



S**ustainability** R**eport** **2020**

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

CHAIRPERSON'S LETTER

Dear reader,

2020 will, unfortunately, remain in our minds as the year of the global pandemic.

Against this backdrop, the Piovan Group has continued to implement a strategy that sees us focus on our three fundamental pillars: CUSTOMERS, STAFF and INNOVATION.

Financially, the Group reports revenues that have remained largely steady throughout this unusual period, in addition to improved margins and a solid balance sheet. These figures assure us that the right strategies have been adopted, and make us optimistic for the Group's future growth.

The Group has also increased its awareness of and commitment to ESG issues in pursuit of its objectives for balanced, sustainable growth.

The Group operates in sectors closely linked to the consumption of those plastics which are most often the subject of environmental discussion, and as such our commitment to sustainability must be even greater and more concrete. The Group is constantly increasing its focus on the reuse of plastics, and is working tirelessly with the sector's leading players to offer our customers innovative solutions using recycled or biodegradable plastic.

In this move towards a sustainable economy that brings together long-term profitability, environmental considerations and social equality, our Collaborators play a vital strategic role. Even during this difficult year, the Group has stayed true to its policy of training, development and valuing its human capital, and has laid the groundwork for further undertakings in this area.

We have also maintained our commitment to and focus on a Governance system that remains faithful to the principles on which the Company was founded, and which entirely correspond to the cornerstones of ESG.

Personally, I am increasingly convinced that ESG issues should not be viewed as a cost or bureaucracy, but rather that they represent a fantastic opportunity to create sustainable growth that fully respects the values of the environment, social equality and governance.

Nicola Piovan

OUR VALUES



CUSTOMERS

Our approach to business has always been rooted in our relationship with our customers.

We strive every day to build partnerships based on the creation and sharing of value, while promoting trust and providing solutions of excellence to achieve success.



CUSTOMERS AND SUSTAINABILITY

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



PEOPLE

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



PEOPLE AND SUSTAINABILITY

People are fundamental to our philosophy of sustainability. First and foremost, our **employees** are able to count on an organization that **values** and **motivates** them and that provides a workplace that is ideally suited to developing their **talents**.

The performance and success of a company come out of the **well-being of the society** in which it operates. Each and every day, the Piovan Group works to **share knowledge and experience** with the community in order to be a **driver of sustainable development**.



INNOVATION

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



INNOVATION AND SUSTAINABILITY

It is possible to develop a path to environmental sustainability and make the transition to a circular economy only through real, concerted commitment to **innovation in both products and processes**.

We believe in research and development and in **sharing innovation** with our customers, because only through this synergy can we **take concrete action for the planet and its people**.

This is the only way to change our models of production and consumption. And it is the only way that sustainability can become a fundamental, integral part of our daily lives.

EXECUTIVE SUMMARY

Year founded:
1934

Consolidated revenues for the
year 2020:
Euro 225 million

Employees:
1,148, of which 601 in Italy
and 547 in the Rest of the
World

Production facilities:
9 production sites
on 4 continents
5 in Italy
1 in Germany
1 in the USA
1 in China
1 in Brazil

Commercial network:
33 local service and sales
companies
20 in EMEA
7 in Asia
5 in North America 1 in
South America

Commercial network and
distributors in 70 countries
around the world. Customers
in 120 countries worldwide.

THE PIOVAN GROUP

The Piovan Group is a multinational enterprise and a global leader in the development and manufacture of auxiliary automation systems for the storage, shipping and processing of polymers, and plastic and food powders. Piovan S.p.A. has been listed in the STAR segment of the Italian stock exchange since October 19, 2018.

 **PiovanGroup**

 **Aquatech**
Piovan Group

 **Energys**
Piovan Group

 **Fdm**
Piovan Group

 **Fea**
Piovan Group

 **Penta**
Piovan Group

 **Piovan**
Piovan Group

 **Progema**
Piovan Group

 **Toba**
Piovan Group

 **Una-Dyn**
Piovan Group

 **DOTE CO**
Piovan Group

■ Acquired October 2020



WHAT DOES SUSTAINABLE PLASTIC MEAN TO THE PIOVAN GROUP?

Protecting the environment is an issue of great importance around the world. Issues regarding climate change, scarce resources and supply shortages require companies to use materials reasonably and efficiently.

Plastic has a positive influence in this context thanks to the low environmental impact of plastic production.

MORE SPECIFICALLY, PLASTIC ENSURES:



LOW CLIMATE FOOTPRINT

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



LOWER USE OF SCARCE RESOURCES

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

-97%

LESS ENERGY NEEDED 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.

-85%

LIGHTER VEHICLES MADE USING PLASTIC COMPONENTS¹.

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

-1 kg di CO₂

REDUCED FUEL CONSUMPTION BECAUSE PLASTIC REDUCES A CAR'S WEIGHT BY 100 KG.

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 CO₂² for every 100 km driven, which is equal to the amount absorbed by one tree every 2.5 days³.

-94%

REDUCED DETERIORATION OF FOODS STORED IN PLASTIC PACKAGING.

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

¹ www.plasticseurope.org/download_file/force/1355/419

² www.plasticseurope.org/download_file/force/935/750

³ www.un.org/esa/forests/news/2019/03/on-international-day-unece-fao-forestry-and-timber-section-releases-10-facts-to-fall-in-love-with-forests/



PLASTIC AND THE CIRCULAR ECONOMY

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

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



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

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.

THE PIOVAN GROUP AIMS TO ACTIVELY CONTRIBUTE TO:



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



PROVIDING THE MARKET WITH UNIQUE PRODUCTS DESIGNED FOR THIS PURPOSE



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

THE PIOVAN GROUP: ACCELERATORS OF SUSTAINABILITY

OUR APPROACH TO SUSTAINABILITY IS SUPPORTED BY THREE PILLARS:

ANALYSIS

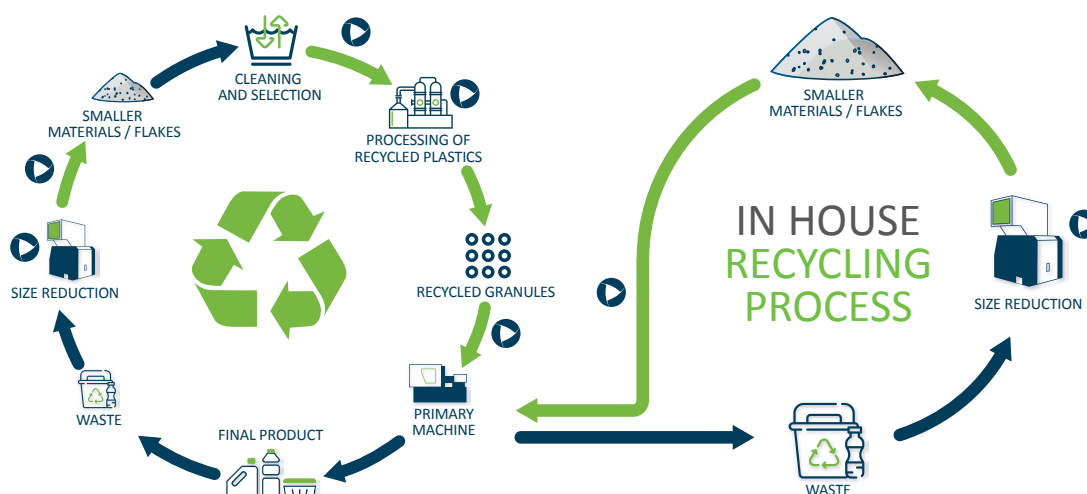
Critical analysis and assessment of sustainability practices within the Group aimed at constant improvement and with a focus on the emerging needs of processors.

INNOVATION

Constant focus on product and process innovation with a view to developing technologies and other solutions for the processing of recycled plastics.

EDUCATION

A commitment to developing increased awareness of sustainability throughout the value chain.



Stages in which the Piován Group is an actor.

SUSTAINABILITY COMES OUT OF CONCRETE INVESTMENT

€ 8.800.000

R&D costs and investment
(3.9% of total revenues)

53

Patents held by the Group, of which
9 in 2020 related to technologies for
the production of recycled plastic

206

R&D specialists



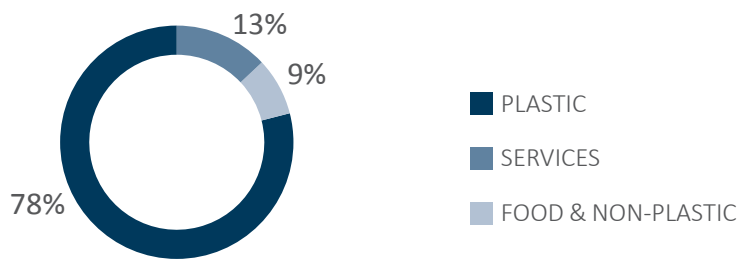
RECYCLABILITY OF PIOVAN PRODUCTS

The Group designs and makes products with an average useful life of 10-15 years and ensures high standards of post-sale service, including a retrofit service that increases a product's remaining useful life.

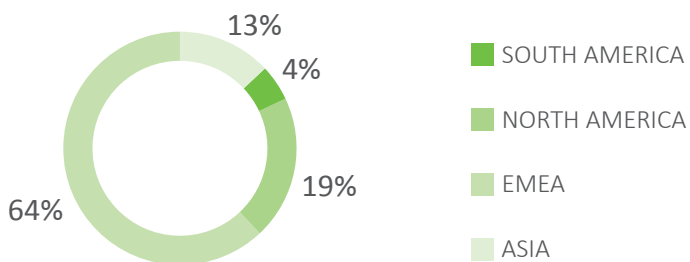
Once a machine is decommissioned, it can be dismantled for parts, which are over 85% recyclable.

THE SHARING OF VALUE ECONOMIC WITH STAKEHOLDERS

REVENUE BY BUSINESS LINE



CORE REVENUE



€225.180.000

CONSOLIDATED REVENUES

€32.242.000

EBITDA

€26.033.000

OPERATING PROFIT (LOSS)

€17.415.000

PROFIT FOR THE YEAR

ECONOMIC VALUE DISTRIBUTED

€ 225.733.000

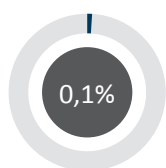
economic value generated

€ 205.442.000

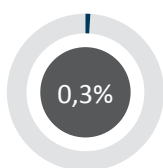
economic value distributed
equal to 91% of the total

€ 20.291.000

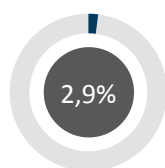
economic value retained equal to
9% of the total



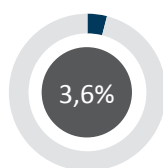
THE COMMUNITY



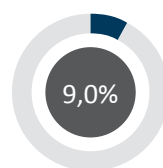
LENDERS



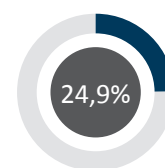
SHAREHOLDERS



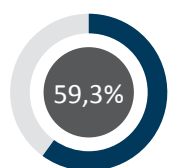
PUBLIC
ADMINISTRATION



RETAINED



EMPLOYEES



SUPPLIERS



A FOCUS ON SUPPLIERS AND THE VALUE CHAIN

1.900

SUPPLIERS USED BY
THE PIOVAN GROUP.



PRELIMINARY SUPPLIER
SCREENING AUDITS
AT THE STANDARDS
REQUIRED BY THE
GROUP.



SHARING OF SUITABLE
PROVISIONING
AGREEMENTS.



CONSTANT MONITORING OF
SUPPLIER PERFORMANCE.

DEVELOPMENT
OF STRONG
PARTNERSHIPS

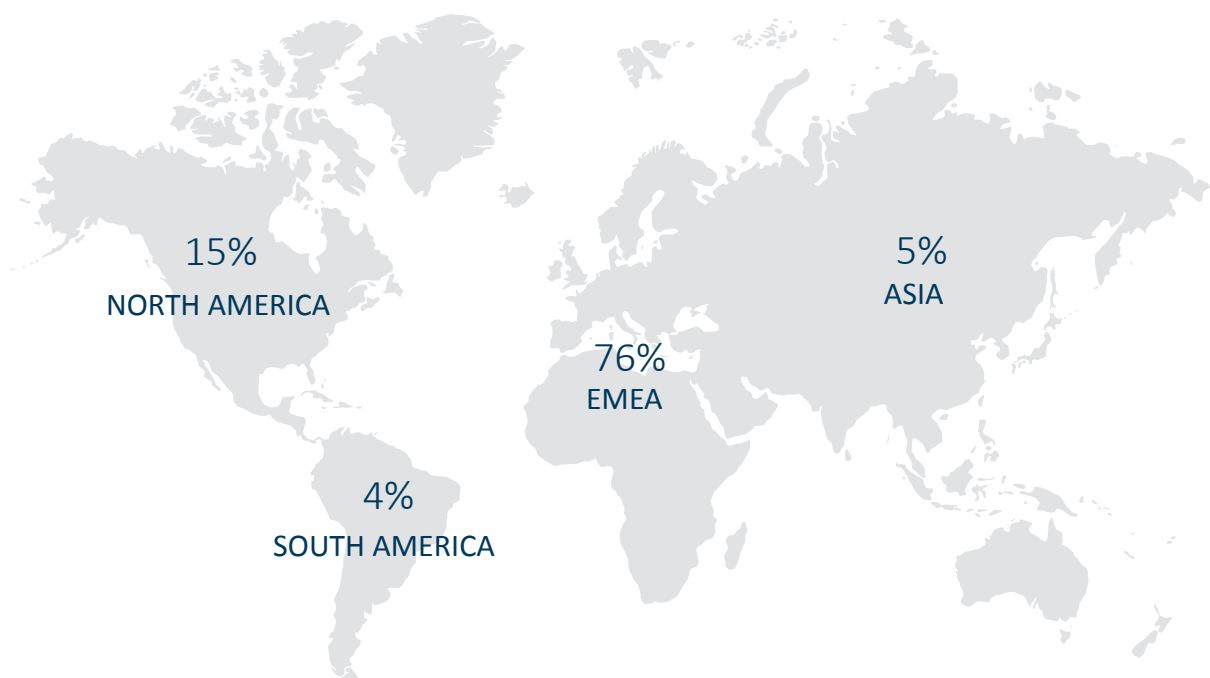


SELECTION OF
SUPPLIERS ON THE
BASIS OF CERTIFIED AND
SHARED CRITERIA.

euro 107.4 million

THE VALUE OF PURCHASES.

VOLUME OF PURCHASES IMPACTING THE SUPPLY CHAIN BY GEOGRAPHICAL AREA





A FOCUS ON THE ENVIRONMENT

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

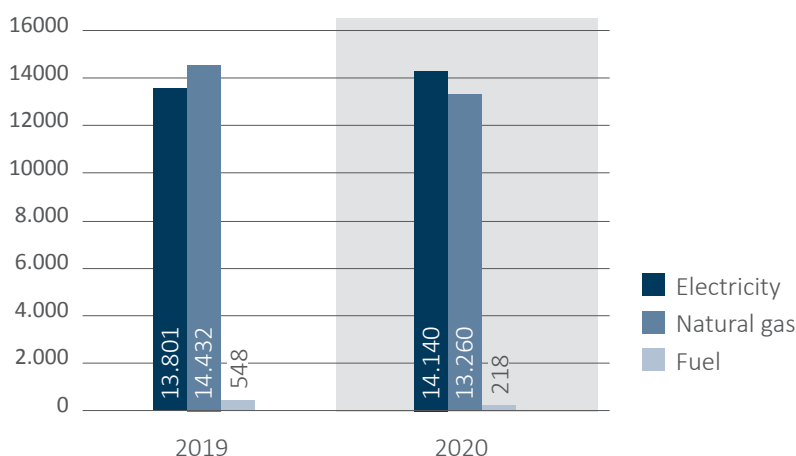
This includes the project undertaken by Piovan S.p.A. to certify the company's environmental management system based on the ISO 14001:2015 standard (achieved on December 7, 2019, for the head office in Santa Maria di Sala, Venice).

MANAGEMENT OF ENERGY CONSUMPTION

Piovan Group's production activity essentially consists of assembly, and as such is not as energy-intensive as manufacturing.

Energy consumption in 2020 consisted entirely of energy from electricity, natural gas, and a very small amount of liquid fuel in the form of diesel.

CONSUMPTION FROM NON-RENEWABLE SOURCES (GJ)



TOTAL INTERNAL ENERGY CONSUMPTION AT THE ORGANIZATION (IN GJ)

	2019	2020
Total electricity consumed	14,000	15,129
Electricity acquired	13,900	14,248
originating from certified renewable sources	99	108
Natural gas	14,432	13,260
Fuel (diesel)	548	218

ELECTRICITY THAT IS PRODUCED ON SITE (IN GJ)

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

PIOVAN'S SUPPORT FOR THE ENERGY EFFICIENCY OF OUR CUSTOMERS

With a view to accelerating sustainability with our customers, we have created Energys S.r.l., a certified ESCo aiming to offer specific advice on what they can do to save energy, whether it be related to producing plastic or other materials.

Energys S.r.l. offers services and technology to allow its customers to carry out detailed analyses of their energy consumption, identifying any potential energy or financial savings within the company.

2.484

EECS OBTAINED IN 2020
(+21% ON 2019)

16.968 GJ

SAVINGS FOR OUR CUSTOMERS FROM WHITE CERTIFICATES



WATER CONSUMPTION MANAGEMENT

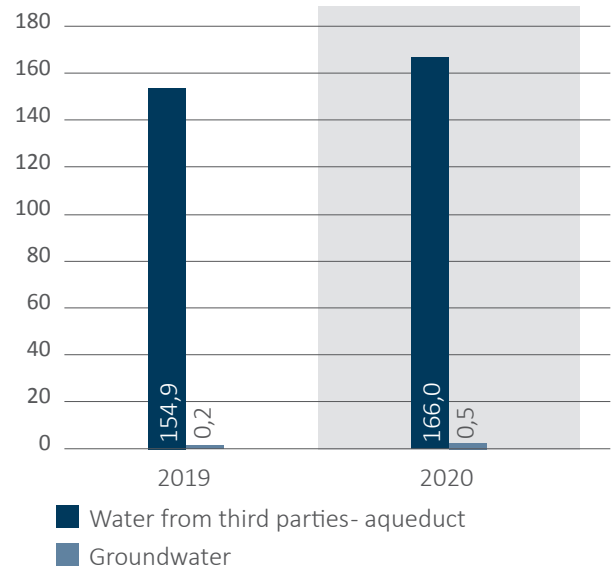
In our assembly process, water is not a resource that is used in the production cycle. It is not, for example, stored for future use, or used in products or for cooling purposes. As such, we have not identified significant impacts related to the use of water along the value chain, either in terms of 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 (MEGALITERS)

	2019	2020
Water from third parties- aqueduct	154,9	166,0
Groundwater	0,2	0,5
Total	155,1	166,5

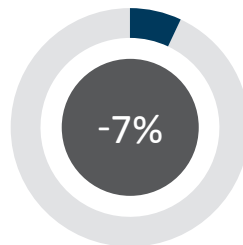
CONSUMPTION BY SOURCE TYPE (MEGALITERS)



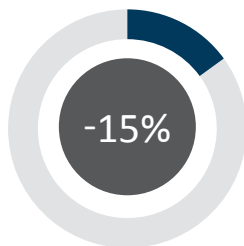
WASTE MANAGEMENT



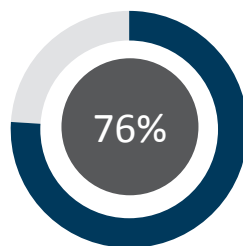
REDUCED QUANTITY OF NON-
HAZARDOUS WASTE TREATED
IN 2020 COMPARED TO 2019



LOWER TOTAL WASTE
TREATED IN 2020 COMPARED
TO 2019



REDUCED QUANTITY OF
HAZARDOUS WASTE TREATED
IN 2020 COMPARED TO 2019



PERCENTAGE OF NON-
HAZARDOUS WASTE RECYCLED
IN 2020 - EQUAL TO 490 T

780 t

TOTAL WASTE
COLLECTED IN 2020
[840 T IN 2019]



A FOCUS ON COLLABORATORS

People are at the core of our values and of the way we do business.

All human resource management and development is carried out with a view to **fostering the skills, potential and commitment of every employee**, using objective and documented evaluation criteria.

To increase inclusion, we promote the responsible **participation and engagement of our staff**, including by way of social dialogue, and we ensure free association with trade unions and the right to collective bargaining.

We strive to maintain a constructive dialogue with the trade unions and with all other organizations that represent Piovan employees around the world.



