



SUSTAINABILITY
REPORT

2023



“ We take on big challenges as a Team, a team oriented toward common goals. This is only possible in a stimulating and collaborative environment where everyone feels involved, connecting on issues and values that go beyond economic goals. ”

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President's letter to stakeholders

One year after our transition to a Benefit Corporation, we are proud to present our second Impact Report and to confirm and share the important results achieved with the goal of pursuing the common benefit purposes set out in our bylaws. **2023 was a very positive year for the company confirmed by double-digit growth despite a very complex geo-political framework** involving markets, such as Russia or the Middle East, that are particularly important for Galdi. The global economic situation and high inflation did not favor cost containment, nevertheless the company grew and invested in improvement and waste reduction projects. Regarding product innovation, **the launch of the new RG280 platform was well received by the market**, which recognized its benefits in terms of increased food safety and reduced environmental impact. The Eco Design approach used for development, the introduction of next-generation technologies and increasingly high-performance advanced monitoring systems make it possible **to maintain production efficiency at maximum levels and improve it over time**. New digital native technologies also ensure more stable productions and lower consumption.

On the impact reduction front, the investment in the new testing facility enabled us to realize one of the most ambitious goals of the year, reducing total water consumption by 26 percent. In addition, in the operations area, a new reorganizational path dedicated to continuous improvement has begun, following the logic of Lean Manufacturing. The project will increase the efficiency of production processes, resulting in improved internal quality and reduced waste, and its impact will be seen as early

as 2024. In addition, the company has equipped itself with an energy consumption monitoring system to map the impact in terms of resource use and improve it from objective data.

Another important achievement in 2023 was the issuance of the Family Audit Executive, a path begun in 2019 precisely to ensure the well-being of workers and promote the needs of reconciling work and family needs through the adoption of specific initiatives. We are proud to be among the 401 private companies certified in Italy in 2023. Moreover, to define the next initiatives dedicated to Galdi employees, the "Positive Chemistry" project was launched, which will impact 2024.

During 2023, Galdi's engagement with schools and through the projects carried out thanks to the many collaborations with local institutes and associations was predominant. We were happy to welcome many visiting students and teachers, and it is a great satisfaction to see that Galdi is often involved and taken as a reference on so many initiatives that enhance the collaboration between the business world and schools or universities.

None of this would be possible without the commitment and professionalism of Galdi employees. The great challenges we intend to pursue are only achievable within a stimulating collaborative environment that puts people at the center. In this spirit in 2024 we will also involve our supply chain. **The companies belonging to our supply chain will be called upon to share our Code of Ethics**, which defines the rules of conduct and necessary behaviors to be consistent with the sustainable development goals we have defined.

Galdi's commitment as a Benefit company and as a promoter of virtuous behavior inside and outside the company is renewed year after year, with active involvement and support that we see growing with our own eyes. This is a more than positive sign that confirms and incentivizes the path we have chosen to take.

As usual, together for the common benefit.

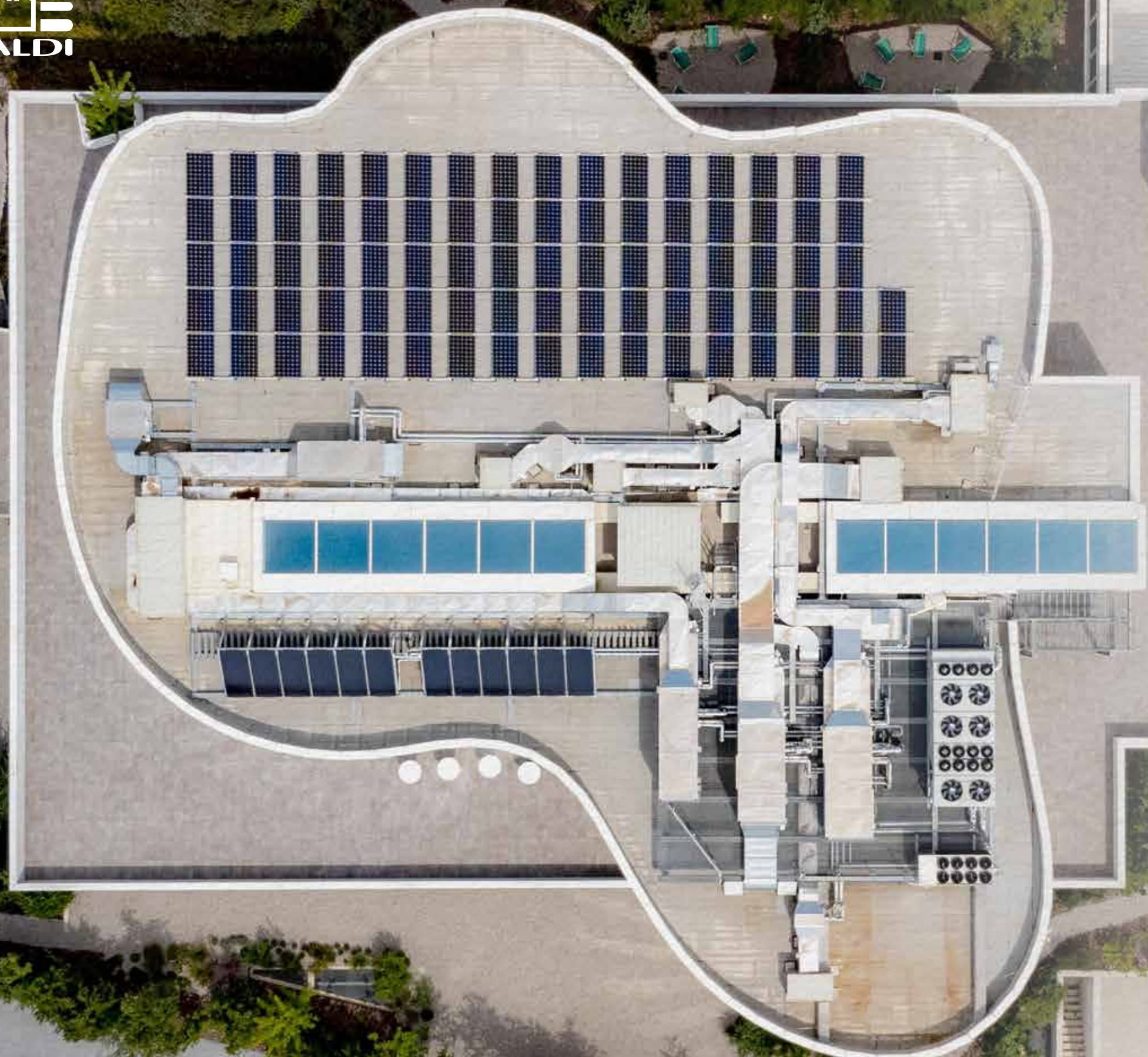


Antonella Candiotta
President and CEO



02

Galdi's Corporate Identity



Galdi's Corporate Identity

We care about the future of the planet, so we set environmental goals over time

Galdi Srl [Galdi] henceforth herein offers packaging technologies and solutions to the food industries, specifically targeting dairy, egg, and beverage processors such as, for example, water and juice. **Galdi's packaging solutions fill recyclable poly-bonded containers composed of more than 70 percent FSC paper, known in the industry as "Gable Top."**

Although the Global Industry Classification Standard identifies the company within the category of "Industrial Machinery & Supplies & Components," **Galdi actually acts as a partner for customers, offering not only primary packaging solutions but also other services such as complete packaging line engineering,** which includes packaging systems for secondary packaging and end-of-line.

Galdi works with companies of different sizes and nationalities, from start-ups to multinationals with offices around the world, supporting them in achieving their desired business goals. These are realities with different needs, which Galdi approaches in a diversified way and with

specific skills, from packaging design to financial and management consulting, passing through technical packaging solutions to engineering and project management skills, mostly suitable for structured realities whose goal is to increase the efficiency of production processes.

Galdi offers customers an after-sales technical support service, built up over the years in order to support customers in different areas of the globe, through the supply of spare parts and maintenance services designed according to each customer's production goals. The Help Desk service is complemented by the After Sales division with teams of specialized technicians in Italy and abroad. In particular, the company has hired local technicians in the areas where Galdi's "Strategic Business Units" are located: the United States, Morocco and Russia.

The strong propensity for innovation, inherent in Galdi's culture and passed on by Galdino Candiotta, who founded it in 1985, has inspired the continuous evolution of products and their digital transformation. With the aim of

reducing the environmental impact of packaging technologies and plant operating costs, Galdi has developed a digital platform that monitors the performance of systems, and through data returns to end users a whole range of useful information **to improve efficiency and simplify the use of packaging lines.**

In order to maintain a high level of product and service innovation, **the company collaborates with local universities and schools, offering internship, Thesis and Ph.D.** opportunities for young people, with the aim of bringing them closer to and introducing them to the company with a view to future employment. Galdi's commitment to the territory is translated first and foremost by seeking out local suppliers and partners capable of making a difference, with the aim of building a solid and loyal supply chain. In addition, the company aims to involve partners not only in the growth path to meet market challenges, but also toward ESG issues and Sustainable Development Goals.

The organization during 2022 became a Benefit Society. Benefit Societies represent a business model that in carrying out its activities, in addition to the purpose of generating profit, pursues one or more purposes of common benefit and operates in a responsible, sustainable and transparent manner towards people, community, territory and environment.

The Company cares about the future of the planet and has set itself environmental goals over time, some already completed others to be achieved. For this reason, it has adopted an Environmental Management System certified in accordance with UNI EN ISO 14001.



03

Report structure



The report in all its parts

An ongoing and transparent commitment to promote and support long-term sustainable and responsible development

QUALITATIVE PRINCIPLES OF REPORTING

The following Sustainability Report aims to report on Galdi's performance regarding the three **ESG areas (Environment, Social, Governance)** and in particular to decline the material issues identified as most relevant to its business context, as well as the specific purposes of common benefit included within the Corporate Bylaws.

This report makes use of the GRI Standards updated and published by the international organization Global Reporting Initiative and uses the "with reference to" mode of application of the standards. This mode relies on a part of the reporting tools made available by GRI without meeting all the requirements necessary to fall into the top-level category of "in accordance with" sustainability reports.

The "GRI Content Index" table allows for evidence of the coverage of GRI indicators associated with each sustainability theme reported in this document. This option provides as complete a picture as possible of the significant impacts on the economy, environment and people associated with the company. The information in this report is intended to show the organization's commitment to sustainable development.

The document follows the basic principles for reporting according to GRI 1:

Basic Principles

01 Accuracy

The company reports information correctly and in detail to enable proper evaluation of its performance.

02 Balance

Information is presented objectively by fairly representing both positive and negative aspects.

03 Clarity

Information is expressed in a clear and unambiguous manner.

04 Comparability

The information is reported in a way that allows an assessment of business performance over time and makes the report comparable.

05 Completeness

The information reported allows assessment of business impacts during the reporting period.

06 Context of sustainability

Galdi reports information on its impacts from a sustainable development perspective

07 Timeliness

Information is made available to data users on a regular basis and within a reasonable time

08 Verifiability

The data collected by the organization were selected so that they could be easily analyzed for the purpose of assessing their quality.

REPORT APPLICATION AREA

This second sustainability report considers operations from January 1, 2023 to December 31, 2023. The reporting boundary is the company's headquarters, located at Via Enrico Fermi 43, 31038 Postioma di Paese (TV). The organization operates in Italy where it has its only production site and is present in the markets of the United States, Morocco, and Russia through three "Strategic Business Units." The company prepares and publishes the Sustainability Report annually and the reporting period coincides with that of the financial report. Galdi declares that its Sustainability Report has not been validated by any external relevant bodies.



04

Governance



Governance

We undertake efforts to maintain a transparent work environment

Galdi is a single-member limited liability company incorporated in Italy at the Register of Companies of Treviso-Belluno. In order to respond effectively to the interests of its stakeholders, Galdi has adopted a multi-person collegial form of administration, and the auditing entity is a single-person body. The current administrative body is the Board of Directors whose tenure is continuous until the approval of the financial statements.

The Board of Directors provides for the ordinary and extraordinary management of the company and establishes strategic policy guidelines, evaluation of the adequacy of the organizational, administrative, and accounting structure, and general evaluation of management performance. **The structure of corporate bodies as of December 31, 2023 includes the 6-member Board of Directors, which carries out all operations necessary to achieve the corporate purpose and manages the company with the diligence required by the nature of the office.**

For the number of other principal offices held and commitments undertaken by each member of Galdi's Board of Directors, please refer to what is published in the Companies Register in relation to each member. Members of the Board of Directors are appointed by the ordinary shareholders' meeting, which passes resolutions in accordance with legal majorities.

It is the responsibility of the governing body to adopt the resolutions required by law, as well as adaptations of the Bylaws to regulatory provisions. The Board is responsible for the management and strategic direction of Galdi and is also responsible for decision-making processes and control of the management of the Company's

impacts on the economy, the environment and people, as required by the legal regulation of Benefit Societies in Italy, as it annually approves the Annual Report on the Pursuit of Common Benefit pursuant to Stability Law 208/2015 (Art. 1 c. 376-384), attached to the annual financial statements.

In carrying out every activity, Galdi operates by avoiding situations of conflict of interest, real or even only potential, that may interfere with the ability to make, in an impartial manner, decisions in the best interest of the Company and in full compliance with the rules described within the Company's Code of Ethics. In general, **the organization is committed to maintaining an ethical and transparent work environment** where conflicts of interest are managed effectively and in line with best corporate governance practices. Notifications of critical issues are conveyed to the highest governing body by the executive directors, who have a duty to make the board fully aware of the adequacy of the company's organizational and administrative structure and its general performance. **In the reporting period referring to the year 2023, there were no critical issues reported to the highest governing body.**

The Annual Report is prepared through a participatory process involving multiple internal business functions and external stakeholders. This process includes the collection and analysis of data on activities, business relationships, and internal initiatives, as well as stakeholder engagement to ensure an inclusive view of impacts. This document is prepared by the Company in line with the requirements of the regulations set forth in the Law on Benefit Societies (Law 208/2015)

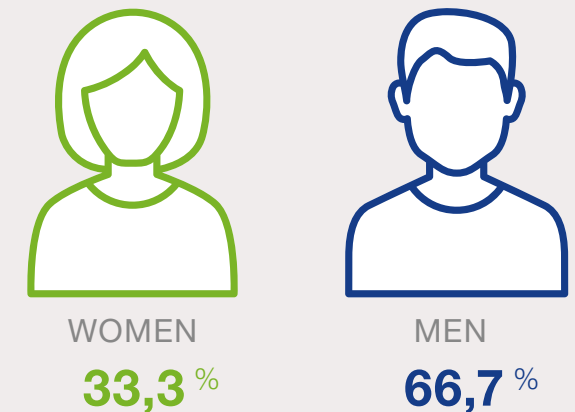
and approved by the Board of Directors jointly with the Draft Financial Statements, constituting to all intents and purposes an annex to the same. The structure of the Board of Directors can be viewed below.

For the purpose of identifying members of the Board of Directors, diversified skills are required in order to ensure a balanced combination of profiles and experience. **The members of the Board of Directors must be suitable for the performance of the office, in accordance with current regulations, and must meet the requirements of eligibility, professionalism, and honorability required by law.** All members of the Board of Directors ensure appropriate expertise with regard to the impacts generated by the organization. Board members are updated and involved with respect to processes related to materiality analysis and Galdi's social, environmental and governance-related impacts. The Chairman and other Board members are briefed and directly view the contents of the corporate sustainability report. The organization has a sole auditor.

It is specified that any revisions made to the information contained in this report are appropriately noted and commented on in the body of the text of this document.

For any information pertaining to the contents of this document, please contact the Impact Manager at the following e-mail address: info@galdi.it

COMPOSITION OF THE BOARD OF DIRECTORS BY GENDER



COMPOSITION OF THE BOARD OF DIRECTORS BY AGE GROUP



Benefit Society

We work with transparency, reporting annually on achievements, progress made, and future commitments

During 2022 Galdi became a Benefit Society. **Benefit Societies are driven by innovative values such as the commitment referred to environmental and social aspects, integrating in their corporate purpose, in addition to the objectives of generating profits, the purpose of having a positive cross-sectional impact on society and the community in which they operate.** Common benefit is defined as the pursuit of one or more positive effects (which can also be pursued by reducing negative effects) on people, communities, territory and environment, cultural and social goods and activities, entities and associations, and other stakeholders.

The transparent way in which Benefit Societies operate expresses the duty to communicate annually and report through the requirements of a comprehensive, reliable and independent standard, the results that have been achieved, progress and future commitments toward achieving a positive social and environmental impact.

The responsibility of Benefit Societies is embodied in the commitment they put into considering the Society's impact on the community and the environment in order to create a long-term sustainable outcome for all stakeholders.

In order to comply with the regulatory requirements of the Law of December 28, 2015, No. 208 paragraphs 376-384, and Annexes 4-5 **the company decided to measure its impacts using the international assessment tool of the B Impact Assessment.** The score currently achieved by Galdi was found to be 76.3. The score has not, at present, been validated or certified by the B Lab reference body.

Finally, in compliance with Paragraph 380 of the Law governing Benefit Societies, responsible individuals were identified to be entrusted with the functions and tasks aimed at the pursuit of common benefit purposes. The goal was to strengthen the corporate staff structure by entrusting the responsible persons with the task of supporting the Directors in the pursuit of the purposes of common benefit described within the Articles of Incorporation, as well as monitoring the activities by Galdi for this purpose.

As a Benefit Corporation, Galdi is committed to have a positive impact on the community and the environment. An evolved concept of a company that goes beyond profit goals.



The Society has for its object the specific purposes of common benefit described below:

01 Constant focus on innovation and sustainability of processes to make products that are ethical, of quality, safe and effective

02 A concrete and transparent commitment to environmental protection

03 Ensure the well-being of workers, their families, and the community through the development of initiatives that promote skill growth, awareness and dissemination of healthy lifestyles, and the principles of respect and diversity

04 Promoting the culture of beauty and beauty, including ensuring support for cultural and social initiatives, and the enhancement of the territory

Materiality analysis

Identifying the areas that can mostly affect ecosystems and the well-being of communities

Galdi is aware of how important it is to identify issues that are relevant to its stakeholders, so it promoted a survey among its stakeholders aimed at this end. **The company conducted the materiality analysis process with the aim of identifying the areas where the company's activities may most affect natural ecosystems as well as the well-being of communities, people and all stakeholders.** In application of the standard for sustainability reporting set by the Global Sustainability Standard Board, material aspects of sustainability were assessed with respect to their ability to significantly influence stakeholders' interest and opinion of Galdi. The analysis process was applied internally to the Company's management in order to identify material issues. Subsequently, the materiality questionnaire was shared with other stakeholders such as employees, customers, suppliers, insurance companies, banks, trade associations, etc.

