

Sustainability Report 2022





0.70	+0.58%	15/05
+0.37	+0.38%	15/05
+120.35	+0.88%	15/05
0.00	+1.19%	15/05
+313.08	+2.16%	09.15.01
-1.29	+0.59%	15/05
	0.00%	09.00.01
	+0.57%	15/05
	-0.01%	09.00.01
	-0.08%	

CHAPTER 4

CORPORATE GOVERNANCE AND RISK MANAGEMENT

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4. CORPORATE GOVERNANCE AND RISK MANAGEMENT

Our 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 that characterizes the behaviour of the entire organization.

Following the listing on the AIM Italia segment, now Euronext Growth Milan (EGM), and the adoption of the new structure required for listed companies, we integrated certain aspects of the Corporate Governance Code approved by Borsa Italiana into our definition of governance.

This has made it possible not only to ensure an adequately sized and balanced governing body with more independent directors than required for companies listed on 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.

BORSA

1° giorno di
quotazione

1° giorno
di quotazione

London
Stock Exchange Group

1° giorno
di quotazione

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4.1 GOVERNANCE STRUCTURE

Our corporate governance provides for the following corporate bodies:

- Shareholders' Meeting;
- Board of Directors;
- Board of Statutory Auditors.

In addition, an auditing company is commissioned and a Supervisory Board is appointed pursuant to Legislative Decree no. 231/2001.

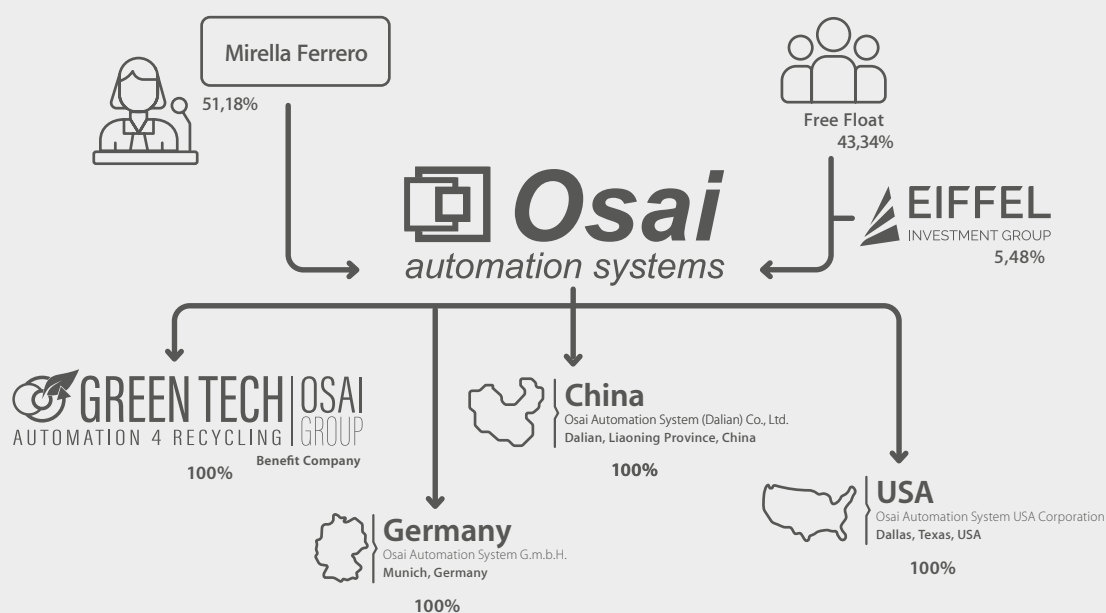
The Board of Directors is appointed by the **Shareholders' Meeting** on the basis of lists submitted by shareholders who collectively represent at least 5 percent of the ordinary share capital.

Shares 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.

