

INTEGRATED REPORT 2024

CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO
LEGISLATIVE DECREE NO. 254/2016



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LETTER TO STAKEHOLDERS



Dear Stakeholders,

OLAB is pleased to present its first Sustainability Report, which reflects the ongoing efforts undertaken to adopt an increasingly responsible and sustainable approach.

In this regard, we share the results achieved during the year 2024, along with future objectives essential for growing as a company while simultaneously reducing environmental impact.

Throughout the past year, OLAB has focused its business strategy on enhancing economic, environmental, and social sustainability, reaching significant milestones. The long-sought ISO 14001:2015 certification confirms our commitment to consistently implementing green responsibility policies across all production processes.

Our company has also continued to invest in new technologies to improve the quality of its products, setting ambitious goals. Recent market trends have driven a shift toward green production, aimed at reducing the use of flammable gases in favor of natural alternatives. OLAB has responded promptly to this challenge, positioning itself as a specialist in Sustainable Refrigeration.

At the same time, the company has maintained a strong focus on social responsibility: it has promoted continuous training activities for employees and actively engaged suppliers and customers, encouraging everyone to become an integral part of its sustainability strategy.

OLAB acknowledges the importance of not acting alone and is fully aware that the support of all stakeholders forms the foundation of a journey that will continue into the future, with the goal of bringing high-quality Made in Italy products to the world, in harmony with the environment and the broader context in which it operates.

The Management

1 THE COMPANY

1.1 INFORMATIONS ABOUT THE ORGANIZATION AND ITS ACTIVITIES

OLAB S.r.l. was founded in 1988, born from the intuition and experience of Mr. Cesare Bottura, beginning its operations with the production of brass fittings for hydraulic applications.

In 1990, the company expanded its production to include stainless steel fittings, also for hydraulic use.

From its inception, and within just four years, the company achieved a significant market position thanks to targeted investments aimed at increasing productivity and improving service quality. In 1992, the company decided to diversify its operations by designing and marketing its own range of solenoid valves for water and steam control.

The high level of customer satisfaction quickly led to the completion of a full range of components used in steam systems: safety caps, safety and check valves, and taps.

Several of these products received recognition and approval certificates from major institutions such as the Italian State Railways and the Italian Naval Registry, while others were certified to meet increasingly stringent international standards (TÜV, IMQ, VDE, DVGW, UL, NSF).

The quality management system was certified ISO 9001 in 1998, and the certification has been consistently maintained with ongoing commitment ever since.

Starting in 1998, a new product line was launched, consisting of quick-connect fittings in stainless steel and brass for the pneumatic sector.

This growth also led to the need for expanded operational space, resulting in the opening of two new production sites.

A further step toward new markets was taken in 2014: the expertise acquired over the years enabled the design and development of a complete new product line for commercial and industrial refrigeration.

Today, OLAB offers a wide catalog of products and a vast number of custom-built solutions.

OLAB is therefore considered one of the leading companies in its sector at the European level and, thanks to the flexibility of its structure, is able to provide tailored solutions to meet the specific needs of each customer.

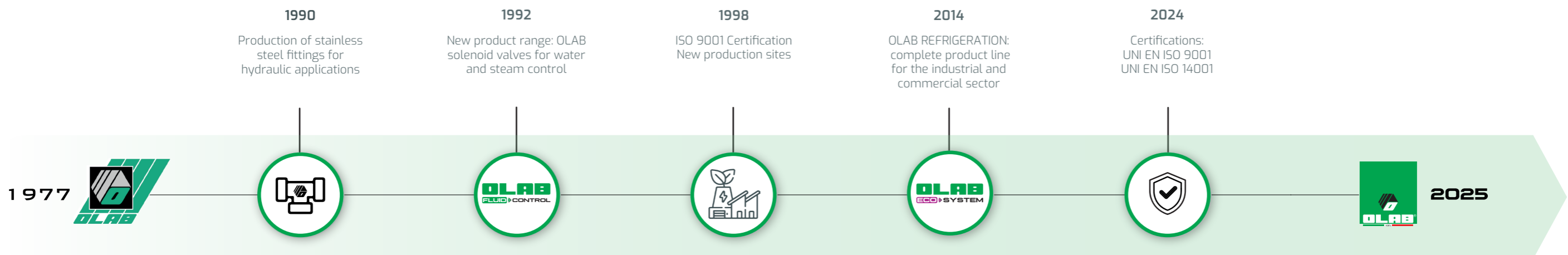
Moreover, in February 2024, the company integrated its UNI EN ISO 9001 Quality Management System certification with the UNI EN ISO 14001 Environmental Management System certification. Achieving environmental certification represented a major milestone for OLAB, reached only after dedicating substantial resources to adapting all infrastructure to green standards.



OLAB TODAY



Olab production sites, Torbole Casaglia



1.2 MISSION & VISION OF THE ORGANIZATION

VISION

The company intends to continue pursuing its business objectives in full compliance with legislation, the environment, people, and the community. Its goal is to expand production by developing new products through a design approach that is fully aware of the importance of conserving virgin raw materials. Wherever possible, OLAB aims to use secondary raw materials and, in this context, recovers 100% of the metals generated as waste from the production process.

MISSION

OLAB's mission is to bring the excellence of Made in Italy to the global market through the design and production of a wide range of products distinguished by high quality standards, 100% manufactured in OLAB. With customized solutions and a portfolio of cutting-edge patents, the company tackles and solves the most complex challenges in the industry, ensuring high performance and absolute safety. All of this is achieved with full respect for the surrounding environment and the social context in which the company operates.

“ From pioneers to leader ”

1.3 THE ORGANIZATION'S COMMITMENT TO SUSTAINABILITY

OLAB has always been committed to upholding the highest standards of ethics and integrity in conducting its business activities. The company has defined, within its Code of Ethics, the ethical standards and behavioral principles to be adopted in order to safeguard integrity in business operations.

As further proof of its transparency and correctness, the company has adopted the Organizational Model pursuant to Legislative Decree 231/2021. Through its Supervisory Body, OLAB ensures that any form of retaliation, discrimination, penalization, or consequence arising from whistleblowing is promptly reported and addressed.

OLAB is committed to ensuring effective, full, and genuine compliance with the core values that guide its entrepreneurial actions. This includes the establishment of appropriate communication channels that allow any interested party to report behaviors that conflict with national or European legal and regulatory provisions.

In Italy, Law No. 179/2017 on Whistleblowing requires companies that have adopted a 231 Model to implement, within their organizational structure, measures that encourage the reporting—through employee collaboration—of criminally relevant or otherwise unlawful conduct occurring during business operations. Accordingly, the company has implemented a dedicated whistleblowing channel, available on its corporate website, formalizing its commitment to establishing appropriate mechanisms for managing reports of potential violations and misconduct, in full compliance with applicable regulations.