1.148

EMPLOYEES OF THE
PIOVAN GROUP



47

NET INCREASE IN THE
WORKFORCE IN 2020



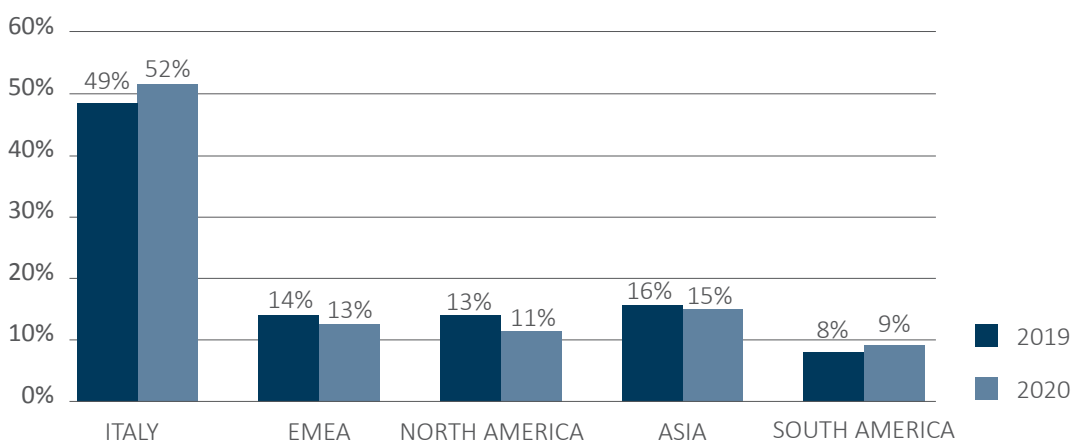
€ 56.159.000

VALUE DISTRIBUTED
TO EMPLOYEES IN THE
FORM OF WAGES,
SALARIES, SOCIAL SECURITY
AND BENEFITS

TOTAL PIOVAN GROUP EMPLOYEES BY CATEGORY AND GENDER

	2019			2020		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Executives	27	1	28	28	2	30
Managers	54	9	63	63	9	72
White-collar	473	144	617	503	164	667
Blue-collar	381	12	393	371	8	379
Total	935	166	1.101	965	183	1.148

PERCENTAGE DISTRIBUTION OF EMPLOYEES BY GEOGRAPHICAL AREA





TRAINING AND DEVELOPMENT

● 11.706

HOURS OF TRAINING PROVIDED IN 2020

● 4.593

HOURS OF TRAINING PROVIDED ON GENERAL SAFETY

● 1.896

HOURS OF TRAINING PROVIDED TO NEW HIRES

● 1.292

HOURS OF TECHNICAL TRAINING

People are essential and so is their development.

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

AVERAGE TRAINING HOURS PER CAPITA BY PROFESSIONAL CATEGORY



HEALTH AND SAFETY AT WORK

The health and safety of our people come before all else.

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

In confirmation of this commitment to workplace health and safety, Piovan S.p.A. obtained an ISO 45001:2018 certification on November 26, 2019, for its offices, production site, and warehouse located in Santa Maria di Sala, Venice.

	2019	2020
Recordable workplace injuries	16	13
of which fatal	-	-
of which with serious consequences	2	1
of which on commute	-	-
Days lost due to injury	242	205
No. of cases of occupational illness	-	-
Rate of death due to workplace injury	-	-
Rate of workplace accidents with serious consequences (excluding deaths)	1,06	0,54
Rate of recordable workplace injury	8,44	6,97

SUSTAINABILITY REPORT

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1

CIRCULAR ECONOMY COMMITMENT

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

The challenges we're currently facing concern:

CLIMATE CHANGE



The factors most affecting climate change are:

- fossil fuel combustion;
- deforestation;
- intensive cattle farming.

Plastic has a positive influence in this context thanks to the low environmental impact of plastic production. The relatively low melting point of this lightweight material means that transforming plastic from a raw material into a finished product has less of an impact on the environment compared to other materials, such as glass or aluminum. 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. In fact, plastic is 85% lighter than other materials¹, significantly reducing the energy consumption of cars, commercial vehicles, trains, buses, and planes. A car that is 100 kg lighter emits up to 1 kg less CO₂² for every 100 km driven, which is equal to the amount absorbed by one tree every 2.5 days³.

LACK OF RESOURCES



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

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

ENVIRONMENTAL POLLUTION



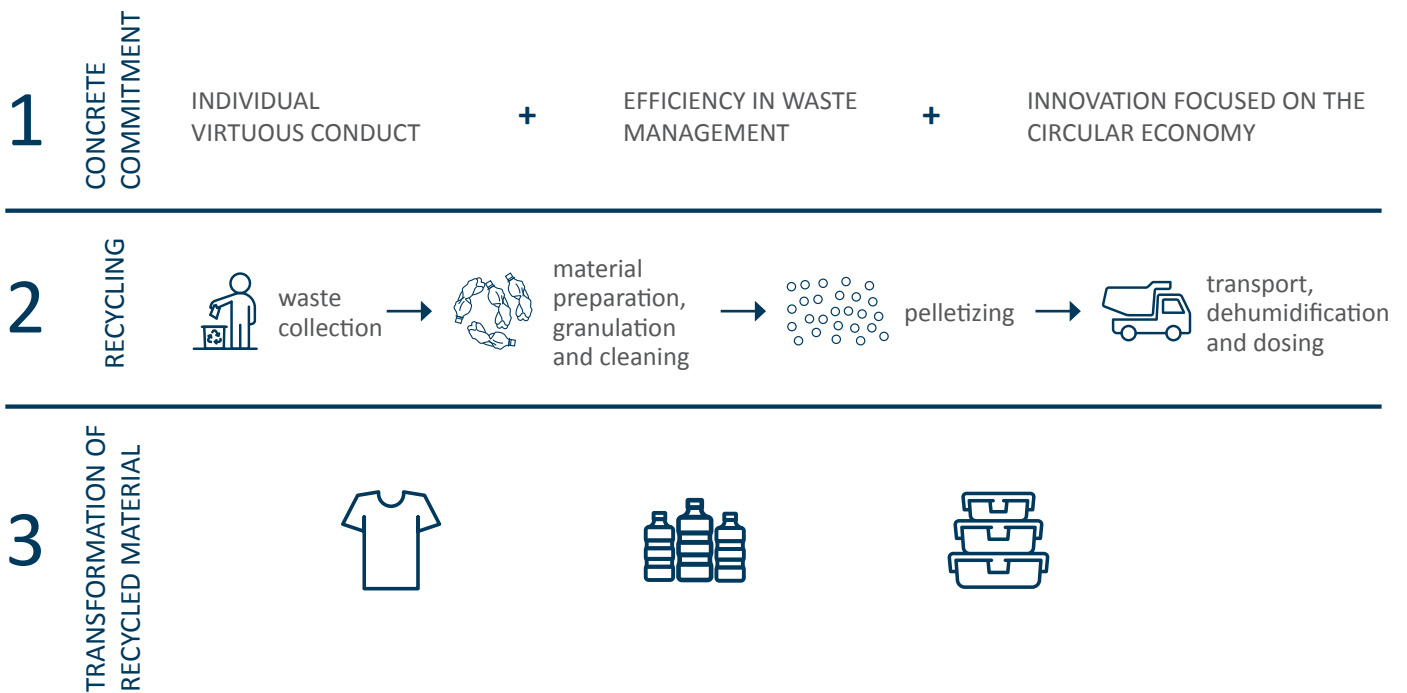
Many polluting substances used for domestic and industrial purposes are dispersed into the soil, sea, and atmosphere. These polluting substances include plastic, which can take hundreds of years to break down once dispersed into the environment.

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

¹ www.plasticseurope.org/download_file/force/1355/419

² www.plasticseurope.org/download_file/force/935/750

³ www.un.org/esa/forests/news/2019/03/on-international-day-unece-fao-forestry-and-timber-section-releases-10-facts-to-fall-in-love-with-forests/



Changes to European legislation on the production and use of plastics may cause shrinkage of the potential market. However, European legislation represents a key Group opportunity.

The Company has always made sure to use recycled materials and will now be able to provide the market with cutting-edge machinery to encourage the use of recycled materials to a much greater degree than required by law. The hope is to promote a circular economy where possible.

As such, the Group has a strategic advantage over its competitors, both in terms of technology and timeframe.

1.1 PIOVAN GROUP STRATEGY

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



BY CRITICALLY ANALYZING
BUSINESS PRACTICES



BY CONTINUALLY
INNOVATING ITS
SERVICES, WHILE PAYING
CLOSE ATTENTION
TO TECHNOLOGIES
USED TO PROCESS
RECYCLED PLASTICS AND
BIOPOLYMERS WITH THE
MINIMUM CUSTOMER TCO



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



The diagram illustrates the **IN HOUSE RECYCLING PROCESS**, a circular flow for recycling plastic waste. The process begins with **WASTE** (represented by plastic bottles) entering a **SIZE REDUCTION** machine. The output is **SMALLER MATERIALS / FLAKES**, which are then moved to **CLEANING AND SELECTION**. These materials are then processed into **RECYCLED GRANULES** by a **PROCESSING OF RECYCLED PLASTICS** machine. The granules are then fed into a **PRIMARY MACHINE** to produce the **FINAL PRODUCT** (plastic bottles). A feedback loop shows the **PRIMARY MACHINE** also producing **WASTE**, which is recycled back into the process. The central part of the diagram features a large green recycling symbol and the text **IN HOUSE RECYCLING PROCESS**.

 Stages in which the Piovan Group is an actor.

Developing solutions for a circular economy can be fairly technologically complex, due to the variability of raw materials, which can differ greatly in comparison to oil, for example. In fact, vast chemical-physical differences are often found in raw materials, including within individual batches. As such, systems need to be able to manage these differences while continuing to deliver products of a very high quality.

IN ORDER TO DO SO, WE RELY ON THREE PILLARS:

DEVELOPMENT

Developing specific products for the recycled material supply chain, such as:

- GenesysNext- a high-efficiency dehumidifier with proprietary technology capable of reducing VOCs⁴ present in process air and controlling injection pressure, thus improving the yield and quality of finished products.
- Inspecta, in order to immediately detect NIASs⁵ in PET preforms;
- Winfactory 4.0- a system for monitoring, automating, and tracing all products, but above all, recycled products, in order to guarantee quality.

EDUCATION

Raising customer awareness about the existence of good plastics originating from recycled materials or plant-based raw materials.

SUPPORT

Support, to guarantee quality and efficiency across all system life stages:

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



Example of products made from recycled plastics or biopolymers with the help of Piovon Group solutions.

The widest possible distribution of *circular economy friendly* products is key to sustainability. In a world in which global plastic recycling rates stand at just over 20%, the challenge is to create a supply chain capable of recovering, transforming, and reusing a raw material with one the best ecological footprints, if employed properly.

The social drive towards replacing plastic with other packaging materials for food and drink moves the problem away from environmental pollution and towards greenhouse gas emissions. The most promising strategy involves the continued use of plastics but increased recycling rates through changes in consumer habits and an efficient collection chain.



Millions of tons of CO₂ emitted into the atmosphere if every PET bottle produced in 2016 were replaced with packaging using other materials⁶.

⁴ Volatile Organic Compounds.

⁵ Not Intentionally Added Substances.

⁶ Voulvoulis N.(a), Kirkman R.(b), Giakoumis T.(a), Meunier P.(b), Kyle C.(b), Midgley V.(b), 2020. Examining material evidence the carbon fingerprint. (a) Centre for Environmental Policy, Imperial College London (b) Veolia UK.

THE PIOVAN GROUP AIMS TO ACTIVELY CONTRIBUTE TO:



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



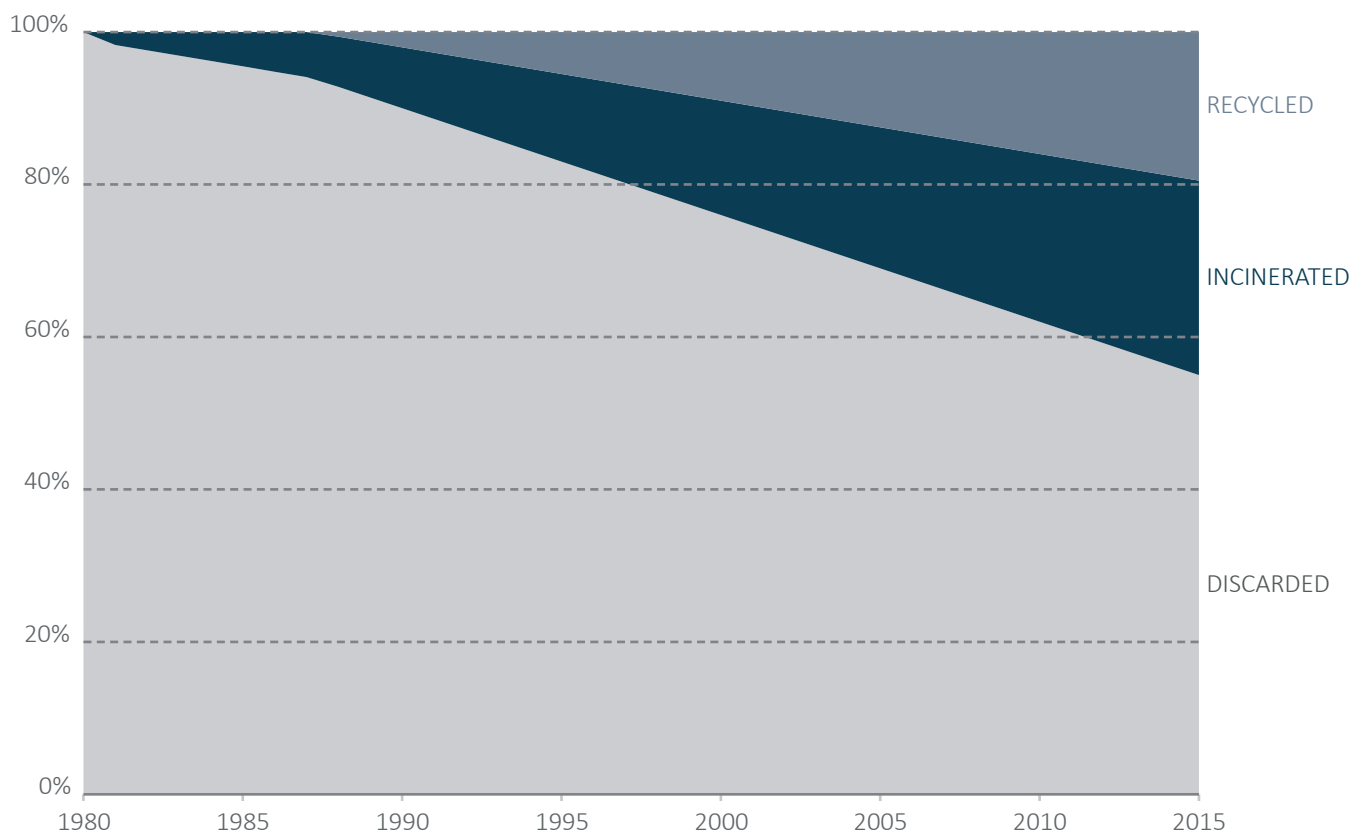
PROVIDING THE MARKET WITH UNIQUE PRODUCTS DESIGNED FOR THIS PURPOSE.



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

GLOBAL PLASTIC WASTE BY DISPOSAL, 1980 TO 2015

Estimated share of global plastic waste by disposal method.



Less than 20% of end-of-life plastic is recycled, and more than 50% goes to landfill⁷.

⁷ Source: Geyer, R., Jambeck, J. R., & Law, K. L. (2017). Production, use, and fate of all plastics ever made. Science Advances, 3(7), e1700782. <http://advances.sciencemag.org/content/3/7/e1700782.full>

1.2 RECYCLABILITY OF PIOVAN PRODUCTS

Despite the challenging circumstances created by the Covid-19 pandemic, Piovan Group continues to believe that sustainability issues related to climate change are a priority for a number of stakeholders. Knowing that climate change will be an increasingly relevant topic for the company is the basis for a new way of thinking about business responsibilities. Europe today is experiencing a moment of transition, from a linear economy to a circular one, in which products are managed throughout their life-cycles to reduce and prevent waste; we are therefore in need of products that produce more from less. Against this backdrop, our Group designs and creates products with an average useful life of 10-15 years, which are generally replaced by the introduction of higher performance products, rather than because of limits to their functionality.

The Group's policy also consists of providing clients with high-quality after-sales service that includes, among other things, a particularly wide range of replacement parts for products in production, in addition to a "retrofit service". This enables the creation of exchange kits for machines that are no longer in production but still used by customers, and further extends the useful life of our products.

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

A CIRCULAR APPROACH CAN ALSO BE FORMALIZED IN OTHER WAYS, SUCH AS:

- **CAREFUL SELECTION OF MATERIALS AND CLOSE INSPECTION OF THE PRODUCT DESIGN PROCESS**
careful selection of materials and close inspection of the product design process, considering aspects of longevity, durability, ease of repair, modularity, dismantling and recycling;
- **USE OF RECYCLED OR RENEWABLE RESOURCES**
reducing the use of virgin raw materials in favor of second-hand, recycled and renewable resources, and replacing hazardous materials with non-hazardous equivalents;
- **RECLAIM USED PRODUCTS**
creating programs to reclaim used products, thereby avoiding resources being discarded.

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

1.3 ENERGYS S.R.L.

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

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

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



MONITORING AND ANALYSIS
OF ENERGY EFFICIENCY



ENERGY
AUDITS



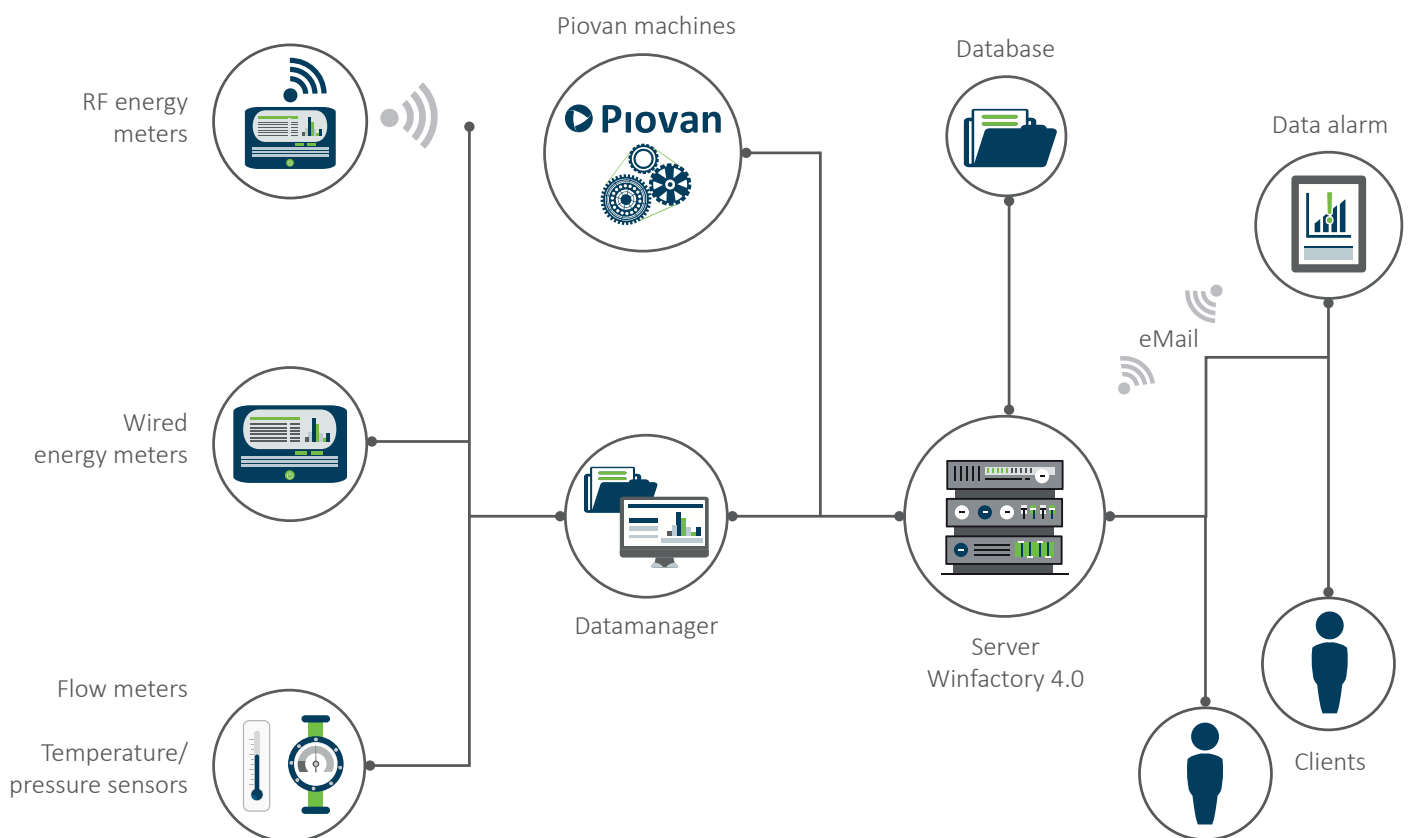
OBTAINING WHITE
CERTIFICATES

The work carried out by Energys is widely applicable to the industrial sector, and particularly to the plastics and food industries - the core business of the Piovan Group. As such the Group not only designs and develops machines with the most advanced energy efficiency systems available on the market, but also offers services aimed at further reducing the environmental impact of its customers' production processes.