As at 31/12/2022, the share capital of OSAI A.S. S.p.A. and its shareholders is as follows:

- The subscribed and paid-up share capital is €1,612,720.70 divided into 16,127,207 ordinary shares with no indication of par value.
- The major shareholder is Mirella Ferrero with 8,254,000 shares, or 51.18% of the share capital. The company also sees Eiffel Investment Group as a significant shareholder since it owns 883,400 shares, or 5.48% of the share capital. Finally, the 'free float', i.e. the shares held by the market, is 43.34%.

The market share is represented by domestic and international institutional investors who have invested in the Company in order to support and enhance its long-term growth by ensuring our 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 Shareholders meeting are the appointment of the Board of Directors, the Board of Statutory Auditors, and the approval of the group's financial statements and consolidated report.

Responsibility for the management of the company lies with the Board of Directors, currently in office since 2020, and composed of 5 members, 2 of whom are independent, and in office until the approval of the Financial Statements as at 31 December 2022.

The Chairman of the **Board of Directors**, Mirella Ferrero, is the legal representative of the Company and presides over the administration, control and finance function, supervising the administrative and accounting activities, the Company's relations with shareholders, banking institutions, state, ministerial and regional bodies, local authorities, public authorities, as well as other public and private entities.

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%)
Total	3	2

Each Director has the duty to declare to the Board of Directors and the Board of Statutory Auditors any conflicts of interest on items on the agenda prior to the discussion of the relevant items in order to make the conflict situation evident. The Related Parties Committee, on the other hand, is responsible for the prior examination of transactions and issuing compliance opinions in accordance with the Related Party Transaction Procedure.

Legal control functions are assigned to the **board of statutory auditors**, while the audit is entrusted to an **auditing company** appointed by the Board of Directors.

The Board of Directors has set up committees and working groups to support it in managing specific issues.

The **Related Parties Committee (CPC)** is an intra-board committee composed of the independent directors from time to time in office. It is responsible for formulating opinions on the Company's interest in carrying out transactions with related parties, as well as on the appropriateness and substantive fairness of the related conditions, in compliance with the dedicated procedure and the EGM Issuers' Regulation. During 2022, the Committee did not instruct any related party transactions.

CPC members by age and gender	Men	Women
Less than 30 years old	0	0
Between age 30 and 50	0	0
Over age 50	1 (50%)	1 (50%)
Total	1	1

The **Innovation & Development Committee** is an internal work group that 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"; the heads of the strategic corporate functions of the Business Development, Operations, Innovation & Development Areas; and the Chief Technology Officer.

Also, the **Internal Sustainability Work Group**, chaired by the CEO, whose purpose is to coordinate the activities included in our Sustainability Plan and to monitor and support reporting activities for the purposes of the Sustainability Report.

To date, there are no performance appraisal processes for the highest governing body, nor is there a general remuneration policy for the governing body and senior management.





Composition of the corporate bodies and internal board committees of OSAI A.S.

Name	Role	Executive	Non-executive	Skills	Other positions
Mirella Ferrero	Chairperson	X		Banking experience Competence in administrative and financial matters	Chairperson OSAI Green Tech SB S.r.l. Chairperson OSAI A.S. US Corp. Managing Director OSAI Automation System GmbH
Fabio Benetti	Chief Executive Officer	X		Experience in quality and human resources management Planning and risk management expertise	Managing Director OSAI Green Tech SB S.r.l.
Virgilio Giorza	Director with proxies	X		Technical and commercial experience Expertise in management control	-
Sergio Duke	Chairman Related Parties Committee		X	Experience in audit and review Financial and corporate governance expertise	Director, senior non-executive director and chairman audit committee Ferrari S.p.A. Director and member of the audit, risk management and corporate governance committees Tofas Auditor Fondazione Intesa San Paolo non-profit. Auditor Ferrovie dello Stato Italiane S.p.A.
Paola Marini	Member of the Related Parties Committee		X	Academic experience Technological expertise	Associate Professor Turin Polytechnic University



4.2 RISKS AND OPPORTUNITIES

SYSTEM OF INTERNAL CONTROL AND RISK MANAGEMENT

As the governing body, the Board of Directors (BoD) 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 the BoD 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.

