



EMPOWERED PERFORMANCE

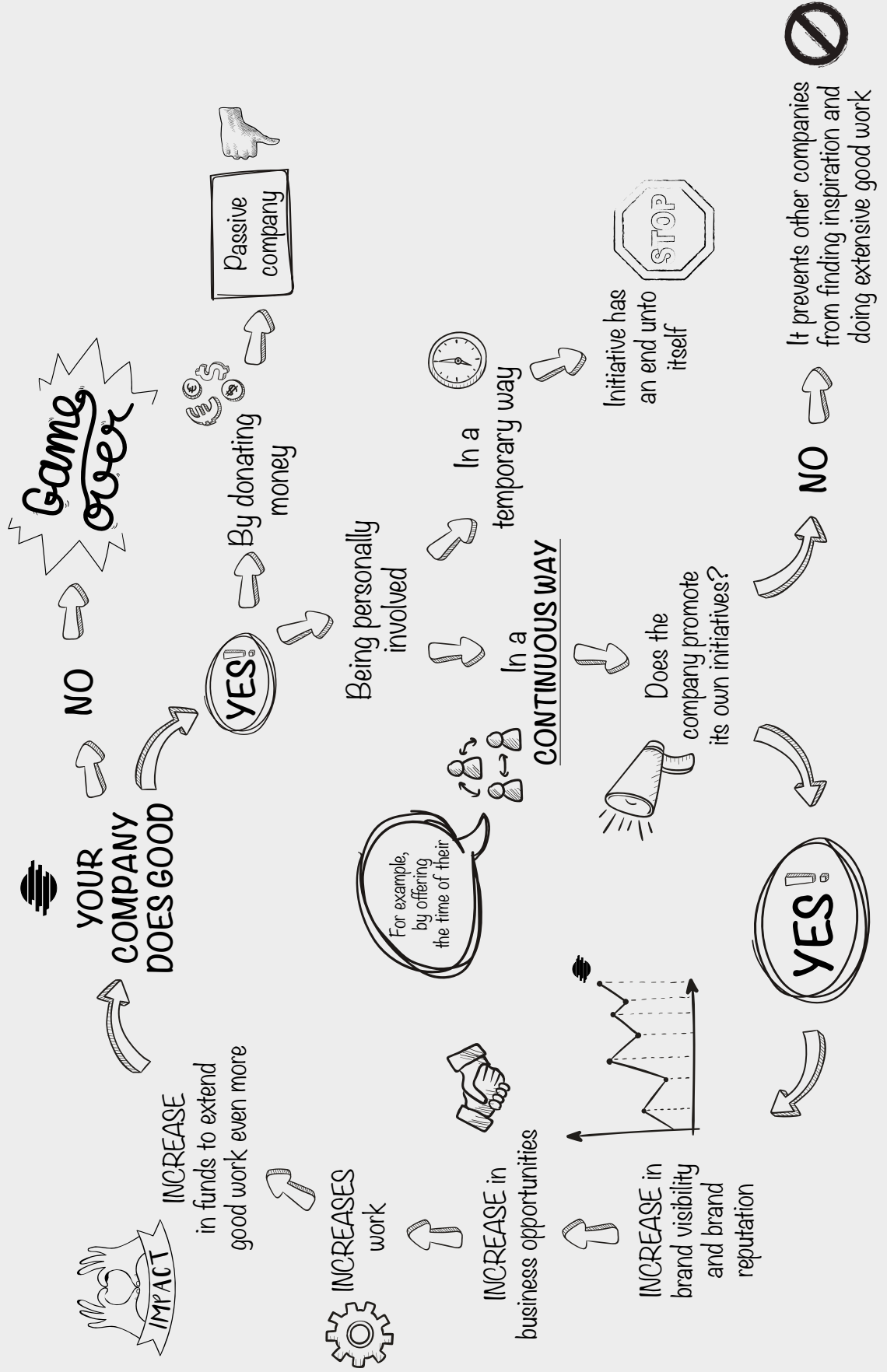
SUSTAINABILITY REPORT

OMAL 2017



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We do a good job!



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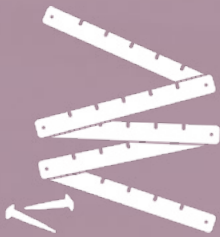
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INTRODUCTION AND METHOD

1



LETTER FROM THE CEO



This second edition of the OMAL Sustainability Report marks a continuous commitment in the translation of social and environmental objectives into corporate life. The effort started in 2016 and aimed at an initial corporate positioning on issues of responsibility and reputation has also marked 2017, having it stand out for a series of important results.

From a management point of view, one of the major difficulties that a productive organization has to face, is in maintaining the commitments made at the start of the Social Innovation or Corporate Social Responsibility pathway. Indeed, if on the one hand making commitments and announcing objectives is relatively simple in the start-up phase, it is much more difficult to maintain the promises and standards of internal involvement on these issues. Company life, in fact, responds mainly to market stimuli, which often manifest themselves in sudden and complex forms. Therefore, it becomes challenging to stabilize the level of internal attention on social and environmental issues in the medium-long term without being profligate or repetitive, to devote time to new planning and, finally, to analyse the indicators of internal engagement in a strategic key.

Having said that, OMAL's commitment during 2017 was wholly aimed at maintaining what was announced in the first report and to the renewal of thematic experiences, such as Corporate Art, which were further developed for the benefit of internal and external company relations. It is therefore with satisfaction that OMAL approaches this second year of reporting, imagining the report as an update of previous data and experiences but also as the narration of a new story of ambition and dedication, to be told through the many initiatives carried out.

With the evolution of the projects, and the progressive commitment of the many protagonists who have contributed to making them and communicating them, it will be increasingly important to constructively strengthen relationships with the company's region of origin, envisaging the possibility of establishing a local model of company responsibility that can bring together other companies from other sectors, overcoming the limit of project autonomy. Contemplating a network of profit players with shared goals and efforts will increasingly be the frontier to watch, defying the mistrust that limits the comparison between market players. Working on social issues as a profit subject will increasingly be a team game, therefore, moving to define a true regional ecosystem that is able to meet the challenges of the future by uniting as far as possible all far-sighted and responsible parties in its region and within the individual corporate units.

Being able to respond to the challenges and opportunities of the future, together, this is what OMAL intends to do, hoping to bring together other courageous and innovative stakeholders around this goal. We will not back out.

Amedeo Bonomi
CEO OMAL S.p.A.



“If you can't describe what you are doing as a process, you don't know what you are doing.”

W. Edwards Deming Statistician, developer of the PDSA (Plan-Do-Study-Act) approach. »

1.1 APPROACH

This document's objective is to systematize a series of data, practices, values and objectives that have guided and will continue to guide our company in the future. What is described here is the result of the constant commitment of dozens of people who have been working every day since 1981 to achieve excellent results in the valve and actuator sector. A tradition that is not improvised and needs to be collected, updated and communicated so that it can become a base from which to continue, year after year, the individual and company improvement process that has always distinguished us.

For us at OMAL, the Social Audit is a living document, not an image obligation, whose value lies in configuring the choices we will make in the near future. Environmental sustainability and strategy, therefore, are two sides of the same coin that differentiates the most forward-looking and innovative companies.

We have chosen to integrate social and environmental values throughout our Value Chain because we believe that only in this way can we best express our corporate reputation linked to the efficiency of our products and processes. Instead of talking about Corporate Social Responsibility (CSR), OMAL has chosen to conceptualize the analysis shown here within the conceptual framework offered by Social Innovation. In fact, the latter with its innovative influence on impacts, organization and relationships, is a base from which to map the activities and initiatives carried out by OMAL over the last year. Moreover, unlike the philanthropic approach, for OMAL the social and corporate commitment is an intrinsic value of the core business, i.e. not separate from it but logically parallel, long-term and similarly subject to continuous improvement objectives.

OMAL's commitment in the field of social and corporate sustainability is long-term as demonstrated by the creation in 2016 of the “Social Innovation” department, with the task of planning, assessing and promoting Brand Reputation initiatives in a socio-environmental key and communicating them outside and inside the company. Even during its second year in existence the challenges and efforts to characterize this document for consistency and credibility were not lacking.

Being aware of the uniqueness of OMAL's approach, active in a sector traditionally not sensitive to the issue and realized by a medium-sized company, the OMAL corporate strategy in the field of Social Innovation originates from the reflection on corporate vision and mission that led to the drafting of the [code of ethics](#). It was subsequently enhanced thanks to the follow-up achieved in the field of Supply Chain sustainable management (with the [supplier code of conduct](#) and related general purchasing conditions), thus ending up with this document, the latter also being functional to maintaining the status of supporter of the United Nations Global Compact initiative. Both documents are updated by OMAL, year after year, just like for the Sustainability Report in this second edition.



GLOBAL COMPACT



I propose that you, the business leaders gathered in Davos, and we, the United Nations, initiate a global compact of shared values and principles, which will give a human face to the global market.

(Kofi Annan, Secretary General of the United Nations, World Economic Forum, January 31, 1999, Davos)



The United Nations Global Compact is the world's largest strategic enterprise citizenship initiative.

It stems from the desire to promote a sustainable global economy: respectful of human and labour rights, environmental protection and the fight against corruption. It was proposed, for the first time in 1999, at the World Economic Forum in Davos, by the former UN secretary Kofi Annan, who, on that occasion, invited the leaders of the world economy present at the meeting to sign a "Global Compact" with the United Nations, in order to tackle the most critical aspects of globalization in a logic of collaboration. Never before had the desire to align the objectives of the international community with those of the business world's private interests been so clearly proclaimed.

Thus, in July 2000, the United Nations Global Compact was initiated from the New York United Nations Building. Since then, more than 9,670 companies and organizations from over 161 countries worldwide have joined, giving rise to a new global reality of public-private collaboration.



HUMAN RIGHTS

GC Goal 1: Companies are required to promote and respect universally recognized human rights within their respective spheres of influence; and to

GC Goal 2: ensure that they are not, even indirectly, complicit in human rights abuses.



WORK

GC Goal 3: Companies are required to support workers' freedom of association and to recognize the right to collective bargaining;

GC Goal 4: the elimination of all forms of forced labour is compulsory;

GC Goal 5: the effective elimination of child labour;

GC Goal 6: the elimination of all forms of employment and professional discrimination.



ENVIRONMENT

GC Goal 7: Companies are required to support a preventive approach towards environmental challenges; to

GC Goal 8: undertake initiatives that promote greater environmental and social responsibility; and to

GC Goal 9: encourage the development and diffusion of environmentally friendly technologies.



FIGHT AGAINST CORRUPTION

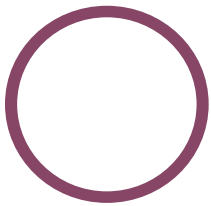
GC Goal 10: Companies are committed to fighting corruption in all its forms, including extortion and bribery.

The data collection process has been coordinated internally at OMAL by the Head of Social Innovation and has indirectly involved all the production units. In the same way, further data were collected from external stakeholders including customers, distributors, suppliers and institutions in the regions in which OMAL operates. Different methods of involvement were used for everyone, for example in some cases, as in the one that affected the employees, it was both individual and collective; in other cases, as with suppliers, just on an individual basis. Finally, in the case of regional associations, an individual questionnaire was created with closed or open-ended questions, which allowed us to improve some project dynamics. Anonymity was granted to certain stakeholders while in other cases ideas and brainwaves were communicated in a nominal manner.

The reporting period was between January 2017 and December 2017 and involved the activities and impact of the 93 OMAL employees in the production facilities of Rodengo Saiano and Passirano, in the province of Brescia.

Therefore, we reiterate that with this second edition of the Sustainability Report, the OMAL path of growth and improvement continues through a series of internal and external investigations, aiming at an increasingly substantial commitment to the themes of Social Innovation and corporate reputation, the latter seen as a direct consequence of balanced relationships between the market, people and the environment.

1.2 STAKEHOLDER MAPPING



MAL's stakeholders have been identified through the purpose and objectives of the engagement process, aimed at forging stronger and meaningful relationships with interested parties. In particular, in this document we define stakeholders as people, groups or entities that are influenced by OMAL's activities and may be associated with it.

Their selection was made through an analysis of the principles of:

Dependency

Referred to the more or less strong proximity of the stakeholders with the company's economic activities.

Responsibility

Referred to legal, social, commercial or environmental responsibility ties that bind the stakeholder to the company.