The Governance is constantly engaged in meeting all Ethical and Social Principles (PES), Sustainable Development Goals (SDGs), and other regulatory and legislative requirements, with the aim of:

- Complying with current legislation and regulations on safety and environmental protection;
- Raising employee awareness that their work, the instructions received, and the procedures in place contribute to producing high-quality products and, consequently, market success;
- Motivating internal staff and increasing environmental awareness through targeted training, which was also essential for obtaining ISO 14001 certification;
- Promoting the company's image through a quality system certified by a third-party body in accordance with UNI EN ISO 9001 and 14001 standards;
- Continuously evaluating the performance of activities, processes, and products through the use of specific KPIs, as well as non-conformity management methods and regular internal audits;
- Reducing waste of water, paper, and virgin raw materials by recovering materials whenever possible.

1.4 PURPOSE OF SUSTAINABILITY REPORTING

The primary objective of this document is to provide comprehensive information to stakeholders at all levels regarding the company's performance, strategic choices, and corporate goals. It highlights the company's alignment with several of the 17 Sustainable Development Goals (SDGs) set out in the United Nations 2030 Agenda, and proactively addresses stakeholder expectations. Below are the goals taken into consideration:



Environmental: clean water and sanitation; affordable and clean energy; responsible consumption and production; industry, innovation, and infrastructure; climate action



Social: quality education, health and well-being; decent work and economic growth; reducing inequalities



Governance: Industry, innovation and infrastructure; sustainable cities and communities; peace, justice and strong institutions

The objectives, the actions undertaken to pursue them, and the plans for future reporting periods will be addressed in the chapters dedicated to Environment, Social, and Governance.

This report presents, in an integrated manner, the economic, social, and environmental achievements pursued and attained during the 2024 fiscal year, with the aim of informing stakeholders.

The goal is to enable organizations and stakeholders, both internal and external, to make informed decisions regarding the organization's contribution to sustainable development, using shared reporting standards such as the European Sustainability Reporting Standards (ESRS), in order to provide information that is comparable with other organizations.



2 CONTEXTUAL INFORMATIONS

2.1 ANALYSIS OF THE INTERNAL AND EXTERNAL CONTEXT

OLAB is a family-run company that has been engaged since 1988 in the design and production of valves and fittings for hydraulic and pneumatic systems. As of December 31, 2024, the company employs a workforce of 210 people.

Below is a tabular analysis of the context, divided between internal and external aspects of the organization.

Context Element	Aspect Type (Internal/External)	Description
Products	Internal	Numerous OLAB products are protected by patents or have received certifications from international bodies (such as TUV, VDE, DVGW, UL, IMQ); all activities characterizing the various processes are carried out in compliance with the company's Quality Management System, certified ISO 9001:2015 by a third-party body (Dekra).
Employees	Internal	In 2024, OLAB recorded a workforce of 210 employees (as of December 31, 2024), divided between office staff and production workers. A significant portion of the employees are of foreign nationality (13%). The integration process involves individuals from various countries, particularly the Philippines, Sri Lanka, Ivory Coast, North Macedonia, Ghana, India, Moldova, and Tunisia. OLAB firmly believes in the importance of cultural integration in the workplace and fully respects the diverse cultures represented, without any form of discrimination based on ethnicity and/or religion. Furthermore, the company's employee turnover rate is low (13.33% ¹ for the year 2024), demonstrating the mutual respect and trust between employees and management.
Trade unions	Internal	Some OLAB employees are members of the metalworkers' union.
Resources Used	Internal	The use of virgin raw materials is minimized primarily through careful product design, which also considers the recovery and recycling of the product at the end of its useful life. All production "waste" materials are 100% destined for recycling. Since these are mainly metalworking scraps, they are entirely reprocessed to obtain new raw material. Among the most commonly used resources is brass, of which 50% of the purchased quantity comes from secondary raw material. OLAB is committed to deliberately avoiding the procurement of minerals sourced from mines located in "Conflict Regions" and requires the same commitment from its Suppliers (Conflict Minerals).
Technology and Digitalization	Internal	Over the years, the company has undergone an increasing process of digitalization and modernization of its machinery fleet. Specifically, OLAB has acquired numerous machines that have subsequently been integrated with its management system through Industry 4.0 interconnection. Among the most recent assets purchased and either already interconnected or in the process of being interconnected are: a transfer machine, a coolant oil filtration system, and automated vertical storage units.

¹ Number of departures / average number of employees during the Fiscal Year

Safety	Internal	Aware that worker safety is a fundamental pillar of sound corporate management, OLAB ensures the purchase of all necessary protective equipment (safety shoes, hearing protectors, safety glasses, gloves, and masks) and provides continuous training to all employees on safety-related topics. In 2024, a total of 685 hours of training were delivered on workplace safety. Additionally, the role of an internal HSE Officer (ASPP – Addetto al Servizio di Prevenzione e Protezione) was introduced within the organization, with the aim of closely monitoring company safety aspects and laying the groundwork for a well-defined safety management system.
Reference market	External	OLAB can be considered one of the leading companies in its sector at the European level and, thanks to the flexibility of its organizational structure, is able to provide concrete solutions tailored to the specific needs of each individual customer. Its main target markets include: automotive, railway and naval sectors, domestic appliances (particularly coffee and ironing), white goods industry, water treatment, HVAC systems, hydraulics and pneumatics, commercial and industrial refrigeration, chemical, and medical sectors (especially sterilization). The company's size and the nature of its products place OLAB in a highly competitive market with numerous players, governed by free competition. Nevertheless, product quality and service reliability (delivery times, attention to customer needs, speed in providing information, and the ability to offer products with various certifications) are key factors on which OLAB has built a portfolio of loyal and recurring customers, alongside occasional and one-time clients.
Territory and relationship with the local community	External	OLAB provides employment to many families in the area and contributes to the well-being of the community through partnerships with local high schools and universities. The company offers internship opportunities to young students: in 2024, 3 students were hosted within the company. OLAB also supports local associations and regularly donates financial resources to them, with Mamrè and Camperemergenza being the main beneficiaries. Furthermore, the company sponsors the Lumezzane Football Club.
Certifications required to operate in the market	External	OLAB products are subject to both mandatory and voluntary certifications. In particular, the relevant European Directives and Regulations include: <ul style="list-style-type: none"> • PED Directive (Pressure Equipment Directive) • GAR Regulation (Gas Appliance Regulation) • L.V. Directive (Low Voltage Directive) • RoHS Directive (Restriction of the Use of Certain Hazardous Substances) • REACH Regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals) Voluntary certifications concern the management systems ISO 9001 and ISO 14001, both certified by the German body DEKRA. OLAB also relies on external consultants to ensure compliance with applicable laws, thereby guaranteeing high-quality operations

2.2 IDENTIFICATION OF STAKEHOLDERS AND THEIR EXPECTATIONS

OLAB is committed to identifying all stakeholders who, in various ways, have or may have an interaction with the company's activities.

