

Sustainability Report 2021





LETTER FROM THE PRESIDENT

The President - **Mirella Ferrero**



The year 2021 was an important year as the Company reached its first 30 years of operation. This is an important milestone for a company, even more so for a family-owned business that was founded in the Ferrero Family's home garage in the early 1990s and that today can boast a consolidated and recognized presence as a leader in the international markets in which it competes, and that recently landed on the capital market with a stock market listing on EGM.

An anniversary to be celebrated with significant motivations that lead us to reflect and draw up budgets bringing to the table the dreams and expectations of the early days, the goals, the difficulties overcome and the results achieved during all these years, but above all that leads us to plan and schedule for the future.

We thus live this very important milestone with a special spirit and with the regret of not being able to celebrate this moment with the originator, the founder of the Company, the one who made it all possible. My brother, Carlo Ferrero, who left us in 2015.

Thirty years is not just a number, the simple counting of passing time. This time encapsulates

important meanings that speak and tell a story of many people and chart the direction toward the future. That is why we value numbers.

The number 3 which for us is charisma, enthusiasm, passion, growth and creativity. Three are also the words in which we encapsulate our journey from 1991 to the present.

Innovation, thanks to which we have never stopped, now increasingly strategic to our success; passion, which sustains our people on a daily basis and ensures creativity and brilliance in what we do; and solidity, which from 2020 has even deeper roots thanks to our entry into the stock market.

The number 0 is infinite, but also the end and beginning of something new.

Zero is always our day. The day of departure, the day of new beginnings and new challenges, the ones we never tire of accepting. Each milestone is a new beginning, an extra step, a new record to be broken without setting limits.

Today more than ever we can look back and be deeply proud of the long journey that has taken our company so far, but more importantly so high.

At a time in history that marks a return to life for all, after two years of hardship caused by the pandemic, being able to rejoice together in these 30 years of activity has an even deeper value.

And to best open 2022, the year of celebrations, Osai has created a special logo to convey to everyone the meanings of this milestone and to thank all those who for 30 years, a few months or even a single day, have been contributing to the success of such a great and ambitious project, certain that, 30 years later, Carlo Ferrero's dream is a reality thanks to all of you!



LETTER TO STAKEHOLDERS

The Chief Executive Officer - **Fabio Benetti**



In these pages we present OSAI's second Sustainability Report referring to fiscal year 2021. In the few months since the publication of the previous report, the entire world has become aware of the importance of sustainability for the future of the planet, accepting that combating climate change is a priority for everyone and that companies are responsible for the impact they generate on the environment, the people who work in them, and consequently the communities that host them.

The establishment of sustainability thinking and its importance globally represents an achievement that we could never have imagined only a few years ago.

This global shift is gearing up more and more economic actors at different levels toward challenging environmental goals, the pursuit of which, however, requires widespread commitment because sustainability is not dependent on others but first and foremost the responsibility of each of us.

According to this approach, OSAI addresses the

issue of sustainability by raising awareness and spreading the culture of sustainability by concretely applying, through its values, a way of being, operating and approaching its business that is aware of the impacts that our actions will have on the environment, people and in Company.

In 2021, the year of its first 30 years, influenced by the effects of the pandemic and the crisis that our globalized economic model is facing, the Company has achieved significant results in terms of environmental performance through an ongoing commitment of its people recognized and certified by obtaining the ESG rating issued by the specialized company EcoVadis.

OSAI's commitment to sustainability is seen in its pursuit of new business opportunities in strategic applications such as those related to the world of the circular economy. In fact, during 2021, the investments related to the "Re4M - Recycling For Manufacturing" project continued, which following the great success at the Ecomondo trade fair in Rimini last October, reinforced the belief that automation in recycling will be the key factor, the indispensable technological element, in the coming years to make material recycling processes efficient and thus, the creation and regeneration of value from waste.

A handwritten signature in black ink, likely belonging to Fabio Benetti, the CEO. The signature is stylized and fluid, with a long horizontal line extending to the right.



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CHAPTER 1

OSAI GROUP

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1.0 OSAI A.S. S.P.A.

OSAI Group is a leading international player in the **design and manufacture of machines and systems for the automation of industrial processes**, in particular in the assembly and testing of high-tech components for the semiconductor, automotive and electronic manufacturing and medical industries.













OSAI can boast a rich **portfolio of technology** and experience gained in **more than 30 years of operation**, enabling it to establish itself as a unique player in the domain of strategic and enabling technologies, capable of solving complex manufacturing problems, focused especially on assembly and testing processes through advanced measurement and control technologies and tools.




The reference markets in which the Group operates are crossed by positive long-term mega trends, linked to digitization, technological innovation and the Green and Circular Economy.



Left:

Top view of the historic Paper Mill in Parella (TO), now the headquarters of the Company

AREA	RESULTS	SDG
ECONOMICS AND GOVERNANCE	+13.4% - €38.8 mil. - Revenues 2021* average annual revenue growth CAGR 2007-2021	
ECONOMICS AND GOVERNANCE	Ethics Organization, Management and Control Model and Code of Ethics	
ECONOMICS AND GOVERNANCE	Ethics Legality rating ★ ★ ★ maximum value	
ECONOMICS AND GOVERNANCE	Environment Management System certified and compliant with ISO 14001:2015 standard	
ECONOMICS AND GOVERNANCE	Quality Management System certified and compliant with ISO 9001:2015 standard	
ECONOMICS AND GOVERNANCE	Research and development 7.8%* of revenues invested in R&D (2021) Innovation & Development Committee to promote research activity in the company and support strategic decisions of the Board of Directors	
ENVIRONMENT	100% electricity from renewable sources (from 2019)	
ENVIRONMENT	29.9% total energy from renewable sources (2021)	
ENVIRONMENT	+ 3.2% self-generated electricity (2021-2020 comparison)	
ENVIRONMENT	- 31.9% water consumption per employee (comparison 2021 - 2020 - 2019)	
ENVIRONMENT	0.83 kg of waste generated per 1,000€ production value	
ENVIRONMENT	96.3% of waste sent for recycling (2021)	

AREA	RESULTS	SDG
ENVIRONMENT	Zero CO₂ emissions for electricity use (scope 2, 2021)	
ENVIRONMENT	Less than 45.22 tons of CO₂ equivalent emitted due to reduction in business travel, packaging, waste generated and water consumption (scope 3, from 2019)	
SOCIAL	197 employees +13.9% over 2019	
SOCIAL	96.4% employees hired on a permanent basis	
SOCIAL	Continuing Education 26.2 average hours/year per employee (2019-2020-2021)	
SOCIAL	Zero occupational diseases (2019-2020-2021)	
SOCIAL	Work-life balance agile work; flexitime; hour bank	
SOCIAL	Corporate welfare plan Applied to 11 areas** and expanded by supplementary health/social security insurance and subsidized loans	
SOCIAL	Social and environmental criteria in supplier selection and evaluation	
SOCIAL	Customer satisfaction analysis extended to all customers	
SOCIAL	Sustainability for the territory 4 projects in favor of socio-economic development of the community Atlantide - social inclusion in business; ICONA - re-functionalization of Olivetti factories; Carlo Ferrero Onlus Association; Spazio Blu - day care center aimed at the world of autism	

* Consolidated data of the Company OSAI A.S.

**According to the PMI Welfare Index for SMEs, OSAI, through its welfare policies, covers 11 of the 12 categories under the most comprehensive corporate welfare model.

Usa
automation systems



1.1 HISTORY

Founded in 1991 by Carlo Ferrero, OSAI A.S. operates in the field of industrial process automation.

Established as a sole proprietorship from the collaboration of a group of technicians with many years of experience in the electronic and mechanical fields, it offers itself to the industrial market as a partner of companies in the design, development and construction of automatic production systems with special focus in micro-machining, assembly and testing of small and medium-sized products built in large series and with high technological content.



Left:
SVU Laser system production line for
customer ROFIN, 2004

2009

The German branch is founded - **OSAI A.S. GmbH** - based in Munich



2013

The first **Neo Handler** system for handling and testing components for the growing semiconductor industry is introduced to the market

Chinese branch is opened - **OSAI A.S. (Dalian) Co., Ltd.** - based in Dalian



2015

Founder **Carlo Ferrero's** passing, sister Mirella takes over the leadership of the Company

The group takes part in the **ADIR** (Circular Economy) project that is part of the HORIZON 2020 call and coordinated by the prestigious Fraunhofer Institute



2019

Nov. 14, 2019, the Group received the **2019 OPEN INNOVATIVE SME** award.



2020

Nov. 3, 2020 start of trading of OSAI A.S. S.p.A ordinary shares and Warrants on AIM Italy of **Borsa Italiana**



2021

Oct. 26-29, 2021 at the Ecomondo (Rimini) trade fair - a reference in Europe for industrial and technological innovation in the Circular Economy - the innovative **Re4M** System, designed for the efficient recycling of electronic waste (WEEE) in the **Circular Economy** is presented



1994

After a start-up period, OSAI signs a partnership agreement with one of the world leaders in the field of Laser sources, creating a turning point in the Group's history. The combination of Laser technology with expertise in industrial process automation immediately enables rapid production development, with increased investment in innovation and the creation of new **standard solutions aimed at industrial Laser markets**.

2001

The **"Neo" platform** is created as a standard solution project aimed at the Electronics industry. Standard systems characterized by the possibility of customization and designed to provide the electronics industry with a wide range of systems that can improve efficiency in specific processes such as assembly, marking, and separation of electronic multiplates (PCBs).

2007

OSAI participates in European Community calls for proposals in the **ERA-Net** programs, obtaining awards and funding for innovative machines and processes, with particular reference to the semiconductor and nanotechnology sectors.

2009

OSAI establishes itself in the European market as a reliable player in the production of quality standard solutions for the electronic manufacturing sector, with **installations at multinational companies** and among leading global EMS (Electronic Manufacturing Services).

In the same year **the German branch was established - OSAI A.S. GmbH** - based in Munich.

2013

The Group, after several years of investment, offers its solutions (Test Handler) to the market for

handling and testing MEMS (Micro-Electro-Mechanical Systems) components for the growing semiconductor industry.

In the same year, the Chinese branch is **opened - OSAI A.S. (Dalian) Co., Ltd.** - based in Dalian to provide its customers with a greater presence in the Far East, particularly for after-sales services.

2014

The corporate form is changed and **OSAI becomes a Joint Stock Company** (S.p.A.), setting the stage for the listing path.

2015

Upon the untimely death of the Founder, his sister **Mirella Ferrero took over the leadership of the Group**, relying on the commitment and motivation of management.

In the same year, the Group takes part in the **ADIR (Circular Economy) project** that is part of the HORIZON 2020 call for proposals and coordinated by the prestigious Fraunhofer Institute, with the goal of creating an automated system aimed at recovering rare materials found in disused smartphones, tablets and other electronic equipment.

In the same year, the Group opened a new showroom in Zhuhai, China, and a branch office in Dallas in the United States-OSAI A.S. USA Corporation.

2016

On June 2, the Group obtained a public rating from **Cerved Rating Agency S.p.A. equivalent to B1.2** (Investment Grade) - renewed and confirmed during 2017 - and in December 2016 listed its first Minibond on ExtraMot.

2017

Another important public acknowledgement confirms the company's financial solidity and reliability towards its customers, partners and suppliers: the AGCM (Italian Competition and Market

Authority) recognizes OSAI with the **Rating of Legality ★++**, synthetic indicator that certifies compliance with high standards of legality by Italian companies. Rating renewed in 2021 with maximum expected value of ★★.

Also in **2017**, the Group listed its second and third Minibonds on the Italian Stock Exchange's ExtraMot.

2018

On **July 17, 2018**, the **patent "Testing Method and Unit for Micro -Electro-Mechanical Systems" (MEMS)** is recognized and registered by the U.S. Patent Office. The technology conceived and developed by founder Carlo Ferrero and Marco Guolo (CTO).

In the same year, the Company participated in the HERMES program as a partner in the design and definition of new standard protocols for machine-to-machine communication in SMT (Surface Mount Technology) assembly lines aimed at the electronics industry.

2019

Important business partnerships are formed in the Far East and North America in order to expand the presence in the respective markets.

In the same year, an important new patent was recognized and registered concerning the electromagnetic induction process for soldering components aimed at the world of power semiconductors (power modules).

On **November 14, 2019**, the Group received the **OPEN INNOVATIVE SME 2019** award, a prestigious recognition dedicated to innovative SMEs, conceived and organized by Bernoni Grant Thornton in collaboration with CNEL (National Council for Economy and Labor).

Continuous development of innovative solutions and attention to detail and design has enabled the Company to achieve strong growth and acquire increasingly demanding and prestigious customers worldwide, occupying a market niche that identifies it as a reliable solution provider, for

the design and construction of ad hoc solutions for process automation aimed at large-scale production of components in high-tech sectors.

OSAI A.S. has thus become a leading international operator, able to make available to its customers a complex portfolio of technology and expertise acquired over 30 years of history thanks to the excellence of its people, the continuous focus on innovation and applied research as well as the courage and determination of those who have led it by carrying forward the OSAI project to leave it to future generations.

2020

At the **end of February 2020**, in advance of subsequent government restrictions due to the pandemic, the Company introduced restrictive measures for its workers' access to the company, thus activating **agile work** for 130 employees out of a total of 180, **thanks to investments in the Information Technology structure made in previous years by the Company**.

Restrictions due to Covid-19 and the resulting **lockdown** imposed by the government force the Company to forcibly reduce production during the period between March 9 and May 4, 2020.

In March 2020, the Company decided to adopt virtuous social policies in favor and support of its staff, not using any social shock absorbers, such as the redundancy fund, the impact of which is estimated at about €0.8 million, and introducing solidarity plans, to ensure economic support for the families of employees, who are often struggling with the impacts caused by the Pandemic.

On **October 7, 2020**, the Company appoints the new Board of Directors who will serve until the approval of the financial statements as of December 31, 2022.

On **October 27, 2020**, OSAI A.S. S.p.A. submits an application to Borsa Italiana for admission to trading of its ordinary shares and **Market Warrants** on AIM Italia, a multilateral trading system organized and managed by Borsa Italiana and dedicated to small and medium-sized companies with high growth potential.



The issuance by Borsa Italiana of the notice of admission to trading on AIM Italy takes place on October 30, 2020, and the start of trading of the ordinary shares and Warrants on AIM Italy takes place on November 3, 2020.

The Shares close the opening session registering a performance of 25.3 percent over the Offer price.

The continuous development of innovative solutions and attention to detail and design has enabled the Company to achieve strong growth and acquire increasingly demanding and prestigious customers worldwide, occupying a market niche that identifies it as a reliable solution provider for the design and construction of ad hoc solutions for process automation aimed at large-scale production of components in high-tech sectors.

OSAI A.S. has thus become a primary operator at the international level, able to make available to its customers a complex portfolio of technology and expertise, acquired over 30 years of history thanks to the excellence of its people, the continuous focus on innovation and applied research, as well as the courage and determination of those who led it by continuing the OSAI project to leave it to future generations.

SIGNIFICANT EVENTS OF 2021

On **April 22, 2021** - OSAI A.S. S.p.A. hosts a visit by **ITALVOLT** founder and CEO Lars Carlstrom, accompanied by Patrizia Paglia, president of Confindustria Canavese, at its facilities in Parella.

The visit is part of Confindustria Canavese's survey of the most interesting companies in the area that are proposed to carry out collaborations with ITALVOLT's Giga-Factory project. The site, which will be built in the former Olivetti area in 2024, will be dedicated to the production and storage of lithium-ion batteries for electric vehicles, and will have an estimated initial production capacity of 45 GWh, which could reach 70 GWh; it is planned to be built in a 300,000 square meter area within the Scarmagno industrial site.

On **September 30, 2021** - OSAI A.S. S.p.A. publishes its first **Sustainability Report**, covering the year 2020. This is a historic moment for the Company, following a path already started in 2018 when the Group had embarked on a concrete path, clearly indicating within the "Quality and Sustainability Policy" the actions to be promoted in different areas of interest such as environment, governance and social.

The Sustainability Report 2020, which has been audited by the auditing firm BDO Italia S.p.A., has been prepared in accordance with the Global Reporting Initiative's GRI Standards, and also includes reporting of UN SDGs - Sustainable Development Goals, to identify how, through its activities, the Company can contribute to the achievement of the 2030 Agenda Goals.

On **September 8, 2021**, OSAI A.S. S.p.A. delivers to the market, for a customer active in the production of semiconductor devices, the first fully automated system dedicated to an important and critical phase of the production of **Silicon Carbide** crystals, a key material for energy management in E-mobility¹.

On **October 25, 2021**, OSAI A.S. S.p.A. takes part as an exhibitor in the ECOMONDO fair in Rimini, Europe's leading event for ecological transition and the circular and regenerative economy. The Company illustrates to the recycling industry its technological approach to urban mining represented by the **"Re4M" project**, the system designed for the efficient recycling of electronic waste (WEEE) and its transformation into new raw material².

Left:

Visit to Osai by Lars Carlstrom, CEO of ITALVOLT, 2021

Osai's booth at Ecomondo (Rimini), 2021

1-2) See Research and Development chapter on pg. 51 for more details.

OSAI A.S. MARKET SHARE



1.2 PRESENCE IN THE WORLD



The OSAI A.S. S.p.A. Company is headquartered in Italy and can count on three subsidiaries in China, the U.S. and Germany, as well as an extensive global network of distributors and several **manufacturing and commercial partnerships with leading Italian and international operators** that enable widespread coverage of the main geographical areas of interest.

The Company's Headquarters is located in Parella (TO) inside an old paper mill, a structure that boasts a centuries-old architectural history and on which, in addition to several buildings,

two industrial plants stand a few meters away from the old plant for a total area of more than 6,500 square meters. **All production takes place in Italy**, at the historical headquarters in Parella, from where the Company directly coordinates all the commercial activity of the parent company and subsidiaries. OSAI is able to support its customers worldwide even in the phases following the delivery and installation of its products, quickly providing on-site or remote technical assistance through after-sales services, ensuring maintenance of the installed fleet or upgrades on the Systems.



Cina

Osai Automation System (Dalian) Co., Ltd.
Dalian, Provincia di Liaoning, Cina



Germania

Osai Automation System G.m.b.H.
Monaco, Germania



USA

Osai Automation System USA Corporation
Dallas, Texas, USA



HEADQUARTER

Osai Automation System S.p.A.
Parella (TO), Italia







1.3 VISION AND MISSION

OSAI believes in a business model that is always able to enhance the creativity and excellence of the People who work there, that can combine both tradition and modernity, inspired by the centuries-old tradition of Italian ingenuity, able to interpret difficulties as challenges, and translate ideas into innovative and sustainable technology.

The OSAI A.S. S.p.A. Company mission is to consolidate its leading position in the world market of custom-made solutions for the automation of industrial processes, making available to Customers the entire portfolio of technology and experience enriched in more than 30 years of activity.

The solutions offered by OSAI are aimed at the semiconductor industry, automotive, general electronic component manufacturing, and in the medical field. Each system is customized or created ad hoc according to the customers' needs, and is equipped with the latest technologies, such as Laser systems and artificial intelligence systems.



1.4 PHILOSOPHY AND VALUES

"Let us behave in the interest of the Company as if it were our own interest because OSAI belongs to everyone who works there. We work every day with respect for who we are and what we do with passion and dedication, never neglecting details, quality and the pleasure of what is beautiful as well as functional."

"Let us remember that knowledge, experience and skills are personal and corporate assets, and that greater goals are achieved when working together with others in a constructive and collaborative way."

"[...] Quality, passion, dedication and ambition to achieve increasingly challenging goals are our way of doing "business"

(taken from the CODE OF ETHICS of OSAI A.S. S.p.A.)

OSAI believes in the importance of communication to people and among people, and in direct and transparent discussion, as innovative ideas and solutions can arise from different positions. The Company is committed to maintaining a climate of trust internally because it is on how it does business that its reputation and that of all those who work there depends.

OSAI also encourages its employees to take a **forward-looking view**, to prepare for tomorrow on time, as **today's choices directly affect the future continuity of the business**.

CENTRALITY OF THE PERSON

OSAI is committed to valuing the person so that he or she can have the right serenity to express themselves to the fullest. The human and family dimension of the Company, attentive to the necessities of the individual and their needs, aims to **generate a sense of belonging and responsibility in behavior**.

OSAI wishes to give, through work, the opportunity for everyone to **realize dreams, personal and professional aspirations to build their own future**.

To make this philosophy a reality in daily life, OSAI is committed to protecting the mental and physical well-being of its people by valuing quality of life and the right balance between work and private life demands. The Company pays special attention to the organization of work with corporate welfare plans to ensure an adequate, safe and positive work environment with **programs that foster both professional and human growth**.

INNOVATION AND DEVELOPMENT

OSAI regards innovation as a strategic and indispensable aspect of the Company's future; **ideas and their management are crucial to the long-term success of the company**.

In this regard, OSAI carries out strong internal awareness and promotion activities to encourage, including through incentive mechanisms and targeted communication campaigns, the proliferation, collection and management of initiatives on specific projects of strategic or broad interest, as well as initiatives aimed at research, innovation, product or process improvement and development.

CUSTOMER FOCUS

Relations with customers are marked by the full satisfaction of their needs and the maintenance of the highest quality standards, with the **aim of creating a solid and lasting relationship inspired by the values of fairness, honesty, integrity, professionalism, transparency, legality and impartiality**. Support in the design phase, innovation in the proposed solutions, and

attention to detail and design are the promises with which the Company presents itself to its customers as a solution provider.

OSAI aspires to exceed customers' expectations wherever possible, to become not only a supplier but a reliable and key partner with whom to start their businesses. Therefore, it is committed to **maintaining an open and proactive attitude** through continuous support and listening to requests and reports.

Thanks to this approach, OSAI is able to distinguish itself in its target markets by garnering the favor of its customers, who appreciate the professionalism, expertise of its staff and innovative content of the proposed solutions.

PRODUCT SAFETY

OSAI believes that the safety of its products is not only a mandatory requirement to be met, but represents first and foremost **a value to be vigorously pursued so that the products designed and manufactured encapsulate the highest** possible level of safety for the end user.

With this in mind, the company dedicates specifically trained, qualified and experienced in-house personnel, as well as the necessary economic resources to ensure the desired levels of safety.

Every product that leaves OSAI's factories is CE certified according to the Machinery Directive or according to the regulations in force in the destination countries with special attention to requirements for electrical systems (UL/CSA), or other specific certifications, and is the result of a careful process of specific risk assessment.

ENVIRONMENTAL PROTECTION

OSAI wants to relate to the Community in which it operates by demonstrating the highest level of responsibility towards the health and safety of local communities, respecting the environment, paying attention to energy resources and preserving natural resources.

Therefore, OSAI is committed to identifying and

keeping under control the impact, real and potential, of its products, processes and activities on society in general and the Community in particular in order to be considered one of the components that bring wealth and value to the area.

For this reason, it invests in environmental protection by promoting the use of renewable energy, improving plant efficiency and paying close attention to research on environmentally friendly technologies.

SUSTAINABLE AND SUPPORTIVE DEVELOPMENT

With this philosophy, the OSAI Group sees itself not only as a company that, responding to market laws, maximizes profits and private gain, but as a civil society subject occupying an important role in the community and taking on economic, social and cultural responsibilities.

The OSAI Group believes that promoting sustainable development and a socially-conscious business idea guarantees both greater global competitiveness and the long-term stability of its business.





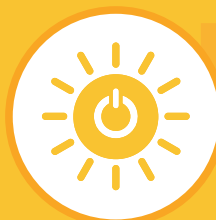
HEALTH AND WELL-BEING



QUALITY EDUCATION



GENDER EQUALITY



CLEAN AND AFFORDABLE
ENERGY



DECENT WORK AND
ECONOMIC GROWTH



ENTERPRISES, INNOVATION
AND INFRASTRUCTURE



REDUCE INEQUALITIES



RESPONSIBLE CONSUMPTION
AND PRODUCTION

IMPRESE VINCENTI

III Edizione

INTESA  SANPAOLO

In collaborazione con

BAIN & COMPANY 

 Cerved

 Circularity



GAMBERO ROSSO 

 Microsoft

NATIVA 

1.5 AWARDS AND RECOGNITIONS

During 2021, OSAI had the honor of receiving major national awards. It is an honor for management and the entire staff to be able to say that they are part of such a positively recognized entity nationwide and beyond; each of these awards marks an important milestone and is an incentive to maintain and improve each of the aspects covered, which deeply encapsulate the values that the Company has always conveyed inside and outside its plants.

Imprese Vincenti 2021 - Supply Chain and Territory: is the project carried out by Intesa Sanpaolo for the enhancement of small and medium-sized Italian companies focused in 2021 on the centrality of the business system "as the engine of the restart" of the country after the long and difficult months of the pandemic; Osai's

strong connection to its territory led the Company to stand out among more than 3500 candidate companies.

Women Value Company: the Award, initiated by Intesa Sanpaolo in collaboration with the Belisario Foundation, was dedicated to small and medium-sized public and private companies that distinguish themselves in managing gender diversity with innovative and inclusive development policies.

Always particularly dedicated to the attentions given to its employees, OSAI has decided to emphasize an issue strongly discussed at the national level; gender equality, in fact, is not only composed of numerical balance between women and men, but also passes through concrete actions in the direction of the enhancement of excellence, inclusion, and work-life balance. The award received confirms and further enhances the Company's commitment in this direction.

Campioni dell'Export 2022: Promoted and produced by Statista and Il Sole 24 Ore, the Export Champions 2022 ranking was created to tell the stories of innovation, doggedness, sustainability, and resilience of national companies that represent stories of excellence in the world.

The statistic considers Italian manufacturing companies that export their goods abroad, with a turnover between €1.5 million and €500 million in 2020, headquartered in Italy, founded in 2018 or earlier, with production hub in Italy, producing and exporting physical goods, and meeting ex legem reputation requirements.

The recognition has included Osai A.S. S.p.A in 46th place in the ranking of the 200 domestic companies with the highest level of exports of Italian products (84.16 percent).





1.6 THE BUSINESS MODEL

OSAI is recognized in the market as a solution provider capable of designing and manufacturing product lines for customers operating primarily in high technology content manufacturing sectors.

The co-development activity between OSAI and the customer enables the design and manufacture of advanced components that in terms of performance result in consistent competitive advantages in cost, reliability and flexibility of manufacture.

OSAI oversees the entire value chain and outsources certain low-value-added processes in order to increase operational flexibility. This ensures the Company to:

- focus on the development stages of technologies and their applications;
- strengthen its role as a globally active player, capable of providing support to its customers along all stages of the production process: order customization, analysis of problems and needs expressed by customers, design and development of turn-key solutions through in-house mechanical, electronic and electro-pneumatic design resources, software analysis and development, assembly, installation, on-site testing, and after-sales support and services.

TECHNOLOGY AND SKILLS










OSAI has a portfolio of expertise that enables it to be a unique player in the domain of strategic technologies capable of solving complex manufacturing problems related to assembly processes and measurement and control technologies. The following are the operational functions performed by automation systems within the production cycle.



Left:
Welding of lithium-ion battery packs

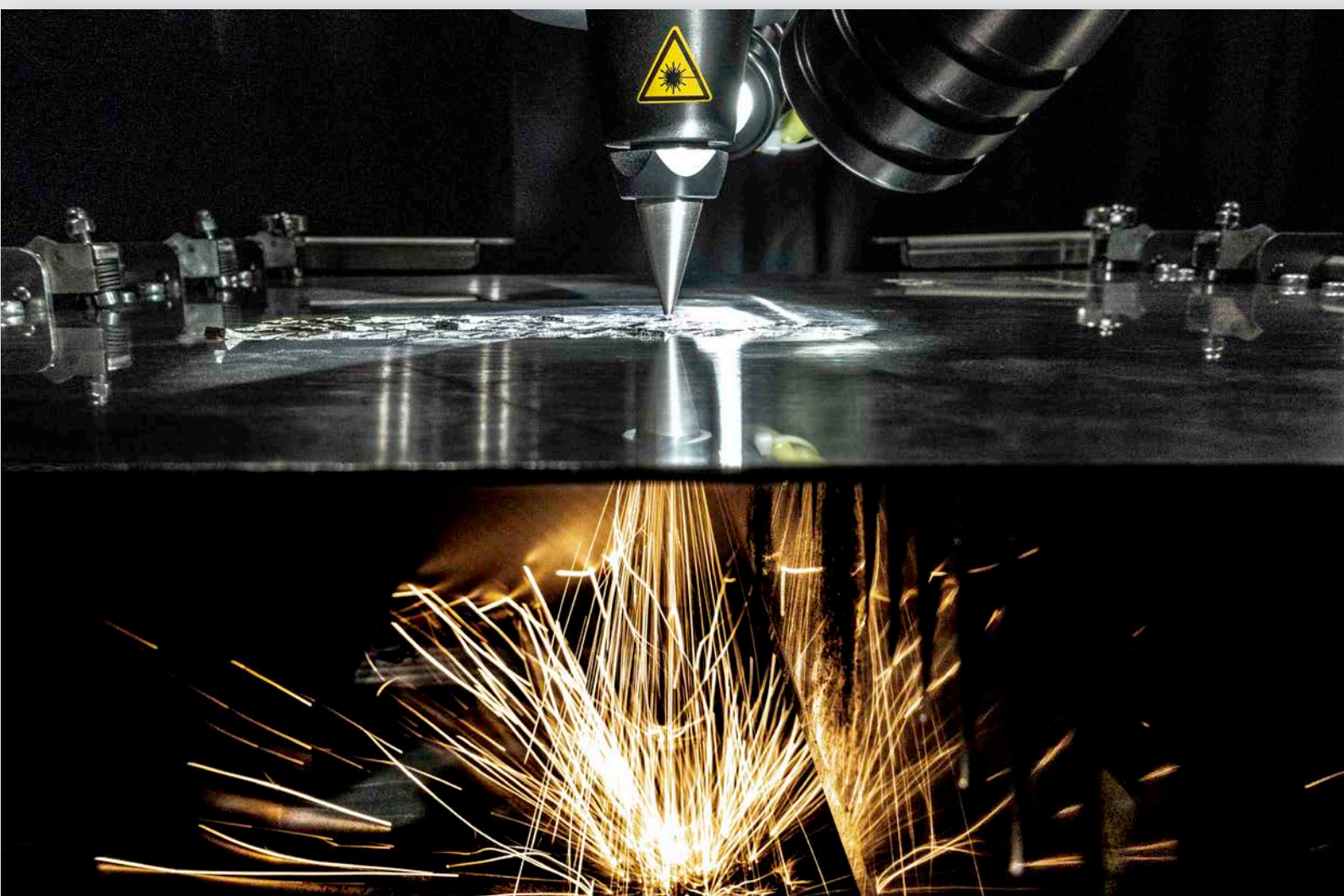
TECHNOLOGY AND SKILLS

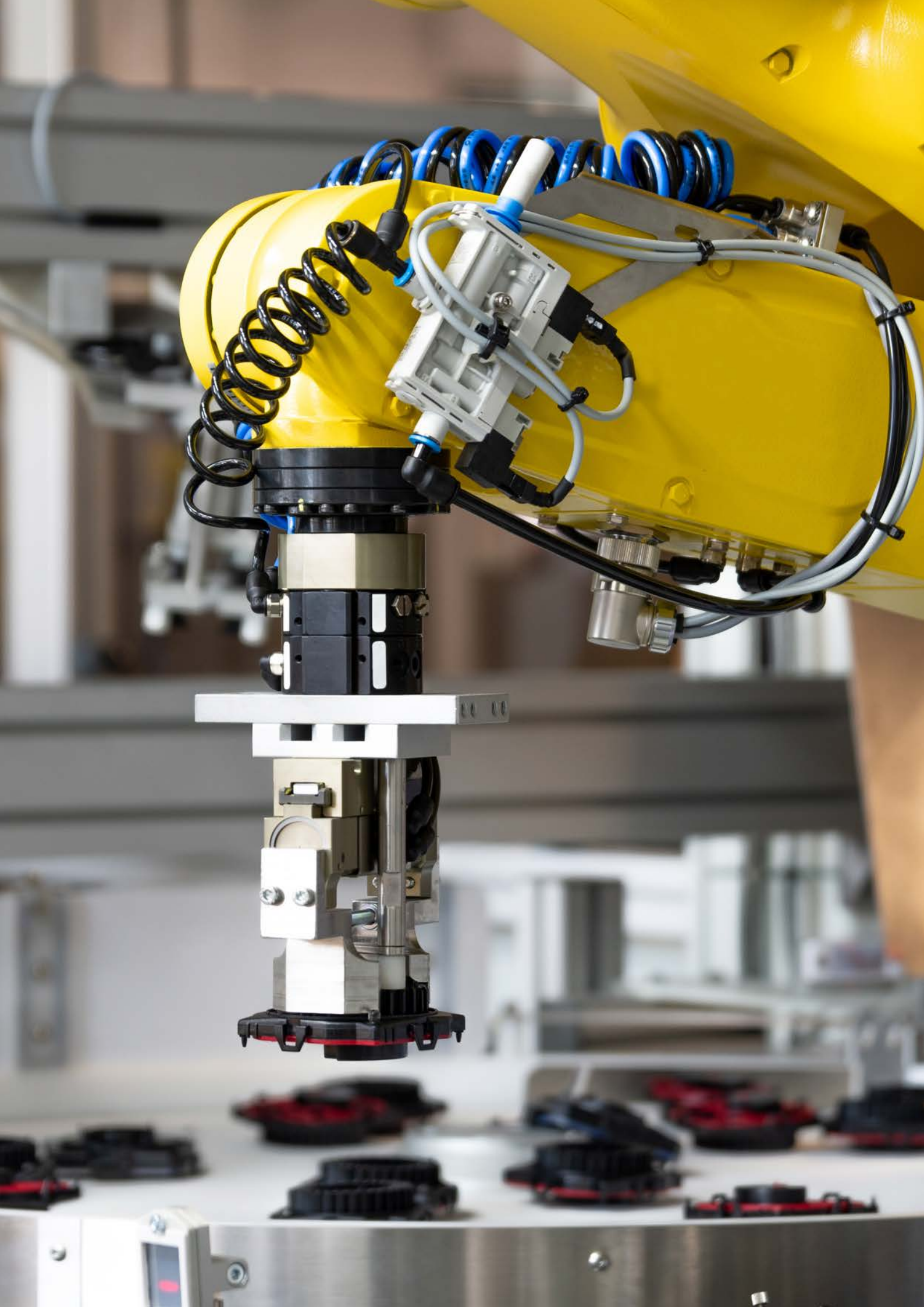
OSAI has a portfolio of expertise that enables it to be a unique player in the domain of strategic technologies capable of solving complex manufacturing problems related to assembly process-

es and measurement and control technologies. The following are the operational functions performed by automation systems within the production cycle.

TECHNOLOGICAL SKILLS		DESCRIPTION
(Micro) Installation / (Micro) Assembly		Techniques to assemble and test components and systems of varying sizes, including small ones
Laser Marking		Techniques used to permanently mark a component in order to ensure traceability in the production process steps
Laser Cutting		Set of techniques for precisely cutting different types of materials (metal, plastic, etc.).
Router / Laser depaneling		Set of techniques that allow for mechanical or Laser separation of even flexible printed circuit board (PCB) panels
Soldering / Selective Laser Welding		Soldering technique used to join different components on a single integrated circuit
Laser trimming		Removal, using Laser technology, of residual materials on integrated circuits/electronic boards and for calibration
Movement and (micro) handling / Handling		Ability to handle small and medium-sized components and systems on production lines quickly and highly accurately, even with automatic vertical feeding systems
Stimulation and testing (also burn-in)		Techniques by which different stimuli (signal, power, temperature, pressure etc.) are transferred to condition a given sensor, mainly for the purpose of determining its reactions in a testing environment, including developing complex lines for testing "power modules"
Software		Interface design and complete software architecture for managing the individual machine or lines

TECHNOLOGICAL SKILLS	DESCRIPTION
Stimulation and testing (also burn-in) 	Techniques by which different stimuli (signal, power, temperature, pressure etc.) are transferred to condition a given sensor, mainly for the purpose of determining its reactions in a testing environment, including developing complex lines for testing "power modules"
Artificial Vision Systems (O.I.S. - Osai Inspection System) 	Custom-made development of optical-mechanical assemblies and vision software recipes for the purpose of integrating on OSAI Systems of component verification stations for the electronics, automotive and medical sectors. This is possible through the use of optics, cameras and illuminators specifically chosen and configured to give adequate and stable emphasis to the details of the particular items to be processed. An additional plus is Osai's proprietary software, which ensures that full intervention is possible both in case of reliability problems and new implementations in case of product change.





PRODUCT DIVISION

AUTOMATION & ROBOTICS

The division has been around since OSAI's inception and initially provided mainly customized lines for **assembly and testing in the automotive component industry**. Currently, the designed solutions are being used particularly in the advanced automotive sector, for the efficiency of existing production processes, thus reducing their costs and production time. The **focus is on Light Automation**, that is, automation of small and medium-sized components and systems where **OSAI has achieved a high level of specialization**. The "machine-types" produced by this division include, in particular, manual or automatic workbenches and units, tables combining different operations, complete semi-automatic lines, flexible modules and vertical warehouses.

STANDARD AND CUSTOM PRODUCTS



Workbenches
and work units



Complete assembly
lines



Rotary tables

TARGET CUSTOMERS

Manufacturers of high-tech components for the mobility industry

MAJOR MARKETS



Automotive



Green
Mobility



Medical





PRODUCT DIVISION

ELECTRONIC

The division was established in the early 2000s thanks to the capabilities developed by OSAI over time, which resulted in the **"Neo" platform**, the first assembly solution aimed at the electronics industry. "Neo" represents a standard product line with customization options and designed **to provide the electronics industry with a wide range of systems capable of improving the efficiency of certain processes** such as marking, assembly, and separation of electronic boards. The machines are primarily aimed at manufacturers of electronic boards and integrated circuits (stand-alone or integrated on proprietary solutions). The "type machines" produced by this division include, in particular, Laser marking machines, complete assembly systems, machines for mechanical and PCB (printed circuit board) panel separation, and Laser separation of PCB panels including flexible PCB panels.

