SUSTAINABILITY REPORT 2024 - Objectives 2025

Dear Stakeholders,

We are writing to communicate significant VIAR Group's progress and objectives in terms of sustainability, to our valued stakeholders. VIAR Group is certified under ISO 9001 (Quality), 14001 (Environment), 45001 (Health and Safety) standards, and is introducing new Model 231 & Ethic Code (Anti-Bribery) which outlines ethical principles and rules of conduct.

The external environment surrounding VIAR Group continues to change significantly due to factors such as the instability of energy supply and demand, economic security, and geopolitical risks, leading to increasingly complex social issues. In light of this, VIAR Group has established a Medium-Term Business Plan for the five-year period starting from the results of FY2024, underscoring our commitment to fulfilling our expected roles in advancing decarbonization and national security.

In the New Business Plan, we will build on the business and financial foundations laid out in the previous Business Plan to drive further business growth and profitability. This includes "strengthening portfolio management" and "strengthening technologies and human capital". Furthermore, we will continue to push forward with our sustainable initiatives.

We're now squarely focused on actions to drive performance and grow cash flow and returns for shareholders. This process included reviewing our sustainability aims. As you are well aware, VIAR Group believes that sustainability is not only an ethical choice, dictated by good intentions and a sincere and dutiful sense of social responsibility, but also a vital strategy for our Group's long-term success.

In 2024, we are pleased to report that substantial progress has been made across all three pillars of the roadmap thanks to the dedication and motivation of more than 200 talented professionals that make up VIAR Group:

- *Enviromental*
  - *the usage of renewable energy has been increased*
  - *many steps were performed in order to reduce our carbon emissions, waste and usage of water*
- *Social*
  - *Participation in different projects for promoting sustainable development and improve the quality of life in our local community*
  - *Enlargement of the initiatives to improve worker's welfare*
- *Governance*
  - *Improvements of the HSE policy and organization*
  - *Improvements of Ethics policy*

However, the journey towards sustainability presents a challenge that necessitates the collaboration of all interested parties. VIAR Group works closely with stakeholders, shareholders and investors, clients, suppliers and partners to develop sustainable and innovative solutions. We firmly believe that together we can make a difference and create a lasting positive impact, also for the benefit of the younger generations who look with concern but also hope to the future of the planet on which we live.

We would like to thank everyone who contributed to its development as well as the stakeholders who will review it and gain an understanding of the specific aspects of our commitment and the challenges we aim to address.

Yours Sincerely,

Board of Directors

VIAR GROUP

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VIAR Group Profile

VIAR S.p.A., established in 1982, has since then proved to be a consistently reliable partner in design, production and supply of outlet fittings, special flanges, connectors and special forged components.

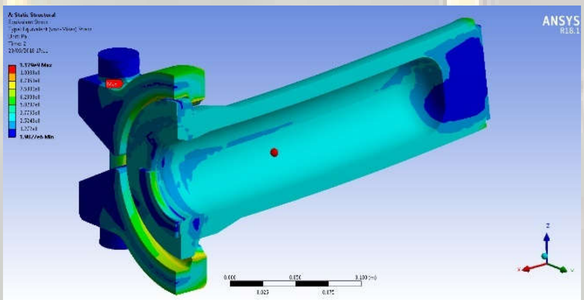
Initially specialized in outlet fittings, VIAR® soon started supplying a wide range of special and bespoke components in response to international market demands. VIAR now manufactures a comprehensive range of products including standard and special forged components complete with full technical support for the design. High-quality products utilized in a variety of worldwide projects for Oil, Gas, Water, Power, Chemical and Petrochemical industries.

Furthermore, it's a specialized stockist, project supplier and technical consultant - providing diverse services such as design, drawings, calculations, finite element analysis, testing, inspection and certification.

VIAR's growth-oriented policy led, in recent years, to significant investments in facilities (including acquisition of 100% share of Forgiatura Marcora, one of main Italian forging master), machinery and specialized human resources, aimed at establishing a vertically integrated production system.

Nowadays, in fact, VIAR can boast:

a) A professional Engineering department;
b) Open-die forging facilities (Forgiatura Marcora) and closed-die forging facilities;
c) New Heat treatment facilities;
d) Modern manufacturing equipment;
e) New welding/cladding facilities;
f) A professional laboratory








These achievements are the result, not only of a well-defined long-term strategy, but above all of the commitment of each employee and party involved in our value chain. Our principles of seriousness, commitment and consistent quality have always guided our every single choice.

Over time, we have articulated them within our Code of Ethics and Conduct, and this has allowed us to maintain strong and lasting relationships with our stakeholders.

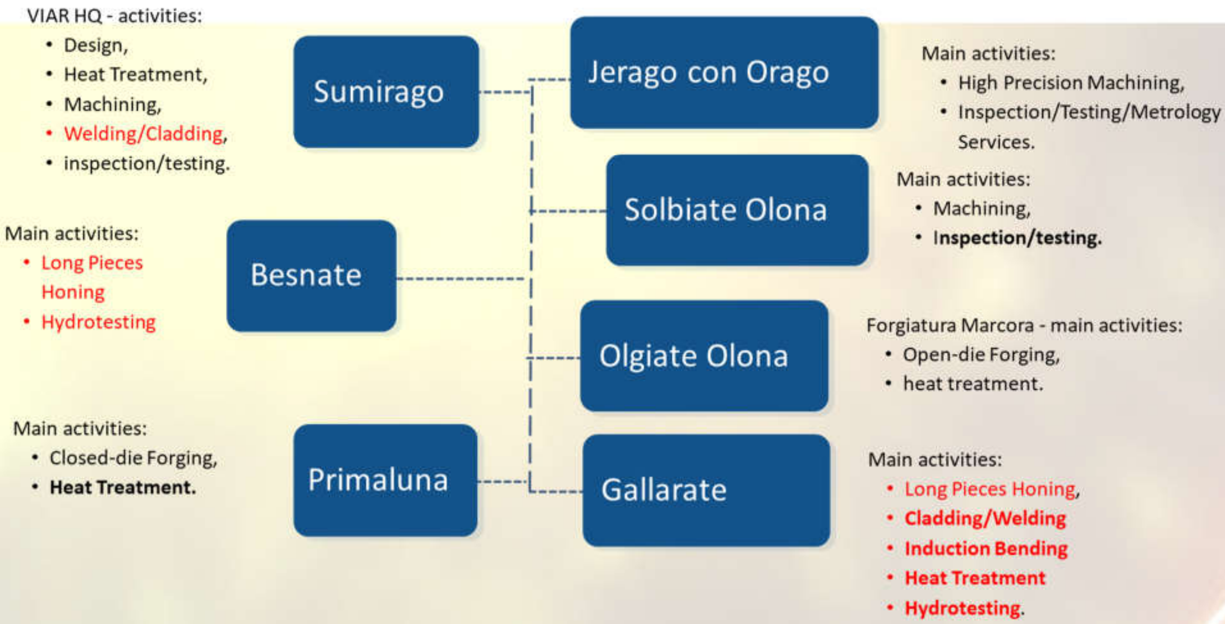
The lion that represents the logo of Viar S.p.A is linked to a gentleman and esteemed merchant from Venice, Marco Polo, who during his travels in India used the lion as his symbol.

The name VIAR was made up of the original initials of the Group founders, namely **VI**-ttoriano and **AR**istide Franzosi. Today, the group is administered by brothers Davide and Luca Franzosi.

World Presence

VIAR operates on a global market, with facilities mainly in Lombardia region and products sold in almost every country in the world. In order to enlarge our Customer portfolio and penetrate other market sectors, a new plant is going to be established in King of Saudi Arabia.

The activities are spread across our 7 facilities located in Northern Italy:



NB: *VIAR is moving some capacities (highlighted in red) in the new premises located in Gallarate for harmonised some processes and making its business more sustainable*

VIAR Group Headquarter and main Plant:

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21040 Sumirago (VA) Italy

Phone: +39.0331.271011

Fax: +39.0331.908669

Mission, Vision & Values

VIAR Group will provide to each of our clients a seamless experience, with high product quality and rapid product delivery. We embrace challenges, with professionality, striving to test our engineering and technological capabilities.

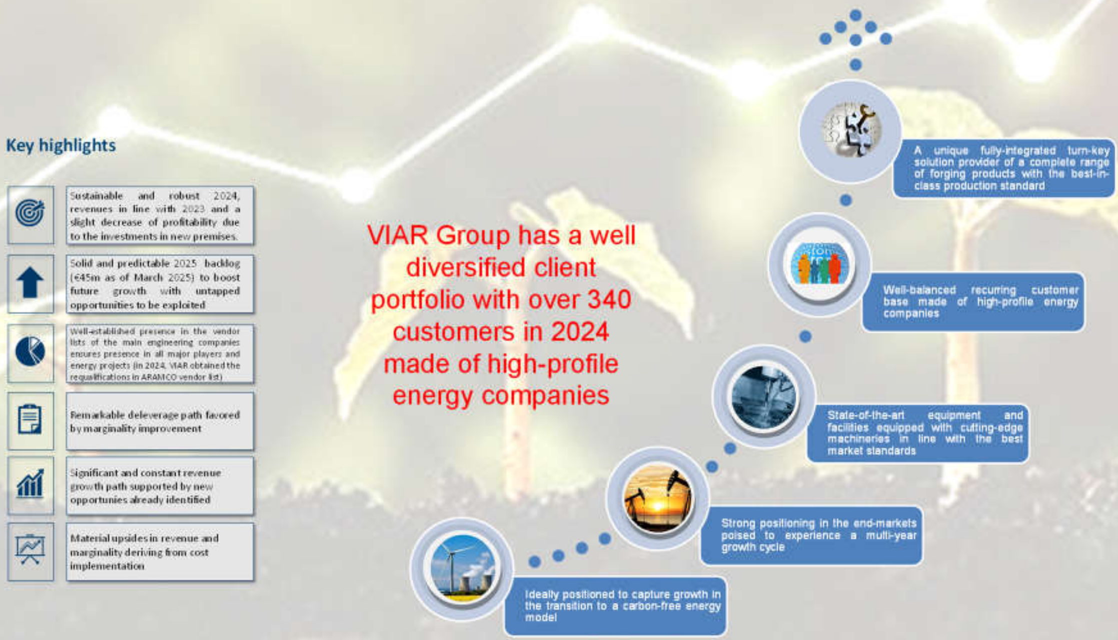
VIAR Group aspires to become a globally recognized, premier one-stop-shop Group in forged turnkey solutions.