1.3.1. ENERGY MANAGEMENT

Monitoring production activities makes it possible to efficiently manage energy consumption with a view to reducing emissions while simultaneously achieving financial benefits and savings. The Piovan Group moves into this area with **Winenergy**, a system that controls and analyses consumption using proprietary software.

WINENERGY ARCHITECTURE



The Winenergy monitoring systems allow real time measurement of the quantities of energy carriers and flows used by the company: electricity, fluid flow (e.g. natural gas, compressed air, water), temperature and pressure. They therefore allow analysis of the energy performance of not only individual users, but also of entire production lines and sites. The aim is to identify energy consumption centers and map the company's energy efficiency status, helping to identify inefficiencies.

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

A FEASIBILITY STUDY EVALUATES THE FOLLOWING:



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

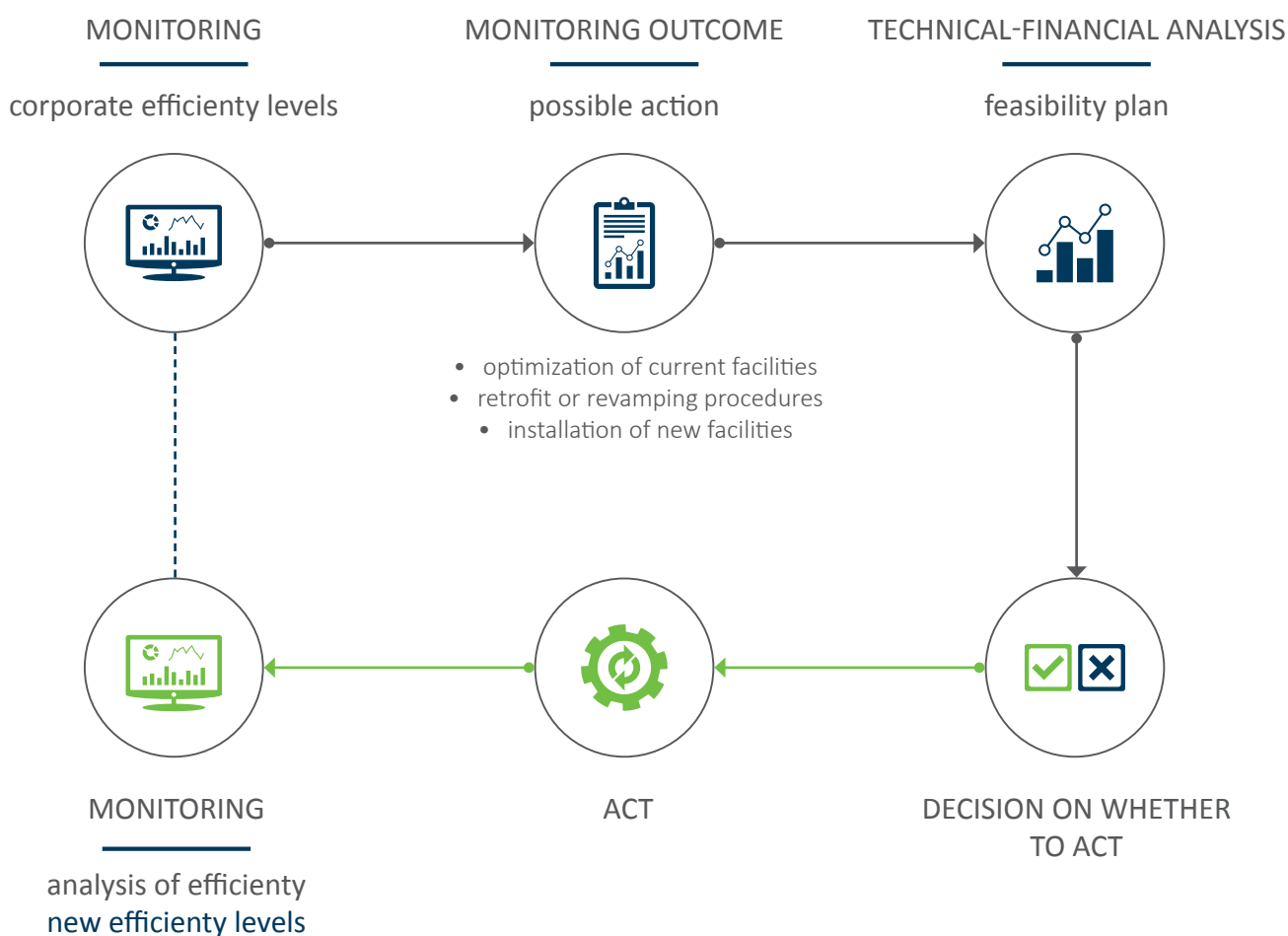


THE PAYBACK TIME OF THE INVESTMENT IDENTIFIED

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

PRACTICAL EXAMPLES

During 2020, Energys supported a number of its customers in carrying out energy audits at their production sites. This was in compliance with legislation requiring energy audits be carried out every four years, and for which the deadline was December 5, 2020. This allowed the company to collaborate with its customers in examining possible ways to optimize energy consumption and proposing solutions that were practicable and acceptable from both a technical and financial point of view, i.e. evaluating investment return times.



The 2020 deadline was an opportunity to take stock of the action proposed in the previous energy audit and assess whether the potential energy savings identified in 2016 were actually made.

Specifically, one customer was advised to replace their existing lighting system with LED lighting.

Replacing traditional lightbulbs with a high-efficiency LED system guaranteed a reduction in electricity use, while ensuring the same level of illumination. This change resulted in an annual energy saving of 64,000kWh from 2016.

Another change involved the planning and replacement of a Melt Blown single extruder extrusion line with a newer, higher-performance system.

This replacement was carried out in 2018 and brought an annual saving of 220,000kWh.

The two proposals made during 2015's energy audit and then implemented therefore led to an 11% total reduction in the company's electricity use.

The suggestions made following the 2020 energy audit at the same customer included the replacement of a refrigeration unit and a press with more energy-efficient systems.

On the basis of the analysis, the first change would lead to energy savings of 46,550kWh and an investment return time of 4.39 years, while the second would generate savings of over 200,000kWh with a longer investment return time of 7.08 years.

Considering the benefits that have been achieved with this approach, the customer will very probably implement the suggestions made during the 2020 energy audit, since it is in the company's interest to reduce its energy consumption both as regards its sustainability policy and in order to achieve economic benefits.

1.3.2. WHITE CERTIFICATES

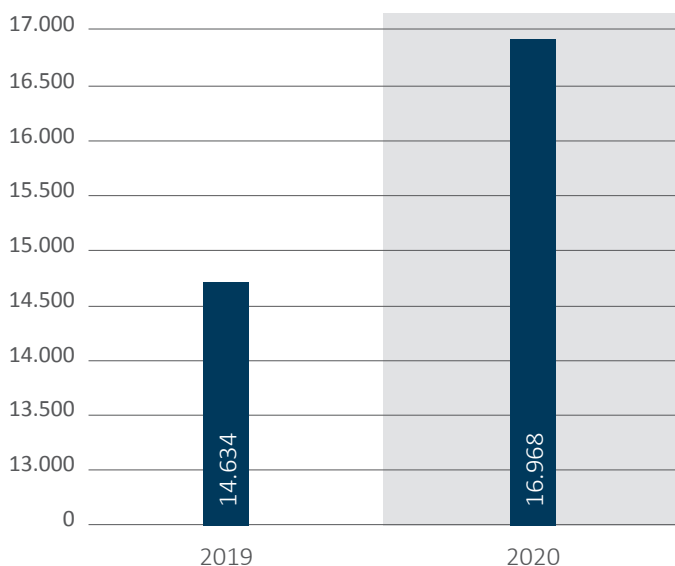
White certificates, also known as Energy Efficiency Certificates (EEC) are tradable certificates that certify the achievement of energy end-use savings through energy-efficiency operations and projects.

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

During 2020, Energys S.r.l. received 2,484 EECs, up 21% on 2019.

White certificates obtained by Energys S.r.l. during 2020 allowed its customers to save 16,968 GJ. The figures indicate an increase on the previous year.

SAVED GJ





2

MANAGEMENT BUSINESS MODEL AND ORGANIZATION OF COMPANY ACTIVITIES

THE PIOVAN S.P.A. GROUP IN A NUTSHELL:

**CONSOLIDATED REVENUES FOR THE YEAR 2020:**

EURO 225 MILLION

**SHARE CAPITAL (FULLY PAID-IN):**

EURO 6 MILLION

**EMPLOYEES:**1,148 OF WHICH 601 IN ITALY
AND 547 IN THE REST OF THE WORLD**9 PRODUCTION PLANT ON 4 CONTINENTS:**5 IN ITALY AND 4 IN GERMANY, THE UNITED STATES,
BRAZIL AND CHINA RESPECTIVELY.

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

Piovan has strengthened its leadership position worldwide. At the end of 2014, the Group welcomed Penta, a company operating in the plastic industry and food sector. During 2020, the Group consolidated its position in food processing by acquiring a majority stake in Penta. Aquatech has been operative since January 2015 and is a new company specializing in industrial refrigeration. Energys was created to offer energy and consultancy services in the name of energy efficiency. The company joined the Progema group, which designs and produces automation and control systems for industrial processes. New branches have opened their doors: Piovan Japan in Kobe, Piovan Gulf in Dubai Piovan Vietnam in Ho Chi Minh City and Piovan Maroc in Kenitra, Morocco. In 2019 new entries to the Group were FEA p.t.p S.r.l. – an Italian company specialized in food industry automation, and more specifically, the installation and production of machinery to transport viscous liquids – and Toba Pnc Co. Ltd. in South Korea.

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

Through local legal entities, the Piovan Group is directly present in 25 countries around the world.

There were changes in the share capital expressed in voting rights, following the waiver and acquisition of increased voting rights by some shareholders.

Aside from the above, there were no significant changes in 2020. Reference should be made to the significant events described in the Directors' Report.

The Group is now a multinational enterprise and a global leader in the development and manufacture of auxiliary 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.

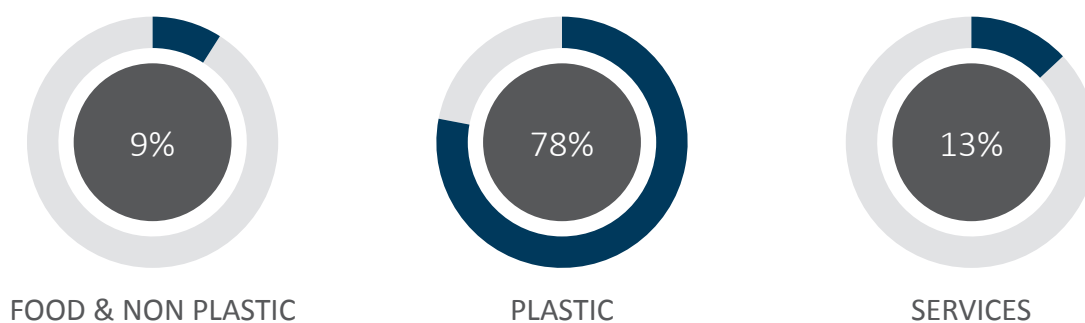
The Group's technical solutions include in particular:

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

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

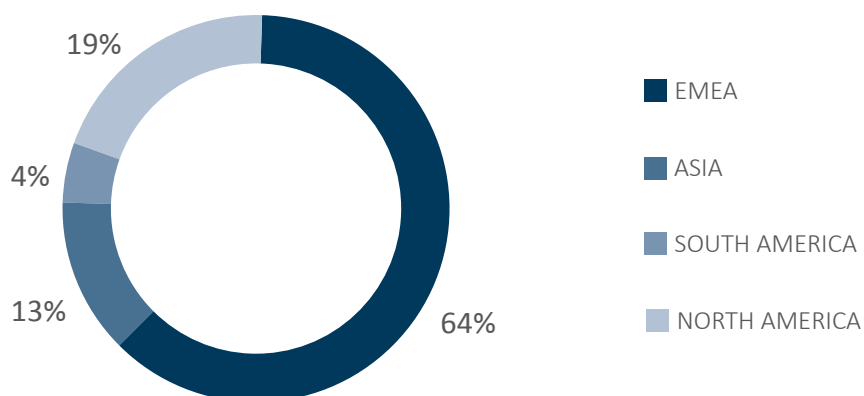
The Group reports consolidated revenues of Euro 225 million for 2020.

CORE REVENUES BY BUSINESS LINE



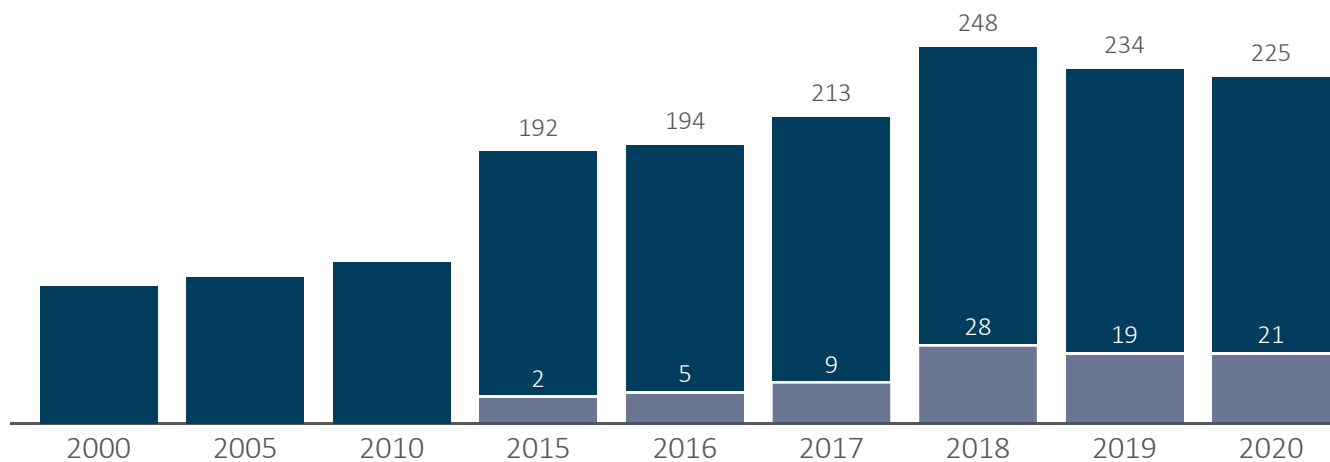
The Group's revenues come from 4 different geographical areas: EMEA, North America, South America and Asia.

CORE REVENUES



Chaired by Nicola Piovan, the Group has 1,148 employees: 601 in Italy and 547 in the rest of the world (152 in Europe excluding Italy, 124 in North America, 172 in Asia and 99 in Brazil), supported by a commercial network of 33 service and sales companies operating locally (20 in EMEA, 7 in Asia, 5 in North America and 1 in South America). Including distributors, the Group operates in 70 countries. The Group reaches customers in 120 countries around the world.

REVENUE 2020 (€M)



food
 manufacturing site

The Group has 9 production plant on 4 continents: 5 in Italy and 4 in Germany, the United States, Brazil and China respectively.

Piovan S.p.A. was listed on the STAR segment of the Italian Stock Exchange on 19 October 2018.

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

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

2.1 COVID-19: IMPACTS ON SUSTAINABILITY

Against the backdrop of a 2020 macro-economic scenario that was profoundly affected by the Covid-19 health emergency, the Piovan Group continued to operate and took all necessary measures to protect the health and safety of its employees.

In view of Consob call for attention No. 1/21 of 16/02/2021 below, disclosure is provided below on the topics to be reported upon, in particular: the impact of the Covid-19 pandemic on non-financial topics; social and personnel topics; the business model and value creation; risks relating to climate change; and the interconnections between financial and non-financial information. The pandemic, and above all the lockdown policies imposed by various governments, have had widespread repercussions in many sectors of the world economy. Thanks to the Group's presence in a number of geographical areas and in very diverse industrial sectors, it was possible to mitigate overall risk and limit the reduction in turnover volumes.

All the necessary measures to guarantee employee health, on the one hand, and ensure safe operative continuity, on the other, were adopted promptly, often before government provisions required them. Thanks to the efforts of everybody involved, the Group remained open across the world throughout 2020.

IT IMPLEMENTED VARIOUS MEASURES, INCLUDING:

- **ESTABLISHMENT OF A COVID COMMITTEE**
covering the entire Group, which meets on a weekly basis;
- **DEFINITION OF A CORPORATE HEALTH PROTOCOL**
which is shared with and adopted by all Group companies;
- **SUPPLY OF MEDICAL EQUIPMENT.**

Early in the year, when sourcing medical equipment was problematic, the locations of Piovan Group companies across a number of continents meant that they were able to support each other in supplying this equipment, thereby helping to ensure health and safety standards in the workplace.

The Group has endeavored to ensure the protection of jobs and employment as far as possible, and has sought to limit the use of social shock absorbers.

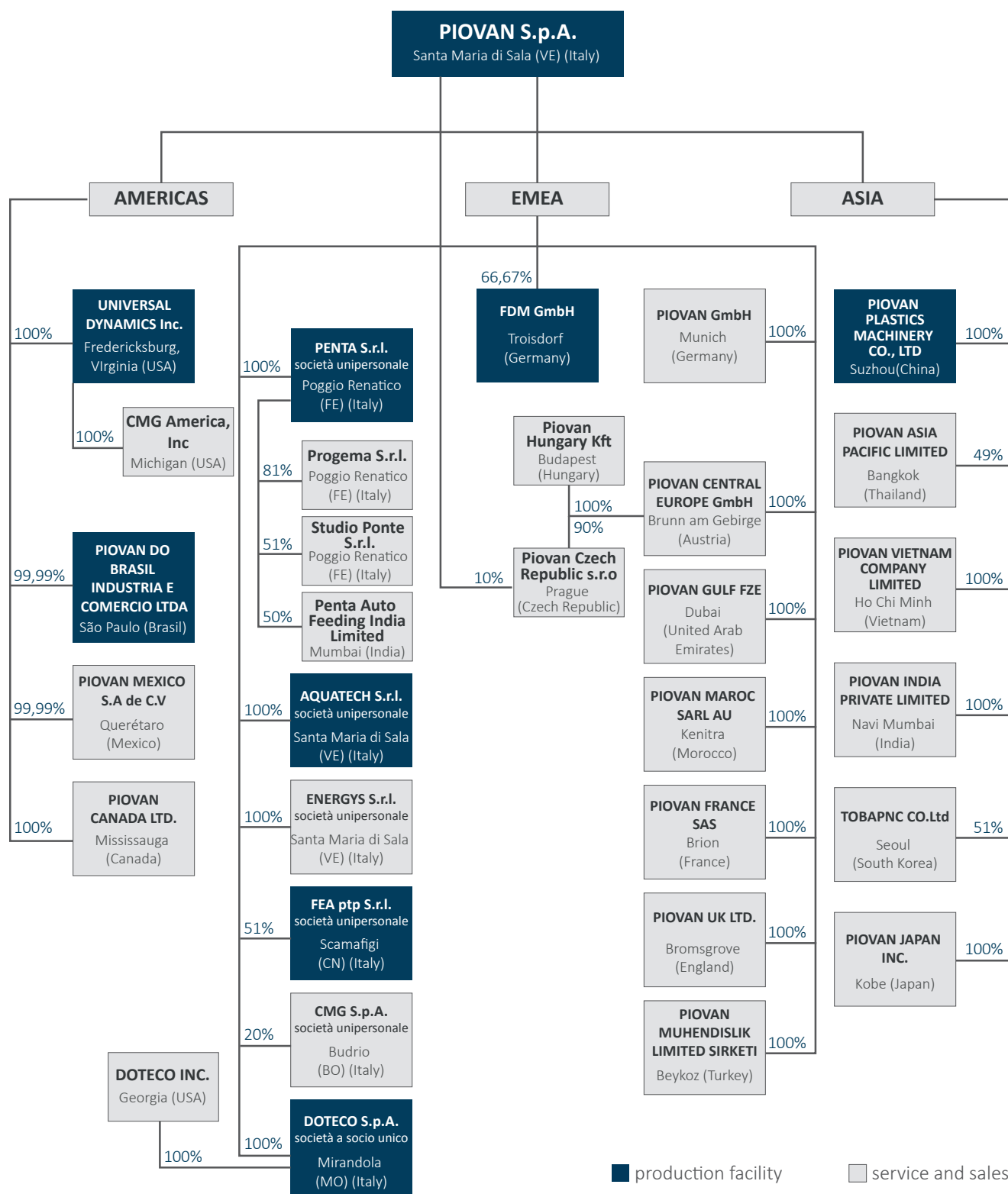
The safe continuation of business operations during the pandemic also helped support the supply chain. The Group needs materials and components to create its own products: as such, suppliers were also needed, and these in turn remained operative. This benefitted the entire supply chain and, from a social sustainability point of view, also guaranteed the income of the stakeholders upstream of the production chain.

