



SUSTAINABILITY REPORT 2022





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LETTER TO STAKEHOLDERS

Dear Stakeholders,

We are pleased to share with you Caprari's first sustainability report, a very important milestone in our industrial group's journey towards growth and sustainability.

Water is our most precious resource but we often fail to give it the value it deserves.

The ramifications of climate change are becoming increasingly extreme, including severe droughts, floods, catastrophic storms and reduced biodiversity. About 2.2 billion people do not have access to safe drinking water and half the global population is deprived of safe sanitation facilities.

These disasters and statistics highlight the crucial importance of water treatment and the availability of safe drinking water. With this in mind, the technological solutions potentially offered by the pump industry—on a large scale and in the most challenging environmental circumstances—become key to preserving the balance of the earth's ecosystems, in addition to people's health and well-being.

With the aim of making a tangible contribution to managing this complex situation, Caprari, in collaboration with Ambienta, one of Europe's largest asset managers dedicated to environmental sustainability, founded Waterialia in 2021: a new industrial holding company that places water protection and management at the centre of its operations.

With Waterialia, a new, exciting and fast-growing phase has begun, allowing Caprari, as early as 2022, to not only consolidate its position but also extend its influence in international markets, establishing itself as a modern and dynamic player in the management of the integrated water cycle.

Exciting challenges lie ahead for us in the coming years, to be met with the knowledge that a solid, strategic plan has been defined based on environmental protection and supported by a continuously evolving ESG approach, centred around the protection of water; because water is everybody's right.

Water is not negotiable.

Federico De Angelis
CEO Waterialia





METHODOLOGICAL NOTE



Scope of report

This first report serves as a tool for reporting, communicating with, and engaging stakeholders in relation to economic, but also social and environmental goals and outcomes, adopting an integrated and strategic way of thinking that recognises sustainability as one of the primary drivers of growth. Financial reporting tells only a part of the company story and, as such, must be integrated with a broader vision of the strategies, goals and performance levels through which the organisation creates value over time.

The reporting period is 2022 and includes all Italian offices.

Guidelines

The report was drawn up in accordance with the disclosures of the Global Reporting Initiative (GRI). The GRI Sustainability Reporting Standards issued by the “Global Reporting Initiative” in 2021, are a technical-methodological reference for organisations worldwide and are used on an international scale to communicate and measure sustainability performance with the utmost transparency.

The GRI indicators were selected taking into account the importance of the various material topics for Caprari, thus identifying the issues most relevant to the company.

The references to the GRI Sustainability Reporting Standards are provided in the final table of indicators.

Management has overseen the publication of the sustainability report, involving the entire organisational structure of the Group companies included within the reporting scope.

Materiality analysis

The materiality matrix is the heart of the GRI (Global Reporting Initiative) methodology and is the instrument through which the organisation, together with its stakeholders, identifies the relevant topics driving the sustainability strategy and which, therefore, are the subject of reporting.

In order to develop the materiality matrix, a process was implemented involving the engagement of, and liaison with management and employee representatives.

Two rounds of discussions were held, with a questionnaire distributed to define the most important topics for the company and the strategic priorities that would involve the entire organisational structure over the coming years.

By engaging stakeholders, using specific tools and actions, it was possible to compare and subsequently validate the thoroughness of the identified impacts and related topics.

The following table lists the 20 topics that were identified as being effectively relevant for the company.

Governance Topics
Economic Performance
Transparency of information, ethics, integrity
Data security
Risk management
Innovation, research and development
Product quality, conformity and safety
Sustainable supply chain selection and management
Communication
Environmental Topics
Reduction of energy consumption
Reduction of CO ₂ emissions
Indirect environmental impact management
Waste management
Water consumption management
Raw material management
Social Topics
Employee development, training and performance enhancement
Corporate welfare and well-being
Diversity, inclusion and equal opportunities
Occupational health and safety
Support for the local territory and community
Industrial relations

They were then asked to rate the different topics based on the company's interest and ability to create value in that area in the medium to long term. The data was reconciled to produce the materiality matrix illustrated below, which is the final outcome of the analysis and end result of the exchange between management and internal stakeholders.



The most relevant topics that emerged concern:

- Quality and the customer experience
- Employee training and development
- Energy consumption and therefore CO₂ emission management
- Health and safety management
- Waste management

Goals achieved in 2022

QUALITY AND THE CUSTOMER EXPERIENCE

Caprari invests great care in ensuring the reliability and safety of its products and services, tailoring them to the needs of direct customers and end users. In 2022, priority was afforded to investments in specialised certifications and processes to ensure production quality and efficiency, striving for continuous improvement in dealings with customers, suppliers and stakeholders in general.

HEALTH AND SAFETY MANAGEMENT

To ensure a systematic approach to health and safety, the company chose to follow the ISO 14001 certified management system. Caprari undertakes to thoroughly analyse potential risks and hazards and respond accordingly, not only by taking the necessary precautions but also by going above and beyond legal requirements.

WASTE MANAGEMENT

The adoption of practical solutions to efficiently manage raw materials, reduce water consumption and preserve energy resources, is a top priority. The existing plan to improve its environmental footprint by reducing waste generation was extended in 2022, strengthening its commitments in relation to monitoring and improving its environmental performance.

REDUCTION OF ENERGY CONSUMPTION AND GAS EMISSIONS

Caprari has developed energy-efficiency plans to reduce its environmental impact, applying a systematic approach consisting of monitoring, investment and best practices. In 2022, the company began the process of building a new photovoltaic system scheduled to enter into operation in 2023, alongside the existing one. Gas emissions have been reduced thanks to the installation of new, latest-generation flues and the complete replacement of machines powered by potentially hazardous gases.

EMPLOYEE TRAINING AND DEVELOPMENT

Maximum focus on strengthening human capital and attracting talented people by rewarding ethical behaviour and commitment, defining professional training and development courses to continuously update skills and knowledge. A detailed action plan is in place to respond to the individual needs of employees and ensure a proper work-life balance.



Stakeholders

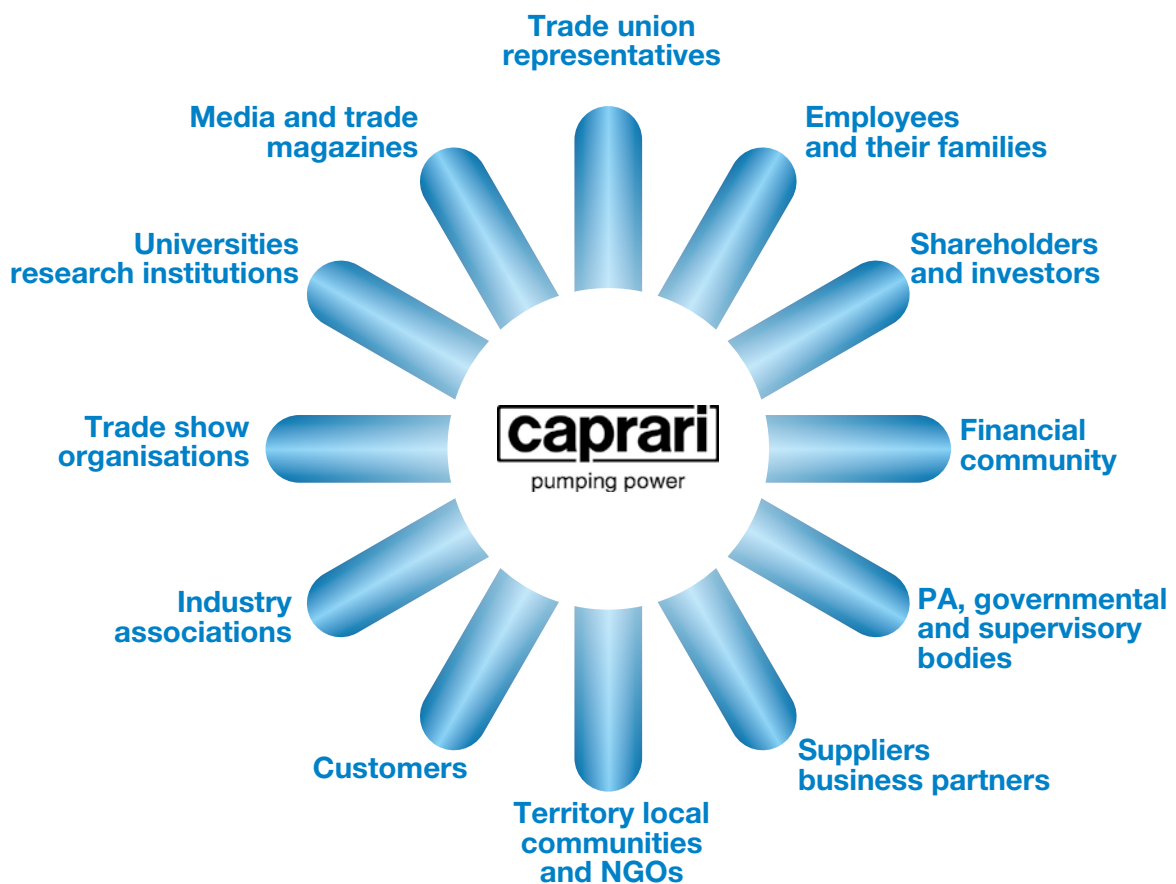
Employees, customers, partners, public and private authorities and organisations, and all those who directly and indirectly contribute to the firm's success, with various expectations, are all stakeholders with whom a corporation must engage at various levels.