Our Values:

Integrity	Collaboration	Excellence	Perseverance
To be honest and ethical, never compromising quality	To aim for the highest professional standards, delivering exceptional product and service	To never stop learning and improving, embracing challenges.	To achieve teamwork and collaboration within and outside the corporate framework

Main Data

VIAR Group has a diversified and resilient business model boasting a solid high-margin financial profile.



Viar' has a well-diversified client portfolio with over 340 customers in 2024

VIAR Group's main direct customers types are represented by:

- Important End-Users, such as EXXON, ARAMCO, BP, TOTAL, ENI, PETROBRAS...
- Large international groups, such as Baker Hughes and Single Buoy Mooring
- Worldwide companies active in the design, assembling and manufacturing of on-shore and off-shore soluitions for the major projects as Subsea7, Saipem and TechnipFMC

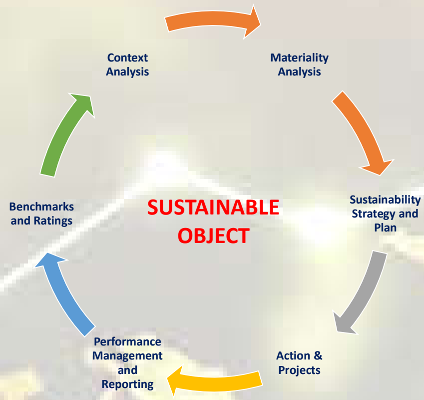
- New clients active in the new power generation business (ie. hydrogen, nuclear, ..) as Air Liquide, ITER…

The Group in the last three years experienced a very limited employee turnover. The operations is characterized by a very skilled and young workforce with more than 10 years of experience. The Group provides mandatory health and safety training (“HSE”) for employees exposed to specific risks. In the last years, no employee injuries have been verified thanks to the increasing attention to safety standards.

There are “ad hoc” trainings for specific functions (ie. Manufacturing qualification plan, engineering and quality standard) performed by international companies such as DNV (quality standards), Mazak (multi-tasking machines), Polysude (cladding and welding), Overmach (CNC machines), Cojafex (induction bending machine)

DOUBLE MATERIALITY ASSESSMENT (DMA)

The current economic, geopolitical, environmental and social changes mean that the sustainable transition process can no longer be postponed: the commitment of institutions, civil society and businesses is converging on shared positions to preserve the future of the planet and its inhabitants. Having been setting the course, the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda, together with increasingly stringent European and international regulations - which require radical changes in the management of sustainability impacts, risks and opportunities. These factors drive companies to accelerate the integration of ESG (Environment, Social, Governance) aspects into business. In this context, VIAR Group, through its sustainability strategy and materiality analysis, defines its actions to best respond to the current challenges and opportunities by fostering a sustainable growth process.



VIAR Group's Sustainability Process

At VIAR Group, we strive to understand both how sustainability issues affect our business and how our operations impact society and the environment – a concept known as double materiality.

This approach helps us identify and prioritise the most important Environmental, Social, and Governance (ESG) issues, ensuring we create value for all stakeholders and contribute to a sustainable future. VIAR Group uses materiality assessments to:

- Identify the most relevant ESG topics for stakeholders in relation to the perception of their impact along the value chain, translating into opportunities and risks for the Group.
- Provide guidance on topics for the Sustainability reporting, the Sustainability Plan, the Five-Year Strategic Plan, the Sustainability Targets of the Incentive Plan, and the Integrated Risk Management system.
- Enhance relationships and trust with key stakeholders by considering and reflecting their views and priorities in our strategy.

Materiality is a strategic framework guiding our sustainability journey. By engaging with stakeholders and assessing impacts, we ensure our business remains resilient, responsible, and aligned with societal expectations. This approach makes us aware of our impacts on the environment, people, and economy, committing us to ethical and accountable practices for sustainable economic growth. As a global player, we recognise the potential impacts of ESG topics on market access, reputation, business continuity, and opportunities. For the second consecutive year, we have implemented the assessment in line with the principle of double materiality. In 2023, VIAR Group conducted the materiality assessment process in accordance with the requirement of double materiality principle, identifying and assessing material impacts, risks and opportunities related to VIAR Group value chain. The double materiality process was validated by external experts in 2023. As a result, impact and financial materiality assessments were performed, including impacts, risks and opportunities related to VIAR Group value chain.

This involved research to identify new and emerging ESG topics, including a review of ESG reporting frameworks, legislation and industry trends. The significance of issues covered in our Sustainability Report 2023 was also reviewed. This process identified no significant changes in topics for 2024 compared with 2023.

According to ESRS, the sustainability information shall be presented: in a way that allows a distinction between information required by the standard and other information included in the report; and under a structure that facilitates access to and understanding of the sustainability statement, in a format that is human and machine-readable.

The following steps were conducted to assess both materiality perspectives, in order to ensure a broad and accurate picture of VIAR group's most relevant impacts, risks and opportunities. So, the understand of the context, by the identification of the degree of impacts of the macro-topics (see following figure) VIAR Group performed a multi-step structured process for identify the material sustainability topics.

Step 1 - Stakeholder map and long-listing of topics

This step is an analysis of VIAR Group's context, as per the strategic planning process, leveraging external sources and existing guidance on potential environmental, social and governance impacts inherent in the Group. Peer and client benchmarks, best practices, general and sector standards and international guidelines (such as the existing ESRS draft version) were used to define the topics, and respective subtopics, to be assessed. The basis for identifying and selecting stakeholders for engagement during each step of this DMA process resides in their relevance, expertise, impact and interest in VIAR Group activities.

Step 2 – Define impact materiality with internal and external stakeholders

Through an extensive questionnaire, internal experts identified and ranked actual, potential, positive and adverse impacts related to a large list of topics, evaluating the scope, scale, irremediability and likelihood of the impacts. The ranking methodology was designed, based on the risk matrix used in VIAR Group's Enterprise Risk Management (ERM) process. This impact materiality, as prescribed by ESRS, is considered aligned with other well recognized international reporting standards (as GRI and others) to perform a materiality assessment.

Step 3 - Define financial materiality with strategy, risk, finance and sustainability professionals

Financial Materiality aims to evaluate material financial effects via an evaluation of how the long list of topics, and their related risks and opportunities, generate potential financial effects for VIAR Group. The financial materiality methodology was aligned with the current processes and thresholds used in VIAR Group's regular risk and financial analyses, as well as the input from analyses per capital (financial, manufactured, intellectual, human, social and relationship, natural).

Step 4 – Threshold application

Once the topics were ranked on both – an impact and a financial – lens by relevant stakeholders, the scores were cross referenced. VIAR Group then applied a materiality threshold to the scores in order to determine which of the assessed topics should be considered double material for the organization.

Step 5 – Validation

Key internal and external stakeholders and top management were engaged to validate areas of impact through the steps above. For internal and external stakeholders, the engagement was done through unrecorded video calls, allowing them to freely express their views on impact materiality. In 2023, the Management Board approved the DMA outcome (based on the GRI and ESRS draft version) with material topics to be used as the basis for strategy, target setting, performance management and reporting. The outcome was also presented to the Board of Directors.

Step 6 – Update

In 2024, to comply with ESRS requirements and enable a clearer differentiation and a comprehensive and meaningful narrative, Top Management has updated the DMA outcome resulting in considering out of the topics:

- topics purely business and strategic ones but not material as per ESRS, namely: Market position; Economic impact; Energy Transition; Operational Excellence and Quality; Innovation and Digitalization which are included in Strategic Plan and
- material topics as per ESRS namely: Emissions, Decommissioning, Our People, Health, Safety and Security, Human Rights, Ethics and Compliance which are included in this sustainability report.

The tables below provide a summary of VIAR Group main significant impacts, risks and opportunities related to material sustainability matters classified per pillar: Environment, Social and Governance.