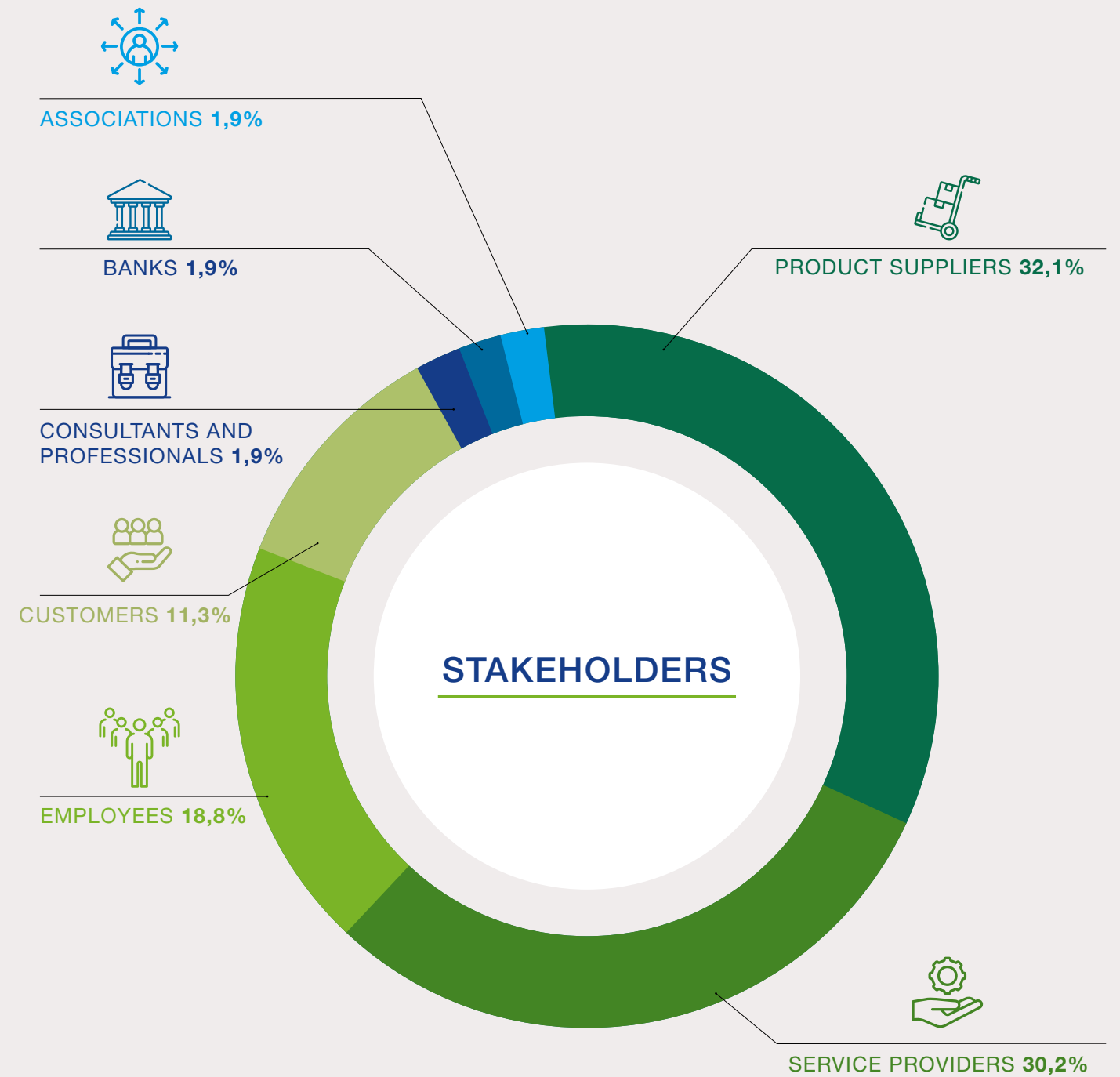
The current context of sustainability reporting involves the study of two different perspectives of materiality: the impact materiality perspective and the financial materiality perspective. **Galdi conducted an analysis based on the impact materiality approach**, which states that a sustainability issue is material if it gives rise to significant impacts (negative or positive, actual or potential) on people and/or the environment caused by the organization's operations and investments, its products and/or services, or its value chain in the short, medium, or long term. Impact materiality includes impacts on the environment and on people; the company's view of impacts alone would inexorably lead to a one-sided and lacking analysis of considerations and aspects detectable by external entities related to Galdi. With this in mind, elements, or stakehol-

ders, whose views ensure a comprehensive overview of relevant aspects of the organization were identified. These stakeholders or interested parties were involved during the operational phases of the materiality analysis through a process called **stakeholder engagement** in order to detect their interests and priorities in relation to Galdi's business.

Internal and external stakeholders identified and involved by the company are as follows:

- Employees
- Product suppliers
- Service providers
- Customers
- Banks
- Insurance
- Consultants and professionals
- Area associations

The breakdown of responses received from stakeholders is shown in the chart below.



MATERIAL ISSUES

Galdi identified the stakeholder categories, just listed, based on some general parameters such as frequency of contact with the organization. Another general parameter taken into consideration was the different nature and activities of the stakeholder, so that the viewpoint and referral priorities at the level of ESG impacts also varied. The stakeholders' priorities with respect to the material issues selected by Galdi were collected through the sending and subsequent analysis of online questionnaires, with the aim of listening to

them and involving them in the process of identifying the most relevant issues. To make their involvement meaningful, Galdi takes into consideration their feedback and expectations influencing the same materiality matrix presented in the following pages. In relation to the rights of the mentioned stakeholders, the company protects the privacy of all individuals who participated in the materiality analysis.

The chart below shows the material issues in order of impact:



TABLE OF IMPACTS

The table below shows the impacts resulting from the organization's activities related to material issues. Thus, starting from the material issues identified, it is possible to reflect the negative or positive, current, or potential impacts caused by the organization's operations and investments, its products and/or services, or its value chain with respect to material ESG issues. Current impact refers to an impact that is pre-

sent for the organization, while potential impact refers to an impact that could be generated but whose occurrence has not yet happened. Finally, the material issues divided into the three ESG dimensions were associated with each common benefit purpose included within the Corporate Charter.

ESG - ENVIRONMENT area

| MATERIAL ISSUE | POSITIVE/NEGATIVE | DESCRIPTION OF THE IMPACT | CURRENT/POTENTIAL | PURPOSE BY STATUTE |
|----------------------------------|-------------------|---|-------------------|-------------------------------|
| Energy management | Positive | Implementation of strategies aimed at efficiency of infrastructure and business processes in order to improve energy-related business performance and impacts | Current | 2nd purpose of common benefit |
| | Negative | Failure to adopt solutions to improve energy efficiency of infrastructure and business processes, resulting in increased energy consumption and related energy-related economic and environmental impacts | Potential | |
| Circular economy solutions | Positive | Adoption of business practices aimed at extending the life cycle of machinery and applying internal programs aimed at recovery and reuse of materials and production waste | Potential | 1st purpose of common benefit |
| | Negative | Failure to adopt circular economy practices, both product and process | Current | |
| Climate strategies | Positive | Monitoring and implementation of business strategies and practices aimed at reducing the impacts generated in reference to CO ₂ emissions, contributing positively to climate change mitigation | Current | 2nd purpose of common benefit |
| | Negative | Contribute to climate change through the emission of CO ₂ due to the company's activity | Potential | |
| Water resource management | Positive | Implementation of solutions aimed at water monitoring and efficiency. Improvement of business processes in order to conserve the water resource | Current | 2nd purpose of common benefit |
| | Negative | Failure to adopt business practices aimed at saving water | Potential | |
| Gestione e riduzione dei rifiuti | Positive | Management and optimization of waste generated through the introduction of virtuous practices aimed at recycling and material recovery, resulting in the reduction of hazardous, nonhazardous waste and waste from the production process | Current | 2nd purpose of common benefit |
| | Negative | Inadequate management and disposal of waste generated with potential consequences of high environmental impact and pollution, regulatory penalties, and human health risks | Potential | |

ESG - SOCIAL area

| MATERIAL ISSUE | POSITIVE/NEGATIVE | DESCRIPTION OF THE IMPACT | CURRENT/POTENTIAL | PURPOSE BY STATUTE |
|--|-------------------|--|-------------------|-------------------------------|
| Health and Safety | Positive | Implementation of a Health and Safety Management System capable of monitoring and mitigating risk situations by raising staff awareness and implementing improvement actions to reduce accidents and injuries at work | Current | 1st purpose of common benefit |
| | Negative | Lack of proper implementation of a Health and Safety Management System resulting in an increase in workplace accidents and injuries, lower employee trust and satisfaction, and increased likelihood of reputational damage and regulatory risks | Potential | |
| Support and enhancement of the territory | Positive | Social and economic development in the areas where the company operates, through economic investments and initiatives to support the local area | Current | 4th purpose of common benefit |
| | Negative | Disputes and environmental damage caused to local land and communities | Potential | |
| Employee benefits and welfare | Positive | Improving workers' welfare through welfare plans and equal opportunity protection | Current | 3rd purpose of common benefit |
| | Negative | Lack of attention aimed at the well-being of its human resources and the creation of an equitable and inclusive environment resulting in a potential reduction in employee satisfaction, lower productivity, and increased employee turnover | Potential | |
| Training and human capital development | Positive | Staff training and engagement with the goal of retaining and attracting talented people | Current | 3rd purpose of common benefit |
| | Negative | Difficulty in finding and attracting qualified personnel resulting from a failure to focus on training and professional development of human capital | Potential | |

ESG - GOVERNANCE area

| MATERIAL ISSUE | POSITIVE/NEGATIVE | DESCRIPTION OF THE IMPACT | CURRENT/POTENTIAL | PURPOSE BY STATUTE |
|---|-------------------|--|-------------------|-------------------------------|
| Innovation management | Positive | Proactive drive toward research, innovation and development of new processes and products to meet new and changing customer and market needs | Current | 1st purpose of common benefit |
| | Negative | Use of inefficient processes and obsolete technologies that generate wasted resources, negative impacts on the environment, and loss of market opportunities | Potential | |
| Responsible supply chain | Positive | Identification and management of environmental, social and economic impacts arising from its supply chain. Commitment to the purchase of materials, goods and services with better environmental impacts | Potential | 1st purpose of common benefit |
| | Negative | Contribution to the generation of negative social and environmental impacts from one's purchasing choices and failure to manage ESG risks from one's supply chain | Potential | |
| Business integrity, ethics and transparency | Positive | Business development in line with the principles of integrity and ethics in business conduct, contributing to internal and external awareness of these issues. Promoting the concept of transparency of information provided by the company, including with regard to being a Benefit Corporation | Current | Transversal |
| | Negative | Adoption of a business model that is not aligned with issues of ethics, integrity, accountability, and corporate transparency with potential negative implications in terms of reputation, trust from customers and employees, increased likelihood of legal risks, and compromised long-term stability | Potential | |
| Ecodesign and life cycle management | Positive | Implementation of strategies to integrate sustainability parameters into the design of new machinery | Current | - |
| | Negative | Failure to consider ecodesign aspects when designing new machinery | Potential | |

Materiality matrix

The importance of issues for company and stakeholders

The final output of the materiality analysis consists of a scatter plot called the materiality matrix shown below, which allows you to visualize the

priority of the impact related to each material issue for internal and external stakeholders (y-axis) and for the company (x-axis).

MATERIAL ISSUES

- 1 ENERGY MANAGEMENT

- 2 ECODESIGN AND LIFECYCLE MANAGEMENT

- 3 CIRCULAR ECONOMY SOLUTIONS

- 4 CLIMATE STRATEGIES

- 5 WATER RESOURCE MANAGEMENT

- 6 WASTE MANAGEMENT AND REDUCTION

- 7 HEALTH AND SAFETY

- 8 SUPPORT AND ENHANCEMENT OF THE TERRITORY

- 9 EMPLOYEE BENEFITS AND WELFARE

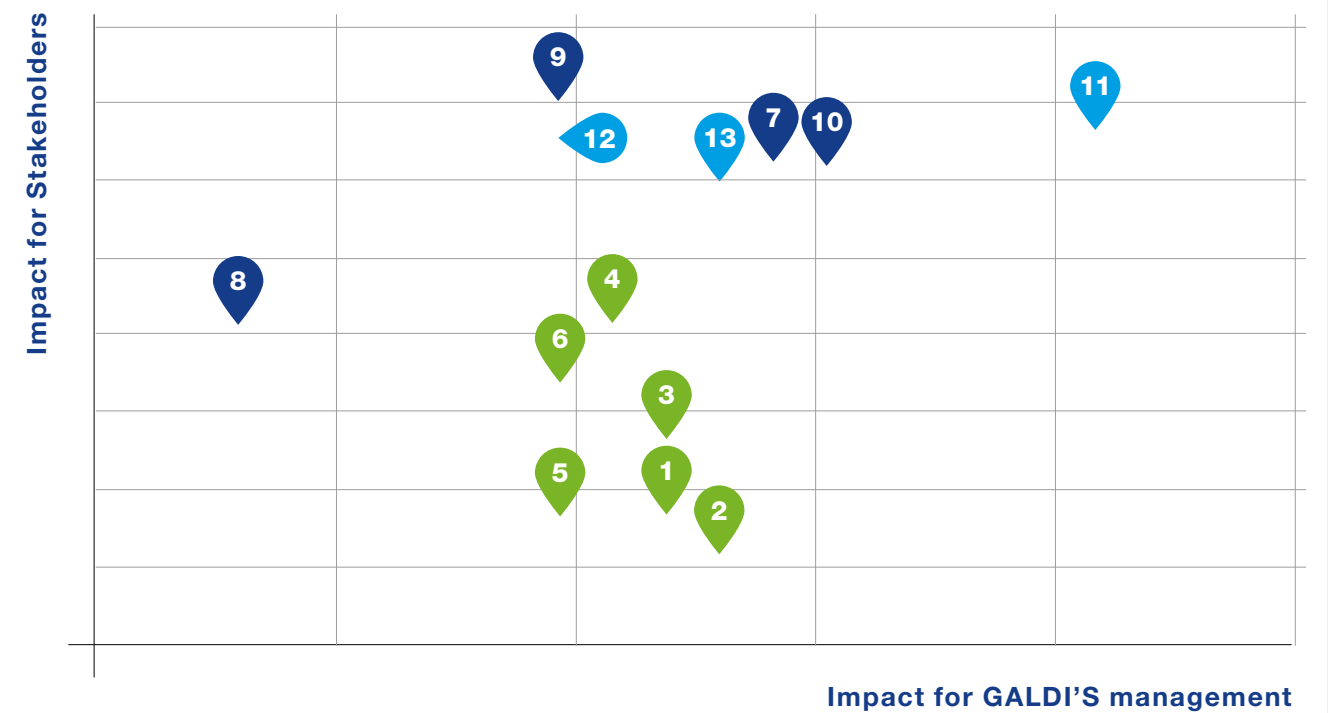
- 10 TRAINING AND DEVELOPMENT OF HUMAN CAPITAL

- 11 INNOVATION MANAGEMENT

- 12 BUSINESS INTEGRITY, ETHICS AND TRANSPARENCY

- 13 RESPONSIBLE SUPPLY CHAIN

MATERIALITY MATRIX



Innovation management

We are constantly engaged in finding new solutions to reduce costs, consumption and waste

Realizing that more than 8 million people consume a product packaged by Galdi technology on a daily basis, **the level of food safety we must guarantee to our customers is extremely high and for all intents and purposes a key driver of innovation.**

Other drivers that drive the development of our technology solutions are **focused on reducing environmental impact** through increased efficiency of electricity, water and compressed air consumption while increasing production performance.

Galdi has long adopted the **Eco Design methodology that prioritizes the development of sustainable solutions, carrying out a study with the University of Padua on the environmental impact of packaging systems in terms of energy consumption, water and CO₂ emissions.**

The Eco Design methodology integrates sustainability parameters into the design, which is then the starting and ending point for any new innovation. The same approach is applied to the overall efficiency of systems.

The process--based on initial analysis, sustainable design and performance monitoring--makes it possible to maintain **continuous and measurable progress aimed at reducing the impact of packaging solutions.**

Indeed, measuring the behavior of our packaging technologies is crucial to understand where or how we can possibly improve or support the customer in the proper management of the plant.

The leading indicator in this area is **TCO (Total Cost of Ownership)**. It represents the total cost of ownership for users of the technology, considering the operating costs of the system, starting from the initial investment up to energy, water, compressed air and chemical consumption, as well as packaging, maintenance, etc. As manufacturers of packaging systems, it is our priority to support customers in reducing the TCO of packaging solutions. **Considering the whole life cycle of a packaging system, we constantly strive to find new solutions to reduce costs, consumption and waste, ensuring the best possible return on investment.**

A constant focus from this point of view is to optimize the performance of packaging systems and ensure consistent, top-performing productions. For each type of packaged product, the goal is to be able to achieve the highest possible filling speed, while fully respecting the characteristics and quality of the product itself. This is possible thanks to Galdi's approach to development, which, as in the automotive sector, is based on the platform concept. This approach makes it possible to make the new solutions modular and adaptable in different models depending on the format and the product to be filled.

Coupled with this research and development work is the benefit of advances in technologies. The introduction of next-generation packaging technologies and the development of increasingly high-performance advanced monitoring systems makes it possible to always keep the production efficiency of packaging systems at the top and to improve it over time.

All of this results in more efficient use of the packaging solution and a net reduction in utilization costs.

New digital native packaging technologies ensure:

- Improved usability and optimized procedures
- More stable production
- Anticipation of downtime
- Net reduction in urgent interventions
- Direct connection with remote support



In the medium and long term, proper maintenance of a packaging system also plays an important role. **Thanks to the data transmitted by digital native solutions and the systems developed by Galdi, we have entered a new era in terms of resolving issues even remotely.** This means faster problem solving and the reduction of urgent interventions—other important items in reducing the TCO of packaging systems.

Galdi is committed to continuous improvement of component efficiency to maximize their useful life. This goal is pursued through close collaboration between supply chain, designers, After Sales, engineers, and testers and made possible by testing, simulations, and know-how gained through activities from customers. Reducing consumption and waste is a constantly renewing mission.

One example is the latest platform developed in Galdi, the RG280 model, which is distinguished from the RG270 model by its high hygienic performance. In addition, the RG280 in the washing phase requires the use of less water and chemical solutions than the previous model (32% less

water and 59% less chemicals than the RG270 model), and yet provides higher hygienic standards and allows for extended product shelf-lives.

Additionally, special attention during the development of the RG280 platform was paid to the 'efficiency of the filling process, achieving dosing accuracy already from the first packed units, thus limiting the waste of resources. Same philosophy for the product in the tank, the tank can be drained totally recovering the remaining product.

Ongoing research, as well as the development of new solutions to optimize the impact during the life cycle of packaging systems, are therefore also seen with a view to reducing TCO, to make Galdi products increasingly reliable, efficient and sustainable.



RG280



Fundamental then for TCO reduction is to increase plant efficiency, which can be measured through the MME index (Machine Mechanical Efficiency, according to DIN 8782). The MME is an efficiency indicator, related to increasing the availability of the packaging system for production (working time). It is therefore crucial for the reduction of impacts and costs to develop increasingly efficient products.

Thus, Galdi's goals include providing customers with increasingly enabling packaging solutions and technologies that can contribute to raising the MME, **increasing system availability periods for production, reducing downtime, and increasing the resolving capacity of downtime so that production activity and costs can be reduced.**

For these reasons, Galdi uses telemetry data collected from packaging systems and complete lines to inform customers and develop strategies with them to improve efficiency, aiming for increasingly high-performance but tightly controlled production lines to reduce their operational and environmental impacts.

