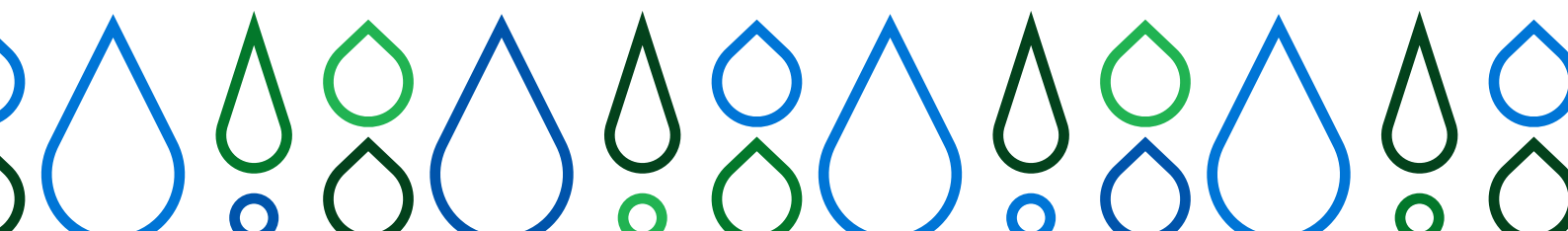
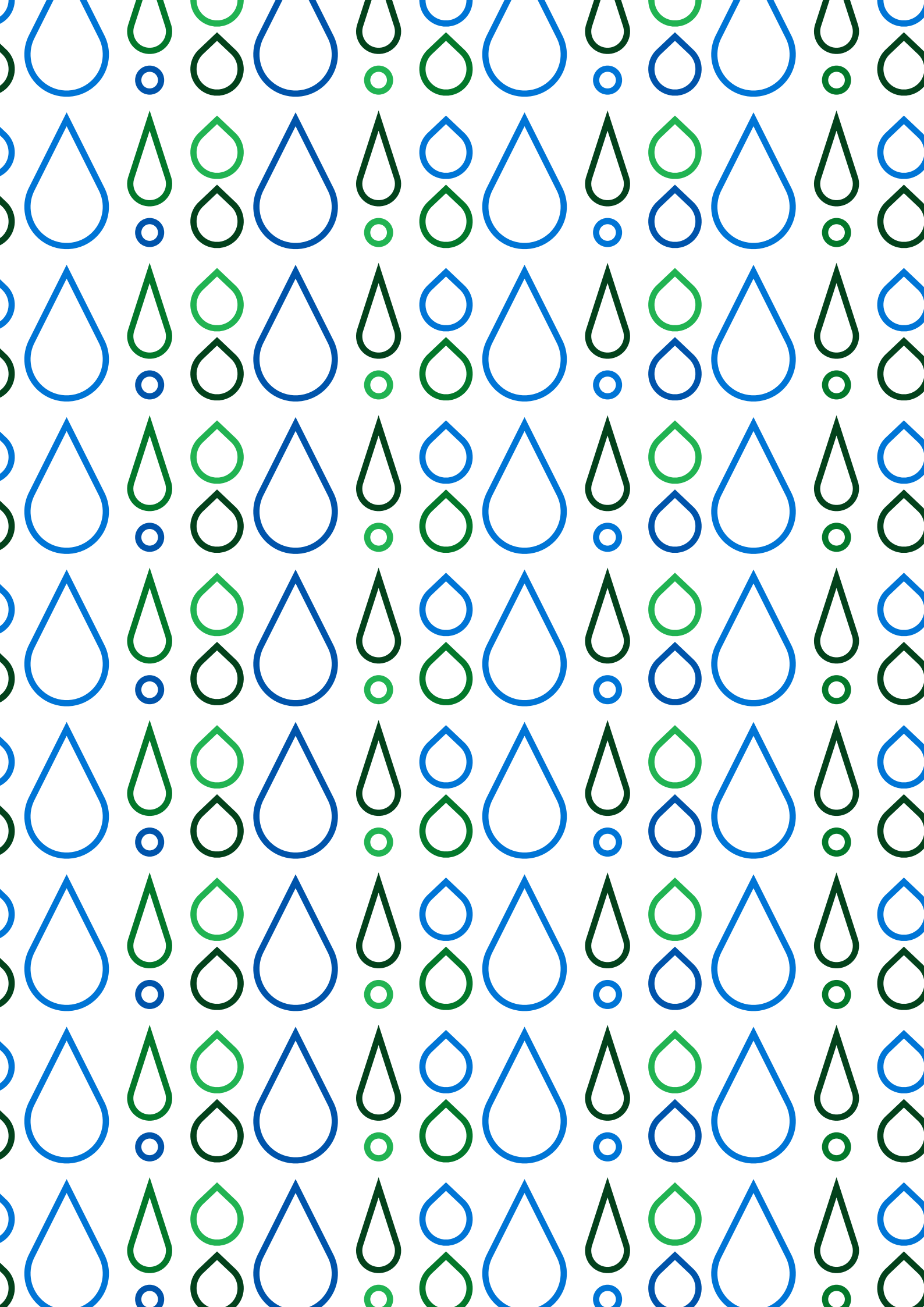


caprari

2023

Sustainability Report





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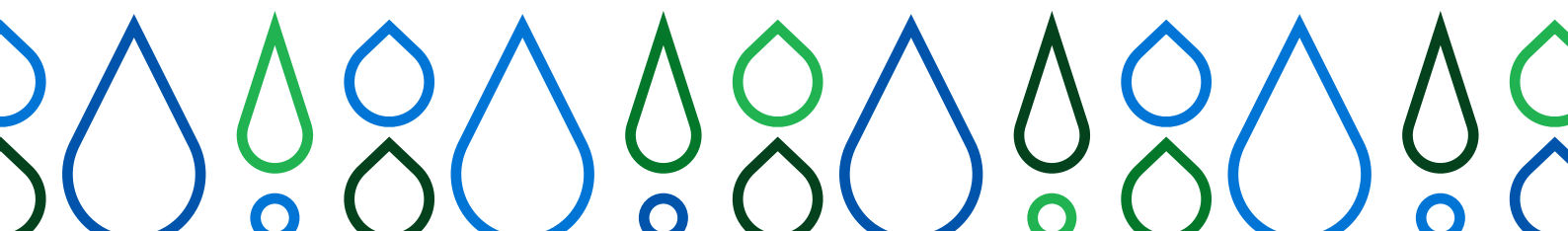
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LETTER TO THE STAKEHOLDERS

We are pleased to present our second sustainability report.

In a world increasingly affected by climate change, water is one of the most precious and vulnerable resources. Its protection is at the heart of our commitment and our daily activities.

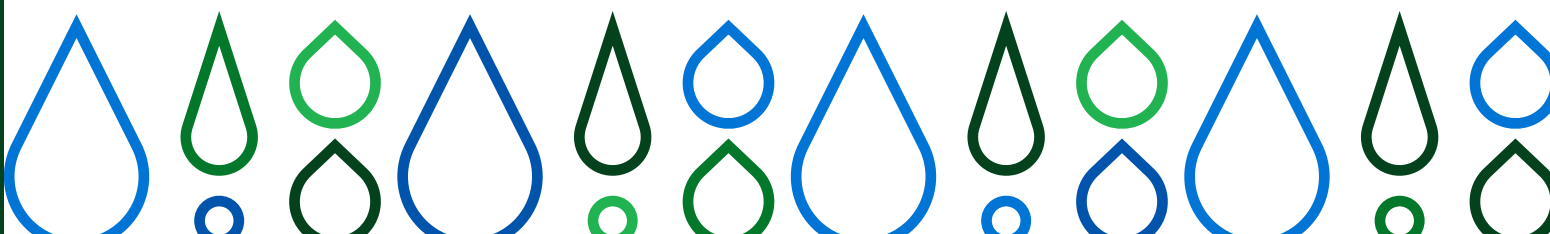
The global water emergency is critical. There are about 2.2 billion people who do not have access to safe drinking water. According to the WHO, 45% of the global population lives in areas with inadequate sanitation facilities, and about 80% of the world's waste water is released into the environment untreated. Desertification affects 24% of the world's landmass, affecting 1.5 billion people. Floods cause economic damage in excess of USD 40 billion per year. These statistics underline the urgent need for responsible and sustainable water management.

As part of Waterialia, Caprari is committed to responding to these global challenges. With the "Water is not negotiable" project, we want to emphasise the importance of water protection and efficient water management.

We design highly energy efficient integrated water cycle management solutions and constantly strive to reduce environmental impacts. Thanks to our wide range of products, it is possible to manage water resources effectively even in the harshest environmental conditions, facilitating the supply and access to drinking water, promoting efficient irrigation, and contributing to the treatment of effluents for the return of purified and environmentally compatible water into the natural ecosystem.

We look to the future with confidence and will continue to work with great determination so that water, a vital resource for all, is protected and accessible to all people around the world.

Federico De Angelis
CEO Waterialia



wateralia



METHODOLOGICAL NOTE

With the publication of its second Sustainability Report, Caprari has demonstrated its commitment to reporting and communicating the environmental, social, and economic performance levels achieved by the company during 2023 to all of its stakeholders.

The information in this document refers to the fiscal year 2023 (1 January to 31 December) and is compared with the previous year whenever possible. The scope of reporting chosen is Caprari SPA.

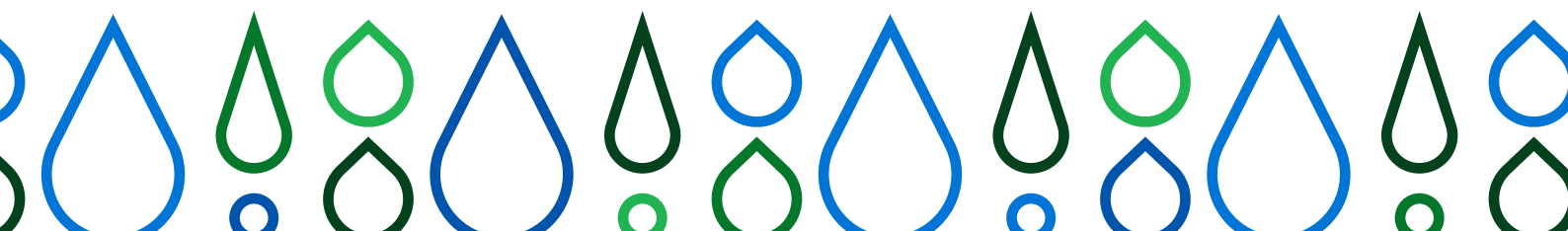
The Report has been prepared in accordance with the 2021 GRI Standards, “in accordance” option. In order to provide a fair representation of the performance achieved in 2023 and to ensure the reliability of the data, the use of estimates has been limited as much as possible; if present, they are based on the best available methodologies and are appropriately reported. In preparing this report, the principles of clarity, timeliness, accuracy, balance, comparability, reliability and verifiability required by the GRI standards have been respected.

The information and data reported in the document were collected thanks to the cooperation of all the Caprari departments, each for the activities of their competence. It was thus possible to obtain a comprehensive and accurate set of information, which guarantees the robustness of the reporting model.

MATERIALITY ANALYSIS

Through stakeholder engagement, the materiality analysis allows for the identification of the material topics, or rather issues that represent the organisation’s most significant impacts on the economy, the environment, and people, including impacts on human rights. The results of this analysis support the determination of the objectives to be included in the Strategic Plan and the Sustainability Plan, which are achieved thanks to the contribution of the Group’s various Departments and Business Lines, and of the topics for the preparation of the Sustainability Report.

The following page shows the 20 topics identified as actually relevant to the company.



GOVERNANCE TOPICS

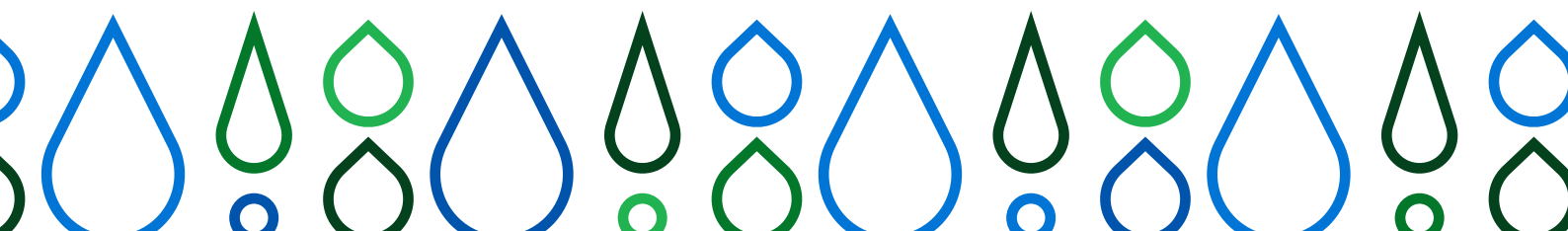
- Economic performance
- Transparency of information, ethics and integrity
- Data security
- Risk management
- Innovation, research and development
- Product quality, compliance and safety
- Sustainable supply chain selection and management
- Communication

ENVIRONMENTAL TOPICS

- Reduction of energy consumption
- Reduction of CO2 emissions
- Management of indirect environmental impacts
- Waste management
- Management of water consumption
- Management of raw materials

SOCIAL TOPICS

- Employee valuation, training and skill development
- Corporate welfare and well-being
- Diversity, inclusion, and equal opportunity
- Occupational health and safety
- Support for the territory and the community
- Industrial relations



Thanks to the continuous monitoring of stakeholder expectations, the traditional perspective of the priorities of the ESG topics (“Materiality of Priorities”) has been enriched by integrating an understanding of the significance of the impacts generated and suffered (impact materiality and financial materiality) by Caprari within the reference context (“Double Materiality”).

The impact analysis model is crucial because it allows Caprari to identify the material topics and then focus on the best ways to manage them, both in terms of managing risks and enhancing opportunities.

The company’s materiality analysis was carried out in line with the GRI 2021 Universal Standard, the Value Reporting Foundation – SASB standard, and the SDG Compass, which supports companies in adapting their strategies to the UN SDGs. In recent years, the materiality analysis has been strengthened by taking into account the ongoing regulatory developments at the international level, and the requirements introduced at the European level by the Corporate Sustainability Reporting Directive (CSRD), the European Sustainability Reporting Standards (ESRS), and the current proposed guidelines provided by the European Financial Reporting Advisory Group (EFRAG).

The regulatory developments have introduced the perspective of dual materiality, which encompasses two dimensions:

- **Impact materiality:**

in line with GRI standards 2021, which analyse and identify material topics from the perspective of the impacts generated by the company, or rather the effects that the organisation has or could have on the economy, the environment, and people, including impacts on human rights, which in turn can indicate their contribution to sustainable development (whether positive or negative);

- **Financial materiality:**

In line with the main publications currently available (SASB, ISSB), which analyse and identify the material topics of a financial nature, or rather those that affect or could affect the company’s financial conditions or operating results, and are therefore most relevant to investors.

