

SUSTAINABILITY REPORT 2018-2019

valsir



SUSTAINABILITY
REPORT
2018-2019

1. Introduction to the Report	12
Our Sustainability report: reaffirmations and new developments	12
Valsir sustainability challenges	13
2. Silmar Group, Valsir and Sustainability	16
About us - Silmar Group	16
Valsir	17
The numbers of Valsir	25
Management system and certifications	25
Company awards	25
Mission	26
Values	27
Sustainability management systems	29
Materiality analysis and SDGs	30
Methodological note	31
Valsir and the SDGs	32
3. Welfare systems, continuous dialogue with employees, and promotion of the culture of Sustainability	36
Vision	36
Management approach	36
Projects and processes	38
Integration of the welfare portfolio	38
Scholarships and award ceremony	39
WHP project	40
Pills of sustainability, boxes of opportunity	42
Presentation of the Sustainability Report to all the employees and mayors in the area	43
Employee questionnaire and focus groups	44
Ethical code	44
Meetings	45
Events for employees	46
Goals, projects and processes for the future	49
Goals	49
Projects and activities for the future	49

4. Product responsibility and reuse of scrap materials	50
Vision	50
Management approach	50
Projects and processes	51
Reduction in the use of raw materials: the new range, the new moulds, and review of the product design process	51
Scrap reduction: the process of bringing the machines up to speed	51
The Valsir Recycling Division project	52
Reduction of packaging	54
Singapore Green Building Award	54
Goals, projects and processes for the future	55
Goals	55
Projects and activities for the future	55
5. Commitment not to relocate and support for the community	56
Vision	56
Management approach	56
Projects and processes	57
Donations	57
The “Young leaders of the circular economy” project	60
Goals, projects and processes for the future	61
Goals	61
Projects and activities for the future	61
6. Management of waste, atmospheric emissions and production scraps	62
Vision	62
Management approach	62
Projects and processes	63
Waste management and compliance with the local sorted waste collection policies	63
Channelling of the plants emissions	64
Adoption of an emulsion regeneration system in the turning department	64
Waste sorting	65
Destination of the waste	67
Hazardous waste	67

Goals, projects and processes for the future	69
Goals	69
Projects and activities for the future	69
7. Communication, brand enhancement	70
Vision	70
Management approach	70
Projects and processes	71
Communication of Sustainability: the commitment to disseminating the CSR approach both inside and outside the company	71
Valsir, in the words of its employees	73
Acknowledgements for our commitment to Sustainability: the Sustainability Map	74
Goals, projects and processes for the future	75
Goals	75
Projects and activities for the future	75
8. Health and safety	76
Vision	76
Management approach	76
Projects and processes	77
Near Misses	77
Pedestrian routes and traffic lights	78
Training	79
Work-related stress analysis	79
Emergency management	80
Improvement of ergonomics	80
Goals, projects and processes for the future	81
Goals	81
Projects and activities for the future	81
9. In-house training and Professional Development	82
Vision	82
Management approach	82
Projects and processes	83
New professional figure and creation of job descriptions	83
New training courses for personal and professional growth	84
Types of courses and hours of professional training during the 2018-2019 period	85

Professionals: conferences with professional associations throughout Italy	87
Training development in the world of education	88
Goals, projects and processes for the future	89
Goals	89
Projects and activities for the future	89

10. Energy efficiency 90

Vision	90
Management approach	90
Projects and processes	91
Energy performance improvement	91
Introduction of electric injection moulding machines	92
Power Quality in the turning department	93
The trigeneration plant at the Vobarno factory	94
Identification and repair of compressed air leaks	96
Monitoring plan	96
Greenhouse gas emissions	97
Total emission intensity	97
Energy consumption	98
Energy production from photovoltaic - equivalent	99
Goals, projects and processes for the future	101
Goals	101
Projects and activities for the future	101

11. Sustainable mobility 102

Vision	102
Management approach	102
Projects and processes	103
Sustainable mobility week	103
Data referring to Valsir, OLI and Marvon	103
Mobility Manager	104
Goals, projects and processes for the future	105
Goals	105
Projects and activities for the future	105

12. Protection of water resources and management of drains	106
Vision	106
Management approach	106
Projects and processes	107
Timely monitoring of anomalies	107
Reduction of consumption	108
Withdrawn water	109
Goals, projects and processes for the future	111
Goals	111
Projects and activities for the future	111
13. GRI references	112
14. Glossary	116



**“THE SEA IS MADE UP
OF WATER DROPS”**

Silvestro Niboli

Letter from the Chairman

Dear Reader,

The document you're about to read is the third edition of the Valsir Sustainability Report, in which we will present the activities we've promoted over the 2018-2019 period. We're proud to have arrived at this edition of the Sustainability Report, both in terms of the results achieved and, above all, the spirit with which we've achieved them.

The synergy that's been created among the group's companies is providing for excellent results on an economic, environmental and social level.

This activity required continuous commitment on the part of the various work teams, who created and developed the projects, sometimes achieving unexpected excellent results. This letter is also meant to thank you for the commitment, tenacity and passion that you've put into your work, as this gives us hope for the company's future and for the new projects to come.

The passion that we've seen dedicated to the Sustainability activities over the past two years has bolstered our desire to continue down this pathway. This process is necessary if we want to continuously improve the standards of efficiency, innovation, technology, and social responsibility that have made us stand out during the course of our journey.

As we've always said, the continuous development of our Corporate Social Responsibility is in our DNA. And while this may entail the investment of economic resources, it also entails a commitment to promoting personal development based on values that unite us.

Sustainability is a major issue these days, and we're all becoming increasingly aware of how important it is to protect the environment and its resources. Niboli Silvestro, founder of Silmar Group, had a pioneering approach in this regard. In fact, in addition to his entrepreneurial foresight, his ability to engage with people and to create synergies with the territory reveal how he was the precursor to what is now known as sustainable development.

Our reporting activities are nothing more than a structured and systematic way of doing what our father started over 50 years ago. He always used to say that *"the sea is made up of water drops"*.

We want to interpret this saying in a sustainable way, pointing out how everyone's commitment is needed if we want to make real changes at a global level.

This report was prepared during the unique historical time of the Covid-19 pandemic.

All of a sudden, we all had to stop what we were doing. We stopped to reflect on the actions that we could have taken during the time of recovery. This report is therefore a reaffirmation of the importance of taking innovative and sustainable measures in relation to the development of the external environmental conditions, which, as we've all seen, can change quite suddenly.

The Chairman,

Pier Andreino Niboli



Managing Director,

Federica Niboli



1. Introduction to the Report

Our Sustainability report: reaffirmations and new developments

The contents of this third edition of the Sustainability Report for 2018-2019 are represented in a new format.

Upon reaching the end of the sixth year of the Corporate Responsibility project launched together with the companies OLI and Marvon, we decided to change the ways in which the company's Sustainability efforts were managed and reported, by highlighting our commitment in a manner that's more closely linked to each individual topic of relevance based on the materiality matrix.

For each of these, we have presented our vision, meaning the goal we will strive to achieve, our management approach, or rather the way that the topic is managed and with what goal in mind, and the key indicators that show whether the company's efforts are leading us in the right direction.

We then provide descriptions of a series of projects and processes, and the goals for the next two years.

SUSTAINA
REPORT
2014-20

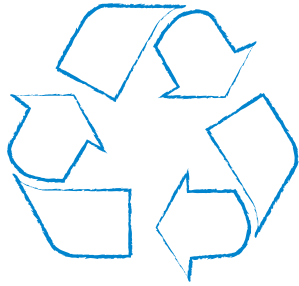
SUSTAINABILITY
REPORT
2016-2017

VALSIR

valsir

Valsir sustainability challenges

Recycling

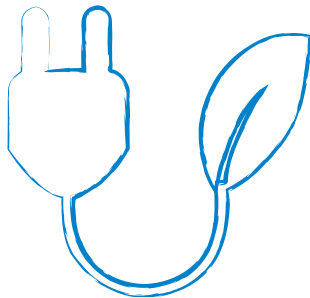


Over the past two years, all of the company employees, from the engineering and design offices to the factory workers, have increased their commitment to streamline the use of materials.

This has also been made possible thanks to the redesign of the product lines, which, from the very beginning, were created with the idea of eliminating the concept of waste during the production phase, and facilitating end-of-life recovery.

It has also been put into practice with the regeneration of plastic materials through the Valsir Recycling Division project, and with the commitment to combine what we offer with the concept of sustainable construction.

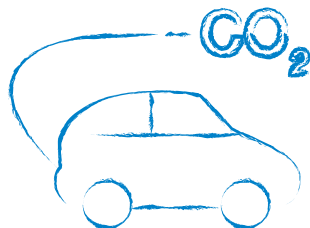
Electricity



When striving for product improvement, it is key to improve the energy performance of the production processes.

In this case, interventions of an operational nature (i.e. maintenance and the improvement of the existing infrastructures) are combined with structural interventions (such as the introduction of a trigeneration plant) and management interventions, mainly focused on the improvement of the monitoring system and the introduction of Power Quality systems.

Mobility

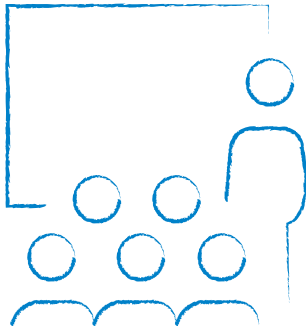


Sustainable mobility is one of the greatest challenges we face today.

Our commitment is therefore aimed at coming up with the best ways to reduce the environmental impact of commuting to and from the workplace.

That's why we try to promote car pooling. We believe that this practice helps improving air quality and reduce atmospheric CO₂ emissions.

Training



The quality of our employees' work is important to us.

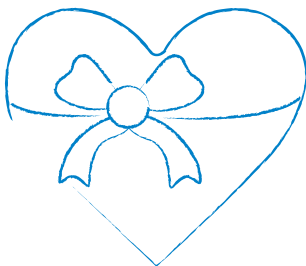
We have always believed that ongoing training is one of the best ways to ensure a competitive advantage for ourselves in the future. That's why we promote specific and specialised training programs for our most important stakeholders, including employees, schools, professionals, and external partners who collaborate with us.

Welfare



The welfare of our employees has always been one of our greatest priorities. That's why we've developed and consolidated a welfare system dedicated to meeting our employees' most important needs, and periodically use satisfaction tools and surveys to verify that the services made available and the benefits provided are sufficient. Whenever necessary, we introduce new services or modify others that do not achieve the expected results.

Sustainable development of the territory



We believe that supporting development is our duty, and we are proud to offer a future to the younger generations, and to promote the best possible living conditions in the Valle Sabbia area, starting with offering employment opportunities.

That's why we support educational activities at schools, with a particular focus on the future labour market, as well as health initiatives and projects in support of disadvantaged social groups who require special care and attention.

In these areas, we work to make concrete contributions through projects, targeted initiatives and donations.

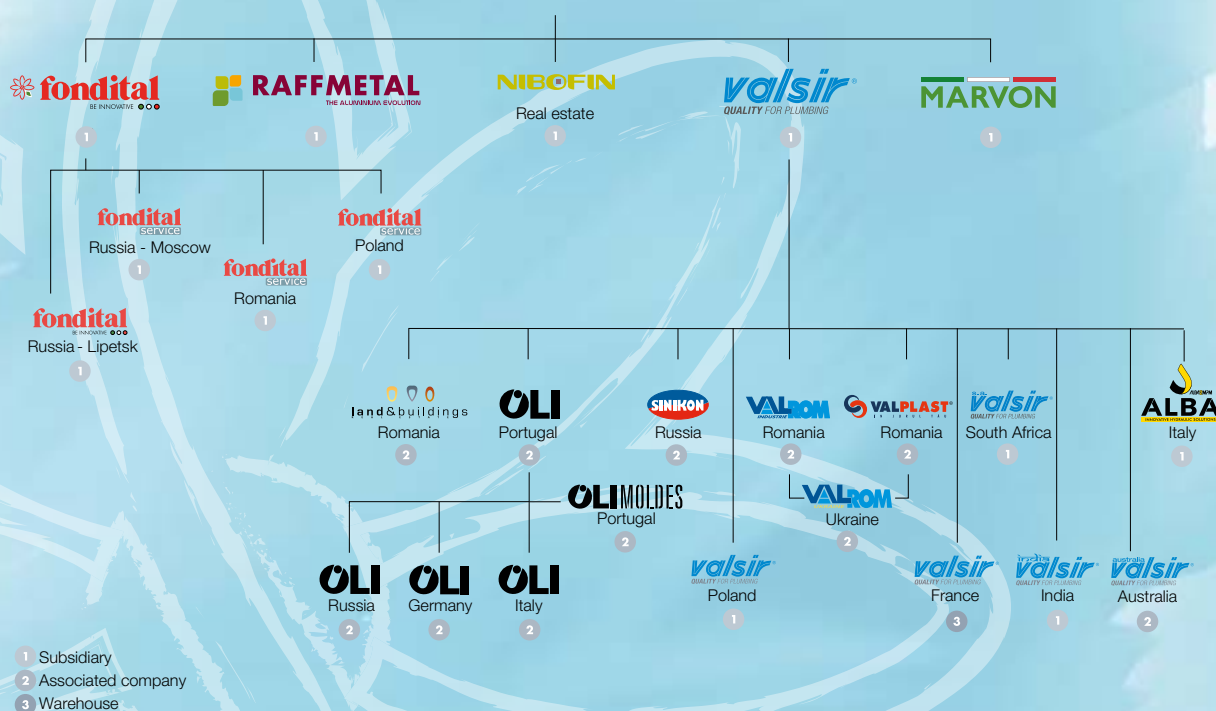


2. Silmar Group, Valsir and Sustainability

About us - Silmar Group

Silmar Group was established in 1963 based on an idea by Silvestro Niboli. Today, it has grown into a group of companies with an integrated production chain and a heart and soul based 100% in Italy.

The companies belonging to Silmar Group are listed below.



2018

2019

Turnover

1,004,522,000 €

955,581,000 €

Investments

79,686,000 €

73,239,475 €

Employees

3,191

3,320

Plants

30

30

Fondital

A manufacturer of aluminium radiators, boilers, alternative heating systems and power sources, and structural castings for the automotive sector.

Its foreign branches: Fondital Russia, Fondital Service Russia, Fondital Service Romania, Fondital Service Poland, Fondital Turkey.

Raffmetal

A recycled aluminium alloy refinery.

OLI

One of the top manufacturers of mechanisms for ceramic flush cisterns, external flush cisterns, and in-wall flush cisterns, which, over the years, has distinguished itself in the plumbing market for the quality design of its products.

Its associated companies: OLI Italy, OLI Russia, OLI Germany, OLI Moldes.

Marvon

A direct manufacturer and subcontractor of electroplating, thermoplastic, passive fire protection, and technical accessories for professional furnishings.

VALSIR

Valsir S.p.A., active in the plumbing and heating sector, is today a solid and expanding company within a Group that, through the synergies activated within it and the specific skills contributed by each individual component, expresses its true points of cohesion and strength.



VALSIR - VESTONE

Location: Vestone (BS)

Surface area: 47,380 m² (of which 29,190 m² indoors)

No. of employees: 321

Production:

- Exposed and in-wall flush cisterns
- Push plates
- Fittings for drainage/waste systems
- Fittings for water supply, heating and gas supply systems
- Underfloor heating systems
- Siphonic rainwater drainage systems
- Traps and special fittings for waste/drainage systems
- Floor-level shower systems
- MFV - technical partitions for bathroom prefabrication
- HRV - heat recovery ventilation



VALSIR - VOBARNO

Location: Vobarno (Brescia)

Surface area: 107,550 m² (of which 64,190 m² indoors)

No. of employees: 195

Production:

- Soundproof and sound insulated HDPE, Blackfire®, PP3, PP, Triplus® and Silere® pipes
- Multilayer pipes for water supply, heating, and combustible gas supply systems
- Logistics hub



VALSIR RECYCLING DIVISION - CARPENEDA 1

Production site and warehouse in Carpeneda, in the municipality of Vobarno (BS).

Location: Carpeneda, Vobarno (Brescia)

Surface area: 34,104 m² (of which 10,243 m² indoors)

No. of employees: 35

Production:

- Creation of raw materials from recyclable materials



VALSIR - CARPENEDA 2

Production site and warehouse in Carpeneda, in the municipality of Vobarno (BS).

Location: Carpeneda, Vobarno (Brescia)

Surface area: 54,974 m² (of which 8,507 m² indoors)

No. of employees: 10

Production:

- Pallet production
- Storage facility



ALBA

Commercial and production site of kitchen sink traps and drains.

Location: Rodengo Saiano (Brescia)

Surface area: 18,696 m² (of which 10,992 m² indoors)

No. of employees: 70

Production:

- Traps
- Kitchen sink drains



VALSIR - WAREHOUSE OF MONTAGNY

Valsir commercial facility and warehouse near Lyon.

Location: Zac du Baconnet, 69700 Montagny (Francia)

Surface area: 10,970 m² (of which 2,990 m² indoors)

No. of employees: 14

Activity: warehouse



VALSIR POLSKA

Production of PP and HDPE pipes.

Location: ul. Przemysłowa 7A, Skawina (Polska)

Surface area: 19,895 m² (of which 5,424 m² indoors)

No. of employees: 22

Production:

- Pipes and connections for polypropylene drainage systems up to Ø 160 mm
- Pipes and connections for high density polyethylene drainage systems up to Ø 315 mm



VALSIR INDIA

Commercial facility in Mumbai.

Location: Unit no 403, Town centre no. 2, Sakinaka, Andheri Kurla Road, Andheri-East, Mumbai- 400072 (India)

Surface area: 109 m² indoors

No. of employees: 3

Activity: commercial facility



VALSIR AUSTRALIA

Commercial facility in Australia.

Location: Perth - Western (Australia)

Surface area: 700 m² indoors

No. of employees: 5

Production:

- Production of MFV assemblies
- Production-logistics facility



VALSIR S.A.

Commercial facility in Johannesburg, South Africa.

Location: 49 Brunton Circle, Foundersview South, Modderfontein, Johannesburg (South Africa)

Surface area: 1,800 m² (of which 1,390 m² indoors)

No. of employees: 15

Activity: commercial-logistics facility



VALSIR S.A.

Commercial facility in Cape Town, South Africa.

Location: 22 Montague drive, 7441 Montague Gardens, Cape Town (South Africa)

Surface area: 1,715 m² indoors

No. of employees: 7

Activity: commercial-logistics facility



VALROM INDUSTRIE

A leader on the Romanian market in the production of HDPE and PP pipes, and corrugated pipes for high voltage cables.

Location: Bdul. Preciziei, nr 28, sector 6, Bucurest (Romania)

Surface area: 949,000 m² (of which 92,600 m² indoors)

No. of employees: 449

Production:

- PP systems for water drainage and transport
- HDPE pressurised gas and water transport systems up to Ø 630 mm
- Water treatment and storage systems
- Corrugated pipes for high voltage cables



VALPLAST INDUSTRIE

Valplast is the largest PVC manufacturer on the Romanian market.

Location: Bdul. Preciziei, nr 9 sector 6, Bucurest (Romania)

Surface area: 16,000 m² (of which 5,000 m² indoors)

No. of employees: 125

Production:

- PVC Pipes and connections for drains up to Ø 630 mm
- Drainage and filtration systems
- Electric cable protection systems
- Well pipes and filters



VALROM UKRAINE

The synergistic collaboration of Valrom and Valplast gave rise to Valrom Ukraine, a leading producer of drain systems on the Ukrainian market.

Location: Vinnitsa obl., 23320 Sutiski, 49, Vinnitsa Ul. (Ukraine)

Surface area: 140,700 m² (of which 29,900 m² indoors)

No. of employees: 72

Production:

- High density polyethylene (HDPE) pipes for water and gas transport up to Ø 315 mm
- Polypropylene (PP) pipes for drains up to Ø 160 mm
- PVC pipes for drainage systems up to Ø 500 mm



SINIKON

A leader on the Russian market for the production of PP pipes and fittings.

Location: Promyshlennaya street nr 11, 142190, Troitzk-Moskovskaya obl. (Russia)

Surface area: 40,000 m² (of which 12,812 m² coperti)

No. of employees: 129

Production:

- Polypropylene (PP) pipes and fittings for internal drainage systems
- Sound insulated pipes

The activities and processes that Valsir Italy has carried out during the 2018-2019 period are reported in this Report.