Providing customers with packaging solutions and increasingly enabling technologies

SUSTAINABILITY OF PRODUCTION PROCESSES

Galdi's growth in recent years and the growth plan the company has outlined for the future led in 2023 to the implementation and implementation of a series of projects in the production area that resulted in space efficiency. In particular, **the redefinition of space has resulted in greater efficiency of the production process for the same resources.**

According to this vision of growth, in parallel in 2023 a continuous improvement path has been undertaken using the techniques of the Lean Manufacturing philosophy. A path that will increase the efficiency of production processes, resulting in improved internal quality.

An analysis of the company's current situation as of 2023 was carried out in order to initiate a

path that, starting from this first step, in 2024 will enable the definition and implementation of actions to make production processes more efficient, including through an analysis of waste in the company, with a view to reducing it. The necessary tools to undertake this path have therefore been prepared: **the Continuous Improvement operational team has been defined that, starting from 2024, will follow this process. This activity aims to gain internal time efficiency of 10 percent in assembly functions and 20 percent in testing functions by the end of 2024, leading to increased production while maintaining the same resources.**



DIGITAL SERVICES

To offer solutions that enable our customers to achieve their business goals while reducing their environmental impact is our priority.

With this vision since 2017, we have created and started a data collection infrastructure from packaging systems and production lines, beginning to design the transition path from the usual preventive maintenance to predictive maintenance. The goal is **to provide customers with the insights they need to maintain the productivity of packaging solutions to its full potential**, thereby helping them **reduce waste and consequently**, the environmental impact of their business.

The year 2023 can be referred to as a year of consolidation, as Galdi has completed a number of initiatives related to the topic, which have strengthened the infrastructure developed in previous years by demonstrating a strong focus on more advanced services.

In facing such a transition, one of the most difficult challenges one may encounter is the cultural one. Adaptation of the internal structure and the ability to explain to customers the value of knowing how to manage facilities better, necessitates a skills upgrade, which is essential to support the new competitive strategy.

With the intent of growing the company's knowledge in this area, the company has taken advantage of a number of collaborative initiatives with external entities specialized in this field.

From these initiatives, a dedicated team was officially born, focused on managing and implementing future innovation initiatives in the service area.

The adoption of digital technologies, together with the skills of the most experienced mechanical engineers, have positioned the company favorably to best pursue the implementation of new services, thanks in part to the enabling power of the digital transition.



Business integrity, ethics and transparency

Galdi has always sought to implement good corporate governance practices and in 2023 began the process of implementing an Organizational and Management Model pursuant to Legislative Decree 231. Integrity, transparency, honesty, fairness, loyalty and professionalism are the principles that must guide corporate activities and business, in compliance with the rules set to protect competition and with the awareness that lawful and integral behavior is the foundation for lasting success, built on the trust of customers, investors, colleagues and the local community.

In addition, through the Procedure for Reporting Violations, **Whistleblowing**, the methods through which to report any violations of national or European Union regulatory provisions that harm Galdi's public interest or integrity are regulated.

The Whistleblowing procedure is available in the "legal info" section of the company's website where all the information inherent to who can report, how to report, what can be reported, how reports are handled, what protection measures are guaranteed, and how the personal data provided are processed. It is reported that no reports were received through this channel during 2023.

To decline the company's commitment to integrity, ethics, and transparency **during 2023 Galdi created a Code of Business Ethics to guide the company in making decisions.** The approach to sustainability in Galdi is inspired by international standards, such as International Labor Organization (ILO) Standards; Sustainable Development Goals defined by the United Nations in Agenda 2030 (SDGs); and the Universal Declaration for Human Rights.

Specifically, the principles described within the Code of Ethics are as follows: a commitment to avoid all forms of discrimination, harassment, forced and/or compulsory labor, child labor, and upholding the dignity of workers, encouraging diversity and providing equal opportunities for all through continuing education. **The Code of Ethics is a tool for implementing ethical-social and environmental responsibility and enunciates the set of rights, duties and responsibilities to all stakeholders and contributes to the creation and maintenance of a corporate culture based on integrity, ethics and responsibility.**

The Company is constantly committed to operating in compliance with applicable regulations in all of its activities. This commitment reflects an unwavering focus on integrity, transparency and business ethics, as well as dedication to serving customers in compliance with laws and regulations. Galdi will continue to actively monitor regulatory compliance and take corrective and preventive measures when necessary to ensure continued compliance. Galdi, as specified within its Code of Ethics adopts a zero-tolerance policy toward corrupt practices, illegitimate favors,

and collusive behavior. It is absolutely forbidden to solicit, directly or through third parties, personal benefits for oneself or others, contrary to the principles of fairness, honesty, respect and professionalism. These provisions are regulated within the Code of Ethics. During the reporting period, Galdi confirms that no incidents of corruption were found. No employees were disciplined or dismissed for reasons of corruption, and no contracts entered into with business partners had to be terminated or not renewed due to violations related to corruption events. In addition, no legal cases in the public domain regarding corruption were filed against the organization or its employees during this reporting period. As outlined in the Code of Ethics, Galdi recognizes free competition, as long as it is fair, as a determining factor for growth and continuous business improvement, further confirming that during the reporting period there were no legal actions regarding anti-competitive behavior and violations of antitrust laws in which Galdi was identified as a participant. Finally, **no incidents of discrimination were found within the organization during the reporting year.**

Ecodesign and life cycle management

In collaboration with the University of Padua, in 2017 Galdi conducted the Life Cycle Analysis of two products, focusing on the indicators of Carbon Footprint and Water Scarcity Footprint. Subject of the analysis were the RG250UCS (old model) and RG270UCS (new and current model) packaging solutions made in the standard configuration (no optional). The objective of the analysis was to identify potential hot-spots related to the production and use of the packaging systems and to define useful guidelines for the development of future company products. The boundary of the study was the set of all business processes required for the manufacture, distribution, use, maintenance and possible disposal of the packaging systems under analysis.

The study revealed that the phase of system use at the customer site has the greatest impact in relation to Carbon Footprint and Water Scarcity Footprint. From the results of this analysis, Galdi sought to orient the design choices of packaging solutions on the aspects described above in order to pursue

an improvement in the environmental performance of the systems implemented.

Galdi also oriented the design choices of new packaging solutions with the goal of reducing consumption in relation to production performance. The main objective has been to develop packaging systems that contribute to increasing the shelf-life of the packaged product, through the study and implementation of some features for improving hygienic conditions during the packaging process stages. Increasing the shelf-life of product makes it possible to ensure a longer shelf-life of the product, as well as to avoid contamination, thus decreasing product waste and thus in a way combating “food-waste.”



During 2023, Galdi's packaging division, **FILL good**, commissioned an LCA study to verify the actual impact of the Gable Top poly-coated carton in a different area of use than the usual food sector, that is, applied to the non-food sector of detergents and home and body-care products.

The purpose was for an analysis of the various stages of the process, with particular focus on those usually most impactful, from cradle to grave of the product, to verify the actual sustainability of the container compared to other types of packaging currently available on the market. The functional unit for the containers examined was 1000 ml, and the study area Italy. The study was

used with the objective of having more information during the design/development phase of a carton dedicated to the packaging of non-food products, to assess whether what had been developed so far could be improved.

The results obtained (which cannot be published because the study has not yet been validated by a third-party certifying body) laid the groundwork for further development in this direction. The product was nominated for the Packaging Oscar 2024, which has awarded the most innovative ideas and solutions related to packaging and packaging systems every year since 1957.

The complex issue of accessibility to the packaged product, ranging from easy opening and ergonomics to the clarity and transparency of the information on the packaging is one of the focuses of the 2024 edition of the Best Packaging contest.

Regarding circular economy solutions applied to the product, Galdi offers a service of buying and selling used packaging solutions, under its own brand. The restoration of packaging technologies actually lowers the environmental impact of disposal. A saving for the environment but also for customers. Those who sell a used Galdi save on the expense and environmental burden of disposing of packaging systems (even transport to the site is borne by Galdi). Those who buy, on the other hand, will be able to count on a remanufactured and upgraded packaging system directly from the manufacturer, with a still long useful life cycle. In 2023, no packaging system has been revamped.



Responsible supply chain

Galdi's main suppliers are represented by companies that produce stainless steel custom components, (carpentry, CNC, etc.), electrical panels, electrical, electronic and mechanical components, as well as suppliers of wood packaging. **Aware of the fact that the values it believes in can only be fully respected if they are shared with all its business partners, Galdi has defined a Code of Ethics, and to better define its expectations and guidelines of behavior in the ESG sphere towards suppliers,** the company has set as a goal for the year 2024 that of creating and sharing with all suppliers a Code of Conduct.

Also for 2023 as a supply chain engagement action, materiality analysis was conducted by administering a questionnaire to suppliers through a link. In this phase, the company involved both product and service suppliers, selected based on the strategic impact the supplier has on Galdi's business.

Regarding the proportion of spending made to local suppliers, in relation to Galdi's procurement activities, the Postioma di Paese (TV) plant in the Veneto region of Italy, which is also the company's headquarters, was designated as the location of significant activity. As a procurement definition for "local area," the company decided to use the metric of an 80-kilometer radius around the organization's perimeter.

All direct material suppliers, i.e., suppliers directly related to product manufacturing, active during the year 2023 were selected for analysis. The table below shows the percentages of the value of purchases to suppliers located Non-EU, EU, Italy, and within 80 km of the Postioma di Paese (TV) site.

PERCENTAGE OF THE VALUE OF PURCHASES BY SUPPLIERS BY GEOGRAPHIC AREA

| GEOGRAPHICAL AREA | 2023 | 2022 |
|--|--------|--------|
| Extra Europe | 1,40% | 0,30% |
| Europe | 98,60% | 99,60% |
| Italy | 95,90% | 97,90% |
| within 80 km of Galdi Headquarters, (TV) | 51,70% | 62% |



During 2022, a risk-based analysis of suppliers was conducted from a sustainability perspective, considering ethical, social, and environmental parameters to understand the potential risk class of each supplier. This work will be preparatory to a detailed ESG assessment of suppliers that will take place during 2024.

2023 was a key year to improve its regulatory system toward suppliers with the goal of collecting data on the origin of purchased materials. **Since 2023, Galdi has managed the supply chain 360 degrees, using a dedicated platform to financially monitor its suppliers, especially strategic ones, and any risk factors** (e.g., solvency, critical variances, scores, etc.).

On May 17, 2023, in collaboration with Intesa San Paolo, Galdi opened its doors to suppliers for an event on sustainability, with a focus on the Confirming Program. **The event, titled "The Importance of the Supply Chain for Business," was an engagement initiative that highlighted how**

business-to-business relationships are maturing toward quality lasting partnerships that can lead to shared growth in both production and sustainable development.

With this in mind, the Confirming Program offers suppliers the advantage of becoming part of a certified supply chain, and joining the program allows them to enjoy more advantageous conditions on the financial side, such as the possibility of requesting early payment of their invoices from the bank quickly, with a subsidized rate, in order to safeguard their investment and production capacity. Being part of the supply chain allows one to improve one's financial rating, with additional benefits in view of potential investments. The meeting was also a valuable opportunity to focus the discussion on the value of the supply chain and the sharing of forces and goals for common growth.

05

People



A constantly growing team

We invest in experience, expertise and human relationships

The company’s workforce is central to Galdi’s business. **Experience, expertise, and human relations are the basis of the Company’s daily routine.** Despite the difficulties related to the markets and the impacts caused by the recent pandemic, Galdi has demonstrated resilience, evidenced by the steady growth of its workforce over the period from 2022 to 2023. Specifically, **the growth rate in the number of employees on a net basis was 7.8 percent in 2023**, up from 2022. Changes in the number of employees over the two-year reporting period mainly reflect the growth of the company’s business and Galdi’s commitment to investing in human resources and consolidating its position in the market.

By 2023, 100 percent of employees are employed through a permanent contract. The preference for permanent contracts not only provides security and stability for employees, but also fosters **the creation of a solid and reliable work environment** where know-how and skills can be developed and preserved over time, thus contributing to the success and continued growth of the organization. All of Galdi’s employees are classified through the CCNL for the engineering sector. The following tables show the breakdown of job categories in Galdi by diversity and grading for the years 2022 and 2023.



In both reporting years, most of employees are counted within the occupational category of white-collar workers, and the age group within which workers most frequently fall is found to

be between 30 and 50 years old. **In 2022 the percentage of women in the company stood at 17.4 percent, while in 2023 the percentage of women in the workforce increased to 18.9 percent.** The largest category of workers in Galdi is white-collar workers followed by blue-collar workers.

As for terminations, they mainly involved the age group of 30-50 years old. In 2023, terminations involved 16.7% of women and 83.3% of men. Regarding terminations by age group, it is reported that 33.3% of terminated workers are in the under-30 age group and 66.7% in the 30-50 age group.

Finally, regarding non-employee workers employed by the organization, it is reported that as of 12/31/2023 the workforce counted the presence of 2 temps and 1 intern. The average number of nonemployee workers during the reporting year was 3.2. The main tasks of the interns during 2023 can be summarized as clerical tasks at the after-sales level, administrative, in the purchasing area, and blue-collar tasks in the production area. The main activities performed by the interns during the reporting period were in the areas of machine intelligence and after-sales.

PERSONAL DATA REPORT

| | 2023 | 2022 |
|---------------------------|---|---|
| |  |  |
| | 111 TOTAL EMPLOYEES | 103 TOTAL EMPLOYEES |
| indefinite | 100% | 98,10% |
| fixed-term | - | 1,90% |
| part-time | 6,30% | 4,90% |
| new hires | 13,50% | 10,70% |
| men | 81,10% | 82,50% |
| women | 18,90% | 17,50% |
| average hours of training | 19,3 | 25,2 |
| turnover* | 5,40% | 4,90% |
| job growth rate** | 7,80% | 6,20% |

*turnover is calculated as: (workers terminated year of reporting / no. of employees as of December 31) x 100

** (Total employees as of December 31 - number of employees 12 months prior to reporting year) / number of employees 12 months prior to reporting year) x 100

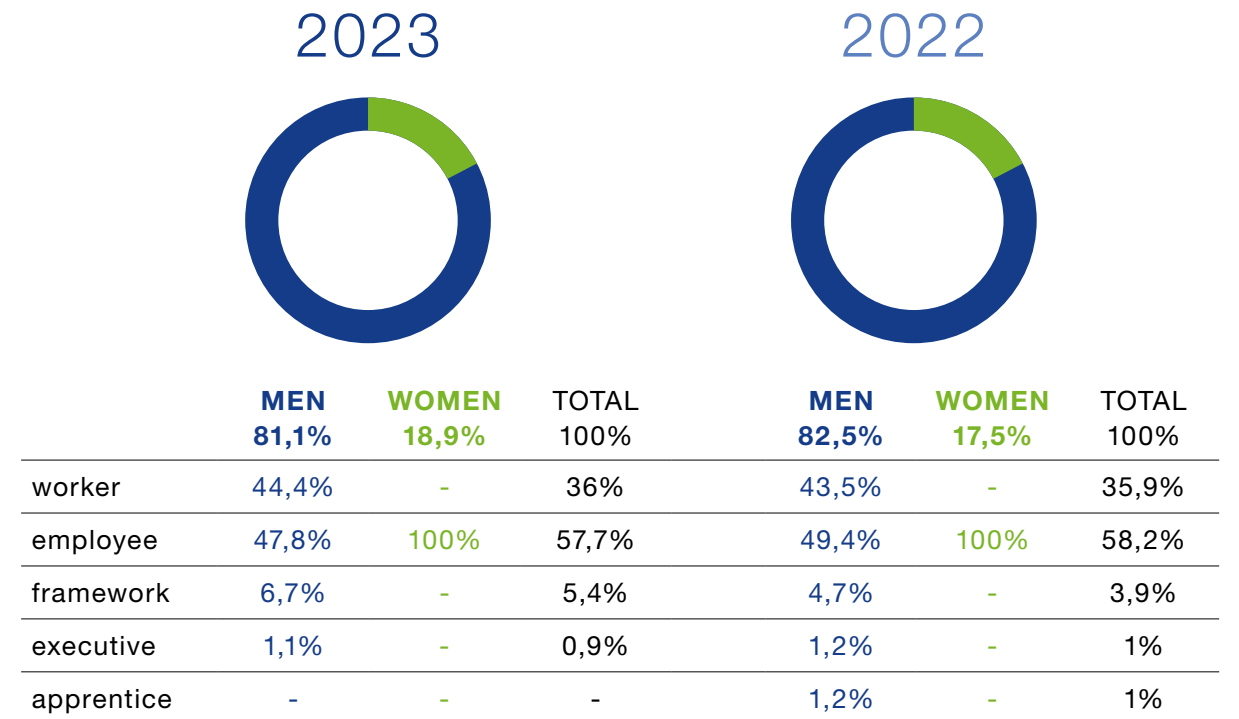
BREAKDOWN OF PROFESSIONAL CATEGORIES BY AGE GROUP

| | AGE GROUP | WORKERS | EMPLOYEES | FRAMEWORKS | EXECUTIVES | APPRENTICES | TOTAL |
|------|------------|--------------|--------------|-------------|--------------|-------------|-------|
| 2023 | <30 | 12,5% | 12,5% | - | - | - | 11,7% |
| | 30-50 | 52,5% | 76,6% | 33,3% | - | - | 64,9% |
| | >50 | 35% | 10,9% | 66,7% | 100% | - | 23,4% |
| | TOT | 36% | 57,7% | 5,4% | 0,90% | - | 100% |
| 2022 | <30 | 16,2% | 13,3% | - | - | 100% | 14,6% |
| | 30-50 | 48,7% | 81,7% | 25% | - | - | 66% |
| | >50 | 35,1% | 5% | 75% | 100% | - | 19,4% |
| | TOT | 35,9% | 58,2% | 3,9% | 1% | 1% | 100% |

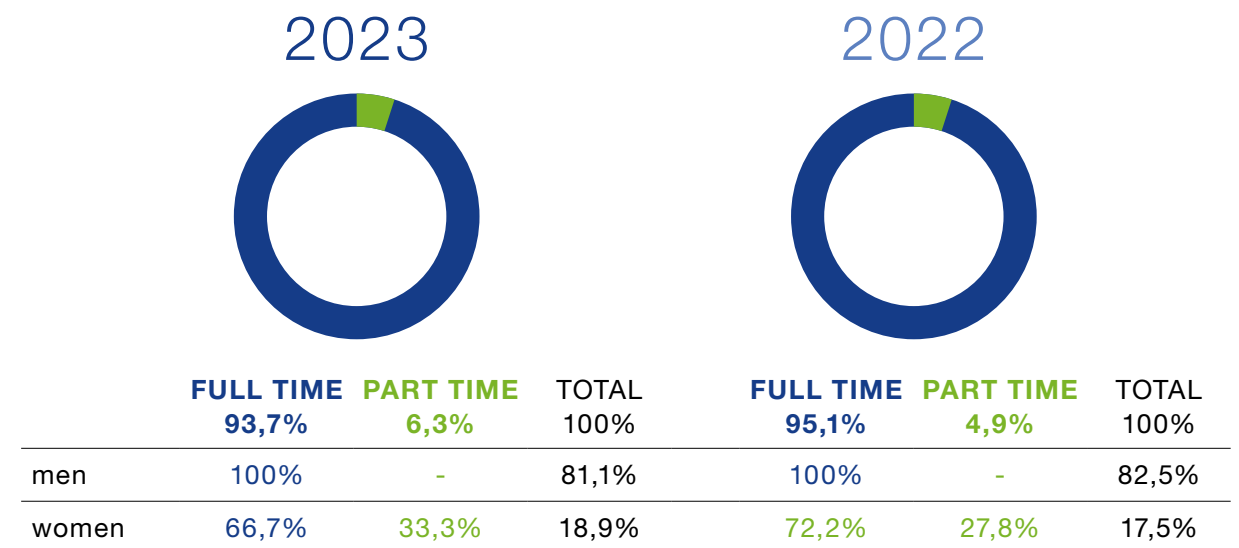
CORPORATE WORKFORCE BY AGE GROUP

| | ETÀ | MEN | WOMEN | TOTAL |
|------|------------|--------------|--------------|-------|
| 2023 | <30 | 12,2% | 9,5% | 11,7% |
| | 30-50 | 60% | 85,7% | 64,9% |
| | >50 | 27,8% | 4,8% | 23,4% |
| | TOT | 81,1% | 18,9% | 100% |
| 2022 | <30 | 16,5% | 5,6% | 14,6% |
| | 30-50 | 60% | 94,4% | 66% |
| | >50 | 23,5% | - | 19,4% |
| | TOT | 82,5% | 17,5% | 100% |