Caprari has meticulously mapped its key stakeholders as part of its sustainability journey.

Under the flag of transparency and integrity, the aim is to increasingly foster communication and maintain a constant dialogue with them.

The company engages with its stakeholders on a regular basis, both online and offline, with the goal of sharing the evolution of its industrial project in terms of value generation and Corporate Social Responsibility. The website *caprari.com*, social media channels and regular newsletters are important points of reference for all stakeholders.

Moreover, to further improve internal communication, the company employs special notice boards and has launched a new intranet, *My Caprari*, where employees can easily find updates and useful materials.



ESG strategy and commitment

The Caprari Business Model aims to create long-term, shared and sustainable value for the company and the region. With a forward-thinking vision, the company offers essential water-related products and services that are assured by the highest performance standards, aimed at improving people's quality of life and accompanying development in ever-changing industries.

This strategy of sustainable development and value creation is entirely in tune with the United Nations (UN) 2030 Agenda, which outlines 17 Sustainable Development Goals (SDGs) for building an inclusive, sustainable and resilient future. This “plan of action for people, planet and prosperity” was stipulated in September 2015 by the governments of the 193 member states, but affects all citizens and enterprises alike. Caprari, aware of how important it is that everyone do their part, has incorporated these goals into its internal strategy, implementing policies to limit environmental impacts and maximise social benefits throughout the value chain for several years. The company specifically pursues goals 2, 6 and 9 through a strategic action plan.



ZERO
HUNGER



CLEAN WATER
AND SANITATION



INDUSTRY,
INNOVATION AND
INFRASTRUCTURE

Strategic goals 2023-2024

Environment	Social	Governance
To reinforce the path already begun towards energy transition by increasing the production of electricity from renewable sources through the installation of new photovoltaic systems.	To strengthen communication with all stakeholders through the new corporate website and intensify the use of social media platforms to disseminate updates.	To promote the culture of legality by implementing Models 231 and whistleblowing, promoting a way of doing business consistent with the objectives of responsibility.
To strengthen sustainable waste management in accordance with circular economy principles, both by reducing waste and optimising recycling through the establishment of new separate waste collection islands.	To incorporate social and environmental criteria in the selection of suppliers, as the latter play a key role in the sustainability of the company's products and services.	
To continue to invest in the design of energy-efficient products, delivering sustainable solutions even to the most energy-intensive economic sectors.		
To actively participate in the sustainable packaging revolution by researching and designing packaging with a lower environmental impact.		



THE COMPANY



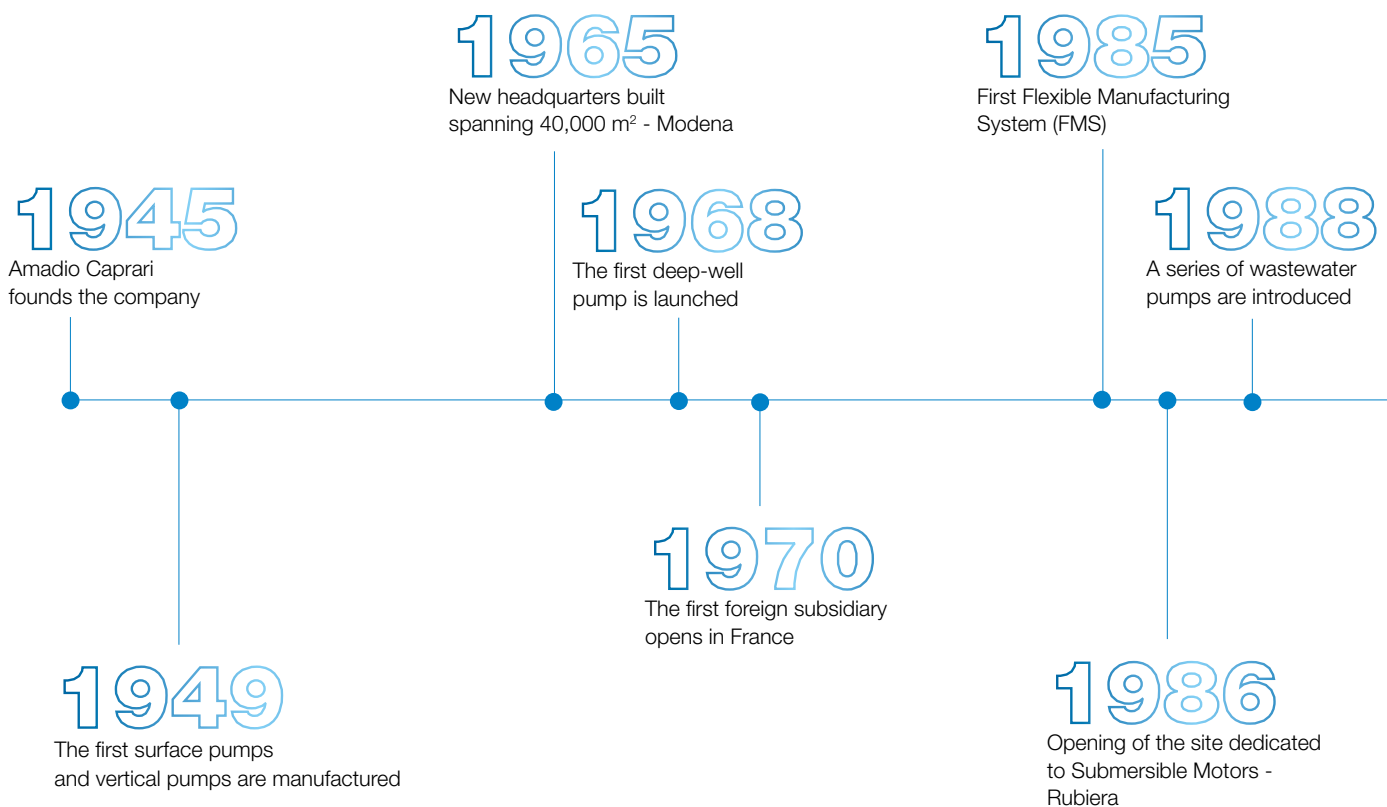
Passion, innovation and growth

Caprari is a global leader in the design and manufacture of solutions for the optimal management of the integrated water cycle. It has developed a wide range of centrifugal and electric pumps over its more than 75 years in business, perfectly satisfying the needs of its customers in a variety of sectors, including professional irrigation, deep-well abstraction, lift stations and treatment of wastewater and sewage, water supply and distribution in commercial and industrial systems, and fire-fighting systems. Caprari is a dynamic corporation with deep, historical roots and a solid strategic plan to ensure steady and continuous growth in the future.