Impact, Risk & Opportunity (IRO)	IRO Description	Value Chain Position	Time horizon
Environment			
Positive Impact	Increased emissions reduction in VIAR Group's activities and raise awareness in supply chain	Own activities	Short-Medium Term
Opportunity	Use of green energy for business activities Circular requirement imposed by local authorities or clients specifications leading to increased competitiveness of eco-design practices.	Own activities	Short-Medium Term
Negative Impact	Inherent emissions from fossil-fuel related business activities, including emissions from VIAR Group's activities and value chain. Impact on the planet limits through non-recycling of waste, increase of virgin material use or non-renewable resources.	Own activities	Short-Medium Term
Risk	Potential lower demand for oil and gas products and increased ESG requirements resulting in a change of the business model. Potential hazards of asset damage from increasing physical risks as a result of climate change.	Own activities	Short Term
Social - Our People			
Positive Impact	Increased employee satisfaction	Own activities	Short-Medium Term

Opportunity	Higher attraction of talents and new workforce to work in new era of digital and sustainable industry. Higher employee engagement from standardized and improved ways of working and strengthened collaboration Positive work environment fosters motivation and engagement, as well as talent attraction and retention, ensuring knowledge retention and operational effectiveness in projects delivery.	Own activities	Short Term
Risk	Potential inability to retain VIAR Group's employees based on working conditions, including stress issues. Potential hazard of harassment or discrimination due to nationality, gender, ethnicity, social and legal status, race, religion, or other protected status, in VIAR Group's own workforce. Business continuity disruption due to lack of adequate skilled workforce in the value chain	Own activities	Short Term
Social - Human Rights			
Positive Impact	Embedding respect for human rights and labour rights in VIAR Group's supply chain. Contribute to workers' physical and psychological well-being by promoting a safe, ethical and collaborative work-environment.	Own activities	Short Term
Negative Impact	Psychological impact and economic loss for workers facing remuneration, promotion or development discrimination.	Own activities	Short Term
Risk	Potential chronic exposure to salient human right issues identified in VIAR Group's supply chain, related to forced labour; overtime, pay and fines; accommodation; mental health and wellbeing, which may pose reputational and financial risks. Potential chronic exposure to hazards related to inadequate work conditions or labour rights violations in VIAR Group's supply chain, influenced by different labour regulations maturity, local contexts and cultures, which may pose financial risks. Potential lack of diversity and inclusion would degrade working environment, which could induce disengagement, higher attrition, impacting operational and financial performance.	Own activities	Short Term
Social - Health & Safety and Security			
Positive Impact	Embedding safe working conditions. Increased level of competence of our own workforce in adopting appropriate safety and security measures. Dissemination of the knowledge of these best practices beyond the confines of our organization.	Own activities	Short Term

Risk	Potential work-related fatalities, injuries, and illnesses due to acute or chronic exposure to activity-related hazards, which may pose human capital, reputational and financial risks.	Own activities	Short Term
Governance - Ethics and Compliance			
Positive Impact	Embedding responsible business conduct across value chain.	Own activities	Short Term
Risk	Potential exposure to hazards of fraud, bribery or corruption, causing financial penalties, reputational damage and other negative consequences Non compliance with regulations could lead to fines, withdrawal of permits or a degraded image. Inappropriate public declarations, poor communication, leaks or public misconduct would impact VIAR Group' reputation. Business continuity disruption due to unethical business practices of third parties. Penalties, fines, civil or criminal sanction in case of significant breach of laws by VIAR Group' employees or representatives.	Own activities	Short Term

In the following, there is summary of the VIAR Group ESG material topics and the related main policies, targets and metrics to monitor the effectiveness of the actions and achievement of the goals.

Key Policies	Targets	Key Performance Indicators
Environment - Emissions		
Sustainability Policy	Net Zero by 2050 and Intermediate Targets for 2030	DirectGHG emissions Energy use – GJ and MWh Reduce water withdrawals Reduce waste produced Sustainability ratings
Social - Our People		
Sustainability policy Diversity and Inclusion policy	Hire, retain and develop a diverse workforce with a wide range of competencies	Percentage of engagement and satisfaction in engagement survey Number of new hires Number of training hours per employee Employee turnover rate Number of performance appraisals completed Gender Pay Gap
Social - Human Rights		
Sustainability policy Human Rights Standards	Fully embed human rights and social performance within VIAR Group to achieve no harm	Percentage of human rights e-Learning completion Percentage of new suppliers that have signed the VIAR Group Ethics Code Number of worker welfare audits
Social - Health, Safety and Security		
Sustainability policy Human Rights Standards	No Harm, No Defects, No Leaks	Total Recordable Injuries Frequency Rate (TRIFR) Fatalities and Permanent Impairments (FPI) Total Lost Time Injuries Frequency Rate (LTIFR) Number of Process Safety Event Tier 1 incidents Number of Process Safety Event Tier 2 incidents Certifications (Completion of certifications for assets and operations)

Governance - Ethics and Compliance		
Ethics Code Organisational Model '231'	Zero tolerance for bribery, corruption, fraud or any other form of misconduct	Percentage of completion of Compulsory Compliance Tasks Number of compliance training sessions Number of confirmed cases of corruption Number of reports received under VIAR Group's OdV audit

SUSTAINABILITY PLAN

VIAR Group's Sustainability Plan describes how we intend to work to achieve our sustainable business strategy and create long-term shared value. Introduced in 2023, our comprehensive, rolling plan integrates sustainability and ESG topics into our business strategy by setting clear, material and verifiable targets. The plan is organised around three pillars – Environment, Social and Governance.

The plan includes actions, objectives, KPIs, targets, responsibilities/ownerships, timelines and costs.

It was drawn up based on both external and internal drivers:

- an analysis of VIAR Group's external context that included market scenarios and conditions, a wide range of stakeholder expectations, existing and upcoming regulations and indications emerging from ESG ratings;
- internal priorities drawn from the company's business strategy.

The Plan is monitored on a regular basis and updated annually through the following two-step governance process:

1. input and approval from top management;
2. final approval by the Board of Directors.

The Sustainability Plan is built around three pillars that consolidate the most relevant topics and demonstrate our determination to delivering tangible impact through our business. They derive from the dual nature of sustainability for VIAR Group: managing the environmental and social impacts generated by our own operations and providing innovative manufacturing solutions and technologies to drive progress towards our clients' own sustainability goals.

Technological development, innovation and digitalization, together with the skills of human capital-distinctive factors of the VIAR Group's global position are enablers for the sustainable transition of the Group and its supply chain and contribute to protecting and safeguarding the planet and its inhabitants, also through the solutions and technologies developed by the VIAR Group.

ENVIRONMENT

Amid the ongoing global energy transition and the urgent need to mitigate climate change and protect the environment, we are committed to weaving two fundamental actions into our corporate fabric:

- Forging a path for reducing CO_2 emission and preserving biodiversity.
- Embracing the challenge of reducing its carbon footprint across the value chain spans initiatives to enhance operational efficiency, increase the use of renewable energy, decrease greenhouse gas emissions, and support clients in their decarbonisation journey.

Simultaneously, VIAR Group recognises the symbiotic link between biodiversity loss and the climate crisis, extending its efforts beyond its operational boundaries, engaging customers, suppliers, and stakeholders on both climate and environmental goals.

VIAR Group has adopted a policy to manage sustainability matters, including the environmental impacts related to climate change. The objective of the Sustainability Policy is to commit to protecting the environment, across its own operations and its value chain, and to comply with the applicable local and national environmental laws.

VIAR Group actively supports principles such as “No net loss of biodiversity”, pledging to achieve a net positive impact on biodiversity at its sites, engaging with communities for climate adaptation, and involving its workforce in the efforts to achieve a sustainable future.

As the Group is at the forefront in using advanced engineering technologies, undertakes collaborative ventures, and supports nature-based solutions, it envisions a future where climate action, environmental sustainability and biodiversity protection coalesce into one coherent scenario.

In order to achieve its goals and to support emissions reduction in the value chain, VIAR Group is focused on engaging and collaborating with key stakeholders, such as suppliers, to discuss and align business strategies and performance improvements.

We are therefore convinced that, as a company, through a concrete and continuous commitment to environmental issues, we can contribute significantly to the mitigation of climate change, conservation of natural resources and promotion of sustainable production and consumption practices, preserving the planet for future generations.

Climate Change and Energy Efficiency

The latest scientific reports highlight unprecedented changes in the world's climate. Global warming is causing changes in all regions of the world, some of which are irreversible. In addition, higher temperatures and extreme weather events are causing significant costs to the economy.

To help mitigate these effects, our Group has adopted a policy for managing effects of climate change. Our journey will unfold through two main areas: reducing our own carbon footprint and helping clients lower theirs.

VIAR Group identifies the following areas of action:

Reducing VIAR Group's own footprint (Scope 1, 2, 3): improving assets and operational efficiency, approaching the use of alternative fuels, pursuing electrification and increasing renewable energy to decrease greenhouse gas (GHG) emissions

Supporting our clients' decarbonisation: supporting clients in reducing their carbon footprint, participating their programme and facilitating low-impact GHG emissions solutions, and playing a key role in the energy transition.

So, the Group has set clear and targeted objectives to reduce greenhouse gas emissions, implementing active monitoring and management processes, and:

- has defined targets to reduce direct emissions (GHG Scope 1) related to the resources used for our business activities
- set targets to reduce indirect emissions (GHG Scope 2)

Calculating the carbon footprint requires a large volume of data which is gathered in our databases and IT applications for the needs of various existing activities developed on projects and for support functions.

In support of this strategy, VIAR Group measures and monitors its own GHG emissions by Bilan Carbon tool:

- for direct emissions (Scope 1)
- for indirect emissions, related to the energy purchased by the Group, of (Scope 2)
- for upstream and downstream emissions related to own activities (Scope 3)

ET-1	Total emissions CO2 (2024)
Total emissions GHG Scope 1-2	**703**
Total emissions GHG Scope 3	**5624**

The following table shows the tonnes of greenhouse gas emissions (expressed in tCO_2) by the last three years.

