

2021

sustainability report

small enough to care, big enough to handle

outline

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Letter from our Managing Director

Dear fellow Stakeholder,

2021 has been an impactful and exciting year for Valland.

Despite the challenging and unpredictable extension of COVID-19 pandemic we have successfully managed to support our Clients by meeting their needs delivering our products with the usual level of quality and reliability.

This has been possible thanks, on one side, to the competence and loyalty of our employees and, on the other side, to the resilience and trustworthiness of our network of suppliers.

In parallel with the core business activities the Company, over the past year, has also significantly pursued its innovation journey by approaching new markets and applications for valve products (in general clean energy technologies sectors, in particular mainly Hydrogen related and CCS services), by identifying and developing new product lines in the Hydrogen

value chain and by jumping on board the ongoing manufacturing revolution guided by the adoption of Additive Manufacturing fabrication technologies.

Concerning the latter, Valland has realised significant investments that will lead, within mid 2022, to the establishment of a new dedicated facility expanding our capability to a broad spectrum of printable materials: polymers, resins and metals.

Looking at the year to come, I can state that Valland will certainly play an important role in serving and supporting the key industries that, considering the global energetic instabilities and threats that we are experiencing, are now more than ever strategic in ensuring affordable and secure energy supplies.

Concluding, I want to underline that this commitment will not prevent us from looking towards new horizons providing our active contribution in shaping a sustainable future for our planet and society.

Giacomo Andrea Zondore

01.

introduction

Reporting Standards

about this report

The publication of the present sustainability report aims at **sharing with all the interested stakeholders our company ESG's activities.**

The report is published on a yearly basis and it has been prepared in accordance with Comprehensive option of **GRI standards** and in adherence to the **Sustainability reporting guidance for the oil and gas industry** edited by Ipieca in collaboration with API and IOGP.

For emission reporting we have applied the standard from the **Greenhouse Gas Protocol.**

Assumed values and reported results have been derived based on data collected from our various monitoring systems.

For further information regarding this document, please contact Alex Giorgini (alex.giorgini@valland.it).



Global Reporting Initiative (GRI) through GRI Standards enable any organization – large or small, private or public – to understand and report on their impacts on the economy, environment and people in a comparable and credible way, thereby **increasing transparency** on their **contribution to sustainable development.**

www.globalreporting.org



Ipieca is the global oil and gas association for advancing **environmental** and **social performance** across the **energy transition.**

www.ipieca.org



GHG Protocol establishes comprehensive global standardized frameworks to **measure and manage greenhouse gas (GHG) emissions** from private and public sector operations, value chains and mitigation actions.

www.ghgprotocol.org

About Us

We are an Italian manufacturer of **high-quality** and **tailor-made valves**. The company was established in **2006**. Our reference market is represented by **Oil & Gas** Exploration and Production industries, including subsea and transmission applications, together with other special industrial services.

In recent years Valland has defined a development trajectory striving for the great challenges of our times: the **Energy Transition** and the subversion of standard manufacturing paradigms by means of **Additive Manufacturing** principle.

We strongly believe in **Innovation** as the main enabling factor to configure a **Sustainable Future** for our planet, society and economy.

vision

Continuous improvement
Value creation for Customers and Stakeholders
Trustable and Sustainable cooperation with supply chain, environment and local communities

mission

To bring solutions that allows the realization of Client's vision
To build and maintain trust and respect throughout the supply chain
To enrich the environment and society where we operate

values

Caring
Flexibility
Innovation
Sustainability

UN Sustainable Development Goals

our commitment to the SDGs

Valland's Sustainability Strategy is built around **UN's Sustainable Development Goals (SDGs)** and EU's revolutionary **Green Deal** plan, both representing supporting pillars in tracing the path towards a better future.

Technology-led innovation, rationalization of natural resources exploitation, circular consumption and production ecosystems are the key elements we will pursue in order to meet our goals.

