and skills development solutions complement the Group's strategy. The Academy was set up in 2021 to offer various types of training:

- hands-on with periodic sessions on a dedicated system
- remote thanks to the state-of-the-art LMS platform
- ad hoc training.

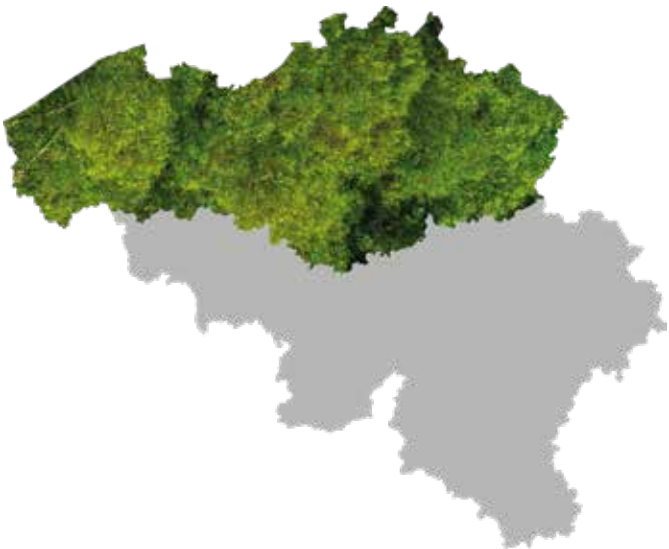


This is all for the purpose of ensuring the utmost competency of the PiovanGroup's 310 engineers, and to transmit knowledge of the system and help end customer users, as was the case for the module launched in 2023: "Recycled Plastic for High-Quality Packaging". The aim of the latter was to transfer technological skills to the Group's customers necessary to obtain quality packaging from post-consumer polymers.



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.

By way of example, remember that glass – comparable to virgin PET in terms of its carbon footprint – must be reused at least 8 times more in order to be comparable with rPET. Specifically, post-consumer glass collection in Europe falls about 2.9 million tonnes short⁵. Were these bottles to be made of PET or rPET, the CO₂ savings would be equivalent to a forest half the size of Belgium and beyond.



The CO₂ savings if the single-use glass bottles used in Europe were made of PET or rPET would be equal to the equivalent absorbed by a forest half the size of Belgium.

7. Source: <https://feve.org/eu-glass-value-chain-80-collection-rate/>

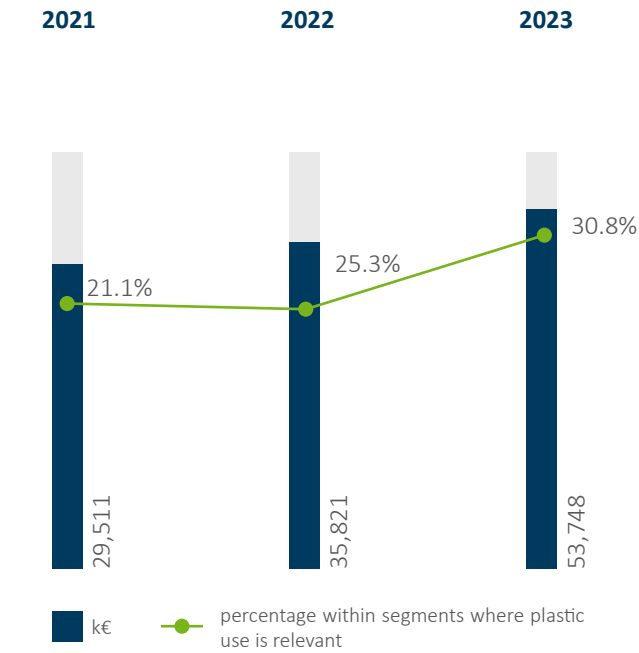
The social drive towards replacing plastic with other packaging materials for food and drink moves the problem away from environmental pollution and towards greenhouse gas emissions. The most promising strategy involves improving plastic recycling rates by changing consumer habits and creating an efficient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

THE PIOVANGROUP AIMS TO ACTIVELY CONTRIBUTE TO ALL THIS BY:

- INFORMING PLASTIC PRODUCERS AND THEIR USERS ON THE INCREASING USE OF RECYCLED PLASTIC OR BIOPLASTICS
- PROVIDING UNIQUE PRODUCTS ON THE MARKET DESIGNED FOR THIS PURPOSE
- SUPPORTING ITS PARTNERS IN THE STUDY, COMMISSIONING, SUPERVISION AND MAINTENANCE OF STATE-OF-THE-ART SYSTEMS.

In 2023, the Group estimates that approximately 30.8% of its revenues within segments where the use of recycled plastics is relevant (mainly packaging, fibres, recycling and compounding) will be related to circular economy activities. This value is growing significantly both as an impact on turnover (in 2022 the share was 25.3%) and as an absolute value, reinforcing a positive trend already present in previous years.

REVENUES IN THE CIRCULAR ECONOMY



NOTE: The 2021 and 2022 figures do not include the contribution of the IPEG Group





1.2 Piovan Product Recyclability

In 2023, the Group continued to actively invest in the fight against climate change, aware that this topic has an increasing effect on the Company and forms the basis of a new and responsible way of doing business. Europe in particular, but also the United States, continues to push towards the “green” transition from a linear economy to a circular economy, where products are managed cyclically to reduce and avoid waste. In the future, demand will increase for products that achieve more with less. Against this backdrop, the PiovanGroup 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. In addition, all new generations of machines incorporate functions that, under certain conditions, whether they are environmental or productive, allow consumption to be optimised. Obviously this has become even more strategic in light of the global energy crisis that has sent energy prices soaring which have on average doubled.

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 spare parts kits for machines that are no longer in production but still used by customers, and further extends the service life of its products. These activities are in fact commonly performed on machines and systems that have been in service for more than 20 years. Such retrofit kits are obviously also intended to improve the



energy performance of obsolete machines.

Once a machine is decommissioned, it can be dismantled for parts (mainly metal), which are over 85% recyclable. Since 2021, the Group’s monitoring activities have also included a technical analysis on the level of recyclability of the materials making up the various products placed on the market. The recyclability data for 2023 are confirmed as being in line with previous years. With regard to the parent company, Piovan S.p.A., an analysis of 79% of its shipped products in 2023 has found that 85% can be fully recycled if properly disposed of.

With a view to increasing the life of products sold and installed at customer premises, the Group provides both preventive and predictive maintenance by means of sensors installed in the system. This maintenance not only extends the life of the system but also allows improved energy efficiency and better performance, avoiding drops in performance with a consequent reduction in waste for our customers. This type of maintenance has kept warranty costs low, despite an increase in the number of products sold.

The continued high costs of all metallic raw materials have contributed to further increasing the intrinsic end-of-life value of the Piovan product, boosting the economic convenience for the Group's customers to dismantle and recycle Piovan equipment at the end of its life.

OUR CIRCULAR APPROACH IS EMBODIED IN THE FOLLOWING ACTIONS:



MATERIAL SELECTION AND
PRODUCT DESIGN STUDY
EMPHASISING LONGEVITY,
DURABILITY, REPAIRABILITY,
MODULARITY, DISASSEMBLY
AND RECYCLABILITY



REDUCTION IN THE USE OF
VIRGIN RAW MATERIALS
TO PROMOTE THE USE
OF USED, RECYCLED OR
RENEWABLE RESOURCES
AND THE REPLACEMENT OF
HAZARDOUS MATERIALS
WITH EQUIVALENT ONES
THAT ARE NOT



WITHDRAWAL OF USED
PRODUCTS AND THE
CREATION OF PROGRAMS
FOR THE COLLECTION OF
USED PRODUCTS TO AVOID
ALLOCATING POSSIBLE
RESOURCES TO DISPOSAL

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

Machine manuals, previously supplied on a CD with the machines, can now be downloaded from a dedicated portal by filling in a form or simply framing the QR code on the licence plate of the machine.



Paperless product
manuals available
via the online portal
or via QR code.



1.3

ENERGYS S.R.L.

The PiovanoGroup incorporated Energys S.r.l., a certified ESCo, aiming to offer Group customers specific advice on what they can do to save energy, whether this is 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 PiovanoGroup, was founded in 2012 and specializes in the energy sector, being a certified ESCo (UNI CEI 11352:2014). The company 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
- SUPPORT TO THE ACHIEVEMENT OF LOANS AIMED AT ENERGY SAVING

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 PiovanoGroup. 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.

In 2023, for the Energys Headquarters in Santa Maria di Sala, Energys S.r.l. actively supported the Piovano S.p.A. parent company in completing the photovoltaic system, increasing the installed power from the existing 160 kW to 1,100 kW in the Piovano S.p.A. facility, and from 160 kW to 250 kW in the Aquatech S.r.l. facility.

WINENERGY MONITORING

Energy monitoring is becoming a very important aspect for both small and large industrial companies as energy-related costs, until recently negligible, are increasingly and decisively having an impact. In this context, Energys is perfectly integrated through the energy monitoring software that allows analysis

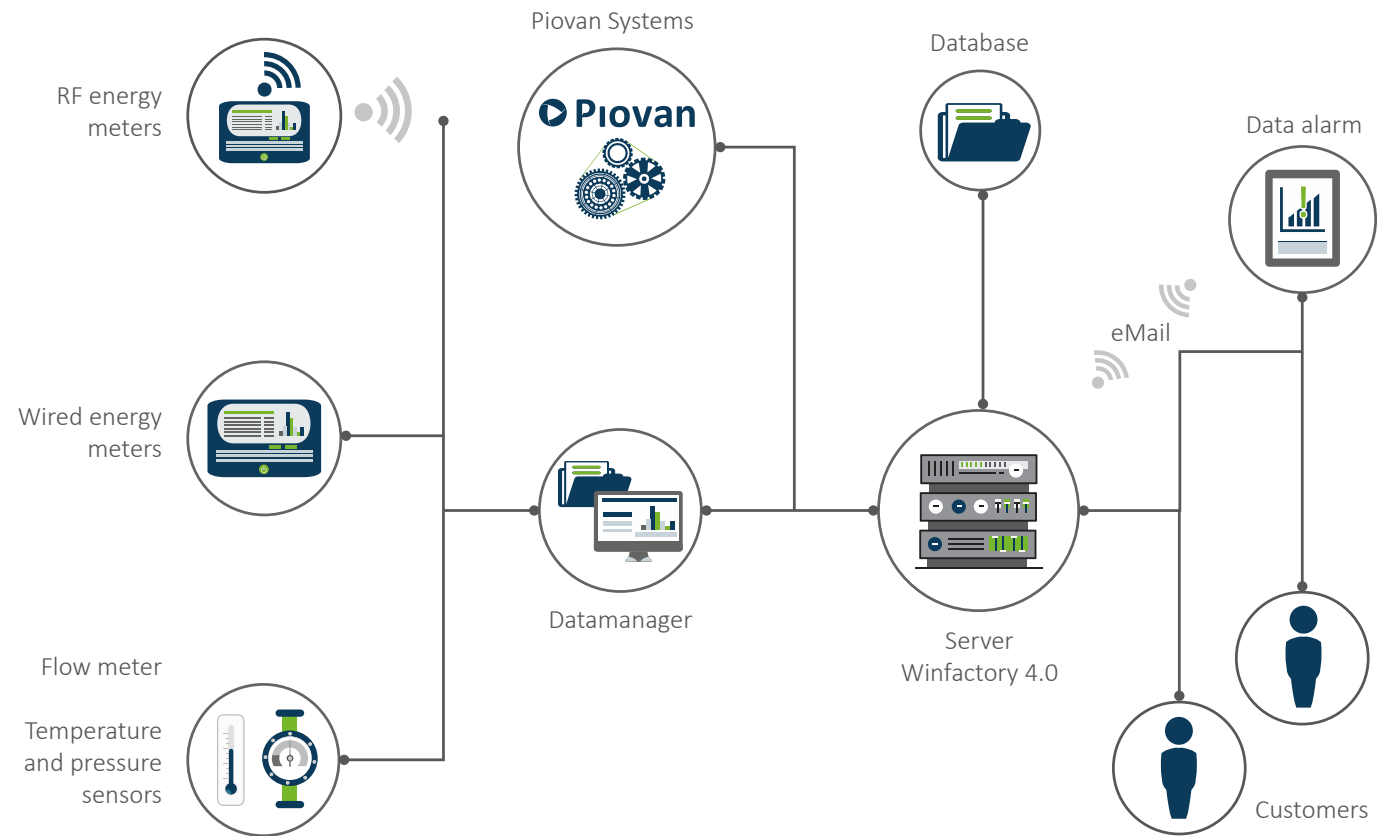
of the company's energy consumption, guaranteeing targeted and effective interventions on inefficiencies. Similarly in 2023, awareness of this aspect allowed Energys to support numerous companies in Italy and worldwide in the development and/or expansion of the monitoring system.

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 PiovanoGroup 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 centres 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:

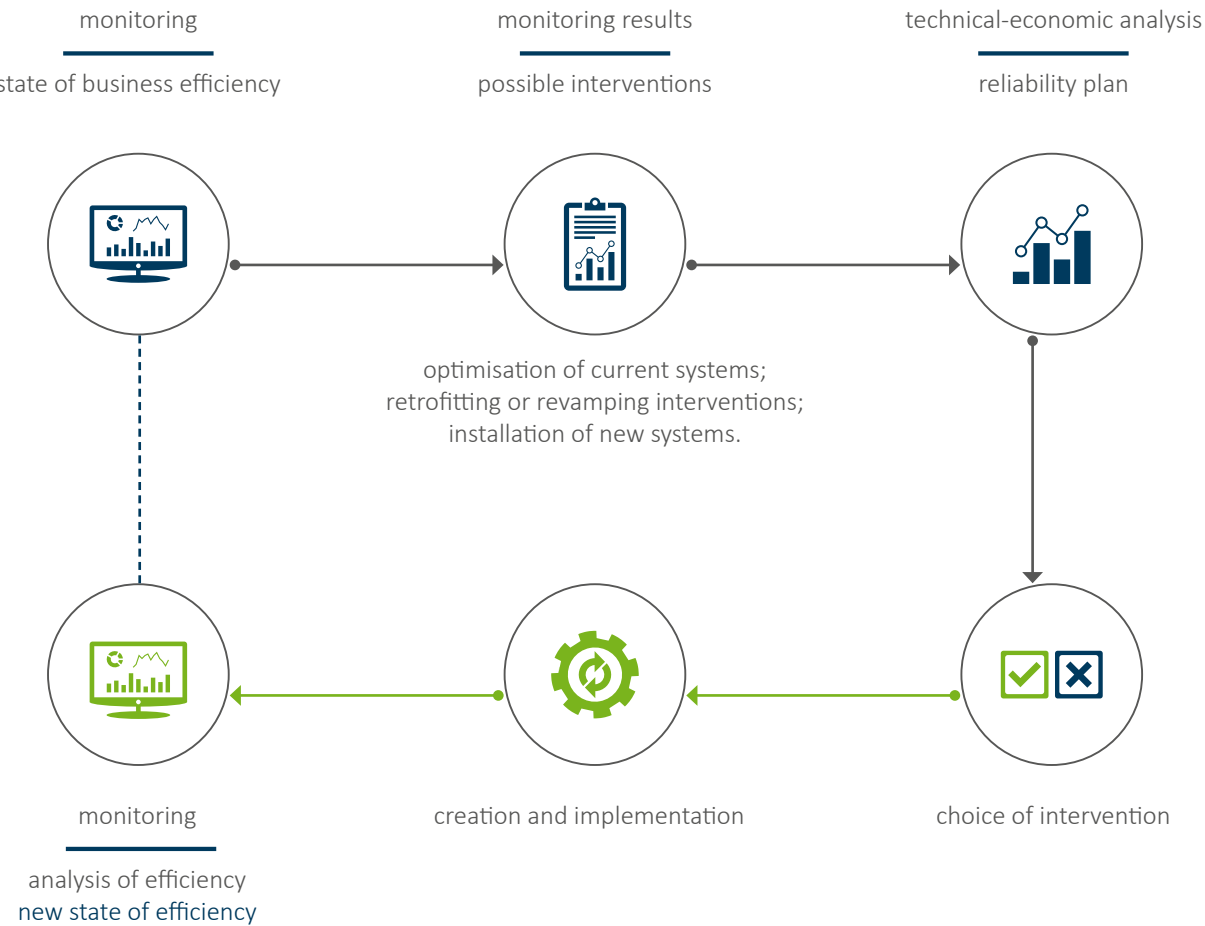


the potential benefits, both in terms of reduced consumption and financial advantages



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.



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

In 2023, Energys S.r.l. sold 933 EECs (Energy Efficiency Certificates) (and obtained 384 EECs), saving its customers 8,624 GJ*.

*8,624 GJ correspond to 1.236 acres of forest.



IN 2023, THE PIOVANGROUP, THROUGH ENERGYS, HELPED TO REDUCE CO₂ EMISSIONS BY 1.236 EQUIVALENT ACRES OF FOREST

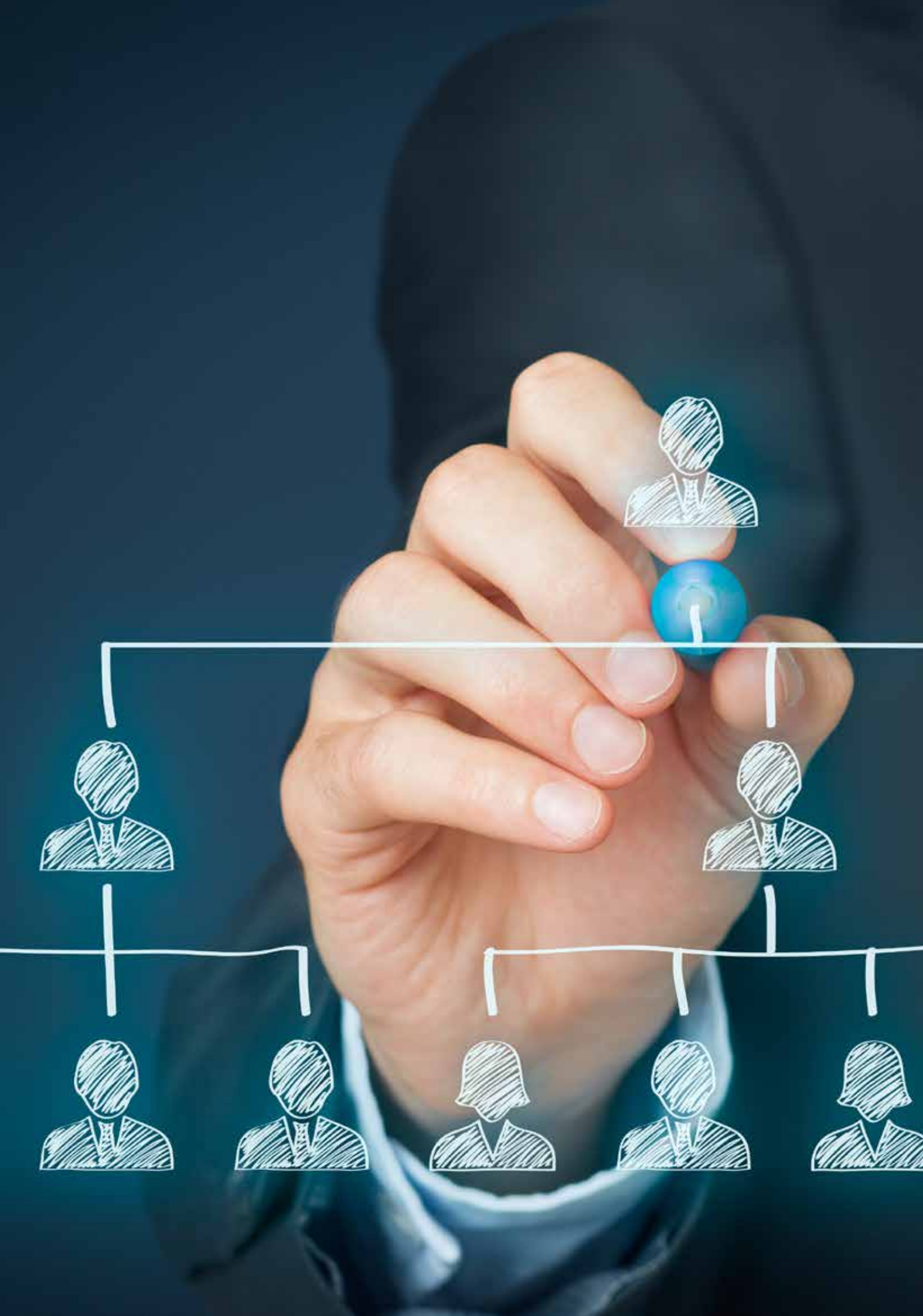


2

Management business model and organisation of company activities

A world leader in the development of production process automation systems for the storage, transport and treatment of polymers, recycled polymers, bioplastics and the main food powders.

Continuous technical support on a global basis to ensure the optimal operation of its installed products.



THE PIOVANGROUP IN A NUTSHELL:



571 million Euros

TOTAL REVENUE AND OTHER
INCOME FOR 2023



6 million Euros

SHARE CAPITAL
(FULLY PAID-UP)



1,805

EMPLOYEES: OF WHICH 660 IN ITALY,
646 IN NORTH AMERICA AND 499 IN
THE REST OF THE WORLD



14

PRODUCTION PLANTS IN 4 CONTINENTS,
OF WHICH 5 IN ITALY, 5 IN THE US, AND 4
IN GERMANY, BRAZIL, CHINA AND INDIA
RESPECTIVELY

The Group's first activities date back to the early 1930s when Costante Piovan founded a small workshop in Padua specialising in precision mechanics and the production of moulds for sheet metal working.

In 1964 Luigi Piovan began to diversify the reference markets and the Group entered the sector of auxiliary systems for the processing of plastic materials, introducing the first granulator to the Italian market, followed by the Convair dryer and the Convector feeder for injection moulding machines. The Group is increasingly specialised in the design and production of automation systems for the storage, transport and treatment of polymers and plastic powders, and in 1969 moved its main production plant to Santa Maria di Sala (Venice).

Between 1970 and 1980, the Group expanded gradually in both geographical distribution - establishing its first foreign subsidiary Piovan Germany in 1974- and its range of products and technologies. This came to include a complete range of machines used in the automation process for the storage, transport and processing of polymers and plastic powders, laying the foundations for future worldwide leadership. During the same period, the Company also launched its first line of refrigerators, and introduced the market's first centralized system for granule feeding, dosing and dehumidification.

During these years, the Group experienced a strong growth in production, which from a generic base began to develop specific skills in plastics applications for the packaging, automotive, consumer and construction markets, laying the foundations for future specialisation in customers' industrial processes with the consequent ability to offer innovative solutions. Furthermore,

anticipating future market trends, the company developed the first plant supervision and control software, which guarantees constant monitoring of machinery operation. In the 1990s, the Group continued on an interesting path of global growth and improved technological and quality skills, including obtaining ISO 9001 certification and expanding sales and production in foreign markets with the opening of new subsidiaries.

In the early 1990s, Luigi Piovan's son Nicola Piovan joined the company and led it as CEO from 2002 and as Sole Director from 2011 to 2018. The Group continues its internationalisation and also begins to open production plants outside Italy, in particular in Brazil and China. Subsequently, additional foreign subsidiaries were also opened in Mexico, Great Britain, Austria, Hungary and the Czech Republic, India, Turkey, Thailand and Vietnam.

The objective is to guarantee a global presence for customers, providing a high and constant level of assistance and service "close to customers" for the proper functioning of the complex plants sold, as well as a commercial activity in each geographical area that over time becomes relevant, anticipating market trends. The continuous technological evolution, the proximity to customers with a high level of service and commercial together with the attention to the collaborators and their professional and personal growth are now in the DNA of the Group.

In recent years, the Group has developed the first solutions for the treatment of recycled plastics to create hundreds of plants in the following years and build technological leadership. The

first version of the proprietary "*Winfactory*" software was launched on the market in 2007, with new annual releases up to the current "*Winfactory 4.0*" version, still one of the Group's strengths compared to its main competitors.

Furthermore, the continuous investments in high-technology and energy-saving solutions have made it possible to attract the groups of primary importance worldwide in *packaging*, construction, consumer goods, the food sector and *automotive*.

On 19 October 2018, the shares of Piovan S.p.A. were listed on the Star segment of the Milan Stock Exchange.

In October 2020, Doteco S.p.A., an Italian company and one of the world's leading suppliers of dosing technology for plastic films and synthetic fibres, together with its US subsidiary Doteco Inc. became part of the PiovanGroup. In January 2022, Piovan S.p.A. completed the acquisition of 100% of the share capital of Sewickley Capital, Inc., which in turn owns 100% of IPEG Inc. – leading company in North America - further strengthening its global leadership position in the industry.

Finally, in February 2024, 1% of the share capital of Nu-Vu – an Indian company in which Piovan already indirectly held 50% through the subsidiary Conair Pacific Equipment PTE Ltd – was acquired by the selling shareholders of Nu-Vu. Following this transaction, the PiovanGroup will collectively reach a 51% stake in Nu-Vu, acquiring control and including NuVu in the scope of consolidation from February 2024. Through local legal entities, the PiovanGroup is directly present in 23 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:

- the design of equipment, systems and engineering solutions;
- the production of plants and systems;
- installation and start-up at the customer's production facilities.

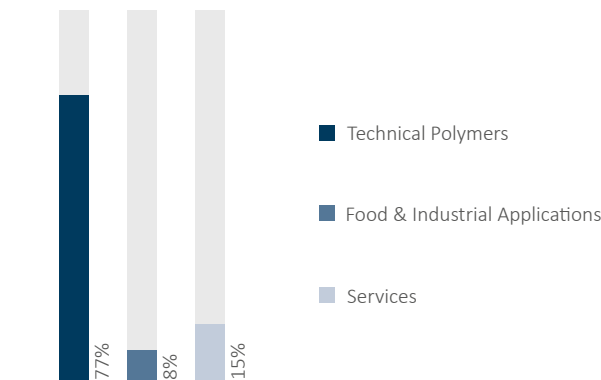
The Group also supports its customers globally through continual technical assistance, including the sale of spare parts for machinery and the provision of a range of additional services ("Services and Spare Parts"), and support activities from the preliminary design phase through to installation and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

The Group ended the 2023 financial year with a consolidated revenue of 571 million Euros, of which 560 million Euros in revenue from ordinary operations. The Group's revenues come from 4 different geographical areas: EMEA, North America, South America and Asia.

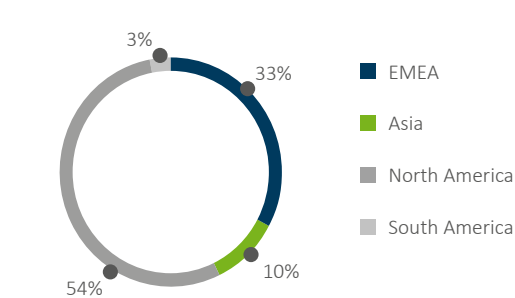
The Group chaired by Nicola Piovan has 1,805 employees of which 660 in Italy, 646 in North America, and 499 in the rest of the world (201 in Europe excluding Italy, 187 in Asia and 111 in Brazil), supported by a sales network consisting of 43 production, service and sales companies that operate locally (of which 18 in EMEA, 13 in Asia, 11 in North America and 1 in South America). Together with distributors, the Group is present in more than 70 Countries. The Group reaches customers in over 100 countries worldwide.

The Group has 14 production plants in 4 continents, of which 5 in Italy, 5 in the US, and 4 in Germany, Brazil, China and India respectively.

