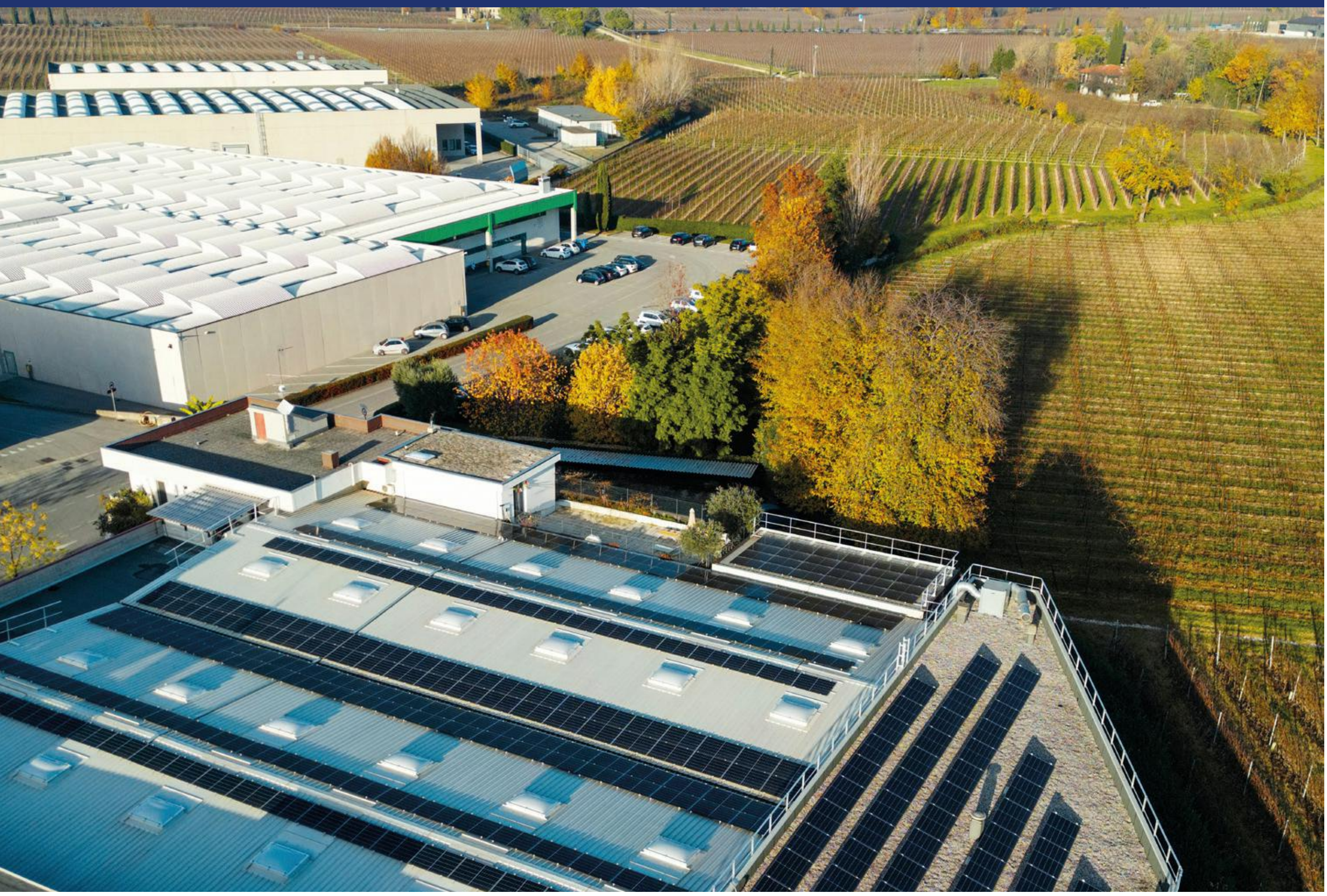
GRUPPO FLAEM

Sustainability Report

2024



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Sustainability Report

2024

Summary

“The idea of helping people is a driving force for continuous innovation.”

Riccardo Abate - General Manager

Letter to Stakeholders

ESRS 2 GOV-4
GRI 2-22

Dear Stakeholders,

I am proud to lead a company that, for almost sixty years, has been committed to the care of respiratory diseases and beyond. The study and design of our products, together with our collaboration with research institutes, allow us to carry forward the spirit that, before me, my parents and my family instilled in the company.

It is the same spirit with which all our employees, day after day, feel driven by a process of continuous improvement, helping us to achieve important goals aimed at ensuring the full satisfaction of our valued customers.

In 2024, we began the renovation of our office area. This will allow us to benefit from optimal working environments, both in terms of climate comfort and internal lighting. New meeting areas will be created, office and laboratory spaces will be reorganized, and a dedicated space will be set aside for convivial moments among colleagues.

This choice, like the daily commitment we devote to the company, has been made in a global context that can sometimes risk diminishing enthusiasm for sustainability efforts: wars at the borders of Europe and in the Middle East, doubts and attempts to roll back environmental commitments which, though declared, cannot stop a process already underway in many parts of the world. Sustainability, in its broadest sense, will continue to be a key part of many companies' strategies.

At Flaem Nuova S.p.A., the third generation of my family is already present. It is our duty to think of future generations—not only within our own company, but in every organization around the world—imagining a tomorrow in which our families will work alongside the children of today's employees.

With this second Sustainability Report, we reaffirm our commitment to transparency and continuous improvement, convinced that dialogue with all of you, our stakeholders, is essential to building together a fairer and more sustainable future.

Riccardo Abate - General Manager

History

In 1966, Franco and Elena Abate founded the company with the goal of producing compressors for electromedical equipment, starting from the garage of their home in Desenzano del Garda, in the district of San Martino della Battaglia.

The commercialization of these specialized compressors gradually enabled the company to strengthen its structure, later investing in the development of the first complete devices for aerosol therapy, as well as in its first assembly lines, beginning as early as the early 1970s.

From the very beginning, the company has always focused on product innovation. Among its pioneering achievements were the first piston-driven rotary compressor nebulizers, its innovative plastic accessories, and the first ultra-quiet ultrasonic nebulizers.

Alongside its core business in respiratory care products, in the 1980s Flaem Nuova S.p.A. "invented the first complete system for domestic vacuum food preservation." This breakthrough was made possible by transferring the technology developed for medical product pumps and by introducing a patented multi-channel vacuum bag designed to simplify air extraction.

In the following years, Flaem's two main business areas—medical devices and household appliances—experienced significant growth. This encouraged the Abate couple, together with their two children Lorella and Riccardo, to invest heavily in expanding the company, both in research and development and in its production facilities, thereby enabling it to meet the demands of an increasingly global market.

Today, Flaem products are shipped worldwide from the Desenzano del Garda manufacturing site, with the company securing market shares of around 40%.

Timeline

1966 Flaem Nuova was founded by Franco and Elena Abate.
The first production facility in S. Martino Della Battaglia - Italy.

1970 In 1970s the assembly department.

1978 Intersan exhibition in Milan.

1980 The unstoppable innovation of the 1980s, the first production of ultrasonic nebulizers.

1985 Pioneering new business, the first vacuum sealant for domestic use.
Providing our excellence abroad.

1990 Flaem Nuova Expansion.

1993 Introducing Flaem Nuova patented vacuum bags for food.

2000 Flaem Nuova continues to grow.

2008 “Universal Plus,” the first ultrasonic unit that can be washed like a jet nebulizer.

2009 Compact, refillable “Rhino Clear Mobile” nasal wash, always ready to use.

2010 Introducing the Magic Vac Professional range, a new line of heavy-duty vacuum packs.

2014 A new challenge in aerosol therapy with the launch of Smarty, using innovative Vib-Mesh technology.

2016 Introducing Flaem Pro Line, a complete range of medical devices dedicated to the treatment of respiratory equipment.

2018 New products and brands for a 3-generation company. More than 50 years of experience. And in continuous expansion.

2019 1 ampoule, 4 therapies. Flaem presents the new RF9.

2021 Flaem introduces LightNeb, beginning the second generation of mesh products.

2023 Flaem introduces AirFeel, an innovative respiratory physiotherapy device that combines the benefits of PEP and OPEP therapy.

2023 Flaem Nuova is one of the first manufacturers to obtain the new MDR certification.

2024 Same company, new name: Flaem Nuova becomes GRUPPO FLAEM.

ORGANIZATION PROFILE

Strategy, business model and value chain

ESRS 2 SBM-1
GRI 2-1, GRI 2-2,
GRI 2-3, GRI 2-6,
GRI 2-28, GRI 309,
GRI 419

Since 1966, GRUPPO FLAEM has been among the leaders in the production of electromedical instruments and household appliances for both domestic and professional use. An activity that requires strong customer focus in order to then offer services and solutions that meet different needs.

The company is present in the local, national and international market (with the exclusion of South America), with a wide range of products for home aerosol therapy and vacuum packaging.

A forward-looking vision and solid roots in tradition characterize the company, allowing it to constantly nurture its daily commitment to the pursuit of innovation and results. GRUPPO FLAEM relies on a consolidated team, born and grown to develop and offer a wide range of safe and reliable products.

Team spirit and a strong sense of responsibility towards the products are the guiding principles that distinguish the company and are shared by its 100 employees, engaged in creating cutting-edge devices and systems.

The company is structured into different areas including administrative and commercial offices, technical offices, plastic molding, assembly, laboratories, warehouses, organized and coordinated with each other in order to design, manufacture and place its products on the national and international market. It also has a customer service covering all of Italy, including the islands.

The company has developed 75 international patents, 30 of which are active, and more than 20 registered trademarks worldwide. GRUPPO FLAEM distributes its electromedical and household appliances worldwide, fully complying with regulatory requirements and the needs of each individual market. In fact, the company operates 50% in the Italian market and 50% by exporting products to about 40 countries worldwide.

The clientele of GRUPPO FLAEM obviously differs with respect to the two businesses in which the Company operates. The two types of products – Medical devices and vacuum preservation systems – are in fact aimed at two different markets.

The clients of the Medical sector are therefore, according to the distribution chain, importers or distributors of electromedical devices, pharmaceutical companies, pharmacies, medical supply stores, public or private hospital facilities, homecare providers. The clients of the vacuum devices are instead importers or distributors of small household appliances, importers or distributors of Horeca (restaurant and catering) material, hardware distributors, consumer electronics retail chains. The products are sold both under the company's own brand and as private label.

In Italy the product is distributed both directly and through two networks of Agents, while abroad it is sold to local importers/distributors who are then responsible for commercialization.

In the table, the distribution of turnover with respect to the type of business.

The suppliers of Flaem Nuova S.p.A. are exclusively manufacturers, mainly located in Europe, although among the approximately 80 suppliers, part is represented by Asian producers.

Business type	Revenue distribution
Medical devices	72%
Vacuum machines	28%

The relationship established with partners, upstream in the chain, is normally long-term. Flaem's goal, in fact, is to ensure that the supplier becomes, over time, a strategic partner. With suppliers, Flaem normally draws up appropriate supply contracts, requiring compliance with specific technical and quality requirements. The value of supply contracts amounts to approximately €7 million per year.

An international company with an entirely Italian production. The Made in Italy of GRUPPO FLAEM is an added value, synonymous with the quality and reliability typical of Italian industrial excellence, which leads to artisanal attention to detail, an innate elegance of design and form, and particular care for the safety and solidity of all the equipment offered by GRUPPO FLAEM.

In the table, the organizational details.

Characterization	Localization					Turnover	Employees
	Address	House number	ZIP CODE	City	Province		
Headquarter	Via Colli Storici	221	25015	Desenzano del Garda	Brescia	18.206.960	106

ORGANIZATION PROFILE

The brands/product lines of GRUPPO FLAEM

Since 1966 FLAEM® Medical Devices

ELECTROMEDICAL PRODUCT LINE

A range of safe, high-performance, reliable and certified electromedical products: from aerosols to nasal showers, from surgical aspirators to innovative respiratory physiotherapy systems, FLAEM offers a complete assortment of products for the well-being of patients worldwide. To develop these solutions, GRUPPO FLAEM has established its own in-house Team that works to ensure the continuity of supply of medical devices in all the countries where they are distributed, in line with government regulations and following the recommendations of the World Health Organization.

