

Valland Sustainability Report

Year 2024

Towards a Sustainable Future: Innovating for Change.





Index

1. Together for a Better Tomorrow: Reflections from Leadership	5
2. Advancing Sustainability: Our Business, Governance and Strategic Vision	8
2.1 Who We Are	9
2.2 Our Profile and Key Operations: Collaboration With Supply Chain Engagement	12
2.2.1 The Core Values	16
2.2.2 The Mission	16
2.2.3 The Vision	17
2.3 Guiding with Purpose: Leadership and Ethical Decision-Making	19
2.4 Growing Responsibly: Strategy and Policies for a Sustainable Future	24
3. Prioritizing Impacts: Insights Into Our Materiality Analysis	29
3.1 Mapping Our Key Sustainability Topics	30
3.2 Stakeholders Engagement Strategy: Building Value and Measuring Impacts	35
3.3 Shaping Tomorrow: Our Sustainable Priorities	40
3.4 Tracking Business Success: Goals and Key Metrics	42
4. Empowering Change: Performance with a Purpose	45
4.1 Our Environmental Responsibility	46
4.1.1 Turning Waste into Worth: Building a Circular Future	46

4.1.2 Innovating for Impact: Sustainable Products, Smarter Processes	51
4.1.3 Cutting Emissions While Advancing Energy Efficiency: A Dual Commitment to Climate Action	56
4.2 Our People, our Communities	67
4.2.1 Working Safe, Working Smart: Our Pledge to Occupational Health	67
4.2.2 Inclusion First: Creating a Culture of Belonging	73
4.2.3 Best Practices in Employment: Ensuring Fairness and Efficiency	77
4.3 Governance For The Ethical Conduct	81
4.3.1 Taking Care of Our Data: Privacy, Security and Sustainable Progress	81
4.3.2 Beyond Communication: Evolving Together Through Engagement	84
5. GRI Standard Content Index	87
5.1 The GRI Sector Standard: Potentially Material Topics Included, Excluded and Reasons of Exclusion	88
5.2 The Reporting Framework	89
5.3 Statement of Use	96
5.4 GRI 1 Used	96
5.5 Applicable GRI Sector Standard	96
5.6 Notification to the GRI	96
6. Stakeholders Questionnaire For Materiality Analysis	97

1

Together for a Better Tomorrow: Reflections from Leadership



Staying Resilient, Building the Future

Dear Stakeholders,

The year 2024 has brought new layers of complexity to an already uncertain global landscape. Geopolitical instability, persistent economic fragmentation and intensifying climate challenges continue to reshape the world in which we operate. Ongoing conflicts—from Ukraine to the Middle East—and disruptions in strategic trade routes, like the Red Sea, have tested the resilience of supply chains and the stability of global energy flows.

In this evolving scenario, clarity of purpose is essential. At Valland, we've continued to navigate these dynamics with determination and a long-term vision. Our mission – delivering of cutting-edge, high-performance valve solutions for critical energy infrastructure – has become even more relevant as safety, reliability and sustainability grow in urgency.

But true resilience goes beyond reacting to disruption. It requires proactive transformation, meaning that we have to rethink on how we design, produce and collaborate to create lasting value.

In 2024, we further accelerated our sustainability journey. We broadened our carbon footprint monitoring, embedded the Life Cycle Thinking approach more

deeply into engineering decisions and advanced the use of innovative, low-impact materials and manufacturing processes. Notably, our continued progress in Additive Manufacturing is not only aimed at reducing the emissions, but also at enhancing flexibility and responsiveness for our clients.

We also reinforced our commitment to local ecosystems. With global logistics increasingly vulnerable, our reliance on regional suppliers – especially within Italy and Europe – has strengthened both our



operational agility and our contribution to more resilient and lower-emission value chains.

Importantly, our transformation is human-centred. In 2024, we rolled out new programs focused on environmental education, technical training and professional development, nurturing a culture where inclusion, accountability and growth are integral. Our people remain at the heart of our ability to innovate and adapt.

Looking ahead, we embrace our dual role: to support today's energy systems with reliable, responsible solutions and to actively shape the energy transition through technology and partnership. As the Oil&Gas sector undergoes deep change, Valland is evolving too, developing more sustainable products, engaging in transparent collaboration and continually aligning with international ESG standards.

To all our Stakeholders, we thank you for walking this path with us. Your trust inspires our commitment to do more and better every day. In a world that keeps shifting, our foundation remains solid: values, vision and a shared purpose toward a more sustainable and resilient future.

Giacomo Audrez Zondore

[Report publication date: August, 2025]

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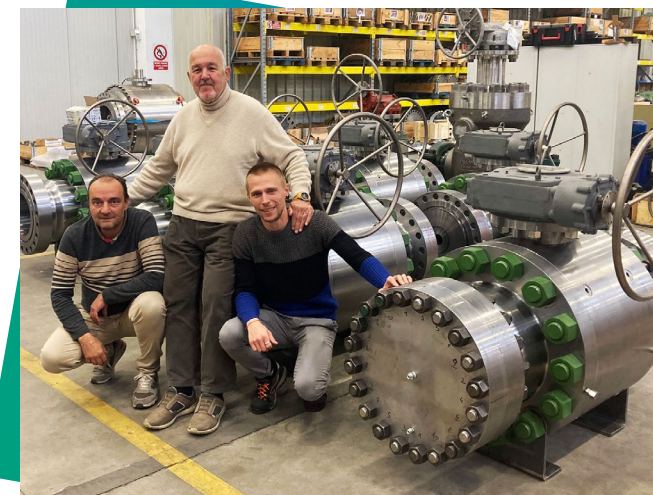
Advancing Sustainability: Our Business, Governance and Strategic Vision



2.1 Who We Are

[GRI 2-1] [GRI 2-2] [GRI 2-3] [GRI 2-4] [GRI 2-5]

Our Company, Valland SpA, has been established in 2006 in Piantedo (Province of Sondrio, Lombardy Region, Italy), at Via Roccoli N. 252, by experts with over 30 years of experience in the valve industry. We are a **privately held and unlisted**, operating as a single legal entity. Our core business is related to **designing and manufacturing high-quality, custom-made ball, gate and check valves mainly for offshore and subsea applications**, with products delivered worldwide. For more information, we suggest you visit: www.valland.it.



This is our **fourth annual Sustainability Report**, covering the same period of the Financial Statement, i.e., from **January 1st to December 31st, 2024**. Since 2021, we have published Sustainability Reports

on a **voluntary basis**, demonstrating our ongoing commitment to transparency and responsible business practices.

We have prepared the report with the technical and methodological support of **Eartha Srl**¹. For technical inquiries, please contact:

- **Dr. Luca Nonini, Sustainability Analyst**, luca.nonini@valland.it
- **Dr. Alex Giorgini, R&D Manager**, alex.giorgini@valland.it

For the first time, we have produced the Report with the option **“in accordance with”** of the **Global Reporting Initiative (GRI) Standards**. GRI is a globally recognized framework for disclosing environmental, economic and social impacts, including those on human rights. The GRI Standards enable Companies of all types and sizes to report transparently and consistently on their contributions to sustainable development. For further information, please visit: www.globalreporting.org.

In addition, we have used for referencing the **Sustainability Reporting Guidance for the Oil&Gas Industry**, jointly developed by the **International Petroleum Industry Environmental Conservation Association**

1. www.eartha.it

(IPIECA)² in collaboration with the **American Petroleum Institute (API)**³ and the **International Association of Oil&Gas Producers (IOGP)**⁴.

Compared to the previous editions, this 2024 Report includes **several important advancements**. While we have prepared the previous Reports with the option “with reference to” of the GRI Standards, for this current version we have decided to fully align with the framework, preparing the Report with the option “**in accordance with**”. As such, we have made a great effort to satisfy all the **9 requirements** as reported in the GRI 1: Foundation 2021.

In preparing this Report, we have considered as best as possible the diverse user needs, including varying abilities and levels of technological access. We have made effort to ensure information is easy to locate and navigate, through structured content, links and visual elements. We have integrated graphics and tables throughout the document to enhance clarity and improve overall understanding. We have written the Report in English to ensure accessibility for an international audience, as the [Report is available online](#) and potentially viewable by users worldwide.

Compared to the previous Report, there have been no changes regarding: the duration of the reporting period, the type of the activity, business relationships and characteristics of the supply chain, the methodologies used to estimate the impacts on environmental,

2. www.ipieca.org

3. www.api.org

4. www.iogp.org

ipieca



social and governance topics, divestitures, mergers or acquisitions and more generally, any errors that would require a revision of the content.

To ensure the objective comparison with the data provided in the previous Report, methodological approaches, data presentation formats and underlying assumptions have not been changed. Moreover, we have described the methodological approach as best as possible to make the calculations (e.g., greenhouse gases emissions) transparent and replicable.

As this is the second Report prepared with specific reference to the GRI Standards and disclosures, **where possible, we have compared the results with those of the previous reporting year. Therefore, at this stage, we cannot yet provide a multi-year comparison.**

We have not omitted any essential information needed to understand our impacts. The data and information included in this Report are based on both internal

sources and external references which, to the best of our knowledge, are reliable. This approach ensures that **the content is supported by verifiable evidence and maintains a high level of transparency, accountability and replicability.**

Although certain waste generation processes and greenhouse gases (GHG) emissions may result from **short-term or small-scale activities**, we recognize their potential to produce **cumulative environmental impacts over time**. This is particularly relevant for emissions of long-lived climate pollutants and the improper management of non-biodegradable or hazardous waste.

In this context, we have included these activities in our reporting and monitoring processes, acknowledging their **long-term significance**. By tracking even minor sources of emissions and waste, we aim to ensure a more **accurate assessment of our environmental footprint** and to support the development of mitigation strategies aligned with our **long-term sustainability vision and goals**.

We have not mandated any external assurance for our Reporting. However, we fully recognize the added value that independent verification can bring – both in reinforcing the credibility of our disclosures and in strengthening Stakeholders trust.

At this stage, internal checks have been performed to validate the accuracy and consistency of the information. In particular, members of the senior management team have been actively involved in reviewing and confirming the correctness of the Report’s content.



With this in mind, we are actively refining and designing our internal systems to enable seamless external assurance. This includes a best and continue alignment of our reporting practices with recognized standards and implementing processes that support further transparency, accuracy and traceability of the data.

This ongoing effort is part of our broader commitment to transparency and ensures we are well-prepared for potential external assurance for future reporting years. To further enhance the robustness and credibility of our approach, the management and the Board of Directors (BoD) will be actively involved in overseeing and supporting the reporting process, ensuring that sustainability remains fully integrated into our strategic decision-making and governance frameworks.

2.2 Our Profile and Key Operations: Collaboration With Supply Chain Engagement

[GRI 2-6] [GRI 2-7] [GRI 2-8]

According to the **Global Industry Classification Standard**¹, our activities fall within the “Energy” sector and, more specifically, within Sub-Industry 10101020 (**Oil&Gas Equipment&Services**).

Compared to the previous reporting period, there have been no significant changes regarding the activities, products, services of and markets, as well as the characteristics of the supply chain.



In 2024, we have further strengthened our role as a reliable partner within the sector,

1. www.msci.com/our-solutions/indexes/gics

supporting operations across exploration, production, subsea systems, transmission networks and specialized industrial services. Our commitment to **client satisfaction**, continuous improvement and technical reliability remains central to how we operate. Over the past two decades, we have developed a **robust network of local suppliers and strategic partners**, allowing for effective oversight throughout the entire procurement and production cycle. This integrated approach ensures the **delivery of high-quality, innovative and timely solutions**.

Our products are primarily used in offshore applications in the **North Sea** (i.e., Norway and United Kingdom). These regions are home to a highly skilled workforce, a strong culture of safety and innovation and a robust industrial infrastructure that supports advanced offshore operations. The North Sea is currently one of the **most strategic and technically demanding areas** in the global Oil&Gas industry. This market is characterized by high technical specialization, strict environmental regulations and extreme operating conditions that require highly reliable, safe and durable solutions.

The North Sea offshore sector is dominated



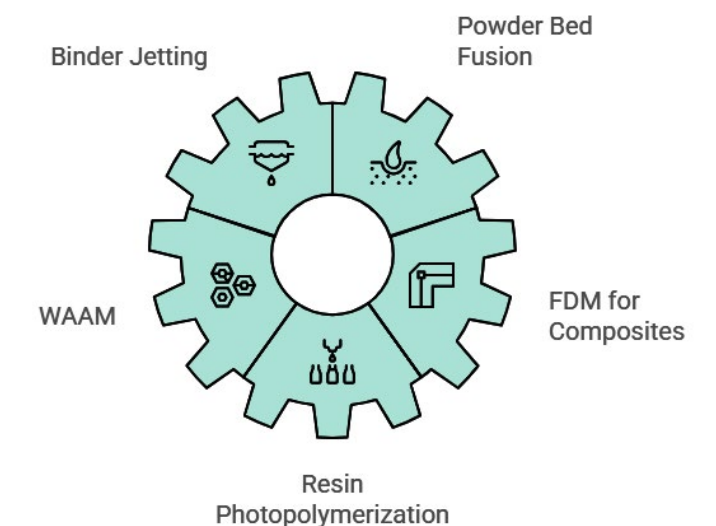
by major **international operators and top-tier contractors**. We collaborate with them by supplying high-performance valves designed to withstand **high pressure, corrosive environments and extreme temperatures**. Our solutions are used in **extraction facilities, injection systems and subsea pipelines**.

In the North Sea market environmental sustainability is a central concern. Local and regional authorities – as well as many industrial and institutional Stakeholders – pay close attention to the safety of materials and the environmental impact of the technologies. While none of Valland’s products are currently banned in this market, certain categories, such

as components containing potentially hazardous materials, are subject to increased scrutiny and must comply with very strict standards. We are committed to ensuring full compliance with all applicable requirements and continuously work to improve the environmental profile of our products.

In parallel, we continue investing in forward-looking technologies. Since 2016, we have explored the potential of **Additive Manufacturing (AM)**, initially mainly through targeted collaborations with specialized partners. These activities have evolved into a **consistent area of innovation**, spanning both metal and polymer-based techniques – including Binder Jetting, Powder Bed Fusion, WAAM, FDM for composite and high-performance materials and resin photopolymerization. These developments support the production of components for Oil&Gas valves, while also enabling applications in the broader energy and design sectors.

Evolution of Additive Manufacturing



Our **Research&Development (R&D)** function plays a key role in this evolution, combining long-standing operational expertise with advanced digital tools such as Finite Element Analysis (FEA). R&D activities also include safety-focused evaluations through the development of Safety Integrity Level (SIL) and Safety Analysis Report (SAR). These efforts are closely carried out with clients and technical Stakeholders to ensure practical, effective and tailored outcomes. We view innovation as a driver not only of performance, but of sustainability, supporting the long-term resilience of our operations and the wider industry.

Our success is built on collaboration. Behind every product we deliver there is a **network of trusted partners and suppliers** who share our commitment to quality and innovation. Over the years, we have cultivated strong, **long-term relationships** across the entire value chain. These connections go beyond formal contracts: they are key to our ability to co-develop solutions, innovate and ensure timely global delivery. Our networks include:

- **Suppliers**, who provide essential raw materials, mechanical components and



AM technologies.

- **Project partners**, both private Companies and Public Organizations (e.g., Universities and Research Centres, Research and Consulting Companies, Trade and Industrial Associations, Lombardy Technology Clusters), who collaborate with us to develop advanced materials and AM-based solutions.
- **Distributors**, who ensure our finished products are delivered globally, on time and under optimal condition.
- **Clients**, who rely on our products and often become long-term collaborators in ongoing projects all over the world.
- **Certification Bodies and Consultants** who help ensure we meet safety standards and compliance requirements, including the preparation of SIL assessment and SAR.

Suppliers play a critical role in our supply chain, which is highly specialized and requires precision engineering, compliance with international standards and robust quality control throughout the process. What are the key characteristics of our

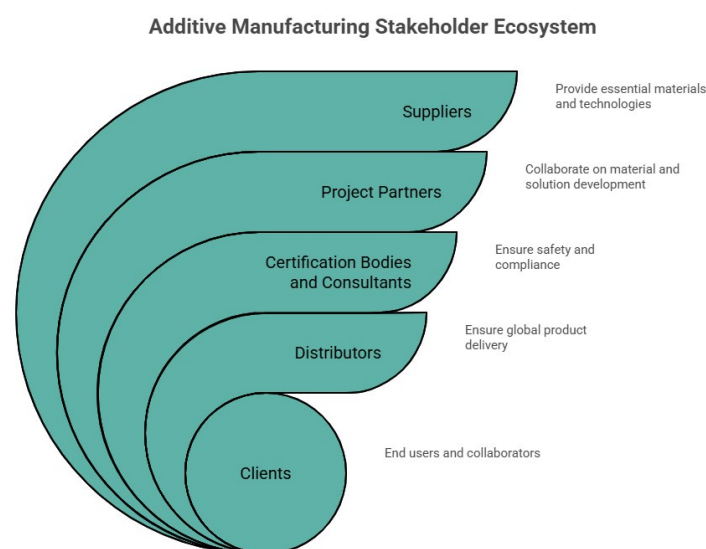
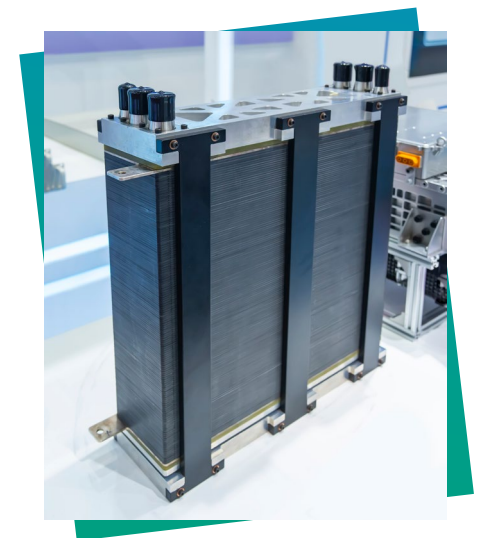
operations?

- **Labour-intensive processes**, such as manual and robotic welding of complex geometries, surface treatment, coating and assembly - often requiring skilled technicians – as well as Non-Destructive Testing (NDT) and final quality inspection, which must be performed by certified personnel.
- **Raw materials and forgings**: we rely on trusted suppliers for the procurement of high-grade materials such as stainless steels, duplex, Inconel and carbon steels, all of which must be certified and traceable. These materials are often supplied in the form of forgings or bars and they are subject to strict metallurgical and dimensional requirements.
- **Specialization and certifications**: due to the critical applications of our valves our suppliers must operate within certified quality management systems (e.g., ISO 9001, PED, API Q1).
- **Geographical structure and risk management**: while we work with both domestic and international partners, the supply chain is regionally diversified to minimize geopolitical risks and ensure continuity. Lead times and logistic flows are carefully managed to support our just-in-time production model, especially for long-lead items like cast or forged components.

Compared to the previous reporting period, our network has remained stable, with no significant changes to the structure or nature of our key relationships. This consistency underscores the strength of our

collaborative approach and our ongoing commitment to transparent and reliable partnerships.

Last but not least, during the spring of 2024 we have formally established with the CTA Group² a joint venture named **Vision2H³**, which is dedicated to developing **green hydrogen solutions for global decarbonization**. The partnership combines our expertise in manufacturing industrial valves and AM technologies with CTA Group's worldwide distribution network across chemical, petrochemical, refining and energy sectors. Through this joint venture, we have developed a breakthrough **100 kW single-stack Anion Exchange Membrane (AEM) electrolyser**, with plans to scale up to MW-level turnkey solutions by 2027. The AEM technology operates using pure water or very low-concentration alkaline environments, significantly reducing the use of critical materials such as PGMs and PFAS, thus lowering the overall environmental footprint.



2. www.commercialelubiaciao.it

3. www.vision2h.com

2.2.1 The Core Values

Caring, Efficiency, Innovation, Sustainability.



2.2.2 The Mission

At Valland, our objectives extend beyond technical excellence, as we strive to create lasting, positive impact through all aspects of our work.

- We focus on understanding and meeting our **clients' expectations** by delivering high-quality, reliable solutions backed by experience, precision and ongoing commitment.
- We value **strong and transparent relationships** across our supply chain, encouraging collaboration and long-term partnerships based on mutual trust and shared goals.
- We recognize the importance of the areas in which we operate, supporting initiatives that promote **social well-being and environmental responsibility** within local communities.

These guiding principles support our day-to-day decisions and help shape a more sustainable and forward-thinking approach to business.



2.2.3 The Vision

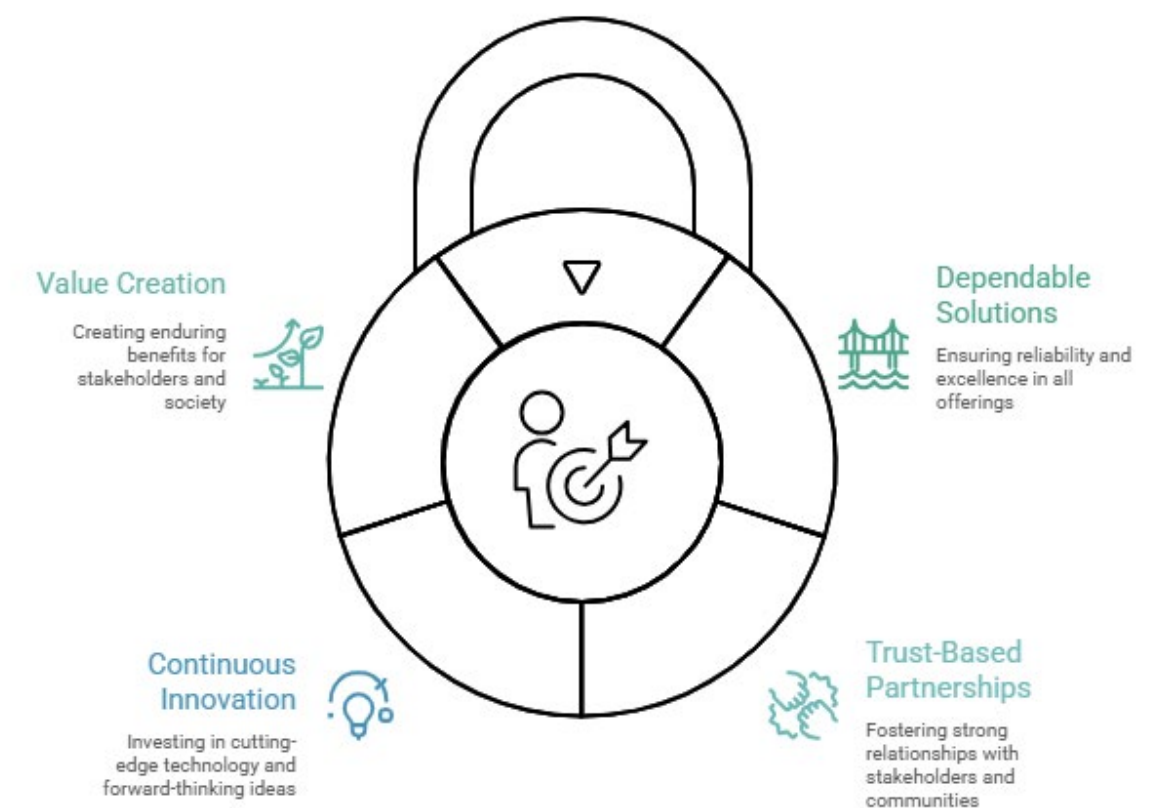
We are proud to continue pursuing a clear and forward-looking vision, built on key principles that guide our daily operations and long-term strategies:

- To be a benchmark for dependable, high-quality solutions.
- To build strong, trust-based partnerships within the supply chain and in the communities where we operate.
- To stay ahead by continuously investing in innovation and technology.
- To create lasting value for our Stakeholders, people and society.

Our commitment to high ethical standards and integrity remains central to the way we do business. We view responsibility toward clients and communities as an essential part of our sustainable growth. Because of this, we support a number of non-profit initiatives that aim to improve the lives of vulnerable individuals and communities worldwide, as part of our broader commitment to social impact.

As for our team, people remain a vital part of our success. Below is a snapshot of the workforce:

Strategic Vision Pillars



We have classified our personnel ad employees and non-employees and we have further broken down the employees by gender and geographical area.

Table 1: Type of employee workers and classification based on gender and geographical area.