STANDARD AND CUSTOM PRODUCTS



PCB Laser Marking



Assembly



Laser Depaneling



Router Depaneling

TARGET CUSTOMERS

Manufacturers of electronic boards and integrated circuits

MAJOR MARKETS



Telecommunications



Home consuming



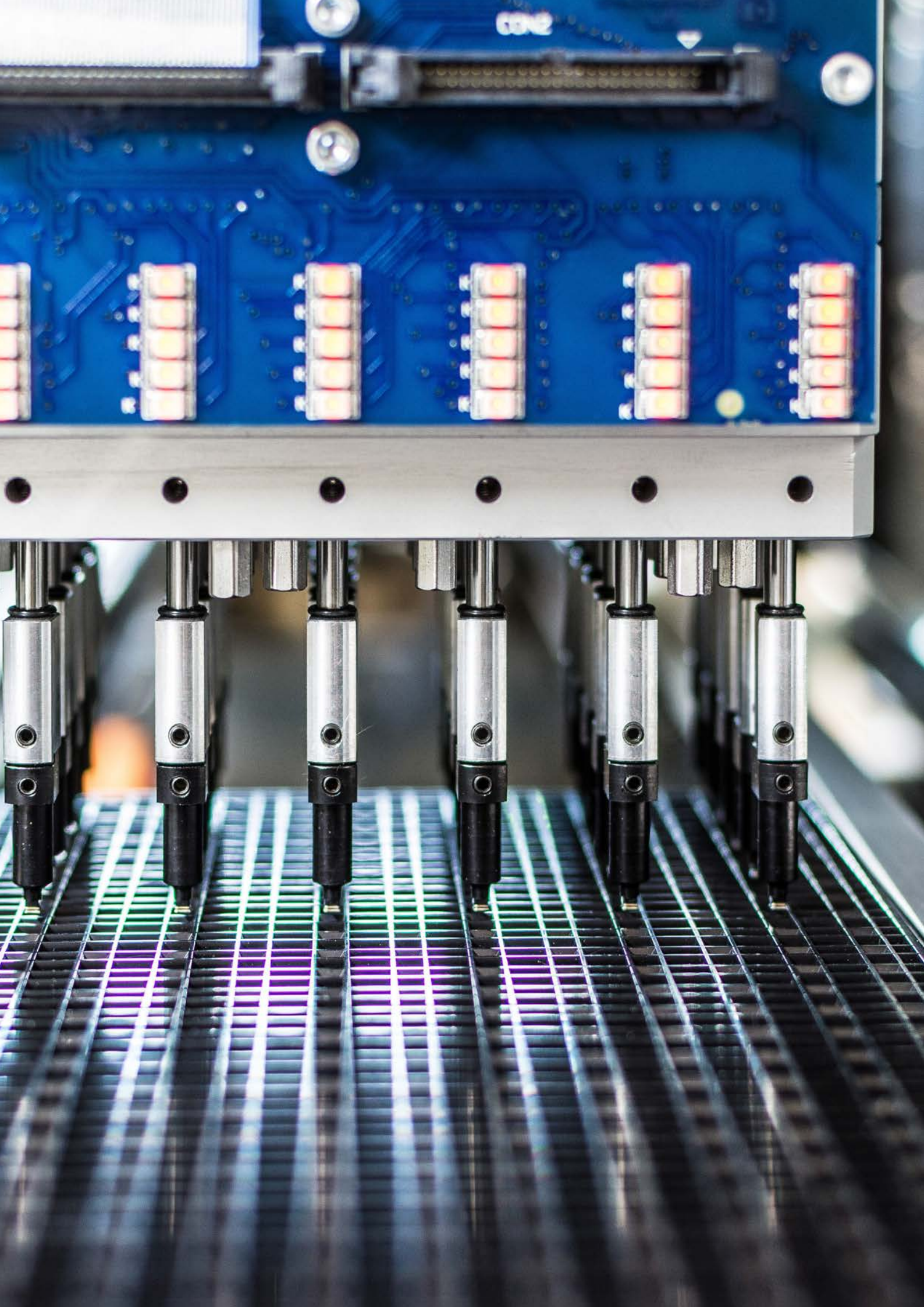
Green Energy



Medical



Automotive



PRODUCT DIVISION

SEMICONDUCTOR

In 2011, thanks to the skills and successful experience gained in the automation and electronics industry, OSAI develops **new solutions dedicated to the semiconductor sector**, which is rapidly expanding thanks to the technological progress fostered by large multinationals that manifest the need to find partners in the market that can respond to their needs with flexibility and speed.

During 2013, the first machine of the "test handler" family is delivered. These solutions are for the handling and testing of MEMS (Micro Electro-Mechanical Systems) sensors through one or more stimuli (acoustic, movement, electrical contact, pressure, etc.) defined based on the specific application for which the sensors are needed. The different test handlers produced have a common platform at their base that allows different stimuli to be transferred depending on the type of sensor to be treated. Induced stimuli can be signal, power, temperature (e.g., multi-temperature calibration up to three different temperatures), pres-

sure etc. The realized solutions are mainly aimed at semiconductor and sensor manufacturers. The wide variety of multi-socket and multi-pick tools developed by OSAI over the years allows customers to manage different formats in one solution.

The division has also developed complex custom-type lines for power module testing (so-called "power modules"), composed of the integration of standard or customized systems belonging to other divisions, the result of the convergence in new and innovative products of experience and technologies gained in different contexts.

The "type machines" produced by this division include, in particular, machines for testing and calibration of MEMS sensors and power devices; machines for final testing and acceptance of power modules; burn-in-test automation systems with loading, unloading, pre-testing and visual inspection functions; systems for automatic assembly of power modules, including Laser marking; and compact conditioning chambers.

STANDARD AND CUSTOM PRODUCTS



MEMS Test Handler



Burn-In



Test handler for power modules



Power devices packaging

TARGET CUSTOMERS

Semiconductor Manufacturers

MAJOR MARKETS



Automotive



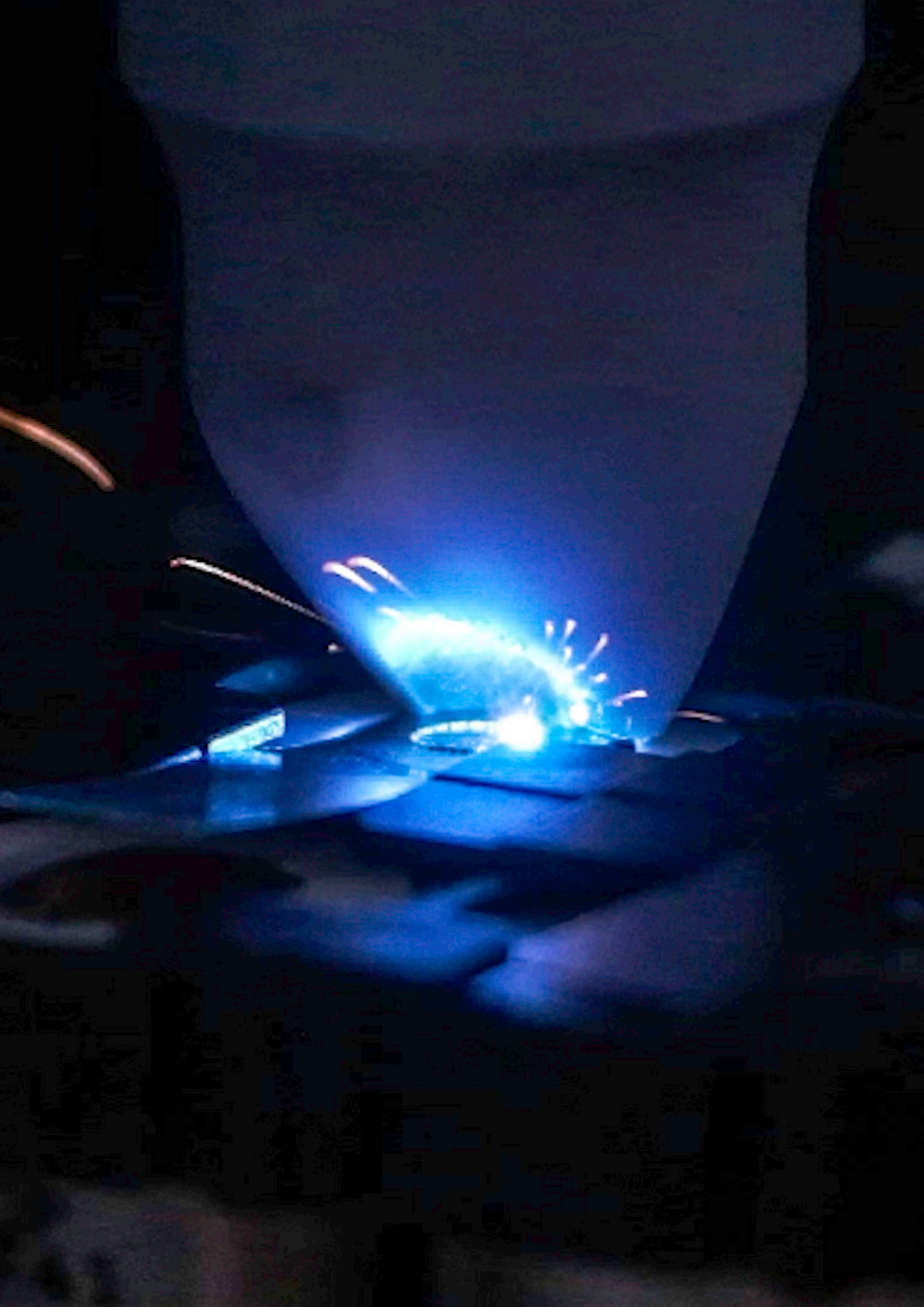
Green Mobility



Telecommunications



IoT



PRODUCT DIVISION

LASER MICROMACHINING

The division was established in the late 1990s with the purpose of **providing industrial Laser and micromechanics applications originally to the Automotive industry**. The solutions were developed from experience gained in industrial Laser applications especially in cutting, welding, drilling, and marking of small metal or plastic components that require extreme precision for processing the final product such as welding by Laser of pacemaker shells. To date, the production of standard and special solutions addresses a **multiplicity of sectors** (more than 500 applications have been made, especially in the medical field), which OSAI wants to reach and satisfy in order to offer its customers an even greater range of products, to be present across the market and achieve greater diversification. The "type machines" produced by this division include, in particular, machines for Laser marking, Laser cutting, and welding of different types of components (shapes and materials) even for large-scale production.

STANDARD AND CUSTOM PRODUCTS



TARGET CUSTOMERS

Manufacturers of micromachining, with a need for a high level of precision, even for small components

MAJOR MARKETS



Jewelry and fashion



Medical



AFTER SALES

The company offers its customers after-sales service for installed products. The Service division provides customers with a range of services including the sale of spare parts, technical support and repair of on-site systems, routine and extraordinary maintenance services, production consulting, and training. In addition, the Company, through a network of service providers, as well as personnel in its foreign branches, **provides comprehensive and global support.**

The use of new technologies and digitization makes access to the division's services simple and immediate.

The online service platform serves as a single, priority channel for all needs related to Osai's after-sales service and ensures a **quick and efficient response to customer inquiries.**

Thanks to a simple and intuitive interface, the customer accesses a restricted area, within which they have the possibility to request assistance, monitor the status of requests and access content or communications dedicated to them, made available by the OSAI After Sales staff.

The Portal Service for Osai A.S. S.p.A. enables effective management of service requests from the Parella (TO) Headquarters, but the Compa-

ny cannot do without a widespread presence of technicians in the area to ensure rapid response times in line with specific contractual agreements. The following table shows the consistency of Osai's technicians and partner companies for technical support at the installation site.

Additional and innovative tool available to OSAI and its Customers is Osai Augmented Support Technology, which is the set of technologies adopted and developed for effective remote support through AR (Augmented Reality), which is now possible through the use of:

- **Tablets, smartphones, and smart-glasses:** a new way of providing customer service and support through the use of devices that enable technical staff to operate autonomously.
- **Dedicated software and App:** OSAI technicians are able to guide the operator on site, thanks to projections and visual cues transmitted directly to the devices.
- **Osai Augmented Support:** field staff will have the ability to activate an audio/video streaming session and share their views with the operator remotely.

REGION	COUNTRY	RESIDENT ENGINEERS*	SERVICE PARTNER**
APAC	China	4	-
	Taiwan	-	1
	Philippines	-	1
	Thailand	1	-
EMEA	Malta	-	1
	Morocco	-	1
	United States	-	1
	Mexico	1	-

* Technicians directly employed by OSAI A.S. S.p.A. and residents of the country indicated

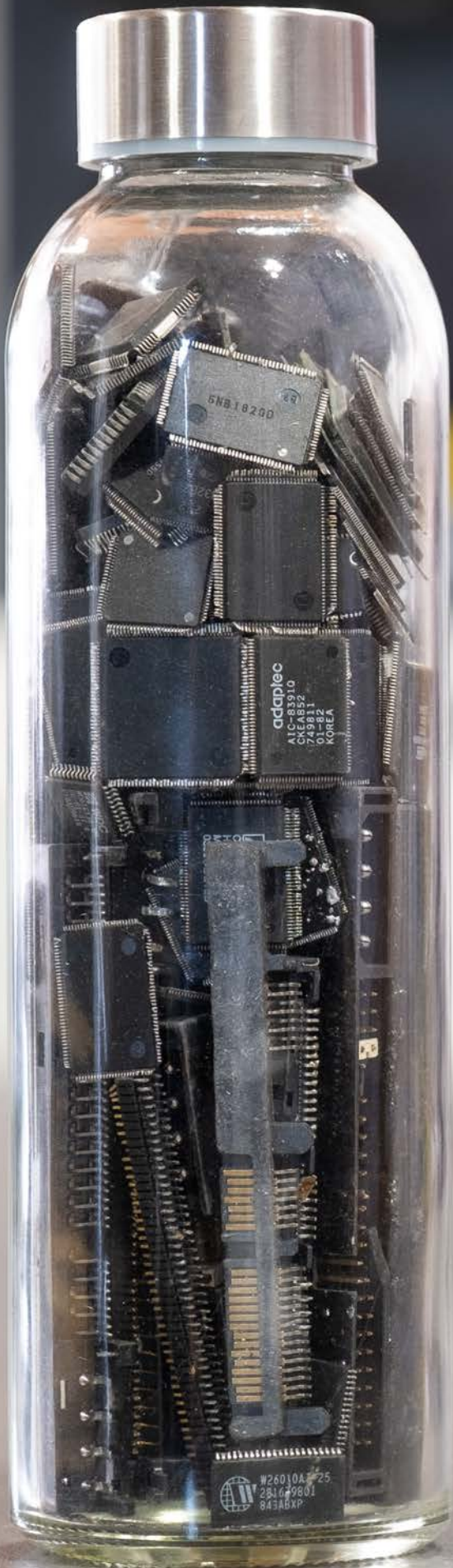
** Companies located in the indicated country with which contracts have been signed for assistance on behalf of OSAI A.S. S.p.A.



CHAPTER 2

RESEARCH AND DEVELOPMENT

RESEARCH AND DEVELOPMENT	2.0
OSAI AUTOMATION IN THE PRODUCTION PROCESS OF SILICON CARBIDE	
Project RE4M: URBAN MINING ACCORDING TO OSAI	
INNOVATION MANAGEMENT BECOMES A SYSTEM	2.1
THE INNOVATION & DEVELOPMENT COMMITTEE	
PARTICIPATION IN EUROPEAN PROJECTS	



2.0 RESEARCH AND DEVELOPMENT

Research and development activities in OSAI constitute an important line of business for the Company.

Constant efforts in the area of innovation enable the Company not only to meet the demands and needs of customers with ever-higher standards, but also to collaborate with established international entities through participation in European projects funded by the **Horizon 2020** program.

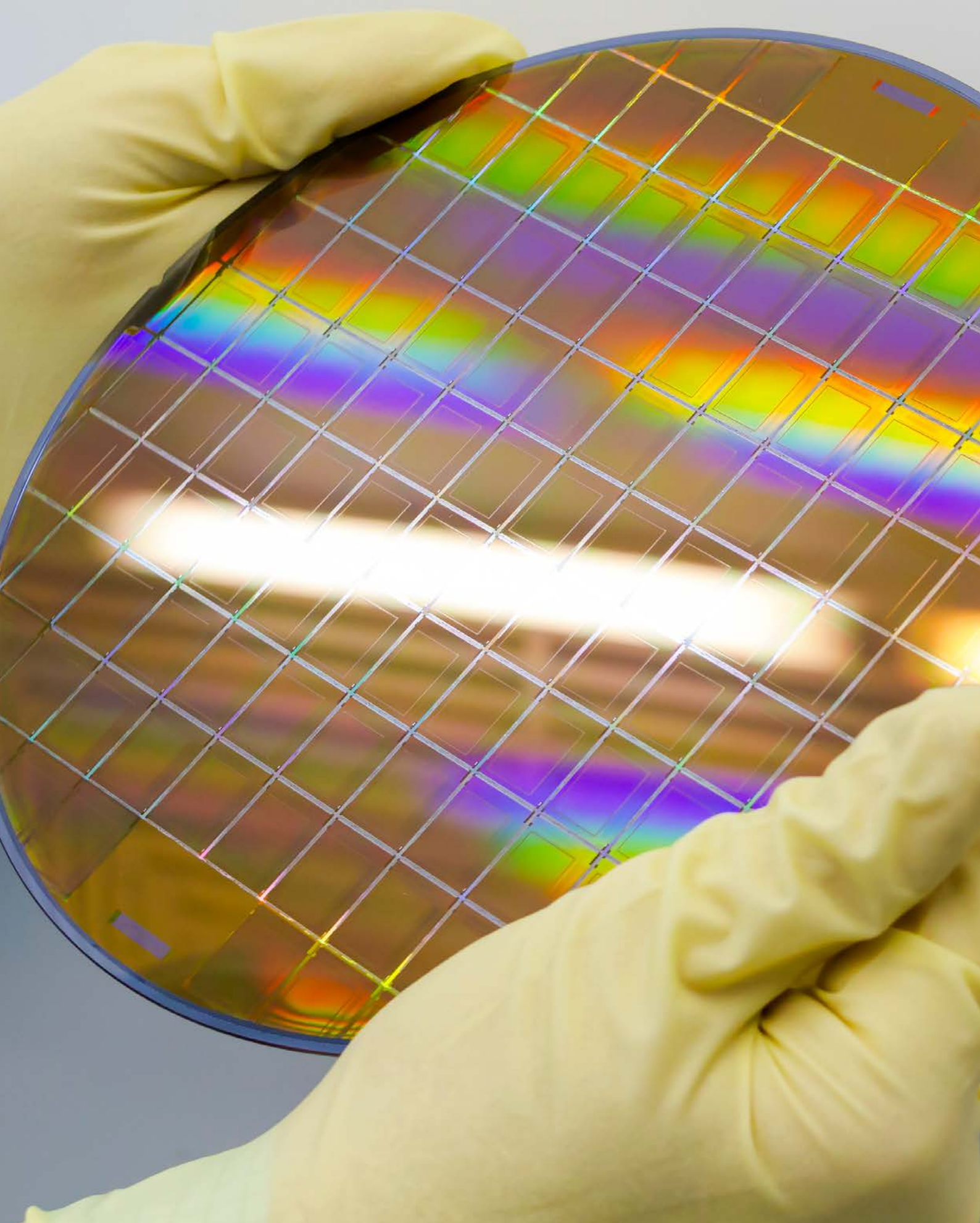
R&D activities occupy a dedicated team of people who also work and collaborate **with specialists from all over Europe**.

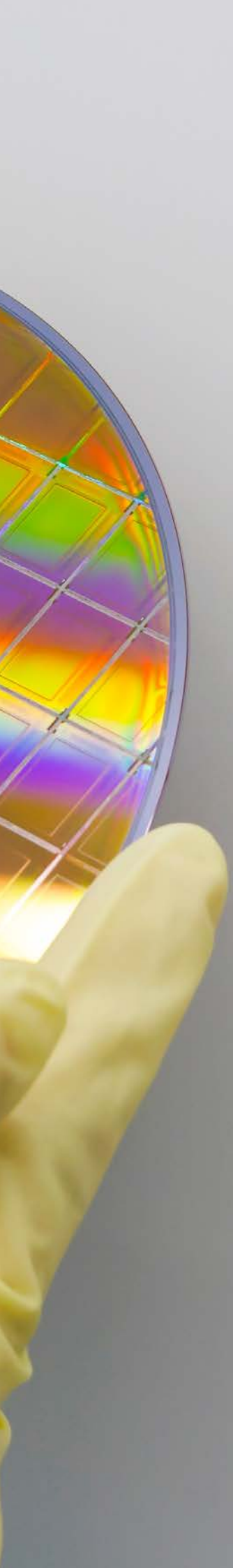
The results of projects and innovations learned within challenging areas, such as those of international collaboration, contribute greatly to OSAI's internal business development.

The total investment in research and development in FY2021 amounted to 2.54 million euros, of which 2.4 million euros were recorded in the Parent Company's fixed assets, while the remainder was expensed during the year.

The investments involved 10 projects with application in different areas of interest to the Company including: e-mobility, circular economy, and the addition process for Silicon Carbide.

Left:
Research and Development Laboratory



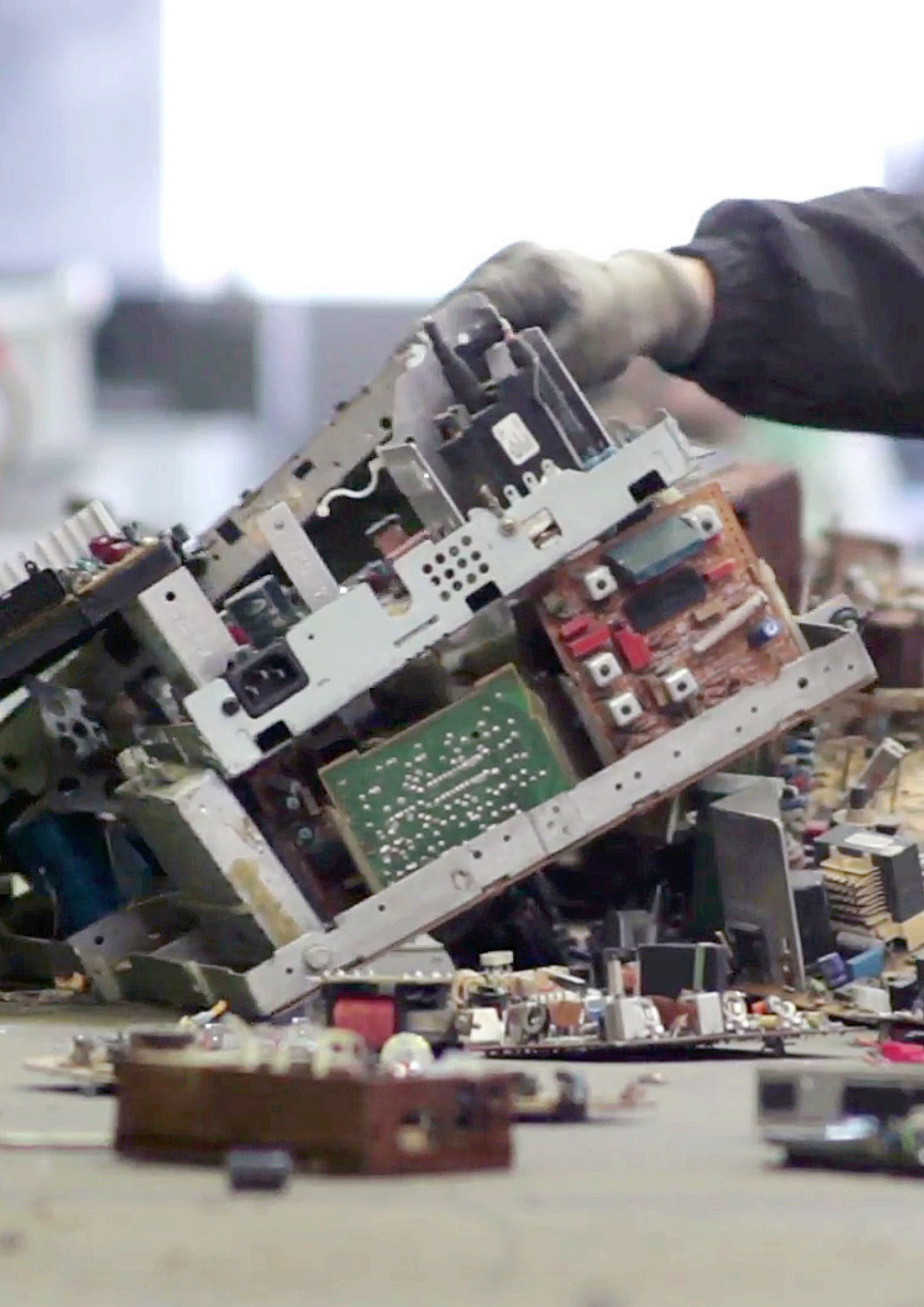


OSAI AUTOMATION IN THE PRODUCTION PROCESS OF SILICON CARBIDE

Silicon Carbide is the new frontier in energy management needed for e-mobility applications. SiC, as it is also called, is the semiconductor material that all electric vehicle manufacturers are looking at with interest both because of its excellent performance characteristics, which can significantly improve the efficiency of electric vehicles, making batteries more compact and improving driving ranges through less energy expenditure, but also because of the possibility of starting Western production chains and independent of Asian markets, thus preventing shortages such as the one we are currently witnessing.

In this innovative and ever-evolving context, OSAI has positioned itself as a key player, delivering in September 2021, **the first automated system intended for the production process of Silicon Carbide (SiC) crystals**. A special feature of the machine is its ability to handle wafer-thin slices or substrates of semiconductor material-up to 200 mm in diameter. This is an excellent result not only because of the importance of the customer, one of the top players in the global semiconductor market, but also because of the technological and innovative content of the system produced, which, developed in co-development with the end customer, made it possible to go beyond the state of the art in the current production process, which did not allow for the size of a 150 mm diameter.

Indeed, the transition to handling wafer sizes up to 200 mm enables a key milestone in increasing production capacity, and thanks to the precision, accuracy and high-volume handling capabilities provided by the system, the significant increase in production volumes, an important contribution to accelerating the transition to e-mobility.



RE4M PROJECT: URBAN MINING ACCORDING TO OSAI

Efficient recycling of electronic waste (WEEE) is increasingly a global priority goal. In addition to the environmental impact generated by e-waste, which is estimated at 57 million tons in 2021 alone (source RSC - Royal Society of Chemistry), its treatment becomes as necessary and indispensable as ever in order to find an alternative to extracting precious metals from the ground, a process known to be unsustainable.

Urban mining, or the enhancement of urban mining through the extraction of precious, rare and critical metals contained in disused electronic devices represents a necessary and inevitable revolution to ensure continued technological evolution with a sustainable approach.

In October 2021, OSAI participated as an exhibitor at the ECOMONDO fair in Rimini, Europe's leading event for ecological transition and the circular and regenerative economy. The Company showed the recycling industry its concrete interpretation to urban mining through the presentation of the "Re4M" Project, the system designed for the automated recycling of electronic waste (WEEE) and transformation into new raw material.

The Project, on which 5 million euros are being invested, will see the light of day with the first prototype in 2023 and subsequent commercialization by the end of 2025.







2.1 INNOVATION MANAGEMENT BECOMES A SYSTEM

R&D and Innovation are indicated by Osai's stakeholders as material issues of utmost importance.

Osai understands that innovation comes from creating value through something new, be it a technology that becomes a product, a service, a business model or an organization. The added value provided by innovation can manifest itself in different forms with an impact not only economic, but also social or environmental.

For this reason, the concepts of "innovation" and "innovation management" must be primary goals for the company, as well as the will to implement them efficiently, in order to change the paradigm according to which innovation is made up of extemporaneous activities that are not linked with the organization.

To follow up on these intentions, Osai decided to take virtuous inspiration from the **ISO 56000** Standard, which provides guidance for the establishment, implementation, maintenance and continuous improvement of an **Innovation Management** System, believing that an innovation management system helps the Company capture the best ideas, improve itself and maintain its competitive advantage in the marketplace.

Left:
New Innovation and Development Area, 2021



migliore è quella
ancora essere costruita

THE INNOVATION & DEVELOPMENT COMMITTEE

In order to promote innovation and ensure transparency and traceability in activities carried out in product and process innovation and development, OSAI has established the Innovation & Development Committee (CI&S).

The Innovation and Development Committee, has the task of proposing to the Board of Directors, following appropriate analysis and evaluation, the initiatives deemed worthy and priority to ensure the **continuous technological and innovative development of the Company**.

The Committee - which is managerial in nature - performs advisory, investigative and propositional functions in support of the Board of Directors' decisions pertaining to research, development and innovation activities. In particular, the Committee is a promoter of collecting and managing ideas so that they can become the subject of investment by the Company and thus create new opportunities.

PROMOTION AND MANAGEMENT OF RE-SEARCH, INNOVATION AND DEVELOPMENT

"Idea management" is understood as the systematic management of the process of collecting and evaluating ideas and insights in order to obtain maximum benefit from them.

Innovation management refers to the systematic management of the introduction of something new to the organization generated by an idea, insight, field experience, market feedback, or analysis of the market and currently available technologies. Product improvement is managed by the Department of Innovation and Development as long as it is tested and validated at the prototype level.

Once the idea for improvement is validated, it materializes into a prototype released for pro-

duction. Constant maintenance and updating of OSAI Systems is among the Innovation and Development activities, with dedicated orders called **Product Maintenance**. These orders, or projects, are aimed at upgrading the performance of the Systems based on needs identified indirectly from the market, or directly from reports from OSAI's technical staff and Customers.

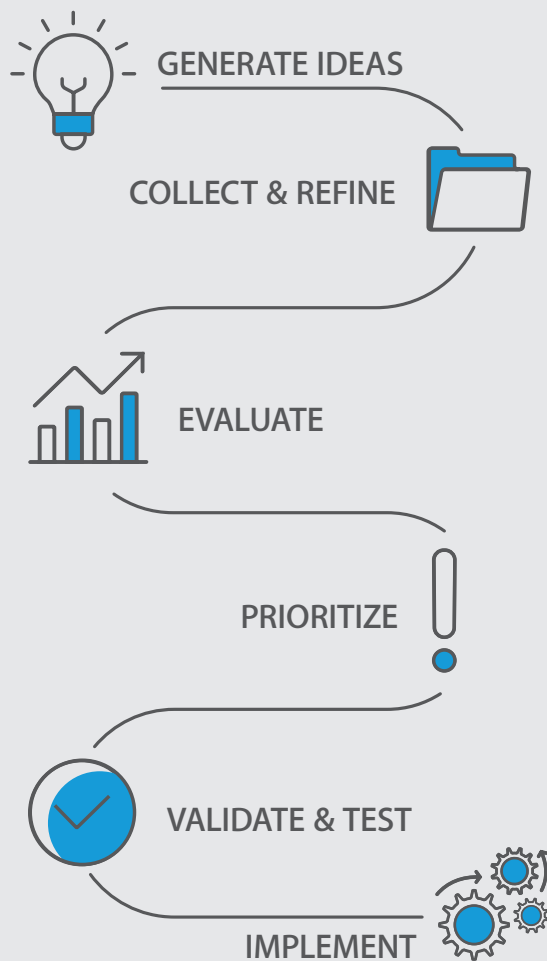
Of the complex of innovation management activities just described, that of idea promotion and management is one of the activities involving the Innovation and Development Committee. The following image graphically represents the flow defined for idea management. The last two steps shown in the diagram, validation and application of the idea, are up to the Board of Directors, which also defines the investments required for introduction into the System.

The following image graphically represents the flow defined for idea management. The last two steps shown in the diagram, validation and application of the idea, are up to the Board of Directors, which also defines the investments required for introduction into the System.

The goal of the committee is to encourage and collect, through specific actions and dedicated campaigns, proposals and ideas in various areas of interest such as:

- Implementations on existing products (product improvement or maintenance);
- New products, processes or services (increase in products' portfolio);
- Membership and participation in European/ funded projects;
- feasibility studies, market analysis, and research for new product or process applications.

The idea management process is currently present in its prototype form. The advancement



of activities related to the Department of Innovation and Development will outline and refine methodologies for collecting ideas and managing feedback.

The company has also identified four distinct areas on which to work to further extend the scope of innovation in the company: strategy, processes, tools/methods and organizational culture.

Proposals or ideas may come from internal streams, i.e., from individuals within the various business functions, or from indications from the market (customers, end users, retailers, etc.) and collected by the functions that deal with them.

It is of fundamental interest to OSAI that this process of continuous idea management enables the Company to achieve its strategic goals, among which are:

- Customer satisfaction;
- The search for new business opportunities,
- The increase of the company's portfolio;
- The opening of new product sectors deemed strategic (e.g., Circular Economy).

With this in mind, the strategic task of the Committee is to catalyze and evaluate the indications provided by the various stakeholders, defining which are strategically of interest and priority with reference to the areas of intervention defined by the Company.

The Committee has defined a method for evaluating the ideas received and scoring them to quantify their relevance, relation to business strategies, and expected impact on the Company. The idea evaluation tool has as its output a ranking list of projects or ideas to be submitted to the Board of Directors for approval.

Each project is described by filling in 4 defined fields: "CONCEPT", "OBJECTIVES", "WORKPLAN" and "DELIVERABLE." The development of these sections allows us to frame the idea, define what the objectives are, organize the work aimed at obtaining the project, which is basically the expected output.

In 2021, the first year of activation of the process, the collection of information, the study aimed at defining indicators, and the analysis of existing processes were the basic premises and requirements for setting up an iterative process of improvement for the following years.

In some cases, open projects have resulted in new business opportunities, in others the solutions developed have made it possible to work with existing customers on new projects, and in still other cases, the accumulated experience has helped fuel the know-how needed to create new products.

PARTICIPATION IN EUROPEAN PROJECTS

4CUSTHER

Project: 4CUSTHER
Title: Custom heat-conductive coating composites.

MANUELA

Project: MANUELA
Title: Pilot Line for Metal Additive Manufacturing.

DEFLeCT

Project: DEFLeCT
Title: Digital Technology for the Treatment of Lung Cancer.

APRIL

Project: APRIL
Title: Multi-function robotics for handling deformable materials in manufacturing processes.

VOJEXT

Project: VOJEXT
Title: Value of joint experimentation in digital technologies for manufacturing and construction.

MANUELA

Project MANUELA

Pilot Line for Metal Additive Manufacturing.

The metal 3D printing technique - **Metal Additive Manufacturing (AM)** enables, through the implementation of a design conceived for this type of manufacturing technique, the production of high value-added components with advanced features that are difficult to achieve with conventional technologies or processes.

However, the AM-based production sequence involves a high number of critical steps compared with conventional production sequences. Currently, key competencies related to these steps are not fully implemented at the industrial level. Based on two main AM technologies (LPBF: Laser Powder Bed Fusion and EBM: Electron Beam Melting), MANUELA aims to define a pilot line plant, which covers the entire production sequence, from the raw material, understood as metal powders, to the surface treatments related to the post-processing of manufactured goods. OSAI, during the project, implemented a system with Laser technology for post-processing of manufactured goods made with metal additive manufacturing techniques.



APRIL Project

Multi-function robotics for handling deformable materials in manufacturing processes.

The APRIL project aims to develop a low-cost, multifunctional industrial robot system that supports semiautomatic tasks in manufacturing production lines of different sizes or types that use flexible or deformable materials. APRIL will use computer vision technology, the collection and analysis of information from sensors, and the development of modular interfaces. APRIL will provide innovative sensors and augmented vision to support deviation detection, weight estimation, dynamic center of mass, or grip force adjustment while handling deformable objects



of different types (e.g., paper, food products, shoe insoles, viscoelastic fabric, cables, etc.).

VOJEXT

VOJEXT Project

Value of joint experimentation in digital technologies for manufacturing and construction.

The VOJEXT project aims to create a favorable economic and technological environment to enable matchmaking and support manufacturers and industries (mainly SMEs, including small artisans) of autonomous cognitive systems for human-robot interaction. A special focus in the project is on "cobots", dynamizing technology applications for the European market. To this end, VOJEXT will design, develop, validate, and demonstrate the usability of reliable, market-oriented, agile, multipurpose, and easily reused robotic systems. The developed solution is based on **autonomous, mobile and skillful robotic solutions** as the main component of an intelligent and scalable cognitive CPS for industrial applications. The goal is to provide a "Value Of Joint EXperimentation" (VOJEXT) of digital technologies in the manufacturing and construction industry; having various Digital Innovation Hubs (DHIs) as drivers of innovation-based economic development for the European territory.

DEFLeCT

DEFLeCT Project

Digital Technology for the Treatment of Lung Cancer.

The DEFLeCT project aims to realize an **innovative scientific-technological platform aimed at supporting the diagnosis and treatment of lung cancer**. Non-small cell lung carcinoma (NSCLC) was identified as a case-study because it is the most frequent histologic type and undergoes routine surgi-

cal resection when identified at an early stage. DEFLeCT will integrate established diagnostic practices for NSCLC with the most innovative genetic-molecular approaches, within a digital platform that can harmonize and enhance the content of all information from different sources, applying statistical and quantitative models. DEFLeCT will in this sense be an environment geared toward the medicine of the future, based on personalized treatments by enhancing and integrating various types of data and information. During the project, OSAI is involved in the Laser technology fabrication of Lab-On-Chip and microfluidic channels.

4CUSTHER

4CUSTHER Project

Custom heat-conductive coating composites.

The purpose of the project is to develop and test **new polymer composite materials with improved thermal conductivity**. The formulation of the new materials aims to meet thermal performance requirements of the semiconductor industry: conditioning and testing of **MEMS sensors**. The innovative material has the function of optimizing heat transfer between the conditioning system and MEMS sensors, and plays a crucial role in heat conduction. The project is focused on a coating for optimizing this interface. OSAI is a partner in the project in the role of industrial demonstrator, as it designs and manufactures machines for handling and testing MEMS sensors.