MAGICVAC L'AUTENTICO SOTTOVUOTO

VACUUM SYSTEMS

Vacuum packaging is a natural and efficient solution for food preservation. Reducing the presence of air, which is the cause of deterioration by oxidation of food as well as the growth and proliferation of bacteria and mold, extends the shelf life of food up to five times, while maintaining the organoleptic characteristics of the product. GRUPPO FLAEM offers a full range of vacuum machines and a wide assortment of accessories.

The use of its own patented technologies and the meticulous attention paid to the design and development stages, all of which are in-house, enable the production of tools that are well established because they are recognized as highly reliable. Among GRUPPO FLAEM's patented products, of considerable importance are the Vacuum Pouches and Rolls, suitable for cooking, characterized by materials of refined quality and consisting of an innovative system, characterized by special stripes, designed to ensure maximum air extraction.

In addition, rigid vacuum containers, made in different sizes and materials that, in addition to preserving the taste of any gastronomic genre intact, fulfill a variety of culinary uses, including marinating. GRUPPO FLAEM's industry-leading Magic Vac vacuum product range is completed with various accessories, including the Bottle Cap and Universal Lids.

ORGANIZATION PROFILE

The economic value generated by the company in the reporting year

Directly generated economic value	UoM	2022	%	2023	%	2024	%
Generated economic value*	€	17.090.641	100	18.669.163	100	18.206.961	100
Distributed economic value:**							
• Payments to capital providers	€	0,00		0,00		0,00	
• Operating costs	€	11.108.699	65	11.752.082	62,95	10.817.321	59,41
• Economic value distributed to employees (wages and employee benefits)	€	5.228.258	30,59	5.563.398	29,80	5.546.324	30,46
• Value distributed to Public Administration (payments to public authorities)	€	76.520	0,45	460.816	2,47	482.716	2,65
• Value distributed to the community (sponsorships, donations, economic partnerships, local funding)	€	200	0,0	5.250	0,03	1.000	0,01
Total distributed economic value	**€**	**16.413.677**	**96,04**	**17.781.546**	**95,25**	**16.847.361**	**92,53**
Economic value retained by the company***	€	676.964	3,96	887.617	4,75	1.359.600	7,47

*directly generated economic value: revenues
**distributed economic value: operating costs, employee wages and benefits, payments to capital providers, payments to Public Administration by country, and community investments
***retained economic value: “Directly generated economic value” minus “Distributed economic value”.

ESG Overview

ENVIRONMENT

381.160 kWh
Electricity consumption from the grid

220.325 kWh
Energy consumption from photovoltaic system

203,87 ton CO_2eq
Scope 1 emissions (direct emissions)

102,91 ton CO_2eq
Scope 2 emissions (indirect emissions from the generation/purchase of electricity)

SOCIAL

106
Employees as of 12/31

100
Permanent employees

100
Full-time employees

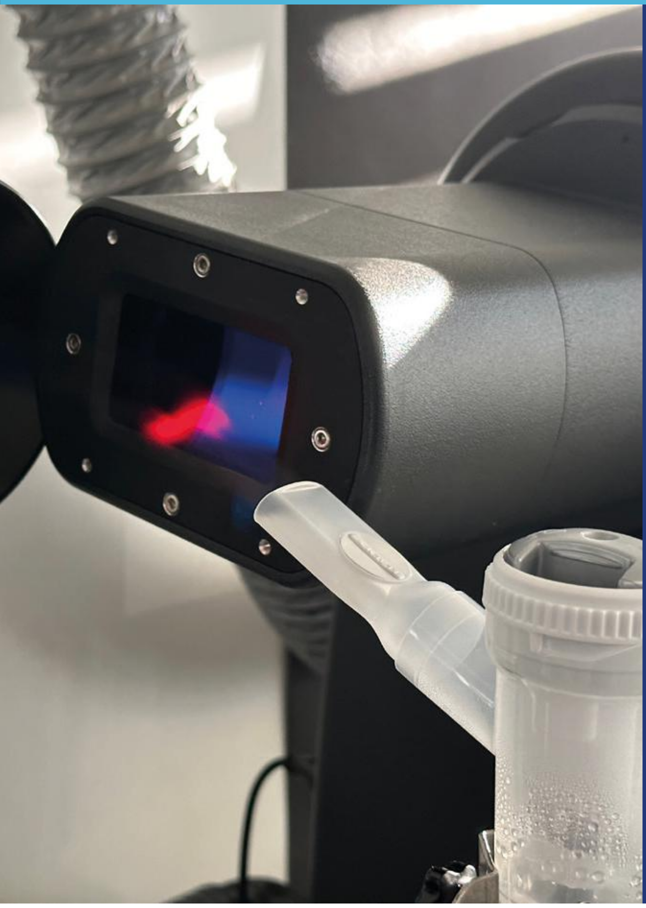
GOVERNANCE

18.206.961€
Directly generated economic value

60%
Italian suppliers

40%
Foreign suppliers

75
International patents developed



CERTIFICATIONS

- **ISO 9001 –** Quality Management System
- **ISO 13485 –** Quality Management System specific to Medical Devices
- **EU Quality Management System Certificate –** Compliant with MDR, Regulation (EU) 2017/745 for Medical Devices
- **CE Marking –** Product compliance with applicable European legislation requirements
- **FDA Registration –** U.S. Food and Drug Administration
- **REACH Declaration –** Registration, Evaluation, Authorisation and Restriction of Chemicals in compliance with Regulation (EC) No. 1907/2006

Sustainability Targets

SUSTAINABILITY TARGETS

Decarbonization

Reduction of CO_2 levels through energy efficiency

Reduction of emission intensity

SUSTAINABILITY TARGETS

Reduction of environmental and social impacts

Internal structural investments

General Information

ESRS 2

BASIS FOR PREPARATION

General basis for preparation of sustainability statements

ESRS 1, ESRS 2 BP-1
GRI 2-22, GRI 3-2

In line with ESRS Standard 1 - General Requirements and, in parallel, **GRI Standard 1 - Foundation,** the information reported meets the requirements of::

- Relevance,
- Faithful representation,
- Comparability,
- Verifiability,
- Comprehensibility.

READ MORE

Although not currently subject to the obligations set out by the Corporate Sustainability Reporting Directive (CSRD), the company has chosen to voluntarily prepare its own sustainability report.

Starting from the 2023 financial year, Flaem Nuova provides accurate and transparent reporting of its ESG performance, sharing the results with both internal and external stakeholders, in a spirit of transparency and accountability.

BASIS FOR PREPARATION

Disclosures in relation to specific circumstances

ESRS 2 BP-2
GRI 2-27, GRI 307,
GRI 419

This reporting covers GRUPPO FLAEM with reference to the facilities of its headquarters, located in Desenzano del Garda, Via Colli Storici, 221. The reporting period extends from 01/01/2024 to 12/31/2024.

Where deemed significant, data have been presented in a comparative manner with respect to the previous two years, and for actions projected into the future, short-term (within one year), medium-term (within 5 years), and long-term (beyond 5 years) time horizons have been considered.

BASIS FOR PREPARATION

The Sustainable Development Goals (SDGs) of Flaem Nuova S.p.A.

ESRS 2 BP-2
GRI 2-27

SELECTED SDGS AND RELATED TARGETS

GRUPPO FLAEM is committed to contributing to sustainable development, as defined by the United Nations Sustainable Development Goals (SDGs), by integrating this commitment into its business model. This integration is achieved through an approach based on absolute fairness and foresight, working together with the company's stakeholders in processes aimed at creating shared value.

The company's objectives are aligned with the parameters of the Sustainable Development Goals (SDGs) set out in the United Nations 2030 Agenda.

Through its activities, the company contributes to the achievement of the following Sustainable Development Goals:

3 GOOD HEALTH AND WELL-BEING

n. 3 Ensure healthy lives and promote well-being for all at all ages.

7 AFFORDABLE AND CLEAN ENERGY

n. 7 Ensure access to affordable, reliable, sustainable and modern energy for all.

8 DECENT WORK AND ECONOMIC GROWTH

n. 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

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

10 REDUCED INEQUALITIES

n. 10 Reduce inequality within and among countries.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

n. 12 Ensure sustainable consumption and production patterns.

13 CLIMATE ACTION

n. 13 Take urgent action to combat climate change and its impacts.

GOVERNANCE

The role of the administrative, management and supervisory bodies

ESRS 2 GOV-1
GRI 2-25

The company's governance is entrusted to a Board of Directors composed of three members, which oversees the strategic and operational management of the business. The following table shows the demographic analysis of the composition of the governing body.

Age Groupss	Men	Women
Up to 30 years	0	0
30-50 years	0	0
Over 50 years	2	1

GRUPPO FLAEM has appointed a specific figure for managing sustainability within the company, while the ultimate responsibility for social and environmental policies, as well as for decisions in the field of sustainability, remains with the legal representative.

In compliance with the MDR (Medical Device Regulation), the appointment of a person responsible for ensuring product standards is also required. The company has therefore arranged specific insurance coverage for legal protection in order to safeguard individuals holding such responsibility roles.

GOVERNANCE

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

ESRS 2 GOV-2
GRI 2-25

Within corporate management, a crucial role is played by the administrative, management and control bodies, which are responsible for guiding and monitoring the company's activities. These bodies regularly receive detailed information on various operational and strategic aspects, in order to make informed decisions that influence the success and sustainability of the organization. The management of such information is essential to ensure effective and transparent governance.

Reference is made to Section 4. Impact, risk and opportunity management of this chapter for the list of impacts, risks and opportunities, together with the related mitigation actions and policies.

GOVERNANCE

Integration of sustainability-related performance in incentive schemes

ESRS 2 GOV-3
GRI 2-9

The integration of sustainability-related performance into incentive schemes represents a key element in aligning corporate objectives with today's global challenges. In a context where sustainability is playing an increasingly central role in business strategies, it is crucial that incentive mechanisms, especially at executive and managerial levels, also reflect this priority.

The link between sustainable performance and incentives can help promote behaviors and decisions consistent with responsible and long-term growth, guiding corporate leadership towards the achievement of integrated economic, social, and environmental objectives.

With regard to GRUPPO FLAEM, no economic incentive mechanisms for members of the Governing Body are envisaged in relation to the achievement of Sustainability Targets.

GOVERNANCE

Risk management and internal controls over sustainability reporting

ESRS 2 GOV-5
GRI 201-2

In the current corporate context, risk management and the effectiveness of internal controls on sustainability reporting are fundamental elements to ensure the transparency and reliability of disclosed information. At the executive and managerial level, it is crucial to establish a robust governance framework that integrates risk management with reporting processes, thereby ensuring that sustainability data are accurate, complete, and compliant with current regulations. This approach makes it possible to safeguard corporate reputation, foster stakeholder trust, and support informed strategic decision-making.

The company conducts both current and forward-looking assessments of its economic, equity, and financial situation. GRUPPO FLAEM relies on the Board of Statutory Auditors for audit activities.

STRATEGY

Interests and views of stakeholders

ESRS 2 SBM-2
GRI 2-29

Stakeholders are those who can influence or be influenced by the company.

There are two main groups of stakeholders:

Interested stakeholders: individuals or groups whose interests may be positively or negatively affected by the company's activities and its business relationships along the value chain. These may include suppliers, customers, employees, local communities, and non-governmental organizations. Engaging with these stakeholders is essential to identify the company's actual and potential impacts.

Users of the sustainability report: these are the main recipients of general financial information, such as investors, lenders, creditors, and asset managers. However, other actors such as business partners, trade unions, civil society organizations, governments, analysts, and academics may also use this information to assess the company's sustainability impact.

