AUTOMOTIVE STEEL COMPONENTS

Sustainability Report

2021

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AUTOMOTIVE STEEL COMPONENTS

Anno 2021

Sustainability Report

Summary

Embarking on the path that has led us to the publication of this Sustainability Report has been very important for us and allowed us to see our company from a different point of view.

Ruggero Ceriali - OMR S.p.a.
Chief Executive Officer

Letter to our stakeholders

Dear **Stakeholders**,
This document is **OMR's** first **Sustainability Report**.
We have grown rapidly over the last few years, and in defining our future objectives we have also become aware of the importance of our ability to respond to new environmental and social demands arising from the economic model in which we are embedded.

When defining the actions through which **OMR** will be able to further contribute to this new design, it was decided that first of all it was necessary for us to first take a look at what **OMR** has up to now already put in place, in what until now has been a somewhat unaware manner, with respect to sustainability issues.

Embarking on the path that has led us to the publication of this **Sustainability Report** has been very important for us; it has allowed us to see our company from a different point of view, helping us to better define those areas of risk that are not always considered in the **traditional view of company activities**, but above all it has allowed us to enhance our role in the process of defining innovative solutions for the automotive industry and for increasingly sustainable mobility. **OMR**, in fact, is first and foremost a **reliable partner** of large industrial groups for the development of innovative solutions with a particular focus on sustainable and electric mobility.

This analysis of materiality has revealed as particularly relevant two issues, the **quality of the product as well as occupational health and safety**, which we have always had as priorities, but thanks to this analysis they are reaffirmed, showing all our stakeholders, workers and in particular our clients, that we are able

to recognise our most important challenges and that **we are aware of our responsibilities** towards them. The context in which we operate today is particularly complex due to the pandemic crisis, the critical supply of raw materials and the increasing cost of energy.
Regarding the issue on raw materials and the cost of energy, environmental considerations intersected with economic considerations, which strengthened our conviction that a **constant focus on product design and processes** is increasingly necessary to be able to produce while limiting both its environmental impact and costs. This is why we have been renewing our machinery to improve the quality of our products and to reduce energy consumption by means of investments totalling EUR 14 million in the year 2021 alone.

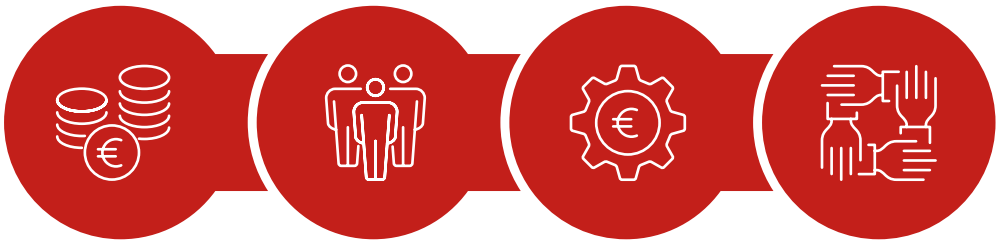
We have come to realise that an integrated vision of economic aspects and environmental aspects must become an essential element in the way we operate.

Specifically, in 2021 we launched a number of important and distinctive initiatives such as the installation of our third most powerful solar plant, which with a nominal power of 2338 KWp is the most powerful plant we have ever installed and which allows us to reach **26% of self-produced energy from renewable sources**. Another important step to achieve circularity in the use of our raw material has been taken together with our main steel supplier, Arvedi, to whom we deliver our scrap metal (SCRAP) and who in turn provides us with recycled raw material with a reduction in indirect emissions generated by steel production of around 12,000 tCO2eq in 2021.

Last but not least, we realised how important **our relationship is with our local area**, where most of the people who work for us live, which has allowed us to develop from 1972 to this day. We have always contributed to the **cultural and social growth of our community**, but during the pandemic emergency, which particularly affected this community, we have strengthened our commitment by stepping in with practical and timely aid. You can read about this and more in our **first Sustainability Report**, which is just the beginning of a journey in which we want to engage in dialogue with our stakeholders and build a new strategic vision of what **OMR** should be in the future.
Enjoy reading!

Ruggero Ceriali
Chief Executive Officer

Highlights



134 mln€
Revenue

15
Markets supplied

≈ 20.600.000
Pieces produced

576
Employees

Results achieved in 2021

- Establishing the first OMR **materiality matrix**
- **Sustainability *governance* structure** definition
- **100%** of prototypes designed for hydrogen vehicles converted into products
- Over **14 million euro invested** in new machinery
- **3,860** hours in health and safety training
- **26%** of energy requirements are covered by photovoltaic power
- **100%** of energy purchased from renewable sources
- **Carbon Neutralisation** for Energy Consumption - **Scope 2**
- A **partnership with the Arvedi Group** for circular steel management
- Over **200,000 euro** allocated to social initiatives

Next steps for our future

- *Stakeholder engagement* in 2022
- Achieving **ISO 45001** certification within 2025
- a **20%** female component within 2024
- **2,900** hours provided in general and specific training by 2024
- **50%** of energy needs covered by photovoltaics in 2022
- Drafting of the **Code of Ethics for Suppliers** by 2023

SDGs

Who we are

OMR S.p.a. was founded in 1972, in the premises where we still operate today, in Remedello, in the province of Brescia, as a **metal carpentry company on behalf of third parties**, producing pressed and assembled steel rolled sections for local industries. The metalworking industry market in Brescia and Lombardy was flourishing in those days and the presence of large companies offered strong stimuli to a small company that was trying to grow. The encounter with a **major multinational industrial vehicle** manufacturer led us to make decisive choices regarding sales and steel components for the European automotive industry, passing through a progressive technical and technological expansion. We were one of the first Italian companies to import **laser cutting technology** and one of the few to have a **cataphoresis and powder coating** plant within its production cycle.

The continuous expansion of the pressing, bending, welding, machining and tumbling departments have led us in recent years to be one of the rare models on the market of **complete verticalisation of the production cycle**.

Starting from the sheet metal coil, we are able to carry out all the necessary processing to give the customer a finished product that is **delivered daily all over Europe**, thanks to the **integrated logistics** that, counting on a bar coding and radio frequency system, in addition to guaranteeing the **traceability of the production cycle**, also speeds up pick-up and shipment operations. Nowadays **OMR** is an approved supplier to leading European industries in the production of industrial vehicles, commercial vehicles, earth moving machinery, agricultural machinery, and industrial handling equipment. Typical **OMR** products are chassis components, cab components, small cabs, seat support frames, engine support frames, anti-intrusion bars, tank support belts, hoods, handling arms, buckets, pallet truck forks, etc., with a total of **more than 3000 items per month in the pipeline**.

SECTOR INDUSTRIAL AND COMMERCIAL VEHICLES (80% OF OMR ACTIVITIES)

Iveco Group
Daimler Trucks
Volvo Trucks

SECTOR AGRICULTURE VEHICLES

CNH Industrial
New Holland

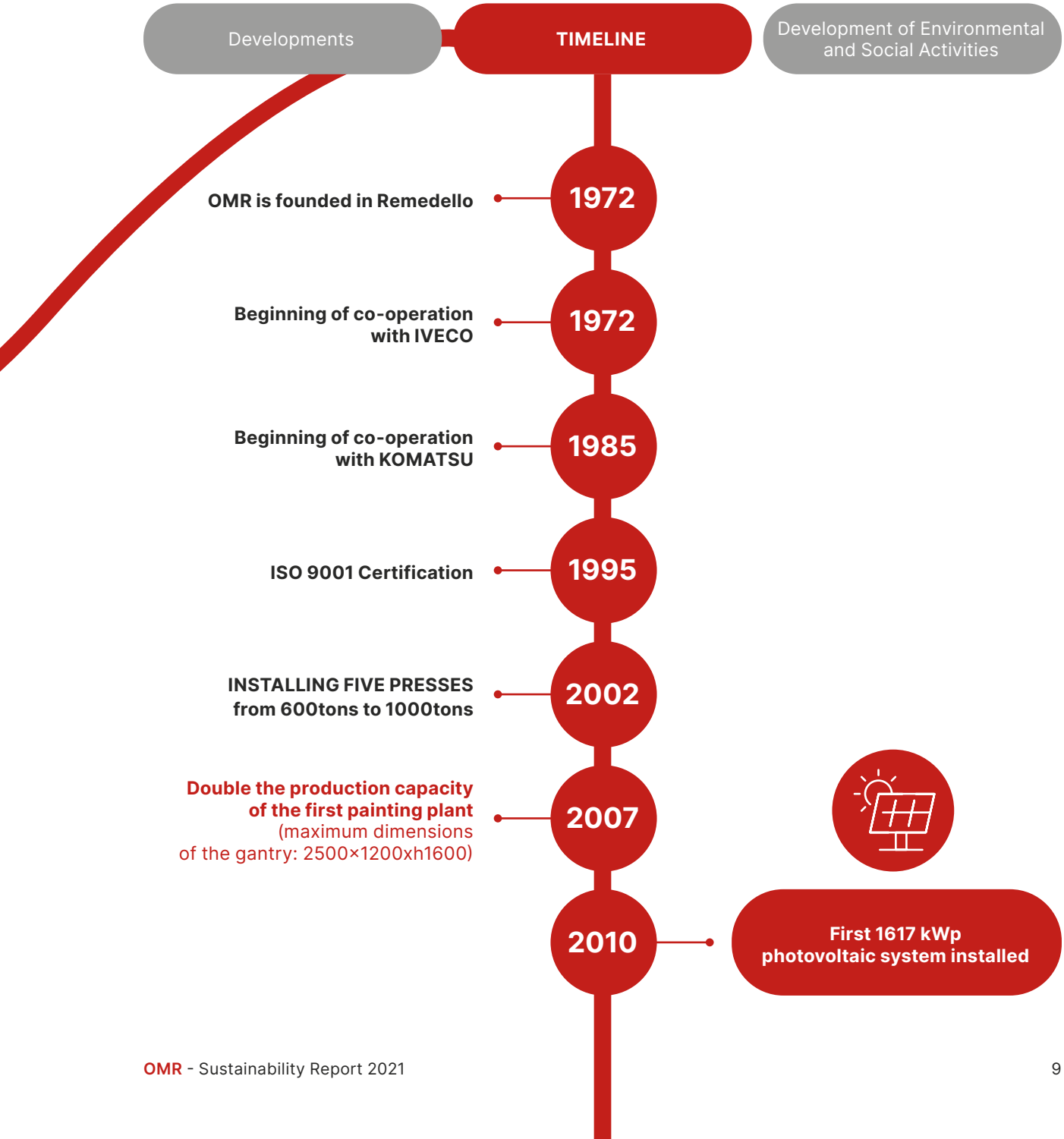
SECTOR CONSTRUCTION EQUIPMENT

CNH Industrial
Caterpillar
KOMATSU

While producing to customer drawings, **OMR** works in co-design with its customers' project platforms to develop improvements but, above all, to study new products **that allow for greater performance and reduced costs**.
In order to do this, **OMR** has recently added a prototyping and testing department to its state-of-the-art technical department, at the customer's complete disposal for all the tests, simulations and samples necessary to develop new ideas and to continuously improving the quality of the product.

This know-how, which has been proudly developed throughout our history, allows us to be firmly present in an increasingly competitive market which today demands not only production capacity but also and above **all problem solving, innovative ideas and increasing quality**. In the global automotive industry, the design and production of increasingly efficient, high-performance and cost-effective components will play a decisive role in determining the success of a car, a commercial vehicle or an agricultural machine.

OMR's mission is therefore distinctly outlined: **to follow the customer in their technical, technological and market evolution by providing all its resources contributing to the research and development of excellent products**. This has allowed us to grow over the years and to reach the point of serving over 20 customers in around 15 different countries.



2012 — **Mounting of the second 844.59 kWp photovoltaic system**

2012 — **Beginning co-operation with CATERPILLAR**

2013 — **INSTALLING TWO 2400-ton PRINTING LINES (AIDA)**

2014 — **IROBOTIZED AUTOMATIC ISLAND INSTALLATION for SUSPENSION ASSEMBLY (KUKA)**

2014 — **ISO 14001 Certification**

2015 — **Beginning of co-operation with DAIMLER**

2017 — **Implementation of the Organisational Model D.lgs. 231/2001**

2018 — **Donations "S.Damien" Hospital Rava Foundation**

2018 — **1st audit World Class Manufacturing**

2018 — **Contribution Towards the Building of a Municipal Centre for the Elderly**

2018 — **INSTALLATION of AUTOMATED WAREHOUSE for FLAT METAL** (maximum storage 9000ton)

2018

INSTALLATION OF SECOND PAINTING FACILITY (max. dimensions: 5000×1400xh1800)

2019

Beginning of co-operation with VOLVO

2019

Art Bonus - Municipality Remedello - Museum of Archaeology and Former Disciplini church

2020

Beginning of co-operation with NIKOLA

2020

Donations Asst. Spedali Civili in Brescia

Donations to Università Cattolica del Sacro Cuore

Donations to the Municipality of Remedello for Coronavirus Emergency

2021

Beginning of co-operation with SIAP CARRARO

2021

Art Bonus-Foundation Brescia Civic Museums

Donation project: Food For All

Donations to One Ocean Foundation

Installation of the third 2338.11 kWp photovoltaic system

2021

First Sustainability Report Prepared

Numbers	2020	2021
Revenue mln€	90	134
Net assets mln€	130	139
Net profit/loss for the year mln€	7,8	11,2
No. of employees	503	576
No. of parts produced	13.627.567	20.600.000
Markets served (n)	15	15
Total Industrial Surface Area (m^2)	188.712	188.712

BOX: Associations which we participate in

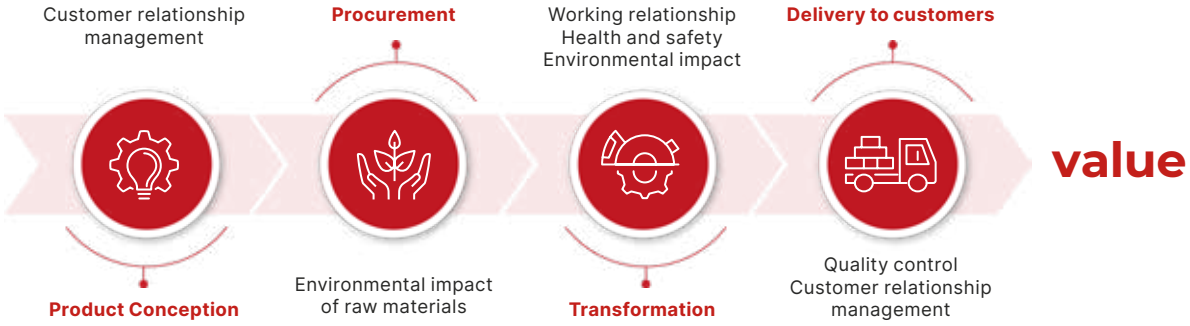
It is our belief that sharing and confrontation are important to achieve our goals.
That is why we actively participate in territorial and trade associations.

Confindustria Brescia is the territorial seat in the Province of Brescia of the Confederation of Italian Industry, the main organisation that represents Italian manufacturing and trade and service companies. This is a free association that plays a role in representing and protecting the companies in its area, its entrepreneurs and their values before institutions. Its common aim is to create an integrated network in which knowledge, resources and services are freely shared to support the social and economic development of the territory and its stakeholders. It currently has as members more than 1,200 companies in the area.

AQM Srl, is a non-profit company founded in 1982, with its headquarters in Provaglio d'Iseo - BS which operates with thousands of National and International metallurgical and manufacturing companies, developing expertise in industrial materials in various fields of application, their production processes, continuous organisational improvement and the implementation of integrated management systems in compliance with international standards in the various fields of application.

CONAI is a private, non-profit Consortium that represents in Italy the instrument through which producers and users of packaging assure the achievement of the recycling and recovery targets for packaging waste set by law

The Value Chain



Our ability in creating value is based on a process organised as follows:

Product Conception

We work alongside customers with Engineering Departments to **develop and design the product**, defining the characteristics of resistance and use that best meet the customer's requirements, understanding their needs and transforming them into operational lines for implementation.

At this stage, we **provide operational** input for the optimisation of the product. In this context, we have recently contributed to **defining solutions aimed at weight saving** and the use of self-supporting materials. The support in defining these solutions has been stimulated by the recent increase in the price of steel and the need to minimise fuel consumption.

The conception of the product involves the following activities:

- We receive the **drawing of the product in CAD** from the customer as well as the technical specifications;
- Then we intervene in the process, with a view to **co-design**, by sending the customer technical revisions of the product and suggesting any modifications;
- Upon receiving the customer's approval of the final design, we move on to the **production phase**.

Procurement

We work with over 600 suppliers, of which **40% are local**. The purchased materials for production (steel, paints and powders, packaging, screws, tools, lubricants, welding

wire, semi-finished components, gases) amount to 48,142 tonnes, with **steel** being the most important raw material, **amounting to 93%** of all materials purchased. Through an agreement with a partner supplier for the delivery of our scrap, we are able to **limit the environmental impact** of this raw material. The purchase of auxiliary materials (components for the final product packaging) and packaging is dictated by the technical and *packaging* sheets defined by the customers. Paints and powders are purchased directly from us after validation of the technical specifications by our *partners*.

Transformation

This is a highly vertically integrated phase involving **11 different processes**.
This transformation process is structured on the basis of internal guidelines which are defined according to the principles of the certifications held and the best practices required by customers (e.g. WCM).