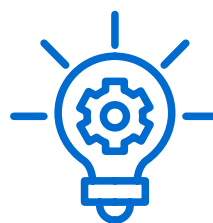
The activities of collecting, aggregating, and processing data and information related to the internal stakeholder listening and analysis initiatives were managed through an in-person meeting held in 2023. The analysis highlighted the following as relevant topics:



**EMPLOYEE
VALUATION,
TRAINING, AND
DEVELOPMENT**



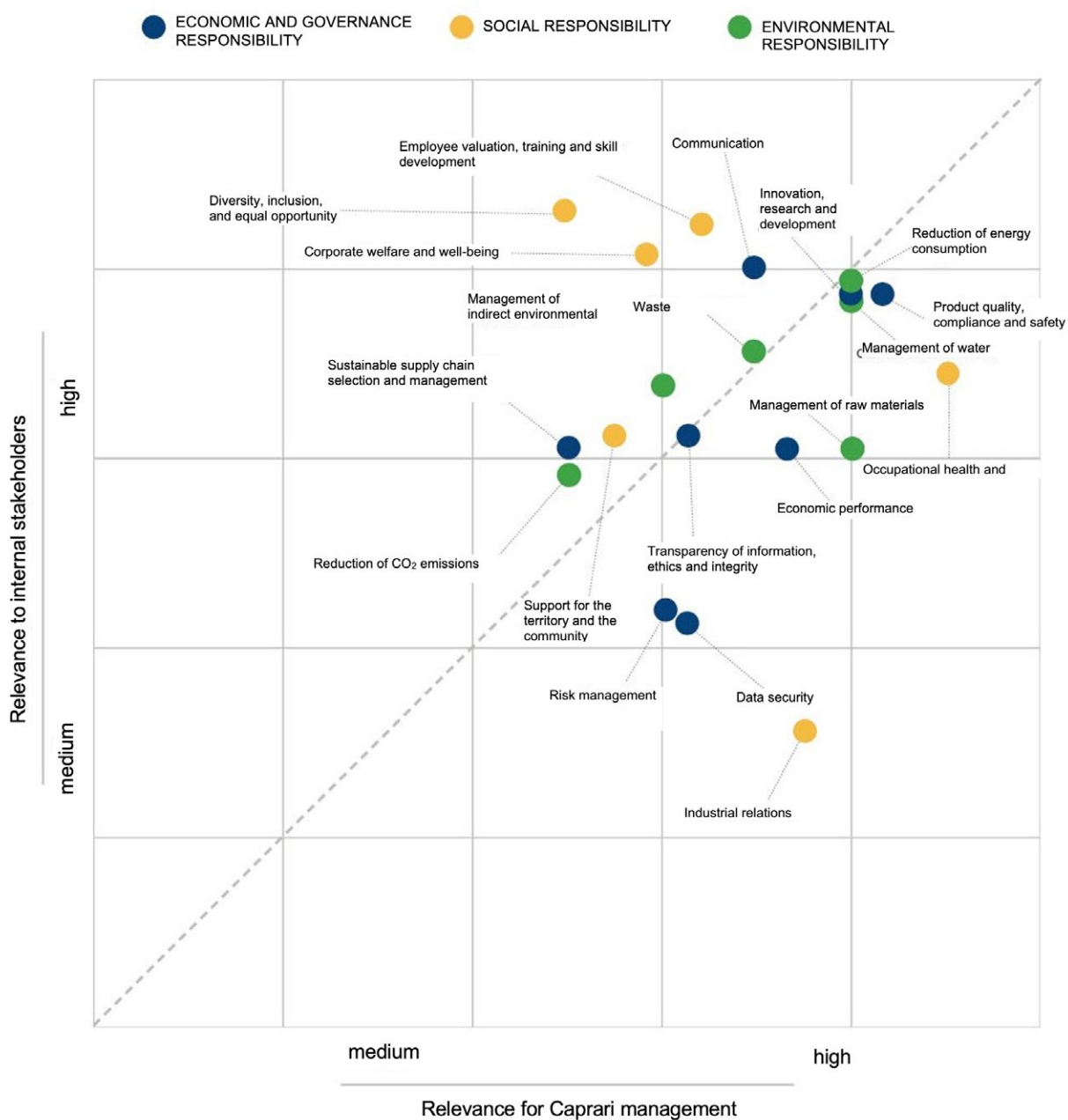
**REDUCTION
OF ENERGY
CONSUMPTION**



**INNOVATION,
RESEARCH AND
DEVELOPMENT**

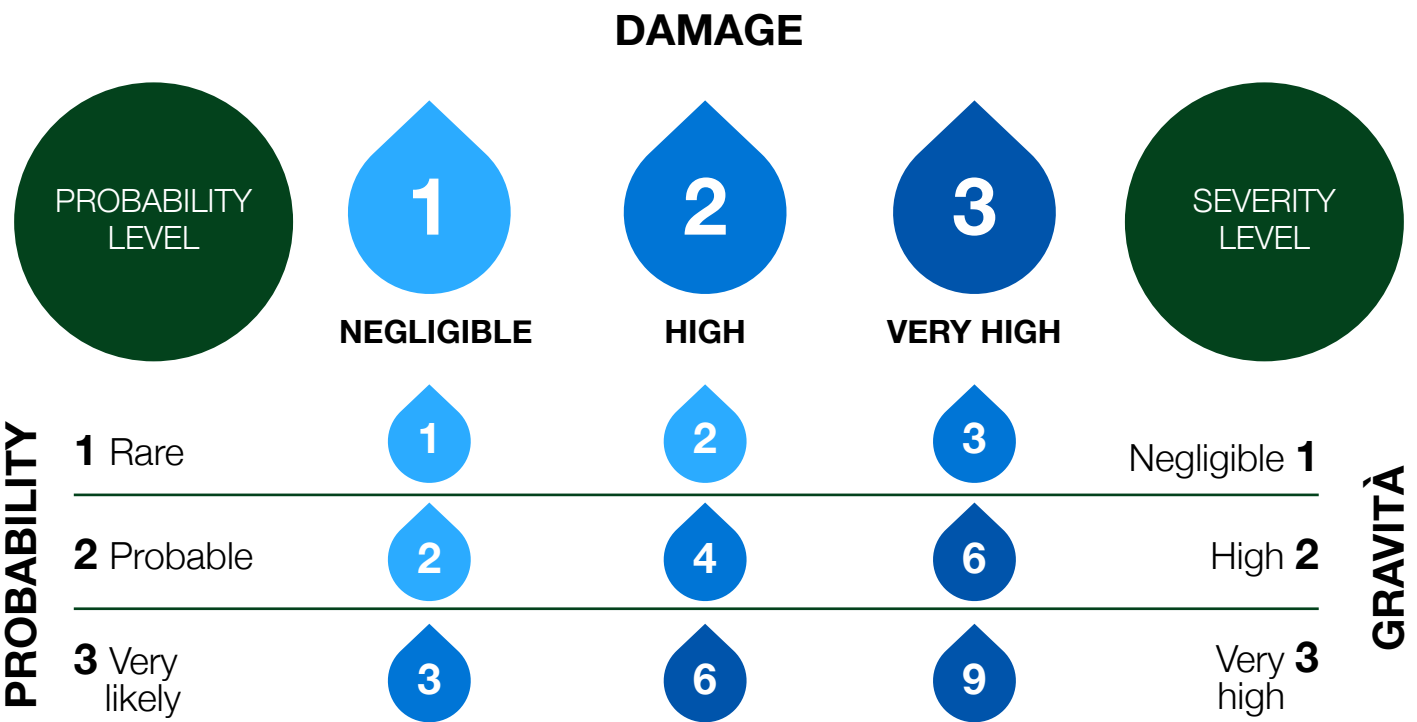


**PRODUCT
QUALITY,
COMPLIANCE
AND SAFETY**



Next, an analysis of the impacts and associated financial risks was conducted by asking Caprari’s management figures to assess the Probability of these risks occurring and the Severity of these risks using the assessment method shown in the table below.

RISK LEGEND



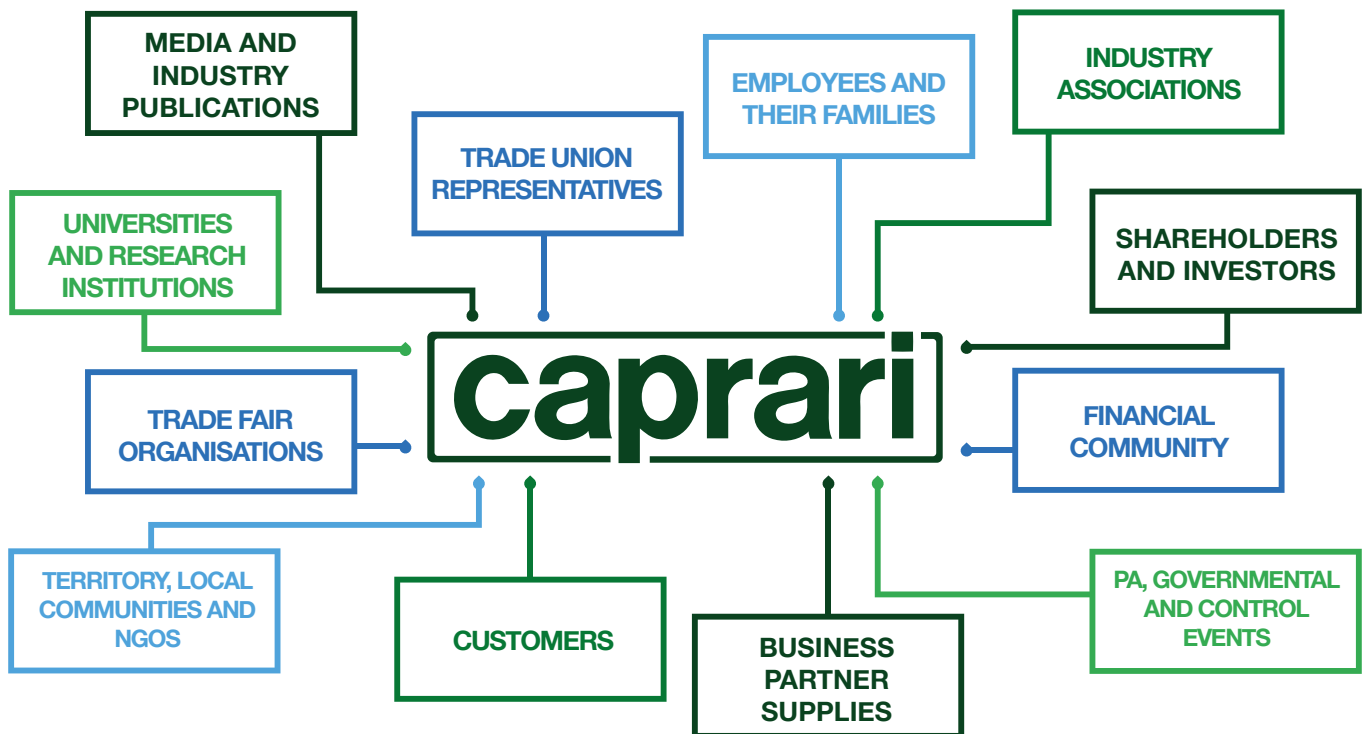
The extent of the damage was then obtained by multiplying the rating assigned to the probability and the severity. As can be seen from the diagram, the level at which the damage is considered very significant starts at 6, but results of 3 and 4 should also be viewed with caution. The mitigation actions taken to prevent the risk from occurring or to reduce its severity are then reported. Below are the results that emerged in order of significance up to the medium threshold of 3.

TOPIC	NEGATIVE IMPACTS	RISK	MITIGATION ACTIONS	RESULT
Climate change adaptation and mitigation	Emissions due to logistics of high environmental impact.	Transport cost incidence.	Freight logistics plan in view of impact mitigation	6
Supply chain management	Risks arising from the supply chain limited to environmental offences and worker conditions	Loss of business (customer(s)). Loss of stakeholder and community trust. Reputational damage.	Analysis of the supply chain (rating) Adherence to the code of ethics in supplier contract conditions. Business incentives to improve ESG scores Supplier loyalty	6
Climate change adaptation and mitigation	Energy used for business purposes.	Increased costs related to the price of electricity and heat	Increased procurement from renewable sources. Next generation plant engineering. Efficiency improvement and re-lamping.	4
Human capital training and development	Increased internal turnover with impact on company skills	Inadequate work/product quality with potential negative impacts on business	Growth pathways and classroom and on-the-job training plans	4
Resource use and circular economy	Absence of production-related recovery or circular economy.	High waste disposal costs and high environmental impact	Use of secondary material. Creation of partnerships that allow waste to be sold for reuse	4
Anti-corruption	Possible illegal conduct by employees.	Penalties, disqualification from PA, public competitions and public contracting	MOG 231	3

STAKEHOLDER ENGAGEMENT

There are many stakeholders with whom a company must deal at various levels, such as employees, customers, partners, public and private bodies and organisations; all those who directly and indirectly contribute to the company's success, and who have expectations in relation to the same. As part of the sustainability journey undertaken, Caprari has carefully mapped its main stakeholders. The aim is to increasingly foster communication and maintain a constant dialogue with them, in the name of transparency and integrity.

The company communicates regularly with its stakeholders through online and offline channels, with the aim of sharing the evolution of its strategic business plan from the perspective of value generation and Corporate Social Responsibility. The caprari.com website, the social media channels, and the regular newsletters are important reference points for all the stakeholders. Furthermore, to foster internal communication, the company uses special notice boards and has launched a new intranet site, called My Caprari, where employees can easily find useful updates and documents.



The Caprari Business Model is aimed at creating sustainable and shared value over time, for the company and the territory in which it operates. With a future-oriented outlook, the company offers essential water-related products and services, guaranteed by the highest efficiency standards, aimed at improving people's quality of life and facilitating change in continuously evolving sectors.

This sustainable development and value creation strategy is fully in line with building an inclusive, sustainable and resilient future, as outlined by the United Nations (UN) through the 17 Sustainable Development Goals (SDGs) that make up the 2030 Agenda.

This "Plan of Action for People, Planet and Prosperity" was signed in September of 2015 by the governments of the 193 member countries, but involves everyone, from businesses to individual citizens. Aware of the importance of everyone playing their part, Caprari has incorporated these objectives within its own internal strategy, and several years ago implemented policies aimed at limiting its environmental impacts and maximising social benefits throughout the value creation chain.

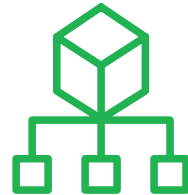
In particular, the company pursues objectives 2, 6 and 9 through a strategic action plan.



2 ZERO HUNGER



6 CLEAN WATER AND
SANITATION



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE

REPORTING OF THE 2023 GOALS

The objectives that Caprari set in 2022 were all achieved thanks to valuable teamwork and careful planning of priority actions.

At the governance level, the company has implemented the communication channel for handling critical issues related to whistleblowing.

On the social side, Caprari incorporated environmental criteria into the supplier selection and evaluation process by asking some of them to complete a questionnaire. It also strengthened communication with all stakeholders through the new corporate website, and intensified the use of social media channels to provide updates.

On an environmental level, solar panels were installed to increase electricity production from renewable sources, and wood packaging (plywood) was eliminated, replacing it with cardboard packaging.