The stakeholder identification process has led OLAB to recognize the following groups:

Employees: They represent a key pillar of the organization. Workers expect the company to offer stimulating job opportunities, continuous growth and training, protection of their health and safety rights, and respect for different cultures and vulnerable individuals. OLAB actively responds to these needs. For example, the low turnover rate (13.33% in the reporting year) reflects mutual trust between employees and management; the high number of training hours provided (685 in total) demonstrates OLAB's commitment to employee development; furthermore, the company employs individuals of various nationalities without any discrimination during the recruitment process and also hires vulnerable workers (11 vulnerable employees as of 31/12/2024).

Shareholders and Directors: The three shareholders, who are also the owners, strongly believe in their business. They expect transparency in all activities, trust from all collaborators, and the full achievement of corporate objectives, which are carefully planned at the end of each year.

Customers: They are a key element of OLAB's business. The company is ready to meet diverse customer needs by designing tailor-made solutions and using high-quality materials. Moreover, compliance with delivery times, product durability, and adherence to regulations contribute to strong customer loyalty.

Suppliers: A reliable supply chain is essential to ensure product quality. OLAB has built a loyal supply network, mostly located within Italy. This collaboration also allows for flexibility in supply when needed.

External Consultants: OLAB works with a range of specialized consultants across various areas, expecting mutual collaboration and support.

Community: Refers to the surrounding population, to whom OLAB offers employment opportunities. In the interest of the community, the company complies with all applicable regulations to minimize social and environmental impact.

Competitors: OLAB operates in a free market governed by open competition.



2.3 INFORMATIONS ON THE MANAGEMENT SYSTEM

From stakeholder engagement, OLAB's Management has confirmed the growing awareness among businesses in recent years regarding the need for a sustainable development path.

This has led to the decision to implement an integrated management system aimed at embedding sustainable practices into all aspects of decision-making, focusing on environmental management, social equity, and economic profitability through:

- Understanding ESG topics
- Commitment to making sustainability a core value
- Planning and developing strategies by identifying areas for improvement and defining concrete, measurable objectives

With regard to the last point, the ESG-related objectives achieved during 2024 are outlined below.

Environmental sustainability

- Reduction in virgin raw material consumption, with increased use of secondary raw materials where possible (e.g., in the case of brass, 45% of purchases during the year were made under transformation agreements). Office paper consumption also decreased thanks to digitalization, dropping from 200 ppm (2023) to 191 ppm (2024).
- Improved waste management, including the installation of an oil filtration system that enables reuse. This equipment purifies oil from various impurities, allowing it to be reused and reducing the need for new supplies. The environmental benefit lies in the reduced consumption of virgin materials.
- Development of PFAS-free products. Perfluoroalkyl substances (PFAS) pose urgent environmental and safety challenges due to their resistance to degradation and bioaccumulation, with potential risks to human health. OLAB has proactively addressed this issue and was awarded the "Innovation of the Year" prize at ATMOCeurope2024 in Prague for developing a completely PFAS-free O-ring for various applications.
- Ongoing research and development by the Technical Department to create eco-designed products. This includes the aforementioned PFAS-free materials and the replacement of many brass components with OT57, a low-lead alternative. Lead, although widely used, remains hazardous to both the environment and human health. Preferring low-lead materials brings health and environmental benefits. Research is also underway to develop aluminum fittings, which are lighter than their brass counterparts while maintaining equivalent performance.

Social sustainability

- continued investment in training and development, with the goal of expanding the workforce with roles dedicated to sustainability. In 2024, this began with the introduction of an Environmental Manager, who also oversees ESG-related matters. To address these topics, an ESG Committee was established, involving the Employer, the Environmental Manager with ESG functions, and the Supervisory Body.
- collaboration with schools and universities: In 2024, three high school students were hosted as part of a school-to-work transition program. The company supported their educational journey by offering growth opportunities creating well-being for individuals and the community, by offering employment opportunities to many local residents. In fact, nearly 99% of OLAB employees reside in the province of Brescia.

Economic sustainability

- Strengthening partnerships, aimed at building full trust and enhancing the value chain in which OLAB plays an integral role. This is supported by numerous customer visits throughout 2024 and supplier meetings to test each component and/or material used in OLAB products.
- New investments in Industry 4.0, including the installation of a new Transfer machine during the reporting year.

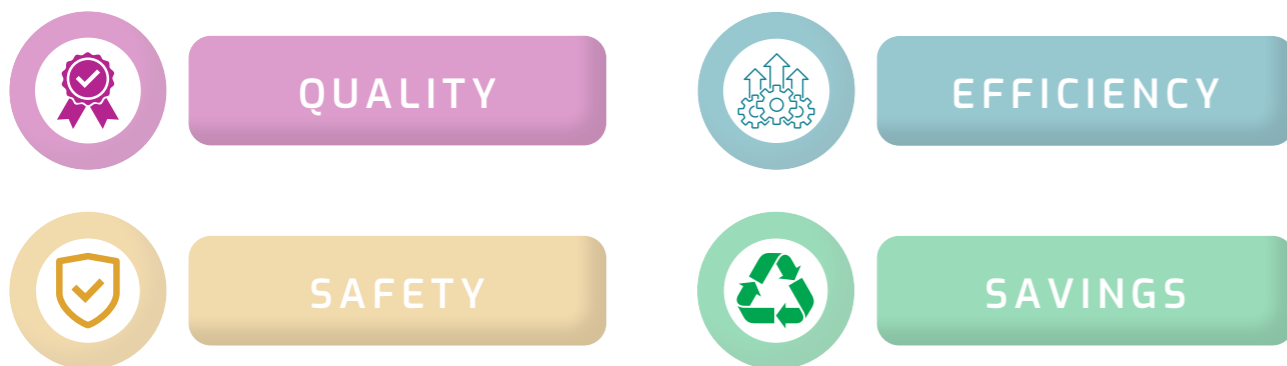
3 ORGANIZATIONAL STRUCTURE AND GOVERNANCE

3.1 ORGANIZATIONAL STRUCTURE AND VALUES

OLAB is a family-run company. The shareholders are Mr. Cesare Bottura (the founder) and his two sons, Dr. Olindo Bottura and Mr. Alberto Bottura. One of the company's key strengths lies in the passion the family demonstrates toward their business. The company operates with a constant focus on the following core values:

- **People:** OLAB recognizes that the success of its business lies in the people who make it up. Employee rights, training, and development play a fundamental role in the organization, which actively promotes continuous growth initiatives.
- **Passion:** OLAB's roots run deep, reflecting a journey of hard work and commitment that began well before its formal establishment.
- **Technology:** Technology is essential to OLAB. The company is constantly seeking new solutions that not only enhance product quality but also support a business model aligned with market trends.
- **Excellence and Innovation:** OLAB's long-standing presence in the market has enabled the development of extensive know-how, adaptable to a wide range of customer needs. This is evidenced by the numerous certifications obtained, reflecting compliance with the highest quality standards. Additionally, the company holds over 50 registered patents, showcasing its intellectual vitality among them, the new "Revolution" ball valve, now part of the Sustainable Refrigeration sector.
- **Transparency:** OLAB's people include not only its employees but also the entire value chain, toward which the company strives to maintain transparency at every stage of its operations. This commitment to transparency drives OLAB to promote its products at trade fairs around the world.
- **Customer Focus:** OLAB is able to tailor its operations to meet customer needs, which are a top priority in the company's approach. Customers appreciate not only the company's expertise but also its willingness to meet diverse and specific requests.
- **Sustainability:** One of OLAB's most important values is sustainability, addressed across its three main dimensions (economic, environmental, and social). Sustainability is viewed as a true competitive factor that has transformed the company's business model, shifting the focus from profit alone to the concept of shared well-being.