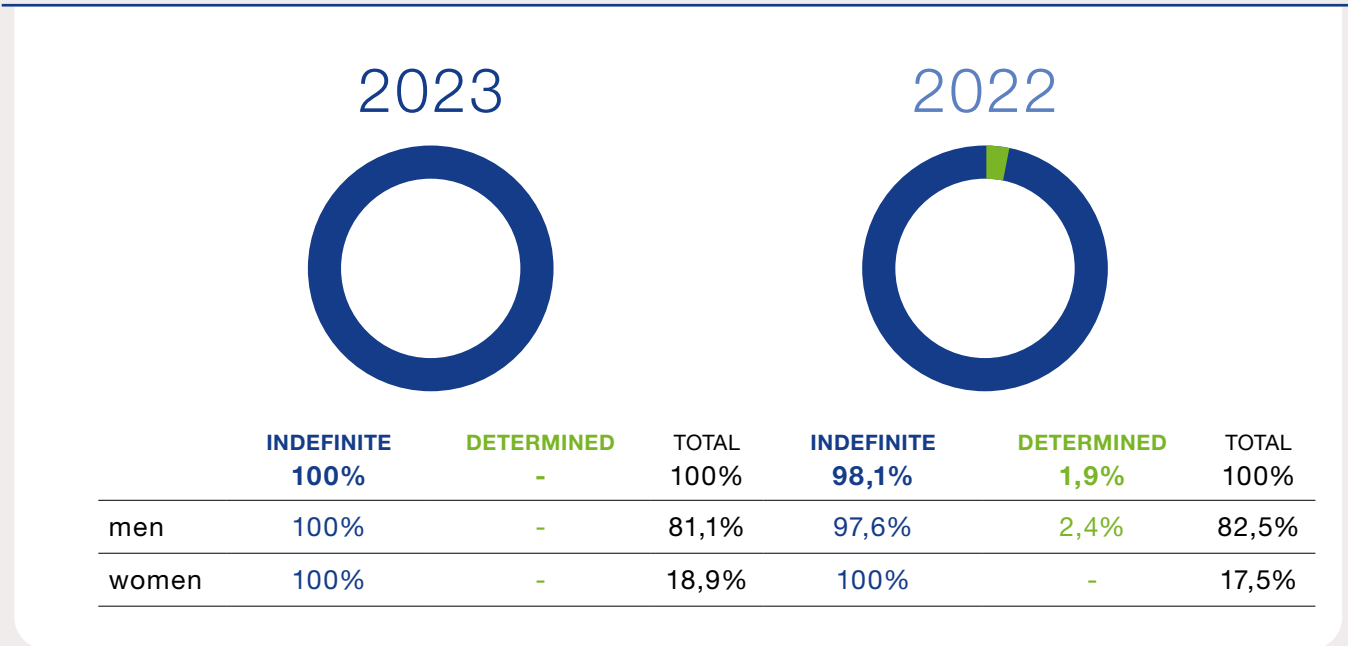
CLASSIFICATION BY JOB DESCRIPTION



TYPE OF EMPLOYMENT BY GENDER



BREAKDOWN OF EMPLOYEES BY EMPLOYMENT CONTRACT



RECRUITMENTS AND TERMINATIONS

| | AGE GROUP | RECRUITMENT | | | TERMINATIONS | | |
|------|-----------|-------------|--------|-------|--------------|--------|-------|
| | | MEN | WOMEN | TOTAL | MEN | WOMEN | TOTAL |
| 2023 | <30 | 9,1% | 25% | 13,3% | 40% | - | 33,3% |
| | 30-50 | 72,7% | 75% | 73,4% | 60% | 100% | 66,7% |
| | >50 | 18,2% | - | 13,3% | - | - | - |
| | TOT | 73,30% | 26,70% | 100% | 83,30% | 16,70% | 100% |
| 2022 | <30 | 36,3% | - | 36,3% | - | - | - |
| | 30-50 | 36,4% | - | 36,4% | 50% | 100% | 60% |
| | >50 | 27,3% | - | 27,3% | 50% | - | 40% |
| | TOT | 100% | 0% | 100% | 80% | 20% | 100% |

It should be noted that there are no non-guaranteed hourly employees on staff in the reporting years 2022 and 2023. Please note that the above data are in headcount at the end of the reporting period.



Health and Safety

Ongoing commitment to maintain high standards through training and prevention activities

Galdi recognizes that achieving high safety standards depends on the contribution of the entire organization and is committed to this goal by establishing a continuous improvement process in line with the requirements of **UNI EN ISO 45001:2018 Certification**. Having achieved ISO 45001 certification demonstrates the organization's commitment to this issue. To implement this commitment, the company has defined a Health and Safety Policy and implemented several internal procedures, including some regarding accident monitoring and defined training activities aimed at raising awareness of responsible behavior among company personnel. In Galdi, an organizational chart has been defined and communicated that lists the company figures responsible in Health and Safety and their dedicated teams, defining their tasks.

For the company, it is fundamental to ensure that internal and external workers, engaged in the pursuit of Galdi's productive activity, have a safe and consonant working environment, without any risk to their health and safety. In addition to following the relevant legal obligations and in compliance with the indications derived from the certification, the company has equipped itself with a Manual having the purpose of describing the system of procedures and controls, as well as the figures in charge of controlling them. The systemic approach ensures the effective possibility of planning activities, roles and responsibilities in order to involve all those responsible for the organization as well as for the other services connected to it. To achieve this goal, the company is dedicated to promoting and consolidating a culture of occupational health and safety by fostering awareness of risks through adequate resources, education and training.

Occupational health and safety training is planned annually and provided based on legislative requirements and the particular nature of the work performed by each individual worker. In addition to training courses, targeted training and education plans are in place based on the tasks of individuals. Moreover, for all employees, in compliance with Legislative Decree 81/08, mandatory periodic medical examinations are carried out by the competent doctor in order to assess their fitness for the job.

Careful risk assessment through the DVR has made it possible to identify all possible sources of danger to its employees, enabling it to implement the appropriate actions to prevent, reduce and, where possible, eliminate such situations: from the appropriate management of chemicals and processes to the proper operation, maintenance and control of facilities. When necessary, external figures are involved in the process to support the company in carrying out instrumental investigations aimed, for example, at assessing risk levels for different areas and business functions. Once the analysis is completed, any risks found are parameterized on a rating scale in order to identify the actual level of risk and the priority of control actions to be taken. The risk analysis related to health and safety (DVR) is reviewed periodically. The company has a Single Document for the Evaluation of Risks from Interference (DUVRI). This document is made available to outside companies commissioned by the organization to carry out activities within its premises.

The purpose of the document is **to promote cooperation and coordination between the organization and contractors and/or self-employed workers.** This is a document aimed at identifying interference risks, assessing them and identifying measures to be taken in order to eliminate or reduce these risks as much as possible. Specific health protocols have also been defined based on risk analysis, which define periodic **health surveillance for employees** according to their associated level of risk, depending on each person's duties.

Galdi periodically analyzes health and safety aspects through meetings attended by members of the health and safety team. **Audits are conducted periodically** with the aim of analyzing health and safety aspects in detail, **identifying associated risks and any corrective actions to be implemented.**

Galdi provides personal protective equipment (PPE) to personnel working in work areas where it is provided. Hazards that pose a risk of injury with serious consequences are analyzed and noted in the DVR, and mitigation measures are identified and implemented by various managers.

The following tables show the accident data of employees and non-employees over the three-year period 2021-2023. Injuries were calculated based on the guidelines described in GRI 403-9, and 1,000,000 was used as the multiplier coefficient. Specifically, the occupational injury rate was calculated as the number of injuries in relation to total hours worked. The serious injury rate includes occupational injuries with serious consequences, while the death rate includes the number of deaths caused by on-farm injuries. The same denominator and multiplier coefficient, i.e., 1,000,000, is used for all indices.

EMPLOYEE ACCIDENT INDICES

| | 2023 | 2022 | 2021 |
|--|------|------|------|
| Rate of recordable occupational injuries | 5,6 | 25 | 6,2 |
| Rate of occupational accidents with serious consequences (excluding deaths)* | - | - | - |
| Rate of deaths as a result of occupational injuries | - | - | - |

* "Severe consequences" are defined as injuries that result in death or injury from which the worker cannot recover, does not recover, or cannot realistically be expected to recover fully by returning to the pre-injury state of health within 6 months or that record an absence of more than 6 months (180 days).

NON-EMPLOYEE ACCIDENT INDICES

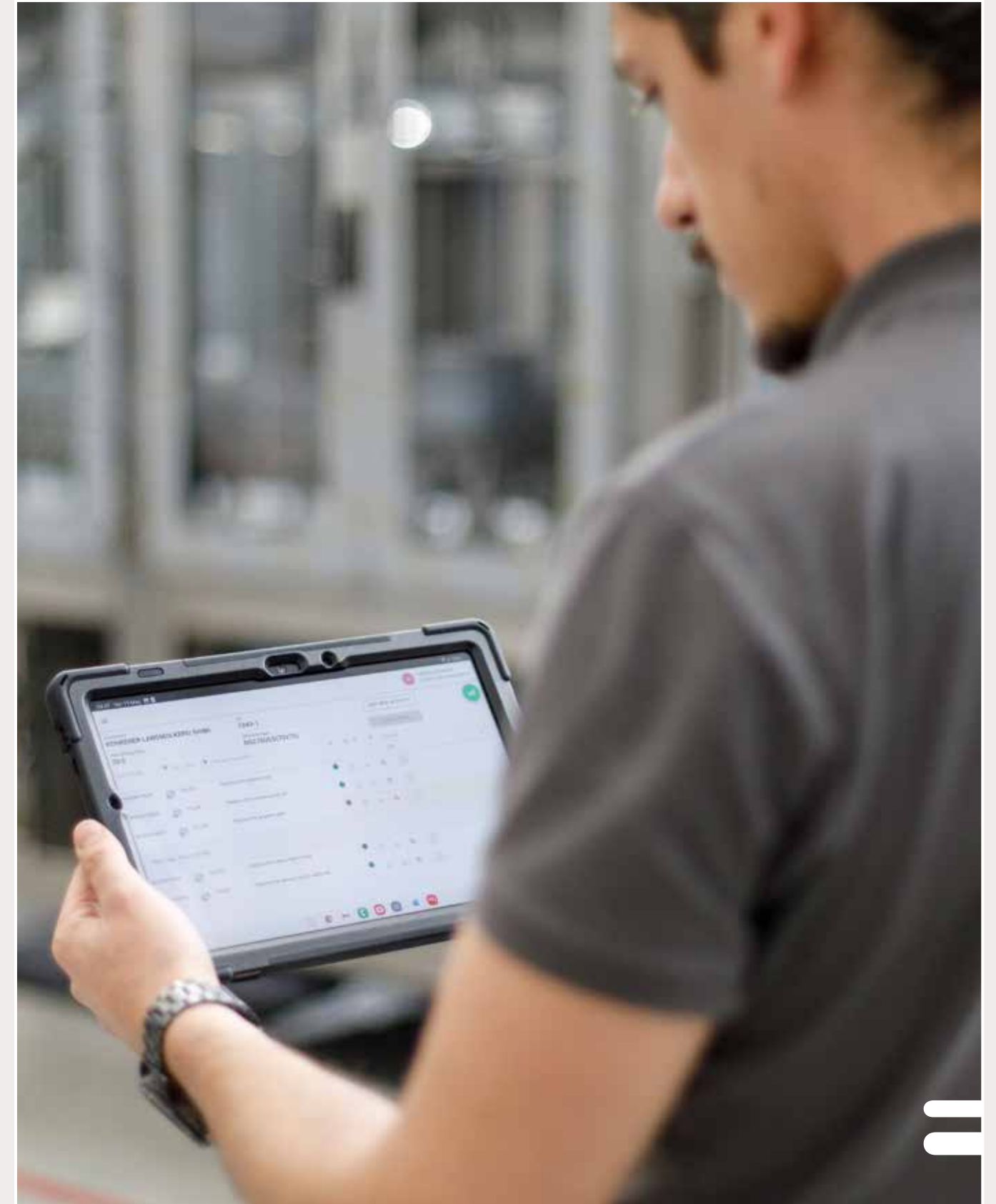
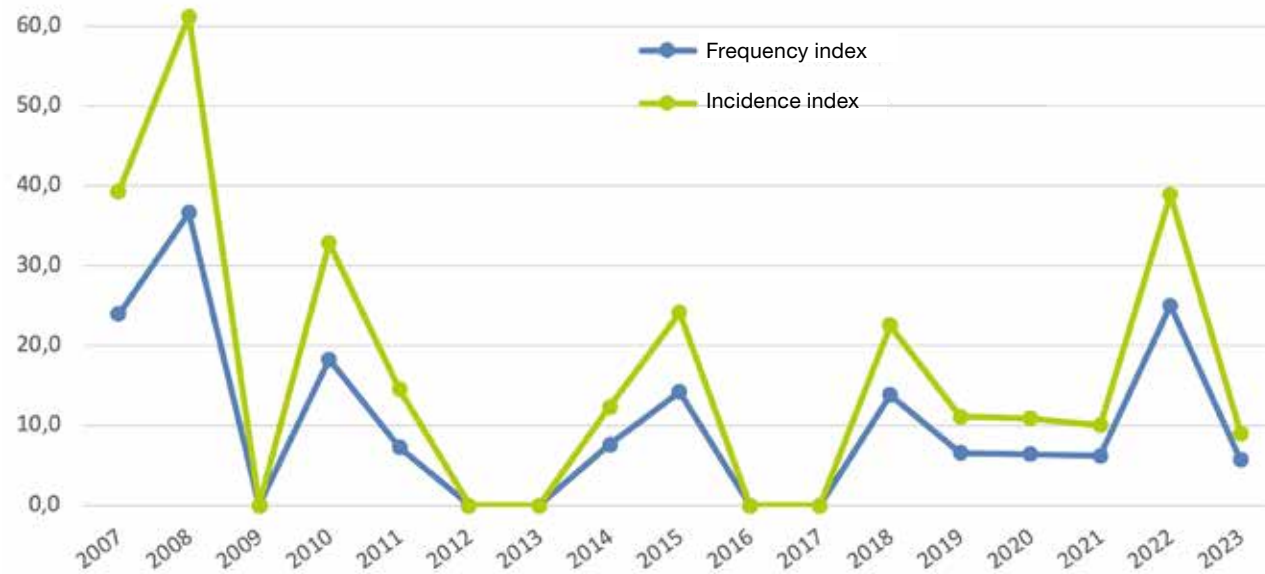
| | 2023 | 2022 | 2021 |
|--|------|------|------|
| Rate of recordable occupational injuries | - | - | - |
| Rate of occupational accidents with serious consequences (excluding deaths)* | - | - | - |
| Rate of deaths as a result of work-related injuries | - | - | - |

* "Severe consequences" are defined as injuries that result in death or injury from which the worker cannot recover, does not recover, or cannot realistically be expected to recover fully by returning to the pre-injury state of health within 6 months or that record an absence of more than 6 months (180 days).

It is intended to point out that **during 2023 there was only one occupational injury that resulted in 3 days lost due to injury**, and the total hours worked for employees were 178,032. **For non-employees, no injuries were recorded in 2023.** As can be seen from the graph below, the accident frequency rate in Galdi has decreased significantly between 2022 and 2023, at 77.5%. In fact, Galdi recorded only one injury in 2023 compared to 4 in the previous year. As for the frequency of accidents with serious consequences

and deaths resulting from injury, the figure remains positively zero, marking an overall trend of improvement in the parameters referring to the management of workers' health and safety. Also improving is the index of hours lost due to accidents compared to hours worked. **In 2023 only 0.01% of the hours worked were lost due to occupational injuries.**

INJURY FREQUENCY AND INCIDENCE INDICES



Employee benefits and welfare

Galdi promotes an inclusive work environment and protects employees through corporate welfare initiatives

The HR department's activities cover several areas crucial to the company's success, including fostering internal relationships with the goal of creating an inclusive and respectful work environment, ensuring the accuracy and validity of personnel-related administrative practices by ensuring compliance with current regulations, attracting and evaluating new company profiles with the goal of selecting people who reflect the company's values and managing training activities, and evaluating the introduction of corporate welfare initiatives.

Thanks to the Supplementary Health Care Fund for Workers in the engineering industry, Metasalute, **Galdi's employees can have access to supplementary medical benefits**, ac-

ording to two modes, Direct Health Care and Indirect Health Care. The fund member who decides to take advantage of Direct Health Care can book the medical service at one of the affiliated facilities.

Coverage to this fund takes effect from 5 months after the probationary period. All employees are enrolled in the Fund, both fixed-term and permanent, full-time and part-time.

In addition to the health care program, Galdi meets the personal needs of employees by offering a range of benefits such as, for example, flexible hours in and out, or allowing new parents to return to work with part-time solutions to facilitate family stabilization. **Other initiatives to which employees may have access include:**



Formalization of a **corporate Smart Working agreement** for all those compatible corporate positions. This policy will provide for the ability to perform one's duties remotely for 1 day per week. By 2024, the company plans to expand Smart Working for employees who due to family situations, e.g., distance from the workplace, health problems might need it;



The 2021 - 2024 renewal of the Metalmechanical Industry (CCNL) collective bargaining agreement confirmed the **disbursement of 200 euros per year in flexible benefits**. The sum is usable through the Galdi4U IT portal introduced by the company to allow employees (with a seniority of at least 3 months) to access various **conventions, discounts, gift cards, trips and other offers** aimed at facilitating the purchase of goods and services. In addition to this reward, **an extra cash sum was provided** in 2023 for all employees, again usable through the Galdi4U platform (Christmas). Finally, based on the length of time in the company, during 2023, an additional economic contribution was disbursed for some employees;



Corporate **offices** are designed as an open space with interchangeable desks and technological meeting rooms. A conceptual and functional reconfiguration to **create opportunities for sharing ideas and increasing collaboration between different figures**;



Proposed **informational meetings** on topics not primarily work-related, **to raise awareness of emerging or relevant issues among employees and families**;



Ability to participate in **events held at the company's headquarters** that are open to the local area and community;



Facilities and conventions at area facilities provided by the **Confindustria Veneto East Association**;



Over the years Galdi has activated **numerous agreements with merchants in the area**. These include car wash, tire change, body shop and auto repair services near the company at subsidized prices. Additionally, some of Galdi's regular suppliers recognize a dedicated discount percentage for direct employees, such as in booking vacation trips at the travel agency with which the company has established a long-lasting partnership over the years;



Pink Park, a **parking lot reserved for mothers-to-be or new mothers** returning to work, and Easy Park, a parking lot reserved for **those who have a temporary need** for subsidized parking near the entrance.