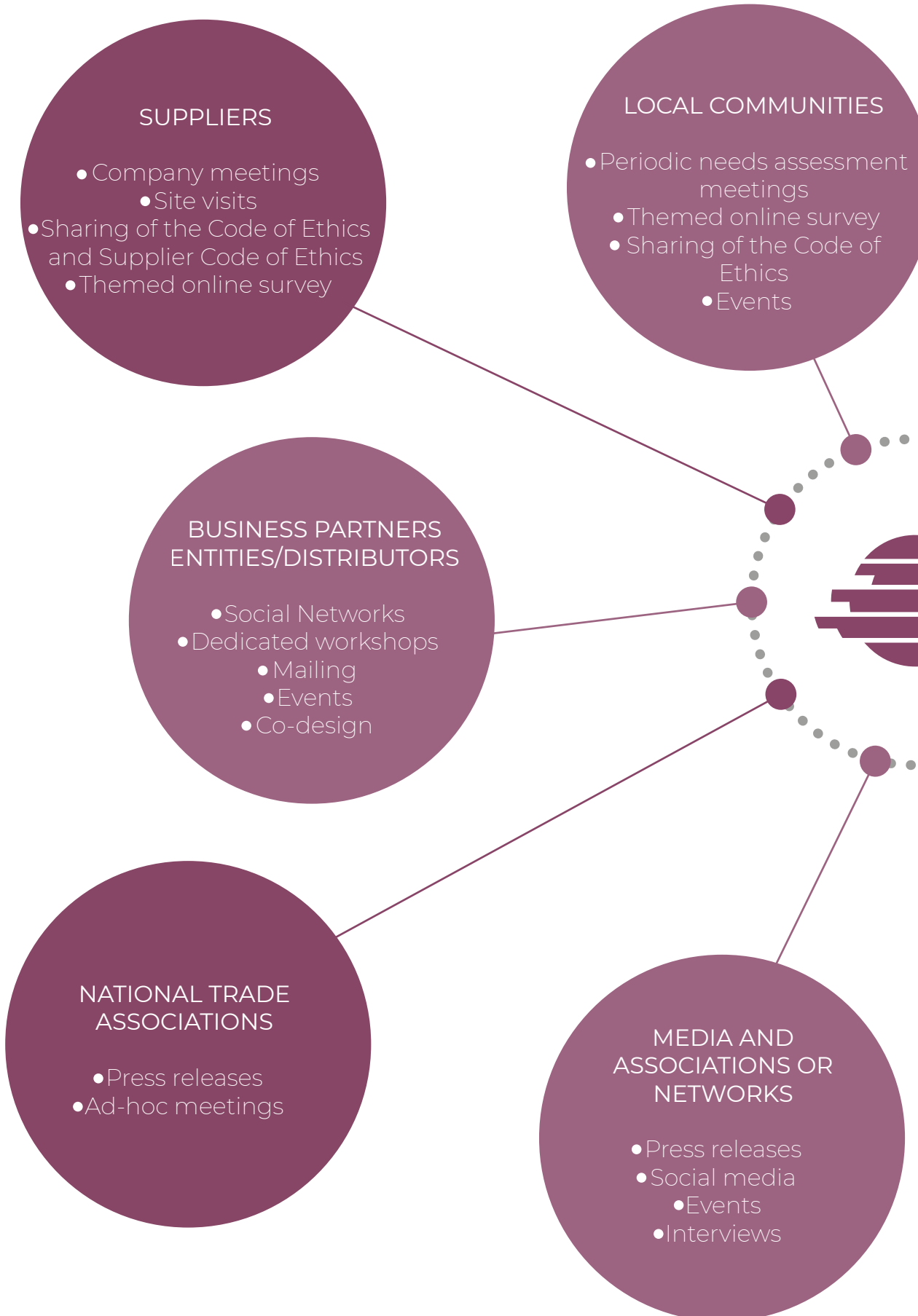
Necessity

Referred to the need to consider a given stakeholder because immediately relevant.

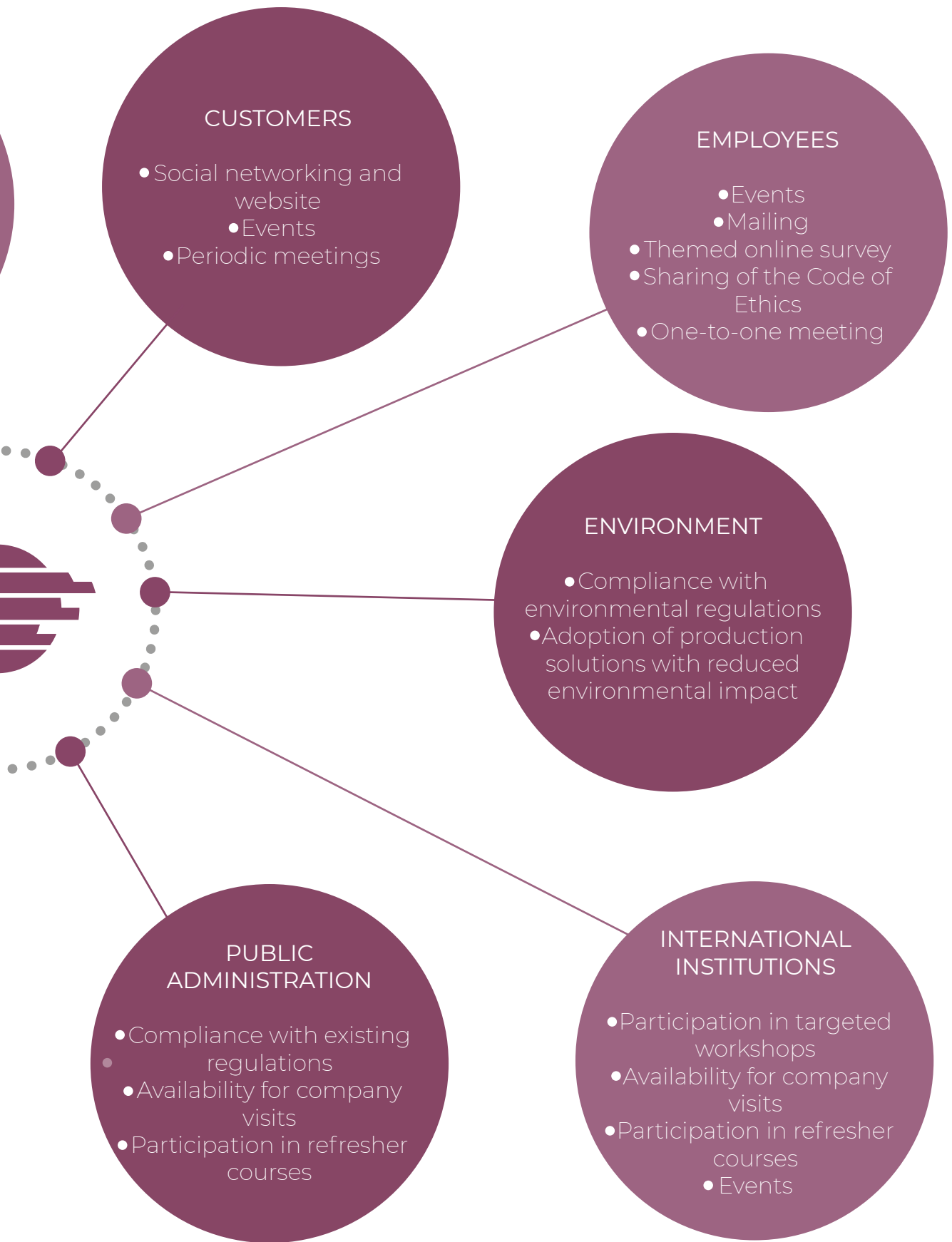
The stakeholder identification process then led to their mapping, necessary to carry out the stakeholder engagement process. In fact, the latter requires different methods and contents depending on the type of stakeholder to which it refers. Below is a map of the stakeholders arranged according to the main channels of exchange and information with the company.

STAKEHOLDER MAPPING

OMAL STAKEHOLDERS AND THE MAIN E

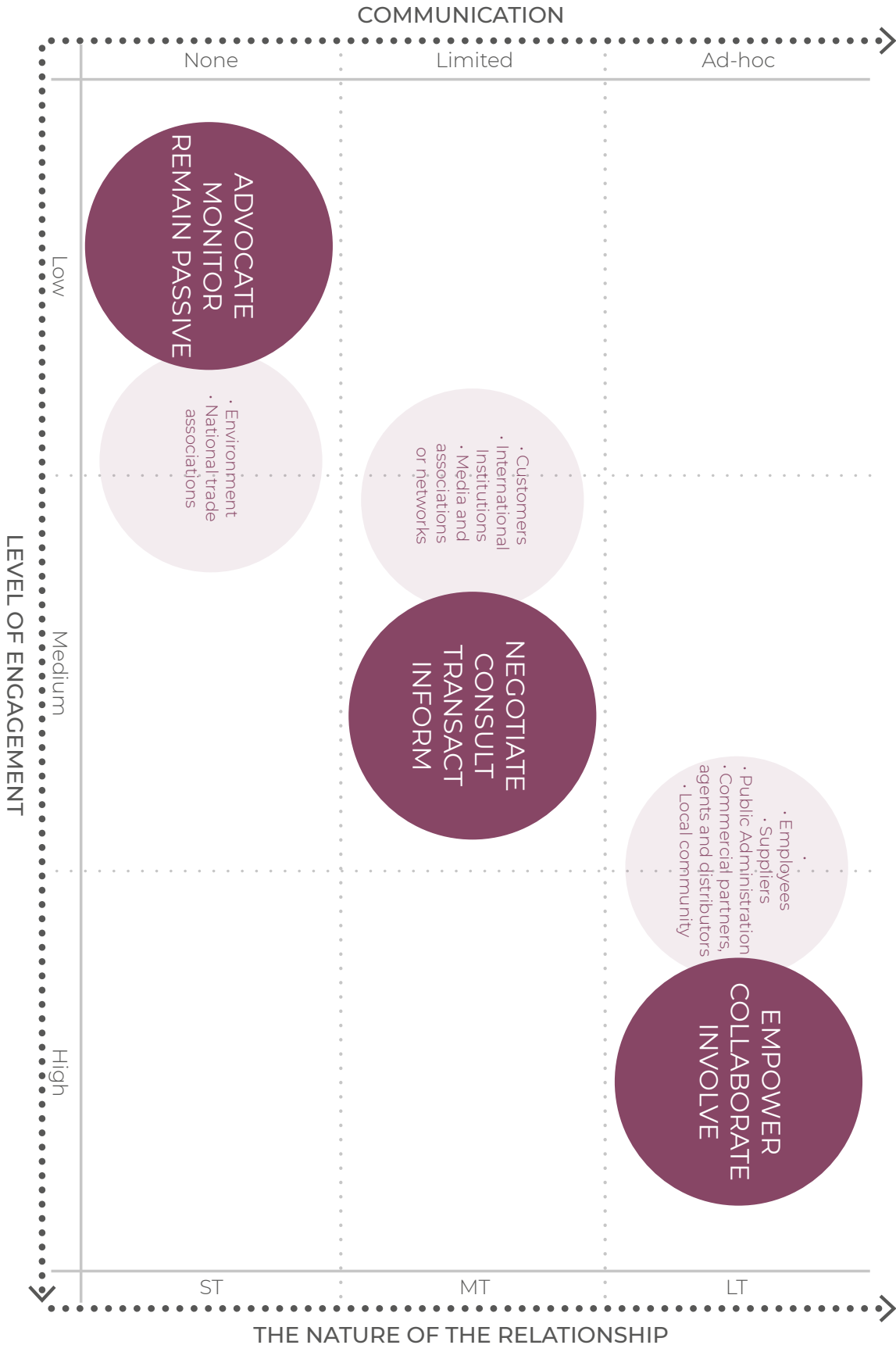


EXCHANGE AND INFORMATION CHANNELS



The stakeholders identified above were subsequently arranged according to the nature of the relationship with OMAL, the depth of the engagement process and the type of communication developed for each interlocutor. Therefore, this led to a separation by levels as it appears in the next image, reworked starting from the standard AA1000 (2015).

ENGAGEMENT LEVELS



1.3 STAKEHOLDER ENGAGEMENT

The objective of stakeholder engagement is two-pronged for OMAL: on the one hand, improving internal corporate strategies and, on the other, improving the function of certain operational processes. For this reason, the work was carried out by linking it to daily activities in such a way that it filters through the functions of all the operations and is reflected in already started paths of innovation and growth.