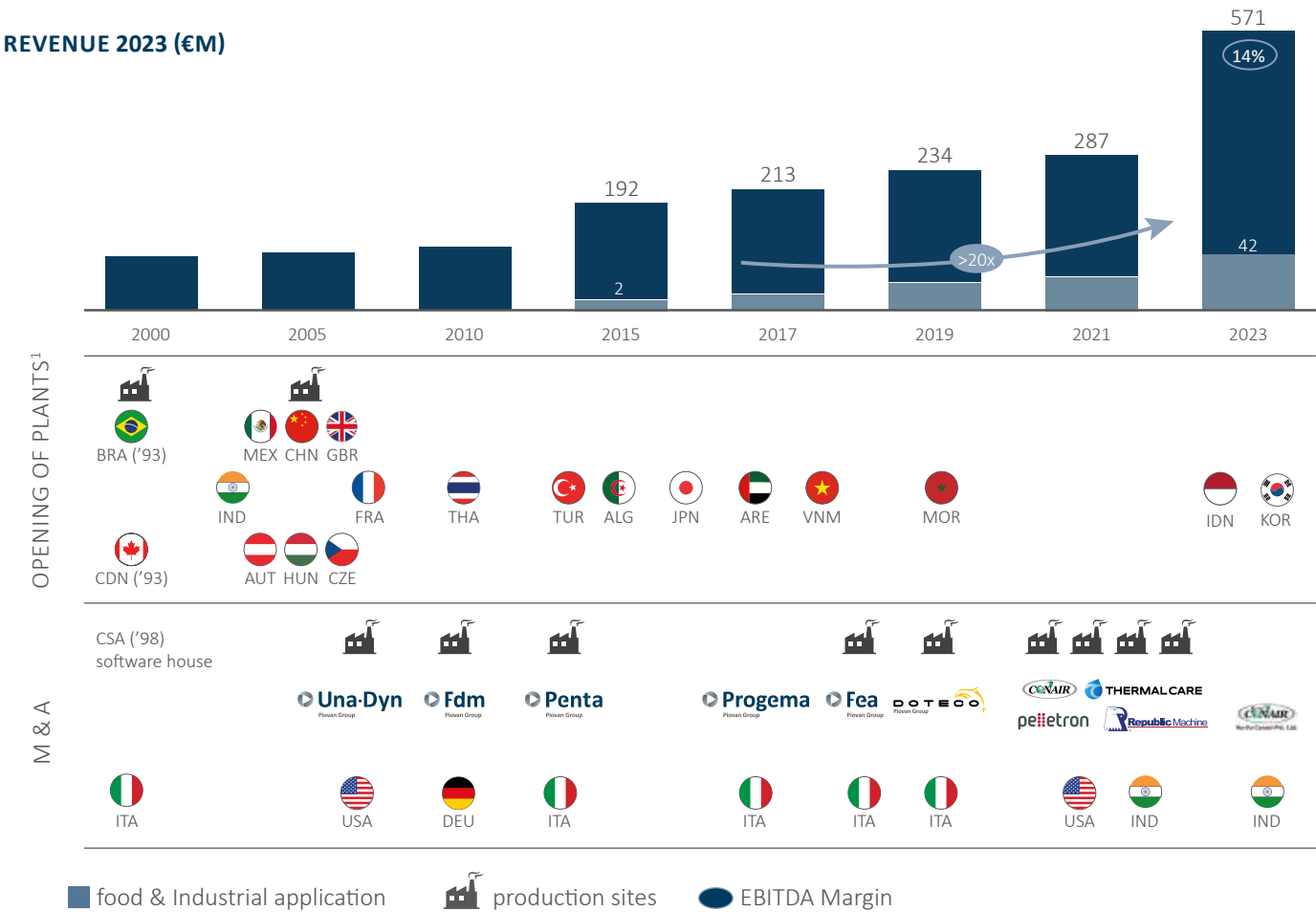
ORDINARY REVENUE BY LINE OF BUSINESS



ORDINARY REVENUE BY GEOGRAPHIC AREA



REVENUE 2023 (€M)

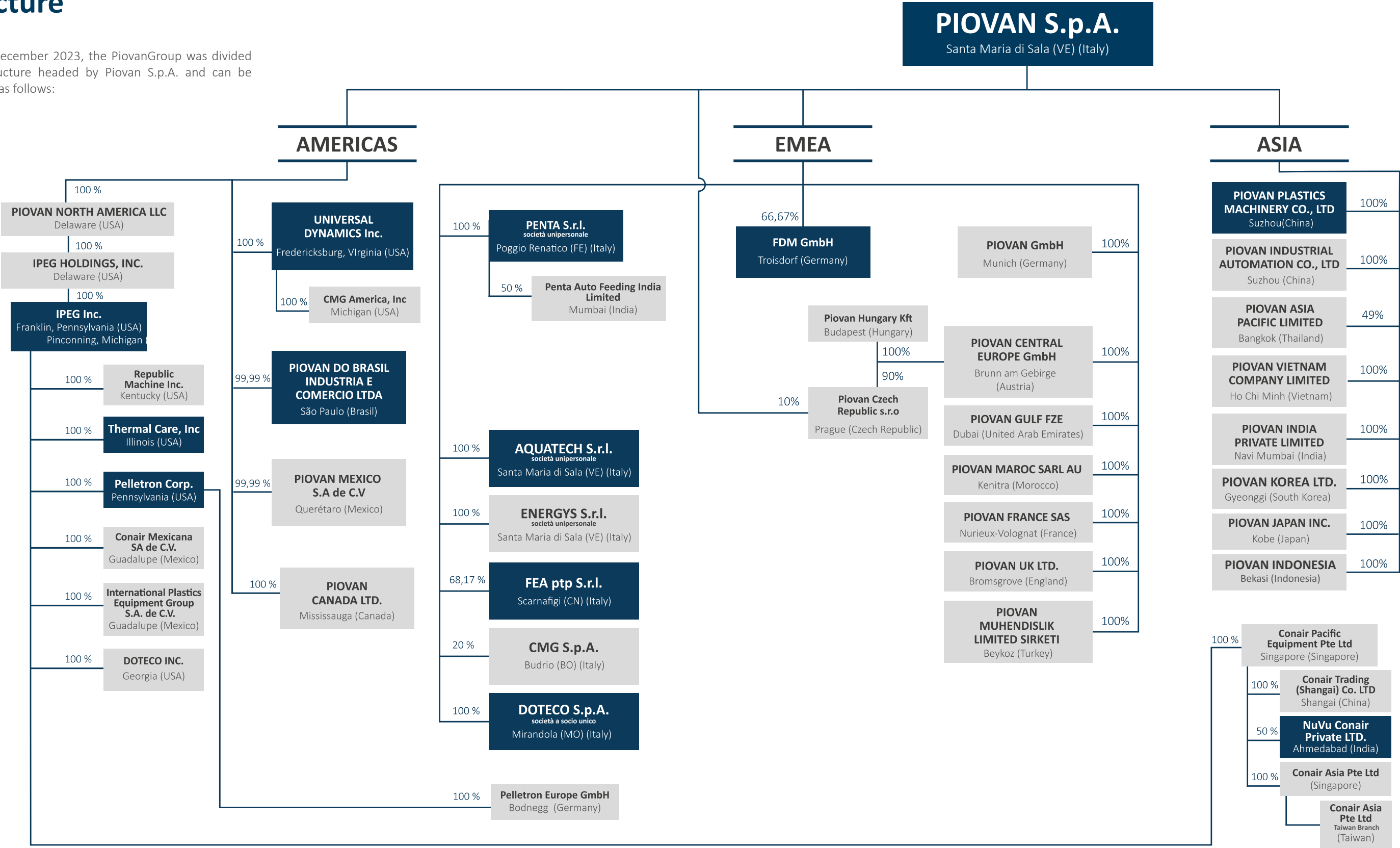


Source: Corporate information
¹ Reference is made to the year of establishment or acquisition of the majority stake (in the case of an entity already existing before the investment of Piovan).



2.1 Group structure

As at 31 December 2023, the PiovanoGroup was divided into a structure headed by Piovano S.p.A. and can be illustrated as follows:



including only investments greater than 15%

■ production plant ■ service and sales

2.2 Corporate governance

The Company considers an adequate governance structure and an effective internal control and risk management system, of tools, processes and bodies necessary and useful to direct, manage and verify corporate operations, as a fundamental element of its management and organisation, with a view to efficient and ethical business operations. The Company's corporate governance structure is in line with the principles set forth in the Corporate Governance Code for Listed Companies of Borsa Italiana S.p.A. (the "Corporate Governance Code").

The corporate boards that make up the Piovano S.p.A. governance system include:

- Board of Directors
- Board of Statutory Auditors
- Internal Committees
- Shareholders' Meeting

In particular, the Board of Directors is supported by **three committees**:

- Appointment and Remuneration Committee
- Control, Risk and Sustainability Committee
- Related parties Committee

The Board of Directors also established a Supervisory Body pursuant to Italian Legislative Decree 231/2001 (ITA).

2.2.1 Corporate bodies of Piovano S.p.A.

As at 31 December 2023, the **Board of Directors** was composed of 7 members, of which 5 were non-executive and 5 were independent. The Chairperson of the Board of Directors has an executive role. The Board of Directors is reserved - in addition to its powers pursuant to the law and Company By-laws - exclusive jurisdiction over the most important decisions from an economic and strategic perspective and in terms of their structural impact on operations, i.e. those functional to the monitoring and guidance of the Company and the Group

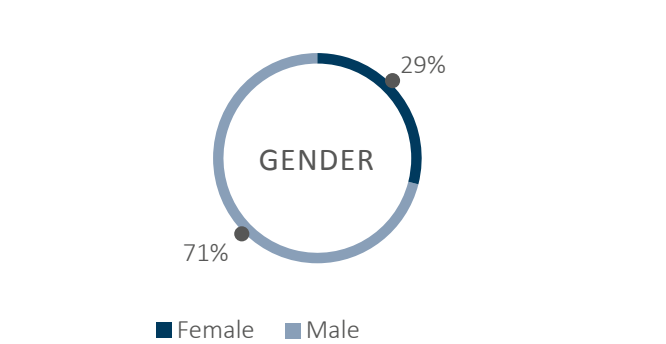
The Board of Directors, in office as at 31 December 2023 was appointed by the Company's Ordinary Shareholders' Meeting on 29 April 2021, and shall remain in office until the approval of the financial statements as at 31 December 2023. It should be noted that on 26 January 2023, Dr Marco Stevanato resigned, for personal reasons, from the position of Director of the Company. On 21 March 2023, Maurizio Bazzo was, therefore, appointed by co-option, pursuant to art. 2386 of the Italian Civil Code and art. 14.4 of the Corporate By-laws, taking into account the opinion expressed by the Appointments and Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors, in place of the director who resigned. This appointment was subsequently confirmed by the Shareholders' Meeting held on 27 April 2023. It should be noted that Maurizio Bazzo is in possession of the independence requirements and, therefore – following co-option – the number of independent directors of the Company has risen to 5. All the Board of Directors belong to the age group above 50 years old.

The **Board of Statutory Auditors** comprises three Statutory Auditors and two Alternate Auditors. The Board of Statutory Auditors currently in office was appointed by the Company's Ordinary Shareholders' Meeting on April 29, 2021, and shall remain in office until the approval of the financial statements as 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 organisation adopted by the Company and its correct functioning.

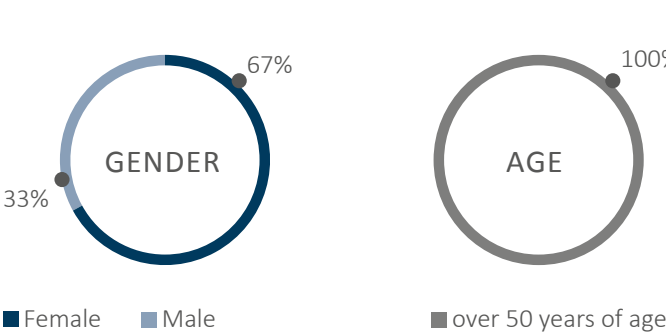
All members of the Board of Statutory Auditors meet the requirements of independence.

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. The Nomination and Remuneration Committee, the Control, Risks and Sustainability Committee, and the Related Parties

COMPOSITION OF THE BOD



COMPOSITION OF THE BOARD OF STATUTORY AUDITORS



Committee are composed of 3 non-executive and independent directors; please see the *Report on Corporate Governance and Ownership Structures* and the *Report on Remuneration Policy and Compensation Paid* published by the Company on its website for more information.

As the body responsible for sustainability, the **Control, Risks and Sustainability Committee**:

- performs support and advisory functions for the Board of Directors with regard to sustainability, meaning the processes, initiatives and activities aimed at overseeing the Company's commitment to sustainable development along the value chain;
- examines the contents of the sustainability report as well as periodic non-financial information pertinent to the internal control and risk management system;
- examines and evaluates sustainability policies aimed at ensuring value creation over time for shareholders in general and all other stakeholders in the medium-long term in compliance with the principles of sustainable development, as well as sustainability guidelines, objectives and subsequent processes and sustainability reporting submitted annually to the Board of Directors, including, in particular, the Sustainability Report.

It should also be noted that, over the years, the Company has formalised certain procedures aimed at clearly describing the principles applied by the Group on the matter of corporate governance, including the “**Diversity Policy**” - approved in 2020 and aimed at promoting and protecting gender and age diversity, and the seniority of those in office in the corporate bodies - and the “**Policy for the Management of Dialogue with Shareholders in General**” aimed at promoting an open and constant dialogue with Shareholders and the Financial Community and ensuring the systematic dissemination of comprehensive, transparent and timely information on its activities. For more details on the aforementioned policies, please refer to the documents published on the company's website (www.piovan.com) in the Investors / Corporate Governance/Corporate Documents section.

With reference to FY2023, it should be noted that the Company has decided to formalise a policy addressed to all employees of the Group's companies aimed at outlining specific guidelines and practices of conduct suitable to prevent the risk of money laundering, in addition to the requirements and regulations in force locally and internationally, called the "Anti-money laundering policy", approved by the Board of Directors' Meeting held on 26 January 2023.

Piovan is constantly striving to integrate the objective of satisfying Customers with that of creating value for Shareholders, paying particular attention to the needs of the community and respect for the environment, and enhancing the professional skills of the People who, with their dedication and constant motivation, play a fundamental role in the growth

of the Group and in the realisation of the company's objectives. This path of continuous improvement has recently been enriched with new elements with the adoption of additional policies, the aim of which is to identify and highlight in a more circumscribed manner the key principles, already expressed in various ways in the Code of Ethics and in the policies adopted over the years, that all the companies belonging to the Group intend to adopt in various areas relating to *Environmental, Social & Governance* (ESG) issues.

On 12 September 2023, the Board of Directors’ Meeting of the Company approved the following policies:

- Environmental Policy
- Health and Safety Policy

- Protection of Diversity, Equity and Inclusion Policy (DE&I)
- Protection of human rights Policy
- Work Hours Policy
- Taxation management Policy

The six policies are available on the company's website (www.piovan.com), in the Corporate Documents/ ESG policies section.





2.2.2 Appointment and selection of the highest governing body

APPOINTMENT OF DIRECTORS

The appointment and replacement of Directors are governed by current laws, transposed and supplemented by the Corporate By-laws.

Pursuant to art. 14 of the Corporate By-laws, the Company is administered by a Board of Directors, consisting of a maximum of 7 members, and the Directors are appointed for no more than three consecutive financial years, or for a shorter period, however, not exceeding three financial years, as determined at the time of appointment, and are eligible for re-election.

Directors are appointed by the Shareholders' Meeting on the basis of lists submitted by the Shareholders, in compliance with the law, and regulated from time to time, also with regard to gender balance.

Each shareholder may only submit or participate in the submission of one list and each candidate may only appear on one list, under penalty of ineligibility, and only Shareholders who, alone or together with other Shareholders, own shares representing at least 2.5% of the capital are entitled to submit lists.

At the end of the vote, the candidates from the two lists that obtained the most votes will be elected, pursuant to the following criteria:

- from the list that will have obtained the majority of the votes cast, a number of Directors equal to the total number of members to be elected, except for one;
- the remaining Director will be taken from the second list that obtained the most votes in the Shareholders' Meeting ("minority list")

The procedure also provides for mechanisms to resolve any issues of parity or lack of completion of the result as better described in the Corporate Governance Report.

INDEPENDENCE OF THE DIRECTORS

They are members of the Board of Directors in office 5 Independent Directors who are in possession of the independence requirements envisaged by the combined provisions of arts. 147-ter, subsection 4, and 148, subsection 3, of the Italian Consolidated Law on Financial Intermediation. The Company believes that an adequate number of Independent Directors has thus been identified, also for the purpose of the composition of the executive committees. The Board of Statutory Auditors has also verified the correct application of the criteria and assessment procedures used by

the Board in order to assess the independence of its members. Finally, the Board of Directors annually verifies the existence of said requirements for each of the independent Directors in compliance with the provisions of Recommendation 7 of the Corporate Governance Code.

DIVERSITY IN THE BOARD OF DIRECTORS

The Company has adopted a "Diversity Policy" aimed at promoting and protecting the diversity of gender, age, seniority in office, and professional and managerial skills within the Board of Directors and Board of Statutory Auditors. In detail, this Diversity Policy was approved by the Board of Directors' Meeting of the Company on 10 September 2020 and includes guidelines that highlight the policies on gender quotas that the Board of Directors and Board of Statutory Auditors intend to implement during future years, as well as some principles aimed at identifying an adequate composition of the corporate bodies and ensuring that they can effectively carry out their functions using the contribution of a plurality of qualified points of view. For more details on this, please refer to the document published on the Company's website

(www.piovan.com, [Investors/Corporate Governance/Corporate Documents section](#)).

With regard to the company's diversity policies applied in relation to the composition of the Board of Directors in office concerning aspects such as age, gender composition and educational and professional background ("art. 123-bis, lett. d-bis", Italian Consolidated Law on Financial Intermediation), it is specified that:

- the Board of Directors of the Company has 2 Directors belonging to the less represented gender, in compliance with the legislation on gender balance;
- the Board is characterised by the diversity of its members, taking into account that the age of the Board Members is between 55 and 70 years of age;
- the training and professional path of the Directors currently in office guarantees a balanced combination of profiles and experiences within the administrative body suitable for ensuring the correct performance of the functions assigned to the same.

2.2.3 Chairman of the highest governing body

The Executive Chairman of the Company is Mr. Nicola Piovano, to which some executive powers are conferred, as well as the powers related to the function held and the related powers of representation vis-à-vis third parties, to be exercised with single signature or with joint signature with that of the Chief Executive Officer. In detail, the Board of Directors of the Company conferred on the Executive Chairman, Mr. Nicola Piovano, further management powers as an entrepreneur who determined and guided the development of the Company, contributing significantly to the affirmation of the same as a leader in its own market sectors.

In particular, Mr. Nicola Piovano covered during the course of time different positions within the Company, becoming in 1997 General Manager, in 2002 Chief Executive Officer and in 2011 Sole Director of the Company. Please refer to the Corporate Governance Report for more

2.2.4 Role of the highest governing body in impact management control and delegation system

The Board of Directors is the body responsible for defining, updating and approving the Group's strategy which – starting from 2022 – integrates objectives and sustainability targets promptly identified and whose achievement is assigned to the different departments based on their involvement. Specifically, the Board of Directors in the field of Sustainability performs, *inter alia*, the following roles

- examines the progress of the sustainability strategy, approving the sustainability targets identified starting from 2023;
- monitors the processes, initiatives and activities aimed at overseeing the Company's commitment to sustainable development along the value chain;
- approves the list of material topics and the Sustainability Report.

The PiovanoGroup is aware that the management of impacts on the economy, environment and people must be integrated

details on the powers conferred to the Executive Chairman.

In order to prevent conflicts of interest, where potentially present, the Chairman and the members of the Board of Directors shall abstain from voting on the specific resolution considered potentially conflicting. Furthermore, pursuant to Article 27 of the Corporate By-laws, the Company approves transactions with related parties in compliance with the provisions of current laws and regulations, with the provisions of the Corporate By-laws and the procedures adopted on the matter to ensure their transparency and substantial correctness.

The Board of Directors approved, subject to the favourable opinion of the Committee for Transactions with Related Parties, the procedure for transactions with related parties ("OPC Procedure") in implementation of article 2391-bis of the Italian Civil Code and the Regulation issued by Consob with resolution no. 17221 of 12 March 2010 (as subsequently amended) on transactions with related parties. The current OPC Procedure can be consulted on the Company's website (www.piovan.com) in the Investors/Corporate Governance/ Procedures section and Regulations, to which reference is made for every detail.

into its strategy and operations, for this reason, the Group has set up an organisational task force dedicated to Sustainability composed of 2 people as of 31 December 2023 who – reporting to the Chief Financial Officer – are responsible to coordinate the numerous initiatives launched by the Group in terms of sustainability, including the adoption of a set of sustainability goals, the monitoring of the achievement of the goals and the preparation of the Sustainability Report.

Only through a shared approach promoted by the highest levels of the company can sustainability become strategic within the PiovanoGroup. With the Risk and Sustainability Control Committee, identification of the risk owners involved in the risk management process identified by ERM, and, lastly, identification of the owners of the sustainability objectives within the Plan, the Group began its journey of sharing and delegating responsibility for managing the Group's impacts on the economy, environment and people, including human rights.

2.2.5 Conflicts of interest

With regard to the prevention and reduction of conflicts of interest, in addition to what is specified in the procedure for regulation of transactions with related parties adopted by the Company, it should be noted that the Code of Ethics also emphasises that Piovano's management and employees are required to avoid and, if any, report the existence of conflicts of interest between personal economic activities and the duties they hold within the structure. Company personnel must adopt a correct and honest attitude, both in the performance of their duties and in their relations with other members of the Company, avoiding the pursuit of illicit or illegitimate purposes, or generating conflicts of interest in order to procure an undue advantage for themselves or third parties.

In no case may the interest or advantage of the Company induce and/or justify dishonest behaviour.

It should also be noted that, in order to prevent conflicts of interest, where potentially present, the Chairman and the members of the Board of Directors abstain from voting on the specific resolution and, in particular, as provided for by the Nomination and Remuneration Committee regulations, no Director may attend meetings of the Nomination and Remuneration Committee in which proposals to the Board of Directors are formulated regarding their own remuneration.

2.2.6 Collective knowledge of the highest governing body

With reference to the training and development of the skills of the Directors, the Company favours the participation of the members of the Board of Directors in events dedicated to sustainable development (*for example sharing sustainability goals*).

The Board of Directors, Chief Executive Officer and members of the Control, Risks and Sustainability Committee, each in the exercise of their functions, are responsible for assessing and approving the Non-Financial Statement in its entirety, the letter to stakeholders and the results of the materiality analysis, being responsible for sustainability reporting. The members of the Board of Directors have an in-depth knowledge of the sector in which the Group operates, the principles of proper risk management, regulatory framework and values that guide the Group also with a view to sustainable development.

In 2023, no further measures were implemented, in addition to those already mentioned, to expand the collective knowledge of the highest governing body on sustainable development, aware of the fact that some members participated in training courses on the sustainability budget and gender equality. In the early months of 2024, the Directors were invited to participate in an organised course on sustainability held at the Group's Academy platform, as were all employees of Piovano S.p.A.



2.2.7 Evaluation of the performance of the highest governing body

During 2023, the Company evaluated the functioning of the Board, Nomination and Remuneration Committee, Control, Risk and Sustainability Committee and Related Parties Committee, as well as their size and composition, also taking into account the professional characteristics, experience and gender of their members (so-called *board evaluation*).

The evaluation, which took place by means of a shared questionnaire, was carried out during the year, in compliance with the recommendations contained in art. 4 of the Corporate Governance Code, in view of the renewal of the Board of Directors scheduled with the approval of the Financial Statements as at 31 December 2023.

Please refer to the Corporate Governance Report for further details.

2.2.8 Remuneration policies

The Company's remuneration policy for Directors and Managers with Strategic Responsibilities follows the same logic applied to the entire company population, in order to attract, motivate and retain people with the professional qualities necessary to contribute to the definition of the Company's growth strategy and to strengthen the Company's long-term interests and sustainability. The definition of the remuneration of Piovan and Group employees takes into account numerous criteria, including the analysis of the market situation, internal equity of the company, characteristics of the role and responsibilities assigned, as well as the distinctive skills of the persons, avoiding any form of discrimination.

Consistent with the recommendations of the Corporate Governance Code, the remuneration policy for Directors and Managers with strategic responsibilities is based on the following criteria:

- **the fixed and variable component** of the remuneration are adequately balanced pursuant to the Company's strategic objectives and risk management policy, also taking into account the sector of activity in which it operates and characteristics of the company activity actually carried out;
- **the fixed component** is sufficient to remunerate the performance of the Directors and Senior Managers with strategic responsibilities in the event that the variable component is not provided due to failure to achieve

the performance objectives indicated by the Board of Directors;

- **The performance objectives** – i.e. the economic results and any other specific objectives to which the payment of the variable components is connected (including objectives defined for the share-based remuneration plans) – are predetermined, measurable and connected to the purpose of creating sustainable value for the Shareholders over the medium-long term;
- **the variable component** of the remuneration consists of a portion linked to short-term criteria and a portion is linked to long-term criteria. The latter is deferred for an adequate period of time since it is linked to the achievement of long-term objectives. The duration of the deferral is consistent with the characteristics of the company activity carried out and with the related risk profiles.

The remuneration policy, therefore, pursues the creation of sustainable value in the medium-long term for the Company and its Shareholders, balancing fixed and variable remuneration with the aim of creating sustainable value for the company. The remuneration is consistent with the complexity of the role and responsibilities assigned, with the results achieved and with the quality of the individual professional contribution. It should be noted in particular that the Shareholders' Meeting of Piovan S.p.A. held on 27 April 2023 approved a new incentive

plan, called "**Long Term Incentive Plan 2023 – 2025**" (the "Plan"), concerning the attribution of rights to receive shares in the event of the achievement of predetermined performance objectives, together with the further residual attribution of Restricted Share Units not conditional on the achievement of performance objectives, but only on the maintenance in force of the subordinate employment or collaboration relationship between the beneficiary and the Company or other company of the Group.

This Plan is designed to incentivise and retain individuals with key roles and talented resources within the Group, aligning the interests between the remuneration objectives of these individuals and those of increasing sustainable value and return on investment for Shareholders.

The amount of the variable component of the Plan is linked to

- economic-financial quantities such as, (e.g. EBIT, EBITDA and Sales)
- long-term value creation objectives for Shareholders and
- **ESG** objectives related to sustainability *performance*.

Also in consideration of the evolution of the macro-economic context and of what emerged in the dialogue with investors and Shareholders following the Shareholders' resolutions on the remuneration policy proposed for FY2022, in fact, the Board of

Directors of the Company, having also heard the Appointments and Remuneration Committee, had decided to propose among the *performance* objectives of the Plan (approved by the Shareholders' Meeting on 27 April 2023) a parameter related to the ESG area, in line with market *best practices*.

For further information on the contents of the remuneration policy, please refer to the "Report on the Remuneration Policy and the remuneration paid" (the "**Remuneration Report**"), approved by the Board of Directors' Meeting of 19 March 2024, available for public consultation on the website www.piovan.com.

It should be noted that the Company's Board of Directors annually submits to the Shareholders' Meeting the Remuneration Report, subject to the favourable opinion of the Nomination and Remuneration Committee.

The first section of the Remuneration Report, containing the remuneration policy adopted by the Company, is submitted to the binding vote of the Shareholders' Meeting, pursuant to art. 123-ter, subsection 3-ter, of the Italian Consolidated Law on Financial Intermediation, while the second section, containing the fees paid in the financial year in any capacity and in any form by the Company and by subsidiaries or associates, is submitted to the non-binding advisory vote of the Shareholders' Meeting pursuant to art. 123-ter, subsection 6, of the Italian Consolidated Law on Financial Intermediation.



2.3 Code of Ethics and ESG Policy

To clearly define the reference values and responsibilities, the PiovanGroup has decided to adopt a Code of Ethics, approved by the Board of Directors of the Parent Company, implemented by the controlled entities and intended for corporate bodies, auditors, staff as well as all those who operate in a significant or continuous manner in the name, on behalf of or in the interest of PiovanGroup.

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 PiovanGroup.

The set of values and principles of conduct set out in the Code aim to increase the organisation's efficiency, directing the recipients towards positive objectives, capable of producing benefits both for those directly concerned and for the reference environment as a whole, through the improvement of internal relations and attention to good reputation. The Code of Ethics is available on the company website www.piovan.com, Investors / Corporate Governance / Corporate Documents section

During 2023, 89 employees participated in training courses on the Code of Ethics, for a total of 45 hours.

On 6 March 2024, the Company's Board of Directors approved an update to the Code of Ethics, which had also become appropriate following the actions taken by Piovan to comply with the most recent regulatory interventions on the subject of *whistleblowing*.

During 2023, the Board of Directors of Piovan S.p.A. approved six ESG Policies: Environmental Policy, Health and Safety Policy, Protection of diversity, equity and inclusion Policy, Protection of human rights Policy, Working Hours Policy, Tax Management Policy. The policies are being approved by all Group companies. The new policies are part of a process of continuous improvement that began in 2018.

THROUGH THE INSTRUMENT OF THE CODE OF ETHICS, THE GROUP WISHED TO HIGHLIGHT AND DISSEMINATE THE PRINCIPLES OF BEHAVIOUR AND VALUES THAT HAVE ALWAYS ACCOMPANIED IT, SUCH AS:



Fairness:

Impose the conduct of company activities to the principles of loyalty, fairness, transparency and efficiency. These principles represent the PiovanGroup's assumption of responsibility towards an honest, open and collaborative work environment. All activities, operations and conduct carried out by the Recipients must be legitimate, correct and comply with internal procedures as well as with the applicable regulations of the Countries where Piovan operates.



Impartiality:

Combat all kinds of discrimination related to age, physical condition, disability, sex, sexual orientation, gender identity, ethnicity, nationality, political or trade union opinions, religious belief, state of health, etc.



Occupational health and safety:

Know, comply with and promote all laws and regulations relating to occupational health and safety. Piovan is committed to ensuring a safe and healthy working environment and achieving the goal of "zero accidents".



Environment:

Know and comply with environmental regulations. Piovan steers the business towards behaviour that is as ecologically sustainable as possible.



Diligence and Professionalism:

Carry out their work activities with impartiality, loyalty and competence required by the nature of the tasks and functions performed, in compliance with the applicable regulations and the internal procedures envisaged for each sector of activity. The persons working within Piovan, i.e. those to whom Piovan entrusts the performance of certain services, shall have proven requisites of competence, professionalism and experience. Piovan deplores all forms of recommendation and patronage.



Integrity:

Consider ethics as a primary interest for Piovan. Behaviours that, although appearing abstractly aimed at favouring Piovan, are in contrast with current regulations or the Code of Ethics are not tolerated.



Transparency:

Base all actions, operations and negotiations carried out in the name and on behalf of Piovan to clarity, completeness of information and truthfulness, as well as legitimacy in form and substance.