The company's engagement with its stakeholders is fundamental to the due diligence process and to the assessment of material issues. This engagement makes it possible to identify and evaluate actual and potential negative impacts, which are then included in sustainability reporting.

The company has identified both its internal and external stakeholders.

The company shares its strategic choices with stakeholders, in particular with:

- Shareholders and the Board of Directors;
- Customers;
- Suppliers;
- Banks.

GRUPPO FLAEM also maintains ongoing relationships with industry institutions.

The company has analyzed the objectives, needs and expectations of its stakeholders in the ESG context and is planning to create a materiality matrix in the future.

The following table sets out the company's stakeholders, the communication tools chosen for stakeholder engagement, and the channels the company uses to communicate—starting with the report itself—the relevant activities it carries out both immediately and throughout its medium- to long-term ESG journey.

In addition to the stakeholders listed below, "Nature" can also be considered a silent stakeholder. In this case, the assessment of the company's relevance is based on ecological data and data relating to species conservation.

STRATEGY

Stakeholders selected by the company

Stakeholder	Functions involved	Expectations	Activities	Engagement Tools	Answers
Members and Investors	Management, general affairs, business area, communication and PR	Sharing objectives and strategies, activity planning, discussion on impacts and results	Several meetings throughout the year	Meetings, pre-sentations, com-munications, surveys	Presentation of projects, plans, reports and financial statements
Employees, collaborators and trade unions	Human resources	Sharing values and objectives	Meetings and activities, meetings with scheduled union representatives	Meetings, training, surveys	surveys Union agreements
Suppliers and Partners	Procurement	Sharing Sustainability Targets and quality guarantees	Several meetings and contacts throughout the year	Selection procedures, contracts, meetings	Contracts
Clients and Partners	Commercial area	Greater knowledge of expectations	Meetings and activities scheduled throughout the year	Customer satisfaction surveys, newsletters, meetings	Presentation of survey results
Foreign Clients	Commercial area	Sharing Sustainability Targets	Scheduled meetings	Newsletters and periodic information	Presentation of survey results
Community and Territory	Communication and PR	Creation of shared value	Various analysis and discussion activities	Communication and marketing campaigns	Events, open spaces, initiatives open to the public
Banks and Finance	Management	Economic, financial and equity solidity and sustainability	Meetings dedicated to specific projects	Meetings, communications	Analysis reports, business agreements
Institutions and Authorities	Management	Compliance with laws and regulations, sharing values and regulatory updates	Periodic meetings	Meetings, com-munications, contracts	Reports, surveys, financial statements, projects

STRATEGY

Company-relevant material topics

CROSS-CUTTING STANDARDS
ESRS 1 General requirements
ESRS 2 General Disclosure

TOPICAL STANDARDS		
ENVIRONMENT	**SOCIAL**	**GOVERNANCE**
ESRS E1 Climate change	**ESRS S1** Own Workforce	**ESRS G1** Business Conduct
ESRS E2 Pollution	**ESRS S2** Workers in the value chain	
ESRS E3 Water and marine resources	**ESRS S3** Affected communities	
ESRS E4 Biodiversity and ecosystems	**ESRS S4** Consumers and end-users	
ESRS E5 Resource use and Circular economy		

- not relevant, not covered in the report
- relevant and strategic issues, in-depth
- relevant topics covered in the report

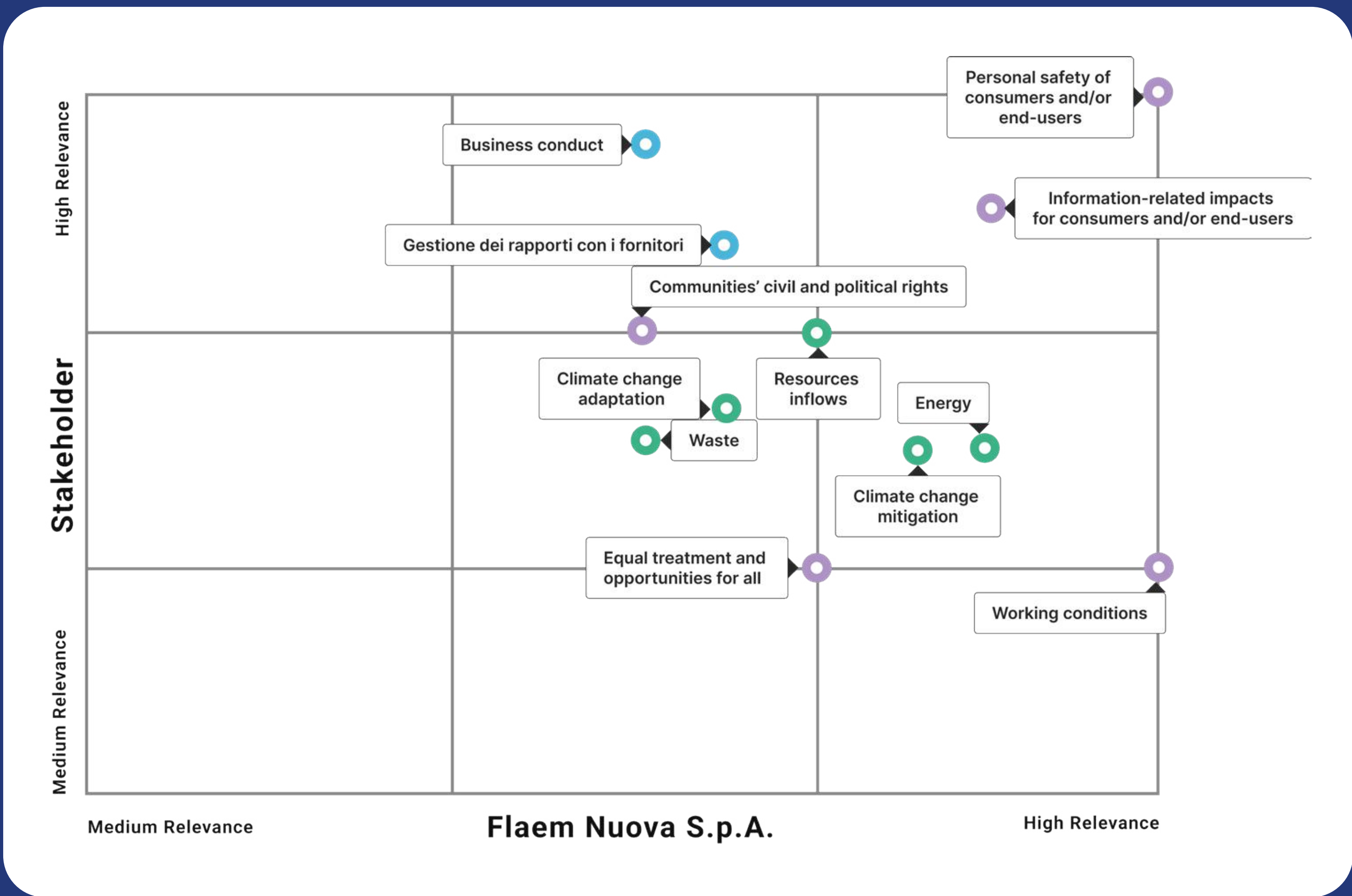
STRATEGY

Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 SBM-3
GRI 419

The Sustainability Report presents the company's materiality matrix, which forms the basis of the current sustainability framework, developed with the involvement of stakeholders and based on sector and industry priorities. The material issues included in this report define the priorities of our sustainability strategy and are further elaborated within this Report.

Relevance matrix



Legend: Environment Social Governance

STRATEGY

Material topics and reasons for relevance

Topic	Sub-Topic	Reasons for relevance	ESRS	GRI
Climate change	Climate change adaptation	Adaptation to climate change refers to the process of adapting a company to climate change current and expected. It is important for the company to consider climate-related hazards that may pose physical climatic risks to the business and adaptation solutions to reduce these risks.	E1-1 E1-2 E1-3 E1-4 E1-6 E1-7	201-2 302 305
	Climate change mitigation	Climate change mitigation is embodied in the company's participation in the general process of limiting the global average temperature increase to 1.5 °C compared to pre-industrial levels, as established by the Paris Agreement. This includes the company's strategy towards decarbonisation and the present and future transition plans activated by the company.	E1-1 E1-2 E1-3 E1-4 E1-6 E1-7	201-2 302 305
	Energy	The energy use plan is fundamental in the context of the company's environmental impacts, as are strategies for energy efficiency.	E1-5	302
Circular Economy	Resources inflows, including resource use	It monitors the use of resources in the company's own operations and along the upstream value chain and considers products (including packaging) and materials (with verification of critical raw materials and rare earths), water and property, plant and machinery used in the company's own operations and along the upstream value chain, as well as their impacts in terms of sustainability.	E5-4	301-1 301-2
	Waste	It is essential for the company to implement a waste reduction and waste management strategy: this is because the company is aware of the impacts of an unsustainable approach to waste management.	E5-5	306
Own Workforce	Working conditions	The application of sustainable working conditions means, for the company, taking the necessary measures to ensure secure employment, working time such as work-life balance, adequate wages and a particular openness to social dialogue and recognition of the main trade union freedoms and protections, such as association, information rights and worker participation.	S1-8 S1-10 S1-11 S1-14 S1-15	403
	Equal treatment and opportunities for all	The relevance of the issue is reflected for the company in the recognition of gender equality and equal pay for work of equal value, in training and skills development, and in the employment and inclusion of people with disabilities. The company's sensitivity has also led to the adoption of measures against violence and harassment in the workplace and policies that protect diversity.	S1-9 S1-12 S1-13 S1-16	401 404 405 406

Topic	Sub-Topic	Reasons for relevance	ESRS	GRI
Affected communities	Communities' civil and political rights	The company works for the recognition of the political and civil rights of communities: it supports freedom of expression and association with concrete actions, with a view to defending the highest human rights.	S3-1	412 413
Consumers and end-users	Information-related impacts for consumers and/or end-users	In its relations with consumers and users, the company protects the personal data and privacy of its customers and guarantees them access to quality, accurate and accessible information on products or services, such as manuals and product labels, to avoid the potentially harmful use of a product or service.	S4-3 S4-4	417 418
	Personal safety of consumers and/or end-users	The company adopts a number of policies to protect the personal safety of consumers, including personal safety and the protection of children. This approach emphasizes the importance to the company, of maintaining a high standard of quality of its services/products.	S4-4	416
Business Conduct	Corporate culture	The company's corporate and ethical culture is configured in compliance with regulations and recognised performance parameters/standards: this assures stakeholders and those in contact with the company of the high degree of compliance of the activity, with a view to reducing or mitigating negative impacts on particular sustainability issues, in the social, environmental and economic spheres.	G1-1	205 206 207
	Management of relationships with suppliers	The application of ESG-related selection criteria and the growing need monitoring the sustainability performance of their supply chain is becoming increasingly strategic, not only to make their business less impactful, but also t o make their business perform better and attract further investment.	G1-2	204

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Description of the processes to identify and assess material impacts, risks and opportunities

ESRS 2 IRO 1
GRI 2-25, GRI 201-2

The matrix reflects the company's view of materiality, which has been considered both in terms of material impacts, i.e. the company's relevant impacts, negative or positive, actual or potential, on people or the environment in the short, medium or long term, and in terms of financial impacts, i.e. whether the information is relevant to the main users of general financial reports in making decisions about providing resources to the entity.

A dual materiality assessment, based on ESRS, has been initiated to identify impacts, risks and opportunities to assess materiality. The methodologies adopted will be implemented through deeper stakeholder engagement and further analysis of external and internal sources:

- Annual reports;
- Risk assessment;
- Policies;
- Employee surveys;
- Customer data.

Exterior:

- Sustainability Accounting Standards Board;
- Human Rights Tool of the United Nations;
- International Labour Organisation;
- UN Sustainable Development Goals.