VALUES



3.2 GOVERNANCE AND SUSTAINABILITY

OLAB's Governance implements its Sustainability Policy by carrying out actions in the areas listed below and adopting the following processes:

- **Regulatory Compliance:** this process involves the implementation of policies and procedures to ensure that OLAB complies with all applicable environmental, social, and labor regulations. Governance monitors laws and regulations, assessing their impact on business activities. Supporting the importance of full legal compliance, OLAB has earned a two-star rating in the Legal Rating system.
- **Corporate Welfare:** this process includes the implementation of programs and initiatives aimed at improving employee well-being and workplace climate, including general wellness programs, work-life balance policies, and support for professional and personal development. OLAB ensures safe working conditions and fair compensation aligned with each employee's role. Additionally, fuel and/or grocery vouchers are provided as one-off benefits to enhance employee well-being.
- **Health and Safety:** this process focuses on creating a safe and healthy work environment. It includes the implementation of protocols and procedures to prevent workplace accidents and the provision of safety training. New first aid and fire safety officers have been trained to ensure proper emergency response. Various PPE (Personal Protective Equipment) is provided depending on the role, including safety shoes, protective glasses, hearing protectors, masks, and gloves. Workplace safety conditions are continuously monitored: monthly inspections are carried out by the HSE Manager (RSPP) and Assistant (ASPP) across all departments, periodic medical check-ups are conducted, and agreements are in place for supplementary health insurance (Metasalute).
- **Environmental Protection:** this process focuses on implementing practices and policies aimed at environmental protection and conservation. OLAB has invested in efficient machinery in line with BAT (Best Available Techniques), such as the Transfer machine, and has completed the relamping of its facilities with LED lighting to reduce energy consumption and environmental impact.
- **Support and Donations:** this process involves allocating financial resources to support projects and initiatives that benefit local communities, primarily through regular donations to local associations.
- **Certifications:** this process encompasses all activities required to verify the compliance and completeness of procedures, documentation, and the management system with regulatory requirements, ensuring the maintenance of certifications already obtained by OLAB. These include both management system certifications (ISO 9001 and ISO 14001) and product certifications.

To periodically verify the application of sustainability system requirements and ESG goals, OLAB's Management carries out a series of controls aimed at confirming the consistency and quality of corporate activities. The results of these controls are formalized and serve as input for the Management Review. Each year, OLAB reviews its Sustainability Policy and its alignment with ESG goals, corporate procedures, and performance trends. The Quality and Environmental Policies are published on the company's website and are therefore easily accessible to all.

OLAB's Management has always placed strong emphasis on the concept of Administrative Responsibility, understood both as a duty-bound commitment to its operations and as accountability toward all stakeholders.

In line with its corporate policies and its long-standing sensitivity to ensuring fairness and transparency in business conduct, OLAB has adopted a Code of Ethics in accordance with Legislative Decree No. 231 of June 8, 2001, concerning the "Regulation of administrative liability of legal entities, companies, and associations, including those without legal personality." The Code of Ethics is the primary tool through which OLAB implements the ethical principles it upholds. All recipients are therefore required to respect the values and principles outlined in the Code and to protect and preserve, through their conduct, OLAB's image and the integrity of its economic and human capital. The Code of Ethics is available on the company's website. Additionally, OLAB has been awarded a two-star rating in the Legal Rating assessment, indicating the company's commitment to high standards of legality and ethics.

4 MATERIALITY

4.1 DESCRIPTION OF THE MATERIALITY ANALYSIS PROCESS

The process of identifying material topics, as described below, was initiated during the 2024 fiscal year following a Board of Directors meeting, in which the commitment and need to allocate resources and information to support the sustainability journey and the drafting of the report were reaffirmed. Management took on the responsibility of providing all necessary information regarding material topics. The process was carried out through meetings with external consultants, during which the issues relevant to OLAB and to members of its value chain were analyzed. OLAB then launched an analysis based on the evaluation of the context in which it operates, its stakeholders, its strategic sustainability plan, and its business model. This led to the identification of thematic areas to be monitored in order to detect potential or actual negative impacts that influence the materiality assessment.

4.2 ANALISI DI MATERIALITÀ

Once the internal and external context was defined, OLAB assessed the relevance of the impact of its activities through the following process:

- **Identification of impacts and risks:** using the materiality matrix, OLAB identifies which impact areas (such as respect for workers' rights, ethical governance, or energy efficiency) are considered most relevant. This helps focus on the direct and indirect impacts of its activities in those specific areas.
- **Analysis of interaction with corporate strategy:** after identifying impacts and risks, the company analyzes how these intersect with its strategy and business model.
- **Opportunity assessment:** in addition to risks, the matrix helps identify opportunities, such as more sustainable production methods or the adoption of improved governance practices that can enhance corporate well-being and reputation.
- **Documentation and reporting:** using the data collected and the analyses carried out, the company reports on relevant impacts, risks, and opportunities, and describes how these are managed in relation to its corporate strategy.
- **Stakeholder communication:** the company effectively communicates this information to stakeholders, including employees and customers, to demonstrate its commitment to managing ESG risks and seizing sustainability opportunities.
- **Continuous review and update:** OLAB continuously monitors and updates its ESG impact analysis, adapting its strategy accordingly. This dynamic process helps the company remain resilient and responsive to external pressures and stakeholder expectations.

The relevant topics identified through this analysis are presented in the following table.