Left:
Depanelized PCB handling system, 2021



CHAPTER 3

SUSTAINABILITY IN OSAI

SUSTAINABILITY IN OSAI	3.0
MATERIALITY ANALYSIS	3.1
RISK AND OPPORTUNITY MANAGEMENT	3.2
SUSTAINABILITY GOVERNANCE	3.3
SUSTAINABILITY PROGRAM	
THE ECOVADIS ESG RATING	
OSAI STAKEHOLDERS.	3.4
ECONOMIC VALUE PRODUCED AND DISTRIBUTED TO STAKEHOLDERS	





3.0 SUSTAINABILITY IN OSAI

The Company is aware of the economic, social and environmental responsibilities that arise from its activities in the area, and believes that only by assessing and acting concretely within these aspects can continuity, growth, competitiveness and stability be guaranteed in the medium and long term.

Awareness of the impact that the Company's operations have on the local area pushes it toward a greater consciousness, which goes beyond business understood as a return on capital alone, in which Sustainability becomes a non-prescriptive element to ensure the growth of local economies and the protection of ecosystems.

In the explication of this approach, OSAI promotes **investments to reduce the consumption of natural resources**, through training and information activities aimed at stakeholders, through the efficiency of the facilities and buildings used, and by encouraging and incentivizing the transition to electric mobility.

OSAI has also been pursuing a path of social sustainability for several years, involving charities and associations with a high social impact that operate in the area, to guarantee them adequate support, and developing partnerships with neighboring companies to foster social and entrepreneurial development in the area.

A fundamental element for ensuring Sustainability in business choices over time is human capital: people, their sense of belonging and responsibility, which is the result of virtuous policies close to the needs of the Person and the Family, represent the core of sustainability presented according to OSAI.

Left:

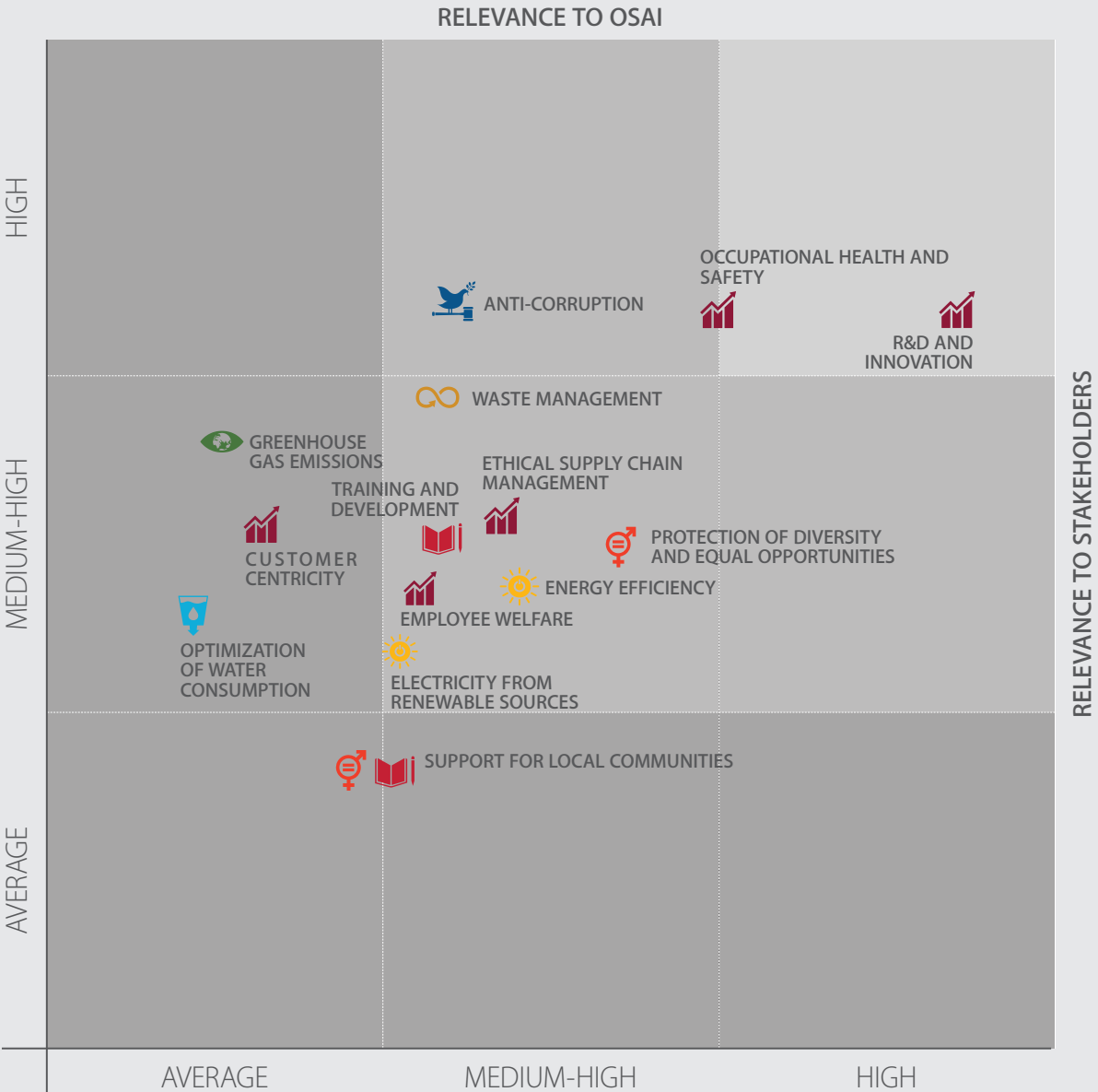
PHEV-BEV car charging stalls (M7), 2022



3.1 MATERIALITY ANALYSIS

In 2021, the Company, on the occasion of publishing its first Sustainability Report, carried out the so-called Materiality Analysis taking into consideration the guidelines of the latest publications by international standards, particularly the GRI Standards of the Global Reporting Initiative, regarding the principles of inclusiveness and materiality, which involve three

- steps:
- **the identification of the Aspects of Sustainability - PHASE 1**
- Activity that carefully examines all aspects of the OSAI context, selecting among them the most significant ones with the help of the indications contained in the Standards and



through the combination of factors related to the organization, such as: mission, values, strategies, quality and environmental management systems, organization, management and control model, code of ethics and risk analysis carried out.

• **the relevance for OSAI - PHASE 2**

Process through which each significant aspect of the context is assigned a weight or relevance to the Company, through the involvement of the Company's senior management and the Internal Sustainability Working Group.

• **relevance to Stakeholders - PHASE 3**

Activity involving the direct involvement of different categories of stakeholders-shareholders, customers, suppliers, banks, insurance companies, business partners, public administration, schools and universities-with the aim of determining the level of relevance of the identified Sustainability Aspects.

The Sustainability Team, in charge of the project to prepare the first Sustainability Report, then identified and confirmed the list of relevant stakeholder categories in order to define a comprehensive list of current and potential stakeholders aligned with the context in which the Company operates, which does not appear to have changed from what was defined during 2020. In line with the methodology followed, in 2021 the identified stakeholders were grouped into the following categories:

- Shareholders
- Banking and Insurance
- Customers
- Business Partners
- Public institutions
- School and University
- Employees
- Suppliers
- Local communities

The increased involvement of stakeholders and the explication of their positions on material

issues helped to verify the presence of any significant deviations in the assessments of ESG (Environment, Social, Governance) issues, the subject of biennial interviews, from the picture that emerged as a result of internal materiality surveys. The Materiality Matrix summarizes the outcome of this comparison and is seen as a coherent and current snapshot of the relevance of sustainability aspects expressed by stakeholders.

The Sustainability Working Group did not deem it necessary to update the Materiality Analysis defined as a result of the 2020 stakeholder - shareholder engagement, given the short time interval that elapsed between the present drafting and the previous publication, in line with what was defined in the Sustainability Report 2020 about the periodicity of updating the Matrix.



3.2 MANAGEMENT OF RISKS AND OPPORTUNITIES

The Company has always considered the mapping of risks related to business processes a priority, even in the period prior to the entry into force of the UNI EN ISO 9001:2015 standard, which expressly required organizations with a Quality Management System to determine risks and opportunities applicable to their context.

OSAI now annually defines an improvement action plan following a rigorous multidisciplinary analysis of the identified risks, built on the basis of the UNI EN ISO 31000:2018 guidelines, and which constitutes a key annex of the Management Review document and which constitutes a key annex of the Management Review document, validated by the Company's Chief Executive Officer.

As a result of obtaining UNI EN ISO 14001:2015 Certification in 2019, the analysis was expanded to include environmental aspects, thus defining, in the same way as created for the Quality Management System, impacts, related risks and mitigation actions.

Quality and Environmental Management Systems, certified by an accredited body recognized by the Italian government body Accredia for the certification of business management systems, are subject to annual oversight and issuance of three-year certificates. Parallel to external inspection visits, there are periodic field audit activities conducted by Osai staff and consultants that allow for updating the risk picture thus preventing penalties or losses due to critical issues that were not revealed in time and handled appropriately.

The certification path for the management systems in use will end in 2023 with the achievement of UNI EN ISO 45001:2018 certification, which will further refine the framework of risks and opportunities pertaining to QHSE (Quality, Health, Safety, Environment) issues applicable to the business context.

The Company's listing on the stock exchange in 2020 has also enabled the Company to become more aware of existing risks and opportunities, therefore initiating their management where deemed significant of additional risks. The Company is also focusing efforts to adopt, by the end of 2023, in the medium term, a System approach to ERM (Enterprise Risk Management) through involvement of:

- Board of Directors (BoD), to set strategic direction and periodically assess adequacy;
- Chief Executive Officer (CEO), regarding the establishment of the ERM System;
- Audit and Risk Committee, with duties of investigation and support to the CEO - under establishment;
- Board of Auditors, to ensure the effectiveness of the System.



<div> <div>8</div> <div>DECENT WORK AND ECONOMIC GROWTH</div> <div>  </div> </div> <div>R&D AND INNOVATION</div>	
RELEVANCE OF THE APPEARANCE	<p>In the Materiality Analysis, the issues of Research & Development and Innovation were considered highly relevant by both external stakeholders and the group of senior individuals who took part in the survey. The ability to continuously innovate and expand the technology portfolio is an element that ensures business continuity, a great ability to react to changing market contexts and trends while respecting the values of sustainability.</p>
DESCRIPTION OF THE RISK	<p>The solutions' provider profile recognized by the market, the co-development of solutions with the customer, require OSAI to have a constant ability to effectively manage the innovation process and experiment with new technologies to expand its technology portfolio to be made available to the market. The risk of having an inadequate technology portfolio, distant from needs, due to poor management of investment in research, development and innovation is a risk that needs to be managed to ensure continuity and growth.</p>
RISK MANAGEMENT AND OPPORTUNITIES	<p>In 2021, the establishment of the Innovation & Development Committee by the Board of Directors helped to effectively manage risk by evaluating and proposing to the executive body the projects deemed as priorities in different areas of action: new products/processes, product maintenance/improvement.</p> <p>A further area of focus during 2021 was the establishment of the Strategic Marketing function to support the Business Development area, which through new skills contributes to the definition of new strategies to enhance product positioning in the market and identify new opportunities.</p>

<div> <div>8</div> <div>DECENT WORK AND ECONOMIC GROWTH</div> <div>  </div> </div> <div>OCCUPATIONAL HEALTH AND SAFETY</div>	
RELEVANCE OF THE APPEARANCE	<p>Workplace health and safety issues are considered equally relevant to both OSAI's top functions and the stakeholders interviewed, as they are not only elements of a mandatory nature but are considered a basic right to be respected before any other.</p>
DESCRIPTION OF THE RISK	<p>OSAI believes that safe working conditions and the protection of the health of all workers at all times cannot be disregarded, so risk management plays a central role in the definition of processes and their monitoring, aware that an accident or occupational disease represents first and foremost physical and moral damage to the person, but also a high risk of interruption of the company's activity and business.</p> <p>By their very nature, the processes that characterize OSAI's activities are marked by risks that are not particularly high, when compared to the majority of manufacturing realities, and there are limited instances in which employees are faced with potentially damaging situations. The limited number of accidents in OSAI's now 30-year history are testimony to this.</p> <p>Activities such as manual handling of loads, start-up of systems in production, mechanical work with sporadic shooting of mechanical and light metalwork parts in the machine tool shop, and poor posture at the video display screen are the most significant risks surveyed in the risk assessment document.</p>
RISK MANAGEMENT AND OPPORTUNITIES	<p>Although the risks are few and easily manageable, the Company established a dedicated occupational health and safety function in 2015 to set up an Occupational Safety Management System (OSMS), which has contributed not only to the mapping of risks related to people safety issues in the Company, but also to the planning of investments needed to prevent risk situations. In 2022, further strengthening of the effectiveness of the SGSSL is planned through the start of the certification path according to the international reference UNI EN ISO 45001:2018.</p>



ANTI-CORRUPTION

RELEVANCE OF THE APPEARANCE

As is known under the terms of Legislative Decree 231/2001, the commission of "predicate offenses" (Art. 24 and subsequent Legislative Decree 231/01), including the crime of bribery, i.e., committed by employees and apical individuals to obtain an advantage for the company, may result in the administrative liability of the entity in the absence of an Organizational Model pursuant to Legislative Decree 231/01 implemented and effective. Looking at the materiality matrix, it is evident that stakeholders have assigned Anti-Corruption a high importance.

DESCRIPTION OF THE RISK

The failure to adopt an Organizational Model pursuant to Legislative Decree 231/01 makes the Company vulnerable with respect to the penalties provided for the crimes included in the Decree, which can be fines of up to 1.5 million euros, confiscation of the proceeds of the crime, disqualification from doing business, and exclusion from Public Administration tenders. In addition to what has been listed, the inevitable image damages resulting from the publication of the judgments with consequent impacts on the Company's reputation in the market cannot be excluded.

RISK MANAGEMENT AND OPPORTUNITIES

The approval and implementation of the Organizational Model pursuant to Legislative Decree 231/01, occurring in 2021, the appointment of a Supervisory Board (SB) composed of 3 external members and that of a contact person for the Board within the Company with high professionalism and experience in the legal field, can ensure the necessary protection toward the commission of the crimes included in the Decree. In addition to this, the Company also exploits the information gained from the risk mapping and inspection activities of the Supervisory Board, as well as from the activation of channels (whistle-blowing) for reporting behaviors that foreshadow behavioral violations with respect to Legislative Decree 231/01.



ETHICAL SUPPLY CHAIN MANAGEMENT

RELEVANCE OF THE APPEARANCE

Companies formally engaged in the management of UN Goal 8 must put in place concrete and demonstrable policies to ensure that the supply chain is managed in accordance with published or adopted codes of ethics, starting from the purchase of raw materials to the sale of the product. Both OSAI's senior functions and stakeholders rated this aspect of medium to high importance.

DESCRIPTION OF THE RISK

The risk of having a supply chain that is managed in a manner that differs from what is defined in the Code of Ethics adopted by the Company is significant because the supplier base is characterized by a very large number of companies with varied sizes, concentrated in different business sectors, and operating in geographic areas that are far apart. Such a context can be found in the articulation of processes in all medium- and large-scale manufacturing businesses globally and requires great care in the management of the supplier base. OSAI, for many years, has adopted specific procedures in order to monitor aspects deemed relevant to align its supply chain with the values expressed in its Code of Ethics as expressed in the specific chapter of this report.

RISK MANAGEMENT AND OPPORTUNITIES.

The Company has taken special care in drafting its Code of Ethics since 2018 so that it could, on the one hand, faithfully represent the business context and, on the other hand, the expectations of the Ownership and Management with respect to ethical and sustainability issues. Subsequent sharing of the document with all employees and later to its suppliers is an important assurance of compliance with ethical values, particularly for small- to medium-sized suppliers. OSAI believes that it is more than adequate to spread awareness among the apical functions toward compliance with the published Code, which is confirmed by the assessment provided on the materiality of the aspect, which is slightly more relevant than even the stakeholders themselves believe.



PROTECTION OF DIVERSITY AND EQUAL OPPORTUNITIES

RELEVANCE OF THE APPEARANCE

OSAI considered this issue of materiality more relevant than the stakeholders: this is probably the result of a review by the top functions on the reduced diversity, especially gender diversity, that characterizes the Company compared to the realities of the tertiary sector, which for several years have almost achieved gender parity.

DESCRIPTION OF THE RISK

The risk related to the lack of gender equality, for OSAI is mainly embodied in a smaller presence of the female gender among its employees compared to the male gender, which may lead to the conclusion that the actions put in place to mitigate the risk are insufficient. In any case, it should be considered that the type of activity carried out by the Company, namely the design and production of industrial automation systems, involves skills that are still predominantly the preserve of male figures, although the presence of women in STEM (Science, Technology, Engineering and Mathematics) education is growing significantly.

RISK MANAGEMENT AND OPPORTUNITIES

Analyzing the three-year period 2019-2020-2021 shows a steady growth in the presence of employees belonging to the female gender in percentage terms (from 18 percent of total employees in 2019 to 20 percent in 2021), even in roles historically occupied exclusively by men. The path taken confirms that gender diversity is truly perceived as a value by senior figures and managers at the different levels who follow personnel selection processes. OSAI's positive approach was recently recognized by the Bellisario Foundation, which awarded it the Woman Value Company Award in 2021.



TRAINING AND DEVELOPMENT

RELEVANCE OF THE APPEARANCE

Training and skill development are considered central issues of medium to high importance to all stakeholders. In a rapidly changing market environment, the testing and skill acquisition of human capital is an element that needs to be carefully guarded, also in a long-term outlook. Increasingly important, in addition to specific technical skills, cross-cutting enabling technologies such as digitization and soft skills are becoming more important in order to streamline relationships and create greater value for the Company.

DESCRIPTION OF THE RISK


The risk to the Company is the possible lack of both specific and transversal skills of its resources, based on the role and task, which are not sufficient to meet the Company's needs and expectations and thus meet the needs of the market, such as to create a negative gap with the competition and undermine its growth.

RISK MANAGEMENT AND OPPORTUNITIES

Presiding over the competencies of one's resources and comparing them with the needs of the market requires a great deal of attention. For this reason, the Company, through the human resources function, with continuity and employing the tools of evaluation, periodic surveys and listening activities, detects from the operational staff and responsible figures the training needs to be translated into an Annual Training Plan aimed at both the growth of resources and the development of new skills.

7

AFFORDABLE AND
CLEAN ENERGY



ENERGY EFFICIENCY

RELEVANCE OF
THE APPEAR-
ANCE

OSAI and stakeholders are aligned in their assessment of the materiality of the energy efficiency aspect, in part because of the fact that for the Company it is an issue of relevant and frequent investment, and for the sphere of stakeholders, it is universally regarded as indispensable.

DESCRIPTION OF
THE RISK


The risk of non-energy efficiency of buildings and facilities resulting in the need for increased energy use has been mitigated by OSAI through all the interventions that have been concluded on energy efficiency issues at the Parella (TO) production site. Since the production activity does not fall within the categories defined as energy-intensive, the interventions are limited to the management of consumption inherent in the buildings (electric and thermal utilities) and fleet management and travel.

RISK MANAGE-
MENT AND OP-
PORTUNITIES

The Environmental Improvement Plans on an annual basis and the multi-year Sustainability Program are the two tools through which OSAI manages needs and opportunities in the area of energy efficiency.

8

DECENT WORK AND
ECONOMIC GROWTH



EMPLOYEE WELFARE

RELEVANCE OF
THE APPEAR-
ANCE

Employee well-being is considered by all stakeholders to be of central concern, especially following the pandemic events of recent years that have placed greater emphasis on health and worklife balance. OSAI has been concretely committed for years to protecting the mental and physical well-being of its human capital by seeking, through work organization and corporate welfare plans, to improve the quality of life, seeking to achieve the right balance between work needs and personal and family needs.

DESCRIPTION OF
THE RISK

In this area, the risk identified by the Company is that of not guaranteeing its staff an adequate balance between the expectations of resources and the pay and welfare system put in place with the risk of losing attraction and competitiveness in the labor market compared to competitors, seeing reduced motivation of human capital, opportunities for growth related to increased resources or the flight of competent and qualified personnel.

RISK MANAGE-
MENT AND OP-
PORTUNITIES

OSAI to contain this risk establishes specific compensation and welfare policies that result in "basic" welfare plans for all employees and "on top" welfare for key figures in the Company. Through these "total reward" (mix of pay and welfare) policies, the dual purpose of increasing motivation, consequently goal attainment and reducing the risk of high professionals leaving for competitors is achieved.



CUSTOMER CENTRICITY

RELEVANCE OF THE APPEAR-ANCE

Customer centricity is seen by stakeholders as a factor of medium to high importance with greater prevalence for external stakeholders than for internal company figures for whom customer focus is part of the Company's shared values.

DESCRIPTION OF THE RISK

Customer Centricity is a choice that goes beyond meeting the explicit and implicit needs of customers and can result, if not carefully monitored and evaluated in terms of costs and benefits, in lower profitability or in the borderline case, the undermining of business continuity, if the company incurs higher costs in the face of systematic and non-legitimate customer demands.

OSAI operates in industries characterized by different contexts that require differentiated customer management strategies with targeted investments in multiple areas designed to maintain its market positioning or seize new business opportunities.

The risk of not overseeing, through periodic monitoring, the effects of these strategies could cause a systematic increase in over-quality costs with possible repercussions on the Company's expected profitability.

RISK MANAGEMENT AND OPPORTUNITIES

The risk of increasing costs and consequently reducing margins, in order to meet any unbargained for Customer expectation, can be significant in the absence of the correct garri-sons at the proposal, commercial and project management functions, i.e., the monitoring systems that allow verification of the contractual requirements set with Customers and the consequent cost trends.

In OSAI, through the application of specific tools defined within the business processes (e.g., project review of job order) the collaboration, between the different functional areas, allows to manage and contain the risk as well as to define possible investment strategies.



ELECTRICITY FROM RENEWABLE SOURCES

RELEVANCE OF THE APPEAR-ANCE

OSAI and all stakeholders are aligned in the materiality assessment on the aspect concern- ing the procurement of electricity from renewable sources. Despite the fact that OSAI is inherently non-energy intensive, the choice made over the years to follow this path repre- sents a distinctive and virtuous element.

Despite the fact that absorption needs were lower, the Company invested in the construc- tion of an oversized photovoltaic power generation park with the intention, over time, to expand its exploitation and consequently reduce the impact generated by the consump- tion of traditional sources for other utilities (see cars).

DESCRIPTION OF THE RISK

The supply of energy from renewable sources, particularly self-generated energy, implies the construction of infrastructure that may be insufficient to fully cover the Company's energy demand, or, on the contrary, excessive in relation to demand, with extremely long plant depreciation costs.

RISK MANAGEMENT AND OPPORTUNITIES

OSAI has equipped itself with a 263 kWp photovoltaic park that currently provides self-consumption of just under 50 percent of total electricity consumed, but considering the gradual replacement of the company car fleet with hybrid/plug-in and full electric cars and heat pump thermal systems, a gradual reduction in the share of energy sold to the GSE (self-consumption growth) and in the depreciation time of the systems is expected.

13

CLIMATE
ACTION

GREENHOUSE GAS EMISSIONS

RELEVANCE OF
THE APPEAR-
ANCE

The issue of emissions is seen by stakeholders as an issue of medium to high relevance, while for the Company, considering a better understanding of the internal context of its business and the virtuous choices made by the Company over the years, such as the acquisition of energy from renewable sources and self-production through its photovoltaic park, it was assessed as of medium relevance. In any case, it is noted that most stakeholders show a lack of knowledge toward the specific context to adequately answer the questions posed.

DESCRIPTION OF
THE RISK

The Company believes that given the small impact of its operations on the GHG emissions it produces-with emissions to the atmosphere [Scope 1] solely from the operation of natural gas boilers still in operation-is insignificant. The greatest risks may arise from non-compliance with air emission regulations and the resulting administrative penalties.

RISK MANAGE-
MENT AND OP-
PORTUNITIES

Certification of the Environmental Management System according to ISO 14001:2015 is a measure deemed effective in preventing violations that may affect the regulations on atmospheric emissions rather than the more stringent regulations promulgated by the Piedmont Region. Environmental certification is based on legislative compliance with applicable requirements, so in realities such as OSAI where the emissions aspect is applicable, the difference is made by the quality of external support in environmental legislative updates that one receives periodically and that the System guarantees.

4

QUALITY
EDUCATION

5

GENDER
EQUALITY

SUPPORT FOR LOCAL COMMUNITIES

RELEVANCE OF
THE APPEAR-
ANCE

The materiality assessment on the topic sees all stakeholders aligned. For OSAI, this is a heartfelt issue related to the social impact that its activity and corporate business wants to bring back to the territory in the medium and long term. The Company believes that a positive social impact in the area, promotes growth and development, and thus generates a favorable environment with positive repercussions for its business continuity as well.

DESCRIPTION OF
THE RISK

Failure to support the territory is a risk arising from the possibility of disappointing the expectations of the community, which OSAI must consider in its policies and manage concretely according to the values expressed in its Code of Ethics.

RISK MANAGE-
MENT AND OP-
PORTUNITIES

The Projects in the Territory, to which an entire section of this report is devoted, demonstrate, albeit partially, the implementation of the policies outlined within the OSAI Code of Ethics with regard to the external context. In terms of the internal context, the functional areas most involved in initiating local skills enhancement projects are the Procurement and Human Resources functions. This is done because the Company believes deeply in the ethical role of business entities towards Communities.

6

CLEAN WATER
AND SANITATION

OPTIMIZATION OF WATER CONSUMPTION

RELEVANCE OF
THE APPEAR-
ANCE

Stakeholders rated the water-saving aspect slightly higher than OSAI's senior stakeholder group did. This mismatch is due to a reduced knowledge of the company's reality on the part of external stakeholders, who are unaware of the actual use of the water resource in the company and intended only for sanitation use and not for industrial-type activities.

DESCRIPTION OF
THE RISK

The risk emerging is that consumption will not be aligned with the targets set, which are intended to stick to the estimates made on the basis of the user type identified as domestic.

RISK MANAGE-
MENT AND OP-
PORTUNITIES

Through the path that led OSAI's Environmental Management System to Certification during 2019, an improvement plan was initiated that allowed for structured monitoring of consumption and the initiation of important actions aimed at risk mitigation. To date, water consumption is reported with an indicator that provides summary information regarding the average daily efficiency of employees in their relationship with the water resource.



3.3 SUSTAINABILITY GOVERNANCE

This OSAI Sustainability Report is the product of the interdisciplinary discussion carried out by the Internal Sustainability Working Group. The working team, involving OSAI's senior functions, is the main governance tool for developing the ESG performance reporting system and potential improvement actions.

The Group, chaired by the CEO, consists of seven additional members: the Quality & Environment Manager, the Health & Safety Manager, the Human Resources Specialist, the Facility Manager, the Procurement Manager, the Chief Financial Officer, and the Communication & PR Manager.

OSAI's Board of Directors has delegated to the CEO the broadest decision-making powers on sustainability issues, which are concretely translated first of all into the refinement and approval of the Sustainability Plans devised by the Internal Sustainability Working Group, and subsequently reporting to the Board of Directors:

- achievements;
- the monitoring and verification activities that are organized and carried out;
- problems and critical issues also emerged through the management reviews produced by the different management systems adopted in the company (quality, environment and safety);


There are also information flows to the Board of Statutory Auditors, the Supervisory Board and the Auditing Firm.


Left:






Council Chamber "Carlo Ferrero," Parella (TO) headquarters, 2022





SUSTAINABILITY PROGRAM

ASPECT / SDG	TARGET 2021-2023	ACTIVITIES CARRIED OUT	STATUS
<p>OPTIMIZATION OF WATER CONSUMPTION</p> 	<p>$I_{CIGD} = 35 \text{ L}$</p> <p>Liters/ workday/ worker</p>	<p>ACTIONS ON BUILDINGS:</p> <ol style="list-style-type: none"> 1. Tests at volume meters to rule out leaks along pipelines between withdrawal points and intakes from the municipal waterworks. 2. Identification of buildings at which to start potential worksites for the installation of water-saving devices (aerators on faucets and dual-button toilet bowls). 3. Installation of informational signs at all restrooms to raise staff awareness toward water consumption reduction. <p>ACTIONS ON THE MANAGEMENT SYSTEM:</p> <ol style="list-style-type: none"> 1. Increased frequency of monitoring of water volumes withdrawn: from readings every 6 months to readings every 3 months. 2. Refinement of the computerized reporting system of plant access and remote activities (remote working) to support more meaningful KPIs (I_{CIGD}) in the presence of dual work mode than the previous indicator (I_{AI}). 3. Change from I_{AI} Indicator (L/Employee) to I_{CIGD} Indicator (Liters/workday/worker); <p>ACTIONS ON PERSONNEL:</p> <ol style="list-style-type: none"> 1. Internal staff sharing of Goal 2021 and public reporting of 2020 results through a dedicated article on internal company blog. 2. Development of a thematic comic strip "Mr. Osai Goes Green," aimed at raising awareness of water conservation both at work and at home with useful tips, and disseminated on the company website, publicized through the internal blog, and distributed at the M7 production area for visiting employees and customers. 	<p>$I_{CIGD} \leq 35.88 \text{ L}$</p> <p>Liters/day labor/worker</p> <p>SMALL OVERRUN +2.51%</p> <p>TARGET TO BE REACHED SOON (2022)</p>

ASPECT / SDG	TARGET 2021-2023	ACTIVITIES CARRIED OUT	STATUS
ENERGY EFFICIENCY 	$IEA \leq 5.6 \text{ m}^3/\text{m}^2$	<p>ACTIONS ON THE FACILITIES:</p> <p>Completed in October 2020 the transition of the boiler farm (Paper Mill Complex) to steam condensing technology. The installation of the last two modules serving the E1 production area (for a total of 102.3 kW) ends the plant replacement campaign launched during 2015, and which, on several occasions, has enabled a gradual reduction in gas consumption and the abatement of emissions.</p> <p>ACTIONS ON BUILDINGS:</p> <ol style="list-style-type: none"> 1. Re-roofing and insulation in front of Area U4 (occurred in 2018). 2. Decommissioning of boilers at Area U4 following the installation of heat pump thermal systems (electrically powered). 	<p>$IEA = 6.08 \text{ m}^3/\text{m}^2$</p> <p>OVERRUN +8.57%</p> <p>TARGET TO BE REACHED SOON (2022)</p>
ENERGY EFFICIENCY 	$ICA \geq 60\%$ percentage average self-consumed energy	<p>ACTIONS ON PLANTS:</p> <p>Since 2016, the company's photovoltaic park has been increased to the current plant size of 263 kWp, which sees:</p> <ul style="list-style-type: none"> - 82.5 kWp at the Paper Mill Complex; - 80.6 kWp at Shed M6; - 99.9 kWp at Shed M7. 	<p>$ICA = 55\%$.</p> <p>SMALL OVERRUN OF -8.33%</p> <p>TARGET TO BE REACHED SOON (2023)</p>
WASTE MANAGEMENT 	$IR \leq 0.5$ kg/k€ Kg of waste produced per k€ of production value generated.	<p>ACTIONS AIMED AT THE REUSE OF WOOD PACKAGING</p> <p>Systematic return of wooden crates to machinery suppliers purchased during the year of 1,892 kg, up 46% from the 2020 figure.</p>	<p>$IR = 0.8$</p> <p>kg/k€</p> <p>production waste/value of production</p> <p>OVERRUN +60%</p> <p>2021 GOAL NOT ACHIEVED due to the regulatory change introduced by Decree 116/20, which significantly reduced the share of waste assimilated to municipal solid waste in 2021, effectively increasing the share of special waste compared to 2020.</p> <p>TARGET TO BE REPLANNED AT $IR = 0.7$</p> <p>kg/k€ val.prod.</p>

ASPECT / SDG	TARGET 2021-2023	ACTIVITIES CARRIED OUT	STATUS
GREENHOUSE GAS EMISSIONS 	<p>Average_{CO2} emission value</p> <p>On company fleet cars ≤ 120 g/km</p> <p>percentage of plug-in hybrid/electric cars ≥ 12 percent</p>	<p>CAR POLICY UPDATE</p> <p>The Corporate Car Policy drafted in July 2021 calls for 21 hybrid/PHEV cars (with WLTP emissions below 50g/km_{CO2}) out of the total of 40 available.</p>	<p>Average_{CO2} emission value</p> <p>= 115 g/km</p> <p>Share of plug-in hybrid/electric cars.</p> <p>= 24.5%</p> <p>GOAL ACHIEVED</p>
GREENHOUSE GAS EMISSIONS 	<p>25,000 km/month</p> <p>Intended for commercial flights (short-medium-long range)</p>	<p>UPDATE INCENTIVE PLANS FOR SALES MANAGERS</p> <p>Incentive plans containing targets aimed at reducing business travel.</p>	<p>4,481 km/month</p> <p>Commercial Flights</p> <p>(short-medium-long range)</p> <p>GOAL ACHIEVED</p>
PROTECTION OF DIVERSITY AND EQUAL OPPORTUNITIES 	<p>Inclusion of additional figures with disabilities</p>	<p>Added a new disabled person to the workforce as part of the Atlantide Project (job placement of autistic individuals).</p>	<p>GOAL ACHIEVED</p>
SUPPORT FOR LOCAL COMMUNITIES 	<p>Collaboration with local entities to support projects for inclusion and bringing individuals with disabilities closer to the world of work.</p>	<p>During 2021, OSAI supported through the provision of areas, technological equipment and expertise, the project initiated by the Andirivieni Cooperative, Ivrea Job Center in order to initiate boys with disabilities on specific activities managed by the Cooperative.</p>	<p>GOAL ACHIEVED</p>
ANTI-CORRUPTION 	<p>Specific training plan on crimes pursuant to Legislative Decree 231/01 to senior figures and those with responsibilities.</p> <p>Adoption of the Organization, Management and Control Model (Legislative Decree 231/01)</p> <p>231 Supervisory Board (SB) appointed.</p>	<p>In 2021, 10 training sessions were organized aimed at the apical individuals who may incur the commission of the crimes provided for in Legislative Decree 231/01, for a total of 9.2 hours of training held by legal professionals from outside the Company.</p> <p>On March 12, 2021, the Board of Directors appointed the Supervisory Board (SB) which will remain in office until the date of the Shareholders' Meeting convened to approve the Annual Report for the year ending December 31, 2022. As of today's date, the Supervisory Board consists of 3 external members.</p> <p>On March 26, 2021, the Board of Directors adopted the "Organization, Management and Control Model of OSAI A.S. S.p.A." pursuant to Legislative Decree no. 231/2001</p>	<p>GOAL ACHIEVED</p>

ASPECT / SDG	TARGET 2021-2023	ACTIVITIES CARRIED OUT	STATUS
EMPLOYEE WELFARE 	Periodic updating of the Welfare Plan and policies on employee benefits such as the Company Car Policy in order to incorporate new needs and adapt to the changing environment.	<p>The following documents outlining actions to increase staff well-being were updated during 2021:</p> <ul style="list-style-type: none"> Welfare Plan 2021 expanded to include 3 new homogeneous groups and new features in the area of subsidized employee loan management; Incentive plan and travel management 2021 with the inclusion of hardship allowance recognized for quarantine periods abroad; Provisions for the management of remote working up to 40 percent of total working days. Car Policy drafted in July 2021 provides for 21 hybrid/PHEV cars (with WLTP emissions below 50 g/km_{CO2}) out of 40 that can be ordered. 	GOAL ACHIEVED
R&D INNOVATION 	Establishment of a dedicated structure for investment management in innovation development projects.	<p>The Innovation & Development Department saw the addition of 3 new resources (+ 60%) in 2021, dedicated to projects promoted by the Innovation & Development Committee (CI&S) and approved by the Board of Directors.</p> <p>In 2021, 30 projects were managed with an investment of more than 2.5 million euros</p>	GOAL ACHIEVED



THE ECOVADIS ESG RATING

A few months after the publication of the first sustainability report in September 2021, OSAI wanted to obtain an impartial and universally recognized assessment of the attention shown to compliance-based sustainability issues:

- to the international standards of the Global Reporting Initiative (GRI);
- to the UNI ISO 26000 Guidelines on the Social Responsibility of Organizations;
- to the UN Global Compact Principles.

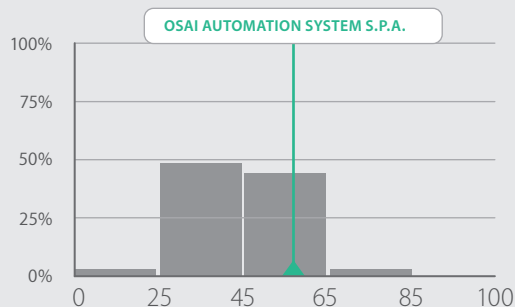
EcoVadis, one of the leading international consulting firms specializing in social and environmental sustainability assessments and ESG issues for the past 15 years, with a current network of 90,000 companies assessed in 175 countries, was selected to make this a reality.

As a result of the evaluation carried out by comparing companies in the identified association sector (general machinery manufacturing), OSAI was awarded the "silver medal," which is a score that places the company within the 74th percentile of evaluated companies demonstrating that only 26 percent of the companies under analy-



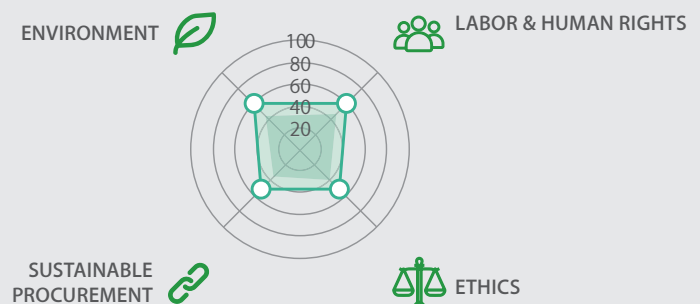
sis obtained higher values. The strengths that emerged were identified in the areas of Environment and Labor-Human Rights. Considering the severity of the analysis conducted, which took several months, and despite the fact that the sustainability reporting process initiated by OSAI is very recent, the result obtained demonstrates that the principles and values that guide the company are reflected in the day-to-day operations and results achieved.