Year 2024				
Type of employee worker	Gender		Geographical area	
	Male (n; %)	Female (n; %)	Sondrio Province (n; %)	Other (n; %)
Total*	49 (70%)	21 (30%)	49 (70%)	21 (30%)
Permanent	40 (74%)	14 (26%)	41 (76%)	13 (24%)
Temporary	5 (45%)	6 (55%)	7 (64%)	4 (36%)
Non-guaranteed hours	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Full time	46 (71%)	19 (29%)	45 (69%)	20 (31%)
Part time	3 (60%)	2 (40%)	4 (80%)	1 (20%)
Year 2023				
Total	44 (70%)	19 (30%)	39 (62%)	24 (38%)
Permanent	36 (71%)	15 (29%)	33 (65%)	18 (35%)
Temporary	8 (67%)	4 (33%)	6 (50%)	6 (50%)
Non-guaranteed hours	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Full time	43 (71%)	18 (29%)	37 (61%)	24 (39%)
Part time	1 (50%)	1 (50%)	2 (100%)	0 (0%)

* We have not considered workers with apprenticeship contracts.

Only one worker is classified as a non-employee. We have hired this individual through a temporary work agency contract and he performs duties consistent with a blue-collar role.

During the current reporting period and between the previous and the current periods there have been no significant changes in the number and characteristics of employees.

We compiled the information on employees based on the actual headcount.

The data refer to the situation at the end of the reporting period, thus providing a snapshot of the Company's workforce at that specific time. We have not computed any averages over the period, nor have we used other time-based methodologies.

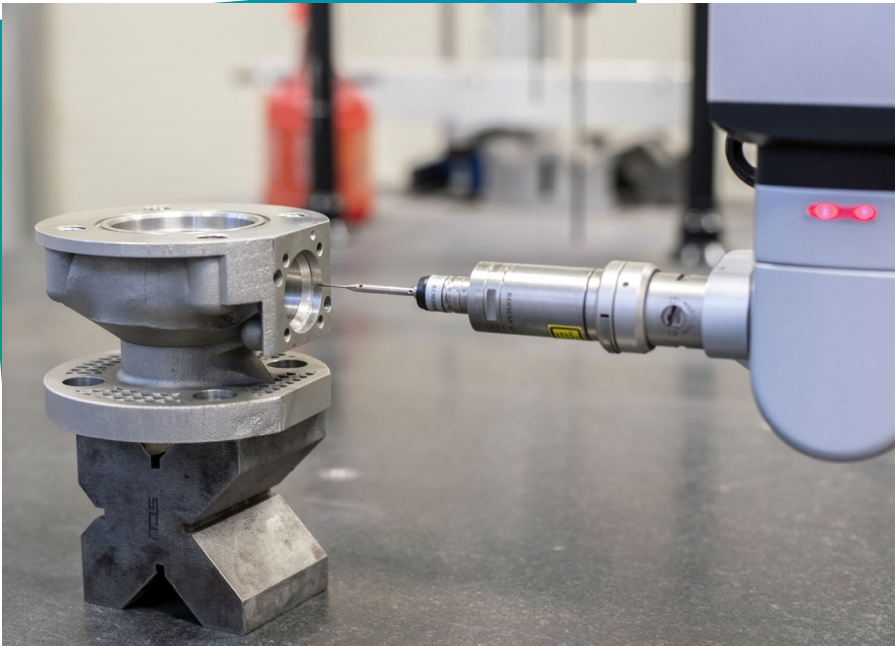
2.3 Guiding with Purpose: Leadership and Ethical Decision-Making

[GRI 2-9] [GRI 2-10] [GRI 2-11] [GRI 2-12] [GRI 2-13] [GRI 2-14] [GRI 2-15] [GRI 2-16] [GRI 2-17] [GRI 2-18]

The Governance of our Company is built to support both strategic oversight and operational efficiency. The Company's governance framework includes the **Shareholders and the BoD**, each playing a distinct yet complementary role. The Shareholders' Assembly holds ultimate decision-making power. It approves financial statements, nominates Key Corporate Bodies and it is responsible for amending the Company's bylaws, ensuring long-term strategic direction and accountability. The BoD, appointed by the Shareholders, is responsible for setting Valland's mission, values and strategic objectives. This includes approving development plans and investment strategies that align with the

Company's goals. The Board is led by the Chair, who also acts as a Senior Manager to help bridge high-level strategy with everyday operations. This structure allows for continuous dialogue and alignment between governance and implementation, while avoiding conflicts of interest through clearly defined responsibilities. As of May 2024 and until December 31, 2026, Valland's BoD is composed of **four executive members**:

- **Giacomo Andrea Mondora** (male): Chairman of the Board and Managing Director
- **Luisa Elena Mondora** (female): Board Member and Shareholder



- **Laurent Rosso** (male): Board Member
- **Joseph Rosso** (male): Board Member and Shareholder

We have nothing further to report regarding the independence, number of other positions and significant commitments undertaken by each member, as well as the nature of those commitments, underrepresented social groups, relevant skills in relation to the Company's impacts and Stakeholders representation. As a small to medium-sized unlisted Company, we do not have formal procedures for nominating and selecting the BoD.

To ensure that the BoD is well-equipped to lead the Company strategically while maintaining alignment with Stakeholders' interests and industry demands, the selection of the BoD is based on **several key criteria**:

- **Stakeholder perspectives**: the views of Shareholders and other Stakeholders are considered to align the Board's decisions with broader expectations and interests.
- **Diversity**: we aim to create a diverse Board in terms of gender and cultural backgrounds, promoting varied perspectives and effective decision-making.
- **Relevant expertise**: members are selected for their significant experience in the sector, ensuring they bring the necessary skills to address the sector's challenges and opportunities.

The Company has been founded by **Giacomo Andrea Mondora** and **Joseph Rosso**, who continue to play a central role

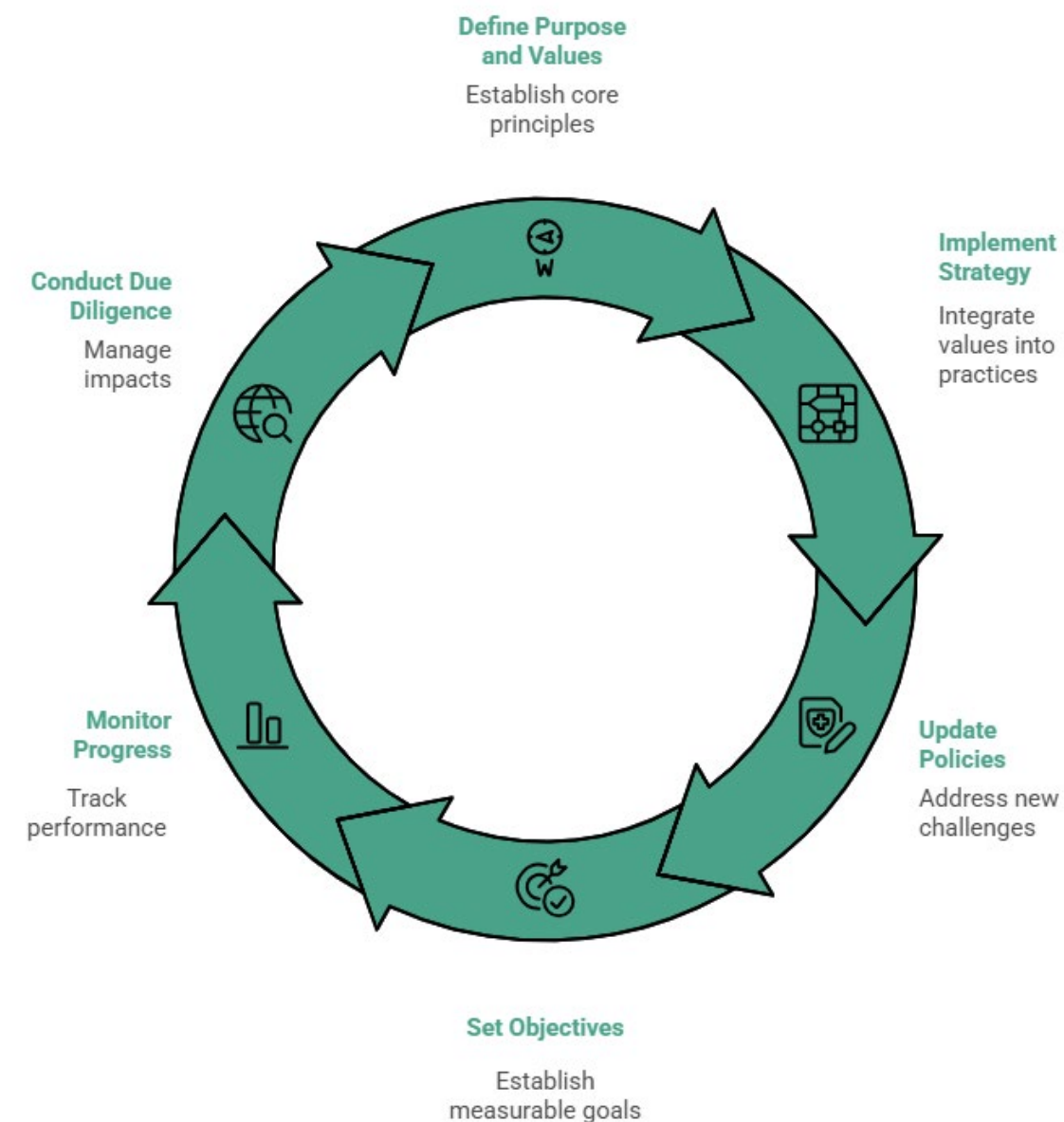
in shaping Valland's strategic direction. Giacomo Andrea Mondora currently holds the dual role of Chairman of the Board and Managing Director, overseeing both governance and operational management. Joseph Rosso serves as a Board member and Shareholder, contributing decades of industry expertise through an advisory capacity and active collaboration via a personal service Company. With over five decades of experience each in the Oil&Gas industry, **both Giacomo Andrea and Joseph bring deep sector expertise that continues to shape Valland's vision, strategy and operational resilience.**

As mentioned, the Chairman of the BoD also serves as a Senior Manager, effectively bridging strategic oversight with operational execution. In this dual role, the Chairman leads the Board in setting long-term objectives, while also overseeing key operational functions to ensure that daily activities are aligned with the Company's strategic direction. This structure enables **direct coordination between governance and implementation**, while clearly separating responsibilities to prevent conflicts of interest between governance and management.

The BoD and Senior Management are collectively responsible for shaping Valland's sustainability direction. Their work includes:

- **Defining and updating the Company's purpose, values and sustainability strategy**: the Company's mission, which includes the commitment to sustainable energy, reducing carbon emissions and promoting responsible practices across all operations, is established

Valland's Sustainability Cycle



and continuously reviewed by the Board to ensure alignment with global objectives and emerging environmental regulations. The Senior Managers, under the Board's guidance, are responsible for implementing the sustainability strategy and integrating the Company's values into daily operations. These values include integrity, innovation and a continuous commitment to improving the quality of life for local communities.

Senior Managers are tasked with regularly updating the Company's policies to address emerging challenges in economic, environmental and social areas and ensuring that all business decisions align with the sustainability standards set by the Board.

- **Approving policies and setting measurable objectives**: the BoD holds the ultimate responsibility for

approving corporate policies related to sustainability and for defining measurable long-term objectives. These objectives are integrated into business plans and regularly monitored to ensure that the Company is making tangible progress toward its commitments. Senior Managers are responsible for setting specific objectives and coordinating their achievement across all business functions. They are also accountable for the measurement and reporting of the Company's performance, using appropriate metrics to ensure that sustainability goals are met.

- **Overseeing due diligence processes** to identify and manage economic, environmental and social impacts. This oversight ensures that Valland effectively addresses all potential risks and opportunities associated with its operations.

These efforts are informed by engagement with key Stakeholders – from employees and suppliers to local communities – and the insights gained are directly integrated into decision-making and sustainability initiatives.

Each year, the Board reviews the effectiveness of these processes, analysing the **Key Performance Indicators (KPI)** and adjusting policies to drive continuous improvement. In some cases, specific tasks are formally delegated and are reported annually to the Board itself; for example, the **Health, Safety and Environment (HSE) Manager** may be appointed to oversee specific impact areas. The Manager is tasked with regularly collecting data, analysing key metrics and preparing reports on how

the Company is addressing its economic, environmental and social impacts. Besides KPI, the HSE Manager is designated to report annually on **potential risks and challenges**, including environmental incidents and social impacts, as well as recommendations for **policy adjustments** or new strategies based on the findings from the ongoing monitoring process.

The review and approval of the Sustainability Report follows a **structured and multi-step process** to ensure accuracy, transparency and alignment with the Company's values and strategic goals.

- **Internal data collection and report drafting:** all the relevant departments (e.g., HSE, Quality, Production, Purchasing) collect and provide data related to the main ESG aspects. All the collected data and information are then consolidated into a draft Report by the Sustainability Team in collaboration with the external Consultancy Company (i.e., Eartha).
- **Initial internal review:** the draft Report is reviewed internally by the designated Senior Managers responsible for the covered topics. This ensures that all material topics are accurately represented and that the information reflects actual practices and performance.
- **Senior Management evaluation:** the Senior Management team reviews the Report in detail, verifying the consistency of the content with the Company's operations and strategic direction. Any necessary revisions are made to clarify language, correct data, or expand

sections that require further context.

- **BoD formal review and approval:** the final draft is submitted to the BoD, which formally evaluates whether the Report aligns with Valland's mission, values and strategic objectives and ensures that no critical aspects are omitted. After this review, the Board formally approves the Report for publication.

The Company's **Code of Ethics and Conduct**, approved by the BoD, sets the foundation for preventing and managing any potential **conflicts of interest**. Examples include dual roles on multiple boards and cross-Shareholdings that may influence impartiality.

These aspects are publicly disclosed and accessible to all the Stakeholders. Further details can be found at: www.valland.it/assets/Uploads/Code-of-Ethics-and-Conduct.pdf

Key risks or issues which may impact operations or Stakeholders relationships are communicated transparently to the BoD through regular reports, audits and management updates. In 2024, **no critical issues** have been reported.

To stay responsive and forward-looking, the BoD continues to strengthen its knowledge in sustainability through diverse perspectives, training sessions and regular monitoring of global trends in ESG aspects.

The performance of the BoD are evaluated through the **"Management review"**, which is a formal process where Top Management evaluates the overall performance of the Company, assesses progress towards

business objectives and ensures strategies and policies are effective. The key aspects of our Management review are:

- **Assessment of the KPI and financial data** to evaluate how well the Company is achieving its objectives.
- **Resource use allocation**, to ensure that the resources (human, financial, technological) are used effectively and are aligned with the Company's needs.
- Identification of improvement opportunities for **innovation**.
- Implementation of corrective or **preventive actions** when **necessary**.

This process is independent and is carried out at least once a year (preferably twice). Actions taken to respond to the evaluations, including changes in the composition of the BoD and Company's practices are related to:

- Direct procedure (specific person).
- System procedure: non-conformity procedures, preventive and improvement actions which impact on the activity and management.

This review may result in updates to governance practices or Board composition. The whole process is carried out impartially – without undue influence from individuals directly responsible for the activities being reviewed – and based on verified data. This increases the credibility of the review, making it more likely to identify real issues and opportunities for improvement.

2.4 Growing Responsibly: Strategy and Policies for a Sustainable Future

[GRI 2-22] [GRI 2-26] [GRI 2-27] [GRI 2-28] [GRI 2-29] [GRI 2-30]

At Valland, sustainability is not a side project, it's part of how we do business every day. Our environmental and social sustainability strategy is designed to proactively manage our economic, environmental and social impacts – including those related to human rights – across short, medium and long-term horizons.

Our purpose, strategy and business model are built to **prevent negative impacts and generate positive value** for the economy, the environment and people. We embed sustainability into every part of our operations, supply chains and partnerships to ensure responsible growth and long-term resilience.

In the **short term (1-2 years)**, we focus on actionable and measurable goals, including:

- Reducing direct CO₂ emissions across our operations.
- Improving energy efficiency through operational upgrades and optimization.
- Expanding the use of renewable energy, such as photovoltaic systems.
- Strengthening internal sustainability education and employee awareness.
- Investing in workplace well-being and preventive health initiatives.
- Deepening collaboration within regional

and national industrial clusters.

In the **medium-term (3-5 years)** our priorities include:

- Scaling up our AM capabilities to reduce material waste.
- Advancing R&D in support of the energy transition, such as hydrogen solutions.
- Expanding lifecycle product design and circular economy practices.
- Enhancing supply chain sustainability and transparency.
- Promoting diversity, equity and inclusion within the workforce.
- Aligning all key operations with intergovernmental frameworks such as the **UN Sustainable Development Goals (SDGs) and the European Green Deal**.

Finally, in the **long-term (beyond 5 years)** we aim to:

- Become a benchmark in sustainable industrial innovation.
- Influence policy and industry standards through active participation in sustainability forums and knowledge-sharing platforms.
- Maintain a company culture that balances technological excellence with

social responsibility.

Our **sustainability approach** is structured around **five core pillars**:

- **Technology-led innovation:** we invest in advanced technologies that enhance both our competitiveness and our contribution to sustainability. This includes expanding AM, Laser Powder Bed Fusion and hydrogen-related solutions.
- **Responsible use of natural resources:** we aim to minimize our environmental footprint by optimizing resource use and integrating renewable energy sources like solar energy.
- **Circular economy practices:** we prioritize lifecycle thinking, designing for durability, reuse, recycling and responsible end-of-life management of products.
- **People-centric innovation:** we see people as the driving force of innovation. We support continuous learning and skill development while promoting a healthy, safe and inclusive workplace.
- **Partnerships and collaboration:** we cultivate long-term relationships with clients, suppliers and industry Stakeholders. Our active participation in clusters enables co-creation, knowledge exchange and collective progress toward sustainability goals.

We focus on areas where we can make the most impact:

• ESG Goal 3 – Good health and well-being



- Workplace health and safety education and awareness.
- Team-building activities that foster well-being.
- Promotion of a balanced work-life culture.
- Preventive health screenings for employees.

• ESG Goal 7 – Affordable and clean energy



- Increasing the share of renewable energy in our consumption mix, such as through photovoltaic installations.

• ESG Goal 9 – Industry, innovation and infrastructure



- Strengthening our R&D Department.
- Expanding our in-house AM capabilities.
- Investing in cutting-edge technologies, including Laser Powder Bed Fusion and hydrogen-related solutions.

• ESG Goal 12 – Responsible consumption and production



- Reducing waste through prevention, recycling and reuse.
- Enhancing resource efficiency both internally and across our supply chain.

• Goal 13 – Climate action

- Reducing CO₂ emissions across our operations and supply chain.
- Promoting sustainability education and awareness internally and externally.

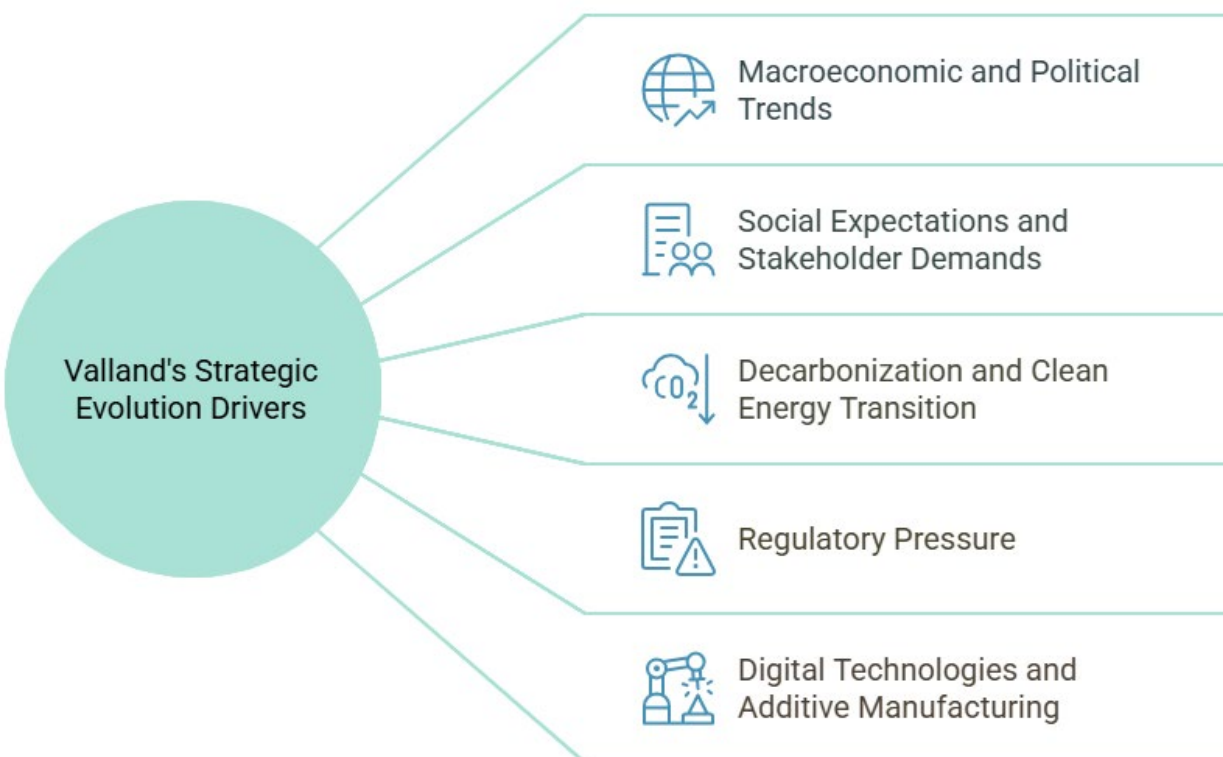


Our sustainability strategy is closely aligned with societal expectations as defined by international frameworks such as the **OECD Guidelines and the UN Guiding Principles on Business and Human Rights**. By proactively managing environmental, social and economic impacts, we demonstrate

a strong commitment to corporate responsibility and ethical conduct.

By integrating human rights considerations, focus on transparency in supply chains and promoting the employee well-being, we are deeply aligned with the principles of **due diligence** and **Stakeholders engagement** emphasized by these global Standards.

Our strategy evolves in response to **macroeconomic, social and political trends**, including the global push for decarbonization and clean energy, advances in digital and **AM** technologies, growing regulatory pressure on corporate



sustainability disclosures and demand for transparency, inclusiveness and ethical business conduct from the Stakeholders

and society.

Valland has formalized its commitment

to responsible business conduct through **internal policies** that integrate environmental protection, human rights and anti-corruption principles. These policies are regularly reviewed and approved by Top Management to ensure alignment with international frameworks such as the **UN Global Compact** and the **OECD Guidelines for Multinational Enterprises**.

Valland's principles on ethics, sustainability and human rights are clearly defined in our **Code of Ethics and Conduct**, which applies to all our activities. This document was formally approved by the BoD and is available to all Stakeholders at: www.valland.it/assets/Uploads/Code-of-Ethics-and-Conduct.pdf. The Code outlines our commitment to preventing and addressing environmental, economic and social risks — including those related to human rights.

In 2024, we have successfully completed the rigorous assessment performed by the **Autorità Garante della Concorrenza e del Mercato (AGCM)** and we have been awarded a **Rating di Legalità of “2 stelle”** – an achievement that places the Company in the upper tier of Italian firms for ethical conduct and regulatory compliance (www.agcm.it/servizi/elenco-rating). The Rating di Legalità is a voluntary, merit-based certification ranging from one to three stars; one star confirms full adherence to all mandatory legal-compliance requirements (antitrust, labor, environmental, tax, anti-corruption, anti-money-laundering and more), while each additional star reflects the implementation of extra-statutory “best-practice” measures. By securing the second star, we have demonstrated not only baseline legal conformity but also tangible

commitments such as advanced traceability of financial flows, robust internal whistleblowing channels, documented corporate social-responsibility policies and externally audited governance protocols. Practically, this two-star rating enhances Valland's reputation with Stakeholders and can lead to preferential scoring or faster processing in public tenders and state-backed financing and it represents a positive signal to clients, suppliers and investors that the Company's operations are anchored in transparency, integrity and continuous improvement toward the highest possible three-star standard.

All employees can: (i) request clarification on the implementation of the Company's policies and practices for responsible business conduct and (ii) raise concerns about the business conduct through a dedicated email inbox, accessible only by an authorized Third Part to ensure confidentiality and independence (**whistleblowing system**).

During the reporting period, there has been **no significant cases of non-compliance with laws and regulations**.

Valland actively participates in the following associations and industry clusters to contribute to the advancement of sustainable practices and technological innovation:



[VALVEcampus Association](http://www.valvecampus.it)



[Confindustria Lecco e Sondrio](#)



[Fabbrica Intelligente Lombardia \(AFIL\)](#)



[Lombardy Energy Cleantech Cluster \(LE2C\)](#)

These partnerships enable us to stay at the forefront of sustainability trends while sharing expertise and driving collective progress.