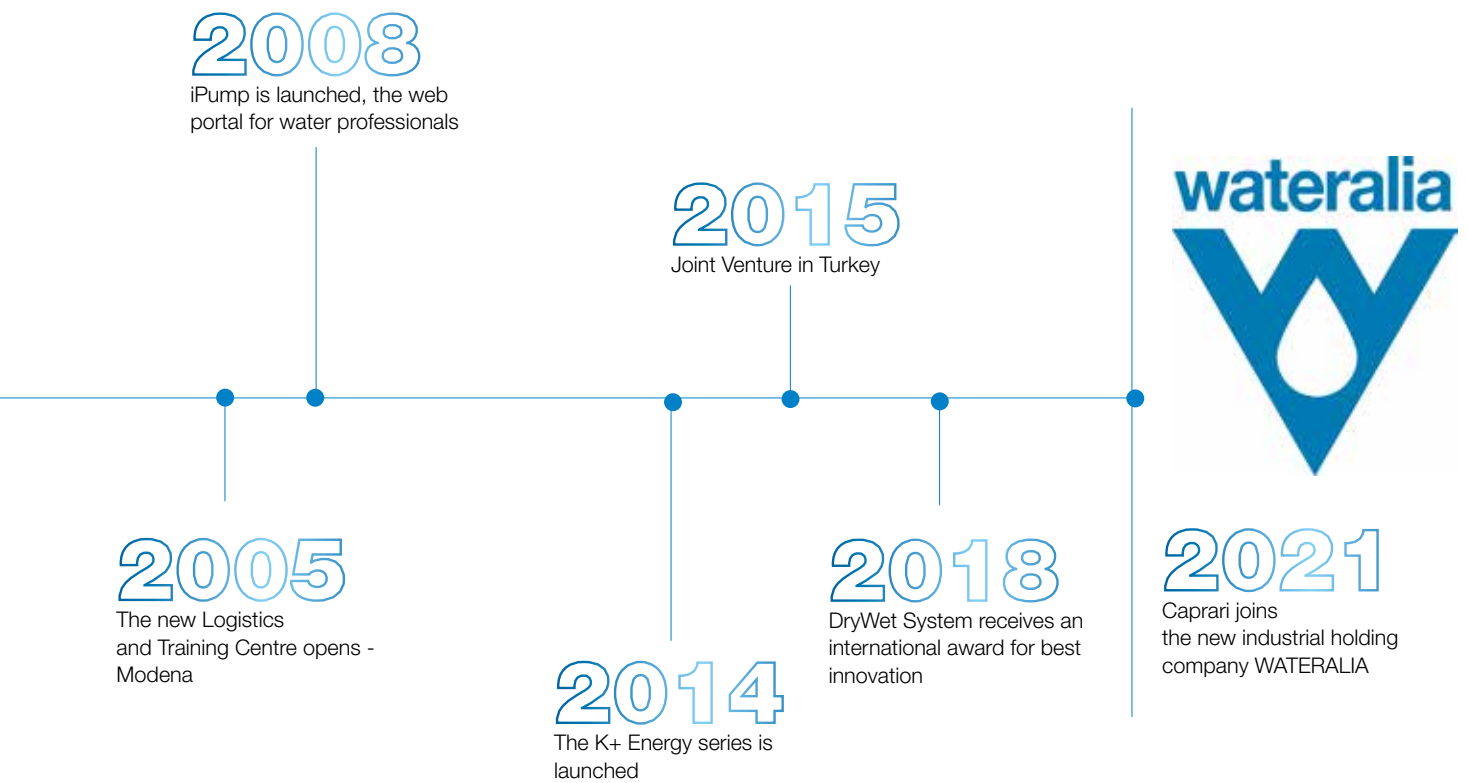
History

Caprari's story is founded on a great passion for technology, combined with an entrepreneurial spirit, which, right from the very beginning, has focused on innovation and growth. It was in 1945, in the aftermath of World War II, that Amadio Caprari, the company's founder, had the foresight to start manufacturing the first centrifugal pumps.

Initially headquartered in Rolo, in the province of Reggio Emilia, in 1965 the company relocated to Modena, in the heart of one of Italy's greatest industrial districts. These were years of strong development. Research and an innovative approach became the hallmarks of a business that would continue to grow, consolidating its presence in the national, and soon after international market, thanks to a wide range of pioneering solutions.



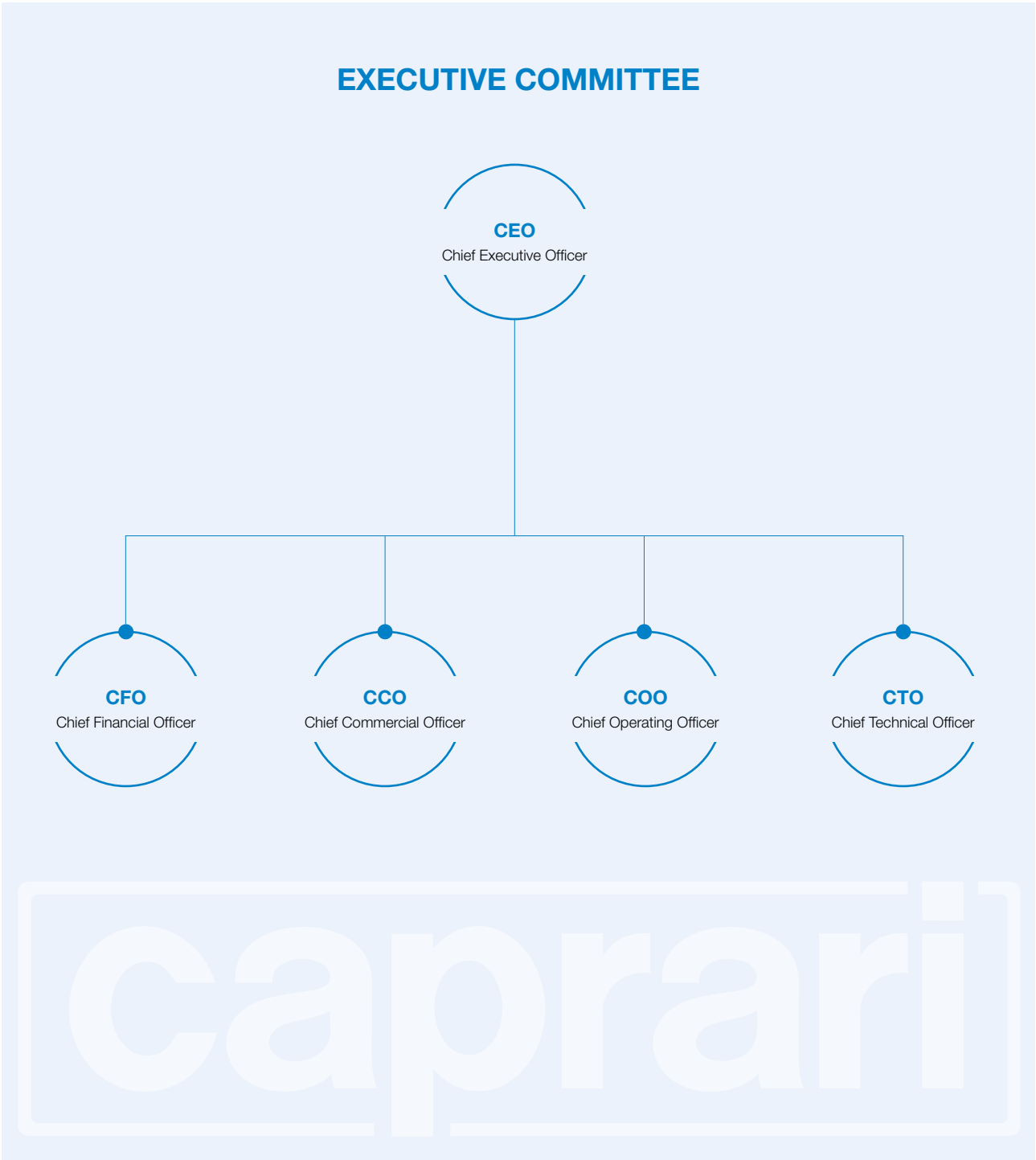
Wateralia, a new industrial holding company founded by Caprari and AMBIENTA, one of Europe's largest asset managers dedicated to environmental sustainability, was founded in 2021. Wateralia was the world's first industrial platform dedicated to the efficient and sustainable management of life's most precious and indispensable resource: water. A project that Caprari has joined with the same zeal characterising the company's entire history since its inception.



Company structure and offices

Caprari's governance model provides for the separation of powers and responsibilities between the board of directors and the board of auditors.