The stakeholder engagement process took place on all levels, starting from different methods depending on the reference interlocutor. Among the channels used, were:

- MEDIA
- OMAL WEBSITE
- DOCUMENTS POSTED BY STAKEHOLDERS
- ADVOCACY
- POLICY PAPER
- PARTICIPATION IN EVENTS AND CONFERENCES
- PUBLIC - PRIVATE PARTNERSHIPS
- WEB SURVEYS
- FOCUS-GROUP
- AD-HOC MEETINGS WITH STAKEHOLDERS
- SHARED PROJECTS
- MULTI-STAKEHOLDER INITIATIVES

A tangible example of engagement is the survey carried out in 2017 between the seven OMAL regional stakeholders who were subjected to a social planning questionnaire that analysed the progress of the various initiatives in terms of: general rating (i), criticality (ii), strengths (iii), corrective measures on timing (iv), corrective actions (v), corrective measures on communication (vi). In addition, each stakeholder had the opportunity to suggest additional topics, relevant for them, explaining the reasons for their interest and the ways of implementing them. The data collection process, carried out through an anonymous survey, was aimed at improving shared social initiatives and carried out in OMAL's second year of Social Innovation. Below is an excerpt from the document shared with the regional stakeholders and the data collected.



Project assessment and engagement questionnaire "OMAL Community Volunteering"

1. R A T I N G



7/7 ASSOCIATIONS AVAILABLE TO CREATE A NETWORK OF LOCAL VOLUNTEERING



ONLY 1 ASSOCIATION QUOTED SIMILAR PROJECTS

POSITIVE +
ECONOMICAL IMPACTS

- EFFICIENCY
- QUALITY
- SAVINGS

PROJECT MANAGEMENT

FOR 6 ASSOCIATIONS SIMPLE
FOR 1 ASSOCIATION COMPLICATED

ASSOCIATION IDENTITY IMPROVED DIFFERENT ≠
FOR 6 ASSOCIATIONS FOR 1 ASSOCIATION

2. ISSUES



ALTERNATIVE ACTIVITIES CAUSED BY BAD WEATHER



DIFFERENT VOLUNTEERS THROUGHOUT THE YEAR



DIFFERENT WORKING TIMING BETWEEN THE ASSOCIATION AND THE COMPANY



NO ASSOCIATION HAS EVER RECEIVED COMPLAINTS MADE BY BENEFICIARIES. OR HAS EVER THOUGHT ABOUT INTERRUPTING THE COLLABORATION



3. ADVANTAGES

VISION
BEYOND
PROFIT



NEW PEOPLE
IMPROVING
INTERNAL
CLIMATE



FLEXIBLE
AND PROFESSIONAL
WORKFORCE

4. CORRECTIVE ACTION

VOLUNTEERING
ACTION TIMES



BALANCED TIMING
FOR 4 ASSOCIATIONS

TOO SHORT
FOR 1 ASSOCIATION

TOO LONG
FOR 1 ASSOCIATION

COMMUNICATION
OMAL-ASSOCIATION



FOR 6 ASSOCIATIONS

GOOD PRESENT
PUNCTUAL

1 ASSOCIATION
HAS NOT RESPONDED

NO ASSOCIATION HAS
STRUGGLED TO RAISE THE
AWARENESS
OF THEIR BENEFICIARIES
TOWARDS THE OMAL PROJECT

ADVERTISING
FOR 3 ASSOCIATIONS
SUFFICIENT
1 ASSOCIATION
WILLING TO
COMMUNICATE MORE



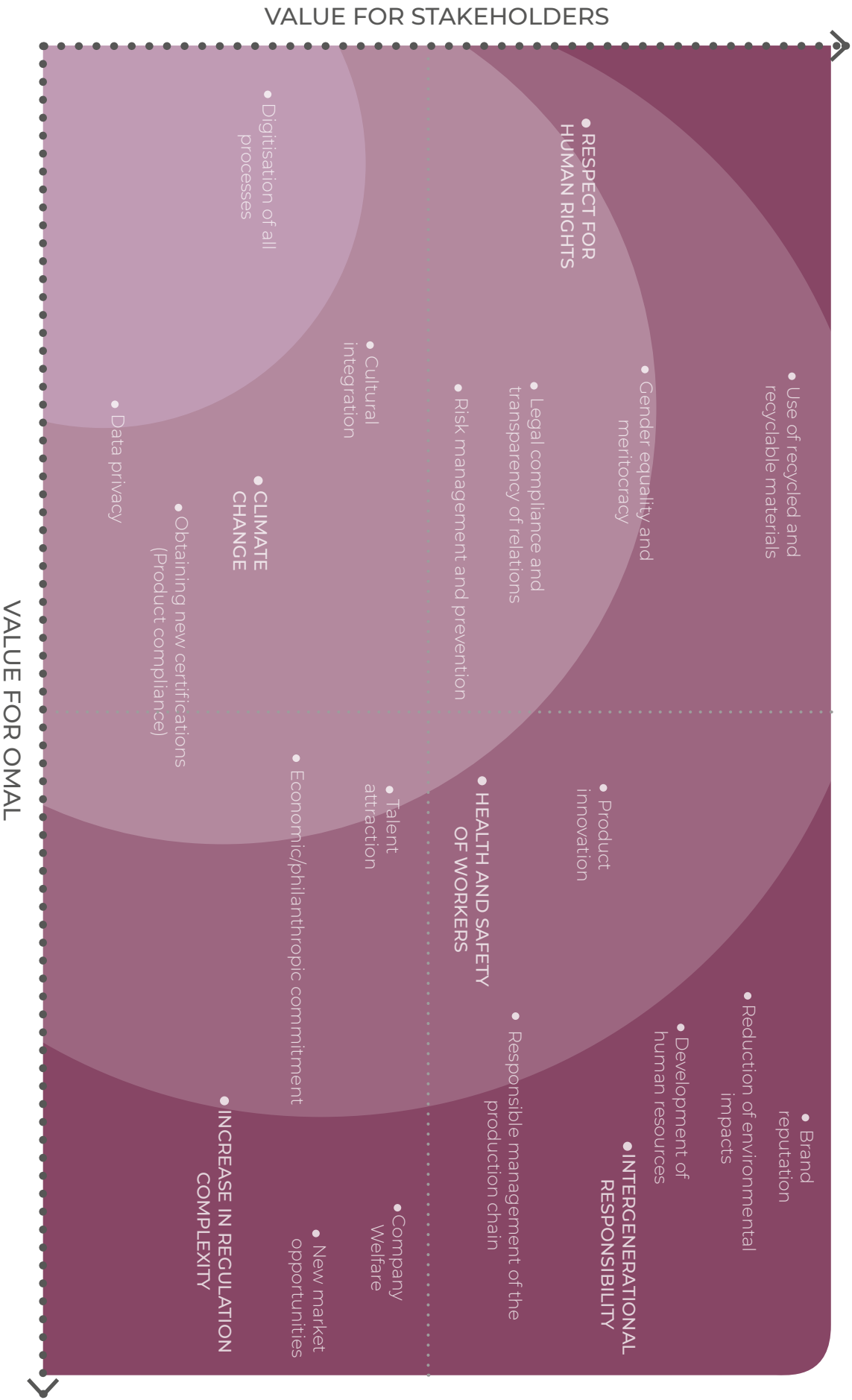
1.4 MATERIALITY MATRIX

The Materiality Matrix is the tool that indicates the importance given by the company and its stakeholders to specific topics in order to identify those on which to focus any action, focusing on the expectations and timelines for action. In addition to the preferences that emerged from the preparation of the matrix, other sources contributed to its preparation, including: media analysis, analysis of documentation provided by Italian and foreign competitors, the OMAL code of ethics and the presence of global mega-trends reported in documents including “The future we want – Rio +20 Outcome Document”¹.

The image below shows the OMAL Materiality Matrix. The relevance given by the company to the issues emerging from stakeholder engagement is shown horizontally, while the relevance given by the stakeholders involved is shown vertically. The issues shown in the first, third and fourth quadrant were dealt with less in depth by OMAL because they were not material, while those in the second quadrant were dealt with widely by the company both internally and externally. Compared to the 2016 materiality matrix, the relevance of the topics has increased: company welfare, enhancement of human resources and new market opportunities; the relevance of the issues related to obtaining new certifications and product innovation has decreased.

¹ http://www.un.org/disabilities/documents/rio20_outcome_document_complete.pdf

OMAL MATERIALITY MATRIX



1. INTRODUCTION AND METHOD

The data that emerged from the materiality matrix were then assessed in order to define a series of Social Innovation and Corporate Social Responsibility activities that referred to some guiding principles, detailed below:

- **INTEGRATING SUSTAINABILITY IN ALL CORPORATE OPERATIONS**

the desire to integrate elements of Environmental Sustainability into the Purchasing, Communication/ Social Innovation, Commercial, Administration, Quality, Technical Office, IT, Assembly and Production operations, with lean impacts in the management of internal processes.

- **CO-CREATION**

Sharing initiatives with different players both within OMAL, and between OMAL and external players.

- **REPEATABILITY**

scalability of experiences in other regions, with other players and/or with longer timescales and consequently wider impacts.

- **RELEVANCE**

evidence of greater interest in material issues.

The Social Innovation and Corporate Social Responsibility activities planned starting from the above method were then organized according to three areas of interest (key focus area), which helped in forming this sustainability report's contents. These are:

- **PROCESS QUALITY AND MANAGEMENT**

- **SOCIAL INNOVATION**

- Respect for the individual
- Respect for the environment

- **COMPANY GROWTH**

finally, where pertinent, the initiatives and activities carried out by OMAL in compliance with the Global Compact principles were signalled by the presence of a symbol that calls attention to the reference principle. In addition, at the end of this document there is a summary table that links the OMAL 2016 projects with the Global Compact principles. The same rationale was then applied to the Sustainable Development Goals, which gave OMAL additional elements to align its initiatives with the global development scenarios.

SUSTAINABLE DEVELOPMENT GOALS

The Global Goals - also known as Sustainable Development Goals - are 17 objectives contained in a large action plan on which the governments of the 193 member countries of the UN have reached an agreement. The countries undertake to reach them by 2030. The Global Goals continue the work of the Millennium Development Goals that preceded them and are common objectives on a set of issues important for development: the fight against poverty, the elimination of hunger and the fight against climate change. 'Common Goals' means that Global Goals affect all countries and individuals. Setting common goals encourages everyone - governments, companies, research centres and society as a whole to act globally for their implementation, collecting and making available a wide variety of forces, knowledge and resources. Lastly, the Global Goals set precise goals in terms of results, which can be measured.

I NUOVI OBIETTIVI



SDG 1. Poverty
Eradicate extreme poverty, in all its forms everywhere.



SDG 2. Hunger
End Hunger, achieve food security and improved nutrition for all, promote sustainable agriculture.



SDG 3. Health
Ensure healthy living conditions and prosperity for all, at all ages.



SDG 4. Education
Ensure quality education which is fair and inclusive, and lifelong learning opportunities for all.



SDG 5. Gender
Achieve gender equality and the empowerment of all women and girls.



SDG 6. Clean water and sanitation
Ensure availability and sustainable management of water and adequate sanitation and hygiene conditions for all.



SDG 7. Energy
Ensure access to modern energy which is sustainable, reliable and affordable for all.



SDG 8. Growth
Promote sustained economic growth, full and productive employment and decent work for all.



SDG 9. Industrialisation
Build resilient infrastructure and promote sustainable and inclusive industrialisation and foster innovation.



SDG 10. Reduced inequalities
Reduce inequalities within and among countries.



SDG 11. Cities
Make cities and human settlements inclusive, secure, resilient and sustainable.



SDG 12. Waste
Ensure sustainable production and consumption patterns.



SDG 13. Climate change
Take urgent actions to combat climate change and its impacts.



SDG 14. Oceans
Ensure the protection and sustainable use of the oceans and seas and marine resources for sustainable development.