Human Rights:

Promote and safeguard human rights and the well-being of communities. Piovan firmly condemns any breach of applicable regulations regarding worker protection, immigration and child labour



Respect:

Consider mutual respect as an essential requirement in company life. Bullying, threats or behaviour aimed at conditioning the actions of others in a way contrary to the law or the Code of Ethics or conduct that is injurious or, in any case, detrimental to decorum and personalities are not tolerated. Piovan firmly condemns any incitement or propaganda aimed at spreading racist or xenophobic ideologies, as well as the denial, serious minimisation or advocacy of the Shoah or crimes of genocide, crimes against humanity and war crimes, as defined in articles 6, 7 and 8 of the Statute of the International Criminal Court.



Quality:

Constantly ensure the compliance of the products with the applicable regulations. Piovan adopts the highest production standards in order to guarantee its customers products based on the highest quality, reliability and safety.

2.4 Organisation, Management and Control model pursuant to Italian Legislative Decree 231/2001 (ITA)

The Board of Directors of Piovan S.p.A. deemed it compliant with company policies and consistent with its commitment to creating and maintaining a governance system adhering to high ethical standards, to proceed with the adoption of an organisational, management and control model pursuant to Italian Legislative Decree no. 231 (ITA), June 8 2001 (“Model”) and the establishment of a Supervisory Body as per Legislative Decree no. 231, June 8 2001 (“Decree 231”) responsible for supervising the operation of, and compliance with the Model, and for updating it.

The main objective of the Model is to create an organic and structured system of control principles and procedures, aimed at preventing the commission of the crimes envisaged by 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 by resolution of the Board of Directors’ Meeting of Piovan S.p.A. on 2 August 2018 and was subsequently updated in order to adapt it to legislative changes and company needs. In particular, Model 231 has been updated in order to align its contents with the provisions of Italian Legislative Decree 24 of 10 March 2023 on the subject of *whistleblowing* as well as the most recent legislative interventions.

The Model is available on the website: <https://www.piovan.com/investors/corporate-governance/>.

On September 16, 2019, the Italian subsidiaries Penta S.r.l., Aquatech S.r.l., Energys S.r.l., Studio Ponte S.r.l. and Progema S.r.l. (the latter two companies merged by incorporation into the parent company Penta S.r.l. as of 1 January 2023) considered, in compliance with the Group policies, to adopt their own Organisation, Management and Control Model pursuant to Italian Decree 231, with characteristics similar to that adopted by the Company, and appoint a Supervisory Body⁸. Furthermore, in 2019, the foreign subsidiaries of the

PiovanGroup adopted Corporate Criminal Liability & Compliance guidelines (the “Guidelines”) in order to ensure a consistent Group-wide framework of organisational and behavioural principles inspired by legality, fairness and transparency. Over the course of 2023, the Supervisory Bodies of the Group Companies that have adopted their own organisational model pursuant to Decree 231, carried out control and monitoring activities with regard to the measures listed in their respective organisational models through audits, interviews with the staff of the companies involved, and by collecting information flows. Said Supervisory Bodies also supervised the training provided to the employees of the respective Companies pursuant to Italian Decree 231.

In this regard, it should be noted that a continuous training programme has been implemented, aimed at providing new employees of the Company and Italian subsidiaries that have adopted their own Organisation and Management Model pursuant to Italian Decree 231 with an overview of the contents of the Model, through specific meetings organised on a regular basis.

The Group favours a business environment in which breaches of the law and/or conduct deemed unlawful or non-compliant with the principles and values of the PiovanGroup, referred to in the Code of Ethics, can be reported, without detrimental consequences of any kind.

With this in mind, Piovan has for some time now implemented a series of internal channels for making reports of unlawful conduct, suitable for safeguarding the confidentiality of the identity of the persons making reports and of all persons recognised as deserving protection, in order to avoid retaliatory attitudes or any form of discrimination against them, on account of the report made. In addition to what has already been achieved at a Group level, Piovan S.p.A. has recently set up a dedicated system for the management of reports of relevant breaches pursuant to Italian Legislative Decree 24 of 10 March 2023, operational for the Group's Italian companies, in compliance with the provisions of the applicable legislation on *whistleblowing* as well as Italian Decree 231.

2.4.1 Business integrity (fight against active and passive corruption)

The PiovanGroup 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.

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 organisation, management and control model pursuant to Legislative Decree 231/01 by subsidiaries with offices in Italy⁹, along with the planning of updates needed to incorporate new offences into the Model, which is in turn supplemented by the Code of Ethics;
- 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 corruption¹⁰.

PiovanGroup intends to raise awareness in its employees, representatives, suppliers, partners and anyone carrying out activities on behalf of or under the control of the Group on corruption and how to counter it, and encourages their responsible involvement in order to strengthen the effectiveness and ethical reputation of the same.

Over the course of 2023, no incidents were reported that were in any way attributable to corruption-related activities. Furthermore, no legal actions have been taken relating to unfair competition, antitrust and monopolistic practices involving the Group. Lastly, it should be noted that the PiovanGroup has not made any contributions of any kind to political parties or associations.

8. Note that a process is currently underway aimed at implementing an organisation, management and control model pursuant to Legislative Decree 231/01 in the subsidiaries Fea PTP S.r.l. and Doteco S.p.A..

9. With the exception, as at 31.12.2023, of Fea PTP S.r.l. and Doteco S.p.A., for which a process is currently underway for the implementation of their own organisation, management and control model pursuant to Legislative Decree 231/01.

10. Note that the companies belonging to the IPEG Group, which were acquired in 2022, shall receive said Guidelines in the coming months.





2.5 Risk and opportunity management

Over the course of 2019, the PiovanGroup began the process of developing a risk monitoring and management system by adopting an Enterprise Risk Management based on the CoSO ERM-Integrated Framework. The ultimate aim of the project is to involve the various corporate departments in identifying the main risks, providing them with an effective tool to manage and monitor said risks to ensure that business is conducted in a manner consistent with the objectives approved by the Board of Directors.

To this end, the Internal Audit division conducts an annual risk assessment focusing on risks related to the operations of the Parent Company and its most relevant subsidiaries. This assessment is made alongside the various risk owners.

The internal control and risk management system of Piovan S.p.A. involves the Board of Directors, Control, Risks and Sustainability Committee, Board of Statutory Auditors, Chief Executive Officer and the Manager of the Internal Audit Department, each for their own competences, who dialogue regularly. It is specified that no extraordinary critical issues were detected during the reporting period to be submitted to the attention of the Board of Directors.

The identification of risks is linked to the goals defined and reviewed whenever it needs to be updated due to exogenous and endogenous events affecting the Group.

The inherent risk identified is assessed in terms of probability and impact, whereas the residual risk is assessed in terms of the efficacy of the measures and controls in place to mitigate the identified risk.

The assessment led to the development of a risk map for the Parent Company consisting of approximately 140 risks divided into 33 risk categories.

As part of this activity, which aimed to provide the Board of Directors with an effective tool to guide actions for the continuous improvement of the internal control system, the Internal Audit division, supported by the various departments, designed an **Enterprise Risk Management ESG** that considers the impacts on the material issues identified in the Stakeholder Engagement when assessing the identified risks.

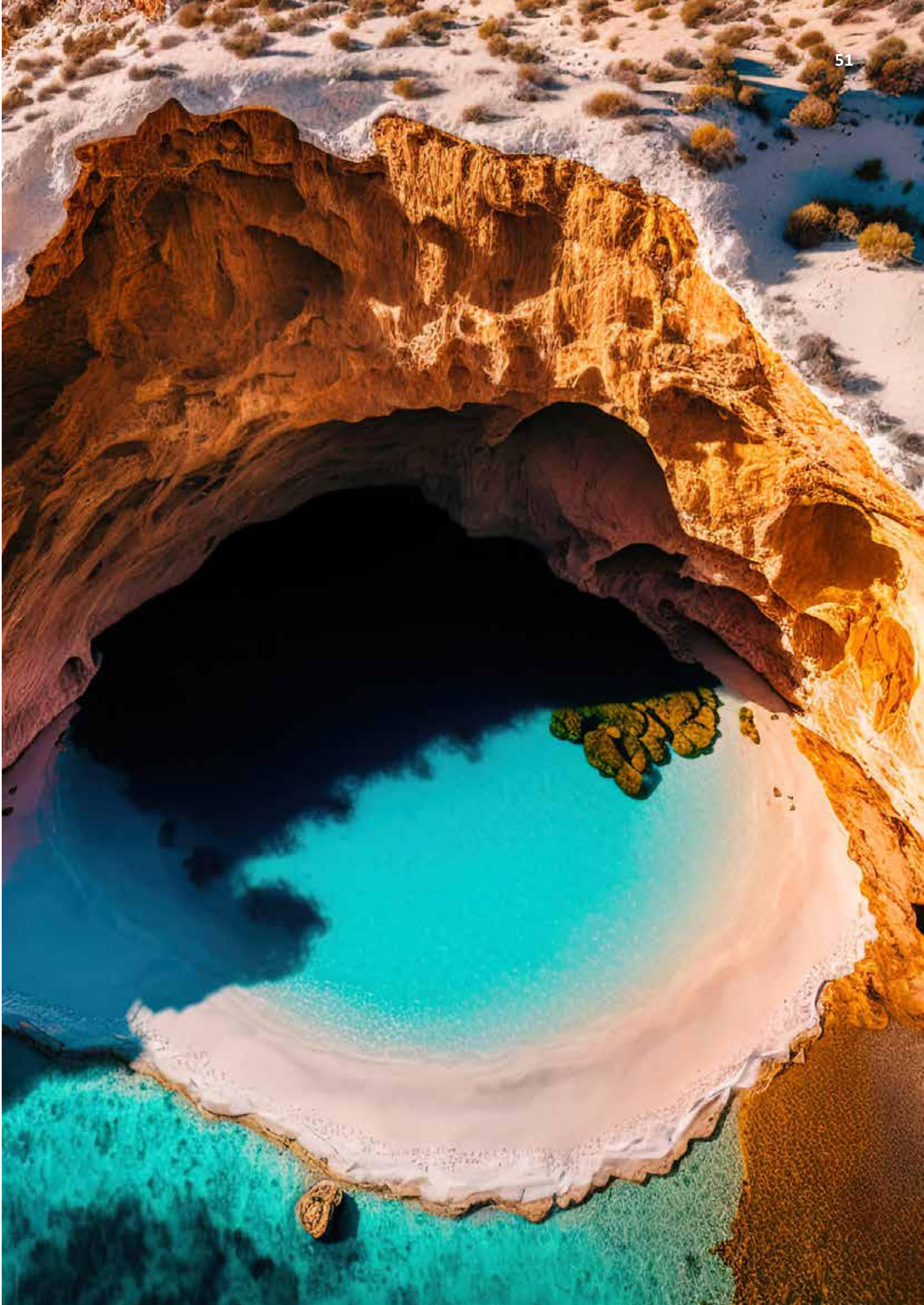
Said assessments are useful in determining whether the corporate objectives have been achieved in line with the sustainable objective set by the Group, and also help the Internal Audit division define specific risk-based audit plans. The Group is exposed to various types of risk with regard to material topics. The table here lists the main risks and management methods adopted by the Group.

RISK	ADOPTED POLICIES	MANAGEMENT METHODS
Risk of non-implementation of recruitment policies aimed at closing the company gender gap.	Code of Ethics and Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001 (ITA), Diversity Policy, Protection of Diversity and Inclusion Policy, Protection of human rights Policy.	Group Management has always been attentive to its respect for Diversity and inclusion. The bodies in charge apply the Diversity Policy. Continuous dialogue with the trade unions and with every institutional form representing employees. Workers' rights are protected through the application of collective agreements in compliance with local regulations in all countries where the Group is present. During 2023, the Group adopted two Policies, for the protection of Human Rights and for the protection of Diversity and Inclusion.
Risk of inadequate personnel management (e.g. remote working, work life balance, corporate welfare plans).	Company welfare initiatives for specific companies of the PiovanGroup. Work Hours Policy.	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. Permanent remote working contract signed in 2023 for eligible employees. Global Employee Survey to measure satisfaction, engagement, relationships with managers and the ability to innovate.
Risk of failure to monitor compliance with the legislation in force, both in the group's consolidated perimeter and among third-party stakeholders.	Code of Ethics and Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001 (ITA), Diversity Policy, Protection of human rights Policy.	Respect of fundamental human rights. During 2023, the Group adopted the Protection of Human Rights Policy.
Risk of failure to develop and update skills (e.g. training, skills assessment, incentive plans, succession and replacement plans).	Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001 (ITA). Educational Assistance Policy.	Annual training plan, both for compulsory and specific training needs. Academy Platform. Bizlibrary in Piovan North America and semi-annual review of the training plan.
Risk of untimely adaptation of measures aimed at improving workplace health and safety.	Health and Safety Policy at Group level. ISO 45001 (For Piovan S.p.A.). For the PiovanGroup, Injury Illness and Near Miss Reporting policy, Injury and Illness Prevention policy, Job Hazard Analysis Procedure.	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.

RISK	ADOPTED POLICIES	MANAGEMENT METHODS
Risk of inadequate management of supplier selection procedures due to lack of suitable evaluation criteria based on ESG logic.	Code of Ethics and Quality Management System certified ISO 9001, Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001 (ITA), Procedure for supplier quality control. System of evaluation and monitoring of suppliers of Piovon S.p.A. and Aquatech S.r.l. through the administration of a questionnaire covering ESG aspects.	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.
Risk of internal and external hacking, and inadequate management of logical access with subsequent impacts on business and reputation.	Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 (ITA), Ethics Code and company regulations for the correct use of IT and electronic tools adopted by Piovon S.p.A. and Aquatech (ICT Policy).	ICT Policy for Spa and Aquatech, each branch manages backup and incident response activities either through the HQ or through a local consultant.
Risk of inconsistency between the sustainability strategy and the business strategy and failure to communicate and disseminate the values of the organisational culture at all levels of the workforce.	Code of Ethics and ESG Policy (environmental policy, tax management policy, health and safety policy, human rights protection policy, protection of Diversity, Equity and Inclusion policy, Working Hours Policy).	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.
Risk of failure to involve and listen to customers in regards to the theme of environmental and social sustainability. Risk of inadequate product offering in relation to technological innovation.	Attention to the quality of products and services through active involvement and listening to customers.	The Group undertakes to create solid relations with its customers by building partnerships founded on the generation and sharing of value, conveying a sense of trust and offering excellent solutions to aid their success.
Risk of non-cooperation with local authorities and inadequate response to the needs of the local context of reference.	Presence in the territory in which the Group is present and active participation through commitment to initiatives in the territory.	Aware of the impact it has on local communities, the Group works to support initiatives and collaborate in general with the local community.

RISK	ADOPTED POLICIES	MANAGEMENT METHODS
Risk of non-compliance with various applicable regulations (GDPR, tax, market abuse, trade compliance, etc.) with potential impacts of financial and reputation damage.	All the policies adopted on the site (including the ESG policy approved in 2023), internal dealing and insider disclosure procedure, trade compliance procedure approved in January 2024, anti-money laundering, Privacy Manual adopted by Piovon S.p.A. updated on 21 December 2023, (Privacy & privacy management system manual), most subsidiaries have an external consultant who follows the regulations on the processing of personal data. Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001 (ITA). Approved Tax Management Policy during 2023.	Continuous monitoring of the safeguards in place and where appropriate preparation of ad hoc procedures that are then shared throughout the Group and made available on the company website. During 2023, the Tax Management Policy was approved. The PiovonGroup strives to be aligned with tax regulations in the regions where it operates and is aware that good tax practice helps to promote trust and credibility with stakeholders. The PiovonGroup strives to be aligned with the regulations in force in every country where it operates.
Risk of damaging and/or failure to improve the Company's image due to, for example but not limited to: - inadequate planning of investments/projects on new communication channels (e.g. social media); - inadequate media and social network projects; - inadequate management/definition of marketing campaigns; - inadequate communication of sustainability strategies and related results obtained - inadequate employer branding (career fair, linkedin announcement).	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.
Risk of development of growth policies not oriented to the improvement of social and environmental behaviours beyond mandatory obligations.	Economic growth and local presence in world markets, Code of Ethics, Model 231.	The Group considers economic growth to be integral to its business strategy, pledging to create long-term value for all its stakeholders.

RISK	ADOPTED POLICIES	MANAGEMENT METHODS
Risk of untimely transposition of regulatory provisions concerning the management of environmental impacts caused by its own activities. Risk of developing a new product that does not comply with circular economy criteria due to the lack of, or poor transposition of new green technologies. Risk of developing products that do not comply with the specifications of legislative provisions to reduce energy consumption (i.e. eco-design directive).	Group environmental policy approved by the Board of Directors' Meeting in September 2023.	Transposition of the Policy to each Company belonging to the Group.
	Regulatory compliance and possession of all authorisations issued by competent bodies. ISO 14001 (For Piovan S.p.A.).	Compliance with environmental legislation. Environmental impact management and control system, with a view to constant, effective and primarily sustainable improvement.
	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.
	Development of specific products to reduce energy impact and reduce waste.	Energy monitoring through specific products that the Group offers through its ESCo (Energy Service Company), the development of technologies and machinery that reduces energy consumption and indirectly, emissions.
Risk of fraud due to improper transactions and theft of company assets (cash, know-how, drawings, projects, etc.). Risk of having commercial relations with third parties of dubious integrity.	Ethics Code.	Adoption and implementation of Ethics Code and Model 231, the latter for most of the Italian Companies.
	Organisation, Management and Control Model as per Legislative Decree No. 231/2001 (ITA).	Adoption of corporate & crime liability guidelines by subsidiaries based abroad.
	Corporate & crime liability guidelines.	The PiovanGroup 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.



2.6 The Group's Reputation

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 PiovanGroup 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 2023, there were no complaints regarding violations of customer privacy.

As regards the new digital channels and the presence of the PiovanGroup in the social world, during 2023 digital activities led to a steady increase in followers who receive updates on the Company’s news. In particular, on the LinkedIn® professional networking service, the number of followers has shown continuous growth. The graph compared to previous editions, includes the followers of all the pages of the Group companies. It is noted that the percentage of followers increased by 26.4% compared to December 2022.

There are several elements that contribute to the consolidation over time of the company's reputation:



THE PRODUCTS AND SERVICES IT OFFERS:

The PiovanGroup 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.



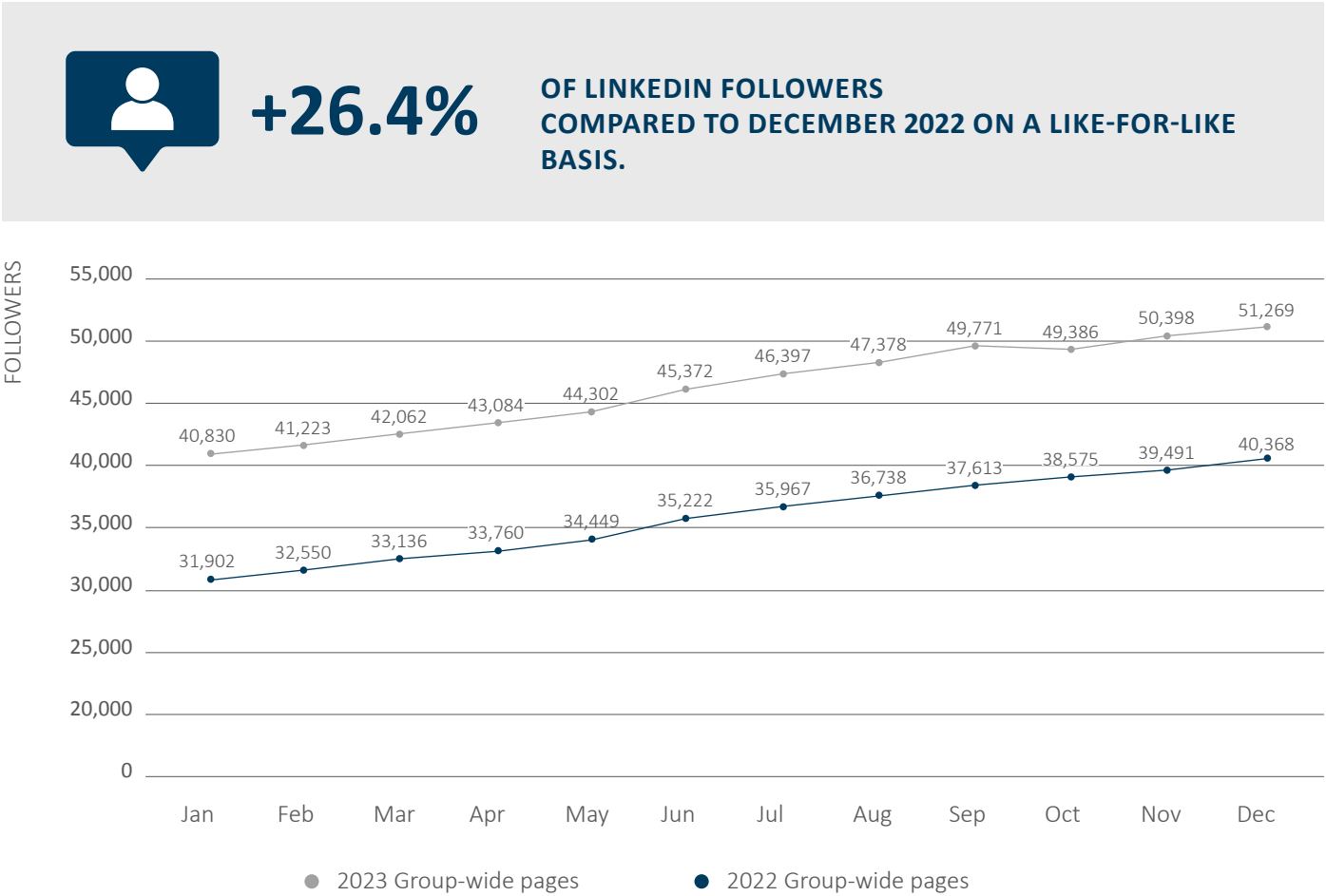
ABILITY TO ATTRACT TALENT:

The PiovanGroup 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.



MEDIA RELATIONS ACTIVITIES:

In 2023, the PiovanGroup strengthened its Press Office and Media Relations activities to communicate its activities and results as widely and clearly as possible to stakeholders. This led to 219 publications including articles and short news items.



2.7 Tax transparency

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 PiovanoGroup’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 Piovano 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 PiovanoGroup 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 PiovanoGroup 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. During 2023, the Group adopted a Tax Management Policy, the purpose of which is to outline the general principles to which all Group Companies must adhere in the tax

Tax jurisdiction	Revenue from sales to third parties	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	140,078	54,431	24,279	8,007	6,573	27.9%	660	38,054
Germany	33,731	1,534	3,676	1,121	891	31.0%	79	2,937
France	9,180	40	443	111	-38	25.0%	30	775
Austria	16,266	129	1,182	207	196	24.0%	12	373
UK	7,663	41	640	165	246	19.0%	26	324
Czech Republic	409	457	357	76	42	19.0%	13	109
Hungary	93	9	64	11	12	9.0%	2	15
Turkey	934	53	329	157	147	25.0%	6	221
United Arab Emirates	152	93	37	0	0	0.0%	12	171
Morocco	47	99	108	32	5	28.5%	2	49
India	1,260	55	422	117	124	27.8%	11	150
China	17,230	1,449	1,351	220	422	25.0%	119	3,367
Thailand	7,148	127	337	54	7	20.0%	41	296
Indonesia		89	-251	0	0	23.0%	6	0
Vietnam	907	4	-5	0	0	25.0%	2	4
Japan	75	0	-92	0	8	25.0%	2	0
South Korea		0	-8	0	0	0.0%	0	0
USA	285,540	2,602	26,368	4,173	8,238	25.6%	637	18,947
Canada	4,796	285	667	204	174	26.5%	8	250
Mexico	20,593	163	2,069	819	672	30.0%	26	192
Brazil	13,000	165	1,368	515	535	34.0%	111	1,299
Total	559,099	61,735	63,340	15,990	18,255		1,805	67,533

The table below, categorised 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. Revenues from sales to third parties are net of other revenues and income.

field. The principles of the Policy have been approved by the Board of Directors’ Meeting.

The policy makes it possible to prevent risks related to taxation and is part of a path already undertaken by the Group years ago through the organisational model adopted pursuant to Italian Decree 231, which provides for reporting mechanisms relating to unethical or illegal behaviour.

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 locally and pays taxes independently, with the exception of Piovano S.p.A., Aquatech S.r.l. and Penta S.r.l., which as

consolidated companies adhere to the group taxation procedure in compliance with the option exercised by the consolidating company Pentafin S.p.A. pursuant to arts. 117 to 128 of Italian Presidential Decree 917/1986 as amended by Italian Legislative Decree 344/2003;

- each branch is obliged to inform the Parent Company Piovano 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 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.

2.8 Cybersecurity

Security of data and information

The PiovanGroup considers the confidentiality and protection of data, including personal data, a fundamental element to be guaranteed to its stakeholders, in fact, only through transparent and secure relationships with its stakeholders can the Company guarantee reliable and lasting relationships over time.

The PiovanGroup, aware of the risk of possible hacking attacks and irregular accesses, has invested to guarantee the security of data and information. The investment will be constant over the years to ensure the integrity and availability of the data.

To mitigate the risk of unauthorised external access to company IT systems or to mitigate the risk of possible cyber attacks during the year, numerous actions have been carried out, such as:



PROVIDED TRAINING TO EMPLOYEES ON TOPICS RELATED TO CYBER SECURITY



PERFORMED INTERNAL AND EXTERNAL VULNERABILITY ASSESSMENT AND PENETRATION TESTS FOR SOME OF THE MAIN BRANCHES



STRENGTHENED PERIMETER SECURITY THROUGH NEXT-GENERATION FIREWALLS



ADOPTED AN XDR SOLUTION FOR ENDPOINT PROTECTION



REORGANISED PRIVATE NETWORK RESOURCES ACCORDING TO ZERO TRUST PRINCIPLES



INVESTED IN AN EXTERNAL SOC SERVICE ACTIVE 24/7



INSTALLATION OF BIT LOCKERS ON ALL NEW PCS ASSIGNED TO EMPLOYEES



INCREASED THE SCOPE OF BACKUPS TO CLOUD RESOURCES



PERFORMED ROTARY RESTORE TESTS ON THE SERVERS OF THE MAIN SYSTEMS



ENHANCED ANTISPAM WITH ADVANCED CAPABILITIES (real-time detection, secure attachments, secure links, advanced anti-phishing policies and protection against impersonation)



SECURE ACCESS TO CLOUD AND ON-PREMISE RESOURCES THROUGH MULTI-FACTOR AUTHENTICATION

Thanks to the strategic actions carried out over the years, the level of risk linked to the loss of data and the consequent breach of privacy is low. To mitigate the risks of data loss and theft, the company server related to the ERP is physically in a specialised data centre, located in a place other than the HQ.

All current initiatives will be confirmed in 2024 and a Group policy for the management of IT Security will also be drawn up and a Data Protection Officer will be appointed to strengthen its compliance system in terms of security in the processing of data.



3

Piovan's approach to sustainability

The pursuit of sustainable success has been at the core of PiovanGroup's strategy for many years.



3.1 Embracing Sustainability for a Better Future

The pursuit of sustainable success has been at the core of PiovanGroup's strategy for many years. With this in mind, Piovan constantly strives to integrate the objective of satisfying Customers with that of creating value for Shareholders, paying particular attention to the needs of the community and respect for the environment, and enhancing the professional skills of the People who, with their dedication and constant motivation, play a fundamental role in the Group's growth and achievement of its corporate objectives.

The foundations of this journey spanning multiple years were laid in 2018 when, in order to clearly define the core values traditionally upheld by the Group and relative responsibilities, Piovan decided to adopt a Code of Ethics (the "Code of Ethics"). All addressees, each within their respective scope of duties, are required to observe this document in order to ensure the Group's efficiency, reliability and reputation.

This first important step was followed by many other initiatives, which, in early 2024, led to an important new chapter in this field: approval by the Piovan S.p.A. BoD of a set of sustainability goals. A comprehensive and ambitious framework designed

to guide the organisation towards a more sustainable and responsible future, pursuing measurable objectives with predefined time frames.

This chapter summarises the main Sustainability goals adopted in line with the Sustainable Development Goals (SDGs), underscoring the Group's commitment, among others, to reducing its environmental impact, promoting diversity and inclusion, supporting the internal growth and development of its resources and improving the overall sustainability of its supply chain.

The SDGs, established by the United Nations, set out a global framework for addressing crucial challenges such as poverty, inequality, climate change and environmental preservation by 2030. For an action plan to be effective, it must integrate the SDGs as its foundation, identifying key areas where the organisation can have a significant impact and defining specific and measurable objectives to help achieve said goals. Following is a list of the main areas of development. The full set of sustainability goals adopted by the Group are listed in section 3.1.5 Sustainability Goals.

3.1.1. Reduction of Emissions and Energy Consumption

In acknowledging the urgency of addressing climate change and its long-term implications, the PiovanGroup has set ambitious targets to significantly reduce its carbon emissions and overall resource usage. The Group's long-term aim is to achieve carbon neutrality by 2050, aligning with international standards and best practices. To achieve this goal, short- and medium-term initiatives will be implemented such as the installation of photovoltaic panels at the main production sites (with a similar investment already completed at Piovan and Aquatech S.r.l. in 2023), the implementation of energy-efficient technology in all our operations and optimised procurement from renewable sources to reduce our environmental impact to a minimum.