In terms of operations, the company manufactures from its 3 production sites and directly operates in the international market through 9 direct subsidiaries.



caprari

CAPRARI S.p.A.
PUMPS AND ELECTRIC PUMPS
Modena (Mo)

CAPRARI S.p.A.
SUBMERSIBLE MOTORS
Rubiera (Re)

POLMOT
SUBMERSIBLE MOTORS
Turkey

**Bombas Caprari
SA**
Spain

**Caprari Portugal
LTD**
Portugal

**Caprari Pumpen
GMBH**
Germany

**Caprari Hellas
SA**
Greece

**Caprari Pumps
Shanghai CO. LTD.**
China

Polmöt
Turkey

Caprari S.p.A.
Italy

**Caprari Tunisie
SA**
Tunisia

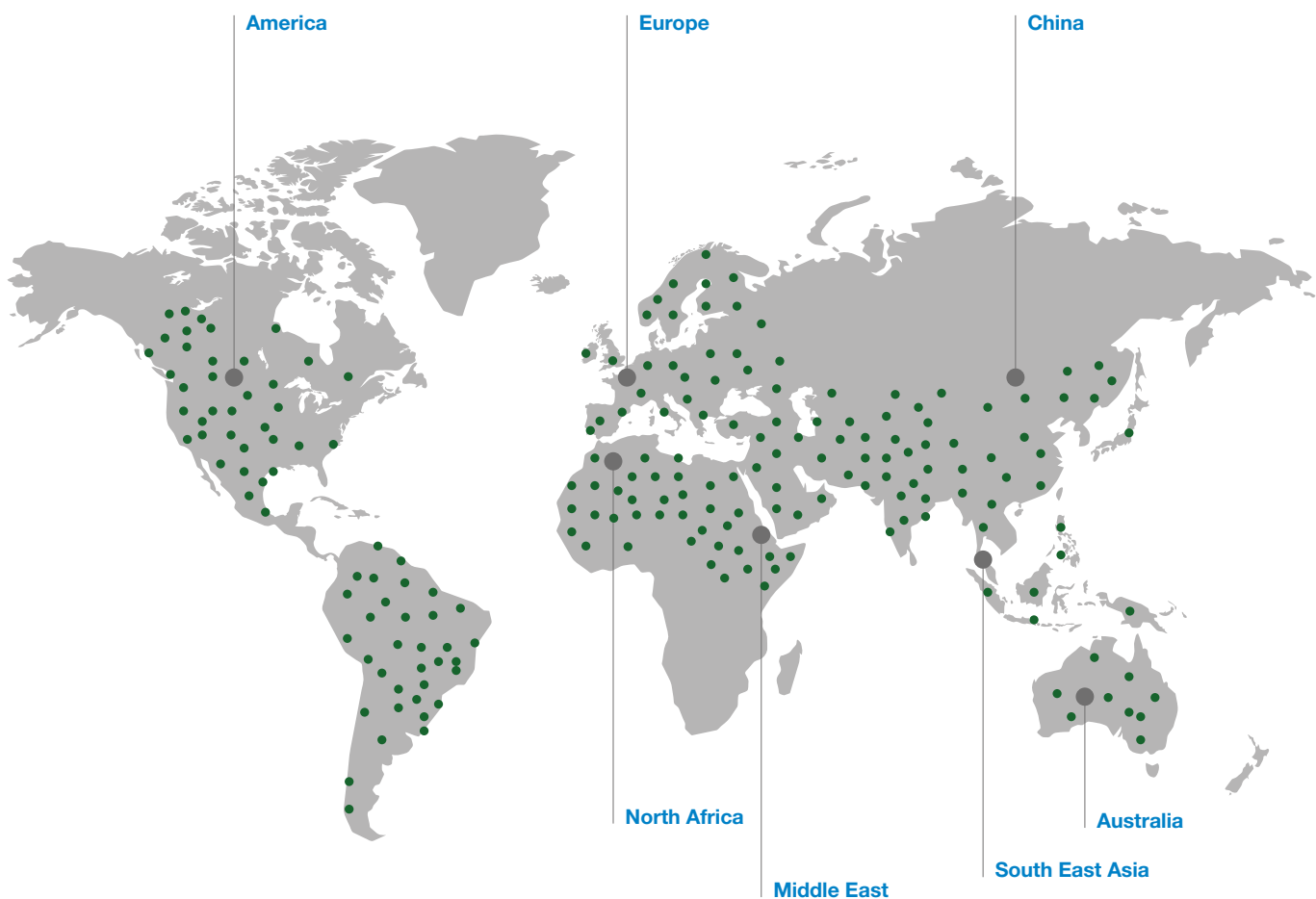
**Caprari France
SARL**
France

**Caprari Pumps UK
LTD**
Great Britain

**Caprari Pumps
Australia PTY**
Australia

The strength of the network

Caprari enjoys a global presence through a vast network of exclusive distributors and partners, service centres and specialised machine shops. The company relies on a network of hundreds of exclusive and specialised water partners and distributors in Europe, North Africa, the Middle East, China and South East Asia, the Americas and Australia.



Integrated water cycle management solutions

Caprari is recognised worldwide for the exceptional quality of its products and its wide range of water-pumping solutions for a variety of applications.

The offering includes submersible pumps and motors, surface pumps, wastewater pumps and systems, and control and monitoring systems.

In addition to thoroughly meeting the diverse needs of professionals in the integrated water cycle, the company has become an industry benchmark, building on its expertise through the continuous improvement of its performance and processes. Caprari takes a responsible approach throughout the product's entire life cycle, starting from the early development stages, combining quality and sustainability and fully involving the supply chain.

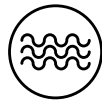
This vision entails adhering to all applicable national and international standards in the various markets in which it operates, observing contractual requirements and technical specifications, achieving the highest standards of safety for the user while continually minimising its environmental footprint.



Submersible pumps and motors



Surface pumps



Wastewater pumps and systems



Control and monitoring systems



Applications: a complete range for all industries

IRRIGATION

Caprari supports the agricultural industry with a selection of high-efficiency pumps to meet all irrigation needs. It supplies pumps used to extract water from underground aquifers, lakes or rivers, carry it to the surface and transfer it to the areas to be sprayed.



WATER MAINS AND WASTEWATER MANAGEMENT

The water process is managed in various stages: water abstraction from deep wells in the aquifer, water supply, drinking water treatment, purification of commercial and industrial effluents, and transport and delivery of the treated water. In all cases, Caprari provides reliable and high-tech solutions.



INFRASTRUCTURE

Protecting people's safety and respecting the environment are the drivers for the development of water management and fire-fighting solutions that ensure the proper operation of railway and road underpasses, the use of underground car parks and subways, and efficient rainwater drainage and collection.



INDUSTRY AND SPECIAL APPLICATIONS

Caprari supports both mainstream and special industries such as mining, oil and gas, fish farming, iron and steel, and artificial snowmaking, offering pumping systems boasting exceptional reliability and competitiveness thanks to their low power consumption.



Customer types

Caprari's manufacturing and operations are conducted in accordance with the principles of sustainability, taking into account the various expectations and demands of its customers.



DISTRIBUTORS
AND DEALERS



INSTALLERS



INDUSTRIAL
COMPANIES



FARMS



PUBIC AUTHORITIES
AND MUNICIPALITIES



SYSTEM ENGINEERS



CONSTRUCTION
COMPANIES



OEM



CONTRACTORS

Business model and certifications

Caprari was one of the first Italian companies to pursue integrated certification as part of a business model aimed at creating shared and sustainable value. In order to comprehensively address the issues of quality, environment and safety, as well as to ensure continuous improvement, the company has taken the path of ISO certification: the **ISO 9001:2015** quality management system, the **UNI EN ISO 14001** environmental management system, and the **UNI ISO 45001** safety management system.

The provision of products and services that meet customers' real needs and expectations is a top priority for the company, with the aim of improving the lives of people and businesses in the communities where it operates. Its quality management system is built on a risk-based thinking approach, enabling the organisation to identify factors that may lead to deviations from the ISO 9001-2015 standard and implement the necessary preventive measures.

In order to achieve the highest quality standards while simultaneously ensuring people's safety and environmental protection, management works at all levels with unity of purpose, aligning strategies, processes and resources to achieve the set goals.