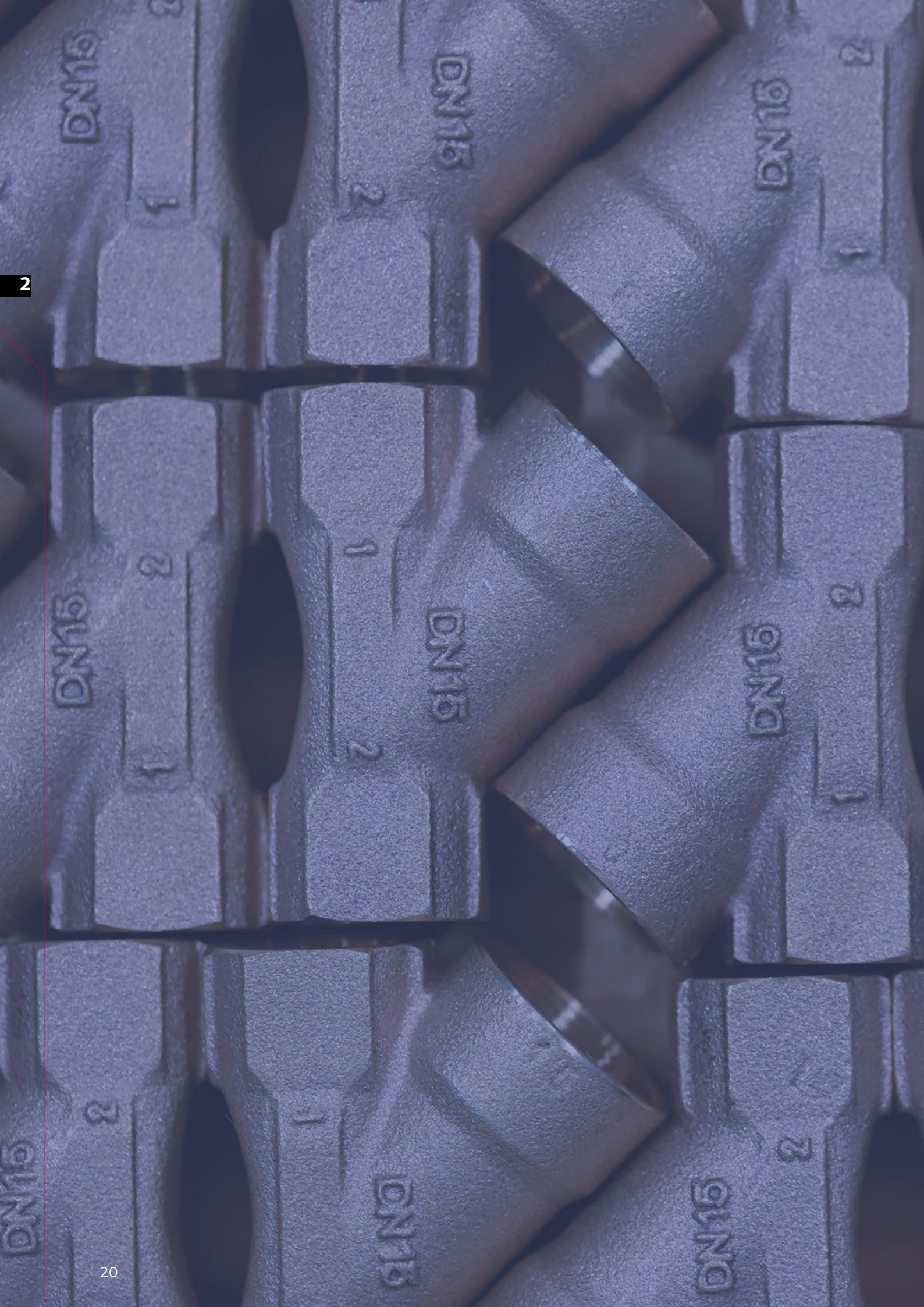
SDG 15. Biodiversity
Protect, restore and promote sustainable use of terrestrial ecosystems and forests and halt biodiversity loss.



SDG 16. Peace
Promote peaceful inclusive societies, ensure access to justice for all and build accountable institutions at all levels.



SDG 17. Partnership
Strengthen implementation instruments and revitalise the sustainable global partnership.



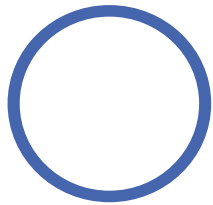


COMPANY

2

“Sustaining a successful business is a hell of a lot of work, and staying hungry is half the battle.”
Wendy Tan White IT Tycoon”

2.1 COMPANY



MAL was founded in 1981 through the foresight of Mr. Agostino Bonomi, the son of a dynasty of entrepreneurs dedicated to the production of ball valves, who decided to found a new business in Polaveno in Val Trompia. Unlike other companies manufacturing mass-produced products, the founder strongly emphasized the importance of automation and product customization which, although an industrial component, required a different design approach in the eyes of the OMAL owner.

Thus, investment was made in the creation of a team of technicians and engineers able to design valves destined for different types of customer and application, flexible to meet the most complex and technically advanced needs to guarantee above-average performance.

The product differentiation strategy rewarded OMAL, which grew in a few years, increasing its turnover and gradually opening itself to the foreign market starting from Germany. OMAL moved to Villa Carcina, in Val Trompia, in 1987, increasing its number of employees and products offered to the market. In 2008 OMAL opened a new production facility in Franciacorta, in Rodengo Saiano, where all the operating units currently operate, with the exception of production and the technical office, which moved to the new factory in Passirano in October 2016. The company grew for eight years, counting on its 92 employees divided between two facilities. In 2016, the company built a new facility where it gradually moved the valve and actuator design and production departments, employing almost one hundred employees at that point. The founder of OMAL is supported by his son, who has been managing industrial operations since July 2015 as CEO.

Today, OMAL's production activity is still fully in Italy, an important fact that confirms the value that OMAL has always recognized in the Italian ability to design and process the mechanical product through special attention and dedication, in line with the company acknowledged values and in the wake of a craftsmanship recognized as attention to detail and flexibility to adapt the product to the customer's needs.

Currently OMAL operates over a total of 38 thousand square metres of which 17 thousand are covered.



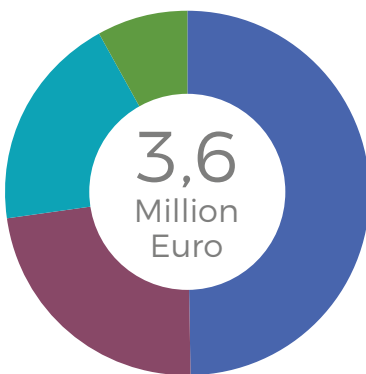
Above: the OMAL production facilities.

ECONOMIC AND FINANCIAL DATA

Values in thousands of €	2016	% Impact	2015	% Impact	2014	% Impact
Sales Revenues	27.305	100,0%	28.079	100,0%	27.718	100,0%
EBITDA	1.831	6,7%	2.416	8,6%	2.314	8,3%
EBIT	533	2,0%	1.138	4,1%	1.230	4,4%
Pre-tax results	369	1,4%	1.066	3,8%	1.076	3,9%
Result for financial year	225	0,8%	644	2,3%	646	2,3%
Current Assets	15.186		13.954		14.044	
Fixed Assets	4.518		4.063		3.269	
Total Invested Capital	19.704		18.017		17.313	
Current Liabilities	11.259		10.207		9.364	
Consolidated liabilities	4.877		4.474		4.841	
Net capital	3.568		3.336		3.109	
Total Funding Sources	19.704		18.017		17.313	
Investments	1.717		1.887		1.610	
Number of employees	98		92		91	
ROS	1,95%		4,05%		4,44%	
ROI	2,70%		6,32%		7,11%	
ROE	6,31%		19,31%		20,79%	

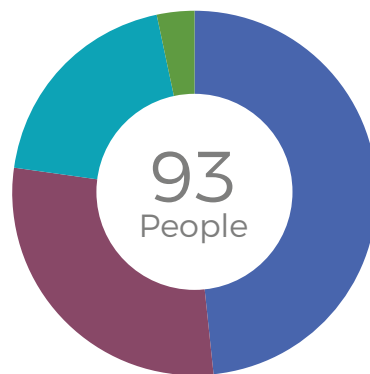
Above: the data shown above refer to 2016 as the economic values for 2017 were not yet consolidated when the sustainability report was published.

2016-2017 INVESTMENTS



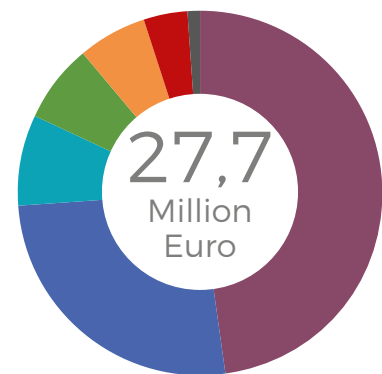
- Process: 49,9 %
- Product Development: 23,1%
- Infrastructure: 19,1%
- ICT: 7,9 %

2017 PERSONNEL



- Workers: 48,4 %
- Engineers & Technicians: 29,0 %
- Marketing & Accounting: 19,4 %
- Social Innovation: 3,2 %

2017 CUSTOMER SALES



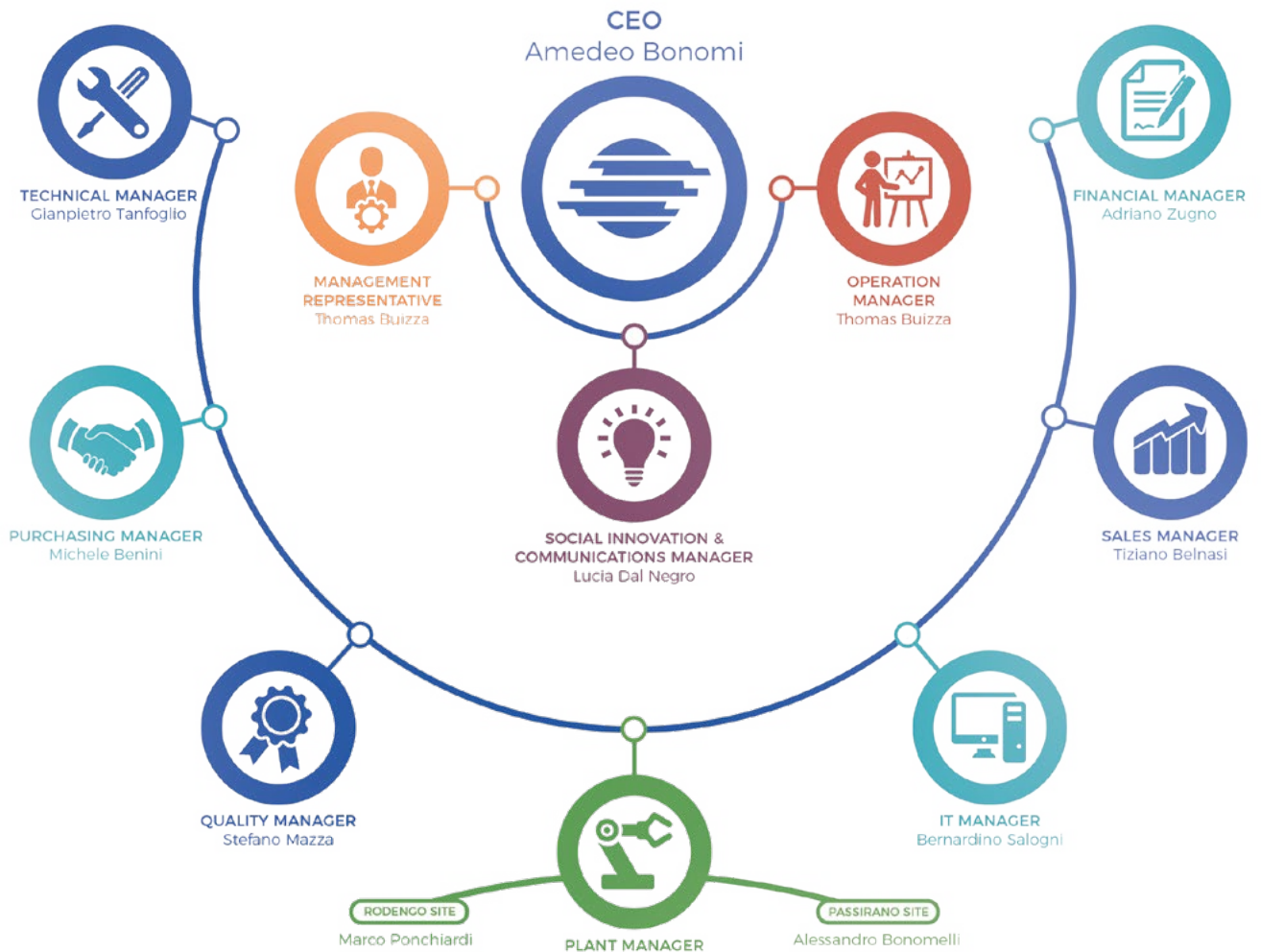
- Italy: 48 %
- Europe: 26 %
- Asia: 8 %
- CIS: 7 %
- MENA: 6%
- USA: 4 %
- LATAM: 1 %

Above: OMAL data on investments made in the 2016/2017 period; distribution of internal staff, sales by geographical area.

2. COMPANY

OMAL's internal organization is divided into organizational units and production units according to the following organization chart restructured in 2015 in order to optimize internal relations and maximize the supply of products within set times. The centralisation of the offices in the Rodengo Saiano plant, where the general management is also located, makes it possible to manage the internal processes in a more strategic and organized manner.