The 11 phases of our integrated production process are:

1. Laser sheet metal cutting
2. Press-bending
3. Stamping
4. Mechanical machining
5. Robotized welding
6. Carpentry
7. Punching
8. Sandblasting & Tumbling
9. Pipe cutting and bending
10. Varnishing
11. Assembly

Complementing the 11 production **phases are the logistics and support services**:

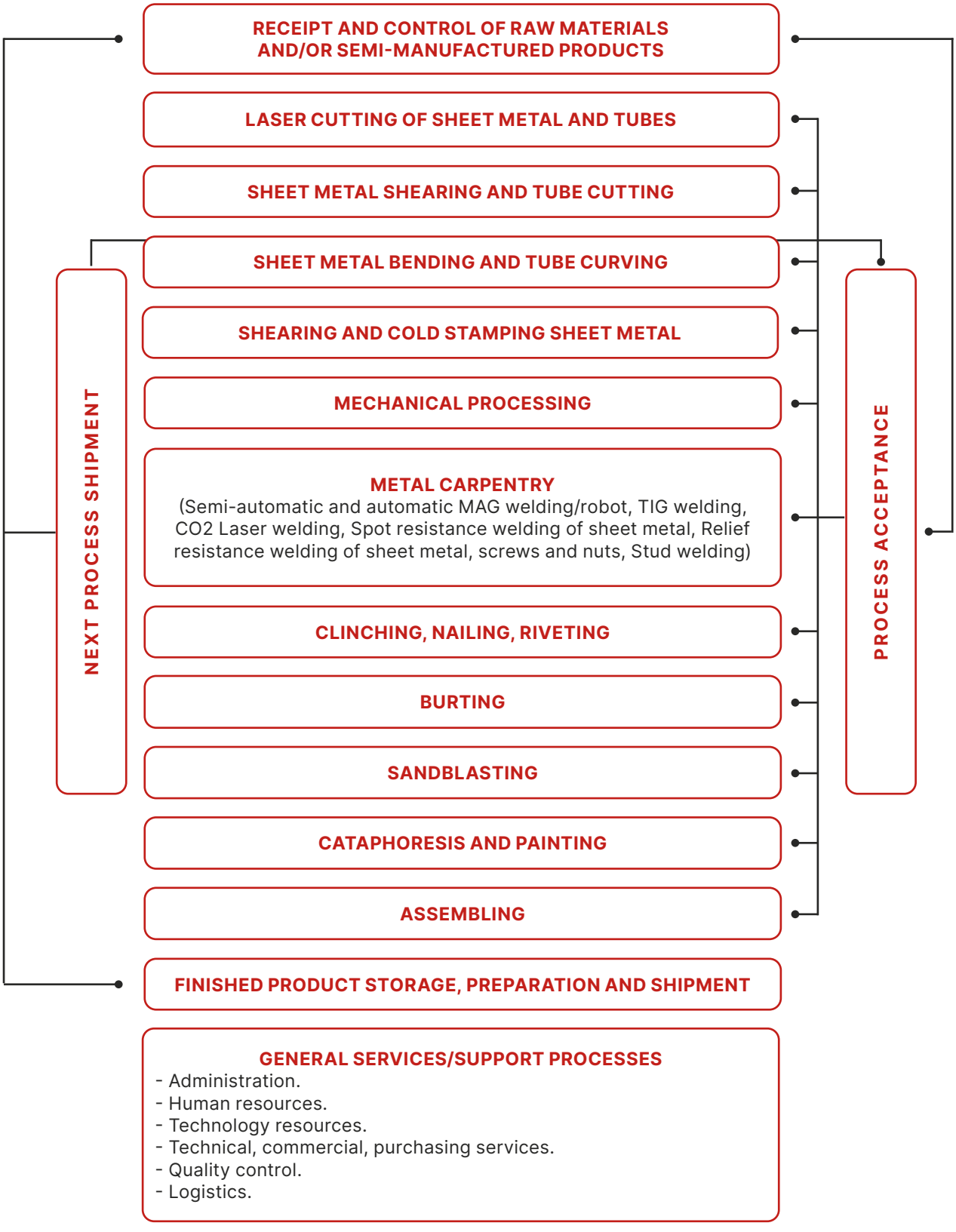
The receiving and control of raw materials and/or semi-finished products

For both raw materials and semi-finished products, on arrival, acceptance is **recorded using a computerised system (SAP)**. Once registered in the system, the materials and semi-finished products are stored in the different departments pending use.

General services / support processes

The entire production cycle is supported by administrative and IT, technical, logistical and customer services. Product and process monitoring, in accordance with the areas of relevance, **entrusted to the relevant operators of each specific process**, to the quality department and to the safety and environment department.

Our nearly **600 employees** are all involved in these phases, whom we take care of by implementing best practices to ensure a **healthy and safe working environment**. During the production phase, we also generate our main environmental impacts **mainly related to CO2 emissions** both directly and indirectly through energy consumption.



Customer delivery

Quality controls are necessary to ensure that we offer our best service. With regard to the purchase of services, **the logistics and transport of products** is handled - for about 90% of cases - **directly by the customer**. For the remaining cases, we have contracts with logistics companies for the transport of purchased material and/or supplies.

OMR's Commitment

Sustainability has been an integral part of OMR's way of doing business since it was founded. We now want the values we have referred to within our corporate strategy to be **shaped with the aim of reconciling economic decisions** with the assessment of their social and environmental impacts, whilst always **considering the expectations** of all our stakeholders.

Sustainability in OMR

Through this first **Sustainability Report**, we wanted to take a general overview of what **OMR** is today in order to draw up a development path that integrates the key ESG *(Environment, Social & Governance)* elements linked to our business into our strategy.

Our aim is to start from the values that have guided us since the beginning of **OMR's** operations to review policies and processes in such a way as to make our Company more aware of the needs of its ***stakeholders***. Over the next few years, we will **increasingly value the contributions of our *stakeholders*** and establish precise objectives of improvement in line with the results of the materiality analysis, which we will be updating periodically to take into account any changes in the context.

Our mission

We aim to be a leading **figure in the sustainable transformation of mobility** by being a reliable, sustainable partner to our customers. With our technical capabilities, we are able to offer them **innovative solutions to anticipate the demands of safe and increasingly environment-friendly mobility**.
We work side by side with our customers to develop the best technical solutions for their products and, thanks to a vertical integration, we follow the entire cycle of development from design to finished component production, allowing time control and high levels of quality.

Our Values

Innovation, research and development

We aim at being reliable partners to our customers, capable of helping them build **innovative, high-quality products that meet the highest safety standards with the lowest environmental impact**.

Working to find the best possible solutions that combine quality and sustainability in the production process, and continuing to invest in state-of-the-art machinery and tools in order to achieve this goal.

Focus on people

We value people. Therefore, we take care of those who work directly with us and those who live in the surrounding area and those who indirectly contribute to our development. Our aim is to ensure a **quality working environment** to our employees and to be **close to our territory** in order to grow together.

Quality, safety and environment

Safety and security at work is an essential commitment for everyone who works for us or deals with us. We are committed to **ensuring safe and correct behaviour** in the performance of our work and to creating the most suitable conditions to make this happen. Our belief is that guaranteeing the **best environmental performance** is a constitutive and essential element for the exercise of our activities and for the achievement of our corporate objectives. Our guiding principles are the **efficient use of resources and raw materials, the containment of environmental impacts** and, using the best available technologies and environmentally sustainable practices, ongoing improvement.

Our clients' partners

We are committed to customer satisfaction by providing products of excellent quality.

In order to achieve this goal, **OMR** continually invests to ensure strong and reliable processes. Our guiding principles are **continuous process improvement and business continuity**. Furthermore, we believe that the relationship with the customer can become a broader partnership to jointly address the **challenges of sustainable development** and try to provide solutions that go beyond the mere creation of a product.

Materiality Analysis

The materiality matrix is a tool to recognise economic, environmental and social issues relevant to an organisation or its *stakeholders*.
This matrix is an extremely important management tool as it allows the **sustainability strategy to be oriented, increasingly integrating sustainability principles into the Company's daily activities**, and to ensure a close alignment between stakeholder expectations and *business* choices.
In recognising its strategic importance of sustainability reporting, we initiated the materiality analysis process in 2021, with the aim of recognising the areas in which our activities may have the greatest impact on the environment and stakeholders, and with the aim of aligning our sustainability strategy with external expectations.

OMR's materiality matrix was defined in accordance with the principles promoted by the GRI Standards[1]. In particular, the Company has adhered to the principles of materiality, inclusivity, sustainability context and completeness promoted by the GRI Standards.

The process of defining the above-mentioned matrix was promoted and conducted by **OMR's** CEO with the support of the top management and under the supervision of an external consulting firm.

This process is made of four principal phases:

1. Analysis of the context
2. Assessment of relevance on sustainability issues
3. Approval
4. Publishing

Phase 1: Analysis of the context

The reference context analysis phase was aimed to identify sustainability issues relevant to **OMR's** sector.

This process is divided into the following activities:

- analysis of company documents including, as an example, Financial Statements, Organisational Chart, Organisation, Management and Control Model pursuant to Legislative Decree 231/2001, Code of Ethics and Behaviour, internal Policies and Procedures (Environmental Policy; Workers' Health and Safety Policy, Quality Policy), presentations, brochures, reports and monitoring indicators of Health and Safety, Environment and Energy and Quality performance, sustainability performance evaluation questionnaires received from the clients;
- analysis of external documents including, for instance, international standards and initiatives such as the Sustainable Development Goals (SDGs), the World Economic Forum's ***"Toward Common Metrics and Consistent Reporting of Sustainable Value Creation" framework, standards and report "Sustainability Topics for Sectors: What do stakeholders want to know?"*** from Global Reporting Initiative (GRI);
- *benchmarking* analysis of key competitors and *desk* research activities aimed at recognising the *best market* practices and the main sustainability *trends* in the industry.

[1] *This is the sustainability reporting system defined by the Global Sustainability Standard Board and universally recognized (see https://www.globalreporting.org/standards/download-the-standards/).*

Phase 2: Sustainability Issue Relevance Assessment

The purpose of the second phase was to identify **OMR's** areas of materiality and to determine their relevance to OMR and its stakeholders.

Il processo si è articolato nelle seguenti attività:

- target interviews with the top *management* of **OMR** through which 12 materiality areas and the *stakeholder* map, including their expectations, were recognised;
- sharing *workshop* on materiality areas aimed at prioritising and positioning materiality areas on the matrix.

This being our first Sustainability Report, the expectations and needs of stakeholders were determined from the evidence that emerged in the context analysis phase and by mediating the perspectives of top management. More specifically, the stakeholder map and the relevant expectations were identified during targeted interviews and in-depth discussions with the corporate functions in charge of the day-to-day management of relations with the respective categories of stakeholders.

As a result of this process, the following stakeholders were identified:

Authorities / Regulators

Shareholders

Clients

Local communities

End consumers

Suppliers

OMR personnel

The following table summarises the stakeholders' map and the corresponding expectations expressed in terms of materiality areas and impact on their expectations and decisions:

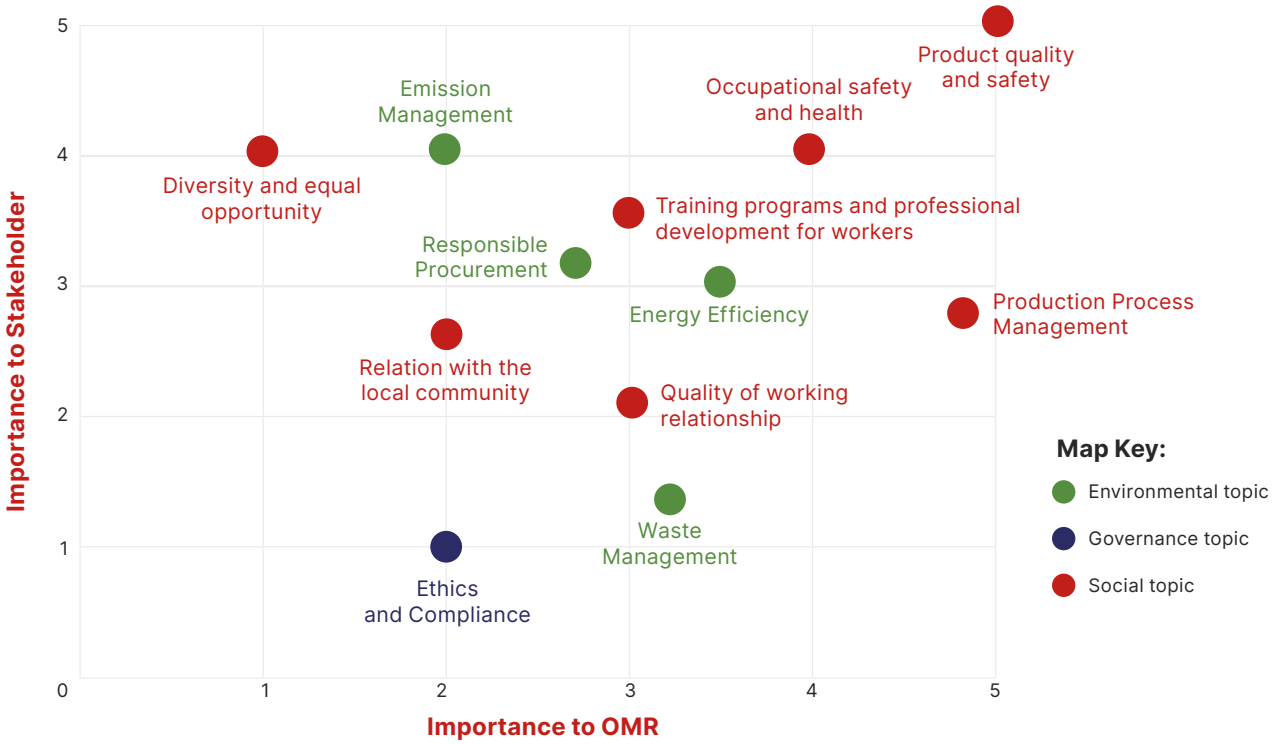
Stakeholder	Materiality areas
Relevant Authorities	• Ethics and Compliance • Emissions management • Waste management • Quality and product safety • Health and safety of workers
Shareholders	• Energy Efficiency • Ethics and compliance • Production process management • Product quality and safety • Health and safety of workers
Clients	• Responsible Procurement • Energy efficiency • Ethics and compliance • Training and professional development of workers • Waste management • Emission management • Production process management • Product quality and safety • Health and safety of workers
Local Community	• Responsible Procurement • Diversity and equal opportunity • Energy efficiency • Waste management • Emissions management • Local community relations
Final consumer	• Quality and product safety
Suppliers	• Responsible Procurement • Ethics and Compliance
OMR Personnel	• Diversity and equal opportunities • Worker training and professional development • Management of production process • Quality labour relations • Relations with the local community • Health and safety of workers

During 2022, in accordance with the principles promoted by the GRI Standards, and with the aim of involving external stakeholders more closely in the refinement of the materiality matrix, we plan to implement a structured stakeholder engagement activity involving, among others, customers, suppliers and end consumers.

Phase 3 e 4: Approval and Publication

A materiality matrix shared by **OMR's** top management was reviewed and approved by the Company's CEO and published in this Sustainability Report. The matrix will be continuously updated to take into account industry developments, international trends and stakeholders' perspectives.

2021 Materiality Matrix



In the 2021 materiality matrix, the materiality areas that are considered relevant for **OMR** and the stakeholders are listed. The materiality areas have been positioned along two axes:

- The x-axis where the relevance for **OMR** is measured;
- The y-axis on which the relevance to the Company's stakeholders is measured.

In order to determine the 2021 Materiality Matrix, 12 material topics were ranked by assigning each of them a score from 1 to 5 on an increasing relevance scale.

The scores reported are the result of the following process:

- targeted interviews were conducted with the CEO and 4 executives of the Company during which they were asked to assign a materiality score on a scale from 1 to 5 to each of the 12 materiality areas considering both **OMR's** perspective and interpreting that of the stakeholders. An initial draft of the materiality matrix was obtained by calculating the average of the given scores;
- a workshop was held involving the CEO and 9 people including managers, head of departments and employees. The participants of this workshop were divided into 2 groups, one representing the stakeholders and one representing the company. The second draft of the matrix was defined by combining the scores given by the two groups. The final materiality matrix resulted from comparing and mediating with the scores of the first draft matrix.

In compliance with the ESG (Environment, Social & Governance) logic, these 12 material topics - described below - were divided into three categories:

Environmental topics (in green in the matrix):

Responsible procurement

OMR employs large quantities of steel to make its products. The relationship with the steel supply chain is therefore a key element in **OMR's** success in terms of quality, cost, logistics management, as well as compliance and sustainability criteria (including direct and indirect environmental impacts).

Energy Efficiency

The production carried out in **OMR's** plants involve many processes for steel processing. These processes require a high use of electricity. Moreover, these plants use considerable amounts of fuel (methane gas) that is necessary to run the furnaces used for the painting process.

Efficiency and energy supply are a major concern in **OMR's** overall business.

Waste management

The production activity within **OMR** involves a significant amount of scrap metal waste (SCRAP) generated during the steel processing process. In fact, steel is the most significant raw material for **OMR's** production activity, and therefore, most of the waste generated is non-hazardous scrap metal sold out for further recycling. Other types of waste (mainly sludge, water, and packaging materials) are also generated in the production process; however, they represent a small percentage of the total waste produced. Given the size of the total waste generated, the management of waste from production is a relevant issue in **OMR's** operations.

Emission management

All production carried out in **OMR's** plants involve directly greenhouse gas emissions in addition to a high use of energy, which indirectly contributes to the emissions generated by the Company. Specifically, some manufacturing processes-welding and painting-have high impacts on direct emissions generated by its production process.