The organisation has sought to encompass the set of actions that effectively express the corporate culture in terms of values, behaviour and management practices, under the umbrella term of "Quality". Original Caprari Quality is the company's way of delivering sustainable, long-term business development to all stakeholders: employees, customers, suppliers, local communities, the environment, lenders and shareholders.



Safe water

Water safety is indispensable for manufacturers of materials and applications for drinking water supply systems. The European Directive on the quality of drinking water for human consumption sets out the mandatory health and safety requirements of the water. Therefore, it also establishes the criteria that all materials with which water comes into contact throughout the process, from withdrawal to final dispensing, must meet in order not to compromise its properties (smell, taste and colour), in order to avoid the release of substances or spread of bacteria.

All Caprari products are supplied with certificates of conformity, guaranteeing their compliance with the most stringent standards.



CAPRARI is a company with a management system certified by Bureau Veritas

Ecovadis rating

The organisation has chosen to certify its actions on the EcoVadis platform, a leading company in Corporate Social Responsibility (CSR) assessment, to evaluate its sustainability performance and implement continuous improvement.

Ecovadis is a global sustainability rating firm that has developed a monitoring system for measuring an organisation's ethical, social and environmental footprint. Its evaluation method is based on international standards, using 21 performance indicators in four domains (environment, human rights and labour, ethics, sustainable procurement).

By joining the platform, Caprari is able to share the results of the assessment and improvement measures with its stakeholders.



Membership associations

Caprari has long been an active member of several national and international trade associations in the mechanical engineering industry, specifically the pump sector. The company firmly believes that these organisations represent a valuable opportunity for technical analysis, collaboration, and the sharing of regulatory and technological updates with colleagues from other companies. The possibility to pool experience and specific expertise is a huge benefit for any company looking to capitalise on new market opportunities and address the common challenges faced by the industry.



ANIMA

The Confindustria industrial trade organisation representing enterprises in the mechanical engineering industry



ASSOPOMPE

The Italian association of pump manufacturers



EUROPUMP

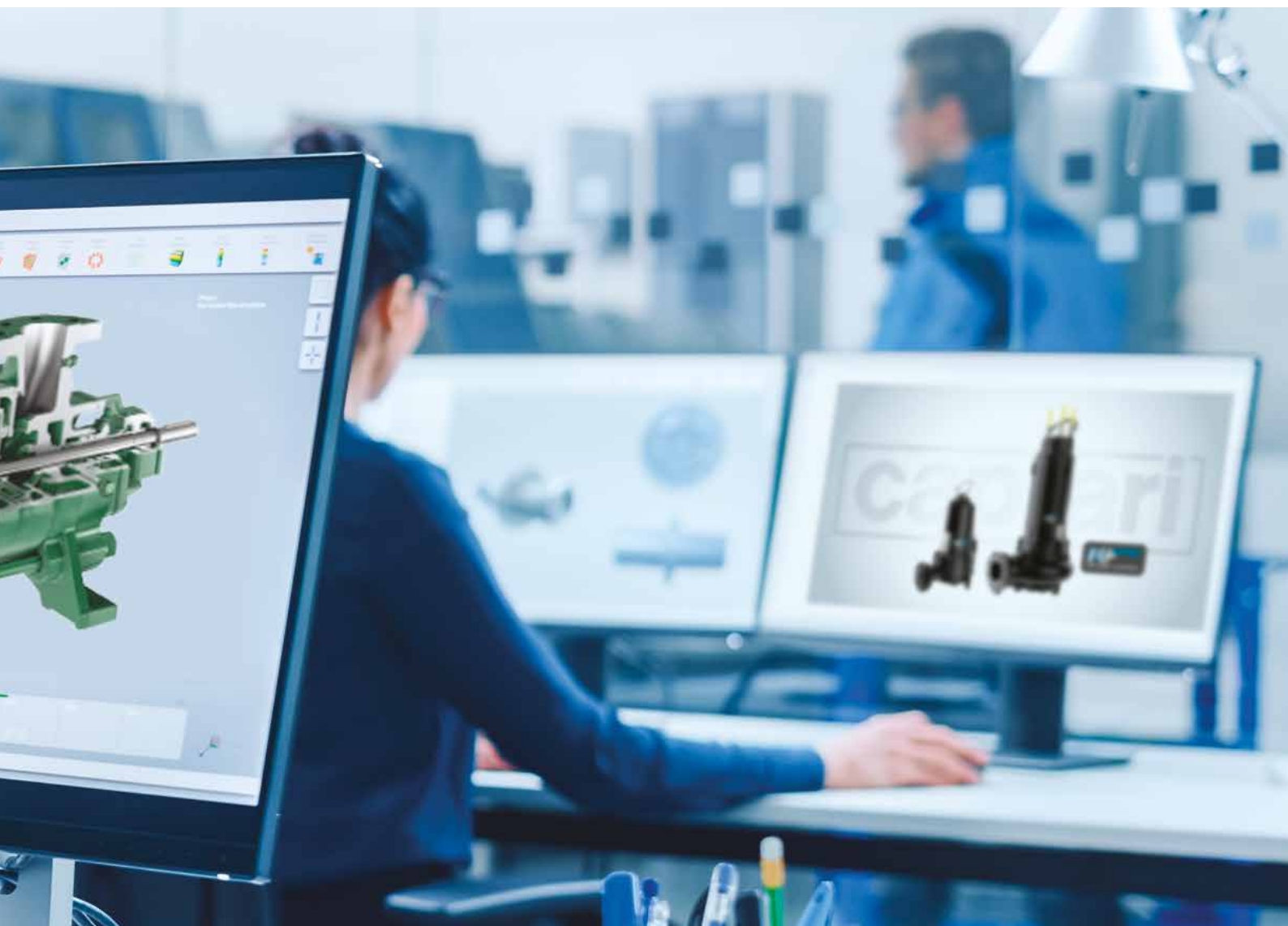
The association of European pump manufacturers



Research and Development

Research and Development has always been the driving force behind Caprari's growth. Through its R&D department and innovation processes, the company develops cutting-edge technical solutions that meet and exceed a broad range of market needs. The result is products with increasingly high performance in terms of safety, reliability and environmental impact.

Caprari understands that developing tailor-made solutions for each specific industry, capable of bringing about real improvements, requires intense research and development, which its in-house division coordinates and carries out with creativity and technical expertise. The economic resources allocated to the R&D department are steadily increasing and are also employed for the development and registration of numerous proprietary patents at national and international level.





SUPPLY CHAIN



Caprari regards its suppliers as genuine partners. The company has developed a trusting relationship with them over time, based on the values of loyalty, fairness and professionalism. Thanks to this policy, the company today boasts an extensive network of suppliers and solid ongoing partnerships.

The partnership relationship is defined and qualified by key elements including goal sharing, regular monitoring of all actions and the ongoing evaluation of the products supplied.

The selection of suppliers and establishment of the purchasing terms for products and services are based on impartial evaluations.

When evaluating, selecting and qualifying new partners, Caprari is careful to collect the necessary information and verify the conformity of potential partners in terms of material safety and regulatory compliance.

Caprari's suppliers are classified into two macro-categories:

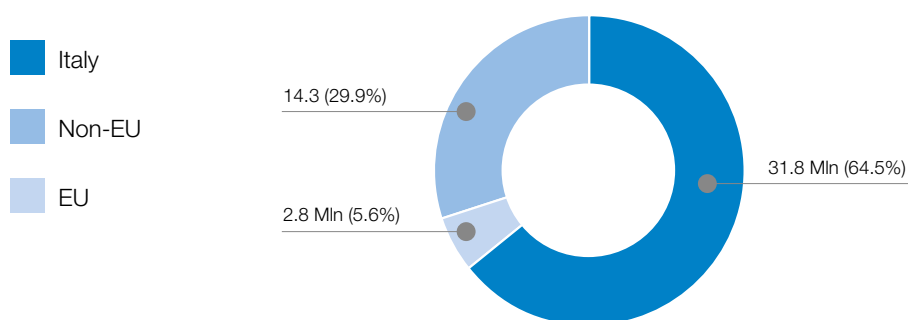
manufacturers of direct materials for the production of the final product

suppliers of indirect materials and services

As at 2022, Caprari has a total of **854** suppliers, amounting to a total annual turnover of more than EUR 63 million.