Our 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. This is the responsibility of the Board of Directors, which defines the guidelines of the system and subsequently verifies its adequacy, effectiveness and proper functioning in relation to the main corporate 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. The internal control system provides for a series of **organisational models, policies and procedures** adopted by the Board of Directors, but also **certifications** which, once obtained, direct our activities towards the main business risks.

The most relevant procedures and certifications include the following.

PROCEDURE FOR DISCLOSURE OF INSIDE INFORMATION¹

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. The aim is to ensure compliance with the relevant regulations and to guarantee the respect of the utmost confidentiality and privacy of inside information and relevant information, ensuring greater transparency towards the market and adequate preventive measures against abuse.

RELATED PARTY TRANSACTIONS PROCEDURE²

It contains 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 PROCEDURE³

It prescribes a series of obligations and limits regarding the possibility for employees who regularly have access to inside information, by reason of their relationship with the Company, to carry out transactions on our shares and financial instruments, in order to avoid market abuse and cases of insider dealing or insider trading.

PROCEDURE FOR MANAGING THE INSIDER REGISTER⁴

The Insider Register, prepared in electronic format to ensure the confidentiality of information, 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.

EN ISO 9001 CERTIFICATION

It represents the reference standard for an organisation that intends to plan, implement, monitor and improve both operational and support processes, designing and implementing the quality management system as a means to achieve objectives. The customer and his satisfaction are crucial aspects of ISO 9001: every activity, application and monitoring of activities/processes is in fact aimed at determining the maximum satisfaction of the end-user of the product.

EN ISO 14001 CERTIFICATION

It is the international reference standard for environmental management systems. It is a voluntary tool that enables a systematic approach to the treatment and monitoring of various aspects, including environmental protection, pollution prevention, and reduction of energy and resource consumption, while also improving the relationship and communication with the competent authorities.

EN ISO 45001 CERTIFICATION

It is the international technical standard that specifies the requirements for an occupational health and safety management system and provides guidance to enable organisations to ensure safe and healthy workplaces, preventing accidents and health problems. The Occupational Health and Safety Management System has been implemented at the Parella site and covers all activities and tasks of the company.

1, 2, 3, 4. For more details see the company's website <https://osai-as.com/en/documenti-societari/>

RISK MANAGEMENT AND OPPORTUNITIES

We have 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.

We annually define 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 validated by the CEO.

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 are subject to annual surveillance and the issuing of three-year certificates. Parallel to external inspection visits, there are periodic field audit activities conducted by our staff and external 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.



<div> <div>8</div> <div> LAVORO INNOVATIVO E CRESITA ECONOMICA </div> </div> <div>R&D AND INNOVATION</div>	
DESCRIPTION OF THE RISK	<p>The solutions' provider profile recognized by the market and the co-development of solutions require a constant ability to effectively manage the innovation process and experiment with new technologies to expand its technology portfolio to be made available to customers. The risk of having an inadequate technology portfolio, distant from needs, due to poor management of investment in research, development and innovation is an element that needs to be managed to ensure continuity and growth.</p>
RISK MANAGEMENT AND OPPORTUNITIES	<p>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, alternative technologies, processes, new functions.</p>

<div> <div>8</div> <div> LAVORO INNOVATIVO E CRESITA ECONOMICA </div> </div> <div>OCCUPATIONAL HEALTH AND SAFETY</div>	
DESCRIPTION OF THE RISK	<p>We believe that safe working conditions and the protection of the health of all workers cannot be ignored. 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>
RISK MANAGEMENT AND OPPORTUNITIES	<p>Although the risks are few and easily manageable, we established a dedicated occupational health and safety function in 2015 , the 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, we further strengthened the effectiveness of the OSMS by initiating the certification process according to the international reference UNI EN ISO 45001:2018, which was successfully concluded in December 2022 with the achievement of the certification.</p>