Furthermore, we will bring **people at the centre of the process** because we believe that innovation is only feasible if technology is integrated with expertise, knowledges and skills.



friendly workplace

Providing a healthy and secure workplace for employees:

- Health & Safety education and awareness actions
- Promoting team building events
- Focus on maintaining a proper life-work balance
- Screening medical tests for disease prevention



innovation first

Promote an inclusive and sustainable technological development and foster innovation culture:

- R&D department establishment
- Additive Manufacturing facility implementation
- Investing on cutting-edge technologies (e.g., 3D printing processes, hydrogen related solutions etc.)



preserve natural resources

Ensure circular and sustainable consumption-production patterns:

- Waste generation containment through prevention, reduction, recycle and reuse
- Optimize internal and supply chain natural resource management and use for business operation



road to carbon neutrality

Strive to pursue the carbon neutral achievement for the organization:

- Maximize the renewable sources contribution to overall energy consumptions (e.g., PV plant installation)
- Reduce the organization and supply chain CO2 footprint
- Disseminating sustainability competences and awareness

02.

environment

—

We care about the Environment

certification



Renewal over several years of **ISO 14001 – Environmental Management Systems** certification.

Environment section B Impact Score more than doubled compared to benchmarks in our country, industry and size range.

energy use



Facilities HVAC system based on **Heat Pump** coupled with **Geothermal** source.

Independence from natural gas supply – we rely on a **full electric solution**.

Guarantee of **renewable source origin** for electric energy purchased from the grid.

Possibility of **adjusting environmental conditions** in different workspaces at our facilities.

waste management



Careful **classification of the waste produced** in order to optimize its recycling (municipal, special and hazardous).

Usage of **recycled paper and plastic** for disposable uses.

Keeping track of the **paper prints** made with the perspective to progressively minimize their number.

Eco-friendly packaging adoption for our products.

transportation



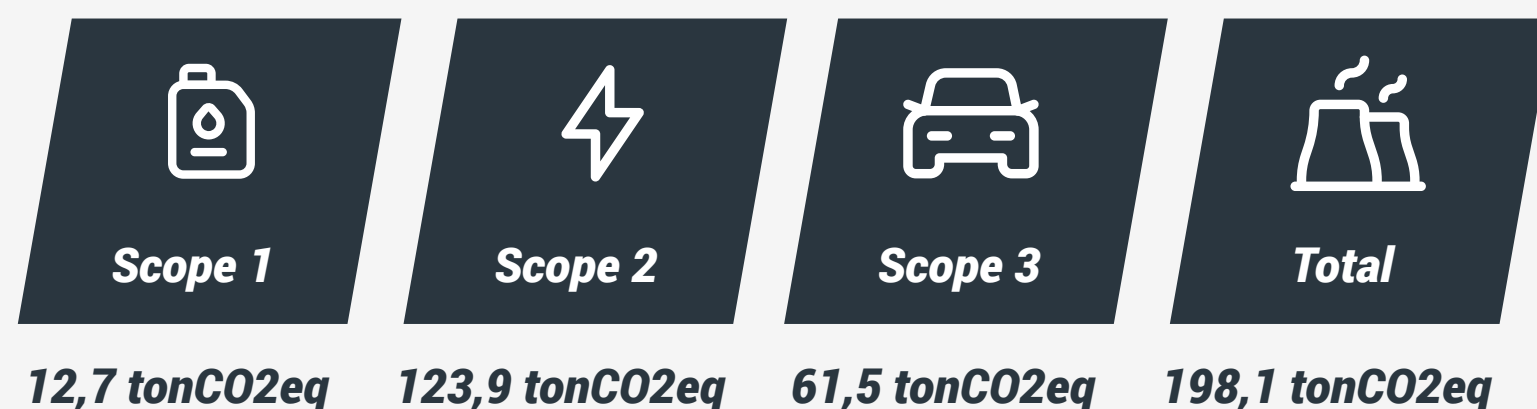
Avoidance of unnecessary **transportation** or **freight** of goods.

Keeping track of **kilometres travelled** on **company cars**.