The numbers of Valsir

244,008 m²

total surface
of which 112,130 m² indoors

561 Employees

164,410,726 €

turnover

11,272,744 €

investments

24 patents

236 type approvals

22 product lines

7,000 items

Management system and certifications



ISO 9001:2015

Quality management system
(In force since 2001)



ISO 50001:2011

Energy management system
(In force since 2017)



ISO 14001:2015

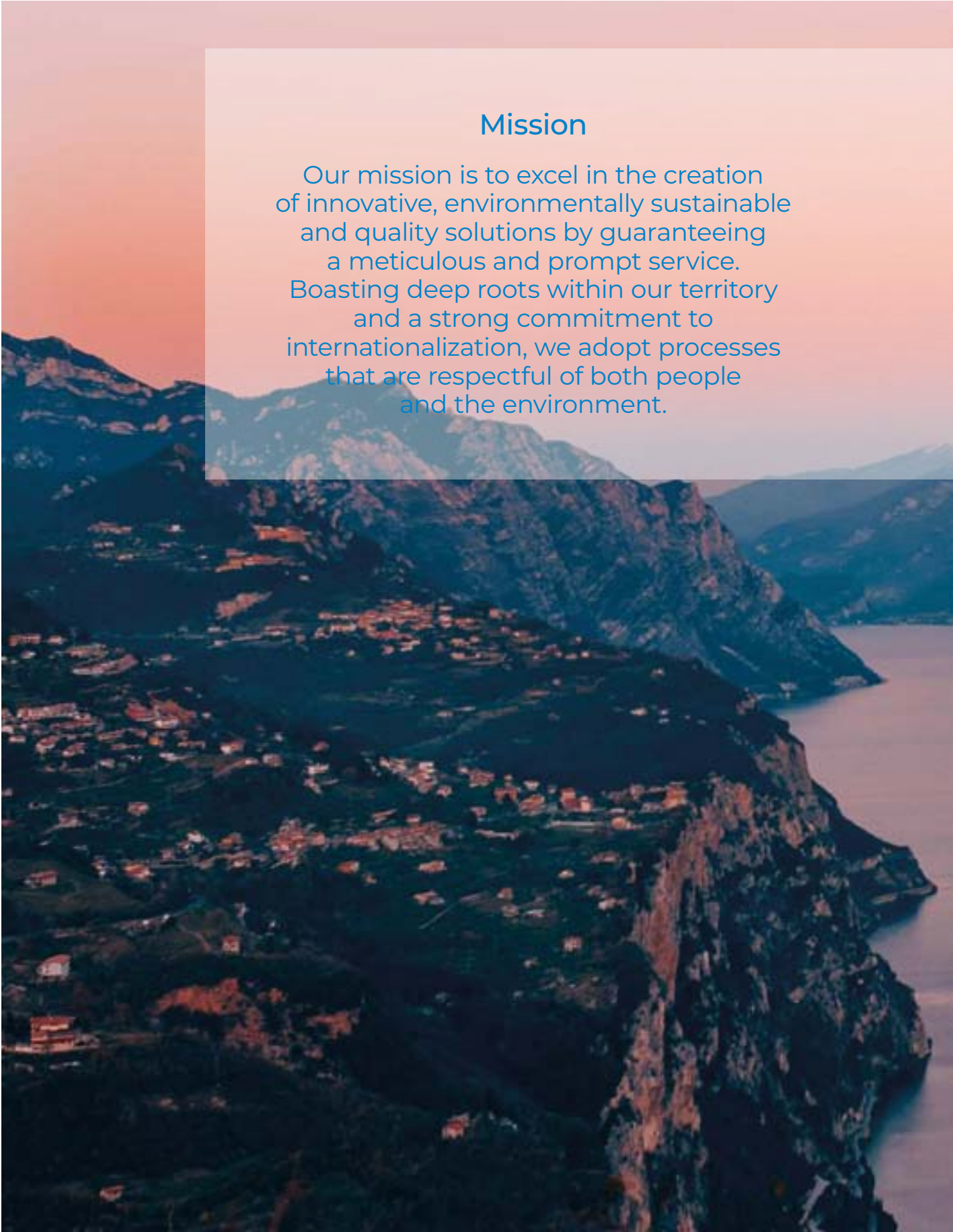
Environmental management
systems
(In force since 2018 for the
plant in Vestone)

Company awards

Excellence of the year for Innovation
and Leadership - Best Job 2019

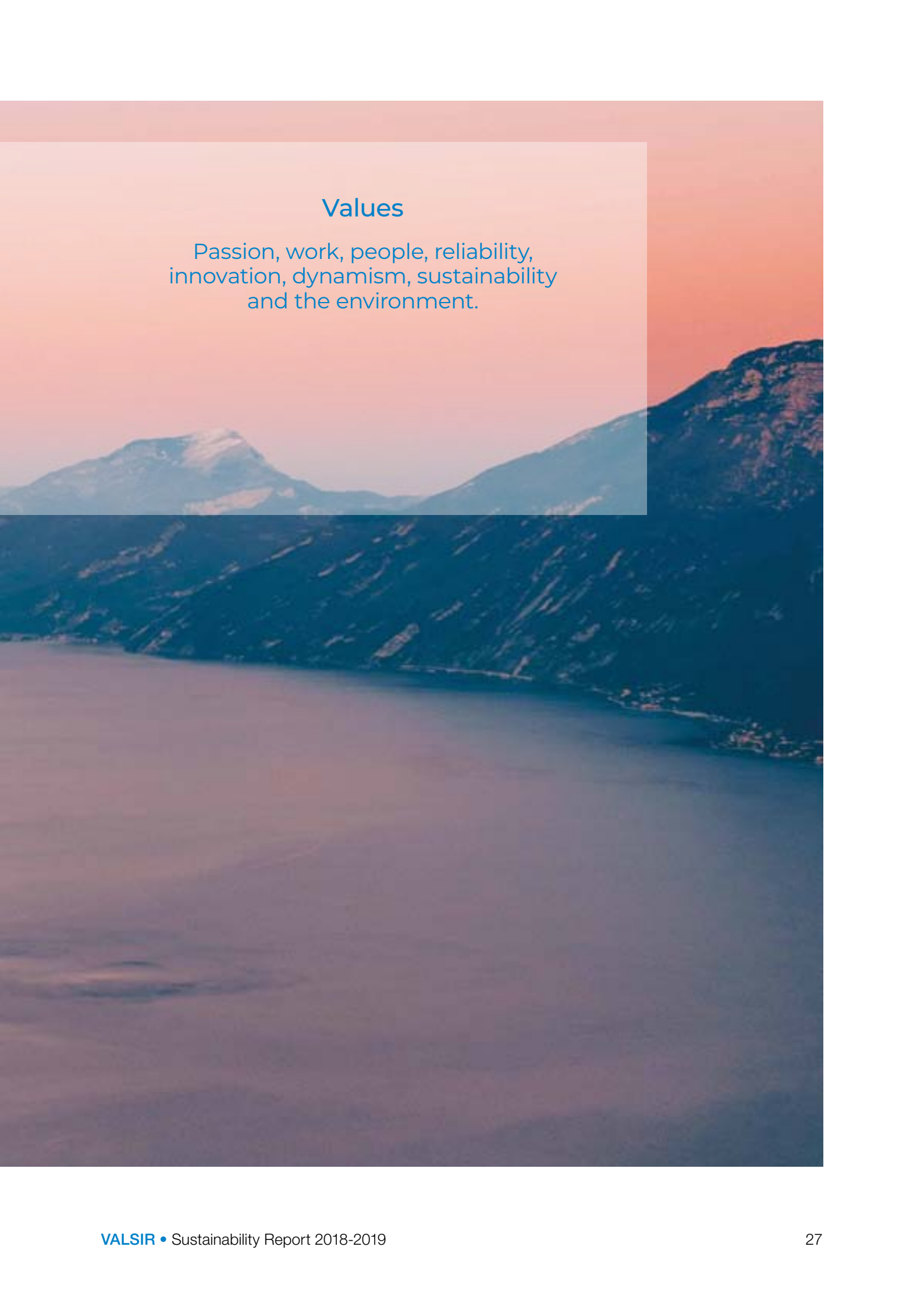
Singapore Green Building





Mission

Our mission is to excel in the creation of innovative, environmentally sustainable and quality solutions by guaranteeing a meticulous and prompt service. Boasting deep roots within our territory and a strong commitment to internationalization, we adopt processes that are respectful of both people and the environment.



Values

Passion, work, people, reliability,
innovation, dynamism, sustainability
and the environment.

For us, sustainability means: working, recycling and improving with respect for people and the environment, in order to safeguard our future in the most ethical and efficient manner possible, whilst at the same time generating profit in a sustainable way.

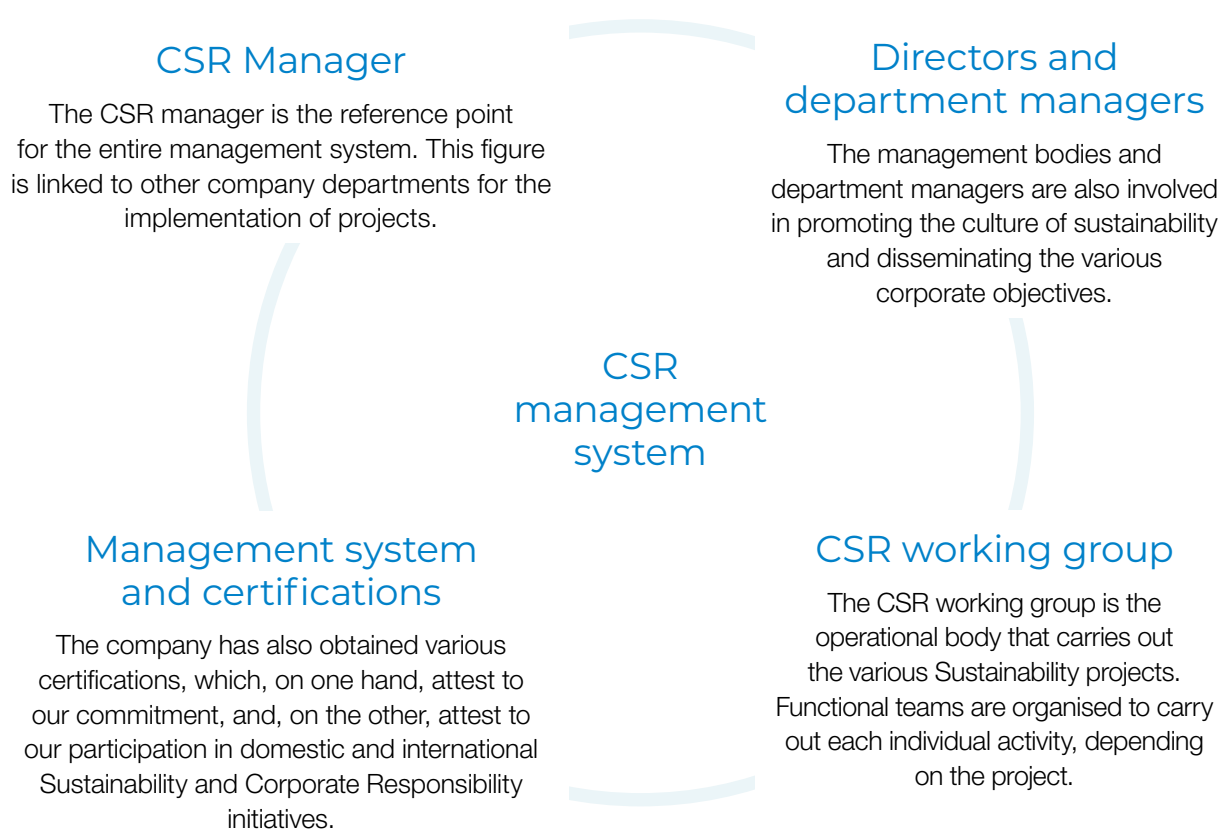
We want to be seen as an example of integration between companies, people and local area. Our aspiration is to also become a leading company on Sustainability issues and to be recognised as a point of reference for the industry.



Sustainability management systems

Having arrived at the third edition of the Sustainability Report, our Sustainability management system is now well-established and consolidated. While during the first two years we sought to identify and establish the goals to be pursued, with the aim of clarifying the results that we intended to achieve, and to explain and communicate the activities in order to undertake a pathway of continuous improvement involving the most relevant stakeholders, the second two years were dedicated to establish the structure of the management system, the processes, and the people directly involved.

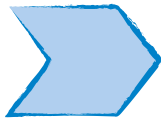
The implementation of the management system, which has now been consolidated for the three companies, consists of the following:



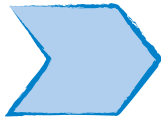
Materiality analysis and SDGs

We have gained the familiarity necessary to carry out a materiality analysis. The materiality matrix for this Report was therefore developed according to a process aimed at identifying the most important topics upon which to focus.

The CSR working group has examined the most recent project developments at the company, and has defined new and existing topics, as well as the relative priorities, based on:



Project activities promoted over the past two years, which aren't related to topics present in the matrices, but are now considered particularly important.



The analysis of the previous matrices and the actions taken.



The feedback received from the various stakeholders regarding the actions taken.



The various topics that have emerged most frequently and have been considered priorities at the round table meetings held with the external stakeholders, in which the company continuously participates.



The partnership and development opportunities with local entities presented to the company.

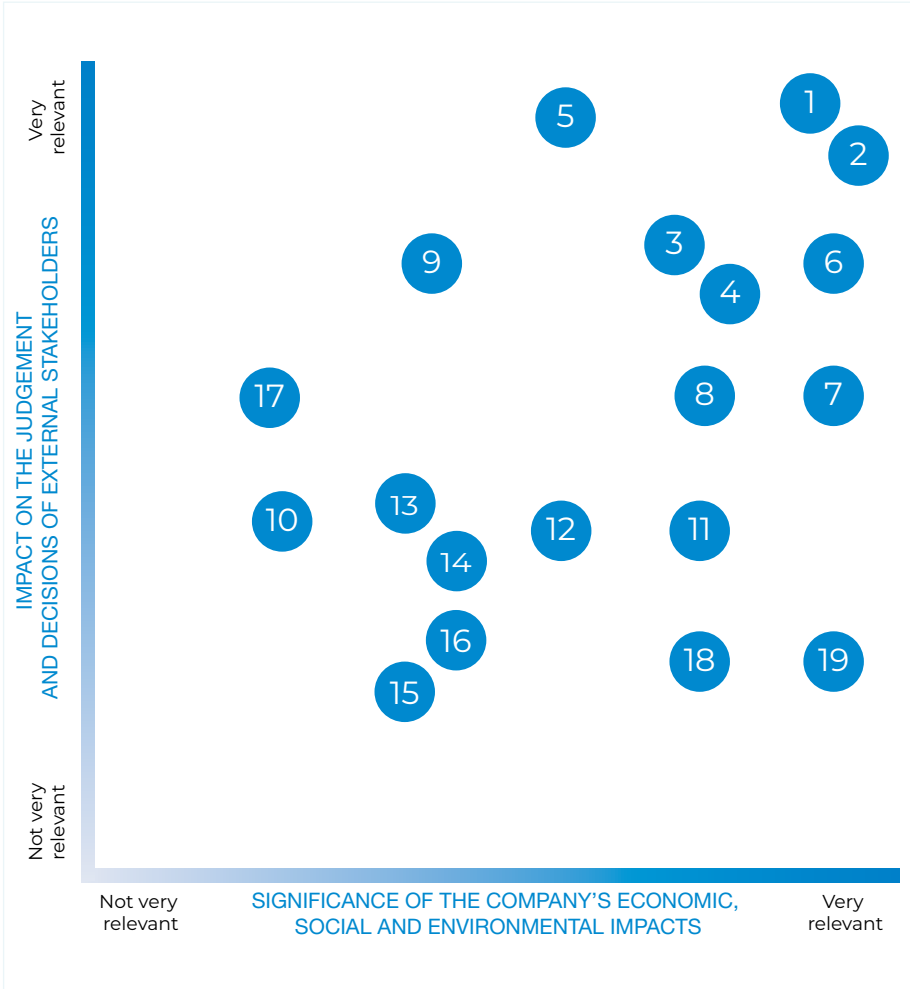


The alignment between the company's visions and the requirements of the United Nations Sustainable Development Goals (SDGs), considering the specific targets associated with the goals that have proven to be relevant for the company, or in relation to which the company is able to offer a real contribution.

These criteria have allowed for the preparation of this materiality matrix, which accurately reflects the historical evolution of the topics addressed by Valsir over the past six years.

In particular, it highlights the relevance of each topic for the company, and the assessment made by the CSR working group with respect to the perception of the topics for the stakeholders.

This precise methodological choice favours qualitative analysis over quantitative feedback.



1. Product responsibility
2. Commitment not to relocate
3. Professional development
4. Promotion of culture
5. Atmospheric emissions
6. Health and safety
7. Effectiveness and energy efficiency
8. Sustainable mobility
9. Reuse of scrap materials
10. Partnerships with trade associations
11. External communication and brand enhancement
12. Welfare systems
13. Protection of water resources
14. Waste management
15. Waste water management
16. Development of sustainable infrastructure
17. Support for the community
18. In-house training
19. Continuous communication with employees

This Report discusses material topics of medium-high importance for both the company and the stakeholders.

Methodological note

This Sustainability Report has been prepared in accordance with the GRI Standards: Core Option of the Global Reporting Initiative (GRI). The information and data refer to the company Valsir S.p.A., based in Vestone (BS) Italy, for the period from 1 January 2018 to 31 December 2019, unless otherwise indicated. The business scope is defined by Valsir S.p.A., and the document, which is prepared on a biannual basis, represents the third edition of the company Sustainability Report.

Valsir and the SDGs

Our planet and the human race as a whole are facing major economic, social and environmental challenges: the Sustainable Development Goals (SDGs), which have been drawn up by over 150 world leaders belonging to the United Nations and are part of the 2030 Agenda, establish certain priorities and objectives to tackle these challenges, offering an enormous opportunity for sustainable development.

We want to seize this opportunity by establishing solid points of contact between our system and the SDGs, and by using the targets defined within the context of these objectives as drivers for strategic development.

During the course of the Sustainability journey that we have undertaken with the companies Valsir and Marvon, we have examined these goals in order to determine which ones have been achieved through our company's actions:



We feel that our company is able to make a concrete contribution to these global targets, and that they will help us understand where to focus and structure our future initiatives and strategies.

We specifically contribute to the implementation of the following sub-goals of the Agenda.

3 GOOD HEALTH AND WELL-BEING	3.4	By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.
	3.5	Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol.
	3.8	Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.
4 QUALITY EDUCATION	4.4	By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.
	4.7	By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.
5 GENDER EQUALITY	5.1	End all forms of discrimination against all women and girls everywhere.
	5.4	Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate.
	5.5	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

6 CLEAN WATER AND SANITATION



- 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing the release of hazardous chemicals and materials, halving the proportion of untreated water waste and substantially increasing recycling and safe reuse globally.
- 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.
- 6.6 By 2030, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.

7 AFFORDABLE AND CLEAN ENERGY



- 7.1 By 2030, ensure universal access to affordable, reliable and modern energy services.
- 7.2 By 2030, substantially increase the share of renewable energy in the global energy mix.
- 7.3 By 2030, double the global rate of improvement in energy efficiency.

8 DECENT WORK AND ECONOMIC GROWTH



- 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.
- 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead.
- 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
- 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular migrant women, and those in precarious employment.



- 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.
- 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
- 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers for 1 million people and public and private research and development spending.



- 12.2 By 2030, achieve the sustainable management and efficient use of natural resources.
- 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and environment.
- 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
- 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.



- 13.2 Integrate climate change measures into national policies, strategies and planning.

3. Welfare systems, continuous dialogue with employees, and promotion of the culture of Sustainability

VISION

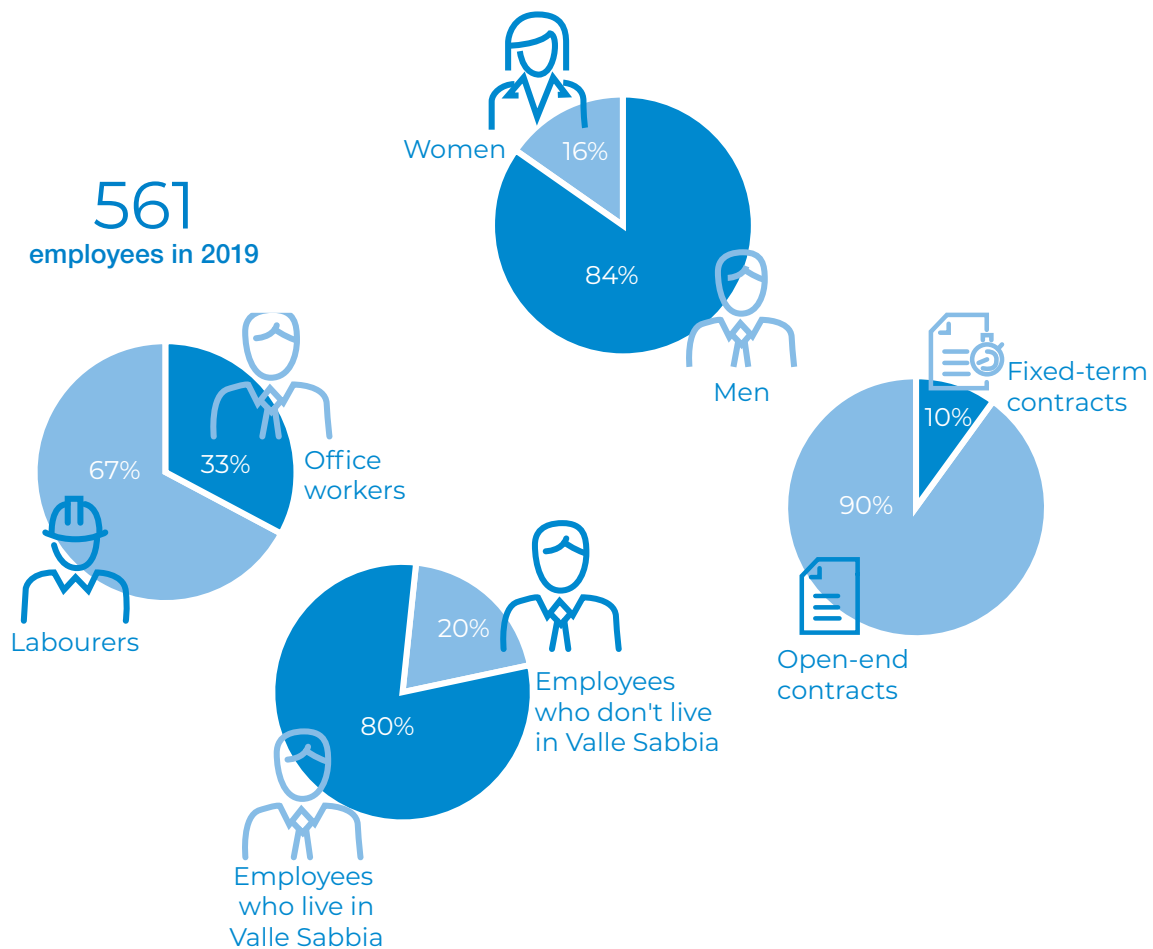
Our objective is to meet the needs of our employees and to ensure their well-being at the company. We're committed to ensure that all employees are involved in the long-term Sustainability project.