THE COMPANY





PASSION, INNOVATION AND GROWTH

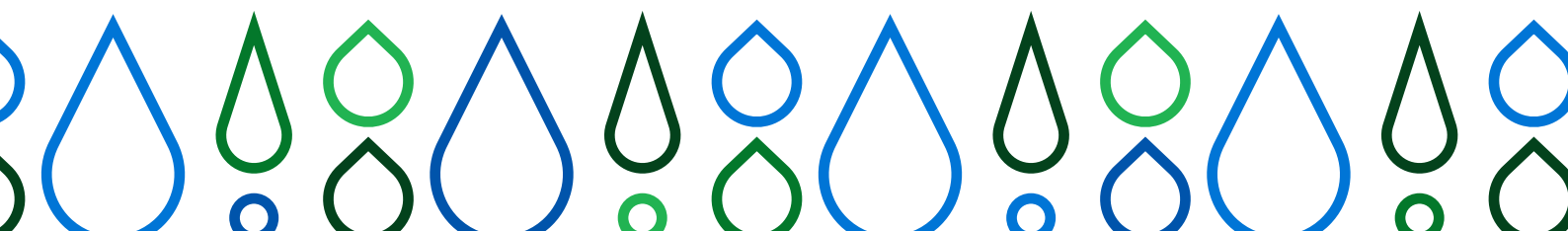
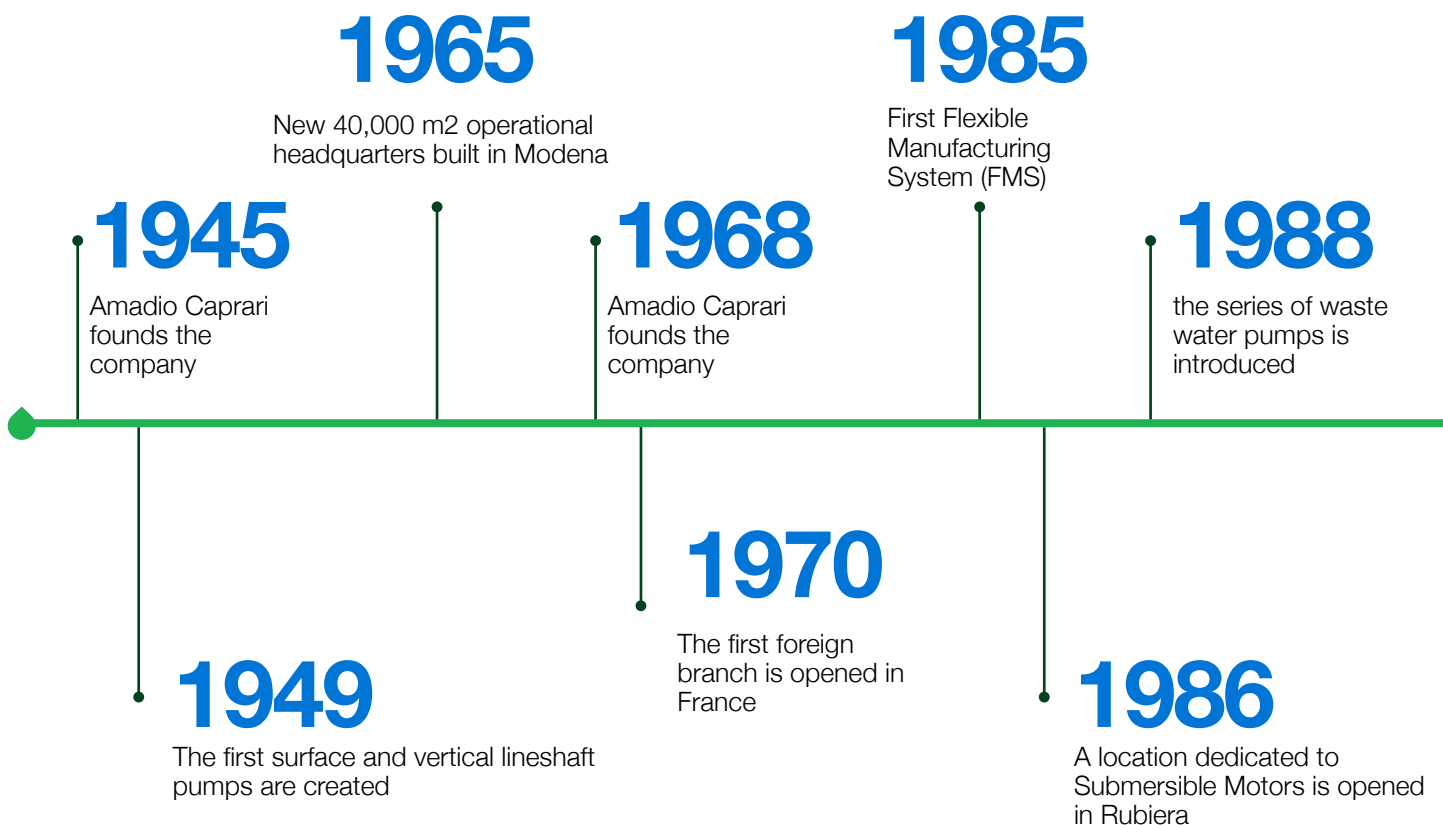
Caprari is a worldwide reference point for the design and production of solutions for optimal integrated water cycle management. In more than 75 years of presence on the market, it has developed a wide range of centrifugal pumps and electric pumps, ideal to meet the needs of its customers operating in a variety of sectors, such as professional irrigation, deep well suction, lifting and treatment of waste water and drainage, water supply and distribution in civil and industrial systems, and fire-fighting systems. Caprari is a constantly evolving company with deep roots in its history and a solid strategic plan to ensure steady future growth.

HISTORY

Caprari's history is one of great passion for technology, accompanied by an entrepreneurial spirit which, from the very beginning, has been geared towards innovation and growth.

In 1945, just after the end of World War II, the company's founder, Amadio Caprari, decided to begin building his first centrifugal pumps. In 1965 the company moved from its original location in the town of Rolo, in Italy's province of Reggio Emilia, to its new headquarters in Modena, in the heart of one of Italy's largest industrial districts.

Those were years of extraordinary development.



Research and an innovative approach become the hallmarks of a company that continues to grow, consolidating its presence on the domestic market, and soon also abroad, thanks to a wide range of pioneering solutions. In 2021, a new industrial holding company that arose from the partnership between Caprari and AMBIENTA, one of Europe's largest asset managers entirely focused on environmental sustainability, is created: Waterialia. Waterialia is the world's first industry platform specialising in the efficient and sustainable management of the most precious and indispensable resource for life: water. A project in which Caprari decided to take part with the same level of passion that has marked his entire history since its inception.

2008

Launch of the iPump, the web portal for water professionals



2021

Caprari joins the new industrial holding company WATERALIA

2014

Launch of the K+ Energy series

2015

Joint Ventures in Türkiye

2005

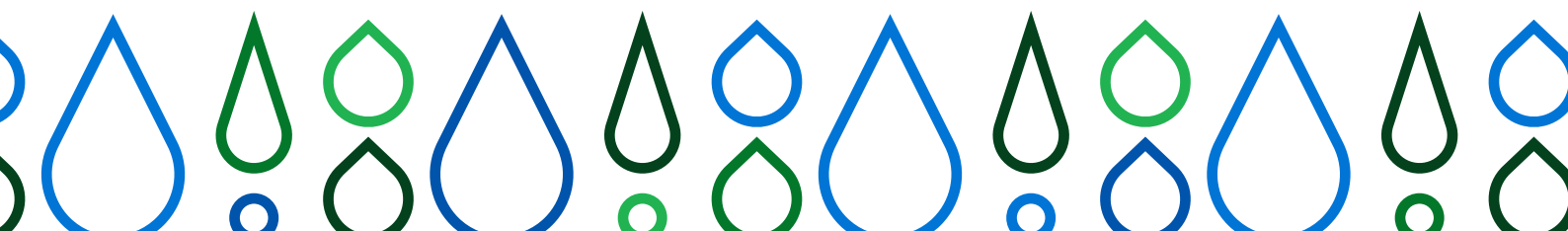
A new Logistics and Training Centre is opened in Modena