The Piovan Group operates in many sectors, including the medical and packaging sectors, which during the Covid-19 pandemic proved to be crucial in ensuring the safety of the population. Among its customers, for example, are manufacturers of medical equipment, personal protection and bottles used for sanitizing gel, products that are crucial in the fight against the virus. The work of the Piovan Group has therefore contributed to supporting the community and its most fragile categories.

For further details, please refer to paragraph 7.3 health and safety in the workplace.

2.2 STRUCTURE OF THE GROUP

As at December 31, 2020, the Piovan Group was divided into a structure headed by Piovan S.p.A. and can be illustrated as follows:



2.3 CORPORATE GOVERNANCE

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

As regards corporate governance, Piovan S.p.A. has adopted a structured regulatory system that makes particular reference to the Self-Governance Code drawn up by Borsa Italiana S.p.A.'s Corporate Governance Committee.

The Board of Directors is supported by three committees:

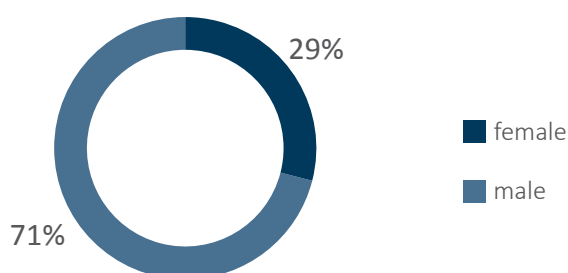
- the Appointments and Remuneration Committee,
- the Control, Risk and Sustainability Committee,
- the Related Parties Committee. The Board of Directors also appointed a Supervisory Board in accordance with Legislative Decree 231/2001. No. 231/2001

THE CORPORATE BOARDS THAT MAKE UP THE PIOVAN S.P.A. GOVERNANCE SYSTEM INCLUDE:

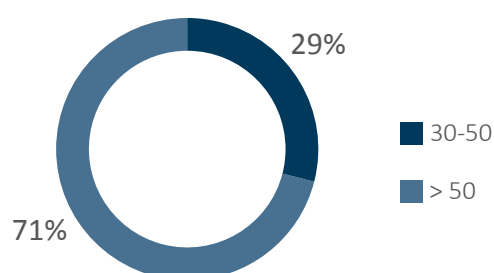
- BOARD OF DIRECTORS
- BOARD OF STATUTORY AUDITORS
- INTERNAL COMMITTEES
- SHAREHOLDERS' MEETING
- SUPERVISORY BOARD

2.3.1. CORPORATE BOARDS OF PIOVAN S.P.A.

COMPOSITION OF THE BOARD BY GENDER



COMPOSITION OF THE BOARD BY AGE

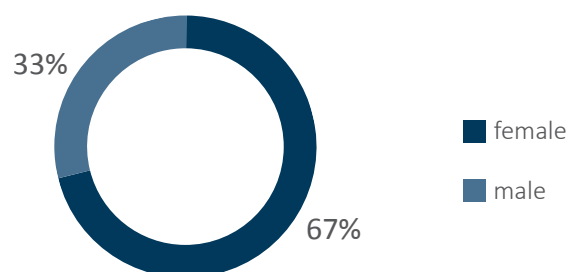


The Board of Directors is currently composed of 7 members, of which 5 non-executive and 4 independent. The Chairperson of the Board of Directors has an executive role. In addition to the powers assigned in accordance with law and the By-Laws, the Board of Directors is exclusively responsible for making the most important decisions from an economic and strategic point of view and in terms of structural impact on operations, i.e. those functional to the exercise of the monitoring and guidance activities of the Company and the Group. The Board of Directors was appointed at two Shareholders' Meetings on June 29, 2018 and September 14, 2018, and came into effect on the date the Company was listed on the Stock Exchange. The Board will remain in office until the approval of the financial statements as at December 31, 2020. During the year, there was a change in the composition of the Board of Directors which resulted in the appointment of a Director.

The Board of Statutory Auditors comprises 3 Statutory Auditors and 2 Alternate Auditors. It was initially appointed by the ordinary Shareholders' Meeting of September 14, 2018, subsequently amended in terms of its composition following the resignation of the Chairperson of the Board of Statutory Auditors in office at September 25, 2018, and will remain in office until the approval of the 2020 Financial Statements. The Board of Statutory Auditors guarantees compliance with the law and Company by-laws. It also demands respect for the principles of correct administration, and that the company's organizational and administrative structure is both adequate and compliant. It also oversees communication and dialogue between the various internal and external corporate boards. All members of the Board of Statutory Auditors meet the requirements of independence.

The approval of the 2020 Financial Statements concludes the mandates of the Board of Directors and the Board of Statutory Auditors; the Shareholders' Meeting of April 29, 2021 will resolve on the reappointment of the corporate boards.

COMPOSITION OF THE BOARD OF STATUTORY AUDITORS BY GENDER



COMPOSITION OF THE BOARD OF STATUTORY AUDITORS BY AGE



The By-Laws govern the procedures and criteria required to be appointed a Director or elected an Auditor, in compliance with the laws and regulations in force on gender equality.

In 2018, the **Appointments and Remuneration Committee** and the **Control, Risk and Sustainability Committee** were established in compliance with the recommendations of the Self-Governance Code. Both committees are composed of three Independent Non-Executive Directors. For further information, reference should be made to the Corporate Governance and Ownership Structure Report and to the Remuneration Policy and Report.

During the year, the Board of Directors approved the Diversity Policy, which seeks to promote and protect diversity of gender, age and seniority on the boards in office. For further information, reference should be made to the document published on the Company's website (<https://cg.piovangroup.com/it/>) in the Corporate Governance section.

It should be noted that no one in the Governing Bodies falls into a protected category.

2.3.2 ETHICS CODE

In order to clearly define core values and responsibilities, Piovan has decided to adopt an **Ethics Code** which has been approved by the Parent Company Board of Directors and adopted by the subsidiaries⁸.

The Code is addressed to Directors, Statutory Auditors, management and internal employees, as well as all those who permanently or temporarily establish, for any reason, relationships and collaborations with the Company in the pursuit of its corporate objectives. Compliance with the Ethics Code by addressees, each within the scope of its functions and responsibilities, is fundamental to the efficiency, trustworthiness and reputation of the Company.

In addition to the statement of mandatory and prohibited conduct, the principles set out in the Code seek to increase organizational efficiency and guide addressees towards **positive objectives that are beneficial** both for those directly concerned and for the environment as a whole, through the improvement of internal relationships and attention to good reputation.

The Group wishes to use this Ethics Code to highlight and disseminate the values that it has always held, for example:

● FAIRNESS

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

⁸ With the exception as at December 31, 2020 of Toba Pnc, Fea PTP S.r.l. and Doteco S.p.A. It should be noted in this regard that the Ethics Code was formally adopted by ToBa PNC and Fea PTP S.r.l. in March 2021, while Doteco is expected to adopt it during 2021.

● TRANSPARENCY AND ACCESSIBILITY OF INFORMATION

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

● DILIGENCE AND PROFESSIONALISM

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

● VALUE AND RESPONSIBILITIES OF HUMAN RESOURCES AND PROPER USE OF COMPANY ASSETS

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

● EQUAL OPPORTUNITIES AND PROHIBITION OF HARASSMENT

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

● OCCUPATIONAL HEALTH AND SAFETY

Piovan 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.

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

2.4 ORGANIZATION, MANAGEMENT AND CONTROL MODEL AS PER LEGISLATIVE DECREE NO. 231/2001

The Piovan S.p.A. Board of Directors has implemented an Organization, Management and Control Model (hereinafter the "Model") in accordance with Legislative Decree No. 231/2001. The Model complies with the Group's corporate policies and commitment to creating and maintaining a governance system that meets high ethical standards.

The Model's primary goal is to provide an organic, structured system of supervisory procedures and principles aimed at preventing the offences listed in the aforementioned Legislative Decree. **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 in 2018 by the Parent Company, Piovan S.p.A, and in 2019 by the Italian subsidiaries⁹. Also in 2019, the

⁹ With the exception, at December 31, 2020, of Fea PTP S.r.l., acquired during H2 2019, and Doteco S.p.A., acquired during Q4 2020. In this regard, it should be noted that the process for the adoption of the Organization, Management and Control Model pursuant to Legislative Decree No. 231/01 for the two aforementioned companies will start in 2021.

Group's overseas subsidiaries¹⁰ adopted the Corporate Crime & Liability guidelines, to ensure the existence at Group level of a consistent framework setting out organizational and behavioral principles inspired by legality, fairness and transparency.

For further information, see Organization, Management and Control Model pursuant to Legislative Decree. no. 231/2001:
<https://cg.piovangroup.com/it/>
<https://cg.piovangroup.com/en/>

2.4.1 BUSINESS INTEGRITY (MITIGATION OF BRIBERY AND CORRUPTION)

The Piovan Group abides by the values and principles of its Ethics Code. The Group believes that ethics should guide both internal and external relationship management. To this end, **tackling and rejecting all forms of bribery and corruption** is a key Group commitment. As per Legislative Decree No. 231/2001, both the Group's Model and Ethics Code belong to a comprehensive corpus aimed at promoting a corporate culture based on ethics and corporate transparency.

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

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

This key objective translates into the following actions implemented by the Group in 2020:

- **identification of bribery and corruption risks**, as well as the implementation and maintenance of anti-corruption and extortion policies and practices;
- **adoption of an Organization and Management Model (in compliance with Legislative Decree 231/01)** by subsidiaries with offices in Italy¹¹, along with the planning of updates needed to incorporate new offences into the Model, which is in turn supplemented by the Ethics Code;
- **adoption of the Corporate Crime & Liability guidelines** by subsidiaries with offices abroad in order to promote the principles and practices necessary to combat corruption¹²;
- **planning for companies acquired in the second half of 2019 and in 2020 to adopt either the Organization and Management Model pursuant to Legislative Decree 231/01, or the Corporate Crime & Liability guidelines** as part of their Group integration process.

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

To date, none of the illegal activities listed in the Ethics Code or Organization, Management and Control Model have been detected.

In 2020, **there were no recorded incidents of corruption**.

¹⁰ With the exception, as of December 31, 2020, of ToBa PNC, acquired during H2 2019. In this regard, it should be noted the company formally adopted the Corporate Crime & Liability guidelines in March 2021.

¹¹ With the exception, at December 31, 2020, of Fea PTP S.r.l., acquired during H2 2019, and Doteco S.p.A., acquired during Q4 2020. In this regard, it should be noted that the process for the adoption of the Organization, Management and Control Model pursuant to Legislative Decree No. 231/01 for the two aforementioned companies will start in 2021.

¹² With the exception, as of December 31, 2020, of ToBa PNC, acquired during H2 2019. In this regard, it should be noted the company formally adopted the Corporate Crime & Liability guidelines in March 2021.

2.5 GROUP REPUTATION

In today's world, **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. In addition, a study conducted by the Reputation Institute entitled *Global Trends in Reputation*¹³ shows that around 40% of a brand's reputation is linked to its environmental and social impact. Climate change is thus a prevalent theme that cuts across all business areas.

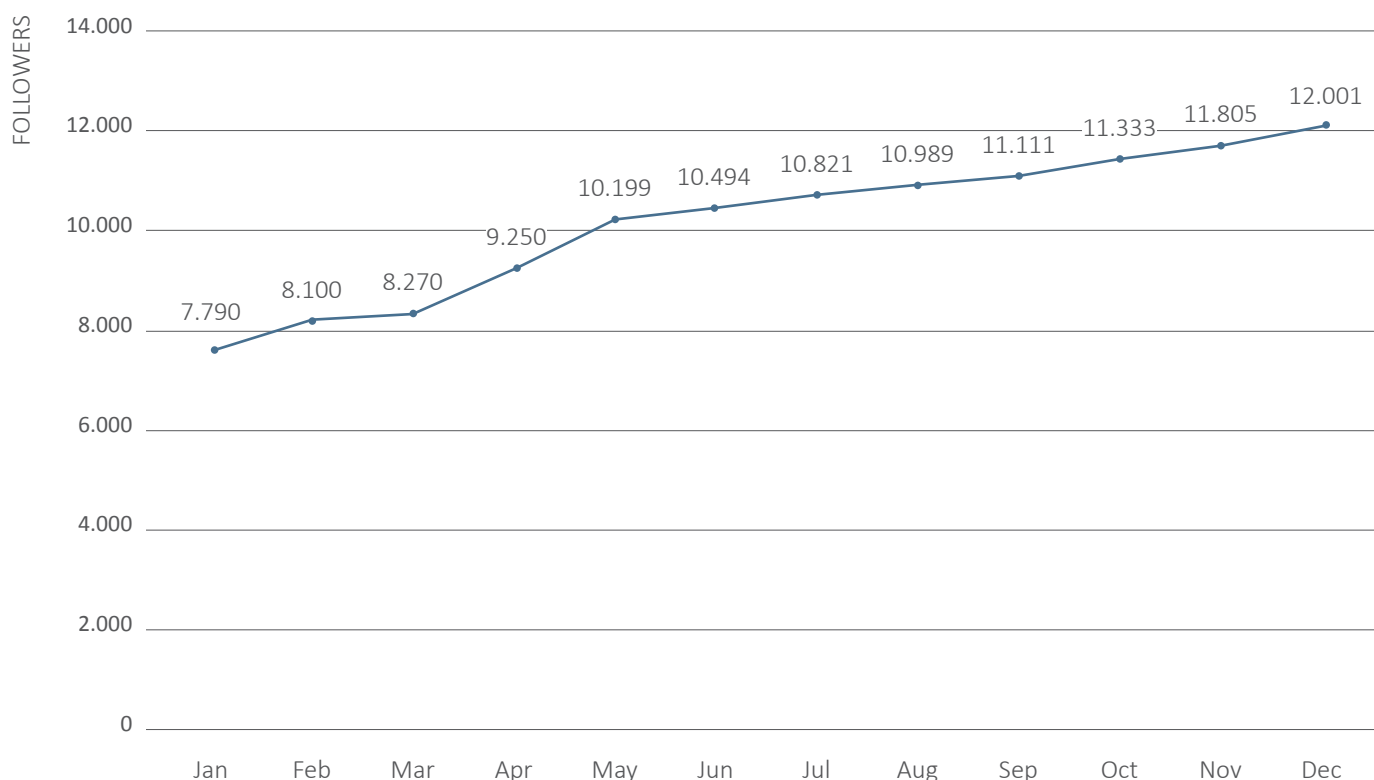
For these reasons, the Piovan Group pays great attention to its reputation, specifically to the perception of the brand and what this represents for its customers. Customers, people and innovation have always been the building blocks of Piovan's philosophy. The Group is committed to pursuing its objectives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

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

During 2020, there were no complaints regarding violations of customer privacy.

As regards the new digital channels and the presence of the Piovan Group in the social world, during 2020 digital activities led to a steady increase in followers who receive updates on the company's news. On LinkedIn® in particular, the number of followers has shown consistent growth.

FOLLOWERS' GROWTH IN 2020



¹³ Il Sole 24 Ore, Author G.Coll, 28/02/2020, article: "Reputazione, il peso sociale del brand vale il 40%".

SEVERAL ELEMENTS CONTRIBUTE TO THE CONSOLIDATION OF A COMPANY'S REPUTATION OVER TIME:



THE PRODUCTS AND SERVICES IT OFFERS:

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



INNOVATION:

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



ABILITY TO ATTRACT TALENT:

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

2.6 ECONOMIC VALUE GENERATED AND DISTRIBUTED

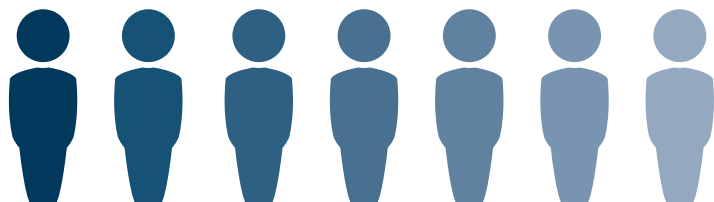
Economic value generated and distributed is indicative of a company's ability to generate profit for its stakeholders.

The Piovan Group considers economic growth to be an integral part of its strategy, pledging to create long-term value for all its stakeholders. To minimize the risk of a lack of growth, the Group operates worldwide and positions itself as a leader in the reference sector. The **economic value generated** by the Piovan Group in 2020 amounted to Euro 226 million, while the **economic value distributed** amounted to Euro 205 million. 91% of the economic value produced in 2020 was distributed to internal and external stakeholders. The Group retained the remaining 9%.

THOUSANDS OF EURO	2019	2020
ECONOMIC VALUE GENERATED	235.163	225.733
ECONOMIC VALUE DISTRIBUTED	217.039	205.442
Operating costs	143.280	133.788
Value distributed to employees	58.247	56.159
Value distributed to Public Sector	9.180	8.137
Value distributed to the community	153	125
Value distributed to lenders	578	613
Value distributed to shareholders*	5.602	6.621
ECONOMIC VALUE WITHHELD	18.124	20.291

* Dividends refer to the value listed in the 2020 financial statements, as approved by the Board of Directors on March 19, 2021.

PROFITS IN 2020 TOTALED EURO 17 MILLION.

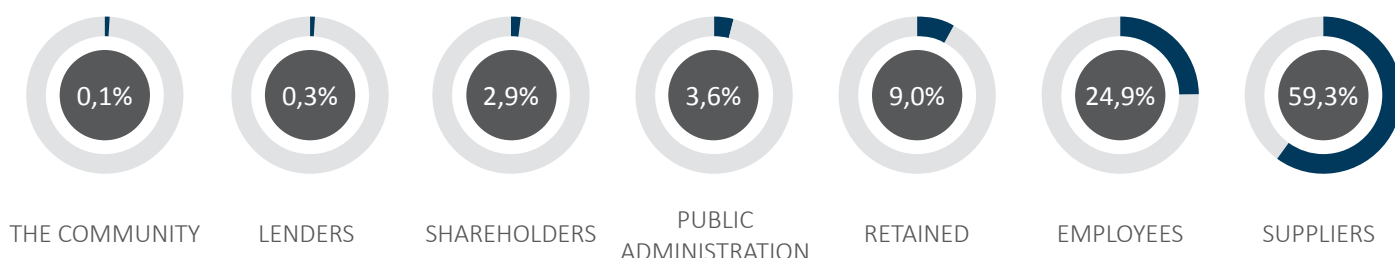


The above table lists the economic value generated and distributed and its allocation among stakeholders:

- Suppliers (operating costs)
- Employees
- Public Administration
- Lenders
- Shareholder
- Collectivity

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

ECONOMIC VALUE GENERATED 2020



Economic value distributed to **suppliers** (operating costs) is the largest share, accounting for **59.3%** of economic value generated. Economic value distributed to **employees** through wages and salaries, social security costs and benefits is the second largest share, accounting for **24.9%** of economic value generated. Compared to 2019, this value share decreased by 4%, chiefly due to the use of annual leave and economic support provided by various governments in response to the Covid-19 pandemic.

Value allocated to the **Public Administration** in the form of taxes and duties accounts for **3.6%** of economic value produced. **Lenders** were allocated **2.9%** of the economic value generated, in the form of interest paid, financial charges and dividends. The **community** received **0.1%** of total economic value produced, through social utility costs and donations.

2.7 APPROACH TO TAXATION

Piovan has considered the update to Applied Reporting Standard (GRI) which introduces the new topic of taxes (GRI 207: TAX) to be evaluated and possibly reported as of 2020.

In view of the information and data requested, and consistent with the Company's current management of tax-related issues and the fact that these are included within its governance and Internal Control and Risk Management System (e.g., 231 Model), the Company has decided not to provide specific disclosures in this Report, and to direct interested parties to the information already provided in the Consolidated Financial Statements. On the basis of the Group's performance, Piovan will be responsible for carrying out a specific materiality analysis on the topic in 2021.

The Group is, however, well aware of how taxes are one of the ways in which companies contribute to the economy of the countries in which they operate. The Piovan Group's international vocation is embodied in its network of production and commercial subsidiaries located in Europe, Asia, the Middle East and the Americas.

This physical presence in the territories in which Piovan operates translates into proximity to the customer, the possibility of finding a local workforce, access to the relevant supply markets, infrastructures and public services.