ET-2	2024	2023	2022
Total emissions GHG Scope 1 e 2 (ton CO2)	**703**	**744**	**807**
Total emissions GHG Scope 3 (ton CO2)	**5624**	**N/A**	**N/A**

The investment that the VIAR Group is making in the new Gallarate premises has the aim of concentrating technological capabilities, now distributed across multiple sites, in order to reduce transport, improve performance and reduce emissions.

VIAR Group is progressing steadily toward achieving its scope 1 and 2 emissions reduction targets. Looking ahead, VIAR Group commits to sourcing 100% of its energy from renewable sources through targeted energy procurement and contracts, with full implementation expected by 2030.

During the year, the Group adopted a policy for the management of energy efficiency aspects for offices and production sites. The strategy has been clearly defined in each business function and then communicated publicly outside the Group.

The policies and guidelines defined by our Group regarding energy efficiency also include measures concerning the deployment and use of renewable energies (which in 2024 account for approximately 39% of energy funds). In 2025-26, VIAR Group will perform different investment projects (new Gallate premises and Sumirago parking area) in order to increase to increase the percentage of self-produced energy through photovoltaic panels.

The Group is also actively engaged in accurate measurement and monitoring of its energy consumption, demonstrating a strong commitment to and positive awareness of environmental sustainability.

The percentage of renewable sources and not of energy consumed is reported (average % year 2023-2024 data are not provided yet by the supplier):

ET-3	Energy (%)
Total energy consumption from natural gas	41,44
Total energy consumption from nuclear sources	1,99
Total energy consumption from renewable sources	38,17
Total energy consumption from coal	12,61
Total energy production from petroleum products	1,1

Energy is an important resource in production, and its usage reduction is a key strategy for decarbonization. While we aim to obtain all our electricity from renewable sources, we recognize that even the generation of renewable electricity, for instance, through photovoltaics, can have adverse impacts on the natural environment: for instance, they change the local landscape when in operation and they must be disposed of correctly at the end of their lifecycle.

There is a particular focus on **climate change adaptation strategy** in order to increase the resilience of the assets along the entire value chain, thereby limiting potentially negative impacts.

Adaptation solutions implemented by the VIAR Group may concern actions in the short-term, as well as long term decision making such as the planning of investments in response to climate phenomena.

Rising temperatures, changes in precipitation patterns and extreme weather events also have a significant impact on the natural environment, by affecting the ecosystems resilience to climate change impacts and the ability to capture carbon and generate benefits for society. Therefore, VIAR Group's business model takes a synergic approach to tackling climate change and promoting the protection and conservation of nature, which are essential factors in its corporate strategy and everyday operations.

During 2024, VIAR Group cofounded different public projects in order to protect natural environment and generate benefits for local community.

Aware of the social impact that its decarbonization strategy has, the VIAR Group has committed to a just energy transition, managing the environmental and social components in an integrated way to ensure that on one is left behind in the transition in a climate neutral economy. In fact, a well-managed transition may help addressing the socioeconomic impacts of a changing climate while fostering growth, generating net new jobs, and reducing inequality, thereby making a real contribution to achieving the UN 2030 Agenda.

Biodiversity & Ecosystem

At VIAR Group, we recognise the critical role of biodiversity and ecosystems in ensuring the wellbeing of humanity, both today and in the future. The rapid decline of these vital components poses a threat to nature and people alike.

The Group also understands the intricate link between biodiversity loss and the climate crisis. As a responsible player, VIAR Group is dedicated to systematically assessing, mitigating, restoring, and offsetting any impacts and risks affecting biodiversity and ecosystems in the region (Lombardia) where we operate.

For all of the VIAR Group's eligible activities, ISO 14001 certified environmental management plans are implemented. These plans provide a framework to allow management to monitor and mitigate the environmental impacts of the Group's business operations and meet the requirements of all applicable regulations.

Among the environmental challenges to be tackled, the protection of ecosystems and biodiversity plays a major role. Biodiversity is crucial because it supports life on earth: healthy biodiversity means healthy people and food and water safety. Biodiversity also contributes to the resilience of ecosystems, becoming a valuable ally in addressing the climate crisis.

The Group has committed itself to adopting a policy and guidelines for biodiversity and ecosystem management throughout the year. The details have been clearly defined and shared within each business area, leading to the adoption of internal guidelines and/or procedures.

The Group aims to identify and adopt concrete, well-defined objectives for promoting biodiversity and preserving ecosystems over the next three years. These include the following:

1. reducing direct emissions (scope 1 and scope 2) through increased use of renewable sources, improved energy efficiency and offsetting of emissions with forest protection projects
2. participating in reforestation projects in degraded areas to help rebuild natural habitats.
3. reducing water consumption in manufacturing activities.
4. Verifying that the natural resources used (paper, wood etc.) come from suppliers certified to sustainability standards (e.g. FSC, RSPO)

The approaches described above can be achieved through two main enablers:

- establishing partnerships and collaborations with clients, suppliers, universities, institutions and research bodies to define new opportunities, methodologies and tools to be promoted within the industry;
- collaborating with employees to train, communicate and raise awareness on the adoption of sustainable behaviours and engaging with communities, through initiatives for local development, focused also on climate adaptation.

Our Group is not involved in operations which could have negative effects on endangered species. This means that the activities of the Group do not pose any direct risk to the survival or welfare of vulnerable species.

Water and Marine Resources

Water is a vital resource to be preserved and it is necessary to commit to limiting water consumption and reducing the environmental impacts in the area.

Reducing water withdrawals and ensuring efficient usage are top priorities, with water reuse, following appropriate treatment, playing a vital role in minimising withdrawals.

For this reason, during the year, the Group adopted a policy for the management of corporate water resources, for offices and production sites, with internal guidelines and procedures such as:

- installation of water meters
- data collection and analysis to identify waste and inefficiencies
- optimization of water use (installing taps with sensors, flow reducers, etc.)
- preventive maintenance (for periodic inspection of water leaks, pipes, fittings etc.)

- promotion of good habits by raising employee awareness of responsible use of water (signage in common areas etc.)
- mapping of water-intensive production processes
- water reuse and recycling through filtration or waste water treatment systems

Our Group is actively engaged in not only measuring, but also monitoring water resource use, allowing for precise identification of the levels of use of these resources and their trends over time.

Clear objectives related to water management (reduction) have also been defined in this regard.

Our Group is working, given the relevance of the theme for the Group itself, to set goals and adopt monitoring processes on water consumption in its value chain.

The table below shows the quantities of water retrieved and consumed (in cubic metres) in the operations of the Viar Group.

ET-4	Water for business activities (m^3)
Retrieved	**1000**
Consumed	**1100**

Most of the water is used for heat treatment. However, VIAR Group has defined and realized a solution where the same water is reused after appropriate filtering. In this way, replenishment with new water is limited to a minimum.

Resource Use and Circular Economy

VIAR Group applies the principles of the circular economy throughout the life cycle of assets: from the design stages, including by engaging the supply chain, through to production and end-of-life management, with the aim of maximizing asset and material recovery (through recycling or reuse for example).

VIAR Group pursues the goal of generating economic value from its business activities by reducing the use of raw materials and fuels. To monitor this circularity objective, VIAR Group is identifying a KPI which has to take the Group's overall EBITDA (in euros) and compares it with the amount of resources consumed, both fuel and raw materials, throughout the value chain by the various business activities (expressed in tons).

This issue currently needs further policy efforts to be addressed effectively. It must be recognised that the rational use of raw materials, together with careful waste management, helps to reduce the environmental impact of the production process.

Waste management is a core strategic priority for VIAR Group, going beyond regulatory compliance to take a vital role in our environmental stewardship and commitment to biodiversity protection.

While many types of waste can be recycled or reprocessed in a functioning circular economy, the production of landfill waste contributes to land use and greenhouse gas emissions, it influences local biodiversity and can cause health problems for people and ecosystems. For this reason, VIAR Group has been fostering re-use, recycling, and recovery of waste. In particular, VIAR Group has implemented methodologies to measure and monitor the amount of waste generated, which enables the Group to identify potential areas for improvement and adopt targeted strategies to reduce waste accumulation.

To demonstrate its commitment to promoting the transition to a more circular economy and preserving natural resources for future generations, the Group has defined clear and tangible goals and collaborates with third parties in order to achieve these goals.

VIAR Group has a long-established strategy to reduce hazardous waste from its operational processes, thanks to its selection of technological solutions that can ensure the absence of hazardous elements in the final waste (as well as "substances of concern" and "of very high concern"). This strategy has meant that waste classified as hazardous currently makes up a marginal portion of the Group's total waste.

The following table shows the amount (kg) of waste broken down by type and destination and the percentage of waste destined for recycling as a proportion of total waste generated by the Viar Group.

ET-5	2023 (kg)
Total Waste	**2.049.527,00**
Total by Type	
Hazardous Waste	**58.847,00**
Not-Hazardous waste	**1.990.680,00**
Radioactive Waste	**0,00**
Total for Destination	
Waste to be recycled	**1.990.680,00 (97% of the total produced waste)**
Waste to be disposed of	**58.847,00**

Pollution

Adopting ISO 14001-certified Environmental Management Systems within the Group ensures the presence of structured policies and procedures for identifying and managing environmental risks and opportunities associated with all business activities.

Environmental pollution is one of the most urgent and complex challenges of our time, with significant impacts on human health, biodiversity and climate change. It is crucial that companies understand and address their environmental footprint to mitigate negative impacts on the ecosystem and contribute to a sustainable future.

With this in mind, VIAR Group has adopted a policy for the management of air, water and soil pollution.