OMAL ORGANIZATION CHART



Above: OMAL organization chart.

TRANSPARENCY

GC Goal 10

OMAL is a company that firmly believes in respecting local and international laws and regulations. Every internal quantitative and qualitative activity is traced and shared with the appointed representatives. OMAL believes that a careful and respectful approach by corporate management mechanisms benefits internal management costs, as well as, of course, the product and service's quality, and the Brand's reputation.

With this in mind, in January 2017 the company began a voluntary process of certifying its internal and external level of transparency, according to the Rating parameters of the Italian Competition Authority

(AGCM), which in Italy is the most followed public standard. The companies operating in Italy that have achieved a minimum turnover of two million Euro during the year ended the year preceding the rating request, referring to the individual company or group to which they belong and resulting from a financial statement, duly approved by the competent corporate body and published pursuant to the law (i) or registered with the company register for at least two years (ii) may request the assignment of ratings.

The process, which ended successfully in May 2017, allowed OMAL to boast two transparency stars out of three which, as stated on the website, identify those companies that are able to:

- respect the contents of the tender protocols signed by the Ministry of the Interior and Confindustria (Italian Industrial Federation), the guidelines that implement it, the Protocol signed by the Ministry of the Interior and the Cooperatives' League, and on local level by the Prefectures and trade associations;
- use payment tracking systems also for amounts lower than those established by law;
- adopt an organizational structure that performs the control of compliance of corporate activities with regulatory provisions applicable to the company or an organizational model pursuant to Legislative Decree no. 231/2001;
- adopt processes to guarantee forms of Corporate Social Responsibility;
- be registered on one of the lists of suppliers, service providers and executors of works not subject to Mafia infiltration attempts;
- have adhered to self-regulatory ethical codes adopted by trade associations;
- to have adopted organizational models for preventing and combating corruption.



The legality rating lasts for two years from its issue and is renewable upon request. In the event of the loss of one of the basic requirements necessary to obtain a "star" rating the Authority will have it revoked. If the requirements for which the company has obtained a higher rating are no longer met, the Antitrust will reduce the number of stars. The Authority allows the companies to which the legality rating has been assigned, suspended, revoked, to be identified with the relevant starting date at the link: <http://www.agcm.it/rating-di-legalita/elenco.html>.

Above: AGCM transparency rating logo.

2.2 ITS VALUES

S

ince the year it was founded, OMAL has been organized operationally around three main values, enclosed in the following principles: sense of duty, respect, passion. For OMAL, these values mark the main road to follow, as well as the cornerstones of the company's internal and external relations.

Passion

For OMAL Passion means not being satisfied with the standard result, but continually trying to exceed one's performance by aiming at the continuous improvement of the product and the process.

without forgetting the human growth possible in a stimulating working environment open to dialogue.

"You know you're in a magical place when you come home in the evening and you think about that piece you cannot draw, that process that challenges your patience ... and you realize you did not take the job home, but the passion".

Respect

For OMAL Respect means the ability to grasp the needs and differences of its interlocutors, be they colleagues or business partners, respecting everyone's needs and constantly comparing them to identify shared and effective solutions.

"We do not need internal rules to understand that in everything we do there must be respect for our role and the dignity of our work, every day, for everyone".

Sense of duty

For OMAL, Sense of Duty means promising respect for agreements, promises and ambitions, keeping them within set deadlines and in ways shared with our partners. Where necessary, the sense of duty requires the flexibility to find out-of-the-ordinary, original and bold solutions.

"There are not many words that explain what duty means for us, three are enough: never give up".

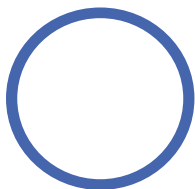
The above values stem from years of activity in the region and in the valves and actuators sector, representing the best of a philosophy chosen by a company like OMAL, that is ready to meet the challenges of the market with seriousness and passion. In accordance with the three reference values, the corporate vision reaffirms the will of all OMAL employees and of the owners to work, pursuing "a right balance between man and the environment to improve the quality of life, guaranteeing a better world for future generations", so as to add a further nuance to OMAL's commitment to their work. This cultural value is expressed tangibly in the company's mission:

"We guarantee a better world for our children. Thanks to our products we protect the environment that surrounds us and tangibly improve the quality of life by making the plants safer and more reliable"

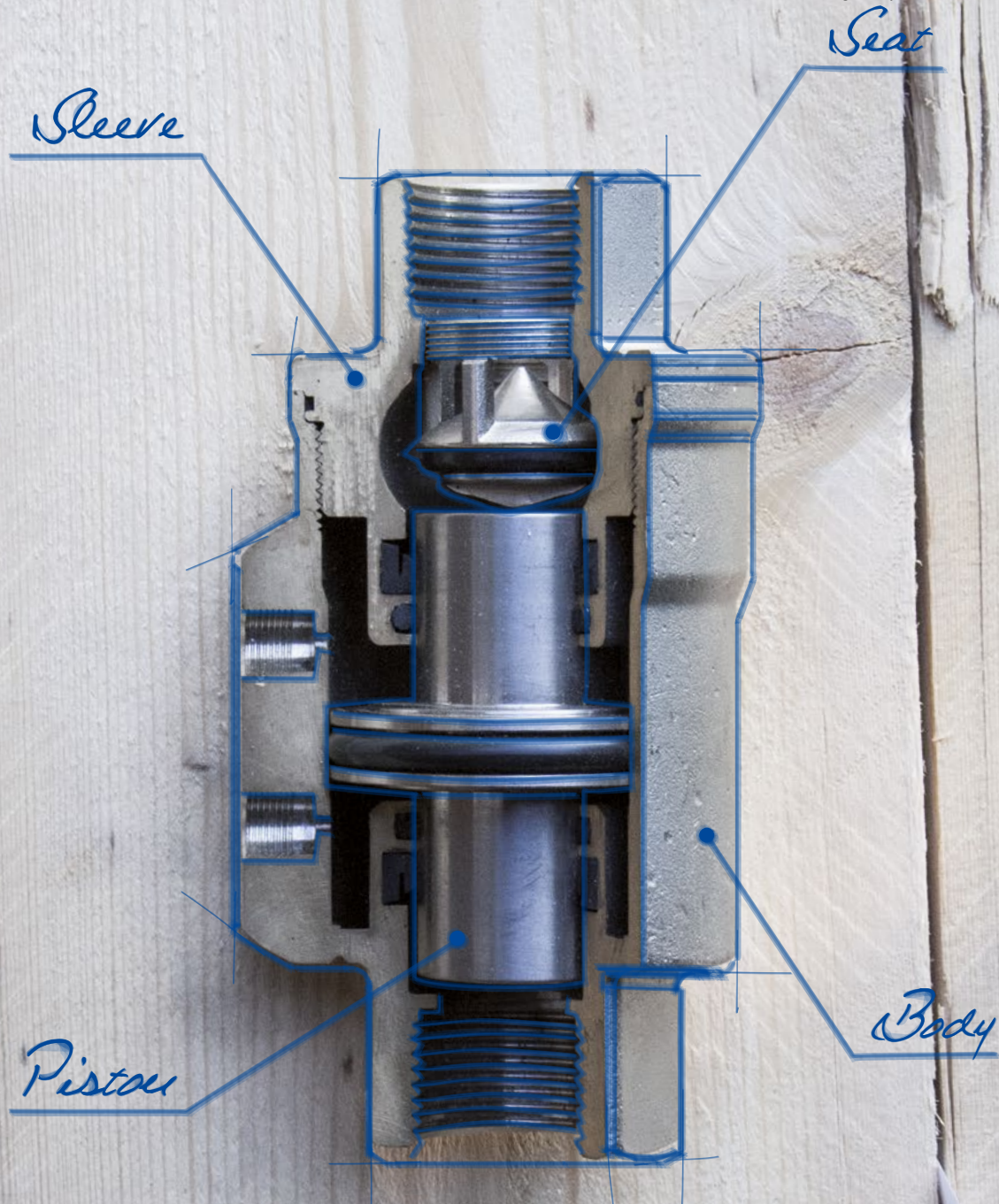
in which the essence of OMAL's work is contained, making the company a reference for customers who are able to recognize a qualitatively superior product, appreciating its technical reliability and durability over time.

Finally, the application of the values specified above is interpreted by the company as a way to avoid internal inequalities and lack of clarity in the personal relationships between the different internal roles and the various stakeholders. For this reason, the management has chosen to establish a rule for which any gift addressed to colleagues in the sales department or the purchasing department, as well as to other responsible persons within the company, should be collected and drawn during the Christmas lottery, in which managers and executives do not take part. This choice is seen as a sign of respect for colleagues who are not equally exposed to gifts and, in general, to show all personnel how to behave seriously.

2.3 PRODUCTS



MAL produces valves (pneumatic, ball and butterfly) and actuators (electric and pneumatic) for industrial use.



THE VALVE

The valve is a mechanical component that intercepts or regulates the flow of a material able to flow through a pipe in order to guarantee specific pressure or flow values. In the great majority of cases, this material is fluid, i.e. liquid or gaseous. The valves are usually made up of three fundamental elements, which in the case of the valve shown here, are:

Body and sleeve contain the moving part and allow connection both to the tubes in which the fluid flows and connection of the control elements.

Piston is the moving part. Its actuation allows or prevents the fluid's passage.

Seat keeps the gasket in position and allows the valve to keep its seal in the various operating conditions.

2. COMPANY

OMAL products' main applications for use are:

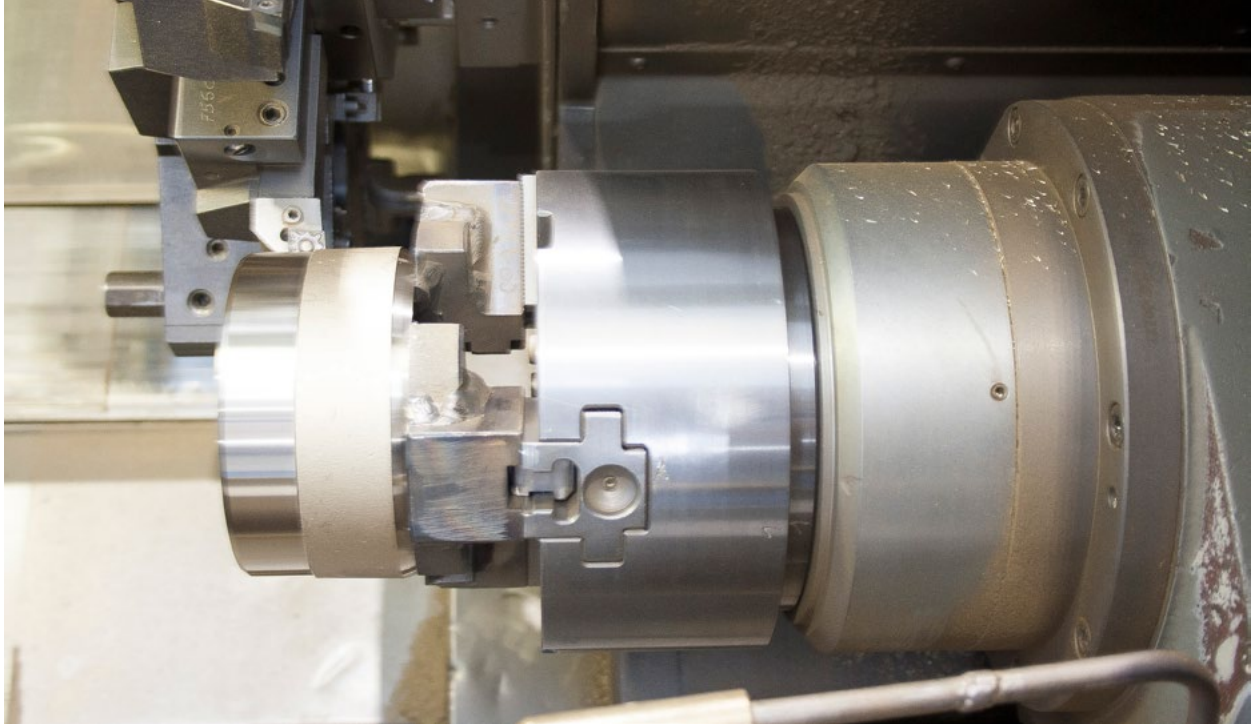


OMAL's interest in the search for advanced and performing production processes, which can differentiate it from price-conscious competitors, has led the company to integrate environmental considerations into the product design process, obtaining an economic and reputational benefit for the customers who choose OMAL solutions. In this case, the effort for sustainable design is particularly visible:

IN CERTAIN GREEN PRODUCTION CHOICES:

- replacing mineral oil with synthetic oil in the die-casting processes, so as to avoid the use of substances labelled as toxic and irritant. The company choice, in fact, favours the choice of oils, including the BONDERITE L-CA CP 1020, which are less dangerous to workers' health (no respiratory risk, no glove requirement, no problem in case of contact with skin).
- cooling/lubrication of blanks (bars/forged) during air processing rather than by emulsion, so as to avoid handling delicate production waste such as water mixed with emulsifying oils. Moreover, even wanting to use rain or recycled water for this type

of processing, would not be possible because the fluid mixed with the oils must be microbiologically pure in order not to rot in the tanks once mixed with the processing oils.