This demonstrates how the Group's taxation is closely linked to the territories in which it operates, in compliance with the tax regulations of the various countries. The Piovan Group believes that good fiscal practice contributes to promoting trust and credibility with stakeholders, in particular with the Public Administration, investors and in a broader sense the entire community.

2.8 RISK AND OPPORTUNITY MANAGEMENT

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

The Internal Audit function carries out a general risk assessment activity of the Parent Company on an annual basis, measuring the inherent risk (estimated in terms of probability and impact) and the residual risk (from the point of view of self-assessment with the various risk owners) for over 100 risk categories relating to every company area.

This activity, which is designed to provide the Board of Directors with an effective tool for directing actions for the continuous improvement of the internal control system, also considers ESG risks.

The Group is exposed to three types of risk with regard to material topics: The table below lists the main risks and management methods adopted by the Group.

LEG. DECREE 254/2016 SCOPE:	MATERIAL	RISK	POLICIES ADOPTED	MANAGEMENT METHODS
HUMAN RESOURCES AND HUMAN RIGHTS	MANAGEMENT OF PERSONNEL, EQUAL OPPORTUNITIES AND DIVERSITY	Failure to manage personnel, failure to respect ethical and diversity principles.	The Piovan S.p.A. Quality Manual, Ethics Code and Organisation, Management and Control Model, as per Legislative Decree 231/2001 (ITA), Diversity Policy	Group Management has always been attentive to its respect for diversity and inclusion. The managing bodies have adopted the diversity policy Continuous dialogue with trade unions and institutional bodies that represent employees. Workers' rights are protected through the application of collective agreements in compliance with local regulations in all countries where the Group is present.
	COMPANY WELFARE	Failure to comply with welfare plans.	Company welfare initiatives for specific companies of the Piovan Group.	Activation of a welfare platform and individual solutions, such as flex time part time, to ensure the compatibility of work with one's personal life.
	PROTECTION OF HUMAN RIGHTS	Risk of discrimination and inequality of treatment throughout the supply chain (Human Rights).	The Piovan S.p.A. Quality Manual, Ethics Code and Organisation, Management and Control Model, as per Legislative Decree 231/2001 (ITA), Diversity Policy.	Respect of fundamental human rights.
	TRAINING AND DEVELOPMENT	Lack of training and related development opportunities; inadequate organisational structure with regard to the Company's complexity; loss of attractiveness among key roles and potential loss of expertise.	Organisation, Management and Control Model as per Legislative Decree 231/2001 (ITA).	Annual training plan, both for compulsory and specific training needs.
	HEALTH AND SAFETY AT WORK	Lack of compliance with local regulations; potential injuries at work and/or occupational illnesses.	ISO 45001 (for PIOVAN S.p.A.).	Compliance with existing laws and regulations; risk analysis to identify suitable prevention and protection measures, as well as any necessary improvement interventions; employee health and safety training.

LEG. DECREE 254/2016 SCOPE:	MATERIAL	RISK	POLICIES ADOPTED	MANAGEMENT METHODS
SOCIAL	QUALITY, PRODUCT SAFETY, SUPPLY CHAIN MANAGEMENT	Non-compliance of the supply chain with the Group's quality standards. Non-compliance of the supply chain with regulations regarding work, security and health and safety. Defective raw materials and/or components, and/or delivery times not respected.	Ethics Code and ISO 9001 certified quality management system, ISO 9001 certified quality management system, Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 (ITA), supplier quality control procedure, checks pursuant to the Machine Directive valid for the European Community (CE marking), CRM and electronic document management, Integrated ERP System (SAP), use of the ECOVADIS platform.	Previous relationship with suppliers based on trust and a consolidated connection, as well as supplier selection and preliminary company analysis to screen suppliers for compatibility with the Group's standards.
	GROUP REPUTATION	Lack of stakeholder trust.	Code of Ethics.	The Group is committed to pursuing its objectives with honesty, integrity and transparency. The latter is key to avoiding non-compliance with legal regulations, as well as other issues regarding the company's relationship with its customers, employees and stakeholders. Constant, transparent communication with investors.
	INNOVATION, RESEARCH, DEVELOPMENT AND CO- ENGINEERING	Inadequate management of research and development activities with potential loss of competitive edge and market attractiveness. Risk of losing qualified local suppliers and customers.	Investment in research and development, training, constant dialogue and collaboration with customers and suppliers.	The Group operates faster than its competitors in supporting continuous innovation and the development of new adaptive solutions to the changing needs of its customers (such as trends in bioplastics and plastic recycling). The Group has set up a specific research and development department within each production plant.
	ECONOMIC VALUE CREATION AND GROWTH	Not creating value for stakeholders.	Economic growth and presence on global markets.	The Group considers economic growth to be integral to its business strategy, pledging to create long-term value for all its stakeholders.

LEG. DECREE 254/2016 SCOPE:	MATERIAL	RISK	POLICIES ADOPTED	MANAGEMENT METHODS
ENVIRONMENT	ENERGY MANAGEMENT AND EMISSIONS REDUCTION	Potential non-compliance with locally applicable regulations; potential loss of ISO 14001 certification.	Regulatory compliance and possession of all authorisations issued by competent bodies.	Compliance with environmental legislation.
	WASTE MANAGEMENT		ISO 14001 (Per Piovan S.p.A.).	Environmental impact management and control system, with a view to constant, effective and primarily sustainable improvement.
	RECYCLING, A CIRCULAR ECONOMY AND ENERGY IMPACT FOR CUSTOMERS	Recent European regulatory changes regarding plastic production/use and climate change as a cross- cutting Group challenge.	Development of specific products for the recycled material supply chain.	The Group's strategy is to develop specific products to create solutions for the circular economy and to introduce its customers to good plastics, be them recycled or made from plant-based materials. The Group offers its customers the opportunity to monitor and manage consumption by reducing emissions. Compliance with environmental legislation.
ANTI- CORRUPTION	BUSINESS INTEGRITY, MITIGATION OF BRIBERY AND CORRUPTION	Risk of fraud and/or illegal conduct, and of active/ passive corruption in all forms, including bribery.	Code of Ethics.	Adoption and implementation of the Ethics Code and Model 231.
			Organisation, Management and Control Model as per Legislative Decree 231/2001 (ITA)	Conduction of audits by the Internal Audits function and by the Supervisory Board.
			Corporate & crime liability guidelines.	Adoption of corporate & crime liability guidelines by subsidiaries based abroad.
			Corporate Governance Code for listed companies, as prepared by the Borsa Italiana S.p.A.(ITA) Corporate Governance Committee.	The Piovan Group intends to improve anti-corruption awareness among its employees, representatives, suppliers and business partners, as well as anyone who carries out activities on the Group's behalf or under its control. Piovan also aims to encourage active employee involvement in order to increase policy effectiveness and the Group's ethical reputation.
			1INFO system for storing Regulated Information as required by the Transparency Directive (ITA).	



3

MATERIALITY ANALYSIS

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

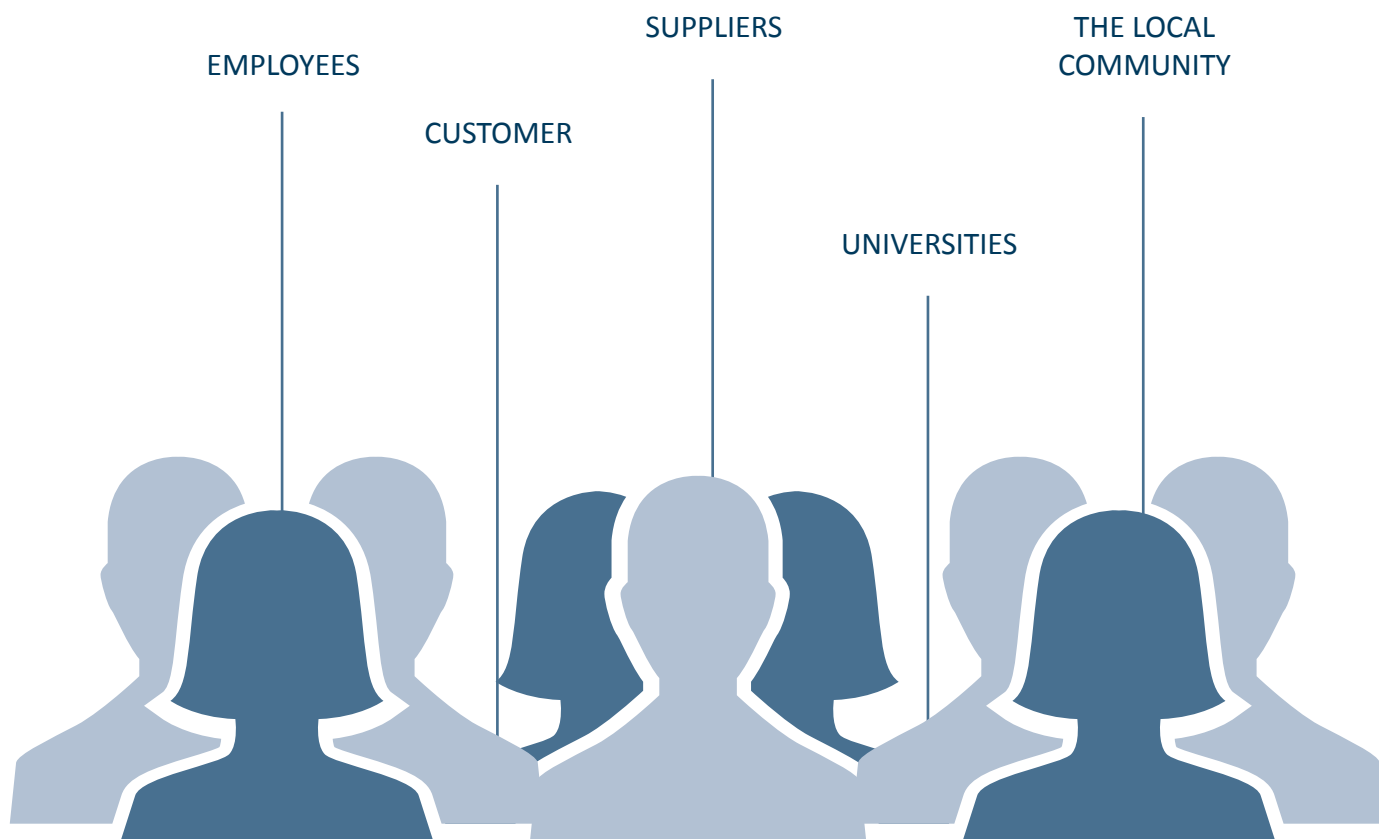
- identification of topics relevant to the Piovan Group through dialogue and comparison among the members of the internal Working Group;
- identification of relevant topics for key stakeholders through benchmarking;
- comparing topics relevant to the Piovan Group and its stakeholders so as to prioritize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

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

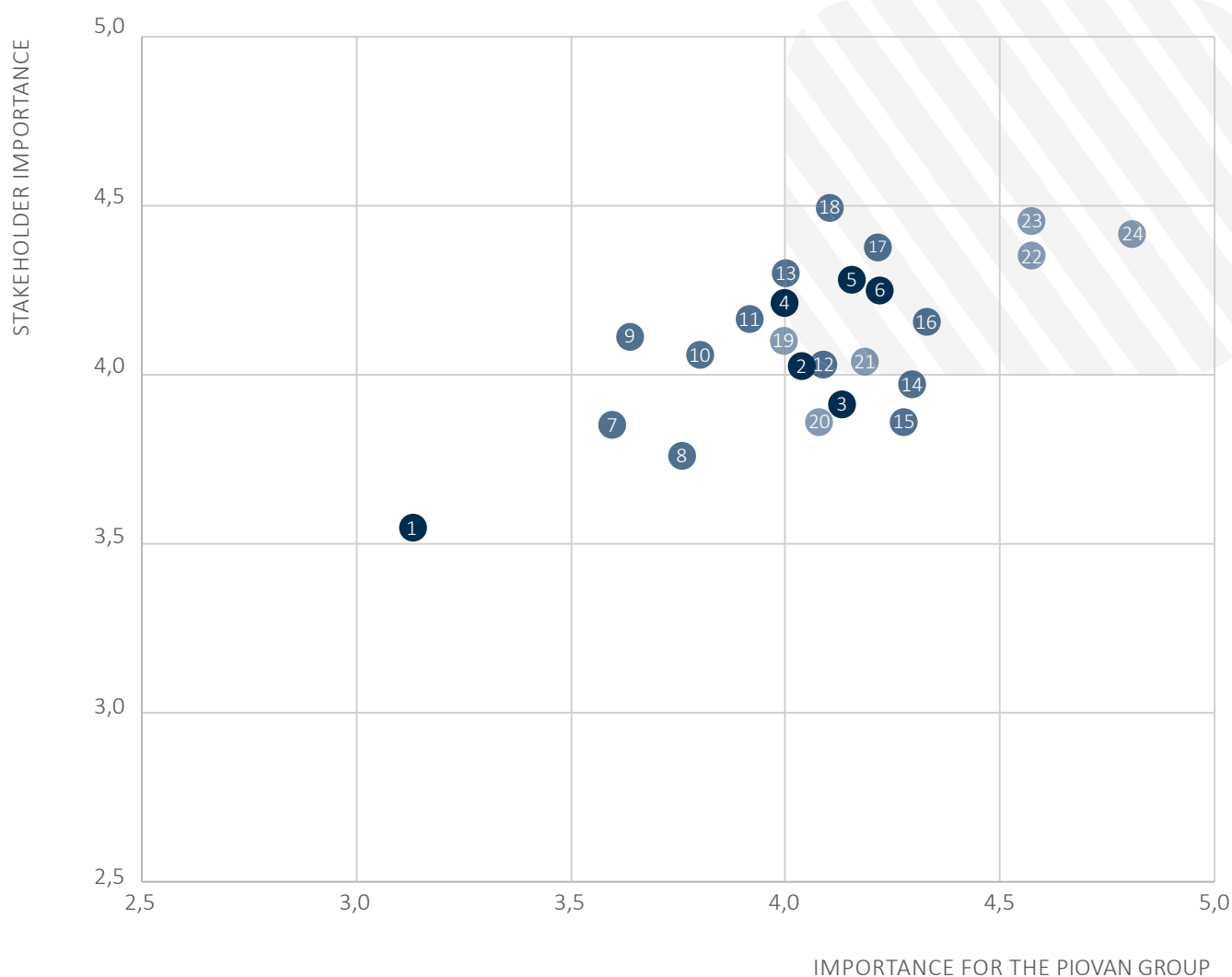
Members of the internal Working Group identified the relevant topics within eight macro areas: Governance, Economic and Business Responsibility, Environmental Responsibility, Human Resources Responsibility, The Supply Chain, Human Rights, Community Responsibility and Product Responsibility.

In order to correctly define 'materiality,' the Group decided to actively involve stakeholders during 2020, gathering their point of view through a stakeholder engagement process targeted at suppliers and involving Group departmental managers. Stakeholder engagement was activated by identifying Piovan S.p.A.'s main suppliers and the employees involved in investigations to prepare financial statements. A questionnaire was sent out to assess issues relevant to the Group.

THE PIOVAN GROUP REFERENCE STAKEHOLDERS FOR THE YEAR 2020 ARE:



MATERIALITY MATRIX



■ financial

■ social/human resources

■ environmental

■ material topics

1	Water consumption management
2	Energy and emissions management
3	Waste reduction
4	Waste management
5	Recycling and circular economy
6	Energy impact for customers
7	Clear identification and distinction of managerial roles
8	Shared Know-How Development with regional participation
9	Data security and protection
10	Fairness in relationships
11	Customer involvement, dialogue and satisfaction
12	Company Welfare

13	Anti-corruption
14	Training and career opportunities
15	Reputation of the Group
16	Diversity and Equal Opportunity
17	Occupational health and safety
18	Protection of human rights
19	Quality and supply chain management
20	International market presence and proximity to customers
21	Co-engineering
22	Innovation / R&D
23	Product quality and safety
24	Economic value creation and growth

The assessment scale used a score between 1 and 5. The materiality matrix, shown above, considers the average values of topics relevant to the Piovan Group (x-axis), and the average values of topics relevant to stakeholders (y-axis).

In order to create the matrix, the eight macro areas were further grouped into three macro areas: financial, environmental, and social/human resources.

For both axes, topics with a value above 4 (defined as the "materiality threshold") on the scale from 1 to 5 are considered material for the Piovan Group.

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

ASPECTS RELATED TO LEGISLATIVE DECREE 254/16	MATERIAL ASPECTS FOR PIOVAN GROUP	TOPIC-SPECIFIC GRI STANDARDS	INTERNAL PERIMETER	EXTERNAL PERIMETER
HUMAN RESOURCES	Company welfare	Employment (GRI 401)	Piovan Group	
	Occupational health and safety	Occupational health and safety (GRI 403)	Piovan Group	
	Training and career opportunities	Training and education (GRI 404)	Piovan Group	
	Fairness in relationships	*	Piovan Group	Suppliers
	Diversity	Diversity and Equal Opportunity (GRI 405)	Piovan Group	
	Clear identification and distinction of managerial roles	*	Piovan Group	
HUMAN RIGHTS	Protection of human rights	Incidents of discrimination and corrective actions takes (GRI 406-1)	Piovan Group	
ANTI CORRUPTION	Anti-corruption	Anti-corruption (GRI 205)	Piovan Group	
TOPICS	Shared Know-How Development with regional participation	Local Communities (GRI 413)	Piovan Group	
	Innovation/R&D	*	Piovan Group	
	Reputation of the Group	*	Piovan Group	Suppliers/Customers
	Product quality and safety	Customer health and safety (GRI 416)	Piovan Group	Clients
	Quality and supply chain management	Supply chain (GRI 102- 9)	Piovan Group	Suppliers
	Co-engineering	*	Piovan Group	Suppliers/Customers
	Economic value creation and growth	Economic performance (GRI 201)	Piovan Group	
	Customer involvement, dialogue and satisfaction	*	Piovan Group	Clients
	Data security and protection	Customer privacy (GRI 418)	Piovan Group	Clients
	International market presence and proximity to customers	*	Piovan Group	Clients
ENVIRONMENT	Energy and emissions management	Energy (GRI 302), Emissions (GRI 305)	Piovan Group	
	Waste management	Waste (GRI 306)	Piovan Group	Suppliers
	Water consumption management	Water and Effluents (GRI 303)	Piovan Group	
	Recycling and circular economy	*	Piovan Group	Clients
	Energy impact for customers	*	Piovan Group	Clients
	Waste reduction	*	Piovan Group	

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

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

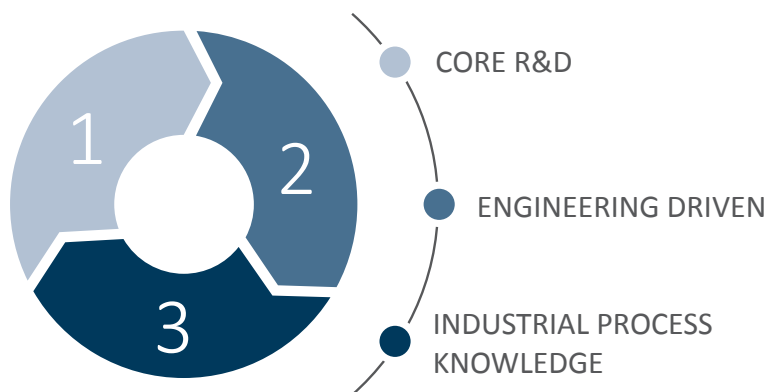


4

INNOVATION, RESEARCH AND DEVELOPMENT

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

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



In 2020, the R&D team focused on creating innovative solutions for processing recycled materials, while not neglecting core products. The Group has set up a [specific research and development department](#) within each production plant, which reports to headquarters so as to better co-ordinate technology transfer activities.

Including costs and investments, 2020 spending on R&D totalled Euro 8.8 million, which accounted for 3.9% of total revenues and recurring income.