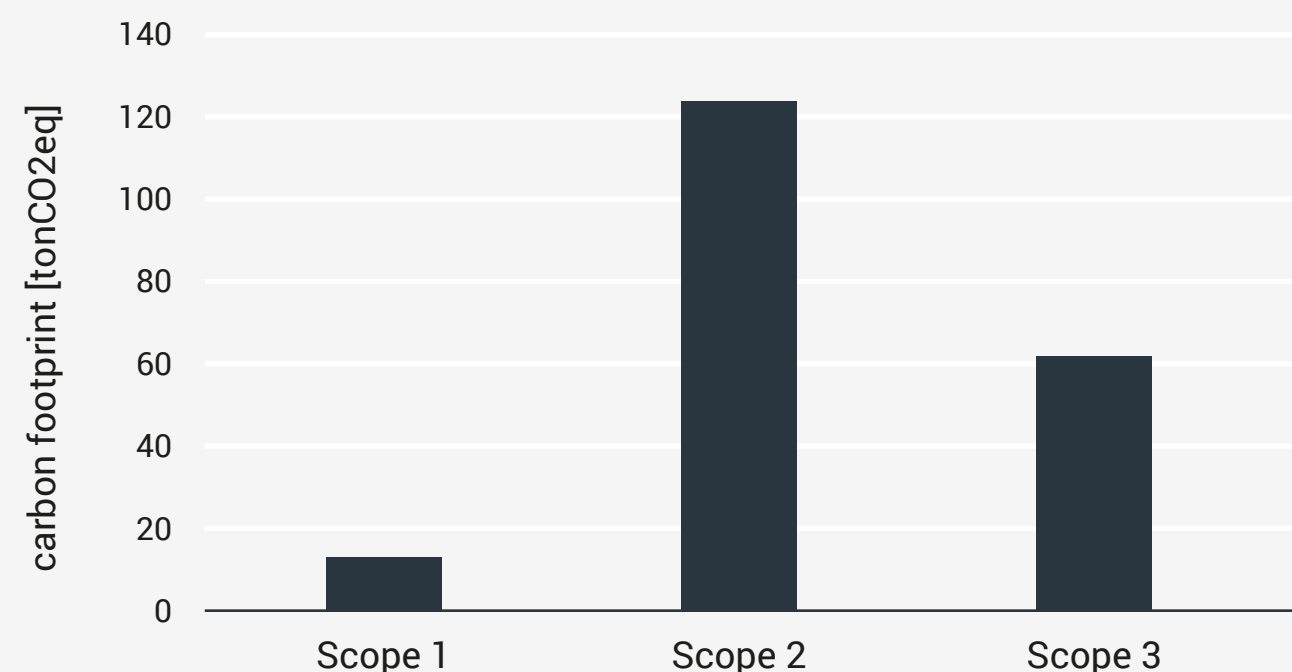
Estimation of **kilometres covered** by our **supply chain** both upstream and downstream the company operation.

Minimization of **business trips** in a compatible form to our desire of discovering new things. **We still believe in human contact!**

Our Carbon Footprint



carbon footprint - 2021



CO2eq emissions assessment

For **corporate environmental impact** evaluation, the GHG Emissions Calculation Tool developed by Greenhouse Gas Protocol and WRI has been adopted.

Scope 1 emissions include:

- Fuel consumption to produce electricity, steam, heat or power
- Fuel consumption of vehicles owned/leased by the company
- Refrigerants leaks in HVAC systems, chillers, refrigerators, etc.

Scope 2 emissions include:

- Electricity and other sources purchased from local utility

Scope 3 emissions include:

- Business travels
- Employees commuting

In view of future assessments we plan to **improve input data quality**, especially for Scope 3 emissions being them affected by the highest level of uncertainty. Our objective is to have a **complete** and **accurate** accounting of our carbon footprint.

R&D and Innovation

Additive Manufacturing Revolution

During 2021 Valland has significantly expanded its Additive Manufacturing capabilities in the fields of **polymeric, resin and metallic materials**.

The variety of machine types will allow us to properly cover a wide range of **requests from Clients and internal needs for R&D activities**.



3D printing of Valve Components and Sealing Elements



White Papers publication on Materials Compatibility Studies



material selection for valves in H₂ environments

an informative report

M. Vanazzi, D. Brambilla, L.E. Mondora
and G.A. Mondora



materials compatibility in CO₂ environment for Carbon Capture & Storage (CCS) systems

an informative report

M. Vanazzi, D. Brambilla, L.E. Mondora

03.

social



Social Business Principles

Code of Ethics and Conduct

Valland is committed to conducting business in accordance with the highest standards of **ethics** and **integrity**.

We strongly believe that **serving our clients** and **taking care of our community** are not only integral to running our business successfully, but it is part of our individual responsibilities as citizens of the world.