Several interviews and engagement activities will also be conducted with internal stakeholders, suppliers and customers, as well as external stakeholders such as institutions, financiers, and the community, in order to identify impacts, risks and opportunities.

The company's analysis takes into account different types of risks, in particular:

- market risks;
- financial risks;
- inventory risks;
- liquidity risks.

The company manages risks in compliance with current regulations.

The organization has internal financial controls, and the control system carries out an informal risk analysis, focusing mainly on economic and financial aspects.

The organization adopts internal financial controls and has a control system that conducts a risk analysis, albeit informally. This analysis is primarily focused on economic and financial aspects.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Disclosure requirements in ESRS covered by the undertaking's sustainability statement

ESRS 2 IRO-2
GRI 3-3

The current list of material topics by principle is available in the Materiality Matrix in SBM-3.

ESRS E2 – POLLUTION OF WATER, AIR AND SOIL – TOPIC NOT MATERIAL FOR THE COMPANY

The company does not consider pollution to be a material topic for reporting purposes. The production phase does not generate particularly hazardous polluting emissions, and values remain below legal limits. The molding function produces emissions related to odors from plastic pressing, and periodic checks are carried out in accordance with the requirements of the Integrated Environmental Authorization (AUA).

ESRS E3 – WATER AND MARINE RESOURCES – TOPIC NOT MATERIAL FOR THE COMPANY

The company does not consider the topic of "Water and marine resources" to be material for reporting purposes. The company operates in a low water-stress area, and water is drawn from the public water supply. However, it reports an annual consumption of 1,730 m³.

The figure is higher than average due to a promptly identified leak, for which immediate maintenance was carried out.

ESRS E4 – BIODIVERSITY AND ECOSYSTEMS – TOPIC NOT MATERIAL FOR THE COMPANY

The company operates in a biodiversity-sensitive area, as it is located near Lake Garda, within the Mincio Park area.

Although there is no actual risk linked to its activities, the company is committed to minimizing any potential negative impacts on the surrounding environment.

However, the topic of biodiversity has not been deemed sufficiently material by GRUPPO FLAEM for sustainability reporting purposes..

ESRS S2 – WORKERS IN THE VALUE CHAIN

The company does not consider the topic of workers in the value chain to be material for sustainability reporting purposes.

Nevertheless, the company has adopted internal regulations that include specific directives on health and safety in the workplace, which also apply to workers in the production chain, such as external maintenance personnel and, in general, all those operating within the company's boundaries.

However, no further upstream checks in the supply chain are currently planned.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Policies adopted to manage material sustainability matters

ESRS 2 MDR-P
GRI 2-25

In the following table, the policies adopted by the company to manage sustainability issues considered material are presented, with external links to the relevant resources. Where applicable, references to multiple material topics are also indicated, as the policy may address more than one issue. Further details regarding the policy, its scope, and the tools provided to address these issues are set out in the thematic chapter.

Adopted policy	Summary of contents	Sustainability issue(s) addressed	External link
Safety Protocol (81/2008)	Outlines strategies and guidelines for pursuing objectives and managing risks from a workforce perspective	• Own workforce • Workers in the value chain • Business Conduct	
REACH Statement	The Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Regulation (EC No. 1907/2006) aims to ensure a high level of protection for the environment and human health and is implemented and monitored by the European Chemicals Agency (ECHA) in Helsinki, Finland.	• Climate change • Pollution • Water and marine resources • Biodiversity and ecosystems • Resource use and Circular economy • Management of relationships with suppliers	URL
Personal Data Protection and Enhancement Policy (GDPR)	Refers to security strategies and processes that help protect sensitive data from corruption, compromise, and loss.	• Consumers and end-users	URL

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Actions and resources in relation to material sustainability matters

ESRS 2 MDR-A
GRI 2-25, GRI 3-3

It is essential for the company to adopt strategies aimed at reducing its impacts, while promoting a conscious use of resources and integrating sustainability into its daily actions.

Therefore, starting from the identification of relevant **sustainability** issues, the company has identified a series of actions, projects and activities aimed at mitigating the effects and risks generated by its business on ESG aspects. The company is able to manage the risks considered.

CATALOGUING OF PROJECTS ACCORDING TO ESG STANDARDS INTERNATIONAL

The following table details the list of the Company's projects related to ESG issues and their progress in terms of monitoring. They are categorised according to the ESRS (European Sustainability Reporting Standard), defined by the CSRD (Corporate Social Responsibility Directive), which makes it possible to identify the materiality related to the Company's projects themselves, the GRI (Global Reporting Initiative) Standard, which provides the parameters for reporting, and the SDGs (Sustainable Development Goals), which link actions to the 2030 Agenda goals.

Further details of the projects/actions, shown in the table, can be found in the individual thematic sections.

Activity	ESRS	GRI	SDGs	Activity status in 2024
Office renovation for energy efficiency	**ESRS E1-1** Transition plan for climate change mitigation **ESRS E1-5** Energy consumption and mix **ESRS E1-6** Gross Scopes 1, 2, 3 and Total GHG emissions	**GRI 302-1** Energy consumption within the organization **GRI 305-2** Emissions indirect (Scope 2) GHG emissions **GRI 307** Environmental compliance	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	● In progress
Business continuity Plan	**ESRS 2 SBM-3** Material impacts, risks and opportunities and their interaction with strategy and business model **ESRS E1-1** Transition plan for climate change mitigation **ESRS E1-3** Actions and resources in relation to climate change policies	**GRI 201-2** Financial implications and other risks and opportunities due to climate change	13 CLIMATE ACTION	● In the planning stage
Drafting Mog 231	**ESRS G1-1** Corporate culture and Business conduct policies and corporate culture	**GRI 205** Anti-corruption **GRI 307** Environmental compliance **GRI 419** Socioeconomic compliance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	● In progress

Legend: ● In the planning stage ● In progress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Environment: Environmental Information

TOPICAL ESRS

Environmental Information

Relevant topics for the Company

ESRS E1	Climate change	Climate change adaptation
		Climate change mitigation
		Energy
ESRS E2	Pollution	Pollution of air
		Pollution of water
		Pollution of soil
		Pollution of living organisms and food resources
		Substances of concern
		Substances of very high concern
		Microplastics
ESRS E3	Water and marine resources	Water
		Marine resources
ESRS E4	Biodiversity and ecosystems	Direct impact drivers of biodiversity loss
		Impacts on the state of species
		Impacts on the extent and condition of ecosystems
		Impacts and dependencies on ecosystem services
ESRS E5	Resource use and Circular economy	Resources inflows, including resource use
		Resources outflows related to products and services
		Waste

Irrelevant topics not covered in the report

relevant and strategic issues, in-depth

non-priority topics (voluntary disclosure)

MATERIAL TOPIC
ESRS E1 - Climate change

CLIMATE CHANGE - STRATEGY
Transition plan for climate change mitigation

ESRS E1-1
GRI 2-25

Strategies to reduce physical risks

Achieving net zero emissions and setting emission reduction targets is the 2050 goal established by the Paris Agreement: within the framework of the Net Zero Programme, the actions implemented by the company are crucial to ensure that its strategy and business model are compatible with the transition to a sustainable economy and with the objectives of limiting global warming to 1.5 °C, in line with the Paris Agreement, and achieving climate neutrality by 2050. Companies must address the risks related to climate change by initiating a transition towards a sustainable business model. This means considering both the impact of climate change on the company and the impact of the company on climate, in order to embark on a decarbonization pathway and engage stakeholders in the commitment to the objectives of the Paris Agreements signed in 2015.

The company implements strategies and policies aimed at reducing physical risks for its operations, with the specific purpose of mitigating transition risks. To this end, GRUPPO FLAEM considers and carries out analyses of the various risks to which it is exposed and has identified the assets at risk of transition from climate change.

The table below shows the value of assets exposed to transition risk from climate change.

Type of assets	Carrying amount Country 1 (thousands of EUR)
Land and buildings	4.969.340,00
Plants and machinery	756.121,00
Industrial and commercial equipment	262.813,00
Other assets	60.279,00
Assets under construction and advances	-

It has also carried out an analysis of potentially relevant physical risks and has taken out an insurance policy that provides coverage in the event of weather events and natural disasters, including:

- landslides,
- fires,
- storms and strong winds,
- floods,
- earthquakes.

CLIMATE CHANGE - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Actions and resources in relation to climate change policies

ESRS E1-2, ESRS E1-3
GRI 2-25, GRI 3-1,
GRI 302-4

Photovoltaic system commissioned in 2024

The issue of climate change represents one of the most significant challenges of our time: it is essential to develop strategies aimed at reducing greenhouse gas emissions, preserving natural resources, and adapting to the changes already underway.

Over the past five years, the company has implemented several initiatives to improve energy efficiency. In 2023, it built a photovoltaic system with a capacity of 389 kW, as well as a cooling system for the presses, thus contributing to the reduction of energy consumption and the environmental impact of its operations. For their implementation, GRUPPO FLAEM invested a total of €439,000.

The expected reduction in energy consumption resulting from these initiatives amounts to approximately 42%. Once fully operational, the photovoltaic system will in fact be able to cover around 42% of the company's annual energy needs.

In addition to these initiatives, GRUPPO FLAEM has set a further goal of improving the energy efficiency of the office building through structural interventions. The works began in 2025 and are expected to be completed by the end of the year.

The modernization of the company façade is underway, involving the replacement of the current glass structure with a new high-insulation system. At the same time, the internal ventilation system will be replaced with a more efficient one, in order to improve indoor air quality. Furthermore, a new air conditioning and heating system will be installed, with the aim of optimizing comfort and energy consumption.

The company has carried out a risk assessment of the physical risks related to climate change and has adopted appropriate insurance coverage to protect itself against such risks.

The insurance policy taken out is comparable to catastrophic coverage and provides protection in the event of extreme weather events and natural disasters, including:

- landslides,
- fires,
- storms and strong winds,
- floods,
- earthquakes.

In addition, structural interventions have been carried out for the seismic retrofitting of company buildings, in order to improve the overall resilience of the infrastructure.

PROJECT

Office renovation

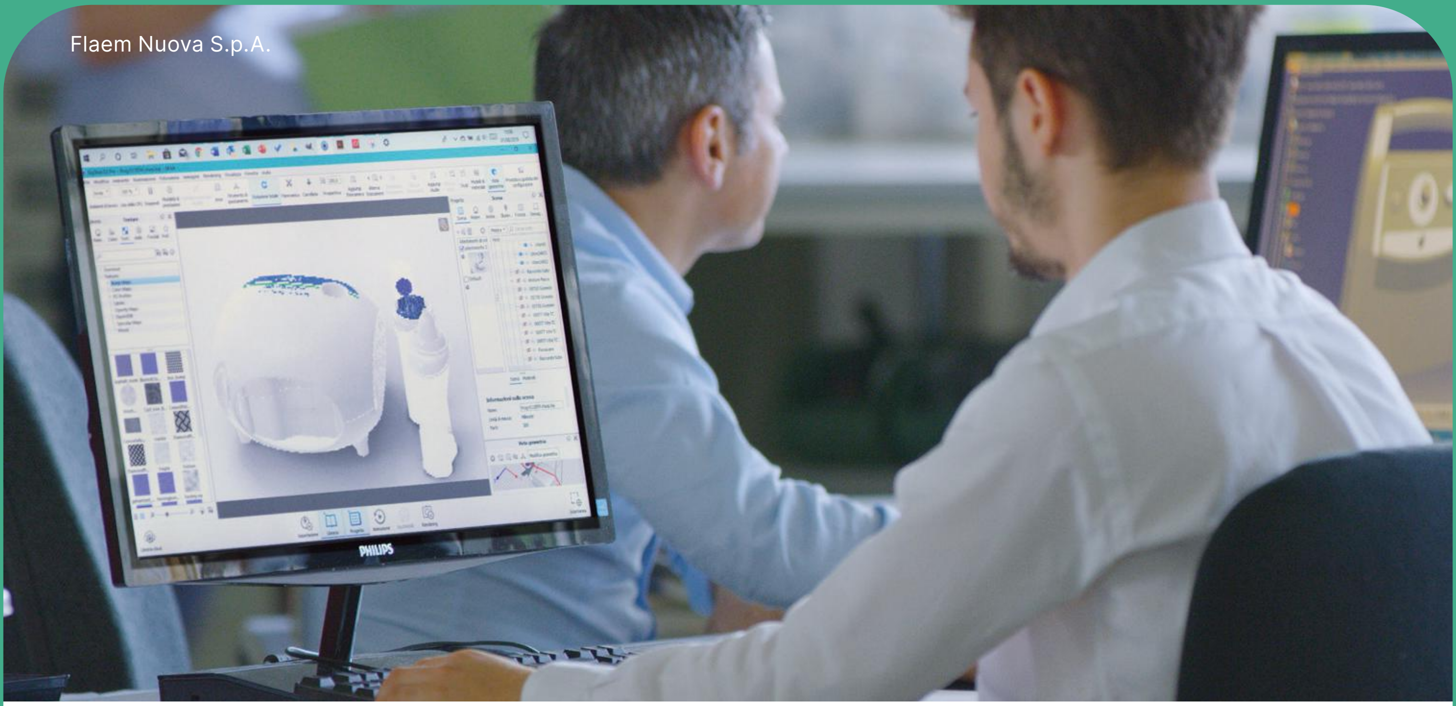
The company has launched an office renovation project with the aim of improving the energy efficiency of its workspaces, as well as enhancing employee comfort.