Social topics (in orange in the matrix)

Training programs and professional development for workers

The development and growth of the professional and managing competences of all employees in **OMR** is crucial in terms of ensuring quality and safety in business processes and guaranteeing the success in terms of the Company's operations. In some of the manufacturing activities - the use of presses and welding machinery - requiring years of training and the acquisition of advanced skills, the specialization of employees is in fact considered fundamental to the quality of production.

Production process management

The main force in **OMR** is the customer relationship management, the ability to innovate the production process and related production techniques. Such contribution represents an important element of creating value in the relationship with the customer because it allows us to better interpret the customer's needs, to improve product quality and to meet production schedules.

Quality of working relationship

Individuals are important for the success of **OMR**. Loyalty and well-being of workers secure their retention, developing necessary skills, and establishing a good working environment.

Product quality and safety

Minimizing and eliminating the risk associated with the possibility of product recalls and/or production delays arising from quality defects, resulting in economic as well as reputational repercussions in the relationship with the customer is fundamental to the success of **OMR**. In addition, for some products, quality-related risk could affect the physical safety of the final consumer.

Relation with the local community

OMR has grown within its local area. Our relationship with the local community is relevant in terms of reputation, human resource appeal and active participation in the development of the community and its local area, on the economic, social and environmental levels.

Occupational safety and health

Workers' health and safety is a high priority area of concern for **OMR** given the type of work that is carried out. A consistent and proactive approach must be focused on in order to prevent injuries and raise risk awareness throughout the company by adopting the highest standards by implementing best practices.

Diversity and equal opportunities

Safeguarding diversity and promoting equal opportunities is key to creating an environment that is inclusive and respectful at work. With female labor the organization can tap into a broader scope of resources and enriches the organization with new perspectives, becoming a key element in **OMR's** growth.

Governance topics (in blue in the matrix)

Ethics and Compliance

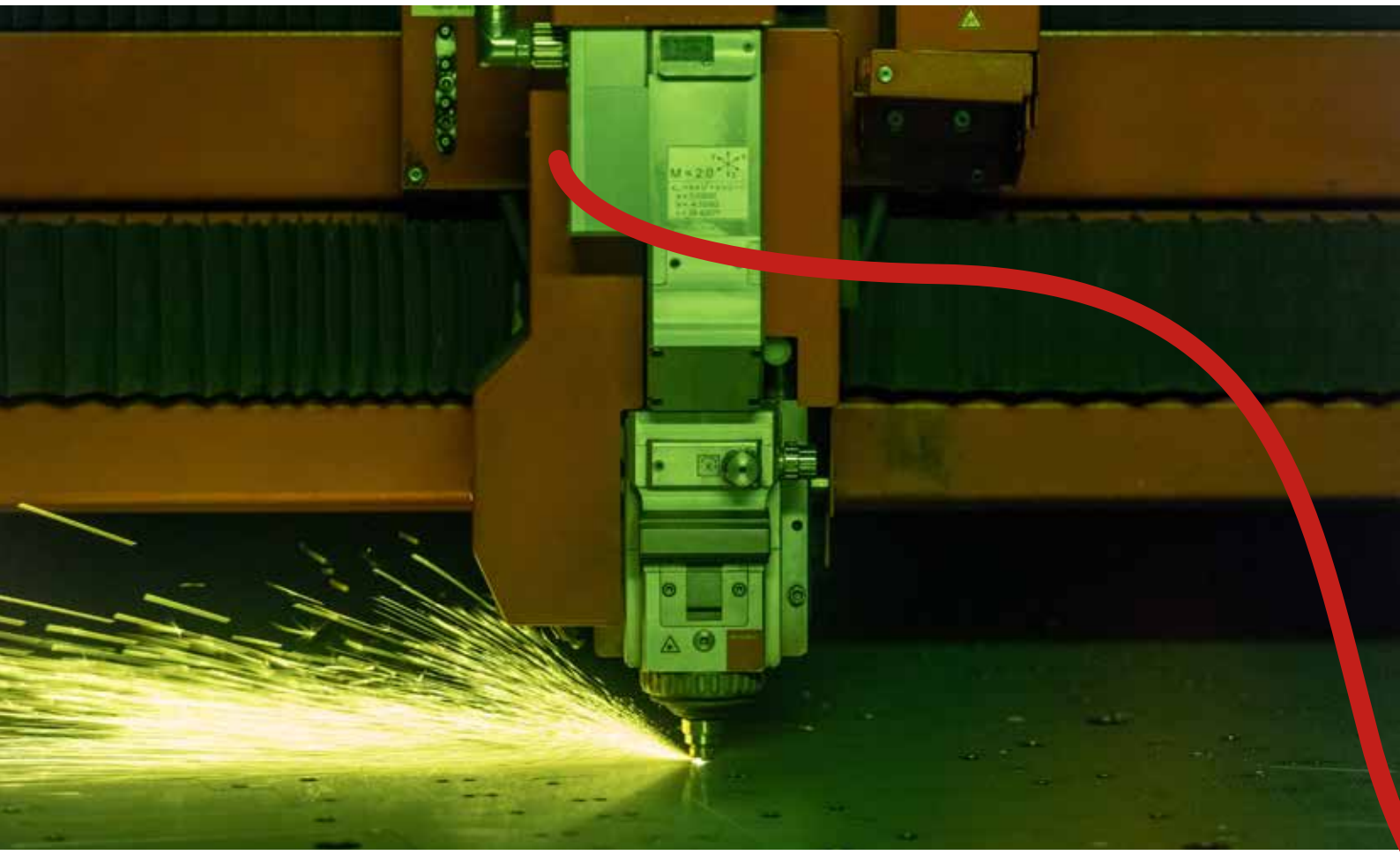
OMR's business involves numerous transactional processes that could lead to corruption or any other unethical behaviour if not managed properly. The risk of corruption could occur in a number of business relationships with external organizations, in agreements of the Company with customers and suppliers involving significant amounts, for instance in purchasing raw materials or providing services such as scrap management, transportation and logistics services.

2021 Materiality Matrix emphasizes how **the attention to workers and the surrounding environment** is considered a premise for all of **OMR's** activities; Safe and quality products are achieved through a timely management of the manufacturing process and resources, within a safe environment, capable of valuing people and their surroundings.

Specifically, the process of defining the materiality matrix, made the centrality of issues related to product quality and safety evident. The fact that this issue was placed first among the most relevant areas of materiality confirms that our success depends on our **ability to respond to the increasing focus on quality demanded by customers and the ability to effectively manage the risks that are inherent in safety to end consumers**.

Workers' health and safety is considered crucial in our success as well, ranking as the second most relevant materiality. This ranking demonstrates the importance of taking a consistent and proactive approach in line with regulatory trends, the highest standards and best practices.

The matrix also shows the **centrality of issues related to the environmental impact** of our activities. Issues such as emissions management, responsible sourcing, and energy efficiency are considered crucial not only for effective, efficient, and compliant management of the production process as well as expressing our sense of responsibility towards the community we belong to and ensuring healthy workplaces and well-being of our employees.



OMR and SDGs

The Sustainable Development Goals or Sustainable Development Goals (SDGs) are a set of 17 interconnected goals defined by the United Nations as a part of the 2030 Agenda-a strategy "to achieve a better and more sustainable future for all"[2].

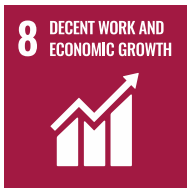
The 17 goals, divided into 169 targets to be achieved by 2030, address a wide range of issues related with sustainable development and its core requirements.

These goals, on Sept. 25, 2015, were endorsed by the governments of 193 United Nations (UN) member countries as part of an effort to put the world on a sustainable path by acting for people-eradicating poverty in all its forms-acting for the planet-through conscious consumption and production-and acting for prosperity-ensuring that all human beings can benefit from economic, social and a technological progress.

These are common goals to which all are called upon to contribute, from public and private sectors to individuals. In recognizing the importance of each stakeholder's contribution to achieving the Sustainable Development Goals, we have integrated the SDGs into our sustainability strategy by identifying the link between the priorities identified in the materiality matrix and their impact on the 17 UN goals. This process led to the identification of 6 main SDGs that we believe we could contribute to over the long run.

The 6 SDGs identified below will inspire our future efforts both strategically and operationally and guide us in setting targets for improvements.

[2] *https://www.un.org/sustainabledevelopment/sustainable-development-goals/*



SDG 8
Promote inclusive and sustainable economic growth, employment and decent work for all.

We care about people. We significantly contribute to the productive and occupational capacity in the local area where we are located, and we recognize the strategic importance of building a positive and inclusive environment to ensure people's effectiveness and well-being. Our workforce grew by 12 percent in 2021, we have begun a process of including and increasing female components which we intend to further promote and develop.

SDG 9
Build resilient infrastructure, promote sustainable industrialization and foster innovation.

As an innovative partner, capable of responding to the sustainable innovation needs of our customers. In 2021, revenues from production destined for electric and hydrogen vehicles increased slightly, and we expect them to rise during 2022, thus confirming our reliability as an innovative partner in the centre of the ecosystem of the transportation industry. By recognizing an opportunity arising from new market trends, we intend to consolidate our position as a reliable and innovative partner by supporting major market players.

SDG 11
Make cities and human settlements inclusive, safe, resilient and sustainable.

We are environmentally conscious. We are actively committed in minimizing any negative externalities arising from our production activities and contributing positively to the socioeconomic environment in which we are embedded, acknowledging that our success depends on the community in which we are part of. In 2021, we donated more than 200,000 euros to local environmental and social initiatives and intend to strategically strengthen our contribution.

SDG 12
Ensure sustainable consumption and production patterns.

It is our belief on the potential and benefits of circular economy. As of 2021, we have taken the lead in a circularity project involving one of the main suppliers of our raw material, steel. Under an agreement with the Arvedi Group, on a monthly basis we supply the Arvedi Group with our production scrap (SCRAP) and receive recycled raw material in return. Given the success of this agreement, we aim to extend these initiatives to the entire production cycle by collaborating with other partners, customers and suppliers.

SDG 13
Take urgent action to combat climate change and its impacts

We are environmentally conscious. Our entire production cycle is structured to reduce resource use inefficiencies and to minimize every potential negative impact on our environment. In 2021, we drastically reduced our indirect emissions (Scope 2) by expanding the photovoltaic park and purchasing only 100% renewable energy. As we recognize the risks arising from climate change, we intend to increasingly extend our efforts to minimize our impact on the environment.

SDG 17
Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

We are actively engaged with our stakeholders. The sharing of knowledge, skills, technologies and resources is a key tool for supporting the progress and sustainable development of all the stakeholders with whom we interface to ensure that the ecosystem of which we are a part succeeds. This commitment of ours is embodied in numerous initiatives carried out over the years. In particular, we have initiated circularity projects with some of our suppliers, but more importantly we work side by side with our customers on initiatives of co-design for the development of electric mobility and, in general, to improve the environmental efficiency of our products. We support several local initiatives to develop the area that we operate in and, in the years to come, we plan to intensify our collaborative efforts towards a sustainable environment.

Corporate Governance

It is our understanding that a strong and efficient organization in business decision-making processes as well as careful risk management are critical to the good governance of business activities and their sustainability over time.

Governance model

We are 90% controlled by the holding company ICE whose shares are held directly by **Ruggero Ceriali and Federica Ceriali** (Enio Ceriali the founder entrepreneur's children) and 10% is held by a minority shareholder. We are managed by a **Board of Directors**, appointed by the Ordinary Shareholders' Meeting and composed of three directors, including a female (33% in total). Regarding age, one of the members is between 31 and 50, and the other two are older. Board members hold office for three fiscal years and cease to hold office on the date that Shareholders' Meeting is called for approval over the financial statements over the last fiscal year of their term.

The Board of Directors has all power for the ordinary and extraordinary management of the company.

Supervision over the work carried out by the Board is entrusted to the **Board of Statutory Auditors**, composed by three members plus two alternates, which supervise its compliance with the law and observance of the principles of fairness. Meanwhile, the **Supervisory Board** (SB), consisting of two people, a man and a woman, monitors the operation and compliance with the Management Organization and Control Model pursuant to Legislative Decree 231/2001, adopted by the Company.

The Board of Directors defines **strategic and sustainability guidelines**, identifies sustainability risks, and approves the sustainability-related budget and the Sustainability Report.

The Board of Directors may appoint one or more Managing Directors, including the Chairman, who is also entrusted with all operational powers for managing the Company and responsibility for implementing the **sustainability guidelines**. Currently, the CEO appoints his representatives from time to time to manage major sustainability issues. Currently, the CEO appoints his representatives from time to time to handle the **main issues related to sustainability**.

During 2022, in order to strengthen the governance of the issues related to sustainability and take decisions with appropriate technical expertise, the Executive Committee, made up by the CEO and the heads of the various corporate functions, will be assigned to support the Board of Directors in defining the sustainability strategy, setting goals and preparing a plan in order to meet them as well as indicators to monitor these goals.

Board of Directors, appointed by the Ordinary Shareholders' Meeting and composed of three directors, including one women.

Identification and management of risks

This governance model also incorporates a precise analysis of the risks to which we are exposed.
Through a joint work with various operational functions, we have mapped and identified as main the following risks: :

- **Commercial** risk related to the quality of products and customer service offered;
- **Logistics** risk related to the possibility of experiencing delays and/or *shortages* in the supply of raw materials (this risk increased following the Covid-19 pandemic);
- **Corporate** risk related to the operation of facilities;
- *Non-compliance* risk;
- Risks **related** to the succession/replacement of business functions including in anticipation of the growth of the Company's size.

Following our work on a **materiality matrix**, we intend to revise our risk management model during 2022 to include risks in the sustainability area as well.

Ethics and compliance

Ethics and compliance are the pillars of OMR's sustainable actions. A structured governance model has been established that ensures ethical behavior, minimizes the risk of non-compliance, and effectively responds to the interests of key stakeholders.

In order to ensure both a high ethical standard and compliance with applicable regulations, we have adopted a comprehensive management system built around our **Code of Ethics and Behavior** (hereafter also "Code of Ethics"). The Code of Ethics, at the core of that system, must be read and interpreted in conjunction with the other documents that are fundamental to ensuring compliance and dissemination of **OMR's** principles and values, the **Management and Control Organizational Model**, the related protocols as well as the policies and procedures currently in place.

Code of Ethics and Conduct

The Code of Ethics declares the **shared principles and values, and expresses the ethical and behavioral commitments and responsibilities** that **OMR** assumes and implements in the conduct of its business and that bind the behavior of all those who work in it and for it. It aims to declare and disseminate the values and behavioral rules to which we intend to make constant reference in the exercise of business activity. In particular, it specifies the **duties of loyalty, fairness, equality, diligence** and helps to ensure that the activities of all parties are carried out in accordance with the **values of confidentiality, transparency, professionalism in addition to compliance with ethics and applicable laws**. It also stipulates, as the fundamental principles of the Company's actions, **respect for and protection of people and the environment**.

The Code of Ethics was approved its second edition in December 2020 by the Board of Directors and is available to all stakeholders on our corporate website.

Organizational Management and Control Model

In December 2017, **OMR's** Board of Directors adopted a Management and Control Organizational Model pursuant to Legislative Decree 231/2001 (hereinafter referred to as *"Organizational Model"* or *"Model 231"*).

Model 231 consists of:

- A General Part in which the regulatory framework and its relevant offenses are described, the profile of the Company, the purpose, the structure, the principles and responsibilities of the Model, the structure, the functions and the powers of the Supervisory Board *(SB)*, information obligations, disciplinary system, and the procedures to be adopted for its training and dissemination.
- 9 Specific Parts relating to a specific type of crimes the committing of which is considered abstractly conceivable for **OMR** in view of the activities carried out by the Company in which are defined recipients, principles of conduct, criminal-prevention protocols and control systems implemented by the Company.
- Matrix of Risks (MR) which, by distinguishing according to types of offenses, shows: description of regulatory cases, presence of risk, level of risk, commissioning methods, risk activities, target area, liable party and type of sanction.
- Prevention and Control Matrix *(MPC)*, which, by distinguishing according to cases of predicate offenses relevant to **OMR**, identifies the reference criminal-preventive protocol and related prevention procedures, the documentary evidence of conduct of prevention and control actions, those responsible for such actions, as well as the minimum frequency of inspections.

In December 2020, **OMR's** Management and Control Organizational Model was updated to incorporate regulatory changes in the catalog of offenses under Legislative Decree 231/01.

Supervisory Board

The Supervisory Board *(hereinafter SB)* is the body formally in charge of **supervising over the functioning, effectiveness and observance of Model 231** and ensuring that it is updated by carrying out a constant reconnaissance of the company's activities in order to monitor the potential risk of the perpetration of the underlying crimes. The current Supervisory Board, appointed by the Board of Directors on 19/12/2017 and renewed on 02/12/2020, is composed by two members, a man as well as a woman, who, as established by the Organizational Model, remain in office for a term of 3 years. Based on the provisions of the 231 Model with respect to the requirements for the members of the SB *(autonomy, independence, honorability, professionalism)*, the members of the SB, were selected among individuals with the above-mentioned requirements, specific skills in the field of inspection and advisory activities.

During 2020 and 2021, given the possible effects that the Covid-19 pandemic could have had on Model 231, the Supervisory Board was in charge of assessing possible impacts arising from the epidemiological situation on the processes under its competence and protocols with a view to making possible updates. In particular, the Supervisory Board's verification activity focused on the **process of managing the health and safety of workers and related risks**. In general, the analyses carried out did not reveal the need to make significant changes on the activities of control, monitoring or prevention of 231 offenses, and therefore it was not necessary to update the Organizational Model.