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



THE ABILITY TO MAKE INNOVATIVE,
LOCALLY-DEVELOPED SOLUTIONS
AVAILABLE GLOBALLY



THE ABILITY TO OFFER BESPOKE
ENGINEERING SOLUTIONS

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

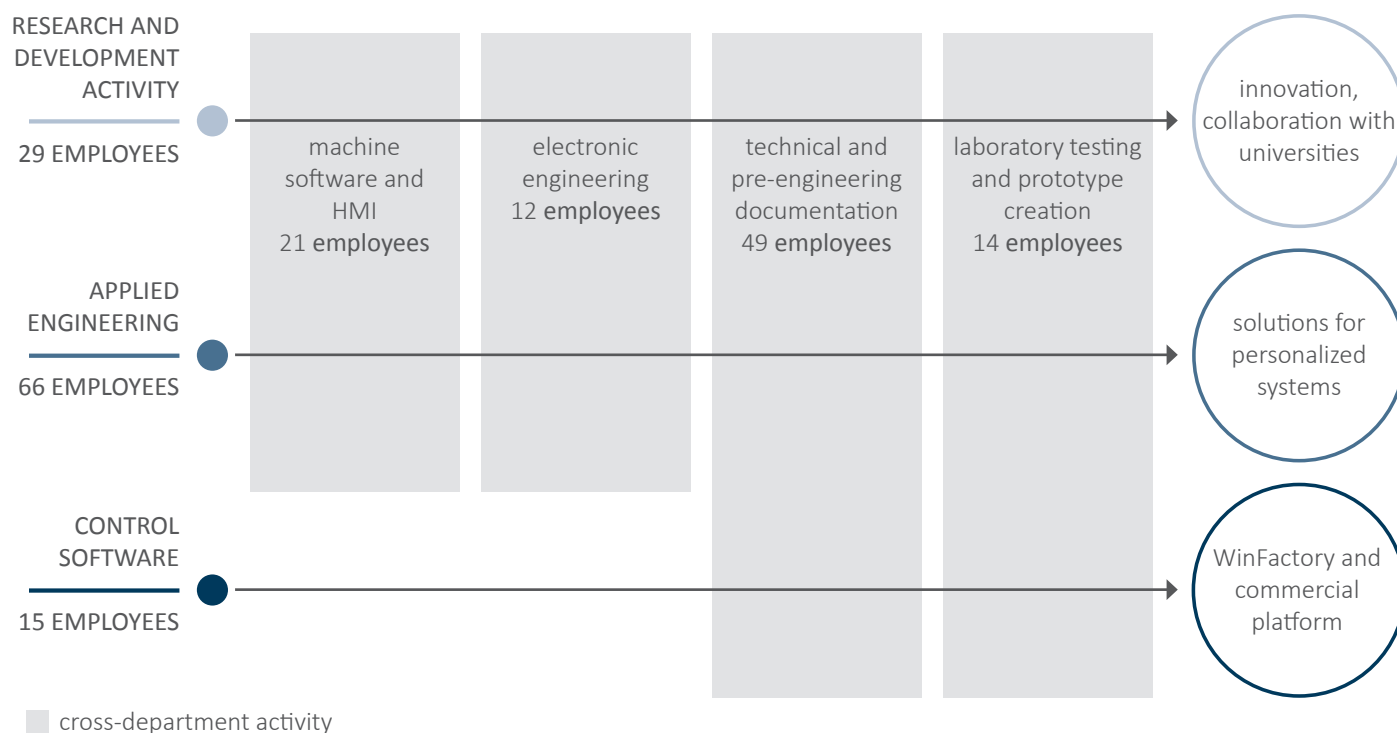
Given the market's complexity and dynamic growth, the main risk linked to innovation, research and development remains a loss of market competitiveness and attractiveness due to the inadequate management of research into sustainable production solutions, as well as their subsequent development and implementation (e.g. bioplastics, recycled plastics, applications aimed at recycling, etc...). To cope with this risk, the Group is investing in research and development and training new talent. It's also placing recycled plastic use at the heart of its business strategy, given that it's a prerequisite for a circular economy.

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. Piovan Group invested heavily in patent activity in 2020: 9 new patents were filed, bringing the total number to 53, up from 44 in 2019. Industrial property titles across countries rose to 126, including 86 granted and 40 pending, an increase of 60% between 2019 and 2020. This enables greater protection of expertise and intellectual property in all major markets.

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 2020 there are 206 staff members in the Engineering & Innovation department.

RESEARCH & DEVELOPMENT AND ENGINEERING ORGANISATIONAL STRUCTURE



In recent years, the plastics division has increasingly begun to handle the recycling business independently, i.e. with its own product strategy. The company has implemented specific research and development initiatives for innovation in recycling, which requires ad hoc machinery and solutions due to the lower quality characteristics of recycled materials. These materials entail a series of productive measures to guarantee the stability of the process and the safety of the finished product. Several enabling technologies were introduced in this area during 2020, and related especially to:

- measurement of contaminants;
- deodorization of recycled plastics;
- filtration of residual contaminants.

All technologies introduced are fully integrated in the proprietary supervision software WinFactory 4.0 and aim to provide the customer with more ways to safely and reliably track progress.

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

4.1 CO-ENGINEERING

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

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



5

QUALITY,
PRODUCT SAFETY,
SUPPLY CHAIN
MANAGEMENT

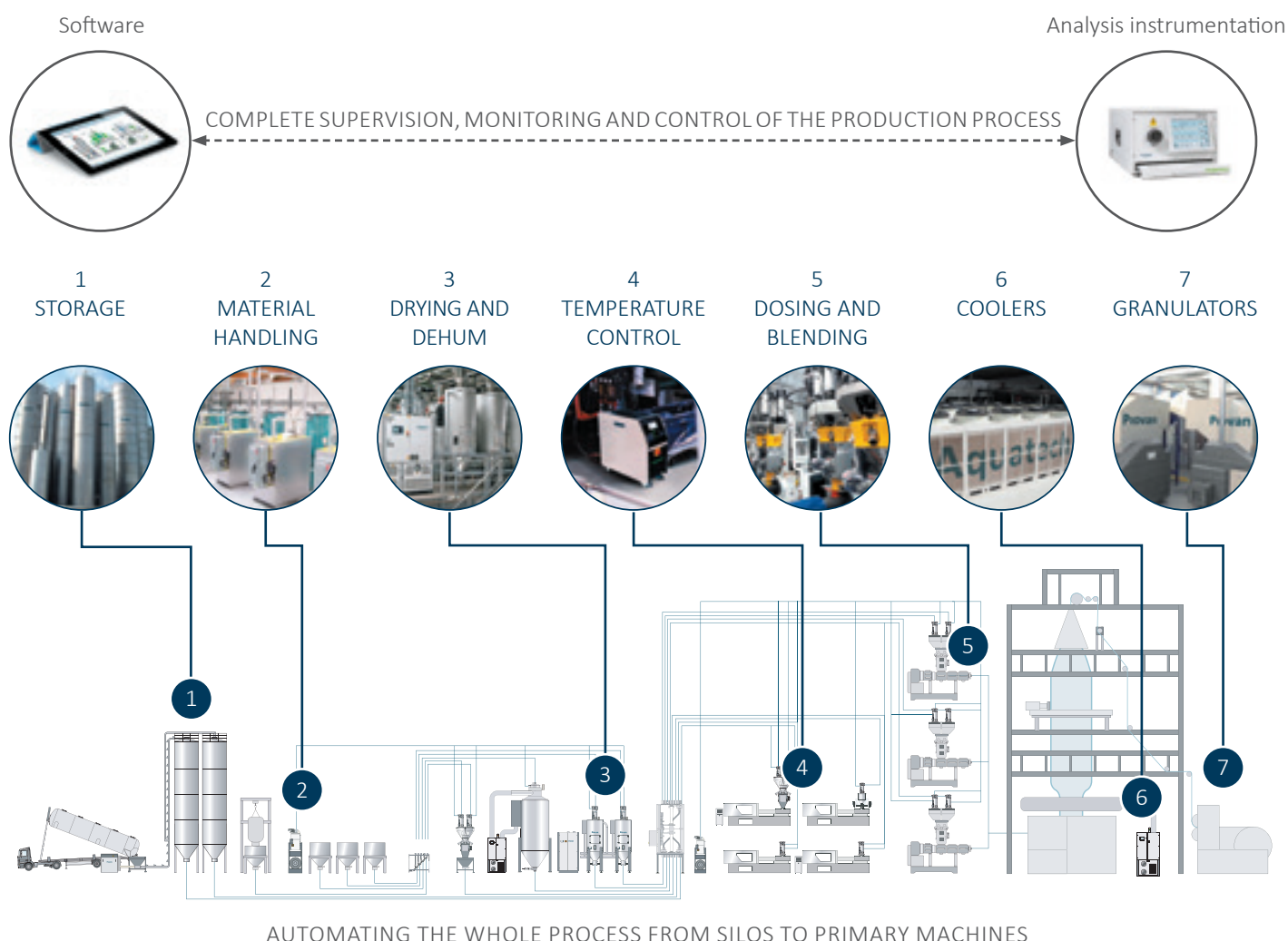
The Piovan Group is a global leader in the development and manufacturing of auxiliary automation systems for the storage, shipping and processing of polymers and plastic powders ("plastics area systems").

Since 2015, the Group has been increasingly involved in developing auxiliary 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.

5.1 PRODUCT

The Group has also developed and markets supervision and control software to guarantee the connectivity of all the systems and machines in the plants it supplies. The Group also supports its customers globally through continual technical assistance, including the sale of spare parts for machinery and a range of additional services, such as support activities from the preliminary design phase through to installation and initialization of equipment and machinery. These steps guarantee optimal product performance and consolidate customer relationships.



Piovan products

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

5.2 QUALITY AND SUPPLY CHAIN

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

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

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

In 2020, as in previous years, no complaints were made regarding the violation of human rights or environmental regulations in the Piovan supply chain (at both a Group level and in Italy). Controls are conducted by the individual buyers within and with the support of the central Purchasing Division.

The Piovan Group has implemented a sophisticated quality control system that oversees the entire supply chain, from supplier selection to production and post-production. Functional tests are carried out on individual machines. The Group places particular emphasis on selecting suppliers based on their ability to ensure both sufficient quality standards and timeliness and reliability in delivery.

As such, Piovan S.p.A, Aquatech S.r.l and Penta S.r.l. each possess an **ISO 9001:2015** certification for their **Quality Management Systems**, which span the entire product life cycle, from research and development to sales, delivery, installation and post-sales assistance.

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

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

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

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



DESIGN (ELECTRONICS, STRUCTURAL WORK)



SUPPLY AND MANUFACTURE OF PACKAGING FOR FINISHED PRODUCTS



PRODUCTION OF METAL STRUCTURES/ CUSTOM-MADE PIOVAN COMPONENTS



TRANSPORT



SUPPLY OF COMMERCIAL COMPONENTS AND PARTS



CUSTOMER-SITE INSTALLATIONS



ASSEMBLY OF SWITCHBOARDS

THE COMPANY MANAGES THESE OUTSOURCED PROCESSES VIA THE:

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

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

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

Suppliers that pass this assessment are added to a vendor list.

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

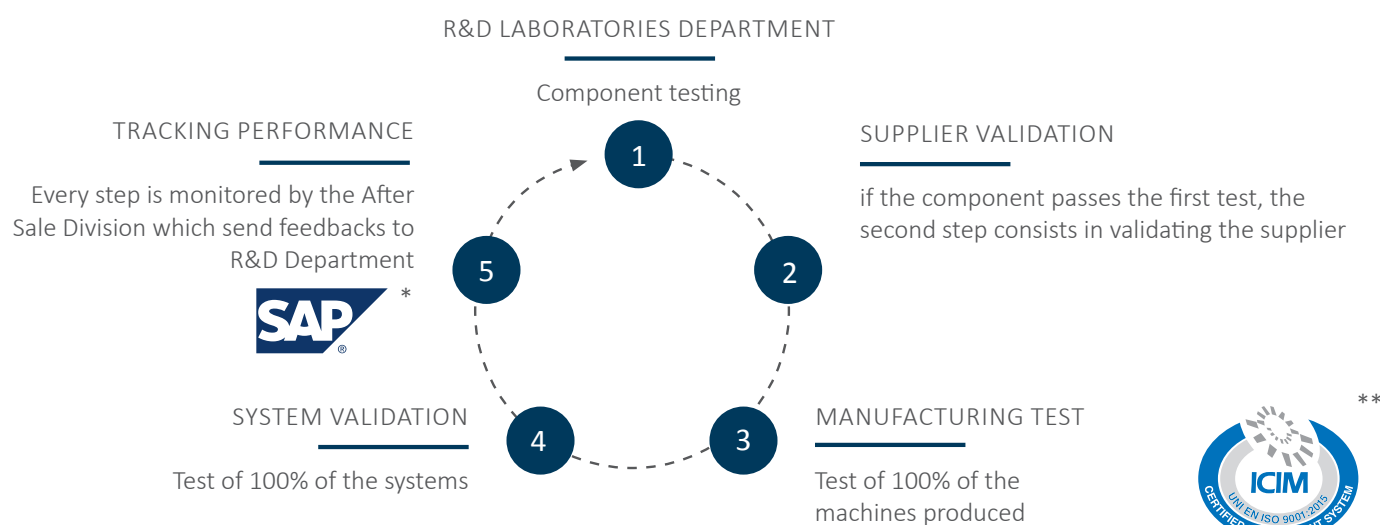
the Group's general supplier conditions state that:

- the Group has the right to refuse a product or ask the supplier to amend a product or related order and/or contract if it does not comply with the product compliance obligations;
- the Group has the right to request a replacement or repair, at the supplier's expense, if products are proven to be defective or inconsistent within 24 months of their delivery or within 12 months of their entry into service;
- the Group has the right to request compensation from the supplier in the case of a delay to product delivery or the performance of a service when (a) it is not promptly communicated to the Company or (b) it 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.

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

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

There were no significant changes to the structure of the supply chain or supplier relations during 2020.



* Information coming from customers are continuously controlled and monitored through SAP software.

** All the Piovan S.p.A. quality procedures are certified by ISO 9001.

The Group aims to open at least one factory per continent in order to "locally" serve its various geographical markets. The Group has built a series of local supplier networks with the aim of meeting the very best product/project quality and safety standards and supplying customers with an effective service. This approach has allowed Piovan to develop **local expertise** coordinated by its technology and production management teams. As such, the Group has been able to build a **continuous, trustworthy supply chain**. In order to avoid production and product delivery delays due to interruptions and/or disruptions and/or malfunctions at supplier sites, Piovan has adopted specific procurement and material management policies. These policies include framework orders with associated delivery plans, keeping strategic stock in company warehouses and using alternate suppliers to provide the semi-finished materials required to produce final products.

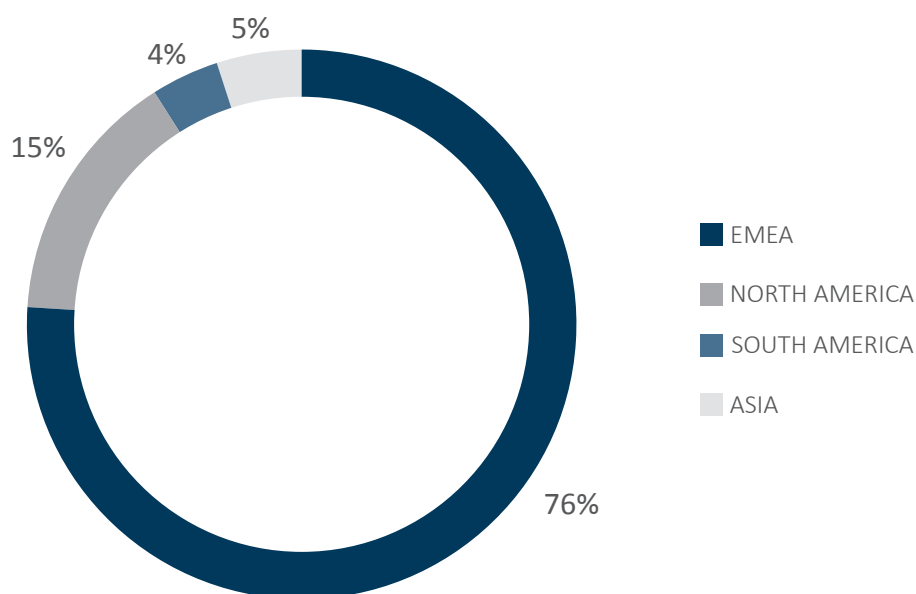
There were no identified cases of non-compliance with regulations and/or self-regulation codes relating to the impact on product and service health and safety in 2020.

The Group's supply chain can be traced to the following accounts in the consolidated financial statements: the purchase of raw materials, equal to approximately Euro 74 million and approximately 37% of total costs, the purchase of finished products, equal to approximately Euro 13 million and 6.5% of total costs, the purchase of third-party technical assistance, equal to approximately Euro 11 million and 5.5% of total costs, the purchase of third-party workmanship, equal to approximately Euro 7 million and 3.6% of total costs, the purchase of ancillaries and consumables, equal to approximately Euro 1.2 million and approximately 0.6% of total costs and the purchase of packaging, equal to Euro 1.2 million and 0.6% of total costs.

Analysis was carried out on production company purchases from suppliers¹⁴ for accounts that impact the supply chain. Said analysis revealed that the Company uses more than 1,900 suppliers.

The Piovan Group prefers to use local suppliers. Specifically, when analysis was carried out on production company purchases from suppliers with reference only to the value of the purchases that impact the supply chain, figures showed that 62% of purchases¹⁵ were made in Italy. This is consistent with the Group's preference for local suppliers. In fact, the majority of revenue (around 62%) brought in by production sites is made in Italy, and a total of 76% is made in Europe. An important role is played by the American production branch, Unadyn, which centralizes its volume of purchases in North America, both for raw materials and finished products. The chart below shows purchase percentages divided by geographical area.

VOLUME OF PURCHASES IMPACTING THE SUPPLY CHAIN BY GEOGRAPHICAL AREA



¹⁴ All of the Group's production companies were included, with the exception of Dotecco S.p.A. given that the company was acquired in the fourth quarter.

¹⁵ The total value of purchases that impact the supply chain was calculated on the basis of the following production company purchases only: raw materials, ancillaries and consumables, finished products, packaging, third-party workmanship, transport for purchases and third-party technical assistance.



6

ENVIRONMENT

The Piovan Group places great importance on its social responsibility, which derives from the environmental impact of its business activities. It therefore bases its business on practices and conduct that are as far as possible ecologically sustainable. The Parent Company Piovan S.p.A. has certified its environmental management system to the accredited international standard ISO 14001:2015. Certification was obtained during 2019 for the Parent Company's operating offices in Santa Maria di Sala, Venice.

Also in 2019, following the expansion of Piovan S.p.A.'s production site and construction of the new Aquatech S.r.l. building, design choices were made that met certain financial and sustainability criteria. A photovoltaic plan with a peak power of 160 kWp was installed, creating a total peak power of 320 kWp. The plant generated around 106 MW, or 381 GJ, of energy in 2020, which was used internally for Group operations.

A decision was also made to install underfloor heating in the new buildings, as well as in the Group's offices and production areas. Consumption has been optimized via the installation of a heat pump system that is used in combination with the aforementioned photovoltaic system. Finally, Piovan S.p.A. installed two electric car charging points in its new car park.

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

The main risk associated with the environmental issues to be tackled by the Piovan Group is a potential for non-compliance with locally applicable legislation and the potential loss of its ISO 14001 certification¹⁶. To prevent this, the Group is committed to carrying out all business activities in compliance with environmental legislation. No fines or non-monetary sanctions were imposed in 2020 due to a failure to comply with environmental laws and/or regulations. The Group is also committed to maintaining an adequate management and control system with regard to its environmental impact and with a view to effective and sustainable improvement.

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



ENERGY CONSUMPTION AND
RELATED EMISSIONS



WASTE MANAGEMENT



WATER CONSUMPTION
MANAGEMENT

As described in the paragraph on the consolidation scope, energy consumption and related emissions are reported for the entire Group, while indicators for waste and water consumption refer only to production companies.

As regards limitations to the consolidation scope, the company Doteco S.p.A. has been excluded since it only joined the Piovan Group in the last quarter of 2020.

¹⁶ In compliance with ISO 14001/2015, the following environmental aspects were assessed: Soil and subsoil, energy consumption, natural resource consumption, atmospheric emissions, greenhouse gases, heating systems, waste water, waste, fire prevention, dangerous chemicals, noise, electromagnetic fields and transportation.

6.1 MANAGEMENT OF ENERGY CONSUMPTION

Piovan Group's production activity essentially consists of assembly, and as such is not as energy-intensive as manufacturing. Energy consumption in 2020 consisted entirely of energy from electricity, natural gas, and a very small amount of liquid fuel in the form of diesel.

Electrical energy is used both in the production process and in normal business activities. In 2020, energy consumption stood at 15,129 GJ, representing the emission of 2,233 tons of CO₂ into the atmosphere. Natural gas is not consumed in the production process, but is used for space heating, and its consumption is therefore linked to weather conditions. In 2020, energy consumption stood at 13,260 GJ, representing the emission of 699 tons of CO₂ into the atmosphere, a reduction on the previous year. Diesel oil was used to heat offices at one branch only, and led to the consumption of 218 GJ, representing the emission of 2 tons of CO₂ into the atmosphere.