Based on this belief we have developed **core principles** guiding company's business practices and ethical behavior:

- We comply with laws and regulations
- We care about our employees and their families
- We ensure healthy and safe working conditions
- We want communities to count on us
- We strive to operate in a manner that respect the environment
- We carefully select our business partners

To read more about our business principles visit our website: valland.it/company/corporate-social-responsability/

Equitable and Inclusive Workplace

Since its foundation Valland strived to establish a working environment where all employees are treated with **dignity** and **respect**, both by colleagues and by the Company itself. Our cornerstones are:

- Dignity and Privacy
- Inclusivity and Diversity
- Equity and Fairness

Supporting Not-for-Profit Initiatives

It is natural attitude of Valland to contribute in supporting initiatives in favour of deprived and needy members of the society.



Valland offered to employees medical screening tests to spread throughout the company the culture of prevention.



Funds raised to support the research against cystic fibrosis.

Our Organization

Organization Chart



Giacomo Andrea Mondora *Managing Director*



Giacomo Andrea founded Valland in 2006. His vision is to provide valves designed to withstand any working condition, delivering the best performing product in the shortest lead time.

Alex Giorgini *Hydrogen Specialist*



Alex holds a Master's Degree in Energy Engineering. He is responsible for guiding the company innovation by exploring new business opportunities and cutting-edge technologies in clean energy sectors.

Gianluca Acquistapace *AM Specialist*



Gianluca holds a Master's Degree in Mechanical Engineering. He is passionate about Additive Manufacturing and will drive us through the development of our business in this fascinating world.

Aska



Chief Happiness Officer

Road to B Corp

Make Business a Force for Good



B Lab is the non-profit network transforming the global economy to benefit all peoples, communities and the planet.

Certified **B Corporations** are leaders in the global movement for an inclusive, equitable and regenerative business approach.

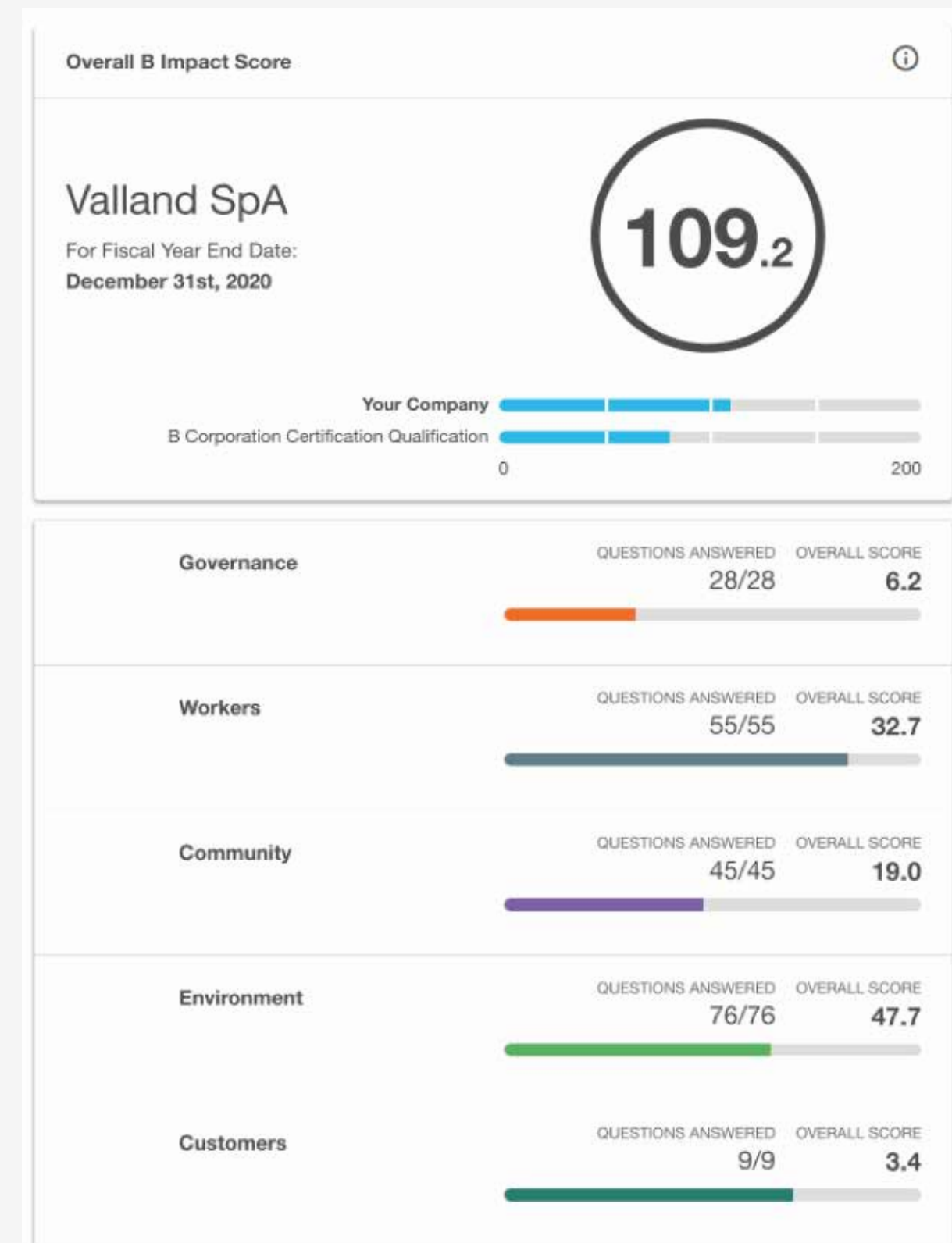
Following the path already traced during 2020, Valland has now completed the **B Impact Assessment** step with a positive outcome.