We actively engage with both **internal and external Stakeholders**. Through ongoing dialogue and consultation, we gain valuable feedback that shapes our strategic

decisions and operational improvements. This **Stakeholder-inclusive approach** ensures that our actions are aligned with the expectations of the communities and markets we serve. Stakeholder expectations and material issues are addressed in detail in Chapter 3: **"Prioritizing Impacts: Insights into Our Materiality analysis"**.

Valland recognizes the importance of fair, consistent and transparent employment practices.

100% of our employees is covered by the National Collective Labour Agreement (CCNL), ensuring uniform protections and benefits. We are committed to creating a respectful, inclusive and development-oriented workplace that supports both professional growth and personal well-being.



3

Prioritizing Impacts: Insights Into Our Materiality Analysis



[GRI 2-29] [GRI 3-1] [GRI 3-2]

The materiality analysis plays a crucial role in identifying the **most significant issues to be addressed** within the Company's sustainability strategy. We have performed a materiality analysis following a **structured approach** ensuring active stakeholder engagement through the following

operational steps:

- **Definition of potentially relevant topics.**
- **Evaluation of topic significance.**
- **Topics prioritization and classification.**

3.1 Mapping Our Key Sustainability Topics

We have adopted a **structured and multi-source approach** to identify the topic on the economy, environment, people and human rights which could be **most closely related to the Company business and value chain**. Compared to the previous Reports, this step has been implemented with **full alignment to the GRI 2 and GRI 3 Standards**, as well as the **GRI Sector Standard 11: Oil and Gas Sector (2021)**. The identification step has been built upon:

- The comprehensive understanding of **the Company's value chain**, from design and procurement to production, delivery, after-sales support and R&D, including advanced activities related to AM.
- The analysis of the **Stakeholders expectations and concerns**, captured through direct engagement with key

internal stakeholders, particularly the BoD and Shareholders, ensuring the inclusion of both strategic and operational perspectives.

To identify relevant impacts, we have used **multiple methods and sources**:

- **Internal assessments** of operational processes, supply chain dynamics and product life cycles, especially considering critical environments such as offshore and subsea.
- **Risks and opportunities analysis** related to environmental factors (e.g., emissions, energy use, waste management), social aspects (e.g., health and safety, labour conditions), economic performance and potential impacts on human rights across the value chain.

- **External reference frameworks**, including industry best practices and global sustainability trends.
- **Sector-specific literature**, benchmarking studies and insights from industry associations and regulatory bodies.

We have deliberately **broad and forward-looking** the scope of the impact identification process and we have assessed each potentially relevant topic according to **five dimensions**:

- **Type of impact**: positive (i.e., representing opportunities to contribute to sustainable development) or negative (i.e., indicating potential or actual risks).
- **State of impact**: actual (already occurring) or potential (may occur in the future).
- **Time horizon**: short term or medium-long term.
- **Intentionality**: result of intentional actions or unintentional consequences.
- **Reversibility**: whether the impact can be mitigated through corrective actions or cannot.

While efforts have been made to ensure completeness, we have acknowledged some limitations:

- Some suppliers have not fully included in the initial phase of the assessment due to limited access to the data.
- Downstream impacts (e.g., final use of valves in oilfield operations) have been considered from the qualitative point of view, but not yet assessed through a full life-cycle impact assessment perspective.

- The analysis focused primarily on core business areas, with less emphasis on emerging business lines, pending further data collection.

On one side we have not considered some potentially material topics listed in the GRI Sector Standard 11: Oil and Gas Sector (2021), whereas, on the other side, we have added additional topics to fully represent the characteristics of our supply chain. We have provided in the GRI Content Index the reasons for excluding some topics. Compared to the previous Report, we have included:

- Circular economy (Environmental category).
- Engagement and transparency towards Stakeholders (Governance Aspect).

As a result of this first step, we have considered the potentially relevant topics shown in the Table below.

Table 2: Potentially relevant topic and impacts for materiality assessment.

Topic			Impact									
N.	Name	Description	P	N	A	PT	S	L	IN	NI	R	NR
Environment Aspect												
1	Greenhouse gases emissions	GHG emissions, both from our own operations and throughout our upstream and downstream activities, are a key contributor to the ongoing climate crisis. A significant portion of these emissions is associated to the procurement of goods and services, as well as transportation and storage. We are committed to minimizing unnecessary transportation by closely tracking the distance covered by our vehicles and by estimating the carbon footprint across the supply chain.		•	•		•	•		•		•
2	Waste management	Waste can have far-reaching consequences on both the environment and human health, extending well beyond the sites where it is generated and discarded. These impacts can include contamination of habitats, loss of biodiversity and GHG emissions from end-of-life treatment processes. We categorize and handle our waste to maximize recycling efforts, using recycled paper and plastic for disposable items and eco-friendly packaging for products. Additionally, we monitor our paper usage closely, striving to reduce unnecessary prints and minimize our environmental footprint.		•	•		•	•		•		•
3	Energy efficiency and renewable energy	Energy consumption is a major driver of GHG emissions, stemming from energy production, transportation and storage, all of which significantly contribute to air pollution and climate crisis. To reduce our environmental impacts, we have installed air-to-water heat pumps and we have taken steps toward energy independence thanks to a 223 kWp photovoltaic system to cover a portion of our consumption, whereas the remaining fraction is sourced from renewable energy only.	•		•		•	•	•		•	
4	Product, process and service innovation	Innovation is a powerful catalyst for driving efficiency, reducing costs, enhancing customer satisfaction and gaining a competitive edge, all while boosting sustainability by optimizing resources and improving our ability to adapt to market shifts. By focusing on continuous innovation, we strive for a technological edge that sets us apart from our competitors.	•		•		•	•	•		•	
5	Circular economy and resources valorisation	We are continuously committed to recycling and reusing materials, aiming to minimize waste and optimize resource use. From design and production to the end-of-life management of our products, we strive to implement practices that promote material reuse, contributing to a virtuous cycle that reduces environmental impact.	•		•			•	•		•	
Social Aspect												
6	Occupational health and safety	We believe that a healthy and safe workplace is not just a legal obligation – it's a fundamental human right. Ensuring the physical and mental well-being of our people is at the core of how we operate. We take occupational health and safety seriously, working proactively to prevent harm and foster a culture of care and responsibility. When safety is prioritized, the benefits are clear: fewer injuries, lower risk of work-related illnesses, improved morale, greater productivity and long-term savings. Potential risks can arise when using heavy and complex machinery and this is why we are constantly improving our safety protocols and monitoring systems.	•		•		•	•	•		•	

7	Employment practices	We view employment not just as a contractual relationship, but as a key pillar of shared growth and long-term value. Our commitment to creating quality jobs, offering fair compensation and providing meaningful benefits reflects our belief that people are at the heart of everything we do. However, high turnover – often linked to unsatisfactory working conditions or inadequate pay – can undermine team cohesion and productivity. That's why we continuously invest in our people, listening to their needs and creating an environment where they feel valued, motivated and empowered to grow.	•		•		•		•		•	
8	Non-discrimination and equal opportunity	Diversity and inclusion are essential drivers of our long-term success. A diverse team brings together different perspectives, experiences and ways of thinking. Since day one, we have been committed to building a respectful and inclusive environment, where every individual feels seen, heard and valued. This commitment helps us attract and retain top talent, foster stronger collaboration and enhance overall employee satisfaction and sense of belonging. Without proper oversight, there's always a risk that unconscious bias or unequal opportunities could influence hiring or career advancement.	•		•		•	•	•		•	
9	Local communities engagement	We deeply value our role in the community and believe in the power of collective action to drive positive change. We actively engage with local associations involved in volunteer work, with a strong focus on supporting initiatives that promote community growth and improve the health and well-being of citizens. Whether it's through fundraising efforts to support crucial research, such as initiatives aimed at fighting cystic fibrosis, or partnering with organizations that assist disadvantaged groups, Valland is dedicated to making a meaningful impact.	•		•		•	•	•		•	
10	Freedom of association and collective bargaining	We respect and support the right of our employees to collectively negotiate working conditions and employment terms, as these rights are integral to fostering a fair and ethical workplace. This leads to significant positive impacts, such as enhancing employee morale and strengthening our corporate social responsibility. By maintaining a workplace where open dialogue and collective bargaining are valued, we reaffirm our commitment to ethical business practices and create an environment where our people feel respected, empowered and engaged in shaping their own working conditions.	•		•		•	•	•		•	
Governance Aspect												
11	Anti-competitive behaviour	We recognize the potential risks associated with anti-competitive behaviours, such as collusion with competitors, abuse of a dominant market position, or practices that could exclude other players in the market. These actions can hinder healthy market competition, such as through price-fixing, market or output restrictions, or unfair allocation of clients and suppliers. Our core principles emphasize transparency, fairness and respect for competition, ensuring that all our practices align with legal standards and industry best practices.	•	•			•	•	•		•	•
12	Anti-corruption	This refers to how the Company manages the potential of being involved with corruption (facilitation payments, fraud, extortion, collusion, money laundering, or the offer or receipt of an inducement to do something dishonest or illegal). We take proactive steps to avoid any involvement in unethical practices. We have established a strong framework of core principles focused on honesty, transparency and fairness.	•	•			•	•	•		•	•

13	Shared value and economically sustainable business	Sharing knowledge creates a ripple effect that benefits society in different ways. By exchanging ideas and insights, we can raise awareness about social and environmental issues, drive innovation in both social and technological fields and champion the values of human rights and diversity. At Valland, we recognize the power of knowledge-sharing in shaping a more informed, inclusive and sustainable future for all.	•		•		•	•	•		•	
14	Responsible and sustainable supply chain	A sustainable supply chain ensures that the production and distribution of goods and services are done in a way that benefits the environment, society and economy. Environmentally, it encourages the use of renewable energy, the recycling of materials and the adoption of low-impact production methods. On a social level, a sustainable supply chain fosters collaboration with local suppliers, creating new job opportunities and driving economic growth. Economically, it enhances the transparency and accountability of our operations, boosting our reputation and trust with Stakeholders.	•		•		•	•	•		•	
15	Data protection and cybersecurity	Privacy is a cornerstone of our operations, especially in a data-driven world. Protecting personal data fosters trust with our clients, employees and partners. However, we also acknowledge the potential risks, such as breaches of trust, manipulation of decisions and security vulnerabilities. That's why we implement robust security measures to prevent unauthorized access and ensure the privacy of everyone we work with.	•	•		•	•		•			•
16	Engagement and transparency towards Stakeholders	We prioritize strong relationships with our stakeholders through open communication, trust and transparency. By clearly sharing our goals, performance and challenges, we ensure accountability and integrity. We actively listen to Stakeholder feedback, fostering collaboration and addressing concerns proactively. Through this approach, we build trust, create value and work toward a more sustainable future.	•		•	•		•	•		•	

P: Positive; N: Negative; A: Actual; PT: Potential; S: Short-term; L: Long-term; IN: Intentional; NI: Not intentional; R: Reversible; NR: Not reversible.



3.2 Stakeholders Engagement Strategy: Building Value and Measuring Impacts

We have identified and classified **key Stakeholders categories** that are crucial for achieving our strategic goals and ensuring operational sustainability. We have selected these categories according to the **level of interest** (low, medium, high) and **level of influence** (low, medium high) on the Company business. The internal and external Stakeholder categories are:

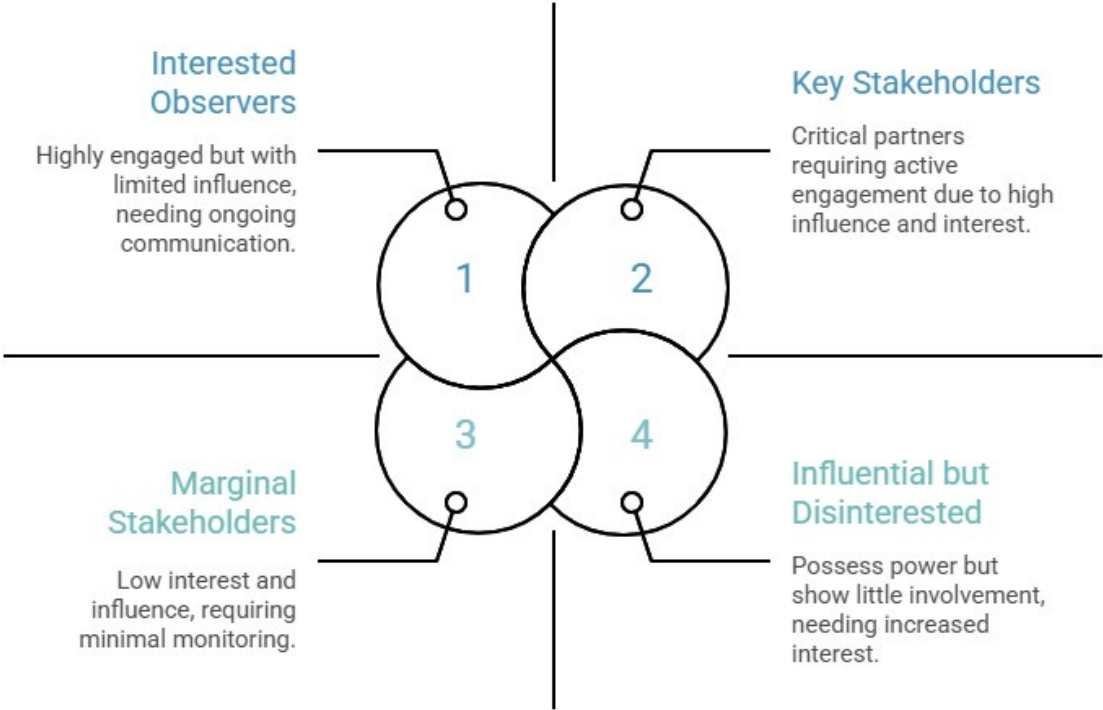
Internal:

- BoD
- Employees
- Shareholders

External:

- Associations (e.g.: Trade Associations, Industrial Networks, Lombardy Technology Clusters)
- Banks
- Clients
- Local Community and Territory
- Suppliers
- Universities and Research Centres
- Research and Consulting Companies
- Industrial Partners

Stakeholder Influence and Interest Matrix





The **level of interest** reflects the **Stakeholder’s “gain”**:

- **High:** Valland contributes significantly (i.e., if Valland were to fail, the gain of the Stakeholders is severely compromised).
- **Medium:** Valland contributes but not significantly (i.e., if Valland were to fail, the gain of the Stakeholders is partially compromised).
- **Low:** Valland contributes marginally (i.e., if Valland were to fail, the gain of the Stakeholders is compromised marginally/ not at all).

The **level of influence** expresses the “**power**” the Stakeholders can have in defining the Company business and functioning:

- **High:** the Stakeholder can affect Valland’s

business and decisions significantly, through hierarchy, technical competence, rules and laws and opinion.

- **Medium:** the Stakeholder can influence business and decisions, but this does not necessarily influence the result.
- **Low:** the Stakeholder can influence business and decisions in a limited or non-existent way.

The primary goal of the Stakeholders engagement is to **gather opinions and expectations from all interested parties** to guide business strategies and decisions on the most relevant topics. Active participation also strengthens transparency, constructive dialogue and trust, creating long-term value. Additionally, it allows the Company to better understand the concerns

and priorities, ensuring that business practices align with social, economic and environmental interests.

The following table shows the list of the Stakeholders and, for each of them, reason and **method of engagement**.

Table 3: Stakeholder’s type, name, reason and method of engagement.

Stakeholder		Reason of engagement	Method of engagement
Type	Category name		
Internal	BoD	As key decision-makers, the BoD ensures the strategic alignment of sustainability goals with the Company's long-term objectives. The BoD provides oversight and guidance on all major sustainability initiatives.	In-person/on-line meetings.
	Employees	Our employees are at the heart of our operations and their input is crucial for understanding internal needs, improving work conditions and aligning daily practices with sustainability goals.	Internal communications.
	Shareholders	Shareholders are key to support long-term business growth and sustainability initiatives. We engage with them regularly to ensure transparency regarding the Company's financial and sustainability performance, thus fostering trust and continued investment.	In-person/on-line meetings; e-mail communications; annual reports.
External	Associations	Industry associations help us to stay informed about sector-specific regulations, trends and collective initiatives on sustainability. We engage with these groups to ensure alignment with broader industry practices.	In-person/on-line meetings; Conferences; e-mail newsletters/ communications; phone calls.
	Banks	Our financial partners have a significant influence on our sustainability efforts, especially in relation to funding and financing of sustainable initiatives. We communicate openly with banks to align financial decisions with our sustainability goals.	Financial reports; e-mail communications; phone calls.
	Clients	Clients are a vital external Stakeholder group whose expectations about product sustainability, quality and environmental responsibility influence our business strategies. Regular surveys, feedback sessions and direct communication channels help us stay responsive to their needs.	E-mail communications; phone calls.
	Local Community and Territory	As the communities where we operate are directly affected by our actions, we maintain strong relationships to understand local concerns and incorporate their feedback into our sustainability planning. This engagement helps us manage the social impacts of our activities and contribute positively to local development.	Local events; in-person meetings; social media; e-mail newsletters.
	Suppliers	Suppliers are key partners in ensuring sustainability across our value chain. We engage with them through sustainability audits, training and continuous dialogue to ensure they adhere to our ethical and environmental standards.	E-mail communications; phone calls.
	Universities and Research Centres	These partners provide crucial insights into emerging sustainability trends, new technologies and innovative solutions. Through joint research projects and knowledge-sharing, we ensure our practices are cutting-edge and evidence-based.	In-person/on-line meetings; Conferences; e-mail newsletters/ communications.
	Research and Consulting Companies	Consultants and researchers help us assess and improve our sustainability efforts through specialized expertise. We collaborate with them to enhance the accuracy and relevance of our impact assessments.	In-person/on-line meetings; Conferences.
	Industrial Partners	Collaboration with industrial partners allows us to leverage synergies in sustainability projects. These partnerships help us develop new solutions, share resources and jointly tackle sustainability challenges.	In-person/on-line meetings; Conferences.

We have undertaken a rigorous and structured process to assess the significance of sustainability topics by actively Stakeholders engagement. This process has been designed not only to gather diverse perspectives but also to ensure inclusivity, transparency and the respect of human

rights throughout.

We have classified each Stakeholder category through a **score** ranging from **1 (low interest and low influence) to 9 (high interest and high influence)**. The scores are shown in the Figure below.

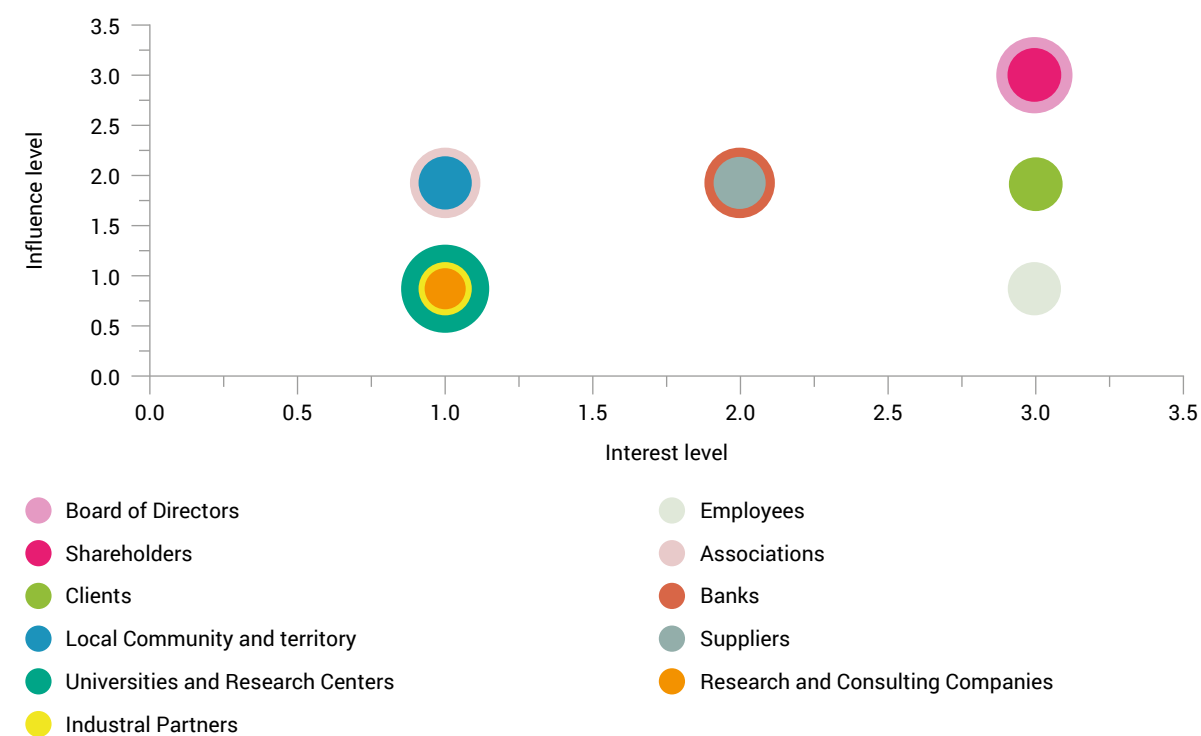


Figure 1: Stakeholder's interest and influence level.

Subsequently, we have **normalized** the score of each category against the highest value to calculate the corresponding weight representing the **relative relevance of each category**.

To ensure an inclusive and representative engagement, we have developed a dedicated **Stakeholders Questionnaire** and we have distributed it online via

email with follow-up through reminder messages prior to the response deadline to encourage participation. In addition to the Questionnaire itself, we have provided **detailed explanations and examples to support correct interpretation and completion**.

The following measures have been implemented **to identify and mitigate**

potential barriers to participation:

- **Linguistic and cultural differences** have been proactively addressed by offering language support and ensuring that communications were culturally sensitive and contextually appropriate.
- **Accessibility**, designing the Stakeholders Questionnaire to be user-friendly, mobile-compatible and accessible across different devices and platforms.

We have paid specific attention to **avoid gender imbalances or power asymmetries** in the process and to amplify the voices of underrepresented groups. Although we have not identified vulnerable groups directly affected by our operations in this phase, we remain committed to adopting tailored engagement approaches where needed in the future.

Moreover, we have structured the Questionnaire to ensure always a **voluntary and anonymous** participation to respect the right of each individual.

To promote transparency and accountability, we ensure that **all Stakeholders are informed** on how their input has shaped strategic decisions. We communicate results and decisions through appropriate channels, such as our Sustainability Report or direct communication, where feasible. Stakeholders feedback is formally recorded, reviewed and integrated into internal planning and strategic discussions. Throughout this process, we uphold fundamental human rights principles, including:

- **The right to privacy** (ensuring secure handling of personal data).

- **Freedom of expression** (valuing open and honest input).

We also expect our business Partners to uphold these standards, particularly when supporting us in Stakeholder engagement activities. Our collaboration is guided by **shared ethical principles and mutual respect for the dignity of all individuals involved**.

For each potentially relevant topic, we have asked the Stakeholders to assign a score – **regardless of the current level of commitment of the Company** – ranging from 1 (topic considered of no importance by the Stakeholder and for which the Company should neither prioritize, nor allocate resources) to 10 (topic considered extremely important by the Stakeholder and for which the Company should pay the maximum attention, urgently investing resources). A copy of the Questionnaire is reported at the end of the Report ("Stakeholder Questionnaire for Materiality Analysis").

Then we have processed the collected responses; we have computed the **average score of each topic for each Stakeholder category**. For each Stakeholders category and topic, we have **multiplied the score for the "normalized weight"** previously calculated. At the end, we have aggregated the obtained results to obtain an overall **"average normalized score"** representing the **"importance"** of each topic compared to the most important one (maximum score: 100%).

Each stakeholder has a **different perspective**, level of interest and level

of importance and this is essential for an **integrated decision-making process**. For example, experts from Universities and Research Centres provide valuable insights into emerging trends and best sustainability practices, while clients and suppliers share their perspectives mainly on market expectations and sustainability along the value chain. Trade associations contribute to sector-specific data and regulations, while local communities and representatives of the territory offer input on local social and environmental needs.

With this in mind, we have performed an **inclusive process** ensuring that all critical

















perspectives have been considered when defining the most significant topics of our Company. The Stakeholders engagement has been designed to ensure as best as possible **balance between internal priorities and external expectations**. This structured methodology ensured that material topics reflect not only what is important for the Company’s strategy and long-term success, but also what matters most to our Stakeholders and society at large. During this step of Stakeholders engagement, no conflicts of interest have been identified, confirming the alignment of all Stakeholders around shared goals for sustainable development.