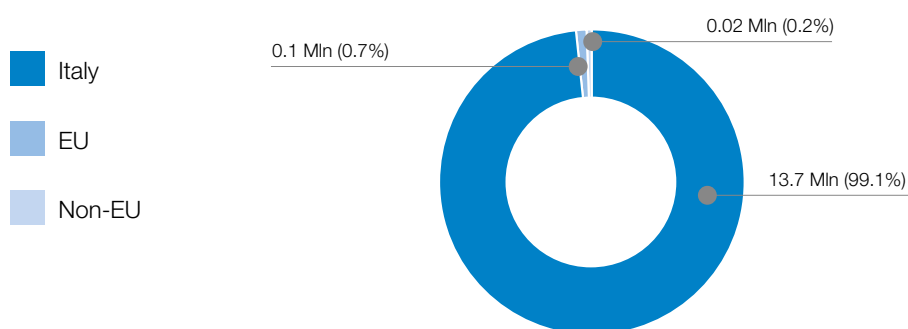
Suppliers 2022	Number	Incidence % expenditure
Direct	316	75%
Indirect	538	25%
Total	854	100%

Of the total suppliers, **316** are direct suppliers, with an incidence of 75% of the total supply expenditure. Of this total, 64.5% goes to Italian companies, 5.6% to European countries, and the remaining 29.9% to non-European firms.



The number of indirect suppliers is **538**, for a total incidence on supply expenditure of 25%.

Of this total, 99% goes to Italian suppliers.



Original Caprari Quality

For Caprari, the concept of “Quality” is a set of actions that effectively represent the corporate culture, its values, behaviour and management goals, and which enable the delivery of long-term business development to all stakeholders such as employees, customers, suppliers, local communities, the environment, lenders and shareholders.

Original Caprari Quality reflects the continual improvement of the products and services duo, focusing on the needs of customers towards whom the company poses itself as a reliable partner with whom to build a strong and lasting relationship. This philosophy entails acceptance of the principle that to obtain a high-quality product, the entire process must be managed with a quality-oriented approach, from the procurement of raw materials to the sale of the finished product.





ECONOMIC VALUE



Caprari contributes to the creation and distribution of value to stakeholders and the community through the diversification of supply, technological progress and innovation. Shared value allows companies to boost their competitiveness by responding to emerging societal challenges as well as the social and environmental needs of the communities in which they operate, thereby helping to preserve and enhance them.

Caprari performed exceptionally well in 2022, increasing its sales volumes and achieving above-average growth in its home country.

The year ended with a turnover of EUR 85.3 million (+12.7% compared to 2021), marking the company's second consecutive year of record growth. In two years, Caprari's turnover climbed by more than EUR 18 million (+27%). Sales increased in all geographic areas where the company operates, and both the level of customer service and product availability improved as inventories and logistics were both strengthened.

Caprari's investments in tangible/intangible assets, as well as research and development, remained strong in 2022. Capital expenditure (including R&D, which was fully expensed during the year) totalled EUR 6.5 million, or 7.6% of the company's turnover.

Economic value generated and distributed	2022	
	€/1000	
Revenue	85,348	
Economic value directly generated	96,180	100%
Operating costs	65,386	68%
Employee remuneration	19,524	20.3%
Capital shareholder remuneration	1,886	2%
Public Administration remuneration	587	0.6%
External donations and sponsorships	21	0.1%
Economic value distributed	87,404	91%
Economic value retained	8,776	9%



Anti-corruption policy

Caprari is fully committed to ensuring actions and conduct that are solely based on transparency, fairness and moral integrity.

Caprari's anti-corruption policy prohibits personnel, partners, and anyone else working on the company's behalf from requesting, promising, offering or accepting potential or actual gifts, presents or benefits from or to persons outside the organisation. This applies to public officials or persons in charge of a public service, government representatives, public employees but also private citizens from Italy and abroad.





FOCUS ON THE ENVIRONMENT



Today, industry bears a great responsibility for promoting responsible use of natural resources and an increasingly urgent ecological transition. Caprari recognises the importance of this mission and proclaims a strong commitment to developing projects and actions that can contribute to environmental preservation and the global challenges of climate change.

The company has, therefore, implemented an environmental management system in accordance with the UNI EN ISO 14001:2015 standard and developed a sustainability plan that adheres to the following guidelines:

- Reduction of direct and indirect emissions;
- Increased use of electricity from renewable sources;
- Reduction of energy consumption and waste volumes through the optimisation of production processes;
- Containment of the environmental impact throughout the product life cycle.

Focus on production

In the course of 2022, Caprari purchased non-renewable materials such as castings, steel and electrical cables for production purposes, totalling some 4,600 tonnes. It also purchased approximately 800 tonnes of renewable materials, mainly for product packaging, including wood, cardboard and plastic.

WEIGHTS OF PURCHASED MATERIAL

Commodity	Total in tonnes	Type
Castings	4,169	non-renewable
Various steel and bars	414	non-renewable
Electrical cables	81	non-renewable
Wood	711	renewable
Cardboard	44	renewable
Plastic	12	renewable



In accordance with Legislative Decree 152/06, Caprari registered with CO.NA.I (National Packaging Consortium). Furthermore, the company chose wood and cardboard packaging with FITOK and PEFC™ environmental certification.

USE OF FITOK CERTIFICATION

With regard to wood packaging, FITOK certification is the most important in terms of the guarantees a company can provide as part of its environmental protection policies. Authorisation to use the FAO's FITOK and ISPM 15 marks is only granted after a strict inspection by the ICILA certifying body. The latter assesses compliance with the requirements and certifies that the wood used for packaging has been treated to prevent the spread of harmful organisms, thus avoiding possible contagion and potentially serious impacts on the world's forest heritage. This certification expedites customs clearance, ensures full environmental stewardship and protects the forest heritage with a view to sustainable development.

IMPLEMENTATION OF PEFC™ PROGRAMME

The PEFC (Programme for Endorsement of Forest Certification schemes) is a global alliance of forest certification schemes that collaborates with national groups to promote responsible and active forest management. By choosing products bearing this important marking, Caprari demonstrates its commitment to the environment by using wood from forests whose inhabitants are protected in accordance with internationally recognised principles. The supplier also certifies the reuse and disposal methods of its packaging.



Reduction of energy consumption

In order to efficiently manage energy consumption, the company has taken several measures aimed at lowering direct and indirect emissions, with both economic and environmental benefits.

The company strives for continuous improvement and has already met one of its essential goals: 100% of the electricity used at Caprari today comes from renewable sources.



The majority of the company's electricity usage is related to the operation of industrial machinery, lighting and air conditioning systems.

The total energy consumed in 2022 was 10,600,282 kWh, including electricity, gas and vehicle fuels.

Fuel-related energy consumption accounts for 70% of the total energy used. Natural gas, which accounts for 94% of all fuels and is used for indoor heating and certain manufacturing operations, is by far the most utilised.

Total electricity consumption in 2022 was 2,825,552 kWh, of which 100% was from renewable sources thanks to the self-consumption of energy generated by the company's own photovoltaic systems and the purchase of Guarantees of Origin certifying that the energy came from renewable sources.

	UoM	2022
Electricity from grid (certified, with guarantees of origin)	kWh	2825552
Natural gas	m³	664,509
Diesel	l	38,623
Petrol	l	7,327

Reduction of gas emissions

Caprari has begun the process of calculating its emissions, undertaking to reduce the greenhouse gas emissions generated by its business processes. The organisation, in particular, has put in place systems to quantify and continuously monitor direct CO₂ emissions generated by the use of fuel, as well as indirect CO₂ emissions from the consumption of purchased electricity and heat.

	UoM	2022	Emissions factors kgCO ₂ /unit	tCO ₂ e	Scope
Natural gas	m ³	664,509	2.02	1342.3	Scope 1
Diesel	l	38,623	2.56	98.9	Scope 1
Petrol	l	7,327	2.34	17.1	Scope 1
Purchase of electricity from the grid	kWh	0	0.246	0	Scope 2
Purchase of renewable electricity from the grid	kWh	2825552	0	0	Scope 2
			TOTAL	1458.3	Scope 1
			TOTAL	0	Scope 2

Solar energy as an efficient alternative

In recent years, Caprari has made important investments in the implementation of energy-saving initiatives. Specifically, the company has opted to concentrate its efforts on energy production from renewable sources such as solar energy.