We strive to increase their involvement and promote a sense of belonging. We are ultimately committed to create the appropriate conditions for each employee to feel like they are an active and satisfied member of the company.

MANAGEMENT APPROACH

- Maintain the current portfolio of welfare services over time, integrating new ones whenever the opportunity arises.
- Communication and engagement system aimed at generating a sense of belonging by making employees active promoters of the continuous improvement process through specific initiatives.
- Dissemination of a culture of “zero waste” among all the employees throughout all the departments, starting with the duty of being good citizens.
- Promotion of the mutual exchange of information and knowledge, facilitating access to information for the acquisition of knowledge.
- Establishment of a clear welfare services policy.

VALSIR WORKFORCE IN 2019



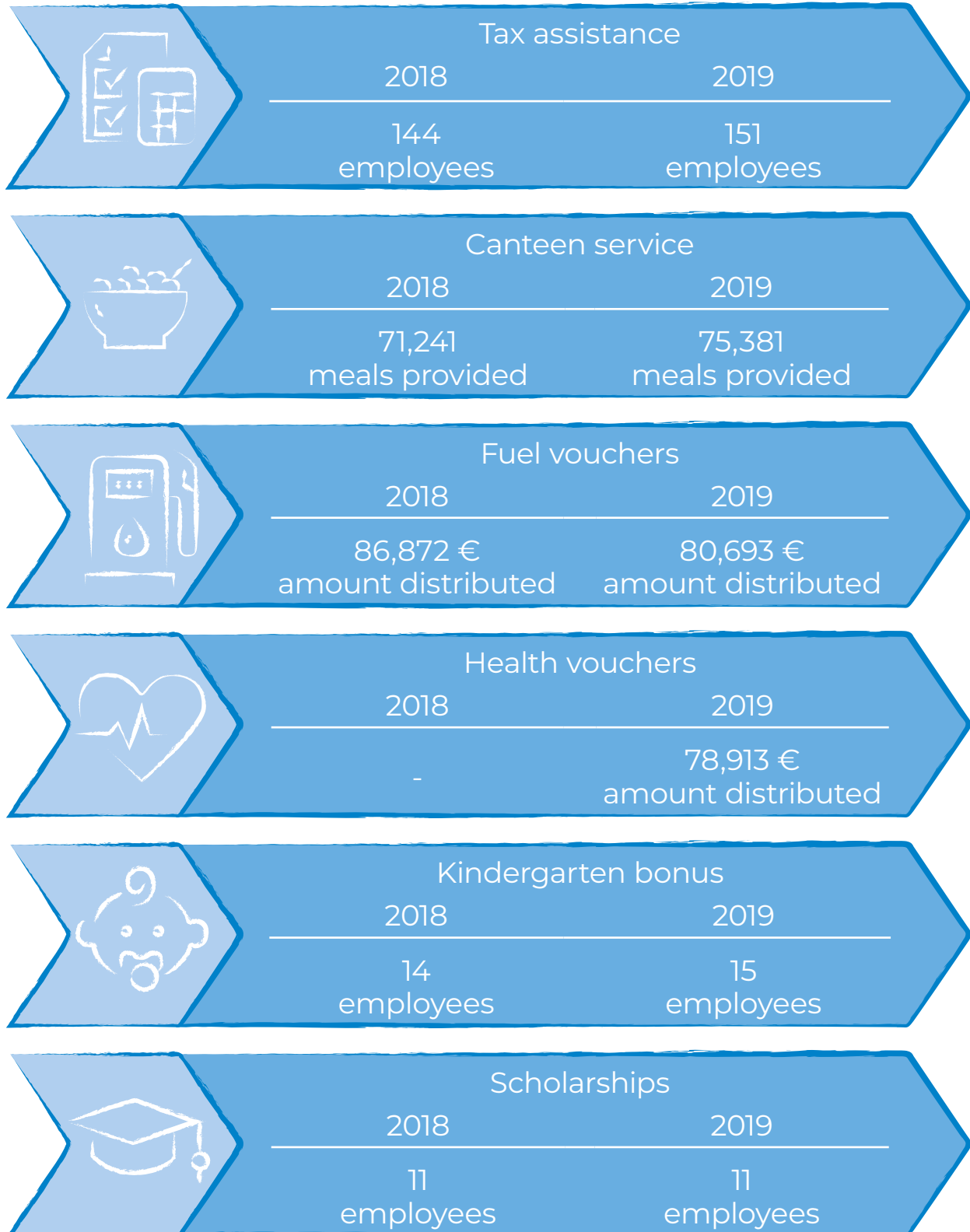
New hires for 2019

AGE	16-20	18
	20-40	59
	40-60	21
GENDER	MEN	71
	WOMEN	27
ORIGIN	ITALY	76
	ABROAD	22
LIVE IN VALLE SABBIA	WHO LIVE	68
	WHO DON'T LIVE	30

PROJECTS AND PROCESSES

Integration of the welfare portfolio

The current portfolio of welfare services offered to the employees consists of the following:



Scholarships and award ceremony

For the fourth consecutive year, the companies provided scholarships to the children of employees who met the relative requirements. In 2019 the scholarships were renamed and dedicated to the memory of Silmar Group's founder, Silvestro Niboli.



➤ The "Silvestro Niboli" Scholarship Award ceremony.

This ceremony also served as an occasion to recognise the employees who have been working for OLI, Valsir and Marvon for the past 20 or 30 years.

At Valsir 16 awards were received by employees who had been working for the company for 20 years, and 7 were received by employees who had been working for the company for 30 years.



➤ Award ceremony for employees with 20 and 30 years of seniority.

WHP project

The WHP (Workplace Health Promotion) project, promoted by AIB, ATS Brescia and the Lombardy Region, aims to create a network of Brescia-based companies involved in health promotion projects, covering a range of different issues, for their employees.

The issues for which the companies are called upon to take concrete initiatives include: nutrition, fighting smoking, promoting physical activity, sustainable mobility and road safety, combating addiction, personal wellness, and work-life balance.

Valsir, OLI and Marvon enthusiastically adhered to the WHP project in 2016, and launched their initiatives in 2017. Over the past three years the three companies have worked on the following areas:



During the annual awards ceremony (held at the ATS headquarters in Brescia in 2018, and at the AIB headquarters in Brescia in 2019), Valsir, OLI and Marvon were accredited for their third and fourth consecutive years as a “place that promotes health”.



Start of the 2019 Silmar Trail.



Start of the 2019 Silmar Trail.

Pills of sustainability, boxes of opportunity

The company's activities dedicated to increase its employees' engagement in life at the company and in the culture of sustainability have continued. These include the highly effective "Pills of Sustainability" and "boxes of opportunity" initiatives.

Information panels on Sustainability issues and company activities dedicated to improve its environmental and social impact are posted in different areas of the company's premises on a monthly basis. The "boxes of opportunity" are containers where employees can submit ideas for improvement, which are examined by a dedicated work team on a monthly basis, and are presented to the General Management. The individual who submits the proposal always receives direct feedback, regardless of whether the idea is actually implemented or is determined not to be applicable. The opportunity boxes are also associated with an award scheme, which, based on the outcome of the idea's analysis, consists of a monetary prize for the proposals deemed to be most successful. Several examples of ideas that have been implemented will be described in this Report.



Presentation of the Sustainability Report to all the employees and mayors in the area

On Saturday 07 July 2019, Valsir, OLI and Marvon held an official presentation of the second edition of the companies' Sustainability Reports, including the initiatives launched in the fields of environmental, social and economic sustainability. The meeting was attended by the mayors, deputy mayors and council members of Valle Sabbia Municipalities, and was held at the Valsir Expo exhibition centre in Roè Volciano.

As noted by Simone Niboli: *"Embarking down the pathway of Sustainability has been a voluntary choice, and has allowed our three companies to become promoters of development and change. In fact, Silmar Group has always had a very precise vision: to be a model of sustainable industrial and technical efficiency and to create products that improve the lives of the people who use them and that represent a benchmark on the market. This is the direction in which our daily efforts are focused, without losing sight of our core values of hard work, passion, determination, efficiency and sustainability: values that we encourage our employees and collaborators to uphold as well."*



 Presentation of the 2016-2017 Sustainability Reports.

The meeting highlighted the importance of sustainability and the environmental, energy, social initiatives Valsir, OLI and Marvon have actually carried out and promoted throughout the area.

To do this, however, it is important to create synergies, especially between the company and the local territory, as this will underscore Valle Sabbia's progress.

The Report was also delivered and presented to the employees during the department meetings, and was described in the Sustainability Pills, so that everyone would be aware of the attention that the companies are dedicating to these issues.



Employee questionnaire and focus groups

Every three years, the 3 companies conduct a survey of their internal climates by having all employees complete a questionnaire. The most recent survey was carried out in November to 2018.

The results were presented to all the employees, and in-depth focus groups were organised to examine certain issues considered relevant by the companies.

Various improvement initiatives were launched based on their outcomes, including:

- The introduction of a structured car pooling system to solve the problem of parking at the Vestone facility.
- Increased communication with employees.
- The administration of a questionnaire to evaluate the new canteen service provider.
- The distribution of fuel vouchers, a form of welfare that has been widely requested and is greatly appreciated by the employees.



Ethical code

The Sustainability pathway undertaken by the three companies has also included the preparation of their own ethical code. This document is the main reference tool for the promotion, dissemination and management of workplace and business ethics throughout the company.

It contains the general principles to which the three companies adhere in conducting their work activities, and which regulate their relationships with employees, customers, suppliers, agents, consultants, and all external figures with whom the company holds direct and indirect relationships.

The ethical code also provides for specific penalties for any violations of the points listed therein.

Meetings

The meetings are important opportunities for dialog and exchange of opinions. In recent years, the companies have held the following types of meetings:

Periodic meetings with department and office managers

The CSR and human resources managers hold periodic meetings with all of the 3 companies' department managers in order to provide them with information about initiatives, updates on procedures, and goals to be achieved, all of which must be relayed to the employees during the monthly department meetings.

It is then the bodies themselves who introduce and initiate the dialogue on these topics during the meetings. The meeting also serves to monitor the progress of each of the departments' meetings.

Inter-company meetings

In 2019 the companies adopted a new approach to the development of continuous improvement and the sharing of results, through periodic meetings.

This dialogue and exchange of ideas led to an improvement in collaboration, the acquisition of new knowledge and skills, and the adoption of a standardised activity management system.

Department meetings

Department meetings are held on a monthly basis, and sometimes also include presentations by the health and safety or Sustainability managers. These meetings are used to convey the information collected during the quarterly department managers' meetings, and to discuss any specific problem that have arisen and the achievement of the set goals.



Events for employees

The companies have introduced various activities to promote the integration of work with sports and physical well-being, for a proper work-life balance. These activities include the “Silmar Events” and the “Valsir tifa Ducati” event. In 2018, the Silmar Group companies promoted major gatherings and social events for their employees, including several initiatives dedicated to sports. The Silmar Trail and Silmar Trophy events both involved running and/or cycling races, as well as social gatherings dedicated to all employees and their family members.



➤ The 2019 Silmar Trail awards ceremony.



➤ The Silmar Events trophies.

In September 2019, on the other hand, 1,000 employees and their families cheered on Ducati during the San Marino MotoGP Grand Prix, at the Misano World Circuit. As an Official Sponsor of Ducati for the MotoGP category, Valsir wanted to give the employees of Valsir, OLI, Marvon, Alba, Raffmetal and Fondital the opportunity to enjoy a day of sports and festivities. This day was made possible thanks to the Management's desire to provide this opportunity, and to share their passion for motorcycle racing with all the Group's employees. The sight of the grandstand adorned entirely in "Valsir" colours was truly something. A day to enjoy a sporting event, and an opportunity for team building.



➤ The MotoGP event at the Misano World Circuit.



➤ The MotoGP event at the Misano World Circuit.

The promotion and organisation of events like these comes naturally to all Silmar Group companies, who reward their employees' hard work and dedication.

Finally, the employees also took centre stage at the exhibit titled "Who are you? Work and after work in pose", held in Matera, which was recognised as the European Capital of Culture in 2019.

The exhibition displayed the photographs taken and collected by Rinaldo and Davide Capra in their "Portraits" books, which artistically capture the faces of all the employees during their daily activities. The books were created to commemorate the 30th anniversary of Valsir's establishment in 2017.



➤ Photography exhibit by Rinaldo and Davide Capra, Matera.

GOALS, PROJECTS AND PROCESSES FOR THE FUTURE

Goals

Monitor the approval ratings of our welfare services and determine those which need to be added and/or modified.

WHP - To maintain the initiatives already in place.

Involve the departments in the improvement and Sustainability goals.

Encourage employees to propose ideas and initiatives for improvement.

Projects and activities for the future

In-house survey of welfare service satisfaction, every 3 years.

Improvement measures to be pursued following the work-related stress analysis.

Project for the professional development of the department heads.

4. Product responsibility and reuse of scrap materials

VISION

We want to be a market benchmark for the products and systems we offer. In order to fully achieve this vision, we believe that an increasingly systematic impact assessment of our products must be conducted during the design phase.

This impact is to be understood in terms of the use of resources during production, consumption during the use of the products themselves, and the management of the end-of-life phase, during which the separability and recoverability of the components become essential.

We strive to promote circular economy processes, by integrating their principles within the intrinsic structures of our production cycles.

MANAGEMENT APPROACH

- Approach aimed at reducing the volumes of raw material required, while at the same time maintaining the quality performance of the product.
- Daily analysis of waste and plant shutdowns in the departments, and determination of specific and binding production waste reduction goals for each department.
- Constant exchange of information regarding obstacles, suggestions and the status of the goals' achievement between the production departments and the Research and Development department, through what is referred to in-house as the "fish market", which entails short daily meetings (up to a maximum of 15 minutes) attended by all the figures involved in the process, and a longer weekly meeting also attended by the Research and Development department, during which market feedback is also taken into consideration. This also becomes an opportunity to share any ideas, notes, and/or critical issues brought up by the staff during the previous three shifts. This approach, which has been successfully implemented by two departments, will be used throughout the company.
- Regrinding of scrap materials (trims) from the moulds in use, and their direct reinsertion into the production cycle.
- Integration of the product environmental assessment in the design phase.
- Management and development of a plant for handling the re-use of the scrap materials (with external plastic scrap supply chain).

PROJECTS AND PROCESSES

Reduction in the use of raw materials: the new range, the new moulds, and review of the product design process

The design of new product ranges with the goal of reducing the material discarded during the production phase has involved various company figures in a synergistic manner, especially the production workers, the Research and Development department, and those who verify and ensure compliance with the quality standards.

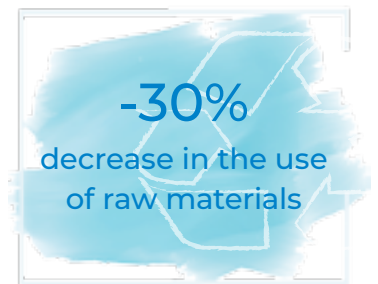
One example of the results of this synergy is the work carried out on the Pexal® Easy and Bravopress® range of fittings. While in both cases the work focused on reducing waste during the production phase, in the case of Bravopress® the product was completely redesigned.

The restyling of the Bravopress® fittings improved and enhanced both the internal process and the product performance.

Furthermore, thanks to the fact that the moulding takes place through the hot runner system, the company has succeeded in further reducing trim production scraps (the hot runner is an additional component inside the mould that allows moulded pieces to be obtained without trims).

Scrap reduction: the process of bringing the machines up to speed

In the flush cistern department, a project was begun in 2019 in collaboration with the University of Brescia to introduce a system for analysing the elements produced during the production start-up phase. The goal is to develop a standardised procedure for determining which pieces should be considered unsuitable, and the point at which the machinery can be considered fully operational. Once the method has been established, its possible expansion to the other departments will be evaluated.



The Valsir Recycling Division project

It all began about 10 years ago, when the concept of product eco-sustainability was starting to take hold, and Valsir began its journey towards the introduction of closed-cycle production processes to the company. Thanks to the know-how gained over 30 years of experience in the plastics industry, in 2012 the company opened a “laboratory factory” where all the plastic scraps generated by Silmar Group (polyethylene packaging film, big bags, production waste, and more) could be recycled.



After having obtained all the necessary permits and having achieved satisfactory results, in December 2013 this experimental facility was transformed into the Valsir Recycling Division, which now employs about 30 workers dedicated to the regeneration of plastic materials to be reinserted into the production process.

A percentage of the compounds generated are used in-house by the Group for the production of packaging elements, like harnesses and pallets. The remainder is sold on the market as a secondary raw material for the furniture, automotive, construction and gardening sectors. In order to meet the growing market demand for compounds, Valsir Recycling soon realised that it could also serve as a collection point for plastic materials produced outside the Group, thus preventing them from being simply discarded and allowing them to be reused to make new products.

Valsir has obtained ReMade in Italy certification for a wide range of polypropylene and extruded polyethylene granules intended specifically for moulding, blow moulding, and extrusion applications. The materials consist of plastics from industrial and post-consumer waste, such as: plastic household waste, plastic from end-of-life vehicles, packaging, plastic from mechanical waste treatment, and plastic from construction and demolition operations.



The ReMade in Italy product certification is issued to companies operating in Italy that produce materials or products through the sustainable recycling of waste materials or production waste. Furthermore, about two years ago Valsir Recycling established a production unit dedicated to moulding regenerated polyolefin-based plastics, which is mainly used for the production of plastic pallets: the recipe mainly consists of ground polyolefin obtained from packaging plastics recovered from Silmar Group companies, as well as an LDPE-based thickening agent obtained from the recycling of paper mill pulpers.



Important characteristics of the product:



Ecological



Hygienic, resistant to the proliferation of mould and bacteria



It does not retain moisture, maintaining its strength



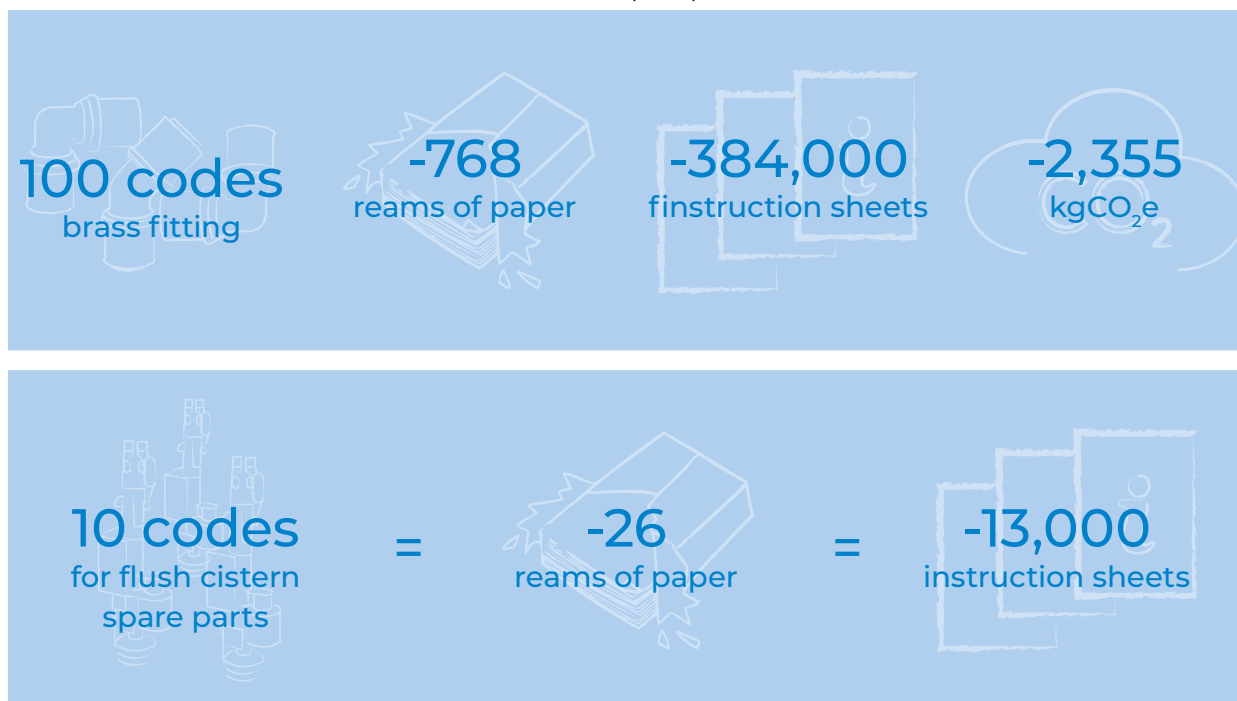
Versatile in any context, and does not require any treatment for export



Reduction of packaging

Valsir has begun the process of printing the products' assembly/user instructions on the bags in which they are packaged, in order to avoid paper consumption.