2018

DryWet System patent receives the international best innovation award

2023

Green Box IoT App Development

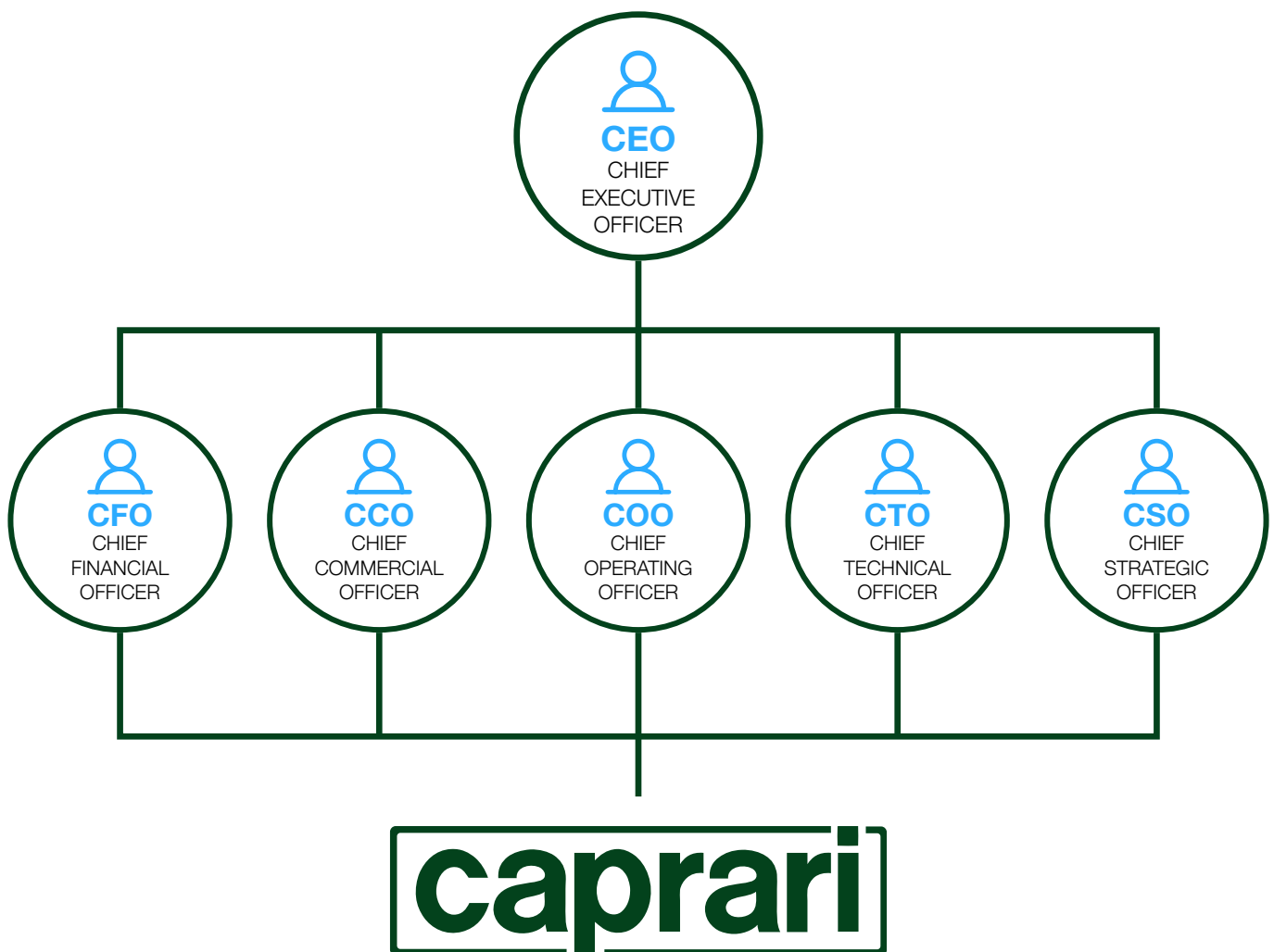


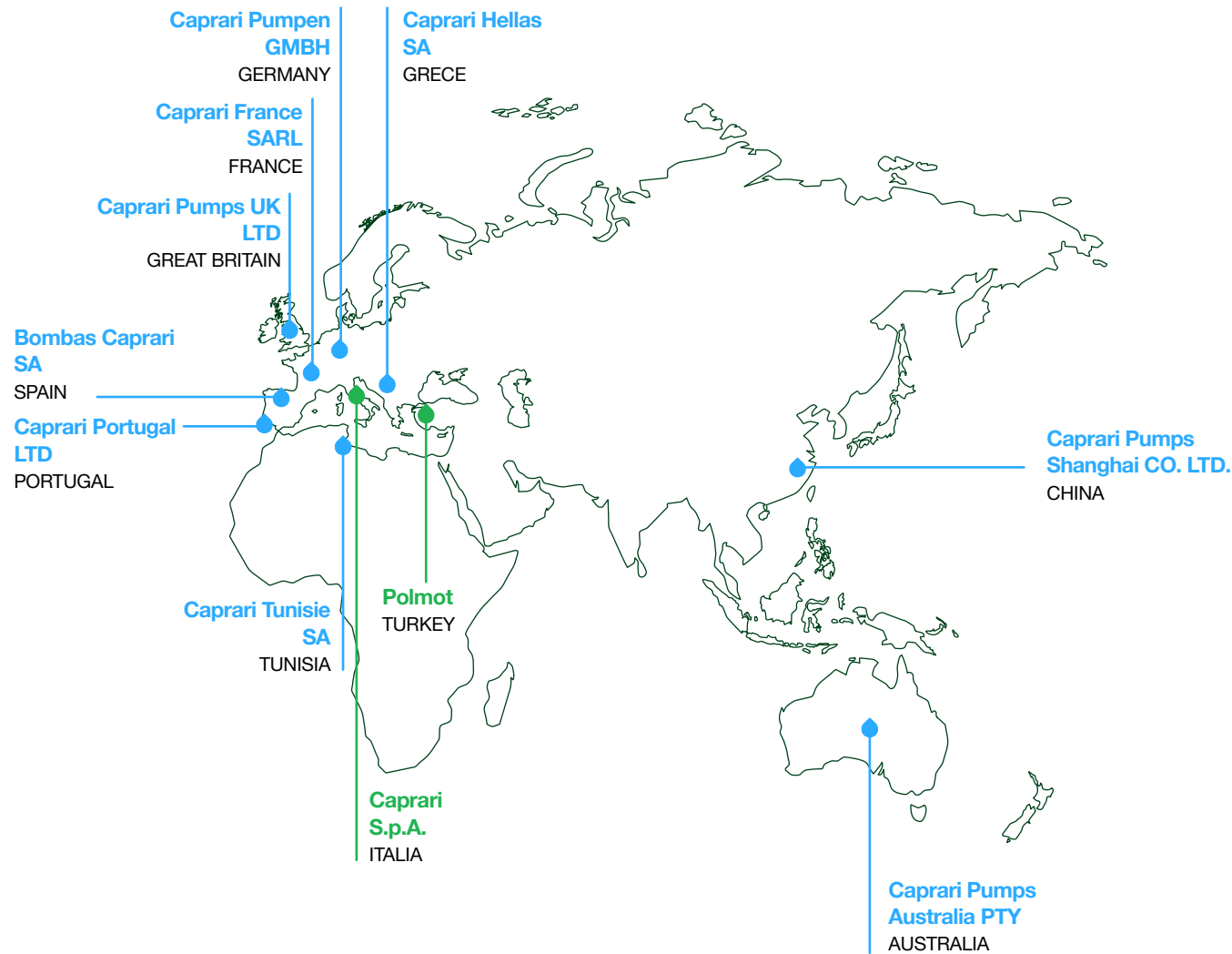
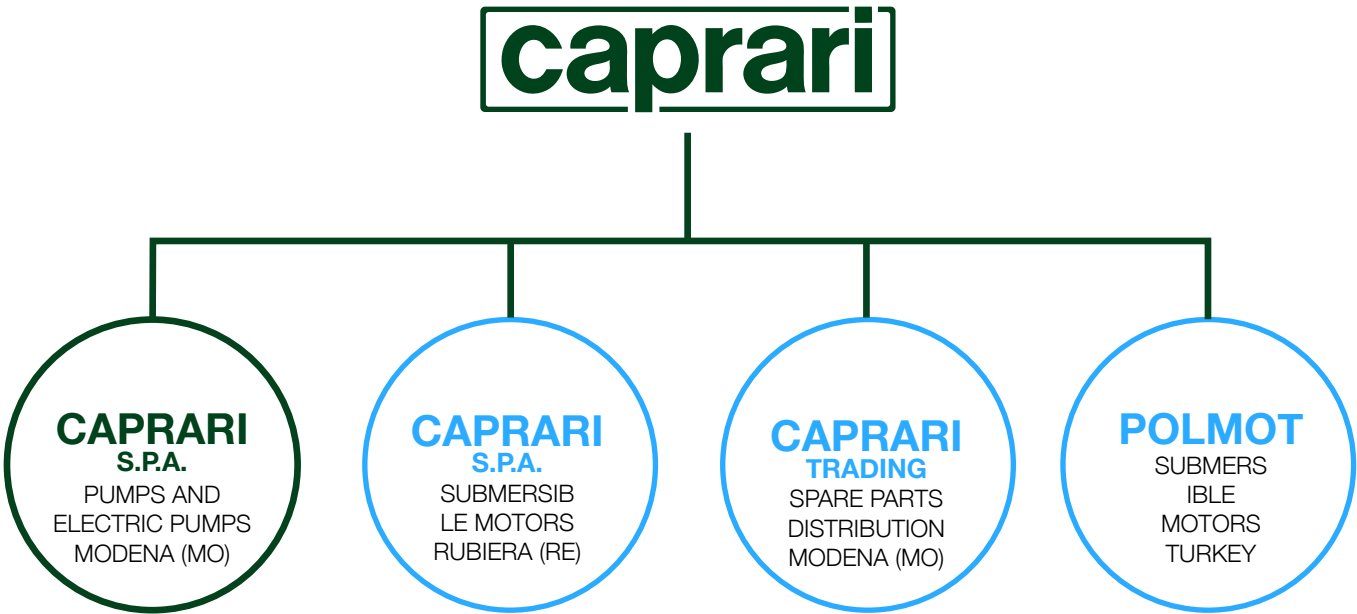
CORPORATE STRUCTURE AND COMPANY LOCATIONS

The governance model adopted by Caprari provides for the separation of roles and responsibilities between the Board of Directors and the Control Body.

At the operational level, the company carries out its manufacturing within its own 3 production sites, and operates directly on the international market through 9 direct subsidiaries.

EXECUTIVE COMMITTEE

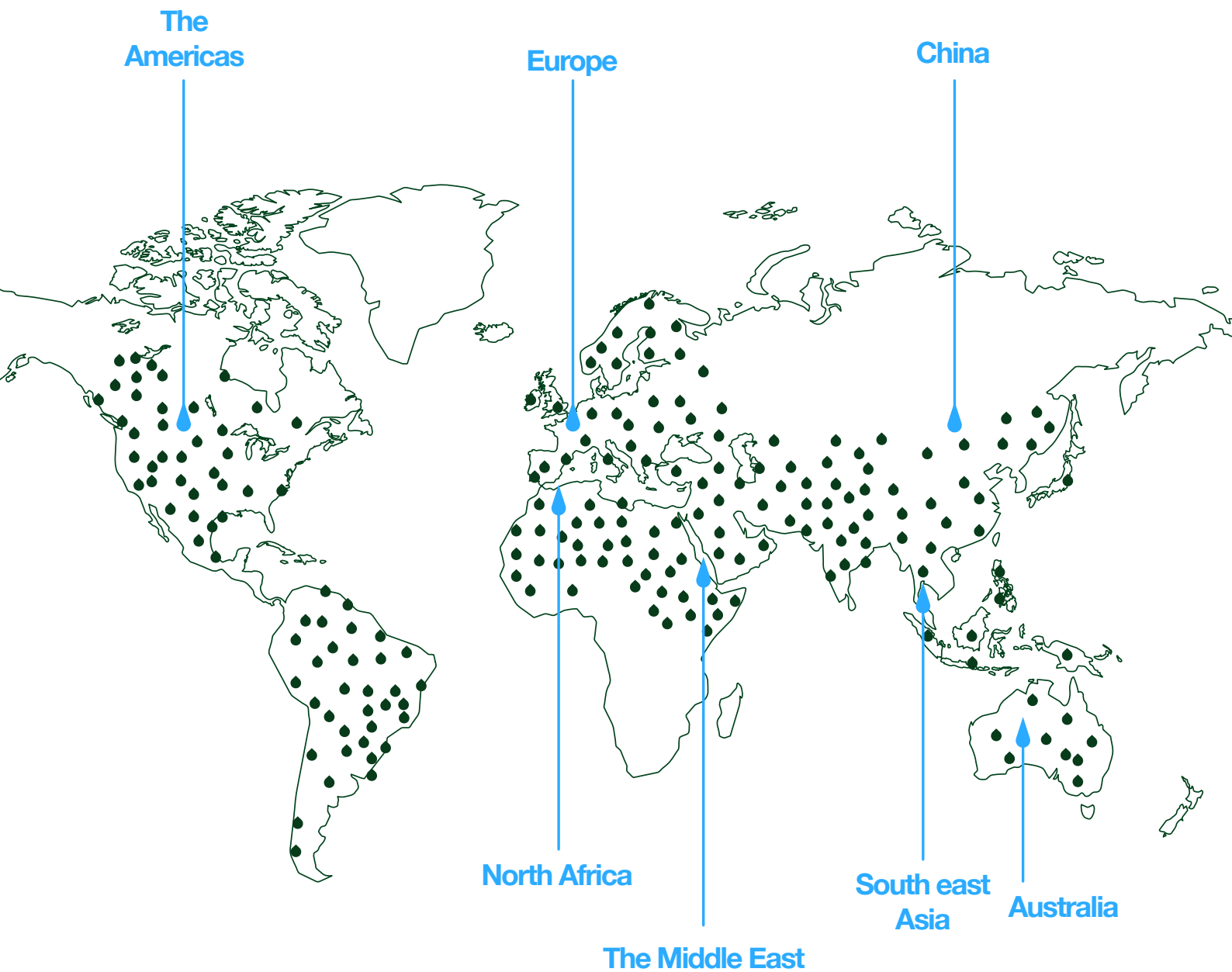




THE STRENGTH OF THE NETWORK

Caprari boasts a worldwide presence, with an extensive network of exclusive distributors and partners, service centres, and specialised workshops.

The company has a network of hundreds of exclusive and specialised water partners and distributors throughout Europe, North Africa, the Middle East, China and Southeast Asia, the Americas, and Australia.



INTEGRATED WATER CYCLE MANAGEMENT SOLUTIONS

Caprari stands out internationally for the high quality of its products and the wide range of water pumping solutions that it offers for multiple applications.

The range of products includes submersible pumps and motors, surface pumps, waste water pumps and systems, and control and monitoring systems.

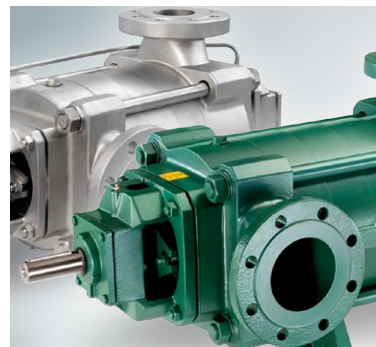
In addition to meeting all the various needs of professionals involved in the integrated water cycle, the company has also become a benchmark in the industry thanks to the know-how it has gained over the years through continuous performance and process improvement.

Throughout the product life cycle, starting from the development stages, Caprari adheres to a responsible approach based on quality and sustainability, with the full involvement of the supply chain.

This vision entails compliance with all the applicable domestic and international standards on the various target markets, meeting contractual requirements and technical specifications, achieving the highest standards of user safety, and maintaining a reduced environmental footprint.



**SUBMERSIBLE
PUMPS AND
MOTORS**



**SURFACE
PUMPS**



**WASTE WATER
PUMPS AND
SYSTEMS**



**CONTROL AND
MONITORING
SYSTEMS**

APPLICATIONS: A COMPLETE RANGE FOR ALL SECTORS



IRRIGATION

Caprari supports the agricultural sector with various types of high-efficiency pumps capable of meeting all irrigation needs.

It provides pumps for taking water from underground aquifers, lakes or rivers, transporting it to the surface, and transferring it to the areas to be irrigated.



WATER AND WASTE WATER MANAGEMENT

The management of the water process consists of several stages: water capture from deep wells in the aquifer, water procurement, treatment of drinking water, purification of civil and industrial waste water, and transport and delivery of treated water. In all cases, Caprari provides reliable and high-tech solutions.



INFRASTRUCTURE

La tutela della sicurezza delle persone e il rispetto
The company's development of water management solutions and fire-fighting systems for ensuring the proper functioning of railway and road underpasses, the use of underground car parks and subways, and the disposal and recovery of rainwater have always been guided by the need to protect human safety and respect the environment.



INDUSTRY AND SPECIAL APPLICATIONS

Caprari supports industry in general, as well as special sectors (i.e. mining, oil & gas, fish farming, steel and snowmaking), with pumping systems designed to guarantee excellent levels of reliability and competitiveness thanks to their low energy consumption.

TYPES OF CUSTOMERS

Caprari carries out its production and operational activities in accordance with the principles of sustainability, taking its customers' different needs and expectations into account.



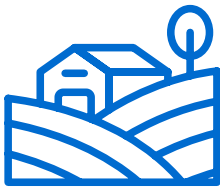
**DISTRIBUTORS
AND RETAILERS**



INSTALLERS



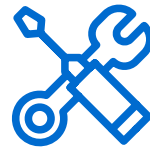
**INDUSTRIAL
COMPANIES**



FARMS



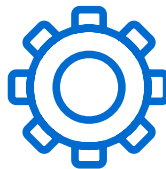
**PUBLIC BODIES
AND MUNICIPALITIES**



**PLANT
ENGINEERS**



**CONSTRUCTION
COMPANIES**



OEM



CONTRACTOR

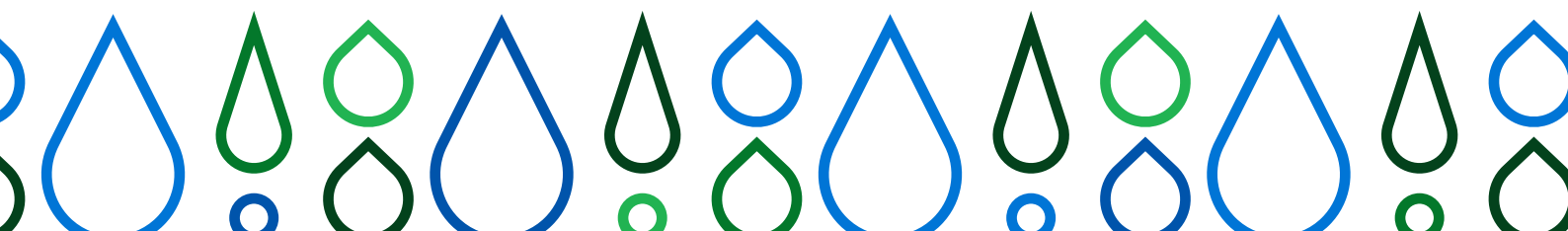
BUSINESS MODEL AND CERTIFICATIONS

Caprari was one of the first Italian companies to embark on the pathway of integrated certification, in keeping with a business model aimed at creating shared and sustainable value over time. In order to comprehensively address the areas of quality, environment, and safety, while at the same time ensuring continuous improvement, it has adopted the unified management of the ISO standards: the ISO 9001:2015 quality management system, the UNI EN ISO 14001 environmental management system, and the UNI ISO 45001 safety management system.

The company's top priority is to provide products and services that meet its customers' real needs and expectations, with the aim of improving the lives of people and businesses in the areas where it operates. The quality management system is based on a risk-based thinking approach that allows the organisation to isolate factors that could generate deviations from the ISO 9001-2015 standard, and to implement preventive controls.

In order to achieve the highest quality standards, while at the same time guaranteeing the safety of individuals and environmental protection, the management works at all levels with unity of purpose, aligning its strategies, processes, and resources to achieve the set goals.

The organisation wanted to incorporate the series of activities that concretely represent its corporate culture, with its values, behaviours and management practices, within the broader concept of "Quality". Original Caprari Quality is the company's way of delivering sustainable business development over time to all of its stakeholders, including employees, customers, suppliers, local communities, the environment, banks, and shareholders.



SAFE WATER

Water safety is an absolute must for manufacturers of materials and applications for drinking water supply systems. The European Directive on the quality of water intended for human consumption establishes the health and safety requirements that water must meet. Consequently, it also establishes the criteria that all materials with which the water comes into contact during its journey (from sampling to final dispensing) must possess in order to avoid compromising its characteristics (smell, taste and colour), releasing any substances, or facilitating the propagation of bacteria.

All of Caprari's products have certifications of conformity, guaranteeing their compliance with the most stringent standards.



CAPRARI è un'azienda con sistema di gestione certificato da Bureau Veritas

ECOVADIS RATING

In order to assess its sustainability performance, and with the aim of ensuring continuous improvement, the company has decided to certify its activities on the EcoVadis platform, a leading company in the field of Corporate Social Responsibility (CSR) assessment.

Ecovadis is a global sustainability rating company that has developed a monitoring system for measuring an organisation's ethical, social and environmental footprint.

Its evaluation method is based on international standards, derived from 21 performance indicators in four areas (environment, labour and human rights, ethics, and sustainable procurement).

In this manner, by joining the platform, Caprari can share its evaluation results and improvement measures with its stakeholders.

ecovadis



ENVIRONMENT



**LABOUR AND
HUMAN RIGHTS**



ETHICS



**SUSTAINABLE
PROCUREMENT**

MEMBERSHIP IN ASSOCIATIONS

Caprari has long been an active member of several domestic and international trade associations in the mechanical sector, and more specifically in the pump sector.