Following the completion of the first photovoltaic system with a peak power of 162 kWh in 2011, the construction of a second photovoltaic system with a peak power of 272 kWh began in 2022. The system will be operational in 2023.

Water management

Caprari regards responsible water management as a crucial aspect of its sustainable development, in addition to being especially important for the future of communities and the protection of the planet. It could not be any other way for a company whose primary aim is to protect water. Caprari pumps are meticulously designed and developed to enable efficient and responsible water management.

The company has equipped its plant in Modena with two wells in order to withdraw as little water as possible from the public mains. The volume withdrawn from the municipal water supply system is used only for the canteen, drinking water dispensers in the machine shop, and hot drink dispensers located throughout the plant. The company drilled its first well in 1964 and a second in 1984. The water taken from well 1 is used in the machine shop, offices and logistics area, for the sanitation facilities, technological systems, production (washing tunnel, test lab, emulsion for machine tools) and cleaning operations. The water taken from well 2 is used for the fire-fighting and irrigation systems.

Total water use in 2022 was 9,779 cubic metres, with 17.5% coming from the mains and 82.5% from the wells.

Water withdrawal	Quantity
Mains	1,728 m³
Wells	8,051 m³



Reuse of water discharges

Reusing wastewater is one of the most effective ways to protect water. It is no coincidence, therefore, that Caprari supports water treatment and purification companies with a range of specialist, high-performance pumps.

Water discharge management at the Modena headquarters reflects the company's strong focus on sustainability.

Internal water discharges are generated by wastewater from the sanitation facilities and canteen, as well as rainwater and runoff from outdoor areas.

The logistics building is equipped with separate piping for greywater and blackwater. The greywater network collects rainwater and runoff from the yards. The blackwater network collects wastewater from the sanitation facilities and is connected to the sewage system.

There are, on the other hand, no industrial effluents. Caprari has had an industrial wastewater treatment system in place since 1996 with the aim of treating all industrial effluents from the production cycle, as well as reducing water consumption from the well and externally delivered waste.

Industrial effluents, which include water used to wash mechanical parts, from spent oil emulsions and cleaning activities in general, are collected in special storage tanks before being sent to a vacuum concentrator where purified water is obtained, with the residue disposed of as special waste.

The purified water is totally reused in the process; it can be supplemented with water from well 1 to make it fit for the preparation of emulsions used in machine tools.



Responsible waste management

Caprari's focus on waste is key to its sustainability goals. To this end, the company promotes first and foremost greater efficiency in the consumption of materials used in its production processes.

This approach not only effectively reduces production costs but also the amount of processing waste and scrap, all to the benefit of the environment. Moreover, special attention is afforded to the treatment and disposal of hazardous waste.

Mechanical processing and coating operations are the production processes that generate the most waste. Two types are produced: hazardous waste (waste oils, organic solvents and liquid fuel residue) and non-hazardous waste (metal scrap).

In 2022, the company generated 700 tonnes of waste, of which more than 90% was non-hazardous. The amount of hazardous waste generated in 2022 amounted to 78.5 tonnes.

The transportation and final treatment of waste is carried out in line with the national directives of each plant in which the company operates, using approved disposal service providers in compliance with local regulations.

Sustainable product coating

In 2019, Caprari invested in a new automated coating system with the aim of optimising resource usage and reducing its environmental impact.

The new system has improved process management through the use of energy-recovery technologies. The coating furnace is thus fed more efficiently and has a lower overall impact.



Environmental strategy

Caprari is dedicated to implementing an environmental sustainability model that consciously involves the entire supply chain.

Reinterpreting company processes and products through the lens of environmental sustainability and efficiency enables the organisation to effectively respond to market developments, meeting increasingly stringent environmental regulations and stakeholder expectations.

To this end, Caprari has outlined a plan of action to be progressively implemented with the aim of preserving and protecting the environment. Each measure will be periodically reviewed based on the results obtained and new, medium- to long-term goals. This plan demonstrates how the company perceives its duty as a responsible and sustainable organisation in specific terms.



Management of operations in accordance with applicable laws and administrative requirements supplemented and reinforced by company provisions, as well as national and international best practices.



Optimisation of business processes to achieve maximum efficacy and efficiency while respecting worker health and safety and with due regard for the surrounding environment.



Promotion of worker health and safety, environmental stewardship and energy saving in the design, implementation and management of ergonomic and usable workplaces, while aligning with the best available and economically sustainable technologies.



Fulfilment and management of operations aimed at preventing fires, accidents and occupational illnesses.



Promotion of information, training and sensitivity among personnel in order to encourage active and responsible participation in the application of the principles and achievement of the goals.



Promotion of sustainable use of natural resources, prevention of pollution and protection of ecosystems and biodiversity.



Promotion of actions aimed at reducing greenhouse gas emissions with an approach geared towards climate change mitigation.



Responsible waste management aimed at reducing its generation and promoting its recovery at the final destination.



Testing, inspections and audits to assess performance and review objectives, programs and the overall strategy on a regular basis in order to evaluate its efficacy and take appropriate action.



PEOPLE



Caprari believes that people are the most important strategic factor in any business. They are the decisive elements allowing the company to remain competitive and establish itself as an international industry benchmark. Based on these principles, Caprari is committed to creating the conditions enabling everyone within the workplace to enjoy opportunities for professional development, recognition and cooperation. To achieve this, it is crucial that the organisation's values be shared and that employees and collaborators be actively involved and encouraged to coordinate work processes and operations.

Caprari promotes the continuous search for the ideal balance between contractual, technical, professional and personal factors in its relationship with personnel.

In its internal and external business dealings, the company ensures the absence of discriminatory events and that equal opportunities are offered to all people without distinction, demonstrating the company's ongoing commitment to the value of inclusiveness and respect for different cultures.

	Total	Women	Men	% Women	% Men
Collaborators	3	1	2	33%	67%
Employees	293	65	228	22.2%	77.8%
Employees by age group					
< 30	20	3	17	15%	85%
30 - 50	148	27	121	18%	82%
> 50	125	35	90	28%	72%
Fixed-term	6	2	4	33%	67%
Open-ended	287	63	224	22%	78%
Full time	282	59	223	21%	79%
Part time	11	5	6	45%	55%
Terminations	27	9	18	33%	67%
New hires	22	7	15	31.9%	68.1%
New hires by age group					
< 30	8	2	6	25%	75%
30-50	13	5	8	38.5%	61.5%
> 50	1	0	1	0%	100%

Caprari employs 293 people having a total of 15 different nationalities.

50% of those with an employment contract are in the 30–50 age group; 7% are under 30 and 43% are over 50 years old. In contrast, 74% of temporary workers are under the age of 30. 98% of Caprari personnel are employed with an open-ended contract, 96% full time. The outgoing turnover is 9%, while the incoming turnover is 7.5%. In terms of new hires, the ratio of women to men is up by ten percentage points (32%) compared to that of total employees (22%), demonstrating the company's willingness to embrace gender equality.

Company welfare

Caprari invests heavily in corporate welfare with the aim of improving the well-being of its internal resources. The company is committed to delivering a comprehensive benefits package that includes a variety of tools to assist employees in reconciling their personal care and work-life needs.



The company places a premium on integrating people with disabilities into its workforce. Specifically, 20 workers with disabilities were hired on a permanent basis, in accordance with the target set by the National Collective Bargaining Agreement for the employment of disabled persons.

Training

In order to support the professional development of employees, the company has developed training plans for managerial and organisational development that are in line with the company's growth objectives.

PumpPro Academy, a digital platform that provides professional training services, online courses, and individual and product-specific courses, has been operational since 2021.