<div> <div>16</div> <div> PACE, GIUSTIZIA E ISTITUZIONI </div> </div> <div>ANTI-CORRUPTION</div>	
DESCRIPTION OF THE RISK	<p>The failure to adopt an Organizational Model pursuant to Legislative Decree 231/01 would make our reality vulnerable to the sanctions provided for the offences included in the decree. Such sanctions can include fines of up to Euro 1.5 million, confiscation of the proceeds of the crime, disqualification from doing business, and exclusion from Public Administration tenders. In addition to this, we would incur inevitable image damage from the publication of the judgements with consequent impacts on our reputation.</p>
RISK MANAGEMENT AND OPPORTUNITIES	<p>The approval and implementation of the Organizational Model pursuant to Legislative Decree 231/01, 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, we also exploit the information gained from the risk mapping and inspection activities of the Supervisory Board, as well as from the activation of channels (whistleblowing) for reporting behaviours that foreshadow behavioural violations with respect to Legislative Decree 231/01.</p>



ETHICAL SUPPLY CHAIN MANAGEMENT

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 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.

RISK MANAGEMENT AND OPPORTUNITIES

For several years now, we have adopted specific procedures to monitor aspects deemed relevant to aligning our supply chain with the values expressed in the Code of Ethics.

We have 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. The subsequent sharing of the document first with internal resources and then with suppliers confirms the willingness to extend our principles to the entire value chain.



PROTECTION OF DIVERSITY AND EQUAL OPPORTUNITIES

DESCRIPTION OF THE RISK

With respect to the issue of gender equality, the risk mainly takes the form of a reduced presence of the female gender in comparison to the male gender among employees; this could lead to the conclusion that the actions taken to mitigate the risk are insufficient. However, it should be considered that the type of activity still involves skills that are more prevalent in the male population, even though the presence of women in STEM (Science, Technology, Engineering and Mathematics) studies is growing significantly.

RISK MANAGEMENT AND OPPORTUNITIES

Analysing the three-year period 2020-2021-2022 shows a steady growth in the presence of employees belonging to the female gender in percentage terms (from 19 percent in the three-year period), 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. Our approach to this issue has been recognised by the Bellisario Foundation, which awarded us the 'Woman Value Company' award in 2022.



TRAINING AND DEVELOPMENT

DESCRIPTION OF THE RISK

The risk is represented by the possibility that the lack of both specific and transversal skills of its resources, based on the role and task, 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, we detect training needs from the operational staff and responsible persons in order to translate them into an annual training plan aimed at both the growth of resources and the development of new skills.



ENERGY EFFICIENCY

DESCRIPTION OF THE RISK

The risk of lack of energy efficiency of buildings and installations, and the consequent need to use more energy, was mitigated by specific interventions at the Parella (TO) site. Since our 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 MANAGEMENT AND OPPORTUNITIES

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



EMPLOYEE WELFARE

DESCRIPTION OF THE RISK

In this area, the risk identified is that of not guaranteeing our employees an adequate balance between personal expectations and the remuneration and welfare system put in place. This would result in various dangers such as the loss of attractiveness and competitiveness on the labour market in relation to competitors, the reduction of human capital motivation and growth opportunities related to the increase of resources, as well as the abandonment of the company by competent and qualified personnel.

RISK MANAGEMENT AND OPPORTUNITIES

To contain this risk, we have set up 'basic' welfare plans for all employees and 'on top' for key figures. Through policies that combine remuneration and welfare, we succeed in motivating employees towards goal achievement, while reducing the risk of strategic skills flight to competitors.



CUSTOMER CENTRICITY

DESCRIPTION OF THE RISK

Customer centricity goes beyond satisfying the explicit and implicit needs of customers and may lead, if not carefully monitored and evaluated in terms of costs and benefits, to lower profitability; if the company incurs higher costs in the face of systematic and non-legitimate customer demands, it may even lead to a disruption of business continuity. We are active in different contexts that require differentiated customer management strategies with targeted investments in multiple areas designed to maintain 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 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 gar-risons 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.

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

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 our energy demand, or, on the contrary, excessive in relation to demand, with extremely long plant depreciation costs.