The strategy has been clearly defined for each business function and then communicated publicly outside the Group.

In this regard, we have implemented tools and methodologies to measure and monitor pollutant emissions, reflecting our ongoing commitment to sustainability and environmental responsibility.

Air pollutants emitted during operations are recorded on periodically basis (at least each year).

We take a comprehensive approach to air pollution by analyzing local emissions at our various plants and production facilities around the Lombardia region. The mandatory environmental management system for our plants includes the requirement to establish targets and measures for reducing air pollutants, and where applicable, to address and mitigate their impact.

VIAR Group has also developed advanced tools and methodologies to measure total quantities of substances that are considered as being of concern and extremely serious for the environment and human health. This monitoring is essential to ensure compliance with environmental regulations and to identify potential risks to health and the environment and so providing a basis for the Group to take appropriate preventive or corrective measures.

SOCIAL

VIAR Group commitment to social aspects, both direct and indirect, is the second component of sustainability. Our ethos is centered around people. Rooted in VIAR Group unwavering commitment to safety and guided by its Values, it encourages our workforce to be driven by a passion for excellence, quality, and client satisfaction. Embracing well-being, diversity, and inclusivity as catalysts for collaboration and performance, VIAR Group empowers our teams to continually learn and develop new skills.

At the heart of it sustainability efforts is a commitment to the wellbeing and development of its people and to protecting human rights throughout its value chain. An environment where safety comes first and individuals can thrive is essential to conducting a sustainable business.

By providing opportunities for lifelong learning, prioritising welfare and embracing talent from different backgrounds and perspectives, VIAR Group can build a diverse, capable workforce ready to tackle today’s market challenges and become leaders in the transition to a more sustainable energy future.

This includes human and labour rights, and VIAR Group contribution to the local development: a contribution that it can quantify in terms of job creation, economic impact and human capital development.

People centrality is a motto that VIAR Group lives by. In everything VIAR Group does, it puts the health, safety and wellbeing of its people at the forefront of every action and initiative. They represent employees, workers, customers, suppliers, distributors and owners. Their growth – in knowledge, prosperity and wellbeing - is central to everyone's success.

Given the unique challenges of recent years, VIAR Group has reinforced its efforts to ensure its people can do the work they do to the best of their ability and in the right conditions, investing in training programmes, digital tools and technology, and healthcare prevention programmes.

As always, VIAR Group believes its people can do their best when they are empowered as individuals. Therefore, VIAR Group continues to promote diversity awareness and provide the most comprehensive benefits it can for a solid work-life balance, allowing its employees to feel protected and appreciated.

Social issues influence brand reputation and trust, and have a direct impact on VIAR Group ability to attract and retain talent, promote a safe and inclusive work environment, and contribute positively to the communities in which it operates.

Health & Safety

For VIAR Group, health and safety are a prerequisite for building a solid foundation for the sustainable development the Group is pursuing. VIAR Group has always invested many resources and, more importantly, a great deal of care and attention in the health and safety of its people, the value chain and wider society.

VIAR Group implement health initiatives because it believes also that they are cohesive and consistent across the organisation and they reinforce our commitment to sustainability, employee wellbeing and responsible operations. Taken together, these concepts reflect VIAR Group's commitment to creating value while ensuring the wellbeing of people and ecosystems as part of its global operations. In particular, knowing that prevention is essential for a long and healthy life, VIAR Group has implemented a check-up programme that helps identify health issues in the early or sub-clinical phase of oncological and cardiovascular conditions and their risk factors (see following table).

2023-2024 Objectives	Target Year	Result 2024
Cardiovascular Check-up	**2024**	**50%**
Breast Cancer Checkup for female employees and for family members of male employees	**2024**	**80%**

These initiatives have been also extended to 2025 with an additional cycle of treatments by osteopath.

At VIAR Group, we want to achieve significant results while protecting human rights and ensuring the physical and mental health, safety and wellbeing of our people. VIAR Group is committed to the goal of "zero fatalities and life-altering injuries" by integrating Human Performance principles into our operations, promoting research and development, looking for the best available technologies and maintaining the integrity of its assets through a conscious adoption of safeguards.

VIAR Group relies on management systems to identify risks and implement effective control measures but, at the same time, it knows that systems and procedures alone are not enough. If it wants to improve its safety performance, it needs to act on behaviours and therefore on its culture.

VIAR Group maintains a leadership role by guaranteeing employee health and safety by monitoring and ensuring them through an integrated management system. Health and safety risks are identified and assessed, mitigation actions are applied to eliminate or manage these risks, and actions, with associated objectives and targets, are implemented to ensure continuous improvement.

To deal with risks that may cause industrial accidents, the department responsible for Safety and Health take the central role in making risk assessments of operational procedures, equipment and facilities, and chemical substances. After determining an order of priority based on the seriousness of the risk, they take action to eliminate or reduce any risks identified.

VIAR Group also strives to reinforce a "safety culture" within the organisation, which encourages a responsible attitude towards safety and hazards. VIAR Group is committed to promoting initiatives with a proactive approach that ensures health and safety in the workplace and fosters personal and professional development and growth. This strategy is also communicated publicly to all key stakeholders.

However, a new strategy is going to be defined, where existing safeguards will be strengthened and new ones added in alignment with the three pillars:

- Embedding Human Performance principles to optimise systems, processes, and behaviours, enhancing safety and reducing high-consequence outcomes.
- Investing in technology and advanced systems using artificial intelligence and the Internet of Things to improve safety performance and operational excellence.
- Ensuring asset integrity through systematic inspections, tests, and maintenance

Moreover, VIAR Group is creating an environment in which everyone has and can exercise the Stop Work Authority: the authority to stop work and correct unsafe behaviour or equipment upon finding it regardless of position.

VIAR Group also uses measurable KPIs for the health and safety of workers. We take a comprehensive and measurable approach to assessing and improving the health and safety of our employees, using key performance indicators to track progress and improvement.

The following table provides an overview of the data related to occupational safety within the Group, including deaths from accidents at work, occupational accidents with serious consequences (excluding fatalities) and reportable occupational accidents.

ST-1	Number	Rate %
Deaths	0	0
Serious accidents at the work	0	0
Recordable accident at the work	3	0,056
Total Hours Worked: 269.242,00		

In 2024, there aren't complaints for occupational diseases and cases of reportable occupational diseases for employees of the VIAR Group (complaints for occupational diseases represent reported cases of diseases recognised as work-related).

The following table provides a detailed analysis of the number of accidents at work, broken down by employee and non-employee, and classified according to different types of accident: temporary, permanent and fatal.

ST-2	Employees	Non-employees workers
n. Temporary Accidents	3	0
n. Permanent Injuries	0	0
n. Fatal Accidents	0	0
Total number of employees (2024): 220		

Diversity and Inclusion

VIAR Group maintains its commitment to supporting the values of diversity, equity and inclusion through the adoption of corporate, organisational and management mechanisms based on respect for people's rights and freedoms. VIAR Group aims to contribute to the resolution of societal challenges through its business activities to achieve sustainable growth. To sustain the Group's ongoing development and maximize the creation of shared value with society, it considers diversity, such as gender, age, nationality, disability status and other factors, is an asset among our workforce and the backbone of its business. VIAR Group is committed to fostering an environment where each employee, with diverse backgrounds, can collaborate while acknowledging each other's differences under a common corporate culture. In cases where there are social disparities, it will work to eliminate barriers and achieve fairness and equality.

VIAR Group has a zero-tolerance policy for discrimination and harassment. This commitment is outlined in the VIAR Group Global Code of Conduct, which serves as a standard that all employees must adhere to.

One of VIAR Group important objectives is to develop a clear mission, strategies and active practices that stimulate a collaborative work environment in which everyone's contributions are valued. Fostering all types of diversity means making the most of the opportunities that arise and generating value in the work environment, as well as obtaining a competitive advantage in business.

Our Group is actively committed to promoting diversity, inclusion and equal opportunities among our employees. VIAR Group has adopted a clear policy in this regard, communicated not only internally, but also externally through public documents such as its website and other communication channels. In fact, ensuring equal opportunities for all employees in terms of recruitment, training, growth and promotions, regardless of gender, race, age, is a key point on which we want to strive to improve the integration of all in the labour market.

In particular, VIAR Group is committed to ensuring equal access in the selection process by 2025 through the identification of an equal male-female shortlist of candidates in compliance with the criteria of gender equality and meritocracy. For this purpose, in 2024, VIAR Group issued a specific internal guideline to promote the gender equality criterion in the selection process.

The following workforce figures show the distribution of employees by gender (2024) expressed as a percentage.

ST-3	Men%	Women%
Employees by gender	**90,34**	**9,65**

The data relating to our employees is presented below, divided by type of contract and gender. The following numbers represent the percentage of men and women employed on permanent, fixed-term and variable-time basis in our Group.

ST-4	Men%	Women%
Permanent employees (by gender)	80,75	7,95
Fixed-term employees (by gender)	9,6	1,7

Another important metric is the ratio of the average salary of women to that of men within our Group.

The ratio of the average salary of women to that of men is between 0.9 and 1.1, indicating a gender-neutral salary balance within our Group.

Furthermore, in all the locations where our Group operates, the ratio between the average salary of women and that of men remains homogeneous. This reflects our commitment to ensuring gender pay equity.