Whistleblowing

The observance of the Legislative Decree 231/2001 requires the adoption of systems that enable the recipients of the 231 Model to submit reports of unlawful conduct, relevant under the Legislative Decree 231/2001, directly to the Supervisory Board. According to Law 179 of November 30, 2017 on whistleblowing, all companies that adopt an Organizational Model must set up IT channels for reporting possible violations.

In accordance with the regulatory requirements, in 2021 we activated a dedicated IT channel for reporting any irregularities or wrongdoing to the Supervisory Board. **All of OMR's stakeholders may report any instances of violations and irregularities using the dedicated email** *(odv@omrspa.com)* with no fear of a possible retaliation. In fact, the whistleblowing management procedure is structured to ensure the **confidentiality** of the whistle-blower and the **confidentiality** of the information it receives, as well as to ensure that the validity of the reports is verified.

Implementation of the whistleblowing channel was accompanied by an internal communication campaign managed by its Human Resources Department.

As a part of the adopted Integrated Business Management System, we also have the following policies:

Environmental Policy

The Environmental Policy expresses our commitment to ensuring the **best environmental performance** through the use of the best available technologies. Revised at least every two years by the CEO in order to incorporate legislative changes and to ensure that it aligns with the best practices and technologies in the industry, this policy contains the principles and requirements by which we are guided in the management of the **ISO standard 14001-certified** environmental system and is endorsed by the CEO.

The requirements for environmental management defined by the Environmental Policy

- **Adequacy of the environmental system** to the production reality and the related impacts
- **Efficient use** of resources and raw materials, optimization of waste and emission management
- **Assurance of compliance** with the relevant and applicable environmental legislation, for the intended purpose identified and defined
- **Limiting impacts**, with use of the best available technologies especially in substitution and improvement investments
- **Involving suppliers** in promoting environmentally sustainable practices
- **monitoring and periodic review** of direct and indirect environmental performance, with the aim to achieve a continuous improvement;
- **Informing the stakeholders** on environmental performances.

Policy on occupational health and safety

The occupational health and safety policy sets out our ongoing commitment not only to respect a safe and ethical behaviour in the course of work, but to constantly create the most suitable conditions for this to happen. Emitted in 2016, and approved by the CEO, this policy contains the **principles and ways** in which, by providing adequate organizational, technological and financial resources, we intend to improve our **health and safety performance in order to minimize any risk to our workers**.

Quality policy

Quality Policy expresses our commitment towards achieving what we believe to be our primary objective: the **attainment and maintenance of customer satisfaction both through providing products as well as services of excellent quality on a consistent basis and through the continuous improvement of business processes**. Annually updated to incorporate specific customer satisfaction targets by the Quality Manager, this policy, approved by the CEO, defines the main requirements that **OMR** has developed and intends to comply with in order to achieve its primary goal, which is customer satisfaction.

Quality management requirements defined in quality policy

- **To ensure continuous conformity** of the product to the Customer's specifications through the use of effective (high level of quality and service) and efficient *(cost reduction)* procedures
- **Seamless improvement of processes** *(technological aspect)* and business organization *(management aspect)* from a WCM *(world class manufacturing)* perspective
- **Proactive attitude** toward customers *(partnership)*
- **Making all areas of the company responsible** for implementing the requirements of the Quality and Environmental Management System *(Environmental Policy)*. Engaging all business areas to achieve the goal of quality performance improvement.
- **Overall orientation** toward Quality through problem prevention
- **Compliance** with IATF 16949, ISO 9001 and ISO 14001 technical specifications
- Energy management and **environmental impact process** improvement
- Concern over social **responsibility** and sustainability

Managing corruption risk

Dealing with corruption risk is a key element of **OMR's** sustainable operations.
The business we conduct involves numerous transactional processes that could involve corrupt activities or other unlawful behaviour if not managed properly.

As detailed in the previous section, we have set up a structured governance system capable of ensuring ethical behaviour and minimizing the risks of noncompliance, including corruption risk.

The **Code of Ethics** clearly sets out the principles by which we are guided in the management of our business relationships, in particular, in terms of corrupt risk:

- **Correctness** - we are committed to ensuring that all individuals operating within **OMR** adhere to the principles of propriety and fairness in carrying out their duties;
- **Business probity** - we are vigilant to ensure that all those working within **OMR** adopt a correct and honest attitude, both in the performance of their duties as well as relations with other components of the Company, refraining from pursuing illicit or illegitimate purposes, or generating hypotheses of conflict of interest in procuring any undue advantage, either for themselves or others;
- **Fair competition** - in compliance with the regulations, national and EU regulations on Antitrust, as well as the guidelines and directives of the National Antitrust Authority, we commit to not engage in any behavior or sign any agreements with other companies that may adversely affect the competition regime between the different benchmark operators.

The Management and Control Organizational Model also identifies the areas of activity that are considered most at risk and establishes key controls and procedures aimed at preventing corruption risk.
In particular:

- in dealing with the Public Administration and Judicial Authorities, **favouritism, pressure, or other forms of privilege including gifts, money or other advantages are strictly forbidden**;
- any and all interactions must be carried out in **compliance with specific company procedures** *(in particular, the Criminal-Preventative Protocol for the Management of Financial Resources)* and in all cases, the principles of **transparency and traceability must be observed**;
- whatever payment or donation to political parties or organizations or their representatives must be made in such a way as to ensure **absolute transparency and traceability** of all payment in compliance with the regulations in force;
- all relationships with customers, suppliers, *partners* and third parties are managed in accordance with the **principles of cooperation, openness, professionalism, transparency**, and any economical operation or transaction with them is managed in compliance with the specific company procedures and the principles of legitimacy, authorization, consistency and traceability;
- the right to authorize specific donations or contributions to charitable organizations, business relationships with consultants and intermediaries, or sponsorships is **granted to a limited number of individuals**, respecting the power, delegation and authorization system.

To ensure compliance with the prevention measures adopted, the Supervisory Board *(SB)* conducts **constant reconnaissance of the company's activities**. The SB meets monthly, following a system of stringent audits, to carry out documentary and procedural checks, monitor risk areas and detect any critical

issues and/or non-compliance. In this regard, during 2021, the SB did not detect any non-compliance and, since the date of activation of the whistleblowing channel, it has not received any reports concerning potential irregularities or offenses.

The SB's checks are also aimed at recommending any updates to the control and prevention measures adopted in order to ensure the alignment of the company's procedures with regulatory developments and with best practices in the sector. With this in mind, and in order to minimize the risk of corruption in relations with customers, suppliers and third parties, the SB has prescribed that **OMR** be registered in the **white lists with the territorially competent prefectures** that keep lists of suppliers and customers subject to screening by a public body.

Our commitment in managing the risk of corruption as well as, more broadly, ensuring the dissemination of a corporate culture based on the **principles of both ethics and compliance and the respect of the developed norms of behaviour** is also achieved through **training programs** and other **information** initiatives.

Following the approval of the Organizational Model, all members of the Board of Directors, senior management and department and area managers have been duly trained on the requirements of the Model and their dissemination to the entire staff of the company. The adoption of the Organizational Model was also accompanied by an **internal training and communication campaign** managed by the Human Resources Department and by the publication on company channels of the Code of Ethics and Model 231. Finally, during the recruitment phase, the Information, Training and Awareness Manual is given to all employees, where explicit references are made to the adoption of the Organizational Model and the Code of Ethics and the related requirements are given.

Product and customers

We cannot talk about product at OMR without talking about our customers. Our product is not just a part, but embodies a journey that we tread together with our customers by combining our expertise to achieve the best results in terms of innovation, quality, safety, efficiency and sustainability of product and the production process.

Our products

Our customers are Europe's leading companies in the production of industrial vehicles, commercial vehicles, construction machinery, agricultural machinery, and industrial handling equipment.

We maintain long-standing **relationships based on mutual collaboration and support** with most of our clients. In particular, the product co-design phase is the most important moment in this relationship during which we conceive the product together.

OMR's signature products are chassis components, cab components, chassis, small cabs, seat support frames, engine support frames, intrusion bars, tank support belts, hoods, handling arms, buckets, pallet truck forks, and so forth, for a total of more than 5500 codes of end products handled *(20,600,000 pieces shipped)*. We co-design with our customers' own project platforms to develop amendments but, more importantly, to study new products that enable both better performance and lower costs. To do this, we have recently joined a **state-of-the-art technical department with a prototyping and testing department at the complete disposal of the customer for all the tests, simulations and sampling** necessary for the development of new ideas and for continuous product quality improvement.

This proudly developed know-how allows us to be **fully present in an increasingly competitive market that nowadays requires, not only production capacity, but above all problem solving, innovative ideas and continuously increasing quality**. In the global landscape of the automotive industry, the design and production of components that are increasingly efficient, high-performance and cost-effective will play a decisive role in the success of a car, commercial vehicle or agricultural machine.

100%

of prototypes converted into products.

From 2020, we have been active in the prototyping and production of components related to electric mobility as a result of our desire to be close to customers in addressing the challenges of sustainable development and, in particular, in developing a new sustainable mobility. This area, which is still under development, accounts for nearly 1 percent of sales in 2021 but is growing strongly as evidenced by the number of new product codes related to electric vehicles introduced in 2021, which amounted to 377, with 100% of prototypes converted into products.

Starting in 2021, we are also engaging in the development of parts for hydrogen vehicles and will begin the production of hydrogen vehicles in 2022.

Turnover related to electric vehicle products €/000	2020	2021
% Revenue from production of components for electric vehicles	0,28%	0,82%
Revenue from the production of parts for electric vehicles	254	1.103

Production process management

Our competitive advantage in customer relationship management is the ability to offer a fully integrated production process that is able to accomplish, in a sustainable manner, within the stipulated time frame with a high-quality level, the demands of the customer.

The production process management is a very important strategic issue as it represents our main distinguishing feature in the market while at the same time encompasses all the businesses into the activities in which we generate our main impacts.

Since we were established, we are committed to innovating the production process and its related production techniques, subject ourselves to continuous testing and certification, and monitor its effectiveness and safety. This commitment can be witnessed by our **strong organizational oversight, continuous monitoring, certifications obtained, as well as ongoing investments**.

Our entire production process is coordinated by the Operations Manager who reports directly to the CEO and to whom the *Supply Chain, Engineering* and Quality functions report, which in turn address the managers of all 11 process stages.

In managing the production process, we rely on the best available technology, as evidenced by our continuous investments. Specifically in 2021, we invested over €14 million in new machinery in order to keep the **high-quality standards of our production process and to meet our customers' expectations**. These investments mainly involved new presses, welding robots, and bending machines that **OMR** purchased to increase production capacity. In particular, three new **AIDA presses were purchased *(with a value of about 50 percent of the total expenditure)* with "SERVO" technology** that represents **an important innovation in the stamping process** with a particular reference to high-strength steel forming.

Investment in equipment €/000	2020	2021
Number of new machines purchased	18	18
Expenditure on the purchase of new machinery	2.174	13.798
Number of used machinery not for scrap (returned/sold or reconditioned)	5	0

The ability to modulate the stamping effort makes it possible to process materials with higher yield strength, materials therefore with higher performance with in which it is possible to make components with reduced thickness and consequently reduced weight thus generating a positive environmental impact.

In order to make all our production processes increasingly efficient, since 2017 we have been applying the principles of the World Class Manufacturing *(WCM)* program, **an integrated model for managing all elements of an organization** *(from safety to the environment, from cost distribution to people development)*. Through the WCM system, we focus on improving the efficiency of all technical and organizational components with the goal of maximizing market competitiveness. The WCM system applies to all departments within the company, embracing numerous themes (called pillars) including safety at work, environment, quality, logistics, maintenance, human resources and process engineering.

One of the key features of the WCM program is the direct relationship between a function or project and its cost benefit. Continuous improvement initiatives are driven by the *Cost Deployment* pillar, which accurately identifies plant waste and losses, guides the functions in charge, and evaluates and certifies the results attained through careful monitoring of specific key performance indicators *(KPIs)*.
We commenced the process of introducing WCM in OMR in November 2017, introducing a light version that would not include the Environment and *Early Equipment/Product Management* pillars with the **goal of rolling out the WCM methodology to all levels of the organization by 2023**.

The first audit was conducted in 2018, and in 2021, during the third WCM audit, we achieved a score of 25 points allowing us to also activate the missing pillars and move to the full version.
To better manage environmental issues, in line with our commitments, we have also set up our production process in accordance with the requirements of ISO 14001, attaining the relevant certification as of 2014 *(as reported in the chapter "Managing Environmental Impacts," page 61 of this Annual Report)*.
In addition, in accordance with our commitment to the management of the production process, our quality **management system has also been ISO 9001 certified since 1995**.

We monitor our performance periodically through management meetings during which targets and indicators, both general and for individual customers, related to the company are shared.

Based on our ongoing commitment, **OMR** is now an approved supplier to European leading companies in the production of industrial vehicles, commercial vehicles, construction equipment, agricultural machinery, and industrial handling equipment. In addition, many of our customers require, as a relevant element for accepting us into their supplier base, compliance with sustainability principles demonstrated through management systems with continuous monitoring. To overcome this kind of assessment is the best measure for us, beyond any certification, for the quality of our actions.

Product Quality & Safety

Customer satisfaction is our primary goal, and it is only by providing high standards of quality and safety that we can achieve it.

Having a high level of quality in our products is key to success. Continuous quality control allows us to reduce and eliminate the risk associated with the possibility of recalls of products and/or delays in production with economic and reputational repercussions in our relationship with our customers.
In addition, for some products, low quality could have major consequences for the end user's physical safety of the vehicles on which they are mounted.

Our guiding principles are laid out within the **Quality Policy updated in 2021** and endorsed by the CEO. The Quality Policy defined as our primary objective, the achievement and maintenance of Customer satisfaction both through the provision of products and services of excellent and consistent quality and through continuously improving business processes. In order to achieve these goals, we have adopted a **Corporate Management System developed to ensure constant product conformity to Customer specifications through effective processes** that guarantee a high level of quality, **and efficient** processes to enable cost reduction.

We strive towards a continuous improvement, which we intend to achieve through the perfecting of our production processes and facilities, but also by means of our corporate organization. We have therefore introduced the principles of WCM and aligned in our processes with the requirements of IATF 16949, ISO 9001 and ISO 14001, to which standards the company is certified by the DNV Det Norske Veritas.

Additionally, we consider **sustainability an integral and fundamental element of our product and service quality since** we believe that a product should be judged not only by its intrinsic quality but by considering how it is produced.

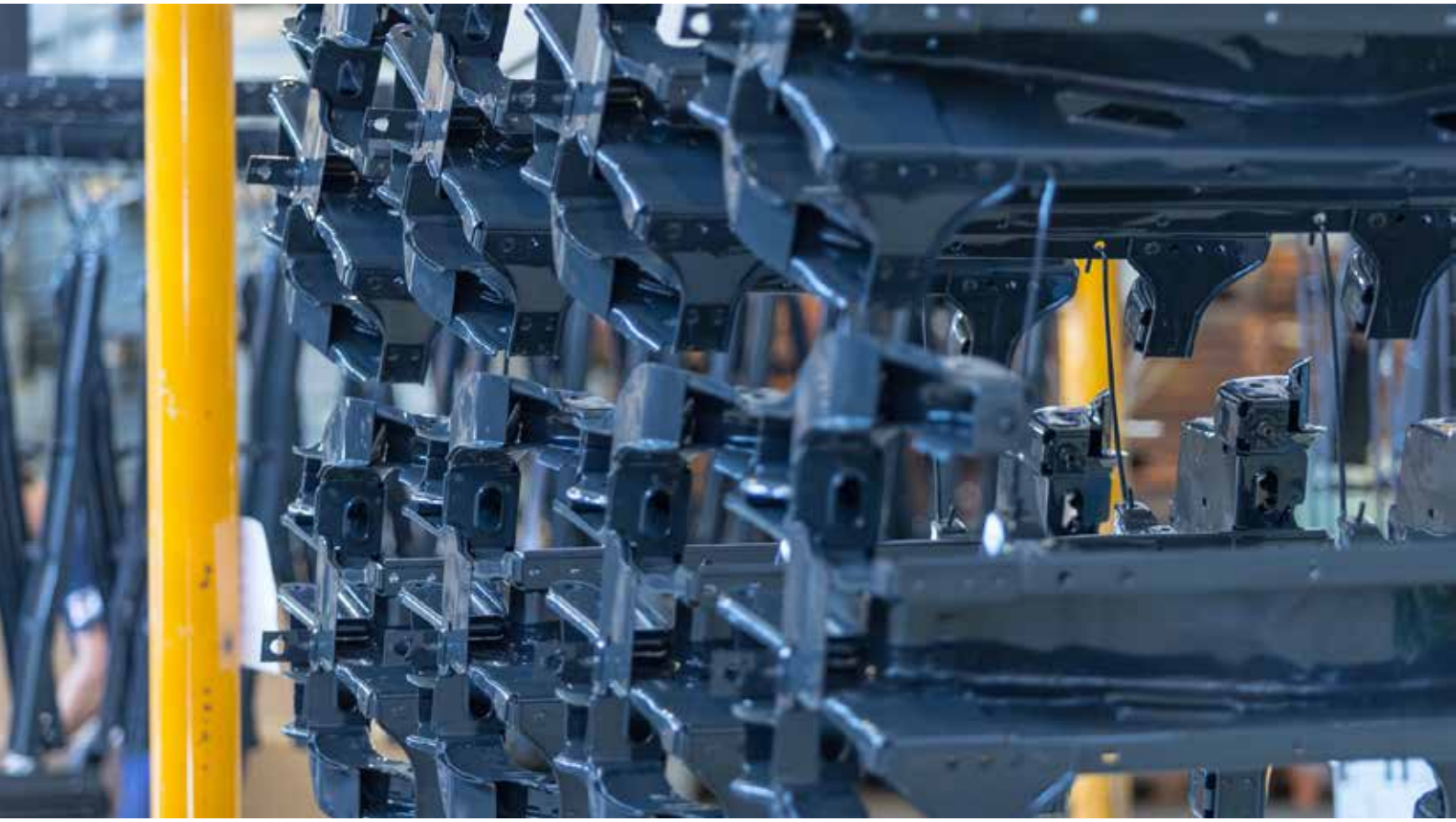
Quality issues are managed by the Quality Manager who reports to the Operations Manager and assists him in supervising the 11 processing stages. The Quality Department is composed of about 15 people

who carry out measurement activities, and perform, in our dedicated laboratory, mechanical, chemical, metallographic, coating and painting tests as well as non-destructive inspections, in accordance with customer-defined specifications and international standards, and they field check compliance with requirements at different stages of the production process.