As a company oriented toward the corporate welfare of its employees, Galdi chose in 2019 to start the “Family Audit” certification process.

This tool promoted by the Autonomous Province of Trento and now extended nationwide is aimed at certifying a public or private organization’s commitment to adopting **measures to promote work-life balance, equal opportunities and, more generally, organizational well-being among its employees.**

In 2023, at the end of the three-year path, Galdi achieved **Family Audit Executive certification** and decided to continue with the three-year maintenance period, which once again includes an annual audit to renew the certification.

Galdi is proud to be part of the 401 “Family Audit” certified private companies in Italy.

Adherence to the standard has led in recent years to the implementation of work-life balance initiatives developed through the direct involvement of the internal Family Audit committee, composed of the company’s employees.

The committee acts as a spokesperson for proposals and suggestions from the entire corporate population and as a liaison with the Management Group in making operational decisions.

Among the concrete actions implemented over the years: **hour flexibility, agreements with local businesses, initiatives dedicated to the well-being of employees and their families, and opportunities for professional and non-professional training and development.**

GALDI VILLAGE - BISTROT

Attention to the health and well-being of workers also comes through nutrition, so one of the requirements of the company’s Bistro, from the planning stage of Galdi Village, was a kitchen that would allow all meals reserved for Galdi employees and visitors to be prepared and cooked on site. **The service provider aligned with company guidelines, preparing a varied menu that is attentive to nutritional claims as well as the special dietary needs of some employees.** All employees have access to the Bistro, with the option of purchasing the meal at a subsidized rate. For students on mandatory/curricular internships (both high school and university), a training project is defined in collaboration with their school/university tutor and they are given the opportunity to use the company cafeteria free of charge for the days they are on the premises. **In 2023, the Too Good to Go platform was introduced in the company,** which originated in Denmark in 2015 and to date is the leading anti-waste food app in Europe. Thanks to this initiative **it has been possible since September 2023 to “save” 83 meals from waste.**



GALDI VILLAGE - AREA FITNESS

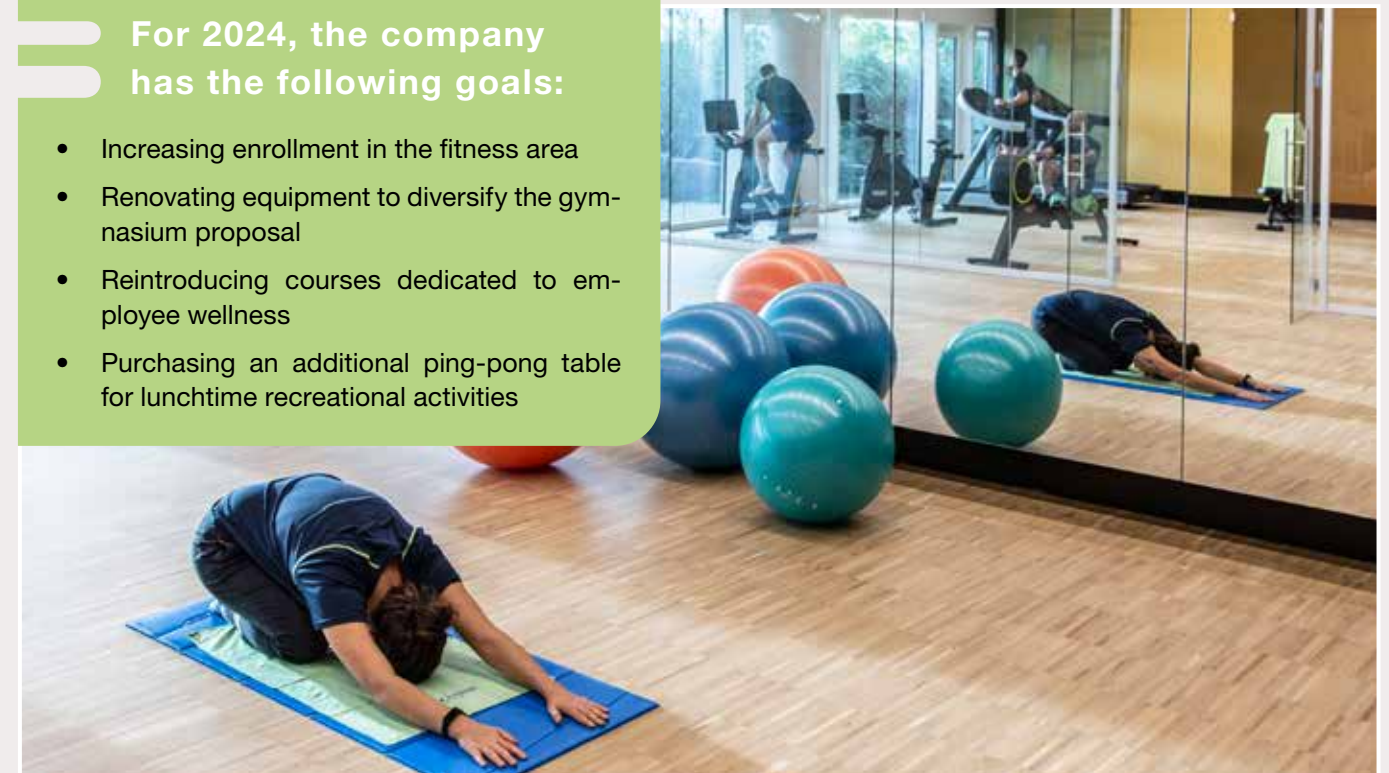
Galdi cares about the mental and physical well-being of its employees, and that is precisely why it provides them with a Fitness Area within Galdi Village. The Fitness Area is open-access and classes are offered by the company, such as Pilates, functional training, and a course based on Mindfulness practice, which allow anyone who feels the need to train mind and body.

In 2023, the gymnasium’s opening hours were expanded, with the gym opening in the morning during the time slot from 07:30 to 09:00. In the central time slot (12:00 to 14:00) for two days a week there is a Personal Trainer who accompanies people in specific personal or free-body paths with the Pilates/Postural class. Also for two days a week, in the evening time slot (17:15 -18:45) there is a Personal Trainer dedicated to Functioning activities, customized according to people’s needs.

Through an internal questionnaire, additional projects, related to the theme of personal wellness, were proposed and evaluated. On average, throughout the year, 8 people attended the gym. The Mindfulness project, which started in 2022 to offer an alternative proposal to the classic workout in the fitness area was renewed in 2023, with a close-knit group of people (an average of 7 people) continuing the project with the trainer. **Also active is the back-school project, a school that teaches everything needed to prevent and treat back pain, low back pain, and neck pain.** In order to facilitate the participation of more people, with the department heads, the most suitable time slots were studied, defining the groups of participation by adjusting their times of use. Twenty-five people from various departments joined. The project consisted of 6 total lessons (4 theory and 2 practice). The contents of the lessons were made available to the participants so that they could also continue the practice at home, or during the opening hours of the Fitness Area.

For 2024, the company has the following goals:

- Increasing enrollment in the fitness area
- Renovating equipment to diversify the gymnasium proposal
- Reintroducing courses dedicated to employee wellness
- Purchasing an additional ping-pong table for lunchtime recreational activities



Training and human capital development

Galdi has always seen training as an indispensable element of good business management

Galdi has a dedicated **procedure for managing human resources processes and a Code of Ethics, published on the company website, which declines the company's commitment to workers and the protection of fundamental human rights.** Within the company's Code of Ethics, Galdi outlines its commitment to HR in the following areas:

- Compliance with current regulations on working hours, ensuring that they comply with the laws of the country in which it operates. The company is committed to ensuring that the needs of workers are respected at all stages of their employment, including the various facets of life such as maternity, paternity, and personal and family health issues.
- Commitment to ensure adequate remuneration, at least equal to the mandatory national minimum wage, to ensure that employees are rewarded fairly for their contributions, according to each person's levels, skills and responsibilities.
- Guarantee the right to free association in labor organizations, recognizing the fundamental value of the individual right enshrined in major international conventions and national laws.
- Do not use or encourage child labor. Child labor is defined as all forms of work performed by children under a minimum age established by law, which may vary from country to country;

- Not make use of any form of forced labor, bonded labor, and refrain from any behavior that resorts to threats, use of force, and/or any form of coercion, seizure, intimidation, retaliation, or abuse of power for the purpose of exploitation of any person;
- Avoid any form of discrimination based on age, ethnic and racial origin, nationality, political opinion, religion, gender, union membership, and health status.

The company evaluates the performance of all employees, in collaboration with the various managers and management to define any internal developments. At present, the process is partially formalized, and the goal for 2024 will be to formalize it through a structured process.

As part of the "Positive Chemistry" project, in 2023 the company conducted an internal satisfaction analysis by anonymously interviewing employees through a survey focused on two relevant macro-areas: the level of satisfaction and involvement and the level of maturation of Galdi seen as a positive organization. Subsequently, the results achieved were shared with all employees.

The survey highlighted priority areas to focus on in 2024 to improve internal processes, with special focus on the feedback process and relationship between the manager and his or her team, and growth and development paths. **In 2024 we aim to develop guidelines for self-analysis and One-to-One interviewing**, and training will be provided to the manager team for this purpose.



Galdi has always seen training as an indispensable element of good business management, the importance of growth, not only of the brand but also of the people who work there on a daily basis, is a goal that is achieved every year and will continue in 2024. The category that benefi-

ted from the highest average number of training hours was employees. On average, men took 16.6 hours of training, compared to 30.9 for women. Overall, workers took 19.3 average hours of training in 2023.

ORE DI FORMAZIONE MEDIA

| | 2023 | | | 2022 | | |
|------------|------|-------|-------|------|-------|-------|
| | MEN | WOMEN | TOTAL | MEN | WOMEN | TOTAL |
| worker | 12,3 | - | 12,3 | 16,2 | - | 16,2 |
| employee | 20,3 | 30,9 | 23,8 | 31,1 | 21,7 | 28,3 |
| framework | 20,2 | - | 20,2 | 25 | - | 25 |
| executive | 8 | - | 8 | 32 | - | 32 |
| apprentice | - | - | - | 180 | - | 180 |
| TOTAL | 16,6 | 30,9 | 19,3 | 25,9 | 21,7 | 25,2 |

During 2023 Galdi invested in upgrading the skills of its staff, offering a total of **2,144 hours of training**, divided into 233 hours of mandatory training on health and safety issues and 1,911 hours of non-mandatory training.

It should be noted that during 2023 only **10.8 percent of the training** provided involved mandatory **health and safety** training, indicating that the company invests in training that is also not strictly required by law. **The remaining training hours** provided involved on-the-job training and other types of transversal training, such as **soft skills training, language training** carried out in groups for English, **sustainability** training, training to all employees on **IT security, and on the use of specific work equipment** for certain company areas.

In addition, regarding the issue of sustainability, the company participated in **discussion tables and in Sustainability Week**, organized by Confindustria Veneto Est, where it talked about the initiatives it implements in the company. **The company offers professional development opportunities both internally and externally.** The total training hours provided, expressed as a percentage figure of hours worked, turns out to be 1.2 percent in the reporting period, which is the year 2023.

INDICATOR DESCRIPTION

| | 2023 | 2022 |
|--|-------|-------|
| Percentage of mandatory training hours out of total | 10,9% | 14,2% |
| Percentage hours of non-compulsory training out of the total | 89,1% | 85,8% |

Mandatory training means health and safety training under Legislative Decree 81/08. Mandatory training hours were provided to 25 employees with different classification and function.

The courses conducted covered the following topics:

- Safety course, basic and specific module (low/high risk) and related updates;
- Course for electrical work PES PAV PEI;
- Prep-course (service technician);
- Trolley driver update course;
- First aid update course;
- Work at height course;
- RLS (safety workers representative) update course.

In addition, all new hires attend an in-house safety briefing on the first day of induction.

For the year 2024, the company has the following goals in the area of training:

- ESG training to all employees;
- Training on emotional intelligence and how to give and manage feedback (aimed at the leadership team);
- Specific training in the use of software and technologies related to process improvement;
- Group language training for English language;
- Refresh training on Lean manufacturing and production flow optimization for the production area;
- Financial education training.

The company also aims to pay attention to those who took fewer training courses in 2023 than other colleagues by providing for these employees and business areas more hours of training and mentoring.

Support and enhancement of the territory

Galdi's commitment to the local area: sustainability, growth and positive impact in the community

The social dimension of sustainability also translates into the relationship that a company has with its territory, on which it generates an economic, social and environmental impact. Galdi has always maintained its commitment to the territory by giving **direct and indirect support to projects, realities and activities committed to social issues and working for the benefit of the Community**. As described within its Articles of Incorporation, the IV purpose of common benefit expressly refers to Galdi's attention and commitment to its territory. The company stron-

gly believes that contributing to the development and growth of the community in which it operates is a fundamental added value in the company's sustainability journey. Therefore, generating a positive impact becomes fundamentally important in the company's path of growth and development. Below there is a table summarizing the in-person and online participants of the events and initiatives for the area that the company has joined or directly organized.

PROJECT "SUSTAINABLE ECO-NETWORK BY RICREARTI"

The "Sustainable Eco-Network" project, aimed at member companies of Confindustria Veneto Est, is designed and implemented by Ricrearti in order **to combine the worlds of art, social and industry according to an innovative perspective**. The project networks companies sensitive to these issues by proposing the cross-reuse of waste so that it can become new resources translated into artistic, craft or functional objects. **A new perspective that is in line with the UN Agenda 2030**. The potential of this system makes it possible to create objects that are always different from one another. The Eco-Network is an opportunity to create cross-synergy among entrepreneurs, promoting "business culture." For the realization of the prototypes, Ricrearti has involved some associations and organizations in the area that take in people who are disadvantaged in various ways. **It is a training project under which new creations are brought to life using elements that are no longer necessary for business production**, as well as outdated communication material such as catalogs, brochures, pvc of billboards.

Galdi participated in the project, which was first exhibited at **Confindustria Veneto East's Sustainability Week** in 2022. At the end of the event, the exhibit became a traveling exhibit in some of the participating companies. **Galdi decided to actively participate in the project, hosting at Galdi Village a leg of the tour** that took place in 2022/2023, in line with what is described within the IV common benefit purpose:

To promote the culture of beautiful and beauty, also by ensuring the support of cultural and social initiatives, as well as the enhancement of the territory

SCHOOL VISITS



200 No. of students
21 No. of teachers

UNIVERSITY



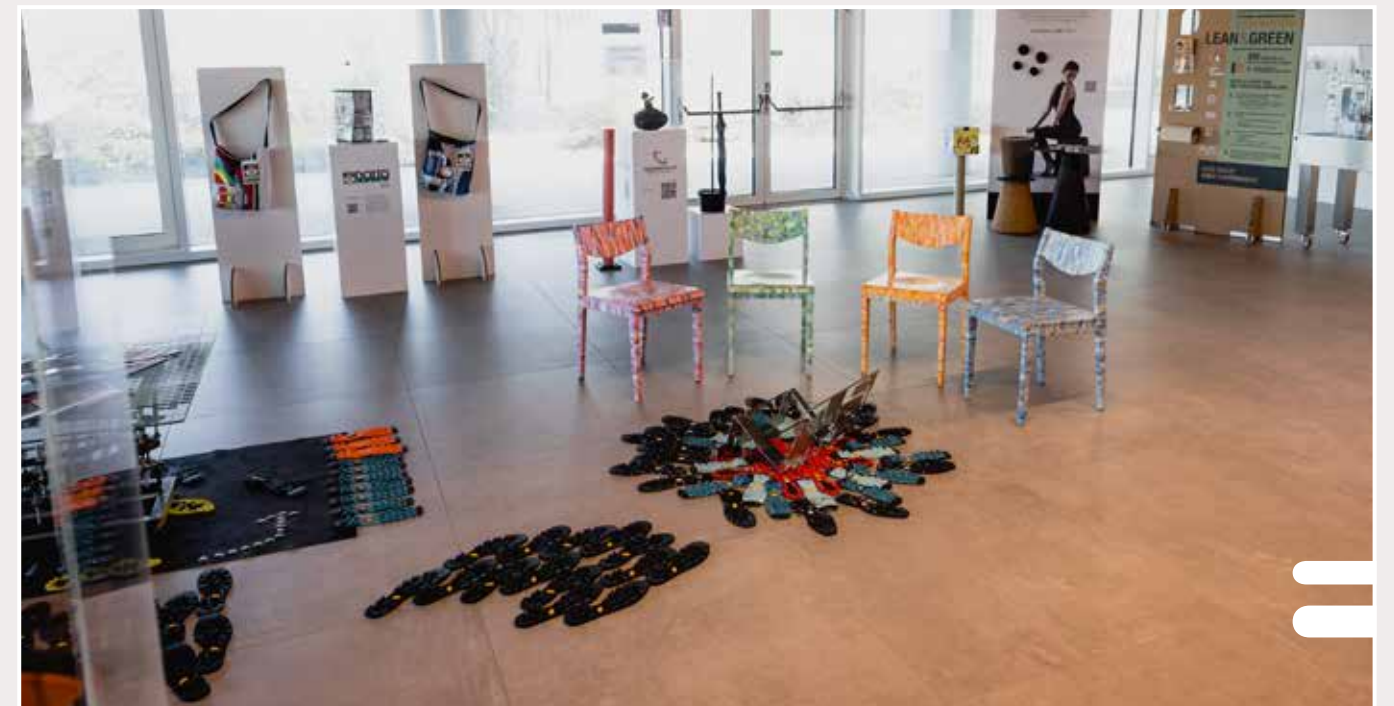
33 No. of students
3 No. of chaperones

EVENTS

(sustainability and digital sector)



508 No. of participants



Galdi hosted the exhibition between January and May, organizing several school visits and events.

PROJECTS WITH LOCAL SCHOOLS

Galdi has always believed in the contamination and exchange of ideas, experiences and skills as moments of personal and professional growth. **The organization has opened its doors to schools with company tours, actively participating in projects involving students and company employees, and hosting events at Galdi Village.** In 2023, Galdi hosted visits from middle and high schools for orientation purposes and with the goal of gaining an understanding of sustainability and how the company operates. In total, there were 200 participating students from three local colleges.



GIRLS CODE IT BETTER

For the second consecutive school year, in 2023-2024, Galdi has joined the Girls Code It Better project: **a digital creativity and entrepreneurship club with the goal of bringing high school girls closer to STEM skills**, which are still considered primarily male. The company decided to support the new club created at the scientific Marcantonio Flaminio high school in Vittorio Veneto (TV), which 18 girls in the third, fourth, and fifth grades joined. Galdi gave the girls a project to work on, with the goal of bringing the participants closer to design and creation through technologies, up to the activity of making. In May 2023, the girls who participated in the Club during School Year 2022-2023 presented the output of their work to the company. Through a development workshop, the participants faced a stimulating challenge: to tell, especially to young people, the life cycle of the Gable Top, along with Galdi's daily work. The result was the virtual design of an experiential exhibition route, in which the hall of Galdi Village is transformed into an exhibition space divided into 6 thematic areas, each corresponding to a phase in the life of the Gable Top: from the FSC forests, where the composition paper of the containers comes from, to the recycling of the packaging after consumption. The design did not stop at the space alone, but was also about content with videos and interactive games.