Our Group also evaluates the ratio between the guaranteed entry salary in our Group and the local minimum salary, broken down by men and women. The following table shows the ratio between

The values of the entry salary compared to the local minimum salary for men and women are shown in the table below:

ST-5	2023
Ratio of entry salary to local minimum wage (men)	1,34
Ratio of entry salary to local minimum wage (women)	1,34

We also determine the ratio between the annual remuneration of the CEO and the average value of the total remuneration of all employees (excluding the CEO or the figure considered in the numerator). This data provides us with an important indication on the compensation balance within our Group and on the allocation of financial resources. This ratio is around 2%.

The percentage of female managers compared to the total managerial figures present in our Group is 1,66%. Furthermore, the average ratio between the number of male and female representatives in the administrative, management and control bodies of our Group is around 25%

Occupation

The profound social, economic, demographic, and cultural transformations we are experiencing, from energy transition to the digitalization and technological innovation processes, and the rapid spread of artificial intelligence, have a profound impact also on the world of work, renewing the paradigms, imposing significant cultural and organizational changes that require new professional profiles and skills.

To face the change, it is mandatory to act in an inclusive manner, putting people at the center in relation to their social and work aspects, with tools suitable for facing this epochal transformation.

Again in 2024, VIAR Group conveyed a solid corporate identity not only in adopting sustainable practices and cutting-edge technologies to better face the challenges of the sectors where it operates, see Oil & Gas, Aerospace and Nuclear, but especially in investing in talent. Our Group constantly monitors the trend of new hires and employee turnover. The importance of the Generations pillar is reflected in VIAR Group's investment in youth skills as a driver for a sustainable future. This allows us to carefully evaluate our human resources management strategy and take any corrective measures to ensure workforce stability. In the following, we provide data relating to our hiring and employee turnover, broken down by gender and age groups. This information allows us to carefully evaluate our recruitment process and people management, ensuring a complete and accurate analysis of our workforce. In the table we present the number of employees hired and the turnover percentage for men and women, divided into age groups under 30, between 30 and 50, and over 50.

ST-6	Number of Recruitment men	Turnover men %	Number of Recruitment women	Turnover women %
Age < 30 years	10	5,68	1	0,6
30 years < age > 50 years	5	2,8	1	0,6
age > 50 years	2	1,13	1	0,6

Promoting decent, fair and inclusive employment not only improves the quality of life for employees but also contributes to social cohesion and economic progress. Our Group offers social protection systems in addition to public programmes. This reflects the VIAR Group's commitment to providing additional support for employees beyond standard government regulations in order to increase loyalty to the Group.

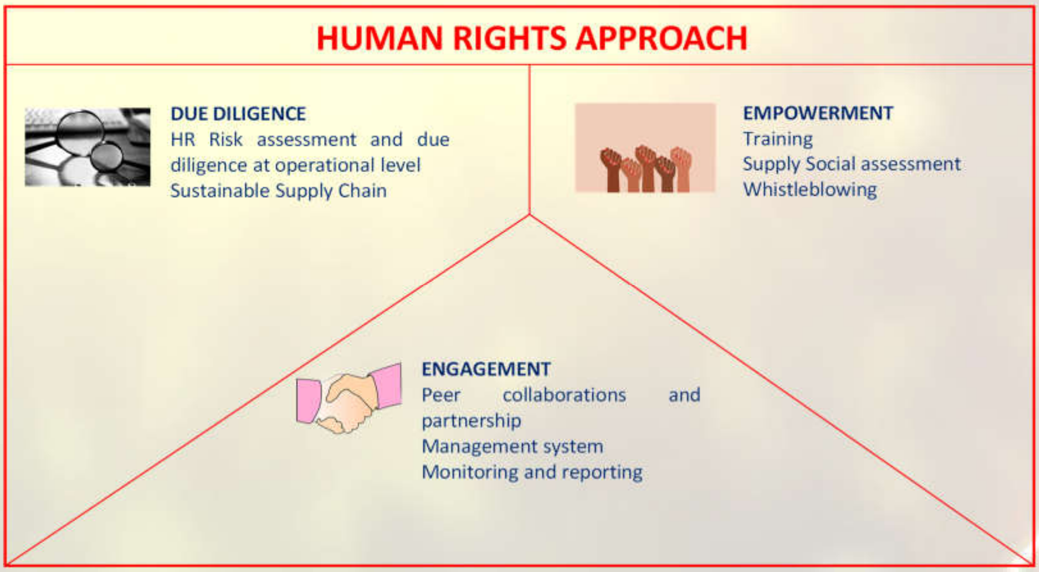
Finally, our commitment to fostering a workplace culture that makes wellbeing a priority recognises the importance of our people in sustainable business practices. VIAR Group's welfare programme is part of the Group's employee engagement policy and offers numerous services to increase the wellbeing of its people and promote a work-life balance.

Human Rights

Protecting and promoting human rights in our operations is a fundamental principle for VIAR Group in conducting sustainable business and maintaining respectful and ethical relationships throughout our value chain and with all relevant stakeholders.

Our Group has adopted a policy for the management of human rights aspects and risks. This policy has also been communicated externally through public documents, such as our website, demonstrating our commitment to transparency and respect for human rights.

A representation of VIAR Group's approach to Human Rights is provided below:



VIAR Group applies a risk-based due diligence strategy to identify, prevent, and mitigate potential adverse human and labour rights impacts in our operations. We are working to guarantee a sustainable supply chain management, and we provide training and awareness programmes on labour rights for employees and vendors, ensuring compliance with international human rights standards and fostering a culture of respect and protection. VIAR Group's risk-based approach to human rights aims at identifying, preventing, mitigating and reporting potential impacts of Group operations and activities.

The Group's human rights policy includes different categories of stakeholders. This allows us to assess the impact of our business practices and ensure that human rights are respected throughout the value chain:

- Our Group's human rights policy includes specific provisions for employees, ensuring that their fundamental rights are respected in the workplace and promoting a safe, fair and respectful working environment.
- Our Group is committed to engaging and respecting the communities affected by our activities, seeking to minimize any negative impact and promoting a collaborative and sustainable relationship.

Our Group's human rights policy is in accordance with internationally recognised standards. Protecting and promoting human and labour rights in VIAR Group operations is a fundamental principle for the Group in conducting sustainable business and maintaining respectful and ethical relationships throughout its value chain and with all relevant stakeholders.

Our Group has taken preventive measures to reduce the probability of human rights risks. These measures are designed to identify and address potential violations in a timely manner, helping to ensure an ethical and human rights-friendly working environment.

We now look at the activities and types of suppliers considered to be at risk for human rights incidents for our Group. This allows us to better understand the potential risks along our supply chain and ensure that our suppliers operate in a human rights-compliant manner.

Our suppliers work in the Italian and European territory and are assessed on their commitment to respecting human rights.

Our Group carefully checks the minimum age of applicants for recruitment. This process is essential to ensure that child labour laws are respected and that all recruitment takes place in full compliance with human rights and applicable laws.

In addition, our Group refrains from any form of forced labour. We are firmly committed to respecting the fundamental rights of workers and to avoiding any practice that may be considered coercive or abusive. This commitment is reflected in our ongoing monitoring of working conditions and the adoption of policies that promote a safe, fair and human rights-friendly working environment.

The Group regularly carries out audits to monitor and/or ascertain the adequacy of our employees' salary. This process is crucial to ensure that our employees receive a fair salary which is commensurate with their role and responsibilities. We are committed to maintaining competitive salary standards while respecting the rights of our workers and applicable regulations.

The Group also uses overtime and monitors the number of hours worked. This allows us to assess the impact of Group practices on the well-being and working conditions of employees. The average number of overtime hours worked in 2024was 6,8 hours per person.

In addition, overtime hours in our Group are paid at a higher rate than the standard hourly wage. This commitment reflects our respect for workers' rights and the importance we attach to fair and appropriate treatment of employees.

Another important element is that we let's leave our employees free to join trade unions. We recognise the importance of trade union freedom and actively support our employees' right to become a trade union member in order to protect their own work interests and negotiate fairer working conditions.

Moreover, our Group has established an internal channel (whistleblowing system) dedicated to reporting discrimination or human rights violations. This channel provides our employees with a secure and confidential means to report any issues or concerns. In 2023 the number of complaints related to human rights issues was 0.

GOVERNANCE, ETHICS AND INTEGRITY

As a Group responsible for developing the infrastructure that forms the foundation of society, VIAR Group's basic policy is to manage the Group in consideration of all stakeholders and to make efforts to enhance corporate governance on an ongoing basis in pursuit of sustained growth of VIAR Group and improvement of its corporate value in the medium and long term.

In accordance with such basic policy, VIAR Group endeavours to improve its management system by, among other ways, working to enhance its management oversight function, separating management oversight and execution, and inviting outside directors on the Board, focusing on the improvement of the soundness and transparency of its management as well as on diversity and harmony.

In addition to the principles of Responsible Governance, which are fundamental to ensuring conscious and respectful action, it is becoming increasingly crucial for companies to focus on the creation of long-term value and the setting of objectives that integrate the economic, environmental and social impacts generated or encountered indirectly in their business.

In this context, it is crucial to steer the Group's aspirations towards greater awareness and respect for environmental and social impacts over economic ones, assessing the risks and protecting the interests of stakeholders by carefully calculating the financial effects of related decisions.