3.3 Shaping Tomorrow: Our Sustainable Priorities

We have established a **materiality threshold equal to 90%** based on the average normalized score assigned to each topic. As “material”, we have also included topics based on the **qualitative judgment of the BoD**, for which there is interest in investing efforts and resources. This reflects a proactive and forward-thinking approach to sustainability, strengthening our ability to differentiation and meet the growing needs of the Stakeholders. At the end, our priority topics have been:

1. Occupational health and safety
2. Data protection and cybersecurity
3. Waste management
4. Non-discrimination and equal opportunity
5. Product, process and service innovation
6. Engagement and transparency towards Stakeholders
7. Employment practices
8. Geenhouse gases emissions

Table 4: Topics and corresponding score.

Topic	Score	Topic	Score
 Occupational health and safety	100.0%	 Energy efficiency and renewable energy	87.4%
 Data protection and cybersecurity	98.0%	 Circular economy and resources valorisation	86.5%
 Waste management	97.8%	 Shared value and economically sustainable business	85.6%
 Non-discrimination and equal opportunity	94.2%	 Freedom of association and collective bargaining	84.0%
 Product, process and service innovation	93.3%	 Greenhouse gases emissions	83.1%
 Engagement and transparency towards Stakeholders	91.7%	 Anti-competitive behaviour	79.5%
 Employment practices	91.4%	 Local communities engagement	75.6%
 Responsible and sustainable supply chain	88.1%	 Anti-corruption	74.8%



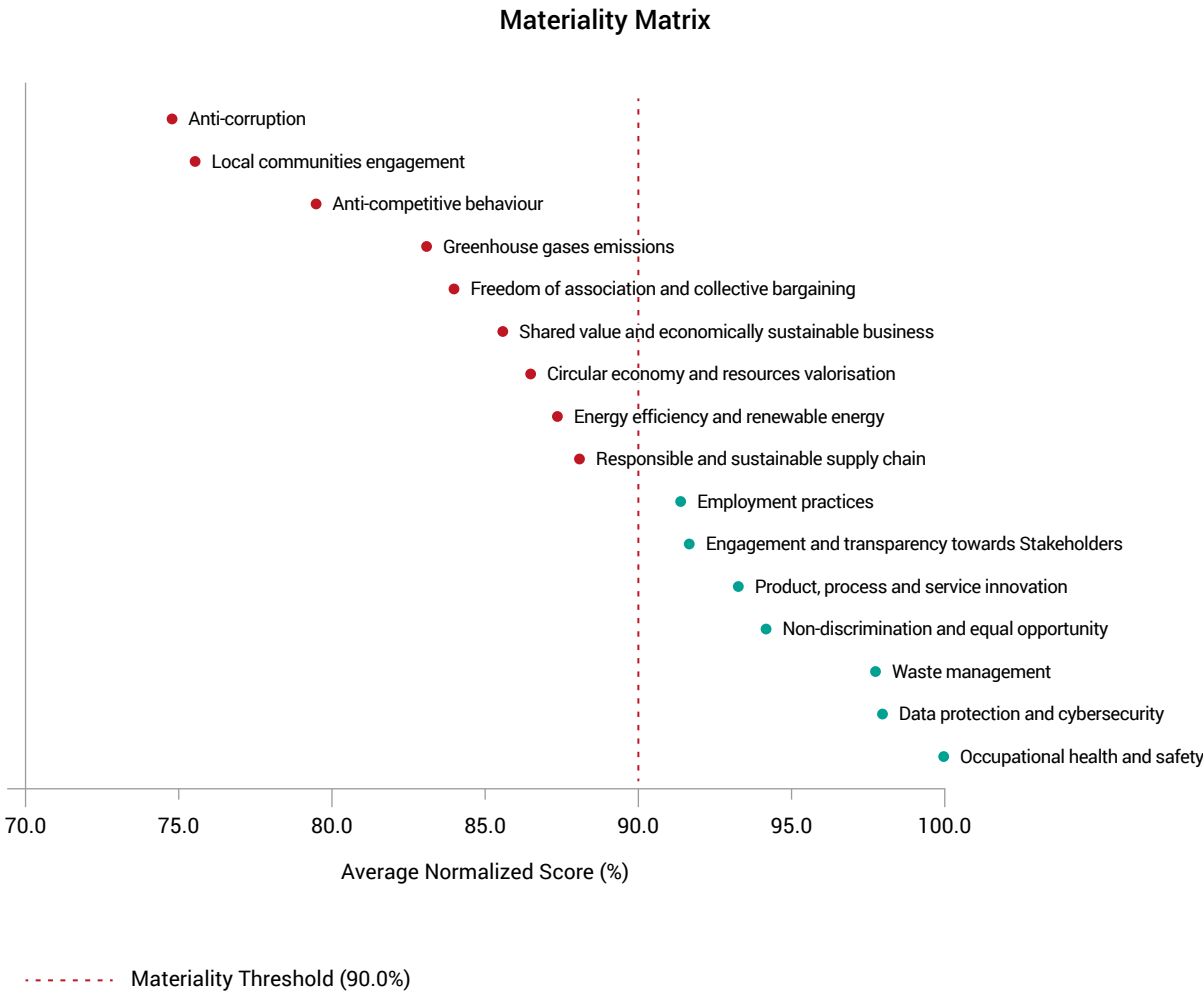


Figure 2: Topics and materiality threshold.

3.4 Tracking Business Success: Goals and Key Metrics

Monitoring KPIs, comparing actual results and setting clear targets are essential components of effective sustainability management. They provide measurable insights into progress, highlight areas for

improvement and ensure accountability over time. This structured approach enables continuous improvement and alignment with strategic goals. The following tables show KPIs and actual results for 2023; target,

KPIs and actual results for 2024, target and KPI for 2025.

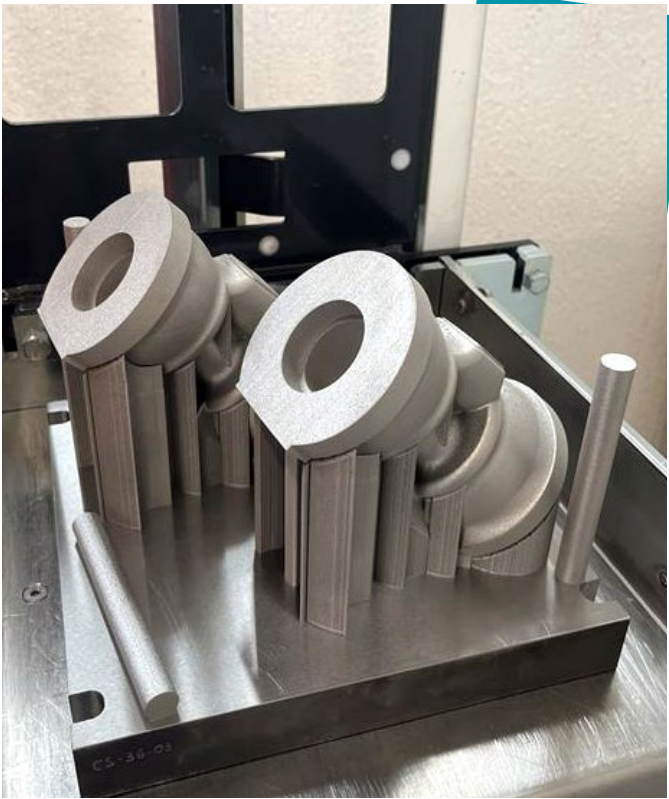
Table 5: KPIs and actual results for 2023; target, KPIs and actual results for 2024.

Focus area		2023		2024		
SDG	Area	KPI	Results	Target	KPI	Results
3	Health and well-being	a) LTIFR ¹ = 0 and TRCFR ² = 0. b) Attrition rate = 20%. c) Revenue donated to charity = 0.2%.	a) 0 and 0. b) 5%. c) 0.06% (KPI not achieved).	a) Maintain the results. b) Maintain/reduce the results. c) Increase the revenue donated to charity.	a) 0 and 0. b) ≤ 5%. c) 30000 €.	a) LTIFR = 5.4 and TRCFR = 1.8 (KPI not achieved). b) 5%. c) 32350 €.
9	Innovation and sustainable industrialization	a) Orders for AM parts = 10. b) Total revenues from clean energy sector markets = 5%.	a) 23. b) We have decided not to report the actual results as we have changed the target and the corresponding KPI.	a) Increase orders involving AM. b) Guarantee a constant growth in R&D expenditures for innovation.	a) ≥ 20. b) 1.2 Mln €.	a) 21 b) 927266.55 € (KPI not achieved).
12	Sustainable consumption and production	a) Quantity of municipal waste < 10 t. b) Hazardous wastes over special waste < 10%.	a) 9.3 t. b) 0.2%.	a) Maintain/reduce the quantity. b) Maintain/reduce the quantity.	a) ≤ 9.5 t. b) < 2%.	a) 3.0 t. b) 2.7% (KPI not achieved).
7, 13	Energy efficiency and climate change mitigation	a) Scope 1 and Scope 2 GHG emissions: - 20%. b) Fine tuning of calculation tools for Scope 3 emissions assessment. c) Total electric energy consumption covered by the photovoltaic plant: ≥ 20%.	a) Scope 1: 469.4 t CO ₂ eq; Scope 2: 0 t CO ₂ eq; Scope 3: 2428.7 t CO ₂ eq. b) Innovative, more accurate and user- friendly calculation tool for GHG emissions assessment for all the Scopes. c) No results as the plant has been installed at the end of 2023. The first results will be available for 2024 (for further information see § Cutting Emissions While Advancing Energy Efficiency: A Dual Commitment to Climate Action).	a) GHG emissions intensity (t CO ₂ eq/€) unchanged. b) Reduce energy intensity. c) Increase total electric energy consumption covered by the photovoltaic plant.	a) GHG emissions intensity: 3.1 · 10 ⁻⁴ t CO ₂ eq/€. b) intensity: -20%. c) Total electric energy consumption covered by the photovoltaic plant: ≥ 40%.	a) 2.6 · 10 ⁻⁴ t CO ₂ eq/€. b) -67.7% c) 42%.

1. Lost Time Injury Frequency Rate.
2. Total Recordable Case Frequency Rate.

Table 6: Target, KPIs and actual results for 2024; Target and KPIs for 2025.

Focus area		2024			2025	
SDG	Area	Target	KPI	Results	Target	KPI
3	Health and well-being	a) Maintain the results. b) Maintain/reduce the results. c) Increase the revenue donated to charity.	a) 0 and 0. b) ≤ 5%. c) 30000 €.	a) LTIFR = 5.4 and TRCFR = 1.8 (KPI not achieved). b) 5%. c) 32350 €.	a) Reduce the results. b) Maintain/reduce the results. c) Increase the revenue donated to charity.	a) 0 and 0. b) ≤ 5%. c) 30000 €.
9	Innovation and sustainable industrialization	a) Increase orders involving AM. b) Guarantee a constant growth in R&D expenditures for innovation.	a) ≥ 20. b) 1.2 Mln €.	a) 21 b) 927266.55 € (KPI not achieved).	a) Increase orders involving AM. b) Guarantee a constant growth in R&D expenditures for innovation.	a) ≥ 20. b) 1.2 Mln €.
12	Sustainable consumption and production	a) Maintain/reduce the quantity. b) Maintain/reduce the quantity.	a) ≤ 9.5 t. b) < 2%.	a) 3.0 t. b) 2.7% (KPI not achieved).	a) Maintain/reduce the quantity. b) Maintain/reduce the quantity.	a) ≤ 9.5 t. b) < 2%.
7, 13	Energy efficiency and climate change mitigation	a) GHG emissions intensity (t CO ₂ eq/€) unchanged. b) Reduce energy intensity. c) Increase total electric energy consumption covered by the photovoltaic plant.	a) GHG emissions intensity: 3.1 · 10 ⁻⁴ t CO ₂ eq/€. b) Energy intensity: -20%. c) Total electric energy consumption covered by the photovoltaic plant: ≥ 40%.	a) 2.6 · 10 ⁻⁴ t CO ₂ eq/€. b) -67.7% c) 42%.	a) Maintain/reduce GHG emissions intensity (t CO ₂ eq/€). b) Reduce energy intensity. c) Increase total electric energy consumption covered by the photovoltaic plant.	a) GHG emissions intensity: ≤ 3.1 · 10 ⁻⁴ t CO ₂ eq/€. b) Energy intensity: -20%. c) Total electric energy consumption covered by the photovoltaic plant: ≥ 40%.



4

Empowering Change:
Performance with a
Purpose



4.1 Our Environmental Responsibility

4.1.1 Turning Waste into Worth: Building a Circular Future

[GRI 3-3] [GRI 306-1] [GRI 306-2] [GRI 306-3] [GRI 306-4] [GRI 306-5]

Our processes are designed to maximize resource efficiency, resulting in **negligible waste both in terms of quantity and environmental impact**. Due to our precision manufacturing methods and optimized supply chain, the few waste streams we do generate are primarily inert or recyclable materials.

Among the minimal waste produced, the main type is **metallic scrap** resulting from **mechanical machining and assembly processes**. These scraps are not treated as waste to be disposed of, but as resources to be reintegrated into industrial production through a circular economy approach. We collaborate closely with f3nice, a technology Partner specializing in transforming the metal scraps into **high-quality powders** for AM. All metallic waste is sent to recycling, either to f3nice or through conventional channels and the choice is based on the material alloy and the scrap size and quantity. When used in additive AM, the powder effectively closes the loop, as the raw material is transformed from waste into a valuable resource for the production of new products, thereby fully



leveraging the potential of **eco-design**. Through this collaboration, we not only prevent the environmental impact of waste disposal but also contributes to innovation in sustainable production technologies.

What are our positive impacts?

- **Economy:** the collaboration with f3nice creates economic value by transforming waste into a high-quality resource for AM, reducing raw material procurement costs and fostering innovation in the circular economy.

- **Environment:** the process minimizes the environmental impact through negligible waste generation and complete reintegration of metallic scraps into the production cycle. This avoids landfill disposal and reduces the extraction of virgin raw materials.
- **People:** the implementation of sustainable and transparent practices contributes to responsible supply chains and promotes human rights through fair labour and environmentally safe processes.

While Valland does not operate in high-risk areas, we remain vigilant to prevent potential negative impacts along the extended value chain. The business relationship with f3nice is carefully managed through formal agreements ensuring **traceability and compliance with environmental standards**.

We are committed to a **zero-waste approach** aligned with circular economy principles. This is formalized through internal policies on sustainable production, waste reduction and responsible supply chain management. Specific commitments include:

- Continuous improvement in resource efficiency, by optimizing production processes and reducing material loss at every stage of the manufacturing cycle.
- Systematic reuse and recycling of materials, ensuring that by-products are reintegrated into industrial processes whenever possible.
- Raising awareness among employees and partners to promote a culture of sustainability and encourage responsible

practices throughout the supply chain.

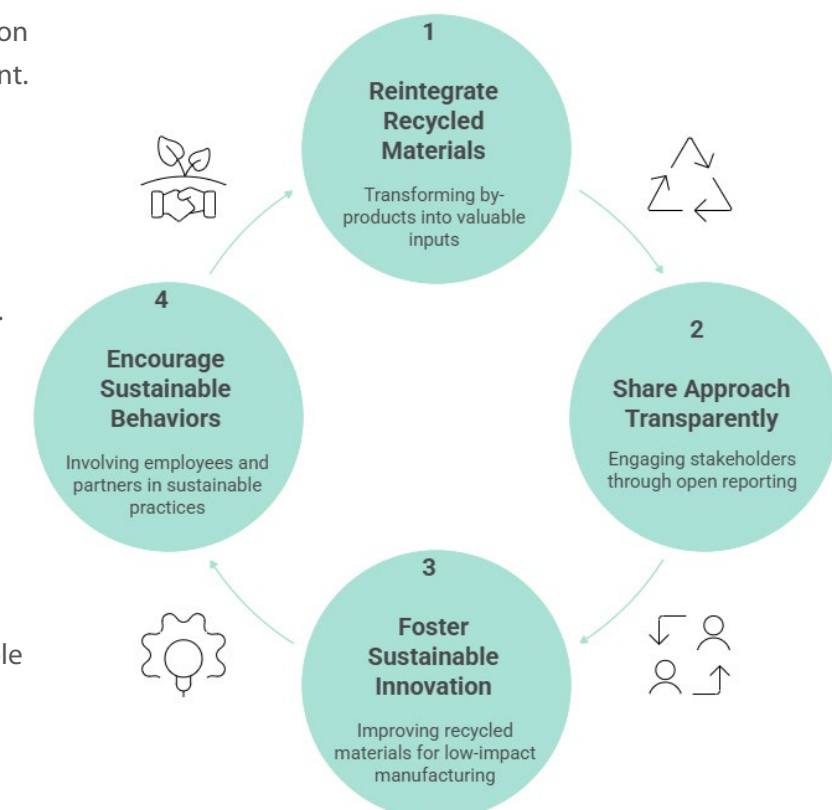
What are our actions to prevent/mitigate potential negative impacts and address the actual ones?

- Adoption of precision manufacturing processes to reduce the volume of scrap generated during production, thereby preventing unnecessary material loss and environmental burden.
- Regular review of internal processes to identify opportunities for further waste reduction and process optimization..

In addition to mitigating risks, we proactively work to manage our **potential and actual positive impacts** through:

- Continue with the reintegration of recycled materials into high-value production cycles, such as AM, transforming by-products into valuable

Circular Economy Impact Cycle



inputs and reducing the need for primary resources.

- Continue to share our approach through transparency in sustainability reporting and active engagement with the Stakeholders.
- Fostering innovation in sustainable production, by continuously improving the quality and usability of recycled materials, supporting the broader industry transition toward low-impact manufacturing.
- Continue awareness and engagement initiatives targeting employees, suppliers and partners to encourage sustainable behaviours and collective responsibility throughout the value chain.

To monitor the effectiveness of our actions

we mainly have a waste tracking system integrated into production planning and we reports periodically on material flow and recycling rates. Our progresses are evaluated through KPIs, such as fraction of recycled metallic scrap and reduction of primary raw material use. We have achieved our waste recycling targets, with ongoing efforts to improve powder yield from scrap. Moreover, collaborative innovation projects with f3nice have improved recycling efficiency over the past years.

The **experience** has emphasized the value of incorporating recyclability considerations into product design from the beginning, enabling more efficient material recovery and contributing to a circular production model. For this, **dialogue with the Stakeholders** has been essential in shaping our waste management strategy. Engagements with industrial clients, local

communities and sustainability experts highlighted the importance of closed-loop systems and supply chain transparency. Feedback received emphasized the need for traceability and measurable environmental outcomes, directly influencing our decision to partner with f3nice and implement rigorous tracking mechanisms. These dialogues continue to inform our circular economy initiatives and are integrated into our annual sustainability planning process.

Our **metal processing and fabrication activities** result in **considerable amounts of non-hazardous ferrous waste** (15530 kg), **metal scraps and chips** (1700 kg) and **metal packaging** (30 kg of hazardous materials). Maintenance and fluid management lead to hazardous waste such as emulsions and solutions (420 kg) and aqueous washing solutions (800 kg).

Packaging and logistics generate large volumes of non-hazardous paper/cardboard (1840 kg), plastic (770 kg) and wooden packaging waste (55000 kg).

We have implemented several proactive measures to **prevent waste generation from our operations**. The **waste profile** includes both **hazardous and non-hazardous categories**, with hazardous waste making up a considerable portion due to the use of chemicals, oils and metal treatments. Hazardous wastes such as chemical residues and emulsions indicate the presence of potentially toxic substances in the production and R&D processes, requiring specialized handling and disposal protocols.

By taking a **comprehensive look** at our

waste streams, we can identify **strategic opportunities** to reduce waste and embrace circular practices. We aim to act earlier – rethinking how materials enter and move through our operations to optimize their use from the beginning. In this way, we not only shrink our environmental footprint, but also turn waste into opportunity.

For example, by enhancing the quantity of **recycled wood or plastic for packaging** and **standardizing packaging formats**, we can significantly reduce the volume of waste while improving its environmental impact. These impacts are mainly related to waste generated downstream in the value chain, as they concern packaging materials discarded after use by clients or distributors.

Another key area is the **replacement of hazardous substances used in the production processes**. Conducting a thorough review of current materials allows us to identify where safer, non-toxic alternatives can be introduced. This intervention primarily concerns waste generated directly by our Company, as it involves materials and residues produced during internal production processes. Updating procurement practices and training staff on these substitutions will help us reduce the amount of hazardous waste, while also making handling and disposal safer and more efficient.

In addition, as a **possible future step**, we see strong potential in adopting **closed-**

Overview of Waste Management



loop systems for the recovery and reuse of process fluids like oils and emulsions. This approach mainly addresses waste generated within our organizational boundaries and represents a key initiative to enhance resource reuse and circularity.

All the generated waste are further managed by a Third Part in accordance with the legal obligations.

We have established a **systematic process** to accurately collect and monitor data related to **waste generation and management**. We record the waste quantities at the point of generation, segregated by type (e.g., hazardous and non-hazardous) and categorize them according to source activity and end-of-life treatment method. This ensures consistency, accuracy and timely availability of waste data for analysis.

Table 6: Waste subdivision according to the characteristics and the treatment method. Mass has been measured inside the organizational boundaries.

Waste directed to recovery (tons; %)		Waste directed to disposal (tons)		Total (tons)	
Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous
0.4 (0.5%)	77.7 (99.5%)	1.9 (30.6%)	4.3 (69.4%)	2.3 (2.7%)	82.0 (97.3%)

The following table show, for each type of waste, the characteristic (hazardous, non-hazardous), the type of treatment method (recovery, disposal) and the corresponding mass (tons).

Periodic audits are carried out to verify data integrity and identify discrepancies. The collected data are reviewed regularly to monitor waste trends, evaluate the effectiveness of waste reduction initiatives and support compliance with regulatory reporting requirements. These processes enable us to make informed decisions, optimize waste management practices and continuously improve our environmental performances.

The following table shows a subdivision of our waste according to their characteristic (**hazardous, non-hazardous**) and the **treatment methods** (recovery, disposal).

Table 7: Waste type: characteristic, treatment method and mass. Mass has been measured inside the organizational boundaries.

Waste type	Characteristic	Treatment method	Mass (kg)
Absorbents, filter materials (including oil filters not otherwise specified), rags and protective clothing	Hazardous	Recovery	120
Emulsions and solutions for machinery, not containing halogens	Hazardous	Disposal	120
Non-chlorinated emulsions	Hazardous	Disposal	300
Iron and steel	Non-hazardous	Recovery	15530
Print toners	Non-hazardous	Recovery	7
Packaging containing residues of hazardous substances or contaminated by such substances	Hazardous	Disposal	50
Packaging containing residues of hazardous substances or contaminated by such substances	Hazardous	Recovery	220
Paper and cardboard packaging	Non-hazardous	Recovery	1840
Plastic packaging	Non-hazardous	Recovery	770
Wood packaging	Non-hazardous	Recovery	55000
Mixed-material packaging	Non-hazardous	Recovery	10
Metallic packaging containing hazardous porous solid matrices, including empty pressure containers	Hazardous	Recovery	30
Chips of iron metals	Non-hazardous	Recovery	1700
Waste abrasive material	Non-hazardous	Recovery	100
Copper, brass and bronze	Non-hazardous	Recovery	190
Bulky waste not otherwise specified	Non-hazardous	Recovery	150
Aqueous liquid waste containing hazardous substances	Hazardous	Disposal	90
Waste not otherwise specified	Non-hazardous	Recovery	2330
Organic waste	Non-hazardous	Recovery	40
Washing aqueous solutions	Hazardous	Disposal	800
Waste aqueous solutions	Non-hazardous	Disposal	4300
Laboratory chemical substances containing or consisting of hazardous substances, including mixtures of laboratory and chemical substances	Hazardous	Disposal	530

4.1.2 Innovating for Impact: Sustainable Products, Smarter Processes

[GRI 3-3]

Product, process and service innovation is a strategic pillar for us, delivering

improvements in operational efficiency, environmental sustainability and market





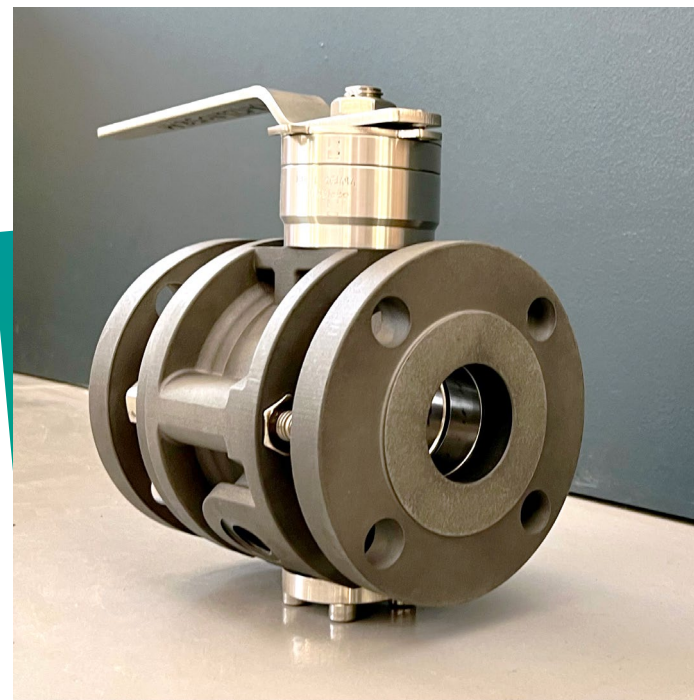
year **Company Innovation Policy**, which integrates the organization's mission, vision, strategic goals and environmental commitments. This policy serves as a compass to guide innovation toward responsible, science-backed and purpose-driven outcomes. Recognizing the growing environmental challenges in our industry, we explicitly prioritize sustainable practices, particularly through the integration of circular economy principles and cutting-edge technologies like AM.