Among the main interventions planned are the replacement of existing windows with higher-insulation solutions and the installation of a new, more efficient internal ventilation system designed to improve indoor air quality. In addition, a new air conditioning and heating system will be implemented, also aimed at optimizing consumption and ensuring better environmental comfort.

These interventions play a significant role in reducing energy consumption related to heating and are part of GRUPPO FLAEM's broader energy efficiency program, which has already included the installation of a photovoltaic system and a cooling system for the presses.

The project is expected to be completed by the end of 2025.

PROJECT



PROJECT

Drafting of a business continuity plan

The company has recognized that, in an increasingly interconnected and technology-dependent context, it is essential to have an effective business continuity plan, particularly to manage emergency situations related to the Internet of Things (IoT). At present, there is no formal plan addressing potential disruptions to IoT services or systems, which represents a significant risk to operational continuity and data protection.

A business continuity plan must therefore be drafted, specifying the strategies and procedures to be followed in the event of emergencies, with a particular focus on IoT technologies. This plan should ensure rapid incident response, data protection, and the minimization of downtime, guaranteeing that the company can continue to operate without significant interruptions.

This proactive approach will not only minimize downtime and potential damages but will also strengthen customer and stakeholder confidence in the company's ability to manage crises. Ultimately, the implementation of this plan will contribute to greater operational resilience and sustained long-term growth. This activity is scheduled for the 2025/2026 biennium.

PROJECT

CLIMATE CHANGE - METRICS AND TARGETS

Energy consumption and mix

ESRS E1-5
GRI 302-1

36% of energy needs covered by photovoltaic system

The company's energy consumption is crucial in outlining the impact in terms of consumption efficiency and its environmental consequences. Having a monitoring system makes it possible to identify priority areas for resource optimization and to pursue energy efficiency strategies.

The amount of electricity consumed in the reporting year is 601,485 kWh. Of the total demand, 36.63%—which remained almost unchanged compared to the previous year—was covered by self-production from the photovoltaic system.

The following table shows the details of the energy consumed by the company in the reporting year compared with the previous year.

	2023		2024		Absolute change		
Source	MWh	GJ	MWh	GJ	MWh	GJ	Percentage change (%)
Electricity purchased from the grid	**592.000**	**2.131.200**	**381.160**	**1.372.176**	**-210.840**	**-759.024**	**-36%**
Total electricity purchased from the grid from renewable sources	0	0	0	0	0	0	/
Total electricity purchased from the grid from non-renewable sources	592.000	2.131.200	381.160	1.372.176	-210.840	-759.024	
Electricity from renewable sources self-produced	**0**	**0**	**220.325**	**793.170**	**220.325**	**793.170**	**36%**
Photovoltaic	0	0	220.325	793.170	220.325	793.170	/
Electricity from non-renewable sources self-produced	**0**	**0**	**0**	**0**	**0**	**0**	**/**
Total electricity consumed within the organization	**592.000**	**2.131.200**	**601.485**	**2.165.346**	**9.485**	**34.146**	**2%**

CLIMATE CHANGE - METRICS AND TARGETS

Gross Scopes 1, 2, 3 and Total GHG emissions

ESRS E1-6
GRI 305-1, GRI 305-2

Greenhouse gas (GHG) emissions are commonly classified into different categories called “scopes” according to the Corporate Reporting and Accounting Standard of the GHG Protocol (Greenhouse Gas Protocol), an international standard for measuring and managing emissions. Scope 1 emissions are those directly generated by the company’s activities, while Scope 2 emissions are indirect emissions related to energy purchases.

Scope 1 emissions are generated by the organization’s direct combustion, such as the combustion of methane gas in company facilities and in other internal industrial processes, as well as emissions from company-owned vehicles.

Scope 2 emissions are associated with the purchase and use of electricity, steam, heat, or cooling from sources outside the organization. These emissions are caused by the production chain of the energy carrier used by the company but are not emitted directly within the company. For example, for purchased electricity, the emissions from the national power plants producing that energy must be considered, and the same applies to other energy carriers.

The calculation boundary for Scope 3 emissions extends both upstream and downstream of the company, involving the entire value chain. Upstream activities include waste generated, goods and services purchased, transportation, business travel, and distribution. Downstream activities take into account investments and customer services, leased assets, and product disposal, as well as emissions generated by suppliers within the supply chain.

The company records several sources of CO2 emissions, in particular::

- Electricity, as previously described;
- Natural gas/methane;
- Petrol and diesel for fueling its own vehicles..

The following table shows the consumption that, in the reporting year, generated greenhouse gas emissions.

Source of greenhouse gas emissions	Value	Uom
Electricity from the grid	381.160	kWh
Methane gas	90.614	m^3
Diesel	5.363	litri
Petrol	2.042	litri

The following table shows the breakdown of the company-owned vehicle fleet by fuel type.

Fuel	Category	Number of vehicles
Diesel	Euro 6 or higher	4
Hybrid/Electric	Plug-in hybrid	1
Hybrid/Electric	Mild hybrid	2

In 2024, a petrol car was replaced with a hybrid model, helping to reduce pollutant emissions and the overall environmental impact.

The following table shows the breakdown of CO_2 equivalent emissions – comparison 2024 vs 2023.

Emission scope	Emissions 2023 (ton CO2eq)	Emissions 2024 (ton CO2eq)	Absolute change (ton CO2eq)	Percentage change (%)
Scope 1 (direct emissions)	186,04	203,86	17,82	9,58%
Scope 2 (indirect emissions)	180,66	102,91	-77,75	-43,06%
Scope 3 (other indirect emissions)	nd	nd	-	-
Total emissions	366,7	306,77	-59,93	-16,34%

*The calculation of scopes is to be considered as an estimate.
** The conversion factor used refers to the year 2024 for Italy, calculated by Nowtricity.

The following table shows the greenhouse gas emissions intensity, expressed in tons of CO_2 equivalent per million euros of revenue, in order to compare the trend of emissions with the company's economic growth.

Emission scope	2024 (ton CO_2eq)	Emissions intensity* (ton CO_2eq / mln €)
Scope 1	203,86	11,2
Scope 2	102,91	5,65
Total emissions	306,77	16,85
Scope 3	nd	nd

* Emissions intensity = tons CO_2eq / revenue

CLIMATE CHANGE - METRICS AND TARGETS

GHG removals and GHG mitigation projects financed through carbon credits

ESRS E1-7
GRI 305-5

The absorption of greenhouse gases (GHG) and emission mitigation projects represent one of the most urgent challenges of our time, in a global context increasingly focused on environmental sustainability. GHG absorption refers to the ability of ecosystems—such as forests, soils, and oceans—to capture and store carbon dioxide (CO_2) and other harmful gases, thereby helping to reduce the concentration of these pollutants in the atmosphere.

At the same time, GHG emission mitigation projects aim to reduce the amount of greenhouse gases emitted by human activities, through the adoption of innovative technologies, sustainable agricultural practices, and the implementation of renewable energy.

GRUPPO FLAEM is committed, in the coming years, to reducing CO_2 emissions into the atmosphere, although it has not yet set a specific quantitative target. This commitment is framed as an indirect objective, closely linked to the energy efficiency measures already underway.

MATERIAL TOPIC
ESRS E5 - Resource use and Circular economy

RESOURCE USE AND CIRCULAR ECONOMY - METRICS AND TARGETS
Resource inflows

ESRS E5-4
GRI 204, GRI 301-2,
GRI 301-3

The company can optimize the impacts of its activities, in terms of material consumption, through the design of products and services based on the principles of the circular economy.

This strategic approach entails, for the company, a series of choices that include:

- the use of renewable sources and materials, or those derived from recycling and/or reuse;
- the extension of product life cycles through modular design;
- the recovery and recycling of raw materials that allow for the repair, regeneration, and reintroduction of products into the market after their upgrade, or for the creation of new products for different purposes.

As a member of several consortia, GRUPPO FLAEM has developed increasing awareness of circular economy principles and a more efficient waste management system.

In this context, it adopts particularly careful separate waste collection practices, minimizing the share destined for unsorted waste. The company has also implemented approaches that promote sustainable consumption: products are designed to last over time while maintaining the same level of quality and efficiency.

Zero waste target

Production at GRUPPO FLAEM—both of electromedical devices and of household vacuum packaging systems—is characterized by total control of the production process through complete vertical integration, which ensures high efficiency and optimal resource coordination. This organizational model allows for full quality control of the products.

Each device, whether electromedical or household, is manufactured and inspected through both automated and manual processes, thanks to the high professionalism of the production staff. This is supported by constant and closely monitored testing and inspection at every stage of production. This also and above all concerns the use of resources: one of the company's main goals is to maintain high quality standards while using materials with ever-lower environmental impact and aiming for zero waste.

The company uses packaging materials to package its products, including plastic, paper, and cardboard. Packaging is designed in-house, in line with the product's design, and then produced by a third-party company. With regard to plastic packaging, no recycled material is currently used.

By contrast, cardboard packaging contains a significant share of recycled material:

- primary boxes, which directly contain the product, are made with 100% recycled cardboard;
- secondary cartons, used for transporting individual packages, contain a recycled material share of 60%.

RESOURCE USE AND CIRCULAR ECONOMY - METRICS AND TARGETS

Resource outflows

ESRS E5-5
GRI 301-3, GRI 306-3

With a view to achieving the international "Zero Waste to Landfill" goal, which aims to reduce by 2035 the share of waste ending up in landfills to 10%, it is necessary for the company to adopt a strategy designed to redesign the waste life cycle, treating it not as waste but, where possible, as resources to be reused.

This approach makes it possible to balance practices that necessarily involve incineration or landfill, and to eliminate or significantly reduce the share of waste to be disposed of. For this purpose, it is therefore essential for the company to monitor data relating to collected waste and to understand how it can be managed.

The total amount of waste produced by the company is 71 tons. The entire quantity, i.e. 100%, was sent for recovery.

Breakdown of Waste Produced by Type

Waste Category	Total Waste Produced		Waste Sent for Recycling or Reuse		Waste Sent for Disposal	
	Value	UoM	Value	UoM	Value	UoM
Non-hazardous waste	**70.731**	**kg**	**70.731**	**kg**		
CER 08 03 18 – Toner cartridges, other than those mentioned in 08 03 17	103	kg				
CER 12 01 05 – Shavings and turnings of plastic materials	8.948	kg	2.332.700	kg		
CER 15 01 01 – Paper and cardboard packaging	45.100	kg	800	kg		
CER 15 01 03 – Wooden packaging	14.000	kg	21.700	kg		
CER 16 02 14 – Discarded equipment other than those mentioned in 16 02 09 to 16 02 13	1.900	kg				
CER 17 04 05 – Iron and steel	680	kg				
Hazardous waste	**740**	**kg**				
CER 13 02 08* – Other engine, gear and lubricating oils	740	kg				

100% of waste sent for recovery

The reduction in waste generation compared to 2023 is partly attributable to the use of internal stocks for production, which led to a decrease in incoming packaging.