During the 2018-2019 period, this was done for the threaded brass fittings and for several flush cistern spare parts:



In 2019, a new project was launched aimed at reducing the use of instruction sheets by printing the instructions directly on the packaging material.

Singapore Green Building Award



In 2019, Valsir obtained the renewal of its two "Singapore Green Building" certificates for the Triplus® and HDPE drain systems, with the rating being upgraded from Good (√) to Very Good (√√). This certification attests to the company awareness of the environment, both during the production phase and in terms of the use and end-of-life management of products, as they are entirely recyclable. With the mission of establishing standards and benchmarks for the design of sustainable cities with high standards of living, the Singapore Green Building Council is the leading green building organisation at a world level.

In order to obtain this recognition, a product must meet numerous requirements:

- Limited amount of water used to produce one kg of finished product.
- Absence of toxic substances and heavy metals.
- Quality assurance.

The company is proud to have been awarded this certification and to have earned an extra "√", as this achievement highlights its commitment to ensure that both its production processes and its finished products are respectful of the environment.

GOALS, PROJECTS AND PROCESSES FOR THE FUTURE

Goals

Implement a design phase logic in which the process of evaluating the environmental impact and end-of-life recovery of products becomes systematic and is shared throughout the entire company.

Standardise and disseminate the “fish market” approach.

Projects and activities for the future

Systematically determine which indicators must be taken into consideration for the environmental assessment throughout the product life cycle.

Create a check list of elements to be evaluated during the product environmental impact study to be carried out during the design phase.

Issue an Environmental Product Declaration (EPD), or rather an analysis of the impacts throughout the entire EPD extrusion cycle for other product lines.

5. Commitment not to relocate and support for the community

VISION

We aim to consolidate our status as a local reference point for job opportunities, a resource for the new generations.

We want to help keep the fabric of the local territory alive through the cultural dissemination of a new, circular, and more sustainable economic model.

MANAGEMENT APPROACH

- Investments in the development of companies and factories, by promoting the working capabilities of various local areas.
- Development of an steady and systematic relationship with schools for the creation of new projects.
- Support for a widespread and effective dialogue with the local territory.



PROJECTS AND PROCESSES

Donations

Valsir, OLI and Marvon focus a great deal of their attention on the institutional life of the local territory, as they consider it to be the “social glue” that promotes the well-being of Valle Sabbia citizens. That’s why the companies make annual donations in the fields of health, sports and education.

These include the following areas:



**IDRO AND VILLANUOVA DISABLED DAILY CENTER,
COOPERATIVA COGES**
Air conditioning of the rooms in which live
about 50 disabled people



▶ Plaque affixed on the Cooperativa Coges premises.

2018

EDUCATION HEALTHCARE AND PREVENTIVE CARE

VOBARNO PRIMARY SCHOOL - LIM PROJECT

13 interactive multimedia whiteboards,
13 projectors, 13 PCs



Donation to the Vobarno Primary School.

GAVARDO HOSPITAL

Hood for the preparation of chemotherapy drugs¹



Donation to the Gavardo Hospital Oncology Department.

¹⁾ In collaboration with the Association ESA - Educazione alla Salute Attiva Onlus Brescia. The hood allows operators to work under conditions of complete safety during the delicate process of preparing antitumour injections; it has been operational since July 2019, and replaced the one previously in use. Its installation required minor structural interventions to be carried out in order to channel the outgoing air flow.

2019

SOCIAL HEALTHCARE

ASSOCIATION AUSER VOBARNO

A car to expand the fleet of vehicles dedicated to social transport

GAVARDO HOSPITAL

Renovation of the Oncology department waiting room²

DONATION TO THE VESTONE AMBULANCE VOLUNTEERS

Donation of a vehicle and technical clothing



➤ Donation to the Gavardo Hospital Oncology Department.

²⁾ The donation improved the reception and accommodation of patients, family members and caregivers, by renovating and making the entire waiting area more comfortable. The room is furnished with armchairs, sofas, tables and a bookcase.

80 schools
in Valle Sabbia area
involved in the
project

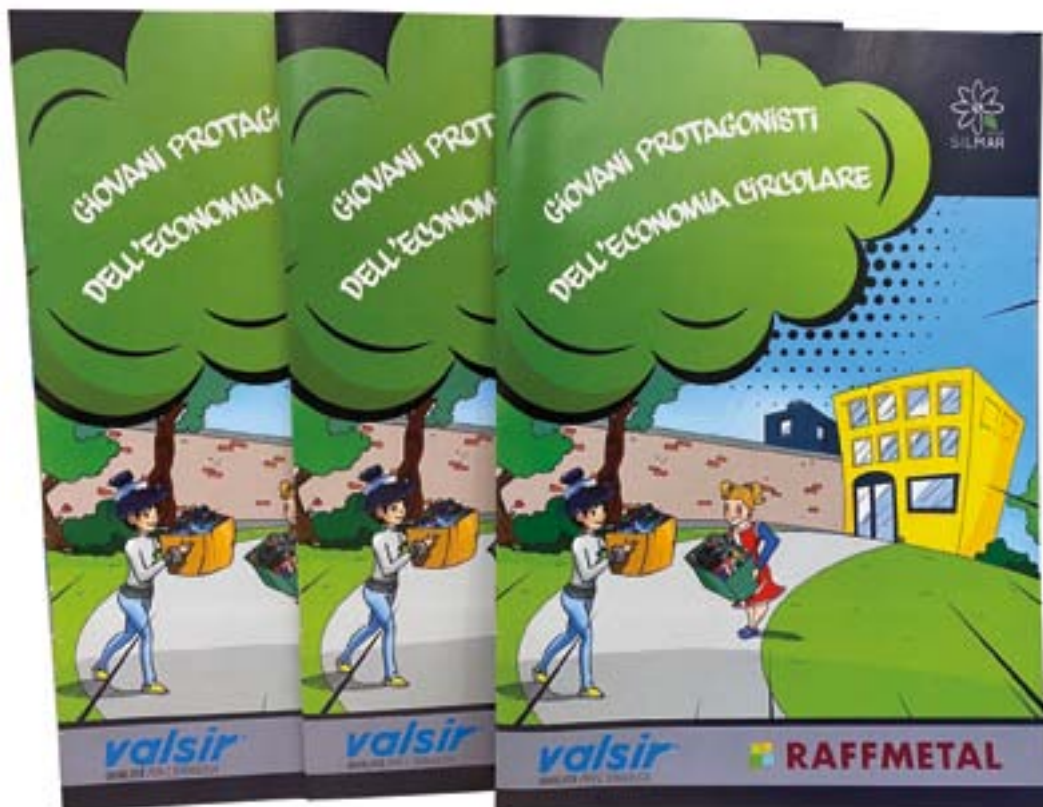
The “Young leaders of the circular economy” project

Within the context of these initiatives, in collaboration with Raffmetal, a producer of recycled aluminium alloys, Comunità Montana and Società Ambiente Energia (SAE), Valsir launched the important “Young leaders of the circular economy” project, with the aim of stressing the attention on the delicate issue of sorted waste collection and the proper streamlining of the waste management process.

About 80 schools in Valle Sabbia area received two containers, one for the collection of plastic bottle caps, and the other for aluminium cans. The synergy that was generated among the various partners resulted in the creation and organisation of specific activities. In fact, SAE is involved in the collection of plastic materials and cans, while Valsir and Raffmetal recover them and give them new life through virtuous circular economy processes.

The goal is to leverage the awareness of young people by stimulating their sense of social and environmental responsibility. In fact, the added value lies precisely in the opportunity these young people are given to play an active role in the process of disseminating the culture of recycling and the circular economy, thus becoming a driving force of change and innovation in Valle Sabbia area.

In recognition of the efforts that these students will devote to this activity, the companies will donate teaching materials, equipment, and other tools useful for the educational process. The initiative is part of the door-to-door sorted waste collection project, which was launched among the municipalities of Valle Sabbia area in early 2018.



GOALS, PROJECTS AND PROCESSES FOR THE FUTURE

Goals

Continue supporting the local territory and being aware of its signals.

Support job opportunities for the new generations.

Further expand the engagement of local schools.

Establish new factories in areas of strategic importance for the territory.

Projects and activities for the future

Assessment of the local territory needs for the provision of gifts and donations.

Projects with schools.

Feasibility assessment, design and construction of new establishments.

6. Management of waste, atmospheric emissions and production scraps

VISION

Our goal is to minimise the scraps generated by our production activities: we want to maintain the high levels of packaging recycling that we have achieved, and want to understand the extent of the emissions we produce in greater detail, in order to take further improvement measures.

MANAGEMENT APPROACH

- Maintenance of the ISO 14001 management system.
- Creation and distribution of clear instructions regarding recycling, in order to raise awareness among the operators and to promote a continuous dialogue on proper recycle practices.
- Cataloguing of plastic materials in order to determine which parts can be regenerated and which ones need to be isolated and sent for disposal.
- Adoption of systems for capturing and channelling emissions for measurement.

PROJECTS AND PROCESSES

Waste management and compliance with the local sorted waste collection policies

A door-to-door sorted waste collection project was introduced among the Valle Sabbia municipalities in 2018, which, with regard to the collection of waste similar to urban waste resulting from office and canteen activities, also involved all the Valsir, OLI and Marvon plants.

This new collection method allows the company to also properly manage the portions of waste materials that were not previously able to be recovered due to the low quantities produced, such as the packaging elements not resulting from production activities and organic (wet) waste.

All the storage locations, both for solid and liquid waste, were also streamlined during the course of the 2018-2019 period. In particular, new storage containers that allow these substances to be stored in a better and safer manner were purchased.

A specific emergency drill simulating a liquid waste spill in the yard was carried out at the Vestone plant in order to test the employees' ability to handle an environmental emergency situation.

Finally, the signs in the storage areas were rendered as clear as possible in order to provide all the employees with simple instructions for the proper management and separation of the waste materials.



Channelling of the plants emissions

The permits necessary to complete the project for the channelling of the plants emissions were obtained during the course of the recently concluded two-year period. Thanks to this project, all the machines present within the production departments are now connected to an extraction system.

This system provides for an improvement in the health conditions at the workplace, while at the same time allowing the company to better control and more accurately monitor all the emission parameters. The goal set in the previous Sustainability Report has therefore been achieved.

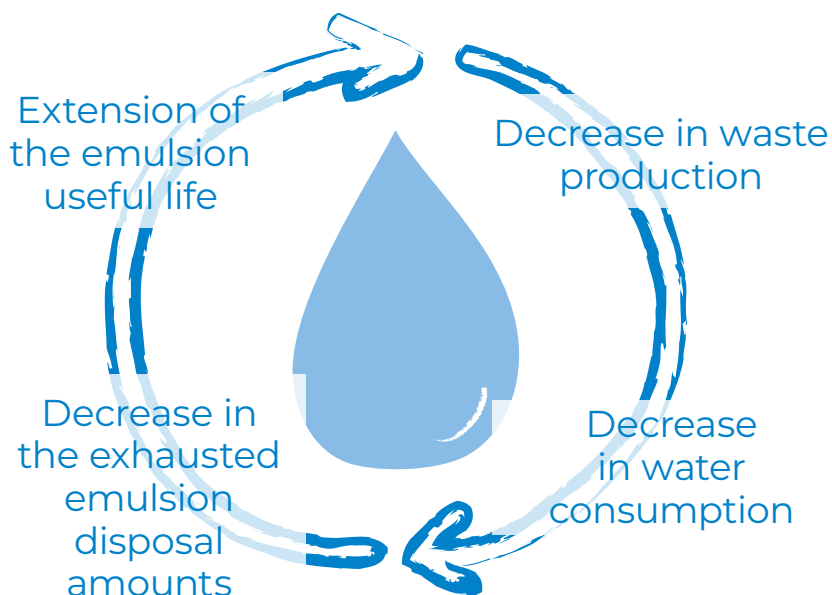
Within the context of the Environmental Management System, emission management and control procedures have also been established and implemented also for plants that have not yet obtained ISO 14001 certification.

Adoption of an emulsion regeneration system in the turning department

A plant for the treatment and regeneration of the emulsions from the machine tools in the turning department was introduced in 2019.

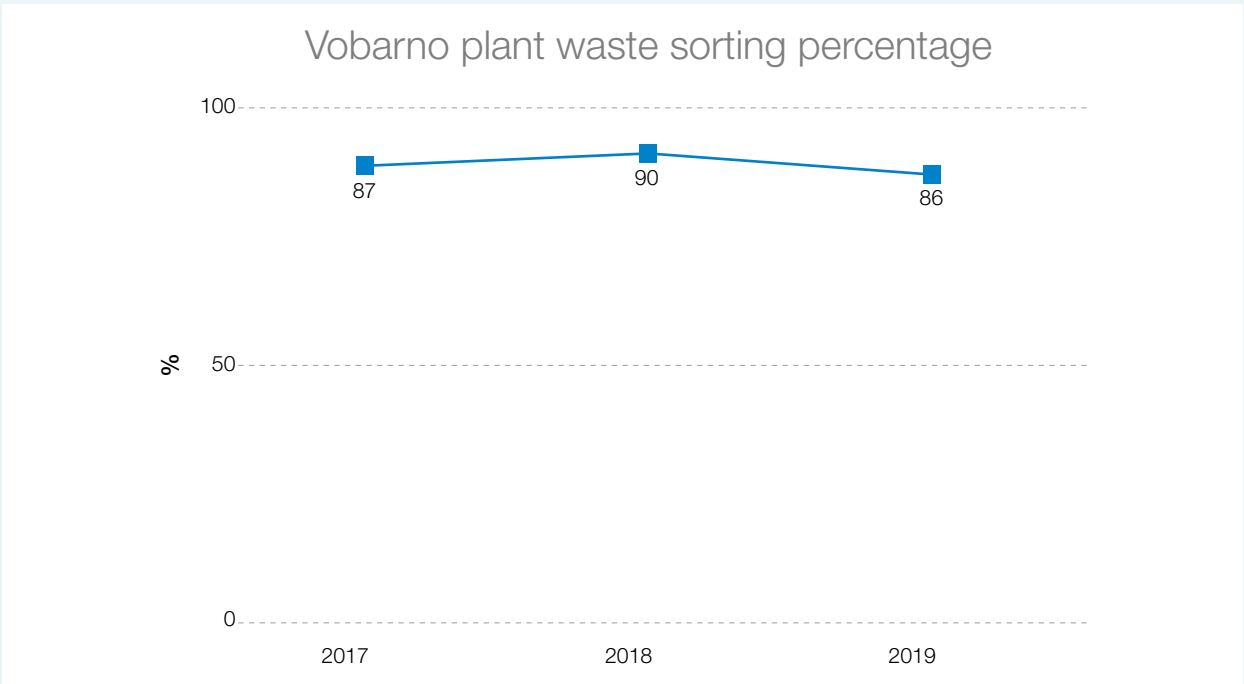
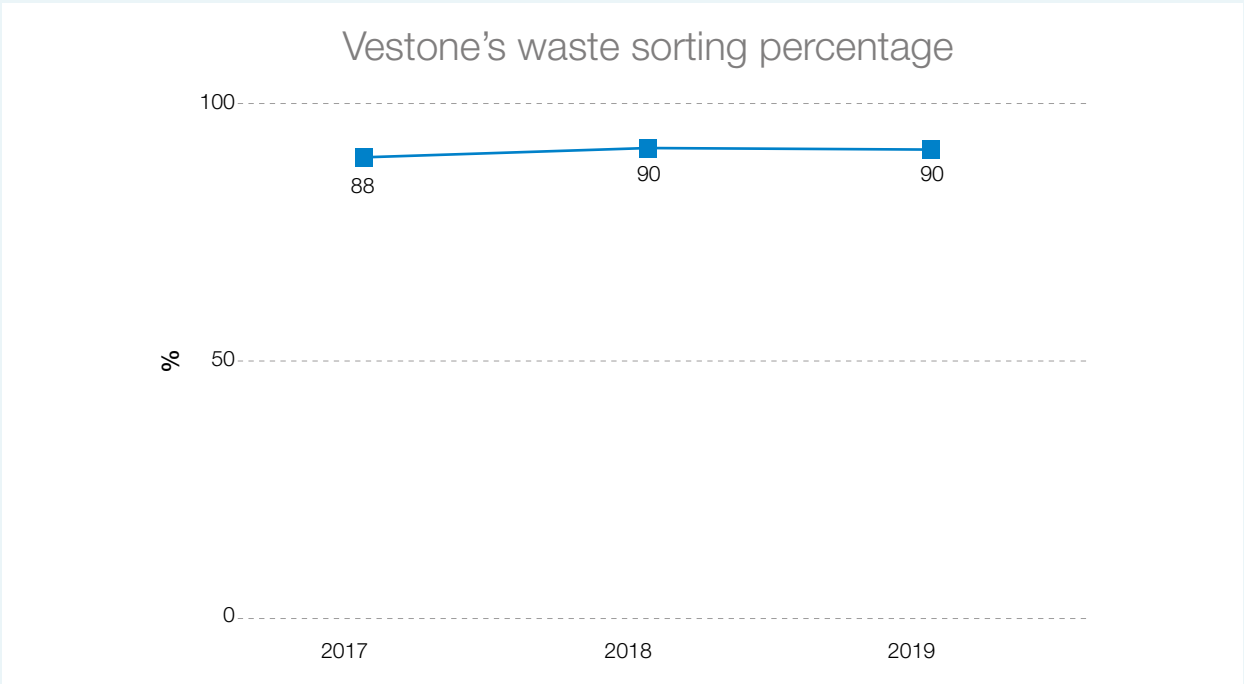
This closed-cycle plant allows the emulsion to be kept in optimal conditions, thus eliminating the need for its periodic disposal, and uses the water from the cleaning machines as a base for making the solution to be reintegrated. Consequently, it is no longer necessary to dispose the water used for cleaning the fittings, as was the case in the past.

The efficiency of the system introduced is currently being monitored in order to quantify its benefits; the installation of this treatment plant is expected to decrease the amount of water necessary for the formation of the emulsion and reduce the amount of waste produced.



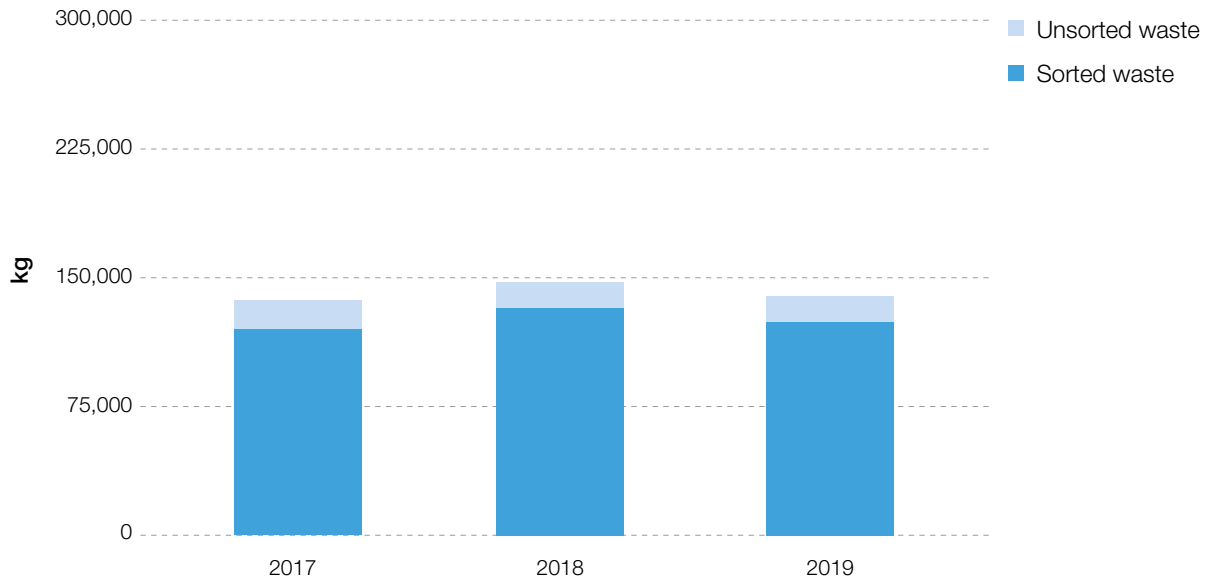
Waste sorting

The following graphs show the sorted waste collection percentages for the packaging waste at the Vestone and Vobarno plants. The high percentage values attest to the staff high level of awareness in relation to this issue.