Since 2016, our AM initiatives have enabled **R&D initiatives**, resulting in the creation of **Valland 3D**, a Department implementing several AM technologies:

competitiveness. Our technological developments – particularly in AM – enable us to reduce energy consumption and associated emissions in our final products, contributing to decarbonization and resource optimization across the value chain.

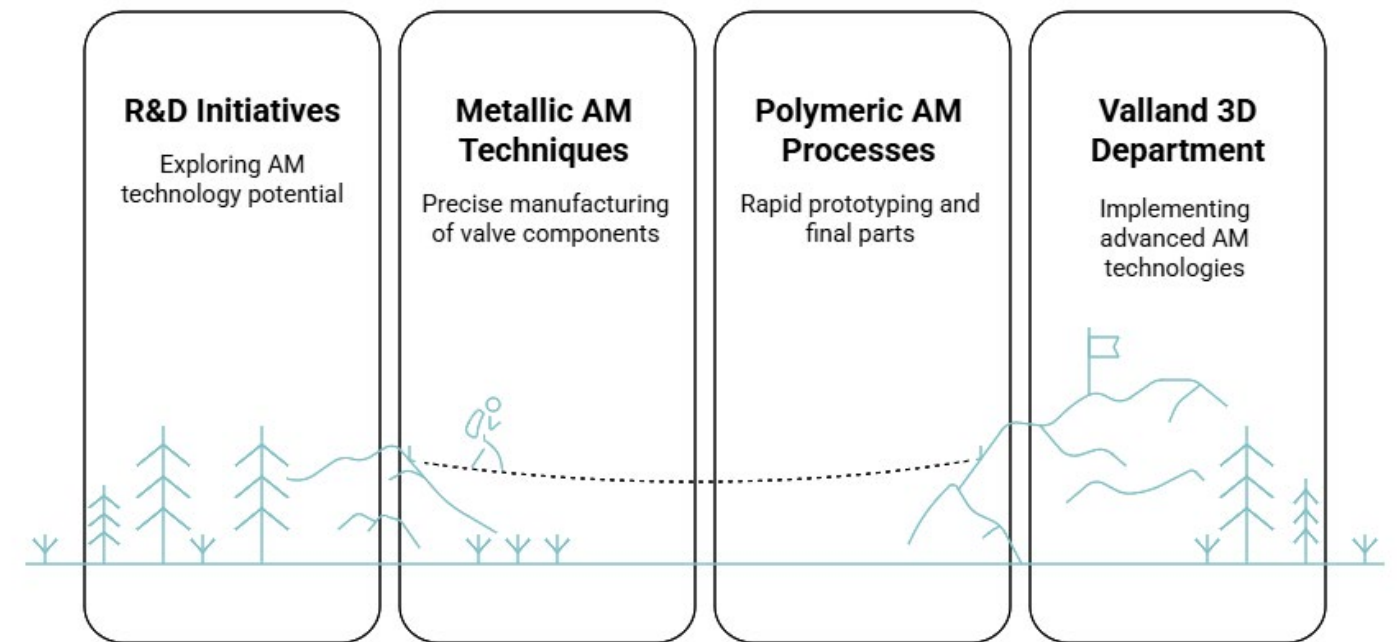
However, innovation also presents **potential and actual negative impacts**. Relying on insufficiently tested technologies may lead to operational inefficiencies, increased costs, or compromised safety and product quality. Furthermore, Valland recognizes the possibility of indirect negative impacts through our business relationships: if suppliers or technology partners fail to comply with environmental, social, or quality standards—including human rights, labour conditions, or safety requirements—our company may be unintentionally involved.

We operate under a **structured five-**



- Metallic AM techniques – including Binder Jetting, Powder Bed Fusion and

Valland's Additive Manufacturing Journey



Wire Arc Additive Manufacturing (WAAM) – are used to manufacture complex valve components with high precision and minimal waste, utilizing certified metal powders derived from scrap material.

- Polymeric AM processes – such as Fused Deposition Modeling (FDM) for high-performance thermoplastics and resin photopolymerization—allow rapid prototyping and the production of final components that meet stringent mechanical and safety standards.

We are firmly committed to allocating a significant share of our annual budget to R&D, demonstrating our dedication to continuous innovation that brings tangible value to the society, environment and economy.

In 2024, we have also started to assess the

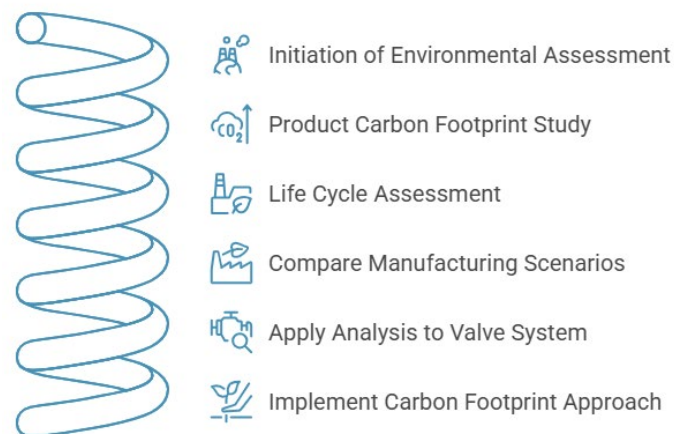
environmental impacts of our products by carrying out **Product Carbon Footprint** and **Life Cycle Assessment (LCA)** studies. Specifically, we carried out a first LCA study to calculate the environmental impacts of a control valve labyrinth cage, by comparing two alternative Scenarios:

- Scenario 1 – Additive Manufacturing (AM): production of the component using advanced AM technologies, based on metal powders sourced from recycled materials (specifically selected from industrial production waste), enabling upcycling into a high value-added product.
- Scenario 2 – Conventional Manufacturing (CM): production through traditional methods such as machining and welding, using raw materials of mineral origin.

Moving forward, we are planning to

extend the scope of these analyses to the entire valve product system. Our objective is to progressively introduce a **Carbon Footprint Systematic Approach** across our product portfolio, enabling comprehensive evaluation of environmental performance.

Environmental Impact Assessment Process



To prevent or mitigate **potential negative impacts**, we have implemented the following actions:

- Rigorous technology validation processes, including pilot testing and risk assessment before scaling up.
- Contingency planning and non-conformity procedures, along with preventive and corrective actions, integrated into our management systems.

In cases of **actual negative impact**, we act promptly through root-cause analysis, Stakeholders consultation and corrective interventions. The Company's **experience** is incorporated into operational policies and procedures through the Document

"Measurement, Control, Improvement" updated annually, which addresses the Company's continuous improvement activities:

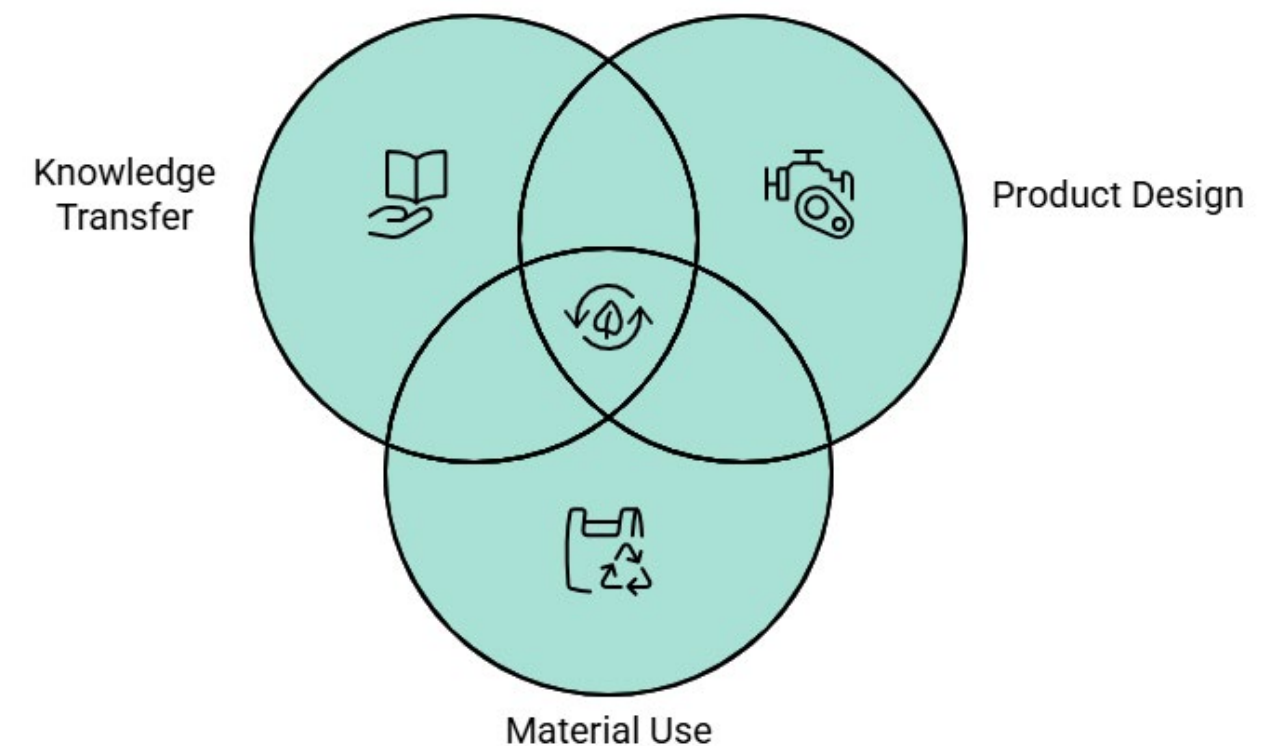
- **Management of events** (e.g., non-conforming results from inspections or tests, complaints, incidents impacting product quality and delivery, business efficiency, employees health and safety, etc.) through Contingency Planning and non-conformity procedures, corrective, preventive and improvement actions and management of change.
- **Internal audits** scheduled so that all management system processes are verified at least once every 12 months.
- **Data Analysis** through the Company improvement plan, emails or reference letters from clients.

To maximize **positive impacts**, we continue to:

- Design products with longer lifespans, lower environmental footprints and greater adaptability.
- Promote the use of recycled and recyclable materials.
- Contribute to knowledge transfer and workforce development through our R&D partnerships and collaborations.

We assess the **effectiveness of our innovation efforts** through specific KPIs related to improved energy efficiency, reduced production times and lower environmental impact per unit of product. We also measure, on a quarterly basis, the share of turnover generated from products and processes incorporating

Strategies for Positive Impact



new technologies; we track the number of patents filed, new products introduced and client satisfaction with innovative solutions; finally, we perform internal audits to verify that all management system processes are aligned with our innovation goals.

Our **experience** has shown that rigorous validation and transparent communication are the key to ensuring that innovation delivers long-term, responsible growth. This continuous feedback loop allows us to embed lessons learned into updated policies, procedures and strategic planning, strengthening resilience and reinforcing our commitment to sustainable progress.

The **Stakeholders** input has been essential not only in guiding the selection and

validation of technologies, but also in shaping our sustainability priorities and defining the metrics by which we measure progress. As a result, our innovation strategy is more closely aligned with both market demands and broader societal expectations, enabling us to create meaningful, shared value throughout the entire value chain.

4.1.3 Cutting Emissions While Advancing Energy Efficiency: A Dual Commitment to Climate Action

GRI 3-3] [GRI 302-1] [GRI 302-3] [GRI 305-1] [GRI 305-2] [GRI 305-3] [GRI 305-4]

GHG emissions – both from our direct operations and across our upstream and downstream value chain – are a major contributor to the ongoing climate crisis. Both **actual and potential negative impacts** are currently related to emissions due to procurement of goods and services, as well as transportation and storage. Suppliers that do not adopt sustainable practices can amplify the environmental impact. However, our efforts to reduce energy use and integrate renewable energy deliver **multiple positive actual and potential impacts** of our operations and supply chain, including:

- Lower GHG emissions and reduced carbon footprint.
- Long-term operational cost savings.
- Tangible contributions to climate change decarbonization.
- Enhanced Stakeholders trust and strengthen regulatory compliance.

Energy management and GHG emissions reduction are embedded in our **environmental policy and commitments**, which defines clear objectives and commitments. These include:

- Progressively increasing the share of renewable energy in our operations.
- Minimizing energy consumption per unit



of output.

- Promoting the adoption of clean technologies across all operational areas.

This five-year policy aligns with our broader mission of sustainable industrial development and is periodically updated to reflect evolving challenges, Stakeholders expectations and technological advancements.

What could we do that we haven't done yet? Our commitments for the near future:

- Carbon offsetting for unavoidable emissions.
- Engaging underperforming suppliers to develop and implement emission reduction plans.

We have developed an environmental policy aimed at reducing GHG emissions, with a particular focus on Scope 3 emissions. The policy emphasizes improving energy efficiency, increasing the use of renewable energy sources and engaging suppliers and partners to reduce emissions throughout the entire value chain.

We recognize that even well-intentioned sustainability efforts can have **unintended negative impacts**. For example, while integrating the photovoltaic systems significantly reduces operational emissions,

the production and end-of-life disposal of solar panels can carry environmental burdens. To address such concerns, we:

- Look at the environmental impact before making technology investments.
- Carefully maintain and monitor renewable energy systems to ensure long-term efficiency and minimize waste.
- Consider circular economy principles and explore recycling solutions for renewable technologies at the end of their lifecycle.

Regarding our supply chain, we try to **address actual and potential negative impacts** through the optimization of logistics and transportation routes to reduce the Scope 3 emissions. In a cross-cutting manner, we are committed to improving reporting transparency to identify critical issues and inefficiencies.

We are committed to **enhance positive impacts** (actual and potential) mainly through:

- Expansion of on-site renewable energy production.
- Collaboration with supply chain partners to scale low-emission practices.

To ensure continuous improvement, we track energy and emissions data through a **dedicated monitoring system**, including:

- KPIs: energy consumption per production unit, percentage of renewable energy used and total CO₂eq emissions.
- Targets: defined annually and reviewed based on past performance and future goals.

We periodically check **progress against emission reduction targets**. Insights gained from internal pilot projects and collaboration with suppliers have led to updates in procurement policies and operational procedures. These **lessons** are now embedded in training programs and long-term strategic planning. We actively engage with both clients and suppliers in dialogue around emission reduction actions, tailoring strategies based on the **Stakeholders** requests and energy cost reduction opportunities. In turn, we advocate similar initiatives across our supplier network, amplifying our impact and creating **shared value along the value chain**.

At the end of 2023-beginning of 2024, we have installed a **223 kWp photovoltaic system** on the roofs of our warehouses

(524 modules of 425 Wp each), marking a significant step forward in reducing our reliance on non-renewable electricity. The system operates under a “partial transfer model”, meaning that the energy which is instantaneously not consumed on-site is fed into the national grid and managed through the Energy Service Magager (Gestore dei Servizi Energetici, GSE) framework. This initiative offsets the increased electricity demand from the grid and enhances our renewable energy share without compromising operations.

In 2024, **42% of the total consumption** (i.e., **120 MWh**) has been covered by the system, while the remaining 58% has been taken from the grid under the “**market-based**” mechanism (i.e., the electricity is generated from Italian renewable energy sources like wind, solar, hydroelectric and is

certified through the Guarantee of Origin, GO), eliminating - from a purely accounting perspective, the Scope 2 emissions.

All these aspects, combined with the fact that **we have never purchased natural gas**, have enhanced our low-carbon energy profile and inspires us to continue to be a leader in environmental stewardship.

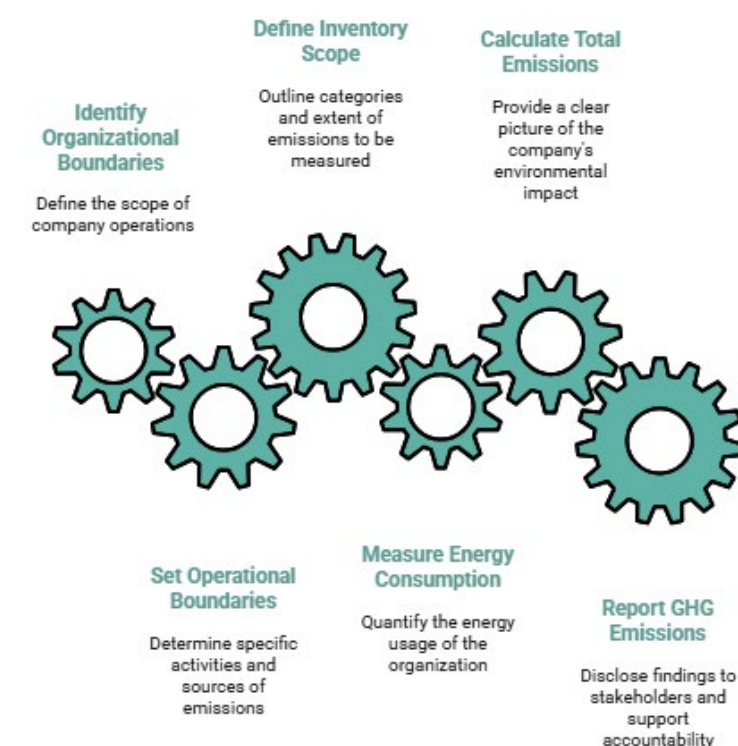
During the reporting period, our **total energy consumption** has been equal to **12535427 MJ** (3482063 kWh)¹, including **purchased electricity** (699986 MJ; 174996 kWh), **LPG for heating the AM warehouse** (11712276 MJ; 488500 dm³)² as well as **gasoline** (13408 MJ; 452 dm³)³ and **diesel fuel** (109757 MJ; 2960 dm³)⁴ for the Company vehicles. Compared to 2023, there has been a **decrease in electricity consumption and in fuel usage for the Company vehicles**, but a **considerable increase in the consumption of LPG for heating**. This has resulted in an **overall increase in our Company's energy consumption of approximately 53%**.

We have evaluated our energy efficiency through the **energy intensity indicator**, computed as the ratio between total energy consumption, expressed as “**primary energy**” in tons of oil equivalent (toe) and the total expenditure (€) for the purchase of goods, services and capital goods (most important category of Scope 3 emissions).

1. Self-produce energy through the photovoltaic system has not been included in the calculation as it is renewable, with an environmental impact equal to 0 kg CO₂/kWh for the use phase.
2. We have used a lower heating value of LPG derived from literature and equal to 6.66 kWh/dm³.
3. We have used a lower heating value of gasoline derived from literature and equal to 8.24 kWh/dm³.
4. We have used a lower heating value of diesel derived from literature and equal to 10.30 kWh/dm³.

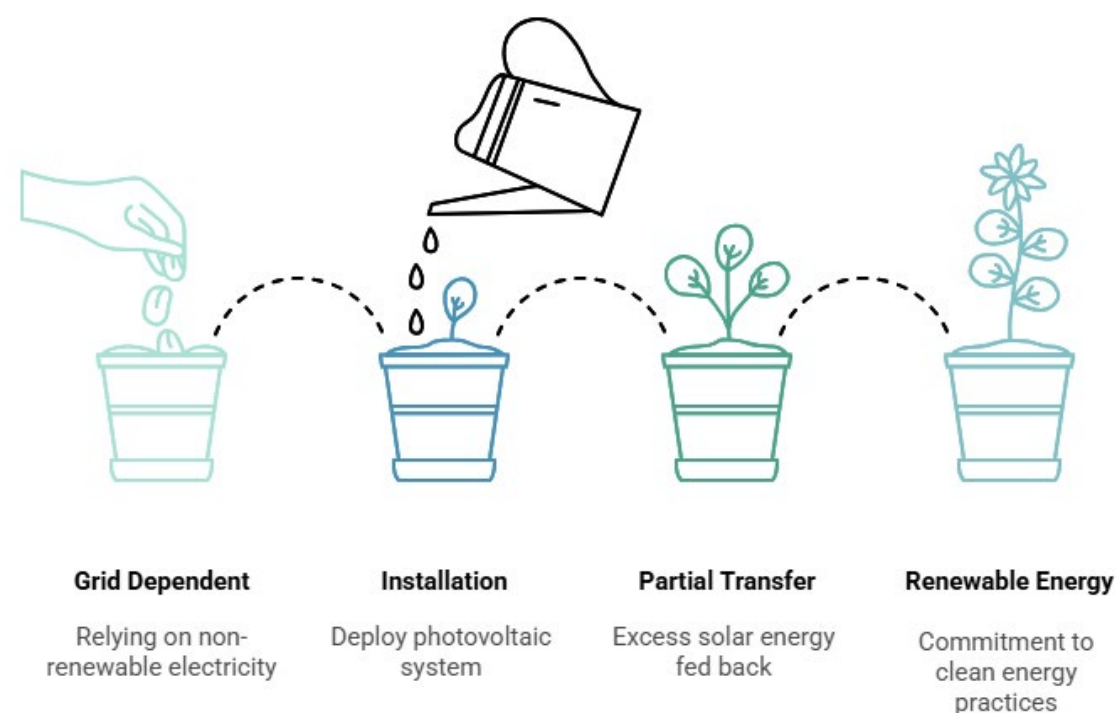
For the reporting period, the energy intensity value has been equal to **6.7 × 10⁻⁶ toe/€**, **-67.7% compared to the year 2023**; while the overall energy consumption (MJ) has increased, the **expenditure (€) on goods and services and capital goods has increased more than proportionally (+372.6% in the year 2024 compared to the year 2023)**.

GHG Protocol Implementation Process



We have measured and reported energy consumption and GHG emissions in accordance with the **Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition, 2004)**, a globally recognized framework for measuring and disclosing GHG emissions which occur across the Company value chain for both private and public Companies of any sector and dimension. The GHG Protocol provides standardized procedures for defining organizational and operational

Transition to Renewable Energy



boundaries, setting the inventory scope and ensuring consistent and transparent reporting practices.

We have performed the calculations using a **flexible and user-friendly MS Excel-based model** (.xslm format) developed by **Eartha Srl**.

As our Company consists of a single entity with a single operational site, we have not applied any consolidation approach (i.e., equity share, operational control and financial control).

To ensure the **reliability** and **accuracy** of emissions data, we have used **emission factors** from the Department for Environment, Food & Rural Affairs (DEFRA) and the GHG Protocol, United States Environmental Protection Agency (EPA) and the International Energy Agency (IEA)⁵.

We have used the **100-year GWP values**, as set by the GHG Protocol, thus aligning with international methodologies and best practices for climate change reporting. GHG included in our analysis are CO₂, CH₄ and N₂O.

We have obtained data on electricity and fuel consumption from the Company invoices and payment records, ensuring that all of them are measured and traceable. Specifically:

We have collected energy consumption

data for electricity and fuels (LPG, gasoline, diesel) from supplier invoices and Corporate payment records. These invoices clearly report the quantities of purchased energy (kWh for electricity, dm³ for fuels) and the corresponding billing periods, ensuring that the data is accurate, verifiable and traceable.

We have converted the measured quantities into energy values (i.e., MJ, kWh, toe) using standardized international conversion factors (e.g., 1 kWh = 3.6 MJ, 1 toe = 41.9 MJ = 11.6 kWh). This approach allows for reproducibility of calculations and ensures alignment with internationally recognized methodologies for carbon footprint assessment.

Potential errors or uncertainties mainly arise from minor variations in billing periods or measurement precision in supplier meters. However, we can consider these errors negligible in the context of the total consumption values. We have not used estimated data, except for the energy intensity indicator which has been calculated according to the measured energy data and financial figures from accounting records.

The main **assumption** here is the complete combustion of fuels and the exclusion of fugitive or unmeasured energy losses, which are considered insignificant for this kind of assessment.

We have separated factual data (e.g., electricity and fuel consumption) from interpretative data (e.g., energy intensity indicator), which is a derived metric. Clear separation ensures that users can

distinguish between raw data and analytical conclusions.

Moreover, we have reported all the quantities as **standard international units** (MJ, kWh, toe, dm³, kg, etc.) and we have applied the same conversion factors, methods consistently throughout the whole Report. This consistency ensures clarity and comparability of the provided information.