MECHATRONICS TALENT OLYMPIAD

Now in its seventh edition in 2022-2023, the Mechatronics Talent Olympiad is a **team competition created to stimulate talent and develop interdisciplinary skills, as well as an aptitude for teamwork.** Aimed at technical and vocational schools, the project is promoted by the Metalmechanics Group of Confindustria Veneto Est. The course involved more than 100 students from 13 technical and vocational institutes in Padua and Treviso and from ITS Mechatronic Veneto. At the end of March 2023, the students presented the projects they worked on to a jury of entrepreneurs and technicians, following which the three winning teams were announced. Galdi continues to contribute to the project by collaborating on the design and as a member of the evaluation jury.

The company also joined the eighth Mechatronics Talent Olympiad, which started in November 2023 and will end in March 2024.



EUREKA! IT WORKS!

During the 2022-2023 school year, the project "EUREKA! WORKS!", promoted by Federmeccanica with the purpose of **orientation to technical and scientific culture**, has reached its 11th edition. The project takes the form of a **contest through which children have the task of conceiving, designing and building a real toy**, starting with a kit provided by Federmeccanica containing various materials. In this initiative, aimed at children in the third, fourth and fifth grades of elementary schools, Galdi participated through the evaluation of the final projects proposed by the students of the Istituto Comprensivo di Paese (TV). A total of 83 students and teachers from Pravato and Treforni Schools participated in the project. The company will also participate in the project for the year 2023/2024, and the theme the children will have to deal with will be mechanics.

BUSINESS VOICES

A project of Confindustria Veneto Est, Voci d'impresa, **collects female and male testimonials from entrepreneurs, managers and technicians involved in all areas of business** in order to help students understand what a business does, what a business organization is, how a product is made, what Industry 4.0 means and much more.

It is an experience that proves to be crucial in orienting young people toward choosing school and vocational paths. As part of the project, in December 2023, Galdi hosted a visit by 41 students from two classes of the Riccati-Luzzatti State Economic Technical Institute, one with a technical focus and the other with a high school focus, with the aim of acquainting them with the company's organization and making them understand how internationalization, sustainability and digitalization are impacting business functions.

INFORMATION TECHNOLOGY AND PROJECT MANAGEMENT

The "Information Technology and Project Management" project is promoted by the BIT Club of Confindustria Veneto Est, a community of IT managers from manufacturing companies, with the aim of **increasing through opportunities for training, comparison and sharing, the network of IT knowledge in companies in the area, with constant collaboration with the world of schooling.** The project, which ended in May 2023, involved three schools in the Treviso and Padua area: the scientific Newton-Pertini high school (Camposampiero, PD), the scientific Leonardo Da Vinci high school (Treviso) and the scientific Giorgione high school (Castelfranco Veneto).

It is **an educational-experiential path for students, who have the opportunity to develop transversal skills and receive specific training on project management methodology**, developing a project work in the IT field with commissioning and mentoring from outside the School. Galdi, represented by its Information Technology Team, participated as an external tutor for the students, following them through the various stages of the project.

For the 2023/2024 edition, Istituto Giorgione of Castelfranco is participating in the project with 2 classes for a total of 14 students. The project will end in May 2024 with a final day for students to present their work.



EVENTS IN THE FIELD OF SUSTAINABILITY

Galdi staff are actively involved in organizing and managing events that have culture, sustainability, and innovation at their core. During 2023, **Galdi Village hosted several conferences and training events by collaborating with different organizers**, and the aforementioned “Girls Code It Better” project. The topics mainly covered ranged from gender equality and women’s innovation, to sustainability and circular economy, to digital technologies. Events Galdi has participated in include the following:

ANGELS4WOMEN

The conference covered the topic of women in the world of work, namely how they are innovating the world of business and investments.

PACKAGING REGULATION AND IMPACT FOR THE PACKAGING SUPPLY CHAIN

The event focused on the “Packaging Regulation” published by the European Commission on November 30, 2022.

SUSTAINABILITY AND COMMON BENEFIT: THE TERRITORY TELLS ITS OWN STORY

The goal of the day was to acquaint the local community with a number of local companies committed to the theme of sustainability. Concurrently, the opening of the stage at Galdi of the exhibition “Sustainable Eco-network by Ricreati” was held.

THE CIRCULAR ECONOMY OF PACKAGING: REUSE VS. RECYCLING?

Galdi participated in the training initiative, organized by UniSMART, bringing its experience and expertise on the subject.

SUSTAINABILITY WEEK

The Confindustria Veneto East event, which focused on business sustainability, featured a speech by a member of the Galdi team who brought to the attention of participants initiatives and measures related to corporate welfare.

GENERIAMO CULTURA (WE GENERATE CULTURE)

Galdi organized the “GENERIAMO cultura” event in November at the initiative of Federmeccanica. The event aimed to be a training and information meeting against violence against women.

PROJECTS WITH LOCAL UNIVERSITIES

Participation as a testimonial in University events and lectures is an opportunity to confront new and different points of view on current issues in companies. With this in mind, in 2023, **Galdi hosted 33 students from Ca’ Foscari University of Venice, belonging to the degree course in International Management and various master’s courses**. The purpose of these visits was for them to discover dynamic, innovative and territory-conscious Made in Veneto companies.



DIGITAL - RELATED EVENTS: DIGITALMEET - WOMEN AND STEM AND CHATGPT AND GENERATIVE ARTIFICIAL INTELLIGENCE

The meeting covered the topics of **gender equality within the technology-science work environment** and the use in ChatGPT companies with reference to its potential.

COMPANY VISITS

In 2023, Galdi Village also opened its doors to guided tours, such as that of the Sustainability Group of Confindustria Veneto Est. The meeting involved contact with **business realities from different sectors with the aim of creating opportunities for shared improvement in terms of corporate sustainability**. A program of activities to develop in companies and in the area culture and awareness related to sustainability issues. A project that brings together different actors from the Provinces of Treviso, Padua, Venice and Rovigo, creating valuable networks between entities, companies and institutions. An opportunity to compare and exchange know-how between companies: because good practices and sustainability must be shared!





06

Care for the Environment



A daily commitment

We promote sustainability in every area of business: this is Galdi's green approach

Continuous improvement is a fundamental principle at Galdi, especially when it comes to its own environmental impact. **Its commitment to trying to shed light on its environmental performance is reflected in its adherence to the guidelines of UNI EN ISO 14001:2015, a certification the company holds.**

The path to sustainability is challenging; nevertheless, it is incumbent upon us to be committed to safeguarding the Planet by taking countermeasures to limit our impact. **Galdi aims to improve its environmental impact even in the small everyday gestures that prove crucial in the long run.**

As part of its operations, the Company is committed to the responsible use of all raw, associated processing, packaging and semi-manufactured materials through a commitment that results in the careful selection of raw materials and the adoption of efficient production processes designed to minimize waste.

The company has an Environmental Policy and the commitment to the environment is also stated within its Code of Ethics and in the second common benefit purpose included within the Company's Articles of Incorporation. Hereafter you can view the 2023 overview of the main indicators related to Galdi's environmental performance.

100% Electricity purchased from the grid that is derived **from renewable sources**

33,6% Total energy used within the organization self-generated by installing **photovoltaic panels**

100% CO₂ emissions from natural gas use **offset through** energy supplier

100% Water used in Galdi Village that **returns to the aquifer in the same condition as it was taken**, thanks to a phyto-depuration system

107,8 Tons of CO₂ and for direct CO₂ emissions (scope 1)

59,8% Percentage of **waste** generated **destined** for potential **recovery**

Energy management

Digitization plays a key role in active energy management and building efficiency. **The integration of smart devices into electrical systems and the use of energy management software makes it possible to improve the energy efficiency of business processes.** For this reason, Galdi during 2023 installed a power management system with the goal of:

- Monitoring energy use in buildings with daily consumption monitoring at 15-minute intervals;
- Proactively detecting "abnormal" energy consumption;
- Reducing energy costs and achieve sustainability goals.

The software chosen was from Schneider Electric. The energy sources used within the organization consist of electricity, used for the production pro-

cess and in the offices, natural gas used for heating in the winter months, and diesel fuel and gasoline used to power the company's vehicles.

The table below shows the organization's internal energy consumption in Gigajoules for the years 2021, 2022 and 2023, broken down by category. The data include consumption of natural gas, gasoline, diesel, and electricity purchased from the grid, as well as self-generated electricity.

Overall, total domestic energy consumption decreased over the three years under consideration, and in 2023 it decreased by 2.5 percent compared to 2022.

Natural gas saw a decrease in 2023, with an overall reduction from 2021 of 18.1 percent. The reduction in natural gas consumption is mainly due to mild weather, which has allowed for changes in the switching on and off times of boilers with a view to saving energy.

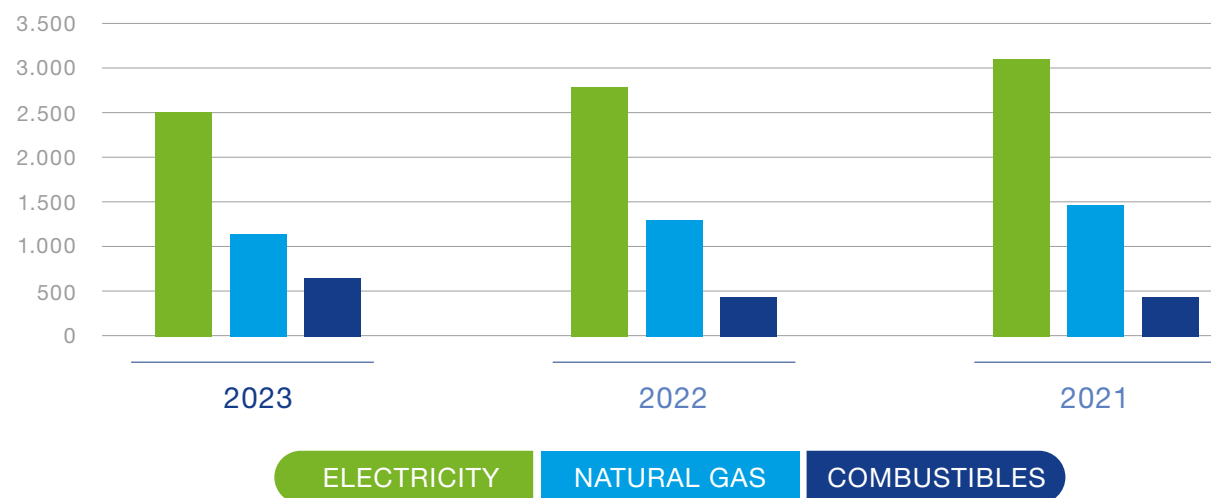
ENERGY CONSUMED WITHIN THE ORGANIZATION (GJ)

| | 2023 | 2022 | 2021 |
|---|----------------|----------------|----------------|
| NATURAL GAS | 1.172,9 | 1.249,7 | 1.431,6 |
| DIESEL | 685,5 | 401,8 | 433,8 |
| GASOLINE | 42,4 | 47,6 | 20,4 |
| TOTAL FUEL CONSUMPTION FROM NON-RENEWABLE ENERGY SOURCES | 1.900,8 | 1.699,1 | 1.885,8 |
| PURCHASED ELECTRICITY | 1.644,3 | 1.644,8 | 1.986,5 |
| SELF-GENERATED AND TOTALLY INTERNALLY CONSUMED ELECTRICITY | 832,6 | 1.145,7 | 1.109,4 |
| TOTAL INTERNAL ENERGY CONSUMPTION | 4.377,7 | 4.489,5 | 4.981,7 |
| OF WHICH: RENEWABLE | 2.476,9 | 2.790,5 | 3.095,9 |
| OF WHICH: NON-RENEWABLE | 1.900,8 | 1.699,1 | 1.885,8 |

The graph below shows the trend of energy consumption, in GJ, over the three-year period 2021-2023. A stable reduction in electricity and natural gas consumption can be appreciated. In contrast, vehicle fuels increased slightly in 2022 compared to 2021 and saw a sharp increase in

2023 due to the increase in company cars and the increase in the number of business trips. It should be noted that several company cars have Mild Hybrid technology.

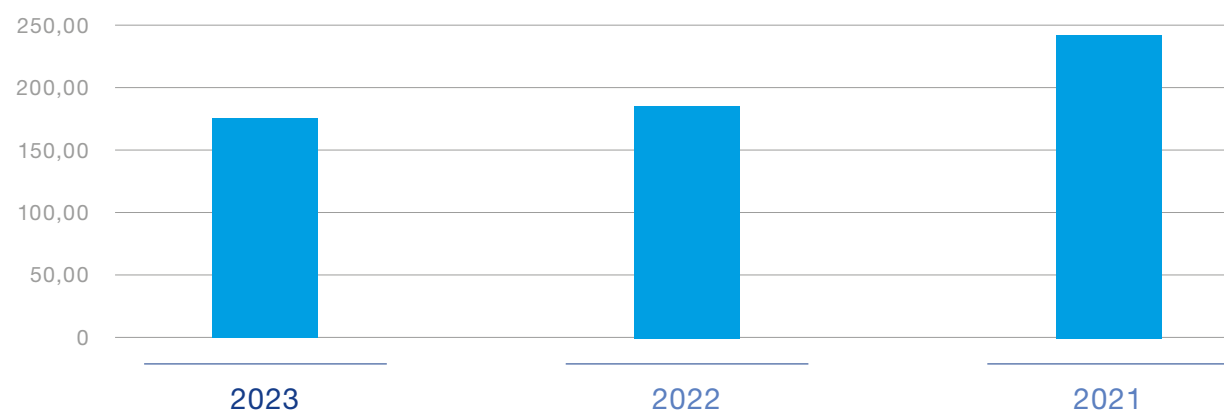
BREAKDOWN OF ENERGY CONSUMPTION (GJ) 2021-2023



The next graph shows the trend in the ratio of the organization's total energy consumption (GJ) to turnover in Millions of Euros. A stable downward trend can be observed over the three-year pe-

riod, which highlights the positive impacts of the measures taken by Galdi to improve its energy performance.

RATIO OF ENERGY (GJ) TO TURNOVER (MLN €) 2021-2023



Regarding energy efficiency improvement activities, during 2023 **Galdi replaced a traditional machine in the compressor area with a new inverter machine resulting in improved energy efficiency.**

In conjunction with the installation of the new machine, **the compressed air emission system was modernized** by checking and testing each connection point to investigate for leaks. This general inspection led to a reduction in the number of machine startups caused by compressed air leaks and resulted in a **20 percent decrease in specific plant consumption.**

There are also photovoltaic systems in the company. In 2021, the proportion of self-generated and self-consumed electricity to total electricity used within the organization was 35.8%. In 2022

it was 41.1% and in 2023 33.6%. In 2022 there was an increase in self-produced and self-consumed electricity while in 2023 a decrease in the percentage can be observed. This is due to fewer sunny days during the work week.

Goal 2024

By 2024, the company aims at defining and mapping the areas and business processes that are potentially most impactful in terms of energy and where there is real room for improvement, with the goal of undertaking dedicated solutions.

SELF-PRODUCED ENERGY

| | 2023 | 2022 | 2021 |
|--|---------|---------|---------|
| % OF SELF-PRODUCED AND SELF-CONSUMED ENERGY TO TOTAL ENERGY CONSUMED WITHIN THE ORGANIZATION | 33,6% | 41,1% | 35,8% |
| SELF-GENERATED ELECTRICITY (GJ) | 1.143,9 | 1.145,7 | 1.109,4 |



Circular economy solutions

The Gable Top, which has always been associated with fresh milk, is packaging with a gable top, that is, with the top folded to form a point. Patented in 1915, packaging of this type is created from individual sheets formed, filled and sealed by machines, making the supply more competitive with glass. Gable Top is usually intended for premium fresh and ESL (Exten-

ded Shelf Life) products, both with cold chain and ambient distribution, but because of its special features it has also been chosen as an innovative package for many other foods such as fermented products, liquid eggs, and powdered products.



Regarding actions taken by the company in the area of circular economy, the following should be noted:

01 Cellulosic materials used in the company-wipes, toilet paper-are derived from direct recycling of Gable Top cardboard. Galdi contributes to the recycling of waste cardboard as bales of shredded product from the testing stage are sent to a paper mill that handles the recycling of this type of material.

02 For personal water consumption in the company, dispensers have been installed to which all employees have access free of charge, with the aim of discouraging the consumption of plastic bottles in favor of reusable water bottles. In addition, within the vending machines in the company, water can only be purchased packaged in FSC-certified Gable Top cardboard. The same measure also applies to water offered to customers and visitors in Galdi.

03 At Galdi, in fulfillment of Directive 2009/904, concerning the reduction of the impact of certain plastic products on the environment and whose Article 6 will become mandatory in July 2024, all containers covered by the legislation have been adapted to the specifications required by the legal text. With a view to a better understanding of the management concerning the process and the material of which Gable Tops are composed, some of the organization's contact persons made visits inside some paper mills in Veneto. They observed and evaluated the recycling process of the Gable Top. The initiative took place with the hope of stimulating the generation of ideas and proposals related to the containers in use at Galdi, always with a view to continuous improvement of its environmental impacts.



Regarding Gable Top, disposed of by the company, some indices are given in the table below. The organization's willingness to apply sustainability requirements within the main aspects of its business is also reflected in the initiative involving the company canteen. Galdi, in fact, has been using the service offered by **Too Good To Go International since 2023**. The service allows any user of the digital platform of the same name to purchase at highly subsidized prices, food that has not been distributed during canteen operations. The platform has recorded several orders for meals that would otherwise

have gone to organic waste collection, thus avoiding the emission of CO₂ and resulting from food waste.