In addition, we are aware that the achievement of **our goals is primarily linked to our ability through our ability to propagate a high-quality culture**, working to involve and empower all of our employees to apply the requirements of the Quality and Environmental Management System.

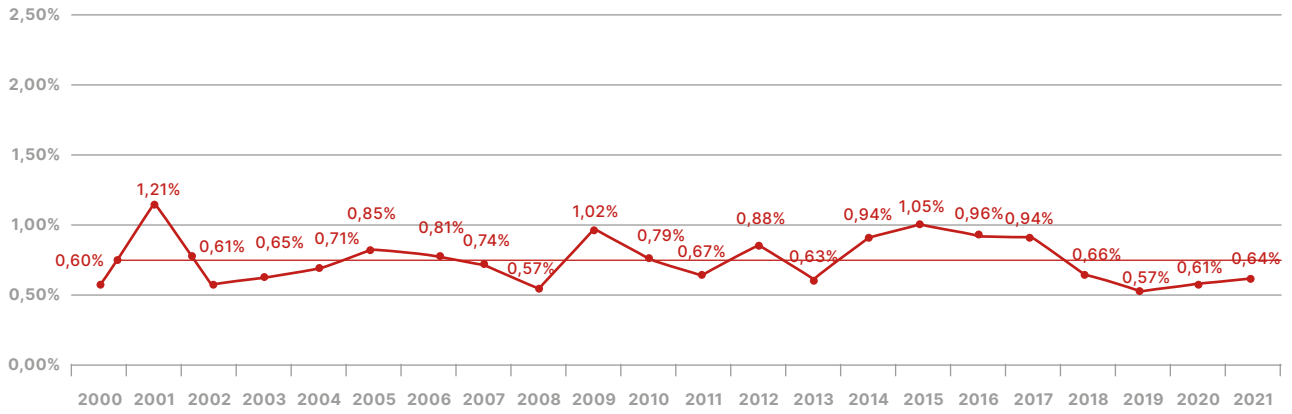
The monitoring and control on quality issues is entrusted to the Operations Manager supported by the Quality function during monthly meetings and to the *Executive Committee*, which, during annual meetings, review KPIs defined and assesses deviations from the objectives defined by each customer. The outcomes of the indicators, commonly measured in part per million, in number of claims, number of relevant events, determine the ratings assigned to **OMR** by the different customers.

In addition to the indicators required by our customers, we use **about 50 parameters internally to monitor the quality of our products and processes**. Among the various indicators that we measure entirely, we consider our best indicator for depicting our quality performance to be the **ratio of non-quality costs to turnover**. This indicator is calculated by relating the sum of the value of non-conformities and rejects to turnover. In 2021 this ratio was 0.64% of turnover compared to 0.61% in the previous year, and over the past 20 years this indicator has exceeded up to 1% in only 3 cases.



Quality Costs:
ratio (value of non-conformities + scraps) / (revenues)

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
0,60%	1,21%	0,61%	0,65%	0,71%	0,85%	0,81%	0,74%	0,57%	1,02%	0,79%	0,67%	0,88%	0,63%	0,94%	1,05%	0,96%	0,94%	0,66%	0,57%	0,61%	0,64%



For as much as we make every effort to achieve excellence in our product, since the quality of product and service provided to our customers is both a crucial reputational and financial issue, we have taken out two insurance policies and made adequate prudential provisions in the balance sheet to be covered against the commercial risk associated to the possibility that a delay could result in a customer supply chain stoppage and the risk of recalling products.

People of OMR

People are a key resource in ensuring OMR's sustainable growth. We actively support providing a safe and positive environment that ensures the well-being of employees and encourage the formation of an inclusive and challenging environment in which people can grow and achieve their professional goals. We firmly believe that these are key factors in achieving our long-term success.

People are a key resource in our success. Mindful of the strategic and competitive value of our people, we constantly strive to improve the work environment and adjust it to best practices.
Our human resource management system is guided by the **principles of respect, fair treatment, meritocracy, protection of dignity, equal opportunity and non-discrimination which guide our business operations**.

The responsibility and accountability for all aspects of human resource management lie with the HR manager role, directly reporting to the CEO. The person in charge of Human Resources, with the support of his or her team and possible external consultants, is responsible for the operational management of all aspects related to personnel (selection, recruitment and placement, administrative management, training and development, organization, welfare, diversity and inclusion, etc.). It is also his responsibility, with the possible support of the CEO, to manage relations with the internal labor union representatives.

The management of workers' health and safety issues is the responsibility of the Prevention and Protection Service, which reports to the Chief Executive Officer and is supported by the Human Resources function for communication and information aspects as well as the handling of complaints and any disciplinary measures. Monitoring of the activities carried out and objectives achieved with regard to personnel management issues and occupational health and safety is carried out during the *Executive Committee* meeting.

People in numbers

Despite the Covid19 pandemic crisis, during 2021 we experienced a growth in our workforce. The number of hired employees totalled to 411 registering a 12% increase from the previous year. The number of contract workers increased during 2021 as well, to 165. This increase was complemented by the settling down in the proportion of contracted workers to overall workers and an increase in the conversion rate of contracted workers hired on a permanent basis. This figure confirms our commitment to **creating a positive and motivating working environment with genuine opportunities of growth and job stability as well as respecting the demands from the union representatives in OMR.**

Number of employees and temporary workers	2020	2021
Number of employees	362	411
Number of temporary workers	141	165
% of contracted workers as a percentage of total workers	28%	29%
Rate of conversion of temporary workers to hired employees with a permanent contract	11%	12,4%

As a further demonstration of our commitment to ensure employment stability, virtually all (99.8 percent) of our employees are hired under permanent contracts.

Employees by work contract	2020	2021
Open-ended	362	410
Fixed-term	0	1
Total	362	411

Furthermore, in line with our commitment, we apply for collective bargaining whenever the law or the social system allows. Currently, more than 95 % of employees are covered by a collective bargaining system.

Employees covered by collective bargaining	2020	2021
Number of employees covered by collective bargaining	351	396

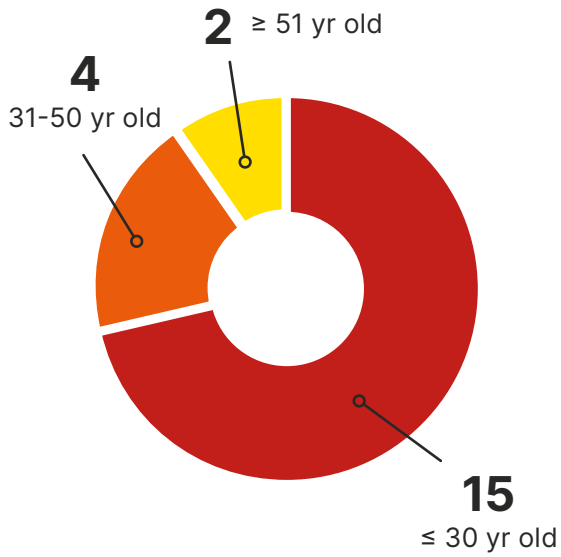
The data on turnover of personnel also indicate that there is no critical issue in terms of attracting and retaining employees, especially of those of younger age groups.

During 2021, in part because of the sudden increase in demand for production capacity from the market, we hired **69 new employees**, over three times the number of new employees hired in 2020. At the same time, the number of terminations decreased compared to the previous year; in particular, for those over 51 years old, terminations mainly involved cases of retirement and/or early retirement. Hiring rate increased from 7% in 2020 to 19.1% in 2021 while the turnover rate decreased from 7% in 2020 to 5.5% in 2021.
Some of the new hired employees were workers whose employment relationship with **OMR** had previously been governed by a contract of administration.

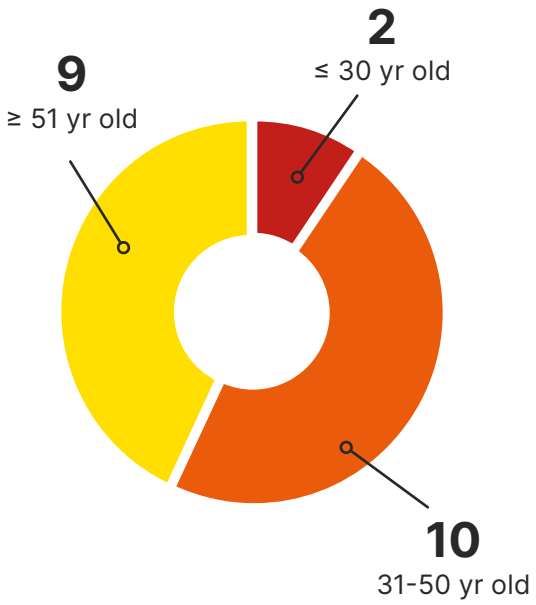
This figure can be seen in the high number for terminations in 2021 of administered workers who terminated their administration relationship with **OMR** and were hired at the same time by **OMR** under permanent employment contracts.

Number of hires and cessations by age

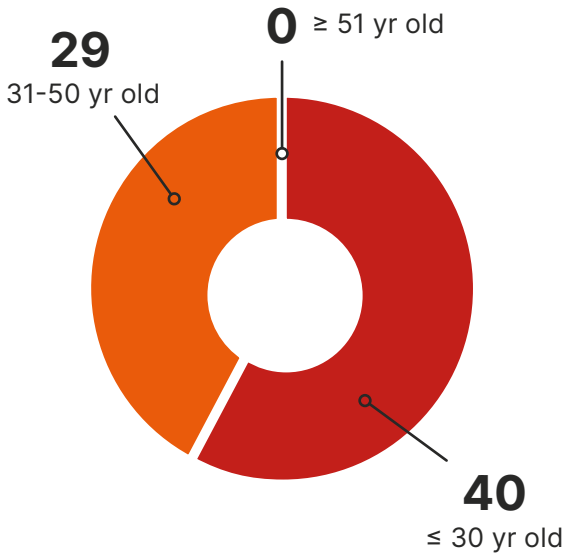
— Hiring 2020



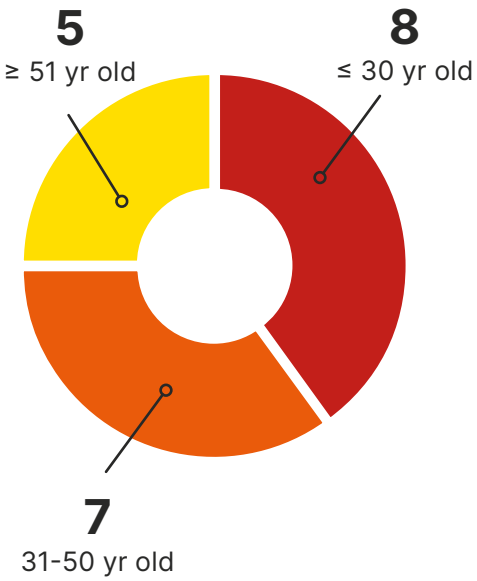
— Cessation 2020



— Hiring 2021

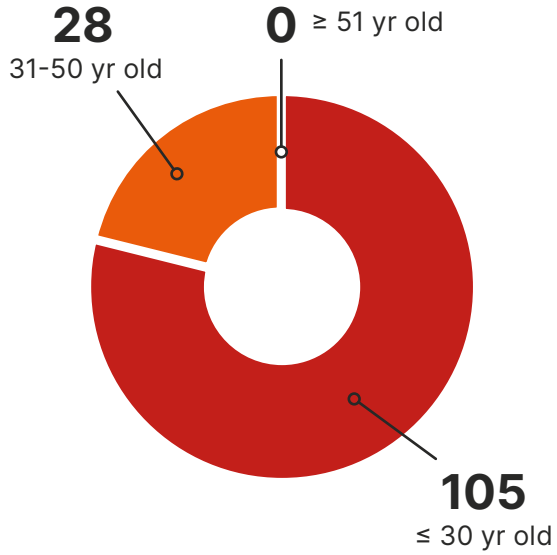


— Cessation 2021

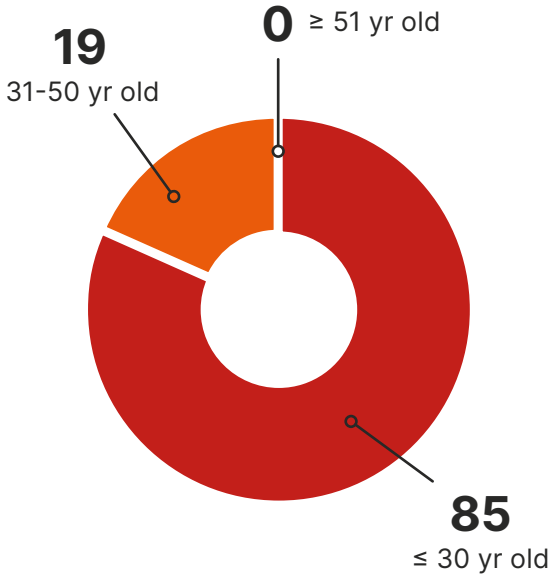


Number of hires and cessation of temporary workers by age

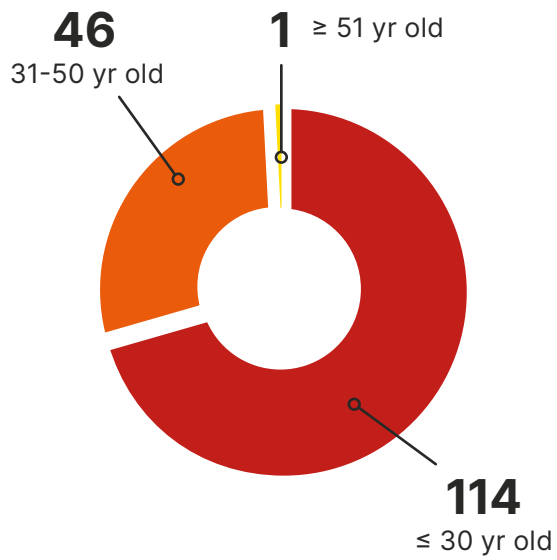
— Hiring 2020



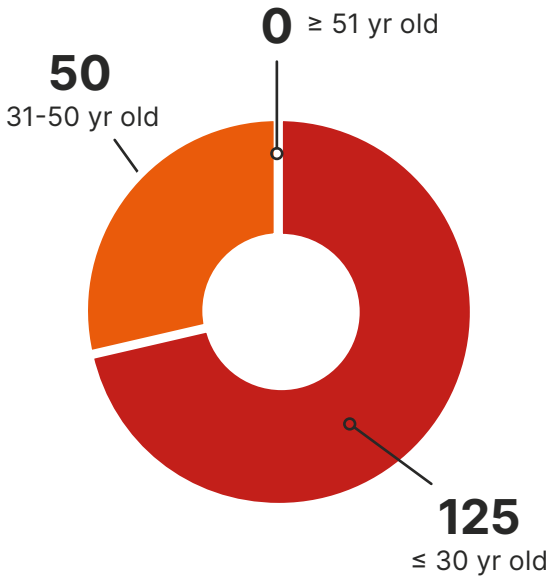
— Cessation 2020



Hiring 2021



Cessation 2021



Health and safety of employees

We are continuously committed in creating and spreading safety awareness, by developing an awareness of hazards and related risks along with promoting responsible behaviours. We believe a safe working environment requires everyone's commitment; each of us, both in our daily activities and particularly in the performance of our work, must adopt a safe and correct behaviour and must promote safety awareness.

Our commitment in continuous improvement of the health and safety of workers, besides being a core part of our business, is a strategic choice. We are in fact aware that minimizing risks by adopting the highest standards and best practices is not only a necessary factor to ensure business continuity but is also a key competitive factor. That is why we have adopted our structured approach by arming ourselves with the necessary organizational, technological and financial resources. By conducting our activities in compliance with legislative requirements, we promote discussion with our workers and ensure that all company activities, including activities carried out within the company premises by third parties, are carried out in complete safety.

This is effectively managed through the **application of the Occupational Health and Safety Policy** in which the guidelines by which we are guided in carrying out our activities are defined.

Guidelines for workers' health and safety management

- All measures are taken to identify hazards and related risks, arising from the type of work performed and the operating methods, in order to prevent, i.e., minimize, accidents, injuries and occupational diseases;
- Regular monitoring of injury data is carried out in order to identify possible areas for improvement;
- High standards in compliance with health and safety in the workplace are actively promoted and a program of assessment, verification and surveillance is maintained to ensure full compliance with relevant legislation
- A secure work system is implemented based on procedures and instructions aimed at the proper performance of tasks and monitored by the internal organization
- The entire Company structure (managers, supervisors, workers, etc.) participates, according to their attributions and responsibilities, in achieving the safety objectives assigned;
- A communication system is continuously kept open and effective, ensuring a common understanding and sharing of the contents and objectives of the safety policy, and workers are periodically involved and consulted, mainly through their RLSs;
- All workers are informed, trained and instructed to perform their duties safely and to be aware of their responsibilities with regard to occupational safety with specific reference to the task they perform
- Any emerging safety needs in the course of work activities are addressed swiftly, effectively and diligently;
- Procurement and labour services of non-employee personnel within OMR are also analysed, defined and conducted with the aim of ensuring the occupational safety of its own, others' and third parties' personnel;
- Set corporate security objectives are reviewed and redefined periodically, with the aim to review and continuously improve.