Direct (**Scope 1**) and indirect (**Scope 3**) GHG emissions have been equal to **11388.5 tons of CO₂eq**, with Scope 1 accounting for **6.8%** and Scope 3 for the remaining **93.2%**.

Scope 1 emissions include those from the use of fuels (LPG) in stationary equipment and fuels (gasoline and diesel) for Company vehicles. We have purchased electricity from a certified supplier that guarantees the **exclusive use of renewable energy sources** (hydropower, wind and solar). This procurement mechanism, known as “**market-based**” attributes the origin of the electricity to specific contractual agreements (one-to-one contracts). The electricity consumed is **still physically drawn from the national grid** – which comprises a “**mix**” of **fossil and renewable sources**. Our energy consumption in 2024 would have resulted in 55.0 tons of CO₂eq emissions approximately (calculated using the **weighted average grid emission factor** for the year 2024 equal to 0,314 tons CO₂eq/kWh⁶). However, under the “market-based” approach, these emissions are considered **offset** (albeit at different times and locations) by an **equivalent amount of**

renewable energy generated elsewhere. As a result, our Scope 2 emissions can be considered zero from an **accounting perspective**. Compared to 2023, we have achieved a reduction in national grid energy use of 37.2% and of 28.0%⁷ in GHG emissions thanks to the full operation of the photovoltaic system.

Scope 3 emissions include those from the following **upstream categories**:

- Purchase of goods and services
- Purchase of capital goods.
- Generation and distribution of energy carriers.
- Upstream transportation and distribution of goods.
- Waste generated from our Company.
- Business travel.
- Employee commuting.

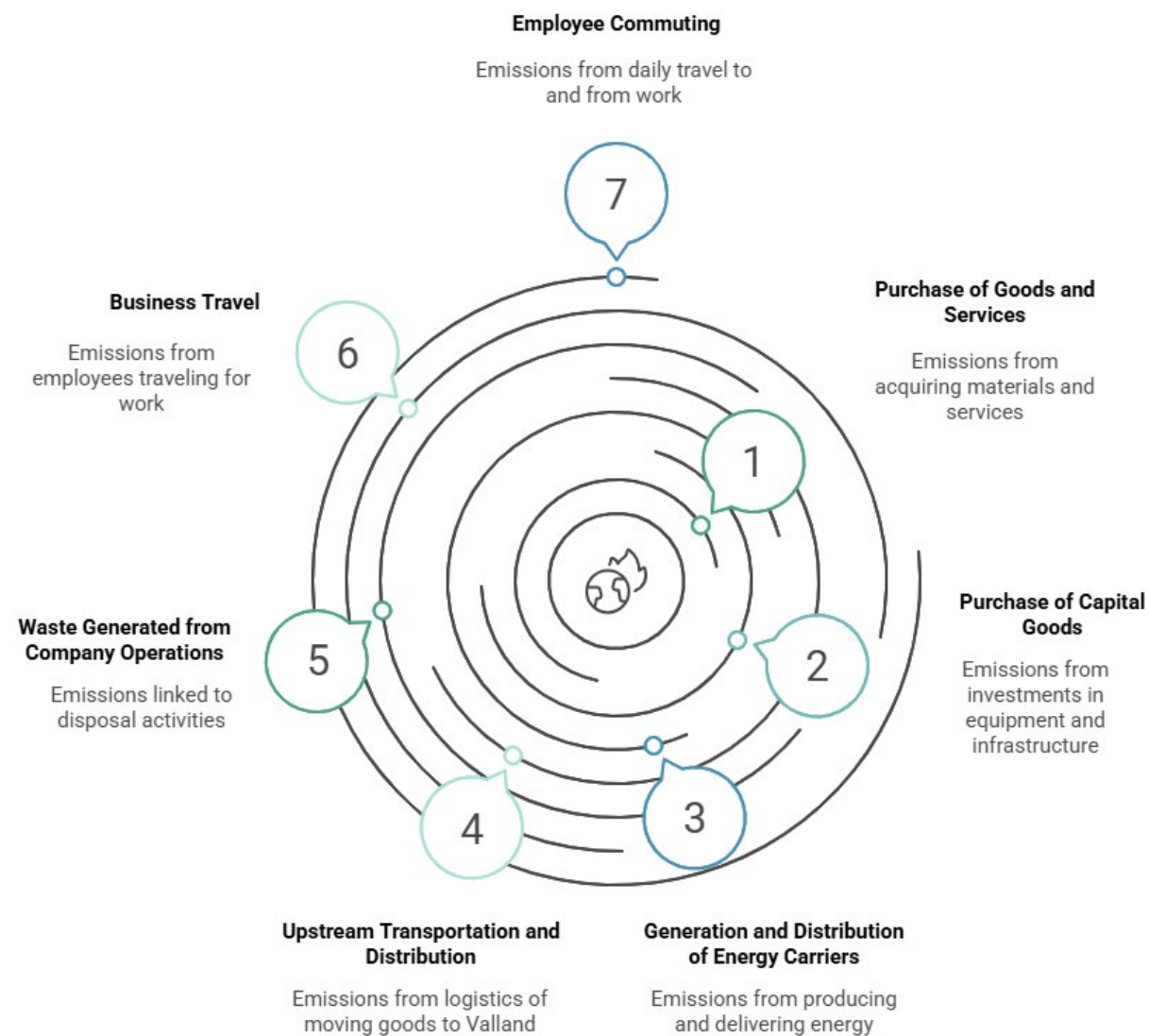
We have **not considered downstream categories** both because some of them have not been relevant for this reporting year (e.g., franchising and downstream leased assets) and because it is not possible to obtain the input data needed to calculate emissions due to the complexity of our supply chain. For example, emissions associated with waste generated from sold products would require direct contact with end clients and with the waste treatment Companies they collaborate with, which is not feasible for our business.

5. Department for Environment, Food & Rural Affairs (www.gov.uk/government/organisations/department-for-environment-food-rural-affairs), Greenhouse Gas Protocol (ghgprotocol.org), U.S. Environmental Protection Agency (www.epa.gov), International Energy Agency (www.iea.org).

6. Carbon Database Initiative, www.carbondi.com

7. This is due to the difference in the emission factors values, i.e., 0.314 tons CO₂eq/kWh and 0.274 tons CO₂eq/kWh for the year 2024 and 2023, respectively.

Scope 3 Emissions Overview



At the same time, in line with our decarbonization objectives, we are also committed to continuously improving our data collection processes and working collaboratively with our partners and clients to develop more accurate and holistic emissions estimates.

To ensure complete transparency and interpretation, the following figures illustrate the aggregated emissions for Scope 1, Scope 2 and Scope 3, as well as the breakdown of emissions for each

Scope 3 category, whereas the tables below present the share of expenditures and GHG emissions associated with each category of purchased goods, services and capital goods.

As for the energy use, we have calculated the **emissions intensity** as the ratio between the total GHG emissions (Scope 1 + Scope 2 + Scope 3) and the total expenditure (€) for the purchase of goods, services and capital goods. For the year 2024 this indicator is equal to $2.6 \cdot 10^{-4}$

tCO₂eq/€ (-16.9% compared to the year 2023). The emission intensity has decreased because **the increase in expenditure for the purchase of goods and services and capital goods has been higher than the increase in the corresponding emissions** (+372.6% and +292.9%, respectively). In other words, while total emissions have grown, they have not kept pace with the

spending increase – suggesting a relative **decarbonization in the economic activity**: each euro spent now corresponds to fewer emissions compared to the previous year.

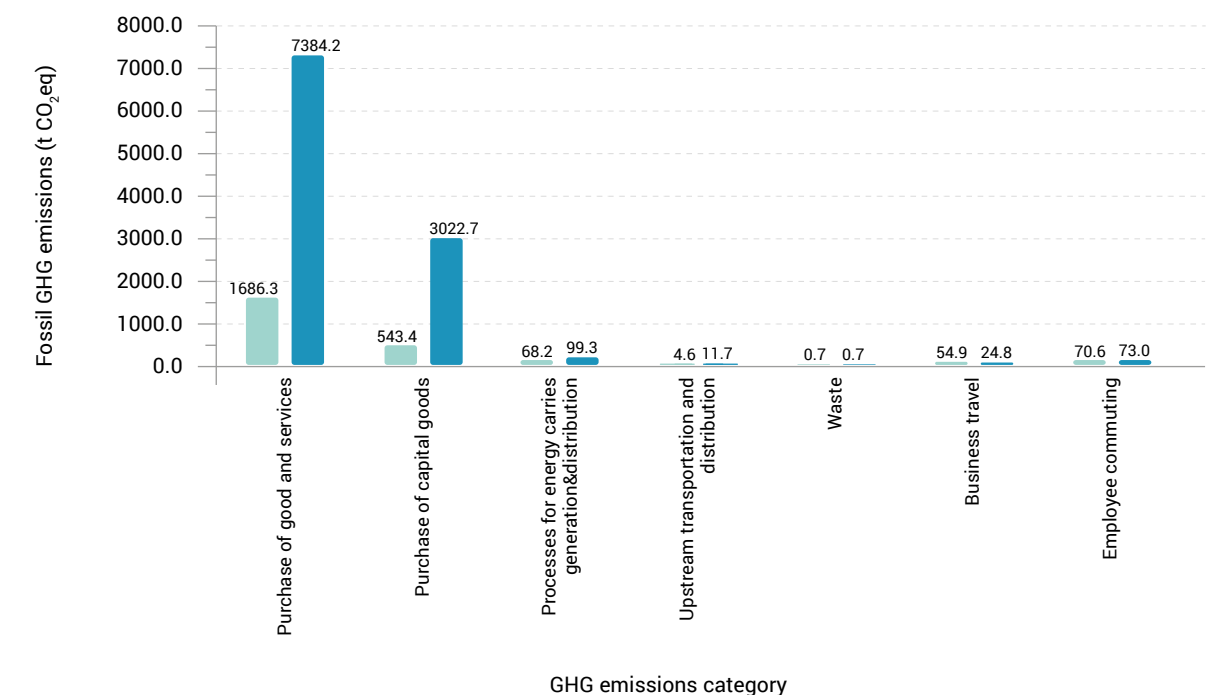


Figure 3: Emissions of Scope 3 categories: comparison between the year 2024 (blue) and 2023 (light blue).

The categories with the largest increases in emissions are the **purchase of goods and services** (+337.9%) and the **purchase of capital goods** (+456.2%), driven by the significant rise in the expenditure.

Emissions associated with upstream processes for energy carrier generation and waste treatment have increased

due to higher LPG consumption and the higher amount of waste generated compared to the previous year (+66.9% and +61.5%, respectively). In contrast, emissions from employee business travel have been 54.8% lower, while the change in emissions associated with employees' daily commuting can be considered negligible.

We recognize that achieving climate neutrality is an ongoing journey and we are committed to investing in solutions and partnerships that drive further **reductions in our carbon footprint**. We remain

dedicated to aligning our operations with **science-based targets** and supporting global climate action.

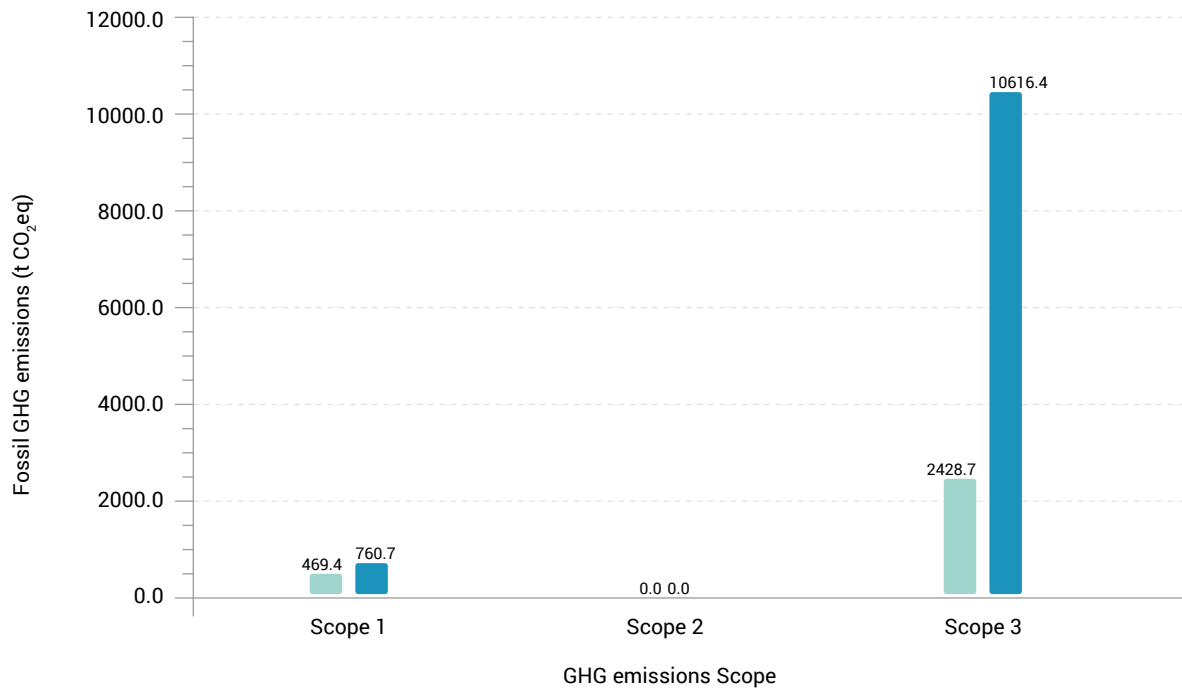


Figure 4: Emissions related to each Scope: between the year 2024 (blue) and 2023 (light blue).

The following tables show the fraction (%) of expenditures and GHG emissions related to each kind of good of the category “purchase of good and services” and “purchase of capital goods”. Analysing the **relation between the fraction of expenditure and the fraction of emissions** for different types of goods and services is useful, as **certain goods or services might represent a small share of expenditures but contribute significantly to emissions and vice-versa**. Identifying such relations

can help us to focus on those with the highest **emission-to-expenditure ratio**, allowing targeted reductions in areas where the environmental impact outweighs the financial input.

Table 8: Fraction (%) of expenditures and GHG emissions for each kind of purchased good and service.

Kind of purchased good/service	Expenditure (%)	Emissions (%)
Various fabricated metal products	53.6%	63.8%
Support services for construction activities	17.9%	18.3%
Plumbing fixtures, faucets, valves and other metal fittings	23.5%	13.3%
Plastic and rubber products	1.3%	1.4%
Professional and technical-scientific services	2.4%	1.2%
Metallic minerals, dimensional stones, non-metallic minerals	0.2%	0.8%
Wood products	0.8%	0.7%
Agricultural, pharmaceutical, industrial and commercial chemical products	0.1%	0.2%
Primary iron, steel and ferroalloy products	0.1%	0.2%
Food products, beverages and tobacco	0.0%	0.0%
Office supplies	0.0%	0.0%
Manufactured pipes and fittings	0.0%	0.0%
Clothing and leather goods	0.0%	0.0%
Paper products and paper production plants	0.0%	0.0%
Electricity, natural gas, drinking water and wastewater treatment	0.0%	0.0%
Rental and leasing of non-financial goods, equipment, vehicles and intangible assets	0.0%	0.0%
Legal services	0.0%	0.0%
Medical supplies, sporting and entertainment goods, fashion items and promotional products	0.0%	0.0%
Business and corporate management services	0.0%	0.0%

Table 9: Fraction (%) of expenditures and GHG emissions for each kind of purchase capital good.

Kind of purchased capital good	Expenditure (%)	Emissions (%)
Machinery, excluding computers	76.4%	79.9%
Capacitors, resistors, coils, transformers, connectors and other	22.9%	19.2%
Material handling equipment	0.2%	0.4%
Computers and related parts, conductors, measurement and communication devices	0.1%	0.0%
Devices and equipment for cutting tools and machine tools and rolling mills	0.4%	0.5%
Lights and chandeliers, electrical panels, transformers and household appliances	0.0%	0.0%

The table below outlines the **short- and medium-term actions** we are committed to undertaking to ensure increasingly accurate emissions estimations for the

Scope 3 categories and to take further steps towards **climate decarbonization**.

Table 10: Short and Medium-term actions to improve emissions estimations and enhance transparency towards decarbonization.

Category	Short-Term Actions	Medium-Term Actions
Downstream transportation and distribution	Map main distribution channels and logistics partners. Collect data on clients transport modes.	Promote low-emission transport solutions with partners. Include environmental clauses in logistics contracts.
Processing of sold products	Gather information on product usage and processing. Estimate emissions based on sector data.	Provide guidelines and best practices for more sustainable product use. Collaborate with clients to identify reduction strategies.
End-of-life treatment of sold products	Analyze practices and identify recycling partners. Review current end-of-life processes.	Establish take-back and recycling programs. Support clients in proper end-of-life treatment to minimize emissions.
Investments	Map investments and integrate ESG criteria into decision-making.	Monitor and reduce emissions linked to investments. Support decarbonization in investment portfolios.

4.2 Our People, our Communities

4.2.1 Working Safe, Working Smart: Our Pledge to Occupational Health

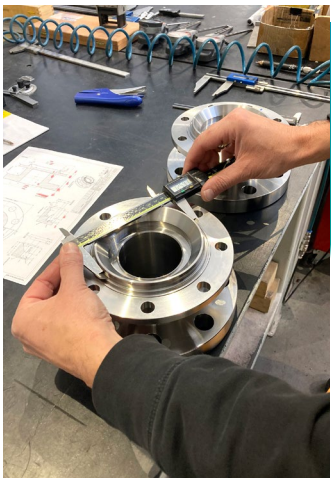
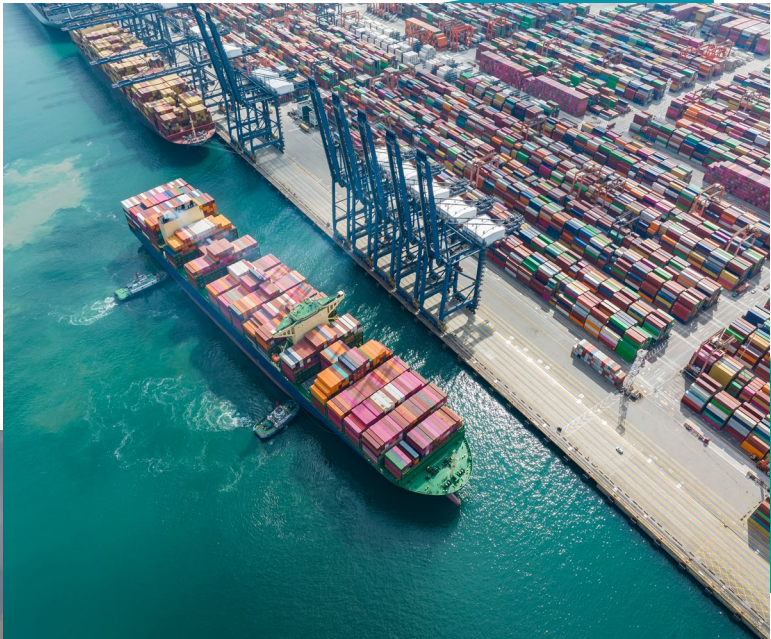
[GRI 3-3] [GRI 403-1] [GRI 403-2] [GRI 403-3] [GRI 403-5] [GRI 403-6] [GRI 403-7] [GRI 403-8] [GRI 403-9] [GRI 403-10]

Occupational health and safety (OHS) is a vital component of our commitment to sustainability. We ensure employee well-being by maintaining a **safe and healthy working environment**. A strong OHS system reduces absenteeism, increases productivity and strengthens employee loyalty, ultimately enhancing the Valland’s operational efficiency. Automation systems, personal protective equipment (PPE), regular training sessions and frequent safety audits, collectively create a **proactive safety culture**. **Potential risks** remain in areas involving heavy or complex machinery, where accidents or occupational illnesses

could occur.

We are not directly involved in any negative OHS-related impacts, but we recognize the **potential risks associated with our supply chain**, which could have serious indirect impacts on workers’ health and safety. For this, we adopt a **systematic approach** to ensure that suppliers comply with occupational health and safety standards, by evaluating and selecting them according to their safety performance, historical compliance and reputation.

We are committed to continuously improving safety conditions, promoting a





culture of active safety and ensuring that all workers operate in a secure environment. To operationalize our policy, we have put in place specific initiatives that translate our commitments into measurable outcomes. We **prevent potential negative impacts** mainly through regular safety training courses for employees and conducts in-plant safety audits with the assistance of both internal HSE staff and an external Health and Safety Officer (RSPP). If negative impacts occur, we try to mitigate them through a **risk reporting** and management systems to identify and address safety concerns proactively. This allows us to take immediate corrective actions whenever necessary. We promote positive impacts through **automation systems and improvements in workplace safety to reduce employees' exposure to physical risks**.

The **effectiveness of the actions** taken is

monitored through KPIs such as the incident rate, near misses and injury frequency. Annual progress is assessed against safety goals, focusing on reducing accidents and improving overall safety performance. Regular reviews help the Company adjust its safety strategies and reinforce its commitment to a **zero-accident culture**.

The **experience** gained through ongoing safety management activities, incident monitoring and **Stakeholders engagement** has been systematically integrated into our policies and operational procedures. Stakeholders engagement plays an essential role in shaping our safety measures. The Workers' Safety Representative (RLS) and the RSPP are actively engaged in the review of safety measures and the implementation of new protocols, supported by the Company's HSE manager. Feedback from these Stakeholders has influenced the development of training programs and

the establishment of safety protocols. This continuous dialogue ensures that our safety practices evolve in line with the needs and concerns of its workforce.

We implement our OHS Management System in **full compliance** with **Legislative Decree 81/2008**, which governs the protection of workers' health and safety. Our operations are distributed across **three distinct facilities**, each integrated into the production cycle but characterized by specific functions, layouts and machinery:

- **Warehouse 1** hosts multiple stages of the production process, including material handling, component preparation, assembly, product testing, packaging and shipment.
- **Warehouse 2** is primarily dedicated to quality control of materials and products, laser marking of finished items and the coordination of office and logistical functions.
- **Warehouse 3** houses our most advanced activities, focused on 3D printing using materials such as aluminium, steel and polymers.

Each Warehouse is structured to serve its **purpose** and includes:

- Office areas and meeting rooms (mainly in Warehouses 1 and 2).
- Locker rooms for employees.
- Designated production zones tailored to specific operational phases.
- Storage areas for incoming and outgoing goods.
- External zones for vehicle access and

logistics.

- Technical rooms for housing boilers and other infrastructure.
- A separate outdoor area for the LPG tank, used solely for heating purposes.

To ensure the highest standards of workplace safety, we maintain an updated **Risk Assessment Document (Documento di Valutazione dei Rischi, DVR)**. This document not only complies with legal requirements but also serves as the foundation for defining procedures that safeguard long-term risk control.