Above: a detail in the brass bar dry machining process.

- organization of unique production lines. In particular, the presence of a productive plexus (CNC) able to process the metal bar through to the final product, has allowed us to optimize intermediate steps including turning, machining, drilling and threading. This coordinated organization has three main advantages: the reduction of the energy needed to activate the four machines (from 145,000kWh in 2015 to 112,762 kWh in 2016, or 30% less energy) (i), the reduction of materials in stock (ii) and the reduction of energy in moving them from one machine to another (iii).



Above: An OMAL robotic island (CNC).

2. COMPANY

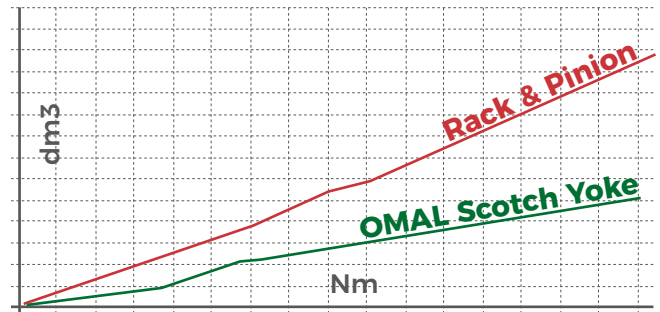
The production cost is greater for the above choices, so it would appear to be a less convenient choice. In reality, the company choice is dictated by the desire to impact as little as possible on the environment and on the health of workers, reducing the resulting medium-long term costs.

IN CERTAIN ENERGY AND MONETARY SAVINGS FOR THE CUSTOMER:

- this is the case of the VIP valves and OMAL actuators, both designed in an efficient way so that the end customer saves 30% of the energy required for their start-up. Therefore, compared to the products of other competitors, a very important advantage that OMAL is able to guarantee is a lower environmental impact resulting from the use of the VIP valve and actuators, as shown in the images below.



Above: VIP valve, designed to be 11% lighter on average compared to other comparable valves, therefore supported by smaller and less expensive supports. Lastly, the OMAL VIP, incorporating an actuator, makes it easier to set up the activation circuit.



Above: OMAL actuator and, on the right, graph of the ratio between air consumption and the torque delivered.

- each OMAL valve is supplied with a spares kit to replace worn components. The durability to wear of these parts depends on the cyclicality the piece is subjected to. OMAL valves guarantee a greater cyclicality for the same conditions of use.

GC Goal 9

The aforementioned shows the company's particular attention in assessing and minimizing the social and environmental impacts of its products, sometimes choosing less convenient solutions in the short term.

SDG 7
SDG 13

Finally, a further OMAL added value linked to its design flexibility is demonstrated by the technical office's special attention to products and special projects. The latter refer to the possibility of following non-standard or catalogue design rationale, but rather solutions resulting from the meeting between the customer's specific needs and OMAL's skills. In these circumstances, OMAL's priorities are all linked to satisfying the customer's needs and, therefore, resolving their problem. These products, called "Specials", can also be produced in minimum quantities, as in the case of tank bottom valves designed for an OMAL customer in the pharmaceutical sector.

THE IMPORTANCE OF DESIGN



OMAL boasts one of the most interesting collaborations between the company and the world of industrial design that there has ever been in the valve industry.

Since October 2015 the design studio ITALDESIGN - GIUGIARO S.p.A has collaborated with OMAL in designing its new series of actuators.

The stylistic research process of the new line of actuators started with a first brainstorming meeting in which the OMAL technicians and engineers explained the product, its functions, the commercial requirements and the technical constraints. Later the designers presented some proposals that were then discussed internally and aligned with further technical and aesthetic inputs. After deciding upon the preferred option, the OMAL team went to the ITALDESIGN - GIUGIARO S.p.A headquarters to discuss further drafts and shared choices. Once the still open differing points had been clarified, the pilot version was created in two sample sizes. Subsequently, OMAL industrialized the chosen design, optimizing it, and listing all the sizes in the new rack and pinion series. During 2017 the collaboration was resumed with the aim of renewing and improving the design of a particularly strategic OMAL product, and the restyling process started, which is expected to be completed by 2018.

At the beginning of 2018 OMAL had the opportunity to talk with Mr. Becchio - Business Development Manager Giugiaro Design, who was asked some questions on the collaboration between companies and on the design path: below, an excerpt of the chat.

History behind the collaboration

- Have you ever worked in valve design?
Yes, we developed valves for swimming pools for FIP.
- What impressed you about the company?
OMAL has a strong sensitivity to innovation, this can be seen from the way it proposes projects. They left us room to innovate, which is uncommon among our customers, and this freedom of creative development is the basis of the best collaborations.
- How important is dialogue with the company to refine the research on the product?
From 1 to 10, it rates 20. This is because design is a process, and therefore requires openness, freedom of movement, absence of prejudice. Every company is a complex ecosystem.... But when there is no prejudice towards design, which is often regarded as something complicated and obscure, one can really do a good job.

Focus on the product

- OMAL valves intercept fluids in industrial processes and are components in a B-to-B sector: how do you imagine making your design contribution to such a product?
Our added value is seen over time, initially we can "only" contribute by adding style, then we can enhance the study of functions, imagining the product within larger boundaries.. For example, in your case, as we worked together, we realized that it made sense to aim at convincing valve installers, because they are your real customer, your target. This is our added value, glimpse a different vision and add lateral thinking. Switching from style to technical solutions, something that only our experience allows us to do.
- How does a (positive) differentiation path of a product come about due to its design?
The difference comes from the design culture which is intrinsic to that particular product.. How much reasoning is behind it, how much comparison has served to think of it that way. We often repeat to our customers: "If you think how expensive a nice design is, think how expensive bad design is (would you invest to make a bad object)".

continue →

- In your opinion, can even a product with a refined and functional design become a commodity?
A product becomes a commodity when the research behind it ends, when you stop raising the bar. So then the product becomes outdated.
- Environmental objectives (less intensive use of materials, part replaceability, FAIR materials) limit or not the design results in terms of aesthetics and performance?
Absolutely not, indeed the possible alternatives from which the customer can choose their favourite, vary. When we have in mind greener or more ethical alternatives, we make sure that they are not limiting, that the performance does not worsen, so the trade-off does not arise. Obviously, then the customer decides, we do not control the production process and the sector market, we have a more limited vision: we suggest alternatives but the final choice is the customer's.

The creative process

- How important is team work in getting good results?
It's a complex question and there are many schools of thought about it. Being a team helps but then it is the individual's experience that makes the difference, or rather, the contribution of those who have asked the right questions prevail, answering with the best solutions.
- How important is the contribution of non-technical disciplines in the research and development phase?
50%. It's necessary to go beyond technical perfection and this is where creativity helps. Then obviously there are limits, industrial design must find solutions that are part of a larger process ... your products (valves) are not put on the bedside table, so we do not have infinite creative freedom.
- What creative limits have you encountered in OMAL's case?
The normal limits that arise from working on an object that must then be installed in a plant and therefore must respect logics - more than limits - of integration with a complex system.
- How is the GIUGIARO Design "label" recognisable in OMAL valves?
In all the added know-how, the result of experience in this sector. The designers who work on your valves are the same ones who designed Italo and Freccia Argento high-speed trains Only a reality like ours can give it this value.

Perspectives

- Do you think that the valve industry will increase its interest in design or not?
Yes, of course, the new frontier of design is work on components and then on systems. There is no longer just B-to-C. Even in the B-to-B there are demanding customers to satisfy.
- What are the main risks in this area?
To have operating margins that are too tight, the result of a rationale that reduces the design margin.
- Do you think that a component conceived and designed by you can "export" its added value to the whole system so that you can design the whole process coherently with the component, or does each product have its own boundaries?
Yes, we start from aesthetic developments, then we think about the functions and we move from the product, to the plant, to the system. This is the trend.

OMAL's path in the world of high-end product design shows the attention that OMAL places in the details and the quality of the forms, as well as in the reliability of the technical performances: it is within this philosophy that OMAL embodies its commitment towards its customers so that the design effort generates reliable and beautiful, therefore different and distinguishable solutions, in a word: empowered.

Finally, another angle of environmental commitment applied to the product is OMAL's effort in obtaining the most advanced and complex product certifications, able to respond to the needs and performances of the most inflexible buyers.

At OMAL, the acquisition of product certifications must be conducted in agreement between the Head of the Integrated Management System, the Sales Manager, the Design Manager and General Management in order to allow the best promotion of the OMAL brand and the values it intends to promote in agreement with the company Mission *"We guarantee a better world for our children. Thanks to our products we protect the environment that surrounds us and tangibly improve the quality of life by making the plants safer and more reliable"*.

↖ GC Goal 9

OMAL boasts an extensive series of product certifications applied to the four main families:

BALL VALVES



Certificate of conformity with Directive 2014/68/EU PED

Certification of the Quality System applied for the design, manufacture, final inspection and testing of industrial valves in accordance with the requirements of Directive 2014/68/EU - MODULE H Total Quality Guarantee.

Conformity with Directive 2014-34-EU ATEX

Declaration that the Quality System applied for the design, manufacture, final inspection and testing of industrial valves in accordance with the requirements of Directive 2014/34/EU - ATEX for equipment intended for use in environments with a potentially explosive atmosphere.

API6D Certificate

Certification of the Quality System applied for the design, manufacture, final inspection and testing of ball valves for plants in the oil and natural gas sector in accordance with the API6D standard and authorization to apply the API Monogram by the American Petroleum Institute.

Certificate EAC TR CU 010/2011 and Certificate EAC Ex TR CU 012/2011 and Certificate EAC TR CU 032/2013

Certification of product conformity with technical regulations applicable in the EuroAsec customs union (Russia, Kazakhstan, Belarus, Armenia).

UKR certificate

Certification of product conformity with technical regulations applicable in Ukraine. Certification of compliance of the product with the Technical Regulations applicable in Ukraine.

FIRE SAFE API607/ISO10497 certificate

Certification of the sealing capacity of a pressure valve, during and after the fire resistance test in accordance with API607/ISO 10497 standards.

FUGITIVE EMISSION EN ISO 15848 certificate

Certification of compliance with the requirements of non-emission of harmful substances to the outside, in accordance with the UNI EN ISO 15848-1 standard, for application with volatile polluting and hazardous fluids.

2. COMPANY

TA-LUFT certificate

Certification of compliance with the requirements of non-emission of harmful substances to the outside, in accordance with the TA LUFT VDI 2440 standard, for application with volatile polluting and hazardous fluids.

SIL3 IEC 61508 certificate

Certification of conformity with the IEC 61508 standard, of the functional safety level of the product intended to be integrated into systems with a functional integrity level up to SIL3.

ADR - EN14432 approval

Certification according to the UNI EN 14432 standard of valves as service equipment to be used on tanks destined for road transport of liquid chemical products according to the provisions of the ADR Agreement.

IGR approval

Approval according to the IGR guidelines no. 12-0042-1 and data sheet no. 19021, 19022, 19023, 19043 for the chemical industry

BUTTERFLY VALVE



DIN DVGW certificate for GAS EN 13774

Certification of materials, design, production and testing of butterfly valves for gas distribution systems in accordance with UNI EN 13774.

Certificate of conformity with Directive 2014/68/EU PED

Certification of the Quality System applied for the design, manufacture, final inspection and testing of industrial valves in accordance with the requirements of Directive 2014/68/EU - MODULE H Total Quality Guarantee.

Conformity with Directive 2014-34-EU ATEX

Declaration that the Quality System applied for the design, manufacture, final inspection and testing of industrial valves in accordance with the requirements of Directive 2014/34/EU - ATEX for equipment intended for use in environments with a potentially explosive atmosphere.

RINA MAC242716CS Certificate

Product's certification of conformity with the RINA Regulations, Italian Naval Register, for the installation of butterfly valves on board ships classified with RINA.