Principles and modes for action described in the Occupational Health and Safety Policy are declined in the operating methods defined in the Organization and Management Model (MOG) and the Risk Assessment Document. Setting, implementation and compliance with the requirements established within the health and safety management system are under the responsibility of the Safety and Environment Delegate with the support of the Prevention and Protection Service, which cooperates with the heads of departments and, through an ongoing dialogue, with the Workers' Safety Representatives (RLS).

Prevention and Protection Service is responsible over the process of identifying, assessing and monitoring risks related to the health and safety of workers. This activity is carried out by in-depth analysis of the production process, work organization and through audit activities. In fact, the Prevention and Protection Service performs a series of stringent controls aimed at:

- Assess existing and potential risks;
- Conduct inspections on machinery and assess any need to adjust;
- Reprimand workers in case of any violation on health and safety regulations.

In addition, our production facility undergoes annual audits conducted by a third party in order to verify and ensure that it complies with the relevant standards.

Given this context and with a view of continuous improvement, **by 2025**, we intend to strengthen our commitment and monitoring capabilities by conforming to industry *best practices* with the **goal of ISO 45001 certification**.

Each year the Safety and Prevention Service, by comparing to industry average data and regulatory requirements, set performance objectives and *targets targeted* to ensure that industry standards are aligned with and/or exceeded. The monitoring of targets and evidence from audit activities are reviewed at the *Executive Committee* meeting held annually in the presence of the CEO and company management.

Our commitment to managing worker health and safety issues is also reflected in **monitoring of injuries and near misses** (near miss) and investigating recorded accidents.

Occupational injuries*	2020		2021	
	OMR Workers	Temporary Workers	OMR Workers	Temporary Workers
Registration of injuries	2	5	5	8
Rate of Registered Injuries (Incident rate[3])	0,68	53,99	1,44	5,04

** Additional details are provided in the "Attachments" section to meet the disclosure requirements of GRI Standards 403 (2018).*

In 2021, the recordable injury rate for employees stood at 1.44, up from 2020. In contrast, the recordable injury rate related to contracted workers decreased considerably from the previous year. For both categories of workers, there were no serious accidents resulting in absences for more than 6 months. The most common injury types resulted in bruises (53 percent), injuries (32 percent), and dislocations and sprains (9 percent).

In addition, as in 2020, no cases of occupational diseases were recorded in 2021.

[3] The incident rate, in accordance with GRI Standards 403, is calculated as (No. of work accidents/No. of hours worked) x 200,000. The rate includes commuting accidents that occurred when transportation is organized by OMR.

Managing Covid-19

We followed the epidemiological emergency caused by Covid-19 very closely by adopting, in accordance with regulatory requirements and updates, all necessary measures to counter and contain the spread of the virus within the workplaces in order to ensure the prevention and protection of all of the OMR staff.

In 2020, coinciding with the spread of the emergency, we established a Safety Committee (task force) by involving the CEO as the Employer and key health and safety officers (the delegate of health and safety functions, the coordinating doctor, the RSPP and an RLS and RSU). The purpose of the Committee is to reorganize the company's activities according to the requirements of regulatory developments and to ensure the application and verification of the controls set forth in the Regulatory Protocol adopted internally.

The Regulatory Protocol adopted, which is continually updated in relation to regulatory developments, identifies the main risks and related prevention strategies applied internally. These strategies are aimed at preventing the risk of infection and intervening promptly on any cases of infection.

In particular, the protocol defines the methods:

- Of information and communication to employees;
- Of managing the flow of workers and organizing work activities;
- Of management of the suppliers' entrance;
- Of sanitation, sanitization and use of personal protective equipment;
- Of management or staff who are symptomatic;

We were actively engaged in making our employees and all third parties (customers, suppliers, and visitors) fully aware of all information necessary to protect health and safety, in particular, in accordance with the regulations in force:

- we spread information from the institutions by displaying signs and distributing brochures to employees;
- we disseminated information on hygiene regulations to be adopted by posting notices near areas considered strategic (restrooms, dining areas, company restaurant, etc.).

Training on health and safety at work

We strongly believe that providing training courses to our employees regarding health and safety issues is an effective and fundamental tool to create a safe working environment and promote safety awareness at all levels within the company.

For this reason, also during 2021, in accordance with regulatory requirements, we activated **courses for general training on Health and Safety topics aimed primarily for newly hired staff and contracted workers**. In order to ensure continuous professional updating on these issues, we also initiated refresher courses and specific training courses by adapting the contents to the various tasks in accordance with the assessment of the activities carried out, the related risks and their related training needs.

Workers' health and safety training	2020		2021	
	OMR Workers	Temporary Workers	OMR Workers	Temporary Workers
Total training hours	1628	1096	1598	2262
Number of workers involved in training	183	90	197	185
Average training hours	8,90	12,18	8,11	12,23

Training activities are scheduled annually and delivered during working hours. During 2021, we provided a total of 3860 hours of training distributed into 1598 hours of training for employees and 2262 hours of training for administered workers. Compared to the previous year and in view of the injury rate recorded for administered staff during 2020, in 2021 we intensified our efforts to ensure periodic training activities for those workers. These efforts have led to an **increase in the average hours of training** allocated to administered staff and also seem to have had a positive effect on the recorded injury rate.

3860 TOTAL HOURS OF TRAINING

Diversity and Equal Opportunities

It is our firm belief that the protection of diversity and the promotion of equal opportunities are essential elements in creating an inclusive and stimulating work environment. We are convinced that in our industry, even more than in others, concrete efforts are needed to mark a change of course that is geared toward inclusiveness. Conscious that so much still needs to be done, we are committed in our efforts to improve our performance.

Our actions are inspired by the principles of fairness, equality, protection of dignity, integrity and non-discrimination. As our Code of Ethics states, **we work to create an inclusive corporate culture that is opposed to any form of discrimination that is based on age, gender, nationality, political views, religious beliefs, or health status**. With this goal in mind, we strive not only to ensure a work environment that is consonant and suitable for different needs but also to promote the organization of meetings and events aimed at developing team spirit, knowledge and mutual respect.

During 2021, in an effort to reinforce and make concrete our commitment to gender diversity, we began a process of opening up and encouraging job applications from female staff. Though we encountered resistance, mainly due to the fact that we operate in a traditionally male-dominated sector, especially in terms of accrued skills, we found an interest in the market. The placement process was a success for **OMR**, not only because it made us a more inclusive entity, but also because it proved the attractiveness we have in the area.

In particular, during 2021, we experienced an increase in the female component of the administered staff from 0 to 21 female workers (13 percent of the total), mainly concentrated among people in the age gap 30-50.

Temporary workers by age and gender	2020			2021		
	Men	Women	Total	Men	Women	Total
≤30 yr old	109	0	109	110	10	120
31-50 yr old	32	0	32	34	10	44
≥51 yr old	0	0	0	0	1	1
Total	141	0	141	144	21	165

To enable and facilitate the entrance for new female members, we made some organizational changes by implementing **dedicated facilities and services** (e.g., women's locker rooms).
In terms of employees, during 2021, the female component remained at the previous year's level with 97% male and 3% female employees, again mainly concentrated in the 30-50 age gap

Employees by age and gender	2020			2021		
	Men	Women	Total	Men	Women	Total
≤30 yr old	90	4	94	112	6	118
31-50 yr old	182	6	188	200	6	206
≥51 yr old	79	1	80	86	1	87
Total	351	11	362	398	13	411

In terms of the professional classification of employees, during 2021 there was an increase in the number of female managerial staff (20%) compared to executive staff (0%).
The female component of the blue-collar staff stood at 0.3% - a figure that we expect to increase during 2022 as a result of the process change from administered to employed staff.

Employees by job c lassification and gender	2020			2021		
	Men	Women	Total	Men	Women	Total
Managers	4	0	4	4	1	5
Middle managers	1	1	2	1	0	1
Employees	45	10	55	44	11	55
Workers	301	0	301	349	1	350
Total	351	11	362	398	13	411

In order to continue the path, we began in 2021 and to give concrete form to the principles we are inspired by, over the next few years we intend to intensify our efforts with a view to achieving a **female component of 20 percent of the total workforce (employees and temps) by 2024**.
Our commitment in creating an inclusive work environment is not only about gender diversity. Constructing a diversity-friendly culture means creating conditions to ensure a work environment that is consonant and suitable for diverse cultural and religious needs. During 2021, employees of foreign nationality increased from 15% to 18%. Most of these (97%) are reported to be classified as blue-collar workers while 3% as white-collar workers.

Employees by job classification and nationality	2020			2021		
	Italian	Foreigners	Total	Italian	Foreigners	Total
Managers	4	0	4	5	0	5
Middle managers	2	0	2	1	0	1
Employees	53	2	55	52	2	54
Workers	247	54	301	277	74	351
Total	306	56	362	335	76	411

We have made a number of internal initiatives in our commitment toward foreign staff; on a daily basis, for example, we try to ensure that the company canteen offers options that respect different food traditions as well as religious traditions, and every year for the Christmas gifts we ensure that they respect cultural and dietary diversity. In addition, during recruitment and induction, we make foreign staff undertake an Italian language proficiency and comprehension test. The purpose of this exercise is to verify that the foreign staff have the ability to understand and comply with procedures related to workplace health and safety to ensure their safety.

Training and professional development for workers

It is our belief to invest in the development and growth of our workers' skills as essential to ensure safety, quality and long-term success. Aware that we will need to consolidate our commitment, we support specialized programs aimed at acquiring advanced technical and management skills.

Having trained and competent people is an essential element of our success - it enables us to keep up with market developments, promote continuous innovation in our processes and ensure quality service for our customers.

Being aware of the importance of **ensuring the continuous updating of our skills**, we intend to intensify our efforts in this direction in the near future. Over the past few years, our training effort has been focused on worker health and safety issues (as reported in the section **"Training on health and safety at work"** page 53 of this Annual Report), considering the emergency caused by the Covid-19 epidemic as well. During 2021 in particular, each employee received an average of 0.5 hours of training in line with the trend in 2020.

For administered staff during 2021, no training courses were provided except for those related to **occupational health and safety**. These figures do not take into account the training dedicated to health and safety issues and "on-the-job" training, which amounted to 2,492 hours in 2021, recording an increase of 1572[4] hours compared to the previous year.

[4] *In 2020, "on-the-job" training hours amounted to 920.*

Total and average training hours per employee	2020	2021
Total hours	199	220
Average hours	0,55	0,53

The average hours of training for female employees were 4.6 while the figure for male employees was at a lower level (equal to 0.40 hours average).

Total and average training hours by gender	2020		2021	
	Men	Women	Men	Women
Total hours	176	23	160	60
Average hours	0,50	2,09	0,40	4,61

In particular, the training activities concerned only the staff employed (who received an average of 4 hours of training) for whom specific training courses were activated according to professional needs (language courses, refresher courses for certifications, etc.).

Total and average training hours per classification	2020		2021	
	Total	Average	Total	Average
Managers	0	0	0	0
Middle managers	0	0	0	0
Employees	199	3,61	220	4
Workers	0	0	0	0

We are aware that we must intensify our efforts by investing in training programs dedicated to all staff by supporting specialized programs dedicated to different professional needs. In particular, **by 2024 we plan on formalizing and implementing a training plan that guarantees a total of 2,900 hours of training** by providing both general training courses, aimed at all staff, and specific training courses.

Work relationship quality

Relying on motivated and qualified people is a key element of our success. We constantly strive to ensure the well-being of our workers as we firmly believe that a positive work environment is a key factor in attracting and retaining a skilled and diverse workforce.

To demonstrate our commitment, we provide our workers with compensation and pension benefits as well as incentives aimed at fostering a positive work environment in which workers feel rewarded and see their value recognized. In terms of compensation, we are committed to providing a base salary that, in accordance with regulations, is competitive with the local market and the relevant industry. In particular, we offer our employees an integrated **remuneration that is higher (by more than 15%) than the average for the metalworking industry** to which we refer in terms of the National Collective Labor Agreement (CCNL).

15% **INTEGRATED REMUNERATION THAT IS HIGHER**

In 2021, in accordance with the previous year's trend (0.5 percent), we allocated **0.4 percent of our turnover to welfare initiatives**.

We offer a competitive range of benefits, normally available to all employees hired on a permanent basis, that significantly supplement the total compensation package. In particular, these benefits cover:

- defined contribution pension plans;
- supplementary health care plans;
- insurance policies defined according to the level of classification.

In addition, as part of the contractual welfare package provided by the relevant CCNL, shopping vouchers for employees and, as part of the optional welfare of the CCNL to which we have decided to adhere, holiday gift vouchers are also provided.

Demonstrating our commitment to employee welfare, from the date of the opening of our Company Canteen, we have decided to facilitate access to the food service by blue-collar staff by co-participating in the cost of that service. The decision to initiate this initiative, in addition to representing an additional form of economic support, was motivated by the desire to **encourage participation in socializing and sharing moments, which are instrumental in creating a positive work environment**.

Additionally, we also believe that holding listening sessions with our workers is an essential element to ensure involvement and participation and to ensure that workers' demands are considered in decision-making processes. For this reason, in addition to engaging in continuous discussion with internal union representatives and Workers' Safety Representatives (RLS), we administer annual satisfaction and awareness questionnaires to our employees. In order to ensure that all employees are able to participate, the questionnaire is administered in an "online" mode and access is allowed through personal devices.
The level of satisfaction is measured considering a scale from 1 (minimum satisfaction value) to 5 (maximum satisfaction value) where 3.5 is considered the threshold value of acceptability while the level of awareness is calculated on a scale from 0% to 100% where 75% is considered the threshold value. In the transition from 2020 to 2021, both **the average level of satisfaction and awareness increased, in the former case from 3.86 to 3.88 points while the latter rose from 78% to 80%**.

Management of environmental impact

While managing the production process, we are environmentally conscious. We strive to ensure high environmental performance by using the best available technologies with the aim of reducing inefficiencies in resource use and minimizing any potential negative impact on the surrounding environment.

Conscious of recent developments in the regulatory environment, the evidence brought to our attention by the international scientific community, and the need for urgent action to combat climate change[5], we strive to ensure that our operating model is based on increasingly stringent principles and integrates the best available technologies to minimize the environmental impact of the processes we use and ensure industrial development in balance with the environment in which we operate.

Given the activities we carry out, our commitment and intervention in the environmental field is mainly aimed **at containing our impact, reducing emissions of climate-altering substances, and efficient use of energy, raw materials and resources**. In particular, the energy required to operate production facilities is the main source of greenhouse gas emissions. This is why we are committed to **reducing atmospheric emissions through a gradual transition to more efficient production processes with reduced CO2 emissions, and to gradually increasing the share of electricity from renewable sources**.

Our commitment is also embodied in the structured governance and environmental management system we have implemented internally. The guiding principles we use to ensure the best environmental performance are defined in the **Environmental Policy**, updated every two years and approved by the CEO. This policy also defines the principles and requirements by which we are inspired in the management of the **ISO 14001-certified Environmental System**. As from 2014, we have in fact developed and keep updated for 100% of our plants an ISO 14001-certified Environmental Management System.

[5] *European Green Deal-a new growth strategy aimed at meeting the challenges posed by climate change to ensure the EU's green transition into an equitable society with a modern, resource-efficient economy and no net greenhouse gas emissions by 2050.*

Responsibility for the management of the Environmental System lies with the Safety to Environment Delegate who, with the support of the EHS *(Environment, Health & Safety)* office and the collaboration with the Technology and Plant Function, reports directly to the CEO.

As part of our strategic commitment to using sustainable environmental practices - striving for continuous improvement - and fostering a constructive dialogue with our stakeholders, who are increasingly attentive to these issues, the decision to certify our plants in compliance with the ISO 14001 standard is part of our strategic commitment to use sustainable environmental practices - striving for continuous improvement. With customers, in particular, there is a constant exchange of information and data regarding our environmental performance and the improvement strategies adopted.

The Management System is audited annually by independent third parties to verify its full compliance with international standards. In addition, one of the hallmarks of the Management System is the presence of operational requirements focused on the **prevention of risks of an environmental nature** - including those related to atmospheric emissions, energy and water resource management - **going beyond the concept of compliance with requirements defined by local legislation**.

Annually, along with the monitoring objectives and targets defined within the ISO 14001 Management System, objectives (along with related indicators) to improve environmental performance are defined internally considering the results achieved during the previous year as a baseline. The monitoring of activities performed and targets achieved is carried out annually by the *Executive Committee*.

Energy Efficiency

All of our production processes involve high levels of energy consumption. Conscious of the effects that the C02 emissions from our production processes as well as power generation have on the environment, we strive to minimize our impact by aligning our operations with the best practices.

As the international scientific community has proven extensively, CO2 emissions from power generation contribute significantly to global warming. Aware of the risks associated with a rise in global warming temperatures, we believe that decisions about energy efficiency and energy supply are issues of a strategic importance to our business.

In accordance with the requirements concerning environmental management defined in the Environmental Policy, in compliance with the ISO 14001-certified Environmental Management System, we prefer **renewable energy sources** over fossil fuels in our choices of energy supply, **by installing photovoltaic panels**. This way, we gradually reduce energy consumption, gain lower processing costs, and reduce the emission levels of climate altering substances.