In addition to efforts to reduce carbon emissions, the Group takes a global approach to resource usage. Naturally, also in view of the Group's industry exposure, this commitment also entails the promotion of circular economy principles, promoting a sustainable approach to product life cycles and encouraging responsible consumption among our customers.

3.1.2. Commitment to Diversity and Inclusion

The PiovanGroup acknowledges that diversity is not merely a moral imperative but also a catalyst for innovation and success. Specific goals have thus been adopted to improve diversity and inclusion at all levels of the organisation.

The Group is committed to creating an inclusive work environment where individuals of different backgrounds can thrive, offer their unique perspectives and feel like they are an integral part of the company.

To achieve these objectives, the Group adopts targeted recruitment strategies, provides continuous training on diversity and promotes an inclusive culture that values and celebrates diversity. Moreover, progress in this field will be regularly assessed using key performance indicators (KPIs) to ensure continuous and responsible improvement. To name just a few, the PiovanGroup aims to increase its representation of minorities within the Group by 2028 and to increase its female representation in managerial roles by 2026, by 5 percentage points.

3.1.3. Policies for Internal Development and Growth

The goals also focus on another key area, namely the promotion of opportunities for the internal growth of PiovanGroup employees. Piovan acknowledges that the professional well-being and development of its employees is key to the long-term success of its sustainability goals.

In support of this, policies will be implemented to promote skill development through a greater number of training activities until reaching the 2025 target of an average of 4 days of training. Prioritising the holistic growth of its workforce, the Group aims to create a motivated and engaged team dedicated to promoting sustainable practices within the company.





3.1.4. Monitoring of Suppliers' ESG Performance




Lastly, the PiovanGroup will always place increasing emphasis to the environmental, social and governance performance (ESG) of its suppliers, aware that its supply chain has a profound impact on sustainability. The **sustainability goals** cover the development and implementation of a solid program for supplier engagement, regular assessments and the definition of parameters for improvement. By holding suppliers accountable for high ESG standards, the Group strives to build a more resilient and responsible supply chain aligned with the Group's values and sustainability goals.




In summary, the PiovanGroup's **sustainability goals** testify to its commitment to creating a positive impact on the world. By setting ambitious goals for the reduction of carbon emissions, diversity and inclusion, internal growth and the sustainability of the supply chain, the Group not only seeks to help safeguard the environment but also contribute to a more equal and sustainable future.





3.1.5. Sustainability Goals

	Governance			SDGs:				
MATERIAL TOPIC	GOAL	ACTIVITY	SCOPE	INDICATOR	DUE DATE	OWNER		
Business Ethics and Corruption	Strengthen and harmonise Governance on ESG issues	Enrich the Group policy on <i>Diversity & Inclusion</i> with references to ILO conventions on labour, freedom of association, human rights and other relevant social issues	Group	Group	2023	GROUP HR		
		Formalisation of responsible procurement policy (e.g. Conflict Minerals, REACH)	Group	Italian Companies	2026	GROUP PURCHASING DIRECTOR		
				Rest of Group	2027			
		Formalisation of <i>environmental</i> policy	Group	Group	2023	CEO		
		Implementation of a tool for computerised data collection for sustainability reporting purposes	Group	Group	2024	CFO		
	Communicate commitments on the theme of sustainability outside the organisation	Implementation of efficient (external) communication systems to communicate the Group’s values with regard to ESG issues	Group	<ul style="list-style-type: none">• Publication and updating of policies on the website and other ESG documents• Sustainability section in website header• Editorial plan and News section on website	2028	CFO		
	Disseminate principles of integrity and professional ethics within the organisation	Alignment of the reporting/Whistleblowing procedure with the most recent EU legislation and extension to foreign branches	Group	Group	2024	CORPORATE LEGAL		

<div><div></div><div>Climate change mitigation</div><div>SDGs:<div><div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div></div><div><div>13</div><div>CLIMATE ACTION</div></div></div></div></div>							
MATERIAL TOPIC	GOAL	ACTIVITY	SCOPE	INDICATOR	DUE DATE	AMBITION 2050	OWNER
Energy management and emission reduction	Increase green energy procurement	Assess new green energy procurement contracts (purchase of electrical energy from renewable sources certified via Guarantees of Origin) or installation of photovoltaic systems	Piovan S.p.A. and Aquatech S.r.l.	Rooftop photovoltaic systems. Reduction of CO2 emissions by 20% [base year 2022 (Scope 2)]	2024	CARBON NEUTRALITY, EUROPEAN GREEN DEAL	CEO EMEA
			Fea ptp S.r.l.		2026		CEO FOOD & POWDER DIVISION
			Rest of Group	Procurement from green sources: <ul style="list-style-type: none">At least 50% of electricity derived from renewable sourcesReduction of CO2 emissions by 40% [base year 2022 (Scope 2)]	2030		CEO NORTH AMERICA- CEO SOUTH AMERICA- CEO ASIA
			Piovan Industrial Automation Co.Ltd	Installation of photovoltaic system	2025		CEO ASIA
			Doteco S.p.A.- Ipeg Inc.- Thermal care Inc.- Pelletron Corp.- Universal Dynamics Inc.- Piovan Do Brasil Industria e Comercio Ltda	Installation of photovoltaic systems	2028		REGIONAL GM
	Monitor the Group's consumption to reduce emissions	Assessment of energy efficiency initiatives (e.g. relamping activities)	Production facilities except for Piovan S.p.A. and Aquatech S.r.l.	Evaluation and where possible, relamping with a 3% saving	2028		REGIONAL GM


<div><div></div><div>Climate change mitigation</div><div>SDGs:<div><div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div></div><div><div>13</div><div>CLIMATE ACTION</div></div></div></div></div>							
MATERIAL TOPIC	GOAL	ACTIVITY	SCOPE	INDICATOR	DUE DATE	AMBITION 2050	OWNER
Energy management and emission reduction	Measure and reduce the organisation's indirect emissions (Scope 3) to mitigate climate change and improve the Group's Carbon Footprint disclosure	Progressively develop reporting of emissions generated by consumption external to the Organisation (Scope 3) in the 15 categories of the GHG Protocol	Group	Analysis of emissions attributable to the value chain and identification of relevant areas for the Group among the 15 defined by the GHG Protocol	2025	CARBON NEUTRALITY, EUROPEAN GREEN DEAL	CFO
		Calculation of scope 3 for categories <i>Business Travel and Employee Commuting</i>	Piovan S.p.A.	Calculation of scope 3 for Business Travel and Employee Commuting categories	2025		
	Adapt the business to climate change	Assess the climate risks that may have an impact on the Group's business continuity	Group	Scenario analysis to identify and measure climate risks that impact business continuity. Describe the resilience of the corporate strategy and develop a climate transition plan in line with the 1.5 degree increase in temperature	2028		

<div><div></div><div>Training</div></div> <div>SDGs:</div> <div></div>						
MATERIAL TOPIC	GOAL	ACTIVITY	SCOPE	INDICATOR	DUE DATE	OWNER
Development and Protection of Human Resources	Development of human capital	Promote internal growth through employee training. Develop a procedure and have it approved	Group	Group	2024	GROUP HR
	Support the development of workers' skills	Provide personnel with regular training on the Code of Ethics and compliance topics (e.g. ex Legislative Decree 231/01, Anti-Corruption, Anti-Money Laundering)	Italian Companies	Once per year for 25% of employees	2024-2028	GROUP HR
		Increase the per capita training hours on Health and Safety	Group	+15% training hours	2024-2028	HSE SINGLE PRODUCTION FACILITIES AND GM FOR SALES COMPANIES AND WHERE NO HSE IS PRESENT
		Extend access to the Group's Academy to all companies within the consolidation perimeter	Group	Penta S.r.l., Fea ptp S.r.l. and Doteco S.p.A.	2023	GROUP HR- ACADEMY MANAGER
				Rest of EMEA	2023	
				Imea	2024	
				Apac	2024	
				Nam	2025	
				Sam	2025	



Training

SDGs:



MATERIAL TOPIC	GOAL	ACTIVITY	SCOPE	DEFINED SCOPE	INDICATOR	DUE DATE	OWNER
Development and Protection of Human Resources	Support the development of workers' skills	Increase the per capita training hours through the Group Academy	Group	Italy	30% of total training hours	2025	GROUP HR - ACADEMY MANAGER
				Rest of EMEA		2026	
				Rest of Group		2028	
		Collector of training hours at Group level by the Academy	Group	Group	All training hours (including H&S)	2027	
		Extend the training offer proposed in the Academy to enhance certain skills and knowledge (e.g. leadership, digital, soft skills, sustainable behaviour, etc.)	Group	Italy	Minimum 3 hours per capita	2024	
				Rest of EMEA		2025	
				Rest of Group		2024	
		Increase training hours	Group	Group	4 days per year	2025	



Diversity & Inclusion

SDGs:



MATERIAL TOPIC	GOAL	ACTIVITY	SCOPE	INDICATOR	DUE DATE	OWNER
Equal opportunity and diversity management within the company	Promote the creation of an inclusive work environment with equal opportunities	Increase the presence of minorities among workers	Group	+ 1 p.p. (from 7% to 8%)	2028	GROUP HR
		Increase female representation in managerial roles	Group	+ 5 p.p.	2026	
		Increase female representation in the workforce	Group	At least 22% organically (+ 5 p.p)	2030	

<div><div></div><div>Supply chain</div><div>SDGs:<div><div>9INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div></div></div>					
MATERIAL TOPIC	GOAL	ACTIVITY	SCOPE	DUE DATE	OWNER
Quality and supply chain management	Check the chemical substances characterising the business activities	Identify the dangerous chemical substances as per REACH directives used in processes	Production Companies	2027	QUALITY MANAGER FOR EACH PRODUCTION FACILITY
	Strengthen supplier engagement tools and create a relationship that includes ESG issues	Carry out the supplier evaluation and monitoring procedure. Integrate the procedure with the possibility to carry out physical audits at supplier premises	Italy	2025	GROUP PURCHASING DIRECTOR
			Group	2027	
		Apply the procedure. Extend the scope of supplier qualification. In the supplier quality questionnaire, include topics related to sustainability, ESG, considering human rights	Italy	2025	
			Group	2027	
		Include ESG considerations in the periodic supplier performance assessment	Italy	2025	
			Group	2027	
		Evaluate the implementation of a “pilot” project for engagement on sustainability issues aimed at a selected group of suppliers	Piovan S.p.A.	2027	
	Strengthen Governance along the value chain	Draw up the Group's first Code of Conduct to be shared with all suppliers	Group	2028	

3.2 Dialogue with all stakeholders

Listening and dialogue with Stakeholders are key factors in defining the PiovanGroup’s sustainable success. The Group's focus on the quality of relations with stakeholders, as outlined in the Code of Ethics and in the ESG policies, translates into a proactive approach through regular meetings. Only through continuous discussion and dialogue with our stakeholders can the Group grow and create long-term value.

Our stakeholders were identified over the years through internal analyses and benchmarking activities, seeking to identify all individuals or groups of individuals with an interest, on whom the Group’s operations have or could have an impact.

The PiovanGroup's main stakeholders, understood as entities or individuals that can reasonably be significantly impacted by the organisation's operations, products and services, or whose actions can reasonably affect the organisation’s ability to successfully implement its strategies and achieve its goals¹¹, are:



EMPLOYEES:

All Group employees who work in the various departments in various roles, without any exception whatsoever.



SUPPLIERS:

All our suppliers of raw materials, semi-finished products, components and packaging, as well as support services providers and professionals.



COLLABORATORS:

All third parties that collaborate with the company (for example but not limited to consultants, agents, representatives, intermediaries).



CUSTOMERS:

Our entire customer portfolio, including OEMs and distributors.



LOCAL COMMUNITY AND SOCIETY AT LARGE:

Local entities and communities, citizens and society at large in the regions where the Group has its production facilities and offices.



INVESTORS:

All those holding shares in the Group, companies and people who invest capital.

PiovanGroup’s secondary stakeholders are:



TRADE UNION ORGANISATIONS:

Associations of workers that represent and protect the collective and individual contractual interests of workers.



INSTITUTIONS, PUBLIC ADMINISTRATION:

Public administration, regulatory bodies, trade associations.



COMPETITORS:

Competitor companies that can offer our customers similar products.



UNIVERSITIES:

Universities and centres of Research involved in research processes for improved use of post-consumer recycled polymers.



MEDIA:

Local, national and trade press, social media and blogs.

11. Source: GRI 3 and Organisation for economic cooperation and development (OECD)

3.3 Stakeholder engagement

Stakeholders are engaged throughout the year through a number of activities, channels and tools, for example:

- **WITH EMPLOYEES:** company intranet, employee induction programs, internal communications via meetings, email and web media. In 2023, an event for new employees was organised at the company headquarters, involving all of management and other departments. The company intranet, which as of this year is available to the entire Group, offers a centralised platform from which to download important documents, policies and procedures, internal communications and training resources. It is the heart of internal communications and simplifies dealings between employees, fostering transparency in order to strengthen employees’ sense of belonging.
- **WITH SUPPLIERS AND COLLABORATORS:** continuous dialogue and transfer of good practices and skills, sharing of the Code of Ethics, audits and quality assessments;
- **WITH CUSTOMERS:** interaction with sales and branch personnel, the corporate website, trade fairs, events, seminars, trade associations, social media; in

2023, a corporate event was organised on the circular economy entitled “Recycled Plastic for high-quality packaging” to give our customers the technological skills they need to obtain quality packaging from post-consumer polymers. A total of 35 customers participated in the classroom and lab at the Piovan S.p.A. Innovation Centre. The course, the first of its kind for companies in the industry, explored topics concerning the use of recycled polymers and provided customers with the necessary tools to recognise problems and adopt appropriate post-consumer recycled granule processing solutions.

- **WITH INVESTORS:** shareholders’ meeting, press releases, corporate website, regular meetings and email correspondence for the purpose of investor relations;
- **WITH THE LOCAL COMMUNITY AND SOCIETY AT LARGE:** projects, agreements with local businesses in the region where the organisation operates;
- **WITH TRADE UNION ORGANISATIONS:** meetings for the presentation of business plans or meetings to present agreements;

- **WITH INSTITUTIONS, PUBLIC ADMINISTRATION:** meetings with representatives of local institutions;
- **WITH UNIVERSITIES:** collaboration with universities through Research projects and internships in various company departments;
- **WITH THE MEDIA:** meetings with the media through our press office and regular organised meetings. In May 2023, the PiovanGroup participated in the Green Economy Festival, organised by ItalyPost in collaboration with the Economy editorial staff of Corriere della Sera (Italian periodical). The CEO, a speaker on the *Sustainability is competitiveness* panel, confirmed that companies that are not sustainable have no future. By confidently investing in sustainable technology and patents, the PiovanGroup has become a world market leader;
- **WITH COMPETITORS:** meetings at industry trade fairs, communications through the website.

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, association of Italian plastics and rubber machinery and mould makers.



3.4 Materiality assessment

The materiality assessment is the process defined by the GRI Standards aimed at identifying significant economic, social and environmental impacts for the PiovanGroup.

In line with the requirements of Standard GRI 3- Material topics 2021, the Group updated its materiality assessment in 2023, following the methodological approach based on the concept of the organisation’s positive or negative, actual or potential impact on the economy, environment, people and human rights. These impacts, subsequently traced back to relative material topics, can substantially influence the evaluations and decisions of stakeholders.

The materiality assessment allows identification of the most significant topics for the Group and its stakeholders. It is part of a broader process that aims to integrate sustainability into strategic decision-making, actively listening to all Piovan Gorup stakeholders.

In 2023, the assessment, which since 2018 has been regularly performed internally and with the involvement of stakeholders, followed a process that also involved management insofar as experts in the various fields addressed. The materiality assessment was performed in three key stages:

- understanding of the organisational context in order to identify the impacts. During this stage, PiovanGroup deeply analysed its operations, commercial dealings, the sustainability context in which these occurred and its stakeholders, in addition to having conducted a benchmarking activity in relation to its main peers. Based on this analysis, it was possible to identify the information necessary to define the impacts.

The process of identifying the positive and negative, actual and potential impacts on the economy, environment and people, including human rights, started from the impacts identified for the first time in the previous reporting period. Having since improved its awareness and understanding of the reference standards, the impacts identified have dropped from 36 to 20, allowing the Group to more effectively report and communicate the materiality assessment.

- assessment of the extent of the impacts through the identification of their significance to establish their priority. The assessment process, which has been updated with respect to the previous reporting year, is based on a scale of significance of the impacts in line with the ERM evaluation, which reflects a score ranging from 1 (not significant) to 5 (very significant). The assessment was performed taking into account parameters of scale (severity of the impact), context (extent of the impact), likelihood of potential impacts (how likely it is that the impact will occur) and the irreperability of the negative impacts (how difficult it is to mitigate or remediate the resulting damage).

The Scoring Scale, inspired by the Enterprise Risk Model (ERM), applied the same logic for both positive and negative impacts.

SCORING SCALE

LIKELIHOOD	IMPACT
1- UNLIKELY	1- NOT SIGNIFICANT
2- NOT VERY LIKELY	2- MINOR
3- MODERATELY LIKELY	3- MODERATE
4- LIKELY	4- SIGNIFICANT
5- VERY LIKELY	5- VERY SIGNIFICANT

- prioritisation of most important impacts and tracing back to material topics. Having defined a materiality threshold for the impacts equal to 3, the PiovanGroup defined the impacts located above this threshold, then traced them back to the relative material topics.

In this assessment, several material topics were merged with respect to the materiality assessment performed in

2022, specifically: the Environmental Protection and Climate Change material topic includes sustainable water management, waste management, emissions, energy impact of products and services, energy management and emission reduction, waste reduction, recycling and the circular economy.

The materiality assessment structured as such was presented first to the Control, Risks and Sustainability Committee on 23 January 2024, and then definitively approved by the Board of Directors on 25 January 2024.



Following is a table of each identified impact with a relative description, traced back to the material topics.

MATERIAL TOPIC	POSITIVE / NEGATIVE	IMPACT	DESCRIPTION OF IMPACT
	ACTUAL / POTENTIAL		
Environmental protection and climate change	POSITIVE ACTUAL	Reduction of energy impact of products, offering customers increasingly efficient products in terms of energy performance, thus helping to mitigate climate change	By selling products that comply with legislation aimed at reducing energy consumption, our customers enjoy the benefit of reduced emissions
	POSITIVE ACTUAL	Positive impact on the market through products that can use recycled plastic	Commitment to the development of products designed to ensure the raw material used by our customers is recovered from the environment, reprocessed and recycled in order to create new products, thus reducing the demand for scarce materials
Environmental protection and climate change	NEGATIVE ACTUAL	Impact on climate due to emissions released	The Group, purely by existing, has a negative impact on the environment due to the emissions it releases into the atmosphere. By measuring its emissions and through the sustainability goal of reducing its emissions, the Group will mitigate this impact and, in addition to generating an economic benefit by way of the savings made, will also improve its environmental and reputational performance
Training and development of human resources	POSITIVE ACTUAL	Employee training and development generates a positive impact on employees themselves and on the Group through improved skills	Training is considered a strategic resource that creates a positive impact on employees themselves, improving their skills and their level of satisfaction. Training covers the entire production process and all company departments
Training and development of human resources	NEGATIVE POTENTIAL	Possible lack of appeal and consequent decline in talent <i>retention</i> , lack of training and development of employees to retain qualified staff	Possible lack of appeal for talents during recruitment stage and non- <i>retention</i> of talents already employed at the company. Possible lack of employee development and training, with low levels of qualified personnel

MATERIAL TOPIC	POSITIVE / NEGATIVE	IMPACT	DESCRIPTION OF IMPACT
	ACTUAL / POTENTIAL		
Well-being, listening, and satisfaction of human resources	POSITIVE ACTUAL	Improved general well-being and personal motivation	Definition and development of initiatives to promote well-being within the Group, thus facilitating and promoting a proper work/life balance, generating positive effects on the entire corporate community
Equal opportunity and diversity management within the company	POSITIVE POTENTIAL	Disseminating a culture of diversity, equal opportunity and inclusion	The Group has implemented a policy to protect diversity, equity and inclusion in 2023 and will develop business practices and conditions designed to ensure equal opportunities, the elimination of all forms of discrimination and moral or psychological harassment based on gender, age, sex, religion and sexual orientation
Occupational health and safety	POSITIVE ACTUAL	Heightened focus on health and safety and prediction of related risks	The identification of risks and risk assessment have helped to improve the safety of the work environment and thus reduce risks to people's health and safety. In 2023, the Group health and safety policy was approved, and ongoing training is being provided in this regard
Corporate Governance	POSITIVE ACTUAL	Benefits for all stakeholders through high ethical standards	A suitable Governance system helps to create long-term value and ensures stable, lasting relations with all stakeholders involved
Economic value creation and growth	POSITIVE ACTUAL	Capability to generate wealth for the benefit of its stakeholders	Economic growth is viewed as an integral part of the strategy to create long-term value for all stakeholders

MATERIAL TOPIC	ACTUAL / POTENTIAL	IMPACT	DESCRIPTION OF IMPACT
Responsible supply chain management	NEGATIVE POTENTIAL	Negative impacts on the environment and society due to the selection of non-virtuous suppliers	Possible non-compliance with supplier selection procedures and failure to monitor the supply chain according to ESG criteria, thus failing to assess the social and environmental impact of the Group's supply chain. The Group shall adopt a Group policy and a vendor ranking to assess and monitor suppliers in terms of ESG
Product quality and safety	POSITIVE ACTUAL	Focus on the quality of products and services and customer engagement in the process of developing the commercial offer	Undertaking to adopt the highest standards of quality and safety. Implementation of management systems to guarantee customers the safety of the product and service sold. Commitment to the development of innovative projects by involving customers in the development and production process from the initial enquiry to the formulation of the commercial offer. (co-engineering)
Innovation, Research & Development	POSITIVE ACTUAL	Contribution to the development of innovative technological solutions, providing customers with new products and services.	Development of innovative technological solutions through Research and Development activities and collaboration with third-party partners including customers, suppliers, research centres and universities. Contribution to the growth of the industry and local markets. Promotion of increasingly sustainable technologies and products, contributing to the economic, social and environmental well-being of society
Business ethics and integrity	NEGATIVE POTENTIAL	Incidents of corruption	The Group, aware of the negative impact potentially caused by episodes of corruption, implements policies, procedures and mechanisms for the reporting of potential irregularities or unlawful conduct. Through the Code of Ethics, the Group is committed to ensuring lawful dealings

3.4.1 Materiality assessment in 2024

With respect to the materiality assessment conducted in 2022, certain topics have been merged and others were found not to be material. In any case, this Non-Financial Statement does not include information regarding water management and resource recycling practices.

PRIORITISED LIST OF MATERIAL TOPICS

MATERIAL TOPIC
Economic value creation and growth
Innovation, Research and Development
Environmental protection and climate change
Well-being, listening, and satisfaction of human resources
Training and development of human resources
Equal opportunities and diversity management within the company
Corporate Governance
Product quality and safety
Responsible supply chain management
Occupational health and safety
Business ethics and integrity

The CSRD introduced a number of new features, one of the most important being the concept of “double materiality” whereby the materiality assessment must consider on one hand, the materiality of the impact, in an “inside-out” perspective (i.e., the impacts that the organisation’s activities have on society and the environment), and on the other, financial materiality, in an “outside-in” perspective (i.e., how environmental, social and governance issues can impact sustainable development, economic performance, future cash flows and the organisation's positioning).

In light of the above, in 2024, the PiovanoGroup will update its materiality assessment, applying the double materiality perspective.



3.5 Commitment to sustainability: the ESG rating

In 2023, the PiovanGroup continued its path towards increasing transparency with regard to ESG issues, updating its existing ESG ratings and, at the same time, obtaining new indicators issued by independent third-party companies, thus continuing to invest time and dedicated resources to the benefit of all stakeholders.




All the ratings are the result of a process of analysis and interaction over the course of several months with various parties. The aspects considered included human rights, workplace health and safety, carbon dioxide emissions, the use

of water resources, company ethics, human capital, and the environmental and social impact of products and services.

In 2023, for the first time, the ratings also considered the contribution of the newly acquired IPEG Group. In view of this change in scope, a comparison with previous years is of little significance.

All ratings are reviewed annually and the Group intends to continue to uphold and improve its positioning in this regard.

The following table provides a summary of Piovan’s positioning within the main ESG indices and its evolution over the last three years.

RATING		2021 (ex IPEG)	2022 (ex IPEG)	2023 (ex IPEG)
	EvoVadis is a platform that allows companies to monitor the sustainability performance of suppliers by means of an assessment. The overall score (0-100) reflects the quality of the company's sustainability management system at the time of assessment. The criteria for the 2023 scorecard are: - Platinum: overall score between 78 and 100; - Gold: overall score between 70 and 77; - Silver: overall score between 59 and 69; - Bronze: overall score between 50 and 58	53 / 100: Bronze	55 / 100: Bronze	56 / 100: Bronze
	CDP is the world’s most recognised NGO for the assessment of transparent disclosure of climate-change data, whereby companies are assigned a score from D to A. The scoring method is aligned with the Task Force for Climate-Related Financial Disclosures (TCFD) and with the main environmental standards, and thus provides a market-wide comparable data set.	n/a	n/a	Climate Change: C Water Security: C-
	The ESG Risk Rating provides an overall company score based on an evaluation of how exposed the company is to ESG risks and how these are managed. The scale ranges from 0 (low risk) to 40 (high risk)	Score: 21.9 Medium Risk <i>Industry Top Rated Badge Awarded</i>	Score: 20.5 Medium Risk <i>Industry Top Rated Badge Awarded</i>	Score: 23.3 Medium Risk

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

3.6 Economic value generated and distributed

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

The PiovanGroup considers economic growth to be an integral part of its strategy, pledging to create long-term value for all its stakeholders. To minimise the risk of a lack of growth, the Group operates worldwide and positions itself as a leader in the reference sector. Following the important acquisition of IPEG Group and its brands Conair, Thermal Care and Pelletron, the PiovanGroup has further cemented its global leadership in plastics processing automation systems.

The economic value generated by the PiovanGroup in 2023 amounted to Euros 576 million, while the economic value distributed amounted to Euros 527 million. 92% of the economic value produced in 2023 was distributed to internal and external stakeholders. The Group retained the remaining 8%.

Profits in 2023 totaled 49 million Euros.

The table shows the economic value generated and distributed and its allocation among the various stakeholders:

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

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

THOUSAND EUROS	2022	2023	%
ECONOMIC VALUE GENERATED	533,663	575,655	-
ECONOMIC VALUE DISTRIBUTED	497,929	527,234	91.6%
Operating costs	350,290	360,311	62.6%
Value distributed to employees	117,706	128,743	22.4%
Value distributed to public sector	16,884	20,878	3.6%
Value distributed to the community	148	283	0.05%
Value distributed to lenders	2,695	3,216	0.6%
Value distributed to shareholders*	10,206	13,804	2.4%
ECONOMIC VALUE RETAINED	35,734	48,421	8.4%

* Dividends refer to the value listed in the 2023 financial statements, as approved by the Board of Directors on 19 March 2024.

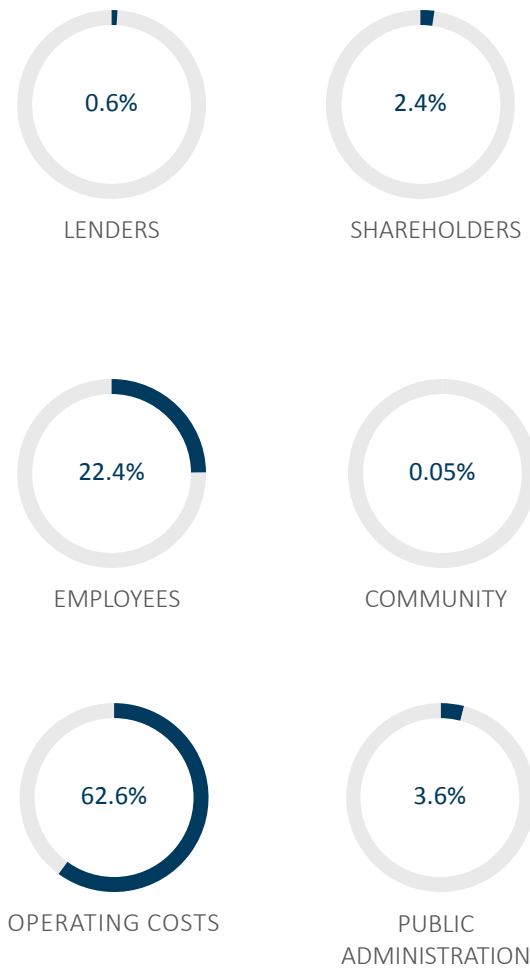
Economic value distributed to suppliers (operating costs) is the largest share, accounting for 62.6% of the economic value generated.

Economic value distributed to employees through wages and salaries, social security costs and benefits is the second largest share, accounting for 22.4% of economic value generated.

The portion of value allocated to Public Administration in the form of taxes and duties represents 3.6% of the economic value produced.

The lenders were allocated 0.6% of the economic value generated by way of interest paid and financial charges. Shareholders were allocated 2.4% in the form of dividends. The community received 0.05% of total economic value produced, through social utility costs and donations.