The company is deeply convinced that these organisations provide a valuable opportunity for technical discussion, collaboration, and regulatory and technological updating with colleagues from other companies. The possibility of pooling experience and expertise is an enormous support for all companies that are determined to seize upon new market opportunities and tackle common industry challenges.



ASSOPOMPE

The Italian association of pump manufacturers



EUROPUMP

The Association of European Pump



ANIMA

The industrial trade organisation of the Confindustria system that represents mechanical engineering companies



CRIT

A private consulting firm specialising in the research and analysis of technical and scientific information and in research project development activities.

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 produces state-of-the-art technical solutions that meet and anticipate multiple market needs. This gives rise to products with constantly improving performance levels in terms of safety, reliability, and environmental impact.

Caprari is aware that the possibility of developing tailor-made solutions for each specific sector, capable of bringing about concrete improvements, requires intensive research and development work, which the in-house division coordinates and carries out with creativity and technical expertise.

The economic resources allocated to the R&D department show a steadily growing trend, and are also used for the development and registration of many proprietary patents at both the domestic and international levels.

IOT SOLUTION: GREEN BOX

Caprari is one of the pioneers in the joint use of AI (Artificial Intelligence) and IoT (Internet of Things) to maximise the yield and efficiency of pumping systems in the field of water management.

Green Box is an innovative App that allows the pump's performance to be monitored, while at the same time ensuring that it operates at its optimal working point, thanks to algorithm management.

ORIGINAL CAPRARI QUALITY

For Caprari, the concept of "Quality" is a series of actions that concretely represents the corporate culture, with its values, behaviours and management objectives, which allows sustainable business development to be delivered over time to all the stakeholders, including employees, customers, suppliers, local communities, the environment, banks and shareholders.

Original Caprari Quality represents the continuous improvement of the company's products and services, with a focus on the needs of customers, for whom the company aims to be a reliable partner, establishing solid and lasting relationships. This philosophy implies the acceptance of the principle that, if you want a high-quality product, the entire process (from the purchase of the raw materials to the sale of the finished product) must be managed in this manner.

SUPPLY CHAIN





Caprari regards suppliers as true partners, key elements of the company's strategy, and an essential factor for operational excellence.

Over time, it has built trusting relationships with them based on the values of loyalty, fairness and professionalism, as well as long-term collaboration.

These partnerships are defined and qualified through key elements, such as the sharing of objectives, the constant monitoring of activities, and the evaluation of the products delivered.

The selection of suppliers and the determination of the conditions for the purchase of goods and services are carried out based on impartial assessments. In the process of evaluating, selecting, and qualifying new partners, Caprari takes care to gather information and verify its potential partners' compliance with the material safety and regulatory requirements.

In order to involve the supply chain in the development of sustainability and to pursue its sustainable sourcing goals, Caprari conducted an initial analysis of 38 strategic suppliers in 2023, through a questionnaire requesting data on environmental issues (the ISO 14001 standard, energy use, and emissions).

The goal is to continue this assessment process, gradually extending it to cover the entire supply chain, in order to assess the company's overall carbon footprint, taking the impact of the entire value chain into consideration.

Caprari's suppliers can be divided into two macro-categories:

- **Companies that produce materials used directly for the production of the final product**
- **Suppliers of indirect materials and service providers**

In 2023, CAPRARI had a total of 903 suppliers, with a total annual expenditure of over € 54 million.

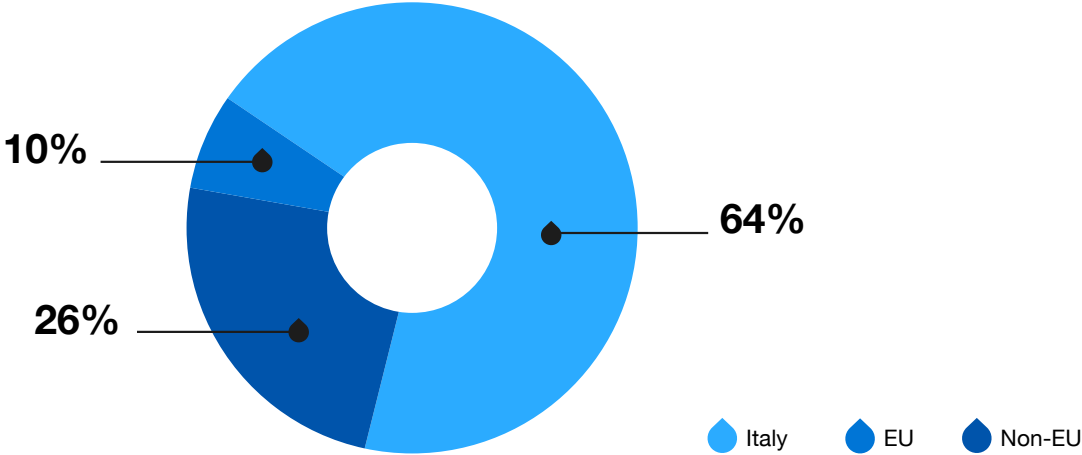
SUPPLIERS	N° 2023	INCIDENCE % EXPENDITURE	N° 2022	INCIDENCE % EXPENDITURE
Direct	349	78%	316	75%
Indirect	554	22%	538	25%
Total	903	100%	854	100%

Caprari is able to rely on a global supply chain, while at the same time ensuring a local presence, thus allowing it to remain flexible and competitive over time.

70% of the company's total procurement expenditure goes to Italian companies, 20% to countries within the European Union, and 10% to non-EU companies.

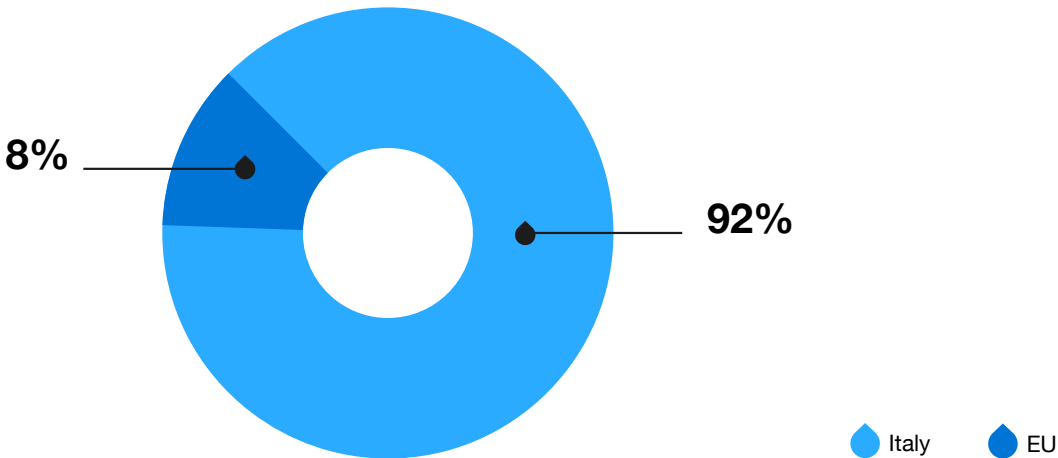
There are 349 suppliers of materials used directly for the production of the final product, and they account for 78% of the total supply expenditure. Of this expenditure, 64% goes to local, or rather Italian, suppliers, 10% goes to countries within the European Union and the remaining 26% goes to non-EU suppliers.

EXPENDITURE FOR DIRECT SUPPLIERS BY GEOGRAPHICAL AREA



The total number of direct suppliers, on the other hand, is 554, and they account for 22% of the total supply expenditure. Indirect suppliers include consultancy, transport, packaging, plant, equipment, and all indirect materials and services. 91.6% of the expenditure goes to Italian companies, and the rest to companies in EU countries.

EXPENDITURE FOR INDIRECT SUPPLIERS BY GEOGRAPHICAL AREA



ECONOMIC VALUE





Every company has an economic impact in the area in which it operates due to the relationships it has with each of its stakeholders, including employees, suppliers, banks, and volunteer associations. The economic value it manages to put back into circulation, as a result of the revenue it generates, represents a fundamental benefit; in fact, the greater the value shared (or rather distributed) to its stakeholders, the greater its contribution to the economic well-being of that community.

The importance of shared value is becoming fundamental for companies, changing what, up until this point, has been the corporate mission. The data on the creation and distribution of economic value show the economic effects of the company's business management on the main categories, thanks to a reclassification of the income statement.

ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED		
	2022	2023
Economic value generated	€	€
Net revenue	85.348.296	93.179.299
Other revenue	10.832.073	626.161
Total economic value generated*	96.180.369	93.805.460
ECONOMIC VALUE DISTRIBUTED		
Operating costs	74.496.000	66.913.000
Salaries and employee benefits	19.524.000	20.190.000
Payment to capital providers/ Shareholder remuneration	945.000	1.125.000
Taxes and fees/Payments to the P.A.	260.000	910.000
Investments in the community	30.000	25.000
Total economic value distributed	95.255.000	89.163.000
	99,0%	95,1%
ECONOMIC VALUE RETAINED		
Difference between economic value generated and economic value distributed	925.369	4.637.000

During 2023, geopolitical tensions escalated with respect to the previous year, increasing the sense of global economic uncertainty.

Rising inflation and increased interest rates are the main reasons for the current slowdown in the Italian and European economies in 2023. In Italy, the gradual exhaustion of the post-pandemic recovery momentum that characterised the years 2021 and 2022 also played a role: once the levels of expenditure that had to be renounced had been reached, consumption growth rates fell in 2023, at a rate of about a quarter of that of 2022¹.

Nevertheless, Caprari saw a substantial increase in net revenue, amounting to +8.4% with respect to 2022, bringing the turnover from € 85.3 million to € 93.1 million. The total economic value generated in 2023 was lower than the previous year due to a significant increase in the stock of semi-finished goods during 2022.

* Corresponds to the value of production

¹ Autumn 2023, Confindustria centro studi, Has the Italian economy returned to slow growth?

The amount distributed to employees not only remained stable, but increased (+3.6% compared to 2022), while the number of employees remained essentially unchanged. This bears witness to Caprari's desire to maintain a high level of commitment to its most important stakeholders, or rather its employees, even in terms of remuneration and benefits.

Finally, the total retained value, or rather the difference between revenue and distributed value, amounted to approximately € 4.6 million and represents approximately 5% of the economic value generated, for an increase with respect to 2022. Increasing Economic Value Retained can be a tool for reducing financial risks, and can serve as a reserve for coping with any times of increased market uncertainty.

Caprari is particularly attentive to the opportunities arising from the numerous grants that the Public Administration is able to offer, and in 2023 it managed to bring in a total of € 741,000, distributed as follows: € 76,000 in the form of tax relief from social security contributions³, € 382,000 through the Energy Grant, a measure aimed at reducing expenditure on energy supply, and € 283,000 in the form of tax credits.

³ Mechanism by which the state provides for the reduction of employer contribution rates in order to contain labour costs.



ANTI-CORRUPTION POLICY

Caprari maintains a position of absolute intolerance in relation to all forms of corruption, even on the part of personnel employed by private companies. In this sense, the company is fully committed to ensuring actions and conduct based exclusively on criteria of transparency, fairness and moral integrity, in order to prevent any attempt at corruption. Caprari's commitment against corruption prohibits personnel, partners, and, more generally, anyone who carries out activities on the company's behalf, from requesting, promising, offering or receiving free samples, gifts and/or benefits, whether potential or actual, from any persons outside the company, which could be interpreted as being aimed at obtaining an advantage, including a non-economic advantage, considered to be relevant with respect to normal customs and common practices. Two governance bodies have been notified of the anti-corruption procedures and regulations governing corruption issues, with a total of nine employees involved.

Two activities at risk of corruption were analysed in 2023 to mitigate the likelihood of corruption and to implement conduct and initiatives involving all the workers, in order to ensure a widespread anti-corruption culture throughout the company.

WHISTLEBLOWING

As indicated under article 2 of Italian Law no. 179/2017, and in keeping with the requirements laid out in European Directive 2019/1937 concerning whistleblowing, communication channels are available at Caprari for reporting any unlawful acts or irregularities that may arise at the workplace, while at the same time preserving the anonymity and personal data protection rights of the whistleblower.

CONFLICTS OF INTEREST

As a general rule, employees, collaborators and, more generally, those acting in the name and on behalf of Caprari, in terms of both companies and their personnel, must avoid any potential conflict of interest situations. A conflict of interest arises when personal, social, financial, or political interests are put before the interests of the company. Even the appearance of a conflict of interest can potentially harm the reputation of the employee or the company. Employees must beware of any situations that might lead others to think that the purpose of an action, decision or statement is to gain an undue advantage for themselves. If a conflict of interest should arise, even if only in appearance, the employee must notify their supervisor.



ENVIRONMENTAL AWARENESS





Caprari is highly committed to promoting projects and actions that effectively contribute to meeting the global challenges of climate change, including the reduction of direct and indirect emissions, the increase in the use of electricity from renewable sources, the reduction of energy consumption and waste quantities through the optimisation of production processes, and the reduction of the environmental and social impact of its products throughout their life cycles. In this sense, the Sustainability Report is a valuable opportunity for the company to tell its stakeholders about its commitment to environmental protection.

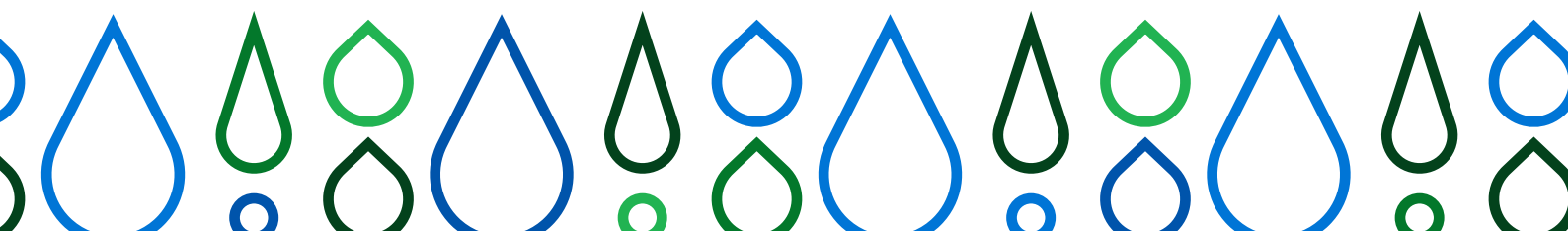
The company intends to adopt an all-encompassing responsibility-based approach, and, in this regard, considers the management of environmental aspects to be indispensable. A management approach that's not only a fundamental part of the company's sustainable development strategy, but also represents a growth factor for every business decision. The company views environmental responsibility and safety as strategic business assets. As proof of its commitment, Caprari has implemented an Environmental and Safety Management System compliant with the UNI EN ISO 14001:2015 and ISO 45001:2018 standards, which covers all of the company's Italian locations.