The following table shows the data compared with the previous year.

	Waste generated			
Waste category	2023 (kg)	2024 (kg)	Absolute change (kg)	Percentage change (%)
Non-hazardous waste	95.892	70.731	-25.161	
Hazardous waste	15	740	725	
Radioactive waste	0	0	0	
Total waste	95.907	71.471	-24.436	-25%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Social: Social Information

TOPICAL ESRS

Social Information

Relevant topics for the Company

ESRS S1	**Own Workforce**	Working conditions
		Equal treatment and opportunities for all
		Other work-related rights
ESRS S2	**Workers in the value chain**	Working conditions
		Equal treatment and opportunities for all
		Other work-related rights
ESRS S3	**Affected communities**	Communities' economic, social and cultural rights
		Communities' civil and political rights
		Rights of indigenous peoples
ESRS S4	**Consumers and end-users**	Information-related impacts for consumers and/or end-users
		Personal safety of consumers and/or end-users
		Social inclusion of consumers and/or end-users

Irrelevant topics not covered in the report

relevant and strategic issues, in-depth

non-priority topics (voluntary disclosure)

MATERIAL TOPIC

ESRS S1 - Own Workforce

OWN WORKFORCE - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Policies related to own workforce

ESRS S1-1
GRI 403-1

The stability of the company's workforce, linked to internal welfare policies, is the fundamental element for ensuring high performance in terms of productivity.

For this reason, in addition to defining the organization's approach to employment and job creation, it is necessary to manage all subsequent phases: personnel selection procedures, recruitment, employee retention, including related aspects such as working conditions offered and career opportunities, with a view to professional growth.

To raise employee awareness, the company implements training programs to provide the necessary instructions for their protection and makes available the means and tools to ensure a safe working environment.

At the same time, employees are required to take on specific responsibilities and must play an active role, contributing directly or through their representatives to the implementation of the company's safety system.

Collaboration between employer and employee is essential to ensure health and safety. This partnership begins with training and extends to the adoption of best practices, in compliance with national, European, and industry regulations.

The company has adopted internal policies to ensure respect for human rights and to combat child labor, forced labor, or compulsory labor. These are internal policies and procedures, not formally documented, but which place strong emphasis on respect for personnel. The company bases its operations on specific tools and codes of conduct such as the Workplace Safety Protocol (Law 81/2008).

OWN WORKFORCE - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Taking action on material impacts on own workforce

ESRS S1-4
GRI 403-1

The protection of employee health and safety represents a fundamental pillar for companies aiming at regulatory compliance and sustainability. Careful management of these aspects not only reduces the risks of workplace accidents and related penalties, but also offers opportunities to improve the working environment, increase productivity, and attract and retain talent.

The analysis of health and safety risks makes it possible to identify areas for improvement and to implement safer and more sustainable practices. Investing in wellness and safety programs not only protects employees but also helps promote a responsible corporate culture and strengthen the company's positive image.

The company has implemented an internal system for managing workers' health and safety, which includes the provision of PPE, procedures for handling hazardous substances, training for employees and subcontractors, preventive measures against stress and noise, regular equipment inspections, and the requirement of fitness-for-work certificates for employees.

OWN WORKFORCE - METRICS AND TARGETS

Characteristics of the undertaking's employees

ESRS S1-6
GRI 2-7, GRI 405-1

All company employees are located in Italy.

	31/12/23	31/12/24
Number of employees	103	106

The following table shows the number of employees by job classification at the end of the reporting year.

Job classification	Number of employees
Executives	1
Middle managers	5

Job classification	Number of employees
Clerical staff	32
Technicians	4
Workers	65

94% of employees on permanent contracts

In 2024, 100 employees, equal to 94% of the total workforce, were employed under permanent contracts. This proportion remained unchanged compared to the previous year (2023), confirming the company's commitment to ensuring job stability and fostering long-term employment relationships. The company tends to resort to temporary contracts during production peaks, but its main goal is to guarantee continuity and stability of employment.

During the reporting year, 13 employment contracts were activated (6 men and 3 women), while 9 contracts were terminated, of which 5 men and 4 women, resulting in the creation of new jobs.

OWN WORKFORCE - METRICS AND TARGETS

Collective bargaining coverage and social dialogue

ESRS S1-8,
GRI 2-30

Collective bargaining and social dialogue are fundamental elements in the management of human resources within a company. Through collective bargaining, companies can establish clear and shared agreements regarding working conditions, wages, and benefits, contributing to an atmosphere of trust and transparency.

All 106 employees of the company are covered by the National Collective Labor Agreement (CCNL) for the Metalworking sector, applied in full.

A constant dialogue with trade unions is in place; until June 2023, a framework agreement defined with union representatives provided for an annual bonus for all employees, paid in two installments upon achieving specific levels of production efficiency.

In 2023, since the maximum level of efficiency had been reached and could not be further increased, and in agreement with union representatives, the bonus was converted into meal vouchers linked to attendance. The agreement is scheduled for review in 2026.

OWN WORKFORCE - METRICS AND TARGETS

Diversity metrics

ESRS S1-9
GRI 2-7, GRI 2-8

Below is the gender distribution of the company's employees. The following table shows the breakdown of employees by gender at the end of the reporting year.

Gender	N° employees al 31/12
Male employees	46
Female employees	60

OWN WORKFORCE - METRICS AND TARGETS

Social protection

ESRS S1-11,
GRI 401-3, GRI 403-1,
GRI 403-6

Employee social protection represents a fundamental element for well-being and stability within a company. It refers to the set of measures and policies adopted to ensure workers' economic security, health, and social support.

The company provides its employees with forms of social protection, through public programs or benefits offered by the company, against income loss due to major life events (e.g., illness, unemployment from the moment the worker is employed by the company, workplace accidents and acquired disabilities, parental leave, retirement).

All company employees have access to the forms of social protection provided by public programs in the event of significant circumstances such as illness, unemployment, workplace accidents, acquired disabilities, parental leave, and retirement. During 2024, 9 employees made use of parental leave.

OWN WORKFORCE - METRICS AND TARGETS

Persons with disabilities

ESRS S1-12
GRI 2-7

The company invests in and promotes an inclusive corporate culture, enhancing the unique skills of each individual, thereby improving the overall performance of the organization. In this context, the company has the opportunity to demonstrate its commitment to a more inclusive and sustainable society.

The number of employees belonging to protected categories under Law 68/99 or disadvantaged individuals under Law 381/91 in the reporting year was 7.

OWN WORKFORCE - METRICS AND TARGETS

Training and skills development metrics

ESRS S1-13
GRI 404-1

Investing in the growth of employee skills not only improves individual performance but also helps create a motivating and innovative working environment. The company promotes continuous training programs, demonstrating a commitment to enhancing the capabilities of its employees and supporting their adaptability to market changes.

During the reporting year, employees received training and updates on workplace health and safety.

OWN WORKFORCE - METRICS AND TARGETS

Health and safety metrics

ESRS S1-14
GRI 403-9

The constant monitoring of employee health and safety metrics represents a crucial element for the company. This approach not only ensures employee well-being but also contributes to creating a more productive and motivating working environment.

In the reporting year, there was only one workplace accident and no cases of occupational diseases among both employees and non-employees. The following table shows the number of workplace accidents and occupational diseases.

Type of personnel	No. of accidents 2023	No. of accidents 2024
Employees	2*	1
Non-employees	/	/

*Injury on the way.

OWN WORKFORCE - METRICS AND TARGETS

Work-life balance metrics

ESRS S1-15
GRI 403-1, GRI 403-6

For the company, investing in policies and actions that promote work–life balance improves employee well-being and also contributes to greater productivity and job satisfaction.

The company has introduced a welfare plan for the benefit of its employees, which currently includes the provision of a €200 shopping voucher for each employee, in addition to the meal vouchers previously mentioned.

A certain degree of organizational flexibility within the offices is also guaranteed. In particular, the company is willing to assess the individual needs of employees, allowing, where necessary, the activation of smart working for specific periods.

GRUPPO FLAEM is evaluating the expansion and improvement of the welfare plan in the coming years, with the aim of further strengthening its commitment to people's well-being.

OWN WORKFORCE - METRICS AND TARGETS

Compensation metrics (pay gap and total compensation)

ESRS S1-16
GRI 405-2

Pay metrics represent a crucial element in human resource management within a company. Among these, the pay gap and total compensation are key indicators for assessing the fairness and competitiveness of wage policies. The pay gap, which measures salary differences between different categories of employees, is an aspect that companies must closely monitor to ensure a fair and inclusive working environment.

On the other hand, total compensation—which includes not only base salary but also bonuses, benefits, and other forms of remuneration—provides a comprehensive view of the value the company places on its employees.

In the comparison between average gross hourly pay by gender, it is observed that the average value for female employees is slightly higher than that of male employees. This result represents a positive signal in terms of pay equity and demonstrates the absence of a gender pay gap disadvantaging women within the organization.

The following data show the average gross hourly pay by gender, calculated on an annual basis.

Gender	Annual gross salary
Men	25.502€
Women	26.032€

MATERIAL TOPIC

ESRS S3 - Affected Communities

AFFECTED COMMUNITIES - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Taking action on material impacts on affected communities

ESRS S3-4
GRI 413-1

The company recognizes the importance of addressing the significant impacts that its activities may have on affected communities. To ensure a responsible and sustainable approach, it is essential to implement targeted actions that not only mitigate associated risks but also create opportunities for community well-being.

Proactive management of these risks requires a thorough assessment of local needs and constant dialogue with stakeholders. Through effective strategies, the company can contribute to balanced development, promoting social cohesion and generating shared value. The effectiveness of such actions is measured not only in terms of immediate results but also over the long term, through the strengthening of community relations and the enhancement of corporate reputation.

The Research and Development department is a key division of the company and, through intensive and ongoing collaboration with institutions, universities, and national and international research centers, it is continuously studying new solutions and components that can improve products and accelerate related technological and production processes.

In this sense, the collaboration that GRUPPO FLAEM has established with the local area and communities is fundamental, as this engagement has generated innovations capable of responding to market needs, anticipating technical standards, and enabling GRUPPO FLAEM to offer the market more than 75 international patents and over 20 registered trademarks worldwide.

GRUPPO FLAEM also takes part in local initiatives: in 2024, it supported the organization of the “Red Nose Competition,” an event aimed at raising funds for pediatric wards, with a contribution of €1,000.

MATERIAL TOPIC
ESRS S4 - Consumers and end-users

CONSUMERS AND END-USERS - IMPACT, RISK AND OPPORTUNITY MANAGEMENT
Policies related to consumers and end-users

ESRS S4-1
GRI 416-1, GRI 417-1

Companies aim to ensure customer well-being by offering safe, high-quality products and services that improve their lives, while ensuring data and privacy protection.

To mitigate potential negative impacts on customers, companies must also adopt sustainable practices, guarantee transparency and accountability in the supply chain, and actively listen to customer feedback to adapt business strategies accordingly.

GRUPPO FLAEM is committed, with constant attention, to improving people's quality of life, placing individuals at the center of the company's actions, with the goal of protecting the health and well-being of employees, patients, and partners. For Flaem, people's safety always comes first.

ISO 9001 and ISO 13485 certified system

GRUPPO FLAEM products are tested according to international safety standards to ensure that users meet the requirements set by current European directives and/or regulations. The company has a quality system certified according to ISO 9001 and ISO 13485 (specific for Medical Devices): the implemented procedures make it possible to guarantee and ensure high standards of reliability.