ECONOMIC VALUE GENERATED 2023



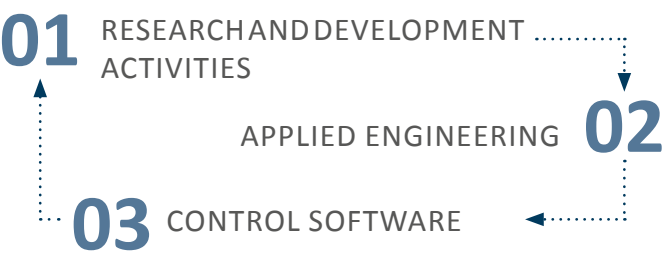


4

Innovation, research and development

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

The PiovanoGroup 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 to be shared with all employees in order to benefit the efficiency of processes and the proposal of innovative projects.



20.7 MILLION INVESTED IN R&D, +11% COMPARED TO 2022
18 PATENTS LINKED TO THE CIRCULAR ECONOMY
294 STAFF MEMBERS IN THE ENGINEERING & INNOVATION DEPARTMENT

The strategy of focusing on the circular economy continued in 2023, and the research and development team concentrated on creating innovative solutions for the processing of recycled materials, without neglecting the core products. The Group is structured in technical offices located in specific branches that functionally report to the research and development department located at the headquarters, in order to better coordinate technology transfer activities.

Including costs and investments, 2023 spending on R&D totaled 20.7 million Euros, which accounted for 3.6% of total revenues and recurring income.

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

- THE ABILITY TO MAKE LOCALLY DEVELOPED INNOVATIVE SOLUTIONS AVAILABLE WORLDWIDE;
- THE ABILITY TO OFFER CUSTOMISED 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 2023, the PiovanoGroup continued to invest in patenting: 8 new patents were filed, bringing the total to **125 patent families, of which 18 in the circular economy** or in any

case related to recycling (+4 compared to 2022). Industrial proprietary rights in various countries rose to 292 net of expiry, of which 225 were granted (+6% compared to 2022) and 67 pending. This enables greater protection of expertise and intellectual property in all major markets.

In 2023, important projects were implemented related to the circular economy, in which previously developed technologies were applied. Some of the most important systems developed are listed by way of example.

- **FOOD-GRADE R-PET RECYCLING SYSTEM**
One of the Group's customers, an American multinational firm, successfully implemented an advanced PET flake conversion system in Spain. This system, designed to process up to 4,000 kg/h of PET flakes from big bags (type of bag capable of transporting approximately 2 cubic metres of granules), marks an important step towards the sustainable production of food-grade R-PET. At the core of this revolutionary system lies its capacity to process three different types of PET flakes through a mixing system.

This approach allows the obtainment of high-quality PET, which is then stored in special "quality flake" silos for subsequent inspection by the customer to determine its suitability for conversion into food-grade R-PET. The system features an advanced centralised control system by means of a single PLC (Programmable Logic Controller) and three human-machine interfaces (HMI) strategically positioned in the machine area. A customised SCADA (Supervisory Control and Data Acquisition) system was also implemented, installed on Piovano servers. This solution not only manages the entire system but also guarantees detailed traceability of the production batches, ensuring greater transparency and control. One distinctive feature of this system is the efficient management of flakes deemed as not being suitable for the conversion process

into R-PET. If the flakes are found not to meet the necessary standards for food-grade R-PET, the silo is emptied in big bags (type of bag able to transport approximately 2 cubic metres of granules) designated to other processes for the re-use of PET flakes, thus maintaining a sustainable and responsible approach. In conclusion, the implementation of this PET flake conversion system marks a step forward in sustainable production and the preservation of resources. The capacity to process different types of flakes, combined with strict quality control and advanced traceability places this American multinational firm at the forefront of responsible PET conversion in Spain.

• **R PP/PE DEODORISING SYSTEM**

One of the Group's customers based in Turkey has implemented a system rated to process up to 1,000 kg/h of polypropylene/polyethylene (R PP/PE) from big bags (bags able to hold up to 2 cubic metres of granules), deodorising and packaging the material in 20 kg bags for the market. Through a vacuum loading system, the material to be processed is fed into the deodorising hopper, where the contaminated volatile particles are removed by means of a controlled heating process, ensuring the quality of the product. At the same time, the material is homogenised by its continuous stirring inside the hopper. The integration of the odor minder (electronic nose) into the hopper is a key element in process control, optimising the operating parameters to ensure the quality of the final product and maximise the efficacy of the process itself. Once processed, the still-hot granules pass through a cooling hopper in preparation for subsequent packaging in 20 kg bags, ready to be sold on the market. The entire system is managed by a single PLC (Programmable Logic Controller).

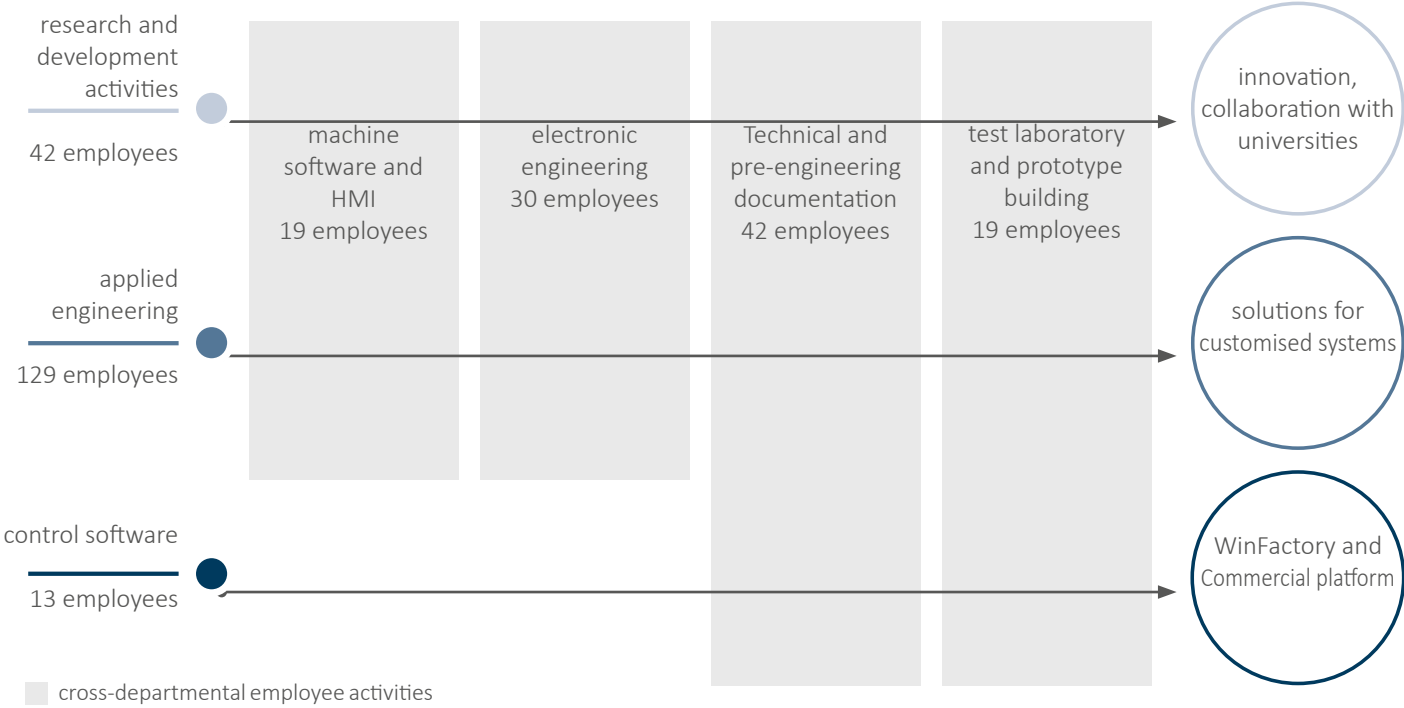
• **R-PET CRYSTALLISATION SYSTEM AT END OF RECYCLING LINE**

An Italian customer made an important investment in a system for the processing of 3,000 kg/h of R-PET, a material obtained from the extrusion line. The main purpose of this system is to eliminate contaminants and crystallise the granules, preparing them for subsequent conversion. The system is characterised by an initial high-temperature crystallisation process in a closed cycle with dehumidified air. The air emitted by the crystalliser is filtered through a condensate separator with cooling battery, then dehumidified before being reintroduced into the process. The crystallisation process was then further perfected by a series of automatisms, including control of the mixing shaft torque, optimisation of the air quantity and, therefore, of the energy required for the process and its automatic start-up. Once crystallised and treated, the granules are cooled in a hopper with ambient air before being directed to the client's storage silos, ready for subsequent marketing. The above system is controlled by a single Siemens PLC (Programmable Logic Controller) and is ready for future integration in a SCADA (Supervisory Control and Data Acquisition) system, thus consolidating a vision of advanced control and complete traceability of the production process. These investments have allowed our customer to adopt a sustainable and cutting-edge approach to R-PET conversion.



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 2023 there are 294 staff members in the Engineering & Innovation department.

ORGANISATIONAL STRUCTURE OF RESEARCH AND DEVELOPMENT AND ENGINEERING DEPARTMENTS



Collaboration with two Italian engineering faculties continued in 2023 on research projects aimed at improving certain production processes related to the use of post-consumer recycled polymers.

4.1 Customers, the heart of our business

The Group's business approach has always been based on Customer relations.

The Group's business model focuses mainly on two aspects: innovation and customer relations. In particular, the Group's business model envisages that customers be involved in the development and production process right from the initial enquiry and creation 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.

4.1.1 Service

The Service sales network is active across all countries in which the Group operates, ensuring quality service, continuity in customer relations and maximising the service life of the system in every part of the world. The PiovanoGroup service team supports customers from the design stage through to system installation and start-up, ensuring proximity, effective support and fast response times for best system performance.



4.1.2 Customer Service Survey

The Group monitors its customer satisfaction level not only through market performance but also by means of a Customer Service Survey, which is filled out together with the Service Report and then signed by the customer.

The *Piovan Customer Service Survey* was launched in 2014 with the aim of gathering customer feedback. Given the Group's long-standing commitment to searching for ways to improve and satisfy the needs of its customers, collecting customer feedback marks an important step in this direction. To receive realistic feedback, a platform is used offering recipients the choice to either remain anonymous or leave their email address to be contacted at a later stage. This initiative has resulted in the collection of a wide range of opinions, which have in turn led to improvements in PiovanGroup services according to customer needs.

Each time a service report is filled in, the customer also receives a copy of the Survey. This survey includes a question on the level of satisfaction with Piovan, thus covering general aspects of customer satisfaction. The feedback has shown that negative opinions are less frequent compared to previous years. "Outstanding", "excellent" and "good" ratings are always prevalent. Professionalism and courtesy often receive "outstanding" rankings, whereas the ability to solve problems at the first call-out receives fewer "outstanding" and more "unsatisfactory" ratings compared to the other categories. This suggests the potential need to improve technical staff training. If a survey presents numerous negative opinions and is not anonymous, Management responds directly to the customer. This approach ensures all critical points are addressed and improved to ensure the best possible service.



5

Product quality, safety and Supply Chain management

PiovanGroup is the world's leading developer and manufacturer of process automation systems for the storage, transport and processing of polymers and plastic powders. It has been increasingly involved also for food powders.

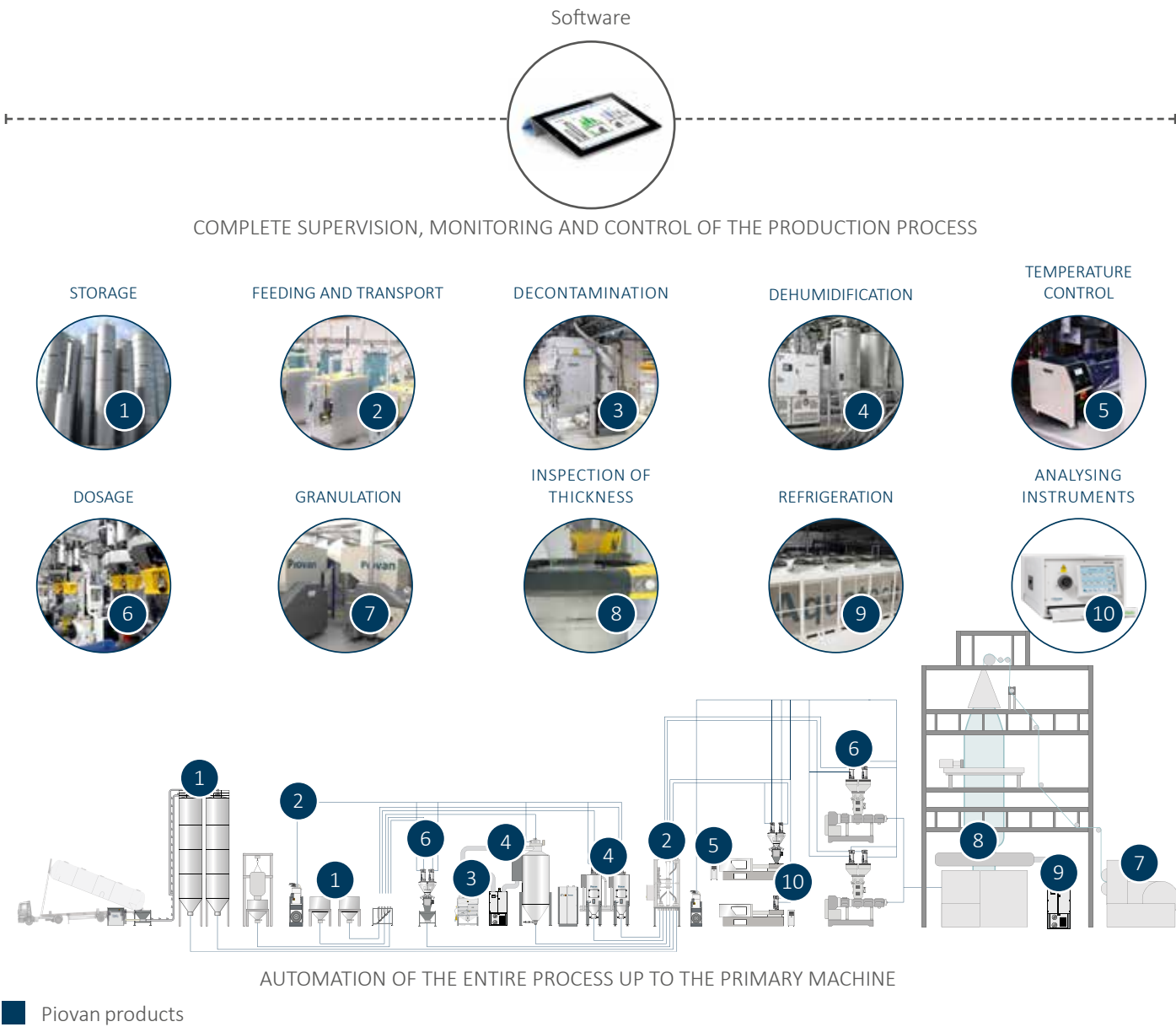
The Group adopts the highest production standards in order to guarantee its customers products based on the highest quality and reliability.

5.1 Product

The PiovonGroup 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, capable of ensuring the connectivity of all systems and machines in the plants supplied. 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 initialisation 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.

All PiovonGroup solutions are designed to offer the highest-level performance but also require regular maintenance. Components subject to wear and tear must be replaced as often as necessary to ensure the elimination of malfunctions or downtime, thus ensuring operational efficiency and the highest levels of performance.

Piovan develops systems designed for maximum efficiency and provides customised support for each specific requirement. Piovan Service maintenance contracts have unique characteristics. The contract consists of a series of interventions, each of which

is recorded in a service book, the Plant Book. The maintenance of the machines and the performance maintained at the highest level are guaranteed intervention after intervention and documented in the Plant Book. The maintenance contract provides for the extension of the warranty to three, four or five years.

**OPERATIONAL EFFICIENCY**

**PERSONALISED ASSISTANCE**

**WARRANTY EXTENSION**

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.

An important risk associated with the supply chain is that it does not comply with the Group's quality standards, as well as labour and social security regulations and occupational health and safety. Furthermore, there is the possibility that raw materials and/or components are defective or do not correspond to specifications, or are not delivered on time for whatever reason, with possible negative effects on the production cycle and delays in the delivery of products to customers. This could have negative repercussions on the reputation of the PiovonGroup. The tools currently used by the Group to manage said risks are,

first and foremost, the preliminary analysis of the supplier’s organisational structure in order to verify its compatibility with the Group’s standards, subsequent identification and the establishment of a long-standing relationship with its suppliers based on trust and a consolidated collaboration.

In 2023, as in previous years, there were no cases and/or complaints concerning topics related to the violation of human rights and environmental regulations in the supply chain. Controls are carried out by the Buyers with the support of all departments involved in the supply chain (Purchasing Management, Technical Management, Operations Management).

In 2023, a complete analysis was conducted on all components of certain families of standard marketed products in compliance with REACH Regulation 1907/2006 in order to assess the

presence of SVHCs (Substances of Very High Concern) in the machine. A request for information was then sent to the entire supply chain to check whether or not the supplied material (substances, preparations/mixtures or products) contained such substances in quantities equal to or greater than 0.1% by weight. The study involved the main product families, such as GMP and GNEXT dryers. The Group plans to complete the study on all product families sold by Piovan S.p.A. by early 2024.

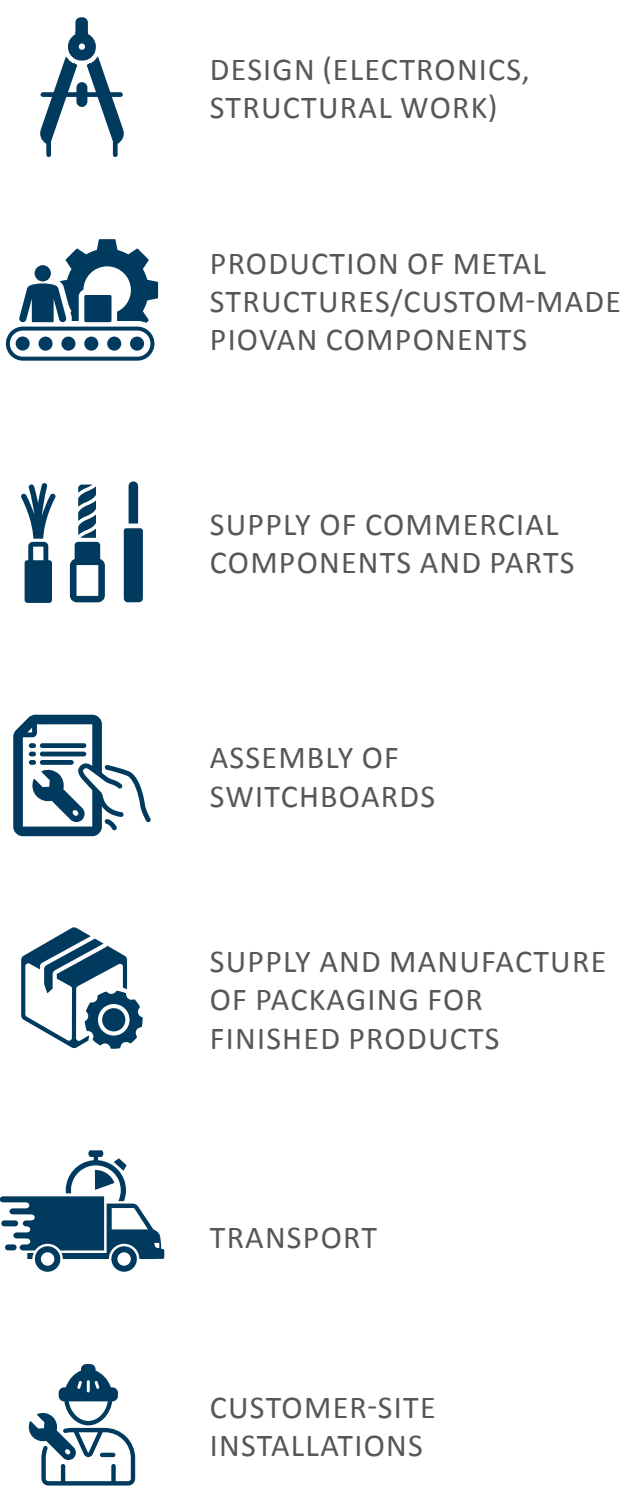
The PiovanGroup has implemented a sophisticated quality control system that oversees the entire supply chain, from supplier selection to production and post-production. Functional tests are carried out on individual machines. The Group places particular emphasis on selecting suppliers based on their ability to ensure both sufficient quality standards and timeliness and reliability in delivery. For this reason, Piovan S.p.A., Aquatech S.r.l., Penta S.r.l. and Thermalcare Inc. hold UNI EN ISO 9001:2015 Quality Management¹² certification covering the entire product life cycle, from Research and Development to marketing, delivery, installation and after-sales support.

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. If a machine and/or system is sold inclusive of installation, a system commissioning report and acceptance report must be signed by the end customer certifying that the work has been correctly carried out, completed and accepted.

In order to constantly improve business processes, avoid any problems related to production, customisation, logistics and delivery of finished products, the Group adopts the Kaizen model, in combination with the so-called Kanban method (a technique aimed at avoiding overproduction by regulating the circulation of information within the company and its 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.

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



The Company manages these outsourced processes via the:

01 SELECTION OF SUPPLIERS/CONTRACTORS BASED ON CERTIFIED AND SHARED CRITERIA

The selection of a supplier is made on the basis of a procedure that determines the supplier's ability to provide materials, products and services that conform to requirements and specifications, with the aim of reducing complaints, eliminating waste in production, improving product performance and reliability, reducing control costs, reducing non-production time, increasing knowledge of the supplier's capabilities and potential, and reducing risks relating to occupational health, safety and the environment.

The assessment of the supplier's suitability is based on its organisation, technical capacity, means of production, reliability, conformity and punctuality of supplies. Suppliers are assessed and added to a Vendor List.

In 2023, as part of an ongoing process begun the previous year to **assess and monitor suppliers with regard to ESG aspects**, as well as check certification demonstrating their mandatory commitment to certain issues deemed of key concern and interest to Piovan, new suppliers were contacted and evaluated. In 2023, for the first time, the questionnaires were distributed not only to the Piovan S.p.A. supply chain but also to the supply chains of the Group's other two Italian production companies¹³. Feedback from the questionnaires was collected all throughout the year with an overall response rate of 63%. In addition to the topics already covered, including quality control and workplace health and safety, additional environmental aspects were also addressed and a new section was inserted regarding social responsibility.

This has allowed and will allow for the creation of an increasing awareness and sensitisation on these topics also outside the company and to direct the Group's supply chain towards behaviour in line with the relevant company policies.

On a scale from 0 to 100, the supplier assessment demonstrated that 63% of suppliers who responded have a score of more than 95 with regard to quality; 69% of suppliers have a score of more than 75 with regard to health and safety; more than 56% of suppliers have a score of more than 50 with regard to environmental aspects and social responsibility.

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

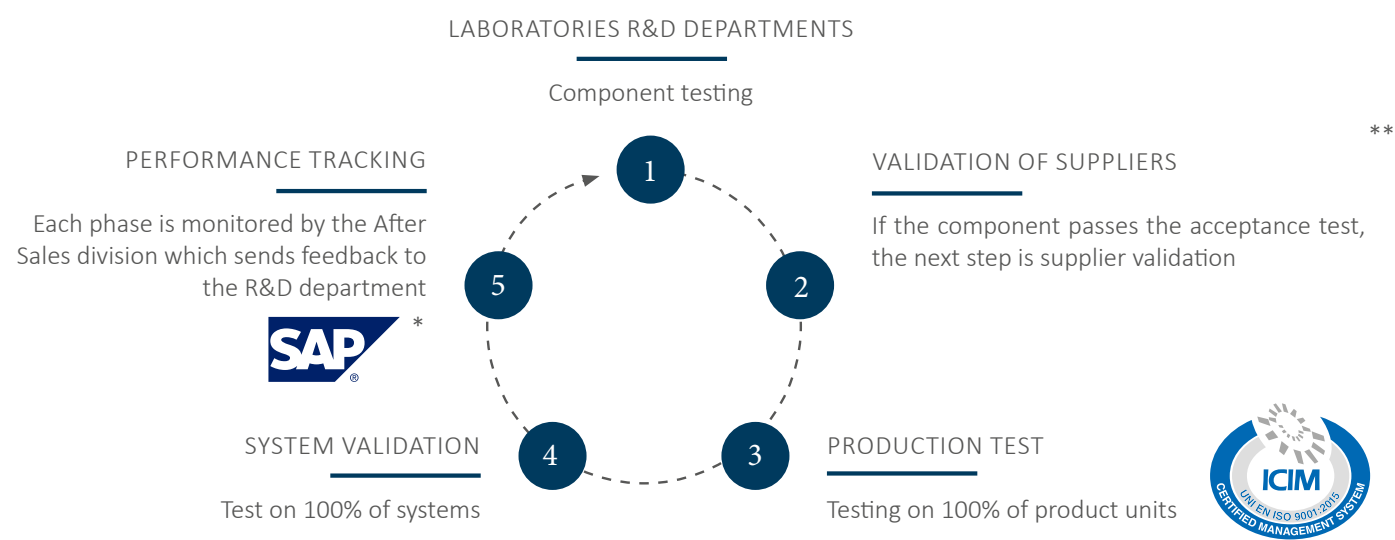
The general conditions applied by the Group to its suppliers include:

- 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 Code of Ethics and the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001 (ITA), which are annexed to each supply contract executed by the Group; failure to sign prevents the establishment of a supply relationship¹⁴.

03 CONTINUOUS MONITORING OF SUPPLIER PERFORMANCE THROUGH CONTROL OF THE PURCHASED PRODUCTS/SERVICES, AUDITS AT THE PRODUCTION SITES AND CHECKS DURING THE START-UP OF THE INSTALLATIONS AT THE CUSTOMERS' PREMISES

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 2023.

12. To this end, it is noted that in 2023, Piovan S.p.A., Aquatech S.r.l., Penta S.r.l. and Thermalcare Inc represented approximately 40% of the Group's production.
13. Aquatech S.r.l. and Fea ptp S.r.l.
14. Valid for all Italian companies.



In the current year, three projects have been implemented aimed at promoting **sustainability**, specifically:

- the first consists in changes to the ESG questionnaire, which shall be included as an integral part of the supplier qualification process. This task was assigned to the dedicated sustainability team, whose efforts are key in ensuring the ESG criteria are properly incorporated into procurement practices;
- the second project involves a complete revision of the supplier qualification and monitoring procedure, with the aim of introducing reputational analysis and the new ESG questionnaire. This initiative aims to ensure the Group's suppliers adhere to the PiovanGroup sustainability standards and are regularly monitored to ensure long-term compliance with them;
- lastly, the Group is working to establish a new set of key performance indicators (KPIs) for Purchasing, aiming to include a specific KPI concerning the number of suppliers that have completed the ESG questionnaire. This will allow the companies involved to effectively assess and monitor adherence by the Group's suppliers to the established ESG criteria and take the necessary corrective or improvement actions.

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 concerning impacts on the health and safety of products and services in 2023.

* Information from Customers is continuously checked and monitored through SAP® software.
** All the Piovan S.p.A. quality procedures are certified ISO 9001.

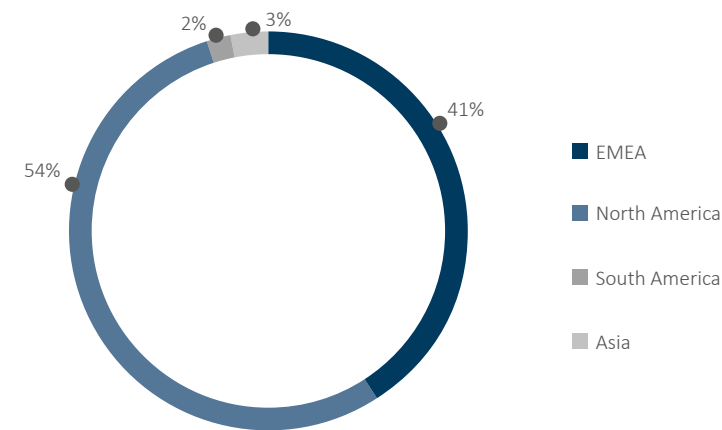
The Group’s supply chain can be traced back to the following consolidated balance sheet accounts:

- purchase of raw materials, equal to approximately EUR 218.4 million, or 43% of total costs
- purchase of finished products, equal to approximately EUR 13.7 million, or 2.7% of total costs,
- purchase of third-party technical support, equal to approximately EUR 11.4 million, 2.3% of total costs,
- purchase of third-party processing, equal to approximately EUR 22.2 million, or 4.4% of total costs,
- purchase of ancillary material and consumables, equal to approximately EUR 4.2 million, roughly 0.8% of total costs
- purchase of packaging, equal to EUR 1.8 million, or 0.4% of total costs.

An analysis of Production Company purchases by supplier¹⁵ for accounts impacting the supply chain, shows that the Group used almost **3,500** different suppliers in 2023.

The PiovanGroup prefers to use local suppliers. In particular, in line with previous years, an analysis of Production Company purchases by supplier, considering only the value of the purchases¹⁶ impacting the supply chain, showed that 54% of purchases were located in North America, in line with the turnover for this region, and 41% in Emea. This data confirms the priority afforded by the Group to local suppliers. The chart below shows purchase percentages divided by geographical area.