Galdi is committed to reducing the impact on the environment of packaging used in the company for shipping filling machines and spare parts. The company has set a goal of using packaging with environmental certifications for shipping filling machines and spare parts. By 2023, part of the corrugated cartons containing recycled fibers were FSC certified.

| | 2023 | 2022 |
|---|-------|-----------------------|
| GABLE TOPS FROM THE TESTING STAGES DISPOSED OF (T) | 32,6 | 37,1 |
| OTHER GABLE TOP USED WITHIN THE ORGANIZATION AND DISPOSED OF (T) | 0,03 | Metrics not monitored |
| GABLE TOPS CONTAINING WATER, PURCHASED AND USED ON THE FARM (NO. OF PIECES) | 1.493 | Metrics not monitored |
| of which: purchased from corporate vending machines (no. of pieces) | 698 | |
| of which: purchased from suppliers (no. of pieces) | 795 | |

Climate strategies

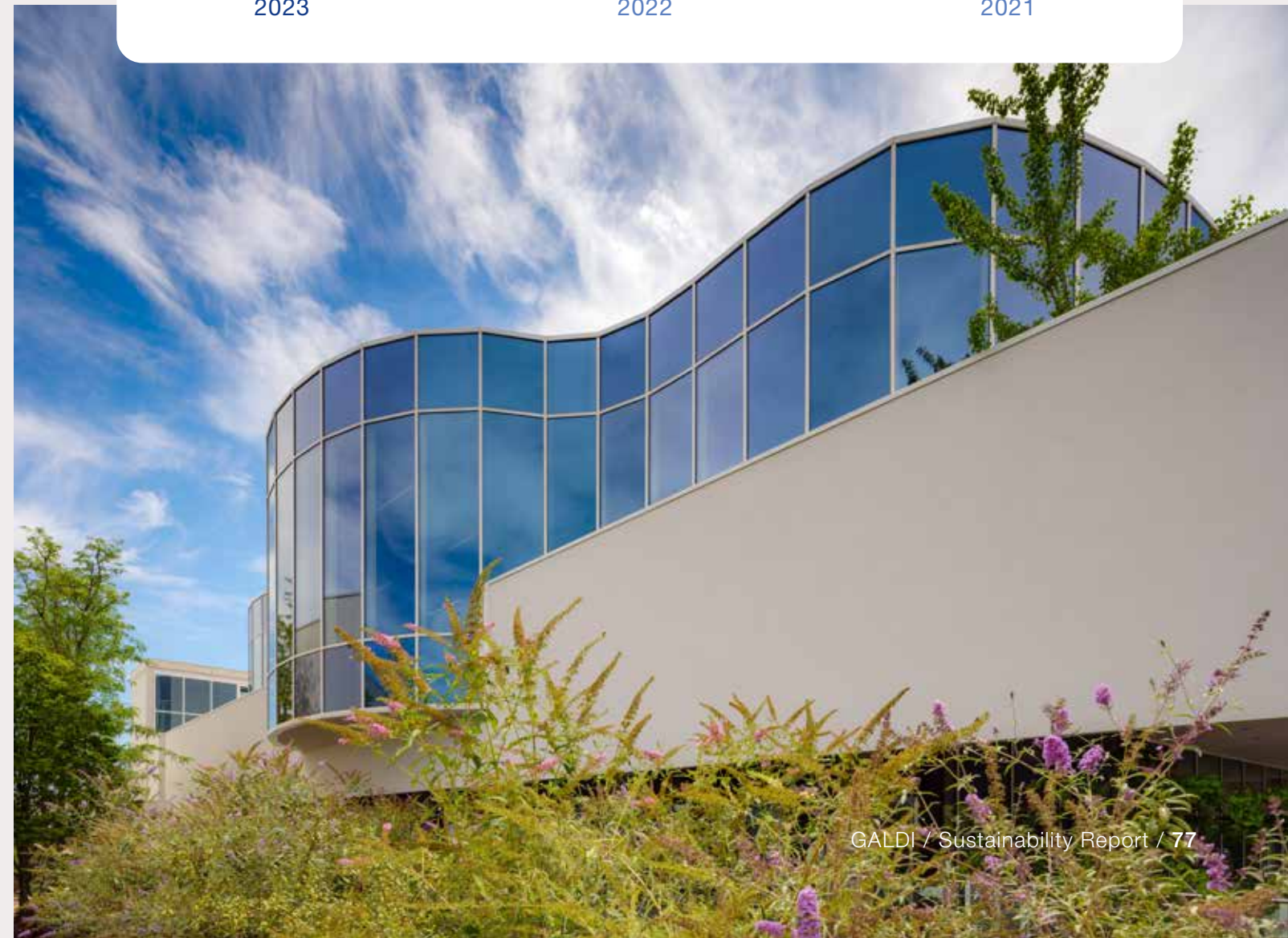
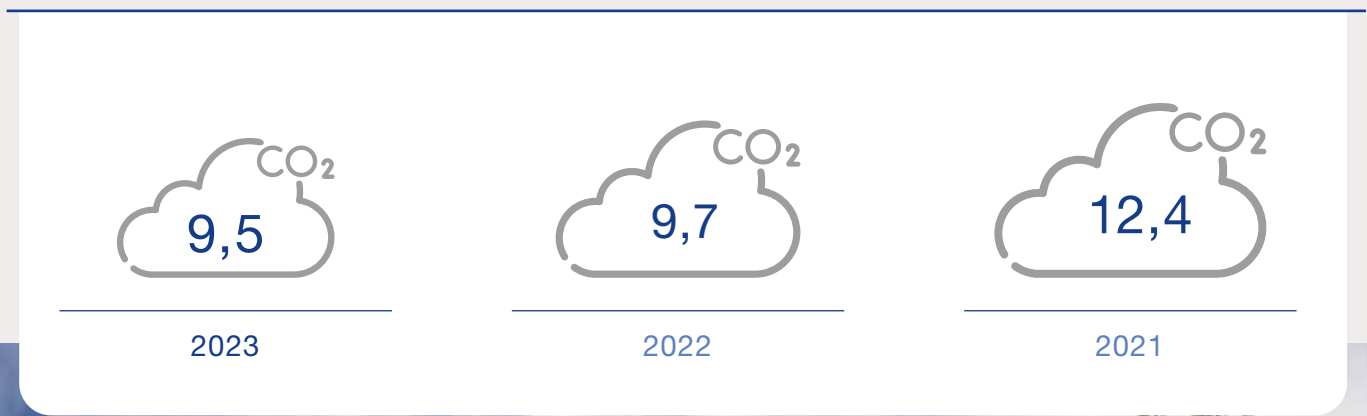
The graph below shows the trend of the CO intensity index² in accordance with the location-based methodology and calculated as t of CO₂ in relation to Millions of Dollars in sales. The index is found to be improving over the three-year period 2021-2023. It should be noted that in 2023, the increase in CO₂ as an absolute figure is due

to the increase in Scope 1 related to fuels used for company cars. In 2023, the contribution of CO₂ emissions referring to natural gas is found to be 6% lower than in 2022, while the contribution of emissions due to fuels of company cars is found to be 63% higher than in 2022.

| | 2023 | 2022 | 2021 |
|---|--------|---------|--------|
| Scope 2 Indirect CO ₂ Emissions (Location Based) In Tons Of CO ₂ | 153,46 | 153,51 | 185,4 |
| Scope 2 (Market Based) Indirect CO ₂ Emissions In Tons Of CO ₂ | - | - | - |
| Direct CO ₂ Emissions (Scope 1) In Tons Of CO ₂ Eq. | 107,8 | 93,2 | 102,9 |
| Scope 1 + Scope 2 location based | 261,2 | 246,7 | 288,3 |
| <i>Delta % Scope 1 + Scope 2 location based</i> | 5,90% | -14,40% | - |
| Scope 1 + Scope 2 market based | 107,8 | 93,2 | 102,9 |
| <i>Delta % Scope 1 + Scope 2 market based</i> | 15,70% | -9,40% | - |
| Location-based emission intensity rate: calculated as tons of CO ₂ per Mln \$ turnover | 9,5 | 9,7 | 12,4 |
| <i>Delta % location-based emission intensity rate</i> | -1,20% | -22% | - |
| Market-based emissions intensity rate: calculated as tons of CO ₂ per Mln \$ turnover | 3,9 | 3,7 | 4,4 |
| <i>Delta % market based emission intensity rate</i> | 7,90% | -17,50% | - |
| Tons of CO ₂ avoided by purchasing energy from renewable sources | * | 208,84 | 252,23 |

*pending certificate of origin from Dolomiti Energia

CO INTENSITY INDEX² , LOCATION BASED:
tons of CO₂ in relation to \$ Mln of turnover





Goal 2024

In 2024, the company aims to raise employee awareness of responsible energy efficiency and resource-conscious behavior. Regarding CO₂ emissions, the company has set a goal for 2027 to reduce CO₂ emissions by at least 10 percent on an absolute basis and 20 percent in relation to turnover.



LEED® GOLD CERTIFIED GALDI VILLAGE

The company's headquarters reflects Galdi's commitment to the environment; the 2,000-square-meter multipurpose building was awarded LEED® v4 BD+C: New Construction at the Gold level in 2021, with an overall score of 65 points. LEED® is a **global standard that defines the most stringent requirements for eco-friendly construction**. The construction achieves high standards for air quality, thermal comfort, hygro-metric comfort and lighting. In addition, the Galdi Village garden was designed by planting trees and shrubs that require little water for survival. Over the past year, they have been irrigated occasionally during the summer period due to the severely drought conditions.

Some of the features that enabled the facility to achieve LEED® Gold certification were:

- Air handling units equipped with high-efficiency heat recovery;
- Outdoor air flow rates according to Ashrae 62.1:2010;
- Sanitary equipment with reduced potable water flow rate;
- Rooftop Photovoltaic Panels;
- Roofing materials and exterior finish with high SRI (Solar Reflectance Index);
- Energy-efficient outer envelope;
- LED illuminated bodies and dimming of artificial versus natural light;
- Responsible site waste management and indoor air quality control during execution;
- Indoor spaces with high benefit over outdoor views and natural light inputs;
- Use of materials with high recycled content and low emissions.

Water resource management

Water consumption in Galdi is divided between the main office where the production area and most of the offices are located and Galdi Village, a building that houses some offices, the Bistro and the Fitness Area. Water in Galdi Village is used for the company kitchen, toilets and showers, while as for the main office, water is used not only for services but also in the production process, especially in the machinery testing phase.

Galdi studied solutions to optimize water use in the testing phase of its products, prior to their shipment and subsequent installation at the customers' premises. At the testing stage, water recovery was improved by replacing the water system, piping and pumps for water recovery. The plant serves seven test bays and consists of two main conveyor belts where the packaging machines undergoing testing unload the manufactured cards. These then proceed to a shredder and a baler that compacts them into "bales," which, conveyed to an exit belt, are picked up for storage pending pickup by the paper mill that will recycle the material. Water taken from the local water supply passes through a water softener and feeds a first storage tank. The first tank loads water into a second tank that, through a system of pumps, conveys it to the "cold line" intended to feed the machines.

The packaging machines undergoing testing use this water to fill the cards, which once packaged are discharged onto the main conveyor belts and sent to the shredder, which shreds them. The drained water passes through fabric filters installed below the shredder and is sent back to the second tank, thus creating a closed loop. A chlorine dioxide control and dosing system is installed in the loop to reduce the bacterial load of the recovered water.

A valve system allows continuous recirculation of the water, even if the testing plant is not in operation. Water is also used for cooling and lubricating the transport chain of packaging machines by spraying the mechanical parts with a fine jet of water. The chain may have residual lubricating oil, and in this regard a de-oiling and filtering system has also been installed on the line. The resulting water is discharged into a manifold connected to a collection tank and, through a system of pumps and tanks, sent to a sand and activated carbon filter and then flows into the final storage tank.

The test line in 2023 used 458 cu m of water of which 212 cu m was taken from the Galdi Village meter. The water is derived from the ATS aqueduct, and additional checking, especially on the testing water, of the water's chemical and physical parameters is done internally. The following table shows the water consumption.

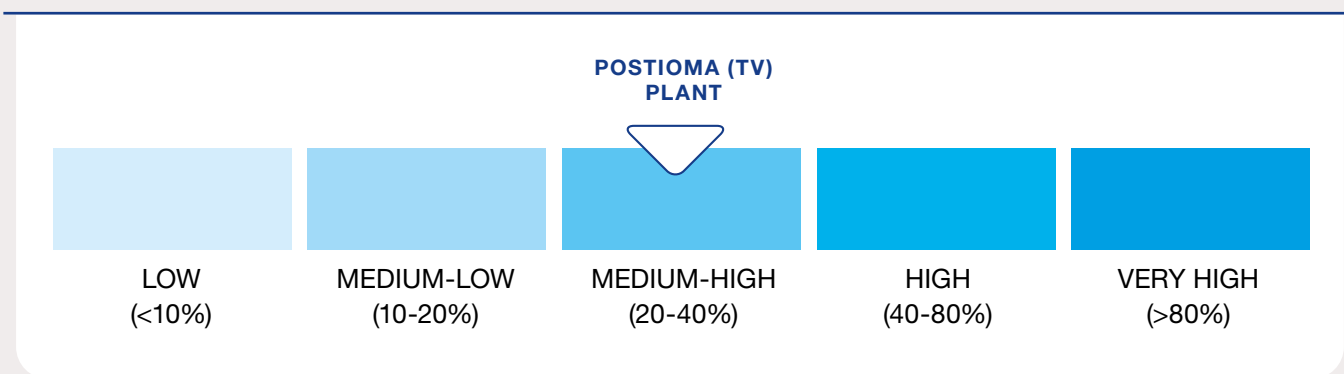
WATER WITHDRAWAL IN DETAIL (ML)

| | 2023 | | | 2022 | | | 2021 | |
|---|-------------------------------------|----------------|---------------------------|-------------------------------------|----------------|---------------------------|----------------|---------------------------|
| | % CHANGE IN LEVY FROM PREVIOUS YEAR | FROM ALL AREAS | FROM WATER-STRESSED AREAS | % CHANGE IN LEVY FROM PREVIOUS YEAR | FROM ALL AREAS | FROM WATER-STRESSED AREAS | FROM ALL AREAS | FROM WATER-STRESSED AREAS |
| THIRD-PARTY WATER | | 1,60 | 0 | | 2,17 | 0 | 2,23 | 0 |
| Potable | | 1,60 | 0 | | 2,17 | 0 | 2,23 | 0 |
| THIRD-PARTY WATER BY SOURCE OF WITHDRAWAL | | 1,60 | 0 | | 2,17 | 0 | 2,23 | 0 |
| Surface water | | 1,60 | 0 | | 2,17 | 0 | 2,23 | 0 |
| TOTAL WATER WITHDRAWAL | -26,5% | 1,60 | 0% | -2,9% | 2,17 | 0% | 2,23 | 0% |

Galdi is located in Postioma di Paese (TV) and is in an area considered to be medium to high water stress (20-40%) according to the internationally recognized tool, and whose use is indicated by the GRI standards, Aqueduct Water Risk Atlas.

By area considered to be water stress, it was decided to consider “High” and “Very High” water stress areas. Therefore, the area where the Galdi plant is located is not considered water stress.

WATER STRESS LEVEL



Galdi Village has a modern phyto-depuration plant that allows wastewater to return to the aquifer in the same condition as when it was taken. Specifically, the wastewater, once mechanically purified and pretreated, reaches the phyto-depuration stage where biological purification takes place.

The term phyto-depuration is used to define an aerobic type of biological treatment, that is, one that takes advantage of bacteria living in the presence of oxygen. The purification treatment takes place using the action of bacterial colonies attached and developed in the form of a film on the surface of the substrate filling the tanks as well as on the roots of the vegetation present.

In Galdi Village, the phyto-depuration system consists of an impermeable basin filled with appropriately selected drainage material distributed in overlapping layers. The phyto-depuration system is complemented by plants, belonging to particular plant species, which have the function of partially absorbing the effluent and promoting the development of the bacterial colonies responsible for the purification process.

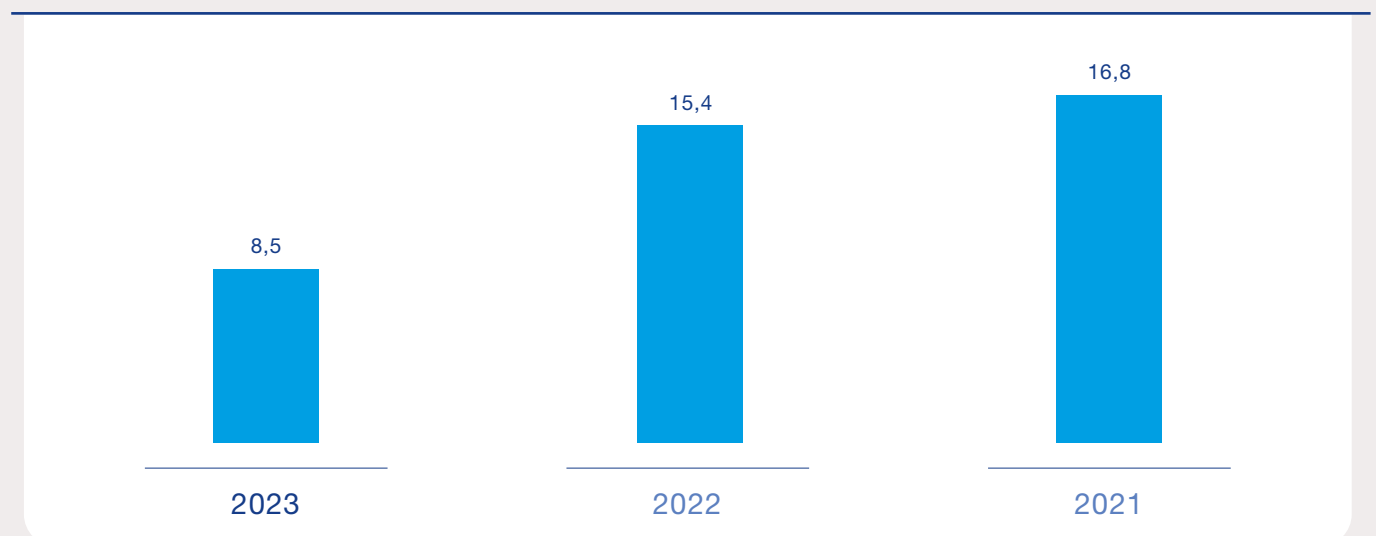
Distribution takes place on the surface of the plant, through a network of perforated pipes, with intermittent feeding mode to promote the oxygenation of the environment. Protecting the surface of the phyto-depuration plant is a layer

of aggregates that have the function of preventing the dispersion of the thermal energy of the effluent, the formation of ice on the distribution network during the winter months and the formation of unpleasant odors.

The aerobic environment thus constituted allows the establishment of a rich bacterial population capable of oxidizing and metabolizing organic matter and breaking down ammonia compounds. The result obtained is an effluent characterized by quality levels such that it can be discharged into surface waters according to current regulations. Discharge of the purified water is by gravity. The recirculation pump is controlled and operated by an automated electrical panel equipped with timers.

The graph below shows the relationship between the Village water withdrawal and the number of employees in the company. It was decided to consider not the total water contribution but only that of the Village, related to the number of employees, since the amount of water used in the Village is an evaluation index directly influenced by the number of employees in the company and the increase in related meals prepared by the company canteen. The trend observable in the graph shows a steady decrease in the index over the three-year reporting period considered.

GALDI VILLAGE WATER WITHDRAWAL (ML) IN RELATION TO THE NUMBER OF EMPLOYEES



It should be noted, in addition to the practices and measures already mentioned concerning water, that some changes were made **to the irrigation system used for the garden during 2023 with the goal of delivering the right amount** of water to the plants based on their actual hydration needs; with the aim of reducing water waste where not necessary. All sprinklers in the garden were also checked and verified to replace broken ones that were causing water waste.

Regarding sanitation, **the fill rate of the cisterns responsible for flushing toilets was reduced.** In the Village, the toilets already had the technology to reduce the amount of water being flushed and therefore no changes were made. Finally, **Galdi Village has flow meters installed for each faucet.**

Waste management and reduction

With special focus on manufacturing operations, Galdi aims to minimize waste generation and manage the waste it produces responsibly. This chapter outlines the strategies and actions

implemented by the company to effectively address the waste challenge, reflecting Galdi's ongoing commitment to environmental sustainability.