RISK MANAGEMENT AND OPPORTUNITIES

Our 263 kWp photovoltaic park guarantees a self-consumption of just under 30% of the total electricity consumed. However, considering the gradual replacement of the company car fleet with hybrid/plug-in and full electric cars and heat pump thermal systems, we expect a gradual reduction in the share of energy sold to the GSE (thus increasing the share used for self-consumption) and in the amortisation times of the systems.



GREENHOUSE GAS EMISSIONS

DESCRIPTION OF THE RISK

The direct impact of our 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 MANAGEMENT AND OPPORTUNITIES

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. Certification provides us with valuable periodic support on environmental legislative updates



SUPPORT FOR LOCAL COMMUNITIES

DESCRIPTION OF THE RISK

Failure to support the territory is a risk arising from the possibility of disappointing the expectations of the community, to which we turn with our policies and to which we are called to manage concretely according to the values expressed in its Code of Ethics.

RISK MANAGEMENT AND OPPORTUNITIES

The projects on the ground that we activate each year demonstrate the implementation of the policies defined in our 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.



OPTIMIZATION OF WATER CONSUMPTION

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 based on the type of domestic user.

RISK MANAGEMENT AND OPPORTUNITIES

Through the path that led the 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.

1 NO
POVERTY



2 NO
HUNGER



3 GOOD
HEALTH



7 RENEWABLE
ENERGY



8 GOOD JOBS AND
ECONOMIC GROWTH



9 INNOVATION AND
INFRASTRUCTURE



13 CLIMATE
ACTION



14 LIFE BELOW
WATER



15 LIFE
ON LAND



4 QUALITY
EDUCATION



5 GENDER
EQUALITY



6 CLEAN WATER
AND SANITATION



10 REDUCED
INEQUALITIES



11 SUSTAINABLE CITIES
AND COMMUNITIES



12 RESPONSIBLE
CONSUMPTION



16 PEACE AND
JUSTICE



17 PARTNERSHIPS
FOR THE GOALS



THE GLOBAL GOALS
For Sustainable Development



4.3 ANTI-CORRUPTION AND COMPLIANCE WITH LEGISLATIVE DECREE 231/2001

We have defined in the **Code of Ethics** and in the **Code of Conduct** the safeguards in place to prevent acts of corruption. These documents are transmitted to all employees and external personnel when they are hired or when supply or sales contracts are concluded.

In the **Organization, Management and Control Model** under Legislative Decree 231/2001, we have mapped the areas at risk of corruption offences being committed and have laid down specific principles of conduct that our managers and employees are required to maintain.

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 behaviour 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.

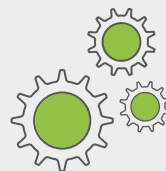


ORGANIZATION, MANAGEMENT AND CONTROL MODEL

In 2021, we 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.

By adopting the Model, we commit ourselves to:

- (a) prohibiting conduct that may constitute the types of crimes set forth in Legislative Decree no. 231/2001;
- (b) involving, also through the adoption of the Code of Ethics, all stakeholders, such as employees, customers, suppliers, partners, collaborators, so that in the performance of their duties they respect the ethical principles by which we are inspired;
- (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) implementing a structured and organic system of procedures and activities to be put in place to prevent the commission of the offences under the Decree.



**System
Implementation**

**Reporting and
Evaluation**



**Control and
Verification**

The Model also includes 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 absolute confidentiality of the reporting and reported persons is ensured

and no negative consequences arise for anyone who has, in good faith, made a report.