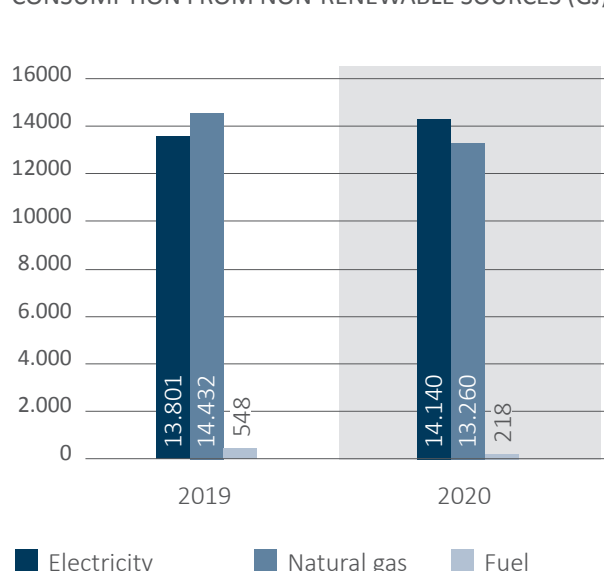
TOTAL INTERNAL ENERGY CONSUMPTION AT THE ORGANIZATION (IN GJ)

	2019	2020
Total electricity consumed	14.000	15.129
Electricity acquired	13.900	14.248
originating from certified renewable sources	99	108
Natural gas	14.432	13.260
Fuel (diesel)	548	218

ELECTRICITY THAT IS PRODUCED ON SITE (IN GJ)

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

CONSUMPTION FROM NON-RENEWABLE SOURCES (GJ)



During 2020, emissions analyses were carried out on emissions exhaust flues in production areas at Piovan S.p.A. plant and did not register any substance concentrations exceeding legal levels.

6.2 WASTE MANAGEMENT

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

The Piovan Group has identified two types of impact associated with waste: those relating to outgoing waste, i.e. waste generated by its operations, and those relating to waste generated at the end of its value chain, i.e. those connected to the product at the end of its useful life. This section deals with the environmental factors relating to waste generated by the Piovan Group's activities. For information on the factors associated with the product and its recyclability at the end of its useful life, reference should be made to the chapter on the circular economy (1.2 recyclability of Piovan Products).

The waste produced by the Piovan Group is essentially scrap from the production process and office activities. This consists, on the one hand, of mixed packaging materials such as paper, cardboard and wood, and on the other hand residues from the assembly

process, such as shavings of ferrous material, aluminum and steel.

During 2020, 780 tons of waste were collected, of which 646 tons were non-hazardous and 134 tons hazardous. The latter consists mainly of liquid waste, residues, and scrap from the washing of metals after processing.

Compared to 2019, total waste collected is down 7%; this decrease applied to both hazardous (-15%) and non-hazardous (-5%) waste.

TOTAL WASTE BY DISPOSAL METHOD (IN TONS)

2019				2020			
WASTE FOR DISPOSAL	HAZARDOUS	NON-HAZARDOUS	TOTAL	HAZARDOUS	NON-HAZARDOUS	TOTAL	
Preparation for reuse	-	13	13	-	9	9	
Recycling	-	281	281	-	481	481	
Other collection operations	-	-	-	-	-	-	
Total	-	293	293	-	490	490	

2019				2020			
WASTE FOR DISPOSAL	HAZARDOUS	NON-HAZARDOUS	TOTAL	HAZARDOUS	NON-HAZARDOUS	TOTAL	
Incinerated with energy recovery	0	4	4	0	10	10	
Incinerated without energy recovery	-	-	-	-	-	-	
To landfill	123	251	375	116	63	179	
Other disposal operations	35	133	168	18	83	101	
Total	159	388	547	134	156	290	

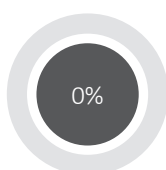
Waste produced is monitored using a specific loading/disposal register, which records the type and quantity produced. All waste generated by company activities is collected and disposed of in compliance with local regulations.

The collection, processing and recycling of non-hazardous waste and the disposal of hazardous waste takes place at external sites through local service suppliers. It should be noted that 76% of non-hazardous waste was recycled in 2020 (490 tons).

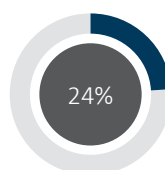
PERCENTAGE OF WASTE RECYCLED IN 2020



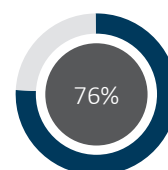
HAZARDOUS
NOT RECYCLED



HAZARDOUS
RECYCLED



NON-HAZARDOUS
NOT RECYCLED



NON-HAZARDOUS
RECYCLED

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



2020 saw the launch 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.

6.3 WATER CONSUMPTION MANAGEMENT

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

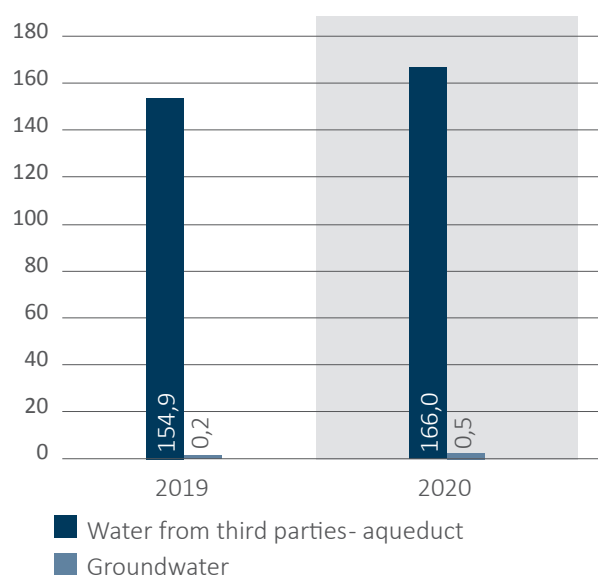
Water is supplied to all production sites from public aqueducts and through local managers, and as such these managers are responsible for all activities relating to water processing, discharge, and purification. For these reasons, no ad hoc monitoring or survey procedures are currently in place regarding water consumption. Reporting on the topic can be carried out, however, using the invoices received from third-party suppliers.

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

166,5 megaliters of water were consumed in 2020. This consisted almost entirely of fresh water, with only a small amount (0.3%) related to other types of water. The table below illustrates consumption by source type. No withdrawals were made from water-stressed areas.

WATER CONSUMPTION BY SOURCE TYPE
(MEGALITERS)

	2019	2020
Water from third parties-aqueduct	154,9	166,0
Groundwater	0,2	0,5
Total	155,1	166,5





7

SOCIAL TOPICS

The Piovan Group considers human resources to be an **essential and indispensable** part of the Company and 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 Company bases its decisions and rules of conduct on the ethical principles and values of **equality, cohesion, honesty, respect, and protection of the individual**. In both internal relationships and relationships with third parties, the Company strictly avoids any form of discrimination and promotes respect for work and workers. The Piovan Group works continuously to ensure the protection of the physical and moral integrity of its workers, encouraging continual development of their technical and professional skills.

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

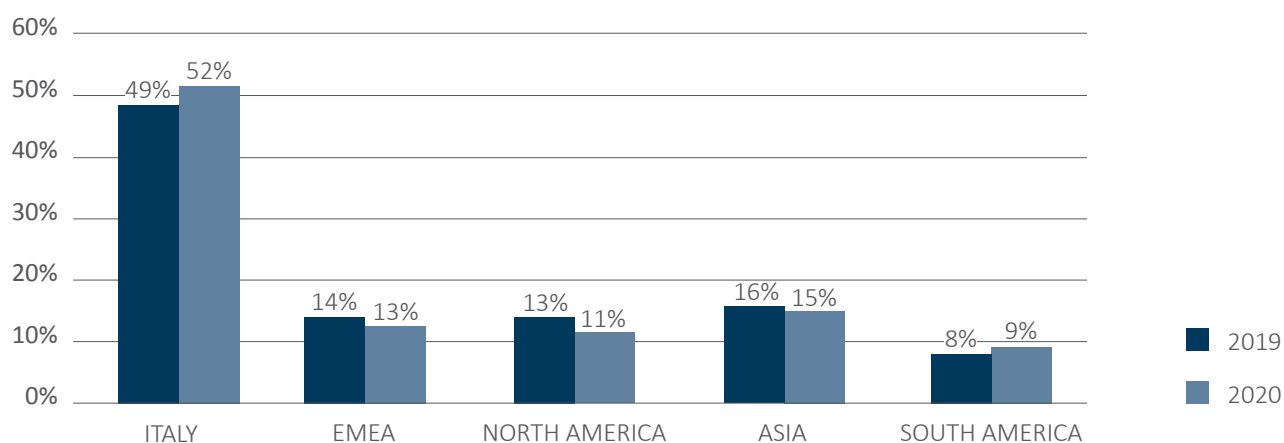
7.1 PERSONNEL MANAGEMENT

Risk management methods and related human resources opportunities involve the whole Group. In particular, Piovan operates in over 20 countries with different social and cultural backgrounds and as such, the Group aims to approach the daily challenges that come with multicultural diversity by adopting an Ethics Code and Organization, Management and Control Model pursuant to Legislative Decree 231/2001 (Model 231).

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

The protection of workers' rights – and associated risks – is managed through the application of collective agreements and compliance with local regulations in all countries where the Group is present.

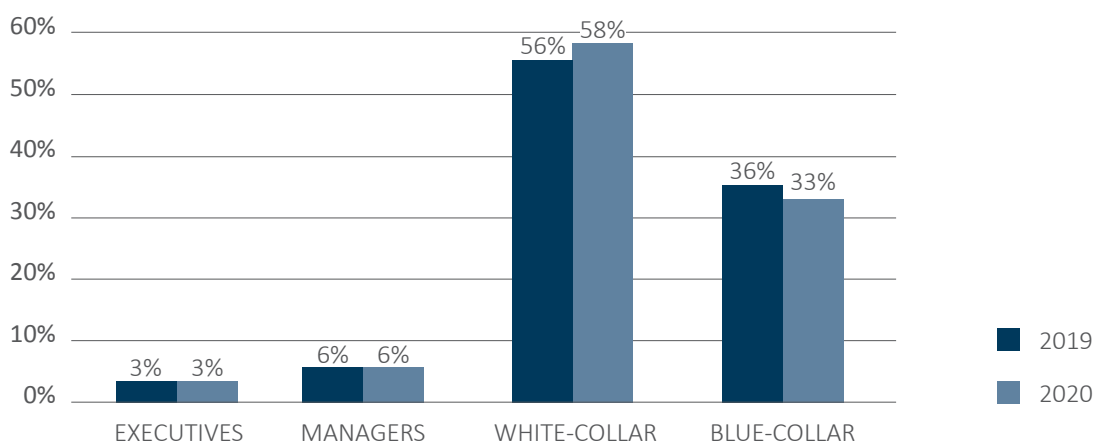
PERCENTAGE DISTRIBUTION OF EMPLOYEES BY GEOGRAPHICAL AREA



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

In 2020, the Piovan Group employed 1,148 people, an increase of +4.3% compared to 2019. This increase in personnel, and the 59-employee increase in Italy in particular, from 542 to 601 employees, is attributable to the acquisition of Doteco S.p.A. on October 15, 2020.

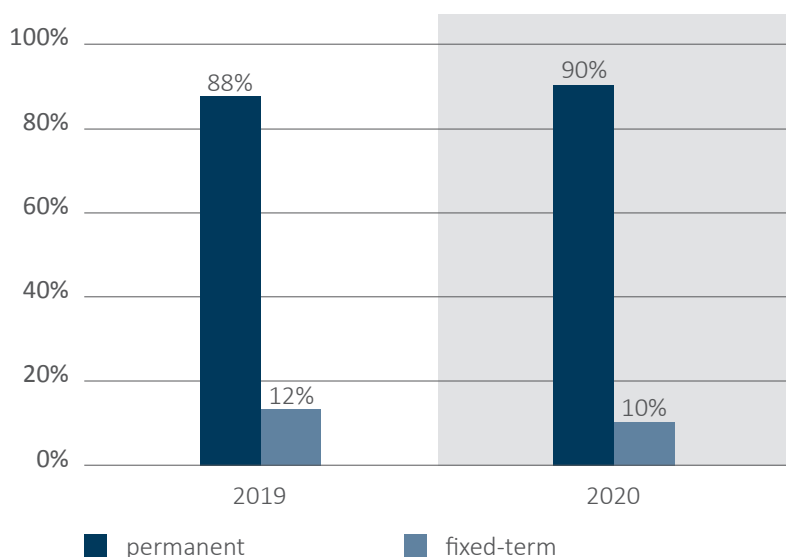
PIOVAN GROUP EMPLOYEES BY CATEGORY



100% of the Group's Italian staff are subject to collective bargaining¹⁷ in line with the Company's policy of creating stable and long-term employment for its workers.

Staff distribution reflects the Piovan Group's business model, which aims to retain professional figures with critical and specialist expertise within the Company. At a Group level, the majority of employees fall into the category of office workers (58%, or 667 employees).

GROUP EMPLOYEES BY CONTRACT TYPE



The Piovan Group prefers the establishment of a stable and lasting working relationship. This is why 90% of the entire workforce, i.e. 1,028 employees, are on permanent employment contracts.

91% of men are employed on permanent contracts, while the equivalent figure for women is 80%. The gender breakdown of staff shows that women account for only 16% of the total. This percentage is a result of the Group's core business, which is strongly focused on metalworking in a highly technical engineering field.

¹⁷ The Company is regulated by the National Collective Bargaining Agreement of the Engineering Industry for Metalworking and Plant Installation.

TOTAL PIOVAN GROUP EMPLOYEES BY CONTRACT TYPE AND GENDER

	2019			2020		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
PERMANENT	836	133	969	881	147	1.028
FIXED-TERM	99	33	132	84	36	120
TOTAL	935	166	1.101	965	183	1.148

TOTAL PIOVAN GROUP EMPLOYEES BY CATEGORY AND GENDER

	2019			2020		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
EXECUTIVES	27	1	28	28	2	30
MANAGERS	54	9	63	63	9	72
WHITE-COLLAR	473	144	617	503	164	667
BLUE-COLLAR	381	12	393	371	8	379
TOTAL	935	166	1.101	965	183	1.148

TOTAL PIOVAN GROUP EMPLOYEES BY AGE AND GENDER

AGE	2019			2020		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
under 30	124	17	141	183	32	215
From 30 to 50	552	116	668	553	122	675
over 50	260	32	292	229	29	258
TOTAL	936	165	1.101	965	183	1.148

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

The Piovan Group allow employees and women workers who submit a reasonable request to work **part-time**. In 2020, there were 31 part-time contracts, of which 26 were held by women (14% of all women employees). As at December 31, 2019, 3% of staff are employed on part-time contracts.

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

	2019			2020		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
FULL-TIME	929	140	1.069	960	157	1.117
PART-TIME	6	26	32	5	26	31
TOTAL	935	166	1.101	965	183	1.148

As of December 31, 2020, the Group employs 45 employees belonging to vulnerable categories, which is 4% of the total workforce.

No cases of discrimination of any kind were recorded during 2020.

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

The **employee hire rate** (i.e. the number of employees hired over a certain period of time compared to the number of staff members employed at the end of the period) is 9%.

The employee hire rate decreased compared to the previous year, when it was 14%, due mainly to the effects of the global pandemic. 107 new employees joined the Group this year, mainly men. 31 new hires are under 30, while 68 are aged between 30 and 50 years old. In terms of geographical distribution: 28 new employees were hired Italy, 20 were hired in the rest of EMEA, 34 in Asia, 17 in South America, and 8 in North America.

HIRES

		2019	% OF TOTAL RECRUITMENT	2020	% OF TOTAL RECRUITMENT
AGE	under 30	62	39%	31	29%
	From 30 to 50	77	48%	68	64%
	over 50	20	13%	8	7%
	TOTAL	159		107	
GENDER	Male	128	81%	90	84%
	Female	31	19%	17	16%
	TOTAL	159		107	

New hires are required to participate in training courses alongside skilled employees. The idea is to promote professional growth and facilitate the sharing of resources between employees.

New hires are given a copy of the company regulations, the national sector collective agreement, and all agreements in place at their time of hiring. An initial training session is conducted by the HR department to help orient new employees.

2020 saw the departure of 131 employees (115 men and 16 women). Among the employees that left the Group, 24 were under 30, while 83 were aged 30 to 50 years old.

As regards geographic distribution, 36 terminated employees were employed in Italy, 18 in the rest of EMEA, 32 in North America, 7 in South America, and 38 in Asia.

DEPARTURES

		2019	% OF TOTAL RECRUITMENT	2020	% OF TOTAL RECRUITMENT
AGE	under 30	27	19%	24	18%
	From 30 to 50	86	59%	83	63%
	over 50	32	22%	24	18%
	TOTAL	145		131	
GENDER	Male	121	83%	115	88%
	Female	24	17%	16	12%
	TOTAL	145		131	

The Group's focus on people is evident in its **low turnover**. The termination rate is 11%.

7.2 TRAINING AND DEVELOPMENT

The Piovan Group believes that training is a key strategic resource. In fact, the Group's investment in training goes far beyond new hire inductions. Courses are organized over a prolonged period of time to encourage professional growth, motivation and professionalism, thus ensuring that products and services meet the Group's quality standards. Piovan has always believed that developing and sharing skills helps to create a robust, successful company.

Training covers the entire production process and all company departments. A training budget is allocated annually and is drawn up by department managers and approved by the senior management team.

Training includes technical and linguistic skills and 'cross-cutting' skills, with a particular focus on team-working skills and a propensity for change. These skills are essential when working for a Group such as Piovan, where competitiveness represents a means of leverage for development.

The Group firmly believes in the importance of continuing professional development, especially with regard to the service department. Workplace training courses are organized on an ongoing basis so as to maintain quality and efficiency standards.

Risks associated with training concern a lack of training and the subsequent lack of development opportunities. This could lead to a poor organizational structure with respect to the Company's complexity and to non-compliance with regulatory obligations. The lack of further training could lead to the inadequate attractiveness of key roles and the potential loss of corporate expertise. In order to overcome these potential risks, the Group invests in training and draws up a new training plan every year. Each branch is required to create its own plan, identifying mandatory training needs and specific requirements per company department.

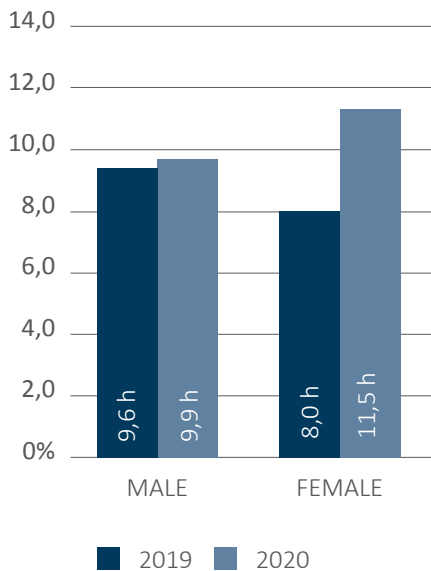
During 2020, the Group organized a total of 11,706 training hours, which is equal to an average of **10.2 hours** per capita. These training sessions concerned workplace safety, fire-prevention training, the training of new hires, specialist training, first aid, and managerial development. The average number of training hours undertaken by women in 2020 amounted to 11.5 hours, while the average number of training hours undertaken by men amounted to 9.9 hours.

In 2020, due to Covid-19 and consequent lockdowns, training had to be suspended in the first part of the year and limited in the second half of the year. In some cases, the method of providing training was altered.

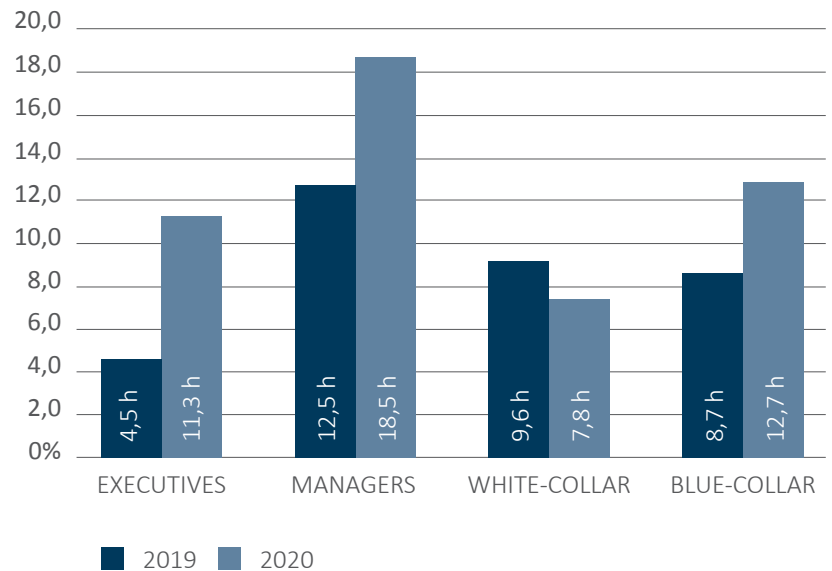
Remote learning was introduced for those courses that would not suffer reduced efficacy.