VIAR Group has adopted a system of corporate governance that is functional to the development of a business model and strategy based on sharing value creation with all relevant stakeholders, placing environmental, social and financial sustainability at the center of the corporate culture. In particular, VIAR Group's corporate governance system monitors the integration of sustainability into corporate strategies in relation to the different stages of: (i) the sustainability context and megatrends analysis; (ii) materiality analysis and stakeholder engagement; (iii) sustainability planning; (iv) definition and implementation of specific actions to support the sustainable business model; (v) monitoring sustainability performance, through the definition and adoption of specific ESG indicators throughout the value chain; (vi) sustainability disclosure, both to comply with specific regulations and to respond to requests from various stakeholders (vii) ESG ratings and indices review.

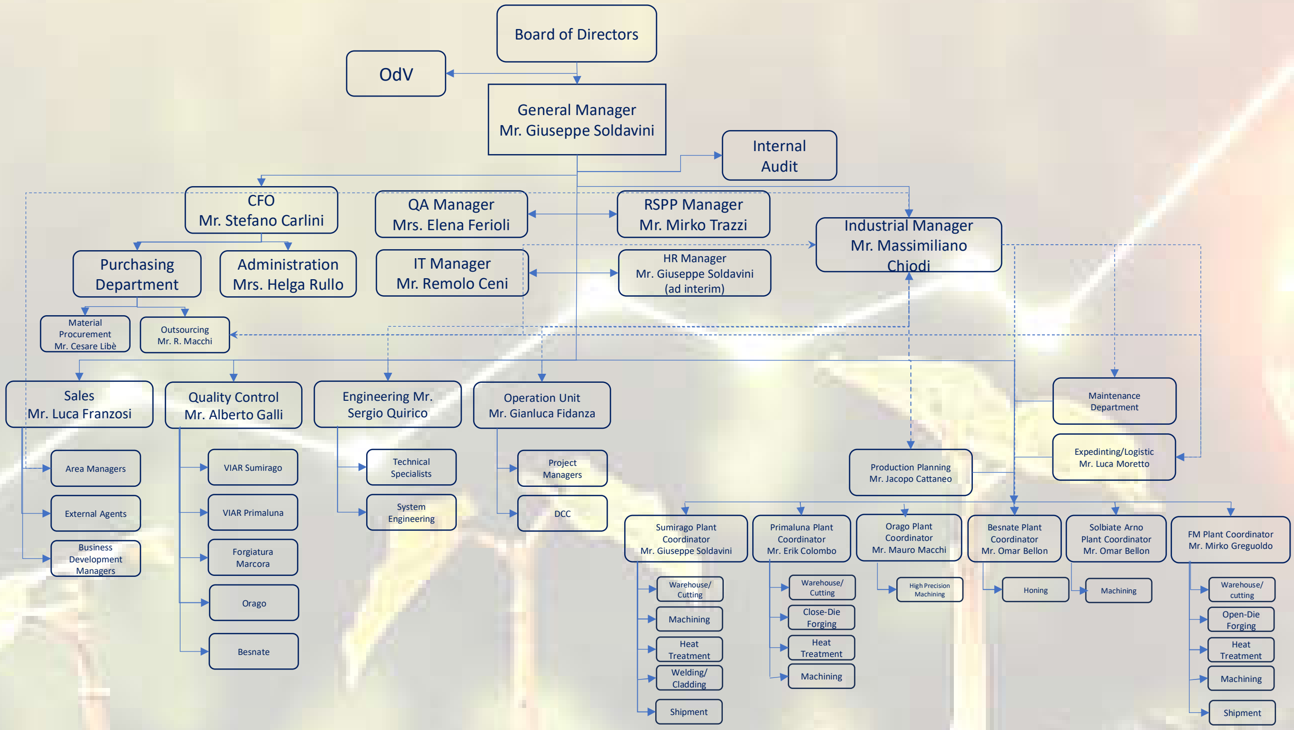
Every stage of this process relies on constant listening and dialogue with internal and external stakeholders and on respect for human rights as key elements in the pursuit of Sustainable Success.

The organizational structure of the VIAR Group is articulated in a matrix that considers:

• Main Business Lines entrusted with the task of managing and developing assets, optimizing their performance and return on investment, in the various geographical areas where the Group is present. In accordance with safety, security and environmental policies and regulations, they are tasked with maximizing the efficiency of managed processes and applying best practices worldwide by sharing with the Countries responsibility for EBITDA, cash flow and revenues;

• Main Service Functions, which are responsible for managing information and communication technology activities, Group-wide procurement and the management of global customer actions. It also focuses on the responsible adoption of measures to achieve sustainable development goals, specifically in supply chain management and the creation of digital solutions to support the development of technologies to enable the energy transition and combat climate change;

• the Group Staff Functions (Administration, Finance and Control, People and Organization, External Relations, Legal, Security) which are responsible for managing governance processes at Group level.



VIAR Group recognises the importance of having a solid governance framework around sustainability to ensure we have the correct agenda and it is driven by effective leadership.

The Board of Directors of VIAR Group is responsible for guiding the Group’s strategy in relation to sustainability and climate related matters, and when defining the objectives, strategies and risk profiles for the Group’s business activities, sustainability risks and opportunities are considered. Sustainability represents a permanent feature at every Board agenda, and this is in line with the Board’s aim to carry out business in a manner that is sustainable for the Group’s shareholders, having regard to financial, social and environmental considerations.

Business Model

The VIAR Group's business model harnesses synergies between the various business sectors and the wider environment in which it operates. The ultimate goal is to constantly devise new solutions that boost operational efficiency, decrease the environmental impacts of operations and goods purchased from suppliers, and enhance the safety of personnel and suppliers.

In recent years, VIAR's growth-oriented policy has led, to significant investments in facilities, machinery, and specialized human resources, aimed at establishing a vertically integrated production system. VIAR Group possesses deep sector-specific technical expertise supported by in-house experts and fungible manufacturing facilities augmented by Internet and Industry 4.0 excellence standards. This enables VIAR Group to seamlessly integrate technology with customers and ensure sustained new product development.

So, VIAR Group aspires to become a globally recognized, premier one-stop-shop Group in forged turnkey solutions, delivering its products worldwide.

VIAR Group is moving its business model to be sustainable in order to enrich stakeholders and produce/distribute benefits along the entire value chain without depleting the human, economic and natural capital on which VIAR Group's success rests.

Sustainability issues are of crucial importance to any company committed to operating responsibly. Consideration of these issues enables companies to address global challenges, such as climate change, natural resource scarcity and social inequalities, while creating opportunities for innovation, growth and competitiveness.

VIAR Group has undertaken a meticulous process to identify relevant sustainability issues. This analysis was started from multiple sources and methodologies.

We based the identification of sustainability issues on our corporate strategy, integrating sustainability dimensions directly into our business objectives and strategic priorities. Stakeholder engagement actions are fundamental to guide and empower corporate management bodies to prioritise sustainability issues in the long term.

In order to achieve effective involvement of all stakeholders, the Group has identified key stakeholder groups related to the social structure of relationships established. Our Group takes a proactive approach in engaging key stakeholders on sustainability issues that affect us. We have recognised the importance of listening to the different perspectives and opinions of key stakeholders to inform our strategies and decisions. This approach enables us to build strong and lasting relationships with stakeholders and foster a shared commitment to corporate sustainability.

Stakeholder Management Process

With the help of its stakeholders (including VIAR Group people, suppliers, communities, customers, financial community, institutions, etc.) VIAR Group is dedicated to creating a transition path that is equitable and that generates shared value in the contexts in which it operates. In order to achieve sustainable financial, environmental and social results, it is important to build solid and lasting relationships in Italy in which the Group operates. An ongoing dialogue with individual stakeholders and their representative organizations makes it possible to identify priorities for action and define the contribution to ESG Development Goals.

GT-1	EFFECTIVE ENGAGEMENT STRATEGY
Customers	VIAR Group analyses their needs to ensure reliable responses and establish lasting relationships, committing itself to offering sustainable solutions and services that are convenient, innovative, flexible and attentive to the most vulnerable to ensure energy saving.

	Sustainability is no longer just an ethical choice but also a competitive factor in influencing brand perception and customer loyalty
Employees	ESG aspects are relevant to creating a sustainable and attractive working environment for employees who benefit from policies that improve safety, promote health and wellbeing, foster professional growth and ensure ethical and transparent governance. VIAR Group is committed to nurturing a close relationship with them, particularly by paying greater attention to caring activities and active listening, while promoting internally a culture of inclusion, enhancement of diversity, innovation and business entrepreneurship to face the challenges posed by a constantly changing context.
Suppliers	A company that operates with a sustainable and responsible vision will look for suppliers that share the same values, ensuring that procurement processes are environmentally friendly, fair to workers and managed with transparency and integrity. Having a supply chain that respects ESG criteria enables the Group to reduce operational and reputational risks, while also improving overall performance and compliance with consumer and investor expectations. VIAR Group faces the challenges of transition and supports their path of change and growth, sharing ideas and innovations.
Local Communities	Companies that respect the environment, promote economic and social development and adopt transparent governance can have a significant impact on the quality of life of local communities, which not only become beneficiaries but also active partners in creating shared value and ensuring the long-term sustainability of production activities. Specific action plans and projects are jointly drawn up, intended to promote access to energy, fighting energy poverty, supporting quality education and socioeconomic development, starting from a proactive analysis of their needs through a shared value creation model.
Local Organizations	VIAR Group is committed to providing information to local authorities and non-governmental organizations interested in its operations, mainly through its institutional channels. At local level, VIAR Group identifies organizations of proven experience with which to establish short or medium-term relations and collaborations mainly in the design and execution of initiatives for local communities
Financial Community	VIAR Group maintains a constant and open relationship, based on principles of integrity and transparency, in compliance with the rules and best practices, in order to increase the level of understanding of the activities carried out by the Group.
New Generations	VIAR Group is committed to educating and training new generations and to raising awareness on sustainability topics. It offers job opportunities and personal and professional growth through empowerment and tutoring initiatives. It collaborates with schools and universities to promote integration between theoretical knowledge and practical experience

Corporate sustainability is an increasingly important priority for many organisations, which seek to integrate sustainable practices into their goals and strategies. Our Group has set sustainability goals at a qualitative level, focusing on desired outcomes and impacts in line with sustainability principles.