Significantly, our commitment in self-power generation began in 2010 when we started the construction of our first photovoltaic system with a rated capacity of 1,617 kWp. In the course of 2012, to further increase our self-production capacity, we installed a second photovoltaic system with a power rating of 850 kWp.

Finally, a further investment was made during the **first half of 2021 when we installed a third photovoltaic system having an even higher rated capacity of about 2,338 kWp**. These investments currently enable us to **generate about 3,588,242 kWh of energy, use approximately 84% of it, and cover 26% of our energy needs**.

cover

26%

of our energy needs

As a demonstration of our commitment, **during 2022 we intend to further increase the self-generation** capacity by installing a fourth photovoltaic system that will allow us to significantly increase the coverage of our needs, by 40%.

The commitment towards reducing the environmental impact generated by our production processes, besides the construction of photovoltaic systems, also involves the purchase of renewable energy.

As from March 2020, thanks to a renewed agreement with our energy supplier, we have **increased from 79% to 100%of purchased energy from renewable sources**. This important milestone has enabled us to reduce indirect emissions (Scope 2)[6] during 2021 (as reported in the chapter " Management of Emissions," page 66 of this Report).

The actions aimed at reducing our environmental impact also involve investments aimed in improving energy efficiency. For this purpose, we regularly replace obsolete equipment with higher technological and efficient equipment by improving the energy intensity of our processes, as evidenced by the improvement recorded in all energy intensity indicators (on turnover, number of parts produced, and weight of production) from 2020 to 2021.

100% **of purchased energy from renewable sources**

Energy intensity	2020	2021	Delta %
Energy intensity on turnover (KWh/€)	0,34	0,28	-16.74%
Energy intensity per product unit (KWh/component produced)	2,23	1,84	-17.23%
Energy intensity over production weight (KWh/t)	1.731,93	1.304,42	-24.68%

[6] This refers to indirect emissions - from the generation of purchased power - classified according to the reporting standard defined by the Greenhouse Gas Protocol described in the chapter "Emissions Management".

Overall, in 2021 we consumed 37,965,939 kWh of energy, 25% more than in 2020. The increase in consumption can be explained by considering two main, interconnected aspects: the lower value recorded during 2020 is partly due to the production shutdowns that occurred following the Covid-19 pandemic while, the increasing value recorded in 2021 is partly due to the surge in demand recorded following an upswing.

Most consumption is mainly as natural gas (about 63% of total energy consumption), which is mainly used for the operation of the ovens of the paint plant.

Annual energy consumption by source (KWH)	2020	2021
Energy from non-renewable sources		
Natural Gas	18.932.903,4	24.094.364,3
Energy from renewable sources		
Photovoltaics - self-produced and consumed	2.542.566	3.013.322,6
Direct Uses	21.475.469,4	27.107.686,9
Electricity	9.392.514	11.433.173
From renewable resources	7.441.227	11.433.173
From non-renewable resources	1.951.287	0
Indirect Consumption	9.392.514	11.433.173
Self-generated energy (photovoltaic) and sold	522.840	574.920
Total energy consumed*	30.345.143,4	37.965.939,9

**In compliance with the GRI 302-1 Standard, the total energy consumed is calculated by summing direct and indirect consumption minus self-generated energy.*

Management of emissions

The management of the CO2 emissions from our production processes is of key strategic importance to us. Conscious of the environmental and regulatory risks associated with emissions management, we strive to ensure business continuity by aligning with current best practices in the pursuit of continuous improvement.

In compliance with the ISO 14001 Environmental Management System and current regulations, we perform periodic checks and monitoring of our emissions - with the support of licensed technical external personnel. Publishing this sustainability report, to demonstrate our commitment, we have decided to take our emissions management a step further by aligning our monitoring practices with the CO2 emissions reporting standards defined by the international scientific community that are widely recognized. In particular, we have aligned ourselves with the reporting standards defined by the *Greenhouse Gas Protocol*[7] (or more simply GHG Protocol), which classifies *greenhouse* gas or "GHG" emissions into three "scopes" (purposes) and defines how they are calculated.

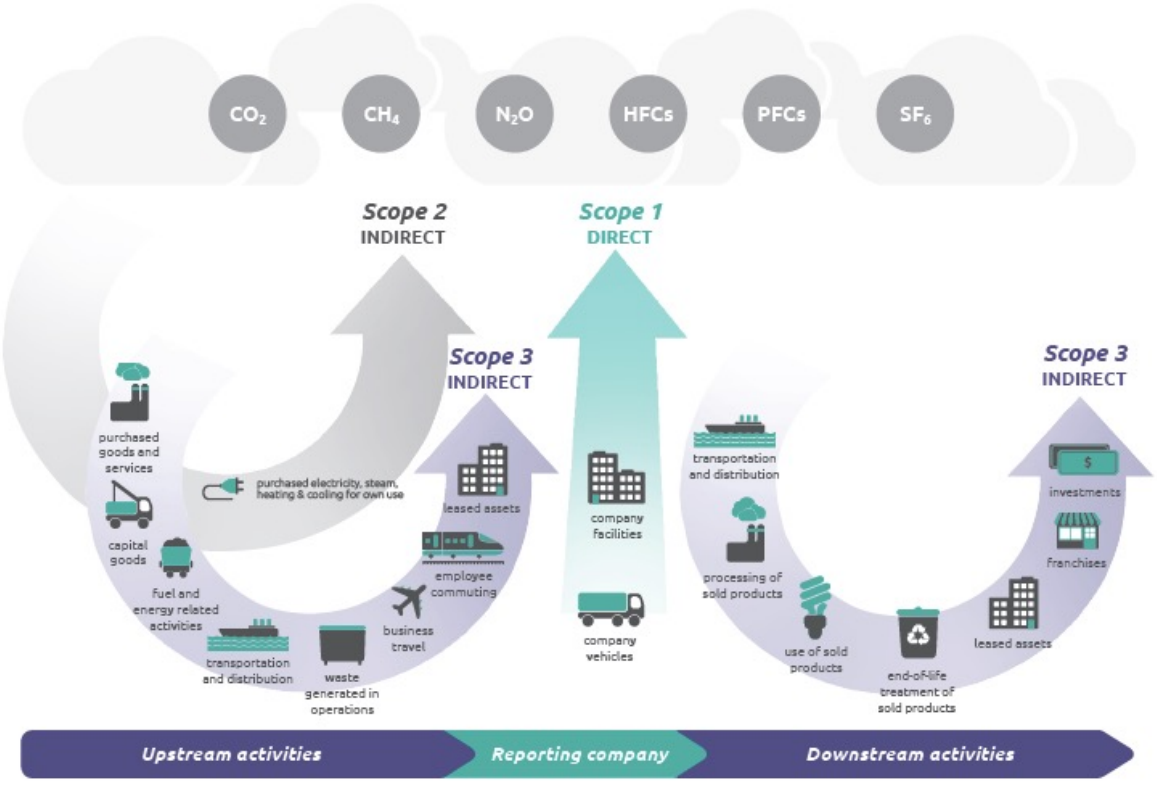
Scope 1, 2 e 3

- Scope 1: These are direct emissions generated from sources owned or controlled by a company. This category includes emissions from fossil fuels used in the production processes, refrigerant gas leaks in air conditioning systems, and the use of the company's fleet.

[7] *"The Greenhouse Gas Protocol – A corporate accounting and reporting standard", World Resources Institute and World Business Council for Sustainable Development.*

- Scope 2: These are indirect emissions from a company's generation of purchased energy. Through the purchase of energy, in fact, a company indirectly contributes to the emissions generated by energy suppliers.
- Scope 3: All indirect emissions (not included in Scope 2) that occur along the company's value chain (both downstream and upstream) are included. As an example, included in Scope 3 calculations were the emissions arising from distribution and handling between plants, from the movement of personnel on their commute to work or on business trips.

Figure [1.1] Overview of GHG Protocol scopes and emissions across the value chain



We have agreed to report direct emissions *(Scope 1)* and indirect emissions from the generation of purchased energy *(Scope 2)* for the 2020 and 2021 reporting periods. In an effort to align with international best practices, **starting in 2023, we are committed to evaluate the possibility of also reporting emissions from our value chain *(Scope 3)***. In addition, **by 2023, we intend to establish a multi-year CO2 emission reduction plan** that, through the definition of appropriate strategies, will enable us to systematically reduce direct and indirect CO2 emissions related to the three types of emissions.

During 2021, the total CO2eq emissions generated by our production activities amounted to 4,355.99 tons *(Scope 1 + Scope 2)*. Compared to 2020, there was a reduction of about 1.5 percent of the total emissions generated.

This reduction *(as highlighted in the chapter "Energy Efficiency," page 63 of this Annual Report)* is mainly due to the switch to 100% renewable energy purchase that took place starting in March 2020, which resulted in zero indirect emissions from energy consumption *(Scope 2)* for 2021. At the same time, in going from 2020 to 2021, direct emissions *(Scope 1)* from our production facilities increased by about 28 percent.

Zero indirect emissions from energy consumption (Scope 2)

This increase is mainly due to the increase in methane gas consumption (as reported in the table "Annual energy consumption by source (kWh)" in the chapter "Energy Efficiency," page 65 of this Annual Report) which, as previously explained, is to be seen as related to two interconnected aspects: the lower value recorded during 2020 is partly due to the production shutdowns that occurred due to the Covid-19 pandemic while, the increasing value recorded in 2021 is partly due to the surge in demand recorded as a result of the upswing.

** Calculation of CO2eq (which includes emissions of CH4, NO2, HFCs, PFCs, SF6 when present) was done according to the Greenhouse Gas Protocol guidance (calculation methodology and emission factors as per GHG Protocol. See http://www.ghgprotocol.org/calculation-tools/all-tools) - GHG Emissions Cross Sectors Calculation Tool.*

*** The following gases are included in the calculation of Scope 1 emissions: CO2, CH4 and N2O. The Scope 1 emissions calculation does not include the fuel consumption of vehicles owned or leased by OMR. We intend to include this figure from 2022 reporting onwards.*

**** This is the emissions from the use of CO2 gas in the production process.*

***** The figure includes the quantities of refrigerant gases leaked into the atmosphere reported in specific records during periodic refills of air conditioning systems. In the absence of such a record or other evidence on gas fills carried out during the course, the figure was not included in the calculation (as in the case of the year 2020).*

Only for the case of refrigerant gases, the calculation of CO2eq was made considering the GWPs defined within the "AREA F-gas Guidebook," Edition 2, December 2014.

****** The following gas is included in the calculation of Scope 2 emissions: CO2. Total Scope 2 emissions take into account the total emissions valued according to the Market Based methodology.*

Greenhouse gas emissions per scope (in T Co_2 EQ)*	2020	2021
Scope 1**	**3.469,98**	**4.424,95**
Emissions from production facilities (Stationary combustion)	3.431,29	4.355,99
Other fugitive emissions from production facilities ***	38,64	60,27
Air-conditioning refrigerant gases (fugitive emissions from air-conditioning) ****	==	8,69
Scope 2***	**950,73**	**0**
Electricity consumption indirect emissions	950,73	0
Market based	950,73	0
Total	**4.420,66**	**4.355,99**

Furthermore, in line with our achievements in terms of improving our energy intensity, thanks to investments made to increase the energy efficiency of production processes, emission intensity has also been reduced in the transition from 2020 to 2021.

Intensity of emissions	2020	2021	Delta %
Intensity of emissions to turnover (tCo2eq/€)	4,95	3,25	-34.43%
Intensity of emissions per unit of product (tCo2eq/n pieces produced)	0,00032	0,00021	-34.81%
Intensity of emissions on weight of production (tCo2eq/t)	0,25	0,15	-40.68%

Waste Management

A significant amount of waste is generated as a result of our manufacturing activities, especially from steel processing. Aware of the environmental and regulatory risks associated with waste management, we strive to ensure its proper and circular management that, through collaboration with some of our partners, reduces waste and gives incentives for reuse.

We are committed to conserving the value of resources as much as possible, limiting the use of energy from non-renewable sources, the use of new raw materials, as well as minimizing the creation of waste and scrap. To accomplish this, **we have implemented a structured waste management and monitoring system that prioritizes recycling where possible**.

Precisely, in accordance with the ISO 14001 Environmental Management System, waste management is the responsibility of the EHS *(Environment, Health & Safety)* office, which fully manages the process, dealing with the following activities:

- Waste weighing and monitoring relative destinations of waste put aside;
- Verification of the weight found at the destination;
- Reporting of data through waste management software and forms required by regulations;
- Verification of the necessary requirements for destination facilities.

This system allows a careful management of waste, in accordance with regulations, enabling constant monitoring of quantities and their destinations.
Our production activity involves the production of a significant amount of waste, mostly represented by scrap metal waste *(SCRAP)* generated in the transformation process of steel, the raw material most used in the production cycle. The production process also involves the generation of significant amounts of waste from chemical surface treatment and metal coating such as sludge and degreasing waste from welding,

sandblasting and tumbling. In addition to these two main categories of waste, the production activity involves the production of other residual types of waste among which the most significant are: aqueous suspensions containing paints and varnishes from the painting process, aqueous washing solutions, aqueous concentrates, as well as packaging waste (wood, paper and cardboard, plastic).

In 2021, the total amount of waste generated was 16,822.12 tons recording an increase of about 38 percent compared to 2020. Such an increase is explained given the reduction in production recorded in 2020 due to the Covid19 pandemic and the concomitant increase in production that occurred in 2021 as a result of the upswing.

Of the waste generated in 2021, **about 91 percent is steel waste (SCRAP), 1.2 percent is waste from chemical surface treatment and metal coating, with the remaining component being all other waste categories**.

Waste by composition in tons (T)	2020			2021		
	Not for Disposal	Destined to Disposal	Total	Not for Disposal	Destined to Disposal	Total
Chemical surface treatment and coating wastes from the treatment of metals and other materials (EWC 11)	0,00	325,26	325,26	0,00	197,58	197,58
Waste generated from the processing and physical and mechanical surface treatment of metals and plastics (EWC 12)	10.900,29	307,50	11.207,79	15.395,14	382,67	15.777,81
• including Steel (CER 12.01.99)	10.747,59	0,00	10.747,59	15.227,47	0,00	15.227,47
Other waste*	244,78	417,70	662,48	317,11	529,82	846,93
Total	**11.145,07**	**1.050,46**	**12.195,53**	**15.712,25**	**1.109,87**	**16.822,12**

** The "Annexes" section provides details of waste quantities by EWC code as per the information requirements of GRI Standards 306 (2018).*

Of the total amount of waste produced, following the 2020 trend, 93%[8] is not destined for disposal and is subjected to **recycling (98%)** and recovery (2%) activities at sites outside the Company.
In particular, steel represents the main component destined to be recycled, which is managed through an agreement with a raw material supplier partner, the Arvedi Group. Under this agreement, most of our scrap metal waste (SCRAP) is delivered to our partner who reuses it as a secondary raw material for the production of recycled steel, contributing to resource circularity. For other categories of waste, where possible (packaging residues, oils and emulsions, electrical equipment, etc.), recycling and/or recovery activities are also prioritized.

[8] *Additional details are provided in the "Attachments" section to meet the information requirements of GRI Standards 306 (2018).*

Water and wastewater

A significant amount of water is required for our production activities. Specifically, water supply differs according to usage and is supplied from wells (groundwater) for activities related to the production process and from aqueducts (third-party water resources) for ancillary purposes (e.g. sanitation). During 2021 in particular, we withdrew a total of 16.56 mega liters of water, registering a 28% increase over the amount withdrawn in 2020.

Water withdrawal (ML) per source	2020	2021
Underground water	7,69	9,08
Fresh water	7,69	9,08
Other types of water	==	==
Third-party water resources	5,27	7,48
Fresh water	5,27	7,48
Other types of water	==	==
Total	12,96	16,56

Regarding underground water (taken from a well) and used in production, it is used during the following processes: tumbling, pre-treatment and cataphoretic coating. For each of these processes, in order to reduce water use and ensure its recycling, we have **three separate recovery systems**.
Specifically, the recovery system used in tumbling allows for the separation of the liquid and solid parts resulting from the process: the solid parts are deposited as sludge, while the clean process water is collected in a tank from which it is pumped back into the machines. Flocculant products are added during the treatment, to facilitate the mechanical separation process, and liquid cleaning products based on cationic polymers that serve to neutralize the ionic effects of the particles. Flocculant products do not affect the chemical properties in the water process, leaving its concentration unaffected. Sludge, generally containing about 20 % of water, it is automatically removed from the system and properly disposed of.

In contrast, the treatment system present on the pre-treatment and cataphoretic coating plants is based on the technical integration of different technologies:

- Dynamic rinse recirculation on special towers with special and differentiated ion-exchange resins;
- Regeneration of resins with totally different times, mode and volumes of water from traditional systems;
- Waste selection with differentiated physical and chemical preconcentration and neutralization treatments, followed by a final stage of extraction by vacuum evaporation using a heat pump system.

These systems allow us to achieve the **goal of "zero discharge"** as they allow the **total recirculation of spent process water with only the production of reduced volumes of residual and sludge managed through authorized disposers. In 2021, wastewater managed through authorized disposers was 880.63 t, down about 7 percent from 2020**[9].