At the beginning of 2023, the company obtained the "EU Quality Management System Certificate," in compliance with the new MDR, Regulation (EU) 2017/745 for Medical Devices. Flaem has been collaborating for years with several bodies such as IMQ, TÜV Rheinland, and Intertek, as well as a number of accredited laboratories for specific testing, all aimed at ensuring compliance and maintaining the requirements necessary to guarantee CE marking of its devices.

All products destined for the USA are FDA-registered (U.S. Food and Drug Administration).

Production at GRUPPO FLAEM, both of electromedical devices and of household vacuum packaging systems, is characterized by total control of the production process through full vertical integration, enabling high efficiency and optimal resource coordination.

This organizational method ensures full quality control of the products. Each device, whether electromedical or household, is manufactured and inspected through both automated and manual processes, thanks to the high professionalism of production operators. All this is supported by constant and monitored testing and control at every stage of production.

Technological innovation contributes to the continuous improvement of products and to the optimization of industrial processes, giving shape to ideas and solutions. Strong commitment combined with constant experimentation, aimed at improving the range both aesthetically and functionally, enables GRUPPO FLAEM to offer cutting-edge products and to respond in real time to the diverse needs of each individual market, both in the electromedical sector and in vacuum systems.

The company's market policies and practices are responsible towards the health and safety of its customers. The company ensures its customers access to information about the products manufactured so that they can make informed choices and, above all, are able to use the products correctly, thanks to the instruction manual/user guide that accompanies the devices.

CONSUMERS AND END-USERS - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

ESRS S4-3
GRI 416-1

For the company, it is essential to implement internal processes that not only identify and mitigate its impacts but also promote open dialogue with consumers and end users.

Creating effective communication channels enables customers to express their concerns and suggestions, contributing to the continuous improvement of business practices. This approach not only strengthens trust and transparency but also allows the company to quickly adapt to market expectations and build stronger relationships with its stakeholders.

The company has adopted policies and practices to ensure the health and safety of customers when using its products: the devices are accompanied by an instruction booklet/user manual that contains guidance for proper use.

GRUPPO FLAEM also applies rigorous quality controls during the production process, in line with the numerous standards to which the company systematically adheres.

These checks and verifications also extend to production supplies as well as to the design phase, which takes into account the use of materials that do not raise concerns regarding user health, and also employs performance indicators to monitor and control product defects, thereby improving safety.

To this end, it has developed an action plan that includes improvement objectives and the necessary actions to achieve them.

CONSUMERS AND END-USERS - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Taking action on material impacts on consumers and end-users

ESRS S4-4
GRI 2-25, GRI 416-1,
GRI 417-1, GRI 419

In today's context, companies are called to deeply reflect on the impacts their activities have on consumers and end users. It is essential to adopt targeted measures that not only address existing issues but are also able to generate significant opportunities. Mitigating relevant risks requires a strategic approach that integrates thorough analysis and proactive actions.

The effectiveness of such measures is reflected not only in the reduction of negative impacts but also in the creation of value for consumers, ensuring a relationship of trust and transparency. In this way, companies can position themselves as responsible leaders in their sector, contributing to a sustainable future.

In particular, GRUPPO FLAEM's philosophy in the development of medical devices for aerosol therapy can be summed up in the concepts of "Speed, Silence, Comfort." The new ampoules have achieved increasingly high performance: greater nebulization speed, reduced noise levels, and enhanced therapy comfort thanks to ergonomic, phthalate-free, bi-material masks.

The company has obtained national and international certifications that attest to the safety of its products and the processes by which they are manufactured, enabling their commercialization (see MDR or CE medical certifications, essential for the sale of aerosol devices).

Governance: Governance Information

TOPICAL ESRS

Governance Information

Relevant topics for the Company

ESRS G1	Business Conduct	Corporate culture
		Protection of whistle-blowers
		Animal welfare
		Political engagement and lobbying activities
		Management of relationships with suppliers including payment practices
		Corruption and bribery

Irrelevant topics not covered in the report

relevant and strategic issues, in-depth

non-priority topics (voluntary disclosure)

MATERIAL TOPIC

ESRS G1 - Business Conduct

BUSINESS CONDUCT - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Corporate culture and Business conduct policies and corporate culture

ESRS G1-1
GRI 2-22, GRI 2-27, GRI 3-2, GRI 419

Culture is the foundation of governance choices aimed at integrating the management of economic, environmental, and social impacts into the company's strategy.

To achieve such integration, it is necessary to align the structure and composition of the organization, which must adopt social responsibility policies, implement environmental sustainability initiatives, be actively engaged in local social issues, and create employment opportunities within the community.

These actions not only reduce reputational risks but also generate business opportunities and contribute to the long-term well-being of the system.

Code of Ethics adopted by the company

To better monitor and mitigate its impacts, the company has adopted a structured management and control system, based on international quality standards. This has resulted in the achievement of certifications that guarantee effective organization, compliance with regulations, and adherence to industry best practices.

In particular, the company holds the following certifications:

- ISO 9001 – Quality Management System, confirming its continuous commitment to improving business processes and customer satisfaction;
- ISO 13485 – Specific to medical devices, certifying that the quality management system meets the regulatory requirements of the sector;
- EU Quality Management System Certificate, in compliance with Regulation (EU) 2017/745 (MDR), which governs the production and marketing of medical devices within the European Union.

In terms of regulatory compliance, the company has implemented policies and procedures to ensure full adherence to international, national, and local laws, particularly with regard to the prevention of fraud and abuse in the healthcare sector. To date, the organization has never received legal sanctions or regulatory measures in this area.

The protection of privacy and data security represents another priority area:

the company has adopted a specific policy and initiated an update process in line with GDPR regulations.

In terms of ethics and transparency, the company has formalized its own Code of Ethics and, starting in 2024, implemented the Organizational Model pursuant to Legislative Decree 231/2001 (MOG 231), aimed at preventing crimes and promoting a culture of legality.

BUSINESS CONDUCT - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Management of relationships with suppliers

ESRS G1-2
GRI 204, GRI 204-1,
GRI 308, GRI 308-1,
GRI 414, GRI 414-1

The company aims for the continuous improvement of positive impacts and the reduction of negative ones throughout its entire value chain.

To achieve this goal, it is necessary to monitor the supply chain and identify suppliers who may be at risk because they do not integrate and manage ESG issues within their organization.

For this reason, the assessment of the maturity level of its supply chain, from an ESG perspective, is particularly relevant, especially in the relationships the organization maintains with strategic suppliers.

GRUPPO FLAEM adopts a structured and responsible approach to managing its supply chain, based on technical, qualitative, and sustainability criteria. The total value of supply contracts amounts to approximately €7 million per year.

The company requires its suppliers to comply with specific technical, qualitative, and social responsibility requirements, set out in contracts and standard supply conditions. Among these is the requirement to comply with SA8000 certification on social responsibility, while also evaluating factors such as:

- the geographical proximity of the supplier;
- attention to environmental and social issues;
- the technical suitability of the products supplied in relation to their intended use.

To support these activities, the company has established a supplier audit plan, in line with ISO 9001 certification. The plan provides that the frequency and intensity of audits are defined based on the criticality of the supplier and the items purchased.

These audits aim to verify compliance with current legislation and quality requirements but also indirectly include the assessment of social and environmental aspects.

Below is the percentage distribution of suppliers by geographical area, calculated on the basis of expenditure.

Origin of suppliers	% of total suppliers
Italians	60%
Europeans	40%

BUSINESS CONDUCT - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Prevention and detection of corruption and bribery

ESRS G1-3
GRI 2-26, GRI 205-1,
GRI 205-2, GRI 205-3

Daily relations with stakeholders, particularly those of an economic and financial nature, require regulation that enables the company to identify situations at risk of corruption and to adopt procedures aimed at preventing or addressing them.

GRUPPO FLAEM has adopted policies and procedures designed to promote a corporate culture based on ethics, legality, and transparency. In particular, the company has established a whistleblowing system that allows for the safe, confidential, and protected reporting of misconduct or non-compliance, with specific reference to violations of laws and regulations, in a perspective of preventing corruption and extortion.

For this purpose, the organization has activated electronic reporting channels, managed in collaboration with specialized external partners, in order to ensure impartiality, confidentiality, and protection of the whistleblower's identity.

All employees receive appropriate training and communication regarding the operation of the reporting system, the safeguards in place, and the correct procedures for submitting reports.

The company has also implemented internal procedures to ensure transparency in negotiations and payment processes. Transactions are traceable, and payments are made electronically; therefore, it is possible to perform checks and verifications for each payment.

The company has not been subject to any convictions for legal violations related to money laundering or corruption during the reporting year.

Validated ESG Methodology

For further information:
info@finserviceesg.com

VALIDAZIONE DEL "DISCIPLINARE FINSERVICE ESG"

VALIDATION OF "FINSERVICE ESG TECHNICAL RULE"

RINA SERVICES S.p.A., sulla base delle valutazioni condotte dai suoi tecnici, dichiara che il
RINA SERVICES S.p.A., on the basis of the assessments carried out by its technical personnel, declares that the

"DISCIPLINARE FINSERVICE ESG"

Rev.01 del 07/04/2025

dell'Organizzazione
of the Organisation

FINSERVICE ESG S.r.l.

Via Baldassarre Castiglioni, 3 - 46100 - Mantova (MN) - Italia

è finalizzato a descrivere la metodologia sviluppata tenendo in considerazione quanto indicato in specifici documenti normativi di carattere volontario disponibili in ambito ESG quali, CDP, EcoVadis, SFDR, "Dialogo di sostenibilità tra PMI e banche" e quanto indicato nei documenti di riferimento in ambito di rendicontazione obbligatoria e volontaria quali la Direttiva CSRD, gli ESRS, il D.Lgs. 125/2024, il GRI, il SASB e il VSME. Esso fornisce una coerente rappresentazione dei dati e delle informazioni per la gestione dei processi secondo i requisiti in essa definiti.

It aims to describe the methodology developed taking into account the indications provided in specific voluntary regulatory documents available in the ESG field such as CDP, EcoVadis, SFDR, 'Sustainability Dialogue between SMEs and Banks' and the indications in the reference documents in the field of mandatory and voluntary reporting such as the CSRD Directive, ESRS, Legislative Italian Decree 125/2024, GRI, SASB, and VSME. It provides a coherent representation of information and data for managing processes according to the requirements defined therein.

Nel Rapporto di validazione N° 2025/CITBO/194 Rev. 03 dell'11/04/2025 e relativi allegati sono riportati i risultati della verifica e una sintesi delle attività svolte e delle evidenze oggettive acquisite. L'attività svolta non comprende la validazione della piattaforma digitale "Finservice ESG" v2025.10.3 su cui è stata implementata la metodologia "Disciplinare Finservice ESG" in versione finale rev.01 del 07.04.2025.

The validation Report No, 2025/CITBO/194 Rev. 03 dell'11/04/2025 and related annexes, contains the results of the verification and a summary of the activities carried out and of the objective evidence acquired. The activity carried out does not include the validation of the digital platform 'Finservice ESG' v2025.10.3 on which the methodology 'Disciplinare Finservice ESG' in its final version rev.01 on 07.04.2025 has been implemented.