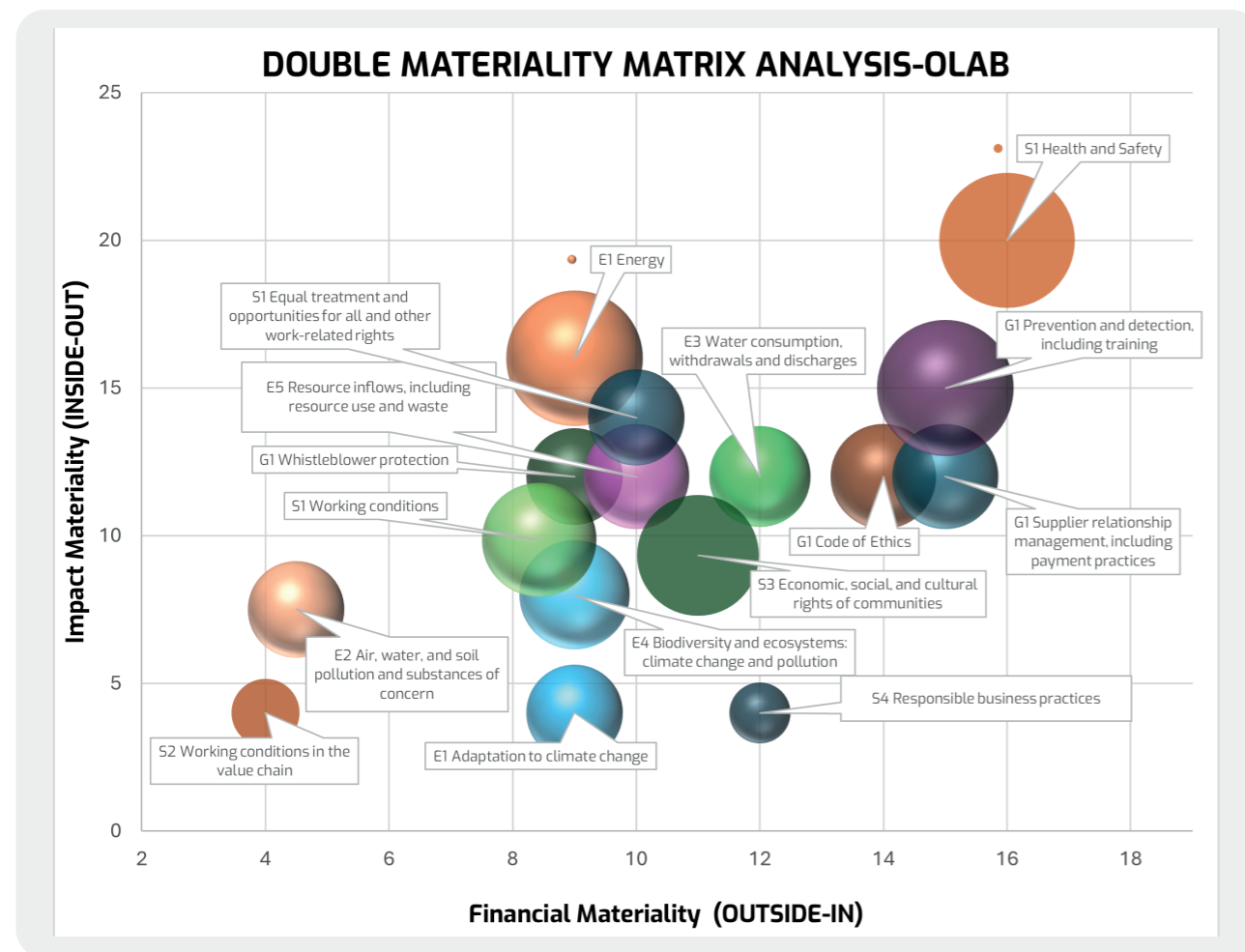
ESRS topics	Theme
Climate change	Adaptation to Climate Change Energy
Pollution	Air, Water, Soil Pollution and Hazardous Substances
Water and marine Resources	Water consumption, water withdrawal, Wastewater discharges
Biodiversity and ecosystems	Climate change and pollution
Circular economy	Resource flows, including resource use and waste management
Own workforce	Working conditions Health and safety Equal treatment and opportunities for all and other work-related rights
Workers in the Value Chain	Working conditions in the Value Chain
Affected communities	Economic, social, and cultural rights of communities
Consumers and End-users	Responsible Business Practices
Business conduct	Code of Ethics Whistleblower protection Management of supplier relationships, including payment practices Prevention and detection, including training

4.3 DESCRIPTION OF SIGNIFICANT ASPECTS AND IMPACTS

The materiality analysis was conducted using the double materiality approach, considering both significant actual or potential impacts generated by the company in the short, medium, or long term ("Impact Materiality") and actual or potential impacts on the company related to sustainability topics ("Financial Materiality").

The relevance of the identified topics was assessed based on the significance of their impact on the organization and the level of influence on stakeholder decision-making.

Specifically, a score from 1 to 5 was assigned to each topic for severity and likelihood of occurrence. The outcome of this analysis is represented in the Double materiality matrix.



As shown in the matrix, the main topics include:

- **Corporate governance and business culture through the Code of Ethics:** this topic, positioned high on the impact materiality scale and relatively high on the financial materiality scale, indicates that strong governance—represented by the company's owners—is crucial for the successful operation of the business.
- **Working conditions, health, and safety:** this is another highly material topic, highlighting the importance of ensuring safe and healthy working conditions for employees. This not only reduces the risk of accidents but also enhances overall productivity and employee satisfaction.
- **Environmental sustainability and energy resource management:** topics such as energy efficiency and environmental damage mitigation are considered critical. This reflects a growing awareness and necessity to operate more sustainably in order to minimize environmental impact.
- **Training on occupational risks:** this topic emphasizes the importance of educating employees about the risks associated with their work and safe practices, which is essential for reducing accidents and improving overall safety.

Each topic in the matrix is assessed based on its impact and relevance, allowing the company to efficiently allocate resources where they are most needed. Therefore, the company focuses primarily on the topics located in the upper-right quadrant of the matrix, as these represent the most significant issues in terms of both impact and financial materiality.

4.4 IDENTIFICATION OF OBJECTIVES AND STRATEGIES

For each topic, the company has defined strategic objectives and mitigation measures.

Regarding climate change, OLAB aims in the next fiscal year to reduce energy consumption and consequently CO₂ emissions, through appropriate staff awareness initiatives and continuous modernization of its machinery fleet. Additionally, the company will seek to source energy increasingly from renewable sources (in 2024, electricity consumption from renewable sources accounted for 43%). In terms of resource management, OLAB will continue to invest in the circular economy, consistently promoting material recycling wherever possible. Furthermore, it will allocate new resources dedicated to ESG (Environmental, Social, and Governance) functions.

During the planning phase of design and development, the organization already considers Ethical and Social Principles (ESPs) and the potential consequences of non-conformities in products and services.

Among the inputs for the design and development of products, services, and processes, the organization takes into account life cycle assessments, impacts on environmental matrices, and ecological, climate, and water footprints.

When reviewing, verifying, and validating the design of products and processes including any modifications the organization evaluates the risks associated with subsequent production and delivery processes, paying close attention to worker health and safety, environmental impacts, and potential social or other types of impacts.

In accordance with the quality and environmental management system, all operational phases of process management are assessed in light of the context, stakeholders, and their expectations. Risks related to quality and the environment are evaluated, and measures are introduced to prevent their occurrence and mitigate their effects, transforming these risks into opportunities for the organization.