The figures show that, despite the pandemic, the number of hours of training provided throughout the Group was greater than last year.

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

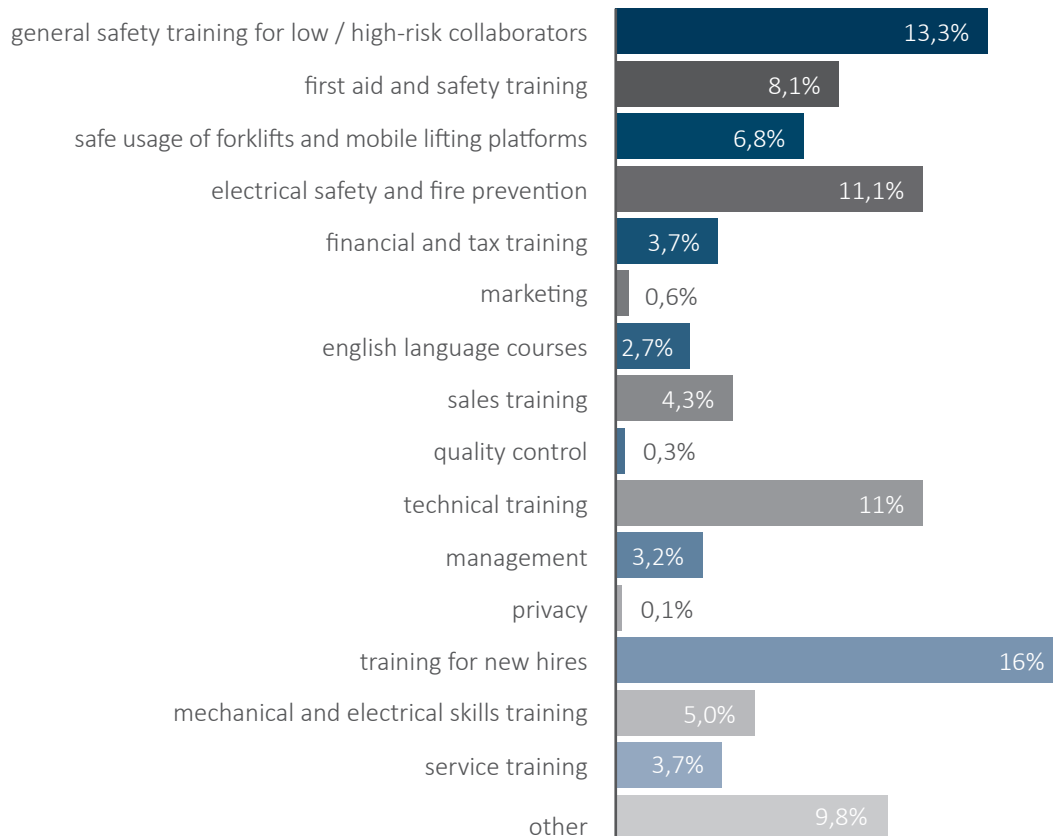


AVERAGE TRAINING HOURS PER CAPITA BY PROFESSIONAL CATEGORY FOR THE PIOVAN GROUP



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

TYPES OF TRAINING WITHIN THE PIOVAN GROUP



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

In order to promote greater knowledge within the Group, there are also plans to create a remote-learning academy that will enable all companies of the Group to benefit from training, as determined by the Human Resources Department, on issues of interest throughout the organization.

7.3 HEALTH AND SAFETY AT WORK

The Piovan Group's primary concern is **employee health and safety** and as such, the Group aims to create a comfortable and safe place to work. The risks associated with an irresponsible approach to workplace health and safety, i.e. a failure to comply with local regulations or the potential for accidents at work and/or occupational diseases, 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 Piovan Group aims to develop and maintain a comprehensive risk analysis. Said analysis is used to identify all potential **prevention and protection measures**, as well as any necessary interventions to improve safety conditions in the workplace.

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

During the year, the Group worked to ensure safety in the workplace by responding to the Covid-19 pandemic by all means possible.

A series of measures were implemented immediately by Piovan S.p.A. and Aquatech S.r.l. to protect all employees and ensure that they could work in complete safety. Body temperature was read on entry, and surgical masks were provided each day to be worn on company grounds. An anti-COVID health protocol was drafted with the goal of limiting infection. This same protocol continues to make an effective contribution to combating the spread of the virus both within and outside the organization. The measures implemented have concerned both reducing the number of people on company grounds by way of remote working as well as the installation of plexiglass in offices and in the canteen in order to minimize opportunities for high-risk contact. Hand sanitizer and signage conveying the anti-infection recommendations of the Ministry of Health have been provided at each entrance and in common areas. The capacity of training rooms, meeting rooms, and break areas has been reduced. On the few occasions when positive cases of the virus have been encountered, rapid tests have been administered in order to detect potential asymptomatic cases so as to prevent further infection. Everybody from outside the organization, such as suppliers, maintenance workers and customers, has been required to follow all health protocols. Hauliers in particular are required to remain in their vehicles, except in cases of emergency, and customers and maintenance workers are required to wear masks, maintain social distancing, and sanitize their hands frequently. This social commitment of Piovan S.p.A. was demonstrated throughout the early stages of the pandemic, too, when lunches were provided free of charge to all office staff that were unable to make use of the canteen. This initiative was maintained over time and included providing bottled water free of charge when it was no longer possible to use the shared containers provided in the canteen. The adequacy of the measures adopted thus far was certified by an inspection on January 25, 2021, by the Venice department of occupational health and safety (SPISAL), which issued a certificate of full conformity for all actions taken to combat the virus.

In order to demonstrate its commitment to workplace health and safety, the Parent Company Piovan S.p.A. obtained an ISO 45001:2018 certification on November 26, 2019, for its offices, production site, and warehouse located in Santa Maria di Sala, Venice. Obtaining certification demonstrates that an adequate management system is in place to map, eliminate and/or reduce risks and increase workplace health and safety, with a view to continuous improvement.

Verifications are conducted systematically in order to minimize potential risks and hazards in the workplace. Any hazards identified are first mapped based on: the tasks conducted; the equipment used; any chemical/hazardous substances; and the characteristics

of the building. The activities are then categorized as high risk or low risk. In order to minimize the risk of the high-risk activities, the Group ensures that all measures of prevention (e.g. reducing speed limits, delimiting and indicating pedestrian lanes, high-visibility vests) are used. During the year, no occupational injuries related to high-risk activities occurred. For the branch offices in Italy, agreements are reached with the trade unions concerning decisions on the management of Covid-19 containment efforts and on all safety procedures that concern the offices and production facilities.

Occupational health services aim to ensure employee health in relation to their workplace. This is made possible by competent, qualified professionals in line with standards and guidelines in effect in the various countries in which the Group operates. The occupational health services aim to minimize health and safety risks and identify hazards in order to eliminate them. In order to facilitate access to occupational health services, appointments are available on site during business hours. The Group does not use personal health information as criteria for making decisions on employment, terminations, or salary. This information is archived confidentially, and only the company physician has access to such archives. Employee medical files are provided to the employer in sealed envelopes, so the employer does not have access to this information.

The Group is committed to communicating with employees with regard to health and safety both on bulletin boards within the various production areas and digitally on the company intranet, which is accessible to all employees. These communications concern: new procedures; temporary notices; trends in injuries; invitations to training programs; appointments for medical exams. The safety office organizes events annually (and as needed) to discuss the following issues: injuries in the workplace; the use of new equipment; safety procedures; emergency response; and the use of new personal protective equipment. Scheduled and extraordinary consultations with employer health and safety representatives (EHSR) can also be held. Scheduled consultations are held to analyze the overall state of health and safety in the workplace and the various measures adopted in order to reduce or minimize any critical issues encountered. Extraordinary meetings are called by the EHSR in the event of potential, imminent danger or other situations in which steps need to be taken without delay.

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

During 2020, 13 accidents occurred, none of which were fatal, and only one of which had serious consequences. 3 workplace injuries involved women. 205 days were lost to injury during the course of the year (calculated from the first day of the accident). The table below shows the main accident indicators for the Group. The rate of workplace injury with serious consequences came to 0.54, whereas the rate of recordable workplace injury came to 6.97.

ACCIDENT RATES

	2019	2020
Recordable workplace injuries	16	13
of which fatal	-	-
of which with serious consequences	2	1
of which on commute	-	-
Days lost due to injury	242	205
No. of cases of occupational illness	-	-
Rate of death due to workplace injury	-	-
Rate of workplace accidents with serious consequences (excluding deaths)	1,06	0,54
Rate of recordable workplace injury	8,44	6,97

ACCIDENT RATES BY GEOGRAPHICAL AREA FOR 2020

	EMEA	ASIA	NORTH AMERICA	SOUTH AMERICA
Work-related injuries	6	1	6	-
of which fatal	-	-	-	-
of which with serious consequences	1	-	-	-
of which on commute	-	-	-	-
Days lost due to injury	193	-	12	-
No. of cases of occupational illness	-	-	-	-
Rate of death due to workplace injury	-	-	-	-
Rate of workplace accidents with serious consequences (excluding deaths)	0,94	-	-	-
Rate of recordable workplace injury	6	3	23	-

Workplace injuries in the companies by geographical area were: EMEA, 6, of which 4 in Italy; 6 in North America; and 1 in Asia.

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 Piovani's working environments and production plants during 2020 to guarantee employee safety:



- **SERVICE MAINTENANCE, WHICH INVOLVED CHECKING HEATING, AIR CONDITIONING AND FIRE PROTECTION SYSTEMS;**
- **WORK EQUIPMENT MAINTENANCE, WHICH INVOLVED CHECKING FORKLIFTS, OVERHEAD CRANES AND JIB CRANES;**
- **MACHINE TOOL MAINTENANCE.**

Machinery and equipment maintenance has been included within the company's management software in order to optimize measures by automating the monitoring system and making it more efficient. Work continues to upgrade machinery built prior to 1996, the year in which the current machine directive went into effect. Health training and oversight, chemical safety information, injury and safety reports, certifications, information on machinery, systems and equipment, and safety and environmental safety document deadlines have also been entered into SAP in order to achieve integrated management and make monitoring more efficient.

Customers and/or third parties are duly informed of all potential risks prior to visiting Company sites and are covered by all appropriate preventive measures.

In 2020, safety measures were implemented for the employee parking area, including a lane for pedestrians, bicycles and motorcycles and special signage and markings for high-traffic crossings. This has served to further reduce vehicle speeds.

Piovan S.p.A. has enforced all health and safety procedures in order to adhere to the management model of Legislative Decree 231/07. Together with those relating to the Group's ISO certification, these procedures have helped govern the people in charge of certain processes and the way they are managed, with a view to continuous improvement.

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

6 defibrillators have been purchased and installed at the Group's production sites to help implement prevention measures. 30 employees have been trained to operate them.

In 2020, Piovan S.p.A. was granted fire-prevention certification by the Venice fire brigade as is required for building compliance and for the continuity of production. As part of the inspection, the fire brigade verified the efficiency and conformity of the organization of the emergency-response teams and the state of all fire-protection systems, such as: fire extinguishers, hydrants, smoke detectors, and exit routes.

A storage locker has been provided for the fireproof gear for the response team to wear in the event of an emergency, prior to any action to extinguish the beginnings of a fire.

In order to mitigate the significant impact on health and safety of tasks directly related to operations and in commercial relations, the Company follows and complies with local laws and regulations, and annual training is provided.

Early in the pandemic, training was provided remotely. This was the first time at Piovan S.p.A. for safety training and gave encouraging results based on participant feedback.

IN 2020, TRAINING COURSES WERE PROVIDED ON THE FOLLOWING TOPICS:

- **GENERAL HEALTH AND SAFETY FOR EMPLOYEES AT A LOW/HIGH RISK:**
for a total of 1,552 training hours
- **ELECTRICAL AND FIRE SAFETY:**
for a total of 1,304 training hours
- **THE SAFE OPERATION OF FORKLIFTS AND MOBILE LIFTING PLATFORMS:**
794 training hours
- **FIRST AID:**
943 training hours

In 2021, the workplace stress risk assessment document will be updated for all areas of Piovan S.p.A., and the general risks assessment document will be updated for Aquatech S.r.l.

7.4 FAIRNESS IN RELATIONSHIPS

Fair relationships, honesty and transparency are core company values and have been communicated to the management team in order to improve conduct at a group and brand level.

The [Ethics Code](#) (a self-regulation tool) aims to guide business activities and render them transparent. In fact, the Ethics Code aims to establish specific professional conduct regulations to be followed by all Group employees.

The Ethics Code is available at: <https://cg.piovangroup.com/it/> • <https://cg.piovangroup.com/en/>

7.5 EMPLOYEES AND CORPORATE WELFARE INITIATIVES

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

Numerous actions have been implemented, including **flexible working hours** – which allow for independent time management – and various types of part-time work. As for personal growth, events are organized periodically, such as workshops and opportunities to 'improve' physical and mental well-being. Piovan S.p.A. also places importance on its physical workplace. In order to make it as comfortable as possible, hot and cold water dispensers have been installed, as well as vending machines serving hot drinks, beverages and snacks, and dedicated refreshment areas.

Putting people first has always been incredibly important to Piovan S.p.A. As such, the '**Piovan Club**' project has been created to offer a series of services to employees and their families in the provinces of Padua, Venice and Treviso. Five main areas of shared interest have been identified: Health, Finance, Insurance Services, Wellness and Sport, and Family. Piovan S.p.A. has selected and identified a number of service providers offering exclusive services in each area.

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

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

● HOLIDAY BONUSES

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

● PRODUCTION BONUSES

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

● CORPORATE WELFARE

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

● OPTION TO APPLY FOR A BUSINESS LOAN

the Company has set up a Loan Fund for employees who need financing

● MARRIAGE BONUS

paid to employees who decide to get married

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 open-ended contract¹⁸.

Piovan places its employees at the heart of its business, and as such, attention is also paid to their health.

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

Piovan S.p.A. contributes a very significant percentage to the cost of employee meals.

7.6 LOCAL COMMUNITY INITIATIVES

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

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

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

On December 31, 2020, the Group had 20 interns, of which 14 were male and 6 were female. 9 of these interns were at Italian branches, 8 in the EMEA area, 1 in South America, and 2 in North America.

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

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

¹⁸ Benefits provided if in force at the end of the year.

8

METHODOLOGICAL NOTE

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

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

This consolidated Non-Financial Report (NFR) of the Piovan Group as at December 31, 2020, has been prepared in accordance with the provisions contained in Decree 254. Furthermore, following the 2019 budget law, information contained in the Company's Non-Financial Report has been expanded. In addition to describing the primary non-financial risks generated or suffered, the Group will now include the methods implemented to manage them in the same report.

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

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

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

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

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

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

Please contact us for further information or clarification:

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8.1 REPORTING PROCESS

Compared to last year's sustainability report, the reporting process for the aforementioned Non-Financial Report has been improved and formalized as a result of the Policy for the Drafting of the Non-Financial Report approved in March 2020.

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

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

- the sending of data collection sheets with collaboration from managers and data owners in various company departments belonging to both the Parent Company and other Italian and international Group companies;
- the receipt of the data by the data owners of the Parent Company and of the branches and subject to certification by the General Manager/competent Director 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 centralised 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 2020 Consolidated Financial Statements;
- approval of the Non-Financial Report by the Board of Directors convened on March 19, 2021;
- the release of an assessment by the auditing firm BDO Italia SpA of the Non-Financial Report's compliance in the form of limited assurance;
- publication of the report on the Group's website in order to make it available to all stakeholders.

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

- The conversion factors used to convert different energy quantities into GJ have been taken from the GRI Standard, which in turn uses indicators deriving from The Greenhouse Gas Protocol (GHG) Corporate Accounting and Reporting Standard by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). In addition, reference has been made to a document entitled Greenhouse Gas Reporting: conversion factors 2020- UK Government.
- Emissions factors used to calculate the CO₂ emissions reported in this NFR are taken from TERNA, 2020, International Comparisons and from DEFRA, 2019. Conversion is location-based.
- The conversion factors used to process data on waste are taken from Waste Weight Determination, Agency of Statistics of Bosnia and Herzegovina, Sarajevo, 2015 and from Material Bulk Density, Resource Future, 2009.

8.2 SCOPE OF THE NON-FINANCIAL REPORT

All reporting information within this document refers to the 2020 financial year. As explained in the methodological note, in compliance with Decree 254, the following Sustainability Report will be published annually together with the Group's Consolidated Financial Statements.

The reporting scope has been extended in comparison to the previous year in order to report as much non-financial information as possible at a consolidated level. As such, the Piovan Group has defined two reporting areas:

● THE FIRST

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

● THE SECOND

corresponds to the **Group's production companies** and refers to waste and water management and issues concerning suppliers. The production companies are as follows: Piovan S.p.A., Aquatech S.r.l., Penta S.r.l., Fea Ptp S.r.l., FDM GmbH, Piovan Plastics Machinery Co. Ltd., Universal Dynamics Inc., and Piovan Do Brasil Industria e Comercio Ltda.

It should be noted that, for Dotecco S.p.A., Dotecco Inc. and Studio Ponte S.r.l., which joined the Piovan Group in the fourth quarter of 2020, it has only been possible to report information concerning human resources and their composition.

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 2.2.

Changes in consolidated companies compared to the previous year have resulted in the restatement of certain indicators for 2019 for the purposes of comparison with 2020.

The decision to structure the reporting scope in this way stems from the fact that the waste and water impact of non-production companies does not need to be taken into consideration in order to understand the Group's business activities, performance, results and their subsequent effects.

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GRI CONTENT INDEX

GRI STANDARD TITLE	DISCLOSURE NUMBER	DISCLOSURE TITLE INDIVIDUAL DISCLOSURE ITEMS ('A', 'B', 'C', ETC.) ARE NOT LISTED HERE	PAGE NUMBER	OMISSION
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GRI STANDARD TITLE	DISCLOSURE NUMBER	DISCLOSURE TITLE INDIVIDUAL DISCLOSURE ITEMS ('A', 'B', 'C', ETC.) ARE NOT LISTED HERE	PAGE NUMBER	OMISSION
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GRI STANDARD TITLE	DISCLOSURE NUMBER	DISCLOSURE TITLE INDIVIDUAL DISCLOSURE ITEMS ('A', 'B', 'C', ETC.) ARE NOT LISTED HERE	PAGE NUMBER	OMISSION
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GRI STANDARD TITLE	DISCLOSURE NUMBER	DISCLOSURE TITLE INDIVIDUAL DISCLOSURE ITEMS ('A', 'B', 'C', ETC.) ARE NOT LISTED HERE	PAGE NUMBER	OMISSION
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GRI STANDARD TITLE	DISCLOSURE NUMBER	DISCLOSURE TITLE INDIVIDUAL DISCLOSURE ITEMS ('A', 'B', 'C', ETC.) ARE NOT LISTED HERE	PAGE NUMBER	OMISSION
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INDEPENDENT AUDITOR REPORT



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Independent Auditors' Report

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

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

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 ("Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Piovan S.p.A. and subsidiaries (the "Group" or "Piovan Group") as of December 31, 2020 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 19, 2021 (hereinafter the "NFS").

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

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and with "Global Reporting Initiative Sustainability Reporting Standards" established by GRI - Global Reporting Initiative ("GRI Standards"), with reference to the selection of GRI Standards, identified as a reporting standard.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

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

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

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

Auditors' Independence and quality check

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

Bari, Bergamo, Bologna, Brescia, Cagliari, Firenze, Genova, Milano, Napoli, Padova, Palermo, Roma, Torino, Verona

BDO Italia S.p.A. - Sede Legale: Viale Abruzzi, 94 - 20131 Milano - Capitale Sociale Euro 1.000.000 i.v.

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Auditors' responsibility

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

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

Specifically, we carried out the following procedures:

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

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

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

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

In addition, with respect to significant information, taking into consideration the Group's business and characteristics, at parent company's level (Piovan S.p.A.):

- a) with regards to qualitative information included in the NFS, and specifically with reference to the business model, policies applied and main risks, we carried out interviews and gathered supporting documentation to check for consistency with



available evidence.

- b) with regards to quantitative information, we carried out both analytical and limited procedures to ensure, on a sample basis, the correct aggregation of data.
- c) we carried out site visits, to meet its management and gather supporting documentation with reference to the correct application of the procedures and methods used to calculate the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Piovan Group as of December 31, 2020 has not been prepared, in all material respects, in accordance with the requirements of article 3 and 4 of the Decree and the selected GRI Standards.

Padova, March 30, 2021

BDO Italia S.p.A.

Stefano Bianchi
Socio

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



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