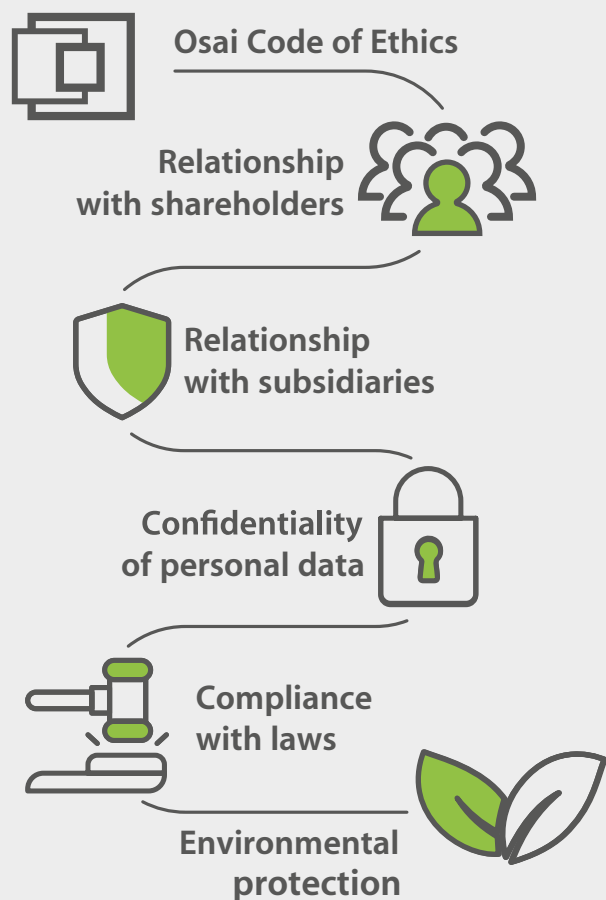
On 27 May 2022, the Board of Directors updated the Model to take account of new predicate offences approved by the legislature.

CODE OF ETHICS


Our Code of Ethics outlines the principles and guidelines intended to inspire the activities and guide the behaviour of employees and all those with whom we deal.





The Code of Ethics is particularly in-depth and provides for principles of conduct to be observed:

- by employees, for their valorisation and respect for equal opportunities; to guarantee a safe and positive working environment; for an adequate induction into the company and work organisation; for training and professional and human growth;
- in the confidentiality of personal data.
- in the Environmental protection, sustainable development and solidarity.
- in relationships with shareholders.
- in relationships with subsidiaries.
- in compliance with laws, protection of competition, and relations with authorities.
- in relationships with public administration, customers, suppliers, non-profits.
- in relations with local communities.









4.4 PROGRAMME FOR SUSTAINABILITY

ASPECT / SDG	TARGET 2021-2023	ACTIVITIES CARRIED OUT	STATUS
<p>OPTIMIZATION OF WATER CONSUMPTION</p> 	<p>$I_{CIGD} = 35 \text{ L}$</p> <p>Litres/ 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. Installation of informational signs at all restrooms to raise staff awareness toward water consumption reduction. 3. Renovation of sanitary facilities with washbasins equipped with jet breakers and toilets with double-buttons. <p>ACTIONS ON THE MANAGEMENT SYSTEM:</p> <ol style="list-style-type: none"> 1. Quarterly consumption readings. 2. Refinement of the computerized reporting system of plant access and remote activities (remote working) to support more meaningful KPIs (ICIGD) in the presence of dual work mode than the previous indicator (IAI). 3. Change from IAI Indicator (L/Employee) to ICIGD Indicator (Litres/workday/worker); <p>ACTIONS ON PERSONNEL:</p> <ol style="list-style-type: none"> 1. Annual sharing of the results of the Environmental Management System by dissemination in the company blog. 2. Development of a thematic comic strip 'Mr Osai Goes Green' to direct employees towards saving water both at work and at home (disseminated on the company website and internal blog). 	<p>$I_{CIGD} \leq 35,88 \text{ L}$</p> <p>Litres/workday/ worker</p> <p>OVERRUN +15.7%</p> <p>TARGET TO BE REACHED SOON (2023)</p>