Overall score distribution



● All companies evaluated by EcoVadis in this sector

Scores recorded



○ Score OSAI AUTOMATION SYSTEM S.p.A. (GROUP)

● All companies evaluated by EcoVadis in this sector



3.4 OSAI STAKEHOLDERS

Identifying OSAI's stakeholders is an essential activity to define their needs and expectations. The Company employs a matrix representation method of stakeholder needs that allows it to effectively sort through the stakeholders who most influence business decisions and strategies, and then integrate the insights gained into dedicated sections of the Corporate and Environmental Risk

Analyses.

The table below shows the expectations of different categories of stakeholders, the communication tools OSAI uses according to the specific type of stakeholder, and those who hold responsibility in the Company for managing information and dialogue activities.

STAKEHOLDER	EXPECTATIONS	COMMUNICATION TOOLS	RESPONSIBILITY
PROPERTIES SHAREHOLDERS	<ul style="list-style-type: none"> - Risk analysis of all the Company's business sectors - Transparency and honesty of the Company in communicating results to stakeholders - ESG performance reporting - Investment plan, financially, socially and environmentally sustainable - Effectiveness in communication related to products, adherence to international calls, certifications, public awards and collateral activities 	<ul style="list-style-type: none"> - Annual Operating Budget - Sustainability Report (ESG Report) - CEO reports on the activities Aof the Innovation & Development Committee and the Sustainability Working Group. - Corporate website 	BOD CEO
EMPLOYEES PROCESS OWNERS	<ul style="list-style-type: none"> - Timely and transparent update on company performance, welfare initiatives, and market recognition - Investment in employee training to fill gaps in the specific task or acquire new skills 	<ul style="list-style-type: none"> - Corporate Blog - Internal assemblies - Corporate Website - Informational communications on goals and outcomes - Corporate Training 	CEO Q&E Manager HR Manager

STAKEHOLDER	EXPECTATIONS	COMMUNICATION TOOLS	RESPONSIBILITY
CUSTOMERS	<ul style="list-style-type: none"> - Transparency and honesty of the Company in reporting results - Effectiveness in communication related to products, adherence to international calls, certifications, public awards and collateral activities 	<ul style="list-style-type: none"> - Annual Operating Budget - Sustainability Report (ESG Report) - Corporate website - Business Presentations 	<p>BOD CEO Sales Managers</p>
SUPPLIERS	<ul style="list-style-type: none"> - Transparency and honesty of the Company in reporting results - Financially, socially and environmentally sustainable investment plan - Timely and transparent update on business results and new product launches. - Detailed explanation of the requirements of goods and services 	<ul style="list-style-type: none"> - Annual Operating BudgetA - Sustainability Report (ESG Report) - Corporate website - During contract negotiations (General Terms and Conditions of Purchase). 	<p>BOD CEO Procurement Manager</p>
LENDING INSTITUTIONS	<ul style="list-style-type: none"> - Risk analysis of all the Company's business sectors - Transparency and honesty of the Company in communicating results to stakeholders - ESG performance reporting - Investment plan, financially, socially and environmentally sustainable - Effectiveness in communication related to products, adherence to international calls, certifications, public awards and collateral activities. 	<ul style="list-style-type: none"> - Annual Operating Budget - Sustainability Report (ESG Report) - Corporate website 	<p>BOD CEO</p>
COLLECTIVITY	<ul style="list-style-type: none"> - Effectiveness in communication related to products, adherence to international calls, certifications, public awards and collateral activities - Communication of ESG performance - Financially, socially and environmentally sustainable investment plan 	<ul style="list-style-type: none"> - Corporate website - Magazine editorials, TV interviews, etc. 	<p>CEO PR & Communication Manager</p>

ECONOMIC VALUE PRODUCED AND DISTRIBUTED TO STAKEHOLDERS



OSAI recognizes the importance of balancing the distribution of the Value generated by its activities to the stakeholders who have directly or indirectly contributed to its creation.

Analysis of Economic Value Generated and Dis-

tributed highlights the flow of resources produced by the company and directed to its employees, suppliers, shareholders and lenders, public administration and community, as well as those retained by the company for self-financing.

ECONOMIC VALUE PRODUCED AND DISTRIBUTED [€]	2019 OIC	2020 OIC	2020 IAS	2021 IAS
A. Economic value produced	38,560,599	32,314,060	33,153,609	32,614,656
B. Economic value distributed	33,834,094	28,971,668	28,291,551	28,265,979
Operating costs	22,333,968	17,203,410	16,153,585	15,442,021
Salaries and employee benefits	10,601,439	11,395,420	11,921,677	12,671,094
Payments to capital providers	238,305	273,069	119,062	81,687
Payments to Public Administration	602,271	5,378	2,836	30,580
Investments in the community	58,111	94,391	94,391	40,597
(A-B) Economic value retained*	4,726,505	3,342,392	4,862,058	4,348,677

NOTE - The Company's financial statements as of December 31, 2021 were prepared for the first time in accordance with IAS/IFRS. Therefore, to enable a proper comparison between 2019-2020-2021 figures, the table above shows the values expressed under the previously adopted accounting standards, OIC 16, and those under IAS/IFRS.

* the share of economic value retained as a result of applying IAS/IFRS tends to increase because it includes depreciation related to the costs of property, plant and equipment that were included in operating costs in the financial statements under national standards (OIC).

The **Economic Value produced** in 2021 is Euro **32.6 million** while the Economic Value distributed is about Euro 28.3 million.

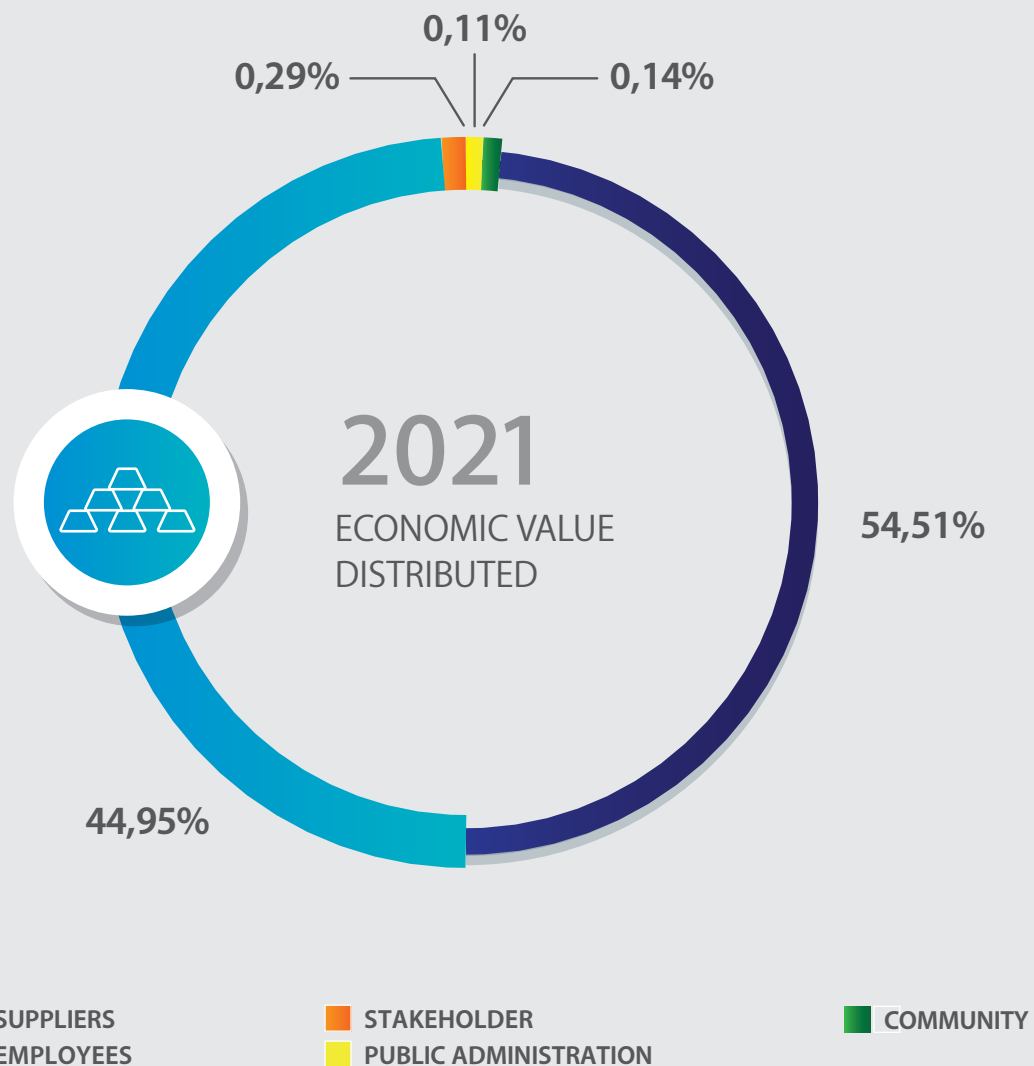
Retained Economic Value, Euro 4.35 million, is the difference between value generated and value distributed; this value is invested in the company and consists mainly of depreciation, amortization, write-downs and provisions for risks.

The Economic Value distributed in 2021 is divided among the following stakeholders:

- the largest amount, **15.4 million**, relates to costs incurred for the purchase of materials and services necessary for the company's busi-

ness: **suppliers** of machinery, mechanical parts designed by the company, carpentry, services, software, etc;

- Approximately **12.7 million** in salaries, social security and pension contributions were distributed to **employees**;
- **81.7 thousand** euros refers to payments to capital providers, **shareholders and lenders** in the form of profits and interest;
- **30.6 thousand** were paid to the **government** in the form of taxes;
- **40.6 thousand** to the **community** to support associations, organizations, projects for socio-economic development and growth of the area.



CHAPTER 4

GOVERNANCE, ETHICS AND INTEGRITY

GOVERNANCE, ETHICS AND INTEGRITY	4.0
CORPORATE GOVERNANCE	4.1
GOVERNING AND CONTROLLING BODIES	
INSTRUMENTS OF GOVERNANCE AND CONTROL	
ANTICORRUPTION	4.2
ORGANIZATION, MANAGEMENT AND CONTROL MODEL	
CODE OF ETHICS	
MANAGEMENT SYSTEMS AND CERTIFICATIONS	4.3
QUALITY MANAGEMENT SYSTEM ENVIRONMENTAL MANAGEMENT SYSTEM OCCUPATIONAL	
HEALTH AND SAFETY	

BORSA

1° giorno di
quotazione

1° giorno
di quotazione

London
Stock Exchange Group

1°

giorno di
quotazione



Borsa Italiana



Osai
automation systems

BORSA



4.0 GOVERNANCE, ETHICS AND INTEGRITY

OSAI's Governance system is geared toward maximizing value, controlling risks, maintaining and developing relationships of trust with its stakeholders as well as protecting and safeguarding the environment and territory for sustainable and supportive development.

Ethics and integrity, beyond mere compliance with the law, are an ongoing commitment of the Company and characterize the behavior of the entire organization.

Following the listing on the AIM segment, now Euronext Growth Milan (EGM), and the adoption of the new corporate and governance structure required for listed companies, the Company was inspired by the principles of the Corporate Governance Code approved by Borsa Italiana and integrated in its definition of internal governance some aspects reported in the Corporate Governance Code issued by Borsa Italiana.

This has made it possible, for example, to ensure an adequately sized and balanced governing body with more independent directors than required for companies listed on AIM (now EGM) and respecting gender diversity (2/5 and not just 1/3), as well as ensuring cross-cutting skills and experience important for the development of the Company and more restrictive criteria for assessing the independence of board members.

Left:
Osai's first day at Piazza Affari
3rd November 2020

Environmental

Social

Governance

4.1 CORPORATE GOVERNANCE

OSAI's Corporate Governance is articulated according to the so-called "traditional" model and provides:

- Shareholders' Meeting;
- Board of Directors;
- Board of Auditors;
- Supervisory Board;
- Statutory auditing company.

The Board of Directors is appointed by the Shareholders' Meeting on the basis of lists submitted by shareholders who collectively represent at least 5 percent of the ordinary share capital.

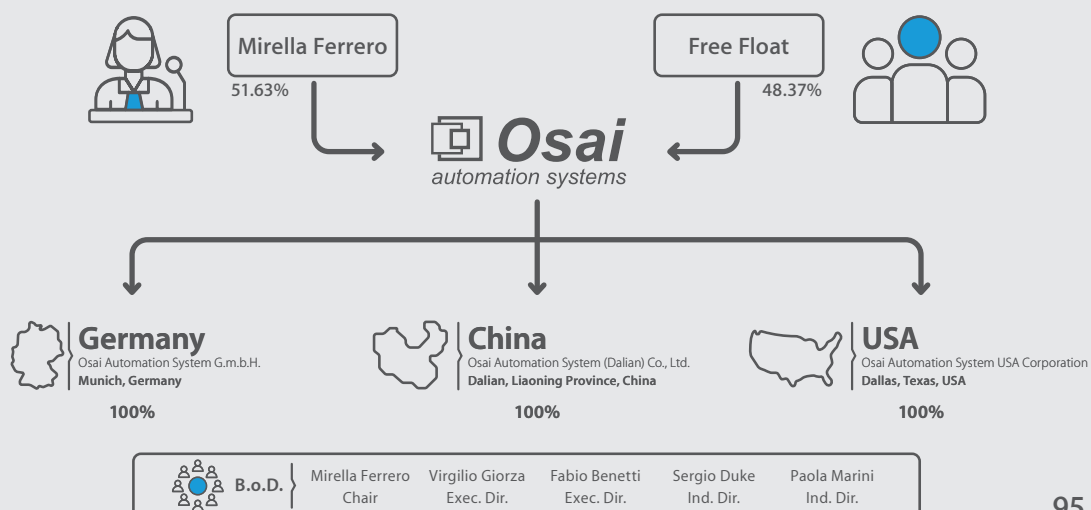
The actions of OSAI S.A. S.p.A. are traded on EGM, a multilateral trading system organized and managed by Borsa Italiana and dedicated to small and medium-sized companies with high growth potential.

Responsibility for corporate management is therefore vested in the Board of Directors while supervisory functions are assigned, for their respective areas of responsibility, to the Board of Statutory Auditors and the Supervisory Board. Statutory audit and accounting control are delegated to the Auditing Company, appointed by the Board of Directors.

The structure of OSAI S.A. S.p.A. and the shareholder base is represented as follows as of 12/31/2021:

- The subscribed and paid-up share capital is 1,598,640.90 euros divided into 15,986,409 ordinary shares with no indication of par value.
- The **Company's major shareholder is Mirella Ferrero** who holds 8,254,000 shares as of the date of publication of this document, representing 51.63% of the share capital while the "free float," shares held by the market, is 48.37%.

The market share has been represented since the IPO by domestic and international institutional investors who have invested in the Company in order to support and enhance its long-term growth by ensuring Osai's stability and security. The Shareholders' Meeting meets to deliberate periodically on matters defined by the Company's Articles of Association and in accordance with applicable laws. The main tasks of the Assembly are the appointment of the Board of Directors, the Board of Statutory Auditors, and the approval of the Annual Report.





COMPLIANCE

GOVERNING AND CONTROLLING BODIES

BOARD OF DIRECTORS

The Board of Directors was appointed by the Shareholders' Meeting on October 7, 2020, and will remain in office until the approval of the Financial Statements as of December 31, 2022.

As the governing body, the Board of Directors is responsible for ensuring the Company's growth with respect to Sustainability in the medium and long term in accordance with the input received from its stakeholders. The task of this body is to ensure, through an appropriate system of internal controls and risk management, the proper management of the company in transparency to the market and its investors. All duties and responsibilities within the Board of Directors, or

delegated to other parties, have been duly resolved by the Shareholders' Meeting and are on the Company's records.

The current Board of Directors consists of **5 members, 2 of whom are independent**. The Company's website¹ lists, for each director, the role, nationality, date of appointment, and independence; the curriculum vitae of each member is also available. Twelve board meetings were held in 2021.

The OSAI Board of Directors has a balanced ratio of different genders, maturities and professional skills.

In the year 2021, in the face of intense board activity, corresponding to one meeting per

Position	Name	Executive	Non-executive and independent	% attendance at meetings
Chairperson	Mirella Ferrero	X		100%
Chief Executive Officer	Fabio Benetti	X		100%
Councilor with proxies	Virgilio Giorza	X		100%
Independent director	Paola Marini		X	100%
Independent director	Sergio Duke		X	100%

Board members by age and gender	Men	Women
Less than 30 years old	0	0
Between age 30 and 50	1 (20%)	0
Over age 50	2 (40%)	2 (40%)

Professional background	-
Entrepreneurship	1 (20%)
Management	2 (40%)
Self-employed	1 (20%)
University and Research	1 (20%)

month, there was a 100% attendance rate by all incumbent board members, reflecting the

professionalism and adequate availability shown in the performance of the office.

1) <https://osai-as.com/organi-societari-e-di-controllo>

COMMITTEES AND WORKING GROUPS

To date, the Board of Directors has established the Related Parties Committee (internal consulting committee), the Innovation & Development Committee, and the Internal Sustainability Working Group.

The Related Party Committee ("RPT Committee") is provided for in the Related Party Transactions Procedure ("RPT Procedure") and the Company's Articles of Association in compliance with the provisions of the EGM Issuers' Regulations. The RPT Committee is composed of the Independent Directors from time to time in office, whose task is to formulate opinions on the Company's interest in carrying out related-party transactions, as well as on the appropriateness and substantive fairness of the related conditions. During 2021, the Committee did not instruct any related party transactions.

The Innovation & Development Committee, mentioned earlier², has advisory, investigative and propositional functions to support the decisions of the Board of Directors about R&D activities. The Committee consists of five members: the Director Delegated to "Research & Development" by the Board of Directors; the heads of the strategic corporate functions of the Business Development, Operations, Innovation & Development Areas; and

the Chief Technology Officer of the Company. During 2021, the committee met five times.

Also established in 2021, by resolution of the Board of Directors, was the Internal Sustainability Working Group, chaired by the CEO, whose purpose is to coordinate the activities included in OSAI's Sustainability Plan³ and to monitor and support reporting activities for the purposes of the Sustainability Report. During 2021, the Internal Working Group was mainly concerned with updating the three-year Sustainability Plan, which was launched in 2021, in light of the achievements in Environmental Management and the changes that occurred in all other areas represented in the Group, namely Health and Safety, Human Resources, Governance, Public Relations & Communication, Procurement and Finance, as well as updating the contents of this publication.

BOARD OF AUDITORS

The Board of Auditors was appointed by the Shareholders' Meeting on October 7, 2020, and will remain in office until the date of the Shareholders' Meeting convened to approve the 2022 financial statements. The Board of Auditors consists of three Standing Auditors and two Alternate Auditors. All members of the Board of Auditors meet the requirements of integrity and professionalism required by Art. 2399 of the

Innovation & Development 2021 committee meetings

Date	Agendas
January 21, 2021	<ul style="list-style-type: none"> - Appointment VP and Secretary - Presentation Committee tasks - Review of project evaluation tool
January 29, 2021	<ul style="list-style-type: none"> - Revised assessment tool with the addition of changes defined by the committee - Project evaluation session
February 8, 2021	<ul style="list-style-type: none"> Verify status of project information collection Project evaluation review
May 20, 2021	<ul style="list-style-type: none"> - Ongoing changes for contingencies and project-specific needs - Defining method and procedure for dealing with further similar variations - Project evaluation review
5 October 2021	<ul style="list-style-type: none"> Project evaluation review

2) For more details see p.99

3) For more details see p.81

Italian Civil Code.

Position	Name	% attendance at board meetings
Chairperson	Ignazio Pellecchia	100%
Acting auditor	Alberto Pession	100%
Acting auditor	Luca Barbareschi	100%
Alternate Auditor	Alessandro Cislaghi	
Alternate Auditor	Gabriella Bastia	

The Board of Auditors is composed of:

SUPERVISORY BOARD

The Supervisory Board (SB), pursuant to Art. 6, paragraph 1, letter b) of Legislative Decree

no. 231/2001, was appointed by the Company's Board of Directors on March 12, 2021, and will hold office until the date of the Shareholders' Meeting convened to approve the Annual Report for the year ending December 31, 2022. As

Position	Name
SB Chairperson	Julius Tedeschi
Member	Andrea Cammarota
Member	Domenico Laterza

of today's date, the Supervisory Board consists of 3 external members as follows:

During 2021, the SB met in 3 sessions and carried out audits of internal procedures and audits of internal personnel responsible for managing information flows. There were no reports to the SB in the reporting period.





INSTRUMENTS OF GOVERNANCE AND CONTROL

ORGANISATION, MANAGEMENT AND CONTROL MODEL⁴

The Board of Directors of OSAI on March 26, 2021 adopted the "Organization, Management and Control Model of OSAI A.S. S.p.A." (hereinafter the "Model"), pursuant to Legislative Decree no. 231/2001, aimed at preventing the commission of crimes that may result in the Company's liability.

THE SYSTEM OF INTERNAL CONTROL AND RISK MANAGEMENT

OSAI's system of internal control and risk management includes a set of rules and procedures, as well as organizational structures designed to identify, measure, manage and monitor the company's main risks. The Board of Directors, which is responsible for the system of internal control and risk management, sets the guidelines for the system of internal controls and subsequently verifies its adequacy, effectiveness and proper functioning in relation to the main business risks.

The implementation of the Board's guidelines and the maintenance of the internal control system are entrusted to the CEO in order to ensure the concrete operation and overall adequacy of the system. OSAI's Internal Control System also includes a series of Organizational Models, policies and procedures adopted by the Board of Directors as well as certifications obtained that direct the Company's activities towards the main business risks.

CYBER SECURITY

In 2021, OSAI wanted to take a closer look at the cybersecurity of its ICT infrastructure by commissioning a specialized consulting firm to conduct an assessment based on the UNI CEI EN ISO/IEC 27001:2017 reference scheme. This Standard is the reference for building, managing, reviewing and continuously improving an Information Security Management System (ISMS).

Thirty-five areas were analyzed according to an expectation of 75% coverage of individual aspects. Despite the fact that the construction of the IT infrastructure in use by the Company took place progressively over the years, and without the support of a regulatory track, there was a **74.3 percent of the areas examined within the domain correlated with 50 to 75 percent (or higher) implementation of ISO 27001.**

The audit also made it possible to define:

1. Possible risk scenarios;
2. Improvement plan;
3. Timely analysis of individual aspects, with outcomes, goals and notes for improvement.

The audit was planned and successfully completed with a view to future implementation of a comprehensive ISMS aligned with the applicable regulatory requirement (ISO 27001).

4) See chapter "Anticorruption" p. 103



PROCEDURE FOR DISCLOSURE OF INSIDE INFORMATION⁷

The Procedure has been adopted by the Company in application of the AIM Italia Issuers' Regulation (now EGM) and European legislation, first and foremost Regulation 596/2014/EU on market abuse as amended ("MAR Regulation"). The purpose of the Procedure is to ensure compliance with the relevant legal and regulatory provisions in force and to guarantee compliance with the utmost confidentiality and privacy of Inside Information and Material Information. The Procedure is aimed at ensuring greater transparency to the market and adequate preventive measures against market abuse and, in particular, against the abuse of Inside Information.

The Procedure establishes the criteria and process for the handling and disclosure of Inside Information as well as for determining whether conditions exist for delaying its disclosure.

RELATED PARTY PROCEDURE⁸

In accordance with the provisions of the Euronext Growth Milan Issuers' Regulations, the Related Party Transaction Procedure was prepared based on Consob Regulation no. 17221 of March 12, 2010.

The Bylaws and Procedure also contain all the provisions regarding the process and conditions necessary for the approval of related party transactions by the competent body, Shareholders' Meeting and Board of Directors.

INTERNAL DEALING PROCEDURE⁹

The Internal Dealing Procedure was implemented by OSAI, following the submission to Borsa Italiana S.p.A. of the Company's application for admission to trading on AIM Italia, in application of Article 31 of the AIM Italia (now Euronext Growth Milan) Issuers' Regulations, as well as in compliance with the MAR Regulations.

The Procedure prescribes a series of obligations and limits regarding the possibility for OSAI's staff and affiliates who regularly have access to insider information, by reason of their relationship with the Company (the so-called "Relevant Persons"), to carry out transactions in the shares and financial instruments issued by the Company, in order to avoid market abuse and cases of "insider dealing" by the persons themselves.

PROCEDURE FOR MANAGING THE INSIDER REGISTER¹⁰

The Procedure for the Management of the Insider Register was also adopted by the Company in application of the AIM Italia (now Euronext Growth Milan) Issuers' Regulations and the MAR Regulations.

Pursuant to the Procedure, the Company has established, the "Insider Register," prepared in electronic format to ensure the confidentiality of information, which includes the list of all those who may have access to Inside Information and with whom there is a professional relationship. The Insider Register shall be updated promptly and shall be transmitted without delay to the competent authority whenever the latter requests it.

7-8-9-10) For more details see the company's website <https://osai-as.com/documenti-societari>

4.2 ANTI-CORRUPTION

The Company has defined in its Code of Ethics and Code of Conduct the safeguards in place to prevent acts of corruption. These principals and values are conveyed to all employees and external personnel working with the Company both in hiring and in entering into supply or sales contracts.

The **Organization, Management and Control Model** under Legislative Decree no. 231/2001 mapped out the areas at risk of committing corruption offenses, and provided specific principles of behavior to which OSAI managers

and employees are bound in order to avoid the commission of crimes. The **Supervisory Board** plays an important role in anti-corruption activities by collecting that information and data that can enable it to identify potentially risky behavior particularly towards the Public Administration - not only Italian - but also towards private parties.

Since its establishment, the Supervisory Board has not detected any incidents of corruption within the Company.



ORGANIZATION, MANAGEMENT AND CONTROL MODEL

The Board of Directors of OSAI on March 26, 2021 adopted the "Organization, Management and Control Model of OSAI A.S. S.p.A." (hereinafter the "Model"), pursuant to Legislative Decree no. 231/2001, aimed at preventing the commission of crimes that may result in the company's liability.

The Model, in accordance with the provisions of Art. 6 Legislative Decree no. 231/2001, which provides that the Model may be adopted "on the basis of codes of conduct drawn up by the associations representing the entities, communicated to the Ministry of Justice, which, in consultation with the relevant ministries, may make [...] observations on the suitability of the models to prevent crimes," was adopted on the basis of the Confindustria Guidelines.

The implementation of the Model is a significant improvement of OSAI's system of internal control garrisons in line with best practices and **aims to further strengthen the internal control and risk management system.**

Through the adoption of the Model, the Company therefore intends to pursue the following goals:

- (a) Prohibit conduct that may constitute the types of crimes set forth in Legislative Decree no. 231/2001;
- (b) Involve, through the adoption of the Model and the Code of Ethics, all parties with an in-

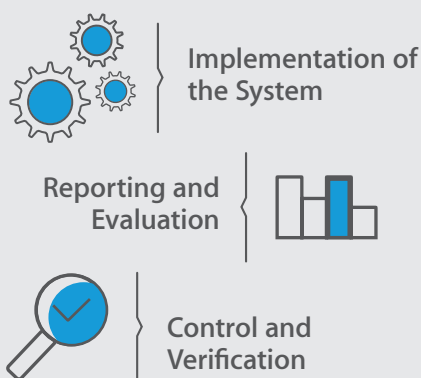
terest in the company (so-called stakeholders) such as employees, customers, suppliers, partners, collaborators, etc., so that in the performance of their duties they respect the ethical principles that inspire the Company;

- (c) Identifying and assigning responsibilities and powers to each organizational unit, keeping in mind compliance with the principle of separation of functions, according to which no individual can carry out an entire management or decision-making process in complete autonomy;
- (d) Implement a structured and organic system of procedures and activities to be put in place to prevent the commission of the offenses under the Decree.

As an integral part of the Model, pursuant to the provisions of Article 6, para.2-bis and 2-ter of Legislative Decree no. 231/2001, OSAI has implemented a system for reporting internal violations (**Whistleblowing System**), which provides multiple alternative channels for sending reports and handling them confidentially by the Supervisory Board. Reports may be made by any employee, collaborator, consultant, lender, as well as third party in business relations with the Company.

The Company has reiterated in the Model the principle of absolute confidentiality of reporting and reported persons. On the merits, it is reiterated that under Art. 10 of the Code of Ethics, no adverse consequence arises in the person who has made a report in good faith, and the confidentiality of the identity of whistleblowers is ensured, without prejudice to legal obligations.

In the face of the changes made by Legislative Decree no. 184/2021, Legislative Decree no. 195/2021 and Legislative Decree no. 238/2021 on offenses presumed offenses, interviews will be conducted to update the Model, to be submitted to the Board of Directors by the first half of 2022.



CODE OF ETHICS

A relevant part of the internal control system is the Company's Code of Ethics, which outlines the principles and guidelines aimed at inspiring the activities and guiding the behavior of employees and all those with whom the Company relates, in the belief that acting ethically and responsibly is the basis of OSAL's way of being.

The updated version of the Code of Ethics was approved by the Board of Directors on March 26, 2021 and has become, by explicit declaration of the corporate body, an integral part of the Management Model.

Through its activities, the Board of Directors promotes compliance with the Code of Ethics, the foundation for governing the Company in accordance with the Company's founding values.

All Boards of Directors of OSAL Subsidiaries are required to formally accept the Code of Ethics and make it an integral part of the way they conduct business.

OSAL's Code of Ethics is particularly thorough and provides for principles of behavior within the

business community, particularly in the following areas:

- Attention to people and valuing equal opportunities; appropriate and positive work environment; safe working environment; selection and induction of resources into the company; work organization, tasks and schedules; training and professional and human growth of resources.
- Confidentiality of personal data.
- Environmental protection, sustainable development and solidarity.
- Relationship with shareholders.
- Relationship with subsidiaries.
- Compliance with laws, protection of competition, and relations with authorities.
- Relationships with public administration, customers, suppliers, nonprofits.
- Community relations and support.

There are also specific provisions for governing the implementation of the principles of the Code of Ethics.



CERTIFICATE

OSAI Automation System S.P.A.
Via Cartiera, 4 - I-10010 Parella (TO)
has implemented and maintains a
Quality Management System
for the following scope:
Design, production, installation and service
of automatic systems for machining
which fulfils the requirements of the following standard:
ISO 9001:2015
Issued on: 2020-03-06
First issued on: 1999-05-20
Expires on: 2023-03-05
Registration Number: IT-776

OSAI Automation System S.P.A.
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OSAI Automation System S.P.A.
Via Cartiera, 4 - I-10010 Parella (TO)
has implemented and maintains a
Quality Management System
for the following scope:
Design, production, installation and service
of automatic systems for machining
which fulfils the requirements of the following standard:
ISO 9001:2015
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4.3 MANAGEMENT SYSTEMS AND CERTIFICATIONS

Every day OSAI's staff works to ensure compliance with established quality and environmental standards with one goal in mind: to meet the expectations and needs of its customers and to preserve the environment by operating in a sustainable manner.

To ensure and maintain this goal, the Company has a Quality Management System (QMS) that complies with and is certified against the UNI ISO 9001 normative reference, and an Environmental Management System (EMS) that complies with and is certified against the requirements of UNI ISO 14001.

QUALITY MANAGEMENT SYSTEM

For OSAI, Quality is the ability to fully meet the needs of its customers, ensuring an adequate response to the needs expressed and implied, in terms of service and excellence of the product supplied, while complying with regulations on safety in the workplace, protection of people and the natural environment.

The Quality Management System model adopted is the one proposed by the international standards **UNI EN ISO 9001:2015** as it best meets these needs of the Company.

The choice of the model is also dictated by the possibility of being subjected to systematic control by an entity outside the organization, independent and therefore able to certify to its stakeholders compliance with the quality policy adopted, objectives and commitments made by the Company.

ENVIRONMENTAL MANAGEMENT SYSTEM

OSAI's commitment to the preservation of the natural environment translates:

- in the timely management of environmental risks associated with the direct and indirect impacts it creates;

- in periodic investments to gradually increase the use of renewable energy in the company's energy mix, especially by devoting resources to energy infrastructure and low-impact technologies, and implementing internal policies aimed at energy and natural resource conservation;
- in the high perception of the intrinsic value of the waste produced, which is evident in the care with which it establishes rules and good practices to always encourage reuse, and when this is not possible, the initiation of recycling according to verified delivery channels;
- in the design and implementation of machines for concrete models of circular economy and sustainable production.

In this framework, the Environmental Management System modeled according to the scheme of the **UNI EN ISO 14001:2015** standard is functional for the continuous improvement of environmental performance and is an essential aid in ensuring compliance with the obligations imposed by applicable environmental legislation, and other requirements voluntarily subscribed to by the Organization.

OCCUPATIONAL HEALTH AND SAFETY

OSAI's long-standing focus on Occupational Health and Safety is reflected in its commitment to implement a Management System that complies with the **UN EN ISO 45001:2018 standard**, allowing it to minimize risks and strive for continuous improvement.

In order to guarantee in every aspect of business processes the health and safety of its staff, but also of all those who access the company, OSAI, through the adoption of an Occupational Health and Safety Management Model, aims to:

- Commit to operate in accordance with laws,

regulations and directives (national and EU), including all requirements signed by the company with relevant parties;

- Promote programs, goals and targets that improve the health and safety of workers by providing adequate human and infrastructural resources;
- Limit accidents and maintain the absence of occupational disease reports, but, above all, make all workers aware of their role in ensuring their own and other people's safety;
- Provide information, education and training to personnel who frequent OSAI's workplaces in order to make them strive toward the same goals as the Company.

The Company's ongoing efforts aimed at training and involving staff on issues related to occupational health and safety have sensitized

everyone to actively contribute through reporting accidents that have not caused even minor injuries (near misses) or situations that may cause them, so that preventive action can be taken by adopting appropriate measures to constantly ensure an adequate level of safety.

Improvement ideas and proposals are favored within OSAI in order to ensure wider and more frequent involvement of all staff: through the experience and contribution of each individual, the Company can strive for continuous improvement.

OSAI's goal, therefore, is to submit its Occupational Health and Safety Management System to the scrutiny of an entity external and independent to the organization in order to achieve its certification.

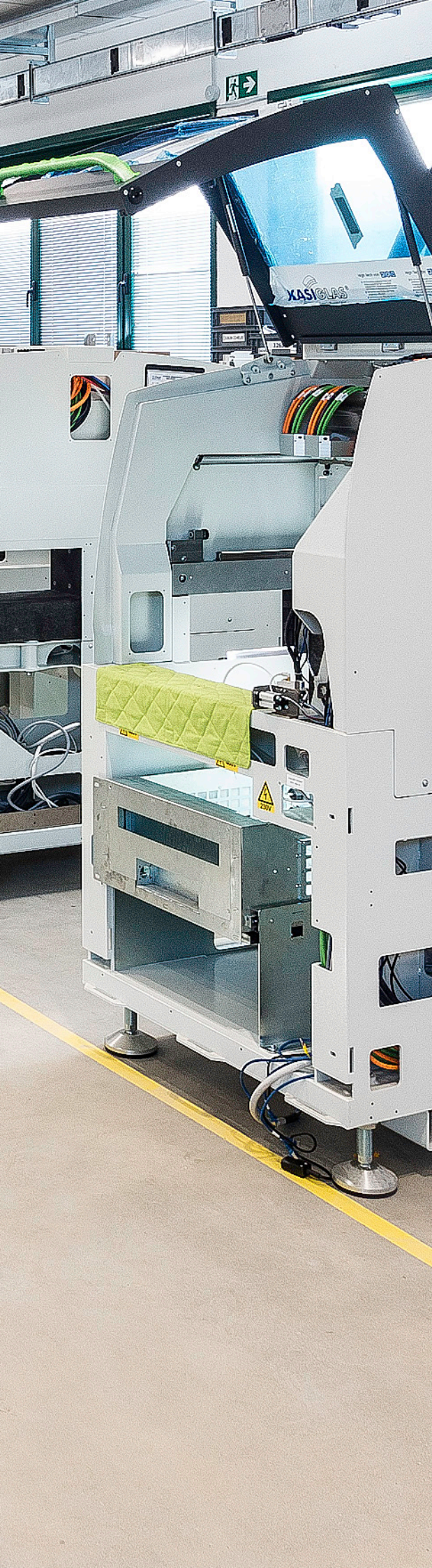


CHAPTER 5

ENVIRONMENT

ENVIRONMENT	5.0
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ELECTRICITY FROM RENEWABLE SOURCES	
WATER WITHDRAWALS	
WASTE MANAGEMENT	
GREENHOUSE GAS EMISSIONS	
Car Policy: SAFETY AND ENVIRONMENTAL COMPLIANCE	
HOME-WORK COMMUTE PLAN	





5.0 ENVIRONMENT

OSAI has always found it necessary to ensure that its employees create and maintain a workplace, the Company, that is as healthy and welcoming as possible.

This orientation does not end only with the creation of comfortable environments, the use of the best technological equipment and a work designed on a human scale, but also through the constant commitment of the company with respect to environmental issues and the territory that surrounds it, in an extended sense the Canavese.

Protecting and safeguarding the environment starts with the realization that natural resources are limited and that human activities if not controlled and properly managed produce climate change whose effects can be devastating for all of us.

To this end, OSAI has identified and keeps track of its direct and indirect (process and product), actual and potential environmental impacts as it seeks to bring value to its host Community through concrete and meticulous improvement of its environmental performance.

Reducing environmental impacts through responsible resource management combined with the adoption of sustainable process and production models allows us to make a concrete contribution to the preservation of the environment and its biodiversity by not compromising the business but increasing its value and longevity over time.