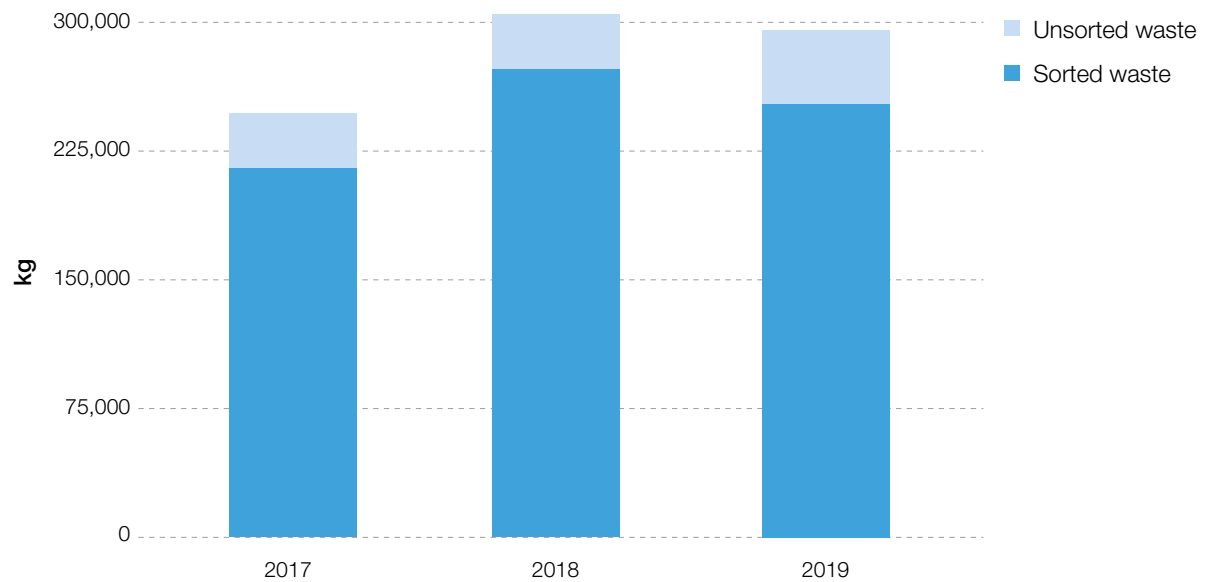


Again with regard to the management of packaging waste, the graphs show the trends in the amounts of sorted and unsorted waste produced by the Vestone and Vobarno plants. Waste production remained more or less constant during the 2018-2019 period.

Vestone's waste sorting

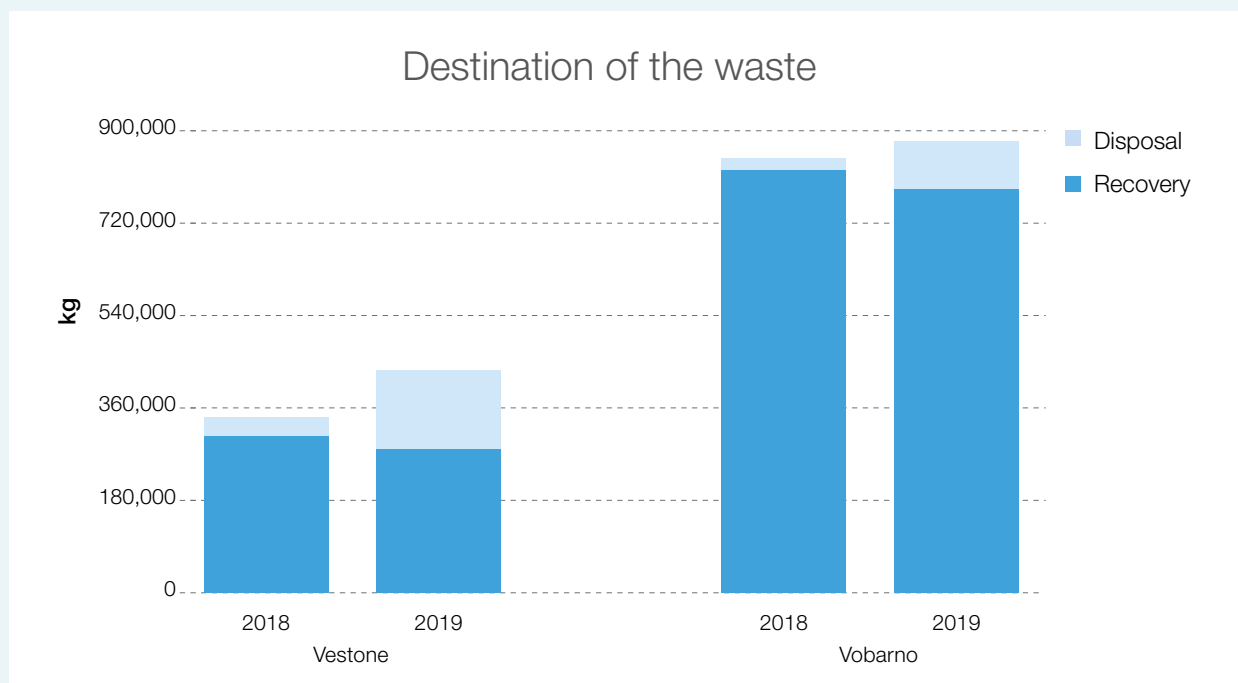


Vobarno's waste sorting

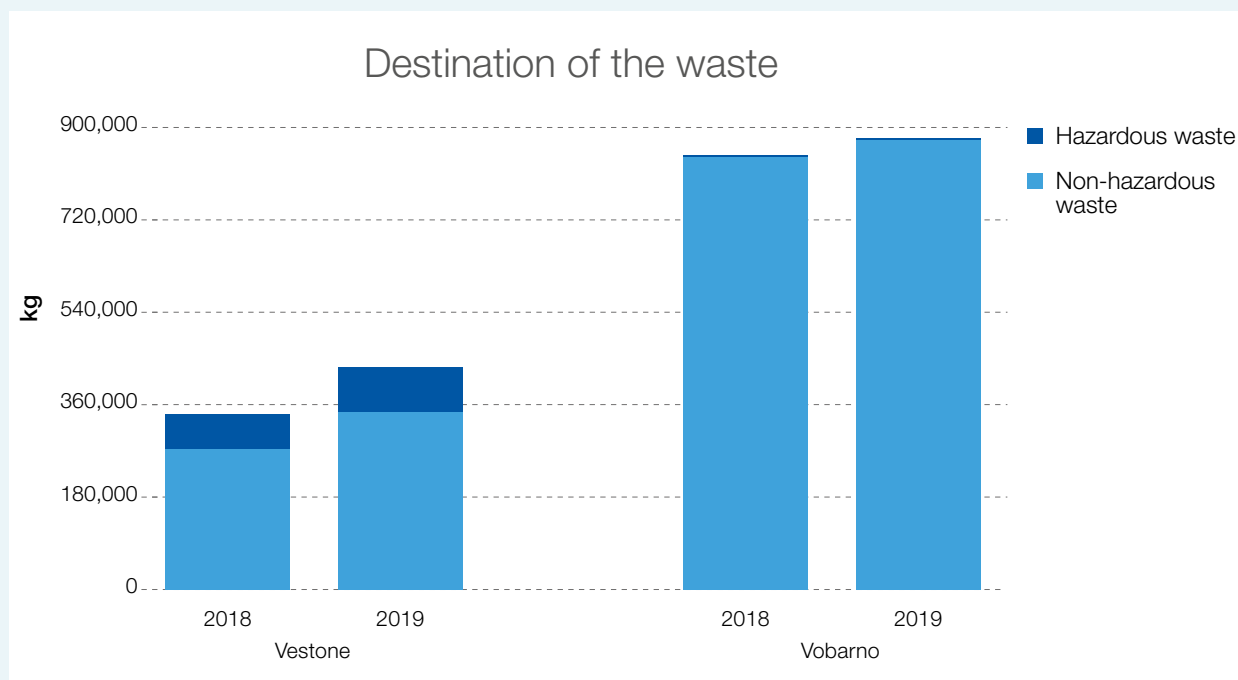


Destination of the waste

The waste produced by the company is managed in a way that favours its recovery, with disposal only being considered with regard to the waste materials for which recycling technologies are not available or have not yet been developed. The following graph shows the destination of waste in relation to the total waste produced at the Vestone and Vobarno plants.



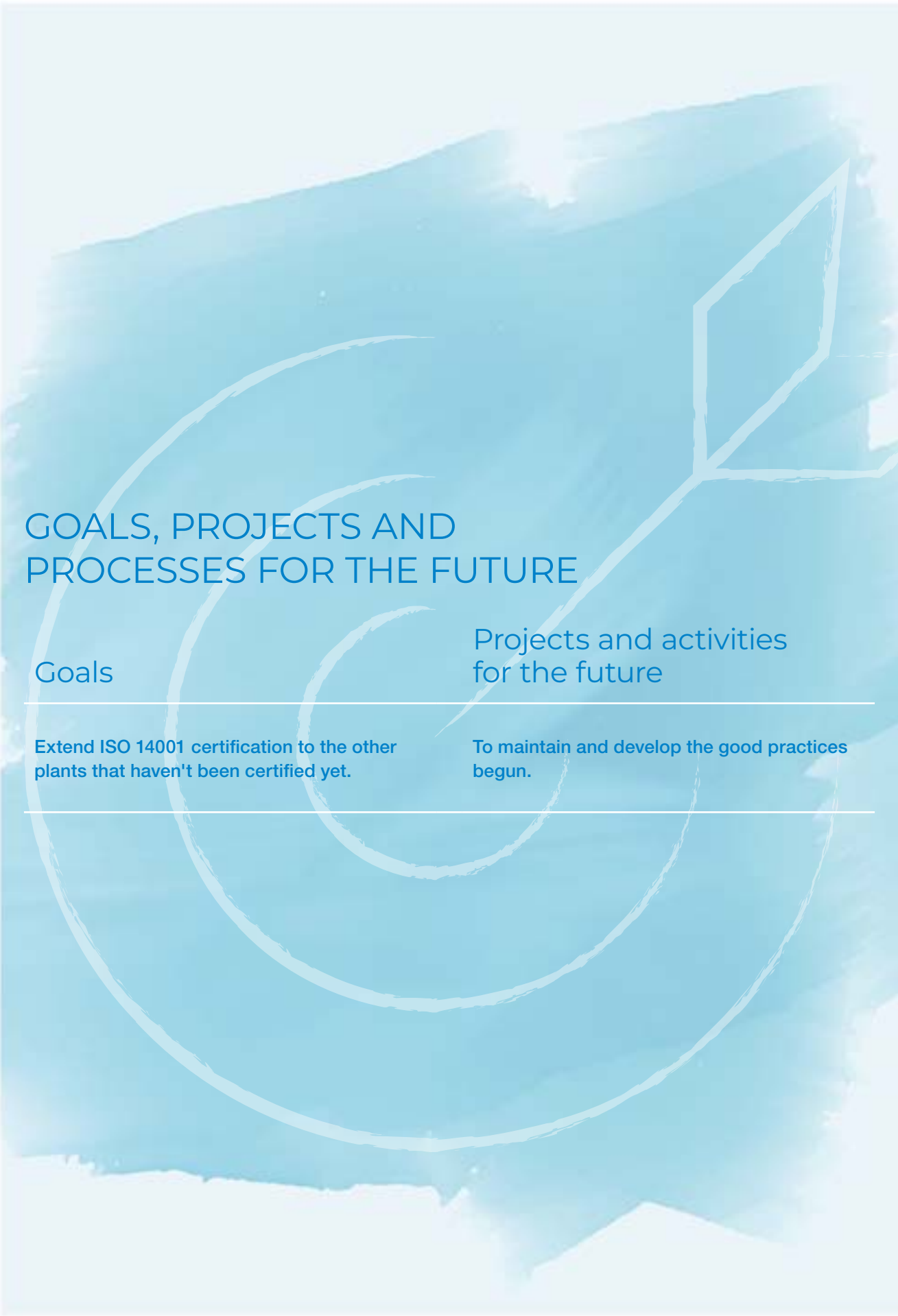
Hazardous waste





CARTA

PLASTICA



GOALS, PROJECTS AND PROCESSES FOR THE FUTURE

Goals

Extend ISO 14001 certification to the other plants that haven't been certified yet.

Projects and activities for the future

To maintain and develop the good practices begun.

7. Communication, brand enhancement

VISION

We want the Valsir brand to be associated with quality, innovation and Sustainability.

MANAGEMENT APPROACH

- The integration of traditional marketing approaches with new and different channels, like associations, universities, and conferences on Corporate Responsibility topics.
- The creation of relationships based on transparency and engagement with internal and external stakeholders with regard to the Sustainability goals pursued by the company.
- To maintain a balance between corporate identity and product identity.

valsir

PROJECTS AND PROCESSES

Communication of Sustainability: the commitment to disseminating the CSR approach both inside and outside the company

When Valsir decided to structure, formalise and render its approach to Sustainability even more strategic, by undertaking a dedicated pathway with the companies OLI and Marvon, one major project that was launched entailed the enrichment of the company's communications with a message on the importance of assuming environmental and social responsibility, and of taking concrete actions in this field.

This immediately proved to be both an extremely stimulating and definitely challenging project, because it aimed the difficult goal of generating engagement through the development of communication with our stakeholders.

While this commitment manifested itself in an online strategy aimed at regularly conveying Valsir's Sustainability profile and the monthly distribution of all the latest CSR news throughout the company, the commitment of creating engagement also paid off in the form of requests and proposals being submitted by employees. In fact, one idea submitted in a box of opportunity suggested creating informative noticeboards within the departments regarding the Sustainability activities taken, in order to increase the employees' awareness of these efforts and to create a more solid link between the daily work activities and the improvement of the company's Sustainability. These noticeboards, which took the form of information panels positioned in the various departments, depending on the topic, were created not only to engage with the internal staff, but also to stimulate dialogue with any external parties visiting the company, including customers, contractors, students, suppliers, or association members.

In fact, the aim is to increasingly facilitate a dialogue that's focused not only on the products' quality and processes, but that also actively includes the company's Sustainability profile. The fact that the suggestion came from an employee also reveals the degree to which Sustainability is becoming part of the corporate culture. The success of the idea's practical implementation, which has already been carried out at one of the Valsir facilities, will be evaluated in a few months time, after which it will also be carried out at OLI and Marvon facilities as well, with any necessary adaptations.

The creation of engagement and interaction on Sustainability issues at the company also entails participation in nationwide initiatives like *"M'illumino di Meno"*, a symbolic initiative aimed at raising awareness of energy savings, and *"L'Italia in Classe A"*, a nationwide campaign promoted by the Ministry of Economic Development and implemented by the ENEA's National Agency for Energy Efficiency, which is aimed at promoting a more conscientious and efficient use of electricity and providing the tools and opportunities necessary to accelerate the energy transition process within our country.



Since interaction is also important beyond the confines of the company, Valsir has gotten involved like never before, holding presentations in university classrooms, and attending events dedicated to Corporate Social Responsibility issues. Two concrete examples of this are the presentation at the University of Genoa, and the CSR Exhibition in Milan.

On 6 May 2019, the company was invited, together with OLI and Marvon, to give a presentation for the "Ethics and Corporate Social Responsibility" course offered by University of Genoa's Faculty of Economics. The presentation was largely focused upon the Sustainability activities of Valsir, OLI and Marvon, as well as the approach to their management and structuring. The main goal of these events is to create alliances between the worlds of business and education, so that the issues studied at Universities can be practically applied at the workplace, and the requirements of companies can be addressed during the educational process.

Finally, in October 2018, the three companies attended the CSR and Social Innovation Exhibition, an annual event held in Milan dedicated to Sustainability, positive energy, and the sharing of good practices. And sharing was in fact the main focal point of the meetings held during the course of the event. The companies in attendance not only shared their social responsibility profiles, but were also given the opportunity to compare themselves to others who model and develop their own companies' commitment in this field on a daily basis.

Valsir, in the words of its employees

In 2019, Valsir carried out two major projects in which the company is described by the people who work there every day: its employees.

Two categories of video interviews were held, called “Valsir, in the words of” and “Why to work at Valsir”. The first category consisted of the company most senior employees, those who have seen it grow day after day, and, in turn, have contributed to its growth. Their stories are full of memories and anecdotes, which convey the company most intimate details. The interviews for the “Why to work at Valsir” category, on the other hand, consisted of the testimonies and experiences of those who had recently joined the company. These interviews offer two different perspectives for conveying Valsir identity.

The videos are expected to be published on the company social media channels each week over the next few months.



<https://www.youtube.com/channel/UCV8MOn-uZPki-EaxySfcuWQ>



<https://www.facebook.com/ValsirSpA/>



https://www.instagram.com/valsir_spa/



<https://it.linkedin.com/company/valsir-spa>



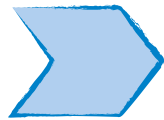
Acknowledgements for our commitment to Sustainability: the Sustainability Map

Valsir has been part of the Sustainability Map since 2018: the first snapshot of responsible companies in Italy. The initiative, which was conceived by the CSRnatives network and coordinated by Koinètica, is aimed at celebrating Italian companies of all sizes and in every sector that have embarked on a pathway of Sustainability. In order to choose the companies to be included on the Map, specific qualifications were identified as indicators of their commitment in the social and environmental fields. In order to be included on the Map, the companies had to have at least 6 of the 23 qualifications listed.

In Valsir's case, points were awarded for the following:



The existence of a CSR/Sustainability department



The dedicated section of the company's website



The Document of Values/Code of Ethics/ Code of Conduct



The Social Responsibility Report / Integrated Report



The ongoing and organised stakeholder engagement activities



The Sustainability Committee



Formal adhesion to several SDGs - 2030 Agenda



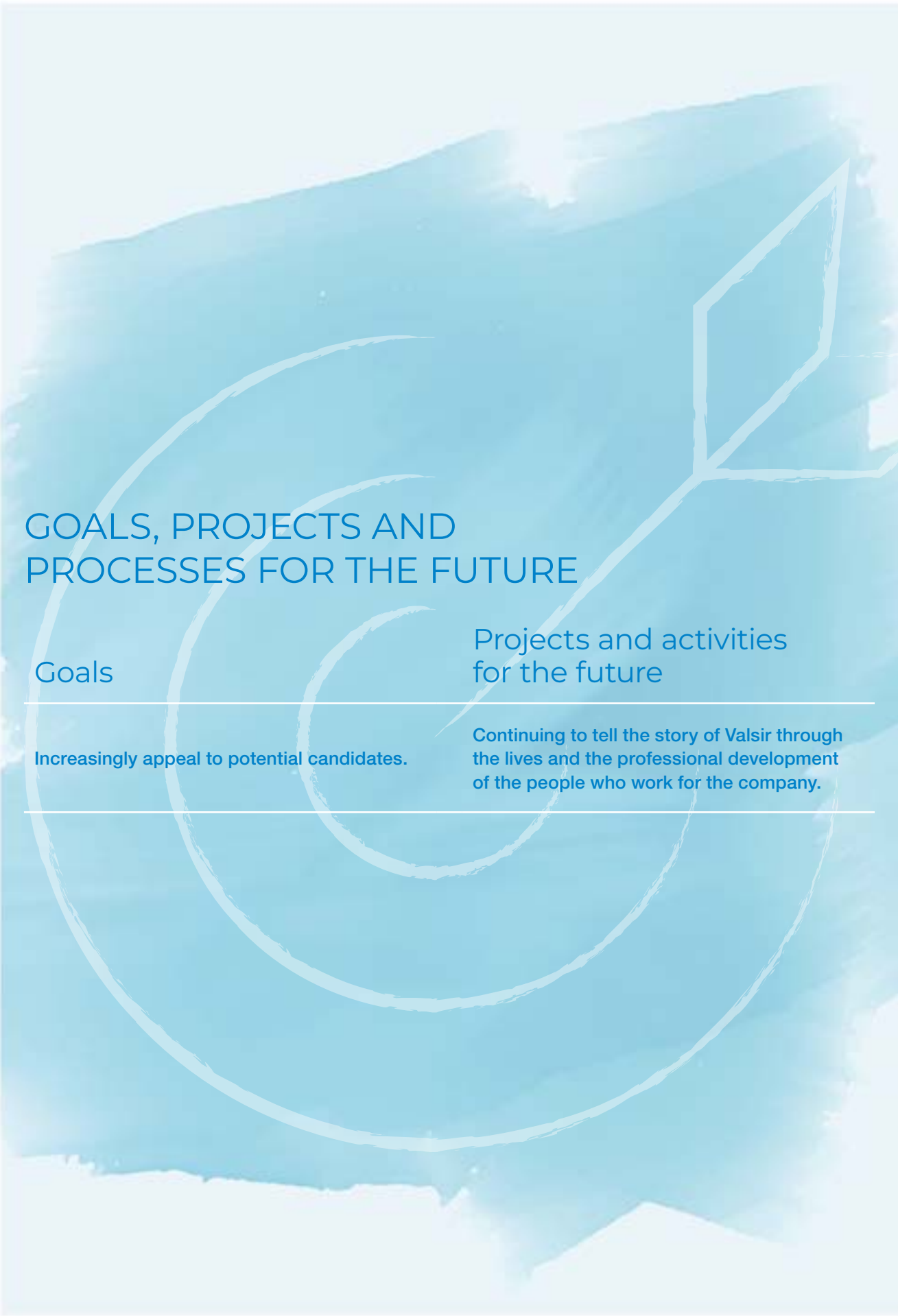
The Environmental Report



ISO 14001



Corporate welfare



GOALS, PROJECTS AND PROCESSES FOR THE FUTURE

Goals

Increasingly appeal to potential candidates.