EAC Ex TR CU 012/2011 certificate

EAC TR CU 032/2013 certificate

Certification of product conformity with technical regulations applicable in the EuroAsec customs union (Russia, Kazakhstan, Belarus, Armenia).

UKR certificate

Certification of product conformity with technical regulations applicable in Ukraine.

ADR - EN14432 approval

Certification according to the UNI EN 14432 standard of valves as service equipment to be used on tanks destined for road transport of liquid chemical products according to the provisions of the ADR Agreement.

PNEUMATIC VALVES



Certificate of conformity with Directive 2014/68/EU PED

Certification of the Quality System applied for the design, manufacture, final inspection and testing of industrial valves in accordance with the requirements of Directive 2014/68/EU - MODULE H Total Quality Guarantee.

Conformity with Directive 2014-34-EU ATEX

Declaration that the Quality System applied for the design, manufacture, final inspection and testing of industrial valves in accordance with the requirements of Directive 2014/34/EU - ATEX for equipment intended for use in environments with a potentially explosive atmosphere.

EAC TR CU 010/2011 certificate

EAC Ex TR CU 012/2011 certificate

EAC TR CU 032/2013 certificate

Certification of product conformity with technical regulations applicable in the EuroAsec customs union (Russia, Kazakhstan, Belarus, Armenia).

UKR certificate

Certification of product conformity with technical regulations applicable in Ukraine.

ACTUATORS



Conformity with Directive 2014-34-EU ATEX

Declaration that the Quality System applied for the design, manufacture, final inspection and testing of industrial valves in accordance with the requirements of Directive 2014/34/EU - ATEX for equipment intended for use in environments with a potentially explosive atmosphere.

SIL3 IEC 61508 certificate

Certification of conformity with the IEC 61508 standard, of the functional safety level of the product intended to be integrated into systems with a functional integrity level up to SIL3.

EAC TR CU 010/2011 certificate

EAC Ex TR CU 012/2011 certificate

Certification of product conformity with technical regulations applicable in the EuroAsec customs union (Russia, Kazakhstan, Belarus, Armenia).

UKR certificate

Certification of product conformity with technical regulations applicable in Ukraine.

2.4 PERSONNEL

In 2017, OMAL's personnel amounted to 93 units divided between the two plants of Rodengo Saiano and Passirano. The distribution of personnel by gender, as shown below, indicates a predominance of male employees, typical of the industrial sector in which OMAL operates.

Analysing the type of contract, it emerges that the predominant form is the permanent contract, only 2% are fixed-term contracts and all are aimed at subsequent permanent placement.

Regarding the classification, 1% is managerial, 51.5% office workers and 47.4% workers. As of 31/12/2017, we also collaborated with 6 temporary workers, including 4 office workers and 2 workers.

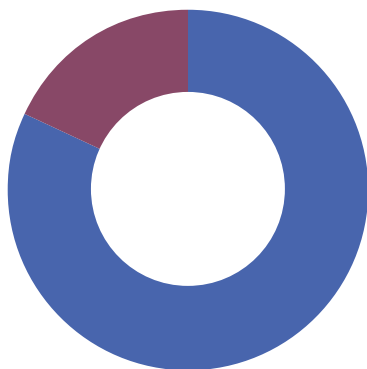
Analysing the composition of the company employees in 2017, it emerges that 47.4% are under 35, 11.3% are over 50 and 41.2% of the OMAL workforce is between 36 and 50 years old, as shown in the graph below. The average age of OMAL managers is 46.

With regard to length of service, about 63% of employees have less than 10 years of service, as shown in the graph below, highlighting the presence of a new generation of employees in whom the owners have confidence and have given the responsibility to continue the path of growth and internal innovation.

GC Goal 1

With regard to employee composition it is important to highlight that OMAL is contributing to the social inclusion of disadvantaged people, in compliance with law 68/1999.

OMAL
EMPLOYEES
ACCORDING
TO GENDER



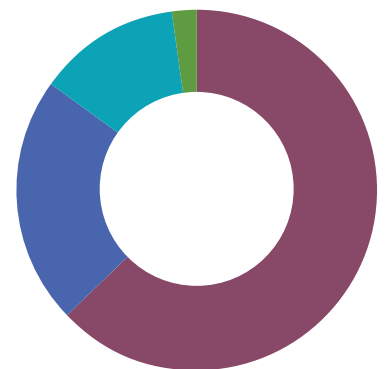
Women: 18 %
Men: 82 %

OMAL
EMPLOYEES
ACCORDING
TO AGE



35 and under: 48 %
From 36 to 50: 41 %
Over 50: 11 %

OMAL
EMPLOYEES
ACCORDING
TO LENGTH OF
SERVICE



Up to 10 years: 63 %
From 11 to 20 years: 22 %
From 21 to 30 years: 13 %
Over 30 years: 2 %

GC Goal 3
GC Goal 4
GC Goal 5

As part of OMAL's employee management, as from March 2017, the staff selection guidelines have been renewed, including data on selection procedures, contract management and job placement of the new employee. In this regard, we reaffirm our commitment to eliminate all forms of employment and professional discrimination.

← GC Goal 6

On a quantitative level, the corporate growth of OMAL staff in 2017, net of intragroup transfers, was 3.3% overall, while the dropout rate was 6.7% (half of which due to retirements). In particular, with a view to an integration that is as rapid and effective as possible, a package of documents containing the sustainability report and the Code of Ethics has been developed, as well as some forms for expressing their musical, cinematographic or personal tastes, so as to encourage socialization between the new colleague and the rest of the employees. Lastly, as signatory of the Global Compact, OMAL is committed to respecting workers' freedom of association, eliminating child labour and/or forced labour.

With regard to sharing and returning social and environmental values with and to the personnel, each OMAL manager receives specific and integrated training on the company's social and environmental mission, and is then asked to be shared with all the colleagues in each office. Then, during the year, each manager is updated by the head of the Social Innovation Office on the projects in progress and the results obtained. This internal updating mechanism is specifically relevant for the Sales Office, which can then use new topics, available throughout the year, to be used to retain past customers or to win new ones thanks to the social and environmental sensitivity and brand reputation lever.

2.5 SUPPLIERS AND CUSTOMERS

Regarding the relationship between OMAL and its business partners, the company puts into practice constant interactions aimed at improving relations and exchanges.

SUPPLIERS

Considering the relationship between OMAL and its suppliers, below are the data on the turnover of goods and services requested from Italian, European and world suppliers.

2017 PURCHASES

AREA	VALUE	% VALUE
Italy	€ 14.084.176,00	80,99%
non-EU	€ 3.090.094,00	17,77%
UE	€ 216.051,00	1,24%
Total	€ 17.390.321,00	100,00%

Above: absolute values and percentages of OMAL's 2017 purchases.

In addition to what is shown by quantitative data, OMAL has started a comparison with its suppliers on issues related to corporate sustainability and professional ethics. The result of sharing ideas is the document "Supplier Conduct Code", signed by our business partners and based on the respect of rules of ethics and responsibility in shared commercial operations.

Above: Supplier Conduct Code, OMAL 2017.



OMAL believes that by respecting the ethical and logical principles of environmental and social sustainability a responsible and efficient supply chain can arise, in which every exchange happens in mutual respect and trust. The principles shared by OMAL with its suppliers are summarized in the following image:



Above: OMAL principles shared with company suppliers.

In spring 2016, OMAL's effort towards the activation of an ethical and responsible production chain led to its victory in the UNICREDIT "The Procurement Awards" contest, dedicated to the world of purchasing. The main theme of the contest was the best operating practices of the purchasing departments in four categories: "Negotiation Best Practices", "Innovation", "Team purchasing process" and, finally, "Ethics and Sustainability".



Above: the three finalists and the announcement of the victory in "The Procurement Awards", 2016 contest.

In 2017 OMAL participated again in "The Procurement Awards" contest, winning again in the "Ethics and Sustainability" category and in the "Inter-function Purchases" category. The award ceremony allowed the company representatives to describe their projects in front of a high-level parterre, made up of the most important national buyers. Likewise, the award ceremony was a further opportunity for recognizing the OMAL brand, increasingly synonymous with responsible and avant-garde purchasing processes.



Above: two moments during "The Procurement Awards", 2017 OMAL awards ceremony.



TVO SMART APP PROJECT FOR OPERATIONS VALEO AWARD 2017

By focusing the research on a high potential market that requires valves with high technical performance, OMAL's sales department has identified in the German chemical industry, also called "Chemie", one of the most prestigious and important interlocutors in terms of use and turnover, as well as being very demanding given the production processes that set it apart and that are often called upon to intercept dangerous and/or aggressive fluids for the environment and for human health. The ideal challenge for those who, like OMAL, make environmental protection not just a declaration of intent but a pivot to place at the centre of their projects. Therefore, the development step sequence was as below:

2014

SELECTION AND ANALYSIS OF CRITICAL COMPONENTS

In particular, the careful research of techno polymers that allowed the fugitive emission test performed with helium for 60K life cycles to be passed, in addition to a thorough study of the literature, required numerous tests in the test laboratory.

2015

IDENTIFYING POTENTIAL SUPPLIERS

This happened in compliance with the specifications and constraints of the certifications, assessing not just the proposed price, but also the value offered (service, quality, safety, sustainability).

TARGET PRICE DEFINITION as reference for critical components.

ORGANIZED ON-SITE VISITS TO AUDIT NEW "CRITICAL" SUPPLIERS evaluating the design and production management, the company organization with a view to risk assessment, the management of environmental impacts and logistics, to estimate the service offered in terms of delivery time and punctuality.

ACQUIRED KNOW-HOW MADE AVAILABLE TO SUPPLIERS, in order to obtain design drivers that integrate the specific requirements of the market with the best available production technology.

In this step, collaboration with the best compound producers in Italy and comparison with a highly qualified foundry abroad were essential.

2016

SAMPLE ORDERS FORMALIZED: the samples, even if accompanied by reports certified by bodies external to the suppliers, have been further approved by a third party with respect to OMAL in order to confirm compliance with the requirements of the certifying body.

TARGET PRICE REVIEW: thanks to the work carried out in collaboration between the OMAL area manager and the German agents from Land Hessen and Nordrhein-Westphalia, we could deduce that, although the alignment with the specifications of the required components was achieved, in the first instance the confirmation in assessing the target cost was missing, to the point of having to activate technical saving actions in agreement between R & D and the quality department, in order to develop a value engineering (product design review and re-engineering) to achieve the goal.

In particular, the transition from steel casting technology from sand casting to lost wax, has allowed us to optimize the thickness of the castings, significantly improving the performance in order to reduce the excessive mechanical work due to over sizing. Working on these two technical drivers, we have been able to reassess the costs, allowing PROCHEMIE 60 to even reach the set target price.



WALK THE TALK PROJECT IN INDIA VALEO AWARD 2017

The “Walk the Talk in India” project has allowed OMAL to replicate particularly complex Social Innovation initiatives, because it participates with its own region and that of one of its suppliers, engaging their activities within the reciprocal value propositions. Co-created between the Purchasing Office and the Social Innovation Office, the project then generated measurable and positive impacts from the point of view of the relationship with the supplier and community cohesion, strengthening the corporate citizenship of the two companies. The project was developed following the phases shown below:

PROPOSAL FOR SHARING THE MODEL AND ALIGNMENT OF INDIAN INTERLOCUTORS

Activity realized thanks to a continuous and constant updating of the expectations and the means available to OMAL and its Indian supplier.

MAPPATURA STAKEHOLDER

Done by the representative of the OMAL Social Innovation Office together with the CSR representative of the Indian supplier.

NEEDS ANALYSIS REALISATION

Done by the representative of the OMAL Social Innovation Office together with the CSR representative of the Indian supplier.

DEFINITION OF COMMON SOCIAL IMPACT METRICS

Activity carried out by the representative of the OMAL Social Innovation Office following the model already tested in Italy by OMAL starting from 2015.

STAKEHOLDER ENGAGEMENT IN ITALY AND IN INDIA

Done by the representative of the OMAL Social Innovation Office together with the CSR representative of the Indian supplier, resulting in the involvement of 100 employees from both companies active as volunteers in the activities scheduled from December 2016 and open until the end of 2017.

IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

Done by the supplier's employees in the Indian area of Chennai, together with support NGOs (International Justice Mission and affiliates), primary school teachers, OMAL volunteers and beneficiaries. In particular, the scheduled activities were: reforestation of native plants with anti-erosive properties (lemon, mango) (i); training on hygiene practices to be applied to micro street-food companies (sale of food cooked in the street) (ii), training in the field of green care for job placement of disadvantaged people as municipal gardeners (iii), English classes in the Sri Sarachamandan public elementary school fifth form in video-conference with the fifth form classes of the public elementary school of Rodengo Saiano, Brescia (iv).