Left:

M7 assembly production area, Osai headquarters in Parella (TO), 2021

RIFIUTO						
	Plastica e metallo	Carta	Indifferenziata	Organico	Vetro	
Bicchieri monouso in plastica						
Palette caffè in plastica						
Bicchieri monouso compostabili						
Palette caffè compostabili						
Involucri alimentari in plastica						
Involucri alimentari in sola carta senza residui oleosi/cibo						
Involucri alimentari in carta con residui oleosi						
Carta per alimenti con plastica (per salumi, per pizza ecc.)						
Tovaglioli in carta						
Carta del pane						
Carta assorbente da cucina sporca						
Fezzoletti in carta						
Fondi di caffè						
Bottiglie in PET						
Bottiglie e contenitori vuoti in vetro (eccetto pirex)						
Contenitori per liquidi in Tetrapak						
Avanzi di cibo privi di imballo						
Contenitori alimentari in alluminio e lattine						
Carta stagnola						
Contenitori in polistirolo						
Sacchetti in PE						
Mozziconi di sigaretta						
Gomme da masticare						
Piccoli oggetti composti da due o più materiali						

5.1 ENVIRONMENTAL POLICY AND PERFORMANCE

Ongoing efforts to improve environmental performance come through the promotion of awareness-raising actions among staff and co-workers in order to:

- Comply with current environmental regulations;
- Properly use energy resources to avoid wasting them, through simple daily behaviors such as: turning off lights and electrical equipment when not in use, checking water taps when leaving the workplace;
- Scrupulously observe the separation of waste to enable its proper disposal and recovery in accordance with the criteria for separate waste collection;
- Eliminate environmental risks within business processes and in products if possible, taking advantage of technological advances;
- Adopt a specific plan for the prevention and management of environmental emergencies.

OSAI strongly believes that the small daily gestures, both in the Company and in the home environment, the approach to work and the spirit of belonging, are fundamental elements in order to be able to implement an Environmental Policy in a concrete and functional way to the objectives set.

OSAI's production activity takes place at the industrial area of the municipality of Parella (Turin), inside the Antica Cartiera Paper Mill and at two industrial warehouses located a short distance away, which together allow the company to have about 6,500 square meters of covered area.

OSAI's production cycle consists of the following operations:

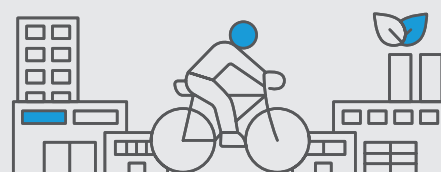
- system design (mechanical, electrical, pneumatic, software), according to the requirements set by Customers, applicable technical and safety standards;

- assembly of mechanical and commercial parts (purchased externally from specialized suppliers in Italy and abroad);
- testing and functional verification of machines before shipment;
- packaging for shipping;
- installation, start-up and service at Customers' premises through highly specialized technical personnel.

The Company does not carry out production activities understood as the processing of raw materials, but rather the assembly of machines for the automation of industrial processes for client companies. To finalize this goal, OSAI designs and purchases from its suppliers the mechanical parts (built according to its own design or already available on the market), electrical, pneumatic and software management-related parts, and then completes the assembly with exclusively manual processes.

In this complex and multifaceted process that leads to the creation of an innovative product, the approach to environmental sustainability passes through three fundamental factors: human labor, whether intellectual or manual; the materials used, whether custom-made or purchased on the market; and the tools and manufacturing processes.

Analyses and assessments of these three factors and their many implications and interactions enable OSAI to achieve increasingly sustainable



processes and products over time through continuous improvements.

THE EUROPEAN TAXONOMY

The European Taxonomy (EU 2020/852) is a classification system introduced as part of the European Green Deal as an enabling tool to achieve the environmental and climate goals set out in the Pact, particularly decarbonization to 2050.

The Regulation provides for and describes specific economic activities that can be classified by companies as "environmentally sustainable," in doing so the European goal is to address the issue of transparency for investors and combat the phenomenon of so-called "greenwashing"¹ while supporting corporate organizations in the process of energy transition and adoption of sustainable environmental policies.

The European Taxonomy for the time being has focused on the "Environment" factor of ESG principles by identifying 6 environmental objectives by which business activities can be defined as "environmentally sustainable." Of these goals to date only the first two have been fully regulated: **climate change mitigation and climate**

change adaptation.

While waiting for the regulation of all 6 objectives currently provided for by the Taxonomy in the environmental field, OSAI has voluntarily decided to start structuring itself in order to be able to report on business activities that fall under the eco-sustainability criterion as of fiscal year 2022, also in view of the proposed amendment of the European DNF (non-financial statement) legislation, which envisages the extension of the publication obligation to listed and unlisted SMEs as well.

Based on the indications contained in the Taxonomy Delegated Acts, published in final form in June 2021, OSAI will develop on an experimental basis a process to assess the applicability of the Taxonomy (exclusively for climate change mitigation and adaptation objectives), analyzing the entire business model, going to identify internally the activities that fall among those considered "eco-sustainable" and then initiate the reporting of the activities surveyed according to the requirements of the Regulations, which provides for the measurement of three performance indicators respectively: the shares of revenues, investment (Capex) and operating expenses (Opex), associated with economic activities considered environmentally sustainable.

1) Greenwashing--English neologism for the communication strategy aimed at constructing a deceptively positive self-image in terms of environmental impact in order to divert public attention from the negative environmental effects due to one's activities or products.



ENERGY CONSUMPTION AND RENEWABLE SOURCES

OSAI's energy consumption consists of electricity, which is necessary for the operation of IT equipment, machine assembly activities and automation lines, air conditioning systems and lighting, methane gas that powers the Antica Cartiera's boiler fleet, and fuel consumed by the company's car fleet.

In absolute terms, total energy consumption in 2021 was 6,422 GJ, up 22.2 percent from the previous year.

This increase in consumption involved the three

energy carriers mentioned above: electricity +7.6 percent, natural gas +16.2 percent and diesel +36.6 percent.

The increase in methane and electricity consumption was expected by the Company, given the particularity of the year 2020, in which lockdowns and forced absences allowed for extraordinary shutdowns of boilers and lighting systems.

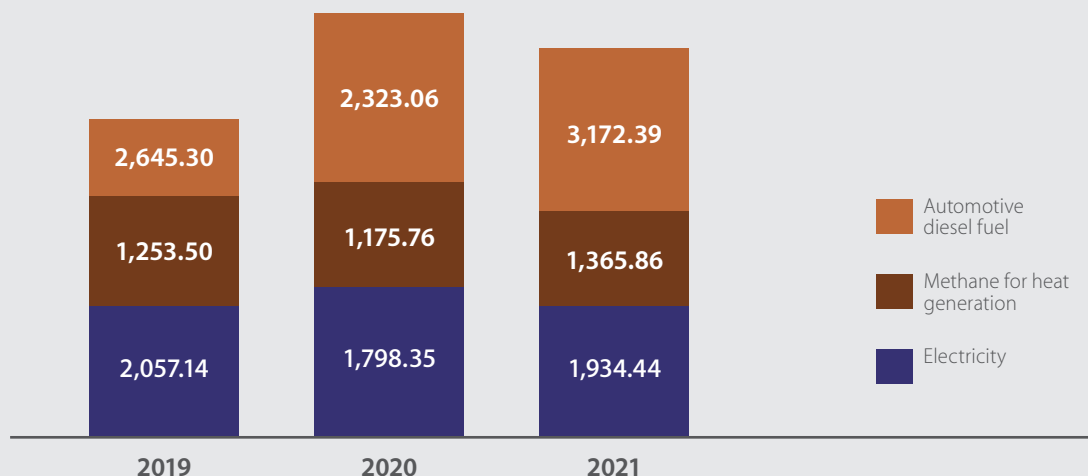
2021 also saw an increase of more than 40 percent in the number of kilometers driven by the car fleet, which explains the increase in diesel consumption.

TOTAL ENERGY CONSUMPTION	UoM	2019	2020	2021
ELECTRICITY	GJ	2,057.14	1,798.35	1,934.44
of which from renewable sources	GJ	2,057.14	1,798.35	1,934.44
of which from non-renewable sources	GJ	0	0	0
FUELS FROM NON-RENEWABLE SOURCES				
Methane for heat generation	GJ	1,253.50	1,175.76	1,365.86
Automotive diesel fuel	GJ	2,645.30	2,323.06	3,172.39
FUELS FROM RENEWABLE SOURCES				
-	GJ	0.00	0.00	0.00
Total energy consumption within the organization	GJ	5,955.94	5,297.17	6,472.69

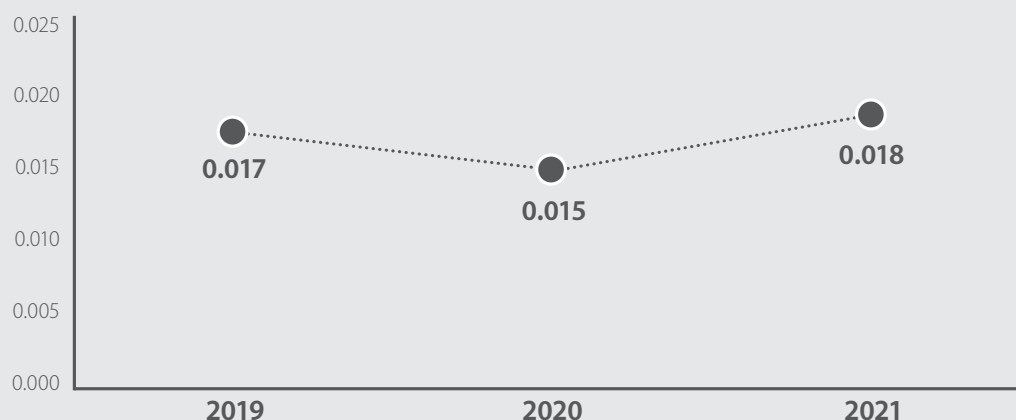
The **energy intensity** indicator defined as total energy consumption (GJ) per hour worked shows an increase of 24.3 percent in 2021 compared to 2020. The slightly larger increase when compared

to consumption in absolute value is driven by a slight decrease in hours worked (-1.7 percent).

Total energy consumption by carrier (GJ)



Energy intensity: total energy consumption per hour worked (GJ per hour worked)



ENVIRONMENTAL INDICATOR I_{EA}

OSAI pays close attention to the issue of using the best available practices for energy efficiency in buildings. Therefore, it introduced an environmental indicator that contained within itself the information of the energy efficiency value achieved by the company and was comparable year by year in monitoring.

$I_{EA} = \text{SMC}^2 \text{ [m}^3\text{] methane gas / Total heated area of the Company in the year [m}^2\text{]}\cdot\text{C}$

Therefore, the Company does not only estimate the energy consumption of methane gas in the working year, but relates it to the total heated farm area in the year.

In the Environmental Objectives Plan 2021 OSAI has defined a threshold value for this indicator.

Environmental Goals Plan 2021:

$I_{EA} \leq 5.6 \text{ m}^3/\text{m}^2$



$I_{EA} = 5.23 \text{ m}^3/\text{m}^2$

The result obtained is above the set limit, and this can be attributed to an abnormal consumption recorded in the summer period from May to September 2021 (+ 2,657 m³ compared to the same period in 2019), due to a scheduling error at one plant. Removing this episode, the indicator would have been 5.65 m³/m², which demonstrates the validity of the target set and the ability to achieve it in 2022.

2) SMC = Cubic meters of methane gas under standard conditions (temperature 15°C, pressure 1 bar).

C = Conversion coefficient given by the distributor and based on the location of the point of withdrawal (PDR).

ELECTRICITY FROM RENEWABLE SOURCES

OSAI is equipped with a photovoltaic system with a total peak power of 263 kWp. This plant is installed on the roofs of the Paper Mill area, totaling 82.5 kWp, and on the roofs of the two adjacent plants, M6 and M7, totaling 180.5 kWp.

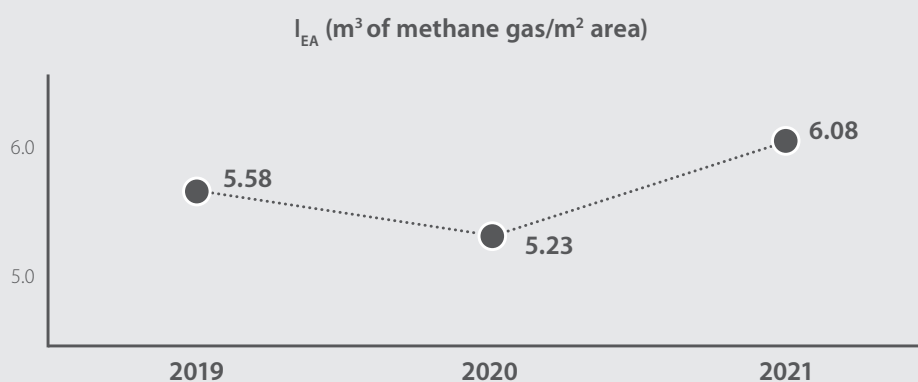
The plant's electricity production is partly consumed on-site and partly fed into the national power grid.

As of 2019, the electricity taken from the external grid needed to power OSAI utilities in case of surplus demand over the energy produced by solar photovoltaic panels will come exclusively from renewable sources as certified by the Supplier Company. In this way, **the electricity consumed by OSAI is 100% renewable.**

ELECTRICITY FROM RENEWABLE SOURCES	2019	2020	2021
Electricity produced by photovoltaic system [KWh]	256,901	275,718	284,695
Of which self-consumed electricity [KWh]	158,464	157,929	155,379
Of which electricity fed into the grid [KWh].	98,437	117,789	129,316
Certified 100% renewable electricity taken from the grid [KWh].	412,963	341,612	381,965
Total electricity consumption from renewable sources [KWh]	571,427	499,541	537,344
% Electricity consumption from renewable sources	100%	100%	100%

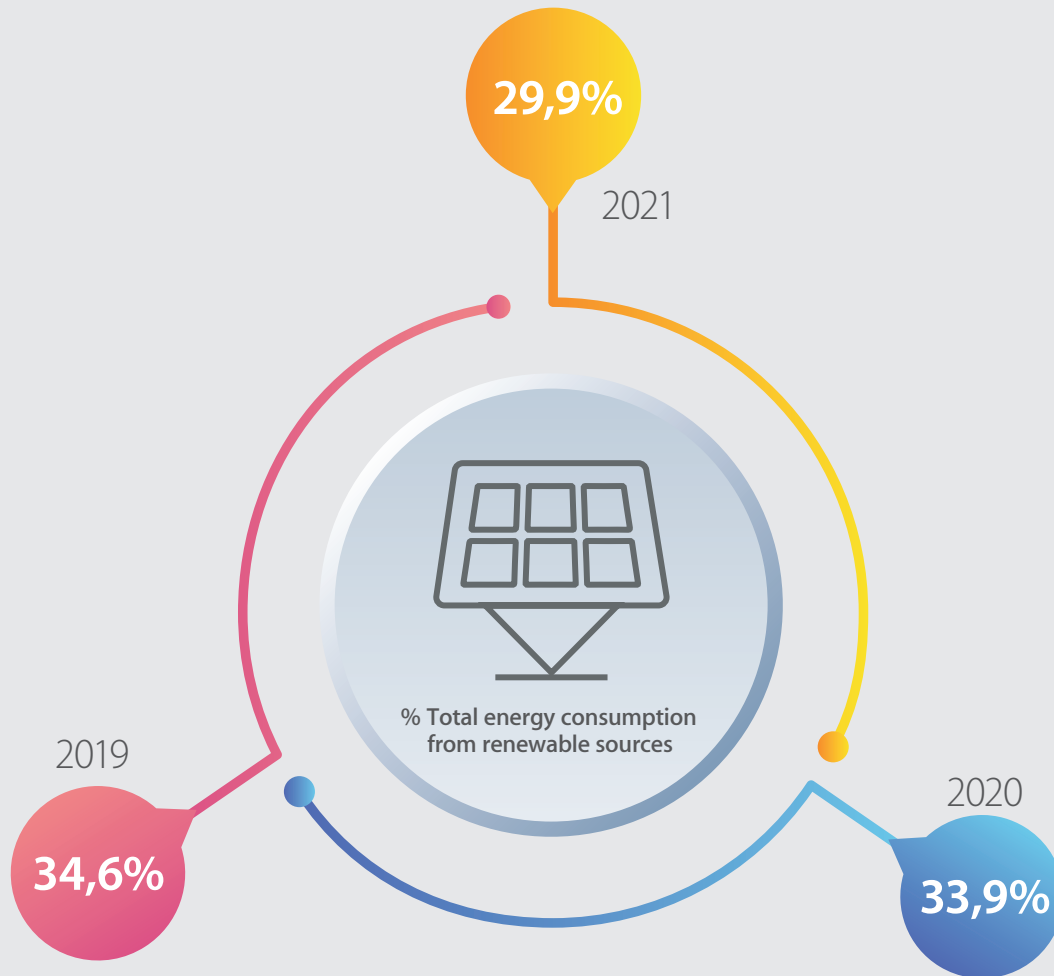
OSAI also monitors the percentage share of energy from renewable sources in the entire energy consumption, which also includes methane for heat generation and automotive

fuels, in order to be able to plan and measure new energy efficiency actions on thermal plants and the company car fleet.



In the Environmental Objectives Plan 2021, OSAI defined to increase the percentage of self-consumption (I_{CA}) of electricity produced by the PV system, the surplus of which is fed into the national grid.

% TOTAL ENERGY FROM RENEWABLE SOURCES



Environmental Goals Plan 2022:

$I_{CA} \geq 60\%$



$I_{CA} \geq 55\%$

The 2021 target has not been met mainly because of the reduced self-consumption of production plants that has been occurring for the past few years. This can be explained by the effect of increased energy demand in time intervals when PV systems are unable to produce energy (e.g., overnight or on overcast days).

Given the need to heat rooms at night and in any case well in advance of the start of work activities, the increase in self-consumption can only occur with an increase in energy demand during working hours, during daylight hours. This will be possible as early as 2022 through the installation of charging stations for hybrid or electric cars belonging to the company's fleet.

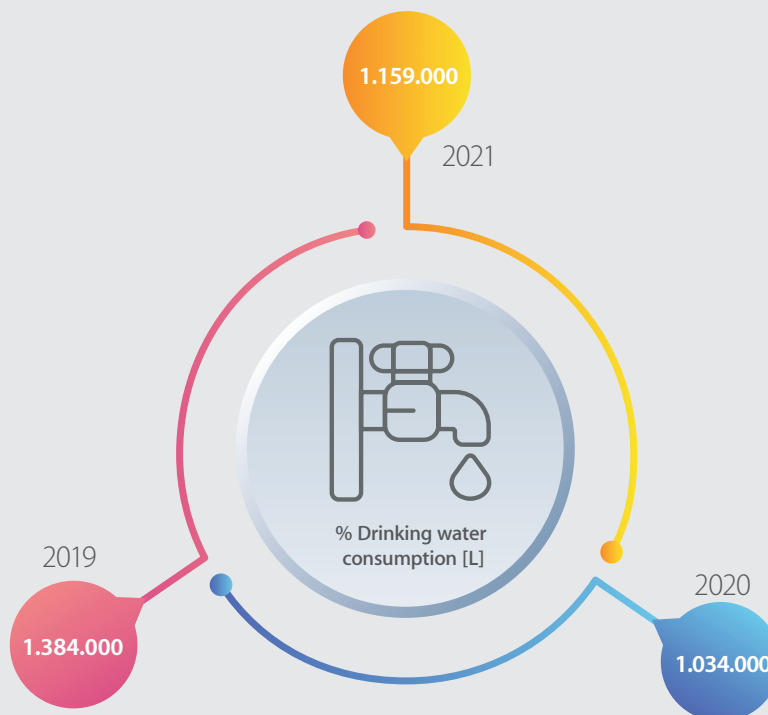
However, it is believed that a more realistic target should be set in 2022: $ICA = 55\%$.

WATER WITHDRAWALS

OSAI does not use the water resource as an input element in production processes, so water consumption is an exclusive function of the sanitary needs of personnel, in perfect analogy with the domestic sphere. The Company is equipped with an underground pipeline network in each of the three

areas - the Paper Mill and the two plants M6 and M7 - which allows drinking water from the municipal waterworks to be brought to the restrooms. Each of the three areas has a volume meter for consumption verification. The company does not draw water from wells or surface water bodies.

WATER WITHDRAWALS FROM AQUEDUCT



The increase in water withdrawals, which increased in absolute terms from 1,034,000 liters in 2020 to 1,159,000 liters in 2021 (+12.1%), is due to the sharp increase in the number of days worked in attendance (+31.5% over 2020) and the increase in the average number of employees from 178 to 188 (U.L.A. +5.6%).

Frequent and thorough hand washing in compliance with good anti-Coronavirus infection practices responsible for at least 170,000 L in the year also continued.

Compared to 2020, the Company has also changed the indicator related to consumption monitoring. The reporting of data on access to the Company has made it possible to normalize water consumption to actual usage. Therefore, the IAI indicator (liters/employee) was replaced with the I_{CIGD} indicator (L/workday/worker) thus reasoning on more meaningful data.

In the Environmental Objectives Plan 2021 OSAI has defined a threshold value for the I_{CIGD} indicator

WATER WITHDRAWAL ^o			2019		2020		2021	
Type			All areas (ML)	Water stress areas (ML)	All areas (ML)	Water stress areas (ML)	All areas (ML)	Water stress areas (ML)
Source*	Third-party water resources	Fresh water (<=1000 mg/L total dissolved solids) [ML]	1.384	0	1.034	0	1.159	0
Total	Third-party water (aqueduct)	-	1.384	0	1.034	0	1.159	0

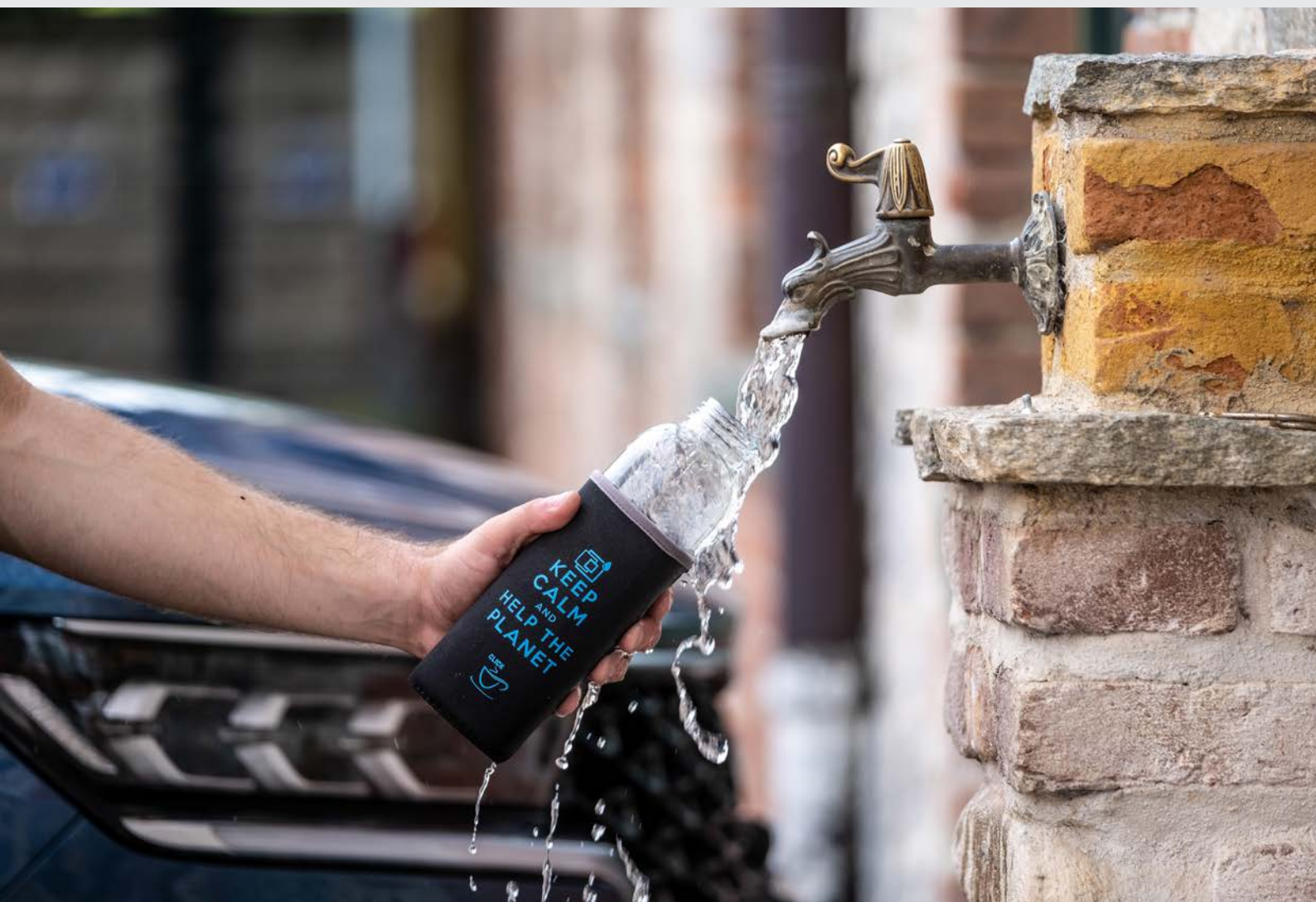
WATER DISCHARGE			2019		2020		2021	
Type			All areas (ML)	Water stress areas (ML)	All areas (ML)	Water stress areas (ML)	All areas (ML)	Water stress areas (ML)
Source*	Third-party water resources	Fresh water (<=1000 mg/L total dissolved solids) [ML]	1.384	0	1.034	0	1.159	0
Total	Third-party water (aqueduct)	-	1.384	0	1.034	0	1.159	0

^o The company does not withdraw surface water, groundwater, seawater or consume water of its own making. In addition, the water drawn from aqueduct is entirely fresh water.

* The Osai 2020 Sustainability Report included 1.506 ML for the year 2019 and 1.156 ML for the year 2020. In 2021, it was possible to accurately quantify the consumption of No. 1 domestic user located downstream of the general meter in the Paper Mill Area (0.122 ML), and therefore it was decided to subtract the same withdrawal on the years 2019 and 2020 to make the comparison more meaningful.

Environmental Goals Plan 2021:**ICIGD \leq 35 L** (Liters/workday/worker)**ICIGD= 35.9L**

Comparing the data on accesses to the Company during the period 03/31/21- 12/30/21 (25,799 daily entries between employees and external staff) and the water consumption read on a quarterly basis, it results in an ICIGD individual consumption value that approached the Target (+2.5%). The result shows that the Goal of 35 L, although it may suffer from an error related to the reference time frame of only 9 months, is achievable.





WASTE MANAGEMENT



OSAI, since it does not carry out industrial activities of processing raw materials, mainly produces municipal waste, which is sorted according to the prescriptions of the municipal collection service manager, and special waste almost entirely falling under the class of non-hazardous special waste and therefore subject to recycling.

OSAI's primary intent is to avoid any environmental damage and reduce the undifferentiated waste fraction as much as possible.

Business areas with "office" use confer to the municipal waste collection service:

- Paper and paperboard packaging (paper sheets and cardboard boxes);
- Plastic packaging (water bottles, document envelopes);
- Glass and cans (bottles, juice bottles, beverage cans);
- Organic (food waste from the company's dining and canteen areas);

- Undifferentiated (materials that do not fall into the previous classes and clearly identified by the municipal collection service operator).

Production areas, sheds and technical rooms, generate only "special waste" (Leg. Decree no. 116/20) that follow a different collection process, as it is not possible to deliver within the same municipal collection containers.

OSAI stores special waste in temporary storage (Leg. Decree no. 205/2010) before they are collected by the supplier in charge of the collection.

The Company also produced almost all (99.1%) of the waste classified as "non-hazardous" in 2021, consisting mostly of wood packaging (44.4%), paper and cardboard packaging (17.4%), dust and particulate matter of ferrous and non-ferrous materials (16.9%), and end-of-life equipment (WEEE) (12.0%).

WASTE GENERATED BY TYPE OF DISPOSAL	2019	2020	2021
TOTAL NON-HAZARDOUS WASTE [t]	21.483	10.022	26.834
Recycled [t]	20.683	10.007	26.034
% recycled	96.3%	99.9%	97.0%
Disposed in landfills [t]	0.800	0.022	0.800
% landfilled	3.7%	0.1%	3.0%
TOTAL HAZARDOUS WASTE [t]	0.221	0.015	0.240
Recycled [t]	0.178	0.022	0.040
% recycled	80.5	100%	16.7%
Disposed in landfills [t]	0.043	-	0.200
% landfilled	19.5%	-	83.3%
TOTAL WASTE [t]	21.704	10.037	27.074
Recycled [t]	20.861	10.022	26.074
% recycled	96.1%	99.9%	96.3%
Disposed in landfills [t]	0.843	0.015	1.000
% landfilled	3.9%	0.1%	3.7%

In 2021, there was a 169.7 percent increase in total waste generated determined by:

- A definite upswing in production activities compared to 2020 (+61% of wood packaging compared to 2020);
- The exceptional disposal of obsolete machines and electronic equipment in storage.

Collaboration with Switzerland's largest supplier of automatic tray loading machines for test components continued in 2021 to increase the utilization cycles of wooden crates by making these to the sender once the contents have been picked up.

In 2021, 38 packages with a total weight of about 1,892 kg were returned, positively testing the practical application of circular economy principles to supplies.

Environmental Goals Plan 2021:

$I_R \leq 500 \text{ kg/M € production value}$



$I_R = 830.1 \text{ kg/M€ invoiced}$

The 2021 result is significantly far from the target set in 2020. The reasons are to be found in the above considerations that can be summarized as follows:

- legislative stop to the assimilation of special waste to municipal waste
- decisive recovery in production
- exceptional disposals

In addition to these considerations, it should be added that compared to the past, the Company has tried to stockpile components essential to the construction of the product due to supply difficulties, and this has been reflected in the increase of packaging to be disposed of.

GREENHOUSE GAS EMISSIONS

OSAI monitors direct and indirect greenhouse gas emissions according to the **Greenhouse Gas Protocol**, distinguishing emissions into categories or Scopes:

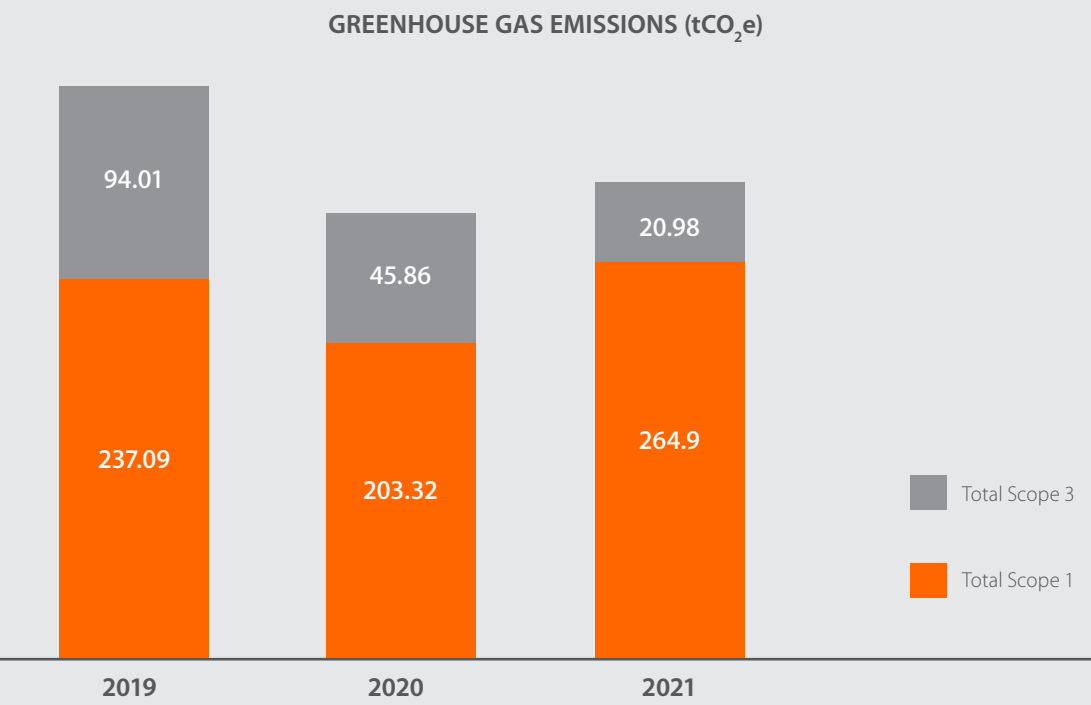
- **Scope 1:** Direct emissions from sources owned and controlled by the Organization. In the case of OSAI, this means those due to heat production and those from the fleet of cars used by the Service.
- **Scope 2:** Indirect emissions arising from the production of electricity taken from the grid and consumed by the Organization.
- **Scope 3:** Other indirect emissions. This OSAI category includes emissions from corporate staff travel, extraction and transportation of consumed fuels, production of materials used (packaging and paper), water consumption (wastewater withdrawal and treatment), and waste disposal.

Total market-based greenhouse gas emissions in 2021 amount to 285.88 tCO₂e, an increase from 2020 of 36.70 tCO₂e (+15%).

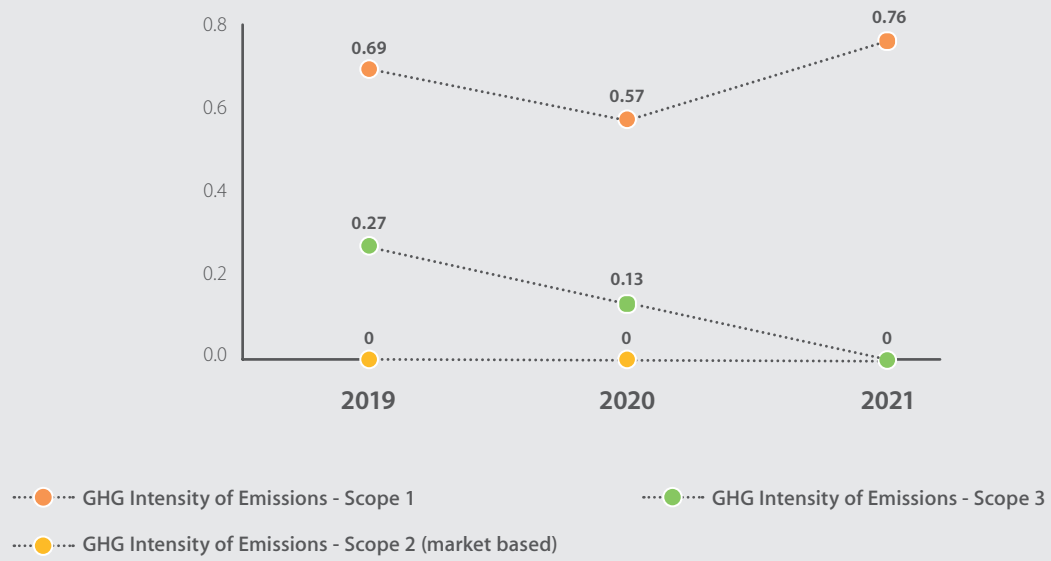
The total emissions considered takes into account the fact that OSAI, in addition to its own photovoltaic plant, has a power purchase agreement with a supplier that guarantees that it is 100% sourced from renewable sources.

In this way, the **Company has nullified its greenhouse gas emissions from electricity consumption** (Scope 2 market based).

The increase in direct and indirect emissions reflects the considerations made about the increases in energy consumption, particularly diesel fuel for motor vehicles, due to the increase in kilometers driven by the car fleet, and natural gas for space heating.



GHG emission intensity (tCO₂e / 1,000 hours worked)



GREENHOUSE GAS EMISSIONS	UoM	2019	2020	2021
SCOPE 1 - DIRECT EMISSIONS				
Emissions for heat production (methane consumption)	tCO ₂ e	69.39	65.09	77.03
Refrigerant gas leaks	tCO ₂ e	0.00	2.09	0.00
Emissions from handling	tCO ₂ e	167.70	136.14	187.86
TOTAL SCOPE 1	tCO₂e	237.09	203.32	264.90
SCOPE 2 - INDIRECT EMISSIONS				
Emissions from electricity consumption (location based)	tCO ₂ e	119.72	99.03	110.73
Emissions from electricity consumption (market based)	tCO ₂ e	0.00	0.00	0.00
TOTAL SCOPE 2 (market based)	tCO₂e	0.00	0.00	0.00
SCOPE 3 - OTHER INDIRECT EMISSIONS				
Emissions related to staff travel	tCO₂e	73.35	34.15	9.08
Long-distance air flights	tCO ₂ e	56.03	26.77	0.00
Short distance air flights	tCO ₂ e	15.59	6.90	6.83
Domestic air flights	tCO ₂ e	1.65	0.48	2.10
Travel by train	tCO ₂ e	0.08	0.00	0.15
Emissions from material consumption	tCO ₂ e	18.23	10.27	11.03
Wood packaging	tCO₂e	16.16	8.75	9.93
Cardboard packaging	tCO ₂ e	0.89	0.87	0.76
Plastic packaging	tCO ₂ e	0.08	0.09	0.14
Paper	tCO₂e	1.10	0.56	0.20
Emissions from water consumption	tCO ₂ e	1.59	1.22	0.32
Water drawn from aqueduct	tCO ₂ e	0.52	0.40	0.00
Wastewater treatment	tCO ₂ e	1.07	0.82	0.32
Emissions from waste generation	tCO ₂ e	0.84	0.22	0.56
Recycled waste	tCO₂e	0.45	0.21	0.56
Landfill waste	tCO ₂ e	0.39	0.01	0.00
TOTAL SCOPE 3	tCO₂e	94.01	45.86	20.98
TOTAL SCOPE 1, 2 (market based) and 3	tCO₂e	331.10	249.18	285.88

* Emissions for passenger cars in the years 2019 and 2020 have been adjusted consistent with those reported for the year 2021, as the company has adopted a calculation method based on kilometers driven. Total GHG emissions reported in the Sustainability Report 2020: for 2019 413.74 tCO₂e, for 2020 306.73 tCO₂e. DEFRA 2021 conversion factors except Electricity Ipsra Report 317/2020.

Car Policy: SAFETY AND RESPECT FOR THE ENVIRONMENT

With its Car Policy, OSAI defines the criteria for the allocation and use of company cars under fringe benefits (mixed use) and specifies parameters and indicators underlying the choice of selectable cars in order to:

- improve fleet efficiency, including by promoting and detailing eco-driving techniques;
- ensure adequate quality levels of cars in terms of safety and equipment;

- improve environmental sustainability parameters.