MATERIALS

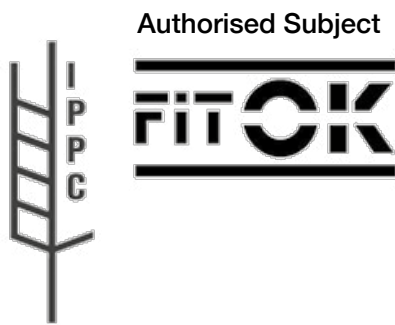
In 2023, Caprari purchased non-renewable materials such as castings, steel, electrical cables, to manufacture its products. It also purchased renewable materials such as wood and cardboard, mainly for the packaging of its products.

COMMODITY	T 2023	T 2022	TYPE
Castings	3.310	4.169	Non-renewable
Miscellaneous steels and bars	360	414	Non-renewable
Electrical cables	83	81	Non-renewable
Plastics	30	12	Non-renewable
Cardboard	132	44	Renewable*
Wood	546	711	Renewable*
Total non-renewable	3.783	4.676	
Total renewable	678	755	

***Renewable Material** - material derived from abundant resources that replenish rapidly through ecological cycles or agricultural processes so that the services provided by these and related resources are not compromised and remain available for future generations.



The wood and cardboard packaging has various environmental certifications, such as:



FIT OK

FITOK certification is the most important in terms of the guarantees a company can provide with regard to environmental protection policies. Authorisation to use the FAO FITOK and ISPM 15 markings is only granted after a stringent audit by the ICILA, which certifies compliance with the requirements and attests that the wood used for packaging has been treated to prevent the spread of harmful organisms. This certification speeds up the transition to customs, and guarantees full respect for the environment and the preservation of forestry assets, thus facilitating sustainable development.

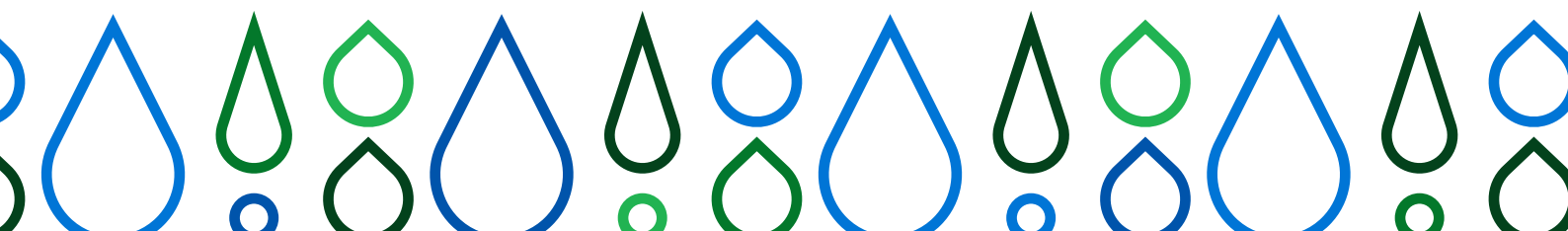


PEFC™

Products marked with this important and prestigious certification guarantee our company's commitment to the environment on all fronts. The use of wood that comes from forests whose populations are protected according to principles recognised worldwide contributes to a corporate culture that views environmental protection as an indispensable and fundamental value.

In addition, the supplier certifies the reuse of its packaging, as well as the method of disposal. According to the provisions of Italian Legislative Decree no. 152/06, Caprari has registered with CO.NA.I (Italy's National Packaging Consortium) as a packaging user.

Caprari does not manufacture, recycle, recover or store any PE waste materials.



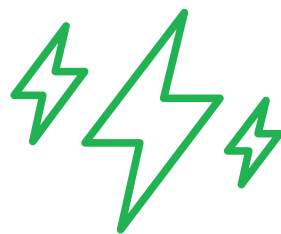
ENERGY EFFICIENCY PROJECTS

In recent years, Caprari has invested heavily in actions aimed at reducing energy consumption. In particular, the company decided to focus its efforts on its plants, and on energy production from renewable sources, such as solar.

Between 2009 and 2010, the Group installed photovoltaic structures with a capacity of 165 kWp, thus attesting to the change undertaken to reduce its environmental impact. In keeping with this strategy, it was also decided to install a second photovoltaic system with a peak capacity of 272 kWh, with the aim of lowering dependence on the public power grid. The plant entered into operation in early 2023.

ENERGY CONSUMPTION

Caprari's focus on efficient energy consumption management has led it to undertake actions aimed at decreasing its direct and indirect emissions, saving money, and reducing its environmental impact.



**100% ELECTRICITY
FROM RENEWABLE
SOURCES**

In 2023, the company's total electricity consumption amounted to 2,795,610 kWh, for a reduction of 7.06% compared to 2022. This energy was self-generated through the photovoltaic plants, and the residual amount required was purchased with Guarantees of Origin, which certify the renewable origin of the production sources.

The company mainly uses electricity to operate its production machinery, compressors, lighting system, and air conditioning system.

In 2023, 650,809 cubic metres of natural gas were consumed (-2.06% compared to 2022). The company mainly uses natural gas to operate its heating system.

In 2023, Caprari's total energy consumption, including the consumption of electricity, gas and vehicle fuels, amounted to 37,987.92 GJ.

ENERGY CONSUMPTION WITHIN THE ORGANISATION	UDM	2023	2022
Electrical power from the grid (certified, with guarantees of origin)	kWh	2.615.918	2.825.552
Electricity from solar power self-produced and consumed	kWh	179.692	182.229
Natural gas	m3	650.809	664.509
Diesel	l	47.965	38.623
Petrol	l	8.716	7.327
Total	GJ	37.987,92	38.858,19

ENERGY INTENSITY

In 2023, Caprari reported revenues of € 96.180 million. At the same time, the company’s energy intensity, expressed in megajoules per Euro (MJ/€), was calculated to be 0.39 MJ/€ for the year 2023, for a decrease with respect to the 0.46 MJ/€ in 2022.

This reduction in energy intensity indicates an improvement in Caprari’s energy efficiency.

ENERGY INTENSITY	2023	2022
MJ/€	0,39	0,46



GREENHOUSE GAS (GHG) EMISSIONS

The Group has embarked on a journey to calculate the emissions it generates, with the aim of monitoring and reducing its environmental impact. The emissions attributable to the Italian headquarters are shown below:

Scope 1: refers to CO₂ emissions generated directly by the organisation, mainly from the use of fossil fuels for heating, company vehicles, and production processes. For the Scope 1 category, in 2023 Caprari generated **1,317 t of CO₂**, a value that was slightly higher but still in line with the previous year.

SCOPE 1 EMISSIONS	tonnesCO ₂ e 2023	tonnesCO ₂ e 2022
Stationary combustion (heating)	1.178	1.123
Mobile combustion (company vehicle fleet)	139	113
Total	1.317	1.236

Scope 2: refers to indirect CO₂ emissions associated with the purchase of electricity. Since Caprari only uses electricity from certified renewable sources with guarantees of origin, **the value of its Scope 2 emissions is zero.**

Scope 3: refers to indirect emissions along the entire value chain, such as emissions from the company's upstream and downstream activities, the transport of purchased goods, waste disposal, consumer use and disposal of products, business travel, and other indirect activities that significantly contribute to the company's overall carbon footprint.

SCOPE 3 EMISSIONS	tonnesCO ₂ e 2023	tonnesCO ₂ e 2022
Purchased goods and services	65.183	75.434
Capital goods	349	1.328
Fuel and energy related activities not included in Scope 1 and 2	256	361
Upstream transport and distribution	1.559	2.300
Waste generated from operations	273	164
Business trips	15	15
Employee commuting	852	852
Use of the products sold	3.477.464	3.209.270
End-of-life treatment of products sold	66	2.274
Total	3.546.018	3.291.999

Overall, despite improvements in some categories between 2022 and 2023, the overall CO₂ emissions increased slightly in 2023.

EMISSIONS	tonnesCO ₂ e 2023	tonnesCO ₂ e 2022
Total	3.547.335	3.293.235

In 2023, Caprari recorded revenues of € 96.180 million and, at the same time, the company's emissions intensity was calculated, expressed in kg of CO₂ per Euro (kg CO₂/€). For the year 2023, the emissions intensity was 36.88 kg CO₂/€, marking an improvement with respect to 2022.

INTENSITÀ EMISSIVA	2023	2022
kg CO ₂ /€	36,88	38,58

WATER

In addition to being of particular relevance to the future of communities and the protection of the planet, Caprari has also defined water management as a material aspect of its own sustainable development.

The company has equipped itself with two wells in order to draw as little water as possible from the water system, or rather the municipal aqueduct. Water taken from the aqueduct is used exclusively for the canteen, for the drinking water dispensers in the workshop, and for the coffee dispensers located throughout the plant.

The company drilled its first well in 1964, and a second one in 1984. The water drawn from well 1 serves the workshop, the offices, and the logistics area, and is used for: the toilets, technological equipment, and production (washing tunnel, test room, coolant for machine tools) and cleaning operations. The water drawn from well 2 is used for the fire-fighting and irrigation systems.

The company's total water consumption in 2023 amounted to 13.373 megalitres, of which 18.91% came from the mains network and 81.09% was drawn from the wells.

WATER WITHDRAWAL	2023	2022
Network	2,53	1,728
Wells	10,843	8,051
Total	13,373	9,779

WATER DISCHARGES

With regard to water discharges, most of the discharges are made into the sewer lines to which the sites are connected. The water discharges are generated by waste water from the toilets and the canteen, rainwater, and runoff from the outdoor areas.

The logistics building is equipped with separate water networks for white and black water. The white water network collects rainwater from gutters and water from the forecourts, while the black water network collects the sewage from the toilets.

In 1996 Caprari equipped itself with an industrial waste water treatment plant, with the aim of treating all of the industrial waste water generated by the production cycle, thus reducing the amount of water drawn from the well and the waste to be delivered externally.

There are no discharges of industrial waste water, which consists of the water from washing the mechanical parts, the water from cleaning the spray booth, spent oil emulsions, and several cleaning activities carried out in the wash area adjacent to the temporary waste storage area. It is first collected in special accumulation tanks, and is then sent to a vacuum evaporator, from which purified water is obtained, and a residue is disposed of as special waste.

The purified water is reused in the process; it can be added to water from well 1 in order to make it suitable for the preparation of the cooling emulsions used in the machine tools.



WASTE

Greater efficiency in the use of materials within the production processes results in reduced costs, waste and processing scrap, all to the benefit of the environment. For these reasons, Caprari promotes responsible handling of materials and waste, with a special focus on the treatment and disposal of hazardous waste.

The mechanical machining and painting operations are the processes that generate the most hazardous waste, such as waste oils and paint solvents.

In 2023 the company generated 1,017.67 tonnes of waste, of which 81.34% was non-hazardous. The total hazardous waste generated in 2023 amounted to 189.94 tonnes.

TYPES OF WASTE	% 2023	% 2022
Non-hazardous	81,34%	11,24%
Hazardous	18,66%	88,76%

The special waste is subjected to recovery and disposal operations. The transport and final treatment of the waste is carried out in accordance with the national directives for each facility in which the company operates, through authorised disposal service providers, in accordance with the local regulations.

DELIVERY	Reovery (tonnes)	Disposal (tonnes)
Hazardous	9,66	180,28
Non-hazardous	827,73	0
Total	837,39	180,28

ENVIRONMENTAL STRATEGY

Caprari intends to make a responsible commitment to a solid pathway of environmental sustainability that consciously involves all those involved in the supply chain, and leads to the identification of areas for “green” improvements in the processes over which the organisation has influence and control. In fact, the reinterpretation of the business processes and products through the lens of environmental sustainability and efficiency allows the company to respond appropriately to market developments, increasingly stringent environmental regulations, and its stakeholders’ expectations.

To this end, Caprari has established an action plan to be progressively implemented, with the aim of preserving and protecting the environment, which is revised each year based on the results obtained and the new medium- to long-term objectives. Management of the activities in compliance with the applicable laws and administrative regulations, any integrative and ameliorative corporate provisions, as well as the national and international best-practices.

Optimisation of the internal processes in order to reach the highest level of effectiveness and efficiency, while safeguarding the health of our employees and the environment at the same time. all’ambiente circostante.

- **Promotion** of occupational health and safety, environmental protection and energy saving in the design, realization and management of ergonomic and easily usable workplaces, equipped with the best and most economically sustainable technologies.
- **Conduct and management** of activities from the perspective of preventing fires, accidents, and occupational diseases.
- **Promotion of information, training and awareness-raising** among staff for active and responsible participation in the implementation of the principles and the achievement of the objectives.
- **Promotion of the sustainable use of natural resources**, pollution prevention, and protection of ecosystems and biodiversity.
- **Promotion of activities aimed at reducing greenhouse gas emissions**, with an approach focused on mitigating climate change.
- **Management of waste** so as to reduce its production and improve its recycling after disposal.
- **Selection of suppliers**, according to the principles of this policy, requiring them to conduct themselves in a manner consistent with the same.
- **Performance of controls, inspections and audits to** assess performance levels and re-examine objectives and programs, and periodic review of this policy to evaluate its effectiveness and take subsequent measures.

PEOPLE





Caprari's approach to people management is based on a model centred on the active and responsible involvement of all the resources in the corporate processes, the establishment of transparent relations open to discussion, and the full valuation and empowerment of each employee, in accordance with the principles and values laid out in the Code of Ethics.

Every day, Caprari is committed to ensuring working conditions and a working environment dedicated to professional development, inclusion, affirmation, and collaboration. In terms of company-employee relations, the Group constantly strives to achieve an optimal balance between the contractual, technical/professional, and personal aspects. The management style is also strongly inspired by the desire to foster each individual's fulfilment within the context of its companies, and to preserve their dignity, safety, and organisational well-being.

The company ensures equal conditions and opportunities for its workers, and does not tolerate any forms of isolation, exploitation, or harassment, nor any form of discrimination based on ethnicity, language, skin colour, faith or religion, political opinion or affiliation, nationality, age, gender or sexual orientation, marital status, disability or physical appearance, or economic or social condition.

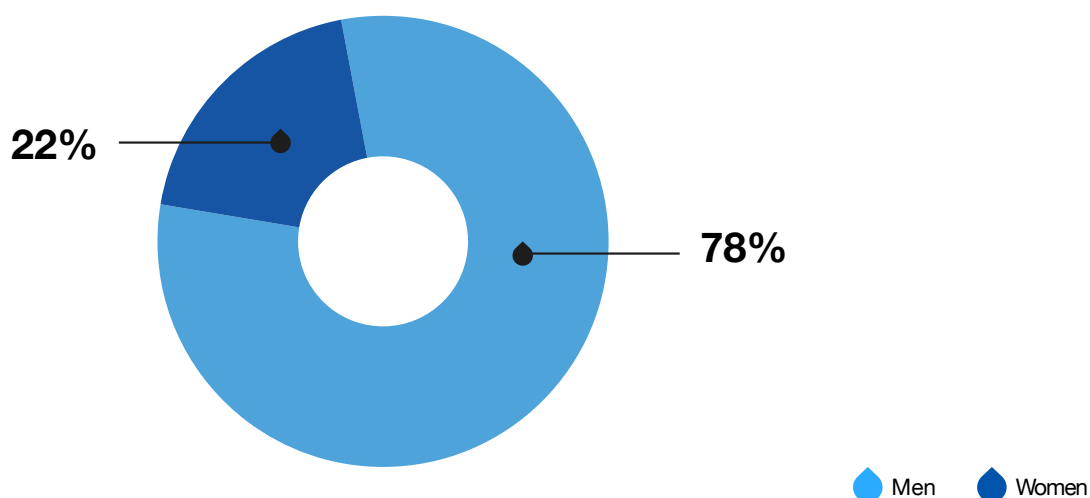
Caprari fully embraces and is committed to the four core labour standards of the International Labour Organisation (ILO), as laid out in the UN's Declaration on Fundamental Principles and Rights at Work:

- freedom of association and right to collective bargaining;
- elimination of all forms of forced and compulsory labour;
- effective abolition of child labour;
- elimination of all forms of discrimination in employment and occupation.