ASPECT / SDG	TARGET 2021-2023	ACTIVITIES CARRIED OUT	STATUS
ENERGY EFFICIENCY 	$I_{EA} \leq 5.6 \text{ m}^3/\text{m}^2$	ACTIONS ON THE FACILITIES: 1. Strategic decision to use heat pumps as the only air-conditioning solution for new construction sites. 2. Decommissioning of boilers at Area U4 following the installation of heat pump thermal systems (electrically powered). ACTIONS ON BUILDINGS: Re-roofing and insulation of Area U4 (2018).	$I_{EA} = 4.13 \text{ m}^3/\text{m}^2$ TARGET ACHIEVED IN 2021
ENERGY EFFICIENCY 	$I_{CA} \geq 55\%$ percentage average self-consumed energy	Corporate photovoltaic park of 263 kWp at the Parella HQ.	$I_{CA} = 62\%$. TARGET ACHIEVED IN 2022
WASTE MANAGEMENT 	$I_R \leq 700 \text{ kg/Mil €}$ kg of waste produced per €mil of production value generated.	ACTIONS AIMED AT THE REUSE OF WOOD PACKAGING 1. Systematic return (for subsequent reuse) of wooden crates. 2. Study and start of experimentation of a contextual pallet interchange system at the HQ warehouse.	$I_R = 540 \text{ kg/Mil €}$ TARGET ACHIEVED IN 2022
GREENHOUSE GAS EMISSIONS 	Osai Group decarbonisation strategic plan Average CO₂ emission value of company cars $\leq 120 \text{ g/km}$ Percentage of plug-in hybrid/electric cars $\geq 12\%$*	CAR POLICY UPDATE Thanks to the 2021 update of the Car Policy, in 2022 we reached a share of 31.4 per cent of the company car fleet equipped with hybrid propulsion (mild/full/plug-in hybrid). ACTIONS ON PLANTS Installation of four 22 kW recharging stations at the M6-M7 plants of the Parella Headquarters and regulation of access through a recharging booking platform. CARPOOLING PROMOTION In 2022, a cashback programme was launched for employees willing to share a car in their daily home-work journeys.	TARGET TO BE REACHED SOON

* Target achieved in 2021

ASPECT / SDG	TARGET 2021-2023	ACTIVITIES CARRIED OUT	STATUS
GREENHOUSE GAS EMISSIONS 	25,000 km/month Intended for commercial flights (short-medium-long range)	UPDATE INCENTIVE PLANS FOR SALES MANAGERS Incentive plans containing targets aimed at reducing business travel.	TARGET ACHIEVED IN 2021
PROTECTION OF DIVERSITY AND EQUAL OPPORTUNITIES 	Inclusion of additional figures with disabilities	Permanent placement of a new figure with a disability as a result of participation in the Atlantide Project aimed at introducing autistic people into the world of work.	TARGET ACHIEVED IN 2021
SUPPORT FOR LOCAL COMMUNITIES 	Collaboration with local entities to support projects for inclusion and bringing individuals with disabilities closer to the world of work.	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. In addition, a call for donations was opened in 2022 to allocate 5% of the 2021 operating profit to support initiatives and projects for the development of the region.	GOAL ACHIEVED
ANTI-CORRUPTION 	Plan for specific training in the field of offences Legislative Decree 231/01 to senior figures with responsibilities Adoption of the Organization, Management and Control Model (Legislative Decree 231/01) 231 Supervisory Board (SB) appointed.	In 2021, 10 training sessions were organized aimed at the apical individuals who may incur in 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. 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. 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.	GOAL ACHIEVED

ASPECT / SDG	TARGET 2021-2023	ACTIVITIES CARRIED OUT	STATUS
EMPLOYEE WELFARE 	Periodic updating of the Welfare Plan and policies on the 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 both with remuneration policies and welfare were updated during 2022:</p> <ul style="list-style-type: none"> - Welfare Plan 2022 expanded to include 3 new homogeneous groups and new features in the area of subsidized employee loan management; - Incentive plan and travel management 2022 with the inclusion of hardship allowance recognized for quarantine periods abroad; - Individual agreements for the management of remote working; - Car Policy. 	GOAL ACHIEVED
R&D INNOVATION 	Definition of an internal structure of responsibility capable of managing investments in innovation and development projects defined by the Board of Directors	<p>The Innovation & Development Department as of 2021 is autonomous in terms of the competences available to carry out the projects promoted by the Innovation & Development Committee (CI&S) and approved by the Board of Directors.</p> <p>In 2022, 10 projects were managed with an investment of more than Euro 2.5 million.</p>	TARGET TO BE REACHED IN 2021