Half of the cars on the Corporate Cars' List are hybrid/plug-in (electric-petrol) with CO₂ emissions ranging from 35 to 45 g/km, three times lower than diesel cars.

HOME-WORK COMMUTE PLAN

On May 12, 2021, the Ministry of Ecological Transition by publishing the implementing decree establishing the requirements for the corporate Mobility Manager laid the foundation for the establishment of **Home-Work Commute Plans** in Companies with more than 100 workers included in a highly urbanized context, such as Metropolitan Cities.

OSAI, with the support of external consulting staff, drafted its first Plan in 2021, to be understood as the study of staff travel habits accompanied by a collection of actions established to mitigate impacts.

Investments are planned for:

- 1 - Installation of charging stations for electric cars (2023);
- 2 - Promotion of car-pooling for employee commuting (2022);
- 3 - Allocation of stalls by quality and location (2022);
- 4 - Information campaigns on sustainable mobility (2022);
- 5 - Construction of covered bicycle parking spaces (2022);
- 6 - Annual surveys for reduction of corporate mobility impacts and implementation of PSCL;
- 7 - Enterprise mobility management consulting.

CHAPTER 6

OUR PEOPLE

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6.0 OUR PEOPLE

In OSAI's philosophy, Work is not only the application of man's physical and intellectual faculties intended for the production of a good or product, work is also the means by which people seize opportunities; it is the path along which individuals can achieve their goals of professional and personal growth.

To make this philosophy a reality, OSAI is committed on a daily basis to protecting the mental and physical well-being of its people by fostering, through work organization, growth and skill acquisition paths, corporate welfare plans, the right **balance between work, personal and family needs** with the goal of tangibly improving the quality of life.

These attentions, the person-centered approach, make OSAI a large family in which to find opportunities and support in pursuing, through one's work, a sense of security for oneself, one's family and all those with whom one relates, strengthening one's sense of belonging toward the company.

With this policy, OSAI aims to enhance and grow its people and achieve through them its ambitious goals, without setting limits, because all along ...

*la nostra forza
sono le persone*

(Founder of OSAI A.S. S.p.A.) (A.)

At the end of 2021, there are 197 people in the Company's workforce, growing steadily over the

years with an increase of +7.65% over 2020 of 14 resources.

% employees by category and gender	2019			2020			2021		
	♂	♀	Tot.	♂	♀	Tot.	♂	♀	Tot.
EXECUTIVES	5	1	6	5	1	6	5	1	6
%	2.89%	0.58%	3.47%	2.73%	0.55%	3.28%	2.54%	0.51%	3.05%
MANAGERS	5	0	5	7	1	8	8	1	9
%	2.89%	0.00%	2.89%	3.83%	0.55%	4.37%	4.06%	0.51%	4.57%
EMPLOYEES	104	30	134	109	32	141	120	37	157
%	60.12%	17.34%	77.46%	59.56%	17.49%	77.05%	60.91%	18.78%	79.70%
WORKERS	27	1	28	27	1	28	25	0	25
%	15.61%	0.58%	16.18%	14.75%	0.55%	15.30%	12.69%	0.00%	12.69%
TOTAL	141	32	173	148	35	183	158	39	197
Employees by gender out of total employees as of Dec. 31	81.50%	18.50%	100.00%	80.87%	19.13%	100.00%	80.20%	19.80%	100.00%

* Rates are calculated on total employees as of December 31

A total of 25 new hires (20 men and 5 women) were made during 2021, largely from the clerical professional category, confirming the trend already observed in previous years.

Women accounted for 19.8 percent of total employees, up slightly from the 18.5 percent

recorded in 2020. The majority of the corporate population, regardless of gender, is represented by the white-collar category while the average age range is between 30 and 50.

EMPLOYEES BY AGE GROUP AND GENDER	2019			2020			2021		
	♂	♀	Tot.	♂	♀	Tot.	♂	♀	Tot.
<30	18	2	20	18	3	21	22	5	27
30-50	98	20	108	98	21	119	102	21	123
>50	25	10	45	32	11	43	34	13	47
TOTAL	141	32	173	148	35	183	158	39	197

% employees by category and age group*	2019			2020			2021		
	< age 30	age 30-50	> age 50	< age 30	age 30-50	> age 50	< age 30	age 30-50	> age 50
EXECUTIVES	0	3	3	0	3	3	0	2	4
%	0.00%	1.73%	1.73%	0.00%	1.64%	1.64%	0.00%	1.02%	2.03%
MANAGERS	0	4	1	0	5	3	0	6	3
%	0.00%	2.31%	0.58%	0.00%	2.73%	1.64%	0.00%	3.05%	1.52%
EMPLOYEES	14	94	26	15	97	29	20	104	33
%	8.09%	54.34%	15.03%	8.20%	53.01%	15.85%	10.15%	52.79%	16.75%
WORKERS	6	17	5	6	14	8	7	11	7
%	3.47%	9.83%	2.89%	3.28%	7.65%	4.37%	3.55%	5.58%	3.55%
TOTAL	20	118	35	21	119	43	27	123	47
%	11.56%	68.21%	20.23%	11.48%	65.03%	23.50%	13.71%	62.44%	23.86%
TOTAL EMPLOYEES	173			183			197		

AVERAGE AGE AND AVERAGE COMPANY SENIORITY (YEARS)	2019		2020		2021	
	AVERAGE AGE	AVERAGE SENIORITY	AVERAGE AGE	AVERAGE SENIORITY	AVERAGE AGE	AVERAGE SENIORITY
EXECUTIVES	52	15.2	53	16.2	54	17.36
MANAGERS	46	7.4	47	6.6	48	8.75
EMPLOYEES	41	5.9	41	6.5	41	6.48
WORKERS	40	3.3	41	3.8	39	3.77
GENERAL AVERAGE	42	5.9	42	6.4	42	6.57

The average age of staff over the three-year period is consistently 42 years, with average seniority increasing over the three-year period, demonstrating the low level of turnover. Of note is the increase in the average seniority

of Executives and Managers, which ensures the Company's preservation of its wealth of experience and professionalism and frames it as one that can guarantee stability and longevity through young management with a high sense of belonging.

* Rates are calculated on total employees as of December 31

CONTRACT TYPES

The continuity and stability of an employment contract is among the primary requirements strictly necessary to ensure not only compliance with and enhancement of a career plan, but also the achievement of a life goal. OSAI is committed, to the best of its ability, to protect the employment development of the area in which it operates and to promote the quality and stability of work

through permanent employment contracts and in company training insertion paths aimed at stabilization.

All fixed-term contracts expiring during 2021 were renewed, and most of them were eventually converted to permanent contracts.

EMPLOYEES BY CONTRACT TYPE AND GENDER	2019			2020			2021		
	♂	♀	Tot.	♂	♀	Tot.	♂	♀	Tot.
PERMANENT EMPLOYEES	136	27	163	145	35	180	153	37	190
FIXED-TERM EMPLOYEES	5	5	10	3	0	3	5	2	7
TOTAL	141	32	173	148	35	183	158	39	197

As recorded in 2020 also in 2021 there are 5 people with a part-time type contract (4 men and 1 woman).

FULL-TIME EMPLOYEES	2019			2020			2021		
	♂	♀	Tot.	♂	♀	Tot.	♂	♀	Tot.
EXECUTIVES	5	1	6	5	1	6	5	1	6
MANAGERS	5	0	5	7	1	8	8	1	9
EMPLOYEES	104	29	133	106	31	137	116	36	152
WORKERS	27	0	27	27	0	27	25	0	25
TOTAL	141	30	171	145	33	178	154	38	192

PART-TIME EMPLOYEES	2019			2020			2021		
	♂	♀	Tot.	♂	♀	Tot.	♂	♀	Tot.
EXECUTIVES	0	0	0	0	0	0	0	0	0
MANAGERS	0	0	0	0	0	0	0	0	0
EMPLOYEES	0	1	1	3	1	4	4	1	5
WORKERS	0	1	1	0	1	1	0	0	0
TOTAL	0	2	2	3	2	5	4	1	5

RECRUITMENT AND TURNOVER ACTIVITIES

Working at OSAI means being part of a large family that believes in people and the importance of valuing each individual so that they can express their talents to the fullest. The Company is committed to conveying externally the values in which it believes as an element of involvement and attraction for new talent.

The selection process is structured, transparent and ensures a thorough assessment of candidates in terms of technical skills, soft skills, aptitudes and professional aspirations. It is conducted with respect for equal opportunities and is communicated to all potential candidates through a procedure published on the company website within the "Work with Us" section.

Candidates receive correct and comprehensive information about the organization and the position for which they will be evaluated so that they can seize in the employment proposal a real opportunity in which to realize their professional

and life expectations. The search and selection of candidates is carried out by qualified and experienced in-house staff.

The evaluation of profiles is developed in sharing with the heads of the functions concerned through fair and transparent systems: together we pursue the goal of enhancing skills and experience as well as enhancing the human qualities that make a candidate a new member of the corporate family.

Upon completion of the process, OSAI notifies candidates who pass the selection process of their interest through a formal written commitment to ensure from the outset, seriousness, transparency and trust. OSAI is also committed, to the best of its ability, to protect the employment development of the area in which it operates and to promote the quality and stability of work through permanent employment contracts.



Despite a situation that is still critical and for long periods weighed down by restrictions related to the global health situation, in FY 2021 the increase in the number of OSAI employees settled at levels again close to the trend of the years before the pandemic: in FY 2021 the increase in employment also affected a variety of business

sectors, highlighting important investments in very strategic departments as they related to design and innovation and development. The average age of new hires in 2021 is 25, denoting how important OSAI believes it is to innovate and renew its workforce by investing in the under-30 age group.

HIRING *	2019			2020			2021		
	♂	♀	Tot.	♂	♀	Tot.	♂	♀	Tot.
<30	2	1	3	4	1	5	9	2	11
recruitment rate	1.42%	3.13%	1.73%	2.70%	2.86%	2.73%	5.70%	5.13%	5.58%
30-50	20	4	24	6	2	8	11	2	13
recruitment rate	14.18%	12.50%	13.87%	4.05%	5.71%	4.37%	6.96%	5.13%	6.60%
>50	1	1	2	3	0	3	0	1	1
recruitment rate	0.71%	3.13%	1.16%	2.03%	0.00%	1.64%	0.00%	2.56%	0.51%
TOTAL	23	6	29	13	3	16	20	5	25
recruitment rate	16.31%	18.75%	16.76%	8.78%	8.57%	8.74%	12.66%	12.82%	12.69%

*Hiring rates are calculated as the ratio of no. of employees hired in the year to the no. of employees as of Dec. 31 of each year by gender and total.

The rate of terminations was slightly higher than in the previous year and mainly involved male employees between the ages of 30 and 50.

TERMINATIONS*	2019			2020			2021		
	♂	♀	Tot.	♂	♀	Tot.	♂	♀	Tot.
<30		0	0	00	0	0	2	0	2
termination rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.27%	0.00%	1.02%
30-50	2	0	2	5	0	5	7	1	8
termination rate	1.42%	0.00%	1.16%	3.38%	0.00%	2.73%	4.43%	2.56%	4.06%
>50	0	0	0	1	0	1	1	0	1
termination rate	0.00%	0.00%	0.00%	0.68%	0.00%	0.55%	0.63%	0.00%	0.51%
TOTAL	2	0	2	6	0	6	10	1	11
termination rate	1.42%	0.00%	1.16%	4.05%	0.00%	3.28%	6.33%	2.56%	5.58%

*The termination rates are calculated as the ratio of no. of employees terminated in the year to the no. of employees, by gender and out of the total, as of 12/31 of the reference year.

6.1 TRAINING AND CAREER DEVELOPMENT

OSAI ensures adequate and continuous professional growth for its employees, aimed at enhancing and developing the potential of its staff, who are involved in training courses aimed at acquiring new skills.

This attention is found starting with the basic training reserved for newly hired personnel so that through a special course the newcomers are best integrated into the company's reality, understand its founding values, methods, references, methodologies, procedures and tools that are indispensable for working at their best in a functional and serene manner.

For each newly hired employee, in addition to the mandatory training, such as that related to health and safety in the workplace, a total of 8 hours are dedicated to learning the principles of the Code of Ethics, company policies, internal regulations, management systems adopted by the company (Organizational Model 231, Quality, Environment and Safety) and related to the use of information and IT tools.

In order to ensure an adequate and structured process in the management of corporate training, the Human Resources department has defined over the years a special procedure through which the various stages of the process are established, which originates from a need for skills and is completed with the delivery and verification of the effectiveness of the training course executed.

Periodically, training needs are surveyed within the various functions and departments in order to identify specific themes and topics through which to bring in new skills or a refresher for those already possessed.

Thereafter, a specific annual plan is prepared that is extended to all personnel and also includes

continuing education as stipulated in the national industry contract and mandatory training.

In addition to the specific training needs expressed by the Company, **OSAI also enhances the training requests made by individual employees, providing for the coverage of costs in the areas deemed to be of interest to the Company as well:** in addition to specific training of a purely technical or managerial nature, individual tutoring, mentoring and coaching paths are developed in order to further empower resources in the exercise of their roles.

A total of 5,870 training hours were provided in 2021 with a marked increase in average training hours per employee. This increase affected all categories and both genders. Men in particular have benefited the most with an increase in average hours. (See the tables below for details).

SOFT SKILLS: DEVELOPMENT AND GROWTH THROUGH THE ENHANCEMENT OF THE PERSON

In its 30 years of operation, the Company has become aware that technical expertise, specific skills, and hard skills in a more general sense, are necessary but no longer sufficient elements to be able to ensure business continuity at high levels in competitive, innovative, and rapidly changing markets such as those in which the Company operates.

High-level technical skills, and efforts to make them their own in the world of work, are not enough to ensure the expected results if the relationships between people are not strong and functional. There is a risk of not being able to express the true potential of the human capital at one's disposal because of other factors, which are often overlooked or devalued and which manifest themselves in various

forms such as: conflict situations, difficulties in resource management and enhancement, low motivation, lack of leadership, and failure to achieve goals. In each of the above areas there is a major loss of value marked by a decrease in performance and a deterioration in motivation. The realization that technical skills are necessary but not sufficient, as they represent only a part of the expected qualities that human capital must possess, prompted OSAI to commit to and invest in a specific project aimed at the acquisition of new skills in the sphere of soft skills, capable of enhancing personal abilities and thus one's potential by improving one's performance, the work environment and consequently the results expected by the Company.

The change management project launched at the end of 2019 and continued in 2020 and 2021, despite the difficulties of the pandemic, involved more than 150 internal resources in classroom and individual training activities for more than 5,000 hours with the widespread participation of all levels of the company, from apical to operational levels, for a total investment in training consultancy of about 170,000 euros.

The result achieved has been remarkable, beyond initial expectations; the acquisition of new relational skills has made it possible to change the way relationships are approached, improve efficiency in one's work and the quality of results achieved in terms of performance and organizational well-being.

The path followed also made it possible to make the company's organizational structure more functional, improving the definition of roles, responsibilities and processes among functions, making senior figures advocates of change and promoters of the growth and enhancement of resources within work teams.

ADRIANO ANIBALDI - CEO and Founder of Interago Academy

The grand project of Change that Osai A.S. S.p.A. entrusted to us, starts from the premise, below, which at the time of the initial design was shared, agreed and accepted with the Ownership and the General Management.

Every Corporate Relational System is based on People united by more or less strong and more or less explicit ties of interdependence.

A System based on roles, role interpretations, relationships and connections.

Individual interpersonal relationships impact the state of well-being or discomfort of an individual belonging to a work group and consequently enhance or depower its performance and efficiency.

In any organization, the level of reliability of alliances between groups (divisions, departments, entities, organizational areas) impacts overall performance.

The Relational System thus moves within an Organizational System where a series of actions attributable to explicit, structured and shared processes as well as repetitive and implicit behaviors are enacted on a daily basis.

When Osai's management decided to tackle the plan that would lead to the creation of a new way of interpreting Relationships, it set itself the great goal of not only leading the Company to improve its organizational efficiency, but also, and perhaps more importantly, making the "Climate of the Organization" a climate in which people could "Feel Good."

To achieve this, we decided to take action on three main elements.

The first element was the intervention on the dissemination of a new common language: each type of Osai staff role,

participated in specific trainings in "Relational Communication".

Training based on specific scientific constructs of Emotional Intelligence and Relational Behavior Analysis born with the purpose of having in our hands a specific tool for understanding and directing relationships and subsequent operational well-being.

The second element was the work done on the organizational structure. Interventions have seen reanalyzing and better optimizing the hierarchical structure, roles and its boundaries, delegations, and processes related to activity and people management.

The third element was to remodel relational communication modes. The intervention enabled Osai people to achieve a high level of explicitness and negotiation skills, based on seeking explicit, bilateral agreements.

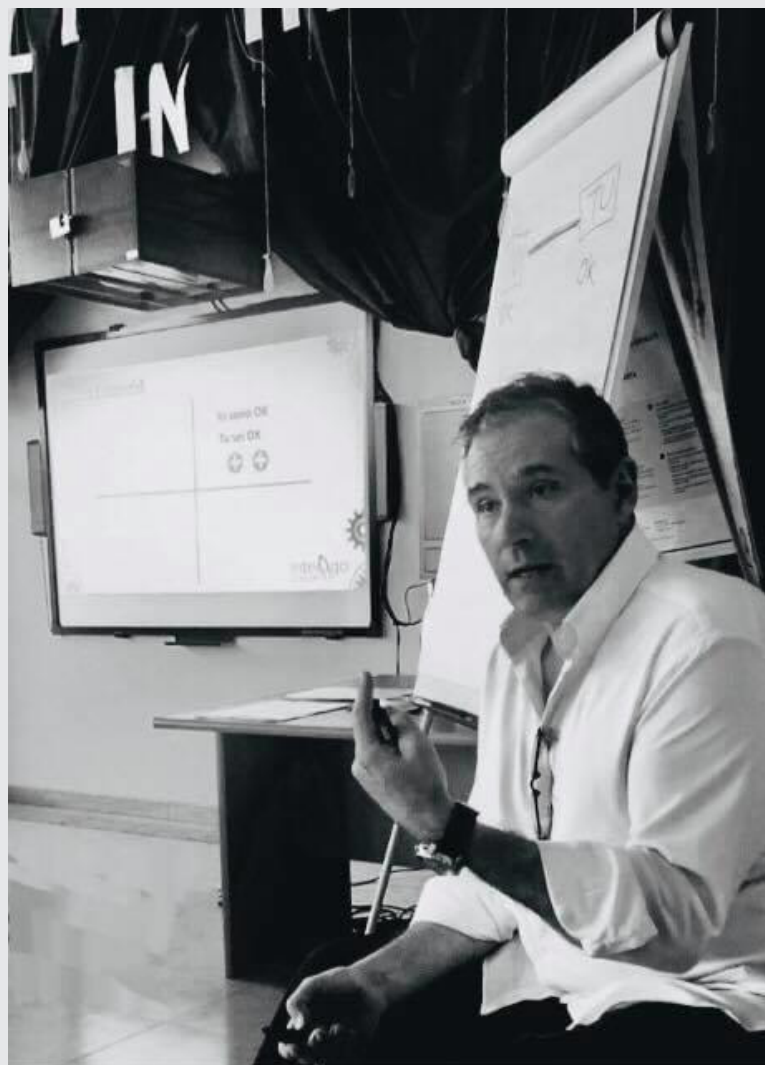
Relational Contract Theory, peculiar to Organizational Transactional Analysis, has become a powerful operational tool in Osai. Each person now seeks to act according to a known and shared operating agreement so that the system itself is protected and supported.

After about three years of work, we can say that the "Osai Relational System" has achieved the desired change. More than 180 people "speak" the new language. Those who want to solve any "operational problem" now have the tools and the ability to act on paths that lead to the solution and not to get stuck on ineffective dysfunctional and painful behaviors.

The relational culture in the organization has increased to the point that, like any improvement project, it has become a "Continuous Improvement Project." A project that well realizes that "decisions made

can always be changed," that agreements are made to be aligned on the constant innovations that people and the market propose to Companies.

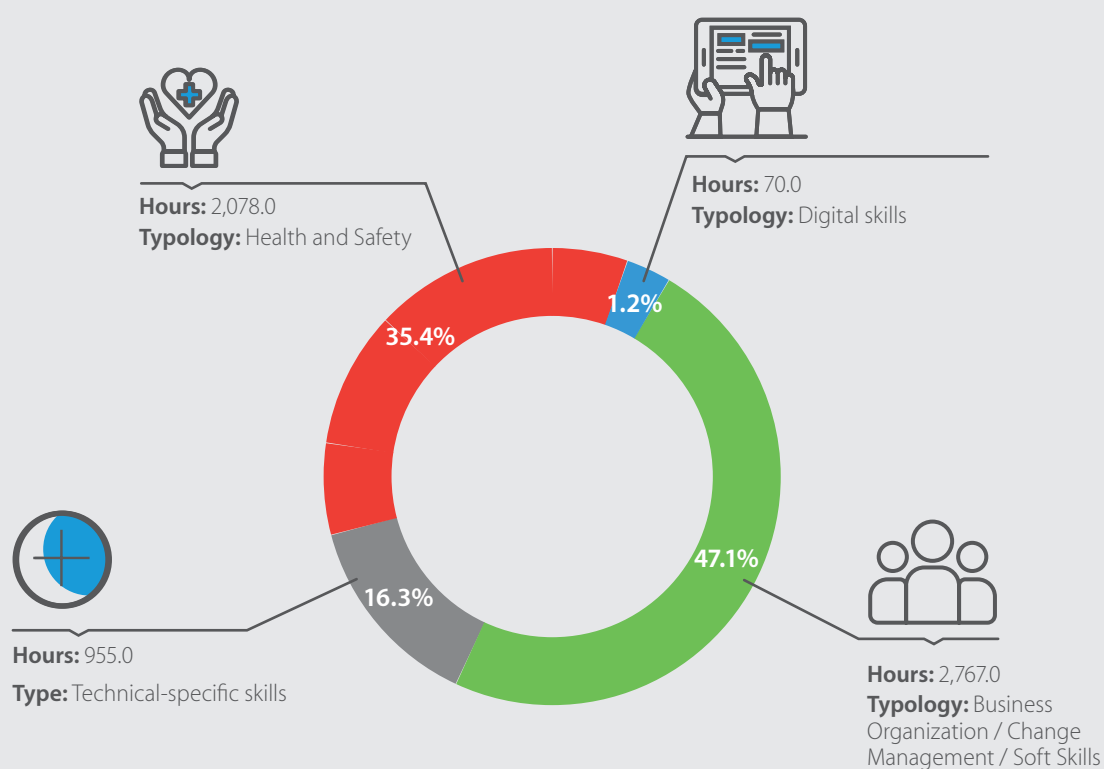
Osai is certainly ready to follow its own challenges necessary to become an increasingly important Company in its target market, but knowing even more deeply that shared success is achieved with happy and motivated People.



AVERAGE HOURS OF TRAINING	2019			2020			2021		
	♂	♀	AVERAGE HOURS CATEG.	♂	♀	AVERAGE HOURS CATEG.	♂	♀	AVERAGE HOURS CATEG.
EXECUTIVES	85.0	24.0	18.2	113.5	53.0	27.8	231.5	15.5	41.2
MANAGERS	73.0	0.0	14.6	208.5	75.5	35.5	416.5	32.0	49.8
EMPLOYEES	2,037.0	564.5	19.6	3,270.0	1,191.5	31.6	3,742.0	855.0	29.3
WORKERS	462.5	48.0	17.6	556.5	2.0	19.9	577.5	0	23.1
AVERAGE HOURS BY GENDER	18.8	19.9	19.0	28.8	37.8	29.9	29.7	22.6	29.8

The following table shows the breakdown of hours provided by training type.

HOURS OF TRAINING BY TYPE	2021	%
Occupational Health and Safety	2,078.0	35.4
Change Management and Business Organization	2,767.0	47.1
Digital Skills	70.0	1.2
Technical-specific skills	955.0	16.3
TOTAL	5,870	100



6.2 EMPLOYEE WELFARE

The human and family dimension of the Company, attentive to the needs of the individual and its requirements, has always guaranteed, an adequate and above all positive working environment, inspired by the protection of freedom, dignity and inviolability of the person, as well as principles of fairness in interpersonal relationships, which allow all employees to perform their work to the best of their ability by expressing their talents and potential.

OSAI consistently pursues the goal of maintaining a high level of organizational well-being through careful monitoring of the business climate.

In this framework, the Company considers strategic the listening activity that the Human Resources function carries out on a daily basis as a constant element to intercept any situations of difficulty and/or discomfort but also as an element of stimulus to improvement for the growth of resources.

OSAI has also long considered it substantial to develop policies and actions aimed at safeguarding the health of the individual. A large part of these interventions relates to supplementary health care: the Company not only joins, as required by the national industry contract, the *MètaSalute* Health Fund, but since 2018 it has been directly integrating insurance coverage, guaranteeing

higher ceilings and further support for workers and their families.

Beginning in 2019, OSAI has also taken out an accident policy for all employees, which provides compensation for both minor and serious injuries occurring outside of work and includes indemnities for fractures, injuries with temporary or permanent disability, and in the event of death. Such coverage provides additional peace of mind for families who may find themselves in distress due to traumatic events that have occurred to their family members.

Starting in 2020, a specific protection related to COVID was activated and extended for 2021 as well, which provides an allowance for support for employees who have contracted the virus and require hospitalization and subsequent rehabilitation.

As part of the initiatives and actions carried out by the Company during 2021 to combat COVID and thus aimed at protecting the health and well-being of its staff, OSAI lent its willingness to host a Covid-19 vaccination presidium dedicated to its employees and family members within the company premises, which was later not realized due to the expansion of the vaccination campaign implemented by the government during the same period.



WELFARE AND WELL-BEING

In the three-year period 2017-2019, OSAI implemented corporate welfare for the first time with the aim of increasing the welfare of workers and their families through new ways that took the form of the provision of goods and services by the Company.

The development and implementation of targeted welfare policies have made a positive contribution by raising the level of employee satisfaction, organizational well-being and sense of belonging among employees and thus the level of retention.

Following up on the experience started in 2017, OSAI later extended its Welfare Plan to all employees with the following objectives:

- Valuing "Our People" who daily face their work with commitment and dedication, honesty and passion, creating the best conditions to support their expression;
- Rewarding the loyalty, transparency and sacrifices of those who confidently continue to choose to live their working future in OSAI;
- Promoting work-life balance (work-life balance) by providing greater flexibility and creating the conditions to perform at one's best anywhere, anytime;
- Establishing a healthy and lasting relationship between business and workers, between business and Family - the focus of every worker's life - by offering solutions and answers to needs;
- Seeking solutions to needs by creating interventions tailored to the employee and family;
- Enriching the concept of wages by going beyond the notion of purchasing power: to broaden the meaning of welfare with both the ability to buy or acquire what is needed and the opportunity to enjoy a service or good without disbursement;

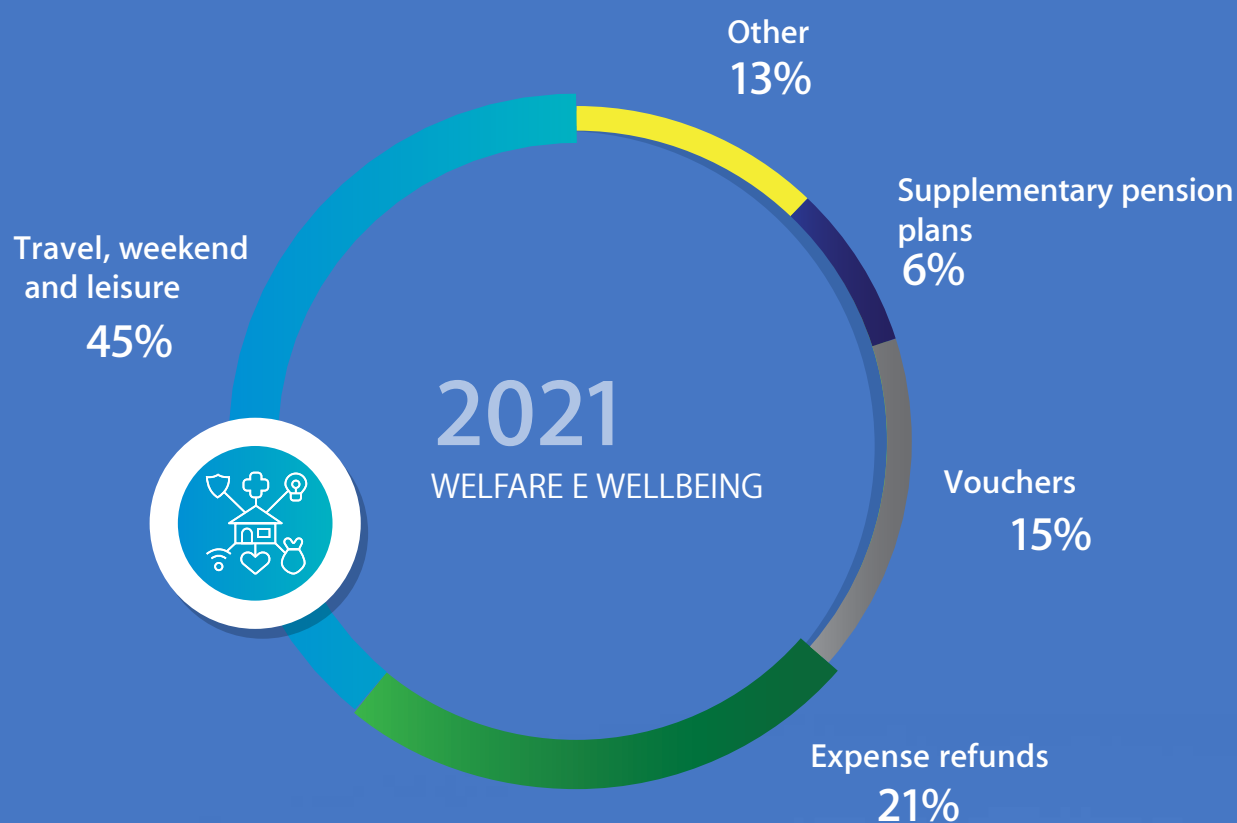
- Cultivating corporate welfare by pampering the individual talent and gain a decisive competitive advantage.

The fruit of this approach resulted in the drafting of an annual Welfare Plan and special implementing regulations approved by the Company's Board of Directors.

The Plan presents heterogeneous interventions in the areas provided for by the regulations to encourage corporate social initiatives in support of workers and their families; it provides for and regulates forms of subsidized corporate loans, disbursements of the advance payment of severance pay (TFR) beyond the limits established by law, and defines complementary health coverage to the category health fund.

The 2021 Welfare Plan identifies 15 homogeneous groups of beneficiaries, represented according to the beneficiary's type of job classification, job description, company seniority and age: the recipients thanks to their "on top" ceiling can enjoy goods and services through the OSAI CARE portal, a special web platform accessible to employees.

In 2021, the ceiling made available by the Welfare Plan amounted to over 275,000 euros divided between "Welfare On Top" and Welfare provided by the relevant CCNL (100% employees covered by CCNL). The total amount of goods and services used during the year amounted to 237,548.89 euros, proving to be significantly higher than the previous year's amount (193,343.78 euros). The areas of greatest interest were once again travel and leisure activities (107,069.73 euros), regulatory reimbursement claims (49,118.39 euros), vouchers and coupons (35,955.00 euros) and payments to supplementary pension schemes (14,050.00 euros). In addition to the above, subsidized loans to employees amounted to 18,268.84 euros during 2021.



WORK-LIFE BALANCE

Work-life balance is a recent and very broad concept that refers to the ability and possibility to balance work-life spaces in a balanced way.

Underlying this thinking is the notion of "time" which has become an increasingly valuable resource in an age of great social change.

Over the years, OSAI has devised and implemented internal provisions aimed at protecting and facilitating work-life balance. In addition to guaranteeing the forms of leave provided in the

Category Contract to deal with serious family situations, it introduced the following measures aimed at ensuring a better balance:

- Workday characterized by hourly flexibility;
- Ability to activate and make use of the hour bank;
- Requests for leave on short notice;
- Facilitated remote working for certain categories of individuals;

REMOTE WORKING

In 2020, given the emergency situation caused by the pandemic, OSAI widely applied remote working by following the provisions and regulations dictated by the different Prime Minister's Decrees (DPCMs) and according to the Protocols contained therein.

Previously, the Company had started remote work on an experimental basis, involving about a dozen employees, to give the opportunity to work from home in the case of special difficult situations related to the management of family members or related to health reasons.

Throughout 2021, even during periods when restrictions have gradually eased, and despite a gradual and steady return onsite, remote working has been an established, widespread and highly effective mode of operation in providing flexibility and support in work-life balance.

The experience over the past two years has been very rich in insights: it has enabled us to overcome static and unidirectional concepts of work. It certainly brought out gaps but also allowed for the discovery of benefits unknown until then. It stressed the need and importance of harmoniz-

REMOTE WORKING	2020			2021		
	♂	♀	Tot.	♂	♀	Tot.
Number of employees who worked remotely	113	34	147	101	34	135
% who used remote working out of the total	74%	97%	78%	61%	85%	65%
Total days worked remotely	8,938	4,070	12,794	5,226	3,531	8,757
% of remote working days out of total days worked	26%	53%	27%	17%	48%	22%

*Ratio between the no. of employees who worked remotely and the number of employees transiting in the company (including hires and terminations in the reporting year)

ing flexibility and organization, security and interpersonal relations in daily activities.

Widespread application of this modality represents a new perspective in the world of work and will find sure application in the Company even after the pandemic is over thanks to the experience gained.

Regarding the 2021 data, there is a reduction in the number of total resources that worked

in remote working mode compared to 2020, a phenomenon due to a gradual return to normalcy and onsite after the devastating effects of the 2020 pandemic. In any case, the number of women choosing this mode (amounting to 84% of the total number of women in the company) remains constant, which demonstrates the functionality of this new mode of work.

RELATED WORK STRESS

During 2021, as stipulated under Legislative Decree no. 81 of April 9, 2008, the Occupational Health and Safety Consolidation Act, the new preliminary assessment of Related Work Stress Risk has been initiated in OSAI.

The Company wanted to seize this activity as an important opportunity, in order to be able to better understand and highlight with managers any difficulties and implement dedicated improvement plans in order to increase work well-being. In addition to what is conducted in this specific study, the Company conducts annual individual monitoring by submitting specific questionnaires to its employees that investigate different aspects related to organizational well-being.

Over the course of three months of activities and analysis, 70 percent of staff, or 132 people, were involved in the project in more than 300 hours of dedicated meetings with Homogeneous Groups identified as a representative sample of OSAI workers and 530 hours of training sessions.

For the assessment, the guidance provided by INAIL was adopted, which in addition to ensuring full compliance with the assessment methodology harmonized with other European Union countries¹ allowed the Company to obtain aggregate risk levels for the different areas of analysis.

Details of the three areas analyzed are given below:

- **Area - SENTINEL EVENTS** which analyzes injury indices, sick leave, turnover, unused vacation, disciplinary proceedings and sanctions, reports from the Medical Officer, requests for extraordinary visits to the Medical Officer, frequent formalized complaints and requests for transfer by workers;
- **Area - CONTENT OF WORK**, factors analyzing work environment and equipment, work loads and pace, working hours and shifts, work task design;
- **Area - WORK CONTEXT**, factors that analyze the role within the organization, decision-making/control autonomy, interpersonal relationships at work, career evolution and development, communication, home/work interface.

The summary data from the preliminary assessment, and the final value returned by the assessment for each group represent the starting point for planning and initiating organizational, psychosocial and structural improvement interventions to be implemented.

The results obtained from the assessment on the 12 Homogeneous Groups, identified according to the previously shared criteria, provided a positive result overall, despite highlighting limited areas of not insignificant risk, but classified as "medium."

2) Eu-Osha, European Agency for Health and Safety at Work.

PRELIMINARY ASSESSMENT MATRIX RELATED WORK STRESS

Homogeneous Group	Sentinel Events Area	Content Work Area	Work Context Area	Final Score
Services Area	6	20	15	41
Purchasing Services	0	20	16	36
Administration Services	0	11	33	44
Logistics Services	0	26	17	43
Sales Area	0	31	46	77
Construction Area	0	5	32	37
Design Area	6	6	16	28
Software Development and Laser Applications Area	0	24	25	49
Project Management	0	29	40	69
After Sales Services	0	15	43	58
Core Area Managers	0	13	28	41
Service Area Managers	6	20	26	52

MATRIX FOR THE ASSIGNMENT OF SCORES

Final Checklist Score	Risk bands					
	Not relevant		Average		High	
	TO	A	TO	A	TO	A
Sentinel Events Area Score	0		6		16	
Content Area Score	0	23	24	43	44	100
Context Area Score	0	37	38	53	54	100
Final Score	0	58	59	90	91	216

The contents and outcomes of the checklists and sentinel events discussed in the classroom, will be shared by the Management Group³ with the relevant Managers belonging to the various functions referring to the 12 Homogeneous Groups, and in all areas of non-significant risk,

improvement plans and actions aimed at reducing the critical issues that emerge will be prepared.

Actions under improvement plans may include organizational, technical, procedural, communication or training interventions.

3) Composed of: Employer, Prevention and Protection Service Manager, Medical Officer, Workers' Safety Representative, Human Resources (HR) Office and Health and Safety (H&S) Office

MOBILITY OF PEOPLE

The issue of home-to-work commuting has become of stringent relevance during 2021 given the extension of the requirement to draw up Home-Work Commute Plans (so-called PSCL) also for Companies with at least 100 employees located in metropolitan cities (Decree Law no. 34 of May 19, 2020). Before 2021, this requirement, as well as the attached appointment of a Corporate Mobility Manager (so-called "Mobility Manager"), concerned only companies with more than 300 employees per production unit or 800 employees across multiple locations.