EMPLOYEES AND WORKERS WHO ARE NOT EMPLOYEES	2023			2022		
	Total	Women	Men	Total	Women	Men
Employees	295	64	231	293	65	228
Agents/Freelancers / Collaborators	3	1	2	3	1	2
Intnerships	2	1	1	0	0	0
Total	300	66	234	296	66	230

At 31 December 2023, the company had a workforce of 300, of whom 295 were employees, in line with the previous year. The strong male presence within the company is consistent with the sector data for the National Collective Labour Contract for the Metalworking and Plant Installation Industry, and is mainly distributed among the blue-collar staff. In contrast, the female presence is strongest among the white collar staff, where 75% of the female employees are located.

EMPLOYEES BY GENDER



PROFESSIONAL FIGURES AND EMPLOYEES BY GENDER	TOTAL	WOMEN	MEN
Executives	12	1	11
Middle Managers	16	5	11
White collar	124	48	76
Blue Collar	143	10	133
Total	295	64	231

More than 98% of the staff have permanent contracts and 96% work full-time. This demonstrates the company's tendency to build solid and long-lasting working relationships.

CONTRACT TYPE	2023			2022		
	Total	Women	Men	Total	Women	Men
Fixed-term contract	5	0	5	6	2	6
Open-ended contract	290	64	226	287	63	224
Apprenticeship		0	0	0	0	0
Agency workers	17	3	14	0	0	0
Total	312	67	245	293	65	230

WORKING MODE	2023			2022		
	Total	Women	Men	Total	Women	Men
Part-time	11	6	5	11	5	6
Full-time	284	58	226	282	60	223
Total	295	64	231	293	65	228

Compared to 2022, when there was a greater presence of employees over-50, the age group most highly represented in the workforce in 2023 was the 30-50 age group, with an overall average age of 47.

EMPLOYEES BY GENDER AND AGE GROUP	2023			2022		
	Total	Women	Men	Total	Women	Men
<30	28	4	24	20	3	17
30-50	128	22	106	148	27	121
>50	139	38	101	125	35	90
Total	295	64	231	293	65	228

TURNOVER

In 2023, 39 employees terminated their employment with the company, and 37 people were hired.

EMPLOYEES BY GENDER AND AGE GROUP	2023			2022		
	Total	Women	Men	Total	Women	Men
Terminations	39			27		
< 30	10	2	8			
30-50		5	12			
> 50	12	3	9			
New hires	37			22		
< 30	20	3	17	8	2	6
30-50	13	3	10	13	5	8
> 50	4	2	2	1	0	1

NATIONALITY	NEW HIRES		TERMINATIONS
Italy	33		36
Ghana	1		2
Morocco	1		0
United Kingdom	1		1
Ukraine	1		0

Through the company's management software, it was found that Caprari has human resources of 15 different nationalities, highlighting the company's high propensity for inclusiveness. The company also employs 20 individuals belonging to protected categories, who, where required, have been provided with special workstations and reduced working hours.

PERFORMANCE EVALUATION

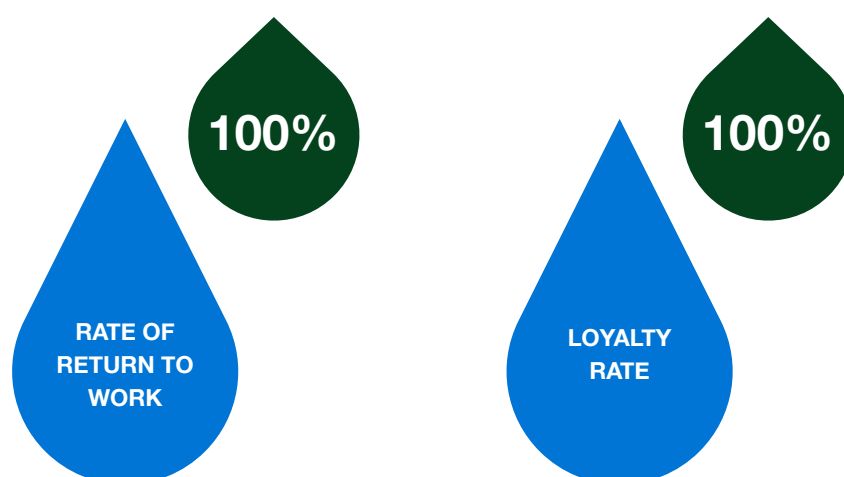
83% of Caprari's managers, all of its middle managers, and 28% of its employees underwent performance assessments.

EMPLOYEES WHO UNDERGO REGULAR PERFORMANCE AND PROFESSIONAL DEVELOPMENT ASSESSMENTS	TOTAL	WOMEN	MEN
Executives	10	1	9
Middle Managers	16	6	10
White collar	35	6	29
Blue collar	0	0	0
Total	61	13	48

PARENTAL LEAVE

During the reporting year, 8 individuals took parental leave, all of whom were male, and all returned to work at the end of the leave period, for a return and retention rate of 100%. In 2022, 13 employees took parental leave: ten men and three women.

M/F	QUALIFICATION CODE	NAME	HOURS OF PATERNITY LEAVE	HOURS OF PARENTAL LEAVE/OPTIONAL MATERNITY LEAVE	HOURS OF PARENTAL LEAVE/ COMPULSORY MATERNITY LEAVE	TOTAL OVERALL HOURS
F	White collar	1		104		104
		2		693	711	1404
M	Executive	1	64			64
	White collar	1	96			96
		2	24			24
		3		64		64
		4		40		40
		5	88			88
	Blue collar	1	96			96
		2		256		256
		3		8		8
		4	80			80
		5	88			88
		6		136		136
		7		32		32
	Middle manager	1	80			80
Total Hours			616	1333	711	2660



CORPORATE WELFARE

Caprari strongly believes in the concept of corporate welfare to increase the well-being of its in-house resources. That's why it is committed to providing a comprehensive corporate welfare package, offering its employees a series of tools aimed at reconciling their life, work and family care needs, through:

- **Access to a web-based platform** that allows employees to create their own flexible benefits package to enjoy goods and services for themselves and their family members in the fields of healthcare, sports and wellness, education, culture and entertainment;
- **Parental leave financial supplement.** A tool aimed at assisting working fathers following the birth of a child or during pre-adoptive fostering, through the granting of twelve days paid leave (two days more than the national average), paid for by the company;
- **Flexible work hours programmes, both for arrival and departure,** to support work-life balance needs;
- **Mixed use company vehicles** for certain categories of workers;
- **Company canteen for all workers** (employees and agency workers), with reduced prices;
- **Technological devices** (company PC and telephone) for certain categories of workers.



TRAINING

The identification of the training needs and the careful planning of training interventions are the starting points for all training activities, the aim of which is to improve everybody's skills at multiple levels depending on the needs of the individual resources, based their roles within the company, as well as the various work teams. The training activities undertaken aim to promote the professional growth of the employees through the development of managerial and technical-specialist knowledge and skills, with different delivery methods based on the specific characteristics of each area involved.

HOURS OF TRAINING	2023			2022		
	Tot. hours	Women	Men	Tot. hours	Women	Men
Executive hours	371	0	371	66	0	66
Middle manager hours	72	43	29	0	0	0
White collar hours	575	64	511	1.082	300	782
Blue collar hours	92	0	92	5.625	51	5.676
Total	1.110	107	1.003	6.773	351	6.422

The training covered soft skills topics, including language courses, sustainability, and energy efficiency issues, as well as professional development topics on greases and mineral oils, privacy, personnel management, and finance. In the 2023 reporting, the soft skills and professional development training hours were kept separate from those related to health and safety, which is why there is a large discrepancy in the table (in 2022 it was not possible to separate them).

COURSE TYPE	TOTAL HOURS
Atex regulation course	192
English language courses	160
French language course	20
Energy manager course	32
Greases and mineral oils course	54
Personnel department course	1
Mobility manager course	16
Privacy course	32
Video surveillance course	1
Executive MBA	304
Master PMP	72
Felm ie4 motor course	86
Onboarding	78
3D printing course	14
Sustainability strategy and governance course	40
Average number of training hours per employee	3,7
Average number of training hours per female employee	1,7
Average number of training hours per male employee	4,3
Average number of training hours for executives	31
Average number of training hours for middle managers	4,5
Average number of training hours for white collar staff	4,6
Average number of training hours for blue collar staff	0,6

AGE AND COMPOSITION OF THE BOARD OF DIRECTORS AND STEERING COMMITTEE

	Women	Men	% Women	% Men	Total
Board of directors	2	4	33%	67%	6
< 30	1	0	100%	0%	1
30 - 50	0	1	0%	100%	1
> 50	1	3	25%	75%	4
Steering committee	1	5	17%	83%	6
< 30	0	0	0%	0%	0
30-50	1	1	50%	50%	2
> 50	0	4	0%	100%	4

The Board of Directors consists of 33% women, one belonging to the under-30 age group, and the other to the over-50 age group. The Steering Committee consists of five men and one woman, which is in line with the ratio of male to female employees.

EMPLOYEE REMUNERATION

Remuneration at Caprari is skewed in favour of the male component. This difference is mainly due to the years spent at the company and the various jobs performed within the same category.

QUALIFICATION	DELTA % GAS WOMEN/MEN
Executives	-44%
Middle Managers	-5%
White collar	-12%
Blue collar	-4%

The highest paid person has a salary 5.7 times greater than the average salary of all the employees.

OCCUPATIONAL HEALTH AND SAFETY

The protection of health and safety at the workplace is recognised as being of fundamental importance within the company's organisation. Consequently, specific measures have been taken, which, based on experience, techniques, and the particular nature of the activities carried out, are necessary to protect the physical integrity and well-being of the workers.

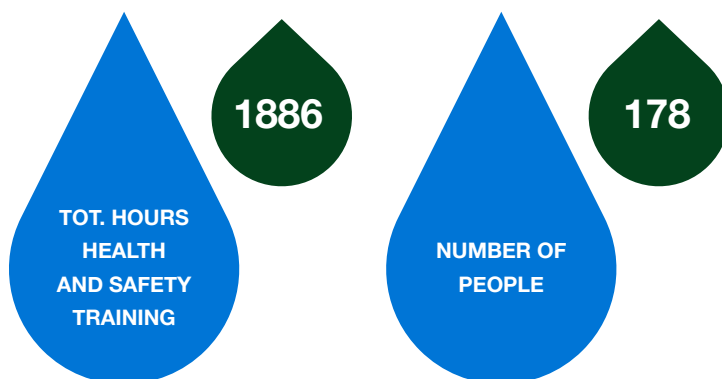
Caprari is committed to disseminating and consolidating a safety culture, developing risk awareness, and promoting responsible behaviour by all collaborators. The health and safety of workers is maintained through preventive interventions, corrective actions following accidents and near misses, and internal health and safety improvement programmes.

All of the workers and company sites are covered by the IMS. Caprari has adopted an integrated UNI EN ISO 45001:2018 certified Environment and Occupational Health and Safety management system. The OHS management system is applied to all company activities in order to combat occupational accidents and diseases more effectively. The system is kept up-to-date according to the legal regulations indicated on each model. The Caprari Occupational Health Service helps identify hazards and minimise risks by actively taking part in the preparation of the Risk Assessment Document (RAD).

The Competent Physician attends the annual meetings, is consulted in the event of new activities being introduced in order to ensure that the risks are properly assessed, and carries out an annual inspection of the work areas,

after which he/she reports any situations/areas in need of improvement. He/she draws up and shares the specific health protocol for each task performed at the various sites.

In 2023, 178 people were involved in the occupational health and safety training, for a total of 1886 hours and an average of 10.5 hours per employee.



HEALTH SURVEILLANCE

Health Surveillance is managed by the SEM and OHSM office, in cooperation with the external medical centre. The health surveillance and suitability assessments are recorded using a specific software application called OASI SUITE, which can be accessed by the Caprari occupational health and safety department.

Health surveillance is carried out by the competent physician and includes:

- a preventive medical examination
- a periodic medical examination
- a medical examination at the worker's request
- a medical examination upon changing jobs
- medical examination at the end of the employment relationship, where provided for by the law
- a medical examination prior to resuming work, following an absence for health reasons lasting more than

MANAGEMENT OF HEALTH AND SAFETY COMMUNICATION

Caprari provides all of its personnel with information about the management system and its performance in order to motivate the staff and facilitate their understanding and acceptance of the efforts made to improve the company's environmental and safety performance and to increase awareness of the company's environmental and safety policy, objectives, targets and programmes. All Caprari employees are involved in the process aimed at constantly improving the company's environmental and safety performance, and each department manager is a contact for any communications, observations and/or suggestions that may arise from the employees. The effectiveness of the internal communication is also assessed during the internal audits.