The following table provides an overview of the goals achieved in the past year and those that are intended to be pursued in the coming year to provide a clear view of the Group's sustainability journey.

GT-2	Goals achieved in 2024	Goals to be pursued for 2025
Environment	Reduction ton CO2/atmospheric emissions + reduction in water consumption	Decrease from the previous year, Energy efficiency improvement
Social	Inclusion	Safety and Welfare of employees
Governance	Accountability efficiency and effectiveness	Communication and Rela

Our Group's sustainability goals are fully integrated into our corporate strategies and policies. We are committed to ensuring that sustainability is at the core of our business decisions and day-to-day operations therefore contributing to a positive impact on a broader scale. Our Group has implemented internal information flows to collect, measure and report sustainability targets, but we do not currently use a dedicated technology platform for this purpose. Furthermore, the VIAR Group is able to clearly describe its business model, including the main characteristics of the value chain and our position in it. This in-depth understanding enables us to identify sustainability opportunities and challenges along the entire value chain and to take concrete measures to improve our performances. The information reported by our Group is compiled on a case-by-case basis. This approach enables us to provide a detailed view of the performance and commitment to sustainability of each business unit or division, allowing for greater transparency and accountability at the local level. Our Group is able to provide details on the formation and organisation of the administration, management and control bodies. This includes information on the key members of these bodies, their role and specific responsibilities within the corporate structure. In addition, members of corporate management bodies have access to expert consultations, participate in training activities and are involved in other ESG (Environmental, Social and Governance) competence development initiatives. This commitment is aimed at ensuring that our leaders are adequately prepared to face the challenges and seize the opportunities related to sustainability, therefore contributing to the continuous improvement of our business practices.

There are currently people in the Group who are responsible for managing sustainability issues (e.g. HSE Manager), however, the target is to also have a dedicated Energy Manager who is specialised in the study of technological measures aimed at reducing environmental impacts and CO2 emissions reductions.

Results related to sustainability issues are regularly reported at the highest corporate levels and communicated to employees. This ensures adequate transparency and accountability in addressing challenges and implementing sustainability initiatives within the Group.

With regard to the sustainability metrics included in the performance measurements, our Group has adopted a wide range of remuneration mechanisms. These include performance-based remuneration systems, bonuses and deferred or vested shares. This diversification of remuneration mechanisms reflects our commitment to fostering a corporate culture focused on sustainability and the achievement of tangible results in this area.

In the current global economic environment, more and more companies are directing their investments towards green and socially responsible initiatives. This transition reflects not only a commitment to the environment and society, but also a recognition of the importance of a sustainable approach to ensure the long-term stability and success of companies. With this in mind, our Group has also oriented its investments towards green and/or social activities. The percentage of these investments out of the total EU investments for the year was 4%.

Impacts, Risks and Opportunities

The analysis of ESG impacts, risks and opportunities is essential to guide business decisions, to foster transparency and accountability, and to promote sustainability and the long-term success of the Group. VIAR Group has the ability to detail the main sustainability risks and opportunities it faces in its business sector, thus providing an in-depth understanding of the environmental, social and governance dynamics that affect it.

In this regard, our Group identifies and monitors the following relevant risks:

- Social risks (human rights violations, critical events related to workers' health and safety, accidents, local community relations, changes in customer preferences, etc.)
- Governance risks (corruption, data management issues, lack of transparency, non-compliance with ESG issues)
- Generic risks with links to sustainability aspects
- Risks related to environmental issues (climate change, physical risks or transition risks, environmental regulation, degradation of natural resources, pollution and waste management)

Potential opportunities are:

a) energy efficiency, development of a circular economy, adaptation to climate change
b) improvement of reputation, involvement of local communities
c) increased employee satisfaction
d) access to new capital, mitigation of legal and regulatory risk, transparency and accountability

The Group monitors how risks related to sustainability issues change over time, also in relation to the prevention and mitigation objectives defined by the Group itself.

Furthermore, in identifying risks and opportunities, our Group has considered the impacts in which it is involved through its activities and/or business relationships.

The following categories of stakeholders along the value chain have been considered in identifying and managing the main risks and opportunities related to sustainability issues:

- Consumers/end users
- Suppliers
- Employees
- Impacted communities

Ethics and Integrity

VIAR Group is guided by fairness, transparency, and integrity, ensuring full compliance with laws, regulations, and guidelines in all contexts where it operates. This ethical foundation supports sustainability, business efficiency, and legal risk prevention, protecting our reputation and fostering stakeholder trust.

VIAR Group is committed to a governance system aligned with international best practices, capable of addressing the complexities of sustainable development. Collaborative relationships with stakeholders, built on fairness, are essential to our success.

VIAR group upholds a zero-tolerance policy against discrimination, corruption, forced labour, and child labour, prioritising the dignity, freedom, and equality of all individuals. Protecting and promoting human rights is a fundamental commitment. Ethics and integrity are of fundamental importance to any company, as they affect every aspect of its operations and relations with stakeholders. They define how a company behaves, makes decisions and manages its relationships with employees, customers, suppliers and investors.

VIAR Group has adopted anti-corruption procedures through a code of ethics which is an integral and substantial component of its Organisational Management and Control Model pursuant to relevant Italian Legislative Decree n.231/2001. VIAR Group Code of Ethics enforces fairness, honesty, integrity and transparency in operations, conduct, working practices and relations, whether internal or external to the Group. It defines our responsibilities to internal and external stakeholders, promoting fairness, loyalty, integrity, and transparency in all operations and relationships, both within the Group and with external parties.

VIAR Group has a robust whistleblowing system to discourage, detect, investigate, and report illegal

activities within the Group. Whistleblowers are protected from retaliation, discrimination, or penalisation, with their confidentiality guaranteed. Violations of these protections result in sanctions, ensuring a safe environment for reporting misconduct.

Within our Group, the investigation committee operates in a separate role from the person handling the reported action. This ensures an objective and impartial analysis of the reports received.

Our Group has a training programme on anti-corruption procedures. This programme is designed to raise awareness and train employees on corruption risks and the procedures to prevent and manage them effectively.

The percentage of executive board members and employees who have received training on anticorruption policies and procedures is reported in the table below:

GT-3	%
Top Management	100%
Employees (Support Departments)	10%

Furthermore, to monitor and measure the risk of corruption and the anti-corruption initiatives carried out, VIAR Group has dedicated tools and processes.

The Group is able to describe its internal and external mechanisms to verify the implementation of ethical and legal behaviour by its employees and to track unlawful, unethical behaviour or lack of integrity.

The number of corruption incidents that occurred within the Group, broken down by year are reported in the following table:

GT-4	2024	2023	2022
Number of Corruption Incidents	0	0	0

VIAR Group uses initiatives to develop and promote corporate culture, which at the moment are only shown internally, therefore external parties are excluded.

VIAR Group offers maximum transparency with regard to the terms and timing of payments to the various business partners. This information is clearly defined in our contracts, ensuring clear and transparent management of business transactions.

Value Chain Management

VIAR Group's vendors are essential partners and actively contribute to our sustainable business objectives wherever we operate. We require all our vendors to comply with the VIAR Group Vendor Code of Conduct principles, which includes 0a commitment to human and labour rights, from the qualification phase and throughout the entire contract execution.

As a Group, we have always been aware of the importance of virtuous interconnection through the entire value chain, and this is especially true for sustainability and corporate responsibility issues. As far as sustainability issues are concerned, the Group:

- involves its top-level suppliers in the value chain
- involves its customers

We plan to adopt a methodology for next year to involve our suppliers and measure their sustainability performance.

The supplier engagement strategy that will be adopted in 2025 is to:

- require suppliers to sign our Code of Conduct.
- involve suppliers by helping them improve their sustainability performance (e.g. by sharing good practices)
- offer contractual incentives to suppliers who demonstrate improvements in this area
- carry out sustainability audits or send out self-assessment questionnaires
- ask suppliers if they have ISO45001certification in addition to 14001
- setting new vendor requirements on human and labour rights;
- enhancing vendor engagements on GHG commitments;
- raising vendor qualification standards for CO_2 emissions;
- introducing a vendor management system module focused on human and labour rights to monitor high-risk vendors;
- defining minimum efficiency standards for new key equipment purchases;
- developing reporting procedures, i.e. for Carbon Border Adjustment Mechanism (CBAM) requirements;

G-T 5	Request for stimulating supplier awareness	Evaluation Criteria
Environment	• Enhanced vendor collaboration to halt or reverse biodiversity decline • Energy savings and reduced emission impacts	Suppliers proactively have to share their environmental product certification processes and their results
Social	Conduct human and labour rights audits of suppliers	Human and labour rights risk assessment of suppliers to prioritise key suppliers.
Governance	• Legal and Regulatory compliance • Sustainable work practices	• Documented policies • Third Party certifications

As we are constantly striving to improve our reporting, we would very much welcome your feedback. We will also be pleased to answer any questions you may have.

You can submit your comments by email to: info@viargroup.com.

Thank very much for your kind attention

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