OSAI, with the support of external consultant staff and the appointed Mobility Manager, drafted its

first PSCL in 2021, which already frames a range of actions to encourage the containment of environmental impacts produced by workers' daily travel. Among these, the most large-scale action, because of the audience it is aimed at, will be the promotion of carpooling including through dedicated travel booking apps. As in the case of remote working, it is fair to point out that the Company has long supported the good practice of car sharing among employees, ensuring that those who do so benefit from Viacard cards as reimbursement for highway tolls incurred to reach the workplace.

EQUAL OPPORTUNITY

OSAI views diversity as an opportunity to draw new insights and culturally enrich the corporate family: it rejects any form of discrimination or harassment, and is actively committed to developing and maintaining an inclusive work environment and a climate aimed at tolerance and respect for human dignity.

OSAI protects all characterizing aspects of the employment relationship, regardless of ethnic origin, gender, sexual orientation, religion, nationality, age, political opinion, union affiliation, marital status, disability or any other status or personal characteristic.

With a view to the best development of people, the Company applies a personnel evaluation system that detects the skills put in place to achieve the assigned goals, providing specific growth plans for each role, task and responsibility. This protects equal opportunity for every employee by ensuring a fair pay level and a meritocratic career growth path that reflects each individual's knowledge, skills, abilities, and professional experience.

REMUNERATION

OSAI strongly believes in "total reward", an extended compensation concept that aims to maximize satisfaction in the economic treatment received by people through several key parameters.

The Company, in addition to the usual rewards related to category contract conditions, aims to broaden the spectrum of monetary treatment through the application of welfare policies, maintaining a positive work environment, and perfor-

mance and talent management.

Therefore, in addition to economic recognition defined according to the logic of the labor market and collective agreements, other components are added such as:

- Structured and widespread welfare at all company levels (including MBO);

- Positive work environment (organizational well-being, good relationships, cohesion, job security, work-life balance);
- Performance management (feedback culture and multi-assessment);
- **Talent management** (skills mapping, growth paths and skills development).

THE POWER OF LISTENING AND DIALOGUE

The pandemic has radically transformed our understanding of life, people's priorities have changed, and the Company, which is made up of people, can only change with its people. Changing the approach and ways of work means opening a dialogue, a discussion, paying attention to and valuing the needs of one's human resources.

Motivation and a sense of belonging, elements considered fundamental by OSAI, should be sought through stronger relationships built not only through economic compensation, although it is an important element when it comes to work, but also through building a safe and secure environment based on trust and cohesion, investing in listening and understanding needs.

It is in this logic that the management of an ongoing process of alignment between employee and corporate expectations takes on a fundamental aspect. It is necessary to work in the utmost consistency between what is communicated and what is actually applied through annual surveys to monitor the elements that contribute to staff satisfaction.

The Company on an annual basis, through the company's online platform, makes available to all staff and on an optional basis, 3 types of questionnaires aimed at surveying **staff satisfaction, organizational well-being and for evaluating the work environment**.

Through the analysis of data from the satisfaction surveys, it is possible to identify critical areas and business sectors on which to act with a view to improvement, initiating specific activities or paths of discussion and listening with the apical and operational stakeholders involved. This continuous improvement process, which can be regarded as a "**organizational welfare management system**" is a key element in the management and enhancement of personnel in OSAI. In fact, we believe that through the satisfaction of our people the level of performance increases, which cannot be separated from motivation and a sense of belonging to ensure a level of responsibility that is functional to the achievement of the Company's objectives.

STAFF SATISFACTION

The **staff satisfaction** questionnaire, which has been active since 1999, now consists of 24

assessment items and covers the areas that contribute to defining the level of satisfaction

of resources such as: role, job description, appreciation of one's work, compensation, growth prospects, company values, climate and relationships with colleagues and superiors, and information and tools for doing the job. The company's goal through this survey is to monitor the average level of satisfaction so that it is above 8/10. The data for 2021, which saw 95% voluntary participation in the survey, reported a satisfaction level value of 8.1/10, which is on target for the third consecutive year despite the difficulties and uncertainties due to the two-year pandemic

period.

BEST AVERAGE PARAMETER:

9.2/10 - management's level of sensitivity to safety and environmental compliance

WORST AVERAGE PARAMETER:

6.8/10 - Level of involvement and sharing in company decisions

ORGANIZATIONAL WELL-BEING

The **Organizational Well-Being** Survey, introduced in 2020 allows us to provide insights into the level of well-being perceived by staff and in particular to analyze 3 specific areas: corporate culture, coordination of top functions, and well-being and discomfort. Through the questionnaire for the 2021 period, which involves an evaluation on a total of 31 parameters, 95 percent of the staff expressed an average value of 7.6/10 that is almost in line with the 2020 figure (7.8/10), providing indications of the critical areas and on which to act in order to reach the desired target of 8/10.

BEST AVERAGE PARAMETER:

9.1/10 Proper modes of behavior of colleagues and figures of responsibility

WORST AVERAGE PARAMETER:

6.2/10 Opportunities for further education and professional development through training courses, seminars, fairs and conferences

THE WORK ENVIRONMENT ASSESSMENT

The **Work Environment** Assessment Survey, introduced since 1999 allows for providing indications on the appreciation level of personnel with reference to the environment in which they work by evaluating 15 parameters including: work areas and workstations, comfort of environments, safety and work equipment, waste management, etc.

Through the questionnaire for the period 2021, in which 96 percent of the staff adhered, an average value of 8.3/10 was obtained, slightly lower than

the 2020 figure (8.7/10) providing indications of the critical areas and on which to act to reach the desired target of 8.5/10.

BEST AVERAGE PARAMETER:

9/10 Personal and Collective Protective Equipment provided by the company

WORST AVERAGE PARAMETER:

7/10 the level of sound insulation

PARENTAL LEAVE

OSAI has manifested since the most difficult months of the pandemic the will to "leave no one behind", that is, not to penalize those who had to forcibly abstain from work for causes objectively beyond their control, and at the same time not protected by any institution.

It therefore deemed it essential to extend, even for the first half of 2021, some of the measures already taken in the second part of 2020, extending the institution of solidarity leave for:

- employees subjected to quarantine and/or fiduciary isolation procedures without the ability

to perform work activities remotely and without coverage of absences from work by social security institutions, for the resulting period of abstention;

- residents/domiciled in municipalities included in the red zone if restrictions prevent them from leaving municipal boundaries to go to work in any case, for the resulting abstention period;
- employees unable to perform their duties and who have used all vacation and/or leave for proven objective reasons.

COMMUNICATION ACTIVITIES

OSAI has traditionally been attentive to details, and corporate and institutional communication has always held great importance. For this reason, all communication, marketing and social media activity is handled by an exclusively dedicated in-house team.

The Company has chosen and invested essentially in 2 communication channels that it considers compatible with the ethical characteristics and professional and social purposes of communication to its stakeholders: the company website and LinkedIn profile.

As for the OSAI website, it had 255,576 visitors in 2021, a year-on-year growth of 279.1%, mainly due to the interest of foreign audiences (88.4% of visitors). Equally significant is the number of access sessions (+141.9% over 2020).

The LinkedIn profile continues to show a steadily growing trend in 2021, as in 2020, expressed in terms of followers, with 2,542 subscribers in 2021 (+38.1% over 2020 and +364.7% over 2018).

From the study of communication tools that were emotionally engaging and effective in presenting

content of interest to the company, the company mascot was created in 2018, Mr. OSAI, which presents itself to the world as a distinctive entity for institutional and non-institutional communications. Mr. OSAI embodies the tradition and values cherished by OSAI through its image. The white coat as a hallmark to convey and emphasize the focus on research, innovation, and also order and cleanliness, aspects considered basic to working at one's best.

Mr. OSAI is not an ad hoc created character, but a figure inspired by everyday life who can and will represent every resource of OSAI. The mascot is then found as the protagonist in Mr. OSAI Comics: a simple and direct communication model that can strike a wide audience, drawing attention to a reality still unknown to many. Through a periodic comic strip featured on the company website, led by Mr. OSAI, the reader can retrace the journey through time to discover the history of the Company in its 30 years of operation.

Another distinctive project is the one called "Give Your Work a Face," dedicated to enhancing the value of OSAI people who humbly transform

OUR PEOPLE



ideas into excellent technological products every day.

Each system produced by the Company arrives to the customer accompanied by manuals, contained within customized packaging with the faces of OSAI employees who actively participated in the project.

A way to appreciate the daily work of each of our employees, proud to say that our strength has always been rooted in people and is strengthened day after day, including by enhancing each individual with initiatives like this one; but also an opportunity to bring the customer inside the company's reality of passion, will and dedication.

Absolute values	2019	2020	2021
LinkedIn Followers	889	1,841	2,542
Site visitors (users)	22,570	67,420	255,576
Site views (sessions)	80,912	144,836	350,340

Changes	2019/2018	2020/2019	2021/2020
LinkedIn Followers	62.5%	107.1%	38.1%
Site visitors (users)	28.5%	198.7%	279.1%
Site views (sessions)	8.3%	79.0%	141.9%



Osai
on systems

CASO DI NECESSITA'
mo DAE dotato di istruzioni di
custodia, parte automaticamente
Emergenza NUE 112

USE OF AN EMERGENCY
(AED) equipped with light
it automatically calls the Unique



6.3 OCCUPATIONAL HEALTH AND SAFETY

OSAI bases its business activities on a culture of safe work that places the Person at the center of the company system; therefore, at OSAI, no compromises are made on the integrity of human life and the health of individuals.

The Company is committed on a daily basis to spreading the culture of workplace safety in order to promote responsible behavior by all employees and to actively involve them.

OSAI has structured occupational safety management by constantly investing resources and raising its standards; thus it has contained

the number of accidents to 1 case in the year 2021 and zero occupational diseases in the last three years. In the previous three-year period, the number of accidents was also zero, with the exception of so-called "in itinere" accidents, i.e., those related to home-to-work commutes.

All employees have safe and healthy working conditions regardless of their role or task: "Safety of our People" is a founding principle that inspires OSAI's choices and is pursued with firmness and absolute rigor.

INJURIES (corrected table!)	2019	2020	2021
Deaths	0	0	0
Death rate	0%	0%	0%
Accidents with serious consequences	0	0	0
Rate of injury with serious consequences	0%	0%	0%
Recordable injuries	1	0	1*
Recordable injury rate (per 1,000,000 hours worked)	2.92	0	2.88
Hours worked	342,336	353,598	347,650
TOTAL	1	0	1

* **Insight related to the accident case recorded in 2021 (43 days lost in 2021 and 3 days lost in 2022).**

The isolated accident case that occurred at the end of the year 2021, was the subject of analysis by the Safety Office in collaboration with the Sector Managers concerned. The analysis revealed no critical issues with regard to failure to follow procedures or use of Personal Protective Equipment (PPE), and the event was traced back to the operator's improper handling of a power tool. The limb-distorting injury caused by the jamming of the drill/screwdriver bit caused a long period of convalescence and temporary inability to work, which justifies the higher severity index shown in the summary table.

The survey carried out immediately put in place an improvement plan, which included strengthening specific training in the use of manual equipment and raising awareness among the entire production staff.

OSAI has also for several years activated insurance coverage intended for personnel engaged in activities while away abroad in order to ensure the

timely handling of unforeseen events or emergencies that may occur during a mission, from lost luggage, to a health problem. This coverage, given

the state of global health emergency caused by the pandemic, guarantees assistance and reimbursement in case of medical expenses in case of Covid-19 infection or otherwise related to it.

On March 12, 2020, as an additional protection for the health of its people during the period of the Covid-19 pandemic, OSAI activated for all its employees, a specific insurance coverage for the Coronavirus emergency, which provides a

package of guarantees and services stipulated to supplement the coverages already provided by the Social Security Institutions. The coverage, which has also been renewed for 2021, provides, in the event of a Covid-19 infection and subsequent hospitalization, a hospitalization and convalescence benefit, as well as a post-hospitalization care package to better manage health recovery and family management.

THE COVID-19 PROTOCOL ADOPTED BY OSAI

The goal of safeguarding the health and safety of employees and their families led to the immediate activation of extraordinary protocols and specific safety measures to deal with the state of pandemic emergency that has struck our country.

OSAI has implemented as early as March 2020 all possible actions to protect its people, in terms of employment and health and safety. For proper and efficient management, an **internal task force composed of RSPP (Prevention and Protection Service Manager), RLS (Workers' Health and Safety Representative), Medical Officer, Corporate Management and Human Resources** was established for the pandemic emergency period.

The task force was established to continuously support and monitor staff, meet periodically to take new preventive and risk mitigation actions, and update internal procedures and regulations as the pandemic situation evolves.

To the need to intervene on interpersonal distancing in the workplace, the Company immediately intervened with the work-from-home formula for all professionals not directly related to production activities.

Personnel who necessarily had to work on company premises for the continuation of production activities were put in the best possible conditions

to work safely, according to **internal procedures drafted in advance of national company protocols**.

With a view to prevention and containment of contagion, activities that involved movement or grouping of people were stopped or significantly decreased:

- Business trips and travel, limited to what is strictly necessary;
- Business meetings conducted by videoconference.

Out of the total number of resources employed, there were a very small number of cases, developed at different times of the year and never related to possible infection among employees, amounting to less than 3%.

Overall, the monetary commitment that OSAI made to guarantee safe access at the production site, installation and Aftersales activities at its Customers was Euro 91,792.

The **overall decrease in expenditures incurred in 2021, compared to the year 2020**, is attributable to the listed factors:

1. **lowered prices for the purchase of PPE** (masks and other personal protective equipment);
2. **less time commitment by internal resources belonging to the Task Force**, which in 2021

was thus able to focus on updating previously written internal procedures;

3. **clearer and more timely regulatory framework;**

4. **much smaller training and information sessions on contagion risk management**, as they are limited to only staff hired during 2021;

5. **Centralization of the Green Pass and body temperature verification point at the Front Desk**, including through the establishment of access times for homogeneous groups, instead of the three checkpoints established prior to the entry into force of the green certificate requirement in the workplace.

SAFEGUARDS FOR PEOPLE	2020		2021	
	Pieces purchased	Expenditure [euro]	Pieces purchased	Expenditure [euro]
Personal protective equipment	50,700	29,475	71,250	10,877
Antigenic swabs	38	1,520	37	1,450
Molecular swabs*	14	1,400	60	6,020

* Swabs purchased for overseas work trips

COVID-19 PROTOCOL	2020		2021	
	Hours invested	Expenditure [euro]	Hours invested	Expenditure [euro]
Protocol Management*	6,271	250,820	1,150*	46,000
Workplace sanctions carried out by service providers	1,144	19,055	1,572	26,646
Staff information/training	180	7,200	20	800

*task force, body temperature measurement and Green Pass control, internal sanitation





CHAPTER 7

VALUE CHAIN MANAGEMENT

VALUE CHAIN MANAGEMENT	7.0
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SELECTION OF SUPPLIERS	
EVALUATION OF SUPPLIERS	
OSAI AUGMENTED QUALITY	
CUSTOMER SATISFACTION	7.2

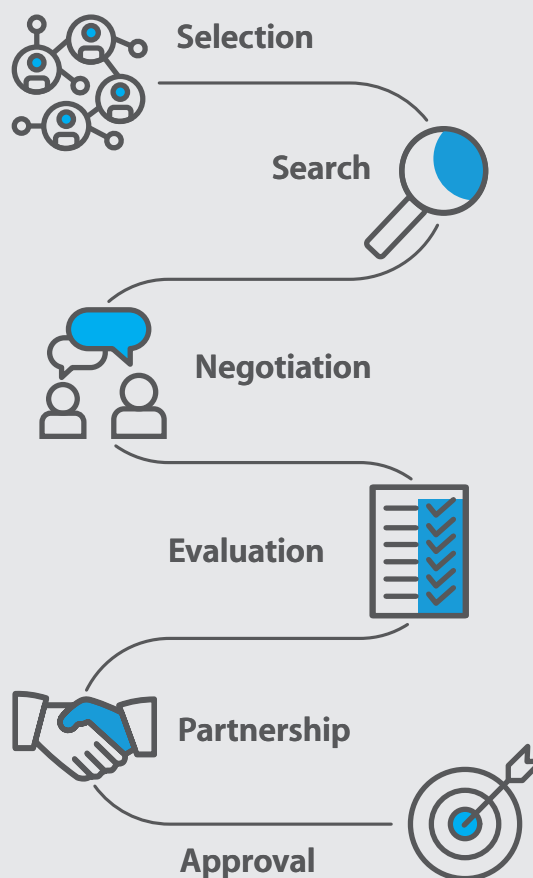


7.0 VALUE CHAIN MANAGEMENT

The quality of people-to-people relationships and acting ethically and responsibly is the basis of OSAI's way of being and the management of its Value Chain, i.e., that set of activities and processes that produce value for Customers and the Company as a whole.

The publication and dissemination of the Code of Ethics has ensured effective awareness of OSAI's personnel who deal with external parties.

Listed briefly below are the basic rules for ethical value chain management that OSAI has defined, approved internally, and disseminated.



Supplier Relations

Provide in contracts with Suppliers a declaration of acknowledgement and acceptance of the Code of Ethics and the General Conditions of Supply with particular reference to the issues of health and safety in the workplace, the protection of human rights, and the prohibition of exploitation of child labor.

Verify the requirements of professionalism, honorability and reliability of counterparties including through the monitoring systems agreed with the Company.

Recognize participants who meet the necessary requirements, equal opportunity to participate in the selection.

Avoid entering into contractual ties that involve forms of mutual dependence.

Verify, including through appropriate documentation, that Suppliers have means, including financial means, organizational structures, technical capabilities and experience, quality systems, safety and security, and resources adequate to the needs and image of OSAI A.S.

Evaluate a plurality of bids with objective and documentable criteria, ensuring that each transaction/transaction is legitimate, authorized, consistent, congruous, documented, recorded, and at all times verifiable according to company operating procedures.

Evaluate the quality, convenience, cost-effectiveness and responsiveness of bids to business needs in accordance with the principles of fairness and transparency.

Ensure traceability of choices by keeping documents proving compliance with internal procedures and the purpose of the purchase.

Relationships among OSAI Persons

OSAI A.S. bases its business activities with a culture of safe work, which places the Person at the center of the Company system. Therefore, compromises on the integrity of human life and its health are not accepted even at the expense of increased costs and consequent constraints for the Company.

OSAI Management protects the mental and physical well-being of employees, seeking through work organization and corporate welfare plans, the continuous improvement of the quality of life of its employees by seeking the right balance between work needs and personal and family needs.

With a view to enhancing the value of people, the company applies a personnel evaluation system that detects the skills put in place to achieve assigned goals, from a meritocratic perspective providing specific growth plans for each role, task and responsibility.

OSAI is committed, to the best of its ability and without neglecting the growth and profitability of the Company, to protect the employment development of the area in which it operates and to promote the quality and stability of work.

OSAI A.S. S.p.A. believes in valuing people and their professional and human growth. Therefore, we are committed to providing our People with the best cognitive and updating tools necessary for the performance of their work.

Customer Relations

Provide accurate, complete and truthful information so that the Customer can make an informed decision.

Condemn the use of any advertising and/or communication tools designed to mislead the Customer about the quality, performance of the products/services offered.

Meet commitments and obligations to Customers.

Ensure that products meet expectations and comply with market requirements, in accordance with applicable laws in the countries marketed, including in terms of safety by pursuing quality and continuous improvement within the scope of activities performed.

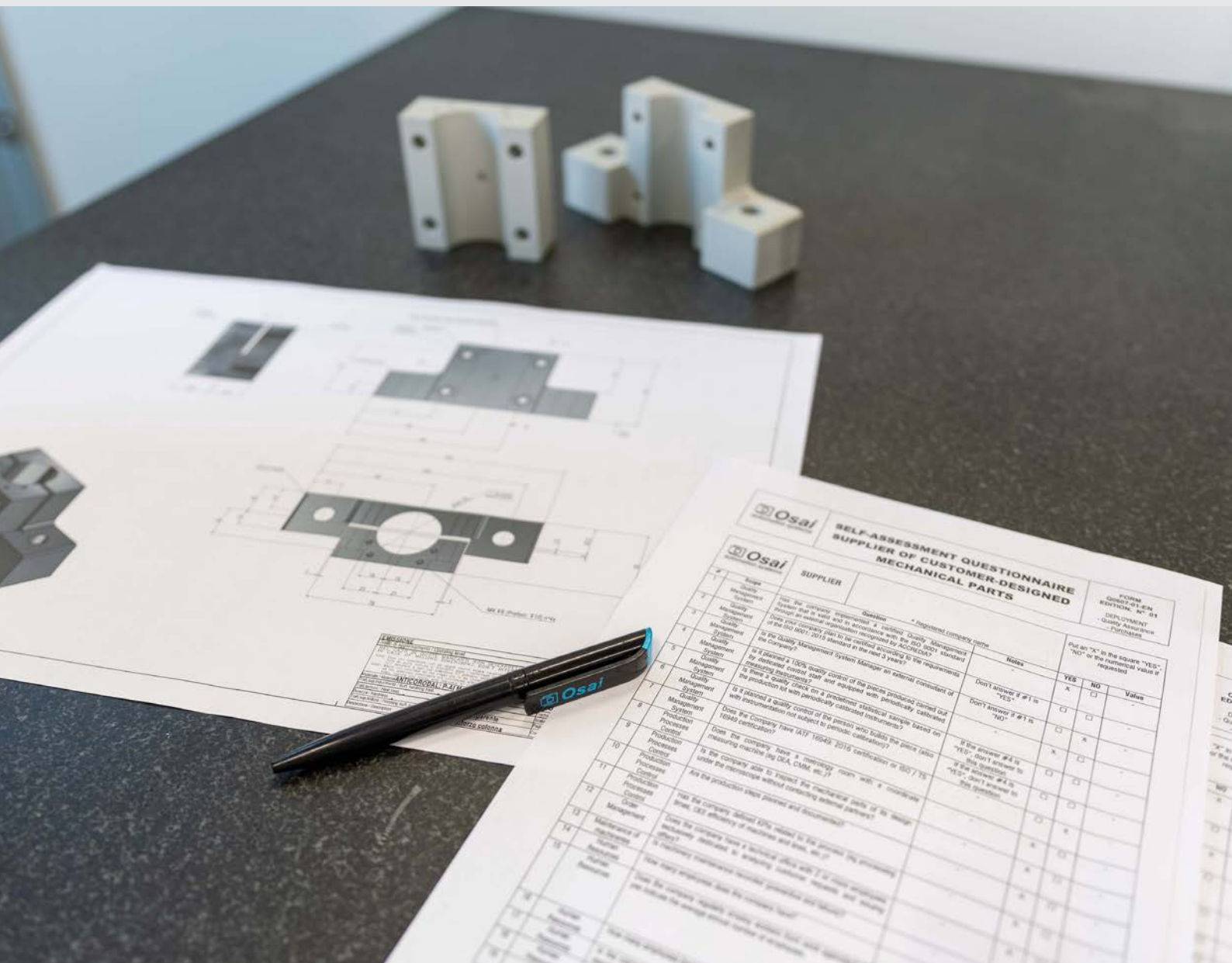
Ensure maximum attention to suggestions and any complaints from Customers.

7.1 ETHICAL SUPPLY CHAIN MANAGEMENT

OSAI's product supply chain was the subject of a preliminary **Life Cycle Assessment** (LCA) study initiated in 2019 to meet the requirement of UNI EN ISO 14001:2015, and refined in 2020 in second edition.

The inbound-outbound Procurement and Logistics activities, in which the corporate Supply Chain concept is embodied, have been evaluated in terms of their environmental aspects, impacts and attached risks, on a par with the processes to which they are linked.

The study found that the supply chain, compared to other production steps, such as product design and end-of-life disposal, result in smaller impacts, but can also be made more sustainable. With the exception of logistics, on which areas for improvement were identified related to the issue of reuse of wood packaging, three requirements were identified in the area of Procurement related to ESG.



1. SHARING THE ENVIRONMENTAL

OBJECTIVES DEFINED BY OSAI WITH ITS SUPPLIERS

All suppliers must be aware of how important the ways in which they relate to the environmental context are to OSAI, in each of their realities (waste management, energy conservation, search for efficiency in processes).

2. KNOWLEDGE OF THE SUPPLIER

Knowing the supplier means being aware of the conditions under which they work both environmentally and in their relationship with employees to protect occupational health and safety. If the supplier does not have certifications related to

environmental or safety management (ISO 14001 or ISO 45001), it should be audited at least once a year together with the Quality and Environment function to assess its working conditions and sensitivity to environmental issues.

3. PRIORITIZE PURCHASES FROM LOCAL SUPPLIERS

To give preference as far as possible, taking into account economic and quality impacts, to suppliers who produce within a 60-100 km radius of the Company's headquarters in order to reduce transportation-related impacts and consequently enhance the production fabric of the area.

The detail table shows the commodity diversification of materials procured by OSAI and functional for both product realization and indirect processes¹.

	2019 (Euro)	2020 (Euro)	2021 (Euro)	2019 (%)	2020 (%)	2021 (%)
Commercial parts ²	6,814,647	4,988,633	7,231,572	38.2%	32.7%	36.6%
Custom mechanical parts³	3,733,413	2,957,399	4,076,511	20.9%	19.4%	20.6%
Services	1,556,421	2,399,413	2,763,153	8.7%	15.7%	14.0%
Light carpentry⁴	497,878	1,106,771	445,092	2.8%	7.3%	2.3%
Commercial processed⁵	392,236	676,369	146,924	2.2%	4.4%	0.7%
OSAI Distributor	790,786	640,808	783,635	4.4%	4.2%	4.0%
Heavy carpentry⁶	1,167,340	385,332	1,223,020	6.5%	2.5%	6.2%
Machinery	644,023	252,674	842,487	3.6%	1.7%	4.3%
Software	156,868	168,173	258,302	0.9%	1.1%	1.3%
Analysis sample on total purchase turnover ⁷				94.5%	88.2%	90.2%

Approximately one-third (29.8 percent in 2021) of goods are purchased from suppliers that can be evaluated according to environmental and social criteria; in addition to this, custom mechanical parts, light and heavy carpentry assemblies (29.1 percent of 2021 purchase turnover), are products made of iron and aluminum alloys, thus recyclable through the casting process. Determination of weight or volume is not possible at present, which is why turnover was chosen as the unit of measurement.

- 1) The share of nonrenewable and renewable materials used is not reported because the figure is not monitored by the Company.
- 2) "Commercial parts" means all components that can be purchased from the manufacturer's catalog. Included in this commodity class are hardware, pneumatic and electrical connections, sensors, optics, PCs, robots [...]
- 3) "Custom mechanical parts" means mechanical parts built to OSAI's design.
- 4) "Light carpentry" includes the sheet metal, aluminum profiles and guards that make up the outer shell of OSAI machines.
- 5) "Commercial processed" refers to commercial parts on which additional workshop machining has been performed.
- 6) "Heavy carpentry" refers to metal structures made by welding box sections and serving as the load-bearing frame of OSAI machines.
- 7) The analysis sample is smaller than the total purchases made in the year: suppliers whose purchase turnover is less than 20,000 Euro/year were excluded.

The table below, on the other hand, highlights the size of **OSAI's supply-chain ethical footprint** in which it can be clearly seen that to procure mechanical parts built to drawing, light and heavy carpentry, and services, we have shares close to or greater than half of the purchases made, thus positive spillovers to the supplier environment in the Piedmont region.

Overall, compared to the total percentage of purchases made by OSAI, 34.4 percent are from suppliers belonging to the Piedmont region.

	2019 (%)	2020 (%)	2021 (%)
Commercial parts ⁸	18.1%	23.4%	20.9%
Custom mechanical parts⁹	48.6%	46.8%	46.3%
Services	77.2%	53.5%	50.3%
Light carpentry¹⁰	100.0%	100.0%	100%
Commercial processed ¹¹	27.4%	57.9%	17.1%
OSAI Distributor	2.9%	0%	0%
Heavy carpentry¹²	100.0%	100%	100%
Machinery	42.4%	0.0%	13.4%
Software	23.4%	21.1%	18.4%
Analysis sample ¹³	90.2%	89.1%	90.2%

% of purchases from suppliers with production headquarters within 60-100 km of the headquarters of OSAI A.S. S.p.A.

8) "Commercial parts" means all components that can be purchased from the manufacturer's catalog. Included in this commodity class are hardware, pneumatic and electrical connections, sensors, optics, PCs, robots [...]

9) "Custom mechanical parts" means mechanical parts built to OSAI's design.

10) "Light carpentry" includes the sheet metal, aluminum profiles and guards that make up the outer shell of OSAI machines.

11) "Commercial processed" refers to commercial parts on which additional workshop machining has been performed.

12) "Heavy carpentry" refers to metal structures made by welding box sections and serving as the load-bearing frame of OSAI machines.

13) The analysis sample is smaller than the total purchases made in the year: suppliers whose purchase turnover is less than 20,000 Euro/year were excluded.



SELECTION OF SUPPLIERS

The Company's goal is to select suppliers who will become reliable partners who can continuously support the Company's business and thus satisfy the end customer.

The Supplier selection process involves different levels of articulation based on the specific commodity class of the good to be procured and are detailed in the Operating Procedures within the ISO 9001:2015 Quality Management System.

The most critical area (accounting for 29.1 percent of 2021 procurement turnover) and complex to manage (quality, cost, and lead time) is the selection of suppliers of OSAI-designed custom mechanical parts and metalwork, as of any wrong supply awards can affect functionality and consequently job order profitability. Accredited suppliers are required to sign specific General Terms and Conditions of Purchase, which in the last three years have been updated to include essential issues such as the containment of environmental impacts, respect for

ethical issues and confidentiality of information handled.

While OSAI prefers suppliers that hold certifications in Quality (ISO 9001), Environment (ISO 14001) and Occupational Health and Safety (ISO 45001), it does not preclude companies that due to small size are unable to handle the costs associated with external certifications from accessing its supplier base. Through annual monitoring of QHSE (Quality, Health, Safety, Environment) issues and audits at suppliers' production sites, however, it is possible to ensure adequate control of the indirect impacts of production, even in the absence of periodic surveillance by third-party agencies.

The area of supplier selection of commercial products (36.6 percent of purchase turnover 2021) is more related to design choices, whether in-house or related to specific customer requests, often without possible alternatives, which focus on high quality components and diffusion on the world market by large multinational companies therefore the need for direct control by OSAI and guaranteed by the certification bodies to which the said companies are subject is less stringent.

The last major issue is the selection of service providers (amounting to 14.0% of the 2021 purchasing turnover), which is conducted by the specific Sector Manager and finalized with the Purchasing Department, taking into account the requirements set forth in the Corporate Code of Conduct, the Code of Ethics, and the payment conditions established by the Administrative Management. In this area, it emerges sharply how much the Company places trust, through delegation, in People with Responsibility, knowing that this is essential for there to be value creation even in areas not strictly related to the product.



EVALUATION OF SUPPLIERS

Companies joining OSAI's authorized supplier base follow a specific evaluation path-defined and documented by ISO 9001:2015 Quality Management System procedures-that differs according to the commodity class of the goods they procure.

While in the context of Service providers the process is more streamlined, in the case of supply of material goods that are used in the production of OSAI products affecting Quality, the path involves a more articulated process also in view of the risks arising from nonconforming supplies. The Procedures provide for different scenarios with more or less stringent levels of intervention that also include the suspension and/or disbarment of the supplier from the authorized supplier pool in the event that the requirements or conditions necessary to meet business needs are no longer met.

The most critical suppliers, due to the potential for defects that can characterize often prototypical parts, are those involved in producing custom mechanical parts, metalwork and machined commercial parts. These three categories are subject to quality control on the first supply batches aimed at inclusion in the accredited supplier pool, and by periodic audits in order to monitor or verify the effectiveness of corrective actions following any non-conformities found.

Suppliers of custom mechanical parts and carpentry are also systematically evaluated at least annually jointly by the Quality and Procurement function through a scheme that has been tested and refined in recent years, which involves not only the determination of a **Vendor Rating (VR)** index defined on the economic value of purchase turnover and documented nonconformities, but also the evaluation of a series of inherent parameters:

- The competitiveness of the supplier;
- The ability to adapt to needs;
- The ability to make suggestions or propose optimizations;
- The regular flow of information on work progress;
- Adherence to delivery time;
- Perceived quality (beyond that defined by controls).

Such a structured supplier evaluation methodology allows for easy and comprehensive comparison within the supplier base and is of great use when deciding to collaborate with competing suppliers who are more high-performance and receptive, but also determine the **Supplier Quality Index (SQI)**, which is the most important performance indicator used in the monitoring defined by the Quality Management System (ISO 9001) on Supplier Quality and for assigning supplier base improvement targets.

Suppliers of commercial parts, unlike others, are not subject to quality controls on the first supply batches, although any nonconformities reported in production are monitored; inclusion within the supplier pool is often conditioned by the specific choice made during design or directly at the specific request of the customer, so buyers of commercial parts cannot always operate with a large group of potential alternative suppliers, as is the case for other commodity classes.

OSAI AUGMENTED QUALITY

As of 2018, the joint work of Corporate Management, Procurement and Quality enabled action on four fronts preparatory to the consolidation of partnerships with suppliers in the Piedmont region and the efficiency of material transit time management at the arrivals warehouse and increased quality:

PHASE 1 - improvement of the monitoring system of nonconformities attributable to suppliers of custom mechanical parts, metal carpentry and commercial machined parts, through the construction of a structured, usable and shared database among corporate entities;

PHASE 2 - tight use of tools and documentation for reporting and transmission of non-compliance reports to suppliers with systematic archiving of documentation on company server and periodic reports;

PHASE 3 - dimensional verification checks on sampling and non-conformity detection only carried out with periodically checked/calibrated instrumentation at external calibration centers.

PHASE 4 - updating of supply contract conditions with integration of the aspects mentioned in the Code of Ethics and Environmental Policy and according to the Osai Augmented Quality program;

The above enabled the launch of a program focused on supply quality, called "Osai Augmented Quality," with a rigorous, fair and professional approach based on the specially defined and shared Supplier Defect Index (IDF). This program, which went through an initial trial phase, involved four historical suppliers of custom mechanical parts in the area, whom OSAI wanted to trust by offering them customized supply contracts in "Free Pass," i.e., not subject to quality control of incoming goods, which recognize a monetary premium resulting from an improvement and subsequent maintenance of their IDF.

This program also provides a disincentive in the form of penalties if the quality standards defined between OSAI and the supplier are not maintained.

The program has enabled the Company to achieve higher quality levels and reduce costs from quality control of incoming goods, as well as enhance the value of local suppliers and contribute to their growth. All suppliers participating in the Osai Augmented Quality program also enjoy a competitive advantage over other suppliers in the park when bidding for supplies.



7.2 CUSTOMER SATISFACTION

The quality of the product, as well as the services related to it, are understood by OSAI as a central requirement to be guaranteed to customers.

The attached table shows the concrete tools through which the Company draws - directly and without any delegation of survey activities

to external partners - the useful elements for the perception of Customer Satisfaction, which, through a bottom-up approach are fundamental for constantly improving the organizational environment and building loyalty among companies that choose OSAI products.

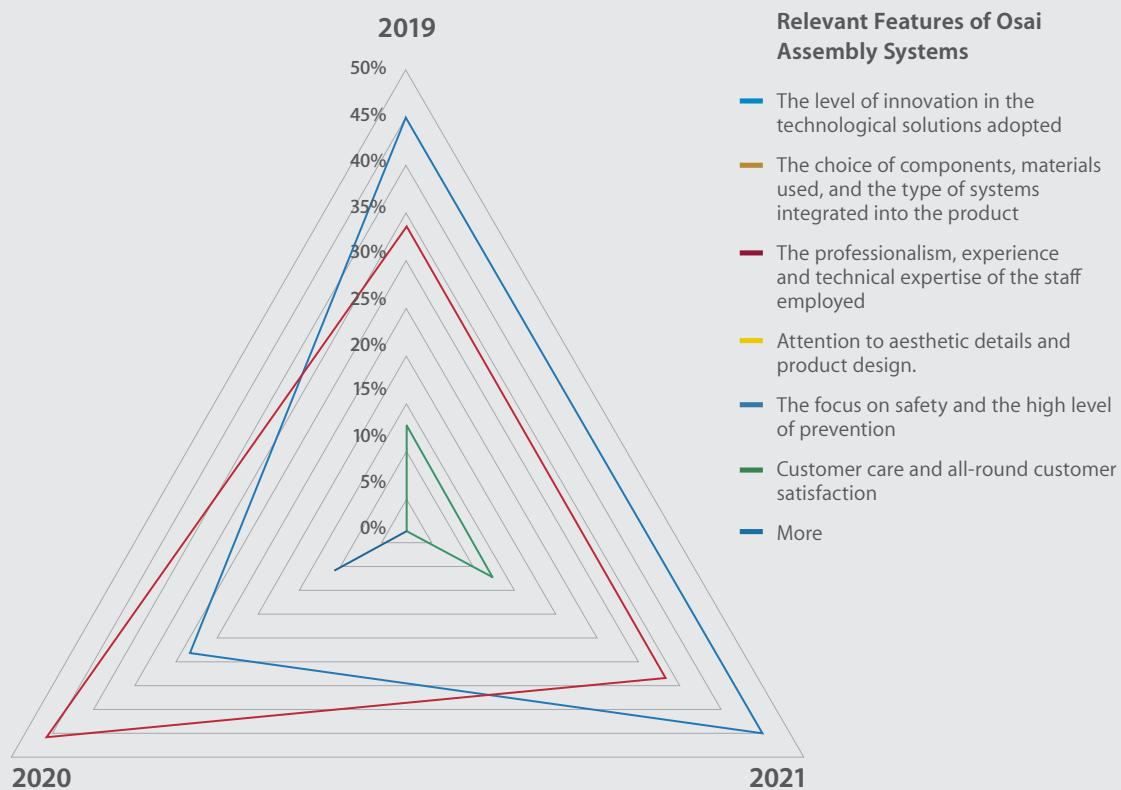
BACKGROUND	CUSTOMER SATISFACTION TOOLS
Organization of business processes	QMS Customer Satisfaction Interviews
	Internal QMS self-assessments
Functional testing in OSAI	FUNCTIONAL TESTING IN OSAI
	Open Issues List (OIL) Management
After-sales	Ticketing Platform Satisfaction Interviews
	Osai Academy Customer Satisfaction Interviews

Customer Satisfaction is an inescapable and primary theme of the Management Reviews conducted annually and required by ISO 9001:2015. Through these moments of multidisciplinary analysis, the company assesses its market positioning, updates the Corporate Quality Risk Analysis, and determines appropriate

actions to manage critical issues where identified. The customer satisfaction survey activity that is applied to all customers, without exclusion with respect to purchase turnover or geographic area, allows for understanding crucial aspects including OSAI's distinctive factors in its markets.