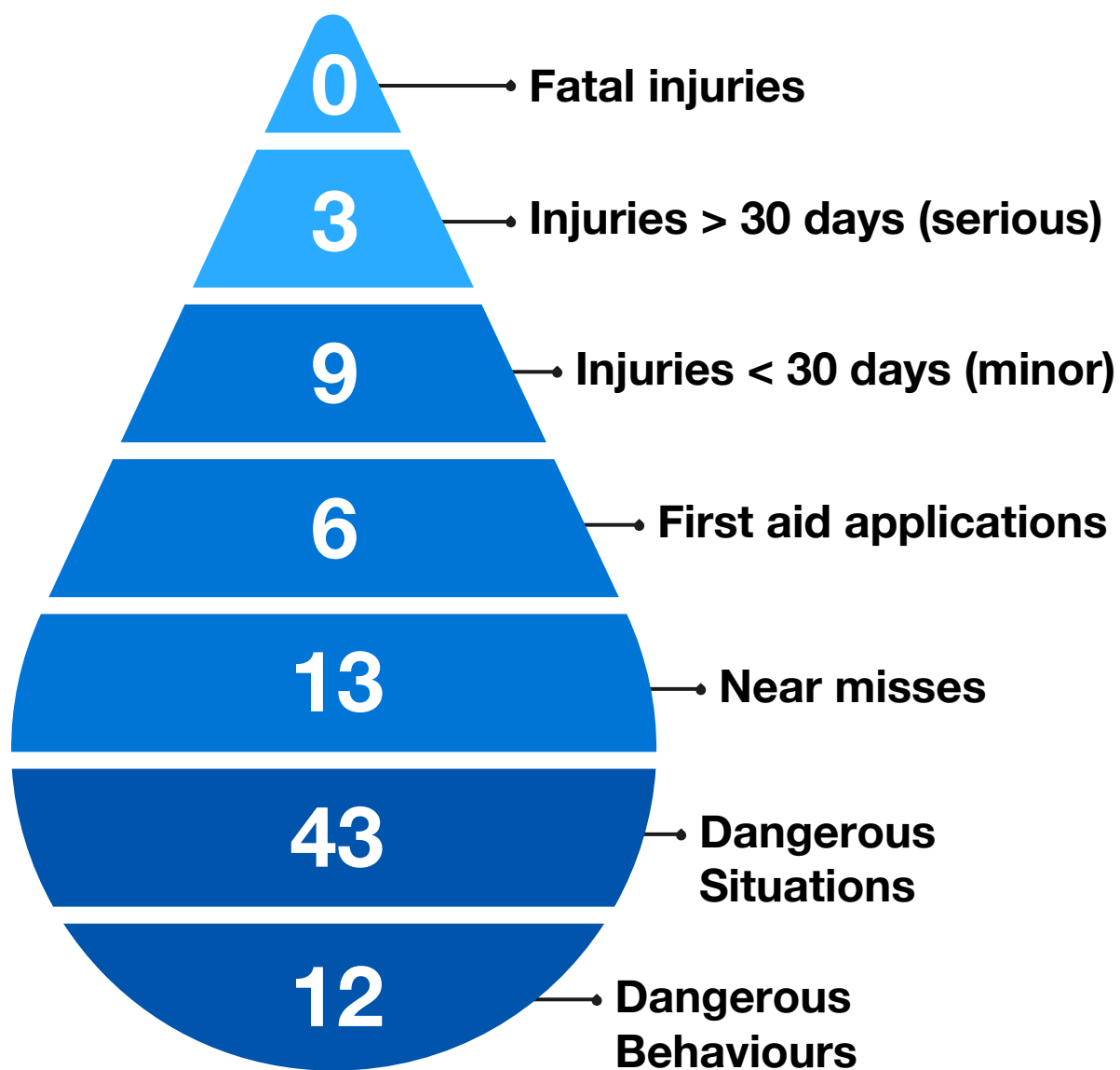
CONSULTATION AND PARTICIPATION

Worker participation and consultation is guaranteed by Caprari's management through meetings promoted by the Workers' Safety Representatives, as required by the national contract, and through specific meetings held in the event of changes to or the introduction of new production processes, or any other changes that could affect occupational health and safety.

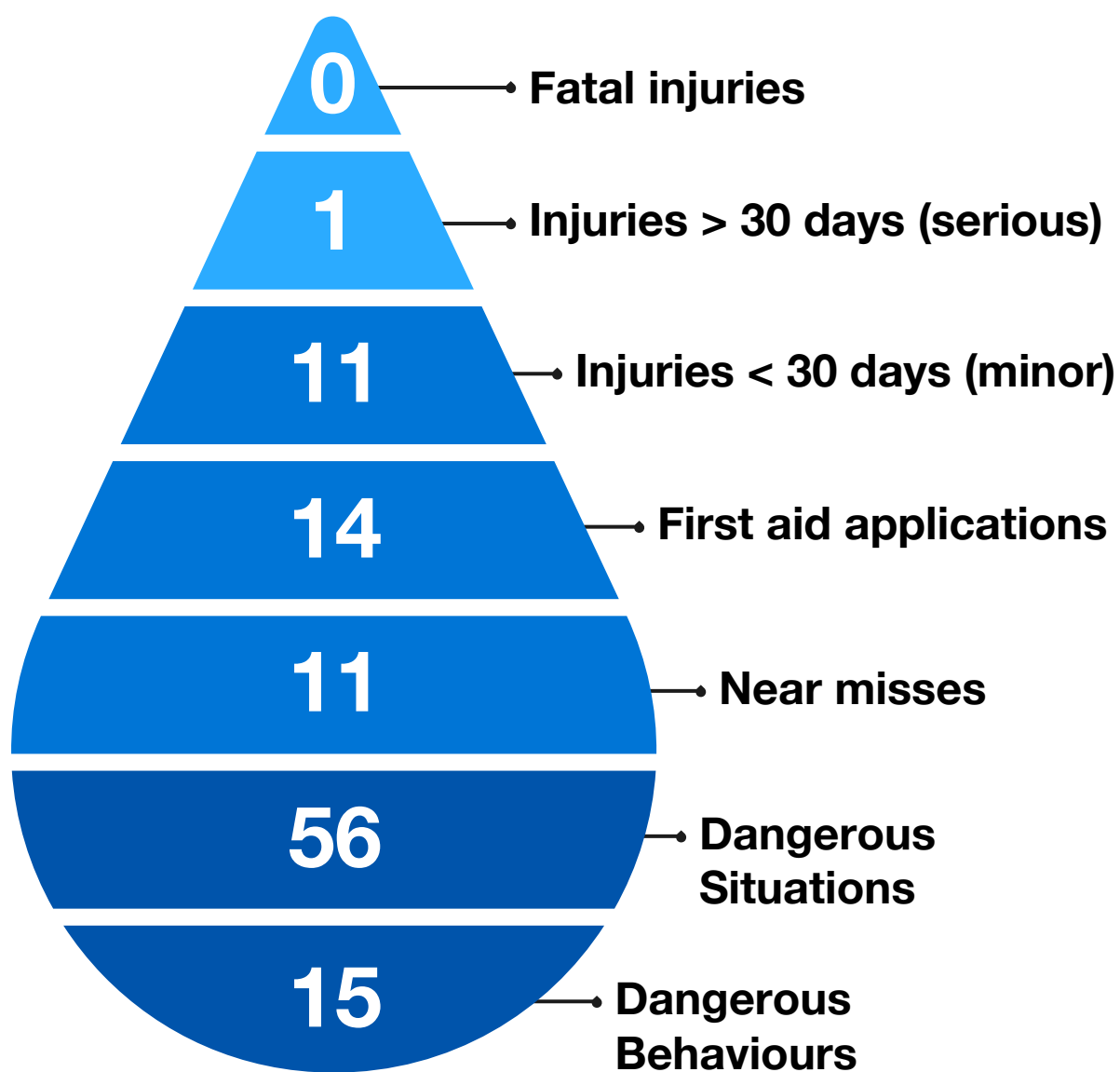
EVENTS OR REPORTING

Health and safety related events, near misses or near accidents, first aid applications, and occupational accidents are events that must be rigorously monitored and analysed, with prompt reporting and root cause analysis, in order to eliminate/reduce their occurrence and the occurrence of any other unsafe situations.

The total number of events recorded in 2023 is shown below. The indicators are managed separately for the production plants, and are displayed on special blackboards on the company premises for consultation by all internal and external personnel.



2022



2023

COMMUNITY AND TERRITORY



For Caprari, being sustainable means going beyond statements of principles, and translating the corporate values into a daily and credible commitment, with actions, choices and behaviours that are attentive to the needs of those who interact with the company.

For years, Caprari has developed a corporate social responsibility programme that includes concrete projects aimed at supporting local communities and international projects, all based on a long-term vision.



IN ZAMBIA WITH AMANI

For many years now, Caprari has been working with the Amani Onlus Association, which was founded in 1995 to support community housing, and educational, school and vocational centres in Kenya, Zambia and Sudan. In particular, Caprari supports the Mthunzi Centre in Zambia by providing pumping systems and assistance to wells for the facility's water supply.

Major extension work was carried out in 2023, with the installation of a solar panel system, which powers a pump for transporting water to the boys' hostel. Access to water, which is essential for health and well-being, is fundamental to the Mthunzi centre. In addition, Caprari contributes to ordinary expenses by ensuring daily meals for the children hosted by the centre. The centre is already planning further work for 2024, with the aim of accommodating an increasing number of children.

BENIN: THE ALFA KPARÀ MISSION - COTOUNOU

Caprari has been supporting the Congregation of the Daughters of the Sacred Heart of Jesus of Modena, active in Benin, for several years. Thanks to the mission in the village of Togbin (Cotonou), the company has contributed to the construction of housing for the girls attending the school.

In 2023, Caprari provided its own pumps to ensure the community has access to drinking water; water is a precious and fundamental resource in Benin, and some 36% of the population do not have reliable access to it.

This initiative aims to address the challenge of the limited availability of drinking water, which is essential for health and well-being, thus protecting and helping the region's new generations.



TONDO COME IL MONDO

In cooperation with Fondazione Ambiente, Caprari is committed to the “Tondo come il mondo” project: an educational initiative for primary school students aimed at promoting the responsible management of our planet’s resources.

Through a handbook explaining natural resources and suggesting effective ways to conserve them, children receive valuable guidance on everyday behaviour, and fun suggestions for activities to do in the classroom, outdoors, or even at home. The information is presented in a simple and engaging manner, without any alarmist tones, in order to raise young people’s awareness of the importance of protecting the environment.

GRI CONTENT INDEX

STATEMENT OF USE	Caprari S.p.A. has reported the information cited in this GRI content index for the period 1/01/2023 through 31/12/2023, in accordance with the GRI Standards.
GRI 1 UTILISED	GRI 1: Reporting Principles 2021
APPLICABLE SECTORAL GRI STANDARDS	N/A

GRI Sustainability Reporting Standard	page and notes
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2	GENERAL DISCLOSURES	
THE ORGANISATION AND ITS REPORTING PRACTICES		
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2-2	Entities included in the organization's sustainability reporting	6
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2-4	Restatement of information	Annual
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2-8	Workers who are not employees	54-56
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2-13	Delegation of responsibility for managing impacts	16-18
2-14	Role of the highest Governance Body in sustainability reporting	16-18
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2-19	Remuneration policies	Not applicable
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2-21	Annual total compensation ratio	62
STRATEGY, POLICIES AND PRACTICES		

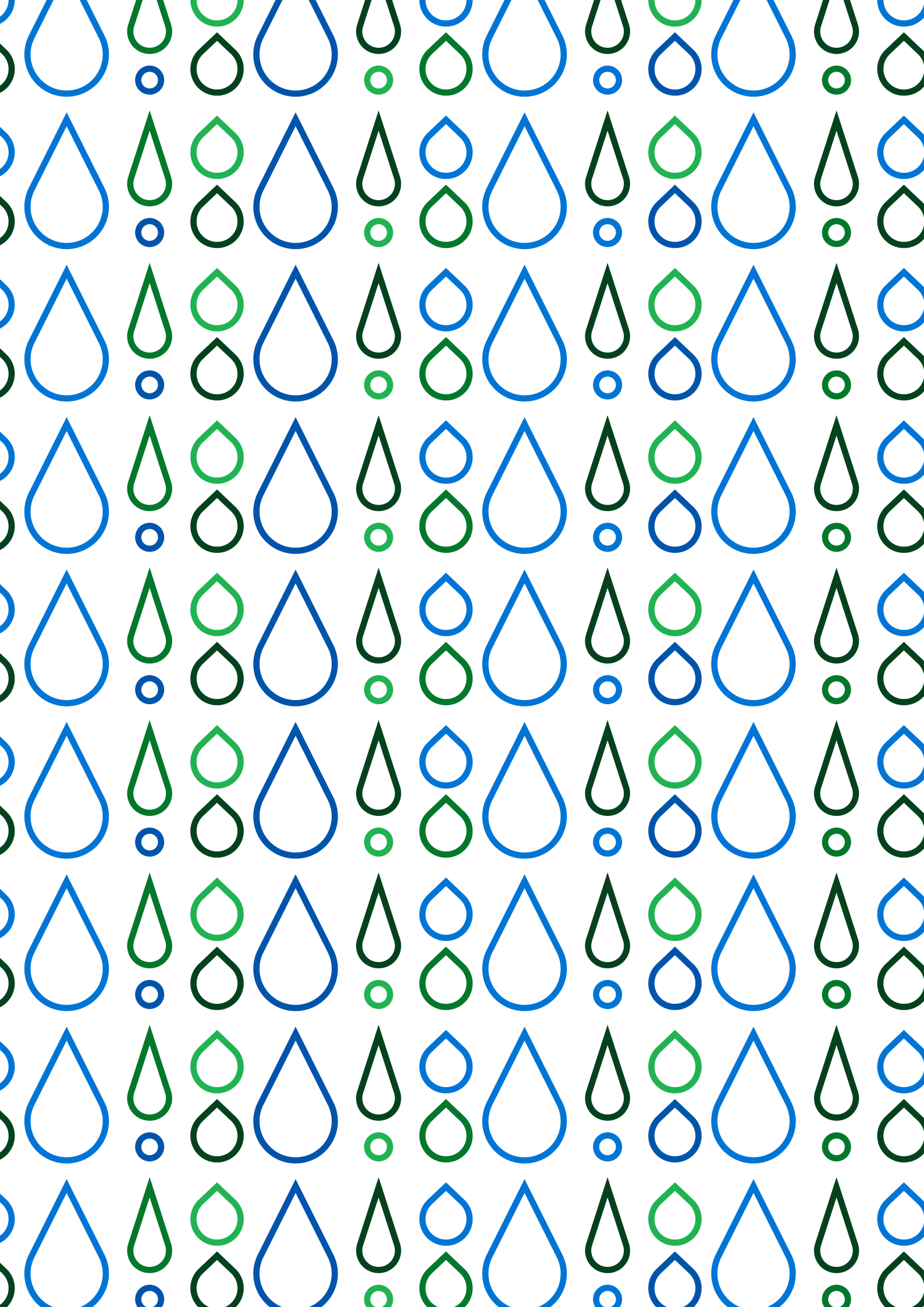
2-22	Statement on sustainable development strategy	4,13
2-23	Policy commitments	13,25,26-27
2-24	Embedding policy commitments	25
2-25	Processes to remediate negative impacts	25
2-26	Mechanisms for seeking advice and raising concerns	38
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203-2	Significant indirect economic impacts	Not applicable
204	PROCUREMENT PRACTICES	
204-1	Proportion of spending on local suppliers	31-33
205	ANTI-CORRUPTION	
205-1	Operations assessed for risks related to corruption	38
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205-3	Confirmed incidents of corruption and actions taken	None occurred
206	ANTI-COMPETITIVE BEHAVIOUR	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None occurred
207	TAX - 2019	
207-1	Approach to tax	Not applicable

207-2	Tax governance, control and risk management	Not applicable
207-3	Stakeholder engagement and management of concerns related to tax	Not applicable
207-4	Country-by-Country Reporting	Not applicable

300	ENVIRONMENTAL TOPICS	
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305-4	GHG emissions intensity	47
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403-8	Workers covered by an occupational health and safety management system	All
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406	NON-DISCRIMINATION	
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407	FREEDOM OF ASSOCIATION	

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408	CHILD LABOR	
408-1	Operations and suppliers at significant risk for incidents of child labor	Not applicable
409	FORCED OR COMPULSORY LABOUR	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Not applicable
410	SECURITY PRACTICES	
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411	RIGHTS OF INDIGENOUS PEOPLES	
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415	PUBLIC POLICY	
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416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	None occurred
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417-2	Incidents of non-compliance concerning product and service information and labeling	Not applicable
417-3	Incidents of non-compliance concerning marketing communications	None occurred
418	CUSTOMER PRIVACY	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None occurred





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