Projects and activities for the future

Continuing to tell the story of Valsir through the lives and the professional development of the people who work for the company.

8. Health and safety

VISION

We intend to further bolster our culture of active prevention in terms of workers' health and safety by reinforcing the safety-related aspects of the production processes in the departments.

MANAGEMENT APPROACH

- The raising of employee awareness of prevention issues, and the introduction of the near-misses project. The promotion of individual and team awareness.
- The promotion of healthy conditions within the departments, offices and common areas.
- Mechanisms of communication on safety issues.
- Continuous awareness of the issue of production process safety.

PROJECTS AND PROCESSES

Near Misses

Valsir maintains a constant commitment to develop and promote a strong culture of safety by conducting a thorough assessment and analysis of the risks present and a targeted examination of any accident that occurs. Based on these considerations, in 2019 the company decided to launch an initiative dedicated to raising awareness of Near Misses, with the aim of having all the operators identify and report any nearly-missed accidents at the workplace that could have resulted in injuries. In order to ensure that the importance attributed to the topic of Near Misses by the company is conveyed, they are also discussed at every department meeting. Information regarding any potentially hazardous situations is also requested from all the employees during their assessment interviews. These are then analysed and resolved.

In 2019, the analysis and management of Near Misses allowed us to achieve the following results:



Fewer injuries



Improvement of company procedures



Greater involvement of all workers in prevention and surveillance activities at the workplace

The near-miss detection tool is now broadly applied throughout the company. Over the next two years, the goal is to further increase all the employees' involvement and awareness by further improving the methods of communicating and disseminating information. In order to begin striving for this goal and to involve the department chiefs to a greater degree, a specific course was organised with AIFOS (the Italian Association of Workplace Safety Trainers and Operators). This practical course was aimed at establishing a common definition of Near Misses, and raising awareness about the management and understanding of what a Near Miss is and how it can be reported, with particular regard to the differences between Near Misses and accidents.

YEAR	NUMBER OF INJURIES	FREQUENCY INDEX
2018	17	18.88%
2019	12	12.78%

142 Near Miss
reported
in 2108-2019

1,050,00 €
in investments
to improve
safety

Pedestrian routes and traffic lights

During the 2018-2019 period, an initiative aimed at improving internal road conditions at the production sites was begun, which was aimed establishing the areas dedicated to pedestrians in a clear and logistically correct manner, and separating them from the routes dedicated to the internal transport vehicles (forklifts and electric pallet trucks). The idea of upgrading and improving the existing signs arose as a result of meetings held with employees on the topic of Near Misses.

The streamlining of the routes led to the creation of a system that operates like a traffic light for the management of the vehicle and pedestrian flows, which has been set up in an area where the operators reported low visibility, with the consequent potential for injuries.

A project aimed at improving the external routes was also carried out at the Vobarno plant. In this case, separate routes were established for pedestrians, bicycles, forklifts and trucks. Consequently, each vehicle has a defined route, thus limiting the possibilities for interference. This project will be completed in 2020. In addition to the pedestrian routes, the signs and instructions for accessing the plant will also be improved.

This project is intended to be ongoing, and will continue to grow along with the company.



Training

With regard to the health of the workers, training courses dedicated to specific areas and positions were organised. In particular, a meeting with a physiotherapist, which focused upon workplace ergonomics and postural exercises, was introduced for the office workers during the training course. The course participants were invited to try out the exercises in order to learn how to do them properly. This interactive training initiative was received with great enthusiasm by the participants.

Following a proposal for improvement submitted by several employees, automated external defibrillators (AEDs), devices capable of detecting and terminating arrhythmias responsible for cardiac arrest, were introduced to the Valsir premises. The company has organised courses dedicated to the use of this tool for its first aid personnel. It has also granted other interested personnel, who are not members of the first aid teams, the opportunity to participate in the training courses and to obtain the certificate required to use the device, which is valid throughout the region, even outside the workplace. The AEDs installed on the company premises have even been included on the AREU map (the Regional Emergency and Urgent Care Agency), and can also be used to assist people outside the company if necessary.



Work-related stress analysis

In 2019, Valsir conducted a work-related stress evaluation. “Work-Related Stress” is experienced when the demands of the work environment exceed the employees’ ability to cope with (or control) them. [European Agency for Safety and Health at Work].

In order to carry out the assessment, a survey was prepared with the collaboration of the workers’ representative for health and safety (RLS), the safety manager, and the employer. The stress-inducing risk factors were analysed using the objective indicators specified in the INAIL methodology.

Emergency management

Practices continue to be conducted at the plants in order to prepare the workers and staff to handle emergency situations. An environmental emergency intervention drill was organised at the Vestone plant. Repeating these drills over time is very useful for the operators, as the concrete application of the emergency plan procedures and instructions can generate ideas on how they can be improved and rendered more consistent with real-life scenarios. The Plant Managers and the heads of the departments involved also participate in the drills in order to hone their emergency management skills.

In some cases the drills are carried out without notifying the staff beforehand, in order to put both their preparedness and their emotional reactions to the test.

Improvement of ergonomics

During the 2018-2019 period, various tests were conducted in the assembly and packaging and moulding departments in order to improve ergonomics and design work stations that are better suited to the requirements of the operators' activities.

Reorganisation of the packaging department workstations

The installation of the automatic packing machines on the line in the extrusion department has been completed. This operation, which was mentioned in the previous Sustainability Report, was completed in 2019.

Exoskeleton applicability study

During the course of the year recently concluded, wearable exoskeletons designed to reduce upper body muscle fatigue, improve workstation ergonomics and facilitate arm movements were introduced to the market. The tests conducted with these exoskeletons at Valsir revealed that, due to the characteristics of the movements performed by our operators, this tool would only be helpful during one phase of the work activities, and would be a burden at other times. It was therefore decided not to introduce this system, and to continue looking for other devices better suited to the company needs.

Palletising system for Pexal® pipe

The project for the installation of an automatic handling and palletising system for Pexal® multilayer pipes has been completed, and is now fully operational. The solution was developed in collaboration with partners specialising in industrial automation, and was tailored specifically to the company needs. The second phase, which will involve the automation of the bar handling process and the replacement of the existing palletiser with a more advanced system even capable of de-palletising the rolls, will likely be implemented in the near future. These systems will be built and rendered operational in 2020.

GOALS, PROJECTS AND PROCESSES FOR THE FUTURE

Goals

Promote a personalised training programme on worker health and safety with a particular focus on emergency situations.

Empower the department chiefs to disseminate the near-miss culture throughout the company.

Projects and activities for the future

Creation and provision of topical and targeted training programmes.

Engagement activities to explain the benefits of reporting near-misses during department meetings, using the form, as well as other communication tools.

9. In-house training and Professional Development

VISION

Our goal is to manage career plans and training needs in an increasingly integrated manner. We are committed to ensure that the whole company personnel is able to receive personal and professional development training through structured courses.

We also intend to develop a point of convergence and harmonisation between the company requirements and the talents available on the market.

MANAGEMENT APPROACH

- Process for determining the in-house training requirements: Scheduling is carried out 3 times a year, with the managers being asked to communicate the employees' training needs, and these indications are subsequently combined with/added to those obtained during the individual assessment interviews.
- Improvement of the in-house training courses.
- Response to the external professional development needs.

PROJECTS AND PROCESSES

New professional figure and creation of job descriptions

Valsir expanded the training team in 2018 to include a figure dedicated to analyse each of the organisational units' training needs and developing in-house training courses for the company.

The new figure will also be responsible for creating specific training files, in order to establish the training requirements for the various company roles.

The training process consists of the following steps:



On-site coaching



Monitoring and evaluation



Acquisition of independence in the role





New training courses for personal and professional growth

Valsir believes that lifelong learning is a universal calling and an important driver of competitiveness: in fact, even employees who have already undergone training must constantly strive to improve in order to maximise their performance.

The personnel's training needs and their development in their jobs/roles were determined through the completion and subsequent examination of the annual assessment forms. This structured process relies on both a development interview with the employee, with specific attention being paid to professional growth, as well as the computerised data management system, which allows for all courses and training initiatives to be collected and logged.

This management system, which was already announced in the previous edition of the Sustainability Report, has now been rendered fully operational by the company.

In 2019, the company also extended its range of language courses to include Italian language courses for foreigners. The purpose of this training initiative is to provide employees with the tools necessary to better understand the Italian language, both at the workplace and during social interactions.

For foreigners, understanding the Italian language is also essential for safety reasons: in fact, as indicated in the Consolidated Law, familiarity with the language is fundamental for understanding the rules relating to accident prevention and safe conduct.

The need to explore expanding markets has led the company to extend its geographical coverage, both through direct operations and by establishing partnerships with local operators.

For this reason it was necessary to provide English, German, French and Portuguese language courses to the company's employees, through initiatives designed to be flexible, which were put together based on the needs of the recipients themselves.

Types of courses and hours of professional training during the 2018-2019 period



The portfolio of training services offered has been further extended to include communication courses.

Aware of the importance of ongoing training, in 2019 the company planned and implemented another ambitious in-house training course dedicated to maintaining an ongoing and concrete alignment between Valsir's vision and its results, and to supporting and developing its personnel's skills, conduct and specific requirements, through a programme that focuses on multiple levels of growth. The project will deal with different issues based on the participant's role at the company. The following issues will be addressed: status management, coaching and telemarketing training, preparation for sales force training, public speaking, management of feedback and complaints, interviews and negotiations with customers.

The start of this ambitious program was marked by the training event titled $E=MC^2$ (Excellence = mindset times compassion squared), which was attended by about 200 of the companies' employees, and consisted of both training and social aspects, in order to create an atmosphere of dialogue among the employees.



Professionals: conferences with professional associations throughout Italy

Valsir believes that training initiatives based on the sharing of experience and knowledge, and on the technical and technological aspects of the products, can offer the participants a solid and valuable advantage in the long term.

This is why the company has been actively promoting training services for over 25 years and, to this end, founded Valsir Academy in order to foster the professional development of its consultants, customers and partners through a broad selection of specific updating courses and programmes.

They are mutually beneficial places of discussion that allow those operating in the field to learn skills that are not always easily accessible, and allow the company to maintain its hold on the market thanks to valuable feedback about the product and its applications. In view of the new mechanisms for the awarding of Professional Training Credits (PTC), Valsir intends to further intensify its commitment to provide training and technical instruction throughout the country, collaborating with professional associations to organise technical seminars that will issue Professional Training Credits.

While in 2018 the seminars dealt with the topic of designing a comfortable environment, in 2019 they focused on the topic of “Sustainability and energy saving of systems”, highlighting how Valsir products respect the principles of Sustainability through efficient resource management.

108
seminars in Italy

8,579
professionals
involved



Training development in the world of education

Over the years, Valsir has developed increasingly strong synergies with educational institutions, with the aim of creating an exchange of knowledge and experiences between the company and the schools themselves. The company continued interaction with young talents was made possible thanks to the maintenance and strengthening of its existing projects.

Internships and dual education

That training should consist of classroom work, as well as involvement in daily work activities. That's why our company has opened its doors to internships and dual education initiatives, as these are important tools for identifying and recruiting new human resources, and for creating dialogues and ongoing partnerships with local schools.



Valsir meets the schools

These days consist of conceptual lessons and tours of the Valsir plants, and serve as an important opportunity for the younger generations to see the production dynamics of a manufacturing company first hand. The tours are intended for high school students enrolled in technical or professional courses. In particular, this project has led to the development of close partnerships with the Perlasca Institute of Vobarno (BS) and the CFP Zanardelli institute of Villanuova sul Clisi (BS). Lessons are also held on the premises of the professional institutes themselves upon request. Training cycles based on the curricula of the various classes are offered in collaboration with the teachers at these schools. The main topics discussed include: drain systems, water supply systems, controlled mechanical ventilation systems, and heating and cooling systems.



GOALS, PROJECTS AND PROCESSES FOR THE FUTURE

Goals

Projects and activities for the future

Complete all training files.

Maintain the level of the company training initiatives, both in-house and those provided to local schools.

Increase the dialogue between company and the employees with regard to their career plans.

Improve the professional and technical skills of all the company personnel.

Training of new professional skills based on the company technological progress.

10. Energy efficiency

VISION

Our goal is to ensure continuous improvement in terms of the energy performance of the company production activities and plants, and consequently to reduce their greenhouse gas emissions.

To this end, we also encourage the use of Energy from renewable sources.

MANAGEMENT APPROACH

- ISO 50001 certified management system, with the continuous setting of new improvement goals for its maintenance.
- Continuous monitoring and implementation of measures necessary to reduce consumption.
- Plant innovation.
- Training of the procurement staff to ensure that a Life Cycle Cost analysis is always conducted when choosing a product. This approach allows for the analysis of the costs associated with the product throughout its life cycle. The purchase decision therefore takes into account the cost of the initial purchase, the costs that will likely be incurred for maintenance and repair, water and power consumption, and replacement, and the residual value.

PROJECTS AND PROCESSES

Energy performance improvement

The monitoring system implemented over the 2017-2019 period allowed the company to measure and verify a considerable improvement in the energy performance of all of its plants, which is a fundamental requirement for the renewal of the Energy Management System ISO 50001 certification. The most significant improvement was achieved in the Vestone plant fittings moulding department, thanks to a major investment involving the installation of a series of electric injection moulding machines, which replaced the older and much less energy efficient hydraulic moulding machines.

Improvement measures taken during the 2018-2019 period:



Installation of 8 electric injection moulding machines



Installation of the E-Power 500 device for Power Quality improvement



Installation of a trigeneration plant for the simultaneous generation of cooling, heating and electrical power



Detection and repair of a series of compressed air leaks



Introduction of new blowing systems for drying the multilayer pipe bars



Installation of inverters on the vacuum, cooling water and spray pumps



Replacement of the well pump with a more efficient model



Completion of the monitoring system that allows the company energy consumption to be tracked

-12.7%
energy
performance in the
fittings department

Introduction of electric injection moulding machines

During the course of the two-year period recently concluded, 8 electric injection moulding machines were installed to replace the same number of hydraulic models. Compared to traditional moulding machines, electric moulding machines are much more energy efficient. With hydraulic moulding machines, the oil used to transmit the Energy to the drives always has to operate at maximum pressure. This translates into constant high levels of Electricity consumption by the motor delivering power to the hydraulic circuit.

Compared to a hydraulic model, an electric injection moulding machine offers the following advantages:



Energy savings



Lower noise emissions



Near complete elimination of oil consumption



Reduced preventive maintenance



High levels of speed and precision, with improved machine drive parameter settings



Improved cleanliness



Reduced cycle time

Power Quality in the turning department

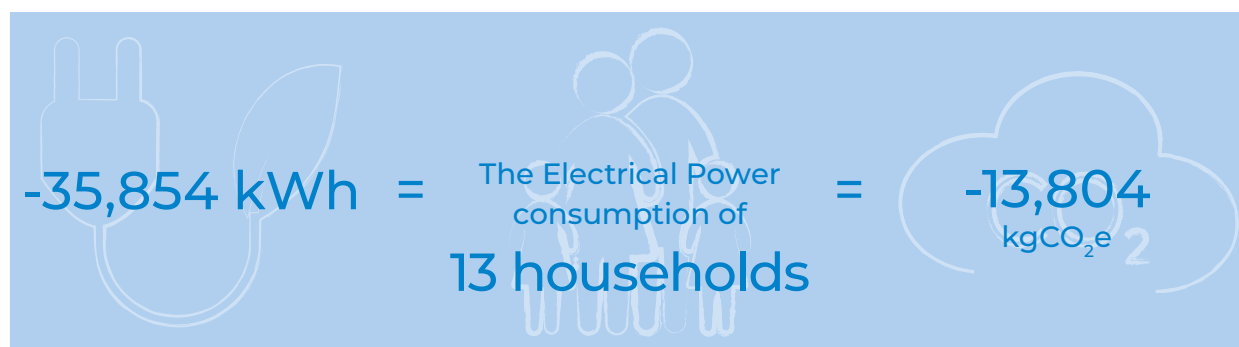
The term Power Quality refers to the improvement in electricity quality, or rather the minimisation of the disturbances present in the power supply, such as interruptions, voltage dips, surges, and current and voltage imbalances, which are caused by the ever-increasing use of electronic equipment.

The system therefore acts upon the reactive components and the ineffective harmonics of the current. In order to gain a better understanding of what this means, we can use the example of an activity that most people have done at least once in their lives: swimming in a pool. Let's start with the assumption that there is just one person in the pool: she/he initially won't experience much difficulty while swimming, because she/he alone creates a few ripples in the water, which "bounce" off the sides of the pool. Now imagine that two other swimmers dive into the same pool with the first, followed by another, and another, until there are ten people swimming, each at their own pace and in different directions. The difficulty increases as the motion of the ripples and waves becomes more and more chaotic and turbulent.

It would certainly be less difficult if there were some way to calm the surface of the water again while everyone was swimming. The E-Power device for improving Power quality does just that. It reduces the ineffective components of the electrical current by restoring its characteristic waveform, even in situations where there are numerous systems utilising (and "disturbing") the power in different ways. All this provides for a reduction in the energy consumed, or rather an improvement in energy efficiency, all with the output remaining the same.

During the course of 2018, the E-Power device was installed at the Vestone facility to integrate an existing unit installed in 2016.

In 2019, the E-Power device reduced the specific consumption of the electricity that passes through the transformer to which it is connected, which serves the entire turning department, by an average of 5.1%.



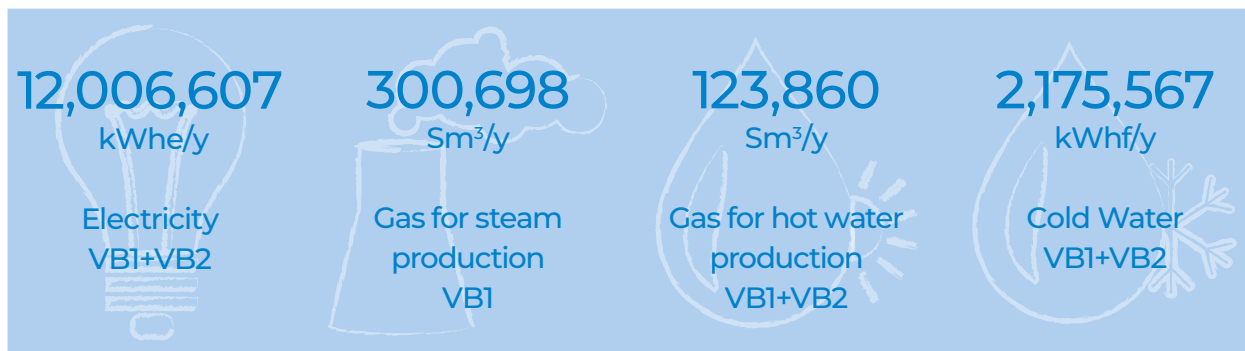
The trigeneration plant at the Vobarno factory

An in-depth feasibility analysis for the construction of a trigeneration plant at the Vobarno factory was conducted in 2018.

Trigeneration can be seen as an extension of cogeneration that, in addition to producing electricity, also allows the thermal energy recovered from the thermodynamic transformation to be used to produce cooling energy, or rather cold water for industrial processes or air conditioning purposes.

The Vobarno facility consists of two production plants known as Vobarno1 and Vobarno2 (as indicated in the following picture), which operate for a different number of hours and use different energy vectors for their processes.

The analysis of the hourly electrical, thermal (hot water and steam) and refrigeration energy needs of the facilities revealed the following consumption profile for the year 2017:



Following a thorough and accurate cost/benefit analysis of the potential energy and monetary savings, in December of 2018 the Management decided to purchase an 860 kW trigeneration plant. The plant, which became operational at the end of 2019, is capable of meeting 50% of the entire facility electricity needs, and almost all of the Vobarno1 plant steam and cooling requirements.

In addition, the thermal energy in the form of hot water generated by the trigenerator is used to heat the work areas during the wintertime.