The main activities in which risk mitigation and opportunity development analyses are carried out aimed at product compliance, customer satisfaction, and improved environmental performance are:

- modifications to the quality and environmental management system
- implementation of corrective actions
- implementation of improvement actions
- process planning
- product design
- acquisition of significant orders/customers
- collaboration with new strategic suppliers
- communication with internal and external stakeholders
- planning of actions to address significant environmental aspects, compliance obligations, and risks and opportunities identified through analysis

The definition of corporate objectives is carried out by Management based on:

- the results of the analysis of impacts, risks, and opportunities
- the verification of compliance obligations
- the trend of KPI indicators

The analysis and definition of sustainability objectives are carried out annually, during the Management Review. During this process, actions and responsibilities for achieving the objectives are defined, along with the necessary resources made available and the implementation timelines.



5 PERFORMANCE FRAMEWORKS

5.1 RISKS AND OPPORTUNITIES OF THE MANAGEMENT SYSTEM

The sustainability management system adopted by OLAB has been developed using a process-based approach. This methodology has enabled the company to carry out an analysis for identifying risks and opportunities, allowing for informed decision-making, prioritization of actions, and the distinction between alternative courses of action.

Below is a table outlining the relevant material topics, the associated impacts or opportunities, and the actions and/or tools used to manage these impacts and opportunities.

SUSTAINABILITY

ECONOMIC SUSTAINABILITY		
Material theme	Impacts and opportunities	Management methods
Business ethics and integrity	OLAB can work to further strengthen transparency with the value chain.	The management procedures concern the dissemination of the Code of Ethics and the adoption of Model 231: anyone who comes into contact with the company must be aware of the principles it believes in.
Customer satisfaction	The direct consequences, such as positive impacts, are customer loyalty and business continuity.	OLAB maintains direct contact with its customers and offers them the opportunity to visit the company; complaints are handled promptly and customer support is provided from design to after-sales.

ENVIRONMENTAL SUSTAINABILITY		
Material theme	Impacts and opportunities	Management methods
Energy efficiency and reduction of climate-changing gas emissions	This issue has a direct impact on climate change, as proper energy management leads to a reduction in CO2 emissions.	OLAB constantly monitors electricity and gas consumption for heating buildings; it also makes use of natural lighting whenever possible; finally, thanks to its environmental management system, it also monitors CO2 emissions for Scope 1 and 2.
Sustainable innovation	This translates into more sustainable products for customers, made with less resource consumption.	OLAB has introduced "Conscious Design" in the development phase of new projects, which involves an environmental checklist that the design manager is responsible for completing during the evaluation phase. Emphasis is also placed on the use of secondary raw materials wherever possible.

SOCIAL SUSTAINABILITY		
Material theme	Impacts and opportunities	Management methods
Corporate welfare	OLAB promotes the integrated well-being of employees and seeks to retain them.	Corporate welfare is based on the job opportunities that OLAB provides to local residents.
Safety and health	The direct impact is on prevention within the workplace.	OLAB guarantees regular medical check-ups, compliance with Italian Legislative Decree 81/2008, ongoing employee training, and an agreement with Metasalute.
Diversity and equal opportunities	This theme translates into an inclusive corporate culture that respects diversity and protects workers' rights.	It is based on the adoption of the Company Code of Ethics and the adoption of a whistleblowing procedure.
Support for local communities	The direct impact is in terms of the social development of local communities.	OLAB continues to make regular donations to various charities and offers growth opportunities to students.



5.2 METHODS FOR EVALUATING ORGANIZATIONAL PERFORMANCE

OLAB evaluates its performance in relation to the United Nations Sustainable Development Goals (SDGs). By applying these methods, OLAB has identified the following metrics for measuring corporate performance against its sustainability objectives.

For CO₂ emissions and the use of hazardous substances:

- ISO 14001:2015 standard for calculating direct and indirect emissions (Scope 1 and 2);
- EU Directive 2011/65/EU (RoHS – Restriction of Hazardous Substances), which establishes rules on the restriction of the use of certain hazardous substances in electrical and electronic equipment (EEE), contributing to the protection of human health and the environment, including the proper recovery and disposal of WEEE.

For waste management:

- Legislative Decree 152/2006 (Environmental Consolidated Act);
- Precise monitoring, selection, and disposal of waste through the Environmental Declaration Form (MUD) – Law 70/1994;
- Monitoring of the quality and quantity of materials/products reused in the production cycle.

For energy consumption:

- Through its ISO 14001 environmental management system, the company records annual consumption of electricity, diesel, and methane gas.
- OLAB refers to data provided by the energy supplier with whom it has a supply contract; periodic utility bills are used to determine the amount of energy produced from renewable sources.

For employee well-being:

- The company has implemented a whistleblowing procedure, formalizing its commitment to establishing appropriate channels for reporting potential violations, unlawful acts, or behaviors (including omissions) that are non-compliant or in breach of national or EU laws, the Decree, Model 231, and the Code of Ethics (EU Directive 2019/1937 – Whistleblowing).
- OLAB ensures the presence of trained and competent workers. According to 2024 data, 7% of OLAB staff are employed on fixed-term contracts, while the remaining 93% are employed on permanent contracts under the appropriate level of the metalworking national collective labor agreement (CCNL). Management is committed to implementing welfare policies for its employees.

For Business Continuity:

- In its business continuity planning and programming, OLAB ensures awareness and compliance with legislative obligations, as well as sustainable financial investments, following evaluation, continuous monitoring, and review of results.
- OLAB has invested in IT infrastructure, strengthening systems and implementing procedures and actions (e.g., redundancy, iCloud backups) to increase operational resilience in case of disaster recovery and to safeguard data and information security. The company has an IT Manager responsible for infrastructure management and the implementation of information protection policies (Cybersecurity). In light of the growing threats in the digital landscape and the critical importance of data protection, IT infrastructure, and privacy for value chain stakeholders, OLAB adopts rigorous measures to ensure cybersecurity and protect sensitive data.

5.3 KPIs AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE

The reporting period considered for this sustainability report is the 2024 fiscal year, and a short-term reporting interval (12 months) has been adopted.

In 2024, OLAB implemented and plans to continue implementing in the coming years initiatives aimed at reducing CO₂ emissions, improving worker safety, and increasing governance transparency. These initiatives have laid the foundation for future objectives and enabled the company to identify areas for improvement.

The main KPIs considered are listed below:

- Paper consumption for office use and packaging²: respectively equal to 191 ppm and 5,206 ppm in 2024, showing a significant reduction compared to 2023, when the values were 200 ppm and 6,137 ppm.
- Purchase of brass under transformation contracts³: equal to 44.74% during the reporting period. Metal recovery reached 100% of the waste generated from processing.
- Electricity consumption⁴: equal to 27.44% in 2024. The company does not currently produce its own energy. For purchased energy, the supplier reported that approximately 43% was generated from renewable sources.
- Water consumption⁵: constant monitoring is carried out, with an average of 29.3 m³ per employee.
- Emissions⁶: Calculated for Scope 1 (1,508 tons CO₂/year) and Scope 2 (274 tons CO₂eq).
- Certifications: ISO 14001 certification for the Environmental Management System.