TRAINING HOURS PROVIDED

	M	F	TOTAL
Labourers	5,625	51	5,676
Office workers	782	300	1,082
Managers	66	0	66
Total	6,473	351	6,824

TRAINING HOURS BY TOPIC

	LABOURER M.	LABOURER F.	OFFICE WORKER M.	OFFICE WORKER F.	MANAGER M.	MANAGER F.	TOTAL
Corporate	2	0	15	6	2	0	25
Technicalities	106	0	263	54	64	0	487
Cross-cutting technical	220	0	202	20	0	0	442
Operational training	3,758	0	0	0	0	0	3,758
Safety	1,539	51	302	220	0	0	2,112
Total	5,625	51	782	300	66	0	6,824

Employees received 6,824 hours of training in 2022 on topics including safety, legal and regulatory compliance, management skills in production and organisational processes, onboarding plans and operational training through on-the-job programs.

The average was 23 hours of training per employee.

Gender and pay equality

In the context of promoting fundamental rights and freedoms, Caprari regards gender and pay equality as a founding pillar of its organisation.

The board of directors is comprised of 33% women, one of whom is under 30 and another over 50. The steering committee is made up entirely of men, a figure in line with the percentage ratio of male to female employees.

The ratio of women to men and their respective remuneration has remained constant across all offices; moreover, female and male remuneration are aligned in the Modena and Rubiera offices.

AGE AND COMPOSITION OF THE BOD AND STEERING COMMITTEE

	FEMALE	MALE	% FEMALE	% MALE	TOTAL
Board of Directors	2	4	33%	67%	6
Age					
< 30	1	0	100%	0%	1
30 - 50	0	1	0%	100%	1
> 50	1	3	25%	75%	4
Steering Committee	0	5	0%	100%	5
Age					
< 30	0	0	0%	0%	0
30-50	0	1	0%	100%	1
> 50	0	4	0%	100%	4

Occupational health and safety

Caprari places a high value on occupational health and safety throughout the entire organisation. The company has implemented a Health and Safety Management System that complies with the UNI EN ISO 45001:2018 standard and is continuously updated in accordance with legislative requirements. This structured approach entails taking all necessary measures to protect workers' physical integrity and personality, including preventive actions, corrective actions following accidents and near misses, and improvement programs. The company is likewise dedicated to disseminating and consolidating a safety culture, raising risk awareness and promoting responsible behaviour among all personnel.

The Occupational Medicine Service at Caprari assists in the identification of hazards and minimisation of risks, actively contributing to the preparation of the Risk Assessment.

Consultation and participation

Company management, together with the Prevention and Protection Service, ensures employee engagement and consultation through meetings organised by H&S Safety Representatives, as set out in the national collective bargaining agreement. Specific meetings may be called in the event of changes or the introduction of new industrial processes that may potentially affect occupational health and safety.



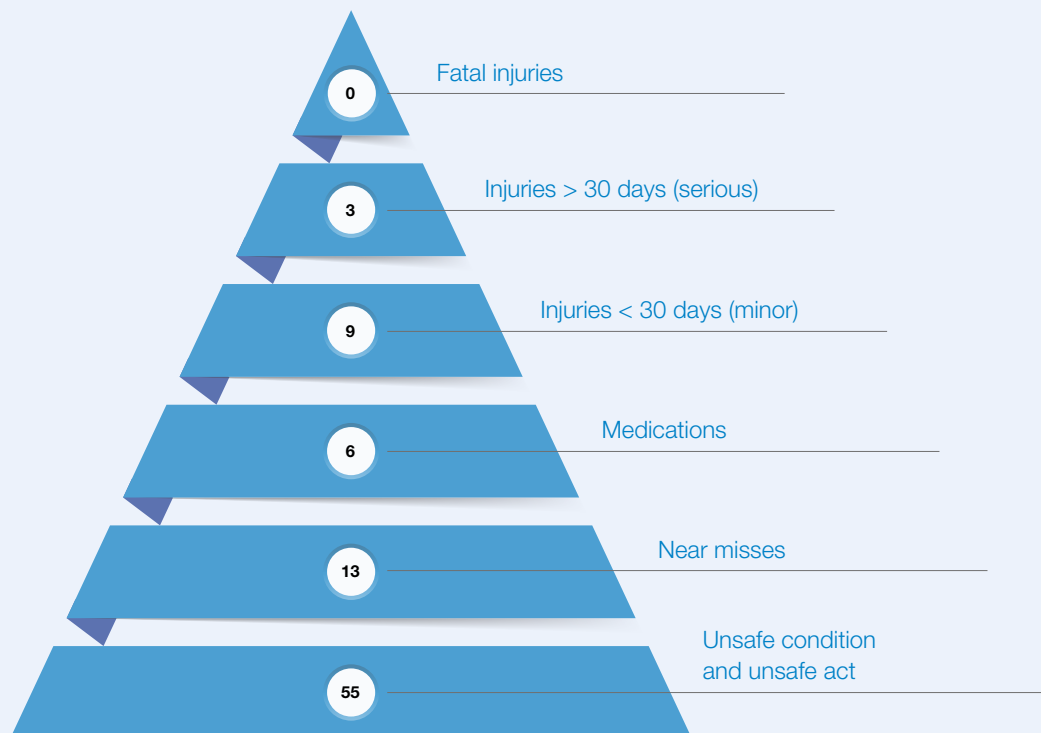
Events or Reports

Health and Safety events and near misses, medication and work-related injuries must be closely monitored with timely reporting and root cause analysis. The aim is to eliminate or reduce the occurrence of these incidents and, more broadly, unsafe situations in general.

The total number of events in 2022 is shown below. The indicators are managed separately for each production plant and can be consulted on dedicated boards displayed at the company.

Number of days lost per injury	337
AFR	27.82
ASR	0.72
Hours worked	467337.56
Number of employees	293

2022





COMMUNITY AND TERRITORY



Caprari's interpretation of creating shared value also includes social commitment. The company is dedicated to disseminating the principles of Corporate Social Responsibility on a daily basis through a variety of national and international initiatives. Every year, Caprari renews its tangible support for projects that promote the values of equality, solidarity, progress, culture and access to education. Furthermore, the company has continued to assist its host community through specific programs and active support.

ZAMBIA, WATER IS EVERYBODY'S RIGHT

Caprari has long collaborated with the Amani NPO, founded in 1995, which works to build and maintain community houses, schools and vocational training centres in Kenya, Zambia and Sudan. Specifically, Caprari supports the Mthunzi Centre in Zambia by providing pumping systems and servicing wells for the facility's water supply. Agriculture and animal husbandry are among the core activities of the centre, which houses former street children. An educational and preventive health program is in place for children at the centre and others living in the neighbouring rural communities. Access is also provided to a medical clinic and three vocational schools: carpentry, information technology and tailoring.

The centre is also naturally committed to sustainability: the children of the Mthunzi Centre help collect the seeds of native plants and ancient trees, which are found in abundance in the Koinonia community but becoming increasingly rare in Zambia due to deforestation in favour of intensive farming. All the vegetation has been mapped to better understand its importance within the ecosystem, and a greenhouse has been built to cultivate the collected seeds. The project has huge implications for Zambia's younger generations, who by learning to study and care for the environment, can effectively work towards shaping their own future.

ROUND AS THE EARTH

Caprari, in collaboration with the Ambienta Foundation, is one of the sponsors of the "Tondo come il Mondo" (Round as the Earth) project, an educational campaign aimed at primary school children to teach them how to responsibly manage the planet's precious resources.

Through a handbook explaining what natural resources are and the best ways to protect them, children are offered helpful ideas on how to behave on a daily basis, as well as fun suggestions on various experiences to undertake in the classroom, outdoors or

at home. The content is devoid of alarmist connotations but rather engages and creates awareness among young people about the importance of protecting the environment, using a simple and playful approach. The initiative has received the patronage of the Ministry of Environment and Energy Security.

NO BARRIERS IN SPORTS

Caprari believes in the value of sports and the importance of making them accessible to all. As such, it supported Paralympic athlete Giacomo Bertagnolli and his guide Andrea Ravelli, a symbol of Italian sporting success and the embodiment of values such as determination, willpower and unwavering precision. The two alpine skiers won an impressive four medals in the Vision Impaired category at the 2018 Paralympics in Pyeongchang and the 2022 Paralympics in Beijing: two golds (slalom and giant slalom), one silver (superG) and one bronze (downhill).



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Caprari S.p.A.

Via Emilia Ovest 900 - 41123 Modena - Italy - Phone +39 059 897 611

www.caprari.com