Thanks to its combined production, the trigeneration plant, which will fall within the category of the High Efficiency plants, will provide for a primary Energy savings equal to:

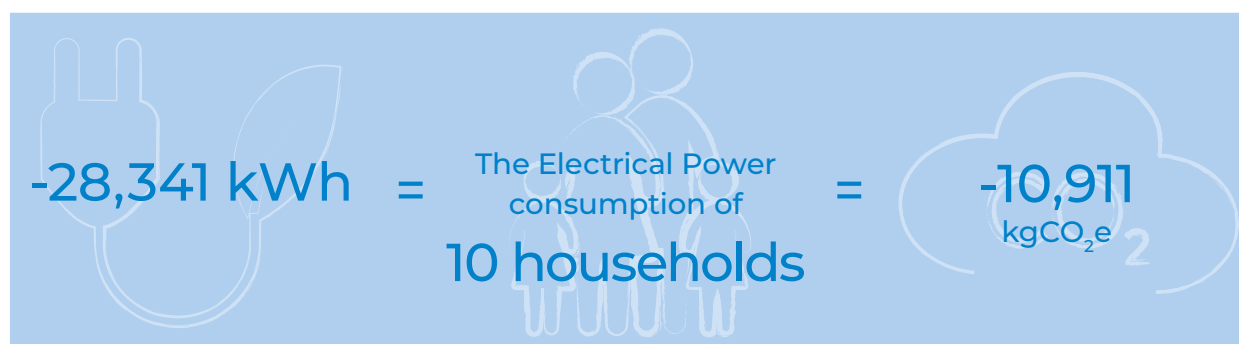




Identification and repair of compressed air leaks

Compressed air production is one of the most energy-intensive activities for a manufacturing company. Consequently, in addition to being extremely expensive for the company, leaks also have a major impact from an environmental standpoint, as the Electricity used to produce the compressed air is generated by the thermal power stations on the national grid, which, in part, are still powered by fossil fuels.

For this reason, Valsir, OLI and Marvon decided to invest in a tool for detecting compressed air leaks. The leak detection activities are conducted at least once a year at all of the three companies' plants. To this end, a training initiative was launched for the internal staff in order to teach them how to use the necessary equipment independently and effectively. A series of leaks detected and repaired during the 2018-2019 period resulted in an Energy savings equal to:



Monitoring plan

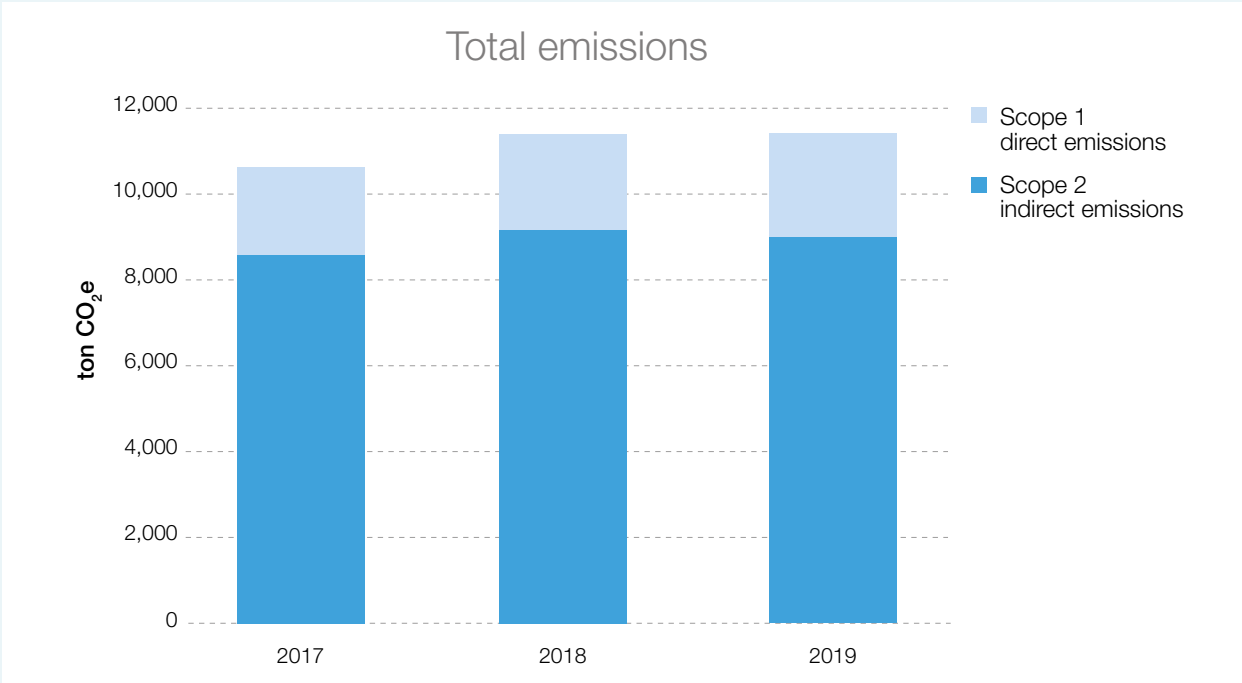
Knowing your energy consumption and how you use Energy based on objective data from the field are essential prerequisites for measuring and verifying your energy performance improvement.

Italian Legislative Decree no. 102/2014, which transposed European Directive 2012/27/EU on Energy Efficiency, made it mandatory for large companies and companies with high levels of power consumption (so-called "energy-intensive") to submit an energy audit to the ENEA (National Energy Efficiency Agency), i.e. a document that provides a reasonably accurate snapshot of the company energy use and consumption, with the aim of reducing its energy costs and environmental impact by identifying a series of opportunities for improvement.

While for the first mandatory year (2015) the use of estimated data for the energy audit was considered acceptable if no meter readings were available, for the second mandatory year (2019) readings had to be taken from the meters for a certain percentage of significant energy uses. For this reason, Valsir established a structured monitoring plan, which, starting with the most significant energy uses of the organisation (e.g production plants, compressor rooms, cooling stations, heating stations, etc.), focused upon the installation of a series of meters capable of continuously measuring the energy vectors and all the variables upon which the consumption values depend (e.g. production, climatic, environmental variables, etc.).

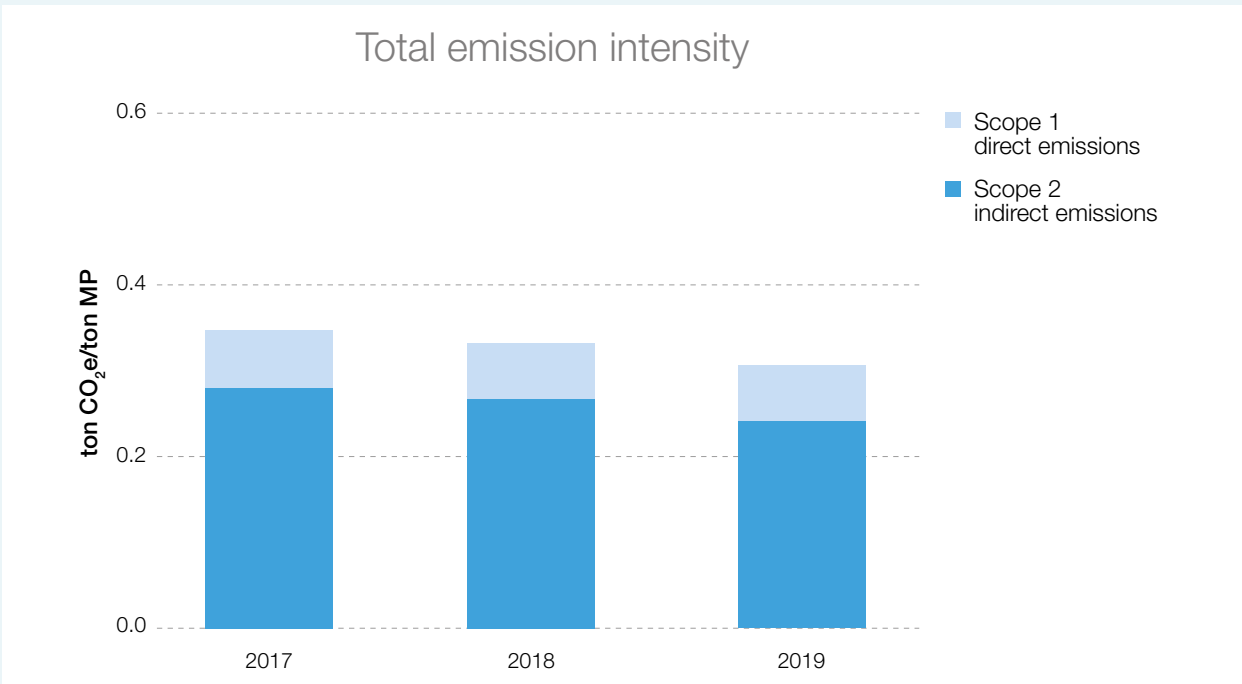
Greenhouse gas emissions

In the reporting of greenhouse gas emissions attention was paid to the direct emissions of Scope 1, i.e. those caused by the direct consumption of energy sources such as natural gas, diesel fuel and LPG, and the indirect emissions of Scope 2, all of which can be traced back to the quantity of Electricity taken from the grid.



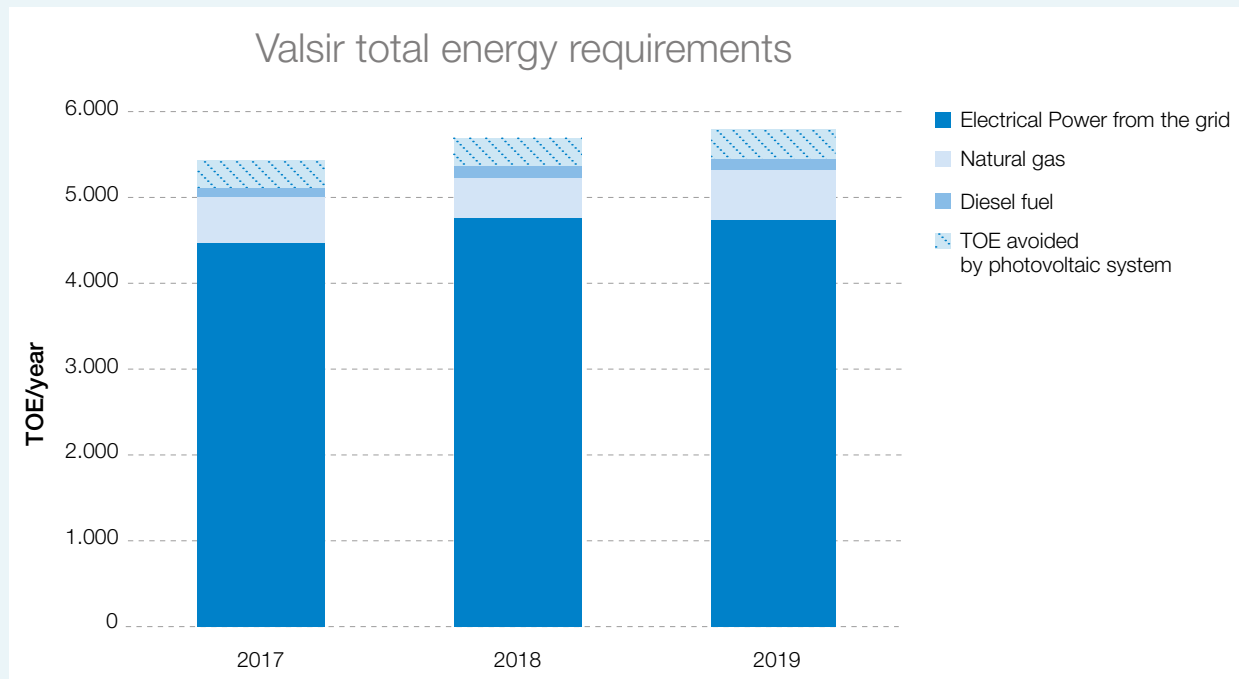
Total emission intensity

The graph below shows the emission intensity index calculated as the ratio between the Scope 1 and Scope 2 emissions and the amount of raw material (MP) processed.



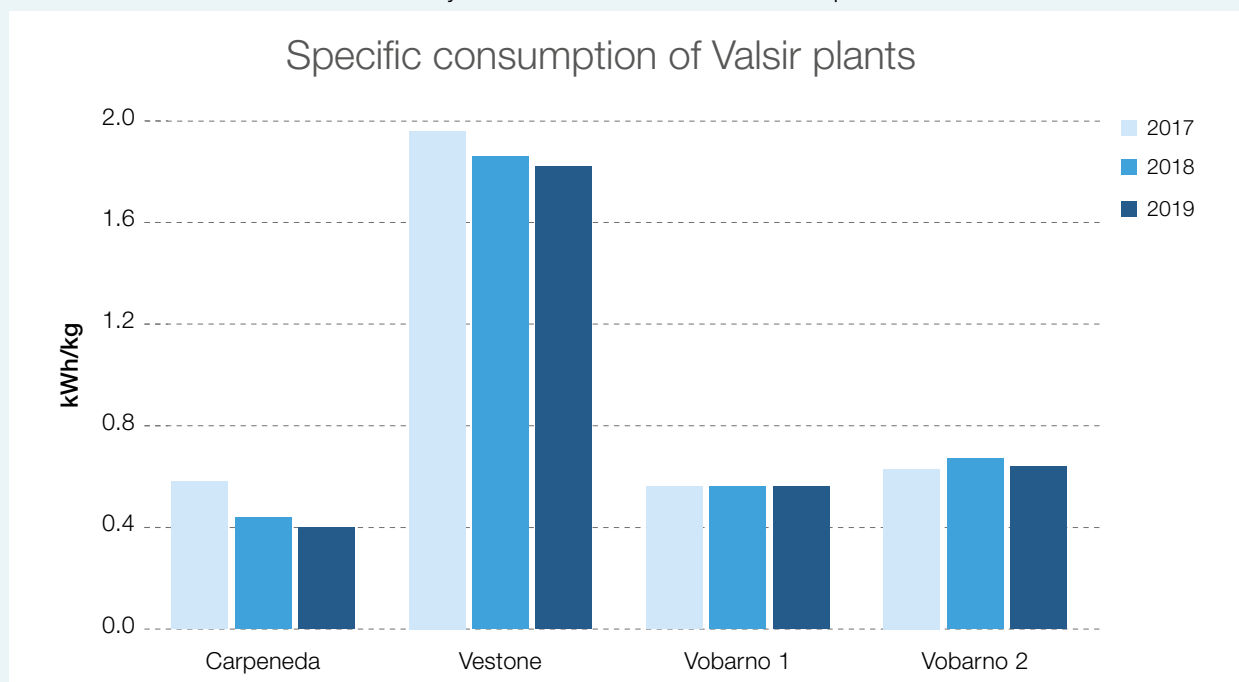
Energy consumption

The graph showing the trend of the company final energy consumption expressed as TOE (Tonnes of Oil Equivalent) includes the consumption of: Electricity drawn from the grid, methane gas, and diesel fuel used exclusively for company vehicles. The graph also shows the TOE avoided thanks to the share of electricity self-produced thanks to the photovoltaic systems.



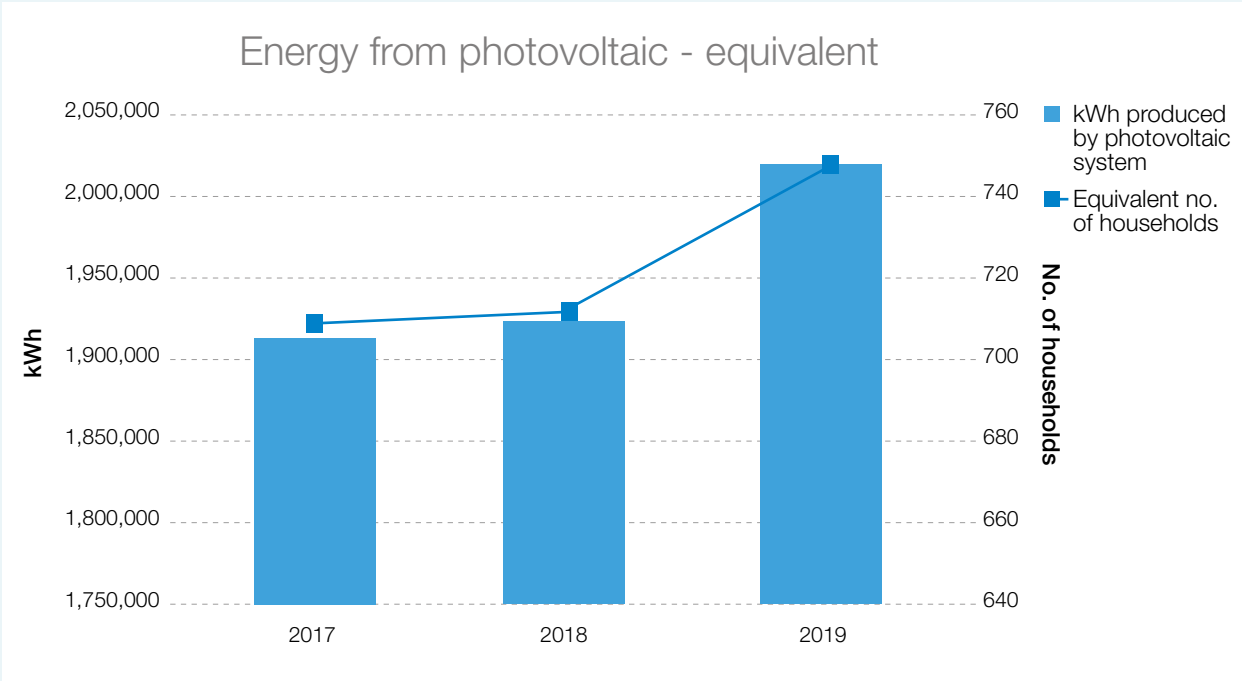
Specific electricity Consumption

Electricity represents for Valsir the primary vector in terms of use and consumption. The following graph shows the specific consumption trend broken down by facility, calculated as the ratio between the consumption of electricity and the amount of raw material processed.



Energy production from photovoltaic - equivalent

The energy generated from renewable sources meets a significant percentage of Valsir energy requirements. The following graph shows the history of the Electricity generated, expressed as the number of households whose needs would be met⁽¹⁾.



In 2019, the production of electricity from renewable sources was equal to:



⁽¹⁾ Equivalent household = 2,700 kWh/year of electricity.



GOALS, PROJECTS AND PROCESSES FOR THE FUTURE

Goals

Work on the system maintenance, with a particular focus on energy-saving aspects.

Obtain ISO 50001 certification for the Carpeneda facility.

Further expand the monitoring system.

Projects and activities for the future

Identify all the factors with a direct effect on energy consumption that must be maintained.

Determine the production data of the new Vobarno2 line.

Introduce specific indicators and measurement centres for each department and intervention, with the aim of showing the actual improvements achieved in terms of energy performance following the interventions themselves.

11. Sustainable mobility

VISION

We want to make the commute to and from the workplace more sustainable for our employees by reducing the number of vehicles on the road, decreasing atmospheric emissions, and promoting socialisation.

MANAGEMENT APPROACH

- Project agreements with a dedicated partner that already has considerable experience in the application and management platform.
- Creation of a system of incentives that will involve a greater number of participants.
- Involvement of public administrations as partners for streamlining local public transport services.



PROJECTS AND PROCESSES

Sustainable mobility week

The culture of Sustainability, in all of its various forms, is now getting widespread attention throughout the country. The Valsir, OLI and Marvon employees also feel the need to help reduce our environmental impacts through targeted actions and projects. That's why the company has decided to raise awareness of the need to reduce the atmospheric CO₂ emissions generated by the commute to and from the workplace.

In order to engage with the employees on the importance of adopting sustainable mobility solutions, the first edition of the "Sustainable Mobility Week" was organised in 2018, an employee car pooling project for work-related travel needs. In view of the employees' enthusiasm and the positive feedback received during the pilot project, the company decided to propose the project once again in 2019 within the context of "European Sustainable Mobility Week", which was held from 16 to 22 September. As shown by the data, the number of participants and groups nearly doubled with respect to the first edition, thus revealing the increasing awareness of environmental Sustainability issues taking root among the three companies.

In order to promote participation in the initiative, the company decided to give a "Sustainability Award" to all the participants in both editions of the project, who were given a gift pack containing an amount of pasta equal to the number of kg of CO₂ emissions avoided thanks to the reduced use of their vehicles for the commute. The pasta chosen for this purpose was reduce by an Italian pasta factory that, like Valsir was committed to reduce the environmental impact of its products through energy efficiency, Energy production from renewable sources, and the use of zero km products.

DATA	2018	2019
Participants	61	109
Number of groups	20	39
Average number of people per group	3	2,8
Average km travelled by car pool	32 (to and from)	27 (to and from)
Number of parking spaces freed	41	70
kgCO ₂ avoided	654	1032

Data referring to Valsir, OLI and Marvon

Thanks to the employees' enthusiastic participation in the initiative, in January 2020 the company adopted a structured in-house mobility management system.



Mobility Manager



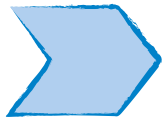
In 2018, the Valsir plant in Vestone exceeded the threshold of 300 employees. Consequently, in accordance with the provisions of the Inter-ministerial Decree of 03/27/1998, titled “Sustainable Mobility in Urban Areas”, the company was required to appoint a Mobility Manager tasked with preparing a plan for the employees’ commute to and from the workplace. The company seized this opportunity to appoint a person who would not only serve as a Mobility Manager for Valsir, but who would also function as a collector and promoter of good practices for all three companies collectively.