VOLUME OF PURCHASES IMPACTING THE SUPPLY CHAIN BY GEOGRAPHICAL AREA



An analysis of purchases by geographical area, as well as the percentage of purchases in the same geographic market in which the production office is located, once again confirmed that procurement is predominantly from local suppliers. The % of spending on local suppliers is reported below.

PROPORTION OF SPENDING ON LOCAL SUPPLIERS BY GEOGRAPHICAL AREA - GRI 204-1	
EMEA	87%
North America	91%
South America	95%
Asia	91%

15. The production companies are: 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., Piovan Do Brasil Industria e Comercio Ltda, IPEG Inc, Thermal Care Inc, Pelletron Corp.

16. The total value of relevant purchases for the supply chain was identified by considering the following purchases for production companies only: raw materials, ancillary and consumable materials, finished products, packaging, processing from third parties, transport on purchases, technical assistance from third parties.



6

Environmental Protection and Climate Change

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



The PiovanoGroup 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.

In this context, the parent company Piovano S.p.A. has had its environmental management system certified according to the international standard UNI EN ISO 14001¹⁷ since 2019. The certification testifies to its commitment to responsible environmental management and continuous improvement of its environmental performance. By implementing an Environmental Management System in compliance with ISO 14001 standards, the company undertakes to identify, monitor and reduce the impact of its operations on the environment.

In 2023, the investment in the photovoltaic system on the roof of the Piovano S.p.A. logistics centre was finalised. As a result, self-generated electricity from the photovoltaic system increased by 44% for Piovano S.p.A. This percentage is expected to rise further next year as part of the company's goal to achieve greater energy self-sufficiency. To date, the Piovano S.p.A. and Aquatech S.r.l. production facilities have produced 17% of their energy requirements through the photovoltaic system.

Next year, there are plans to install photovoltaic systems both in the new facility of the branch in China, and in the new facility of an Italian branch as part of a building extension.

These approved objectives will allow a reduction in emissions and energy consumption in the future. The main risk associated with the environmental issues to be tackled by the PiovanoGroup is a potential for non-compliance with locally applicable legislation and the potential loss of its ISO 14001 certification¹⁸.

To prevent this, the Group is committed to carrying out all business activities in compliance with environmental legislation. This undertaking is confirmed by the Group's environmental policy, which sets out the following guiding principles:

- comply with all applicable laws, rules, regulations and reporting obligations in all countries in which it operates;
- strive to optimise internal operations to reduce energy usage and wastage, water and natural resources, focusing in particular on scarce resources;
- promote energy efficiency and encourage the use of renewable energy as much as possible;
- constantly monitor resource usage, undertaking to reduce waste;
- promote a company culture focused on sustainability, actively involving all stakeholders, from employees to customers and suppliers in the achievement of company objectives;
- establish and promote collaborative and mutually trusting relationships with customers and suppliers, sharing the undertaking to implement practices and methodologies aimed at pursuing sustainable business development;
- take a responsible approach to managing product waste during company operations, actively promoting the recycling and re-use of materials, thus reducing the environmental impact of processes;
- involve employees, suppliers and customers in promoting sustainable practices, providing training on environmental sustainability and encouraging awareness of the importance of protecting the environment;

- contribute to the development of efficient technologies that reduce the use of natural resources to a minimum.

No fines or non-monetary sanctions were imposed in 2023 due to a failure to comply with environmental laws and/or regulations.

2023 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. The training involved 33 employees, of whom 28 from the purchasing department, for a total of 344 hours of training.

Air quality also plays a key role in safeguarding environmental aspects. To this end, analyses were performed to verify 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

In 2023, to achieve more transparent reporting on the Group's impacts on the environment, the scope was extended to the entire Group with regard to water consumption and waste generated, in addition to energy consumption and related emissions, which were already covered.

17. Piovano S.p.A. accounts for approximately 24% of the Group's production.
18. In compliance with the requirements of 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

PiovanGroup’s production activity essentially consists of assembly, and as such is not as energy-intensive as manufacturing.

ENERGY CONSUMED (IN GJ) GRI 302 - 1

	2021 (ex IPEG Group)	2022 (incl IPEG Group)	2023 (incl IPEG Group)	Var 2023 vs 2022
Electricity purchased	16,204	26,061	26,467	2%
of which produced from 100% certified renewable sources	92	87	2,238	2472%
of which purchased from non-renewable sources	16,112	25,974	24,229	-7%
Electricity self-produced (from photovoltaic sources)	1,329	1,270	1,580	24%
of which self-consumed	1,309	1,259	1,387	10%
of which sold	20	10	193	1761%
Natural Gas	14,416	27,364	19,726	-28%
Total consumption	31,930	54,684	47,580	-13%
Diesel	n/a	n/a	13,371	-
of which for instrumental use			9,949	
of which for mixed used			3,421	
Petrol	n/a	n/a	26,201	-
of which for instrumental use			5,840	
of which for mixed used			20,361	
Total	-	-	39,572	-
TOTAL	n/a	n/a	87,151	-

Compared to last year, the Group reduced its total energy consumption by 13%¹⁹. Reduction resulting from a net decrease in natural gas consumption (-28%). The rate of self-produced electricity (from photovoltaic system) increased by +24% following the completion of the investment in photovoltaic panels at the Santa Maria di Sala site (VE). Starting from this

year, energy consumption figures include not only electricity and natural gas, but also consumption of the company car fleet. For the sake of greater transparency and completeness, by including these elements, the Group’s total energy consumption in 2023 was equal to 87,151 GJ.

19. During the analysis and collection of the current year's data, it emerged that a restatement of the 2022 gas and electricity consumption for Ipeg Inc's plant in Franklin, North America, was necessary, as a reallocation of accrued consumption was made.

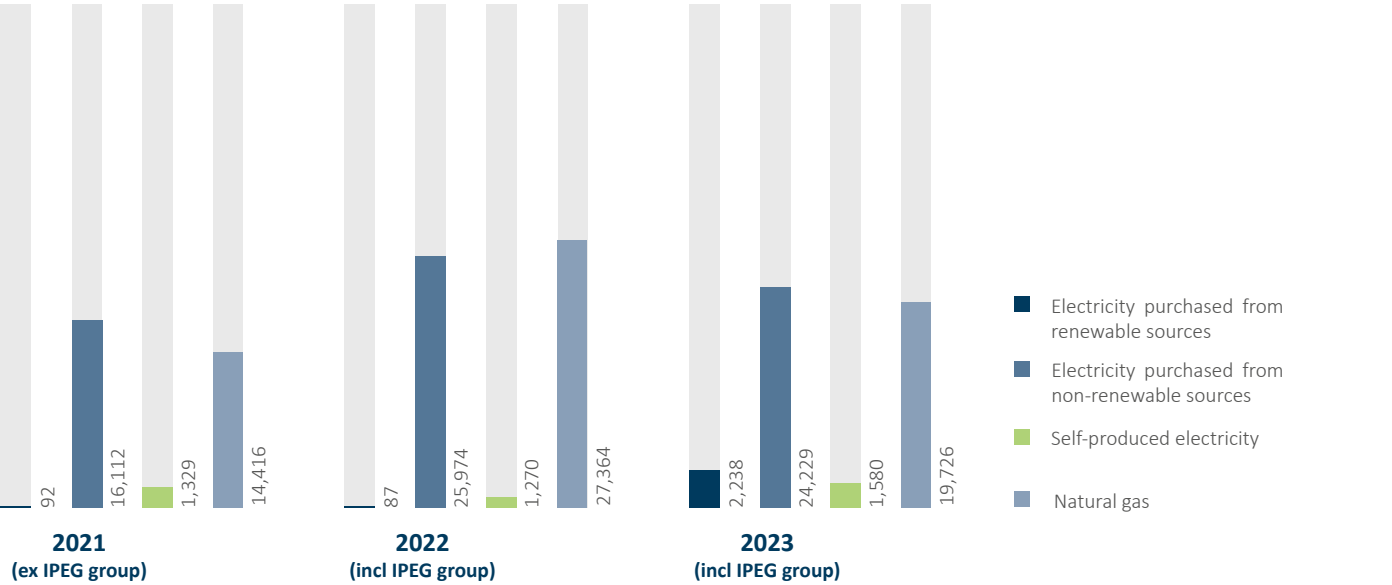
Natural gas is not consumed in the production process, but is used for space heating, and its consumption is therefore linked to weather conditions. In 2023, consumption was 19,726 GJ.

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

EMISSIONS tCO₂ GRI 305-1, 305-2

		2021 (ex IPEG Group)	2022	2023 (like-for-like basis)	2023	Var 2023 vs 2022 like-for-like basis
Scope 1	Natural gas	809	1,531	1,173	1,173	-23%
	Diesel			0	1,035	
	Petrol			0	2,295	
Total Scope 1		809	1,531	1,173	4,504	-23%
Scope 2	Location-based	2,484	3,727	3,731	3,731	0%
	Market-based	2,315	4,255	4,147	4,147	-3%
Total	Scope 1 + Scope 2 (location-based)	3,293	5,259	4,904	8,235	-7%
	Scope 1 + Scope 2 (market-based)	3,124	5,786	5,319	8,650	-8%

CONSUMPTION IN GJ



6.2 Waste management

The quantity and type of waste produced by an organisation represents the consequences of the operations necessary to achieve its output. Understanding where in the value chain this waste is created is vital in understanding its impacts, in implementing processes designed to minimise its effects and adopting measures designed to achieve circularity.

The PiovanGroup 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 PiovanGroup’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 1.2. The waste generated by PiovanGroup is essentially derived from the production process and office activities. On one hand, it consists of mixed packaging materials, such as paper, cardboard and wood, and on the other hand, it consists of residue from the assembly process, such as ferrous, aluminium and steel shavings.

Until last year, the data presented referred to the production companies only, whereas this year, the scope has been expanded to the entire Group²⁰. Below are the summary tables, which also include data specific to the production companies for the purposes of comparative analysis.

WASTE GENERATED BY COMPOSITION (IN t) GRI 306-3

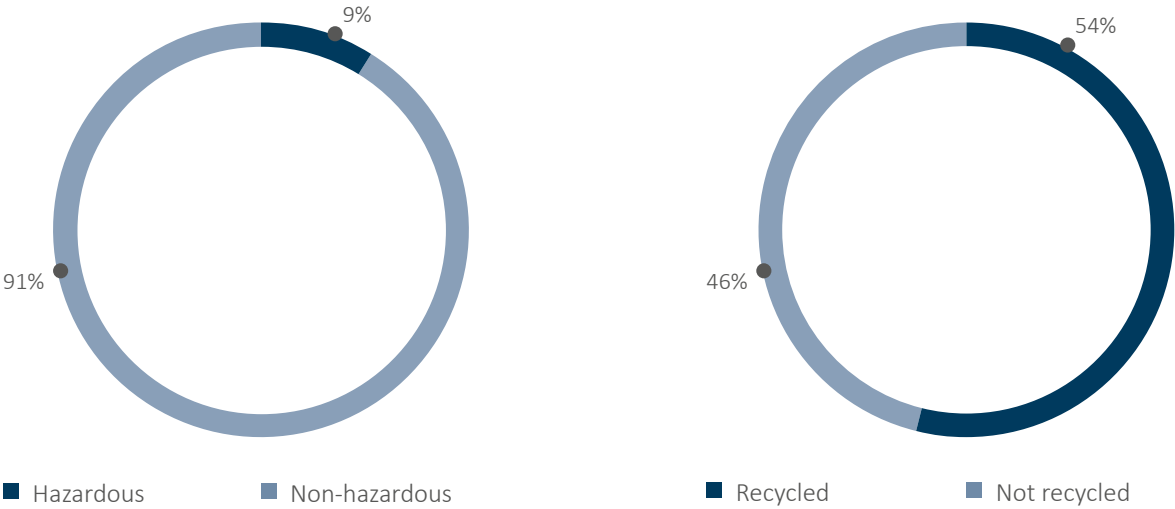
Waste produced by composition in t	waste generated	waste diverted from disposal	waste directed to disposal
Wood	121	109	12
Paper	214	180	34
Steel, Iron, Aluminium	139	135	4
Plastic	55	49	6
Dry	165	30	136
Copper	9	9	0
Waste generated from surface chemical processing and the coating of metals and other materials, for example, waste derived from degreasers containing hazardous substances	42	0	42
Miscellaneous	558	86	471
Total	1,303	598	705

During 2023, 1,303 tons of waste were collected, of which 1,184 tons were non-hazardous and 118 tons hazardous. The latter consists mainly of liquid waste, residues and scrap from the washing of metals after processing.

20. It should be noted that estimates were made for several commercial companies for which the data could not be found. Overall, said estimates account for 5% of the total waste consumption net of the estimated figure.



WASTE IN 2023



WASTE DIVERTED FROM DISPOSAL THROUGH RECOVERY OPERATIONS (IN t) GRI 306-4

2021 PRODUCTION			2022 PRODUCTION			2023 PRODUCTION			2023 ENTIRE GROUP		
on-site	off-site	Total	on-site	off-site	Total	on-site	off-site	Total	on-site	off-site	Total
Hazardous Waste											
Preparation for re-use	0	0	0	0	0	0	0	0	-	0	0
Recycling	0	8	8	0	3	0	7	7	-	7	7
Other collection operations	0	0	0	0	0	0	0	0	-	0	0
Total	0	8	8	-	3	3	0	7	0	7	7
Non-Hazardous Waste											
Preparation for re-use	0	13	13	-	15	15	0	0	0	0	0
Recycling	0	491	491	-	410	410	-	467	0	536	536
Other collection operations	0	27	27	-	42	42	-	26	0	55	55
Total	0	531	531	-	467	467	0	493	0	591	591

WASTE DIRECTED TO DISPOSAL THROUGH RECOVERY OPERATIONS (IN t) GRI 306-5

2021 PRODUCTION			2022 PRODUCTION			2023 PRODUCTION			2023 ENTIRE GROUP		
on-site	off-site	Total	on-site	off-site	Total	on-site	off-site	Total	on-site	off-site	Total
Hazardous Waste											
Incineration (with energy recovery)	0	0	0	0	0	-	-	0	0	-	-
Incineration (without energy recovery)	0	0	0	0	-	-	2	1.61	0	2	2
Landfilling	0	108	108	0	106	-	69	68.6	0	69	69
Other disposal operations	0	10	10	0	12	-	41	41.36	0	41	41
Total	0	118	118	0	118	0	112	112	0	112	112
Non-Hazardous Waste											
Incineration (with energy recovery)	-	-	-	0	0	-	7	7	0	19	19
Incineration (without energy recovery)	-	8	8	0	8	-	8	8	0	8	8
Landfilling	-	75	75	0	98	-	238	238	0	254	254
Other disposal operations	-	120	120	0	300	-	293	293	19.3	293	313
Total	-	203	203	-	406	-	545	545	19	574	593

Compared to 2022, the total waste collected, on a like-for-like basis, increased by 16%. There is a positive trend in the decrease of hazardous waste with respect to the total: in 2021, it was 126 tonnes, whereas today it is 118 tonnes, despite the Group having grown by 99% in terms of turnover during this period, effectively doubling in size.

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. The Group does not produce radioactive waste. We note that 50% of non-hazardous waste was recycled in 2023 (591 tons).

The PiovanGroup attaches great importance to separate waste collection. In its Italian and European plants in particular, personnel has been instructed with regard to 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 re-use 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.

6.3 Water consumption management

PiovanGroup’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 PiovanGroup 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 is possible, however, using the invoices received from third-party suppliers.

When reporting water consumption indicators, it is presumed that water consumption is equal to the water withdrawal, since, as explained above, water is not part of the production cycle. It is therefore reasonable to believe that the water withdrawn corresponds to the water effectively consumed. For this reason, the Group neither spills nor introduces polluted water.

The following data are reported for production companies, in order to allow a comparison with the previous year’s consumption, and also for the entire Group²¹. In 2023, 35.3 megalitres of water were consumed. This consisted almost entirely of fresh water, with only a small amount (1%) related to other types of water. On a like-for-like basis, considering only the production companies, there is a 7% decrease²². 40% of the water comes from water-stressed areas.

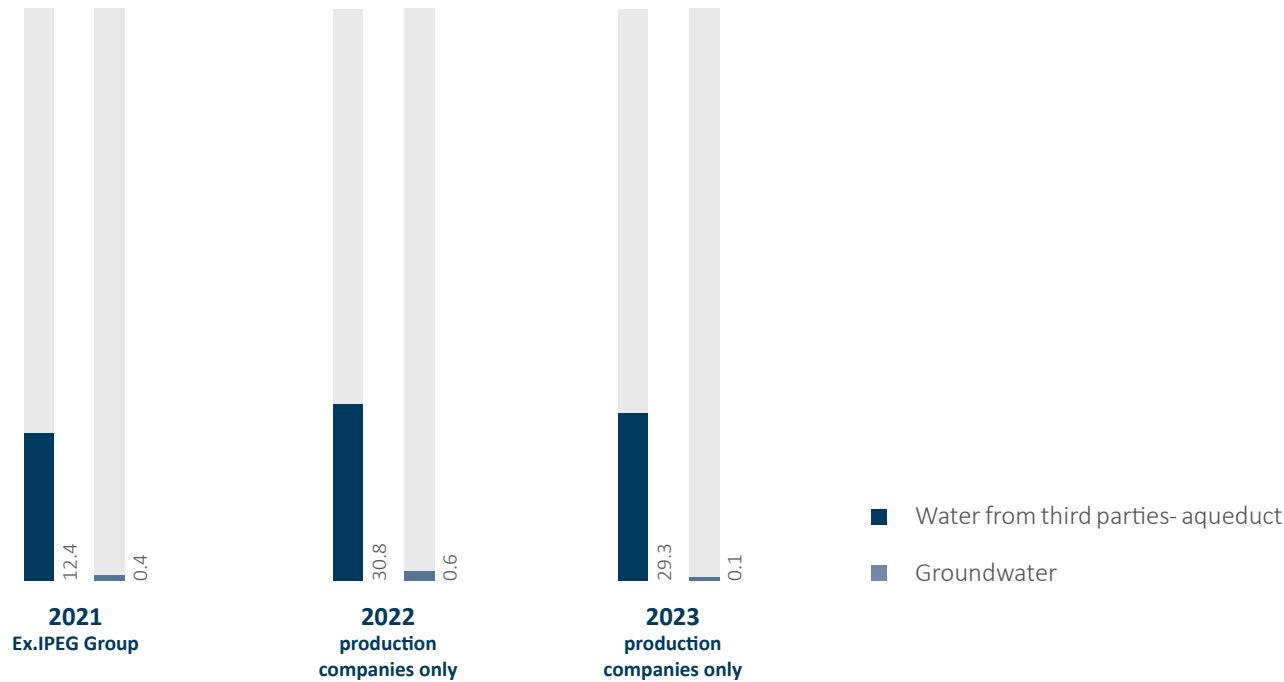
The table below illustrates consumption by source type (in megaliters).

WATER CONSUMPTION BY SOURCE (IN MEGALITRES) GRI 303-5

	2021 ex. IPEG Group	2022 production companies only	2023 production companies only	2023 ENTIRE GROUP	Change 2023 vs. 2022 like-for like basis
Groundwater	0.4	0.6	0.1	0.1	
Water from third parties- aqueduct	12.4	30.8	29.3	35.3	
Total	12.8	31.4	29.3	35.3	- 7%

21. In order to provide as accurate a figure as possible, estimates were made for certain commercial companies for which the water consumption data could not be reliably obtained. Said estimates account for 17% of the total consumption net of the estimated figure.
22. During the analysis and collection of the current year’s data, it emerged that a restatement of the 2022 water consumption for Ipeg Inc’s plant in Franklin, North America, was necessary.

WATER CONSUMPTION BY SOURCE TYPE





7

Social aspects

The PiovanGroup 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 PiovanGroup 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, 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 issued on the subject. 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 PiovanGroup 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 PiovanGroup actively promotes staff participation and involvement, fostering social dialogue to ensure maximum inclusion and facilitate a deep understanding of the Group's values and culture. Freedom of association with trade unions and collective bargaining organisations that operate locally is also guaranteed, ensuring constructive dialogue aimed at continuous improvement.

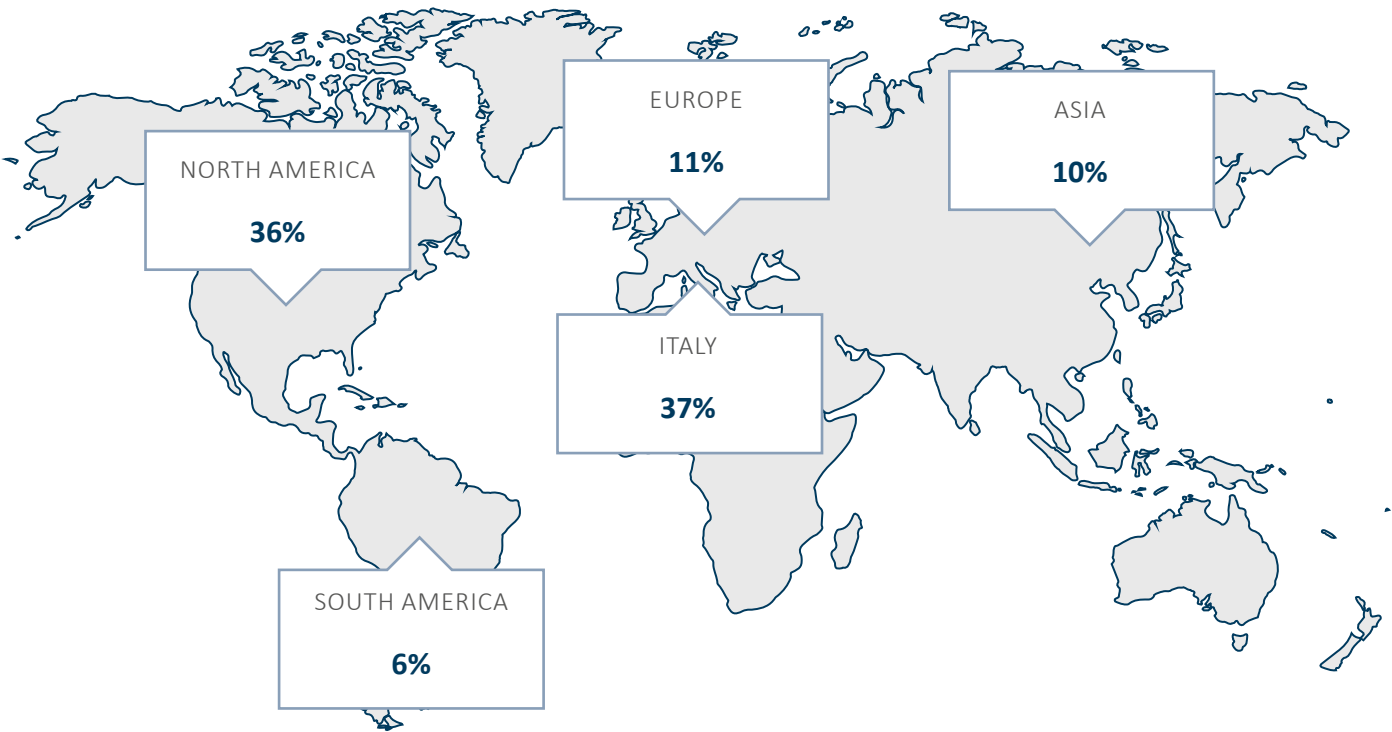
Continuous dialog with trade unions and associations representing Piovan's employees around the world has ensured that no strikes or union-related disagreements have occurred. The risk associated with inadequate personnel management is mitigated by the Group's long-standing recognition of human capital as a strategic asset, acknowledging the value and centrality of its people in achieving its corporate objectives and addressing innovative challenges.

A manual is delivered to all existing and new employees, outlining:

- the Group's core principles, such as having an open and positive mind, assuming responsibility and supporting each other to achieve success;
- the policies in place, for example, equal opportunity, anti-harassment and anti-discrimination, workplace health and safety;
- the Group's code of conduct;
- the general rules applied by the Group.

By implementing the manual and providing equal employment opportunities for all employees, as well as establishing a grievance process accessible to everyone, potential labour tensions are mitigated.

7.1 Personnel Management



In 2023, PiovanGroup had a total of 1,805 employees, essentially in line with the previous year's 1,804 employees. The Group also makes use of non-employee workers, specifically agency workers, which at the end of the year totalled 39 (38 men and 1 woman) employed in various roles: service, technical department, production and administration.

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 Organisation, 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 organisation. In 2023, a greater number of training hours were dedicated to these topics, with

special sessions focusing on the Group's Values, Code of Ethics, Diversity and Inclusion.

The PiovanGroup operates with the needs of the community where it operates in mind, aiming to enhance quality of life, economic, cultural, and civic development, while also fostering connection, exchange, and the sharing and creation of knowledge.

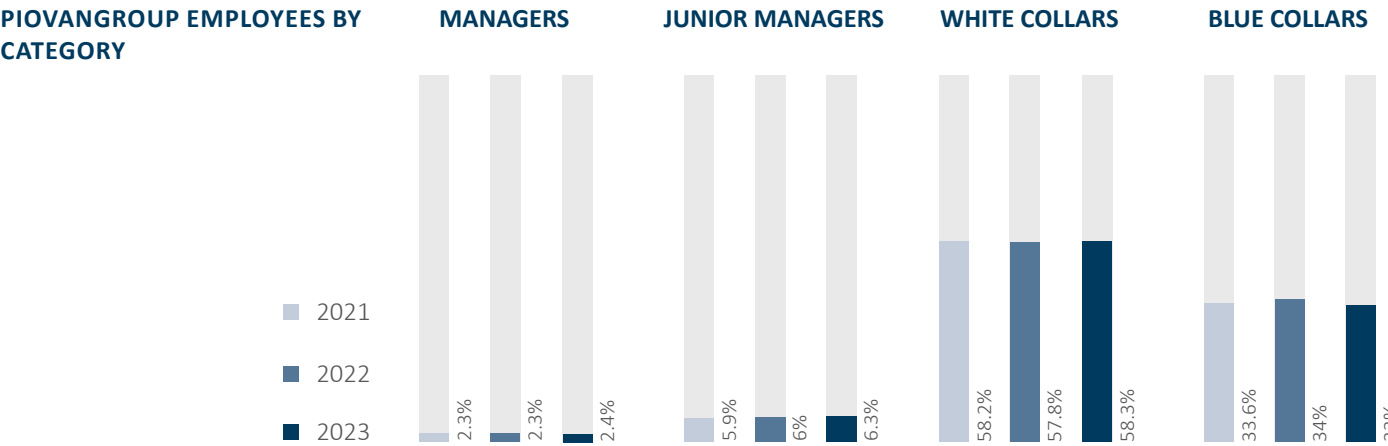
The protection of workers' rights - and associated risks - is managed through the application of collective agreements and compliance with local regulations in all countries where the Group is present. The Group's Italian workforce is subject to collective bargaining²³ - 100 % of workers- consistent with the company's policy of creating stable and lasting employment for its workers. Similarly, in countries where collective bargaining does not exist, 100% of the Group's staff are employed in similar ways, thus guaranteeing, among other things, a

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

maximum number of working hours for each individual, and the right to freedom of association. Essentially, 95% of the Group’s workforce is subject to collective bargaining, with the remainder being employed under company or individual contracts in accordance with local regulations and practices, the Code of Ethics, the Human Rights, Diversity, Equity and Inclusion, Environment, Health and Safety Policies, and the policy on working hours. All of the Group’s branches follow the rules set out in the national contracts, guaranteeing a maximum of 48 ordinary working hours per week and 8 ordinary working

hours per day. In 2023, 27% of the Group’s workers had joined a trade union.

To encourage continuous dialogue and general awareness, periodic monthly meetings are organised and all employees receive a newsletter. Employees have the opportunity to participate in engagement surveys, the results of which are then shared. The comments provide insight for the continuous improvement of management procedures and policies, one example being the drafting of the Community Service Policy.



Staff distribution reflects the PiovanGroup’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 1,053 employees).

TOTAL NUMBER OF PIOVANGROUP EMPLOYEES BY CONTRACT TYPE AND GENDER GRI 2-7									
	2021			2022			2023		
	male	female	total	male	female	total	male	female	total
Permanent	912	164	1,076	1,410	259	1,669	1,408	276	1,684
Fixed-term	87	33	120	92	43	135	86	35	121
Total	999	197	1,196	1,502	302	1,804	1,494	311	1,805

The PiovanGroup prioritises the establishment of a stable and lasting working relationship: In line with last year’s figures, 93% of personnel – that is, 1,684 employees – are employed under a permanent contract.

94% of men are employed on permanent contracts, while the equivalent figure for women is 89%. The gender breakdown of the workforce shows that women represent 17% of the total. This percentage is due to the Group's predominant metalworking activity, which is heavily focused on technical-engineering aspects.

TOTAL NUMBER OF PIOVANGROUP EMPLOYEES BY WORKING HOURS REGIME APPLIED (FULL-TIME / PART-TIME) AND GENDER GRI 2-7									
	2021			2022			2023		
	male	female	total	male	female	total	male	female	total
Full-time	996	182	1,178	1,488	275	1,763	1,481	279	1,760
Part-time	3	15	18	14	27	41	13	32	45
Total	999	197	1,196	1,502	302	1,804	1,494	311	1,805

The PiovanGroup grants part-time contracts to employees and women workers who submit a reasonable request. In 2023, there were 45 part-time contracts, of which 32 were held by women (11% of the female workforce). As at 31/12/2023, 3% of staff are employed on part-time contracts.