Each activity is systematically analysed and broken down into **operational phases**, with key elements identified, including:

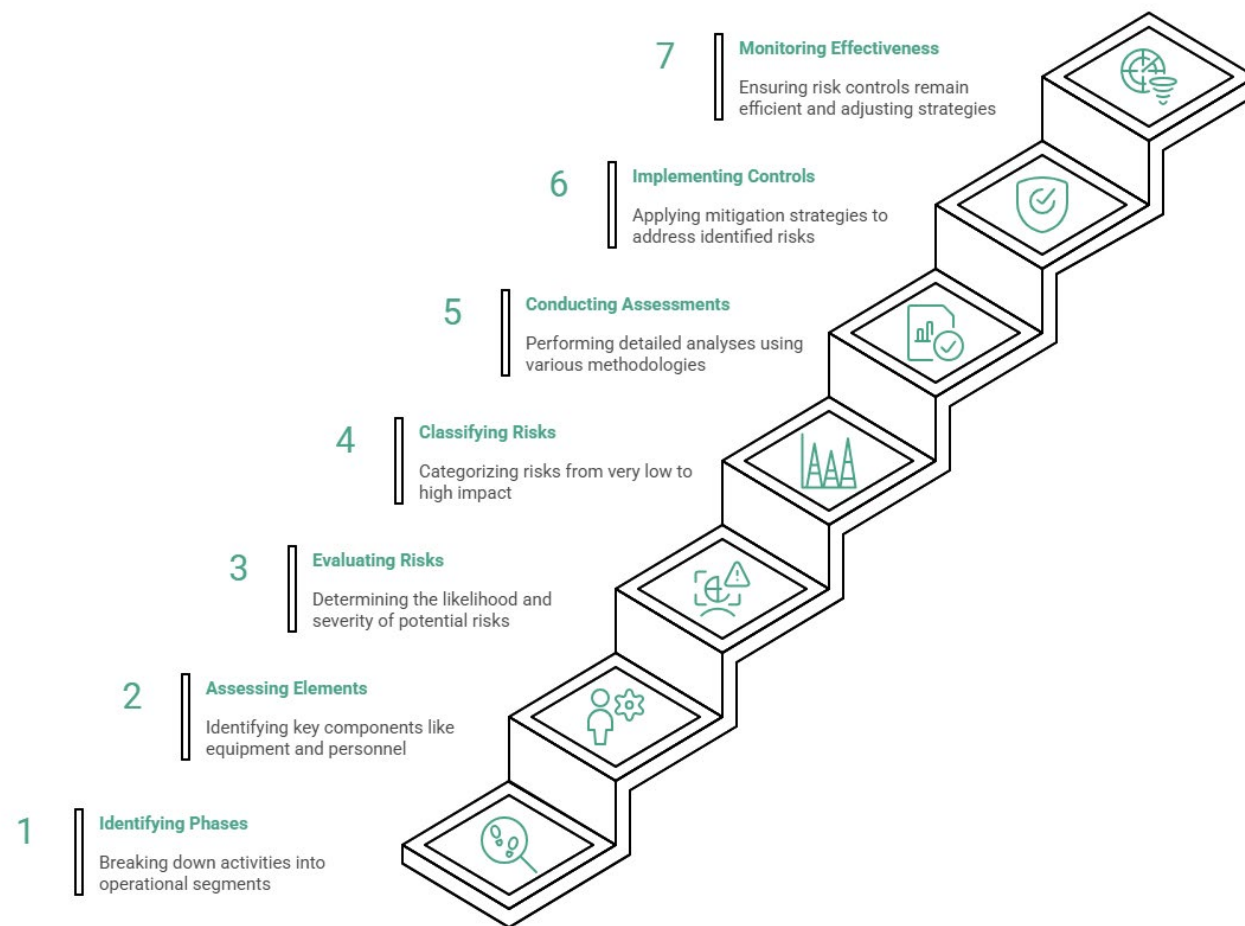
- Equipment and machinery in use.
- Chemical substances and preparations.
- Employees involved.
- Required PPE.

For each phase, the risk can be caused by operator presence in the workspace, external environmental conditions, as well as the use of machinery and hazardous materials.

We evaluated each risk in terms of **probability** (ranging from unlikely to very likely) and **severity** (from low to very high), resulting in a **risk level classification**:

- Very Low (score 1–2).
- Low (score 3–4).
- Medium (score 6–8).
- High (score 9–16).

Achieving Risk Management



The OHS team is responsible for ensuring the effectiveness and continuous improvement of the health and safety system, aligning it with evolving operational needs and sustainability goals. The quality of these processes is ensured through the competence of the individuals responsible for their execution. The results of risk assessments and safety audits are systematically analysed and used to:

- Identify critical areas and prioritize corrective or preventive actions.
- Monitor KPIs.
- Revise and improve procedures, integrating lessons learned into updated

protocols and training programs.

- Inform strategic decisions on safety investments, equipment upgrades and organizational changes.

100% of our employees and non-employees are covered by a workplace OHS Management System. All of them undergo annual occupational health screenings, conducted by the occupational health physician. These assessments evaluate the employee's fitness for their specific role and include checks on visual acuity, hearing and respiratory health. These screenings are mandatory under Legislative Decree 81/2008 and their frequency is

periodic, in accordance with the Company's occupational health protocol.

At Valland, workers are encouraged to promptly report any hazards or unsafe conditions to their designated supervisors, known as **Line supervisors** (Preposti), who are responsible for overseeing safety compliance. Strict company policies protect employees from any form of retaliation or reprisals when they raise safety concerns in good faith, ensuring a safe environment for open communication. Employees also have the right to refuse work assignments they reasonably believe could put their health or safety at risk. In such cases, workers must immediately inform their Line Supervisor, who is obligated to stop unsafe activities until the issue is resolved. If there is a conflict between instructions given by the Line Supervisor and other managers, work will remain halted until the matter is clarified. When incidents occur, Valland carries out detailed investigations to identify hazards and assess risks, using the company's risk assessment documents as references. Corrective actions are carried out according to the hierarchy of controls to prevent recurrence. These processes are part of Valland's commitment to continuously improving its occupational health and safety Management System. All findings and improvements are documented, communicated to employees and integrated into ongoing training programs to ensure workplace safety and compliance.

Training needs are systematically assessed through a combination of risk assessments, internal safety audits and direct engagement with employees and

their safety representatives. This approach enables us to identify knowledge gaps, emerging risks, or areas requiring additional support, allowing for the development of **targeted and effective training programs**.

Health and safety training covers both general topics and role-specific hazards, ensuring all employees are equipped to manage the risks associated with their particular duties. Training modules typically include:

- General occupational health and safety principles.
- Specific risks related to individual roles, equipment, or work areas.

Each course is tailored to address the actual risks faced in daily operations, with the goal of enhancing awareness, reducing incidents and promoting a culture of safety.

Courses are delivered by qualified personnel, including internal HSE professionals and external specialists such as the RSPP. Training is provided on a recurring basis – annually or more often for high-risk roles – and, additionally, whenever new machinery, processes, or regulatory requirements are introduced.

To ensure accessibility and participation, all training sessions are compulsory and provided free of charge during paid working hours, so that the employees are not expected to attend outside their regular shifts or use personal time.

Training effectiveness is evaluated through multiple methods, including:

- Feedback and satisfaction surveys from

participants.

- Monitoring of incident reports and near-miss occurrences.
- Results from follow-up inspections and audits.

Any gaps or shortcomings identified through these methods are carefully analysed and used to enhance the design and delivery of future training programs, ensuring continuous improvement and alignment with operational needs.

As our initiative, we provide **health programs and voluntary screenings** such as:

- **Since 2021:** on-site mammography screenings. This initiative promotes early detection of breast cancer and reduces barriers to preventive care.
- **Since 2022:** voluntary mole (nevus) screening. At regular intervals (typically every two to three years, based on funding availability), we provide voluntary dermatological screening sessions focused on skin cancer prevention.

Information on individual participation is treated as confidential and not publicly disclosed.

Only qualified healthcare professionals have access to this data and any use of it requires the employee's explicit, informed consent. Employees maintain full control over how their health data is used or shared. Additionally, participation in health programs or the content of medical records has no impact on decisions related

to employment, such as promotions, role assignments, or performance reviews.

Have there been any workplace accidents?

For all the employees:

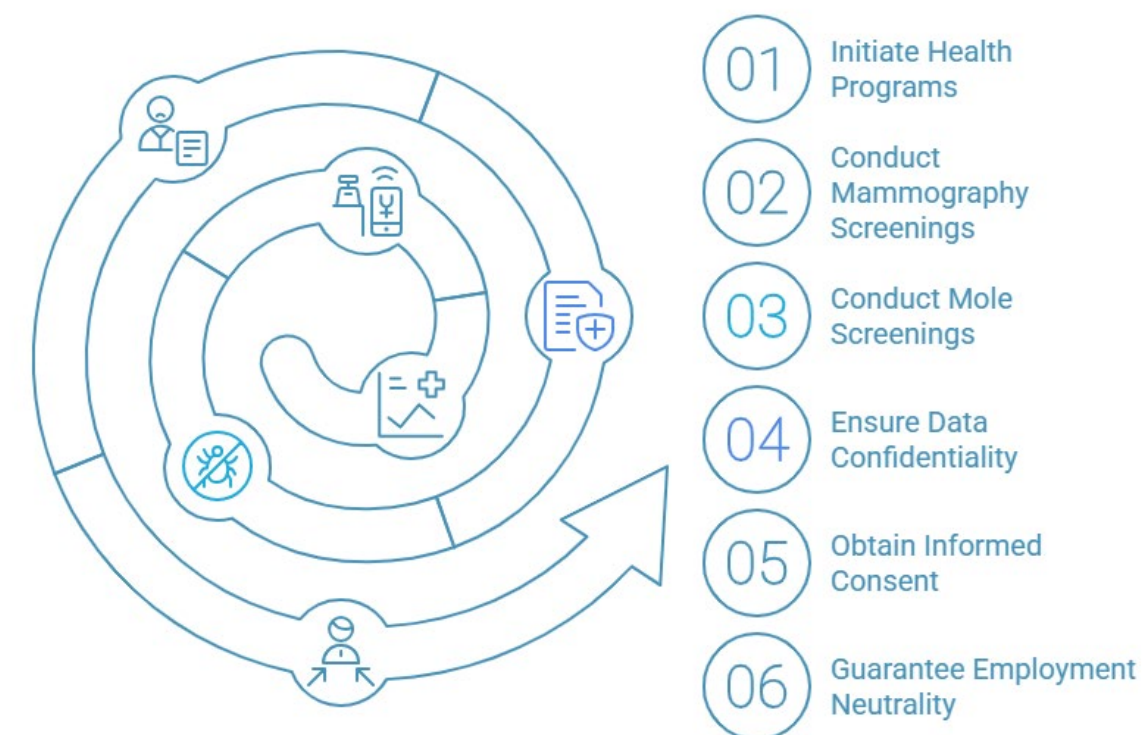
- Number (and rate) of deaths due to work-related injuries: 0 (0).
- Number (and rate) of high-consequence work-related injuries (excluding deaths): 0 (0).
- Number (and rate) of recordable work-related injuries: 1 (1.84, i.e., 1.84 injuries per 100 employees per year; calculation performed based on 200,000 worked hours).
- Main type of work-related injuries: related to the use of specialized machines and calibration tools for valves production.
- Number of worked hours (i.e., hours of absence): 328.

For all non-employees:

- Number (and rate) of deaths due to work-related injuries: 0 (0).
- Number (and rate) of high-consequence work-related injuries (excluding deaths): 0 (0).
- Number (and rate) of recordable work-related injuries: 0 (0, i.e., 0 injuries per 100 employees per year).
- Number of worked hours (i.e., hours of absence): 0.

Based on the type of work performed and the recorded performance data, there are no hazards that pose a risk of serious injury.

Health Screening Initiative Process



Have there been any occupational disease?

For all the employees:

- Number of deaths due to occupational diseases: 0
- Number of recordable cases of occupational diseases: 0

For all non-employees:

- Number of deaths due to occupational diseases: 0
- Number of recordable cases of occupational diseases: 0

Our activities do not involve hazards that, if uncontrolled, could lead to occupational diseases.

4.2.2 Inclusion First: Creating a Culture of Belonging

[GRI 3-3] [GRI 401-3] [GRI 404-1] [GRI 405-1] [GRI 406-1]

At Valland, we believe that fostering an inclusive and equitable corporate culture is

essential for building a healthy, productive and innovative workplace. Ensuring equal

opportunities for all the employees in terms of growth and career development not only benefits individuals, but also generates broad positive impacts on the economy, society and the protection of human rights. **Positive impacts** stemming from our commitment include:

- On **economy**: enhanced productivity, attraction and retention of talent and improved company reputation.
- On **society and people**: promotion of human rights and fair treatment, increased employee well-being and creation of inclusive work environments.
- On **environment**: while indirect, equitable workplaces support a broader culture of organizational responsibility and sustainability.

Potential negative impacts may arise from unintentional discriminatory practices,

particularly during recruitment or internal advancement processes, if not adequately monitored. Within our value chain, we acknowledge the risk that suppliers or business partners may not uphold the same principles of equality and non-discrimination, potentially leading to indirect negative consequences. Valland is not directly involved in any known negative impacts related to discrimination, either through its own activities or via business relationships. However, we have identified potential risks in relation to Third-Parties suppliers who may not fully comply with our standards.

We have implemented a **comprehensive non-discrimination and equal opportunity policy**, aligned with national legislation and international standards on human rights (e.g., Universal Declaration of Human Rights). This policy is outlined in our **Code of**

Ethics And Conduct (www.valland.it/assets/Uploads/Code-of-Ethics-and-Conduct.pdf) and **Hiring policy** (www.valland.it/assets/Policies/Hiring-policy.pdf), which establish clear principles for ensuring fairness, transparency and respect for diversity in all employment-related decisions.

We prevent or mitigate **potential negative impacts** through the following **actions**:

- Competency-based recruitment practices to reduce biases and ensure fair hiring decisions.
- Targeted training programs for managers to identify and prevent discriminatory behaviours.
- Internal communication campaigns to foster inclusion and open dialogue.

Although no actual incidents of discrimination have been recorded to date, we have procedures in place to address any such cases should they arise. These include internal reporting channels and a structured resolution process that ensures complaints are managed promptly and effectively.

We also take proactive steps to amplify the **potential end effective positive impacts** of our efforts. This includes continuously promotion of equal access to training and career development, recognition and valuing diverse skills and experiences and creating the conditions for all employees to thrive.

We monitor the effectiveness of our **actions** through regular **internal reviews and KPIs** such as turnover rates – broken down by gender, age and role – and benchmark them against industry standards. In 2024,

no complaints of discrimination have been reported and our internal indicators have confirmed consistent equity in employee retention and promotion opportunities. Our continuous improvement approach is supported by feedback collected through employee surveys and training sessions, which have led to updates in our hiring and onboarding procedures. **Lessons learned** through audits and Stakeholders dialogue are consistently integrated into our policies to make them more effective and relevant.

Stakeholders engagement plays a fundamental role in shaping our strategy. Input from clients has helped us to increase transparency in HR practices, while collaboration with suppliers has led to the inclusion of stricter contractual safeguards. Feedback from the employees has been crucial in refining communication tools and training content, helping us build a workplace culture where inclusion is both a value and a practice. We interact with **external associations** (e.g. Confindustria) to ensure that internal practices are aligned with international inclusion standards.

Through this ongoing and inclusive effort, we reaffirm our commitment to creating a **fair, respectful and discrimination-free workplace, which reflects our broader ambition to generate positive social impact and uphold human rights throughout our value chain.**

Regarding parental leave, we point out the following:

- Total number of employees that were entitled to parental leave, by gender: 1 male and 1 female.



- Total number of employees that took parental leave, by gender: 1 male and 1 female.
- Total number of employees that returned to work in the reporting period after parental leave ended, by gender: 1 male and 1 female.
- Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender: 1 male and 1 female.
- Return to work and retention rates of employees that took parental leave, by gender: Not detected.

Training plays a key role in strengthening

employee competencies, supporting continuous professional growth and driving innovation across the Company. By investing in learning and development, we empower our people to perform at their best and stay aligned with the evolving demands of our industry, ultimately contributing to the Company’s long-term success. In 2024, male and female employees benefited **equally from training opportunities**, receiving an average of 68 hours each (60 hours of internal training and 8 hours of external training).

We have detected no incidents of discrimination for this reporting period.

Regarding the BoD and the employees, the data are shown below:

Table 11: BoD members subdivided by gender and age for the year 2024 and 2023.

Year 2024				
Gender		Age (years)		
Male (n; %)	Female (n; %)	< 30	30 – 50	> 50
3 (75%)	1 (15%)	0 (0%)	2 (50%)	2 (50%)
Year 2023				
Male (n; %)	Female (n; %)	< 30	30 – 50	> 50
2 (100%)	0 (0%)	0 (0%)	0 (0%)	2 (100%)

Table 12: Employees categories subdivided by gender and age for the year 2024 and 2023.

Year 2024					
Type of employee worker	Gender		Age (years)		
	Male (n; %)	Female (n; %)	< 30	30 – 50	> 50
Blue-collar worker	21 (100%)	21 (100%)	20 (29%)	40 (57%)	10 (14%)
Office staff	27 (55%)	27 (55%)			
Year 2023					
Blue-collar worker	18 (100%)	0 (0%)	19 (30%)	35 (56%)	9 (14%)
Office staff	26 (58%)	19 (42%)			



4.2.3 Best Practices in Employment: Ensuring Fairness and Efficiency

[GRI 3-3] [GRI 401-1] [GRI 402-1] [GRI 404-2] [GRI 414-1]

Human resource management is a cornerstone of our sustainability strategy, as it has a direct impact on individuals’ well-being, the quality of the workplace and the overall performance of the Company. Promoting fair, inclusive and flexible working conditions is essential for building a positive work environment that attracts, motivates and retains talent while fostering engagement and employee satisfaction. Our employment practices create tangible **positive (both actual and potential) impacts**, such as reduced employee turnover, healthier organizational climate and increased productivity. **Potential positive outcomes** also include a strengthened reputation as a responsible employer, the promotion of best practices across our value chain and an improved

quality of life for employees.

At the same time, we acknowledge the **potential for negative impacts**, such as work-related stress, imbalanced workloads, or ineffective human resource management. Additionally, we may be directly or indirectly associated with **negative impacts** through our operations or business relationships. In particular, we may face reputational or operational risks when working with partners or suppliers who do not comply with labour standards or human rights principles. To prevent this, **we apply responsible sourcing criteria and regularly monitor the compliance of our business partners.**

Our employment and well-being policy



is based on a structured set of principles designed to ensure dignity, equality, safety and personal development in the workplace. This reflects our long-term commitment to respecting human rights and promoting decent work conditions across all areas of the Company. The policy is outlined in our **Code of Ethics and Conduct** (www.valland.it/assets/Uploads/Code-of-Ethics-and-Conduct.pdf) which is aligned with international standards such as the UN Guiding Principles on Business and Human Rights. **Key elements of the policy** include:

- Respect for fundamental labour rights: we ensure compliance with laws and international labour standards, including non-discrimination, freedom of association and the prohibition of forced or child labour.

- Employee well-being: we are committed to fostering a workplace culture that prioritizes psychological and physical health, including support for mental well-being and a healthy work-life balance.
- Inclusive and flexible work environment: we promote diversity, equity and inclusion and we offer flexible work arrangements to accommodate different personal and family needs.
- Continuous development: we believe in lifelong learning and ensure that employees have access to training opportunities to support their personal and professional growth.
- Ethical business relationships: we expect our suppliers and partners to adhere to equivalent labour and human rights standards.

This policy is formally approved by Top Management and is reviewed regularly to ensure it remains effective and responsive to evolving risks and employee expectations. To operationalize our policy, we have put in place specific initiatives that translate our commitments into measurable outcomes.

To **prevent or mitigate potential risks**, we:

- Carry out regular stress and well-being assessments with the support of occupational health professionals.
- Offer external coaching sessions for employees and managers to manage interpersonal conflicts and support psychological well-being.

We manage **actual negative impacts** mainly through:

- Implementing flexible work arrangements, including remote working when applicable and adaptable schedules, to support work-life integration.
- Reviewing workload distribution across Departments to prevent burnout and ensure organizational balance.

We adopt a proactive approach to strengthen and maximize the **positive outcomes** generated by our employment practices through actively promoting professional growth and building an inclusive and respectful workplace culture based on supporting physical and mental well-being and encouraging employee

engagement and participation.

We continuously **evaluate the effectiveness of our actions** by assessing the **stress-related impact**.

We integrate **lessons** learned into our policies and procedures by using insights from past experiences, feedback from employees and input from external **Stakeholders** when possible. An email address is available for employees to report concerns (**whistleblowing policy**).

In 2024 we have hired 11 employees as follows (employee rate = 16%, 3% more than the previous year):

Table 13: New employees subdivided by gender, age and geographical area for the year 2024 and 2023.

Year 2024						
Gender		Age (years)			Geographical area	
Male (n; %)	Female (n; %)	< 30	30 – 50	> 50	Sondrio Province (n; %)	Other (n; %)
6 (55%)	5 (45%)	3 (27%)	8 (73%)	0 (0%)	5 (45%)	6 (55%)
Year 2023						
5 (63%)	3 (37%)	7 (88%)	1 (12%)	0 (0.0%)	6 (75%)	2 (25%)

3 employees have left the Company voluntarily:

Table 14: Employees turnover subdivided by gender, age and geographical area for the year 2024 and 2023.

Year 2024						
Gender		Age (years)			Geographical area	
Male (n; %)	Female (n; %)	< 30	30 – 50	> 50	Sondrio Province (n; %)	Other (n; %)
2 (67%)	1 (33%)	1 (33%)	2 (67%)	0 (0%)	2 (67%)	1 (33%)
Year 2023						
2 (50%)	2 (50%)	1 (25%)	2 (50%)	1 (25%)	1 (25%)	3 (75%)

+6.3% Growth in Supplier Network

If significant changes in operations (e.g., restructuring, outsourcing, closures, expansions, new openings, acquisitions, sale of all or part of the Company or mergers) there is no formal minimum reporting period to employees; we try to notify employees as soon as possible.

To upgrade employees' skills for a specific role or broader competencies identified as strategic by Top Management, we generally organize training courses based either on available funding opportunities or through internally promoted initiatives. We do not currently offer assistance programs to support employees approaching retirement or exiting the Company like, for example, early retirement plans,

professional retraining, severance packages, outplacement services, or support in transitioning to post-employment life.

Compared to the previous year, there has been an **increase in the number of suppliers** of 6.3% (i.e., from 2518 to 2677, compared to 7.6% of the year 2023).

Of these new suppliers, **18% have been selected based on social criteria, such as sourcing from the local area, which indirectly contributes to job creation and enhances the well-being of the region. These suppliers are located in the Province of Sondrio.**



4.3 Governance For The Ethical Conduct

4.3.1 Taking Care of Our Data: Privacy, Security and Sustainable Progress

[GRI 3-3] [GRI 418-1]

In a context where digital transformation is reshaping every industry, privacy and cybersecurity have become strategic pillars for ensuring sustainable development. At Valland, we consider the protection of stakeholder data not only a regulatory obligation but a core value that reflects our commitment to human rights, ethical business conduct and long-term value creation.

Our approach to data privacy and cybersecurity generates **tangible positive impacts** across multiple dimensions:

- On the **economy**, by protecting intellectual property, ensuring business continuity and reducing the financial risks associated with data breaches.
- On **people**, by safeguarding personal data, upholding the right to privacy and fostering digital trust.
- On **society**, by promoting responsible digital behaviours and transparent practices.

At the same time, we recognize **potential negative impacts** – such as privacy

violations or cyber incidents – that could compromise sensitive data, harm individuals and damage reputations. These risks may arise not only from our direct operations but also through our **business relationships**, particularly with suppliers handling confidential information. For this reason, we implement **due diligence and strict oversight across our value chain**.

In 2024, we have been included in the official list of “**critical entities**” by the **Italian National Cybersecurity Agency (ACN)**, acknowledging our relevance in the national digital infrastructure. This designation requires us to comply with the new **EU NIS2 Directive**¹, which we are actively implementing to further enhance our cybersecurity governance, risk management and incident response capabilities.

We manage privacy through a **comprehensive and proactive framework** that is fully aligned with the **General**

1. <https://digital-strategy.ec.europa.eu/en/policies/nis2-directive>

Data Protection Regulation (GDPR) and based on continuous improvement. Our framework is based on:

- A **Data Protection Policy** covering all stages of data handling, collection, processing and storage and enforced by trained and authorized personnel.
- A **register** of processing activities, privacy policies and designated service managers.
- Regular **policy updates** to ensure alignment with evolving legal and technological standards.
- Clear accountability **structures, internal awareness initiatives** and training.

To effectively prevent, mitigate and respond to **potential and/or actual privacy and security risks** and related **negative impacts**, we translate our policies and commitments into the following operational **actions**:

- **Cybersecurity:**
 - Internal network protected from external threats through firewalls with traffic control.
 - Internal Wi-Fi networks secured with safe protocols (WPA2).
 - Guest users connecting to Valland's network (via Wi-Fi) isolated in a VLAN separate from the one used by employees.
 - External connections (for remote access during travel or smart – working) made through a secure VPN.
 - Access to Valland's internal resources managed via Microsoft Active Directory.

- Basic security policies implemented for internal resources (e.g., complex passwords that should be changed periodically, file server resources mapped and accessible based on user-specific criteria).
- Devices within Valland's network protected by antivirus software (integrated Microsoft Defender solution) and configured for automatic updates.
- Email accounts managed through Microsoft 365, with multi-factor authentication automatically enabled.
- Communication with external parties allowed only through Valland's official and certified channels (i.e., e-mail, MS Teams, corporate phone numbers).
- **Incident response:** In the rare case of a data breach or privacy incident, we have a well-defined incident response plan in place. This ensures that any breaches are immediately identified, addressed and reported in a transparent manner. We take all necessary steps to minimize any potential harm and implement corrective measures to prevent future incidents.

Potential and actual **positive impacts** are managed through:

- Continuous regular internal audits and vulnerability testing to verify the effectiveness of controls.
- Continuous Stakeholders engagement in shaping security policies.
- Continuous training and awareness initiatives to build a data-conscious culture.

Valland uses **periodic audits and vulnerability tests** to monitor the effectiveness of the protection actions and ensure ongoing compliance with data security standards. These assessments are part of a structured monitoring process that allows us to track the performance of our cybersecurity and privacy measures over time.