The overall B Impact Score turned out to be higher with respect to benchmarks and the threshold required for the official qualification.

The certification process has formally started and will be concluded during 2022.

We can't wait to start **B-eing the Change!**

B impact assessment



04.

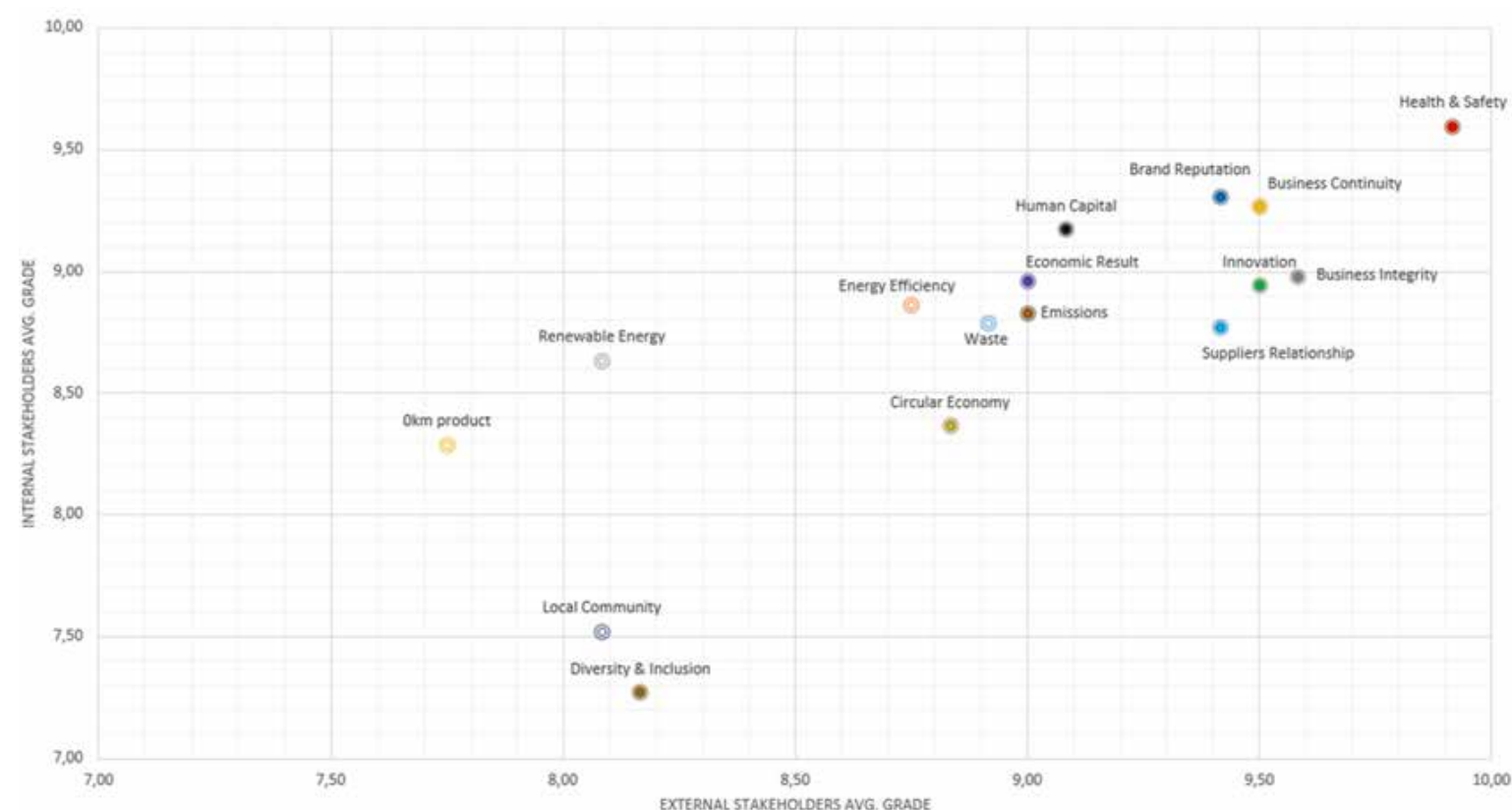
— governance

Stakeholders

Materiality Assessment

Valland's success depends on **understanding and responding at needs** of the subjects that interact with us.

We have therefore **assessed and identified ESG themes** that are perceived as most relevant from the perspective of the company Stakeholders.



Key Stakeholders and Reference Markets