- Personnel: 41% women; 59% men
- Employment contracts: 93% permanent contracts; 7% fixed-term contracts
- Workplace accidents: only one minor accident occurred in 2024, caused by distraction and not considered significant.
- Support to associations: financial support provided to local organizations (confidential data)

- Fornitori: pari a 191, di cui per il 22% in possesso di Certificazione ambientale
- Oltre 50 brevetti

² Spesa per l'acquisto di carta (o imballaggi) / produzione annua 2024

³ Ottone acquistato in conto trasformazione/Ottone totale acquistato nel corso dell'esercizio

⁴ Consumo annuo in kWh/ produzione annua 2024

⁵ Consumo annuo in m³/ numero medio di dipendenti nel corso dell'esercizio

⁶ Conversione dei consumi mediante l'uso di applicativo

6 ENVIRONMENT

6.1 ENVIRONMENTAL POLICY AND OBJECTIVES OF THE ORGANIZATION

The Company aims to enhance its strategic business model in alignment with the transition towards a sustainable economy. The Governance's focus on climate change and the environmental impact of OLAB's operations is a key factor that has led to the definition of concrete objectives to increase the level of sustainability in environmental matters. To ensure continuous improvement in achieving environmental goals, OLAB has established, within its environmental protection policy, a series of objectives it is committed to pursuing. The main objectives set by Management for the upcoming fiscal year include:

- Reducing energy demand through production efficiency measures; an example is the purchase of brand-new machinery—never second-hand—in line with Best Available Techniques (BAT);
- Ensuring compliance of all activities with current legal regulations;
- Implementing all possible organizational, operational, and technological efforts to prevent pollution of water, air, and soil;
- Minimizing energy and water consumption and waste generation, while promoting recovery wherever possible; for instance, the purchase of an oil filtration machine aimed at recovering generated waste;
- Achieving 100% recovery of metal waste, meaning all scrap is reclaimed and repurposed for new use;
- Continuing product innovation with an environmental focus, by developing PFAS-free products, such as the EPDM o-ring, winner of the Atmosphere Award in Prague.

Below are the Sustainable Development Goals (SDGs) identified by OLAB as representative of its environmental objectives, for which it intends to allocate new resources during the next fiscal year.

SDG 6: Ensure availability and sustainable management of water and sanitation for all.
Over the past fiscal years, OLAB has committed to optimizing water resource usage, ensuring sustainable water management within its production processes and facilities through a strict water consumption policy. Additionally, to ensure proper management of industrial water usage, significant work has been carried out to channel wastewater discharge systems. In 2024, following changes to the company layout, the number of operations requiring water for product testing increased.

SDG 7: Ensure access to affordable, reliable, sustainable, and modern energy for all.
OLAB has integrated energy consumption monitoring into its corporate KPIs, specifically tracking electricity usage in relation to the number of finished products manufactured, in accordance with new policies introduced by Dekra during inspection audits. The company has also invested in increasingly efficient production systems, in line with Best Available Techniques (BAT).

SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation
SDG 9 aims to develop high-quality, sustainable infrastructure for all, to drive a new business model that respects sustainability principles, adopts clean technologies and industrial processes, and promotes innovation and equal access to information particularly through the Internet.

SDG 13: Take urgent action to combat climate change and its impacts.
OLAB, aware of the importance of this goal, has committed to reducing greenhouse gas emissions (GHG), thereby contributing to the reduction of CO₂ emissions.

The Company, aware of the environmental impact associated with energy consumption for lighting, carried out a complete relamping of its facilities during the fiscal year. The main benefits of relamping are environmental in nature, as the full replacement of traditional lighting fixtures with high-efficiency alternatives significantly reduces electricity consumption. Great importance is placed on metal recovery, in line with a "zero waste" approach. In this regard, it is worth noting that OLAB purchases approximately 50% of its primary raw material (brass) under a tolling agreement, demonstrating its commitment to reducing the use of virgin raw materials and promoting reuse in support of the circular economy. Within the company's operations, a key factor that can influence the goals and objectives of an environmental management system is represented by so-called environmental aspects. These refer to the interactions between the organization's activities and the environment, such as water discharges, soil contamination, the use of raw materials and natural resources, energy consumption, and waste generation. If not properly managed and controlled, these aspects may result in negative environmental impacts, potentially causing environmental damage.

6.2 REGULATORY AND LEGISLATIVE COMPLIANCE

Environmental legislation is governed by Legislative Decree 152/2006, which addresses both preventive measures to control environmental aspects and corrective actions to mitigate potential damage or respond to incidents that may occur. The application of binding legislation is carried out in parallel with the analysis of each environmental aspect deemed relevant to the company. Compliance with mandatory requirements is ensured through a corporate analysis that considers both internal and external factors affecting the organization.

The scope of activities and the company's characteristics provide the necessary guidance for identifying and verifying applicable legal requirements. With the ISO 14001 certification, the company has implemented a management system capable of proactively handling environmental risks related to its operations.

The company's documentation outlines the binding requirements, referencing the legislative source, prescriptive content, and any related offenses, specifically concerning:

- atmospheric emissions;
- water discharges;
- use of water resources;
- noise emissions;
- waste management

Awareness of the applicable environmental legislation and the compliance obligations the company has chosen to fulfill is a fundamental requirement of the environmental management system. It forms the basis for the process of evaluating and maintaining the company's compliance status.

The ISO 14001 Management System Representative is responsible for ensuring timely adaptation to binding regulations, supported by continuous collaboration with environmental consulting firms that provide up-to-date information and verify compliance with legal obligations.

Applicable regulations are recorded in a Legal Register, which is used to conduct compliance checks during specific system audits.



7 PEOPLE

7.1 ORGANIZATIONAL POLICY AND OBJECTIVES FOR RESPECTING PEOPLE

People and their value are at the core of the company's growth over the years. At OLAB, the utmost importance is placed on ensuring appropriate working conditions and practices. Adopting fair labor practices not only enhances company performance but also fosters a corporate ethic that promotes respect for human rights throughout the organization.