DISTINCTIVE FEATURES OF THE OSAI PRODUCT



In the surveys submitted to customers, they are asked to indicate, among other parameters, which, among 6 available factors, distinguishes OSAI from its competitors in the target market. The factors investigated include:

- The technological and innovative level of the proposed solutions;
- The quality of components and materials used in making the product;
- The professionalism, experience, and technical expertise of the staff that is made available to the customer;
- Attention to design and attention to detail;
- The high security level of the proposed solutions and the focus on user safety issues;
- Customer focus and high customer satisfaction;

Data from the last three years clearly show that the two distinguishing factors of OSAI are:

- The high innovation content of the proposed design solutions;
- The high technical professionalism and skills that characterize the staff personnel made available to the customer;

The other evaluation parameters, such as "Customer satisfaction," although always present in the completed interviews, is perceived as a minority aspect in relation to the two characterizing factors previously listed.

The profile that emerged from the surveys confirms and reaffirms the positioning of OSAI's profile within its target markets as a high-level player able to offer innovative and technologically advanced solutions that caters to a clientele with needs for tailored solutions for automation of production processes and testing of high-tech components.

CHAPTER 8

SUSTAINABILITY FOR THE TERRITORY

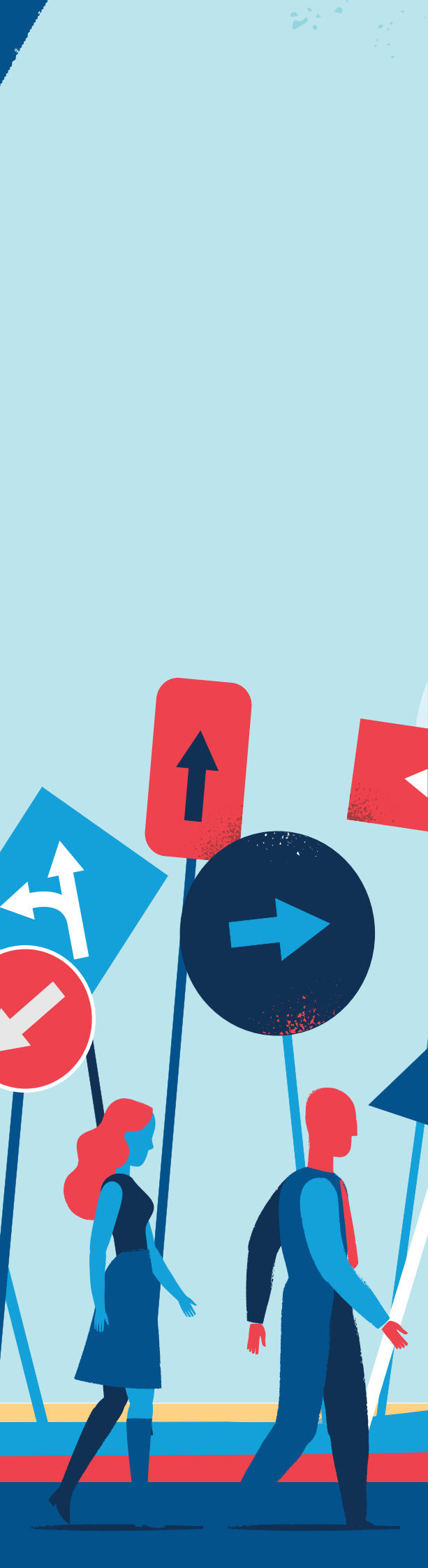
SUSTAINABILITY FOR THE TERRITORY	8.0
ATLANTIDE PROJECT - SOCIAL INCLUSION IN THE COMPANY	8.1
MY POLLY PROJECT	8.2
C.IA.C. MEMBER.	8.3
ICONA - OLIVETTI FACTORY RE-FUNCTIONALIZATION PROJECT	8.4
CARLO FERRERO ONLUS	8.5
SPAZIO BLU - DAY CARE CENTER AIMED AT THE WORLD OF AUTISM	8.6



8.0 SUSTAINABILITY FOR THE TERRITORY

OSAI is committed to contributing to the promotion of the quality of life, socio-economic development of the Community in which it operates, as the life of the Community is a fundamental value for the development and growth of the Territory.

The Company maintains an ongoing and constructive dialogue with representative associations and organizations committed to the improvement of civil, social, environmental, cultural conditions and participates in partnerships projects with them in the Territory.





Home

Dashboard

Reporting

Customization

Help

Log Out

Audience

Country

City

Status

Sex

Age

Interests

Collaboration

Behavior

Technology

Mobile

Custom 1

Custom 2

Custom 3

Income

Education

Daily Unique Users by Country

Starts in Your Eyes

130119

28

368

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1

Summit

527512

147

260

270

23

Bringing the Gap

50098

134

26.7

250

18

Hide and Seek

14953

43

338

1

6

Barnes

34793

248

331

5

4

Solidarity

40730

137

315

15

14

Pin Of Documents

14430

46

313

1

1

Recognition

64506

221

290

150

19

Social Worker

22146

81

278

15

3

Female with Group of Men

43879

159

275

13

23

boardroom meeting

88064

32

275

1

2

Sea Of Islands

56680

213

363

13

1

Intergrators

5435

21

256

0

3

green field

5844

23

254

1

12

Withness

8117

32

254

0

1

consistency

9674

39

248

15

1

Status Car

62710

25

248

1

1

guitar

7810

32

248

1

1

New York

9985

32

248

1

1

Outworking

78247

32

248

1

1

Shipping And Receiving

5251

32

248

1

1

Moor

2807

32

248

1

1

Daily Product Sales by Country

Country

City

Status

Sex

Age

Interests

Collaboration

Behavior

Technology

Mobile

Custom 1

Custom 2

Custom 3

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8.1 ATLANTIDE PROJECT SOCIAL INCLUSION IN THE COMPANY

Osai strongly believes that it is crucial to empower people to express themselves and find their way in the world of work, thus ensuring stability, growth and a future.

To some people these possibilities are often precluded a priori either for reasons arising from the presence of disability but even more often because of prejudice or lack of knowledge about the world surrounding disability itself.

Osai since 2019 has joined the "Atlantide Project" with the desire to make an active contribution in the social inclusion of individuals with autism in the Company and offer young people/adults with autism the opportunity to experience themselves in different work contexts depending on the potential, difficulties and desires of each person.

Three years after the start of the project, OSAI has welcomed several autistic children into its facility by successfully integrating them into its staff. For the Company and its people, the project was a very important and rewarding personal growth experience. Those in the Autism Spectrum are exceptional people with great sensitivity and attachment, and who have shown great attention to detail, care for order, respect for human and professional ethics, and above all, determination to complete the assigned work.

The greatest satisfaction, as well as privilege, has been to be able to observe how dignity, given by work, can make all people flourish regardless of the presence or absence of disabilities. This is why OSAI strongly believes in social inclusion as a valuable element for the growth of the company.

Left:

"Atlantide Project" Laboratory, Ivrea (TO)







8.2 MY POLLY PROJECT

During 2021, Osai supported a new initiative of the Andirivieni Cooperative that allowed young people with disabilities and autism to mature their own independence through work and get involved in a project aimed at nature conservation through the involvement of the company 3Bee S.r.l., which is active in the creation of systems to preserve and improve the health of bees.

The "My Polly" Project, this is its name, involves the construction and assembly, of a house designed to house solitary bees and within which they can find shelter and protection to fulfill their valuable and indispensable function as pollinating insects.

OSAI A.S. S.p.A. supported the initiative by providing its expertise and professionalism in the field of prototyping and 3D printing, for the realization of the roof covering made of biodegradable plastic material, providing support to 3Bee and Andirivieni in researching the technological solution and materials to be adopted and suitable for 3D printing.

The collaboration between: OSAI A.S. S.p.A., Cooperativa Andirivieni, 3Bee and Ivrea Job Center thus enabled 6 young people with autism to be employed through a year-long internship to build more than 5,000 "Polly Homes" and during which they were able to learn manual skills, cooperate and employ innovative tools such as 3D printers.

Left:

House assembly intended to host solitary bees

Direzione e Amministrazione
C.I.A.C.

C.I.A.C.



Consorzio Intercomunale
Acque e Rifiuti

Cooperativa
"O SADA"



8.3 OSAI BECOME A MEMBER OF THE C.I.A.C

SUPPORT FOR TRAINING IN THE TERRITORY

Osai believes that the wealth of skills and experience rooted in an area can make a major contribution to a country's social and industrial development. In addition to the presence of schools, universities and research centers concentrated in densely populated urban areas that attract large resources, it is essential that even in the suburbs and less populated territories there are "garrisons" that are able to offer training activities to bridge the gap between the needs of the area, in terms of skills desired by businesses and public institutions, with those possessed by the resources in the area.

According to these values, OSAI on Nov. 4, 2021 subscribed to the 25-share capital increase of the **Canavese InterAgency Consortium for Vocational Training** (CIAC) to make explicit its active support for the consortium that has been successfully engaged in the Canavese area for more than 50 years.



THE C.I.A.C. - brief history

The Consorzio InterAziendale Canavesano per la Formazione Professionale (CIAC) is a consortium company established in 1969 from the desire of companies, trade associations, municipalities and mountain communities to recover and coordinate among themselves the various training traditions present for decades in the Canavese territory. CIAC's mission is to "form value" for children in compulsory education, employed and unemployed young adults, businesses, the labor market and the territory, contributing to the constant innovation and retraining of skills not in conflict with social utility or in a way that does not harm freedom, security or human dignity.

According to this approach, the Consortium designs and delivers training and employment services that, starting from the clear identification of requirements, realize the expectations and meet the needs of users: public and private principals, learners, families, and businesses.

In its various activities, the Consortium involves, according to 2019-2020 figures, more than 1,400 enterprises, more than 2,500 young people in vocational training and guidance activities and investing more than 200,000 euros in innovation activities.

Left:

C.I.A.C. Headquarters, Rivarolo Canavese (TO)



8.4 ICONA

OLIVETTI FACTORY

RE-FUNCTIONALIZATION PROJECT

OSAI believes that the area in which it operates, The Canavese, is an exceptional and unique territory that hides great unexpressed growth potential that should be encouraged and supported.

For this reason, in 2018, the Company became a partner in **ICO NUOVO AMPLIAMENTO** Srl (known as ICONA), whose purpose is related to the recovery and enhancement of Olivetti's Red Brick Factory (ICO) in order to initiate together with 17 other entrepreneurs in the area a redevelopment project with the aim of making the historic building a development engine and reference for businesses once again.

Giving new life to the Red Brick Factory means recognizing its value, grasping the burst of innovation that it imprinted on Italian industrial history through Olivetti, kicking off one of the most unique manufacturing experiences our country has known.

Finding a new function for historic spaces while respecting their soul, and rekindling the light in the Red Brick Factory represents an important step in looking ahead and making Ivrea and the area once again a major player on the national and international stage.

In accordance with this spirit, Osai in 2020 joins as a promoter of the **ICO Valley** project, which aims to redevelop former industrial sites, protagonists of Olivetti's glorious history, through an innovative experience of combining "container and content." A winning synergy that will lead to positive spillover effects in the area and be a national and international reference.

ICO Valley was created to also be an "accelerator" in which startups can transit and evolve the concept of "incubators" in which the best talents

are supported and retained by a digital ecosystem that allows them to design and create customized services, benefiting the Italian productive fabric, densely populated by SMEs and craftsmanship of excellence, as well as becoming entrepreneurs of their innovative ideas.

Finally, through the figure of its president Mirella Ferrero, Osai joins the think tank "Canavese 2030" in 2020, as a member of the "Steering Committee" with responsibility for Industry.

Canavese 2030, is a civically inspired and independent think tank, driven by citizens and organizations who want an open territory, where innovative policies can be tested, where solutions to problems are formulated and implemented in a collaborative, transparent way, in which public and private actors feel accountable for their actions to the community.

Canavese 2030 results in the implementation of a 10-year Plan that expresses clear goals and actions that produce change. It is the design of the Future of the Territory in 15 areas of action and 30 strategic goals.

Osai sees this initiative as an idea-sharing and policy-making tool aimed at a social organization more conducive to the well-being of an inclusive community in which the sum of social interest, economic interest and political interest become the general interest.

Left:

**ICO Workshops, Pine Concierge,
Via Jervis, Ivrea (TO)**



8.5 CARLO FERRERO ONLUS

The "**Carlo Ferrero**" Association is a socially useful nonprofit organization (NPO) established under Leg. 460/97 with the purpose of social solidarity.

The Association was established in 2016 to commemorate Carlo Ferrero the founder of OSAI A.S. S.p.A. who, in October 2015, at the age of 46, passed away due to a serious illness.

The Association, strongly desired by her sister Mirella Ferrero (now president of OSAI A.S. S.p.A.), through its initiatives, wants to carry on his memory and especially his thought through the promotion of support projects aimed at social welfare in the Canavese territory.

The various activities carried out by the Institution, thanks to the contribution of the many volunteers who support it, are aimed at finalizing subjects and purposes deemed worthy of stimulating, enhancing and promoting ideas, studies, projects with innovative content in the industrial, social and scientific research spheres for the benefit of disadvantaged people.

The most representative activities supported by the Institution are the Spazio Blu project and the Carlo Ferrero University Scholarship, activated in 2017 and aimed at supporting, throughout their university studies, deserving students who are in particularly disadvantaged economic and/or family conditions.

Left:

Portrait of Carlo Ferrero by Virgilio Giorza, 2022



8.6 SPAZIO BLU

DAY CARE CENTER AIMED AT THE WORLD OF AUTISM

On June 29, 2020, the new Spazio Blu center was established in Ivrea, dedicated to the project supported by the Andirivieni and Alce Rosso Cooperatives, ANGSA (Associazione Nazionale Genitori Soggetti Autistici) and the Carlo Ferrero Onlus, to support and welcome families with autistic children inside them and support them in creating a concrete growth path for their future.

Spazio Blu, conceived in 2019 as a result of the collaboration between OSAI A.S. S.p.A., **Carlo Ferrero Onlus** and **Cooperativa Andirivieni** in the course of the **Atlantide** Social Insertion and Inclusion Project, offers an educational service dedicated to autism that aims to develop skills and autonomy in people who fall on the autism spectrum and to seek the well-being of their families through personalized and targeted paths both to the individual person and to the entire nucleus in which they live.

During 2021, despite the difficulties and limitations dictated by the health emergency, it was a year dense with activities and full of projects that consolidated the collaboration between OSAI A.S. S.p.A., Carlo Ferrero Onlus, Andirivieni and Spazio Blu expanding the offer not only to the Eporediese area but extending it to the Cuorgneatese and Calusiese areas thus coming to welcome and involve in its specialized activities 37 children with autistic syndrome between the ages of 6 and 18, 11 children with autism over 18 and on an experimental basis 3 autistic children between the ages of 3 and 6 and 8 pairs of parents.

Left:

The SPAZIO BLU center, Ivrea (TO)



ERNESTO MORALES

I ponti di Ernesto Morales tendono a trascurarsi rispetto alle opere che sembrano privilegiare al di là degli spazi del dipinto, ma è anche un'altra narrazione. Un'opera a poche gomme di gesso, ricorrendo agli spazi in campiture ampie e ariose, costruendo in forme in modo da suggerire una lettura, ma sempre potentemente addotta da un'irresistibile tentazione estetica. Morales dissimula i suoi disegni, fingendo di voler che sembrino facili da dimenticare. Le costruzioni che si stagliano, tuttavia, segnano soprattutto come convenevoli di memoria, richiami di spazi invisibili della nostra mente a creare un luogo che forse esiste ma forse no, perché la memoria è un'illusione, sussurra come se volesse che una cosa, foglio e aggringa sennò il suo. I ponti del nostro subconscio, agisce secondo matematiche non fanno dormire da quello del sogno.

di Giovanni Bazzani



www.ernestomoraless.com

POSSIBLE PLACES

12 SETTEMBRE - 10 OTTOBRE 2021
OFFICINE CO.LABEA

GRANTS AND SUPPORT FOR TERRITORY INITIATIVES

The Company's attention to the territory and its initiatives also passes through liberal disbursements that Osai has regulated through special Policy approved by the Board of Directors on 19/10/2021.

Liberal disbursement means any contribution that may consist of a donation, handout and disbursement of a sum of money, the provision of goods or contributions of another kind, or any other utility arranged and made available by the Company to a third party.

Disbursements must support initiatives, events, and projects of social, cultural, artistic, and environmental relevance as long as the purposes are consistent with the social object and have an impact on the provincial territory.

Through this transparent and structured tool, the purpose pursued by the Company is to bear witness to its presence and role in the territory and to promote, by raising community awareness, its initiatives, as well as to enhance and disseminate a conscious and responsible knowledge of the value of the territory without harming the integrity and/or reputation of the Company or altering its image of neutrality in compliance with the provisions of the general principles of behavior set forth in the Company's Code of Ethics.

During 2022 following the approval of the 2021 Annual Financial Statements by the Shareholders' Meeting, a fund equal to 5% of the year's profit (up to a maximum of 100,000 euros) will be earmarked for projects and initiatives promoted by Public Entities, Private Parties, and/or other entities carrying out non-profit activities.

Each project will be evaluated according to the parameters and scores defined in the regulations that take into account various aspects including:

educational and/or cultural value of the activity; charitable and/or welfare character of the proposed activity; recreational, artistic and/or sports value of the proposed activity; etc.

The Evaluation Committee, appointed annually by the Chairman of the Board of Directors, will be responsible for reviewing and evaluating the applications, verifying the completeness of the documentation submitted and the existence of the requirements, and will proceed, according to the established criteria to the formation of a final ranking list and the preparation of an accompanying report that will be forwarded to the Board of Directors semi-annually.

The Company has decided to adopt a six-month schedule for evaluating and accepting applications (i.e. by December 31 of each year for the first half of the following year, and by June 30 for the second half of each year).

Left:

**Exhibition of Ernesto Morales -Possible Places-
Officine ICO, Ivrea (TO), 2021**



METHODOLOGICAL NOTE

The Sustainability Report of OSAI S.A S.p.A., second edition, was prepared according to the Global Reporting Initiative's "GRI Sustainability Reporting Standards," using the "in accordance core" reporting option. In particular, it is specified that reference was made to the GRI 2016 version, except for GRI 403: Occupational Health and Safety and GRI 303: Water and Water Discharge, both of which refer to GRI 2018, and GRI 306: Waste that is referred to GRI 2020.

To define the content and quality of the report OSAI followed the principles provided by the GRI Standards, which provide a set of criteria for selecting the information to be included in the report and on how it should be represented.

PRINCIPLES FOR DEFINING THE CONTENTS OF THE REPORT

- **Stakeholder inclusiveness** - The content of the report is based on the results of a stakeholder engagement process undertaken specifically for its preparation. Application of the principle has also led the company to describe in the chapter "Osai's Stakeholders" the communication channels and tools used to maintain a lively dialogue with them and understand their expectations.
- **Sustainability Context** - Osai describes how issues, environmental, social and economic relate to its strategy, risk and opportunity assessment and growth objectives. In the chapter "Sustainability for the Territory," the company clearly reports its contribution to promoting the quality of life and socio-economic development of the Community in which it operates.
- **Materiality** - The sustainability aspects considered in the Report and their level of relevance,

are the result of a specific analysis carried out by OSAI that took into account a wide range of interests, whose stakeholders are its own stakeholders. The materiality analysis accepted the results of the 2020 survey, and the company is committed to implementing a new comprehensive materiality analysis in the next financial statements. The Company also wanted to highlight the close link between the reported sustainability aspects and the UN Sustainable Development Goals (SDGs) with related Targets.

- **Completeness** - The report is designed to enable stakeholders to have a complete picture of the activities carried out by the company. The information contained herein refers to the company OSAI S.A. SpA.

In the table below, the aspects defined by the GRI Standards and the material issues identified by the company have been cross-referenced with the relevant scope for ease of comparison, highlighting, for the latter, any limitations in reporting.

Material themes for OSAI	Material Appearance GRI Standards	Perimeter of appearance		Reporting limitations on perimeter	
		Interior*	Exterior	Interior	Exterior
R&D AND INNOVATION	-	OSAI A.S. S.p.A.	-	-	-
HEALTH AND SAFETY	Occupational health and safety	OSAI A.S. S.p.A.	Suppliers	-	Reporting not extended to suppliers
ANTI-CORRUPTION	Ethics and integrity; Anti-corruption;	OSAI A.S. S.p.A.	-	-	-
PROTECTION OF DIVERSITY AND EQUAL OPPORTUNITIES	Diversity and equal opportunity	OSAI A.S. S.p.A.	-	-	-
ETHICAL SUPPLY CHAIN MANAGEMENT	Supply policies; Environmental assessment of suppliers; Social assessment of suppliers.	OSAI A.S. S.p.A.	-	-	-
WASTE MANAGEMENT	Wastewater and waste	OSAI A.S. S.p.A.	Suppliers	-	Reporting not extended to suppliers
ENERGY EFFICIENCY	Energy	OSAI A.S. S.p.A.	Suppliers	-	Reporting not extended to suppliers
TRAINING AND DEVELOPMENT	Education and training	OSAI A.S. S.p.A.	-	-	-
EMPLOYEE WELFARE	Employment; Non-discrimination	OSAI A.S. S.p.A.	-	-	-
ELECTRICITY FROM RENEWABLE SOURCES	Energy	OSAI A.S. S.p.A.	-	-	-
CUSTOMER CENTRICITY	Involvement of stakeholders	OSAI A.S. S.p.A.	-	-	-
GREENHOUSE GAS EMISSIONS	Emissions	OSAI A.S. S.p.A.	Suppliers	-	-
SUPPORT FOR LOCAL COMMUNITIES	Local communities	OSAI A.S. S.p.A.	-	-	-
OPTIMIZATION OF WATER CONSUMPTION	Water	OSAI A.S. S.p.A.	-	-	-

* the reporting boundary includes only Italy and not the Group's foreign companies.

PRINCIPLES FOR DEFINING THE QUALITY OF THE REPORT

- **Accuracy** - Economic data refer to Audited Consolidated Financial Statements, while the accuracy of environmental, health and safety data comes from the existence of ISO 14001 and ISO 9001 certified management systems. Social data are mainly extracted from the operating systems of OSAI SpA. However, data that are the result of estimates are indicated in the text with footnotes. The emission factors used to calculate greenhouse gas emissions are as follows:
 - Direct emissions Purpose 1: UK Government GHG Conversion Factors for Company Reporting (DEFRA - Department for Environmental, Food & Rural Affairs / DBEIS - Department for Business, Energy & Industrial Strategy);
 - Indirect emissions purpose 2 (location based): Ipsra Report 317/2020 - Table A1.19 - Greenhouse gas emission factor from the electricity sector for electricity production (g CO₂eq/ kWh);
 - Indirect emissions purpose 2 (market based): AIB - European Residual Mix 2018;
 - Indirect emissions purpose 3: UK Government GHG Conversion Factors for Company Reporting (DEFRA - Department for Environmental, Food & Rural Affairs / DBEIS - Department for Business, Energy & Industrial Strategy).
- **Balance** - The emphasis on the various issues in the report reflects their relative priority. In describing the results of the activities carried out by OSAI, an attempt has been made to reflect both positive and negative aspects (e.g., in the reporting of partially achieved goals against commitments made) in order to enable a balanced assessment of performance as a whole.
- **Clarity** - The structure of the report has been defined to make the information contained easy for stakeholders to identify. The Sustainability Report opens with letters from the President and CEO and consists of six sections: OSAI A.S. S.p.A.; Sustainability in OSAI; Environment; Our People; Value Chain Management; Sustainability for the Territory.

The document closes with the Methodological Note, Content Index, and limited review report by an independent third party. The level of detail of information was chosen so as to make the report understandable, accessible and usable by different stakeholders. The document refers, for in-depth discussions of some issues, to the company's website indicating its address.

- **Comparability** - To enable stakeholders to analyze changes in the Company's performance, this Sustainability Report refers to the final year 2021, which covers the period from January 01, 2021 to December 31, 2021. The Report also contains information on events after 12/31/2021 that are reported to the reader with footnotes; the data are compared over 3 fiscal years: 2019, 2020 and 2021.
- **Reliability** - The Sustainability Report as of 12/31/2021 has been approved by the Board of Directors and has been audited by an independent third party (BDO) in accordance with the principles and guidance contained in the International Standard on Assurance Engagements 3000 - Assurance Engagement other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised) of the International Auditing and Assurance Standards Board (IAASB).
- **Timeliness** - The Sustainability Report 2021 is the second one produced by OSAI S.A. SpA; it is published in May 2021 and occurs annually.



GRI CONTENT INDEX

GENERAL INFORMATION			
		Page/Direct Response	Possible omissions and reasons for omission
1. ORGANIZATIONAL PROFILE			
102-1	Name of organization	Cover	
102-2	Activities, brands products and services	pp.11; 39-47	
102-3	Location of the main office	p.23	
102-4	Location of activities	pp.23-25	
102-5	Ownership and legal form	p.95	
102-6	Markets served	pp.23-25	
102-7	Size of the organization	pp.12-13; 24-25; 89; 132	
102-8	Information on employees and other workers	pp.132-133	
102-9	Supply chain	pp.161-163	
102-10	Significant changes to the organization and its supply chain	There are no significant changes in the organization or supply chain during the reporting period	
102-11	Precautionary Principle	p.71-77; 104-108	
102-12	External initiatives	pp.61-63	
102-13	Membership in associations	pp.173-183	
2. STRATEGY			
102-14	Statement from a senior executive	pp.3; 6	
102-15	Key impacts, risks and opportunities	pp.69-77; 79-84; 87-88	
3. ETHICS AND INTEGRITY			

102-16	Values, principles, standards and norms of behavior	pp.27-31; 105; 137; 160; 164; 166; 185	
102-17	Mechanisms for getting suggestions and advice on ethical issues	p.104	
4. GOVERNANCE			
102-18	Governance structure	p.79; 97-99	
102-19	Delegation of authority	p.79	
102-20	Executive-level responsibility for economic, environmental, and social issues	p.79	
102-22	Composition of the highest governing body	p.97	
102-23	Chairman of the highest governing body	p.97	
102-24	Appointment and selection of the highest governing body	pp.95; 97	
102-25	Conflicts of interest	p.102	
102-26	Role of the highest governing body in establishing goals, values, and strategies	p.79	
102-32	Role of the highest governing body in sustainability reporting	p.79; p.189	
102-33	Communication of critical issues	p.79	
5. STAKEHOLDER INVOLVEMENT			
102-40	List of stakeholder groups	pp.87-88	
102-41	Collective bargaining agreements	p.134. All labor relations in OSAI are governed by the CCNL.	
102-42	Identification and selection of stakeholders	p.70; 87-88	
102-43	Ways of involving stakeholders	p.70; 87-88; 138-139; 142; 144; 145; 148-149; 150-151; 166; 167-168	
102-44	Key themes and critical issues raised	p.70; 87-88; 138-139; 142; 144; 145-146; 148-149; 166; 167-168	
6. REPORTING PRACTICES			
102-45	Persons included in the consolidated financial statements	pp.187-188	
102-46	Report content definition and topic perimeters	pp.188	
102-47	List of material topics	p.69	
102-48	Review of information	pp.120; 126	
102-49	Changes in reporting	No change	

102-50	Reporting period	p.189	
102-51	Date of most recent report	p.21	
102-52	Periodicity of reporting	p.189	
102-53	Contacts to request information regarding the report	p.200	
102-54	Statements on reporting in accordance with the GRI Standards	p.187	
102-55	GRI Table of Contents	pp.191-196	
102-56	External Assurance	pp.197-199	

SPECIFIC INFORMATION

ECONOMIC

		Page/Direct Response	Possible omissions and reasons for omission
ECONOMIC PERFORMANCE			
103-1	Explanation of the material theme and its perimeter	p.89	
103-2	The management mode and its components	pp.30 (sustainable and inclusive development); 89-90	
103-3	Assessment of management arrangements	pp.71; 89-90	
201-1	Directly generated and distributed economic value	p.89-90	

PROCUREMENT POLICIES

103-1	Explanation of the material theme and its perimeter	pp.69; 72; 188	
103-2	The management mode and its components	pp.161-165	
103-3	Assessment of management arrangements	pp.165-166	
204-1	Proportion of spending to local suppliers	p.163	

ANTI-CORRUPTION

103-1	Explanation of the material theme and its perimeter	p.69; 74; 188	
103-2	The management mode and its components	pp.103-105	
103-3	Assessment of management arrangements	p.104	
205-3	Incidents of corruption and actions taken	p.103	

ENVIRONMENTAL			
		Page/Direct Response	Possible omissions and reasons for omission
ENERGY			
103-1	Explanation of the material theme and its perimeter	pp.66; 76-77; 113; 188	
103-2	The management mode and its components	pp.115-118	
103-3	Assessment of management arrangements	pp.82; 107	
302-1	Energy consumed within the organization	p.115	
302-3	Energy intensity	p.116	
WATER			
103-1	Explanation of the material theme and its perimeter	pp.66; 77; 113; 188	
103-2	The management mode and its components	pp.119-121	
103-3	Assessment of management arrangements	pp.81; 107	
303-3	Water withdrawal	pp.119-121	
303-4	Water discharge	p.119	
EMISSIONS			
103-1	Explanation of the material theme and its perimeter	pp.66; 76; 113; 188	
103-2	The management mode and its components	pp.125-128	
103-3	Assessment of management arrangements	pp.83;107	
305-1	Direct GHG emissions (Scope 1)	pp.125-126	
305-2	Indirect GHG emissions (Scope 2)	pp.125-126	
305-3	Other indirect GHG emissions (Scope 3)	pp.125-126	
305-4	Intensity of GHG emissions	p.127	
WASTE			
103-1	Explanation of the material theme and its perimeter	pp.66; 113; 188	
103-2	The management mode and its components	pp.123-124	
103-3	Assessment of management arrangements	pp.82;107	
306-3	Waste generated	pp.123-124	
ENVIRONMENTAL COMPLIANCE			
103-1	Explanation of the material theme and its perimeter	p.113	
103-2	The management mode and its components	pp.107; 113	
103-3	Assessment of management arrangements	p.107	

307-1	Non-compliance with environmental laws and regulations	There were no instances of noncompliance with environmental laws and regulations during the reporting period under review	
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ENVIRONMENTAL ASSESSMENT OF SUPPLIERS

103-1	Explanation of the material theme and its perimeter	pp.66; 72; 188	
103-2	The management mode and its components	pp.161-166	
103-3	Assessment of management arrangements	p.165	
308-1	New suppliers that have been evaluated using environmental criteria	p.161	

SOCIAL

		Page/Direct Response	Possible omissions and reasons for omission
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EMPLOYMENT

103-1	Explanation of the material theme and its perimeter	pp.66; 74; 188	
103-2	The management mode and its components	pp.131; 135-136; 141-143	
103-3	Assessment of management arrangements	pp.84; 148-149	
401-1	New hires and turnover rate	pp.135-136	
401-2	Benefits provided for full-time employees, but not for part-time or fixed-term employees	pp.141-143	

OCCUPATIONAL HEALTH AND SAFETY

103-1	Explanation of the material theme and its perimeter	pp.66; 73; 188	
103-2	The management mode and its components	pp.153-155	
103-3	Assessment of management arrangements	pp.84; 107-108; 145-146; 148-149	
403-9	Occupational accidents	p.153	
403-10	Occupational diseases	p.153	

TRAINING AND EDUCATION

103-1	Explanation of the material theme and its perimeter	pp.66; 73; 188	
103-2	The management mode and its components	pp.137-140; 147-148	
103-3	Assessment of management arrangements	pp.148-149	

404-1	Average hours of annual training per employee	p.140	
404-2	Employee skills upgrading and transition assistance programs	pp.138-139; 147-148	
DIVERSITY AND EQUAL OPPORTUNITY			
103-1	Explanation of the material theme and its perimeter	pp.66; 75; 188	
103-2	The management mode and its components	p.147	
103-3	Assessment of management arrangements	pp.148-149	
405-1	Diversity in governing bodies and among employees	pp.97; 132; 134; 136; 140; 144	
NON-DISCRIMINATION			
103-1	Explanation of the material theme and its perimeter	pp.66; 75; 188	
103-2	The management mode and its components	p.147	
103-3	Assessment of management arrangements	pp.148-149	
406-1	Incidents of discrimination and corrective actions taken	No incidents of discrimination occurred during the reporting period under review	
LOCAL COMMUNITIES			
103-1	Explanation of the material theme and its perimeter	pp.66; 76; 188	
103-2	The management mode and its components	pp.171-185	
103-3	Assessment of management arrangements	pp.171-185	
413-1	Activities involving local community involvement, impact assessments and development programs	pp.171-185	
SOCIAL EVALUATION OF SUPPLIERS			
103-1	Explanation of the material theme and its perimeter	pp.66; 72; 188	
103-2	The management mode and its components	pp.161-166	
103-3	Assessment of management arrangements	p.165	
414-1	New suppliers that have undergone evaluation through the use of social criteria	p.161	
CUSTOMER HEALTH AND SAFETY			
103-1	Explanation of the material theme and its perimeter	p.30 30	
103-2	The management mode and its components	p.113	
103-3	Assessment of management arrangements	p.167-168	
416-2	Incidents of noncompliance regarding health and safety impacts of products and services	There were no instances of non-compliance with regulations or self-regulatory codes during the reporting period under review	




OSAI AUTOMATION SYSTEM S.p.A.

Independent auditors' report on the
Sustainability Report

For the year ended on December 31st, 2021

This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.



Independent auditors' report on the Sustainability Report

To the Board of Directors of
OSAI AUTOMATION SYSTEM S.p.A.

We have been engaged to perform a limited assurance engagement on the Sustainability Report of OSAI AUTOMATION SYSTEM S.p.A. for the year ended on December 31st, 2021.

Directors' responsibility on the Sustainability Report

The Directors of OSAI AUTOMATION SYSTEM S.p.A. are responsible for the preparation of the Sustainability Report of OSAI AUTOMATION SYSTEM S.p.A. in accordance with the "GRI Sustainability Reporting Standards (GRI Standards)" issued in 2016 by the GRI - Global Reporting Initiative, as described in the paragraph "Methodological Note" of the Sustainability Report of OSAI AUTOMATION SYSTEM S.p.A..

The Directors of OSAI AUTOMATION SYSTEM S.p.A. are responsible for that part of the internal control that they consider necessary in order to enable the preparation of a Sustainability Report that is free from material misstatements, whether due to frauds or unintentional behaviours or events.

The Directors of OSAI AUTOMATION SYSTEM S.p.A. are also responsible for the definition of the objectives regarding the sustainability performance and the reporting of the achieved results, as well as for the identification of the stakeholders and the significant matters to report.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behaviour. Our audit firm applies the International Standards on Quality Control 1 (ISQC Italia 1) and, consequently, maintains a quality control system that includes documented policies and procedures, regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the Sustainability Report of OSAI AUTOMATION SYSTEM S.p.A. with the requirements of the GRI Standards. We conducted our work in accordance with the principles included in the "International Standard on Assurance Engagements 3000 (Revised)- Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This standard requires the planning and execution of procedures in order to obtain limited assurance that the Sustainability Report is free from material misstatement.

Therefore, the extent of work performed in our examination was lower than that required for a full examination in accordance with ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would have been identified during a reasonable assurance engagement.

The procedures performed on the Sustainability Report of OSAI AUTOMATION SYSTEM S.p.A. were based on our professional judgement and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the Sustainability Report, document analysis, recalculations and other procedures in order to obtain evidence considered appropriate.

Bari, Bergamo, Bologna, Brescia, Cagliari, Firenze, Genova, Milano, Napoli, Padova, Palermo, Pescara, Roma, Torino, Treviso, Trieste, Verona, Vicenza

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In particular, we have performed the following procedures:

1. Analysis of the process relating to the definition of material aspects included in the Sustainability Report, with reference to the criteria applied to identify priorities for the different stakeholder categories and to the internal validation of the process results;
2. comparison of economic and financial data included in the paragraph “Value generation” of the Sustainability Report with those included in the Financial Statements of the OSAI AUTOMATION SYSTEM S.p.A.;
3. analysis of processes that support the generation, collection and management of data and information to the department responsible for the preparation of the Sustainability Report. In particular, we have performed interviews and discussions with the management of OSAI AUTOMATION SYSTEM S.p.A. to gather information about the accounting and reporting systems used in preparing the Sustainability Report, as well as on the internal control procedures supporting the gathering, aggregation, processing and transmission of data and information to the department responsible for the preparation of the Sustainability Report of OSAI AUTOMATION SYSTEM S.p.A.;

Furthermore, for the most important information, taken into consideration the activities and the characteristics of the OSAI AUTOMATION SYSTEM S.p.A.:

- a. with reference to the qualitative information contained in the Sustainability Report, we carried out interviews and we have acquired supporting documentation to verify their consistency with the available evidence;
- b. with reference to quantitative information, we carried out both analytical procedures and limited checks to ascertain the correct aggregation of data on a sample basis.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of OSAI AUTOMATION SYSTEM S.p.A. for the period ended on December 31st, 2021 is not prepared, in all material respects, in accordance with the “GRI Sustainability Reporting Standards (GRI Standards)” issued in 2016 by the GRI - Global Reporting Initiative, as stated in the paragraph “Methodological Note” of the Sustainability Report of OSAI AUTOMATION SYSTEM S.p.A..

Turin, September 1st, 2022

BDO Italia S.p.A.
Signed in the original by
Anna Maria Bongiovanni
Partner

This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

For information on the sustainability of OSAI A.S. S.p.A. and the contents of the Report write to: sostenibilit @osai-as.it
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