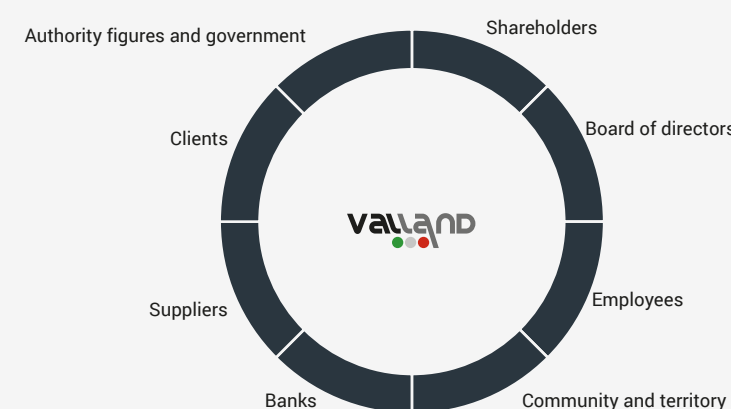
Stakeholders Engagement is crucial in the company value creation process. We interact with a **wide universe of Entities**, both internal and external, keeping with them connections through different channels. Maintaining these links allow the company to promptly address relevant **Risks and Opportunities**.

Since the company foundation the reference market has been represented by the **Oil & Gas Exploration & Production industry**.

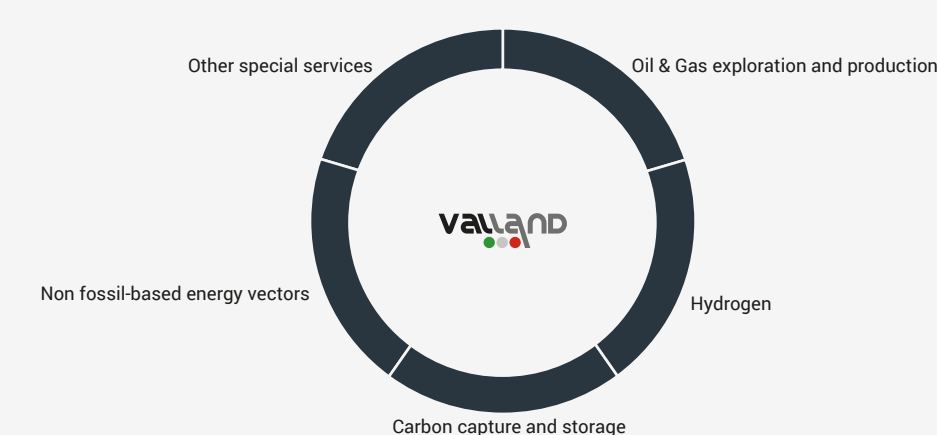
We will continue to serve it, also considering the geopolitical tensions we are experiencing, in order to **guarantee the access to secure and affordable energy sources**.