WASTE (t)

| | 2023 | 2022 | 2021 |
|---------------------------|---------------|---------------|---------------|
| TOTAL NON-HAZARDOUS WASTE | 108,87 | 136,01 | 260,6 |
| of which for recovery | 65,22 | 61,79 | 70,21 |
| of which for disposal | 43,65 | 74,22 | 190,39 |
| TOTAL HAZARDOUS WASTE | 0,27 | 0,26 | 0,49 |
| of which for recovery | 0 | 0 | 0 |
| of which for disposal | 0,27 | 0,26 | 0,49 |
| TOTAL WASTE | 109,14 | 136,27 | 261,09 |

The following table shows some waste-related KPIs, such as the percentage of waste going to

recovery out of the total and the percentage of hazardous waste generated out of the total.

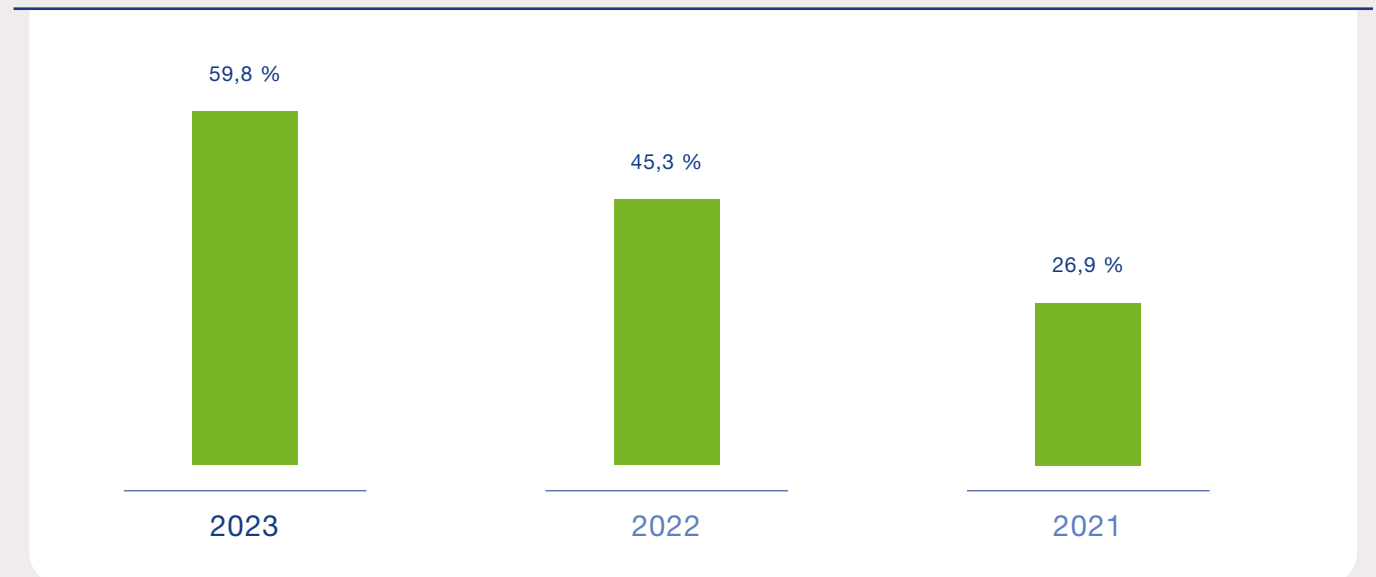
WASTE RELATING INDEXES

| | 2023 | 2022 | 2021 |
|--|--------|--------|--------|
| PERCENTAGE OF WASTE DESTINED FOR RECOVERY OUT OF TOTAL WASTE GENERATED | 59,8 % | 45,3 % | 26,9 % |
| PERCENTAGE OF HAZARDOUS WASTE GENERATED OUT OF TOTAL WASTE GENERATED | 0,25% | 0,19 % | 0,19 % |
| TOTAL WASTE GENERATED (IN TONS) IN RELATION TO THE NUMBER OF MACHINES PRODUCED | 3,6 | 5 | 9,3 |

The following graph shows the trend in the percentage ratio of waste destined for recovery to the total waste generated by the organization; a positive growth of this index can be observed

from 2021 to 2023. The data denote corporate waste management that has led to the gradual increase in the percentage share of waste going to recovery

WASTE FOR RECOVERY OUT OF TOTAL TRIENNIUM 2021-2023



During the year 2021, Galdi handled a total of 261.09 tons of waste. Of this, 190.39 tons were destined for disposal, while 70.21 tons were destined for recovery. In addition, 0.49 tons of hazardous waste was disposed of, while none was recovered.

The following year, 2022, there was a significant reduction in the total amount of waste managed, which fell to 136.27 tons marking a reduction in waste generated by 47.8 percent. This figure reflects an increasing commitment to waste management. Compared to the previous year, there was a decrease in both the amount of waste de-

stined for disposal (74.22 tons) and the amount of waste recovered (61.79 tons) in the face of a lower overall amount of waste.

In 2023, Galdi's commitment to sustainable practices was further consolidated and the results were also visible at the waste level. The total amount of waste managed decreased to 109.14 tons and a new minimum value was reached regarding the amount of waste destined for disposal, which stood at 43.65 tons, while that destined for recovery increased to 65.22 tons. The amount of hazardous waste destined for disposal increased slightly to 0.27 tons.

RATIO OF WASTE BY CATEGORY/TOTAL WASTE GENERATED



In summary, the data show a clear trend toward more efficient waste management by Galdi, with an ongoing commitment to best practices and a reduction in the environmental impact of its manufacturing operations.






An enzyme-driven parts washing machine has been in use for some years now, which has made it possible to eliminate the use of harmful, polluting or flammable products in favor of a VOC-free (Volatile Organic Compounds) cleaning compound that acts at the biological level, breaking down grease and residues, without attacking the materials, and ensuring greater cleanliness. Some products used for cleaning the machines have been replaced; in particular, thinner has






been discontinued in favor of acetone, which is also safer for the operator's health. The rags used for cleaning are washed and reused, thus avoiding excessive consumption of paper, which would then be destined for unsorted collection. Mats placed under the fillers during testing and used to absorb any oil droplets and prevent them from spilling on the ground are also washed and reused. These services are provided by a specialized company.








07




Association between common benefit purpose and ESG KPIs



| PURPOSES OF COMMON BENEFIT | MATERIAL ISSUE | MAIN INDICATORS | VALUE 2023 | GOALS 2024 |
|--|--|--|-----------------|---|
| Constant attention to innovation and sustainability of processes to make products that are ethical, quality, safe and effective | Innovation management  | Percentage of sales reinvested in R&D | 6% | > 5% |
| | | Number of connected packaging systems out of total plants equipped with the IoT infrastructure | 30% | > 30% |
| | | Monitoring average MME (Machine Mechanical Efficiency) of related packaging systems. | 95% | ≥ 95% |
| | | Creation of a dedicated indicator in order to monitor process efficiency | New Objective | Gain internal time efficiency of 10% in assembly functions and 20% in testing functions |
| | Responsible supply chain    | Percentage of spending on suppliers located in Italy | 95,90% | / |
| | | Percentage of spending on suppliers located within 80 km of company headquarters | 51,70% | > 40% |
| | | Percentage of purchase value that comes from ESG-rated suppliers | Nuovo obiettivo | 30% |
| | Circular economy solutions  | Amount of Gable Top disposed (t) that are derived from recycling material | 32,6 | / |

| PURPOSES OF COMMON BENEFIT | MATERIAL ISSUE | MAIN INDICATORS | VALUE 2023 | GOALS 2024 |
|--|--|---|--|---|
| A concrete and transparent commitment to environmental protection | Energy management  | Percentage of self-generated energy of the total through photovoltaic panels | 33,60% | Greater than 30% |
| | | Energy intensity index: total energy consumption (GJ) of the organization in relation to turnover in Millions. | 176,6 | 3% reduction from 2023 |
| | | Overall reduction in electricity consumption compared with the previous year | -12,60% | Reduction of an additional 5% from the 2023 value |
| | Climate strategies  | Percentage of electricity purchased from the grid that is derived from renewable sources | 100% | 100% |
| | | CO ₂ emissions from natural gas use offset through energy supplier | 100% | 100% |
| | | Reduction in CO ₂ emissions intensity index, location based: calculated as tons of CO ₂ in relation to \$ Mln of turnover | -1,20% | Reduction of an additional 3% from the 2023 value |
| | | Percentage change in the levy from the previous year | -26,5 | Maintaining the reduction |
| | Water resource management   | Ratio of Galdi Village water withdrawal (ML) to number of employees (Nr.) | 8,5 | Not exceeding 9 |
| | | Waste management and reduction  | Percentage of waste going to recovery out of total waste generated | 58,9 |
| | Percentage of hazardous waste generated out of total waste generated | | 0,25% | Less than 0.30% |

| PURPOSES OF COMMON BENEFIT | MATERIAL ISSUE | MAIN INDICATORS | VALUE 2023 | GOALS 2024 |
|---|--|---|--|-------------|
| Ensure the well-being of workers, their families, and the community through the development of initiatives that promote skill growth, awareness and dissemination of healthy lifestyles, and the principles of respect and diversity | / | Percentage of women in the company | 19% | Maintenance |
| | Health and Safety  | Rate of recordable work-related injuries employees | 5,6 | < 6,5 |
| | | Rate of occupational accidents with serious consequences | 0 | 0 |
| | | Percentage of hours worked that were lost due to work-related injuries. | 0,01% | < 0,1% |
| | | Family Audit | Obtaining Family Audit Executive Certification | Maintenance |
| | Employee benefits and welfare    | Percentage of employees out of the total involved by the Family Audit team compared to proposed initiatives | New goal | 10% |
| | | Percentage of employees who use the company gymnasium | 7,20% | 9% |
| | | Percentage of employees participating in the Mindfulness project | 6,30% | Maintenance |
| | | Percentage of employees adhering to the back-school project | 22,50% | > 20% |
| | Training and human capital development    | Average number of employees training hours | 19,3 | > 20 |
| | | Percentage of training not required by law to total training provided | 89% | > 70% |
| | | Training hours as a percentage of total hours worked | 1,20% | 1,50% |

| PURPOSES OF COMMON BENEFIT | MATERIAL ISSUE | MAIN INDICATORS | VALUE 2023 | GOALS 2024 |
|--|--|--|------------|------------|
| To promote the culture of beauty and beauty, including ensuring support for cultural and social initiatives, and the enhancement of the territory | Support and enhancement of the territory  | Number of students involved in business projects | > 230 | >200 |
| | | Number of initiatives implemented aimed at the territory | 18 | / |
| | Business integrity, ethics and transparency   | Number of corruption cases detected | 0 | 0 |
| | | Confirmed incidents of discrimination | 0 | 0 |
| | | Cases of privacy breaches and loss of customer data detected | 0 | 0 |
| | | Number of reports through the whistleblowing platform | 0 | / |

Methodological note

Interpreting the contents of the Report with updated GRI resources and standards for measurements and indicators

This methodological note provides the essential tools for interpreting the contents of this Report and is intended to equip the reader with the resources needed to navigate the landscape of the report, which includes measurements and indicators identified, elaborated and illustrated in line with the GRI Standards, adopted for the preparation of this document, which is one of the internationally recognized frameworks for non-financial reporting. It is specified that this report has been prepared with reference to the most up-to-date GRI Standards and in particular includes the principles outlined in **GRI 1: Fundamental Principles, GRI 2: General Disclosures 2021, and GRI 3: Material Issues 2021.**

For each material issue identified as a result of the materiality analysis, one or more specific Standards have been selected for reporting where possible. To quantify impacts on the environment, conversion factors provided by DEFRA UK were used, while to assess energy using the market-based and location-based approaches, information provided by Terna and the AIB European Residual Mixes report was leveraged. A multiplicative coefficient of 1,000,000 was used for calculations related to accident indices.

It is reported that the observable differences between the data presented in this report and the previous one are attributable to the continuous updating of the coefficients related to energy and emissions calculations.

GRI Table of Contents

Statement of Use: Galdi submitted reporting with reference to GRI Standards for the period from January 1, 2023 to December 31, 2023

GRI 1 used: GRI 1: Core Principles 2021

Relevant GRI industry standards: To date, there are no relevant industry standards for Galdi

| GRI STANDARD | DISCLOSURE | SOURCE AND PAGE |
|---|--|---|
| GRI 2: General Disclosure 2021 | 2-1 Organizational details | 15, 18 |
| | 2-2 Entities included in the organization's sustainability reporting | 15 |
| | 2-3 Reporting period, frequency and point of contact | 15, 18, 19 |
| | 2-4 Review of information | 19 |
| | 2-5 External Assurance | 15 |
| | 2-6 Activities, value chain and other business relationships | 10, 11, 40 |
| | 2-7 Employees | 46-48 |
| | 2-8 Non-employee workers | 44 |
| | 2-9 Governance structure and composition | 18, 19 |
| | 2-10 Appointment and selection of the highest governing body | 18, 19 |
| | 2-11 Chairman of the highest governing body | 18, 19 |
| | 2-12 Role of the highest governing body in impact management control | 18-20 |
| | 2-13 Delegation of responsibility for impact management. | 20 |
| | 2-14 Role of the highest governing body in sustainability reporting | 18-20 |
| | 2-15 Conflicts of Interest | 18, 19 |
| | 2-16 Communication of critical issues | 18 |
| | 2-17 Collective knowledge of the highest governing body | 19, 20 |
| | 2-18 Performance evaluation of the highest governing body | Currently, Galdi has not implemented formal procedures to evaluate the performance of its highest governing body with regard to monitoring the management of impacts on economy, environment, and people. |
| | 2-19 Rules concerning remuneration | (a), (b) Information not available. There are no documents regulating these procedures |
| | 2-20 Pay determination procedure | There is no official document defining the procedure for setting remuneration. However, the CCNL (National collective labor agreements) engineering industry is applied. |
| | 2-21 Annual total pay ratio | Requirement omitted. Since Galdi is a private company, it is not deemed appropriate to share this information due to confidentiality constraints. |
| | 2-22 Sustainable development strategy statement | 6, 7 |
| | 2-23 Policy Commitment | 36, 37 |
| | 2-24 Integration of policy commitments. | 36, 37, 58, 60, 61 |
| | 2-25 Processes to remedy negative impacts. | 36, 37 |
| | 2-26 Mechanisms for requesting clarification and raising concerns | 36, 37 |
| | 2-27 Compliance with laws and regulations | 37 |
| | 2-28 Membership in associations | 62-27 |
| | 2-29 Approach to stakeholder engagement | 22-24 |
| | 2-30 Collective bargaining agreements | 44 |

| GRI STANDARD | DISCLOSURE | SOURCE AND PAGE |
|---|---|-----------------|
| MATERIALITY ANALYSIS | | |
| GRI 3: Material Issues 2021 | 3-1 Process of determining material issues | 22-24 |
| | 3-2 List of material issues | 24-27 |
| | 3-3 Management of material issues | 24-27 |
| RESPONSIBLE SUPPLY CHAIN | | |
| GRI 3: Material Issues version 2021 | 3-3 Management of material issues | 40, 41 |
| GRI 204: Procurement Practices 2016 | 204-1 Proportion of expenditure made to local suppliers | 40 |
| INTEGRITY, ETHICS AND TRANSPARENCY OF BUSINESS | | |
| GRI 3: Material Issues version 2021 | 3-3 Management of material issues | 36, 37 |
| GRI 205: Anti-Corruption 2016 | 205-2 Communication and training on anti-corruption regulations and procedures | 37 |
| | 205-3 Confirmed incidents of corruption and measures taken | 37 |
| GRI 206: Anti-Competitive Behavior 2016 | 206-1 Legal actions related to anticompetitive behavior, trust activities, and monopolistic practices | 37 |
| GRI 418: Customer Privacy 2016 | 418-1 Founded complaints regarding breaches of customer privacy and loss of customer data | 91 |
| ENERGY MANAGEMENT | | |
| GRI 3: Material Issues 2021 | 3-3 Management of material issues | 70-73 |
| GRI 302: Energy 2016 | 302-1 Internal energy consumption within the organization. | 71 |
| | 302-3 Energy Intensity | 72 |
| | 302-4 Reducing energy consumption | 72, 73 |
| WATER RESOURCE MANAGEMENT | | |
| GRI 3: Material Issues 2021 | 3-3 Management of material issues | 79-82 |
| GRI 303: Water and Effluent 2018 | 303-1 Interactions with water as a shared resource. | 79-81 |
| | 303-2 Management of impacts related to water discharge. | 81 |
| | 303-3 Water withdrawal | 80 |

CORRELATION TABLE

| GRI STANDARD | DISCLOSURE | SOURCE AND PAGE |
|--|--|-----------------|
| CLIMATE STRATEGIES | | |
| GRI 3: Material Issues 2021 | 3-3 Management of material issues | 76-78 |
| GRI 305: Emissions 2016 | 305-1 Direct greenhouse gas (GHG) emissions (Scope 1). | 76 |
| | 305-2 Indirect greenhouse gas (GHG) emissions from energy consumption (Scope 2) | 76 |
| | 305-4 Intensity of greenhouse gas (GHG) emissions. | 76, 77 |
| | 305-5 Reduction of greenhouse gas (GHG) emissions. | 76, 77 |
| WASTE MANAGEMENT AND REDUCTION | | |
| GRI 3: Material Issues 2021 | 3-3 Management of material issues | 82-85 |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts. | 82-84 |
| | 306-2 Management of significant waste-related impacts. | 82-85 |
| | 306-3 Waste generated | 82 |
| | 306-4 Waste not landfilled | 82, 83 |
| | 306-5 Waste sent to landfills. | 82, 83 |
| EMPLOYEE BENEFITS AND WELFARE | | |
| GRI 3: Material Issues 2021 | 3-3 Management of material issues | 54-57 |
| GRI 401: Employment 2016 | 401-1 Recruitment of new employees and employee turnover. | 48 |
| | 401-2 Benefits for full-time employees that are not available to temporary or part-time employees | 54-57 |
| HEALTH AND SAFETY | | |
| GRI 3: Material Issues 2021 | 3-3 Management of material issues | 50-52 |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | 50, 51 |
| | 403-2 Hazard identification, risk assessment and accident investigation | 50, 51 |
| | 403-3 Occupational health services | 54 |
| | 403-4 Worker participation and consultation on occupational health and safety programs and related communication | 50, 51 |
| | 403-5 Worker training on occupational health and safety | 50, 51 |
| | 403-6 Workers' health promotion | 50, 51 |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly related by business relationships | 50, 51 |
| | 403-8 Workers covered by an occupational health and safety management system. | 50, 51 |
| | 403-9 Occupational Injuries. | 51,52 |

| GRI STANDARD | DISCLOSURE | SOURCE AND PAGE |
|---|---|---|
| TRAINING AND HUMAN CAPITAL DEVELOPMENT | | |
| GRI 3: Material Issues 2021 | 3-3 Management of material issues | 18, 44, 36, 37, 58-61 |
| GRI 404: Training and Education 2016 | 404-1 Average number of training hours per year per employee | 60 |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity in governance bodies and among employees | 19, 46, 47, 48 |
| GRI 406: Non-Discrimination 2016 | 406-1 Incidents of discrimination and corrective measures taken | 37 |
| SUPPORT AND ENHANCEMENT OF THE TERRITORY | | |
| GRI 3: Material Issues 2021 | 3-3 Management of material issues | 62-67 |
| GRI 413: Local Communities 2016 | 413-2 Operations with significant actual and potential impacts on local communities | There are no reported actual or potential negative impacts of Galdi's operations to the local community |



Via E. Fermi, 43/B
31038 Paese (TV) Italia
Tel. +39 0422 482211
www.galdi.it