In line with its policies, strategies, and continuous improvement actions, the company aims to implement a Health and Safety Management System in accordance with ISO 45001:2018, and to obtain certification from an independent third-party body. To fulfill these commitments, OLAB ensures the implementation of actions, procedures, practices, and controls both within the organization and in its relationships with suppliers related to:

1. Prohibition of child labor, including prevention and management of risks associated with underage employment;
2. Prohibition of forced or compulsory labor;
3. Workplace health and safety, including the provision of all human and technical resources (machinery, equipment, compliant systems) required by law to prevent accidents and work-related illnesses, implementation of awareness and training programs, provision of individual and collective protective equipment, assessment of all potential health and safety risks, and execution of emergency prevention and management procedures;
4. Freedom of association and the right to collective bargaining, ensuring respect for trade union rights and preventing any form of discrimination against union members or representatives;
5. Prohibition of any form of discrimination in the workplace, starting from the hiring process;
6. Prohibition of disciplinary practices not provided for by the National Collective Labor Agreement (CCNL) and the Workers' Statute. Where disciplinary action is unavoidable, sanctions are applied strictly in accordance with the CCNL, to uphold proper conduct toward clients, colleagues, and management. Physical and verbal abuse is not tolerated;
7. Working hours in compliance with current legislation, contractual agreements, and sector-specific standards;
8. Guarantee of fair wages, aligned with contractual terms, industry practices, and legal minimums.

7.2 PERSONNEL

As of 31/12/2024, OLAB employs 210 people, divided between office staff and production personnel. Below is an overview of OLAB employees, broken down by gender.

Employment as of December 31, 2024								
	employees		workers		administered		disabled persons	
	M	F	M	F	M	F	M	F
employed as of December 31, 2024	38	21	83	49	6	13	4	7

As highlighted in the table, there is no gender disparity: there is no discrimination based on gender in the selection of new hires. The difference in the number of employees is linked to the type of role: in production departments where machinery is used, the workforce is predominantly male; female workers are mainly employed in manual assembly departments.

The workforce is therefore divided according to the applicable employment contract.

Employment by category and type of contract in 2024								
	employees		laborers		administered		disabled persons	
	M	F	M	F	M	F	M	F
Indefinite period	37	19	75	45	6	13	4	7
of which Part Time	1	5	0	6	0	1	0	3
Fixed term	1	2	8	4				
of which Part Time								

OLAB, aware of the importance of secure employment and the mutual trust between employees and Management, strives to hire its staff under permanent contracts, demonstrating confidence in its employees and, reciprocally, earning their trust. For this reason, OLAB maintains a high percentage of permanent employees, which in fiscal year 2024 amounted to 93%.

Currently, OLAB has a Well-being Assessment Team, composed of the Employer, the Competent Physician, the Health and Safety Manager (RSPP), and the Health and Safety Officer (ASPP). The latter role was introduced during the reporting period to establish a stronger and more effective communication channel between employees and Management.

The concepts of Diversity and Inclusion are integral to the company's strategy, which promotes conscious diversity management—a fundamental prerequisite for the company's economic success. According to OLAB's corporate principles, all relationships are based on mutual respect, tolerance, and fairness.

Equal opportunities are a constant objective, and no form of discrimination is tolerated, particularly regarding: gender, origin, nationality, religious beliefs and worldview, political, social or trade union activity, sexual identity and orientation, physical and/or mental disabilities, or age. OLAB respects the personal rights of its employees and fosters a culture of tolerance, enabling everyone to fully express their potential.

Any form of discrimination, harassment, or workplace bullying is incompatible with the company's image and will not be tolerated. Management monitors and is committed to creating a fair, respectful, and collaborative work environment. OLAB has strengthened its whistleblowing system, making it accessible directly through its corporate website.

7.3 TRAINING AND SKILLS DEVELOPMENT

Training, the acquisition of new skills, and personal and professional growth are fundamental elements for the well-being of employees and the company. For this reason, OLAB regularly provides its employees with dedicated Health and Safety training courses.

Compared to 2023, more training hours were delivered in 2024: new roles with specific responsibilities (supervisors) and an internal ASPP were introduced, with the aim of starting the process that will lead OLAB to obtain ISO 45001 certification. OLAB also collaborates with educational institutions to offer students the opportunity to undertake internships within the company.

Workplace safety and employee training are essential values for OLAB. The company is committed to complying with current Health and Safety regulations to ensure workplaces are suitable for the type of activity performed. As evidence of this, only one minor accident was recorded in 2024, caused by distraction. OLAB is also committed to promoting and consolidating a culture of safety based on prevention, developing full risk awareness among employees and encouraging responsible behavior through adequate information and training, ensuring full and timely compliance with internal procedures and regulations.



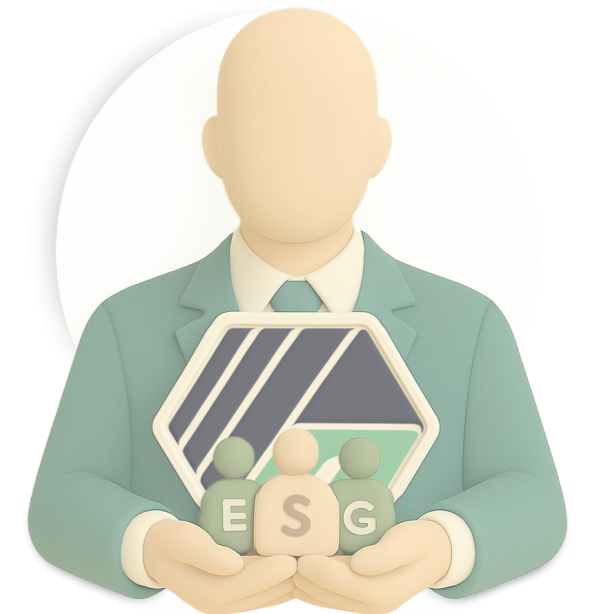
8 COMMUNITY

In line with its Policy, OLAB carries out extensive engagement activities with communities in the surrounding areas.

Based on the stakeholder identification process, their relevance is assessed in order to monitor expectations and concerns, and to develop appropriate engagement strategies.

OLAB is committed to supporting the local community through donations to key associations and non-profit organizations that assist the most vulnerable segments of the population.

Among these are: Fondazione Mamrè and Camperemergenza. Additionally, OLAB sponsors the Lumezzane Football Club.



9 CONTINUOUS IMPROVEMENT

The final report and the results achieved will be communicated to stakeholders, specifically:

- shareholders will be informed during a dedicated meeting;
- employees will be notified through internal communication;
- Customers, suppliers, and financial institutions will receive a copy of the report.

In general, the Sustainability Report will be made publicly available on the company's website

OLAB aims to have the 2024 Sustainability Report evaluated by an independent third party for verification and validation. The Board of Directors, in agreement with the management system officers, will periodically review the Policy, strategies, and defined objectives to assess their adequacy and, if necessary, implement improvement actions based on the monitoring of corporate KPIs.

Furthermore, the establishment of an ESG Committee responsible for overseeing environmental, social, and governance matters will support the identification of appropriate areas for investment, with the ultimate goal of pursuing the objectives outlined in the UN 2030 Agenda.

Data relating to expected and achieved objectives, as well as stakeholder expectations, are periodically reviewed to assess the effectiveness of current actions and identify any necessary adjustments.

Torbole Casaglia, April 10, 2025

Board of Directors