In parallel, we are exploring new markets linked to innovative clean energy technologies such as **Hydrogen, Carbon Capture and Storage (CCS) and other non-fossil based Energy Vectors** (Ammonia, Renewable Synthesis Gases, etc.).

key stakeholders



reference markets



Risks and Opportunities

Risks and Opportunities – Review of 2021

In Valland every year we are used to perform an internal review regarding risk and opportunities assessment.

This process is carried out to **better analyze the events occurred** and to **plan the development approach** that we will implement in the years to come. These are our key findings:

Key Findings Risks:

- COVID-19 Pandemic
- Uncertainty in raw material supply and market prices

Key Findings Opportunities:

- Approaching the market niches of Hydrogen and CCS applications valves
- Significant investments for the set up of an innovative Additive Manufacturing facility
- Officially initiated the B Corp Certification qualification procedure

SWOT analysis – looking to the future

	positive	negative
internal	<ul style="list-style-type: none"> • No accidents or injuries throughout the years (S) • Management directly involved, quick decision making (G) • Consistent know how, attitude in entering new high tech niche when required (G) • Agile small-medium enterprise able to adapt to unconventional requests (G) • Low environmental impact due to low emission activities (E) 	<ul style="list-style-type: none"> • Difficulties in managing series production (G) • High price product due to quality level and customization degree (G) • Difficulties in replacing figures in key roles being the personnel highly skilled (G) • Difficulties in assessing and controlling the sustainability of suppliers (E)
external	<ul style="list-style-type: none"> • Increase the expertise on valves for Clean Energy sectors applications (E-G) • Identify interesting potential new products for Hydrogen applications (E-G) • Proceed with investments in Additive Manufacturing business (E-G) • Approach the market with products made by AM techniques (E-G) 	<ul style="list-style-type: none"> • Negative effects of geopolitical tensions and Russian-Ucranian war on supply chain, raw materials prices and availability • Investing in new business lines when a complex international framework is present insisting on political, economic and energy-related perspectives

ESG KPIs and Targets

focus area		2021 benchmark	2022 target	
SDG	Area	actual state/KPIs	target	KPIs
	Friendly workplace	<ul style="list-style-type: none"> • 0 LTIFR* and 0 TRCFR** • 6% Turnover • < 0.1% revenue donated to charity 	<ul style="list-style-type: none"> • Maintain the result • Maintain the result • Increase the share of revenues donated 	<ul style="list-style-type: none"> • 0 LTIFR* and 0 TRCFR** • < 20% Turnover • 0.2% revenue donated to charity
	Innovation first	<ul style="list-style-type: none"> • Investments for AM facility set-up • Approach to clean energy niche markets 	<ul style="list-style-type: none"> • Finalize investments and start developing business in the industry • Increase the share of clean energy markets on total revenues 	<ul style="list-style-type: none"> • Acquisition of 1 order involving AM parts • 5% of total revenues from clean energy sector markets
	Preserve Natural Resources	<ul style="list-style-type: none"> • Around 10 tons of municipal wastes produced • <10% hazardous wastes share over special wastes 	<ul style="list-style-type: none"> • Maintain and possibly reduce the result • Maintain and possibly reduce the result 	<ul style="list-style-type: none"> • <10 tons of municipal wastes produced • <10% share of hazardous wastes over special wastes
	Road to Carbon Neutrality	<ul style="list-style-type: none"> • Share of renewables over total EE consumption – 100% guaranteed • Scope 1 CF: 12,7 tonCO2eq • Scope 2 CF: 123,9 tonCO2eq • Scope 3 CF: 61,5 tonCO2eq 	<ul style="list-style-type: none"> • Feasibility study for the installation of a PV plant at our facilities • Reduce Scope 1 and 2 emissions • Improve the reliability of Scope 3 emissions assessment 	<ul style="list-style-type: none"> • If feasible to install the PV plant, 20% of total EE consumption covered by PV plant production • 20% reduction on Scope 1 and 2 emissions • Adoption of Calculation Tools for Scope 3 emissions assessment

*LTIFR: Lost Time Injury Frequency Rate

**TRCFR: Total Recordable Case Frequency Rate



annex

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valland

***join the innovation
revolution!***