Regarding third-party water resources (drawn from the aqueduct) used for ancillary purposes to production activities, we are not equipped with monitoring tools that allow us to calculate the amount of water discharged to the sewer after use. However, water discharges into receiving bodies only concern rainwater, first rainwater, and water used for sanitation purposes (e.g., canteen, locker rooms, etc.) that are re-injected after treatment. To enable increasingly accurate water balancing and to be able to identify and reduce any sources of waste, by 2023 we intend to increase the monitoring of water flows (withdrawal, discharge and significant internal uses). The goal defined aims to identify every source of waste and every abnormal consumption to enable the introduction of specific improvement actions consistent with the relevant context. Given the activities we carry out, the impact we may have on water resources is both residual and related to contamination risk. To ensure that water resources are managed in accordance with current regulations and that any impacts of our production activities are controlled and minimized, internal instructions defining common management requirements have been issued.
It should also be noted that during 2020-2021 in our production facilities, we did not record any cases of significant leaks or spills of hazardous substances into the environment.

[9] The "Attachments" section provides additional details to meet the information requirements of GRI Standards 303 (2018). The "Attachments" section also presents details of wastewater disposal EWC codes.

The supply chain

Our relationship with the supply chain is a key element of our strategy to achieve long-term success. Being aware of the centrality of this aspect, we are committed to monitoring and responsibly managing the relationship with our chain, giving preference to local suppliers who favour sustainable business models.

We recognize that many of our business impacts are related to the behaviour from our suppliers. For this reason, we are committed to responsible procurement management by prioritizing relationships with local suppliers and selecting suppliers who are aligned with our principles and best practices.

Responsible procurement

It is our belief that a responsible supply chain management that takes into account elements of environmental and social sustainability is a key element of our success, not only as a guarantee of a stronger relationship with suppliers, but also in terms of quality, costs, logistics management, and compliance criteria.

Being aware that our operational success depends largely on ensuring a stable relationship with our suppliers, we strive to ensure the sustainability of our supply chain through a management and monitoring system based on compliance with specific requirements.

The management of suppliers is under the direct responsibility of the Managing Director, who is supported by the Purchasing Department in the accreditation, monitoring and administrative aspects management phases. **The accreditation phase of new suppliers involves checking that they possess reputational, quality and compliance with worker health and safety requirements** in line with the provisions of our Code of Ethics and policies.

The assessment of quality aspects, given the centrality of the issue in the relationship with our customers, involves the following checks:

- Verifying that the supplier possesses ISO 9001 certification, which is considered a fundamental guarantee of compliance with the product quality requirements;
- Evaluation of the technical and technological requirements of the supplier's facilities.

The accreditation process also involves the delivery and acceptance by the new suppliers of specifications containing the technical and safety characteristics as defined by the Quality Department that the suppliers must comply with for the different product categories.
In particular, we have drawn up specific supply specifications for the most important categories: steel sheets and strips, screws and bolts, spare parts, packaging and powders.

These specifications, in addition to specifying the technical characteristics, define the control and audit activities that we can carry out, including at the supplier's premises.

As for the verification of aspects related to the management of environmental issues by suppliers, currently, these checks are carried out in accordance with the category and relevance of the product. In particular, the assessment of environmental aspects, assumes particular relevance in the selection of suppliers of steel, paint plant treatments and packaging.

This structured system of controlling and monitoring our suppliers enables us to create the necessary conditions to ensure the stability in the supply chain and to ensure the continuity in our own business operations. We also realize that a significant component of our environmental and social impact stems comes from our supply chain. For this reason, **in addition to favouring local suppliers, starting in 2022 we intend to further strengthen our commitment to favouring suppliers with sustainable business models. By 2023**, we also want to draw up a Supplier Code of Ethics that, alongside principles of fairness in managing the relationship and complying with regulations, will also include an indication of principles related to respect for the environment and people. The Code will be sent to all suppliers and its signature by the supplier will become an integral part of contracts with new suppliers and in renewals with existing suppliers.

During 2021, we used 640 suppliers, for the total of raw materials, components, materials and production auxiliary services, we generated a purchase value of approximately 107 million euros. This figure showed a growth of about 80 percent compared to 2020, when the supply value amounted to about 60 million euros for a total of 620 suppliers. The growth in supply costs was related to the sudden increase in business in 2021 as a result of the post-pandemic recovery from Covid-19.

Among purchased materials, the most important component was raw materials and, in particular, steel, which accounted for 92 % of it by weight. Equally significant are gases used for lasers and welding robots (1844 t), packaging materials (666 t), and hardware (509 t).

Materials used by weight (tons)	2020	2021
Steel	30.000	45.000
Powder Tools	292	386
Hardware	400	509
Tools	25	30
Lubricants	20	20
Treatments	103	107
Welding wire	185	326
Gas (for lasers and welding robots)	1.622	1.844
Total packaging	756	666
→ of which timber	275	174
→ of which paper and cardboard	171	165
→ of which plastic	310	327
Total purchasing weight	**33.403**	**48.888**

A large amount of steel is used in our manufacturing business. For this reason, the relationship with the steel supply chain is a key element in our long-term success. Conscious of the centrality of this issue and the indirect impacts we generate through the purchase of raw materials, **when choosing steel suppliers, we carefully assess their environmental sustainability profile, giving preference to suppliers who have implemented initiatives to reduce their impact**.

A prime case is our supply relationship with one of our supplier partners, the Arvedi Group[10]. The Arvedi Group, just a few kilometers away from our headquarters near Cremona, has for years been committed to reducing the environmental impact of its production process.

By improving its technologies, research and innovation, Arvedi makes products with a high degree of environmental compatibility that enable it to reduce the environmental impact of its industrial activity. In particular, through technology ESP[11] (Endless Strip Production), to the use of a state-of-the-art electric furnace and energy efficiency policies, **the Arvedi Group cuts carbon dioxide production by about 250,000 tons each year, registering an efficiency index of +2.6%**. The relationship with Arvedi, compared with other suppliers, thus enables us to reduce indirect CO2 emissions from steel purchases.

[10] https://www.arvedi.it/

[11] The ESP process has the same steps as a classic casting and rolling process, but by harnessing the energy of liquid steel, everything takes place without interruption, saving resources.

In 2021, in addition, we initiated an agreement with the Arvedi Group aimed at encouraging the circular use of raw material. Under this agreement, on a monthly basis we supply Arvedi with our total scrap metal waste (SCRAP, parts to about 1,400 tons/month) and in return we receive recycled raw material from Arvedi. This collaboration not only promotes the circular use of resources - in 2021, about 38 percent of the steel we sourced had undergone a recycling process - but also enables a reduction in the indirect emissions generated from steel production - amounting, in 2021, to about 12.000 tCO2eq[12].

Our commitment to responsible procurement management also applies to the other materials we source. Specifically, in 2021, the component of **recycled materials purchased increased by 35% of the total**, while the component of renewable materials used (partly due to the type of materials we need in the production process) remained constant at 1% of the total[13].

Our commitment to responsible procurement management involves **finding local suppliers** who not only guarantee the required quality requirements but also, on equal terms, **prefer sustainable business models**.

Choosing local suppliers is not only a guarantee for ensuring our business continuity and reducing the costs and risks associated with logistics management, but it is also a commitment to the community in which we operate, to ensure its long-term economic and social development.

During 2021 in particular, **we used 255 local suppliers (located within a 100 km radius from our headquarters) accounting about 40% of our total suppliers**. A significant component of these suppliers (80 suppliers, 12.5%) are suppliers of strategic importance to our business (where purchase value exceeds €50,000 annually). The number of local suppliers has increased from 2020 when there were 242 local suppliers (including 60 suppliers of strategic significance) representing 39% of the total suppliers.

[12] This figure derives from information obtained from an excerpt on the Siderweb website (https://www.siderweb.com/
[13] Additional details are provided in the "Attachments" section to meet the disclosure requirements of GRI Standards 301 (2016).

Relationship with the community

The link with the area in which we operate is one of the most important aspects in our way of life, but we also want to make our contribution to major global challenges.

At **OMR**, we take an active, supportive and collaborative role with responsibility towards the territory and the Remedello community in which we operate. Our corporate commitment is embodied through: donations aimed both at coping with temporary situations of difficulty and at sustaining solidarity interventions over the long term; sponsorships in support of projects with a positive impact on the community; major investments in art and culture; and corporate volunteer initiatives and programs.

We are constantly committed to the local area and aim to maximize positive effects that create well-being for the community; we do this by working responsibly to generate economic value and giving equal priority to promoting social progress and safeguarding environmental resources.

Decisions to intervene in support of the local community and others are made directly by the CEO.

It is our belief that having a positive relationship with the community is the basis for a good corporate reputation among all stakeholders as well as being a key element in attracting and retaining the best human resources. In virtue of this strong connection with the community, in addition to the annual donation to the parish and some local associations, we have supported the needs of both the **municipality of Remedello and General Hospital in Brescia during the emergency pandemic from COVID19, by donating €50,000.00 and €100,000.00 in 2020 and €50,000 the year after, and contributed substantially to the purchase of vaccines on behalf of the Medicus Mundi Association**.

We donated €50,000.00 in 2021 to the project Food for All, an initiative promoted in Brescia during the first lockdown that involved dozens of volunteers in helping families in difficulty due to the pandemic, distributing basic necessities; a chain of solidarity that within a short time was able to **support as many as 1,350 families**.

We are also committed towards art and culture; paying attention to the needs shown by the entities within the area of Brescia, by selecting those initiatives that, year after year, we believe are most significant: as a result, we have supported the **Art Bonus with an intervention of €150,000.00 in 2019 and €20,000.00 in 2021**. In 2020, we contributed to the **renovation of part of the headquarters of the Università Cattolica del Sacro Cuore in Brescia with a €110,000.00 donation while**, in 2021, we became a **partner of the Fondazione Musei di Brescia** under a collaboration agreement that provides a **three-year funding of €30,000.00 a year as a cultural sponsor and €20,000.00 under the Art Bonus**.

On a global level, we have taken up the challenge posed by **Climate Change** and, since 2021, **we have chosen through a three-year project to support the ONE OCEAN Foundation** whose mission is to accelerate the discovery for solutions to the environmental problems of oceans by inspiring international leaders, companies, institutions and individuals, by promoting a sustainable blue economy and by improving ocean literacy.

The Foundation, conceived in 2018 by the Yacht Club Costa Smeralda, operates by implementing and supporting innovative projects, activating strategic partnerships, facilitating collaborations between companies and organizations, and by creating shared value.

Actions for the community in 2020	Value	%
Covid - emergency Hospital in Brescia – Municipality of Remedello	€ 150.000	56%
Parish	€ 2.000	1%
Charity	€ 6.780	2%
Cultural sector (Catholic University of the Sacred Heart)	€ 110.000	41%
Total donated 2020	**€ 268.780**	**100%**

Community Interventions 2021 Covid Emergency	Value	%
Covid Emergency - Parco di Piero Association ODVC	€ 50.000	27%
Medicus Mundi Vaccine for Everyone	€ 7.410	4%
Parish	€ 2.000	1%
Charity	€ 29.200	14%
Cultural sector (Art Bonus - Brescia Museums Foundation)	€ 50.000	27%
One Ocean Foundation	€ 50.000	27%
Total donated 2021	**€ 188.610**	**100%**

Methodological Note

OMR S.p.A.'s Sustainability Report 2021, relating to the period from January 1 to January 31, 2021, was prepared, with the support of an external consultant (Impactage Srl), in accordance with the GRI Standards (Global Reporting Initiative) core option.

The Sustainability Report is prepared annually by **OMR** S.p.A. and is submitted to the Board of Directors for approval.

The Sustainability Report 2021 was approved by the Board of Directors on May 19, 2022 by evaluating the completeness and consistency of the relevant topics in the materiality matrix.

The reporting scope covers **OMR** S.p.A. only.

The Sustainability Report 2021 has been voluntarily prepared by **OMR** S.p.A. and does not take on the status of a Consolidated Non-Financial Statement (DNF) according to Legislative Decree No. 254/2016.

The Sustainability Report 2021 is also not subject to third-party verification.

Translation in English curated by **OMR** S.p.A.

Contacts

Whoever wishes to receive information or address any questions, comments or request any clarification regarding the sustainability activities of **OMR** S.p.A. may do so by writing an e-mail to: sustainability@omrspa.com.

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Attachments

Tables supplementing the “People of OMR” section

Employees by work contract and gender	2020			2021		
	Men	Women	Total	Men	Women	Total
Open-ended contract	351	11	362	398	12	410
Fixed-term contract	0	0	0	0	1	1
Total	351	11	362	398	13	411

Employees by type of employment and gender	2020			2021		
	Men	Women	Total	Men	Women	Total
Full-time	351	10	361	398	13	411
Part-time	0	1	1	0	0	0
Total	351	11	362	398	13	411

Supplementary tables to “ Waste Management” chapter.

Waste NOT subject to disposal through recovery operations, in tons (t)	2020	2021
	At an external site	At an external site
Hazardous Waste		
Ready for reuse		
Recycle		
Other recovery procedures	34,43	40,81
Total	34,43	40,81
Non-Hazardous Waste		
Ready for reuse		
Recycle	10.865,97	15.377,83
Other recovery procedures	244,67	293,61
Total	11.110,64	15.671,44

Waste for disposal through recovery in tons (t)	2020	2021
	At an external site	At an external site
Hazardous Waste		
Incineration (with energy recovery)		
Incineration (without energy recovery)		
Landfill		
Other disposal procedures	647,35	617,93
Totale	647,35	617,93
Non-Hazardous Waste		
Incineration (with energy recovery)		
Incineration (without energy recovery)		
Landfill		
Other disposal procedures	403,11	492,14
Total	403,11	492,14

Waste for composition, in tons (t)	2020			2021		
Waste type	Waste produced	Waste not for disposal	Waste for disposal	Waste produced	Waste not for disposal	Waste for disposal
Wastes from inorganic chemical processes				1,80		1,80
Waste from production, formulation, supply and use of coatings (paints, varnishes and glazes), adhesives, sealants and printing inks (EWC 08)	237,01	0,00	237,01	142,01	1,15	140,86
Waste from chemical surface treatment and coating of metals or other materials; non-ferrous hydrometallurgy (EWC 11)	325,26	0,00	325,26	197,58	0,00	197,58
Wastes generated from the processing and physical and mechanical surface treatment of metals and plastics (EWC 12)	11.207,79	10.900,29	307,50	15.777,81	15.395,14	382,67
→ of which Steel (EWC 12.01.99)	10.747,59	10.747,59		15.227,47	15.227,47	
Packaging waste, pads, rags, filter materials and protective clothing (EWC 15)	243,98	233,75	10,23	330,49	305,56	24,93
Unspecified wastes listed otherwise (EWC 16)	179,64	9,18	170,46	367,94	6,04	361,90

Debris from construction and demolition operations (EWC 17)	1,42	1,42	0,00	1,61	1,48	0,13
Waste generated from treatment plants, off-site wastewater, and water potabilization and preparation for industrial use (EWC 19)				0,20		0,20
Urban waste (household and similar waste generated by commercial and industrial activities as well as institutions) including waste from separate collection (EWC 20)	0,43	0,43	0,00	2,89	2,89	0,00
TOTAL	12.195,53	11.145,07	1.050,46	16.822,12	15.712,25	1.109,87

Supplementary tables to the “ Water and Water Discharges” chapter

Water disposed as waste*			2020	2021
Internal designation	**Official designation**	**Source description**	**Quantity disposed (ton)**	
Water from cataphoresis	Aqueous suspensions containing paints and varnishes (other than those mentioned in CER 08 01 19) - CER 08.01.20	Wastewater generated by osmosis filtration on the recirculation circuit and pH adjustment of cataphoresis water.	203,18	107,51
Exhausted degrease bath	degrease wastes containing dangerous substances - EWC 11.01.13	Alkaline degreasing solution waste, with surfactant added, from the degreasing process.	283,56	171,2
Exhausted oil from processing	halogen-free mineral machine oils (except emulsions and solutions) - EWC 12.01.07	Waste mineral oil used in lubrication, hydraulic and hydraulic circuits of machine tools and industrial machines.	5,61	1,04
Spent emulsions	halogen-free emulsions and solutions for machinery - EWC 12.01.09	Emulsion from machine tools such as CNC lathes, machining centers, grinding machines, milling machines.	11,04	13,65
Equipment and machinery wash waters	aqueous washing solutions - EWC 12.03.01	Wastewater from washing equipment and machinery in general and finished "industrial" type concrete floors.	268,58	318,81
Evaporator concentrator residue	aqueous concentrates (other than those mentioned in CER 16.10.03) - CER 16.10.04	Concentrated residue from the clarified treatment evaporator of the sewage treatment plant.	170,46	268,42
		Washing residue from the evaporator-concentrator.		
TOTAL			**942,43**	**880,63**

Supplementary tables to the chapter “Responsible Sourcing”

Renewable and nonrenewable materials by weight (in tons) Total nonrenewables	2020	2021
Non-renewable total	**32.957**	**31.549**
Steel	30000	28.000
Powders	292	386
Hardware	400	509
Tools	25	30
Lubricants	20	20
Treatments	103	107
Welding wire	185	326
Gases (for lasers and welding robots)	1.622	1.844
Total packaging	310	327
→ of which timber	0	0
→ of which paper and cardboard	0	0
→ of which plastic	310	327
Total renewable	**446**	**339**
Steel	0	0
Powders	0	0
Hardware	0	0
Tools	0	0
Lubricants	0	0
Treatments	0	0
Welding wire	0	0

Gases (for lasers and welding robots)	0	0
Total packaging	446	339
→ of which timber	275	174
→ of which paper and cardboard	171	165
→ of which plastic	0	0
Total recycled material	**5.443**	**17.000**
Steel	0	0
Powders	0	0
Hardware	0	0
Tools	0	0
Lubricants	0	0
Treatments	0	0
Welding wire	0	0
Gases (for lasers and welding robots)	0	0
Total packaging	446	339
→ of which timber	0	0
→ of which paper and cardboard	0	0
→ of which plastic	0	0

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