Data di rilascio/*Date of issue*: 14/04/2025

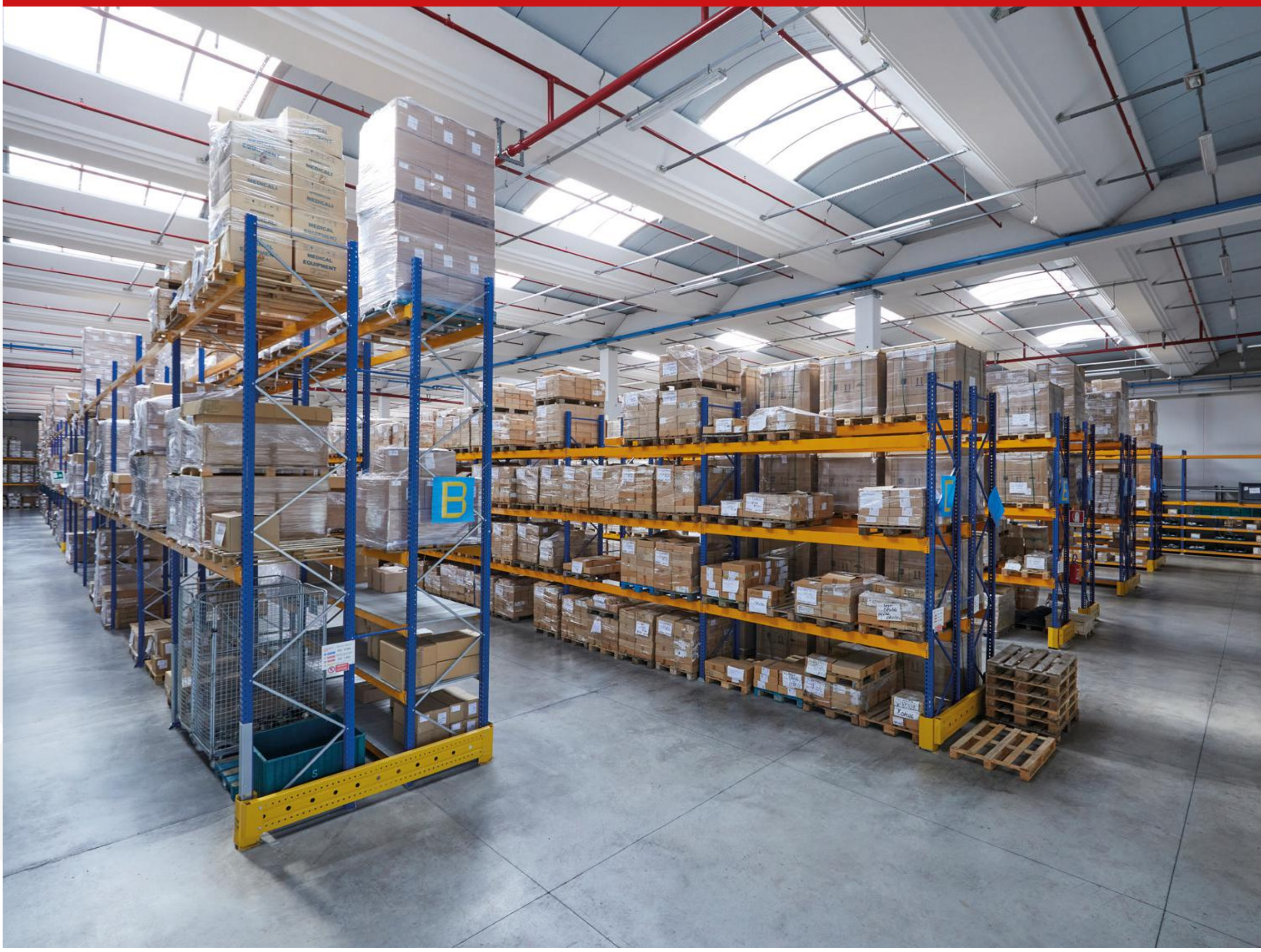
Marco Gandini
Head of Lombardy & Emilia-Romagna Certification

Form: SR_STM-G4 (02-201

Click here to learn more

Glossary ESG

This appendix presents the acronyms used within the Sustainability Report.



To enable all interested parties to gain a better and more in-depth understanding of the topics contained in the report, we have included a glossary with the terminology used within the document.

To further facilitate consultation, two QR codes have been organized, one in Italian and one in English, providing further insights into the terms and acronyms used in the Sustainability Report.

Acronym	Definition
CDP	Carbon Disclosure Project
CO2	Carbon Dioxide
CSRD	Corporate Sustainability Reporting Directive
GOV-1 Disclosure Requirement	Disclosure Obligation - The Role of Administration, Management, and Oversight Bodies
GOV-5 Disclosure Requirement	Disclosure Requirement - Risk Management and Internal Control Management on Sustainability Reporting
SBM-1 Disclosure Requirement	Disclosure Requirements - Market Position, Strategy, Business Model, and Value Chain
IRO-1 Disclosure Requirement	Disclosure Requirement - Description of Processes to Identify and Evaluate Material Impacts, Risks, and Opportunities
DNSH	Do no significant harm
EFRAG	European Financial Reporting Advisory Group
EMAS	Eco-Management and Audit Scheme
ESRS	European Sustainability Reporting Standards
ESRS 1	European Sustainability Reporting Standard 1: General Requirements
ESRS 2	European Sustainability Reporting Standard 2: General Information
ESRS E1	European Sustainability Reporting Standard E1: Climate Change
ESRS E2	European Sustainability Reporting Standard E2: Pollution
ESRS E3	European Sustainability Reporting Standard E3: Water and Marine Resources
ESRS E4	European Sustainability Reporting Standard E4: Biodiversity and Ecosystems

ESRS E5	European Sustainability Reporting Standard E5: Resource Use and Circular Economy
ESRS G1	European Sustainability Reporting Standard G1: Corporate Conduct
ESRS S1	European Sustainability Reporting Standard S1: Own Workforce
ESRS S2	European Sustainability Reporting Standard S2: Workers in the Value Chain
ESRS S3	European Sustainability Reporting Standard S3: Affected Communities
ESRS S4	European Sustainability Reporting Standard S4: Customers, Consumers, and End Users
EU	European Union
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
IFRS	International Financial Reporting Standards
ISO	International Organization for Standardization
ISSB	International Sustainability Standards Board
SDGs	Sustainable Development Goals

Table of terms defined by the ESRS	Definition	ESRS
Actions	The actions refer to: 1) actions and action plans (including transition plans) undertaken to ensure that the enterprise achieves its set goals and through which the enterprise seeks to address material impacts, risks, and opportunities; and 2) decisions supporting these actions with financial, technological, human, or other resources.	ESRS 1 General requirements
Stakeholders in the value chain	Value chain actors are individuals or entities upstream or downstream of the value chain. An entity is considered downstream of the enterprise (e.g., distributors, customers) when it receives products or services from the enterprise; it is considered upstream of the enterprise (e.g., suppliers) when it provides products or services used in the development of the enterprise's own products or services.	ESRS 1 General requirements
Administrative, management and supervisory bodies	The governing bodies with the highest decision-making authority in the enterprise, including its committees. If there are no administrative, management or supervisory bodies of the enterprise, the chief executive officer and, if such a function exists, the deputy chief executive officer should be included. In some jurisdictions, governance systems consist of two levels, where supervision and management are separate. In such cases, both levels are included in the definition of administrative, management and supervisory bodies.	ESRS 2 General Information

Affected communities	People or groups living or working in the same area that has been or may be affected by the operations of a reporting enterprise or its value chain. Affected communities can range from those living near the company's operations (local communities) to those living at a distance. Affected communities include both indigenous populations directly and potentially affected.	ESRS S3 Affected communities
Atmospheric pollutants	Direct emissions of sulfur dioxide (SO2), nitrogen oxides (NOx), non-methane volatile organic compounds (NMVOCs), and fine particulate matter (PM2.5) as defined in Article 3, points 5 to 8, of Directive (EU) 2016/2284 of the European Parliament and of the Council; ammonia (NH3) as indicated in that directive; and heavy metals (HM) as indicated in Annex I of that directive.	ESRS E2 Pollution
Corruption	To induce someone dishonestly to act in one's favor by giving them a gift of money or another incentive.	ESRS G1 Business Conduct
Business Model	The system of transforming inputs by the enterprise through its set of business activities into outputs and outcomes aimed at fulfilling the strategic objectives of the enterprise and creating value over the short, medium, or long term. The company may have one or more business models.	ESRS 2 General Information
Trade relations	The relationships that the enterprise maintains with business partners, entities within its value chain, and any other non-state or state entity directly connected to its business operations, products, or services. Business relationships extend beyond direct contractual relationships and include indirect relationships within the enterprise's value chain, beyond the first level, and equity positions in joint ventures or investments in corporate entities.	ESRS 1 General requirements
Carbon dioxide equivalent (CO2)	The amount of carbon dioxide (CO2) emissions that would cause the same integrated radiative forcing or the same temperature change, over a specific time horizon, as a quantity emitted of a greenhouse gas (GHG) or a mixture of GHGs. CO2eq is the universal unit of measurement used to indicate the global warming potential (GWP) of each greenhouse gas, expressed in terms of the GWP of one unit of carbon dioxide. It is used to assess whether releasing (or avoiding releasing) different greenhouse gases has an equivalent impact on a common basis.	ESRS E1 Climate change
Child labor	Child labor refers to work that deprives children of their childhood, potential, and dignity, and is detrimental to their physical and mental development. It includes work that: i. is mentally, physically, socially, or morally dangerous and harmful to children; and/or ii. interferes with their schooling: depriving them of the opportunity to attend school; forcing them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work. For the purposes of this definition, a child is defined as a person under the age of 15 or the completion of compulsory schooling, whichever is higher. There may be exceptions in some countries where economies and educational structures are not sufficiently developed, and a minimum age of 14 years is applied. These exceptional countries are specified by the International Labor Organization (ILO) in response to a special request from the concerned country and in consultation with representative employers' and workers' organizations.	ESRS S1 Own workforce
Circular economy	An economic system in which the value of products, materials, and other resources of the economy is maintained for as long as possible, improving their efficient use in production and consumption, thereby reducing the environmental impact of their utilization, minimizing waste, and the release of hazardous substances throughout their life cycle, including through the application of the waste hierarchy.	ESRS E5 Resource use and Circular economy

Principles of the circular economy	The circular economy is based on three principles, guided by design: (i) Eliminate waste and pollution; (ii) Keep products and materials in use at their highest value; and (iii) Regenerate natural systems.	ESRS E5 Resource use and Circular economy
Climate change adaptation	Climate change adaptation refers to the process of adjusting to actual and expected climate change and its impacts. (based on Regulation (EU) 2020/852)	ESRS E1 Climate change
Climate change mitigation	Climate change mitigation refers to the process of reducing greenhouse gas emissions and containing the increase in global average temperature well below 2°C and pursuing efforts to limit it to 1.5°C above pre-industrial levels, as stipulated by the Paris Agreement. (based on Regulation (EU) 2020/852)	ESRS E1 Climate change
Collective bargaining	Collective bargaining encompasses all negotiations conducted between an employer, a group of employers, or one or more employers' organizations on one side, and one or more trade unions or, in their absence, worker representatives duly elected and authorized by them in accordance with national laws and regulations on the other side, for: determining working conditions and terms of employment; and/or (i) determining working conditions and terms of employment; and/or (ii) regulating relationships between employers and workers; and/or (iii) governing relationships between employers or their organizations and a workers' organization or workers' organizations.	ESRS S1 Own workforce
Consumer	Consumers are individuals who purchase, consume, or use goods and services for personal use, either for themselves or others, and not for resale or commercial purposes. Consumers include both actual and potential end-users.	ESRS S4 Consumers and end-users
Corporate Culture	Corporate culture expresses goals through values and beliefs. It guides the company's activities through the sharing of group conventions and norms, such as values or mission statements or a code of conduct.	ESRS G1 Business Conduct
Corruption	Abuse of entrusted power for private gain, which may be instigated by individuals or organizations. It includes practices such as facilitation payments, fraud, extortion, collusion and money laundering. It also includes the offering or receiving of any gift, loan, reward or other advantage to or from any person as an inducement to do anything dishonest, illegal or a breach of trust in the conduct of the company's business. This may include benefits in cash or in kind, such as free goods, gifts and holidays, or special personal services, provided in order to obtain an improper advantage, or which may involve moral pressure to receive such an advantage.	ESRS G1 Business Conduct

Glossary: Italian English

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