The monitored **KPIs** include the number of security incidents and incident response time. These indicators help us to evaluate both the effectiveness of existing actions and our progress toward defined targets, such as maintaining zero data breaches and achieving full compliance with new regulations, including the EU NIS2 Directive.

To prevent security breaches, we apply constant review of protection measures. If an event of a security breach occurs, we carry out swift resolution actions. This demonstrates our dedication to transparency, accountability and trustworthiness in every aspect of our operations. Annual results are benchmarked against targets to assess whether performance is improving and to identify areas for further enhancement. The progress is documented in our Report and shared with Stakeholders to promote transparency.

Over time, the **lessons** learned from internal audits, incident simulations and Stakeholders feedback have enabled us to strengthen our internal practices.

For 2024 we have registered:

- Total number of substantiated complaints received concerning breaches of clients privacy:

- Complaints received from Third Parties and substantiated by the Company: 0.
- Complaints from regulatory bodies: 0.
- Total number of identified leaks, thefts, or losses of customer data: 0.

We maintain ongoing dialogue with our key **Stakeholders** as their feedback plays a central role in shaping our data protection strategy. For example:

- **Clients** input has guided the development of more transparent and accessible privacy policies.
- **Supplier** assessments have led to strengthened contractual safeguards and clearer expectations regarding data handling.
- **Employee** feedback from training sessions has prompted updates to internal procedures and communication tools.

This **collaborative and adaptive approach** reinforces our organizational resilience and helps ensure that our cybersecurity strategy remains responsive, effective and aligned with the Stakeholders expectations.

4.3.2 Beyond Communication: Evolving Together Through Engagement

[GRI 2-29] [GRI 3-1] [GRI 3-2] [GRI 3-3]

Engagement with our Stakeholders allows us to align our practices with their expectations, while promoting transparency, constructive dialogue and trust, thus contributing to long-term value creation. The engagement has highlighted both positive and negative impacts on the economy, environment and people, including potential human rights issues. By fostering strong relationships, we are able to identify and address the consequences of our activities on various fronts. **Potential and actual negative impacts** are related to:

- **Economy:** potential negative impacts may arise from the economic disruptions caused by sudden shifts in market demand or changes in regulatory frameworks that affect our Stakeholders' operations.
- **Environment:** we acknowledge that the sourcing of materials or production processes could contribute to environmental degradation if not properly managed. Our suppliers and partners must adhere to sustainability standards to minimize such risks.
- **Society:** although we strive for positive societal impacts, there is a risk that our operations or supply chain could inadvertently contribute to labour exploitation or the violation of human rights, particularly in regions where labour standards are not rigorously

enforced.

We recognize that our Company can be **directly involved** in both **positive and negative impacts** through our activities, as well as indirectly via our business relationships. We are committed to mitigating any potential negative impacts across our value chain, including the careful selection of suppliers who align with our sustainability standards and expectations.

At the same time, for economy, environment and society, we recognize several **positive impacts**, such as:

- **Economy:** our engagement efforts contribute to sustainable business growth, enhancing market positioning and fostering innovation, which in turn supports economic development in the communities we operate in.
- **Environment:** collaborative efforts with Stakeholders lead to the adoption of best practices in sustainability assessment, resource efficiency and carbon emissions reduction.
- **Society:** transparent communication and active participation foster trust and mutual respect, ensuring we meet the expectations of local communities and employees and respect human rights through ethical working conditions and privacy protection.

We are committed to embedding sustainability and Stakeholders engagement into the core of our business practices. Our approach is underpinned by clear **policies and specific commitments** that guide our actions and interactions with all the Stakeholders. This ensures that we operate with integrity, transparency and responsibility in all our dealings, fostering trust and collaboration for long-term sustainability. The key elements of this policy are:

- **Inclusive participation:** we commit to engaging with a diverse range of Stakeholders, both internal (employees, BoD, Shareholders) and external (clients, suppliers, communities, research institutions, industry associations, etc.), to gather a wide spectrum of insights, concerns and expectations.
- **Transparency and accountability:** we strive to keep all Stakeholders informed about how their feedback influences our strategies and decisions. This transparency ensures that our stakeholders are aware of the steps we are taking to address their concerns and we are accountable for our commitments.
- **Continuous dialogue:** we believe in maintaining an ongoing dialogue with Stakeholders, ensuring that their concerns and ideas are continuously integrated into our operations. This is achieved through regular feedback mechanisms, surveys, meetings and transparent reporting channels.
- **Collaboration and trust building:** we prioritize building long-term relationships based on mutual respect

and trust.

Our **transparency and reporting commitment** ensures that we regularly share detailed and accurate information about our sustainability efforts, progress and challenges with our Stakeholders. This includes:

- **Regular Stakeholders updates:** beyond our formal reports, we provide regular updates to Stakeholders on the outcomes of our sustainability initiatives through e-mail newsletters, meetings and discussions, ensuring that Stakeholders are kept informed of progress and challenges.
- **Open data and access:** we commit to making relevant sustainability data and information available to our Stakeholders in a clear, accessible and understandable manner, ensuring transparency and accountability.

How can we prevent **potential negative impacts**?

- We ensure **strict due diligence** in selecting suppliers and business partners who meet our sustainability criteria, particularly in relation to the **ESG standards**.
- Our internal policies include **regular audits and assessments** to identify risks related to human rights, environmental impact and economic volatility.
- We provide **training and resources** to Stakeholders to raise awareness about sustainability issues and our commitment to responsible practices.

How can we address **actual negative**

impacts?

- We take immediate corrective action, whether through compensatory measures, remediation of environmental damage, or addressing any labour rights violations within our supply chain.

We are committed to manage **potential and actual positive impacts**:

- We continuously engage Stakeholders to understand their expectations and integrate their feedback into our strategies, especially with regard to sustainable business practices.
- We continuously support initiatives aimed at promoting sustainable economic growth, enhancing environmental protection and improving social conditions within the territories where we operate.
- We continuously invest in R&D innovation, particularly in collaboration with Universities and Research Centres, to find new ways to enhance sustainability in our industry.

We have implemented robust **processes for monitoring the effectiveness of our actions** in managing the impacts of our operations:

- **Tracking processes:** we use regular reporting, audits and feedback loops to track the outcomes of our Stakeholders engagement activities and sustainability efforts. This includes stakeholder surveys, internal assessments and Third-Party evaluations.
- **Objectives and indicators:** we establish clear, measurable objectives and KPIs

to evaluate our progress towards sustainability goals (e.g., reduction in greenhouse gases emissions, improvement in energy efficiency and progress on human rights initiatives within our supply chain).

Finally, through our ongoing engagement, we learn from the feedback and the results of our actions. This **learning** is incorporated into our policies and operational procedures, ensuring continuous improvement. Through an inclusive approach, we ensure that the Stakeholders perspectives inform our strategic decisions, reinforcing our commitment to transparency, accountability and responsible business practices.

5

GRI Standard Content Index



5.1 The GRI Sector Standard: Potentially Material Topics Included, Excluded and Reasons of Exclusion

The table below indicates which of the potentially material topics from the GRI Sector Standard 11: Oil and Gas Sector (2021) have been considered in this Report and, for those not included, the reasons for their exclusion.

Potentially material topic	Inclusion (Yes/No)	Reason of exclusion
Topic 11.1 GHG emissions	Yes	-
Topic 11.2 Climate adaptation, resilience and transition	No	Valland's activities are primarily manufacturing-oriented and do not directly involve operational exposure to climate adaptation or transition risks.
Topic 11.3 Air emissions	No	These kinds of emissions are negligible due to the nature of Valland's industrial processes and the scale of its operation and considering that the Company operates under strict local environmental regulations that limit such emissions.
Topic 11.4 Biodiversity	No	The Company's manufacturing activities are carried out in an industrial setting with no direct impact on biodiversity or natural habitats.
Topic 11.5 Waste	Yes	-
Topic 11.6 Water and effluents	No	Water consumption and effluent discharge are limited and managed within local regulatory requirements.
Topic 11.7 Closure and rehabilitation	No	Valland is a manufacturing Company without site closure or decommissioning responsibilities typical of extractive industries.
Topic 11.8 Asset integrity and critical incident management	No	The Company's assets do not include high-risk installations requiring critical incident management.
Topic 11.9 Occupational health and safety	Yes	-
Topic 11.10 Employment practices	Yes	-
Topic 11.11 Non-discrimination and equal opportunity	Yes	-
Topic 11.12 Forced labour and modern slavery	No	Valland operates within Italy and the EU, where laws strictly regulate labour conditions, minimizing risks associated with forced labour and modern slavery.
Topic 11.13 Freedom of association and collective bargaining	Yes	-
Topic 11.14 Economic impacts	No	Broader economic impacts beyond those directly related to employment and payments are currently outside the scope of the Company's Sustainability Reporting.
Topic 11.15 Local communities	Yes	-
Topic 11.16 Land and resource rights	No	There are no activities involving large-scale land acquisition, land use changes or extraction of natural resources that might affect land rights.

Topic 11.17 Rights of indigenous peoples	No	The Company's operations are carried out in the province of Sondrio (Italy), where there are no recognized indigenous populations or communities affected by Valland's activities.
Topic 11.18 Conflict and security	No	Valland's business activities do not take place in conflict-affected areas nor involve security issues.
Topic 11.19 Anti-competitive behaviour	Yes	-
Topic 11.20 Anti-corruption	Yes	-
Topic 11.21 Payments to governments	No	Payments to governments are limited to standard taxes and fees, which are not considered material for detailed sustainability reporting.
Topic 11.22 Public policy	No	Valland does not engage in significant public policy advocacy, lobbying, or political activities as part of its business operations.

5.2 The Reporting Framework

General disclosures

GRI Standard	Disclosure	Location with the Report	Omissions		
			Requirements omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-1 Organizational details	Who We Are			
	2-2 Entities included in the organization's sustainability reporting	Who We Are	b, c	Not applicable.	No audited financial statements or information of public domain; no separate entities.
	2-3 Reporting period, frequency and contact point	Who We Are			
	2-4 Restatements of information	Who We Are			
	2-5 External assurance	Who We Are	b	Not applicable.	No external assurance.
	2-6 Activities, value chain and other business relationships	§ Our Profile and Key Operations: Collaboration With Supply Chain Engagement			
	2-7 Employees	§ Our Profile and Key Operations: Collaboration With Supply Chain Engagement			

	2-8 Workers who are not employees	§ Our Profile and Key Operations: Collaboration With Supply Chain Engagement			
	2-9 Governance structure and composition	§ Guiding with Purpose: Leadership and Ethical Decision-Making	c-ii, c-iv, c-vi, c-vii, c-viii	Not applicable.	Nothing to declare.
	2-10 Nomination and selection of the highest governance body	§ Guiding with Purpose: Leadership and Ethical Decision-Making	a	Not applicable.	No formal procedures.
	2-11 Chair of the highest governance body	§ Guiding with Purpose: Leadership and Ethical Decision-Making			
	2-12 Role of the highest governance body in overseeing the management of impacts	§ Guiding with Purpose: Leadership and Ethical Decision-Making			
	2-13 Delegation of responsibility for managing impacts	§ Guiding with Purpose: Leadership and Ethical Decision-Making			
	2-14 Role of the highest governance body in sustainability reporting	§ Guiding with Purpose: Leadership and Ethical Decision-Making		Not applicable.	Nothing to declare.
	2-15 Conflicts of interest	§ Guiding with Purpose: Leadership and Ethical Decision-Making	b-iii, b-iv		
	2-16 Communication of critical concerns	§ Guiding with Purpose: Leadership and Ethical Decision-Making			
	2-17 Collective knowledge of the highest governance body	§ Guiding with Purpose: Leadership and Ethical Decision-Making			
	2-18 Evaluation of the performance of the highest governance body	-		Confidentiality constraints.	This information is sensitive and its disclosure could violate contractual agreements and internal policies on personal data protection, as well as expose the Company to legal or competitive risks.
	2-19 Remuneration policies	-	a, b	Confidentiality constraints.	This information is sensitive and its disclosure could violate contractual agreements and internal policies on personal data protection, as well as expose the Company to legal or competitive risks.
	2-20 Process to determine remuneration	-	a, b	Confidentiality constraints.	This information is sensitive and its disclosure could violate contractual agreements and internal policies on personal data protection, as well as expose the Company to legal or competitive risks.

	2-21 Annual total compensation ratio	§ Growing Responsibly: Strategy and Policies for a Sustainable Future	a, b, c		
	2-22 Statement on sustainable development strategy	-	a, b, c, d, e, f	Not applicable.	The Company has not yet formalized these policies and processes due to the dimensions and nature of its operations.
	2-23 Policy commitments	-		Not applicable.	The Company has not yet formalized these policies and processes due to the dimensions and nature of its operations.
	2-24 Embedding policy commitments	-	a	Not applicable.	The Company has not yet formalized these policies and processes due to the dimensions and nature of its operations.
	2-25 Processes to remediate negative impacts	§ Growing Responsibly: Strategy and Policies for a Sustainable Future	a, b, c, d, e		
	2-26 Mechanisms for seeking advice and raising concerns	§ Growing Responsibly: Strategy and Policies for a Sustainable Future		Not applicable.	No cases.
	2-27 Compliance with laws and regulations	§ Growing Responsibly: Strategy and Policies for a Sustainable Future	b, c, d		
	2-28 Membership associations	§ Growing Responsibly: Strategy and Policies for a Sustainable Future; § Prioritizing Impacts: Insights Into Our Materiality Analysis			
	2-29 Approach to Stakeholder engagement	§ Growing Responsibly: Strategy and Policies for a Sustainable Future		Not applicable.	No employees not covered by collective bargaining agreements.
	2-30 Collective bargaining agreements	§ Prioritizing Impacts: Insights Into Our Materiality Analysis	b		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	§ Prioritizing Impacts: Insights Into Our Materiality Analysis			
	3-2 List of material topics				

Specific Disclosures

GRI Standard	Disclosure	Location with the Report	Omissions		
			Requirements omitted	Reason	Explanation
Material area					
Waste management					
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Turning Waste into Worth: Building a Circular Future			
GRI 306: Waste 2020	306-1 Waste generation and significant	§ Turning Waste into Worth: Building a Circular Future			
	waste-related impacts	§ Turning Waste into Worth: Building a Circular Future			
	306-2 Management of significant waste related impacts	§ Turning Waste into Worth: Building a Circular Future			
	306-3 Waste generated	§ Turning Waste into Worth: Building a Circular Future			
	306-4 Waste diverted from disposal	§ Turning Waste into Worth: Building a Circular Future			
	306-5 Waste directed to disposal				
Product, process and service innovation					
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Innovating for Impact: Sustainable Products, Smarter Processes			
Greenhouse gases emissions, energy efficiency and renewable energyW					
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Cutting Emissions While Advancing Energy Efficiency: A Dual Commitment to Climate Action			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	§ Cutting Emissions While Advancing Energy Efficiency: A Dual Commitment to Climate Action	b, d	Not applicable.	No consumption of renewable energy sources (biomass); no sale of energy.
	302-2 Energy consumption outside the organization	-	a, b, c	Information unavailable.	Measurement not feasible at this time due to current methodological limitations and lack of reliable data.
	302-3 Energy intensity	§ Cutting Emissions While Advancing Energy Efficiency: A Dual Commitment to Climate Action			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	§ Cutting Emissions While Advancing Energy Efficiency: A Dual Commitment to Climate Action	c	Not applicable.	No emissions from renewable sources.

	305-2 Energy indirect (Scope 2) GHG emissions	§ Cutting Emissions While Advancing Energy Efficiency: A Dual Commitment to Climate Action			
	305-3 Other indirect (Scope 3) GHG emissions	§ Cutting Emissions While Advancing Energy Efficiency: A Dual Commitment to Climate Action	c	Information unavailable	Available data and information do not allow to separate fossil from biogenic emissions for purchase of goods and services and capital goods.
	305-4 GHG emissions intensity	§ Cutting Emissions While Advancing Energy Efficiency: A Dual Commitment to Climate Action			
	305-5 Reduction of GHG emissions	-	a, b, c, d, e	Not applicable.	No initiatives currently under development to reduce emissions.
Occupation health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Working Safe, Working Smart: Our Pledge to Occupational Health			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	§ Working Safe, Working Smart: Our Pledge to Occupational Health	a-ii	Not applicable.	No accredited risk management system and/or management system standards/ guidelines.
	403-2 Hazard identification, risk assessment and incident investigation	§ Working Safe, Working Smart: Our Pledge to Occupational Health			
	403-3 Occupational health services	§ Working Safe, Working Smart: Our Pledge to Occupational Health			
	403-4 Worker participation, consultation and communication on occupational health and safety	§ Working Safe, Working Smart: Our Pledge to Occupational Health	a, b	Not applicable.	Processes for employees participation and consultation not yet present. Formal joint committees not present.
	403-5 Worker training on occupational health and safety	§ Working Safe, Working Smart: Our Pledge to Occupational Health			
	403-6 Promotion of worker health	§ Working Safe, Working Smart: Our Pledge to Occupational Health			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	§ Working Safe, Working Smart: Our Pledge to Occupational Health			
	403-8 Workers covered by an occupational health and safety management system	§ Working Safe, Working Smart: Our Pledge to Occupational Health	a-ii, a-iii, b, c	Not applicable.	No internal audit; no Third-Party certification.

	403-9 Work-related injuries	§ Working Safe, Working Smart: Our Pledge to Occupational Health	f, g	Not applicable.	Nothing to declare other than defined in a, b, c, d, e.
	403-10 Work-related ill health	§ Working Safe, Working Smart: Our Pledge to Occupational Health	d, e	Not applicable.	Nothing to declare other than defined in a, b, c.
Non-discrimination and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Inclusion First: Creating a Culture of Belonging			
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	-	a	Confidentiality constraints.	This information is sensitive and its disclosure could violate the protection of individual privacy.
GRI 401: Employment 2016	401-3 Parental leave	§ Inclusion First: Creating a Culture of Belonging	e	Information unavailable.	Data not available to calculate the parental leave retention rate.
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	§ Inclusion First: Creating a Culture of Belonging	a-ii	Information unavailable.	Data not present in the Management System.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	§ Inclusion First: Creating a Culture of Belonging			
	405-2 Ratio of basic salary and remuneration of women to men	-	a, b	Confidentiality constraints.	This information is sensitive and its disclosure could violate contractual agreements and internal policies on personal data protection, as well as expose the Company to legal or competitive risks.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	§ Inclusion First: Creating a Culture of Belonging	b	Not applicable	Nothing to declare other than defined in a.
Employment practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Best Practices in Employment: Ensuring Fairness and Efficiency			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	§ Best Practices in Employment: Ensuring Fairness and Efficiency			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	-	a, b	Confidentiality constraints.	This information is sensitive and its disclosure could violate contractual agreements and internal policies on personal data protection, as well as expose the Company to legal or competitive risks.
	401-3 Parental leave	§ Inclusion First: Creating a Culture of Belonging	e	Information unavailable.	Data not available to calculate the parental leave retention rate.
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	§ Best Practices in Employment: Ensuring Fairness and Efficiency	b	Not applicable.	Nothing to declare other than defined in a.
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	§ Inclusion First: Creating a Culture of Belonging	a-ii	Information unavailable.	Data not present in the Management System.
	404-2 Programs for upgrading employee skills and transition assistance programs	§ Best Practices in Employment: Ensuring Fairness and Efficiency	b	Not applicable.	Programs not implemented by the Company.

GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	§ Best Practices in Employment: Ensuring Fairness and Efficiency			
	414-2 Negative social impacts in the supply chain and actions taken	-	a, b, c, d, e	Not applicable.	The company does not yet carry out these verification/evaluation procedures.
Data protection and cybersecurity					
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Taking Care Of Our Data: Privacy, Security and Sustainable Progress			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	§ Taking Care Of Our Data: Privacy, Security and Sustainable Progress			
Engagement and transparency towards Stakeholders					
GRI 2: General Disclosures 2021	2-29 Approach to Stakeholder engagement	§ Beyond Communication: Evolving Together Through Engagement			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	§ Beyond Communication: Evolving Together Through Engagement			
	3-2 List of material topics	§ Beyond Communication: Evolving Together Through Engagement			
	3-3 Management of material topics	§ Beyond Communication: Evolving Together Through Engagement			

5.3 Statement of Use

Valland SpA has reported in **accordance with the GRI Standards** for the period **January 1st, 2024 – December 31st, 2024**.

5.4 GRI 1 Used

GRI 1: Foundation 2021.

5.5 Applicable GRI Sector Standard

GRI Sector Standard 11: Oil and Gas Sector (2021). This Sector Standard has been used as Valland's activities can be associated to the classification number "10101020 – Oil&Gas Equipment&Services" of the GICS® classification system, "60101030 – Oil Equipment&Services" of the ICB classification system and "B91 – Support activities for petroleum and natural gas extraction" of the ISIC classification system.

5.5 Notification to the GRI

An e-mail has been sent to the GRI to notify that the present Sustainability Report has been produced in accordance with the GRI standards.

6

Stakeholders
Questionnaire For
Materiality Analysis



Staying Resilient, Building the Future

This Questionnaire consists of 16 questions, each of them related to a specific topic concerning Environmental, Social and Governance (ESG) Categories. 5 questions are related to the Environment Category, 5 to the Social Category and 6 to the Corporate Governance Category.

Instructions for completion:

The Questionnaire has been prepared with the aim of obtaining useful results for strategic planning. The questions should be considered as a personal assessment of how important each topic should be for Valland, to identify priorities on which to focus efforts to maintain competitiveness and sustainability, regardless of the current level of commitment of the Company.

* Required

1 / Identify the category of Stakeholder to which you belong *

- Associations (e.g.: Trade Associations, Industrial, Lombardy Technology Clusters)
 - Shareholders
 - Clients
 - Local Community and Territory
 - BoD
 - Employees
- Suppliers
 - Banks
 - Universities and Research Centers
 - Research and Consulting Companies
 - Industrial Partners
 - Others

For each question, assign a score ranging from 1 (the topic is not important at all and Valland should neither prioritize it, nor allocate resources) to 10 (the topic is extremely important and Valland should give it the utmost attention, urgently investing resources). For example, regarding the question “How important do you think it should be for Valland to monitor greenhouse gases emissions to the atmosphere resulting from its production processes and the supply chain?” if you consider this important to ensure Valland’s competitiveness in the medium-long term and if you believe that monitoring emissions is fundamental for Valland. Conversely, if you consider this topic, although generally important, not to be a priority for Valland for the reasons mentioned above, you will assign a low score.

2 / How important do you think it should be for Valland to monitor greenhouse gases emissions to the atmosphere resulting from its production processes and the supply chain? *

Environment Category

1

2

3

4

5

6

7

8

9

10

Min

Max

3 / How important do you think it should be for Valland to rationally manage waste generated through its production activities? *

Environment Category

1

2

3

4

5

6

7

8

9

10

Min

Max

4 / How important do you think it should be for Valland to invest in the efficient use of energy, including renewable sources? *

Environment Category

1

2

3

4

5

6

7

8

9

10

Min

Max

5 / How strategic do you think it could be for Valland to invest in product and/or process innovation? *

Environment Category

1

2

3

4

5

6

7

8

9

10

Min

Max

6 / How strategic do you think it could be for Valland to integrate circular economy models into its production processes to reduce waste, enhance resources and increase market competitiveness? *

Social Category



7 / How important do you think it should be for Valland to ensure a safe working environment to prevent accidents and illnesses and to guarantee adequate conditions for physical and mental well-being? *

Social Category



8 / How important do you think it should be for Valland to ensure fair compensation for its employees and to promote job creation with an appropriate level of turnover? *

Social Category



9 / How important do you think it should be for Valland to treat all employees fairly and promote training and professional growth opportunities without adopting discriminatory practices? *

Social Category



10 / How important do you think it should be for Valland to establish a lasting relationship of trust with the local Community? *

Social Category



11 / How important do you think it should be for Valland to protect its employees by respecting their rights to freedom of association and collective bargaining? *

Social Category



12 / How important do you think it should be for Valland to avoid anti-competitive practices and promote fair competition within the sector? *

Governance Category



13 / How important do you think it should be for Valland to implement effective anti-corruption measures and ensure ethical practices across all its activities? *

Governance Category



14 / How important do you think it should be for Valland to create shared value with the society integrating economic goals with positive social and environmental impacts? *

Governance Category



15 / How important do you think it should be for Valland to focus on a responsible and sustainable supply chain for goods purchasing? *

Governance Category



16 / How important do you think it should be for Valland to ensure the protection of its employees' personal data? *

Governance Category




17 / How strategic do you think it could be for Valland to strengthen dialogue and transparency with its Stakeholders to build long-term trust-based relationships and seize new opportunities for its business? *

Governance Category




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