TOTAL NUMBER OF PIOVANGROUP EMPLOYEES BY CATEGORY AND GENDER GRI 405-1									
	2021			2022			2023		
	male	female	total	male	female	total	male	female	total
Managers	26	1	27	38	3	41	40	3	43
Junior Managers	63	8	71	94	14	108	98	16	114
White Collars	523	173	696	788	254	1,042	793	260	1,053
Blue collars	387	15	402	582	31	613	563	32	595
Total	999	197	1,196	1,502	302	1,804	1,494	311	1,805

The Group has three female Managers, who cover key roles in the HR (Human Resources) and M&A (Mergers & Acquisitions) departments, bringing not only valuable skills and perspectives to their departments, but also representing a positive role model for aspiring female leaders within our Group.

Currently, 10% of the first direct relationships, corresponding to six women, occupy strategic positions (considering the direct relationships of the most representative branches). The Group's commitment to gender equality, conscious of the need to ensure greater representation of women in decision-making roles, is confirmed by one of the sustainability goals requiring this figure to be increased.

TOTAL NUMBER OF PIOVANGROUP EMPLOYEES BY AGE GROUP AND GENDER GRI 405-1									
Age	2021			2022			2023		
	male	female	total	male	female	total	male	female	total
Under 30	128	24	152	196	41	237	184	39	223
From 30 to 50	561	129	690	793	171	964	796	181	977
Over 50	310	44	354	513	90	603	514	91	605
Total	999	197	1,196	1,502	302	1,804	1,494	311	1,805

Most Group employees are between the ages of 30 and 50.

As at 31 December 2023, the Group employs 103 employees belonging to vulnerable categories, which is 6% of the total workforce.

In 2023, the Company was informed of an alleged case of discrimination in one of its peripheral branches, through the whistleblowing channel. In line with the established internal procedures, an in-depth investigation was immediately conducted, which involved two on-site visits to collect detailed information. At the end of this investigative process, the case was deemed to be unfounded and thus archived. To ensure greater awareness and respect for ethical principles within the branch, specific Code of Ethics training was arranged for all employees. The training sought not only to strengthen workers' understanding of the company's core values but also to promote an inclusive and respectful working environment for all.

Whenever an internal position becomes available, employees are encouraged to apply. To promote opportunities for development and advancement, employees are regularly informed about any open positions. At Piovan North America, a “Referral Bonus Program” is in place, whereby a \$1,000 bonus is awarded if the candidate proposed by the worker is effectively employed. The aim of this policy is to improve the recruitment process and encourage the identification of motivated candidates.

In 2023, 279 new workers joined the workforce. 72 new employees are under 30 years of age, 158 are in the intermediate age group (30–50) and 49 are over 50 years of age. In terms of geographical distribution: 117 of the new hires were in the Emea region, 108 in North America, 32 in Asia and 22 in South America. The employment rate is 15%.

NEW HIRES GRI 401-1

2021		2022		2023	
No. of hires	% of total	No. of hires	% of total	No. of hires	% of total
Age					
Under 30	61 32%	100 29%	72 26%		
From 30 to 50	106 55%	185 54%	158 57%		
Over 50	25 13%	56 16%	49 18%		
Total	192	341	279		
Gender					
Male	160 83%	277 81%	237 85%		
Female	32 17%	64 19%	42 15%		
Total	192	341	279		

Newly recruited employees follow a specific onboarding course that is planned on a case-by-case basis according to their role. The agenda alternates between technical training on products and applications, both in the classroom and on the Sistema 4.0 business management system, and coaching by experienced personnel, thus also facilitating professional growth and the turnover of resources in various roles. Cybersecurity and Code of Ethics training is also provided.

Every year, a meeting is organised with all new employees to encourage their internal networking, during which presentations are made with the representatives of other departments, to facilitate future collaboration.

They then participate in basic training courses on hard and soft skills on the corporate e-learning platform, which offers a broad range of soft skills courses, promoting the sharing of culture, values and skills at Group level.

For a more effective and quicker induction, new recruits are given a copy of the internal regulations, a copy of the national collective agreement, a copy of all agreements in place at the time of recruitment, and initial training by the human resources department on company processes, procedures and regulations. The aim of this process is to help new employees feel welcomed, integrated into the organisation and equipped with the necessary tools and resources to successfully meet the expectations of their new role.

In 2023, there were 259 terminations (227 men and 32 women).

Of the resources that left the Group, 44 were under 30 years of age, 141 were in the intermediate age group (30–50) and 74 were over 50 years of age. With regard to their geographic distribution, 116 terminations were employed in North America, 106 in Emea, 17 in South America and 20 in Asia.

TURNOVER GRI 401-1

2021		2022		2023	
No. of departures	% of total	No. of departures	% of total	No. of departures	% of total
Age					
Under 30	28 19%	49 21%	44 17%		
From 30 to 50	90 63%	130 55%	141 54%		
Over 50	26 18%	56 24%	74 29%		
Total	144	235	259		
Gender					
Male	126 88%	195 83%	227 88%		
Female	18 13%	40 17%	32 12%		
Total	144	235	259		

The termination rate is 14%.



7.2 Training and development

The PiovanGroup believes that training is a key strategic resource. The investment in training, therefore, is not limited to induction training for new hires but rather is distributed over time for the purpose of promoting professional growth, personal motivation and professionalism, and to guarantee the quality of the product/service. 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 organisation, delivery and monitoring of training activities in line with the Group’s global needs.

The Team Academy is currently composed of 3 people: 2 Technical Trainers (specialised in the design and provision of technical training on PiovanGroup products) and 1 Academy Manager (responsible for managing and coordinating the Technical Trainers’ activities). The team is in turn supported by the HR team, which coordinates and plans the training activities on non-technical (soft) skills and technical (hard) skills, providing guidelines and instructions for all short-, medium- and long-term activities.

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 (or hard) skills, language skills and non-technical (or soft) skills, with numerous training sessions held in 2023 on the topics of Communication, Time Management and Business Etiquette, in which Piovan is a forerunner compared to other similar companies. This is key to making each collaborator a spokesperson for the company’s values and mission.

The establishment of the Group Academy made it possible to unite technical-specialist and transversal training activities within a single entity, in order to optimise time, costs and methods used in the analysis of training needs, as well as the dissemination of a globally shared corporate culture. At Piovan North America, which traditionally places a high focus on the development of human capital, a catalogue exists called the BizLibrary, where training courses are assigned and employees can voluntarily participate in training workshops on all kinds of topics related to their personal and professional development.

The Group attaches great importance to continuous training, especially in the Service department: to ensure quality and efficiency for the customer, refresher courses are constantly provided to installation and maintenance technicians on

new machinery launched on the market or technological improvements of existing products.

Risks associated with training concern a lack of training and the subsequent lack of development opportunities. This could lead to the inadequacy of the organisational structure with respect to the complexity of operations, as well as non-compliance with regulatory obligations. Moreover, a lack of training may inevitably reduce the company’s appeal to collaborators and potentially lead to a loss of company expertise and consequently a reduction in the quality of services offered. This includes after-sales assistance, which is of essential importance nowadays considering the ever-increasing demand for business continuity and the losses incurred as a result of system downtime. In order to avoid these possible risks, the Group invests in training and defines a training plan each year, identifying needs in terms of the role’s specific requirements and demands.

Moreover, following the establishment of the Group’s Academy, one of the first topics to be addressed was the definition of a training course in which every new employee shall participate, starting from their first day of employment at the company. This training course considers various aspects, such as the employee’s department, role and duties, giving managers the possibility to customise and integrate training on specific topics. The aim of this initiative is thus twofold: firstly, to provide employees with all the tools they need to correctly perform their daily tasks, and secondly, to speed up the induction phase.

One of the tools on which part of the Group’s training activity is based, and which will constitute a fundamental pillar in the near future, is the **Piovan Academy LMS (Learning Management System) platform**, a software that, among the various advantages, allows to:

- ensure the possibility of creating an On-Boarding path, both technical and transversal, for new recruits;
- deliver both online and offline training;
- create customised training courses based on the different company roles;
- create preparatory content for courses held in the classroom;
- extend the proposed contents to all countries in their local language.

The flexibility and accessibility of the Piovan Academy platform allow the effective dissemination of the Group’s culture and values, including Diversity and Inclusion, and the pillars of the corporate Code of Ethics. With regard to the latter, as is the case for the course on the Organisation, Management and Control Model pursuant to L.D. 231/2001, the Piovan Academy platform is also used to verify the skills acquired during the classroom sessions.

In addition, in 2024, the number of users able to access the LMS platform and its contents on a monthly basis is set to increase from 300 to 500 active users per month.

In several branches, employees are expected to participate in at least 24 hours of training per year. Training needs are defined on a monthly basis and, every six months, are reported in the collaborator’s file for their performance review in order to identify areas where they need to improve.

The activities include, by way of example and not limited to, a course held for the entire Piovan S.p.A. sales force on legal issues, a course on the development of leadership skills to improve effective communication and problem solving skills, a coaching course and, lastly, the Group Finance Meeting was held throughout the year at the Group’s Headquarters, where more than 40 employees were able to follow a technical-specialist training course, as well as get to know each other better after spending several years apart due to the pandemic. During 2023, 52,124 hours of training were provided by the Group, (+8% compared to last year), equal to an average of

28.9 hours per capita, 2 hours per capita more than in 2022. An analysis of the training provided with respect to the previous year showed an increase in the number of hours for:

- technical training, total 23,574 hours, + 62%;
- health and safety, total 11,054 hours, + 36%;
- legal, total 1,316 hours, + 761%;
- soft skills, total 4,781 hours, + 26%

A decrease in the number of on-boarding hours for new employee training was observed.

These data confirm that professional training was held throughout the year, aimed at strengthening technical skills and promoting the development of soft skills such as leadership, effective communication and critical thinking.

To improve employee well-being and raise awareness on current corporate responsibility issues, the following training was held: 107 hours of human rights training, 73 hours of diversity and inclusion training, 94 hours of environmental training and 45 hours of Code of Ethics training.

The average number of training hours undertaken by women in 2023 amounted to 32 hours (+ 30%), and the average number of training hours undertaken by men amounted to 28 hours (+3%).

Awareness-raising meetings on environmental issues, which commenced in 2021, have involved 33 of the Group’s employees.

Piovan has always believed that the development and sharing of skills are factors that determine the creation of a solid and successful reality

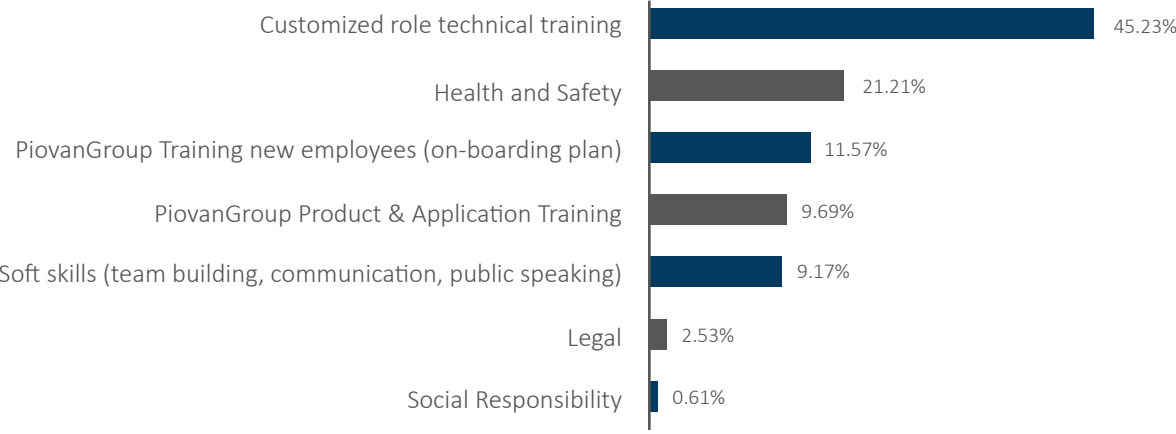
AVERAGE HOURS PER CAPITA BY GENDER OF THE PIOVANGROUP



AVERAGE TRAINING HOURS PER CAPITA BY PROFESSIONAL CATEGORY FOR THE Piovangroup



TYPE OF TRAINING FOR THE PIOVANGROUP



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

Piovan organised courses on drying principles and Modula solutions for the efficiency and automatic regulation of process parameters. Courses were organised 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 through which a team of experts teaches their skills to end users, OEMs, research centres and universities. The team provides ongoing training to the Group's international after-sales network, ensuring maximum flexibility in the delivery of either remote or in-person training, 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 2023, the training requirements of each employee were identified by means of a precise survey, in which all department managers were involved in the accurate mapping of skills within their work teams. Skills mapping will be repeated annually, firstly to verify the effectiveness of the training courses organised, and secondly to identify any new needs

that the market may generate. Anonymous questionnaires to measure satisfaction with the training received and customer surveys on the quality of services (an activity already carried out by service managers) will be vital in ensuring continuous improvement of the Academy team's activities in terms of content, methodology and frequency.



System 4.0

7.3 Occupational health and safety

PiovanGroup places **the safety and health of its employees at the forefront**, with the aim of ensuring a comfortable and safe workplace. 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 PiovanGroup 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.

During 2023, the Health and Safety Policy, which complements the existing policies, was approved at Group level²⁴.

Each Group Company applies the local health and safety regulations in force in the country where it operates. At Piovan North America, a Safety Committee has been established, which, among other things, is responsible for updating the Safety Policy on an annual basis and ensuring its continued validity.

In each of the Group's branches, Health and Safety officers have been designated, clearly identified by all staff, and regular Health and Safety prevention checks are carried out (internally where possible and/or by an external Company for smaller branches).

In order to demonstrate its commitment to occupational health and safety, the parent company Piovan S.p.A. obtained ISO 45001:2018 certification on 26/11/2019 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. To this end, this year Piovan S.p.A. has once again renewed its UNI EN ISO 45001:2023 certification²⁵.



Checks are regularly carried out to minimise the possibility of workplace risks and hazards. First and foremost, potential hazards are mapped and identified taking into account the work activities, equipment used, chemical/hazardous substances and characteristics of the building, based on which the activities are then identified as either high or low risk. To minimise work-related risks, the Group ensures that all preventive measures are adopted, by way of example but not limited to, reduced speed limits, the marking of pedestrian pathways with vertical and horizontal signs and reflective vests). For Italian branches, agreements are made with trade union organisations with regard to changes and updates to the risk assessment and all safety procedures affecting production and office activities.

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.

24. Such as, for example: Injury Illness and Near Miss Reporting policy, Injury and Illness Prevention policy and Job Hazard Analysis Procedure.

25. Piovan S.p.A. accounts for approximately 24% of the Group's production.



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, accident trends, invitations to training courses and 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. Routine consultations with workers’ H&S representatives can be scheduled, during which the overall situation concerning company health and safety is examined, as well as the various measures needed to reduce or minimise the critical issues identified. Non-routine consultations summoned by the workers’ representatives themselves are also requested in the event of situations posing an imminent danger or, in any case, in situations where immediate action is required.

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 healthcare fund (Metasalute), in which coverage can also be extended to employees’ families. Each foreign branch works to promote employee health and safety by enrolling their own employees in local healthcare funds, by scheduling on-site medical exams and through training.

All injuries and accidents are promptly reported and documented to ensure that every potentially hazardous

situation in the workplace is rapidly and effectively addressed. In 2023, there were 25 workplace injuries, in line with the previous year, of which none were fatal and none had serious consequences. 227 days were lost to injury during the course of the year (calculated from the first day of the accident). The

following table indicates the Group’s main accident rates: the number of high-consequence work-related injuries is zero, while the number of recordable work-related injuries is 7.5.

WORK-RELATED INJURIES - EMPLOYEES GRI 403-9

	2021	2022	2023
Recordable work-related injuries	12	25	25
Frequency rate	5.34	7.72	7.50
Hours worked	2,249,029	3,237,073	3,333,658

Multiplier used 1,000,000

WORK-RELATED INJURIES - WORKERS WHO ARE NOT EMPLOYEES GRI 403-9

	2023
Recordable work-related injuries	2
Frequency rate	23.12
Hours worked	86,520

Multiplier used 1,000,000

WORK-RELATED INJURIES - EMPLOYEES BY GEOGRAPHIC AREA

	EMEA	ASIA	NORTH AMERICA	SOUTH AMERICA
Recordable work-related injuries	13	0	12	0
Frequency rate	8.94	0.00	9.90	0.00
Hours worked	1,454,149	412,305	1,212,195	255,009

Multiplier used 1,000,000

Of the Group's 25 recordable work-related injuries, 13 belong to the Emea area and 12 to North America. No commuting incidents were reported. 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 Piovano’s work environments and production plants during 2023 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 optimise measures by automating the monitoring system and making it more efficient.

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.



PiovanGroup puts the health and safety of its employees first

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.

At Piovan S.p.A., all procedures developed in the area of health and safety have been applied in order to adhere to the management model of Italian Legislative Decree 231/07 (ITA). 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 where there is moving equipment presenting a high risk to the activities carried out therein.

14 defibrillators have been purchased and installed at the Group's production sites to help implement prevention measures. 119 employees have been trained to operate them. In order to mitigate the significant negative impacts on occupational health and safety of tasks directly related to operations and as part of commercial dealings, the Company follows and complies with local laws and regulations, in addition to providing annual training.

Across the Group in 2023, training courses were provided on the following topics:

- **general safety and security for employees with low/high risk:** total of 5,729 hours of training (+34% compared to 2022);
- **first aid and designated safety managers:** total of 2,703 hours of training (+242% compared to 2022);
- **electrical and fire safety:** total of 1,639 hours of training (-6% compared to 2022);
- **safe use of forklifts and mobile aerial work platforms:** total of 939 hours of training (-1% compared to 2022);
- **product safety training:** total of 43 hours.

Please note that product safety training is carried out at the start of each product training session, showing slides containing information about the product's safety and any connected risks, and again when specific or high-risk safety courses are held. Product safety is estimated to account for around 5% of total product training, thus involving 684 employees.

7.4 Employee care and benefits schemes

In November 2023, the Global Employee Survey was conducted for the first time, involving all employees in all countries where the Group operates. 80% of employees took part in the survey, designed to gauge the organisation's pulse by gathering feedback on multiple aspects, including job satisfaction, which garnered a favourable opinion of 77%, engagement, relations with managers and the capacity for innovation. This initiative is an integral part of our commitment to continuously improving the corporate work environment, internal communication and well-being of our Group's collaborators.

With regard to employee benefit schemes, Piovan S.p.A. continues its ongoing commitment to facilitating a work-life balance, implementing innovative staff management policies.

Numerous strategies are in place, starting with flexible working hours allowing employees to independently manage their time, the granting of various part-time and remote employment contracts (an open-ended remote employment contract was formalised in 2023), and the introduction of several sustainable mobility initiatives (such as the installation of electric car charging stations and grants for the purchase of bicycles). 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.

Across the countries where the Group operates, an employee evaluation is performed once a year, serving as an opportunity for employees and managers to communicate and assess various behaviour and performance. By 2025, the Group aims for all countries to be evaluated using the same performance indicators within a single HR platform.



Putting people first has always been incredibly important to Piovon S.p.A., as such, the ‘Piovon 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. Piovon S.p.A. has selected and identified a number of service providers offering exclusive services in each area.

The Piovon Club remains dynamic, versatile and up-to-date, thanks also to employee suggestions. The HR department, through a person dedicated to the People Care service, is responsible for overseeing the agreements and contacting other companies, shops, pharmacies, gyms, insurance companies and banks throughout the local territory, in order that being part of Piovon S.p.A. is a privilege for collaborators, who are thus eligible for valuable discounts. The stipulated agreements are communicated by e-mail and archived internally. An in-company personal package pick-up service is also available, based on the assumption that time is an essential personal resource for collaborators.

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 contract²⁶.

Piovon places its employees at the heart of its business and, as such, considers their health to be paramount. 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. The Piovon S.p.A. corporate headquarters is complete with a canteen, which offers a high-quality service and publishes a weekly menu indicating the allergens and ingredients, but also the carbon footprint of each dish. The menu is certified by a registered nutritionist biologist and, with a view to further safeguarding employees’ health, the calorie intake of each dish is also provided each day. Piovon S.p.A. contributes a very significant percentage to the cost of employee meals.

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



employee benefits schemes, that is, employees can 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 favour 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



Educational Assistance Policy implemented at Piovon North America, providing reimbursement for a course of study undertaken at third-party institutions (such as universities).

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



A Community Service Policy is in place at Piovan North America, encouraging employees to do volunteer work in support of organisations that provide training, health and general services in the local community. Each employee is entitled to perform 8 hours of volunteer work every year, calculated as ordinary working hours.

7.5 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. The deep connection with the region translates into a continuous exchange of knowledge and experience, as the company's performance and success also pass through 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 started a close collaboration with the **Istituto Tecnico Superiore Meccatronico del Veneto**, a school of technology that takes the form of a 'small polytechnic' specialising in mechatronics, whose aim is to train specialised figures with a high technical profile. 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 centred 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 them were hired at the end of their training and now work in R&D Service and Workshop, demonstrating the effectiveness of the close collaboration between school and the working world. On December 31, 2023, the Group had 29 interns, of whom 24 were male and 5 were female.

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 organised by universities, including Career Days, Piovan S.p.A. encourages meetings with students and graduates and also collaborates with the Università Cattolica di Milano, where it held a lecture on HR management and organisation. University participation is key to attracting new talent and allowing people to contribute new ideas and solutions to help consolidate corporate expertise.

Piovan S.p.A. also contributes to the sponsorship and promotion of local sports and youth activities, such as the Santa Maria di Sala women's volleyball.

Lastly, with a view to making a tangible contribution to corporate sustainability and promoting the development of younger generations, Piovan S.p.A. organised The Greatest You, an event dedicated to employees' children. With the support of a Life Coach, young people aged between 14 and 22 were given the chance to talk about their goals, values, responsibilities and motivation, representing a valuable opportunity to meet with an expert who could help them explore and develop their potential.

8

Taxonomy

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



8.1 Reference framework

This section fulfils the reporting obligations set out in Regulation EU 852/2020 (hereinafter also the “Regulation”, “Taxonomy”). The disclosure presented encompasses, among others, Delegated Regulation 2021/2139, (hereinafter also “Climate Regulation”) and Delegated Regulation 2023/2485, (hereinafter also “Environment Delegated Regulation”), which introduce the list of economic activities eligible for inclusion in the EU Taxonomy for Environmental Objectives and their relative technical screening criteria, and lastly, Regulation 2021/2178 (hereinafter also “Art. 8 Delegated Regulation” or “Disclosure Delegated Regulation”).

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. PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS

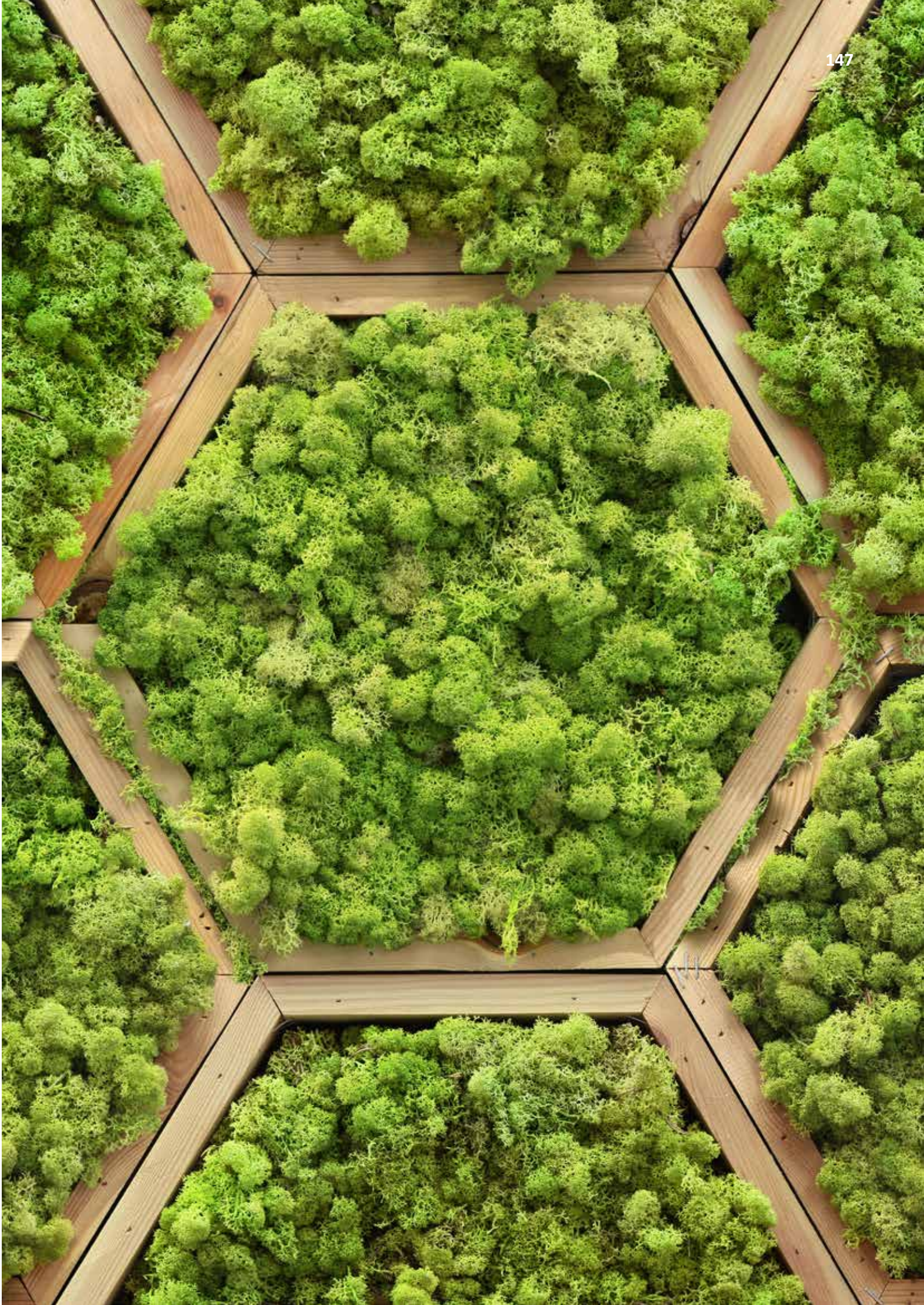
In the overall strategy outlined by the European Commission to finance sustainable growth, a central role is assigned to harmonising the criteria used to determine whether an economic activity can be considered environmentally sustainable in terms of certain environmental objectives. An economic activity 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 Disclosure Delegated Regulation) with respect to the substantial contribution of an economic activity to environmental objectives without causing significant harm to them.

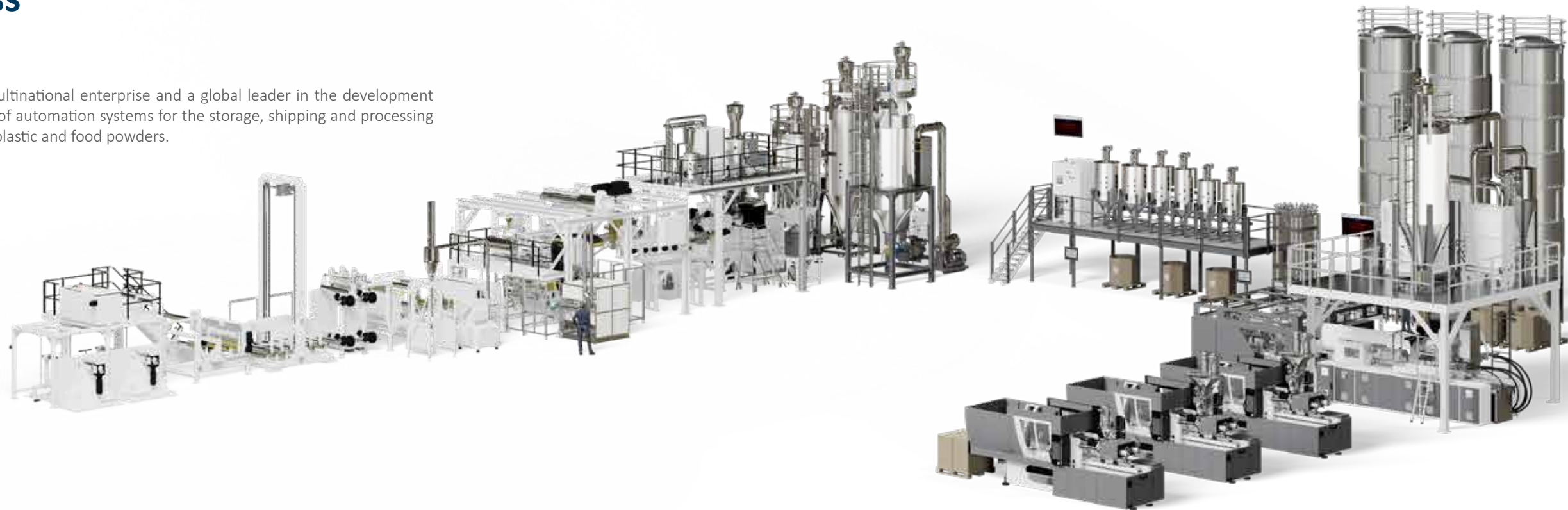
As per Article 8 of the Taxonomy Regulation, companies are required to include in their non-financial reports (“NFRs”) information on how and to what extent their activities are associated with environmentally sustainable economic activities. Environmentally sustainable activities are identified according 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 PiovonGroup 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. PiovonGroup's production activity essentially consists of assembly, and as such is not as energy-intensive as manufacturing (see Section 6). 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. Precisely in order to meet these needs, in past years the PiovonGroup has developed technologies and machinery with the aim of providing solutions that help customers reduce their energy consumption and thus indirectly their emissions.