All the employees were asked to complete a questionnaire evaluating their habits in terms of the commute to and from work, as well as the proposed introduction of a digital car pooling service.

This activity is expected to provide for the following benefits:



Reduction in car maintenance costs



Savings for both the drivers and passengers



Reduction of CO₂ emissions



Reduction in the number of cars on the road, resulting in less traffic



Increased socialisation



Increased availability of free parking spaces

GOALS, PROJECTS AND PROCESSES FOR THE FUTURE

Goals

Support the transition from the “mobility week” to a permanent management system.

Implement a mobility management system.

Promote the use of electric and plug-in cars.

Projects and activities for the future

Organisation of contests.

Appointment of a Mobility Manager.

Study of the movements of the employees and analysis of how the local and public transport services are managed.

Evaluation of the installation of shelters with solar panel modules for charging electric cars.

12. Protection of water resources and management of drains

VISION

We want to achieve a process efficiency level that allows us to optimize the use of our water resources as much as possible, while at the same time ensuring the quality of our waste water, in order to avoid impacting the receiving water bodies.

MANAGEMENT APPROACH

- Precise monitoring of the use of water resources in order to identify any uses not related with the actual needs.
- Precise monitoring of waste water.

PROJECTS AND PROCESSES

Timely monitoring of anomalies

The consumption values at the Vestone and Vobarno facilities are monitored continuously so that the operators can promptly identify any anomalies. This approach allowed for the identification of leaks due to malfunctioning valves or systems not properly managed during downtime.

The continuous monitoring of the water resources allows for even small deviations from the usual consumption values to be detected. When such a deviation occurs, an analysis of the cause is immediately conducted in collaboration with the facility technicians in order to determine whether the abnormal consumption is linked to a change in production, a system leak, or a possible malfunction.

It is also possible to identify the utilities with the highest consumption values, in order to subsequently conduct dedicated feasibility studies for possible reduction measures.



Reduction of consumption

Several projects are being implemented within the company that will reduce the volume of water drawn from the network.

The first among these is the creation of a closed circuit for cooling the compound line at the Vestone facility, which currently draws and discharges significant quantities of water. Work activities aimed at connecting this system to the closed cooling circuit of the facility were carried out in August of 2019, and are expected to be completed in 2020.

Other interventions include the replacement of valves in the floor cooling system of the office building. The valves previously installed were of an open/close type, while the new ones are of a proportional type, which are capable of regulating the water flow based on the actual requirements.

A trigeneration system capable of supplying the cold water for the cooling systems of the lines was installed at the Vobarno facility in late 2019, the details of which are described in chapter 10. This will provide for a reduction in water consumption from the network during the seasons in which the existing evaporative tower is unable to keep up with the production requirements. According to the reduction estimates, the plant will allow the company to reduce the amount of water drawn from the network by 25% with respect to the amount used prior to the trigeneration plant installation.

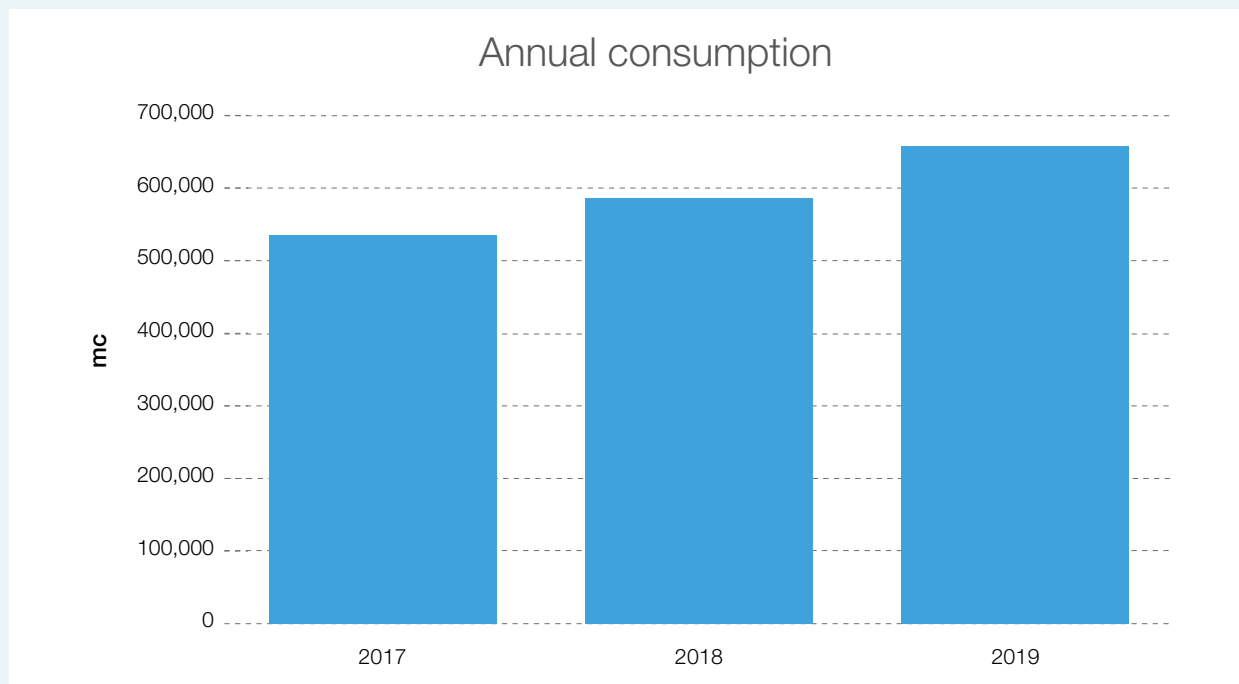
Water savings are not only achieved through major interventions, but also through changes made to small daily activities.

In fact, thanks to an idea for improvement submitted to a box of opportunity, all of the automatic water dispensers of the washbasins in the production departments were adjusted to reduce their dispensing intervals. The operator who submitted the idea reported that the water continued to flow long after she had finished using it, resulting in waste.

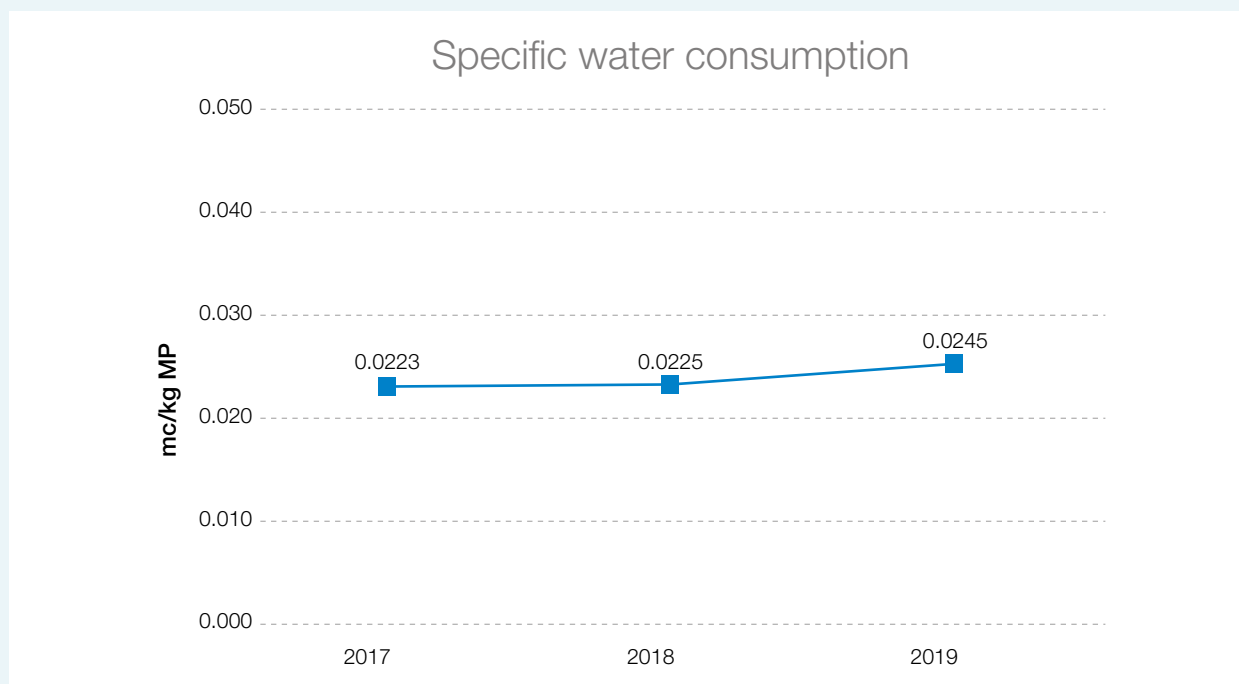
Withdrawn water

The highest consumption of water in the company is recorded during the cooling phases of the production lines and products.

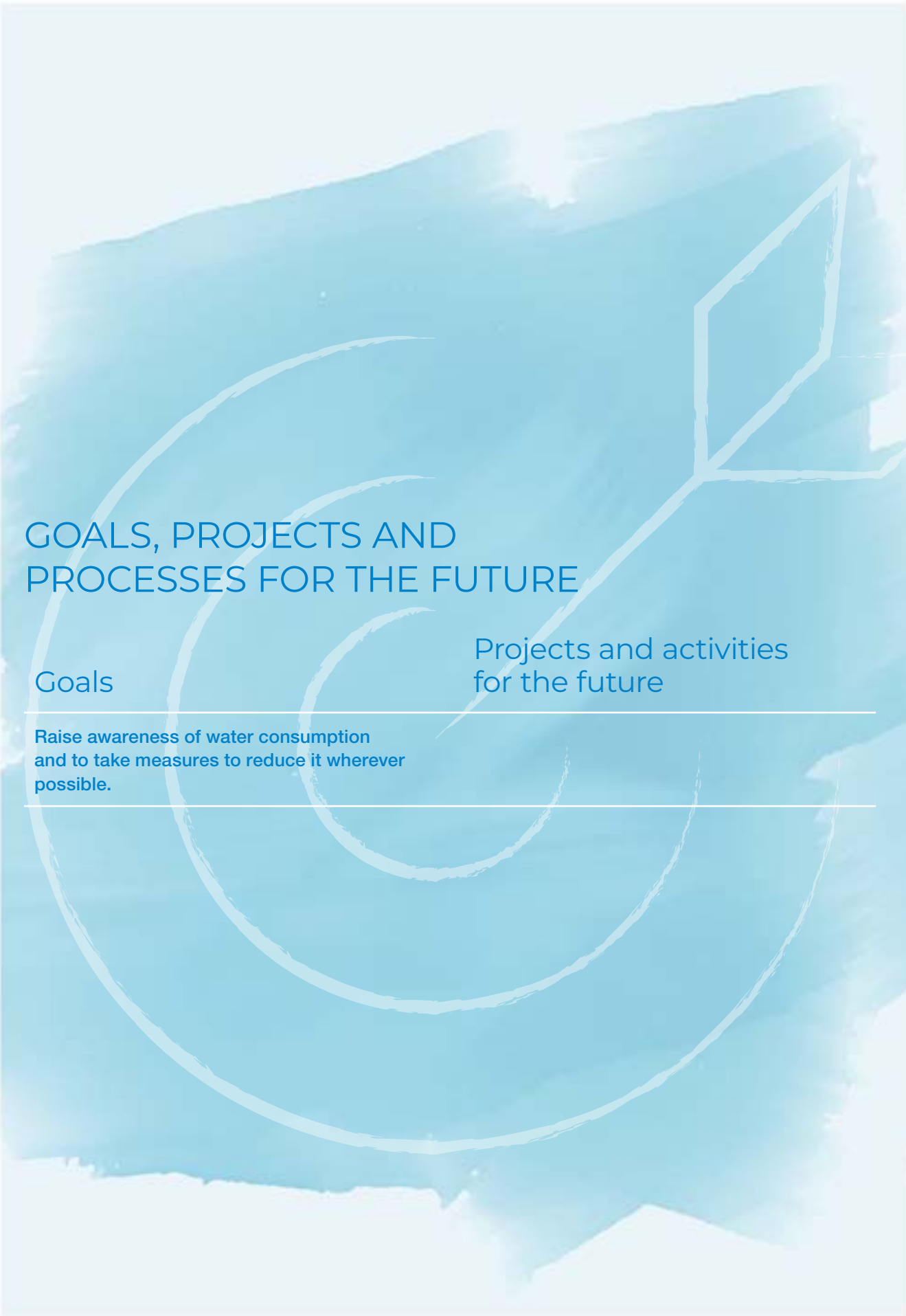
In order to rationalise the quantity of water, each plant is equipped with recirculation systems that use different cooling sources depending on the season, favouring those that have the least impact, especially from an energy and environmental point of view.



The following graph shows the specific water consumption calculated as the ratio between the annual consumption of water from the network and the raw material processed (MP).







GOALS, PROJECTS AND PROCESSES FOR THE FUTURE

Goals

Raise awareness of water consumption
and to take measures to reduce it wherever
possible.

Projects and activities for the future

13. GRI references



Disclosure	Disclosure title	Page	Notes
Wo we are - Valsir			
102-1	Name of the organization	17	
102-2	Activities, brands, products, and services	17-24	
102-3	Location of headquarters	17-18	
102-4	Location of operations	17-24	
102-5	Ownership and legal form	16	
102-6	Markets served	17-24	
102-7	Scale of the organization	25	
102-8	Information on employees and other workers	25, 37	
102-10	Significant changes to the organization and its supply chain	-	Not relevant
102-14	Statement from senior decision-maker	11	
102-16	Values, principles, standards, and norms of behavior	26-27	
102-18	Governance structure	16	
102-40	List of stakeholder groups	30-31	
102-41	Collective bargaining agreements	-	Not relevant
102-42	Identifying and selecting stakeholders	30-31	
102-43	Approach to stakeholder engagement	30-31, 43-44	
102-44	Key topics and concerns raised	30-31	
102-45	Entities included in the consolidated financial statements	-	Not relevant
102-46	Defining report content and topic Boundaries	30-31	
102-47	List of material topics	31	
102-48	Restatements of information	-	Not relevant
102-49	Changes in reporting	-	Not relevant
102-50	Reporting period	31	
102-51	Date of most recent report	31	
102-52	Reporting cycle	31	
102-53	Contact point for questions regarding the report	120	
102-54	Claims of reporting in accordance with the GRI Standards	31	
102-55	GRI content index	113-115	
102-56	External assurance	-	Not relevant
103-1	Explanation of the material topic and its Boundary	36,50, 56, 62, 70, 76, 82, 90, 102, 106	
103-2	The management approach and its components	36,50, 56, 62, 70, 76, 82, 90, 102, 106	

Disclosure	Disclosure title	Page	Notes
Welfare systems, continuous dialogue with employees and sustainability culture promotion			
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	38	Vouchers (health services)
102-43	Approach to stakeholder engagement	44	Extract from the employee satisfaction questionnaire
-	Opportunities box statistics	42	
Product responsibility and waste valorisation			
301-2	Recycled input materials used	51	Percentage of reusable waste re-entered directly into the production cycle
-	Saved material input on new ranges developed/under development	51	
-	Reduction of set-up times with consequent reduction of material waste	51	
301-3	Reclaimed products and their packaging materials	52-53	Valsir Recycling project
301-1	Materials used by weight or volume	54	Volumes of purchased packaging materials/produced parts
301-1	Materials used by weight or volume	54	Saved paper reams by printing instructions on the packaging bag
Commitment not to delocalize and support the community			
413-1	Given liberalities	57-59	
413-1	Number of schools involved in the "Young protagonists of the circular economy" project	60	
Waste management and atmospheric emissions			
306-2	Waste by type and disposal method	66-67	
306-4	Transport of hazardous waste	-	
-	Percentage of emissions into the atmosphere conveyed	64	
Health and safety			
-	Investments made on plants	77	
404-1	Average hours of training per year per employee covering health and safety topics	79, 84	
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	77	Number of Near Miss reports

Disclosure	Disclosure title	Page	Notes
Internal training and professionalization			
-	Number of internships and school-work alternations	88	
-	Number of training initiatives on the territory	88	
404-1	Average hours of training per year per employee	85	
-	Courses organized with professional orders	87	
Energy efficiency and sustainable infrastructure development			
302-1	Energy consumption within the organization	98	
302-3	Energy intensity	98	
302-4	Reduction of energy consumption	93,94,96, 98	
305-1	Direct (Scope 1) GHG emissions	97	
305-2	Energy indirect (Scope 2) GHG emissions	97	
305-4	GHG emissions intensity	97	
Sustainable mobility			
-	Absolute number and percentage of participation in the Sustainable Mobility Week	103	
-	CO ₂ savings	103	
Safeguarding water resources and waste management			
303-1	Water consumption by source	109	
-	Water saving	108	

14. Glossary



Word	Definition
Rainwater	Atmospheric precipitations.
Wastewater	Any type of water discharged from buildings or installations where commercial activities or production of goods are carried out.
CO ₂ e	Unit of measurement used to measure the warming potential of greenhouse gases, i.e. their GWP (Global Warming Potential). CO ₂ is the reference gas used to measure all the others, so the GWP of CO ₂ =1.
Specific consumption	In the context of this Sustainability Report, it indicates the relationship between the consumption of a given resource such as water, electricity, methane gas (etc.) with a unit of measurement such as the total quantity of finished products, the average floor area, turnover or number of employees. It serves to give a precise image of the company's consumption taking into account the relevant indicators for the company's activity, removing from the measurement what could be fluctuations caused by extrinsic factors.
CSR	Acronym for Corporate Social Responsibility. In economic and financial jargon, the scope of the ethical implications (environmental, social and economic) within the strategic vision of the company: it is a manifestation of the company's will to effectively manage the social and ethical impact within it and towards all its stakeholders.
Energy efficiency	Reduction of energy consumption and waste prevention.
Emissions into the atmosphere	Emission of atmospheric contaminants. These can be classified into primary, i.e. released into the environment as such and secondary, which are subsequently formed in the atmosphere through chemical-physical reactions.
Extrusion	Machining by plastic deformation performed on metallic materials to obtain bars, tubes, various profiles and capsules.
GHG - Greenhouse gases	Acronym Greenhouse Gas. Are called greenhouse gases those gases present in the atmosphere, which are transparent to the incoming solar radiation on Earth but are able to retain, in a consistent manner, the infrared radiation emitted from the Earth's surface, the atmosphere and the new ones. Greenhouse gases can be of both natural and anthropogenic origin and absorb and emit at specific wavelengths in the infrared radiation spectrum. This property causes the phenomenon known as the greenhouse effect. Water vapor (H ₂ O), carbon dioxide (CO ₂), nitrous oxide (N ₂ O), methane (CH ₄) and sulfur hexafluoride (SF ₆) are the main greenhouse gases in the Earth's atmosphere.
GRI	Acronym for Global Reporting Initiative, i.e. international guidelines for the preparation of a sustainability report that provide a set of indicators in the economic, social and environmental fields to systematize the reporting of company performance.
Energy intensity	Measurement to calculate the degree of energy efficiency. It is calculated as a unit of energy divided by a relevant indicator for the business activities taken into consideration, such as the quantity of finished product, turnover, sales volume, etc.
Inverter	Electronic equipment capable of converting a direct current flow into alternating current.
Materiality	Concept introduced with the G4 version of the GRI, which is to determine the degree of relevance of specific issues for the drafting of the sustainability statements.
Near Miss	It is defined "Near Miss" or "near injury" any event, related to work, that could have caused an injury or damage to health (illness) or death but, just by chance, did not produce it: an event that has the potential to produce an injury.
Scope 1	Classification drawn up by the GHG Protocol which indicates all direct greenhouse gas emissions, i.e. caused by sources owned or controlled by the reporting entity.

Word	Definition
Scope 2	Classification drawn up by the GHG Protocol which indicates all indirect greenhouse gas emissions resulting from the consumption of energy taken from the grid.
Scm	Unit of measurement used for substances that are in the gaseous state under “standard” conditions, i.e. at atmospheric pressure and at a temperature of 15°C.
Stakeholder engagement	Involvement and listening to the company’s interest groups. For stakeholders with whom a dialogue has been undertaken in this Sustainability Report, we refer to employees, customers, territory, public institutions.
TOE	Acronym for Ton of Oil Equivalent. It is a unit of measurement of energy.

This report was printed on
FSC® certified, ECF (Elemental
Chlorine Free) paper made
from pure ecological cellulose:
Symbol Tatami, Ivory.



Graphics: Marketing and Communications Office

Print: Color Art S.p.A.

Translate: Imagine Traduzioni S.r.l.

Info: sustainability@valsir.it

With the advice of:



Terra Institute operates as center of competence for the development and the implementation of innovation and sustainability strategies within companies and society. Through consulting, coaching, education and research it creates impulses for a new economic behavior. www.terra-institute.eu

Valsir S.p.A. - Società a socio unico

Località Merlaro, 2
25078 Vestone (BS) - Italy
Tel. +39 0365 877.011
Fax +39 0365 81.268
e-mail: sustainability@valsir.it
www.valsir.it

Soggetta all'attività di direzione e coordinamento ex art. 2497 bis C.C.
da parte di Silmar Group S.p.A. - Codice Fiscale 02075160172