Moreover, by operating in markets associated with plastic usage – subject to environmental topics more so than other materials – the PiovonGroup's commitment is considered tangible and constant, especially with regard to circular economy issues.

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 industry to offer its customers innovative solutions that involve the use of recycled or biodegradable plastic instead of virgin plastic (the "secondary process").



8.3 The process for determining the eligibility of the PiovonGroup’s activities

An activity is defined as eligible if it is described in the Delegated Regulation on climate, or the Delegated Regulation on the Environment. To identify the eligible activities pursuant to the Taxonomy, the PiovonGroup’s activities were analysed with the aim of determining which of these could be traced back to those currently defined in said Regulation. Economic activities eligible for more than one environmental objective were analysed only according to the technical screening criteria of the most relevant objective to avoid the risk of double counting. The eligible activities as outlined in the Regulation are presented below. The wording n/a indicates that the activities and relative NACE codes applicable to the Group are not included among the activities related to the specific environmental objective:

Economic activities	NACE code	Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems
3.6. Manufacture of other low-carbon technologies	C22 / C 28	✓	X*	n.a.	n.a.	n.a.	n.a.
5.1 extending the life of products by repair, refurbishment or remanufacturing of products that are already used for their intended purpose by a customer	C28.93 / C28.96	n.a.	n.a.	n.a.	✓	n.a.	n.a.
9.3. Professional services related to energy performance of buildings	[74.9]	✓	n.a.	n.a.	n.a.	n.a.	n.a.

* This activity would be eligible for both climate objectives (CCM and CCA), however, as qualitatively explained above, it has been linked to CCM insofar as more relevant to the business, and to avoid double counting.



Moreover, capital expenditure is deemed as eligible if related to the purchase of products from Taxonomy-aligned economic activities and individual measures, allowing the Group’s activities to achieve low carbon emissions or greenhouse gas reductions included in the activity: **“7.6. Installation, maintenance and repair of renewable energy technologies”**.

More specifically, referring to documents published by the European Commission, the PiovonGroup attributed its examined activities to the following activities: **“3.6. Manufacturing of other low-carbon technologies, with the intention of developing technologies to reduce greenhouse gas emissions”**.

- The Group companies responsible for these activities are Piovon S.p.A., Aquatech S.r.l., Universal Dynamics Inc., Doteco S.p.A. (with regard to the Technical Polymers segment), Penta S.r.l. and Fea ptp S.r.l. (with regard to the Food & Industrial Applications segment). The Group has commenced the analysis of the IPEC Group with the aim of including it in these statistics as of 2024.
- For 2023, the Revenue KPI analysis focused only on Piovon S.p.A. and Aquatech S.r.l., as done in the past.

The PiovonGroup portfolio includes technologies and machinery designed to provide solutions that help its customers reduce their 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 Piovon 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 S.r.l. Aquatech S.r.l.'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.

“5.1 extending the life of products by repair, refurbishment or remanufacturing of products that are already used for their intended purpose by a customer”

The PiovanoGroup has always believed in the importance of technical assistance for customers, which it provides through its help service and the sale of spare parts, carried out through its network of *services & sales companies*.

“9.3. Professional services related to energy performance of buildings”

The Group company that falls under this business model is the subsidiary Energys S.r.l. Given the limited contribution of this subsidiary to the Group’s results, these activities are not examined in detail.

8.4 How the PiovanoGroup adopts the taxonomy

An economic activity is defined as aligned with the European Taxonomy if it substantially contributes to at least one of the six environmental objectives, has no significant negative impact on the other five environmental objectives, and is conducted in line with minimum social safeguards. Once the eligible economic activities were identified, specific analyses were performed on the technical screening criteria established by Annex I of the Delegated Regulation on climate, and conformity with the minimum safeguards was verified, in order to define each economic activity’s alignment with the climate change mitigation objective. The alignment of activity 5.1 of Annex II of the Delegated Regulation on the Environment relative to the environmental objective of circularity, has not yet been calculated insofar as not required by the Regulation for the 2023 reporting year.

“Analysis of substantial contribution for activity 3.6”

REVENUE

The requirements for the substantial contribution criteria of activity 3.6 require that the technology analysed be aimed at substantially reducing greenhouse gas emissions in the life cycle, and that said reduction, compared to alternative and superior technologies/solutions/products available on the market, be calculated using Commission Recommendation 2013/179/EU (or alternatively, standard ISO 14067:2018 or standard ISO 14064-1:2018) and verified by an independent third party.

The PiovanoGroup has third-party certifications confirming its saving on consumption on a comparative basis, however, following a more in-depth analysis of the technical screening criteria, it is deemed that none of the machinery falling under this activity fully satisfies the requirements of the Disclosure Delegated Regulation.

In light of this, all PiovanoGroup activities falling under this sub-group cannot be declared as “aligned”.

Note that the substantial contribution of activity 3.6 leaves ample room for interpretation and, as indicated by the FAQs published by the European Commission in December 2022, the application of the criteria leaves ample room for flexibility and strictly depends on the industry / activity to which it is applied.

Tables are enclosed in the following pages reflecting the Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021, supplementing Regulation (EU) 2020/852.

OPEX

With regard to the definition of OPEX-related KPIs, as well as research and development expenditure for the creation of prototypes aimed at reducing energy consumption and therefore emissions, as well as the formulation of the relative patents, given the difficulty in distinguishing the costs relating primarily to personnel, it was decided, as a precautionary measure, not to report any indicators and not to make any estimates. Note that the denominator includes the cost of research and development, maintenance and repairs, as well as direct expenses for the maintenance of property, systems and machinery.

“Analysis of substantial contribution for activity 5.1”

REVENUE

An alignment analysis is not required for the year 2023, however, as outlined in the description of the technical screening criteria, we note that the activity in question satisfies the following criteria:

- replaced parts, refurbished products or remanufactured products are subject to a contract of sale, if necessary, and comply with provisions concerning product conformity, seller’s liability (including the option for a shorter liability period or time limit for second-hand products), burden of proof, remedies for lack of conformity, procedures for the implementation of said remedies, repair or replacement of goods and commercial guarantees;
- the economic activity implements a waste management plan that ensures product materials, specifically critical raw materials and components that have not been reused in the product, are reusable elsewhere, or, if re-use is not possible (due to damage, degradation or hazardous substances), are recycled or, only in the event re-use or recycling is not feasible, are disposed of in compliance with the applicable EU and national legislation.

The Group believes that said description is in the line with the activities conducted within its Service division, but reserves the right to perform a more in-depth analysis in the next reporting period.

OPEX

In line with the Regulation’s definition of OPEX, the KPI numerator reported direct expenses related to the daily maintenance of property, systems and machinery, performed either by the company or third parties to which said tasks have been outsourced, necessary in order to guarantee the continuous and efficient operation of said assets.

Tables are enclosed at the end of the Document, before the GRI table, providing a summary of the relative Taxonomy data.

Annex

REVENUE

Financial year N	YEAR 2023			Substantial contribution criteria						"DNSH criteria ("Does Not Significantly Harm")"									
	Code (a) (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomyaligned (A.1.) or-eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		Value	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1. Environmentally sustainable activities (Taxonomy-aligned)

Manufacture of other low carbon technologies	CCM 3.6	0 €	0.00%	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	4.49%	E	
Professional services related to energy performance of buildings	CCM 9.3	169 €	0.03%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.04%	E	
Repair, refurbishment and remanufacturing	CE 5.1	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		169 €	0.03%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	4.53%		
Of which enabling		169 €	100%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	100%	E	
Of which transitional		0 €	0%							Y	Y	Y	Y	Y	Y	Y	0%		

A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)

				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
"Manufacture of other low carbon technologies"	CCM 3.6	29,713 €	5.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.67%		
Repair, refurbishment and remanufacturing	CE 5.1	86,550 €	15.5%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								n.a		
Turnover of Taxonomyeligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		116,263 €	20.8%	26%	0%	0%	0%	74%	0%								0.67%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		116,432 €	20.8%	26%	%	%	%	74%	%								5.20%		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

Turnover of Taxonomynon-eligible activities		442,667 €	79.18%
TOTAL		559,099 €	100%

	Proportion of Turnover / Total Turnover	
	Taxonomy-aligned objective	Taxonomy-eligible per objective
CCM	0.03%	5.3%
CCA		
WTR		
CE	n.a	15.5%
PPC		
BIO		

Annex

CAPEX

Financial year N	YEAR 2023			Substantial contribution criteria						"DNSH criteria ("Does Not Significantly Harm")"									
	Code (a) (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Economic Activities (1)																			
Text		Value	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1. Environmentally sustainable activities (Taxonomy-aligned)

Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0 €	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	14.13%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0 €	0%	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	14.13%		
Of which enabling		0 €	0%	%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	E	
Of which transitional		0 €	0%							Y	Y	Y	Y	Y	Y	Y	0%		

A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)

				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	1,002 €	7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,002 €	7%	0%	0%	0%	0%	0%	0%								%		
A. CapEx of Taxonomyeligible activities (A.1+A.2)		1,002 €	7%	100%	%	%	%	%	%								14.13%		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

CapEx of Taxonomy-noneligible activities		12,755 €	93%
TOTAL		13,757 €	100%

	Proportion of Capex / Total Capex	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	7%
CCA		
WTR		
CE		
PPC		
BIO		

Annex

OPEX

Financial year N	YEAR 2023			Substantial contribution criteria						"DNSH criteria ("Does Not Significantly Harm")"									
Economic Activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomyaligned (A.1.) or -eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		Value	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1. Environmentally sustainable activities (Taxonomy-aligned)

Manufacture of other low carbon technologies	CCM 3.6	0 €	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	5.58%	E	
Repair, refurbishment and remanufacturing	CE 5.1	0 €	%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0 €	%	%	%	%	%	%	%								5.58%		
Of which enabling		0 €	0%	%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	E	
Of which transitional		0 €	0%							Y	Y	Y	Y	Y	Y	Y	0%		

A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)

				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacture of other low carbon technologies	CCM 3.6	0 €	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.8%		
Repair, refurbishment and remanufacturing	CE 5.1	2,482 €	10%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								n.a		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2,482 €	10.0%	%	%	%	%	%	%								1%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		2,482 €	10.0%	%	%	%	%	%	%								6.42%		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

OpEx of Taxonomy-noneligible activities		22,313 €	90%
TOTAL		24,795 €	100%

	Proportion of Opex / Total Opex	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA		
WTR		
CE	n.a.	10%
PPC		
BIO		



9

Methodological note

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

The sixth PiovanGroup Sustainability Report, approved by the Board of Directors on 19 March 2024, is a communication tool that describes the economic, social and environmental results in an increasingly clear, transparent and articulate manner, and shows the Group's commitment to sustainable development, with the aim of creating value not only for the Company, but also for its stakeholders.

Piovan S.p.A. (hereinafter PiovanGroup), insofar as a public-interest entity pursuant to art. 16 of Legislative Decree no. 39 of 27 January 2010, as amended, having a number of employees, balance sheet and net revenues from sales and services exceeding the size limits provided for in art. 2 paragraph 1 of Legislative Decree no. 254 of 30 December 2016 (hereinafter "Decree 254"), is subject to the application of said Decree 254, "Implementation of Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards the disclosure of non-financial and diversity information by certain large undertakings and groups".

PiovanGroup has always paid close attention to the areas covered by the aforementioned Decree, and has consolidated and published a non-financial statement on an annual basis since 2018.

This consolidated Non-Financial Report (NFR) of the PiovanGroup as at 31 December 2023, 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 main non-financial risks generated or incurred, how they are managed should also be explained.

This document constitutes a separate report, marked by the specific wording, as provided for by art. 5 of the Decree, in order to associate it with the Non-Financial Report (NFR) provided for by the legislation. It constitutes the undertaking by PiovanGroup to report on the social and environmental impacts of its actions, respect for human rights and its policies in these areas and on the matter of diversity, in compliance 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 PiovanGroup'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.

PiovanGroup, in order to ensure compliance with non-financial reporting criteria, has adopted the standards published by the Global Reporting Initiative as a reference. These standards are currently the most widespread and internationally recognised for non-financial reporting. For the first year, Piovan S.p.A. published this Statement following the "in accordance" reporting method with respect to the GRI Sustainability Standards of the Global Reporting Initiative 2021 (GRI Standards), for the period 1 January 2023 to 31 December 2023.

The Non-Financial Statement was published in accordance with the principles of GRI 1, in particular: Context of sustainability, completeness, clarity, accuracy, balance of positive and negative aspects, comparability, timeliness and verifiability. The socio-economic context and industry in which the Group operates were considered in the unbiased identification of both the positive and negative impacts, defining management procedures and margins for further improvement. To ensure the accuracy of the information, direct surveys were requested and submitted, limiting the use of estimates as much as possible. The information is presented in a clear and comprehensible manner for all our stakeholders, inclusive of data from the previous years to ensure data comparability.

Any variations in how the individual indicators are calculated with respect to 2022 are expressly indicated in the text, as well as the resulting effects on the relative data. Please see the notes in the tables in the text for any further information regarding changes with respect to previously published data, calculation methods, assumptions or significant limitations of the indicators.

The GRI Content Index is reported at the end of this chapter, consisting of a table detailing the correspondence between the material information reported by PiovanGroup and the GRI indicators associated with each material topic.

The Non-Financial Statement is published on the PiovanGroup website:

<https://www.piovan.com/investors/investor-relations/>

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 PiovanGroup in line with the provisions of Decree 254.

The key steps involved in this process, 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 2023 Consolidated Financial Statements;
- approval of the Non-Financial Report by the Board of Directors on 19/03/2024;
- issuance by the auditing firm Deloitte & Touch S.p.A. of a limited assurance conformity opinion on the Non-Financial Statement, according to the criteria outlined in the ISAE 3000 Revised standard and with respect to the provisions of Articles 3 and 4 of Legislative Decree 254/16;
- publication of the report on the Group's website in order to make it available to all stakeholders.

Data collection forms were prepared throughout the year within the system used by the Group to prepare the Consolidated Financial Statement and Management Report. This operation has improved the reliability of the collected data.

With regard to the conversion and emission factors used to process the data, reference was made to:

- conversion factors used to convert energy consumption to GJ refer to DEFRA (UK Department for Environment Food & Rural Affairs) latest version available;
- emission factors used to calculate Scope 1 emissions refer to DEFRA (UK Department for Environment Food & Rural Affairs) latest version available;
- emission factors used to calculate Scope 2- Location Based Emissions refer to TERNA (UK Government- GHG Conversion Factors for Company Reporting) latest version available;
- emission factors used to calculate Scope 2- Market Based Emissions refer to AIB (European Residual Mixes 2022) for companies within the European scope and TERNA

(UK Government - GHG Conversion Factors for Company Reporting) latest version available for companies outside the European scope;

- conversion factors used to calculate CO₂ equivalent forest acres are taken from the United States Environmental Protection Agency's Greenhouse Gas Equivalencies Calculator;
- 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 Statement

All reporting information within this document refers to the 2023 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.

PIOVANGROUP HAS IDENTIFIED TWO REPORTING SCOPES:

FIRST:

relating to **all companies consolidated in the Consolidated Financial Statements**, addressing financial information, environmental issues, specifically energy, water and waste consumption, anti-corruption, social issues, issues inherent to the composition, characteristics and management of human resources, specifically training, health and safety.

SECOND:

relating to the **parent company Piovan S.p.A., Aquatech S.r.l. and Energys S.r.l.** with regard to the indicators in chapter 8 of the EU taxonomy (Art.8 of Regulation (EU) 2020/852).

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.



10

Tables and Content
Index GRI

CORRELATION BETWEEN DECREE 254, PIOVANGROUP
MATERIAL TOPICS AND GRI STANDARDS

ASPECTS OF ITALIAN LEGISLATIVE DECREE 254/16	MATERIAL ASPECTS FOR PIOVANGROUP	TOPIC-SPECIFIC GRI STANDARDS	INTERNAL PERIMETER	EXTERNAL PERIMETER
HUMAN RESOURCES	Well-being, listening, and satisfaction of human resources	Employment (GRI 401)	PiovanGroup	
	Occupational health and safety	Occupational health and safety (GRI 403)		agency workers
	Training and development of human resources	Training and education (GRI 404) Local Communities (GRI 413)		
ANTI- CORRUPTION	Business ethics and integrity, Corporate Governance	Anti-corruption (GRI 205) Customer Privacy (GRI 418)		
HUMAN RIGHTS	Equal opportunity and diversity management within the company	Diversity and Equal Opportunity (GRI 405) Non Discrimination(GRI 406)		

ASPECTS OF ITALIAN LEGISLATIVE DECREE 254/16	MATERIAL ASPECTS FOR PIOVANGROUP	TOPIC-SPECIFIC GRI STANDARDS	INTERNAL PERIMETER	EXTERNAL PERIMETER
SOCIAL	Responsible supply chain management	Procurement Practices (GRI 204) Supplier environmental assessment (GRI 308) Supplier Social Assessment (GRI 414)	PiovanGroup	
	Economic value creation and growth	Economic performance (GRI 201) Tax (GRI 207)		
	Product quality and safety	Customer health and safety (GRI 416)		
	Innovation, Research and Development			
ENVIRONMENT	Environmental Protection and Climate Change	Energy (GRI 302) Emissions (GRI 305) Waste (GRI 306) Water and Effluents (GRI 303)		

TOTAL NUMBER OF EMPLOYEES BY GEOGRAPHICAL AREA GRI 2-7

	2021			2022			2023		
	male	female	total	male	female	total	male	female	total
EMEA	670	114	784	715	128	843	723	136	859
North America	116	23	139	569	114	683	538	109	647
Asia	122	50	172	122	50	172	133	55	188
South America	91	10	101	96	10	106	100	11	111

TOTAL NUMBER OF EMPLOYEES BY CONTRACT TYPE AND GEOGRAPHICAL AREA GRI 2-7

2023

	EMEA		North America		Asia		South America	
	male	female	male	female	male	female	male	female
Permanent	702	130	538	109	68	26	100	11
Fixed- term	21	6	0	0	65	29	0	0
Total	723	136	538	109	133	55	100	11

2022

	EMEA		North America		Asia		South America	
	male	female	male	female	male	female	male	female
Permanent	686	116	566	114	62	19	96	10
Fixed- term	29	12	3	0	60	31	0	0
Total	715	128	569	114	122	50	96	10

2021

	EMEA		North America		Asia		South America	
	male	female	male	female	male	female	male	female
Permanent	649	110	116	23	56	21	91	10
Fixed- term	21	4	0	0	66	29	0	0
Total	670	114	116	23	122	50	91	10

TOTAL NUMBER OF EMPLOYEES BY WORKING HOURS (FULL-TIME / PART-TIME) AND GENDER AND GEOGRAPHICAL AREA GRI 2-7

2023

	EMEA		North America		Asia		South America	
	male	female	male	female	male	female	male	female
Full-time	718	106	530	107	133	55	100	11
Part-time	5	30	8	2	0	0	0	0
Totale	723	136	538	109	133	55	100	11

2022

	EMEA		North America		Asia		South America	
	male	female	male	female	male	female	male	female
Full-time	711	105	559	110	122	50	96	10
Part-time	4	23	10	4	0	0	0	0
Totale	715	128	569	114	122	50	96	10

2021

	EMEA		North America		Asia		South America	
	male	female	male	female	male	female	male	female
Full-time	667	100	116	22	122	50	91	10
Part-time	3	14	0	1	0	0	0	0
Totale	670	114	116	23	122	50	91	10

TOTAL EMPLOYEES BY CATEGORY AND GEOGRAPHICAL AREA GRI 405 -1

2023								
	EMEA		North America		Asia		South America	
	male	female	male	female	male	female	male	female
Managers	21	2	15	1	3	0	1	0
Junior managers	54	7	33	5	9	3	2	1
White collars	372	122	273	80	90	49	58	9
Blue collars	276	5	217	23	31	3	39	1
Total	723	136	538	109	133	55	100	11
2022								
	EMEA		North America		Asia		South America	
	male	female	male	female	male	female	male	female
Managers	19	2	14	1	4	0	1	0
Junior managers	47	6	35	5	10	2	2	1
White collars	369	114	286	87	77	45	56	8
Blue collars	280	6	234	21	31	3	37	1
Total	715	128	569	114	122	50	96	10
2021								
	EMEA		North America		Asia		South America	
	male	female	male	female	male	female	male	female
Managers	16	0	6	1	3	0	1	0
Junior managers	42	4	8	1	11	2	2	1
White collars	342	107	53	13	77	45	51	8
Blue collars	270	3	49	8	31	3	37	1
Total	670	114	116	23	122	50	91	10

ANNUAL TOTAL COMPENSATION RATIO [GRI 2-21] *

Ratio of the annual total compensation for the organisation’s highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)

37.74 : 1

* The scope of the remuneration used for the calculation includes the fixed and variable short-term and long-term remuneration of the employees of the Group’s Italian companies, as this is considered comparable in terms of remuneration logic.

CONTENT INDEX GRI

Statement of Use: PiovanGroup has reported in accordance with the GRI Standards for the period 01/01/2023- 31/12/2023.
GRI 1 used: GRI 1: Foundation 2021.
Applicable GRI Sector Standard(s): N/A.

STANDARD GRI	DISCLOSURE	LOCATION	OMISSION			GRI sector standard ref. no.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 2-General Disclosure- versione 2021	2-1 Organisational details	162- 165				
	2-2 Entities included in the organisation's sustainability reporting	30- 31; 165				
	2-3 Reporting period, frequency and contact point	162				
	2-4 Restatements of information	112; 118; 162				
	2-5 External assurance	184- 186				
	2-6 Activities, value chain and other business relationships	26- 28; 100- 105				
	2-7 Employees	125; 170-171				
	2-8 Workers who are not employees	123				
	2-9 Governance structure and composition	32- 35				
	2-10 Nomination and selection of the highest governance body	36- 37				
	2-11 Chair of the highest governance body	38				
	2-12 Role of the highest governance body in overseeing the management of impacts	38				
	2-13 Delegation of responsibility for managing impacts	38				
	2-14 Role of the highest governance body in sustainability reporting	38				
	2-15 Conflicts of interest	39				

STANDARD GRI	DISCLOSURE	LOCATION	OMISSION			GRI sector standard ref. no.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 2-General Disclosure- versione 2021	2-16 Communication of critical concerns	39; 77				
	2-17 Collective knowledge of the highest governance body	39				
	2-18 Evaluation of the performance of the highest governance body	40				
	2-19 Remuneration policies	40-41				
	2-20 Process to determine remuneration	40-41				
	2-21 Annual total compensation ratio	173	omissis for the point b	Information not available / incomplete		
	2-22 Statement on sustainable development strategy	X- XI;9-16; 60-75				
	2-23 Policy commitments	42- 51				
	2-24 Embedding policy commitments	34- 35; 42- 51; 77; 122-123; 134 - 135;				
	2-25 Processes to remediate negative impacts	47- 50; 92;95;101; 110-111;122 - 124; 130-131; 134-138				
	2-26 Mechanisms for seeking advice and raising concerns	42-45;77;97				
	2-27 Compliance with laws and regulations	During 2023, there were no significant cases of non-compliance with laws and regulations reported, and no significant monetary penalties paid by the Group.				
	2-28 Membership associations	79				
	2-29 Approach to stakeholder engagement	76- 79				
	2-30 Collective bargaining agreements	123- 124				

STANDARD GRI	DISCLOSURE	LOCATION	OMISSION			GRI sector standard ref. no.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	80- 85				
	3-2 List of material topics	85				
Economic value creation and growth						
GRI 3: Material Topics 2021	3-3 Management of material topics	47-50; 64-75; 82-84				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	88- 89				
GRI 207: Tax 2019	207-1 Approach to tax	54- 55				
	207-2 Tax governance, control, and risk management	54- 55				
	207-3 Stakeholder engagement and management of concerns related to tax	54- 55				
	207-4 Country-by-country reporting	54- 55				
Responsible supply chain management						
GRI 3: Material Topics 2021	3-3 Management of material topics	47-50; 64-75; 82-84				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	107				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	103				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	103				
Business ethics and integrity, Corporate Governance						
GRI 3: Material Topics 2021	3-3 Management of material topics	47-50; 64-75; 82-84				
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	45				

STANDARD GRI	DISCLOSURE	LOCATION	OMISSION			GRI sector standard ref. no.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	52				
Environmental protection and climate change						
GRI 3: Material Topics 2021	3-3 Management of material topics	47-50; 64-75; 82-84				
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	112				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	113				
	305-2 Energy indirect (Scope 2) GHG emissions	113				
GRI 303: Water and Effluents 2018	3-3 Management of material topics	118				
	303-5 Water consumption	118				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	114- 117				
	306-2 Management of significant waste-related impacts	114- 117				
	306-3 Waste generated	114				
	306-4 Waste diverted from disposal	116				
	306-5 Waste directed to disposal	117				
Well-being, listening and satisfaction of human resources						
GRI 3: Material Topics 2021	3-3 Management of material topics	47-50; 64-75; 82-84				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	128- 129				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	138- 141				

STANDARD GRI	DISCLOSURE	LOCATION	OMISSION			GRI sector standard ref. no.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	47-50; 64-75; 82-84				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	134-138				
	403-2 Hazard identification, risk assessment, and incident investigation	134-138				
	403-3 Occupational health services	134-138				
	403-4 Worker participation, consultation, and communication on occupational health and safety	134- 138				
	403-5 Worker training on occupational health and safety	138				
	403-6 Promotion of worker health	134- 138				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	134- 138				
	403-8 Workers covered by an occupational health and safety management system	135- 136				
	403-9 Work-related injuries	137				
Training and development of human resources						
GRI 3: Material Topics 2021	3-3 Management of material topics	47-50; 64-75; 82-84				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	131- 132				

STANDARD GRI	DISCLOSURE	LOCATION	OMISSION			GRI sector standard ref. no.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	142- 143				
Equal opportunity and diversity management within the company						
GRI 3: Material Topics 2021	3-3 Management of material topics	47-50; 64-75; 82-84				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	33;126-127; 172				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	127				
Product quality and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	47-50; 64-75; 82-84				
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	During 2023, there were no incidents of non-compliance with regulations and/or voluntary codes regarding the health and safety impacts of products and services.				
Innovation, Research and Development						
GRI 3: Material Topics 2021	3-3 Management of material topics	47-50; 64-75; 82-84 ; 91-94				

Santa Maria di Sala (Venezia), 21/03/2023

Per il Consiglio di Amministrazione, il Presidente
NICOLA PIOVAN



11

Independent Auditor Report



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**INDEPENDENT AUDITOR’S REPORT
ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3,
PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016, AND
ART. 5 OF CONSOB REGULATION N. 20267/2018**

**To the Board of Directors of
Piovan S.p.A.**

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter “Decree”) and to article 5, paragraph 1, letter g) of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Piovan S.p.A. and its subsidiaries (hereinafter “Piovan Group” or “Group”) as of December 31, 2023 prepared on the basis of art. 4 of the Decree and approved by the Board of Directors on March 19, 2024 (hereinafter “NFS”).

Our limited assurance engagement does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph “Taxonomy” of the NFS.

Responsibility of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and “Global Reporting Initiative Sustainability Reporting Standards” established by GRI – Global Reporting Initiative (hereinafter “GRI Standards”), which they have identified as reporting framework.

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.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group’s activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group’s activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

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

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

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Auditor’s Independence and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) 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.

During the year covered by this assurance engagement, our auditing firm applied International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintained a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor’s responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with the criteria established in the “International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information” (hereinafter “ISAE 3000 Revised”), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do 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 NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included 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 selection process in place in light of the provisions of art.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 with the Decree;
3. comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Piovan Group as of December 31, 2023;



4. understanding of the following matters:

- business management model of the Group’s activities, with reference to the management of the topics specified by article 3 of the Decree;
- policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
- main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a) of this report;

5. understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

In particular, we carried out interviews and discussions with the management of Piovan S.p.A. and with the employees of the subsidiaries Penta S.r.l., Doteco S.p.A., IPEG Inc, Thermal Care Inc., Pelletron Corp., Universal Dynamics Inc. and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, for material information, taking into consideration the Group’s activities and characteristics:

- at Group level:
 - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.
- for the Group companies Piovan S.p.A. and Acquatech S.r.l., which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits, during which we met with management and gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Piovan Group as of December 31, 2023 is not prepared, in all material respects, in accordance with article 3 and 4 of the Decree and the GRI Standards.



Our conclusion on the NFS does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph “Taxonomy”.

Other matters

The NFS for the year ended December 31, 2022, whose data are presented for comparative purposes, have been subject to a limited assurance engagement by another auditor that, on March 30, 2023 expressed an unmodified conclusion on such NFS.

DELOITTE & TOUCHE S.p.A.

Signed by
Barbara Moscardi
Partner

Treviso, Italy
March 28, 2024

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



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