SHARED COMMUNICATION AND PROJECT PROMOTION

Conceived by the representative of the OMAL Social Innovation Office and shared by the CSR representative of the Indian supplier, with the aim of promoting co-design efforts within a web, social media and traditional publishing plan aimed at advertising the innovative partnership approach and, possibly, involve other beneficiary stakeholders in addition to those already identified in the area of Chennai - Tamil Nadu.

2. COMPANY

The growth path of the OMAL Purchasing Office is, like all growth paths, in constant evolution. In this sense, improvement objectives have been developed for the next two years (2017/2018), including the “Tender¹ for Improvement”¹ for Improvement” project, which aims to promote a virtuous process of selection of improvement ideas that starts from our suppliers and allows our supply chain to be redesigned in a participatory, open and more efficient way.

With tender¹ for improvement the supplier will be involved in a structural way, after the CO2 compensation projects, created on a reputational basis, have in fact also led to a quantitative benefit that has translated into economic savings. In this regard, with the tender for improvement we intend to ensure that a qualitative factor implies, as a direct result, also a quantitative one, developing precise analyses on the relationship between optimization of supply processes (the latter proposed by the suppliers themselves), reduction of environmental impacts and economic return. Hence the decision to extend it to other product categories from 2017.

Another key point of the future objectives in the supply chain is the inclusion of the new models of Price analysis², with the aim of looking at even more consolidated partnerships, obtaining a qualitative improvement of the product and a better price.. Assuming a more targeted cost breakdown, the logical consequence is to use tools shared with the technical side, in order to normalize the purchasing dynamics. With this approach, the cornerstones of supply, such as quality, price and service, can be defined in the RDO (Request for Quotation) phase. Following this, the perspective learning curve³ will help to strongly consolidate the win-win partnership. This is because, with the exception of the variable components that affect the price, it will be possible, by OMAL, to obtain a better economic treatment guaranteed by the medium-long term approach with the supplier, who consequently will have a comeback on the guarantee of having a broader vision in terms of turnover consolidation.



¹ TENDER: method of identifying and qualifying new suppliers within the product category, as well as assessing the competitiveness of current suppliers for the products purchased. The tender may also have as its objective the creation of Framework Agreements with selected suppliers, for a partnership.

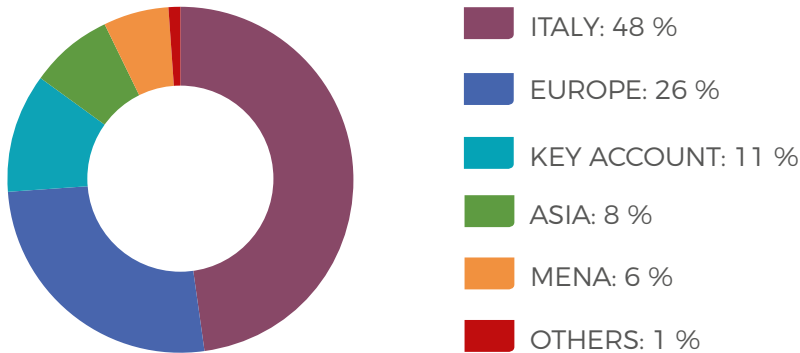
² PRICE ANALYSIS: tools and techniques to analyse the cost structure of the product purchased from the supplier and to define a fair and consistent negotiated target price with respect to market conditions.

³ LEARNING CURVE : experience curve, represents an improvement of the suppliers' production costs with reference to the product's life cycle.

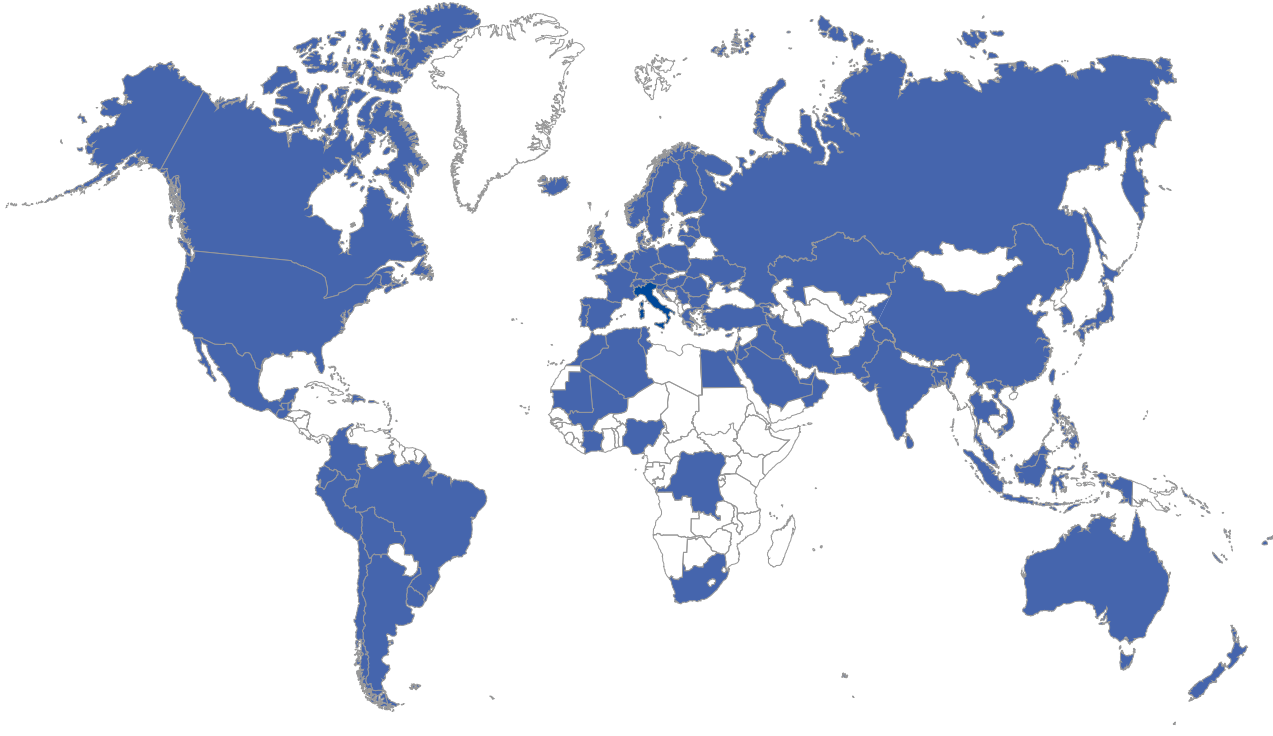
CUSTOMERS

OMAL's customers, differentiated on the basis of the different sectors and products ordered, are split into directional and structural customers. In order to best meet their needs, OMAL has structured its sales department according to the geographical areas of interest, each of which has a dedicated Area Manager and a back-office resource, in addition to the operational and coordination centres.

OMAL CUSTOMER BREAKDOWN BY TURNOVER



To date, OMAL has a widespread commercial network in 93 countries, able to serve fifteen different industrial sectors. What OMAL can provide to the customer, in addition to products with high technical qualities, is also a continuous service of technical coaching and personalization of responses able to offer a 360 degree service, thus completing the product's supply through sharing of an expertise that is the result of over 36 years of experience as protagonists in the world of valves and actuators.



Above: geographical distribution of OMAL customers.

The OMAL customer is at the centre of the company's improvement efforts, as well as one of the most important stakeholders on which to measure the effectiveness of our choices and our resources. We believe that with all our customers we must open a frank and continuous dialogue, both on technical issues and on issues related to the brand and its reputation. This is why OMAL has opened up various channels of communication and commercial updating, among which we highlight, among the most important, trade fairs (i) and sales conferences (ii).

TRADE FAIRS 2017

In 2017 OMAL took part in the following exhibitions, the latter considered strategic and commercial objectives, in which OMAL distinguished itself for having generated tangible elements of technical and social innovation within the stands, including real-time product testing, personalized audio-visual contents and interactive gamification engagement dedicated to the theme of Social Innovation. These actions have been conceived within a continuous effort aimed at introducing challenging and innovative themes to the participants and to potential OMAL partners.

OMC > 29 - 31 March 2017

OMC is the Italian offshore Mediterranean industry exhibition. It is committed to promoting the meeting between sector operators (engineers, decision-makers, scientists, academics and manufacturing companies) in the Oil & Gas market away from the coast, thus preparing for new scenarios and new challenges in the energy sector.

Launched in 1993 as an Italian fair, it recorded a remarkable growth in terms of conference visitors and quality, thus carving out an international value for itself.

Iran Oil Show > 6 - 9 May 2017

The second largest OPEC oil producer, Iran, every year hosts an event in various fields of the oil, gas and petrochemical sectors. Based on the number of participants, this is the biggest event in the sector, featuring an extensive variety of topics addressed. The strong international presence, as well as that of local producers, offers opportunities for cooperation and definition of contracts.

IVS > 24 - 25 May 2017

It is the Italian platform for valves and the manufacturing industry. The Summit was conceived as a real information hub able to provide answers to those who are looking for innovative valves and flow control solutions, searching for MADE IN ITALY quality and technological and production excellence throughout the entire industrial valve and fluid control solution supply chain. The combination of exhibitions, congresses and workshops and the high quality of visitors, delegates and professionals allows the IVS event to define the state of the art in Italian industry and compare the various technologies available to end customers.

LPG > 3 - 5 October 2017

The thirtieth edition of the LPG world fair was held in Marrakesh (Morocco).

The event attracts annually very important international agencies and various players with whom the highest levels of this industry talk about politics and business in the LPG sector.

Adipec > 12 - 15 November 2017

Abu Dhabi International Petroleum Exhibition & Conference is the annual oil and gas fair, one of the world's most important events in the industry. The event took place at the ADNEC exhibition centre in Abu Dhabi. The fair brings together all the gas and oil sectors and presents the latest machinery and equipment for exploration, production, refining, storage and transportation of gas and oil.

SALES CONFERENCE 2017

Since 2010, OMAL has established recurring appointments with its sales network and with its foreign partners for the purpose of updating and dissemination of organizational and product information, through formal and informal training days.

The format used provides for a two-day collegial event, organized by commercial areas in logistically accessible capitals with respect to the countries in which OMAL partners operate:

- for Italian and European participants in the province of Brescia;
- for participants from the MENA area, the sales conference was held in Dubai;
- for Asian participants the meeting was held in Kuala Lumpur.

In 2017 the participants for each sales were:

ITALY : 12

EURO AREA : 36

MENA AREA : 18

ASIA PACIFIC AREA : 26

During these events the format was repeated through frontal training and informal education, i.e. exercises and participatory planning. The networking part and coding of information among the participants was also very present.

The topics addressed were:

- **SALES TREND ANALYSIS:** analysis of the sales trend for 2016 and the first four months of 2017,
- **UPDATES:** new investments and new products (new actuators, new ball valves)
- **CASE HISTORY:** specific sales success stories thanks to the technical advantages of OMAL products,
- **COOPERATION & SUPPORT:** redefining the OMAL relationship with its local partners and new sales tools.

The OMAL 2016-2020 business plan set a growth target of 10% per year. To aid this growth, in 2017 several investments were finalized in each branch of the company: new machinery for mechanical processing, automatic machines for assembly and testing, new logistics management, a thorough reorganization of the company structure and new human capital.

2. COMPANY

Further input on logistics and assembly in OMAL emerge from the words of the Assembly Manager, who comments as follows:



COMMENTS FROM OMAL

Our goal is always to optimize the assembly process, starting from the acceptance of incoming materials. The latter, thanks to our logistics system, are checked and identified to then be placed in the automatic warehouse awaiting use.

The assembly and testing phase is always and constantly monitored with 100% product testing. The choice of the most modern technologies (robots with Vision/inclined V and Vip test machine) allows us to guarantee the best material management results, facilitating the work of our operators

OMAL's Assembly manager



Overall, the valve and actuator industry is a single large global market with about twenty thousand manufacturers, so it is characterized by a high degree of competitiveness. To remain in this market, large industrial groups use mergers and acquisitions to maintain their market share. Meanwhile, less structured companies respond with lower and lower prices to the detriment of quality.

Although OMAL's reference market remains Europe (74% of total sales in 2017), the general tendency to delocalize the production of valves outside Europe (i.e. Africa, Middle East or Asia) is now irreversible, both through lower investment and management costs, and through a more tolerant and permissive legislation towards environmental and labour issues. Therefore, in Europe, it is expected to remain a specialized production, probably of high quality, while the production of the largest volumes is moving almost exclusively to emerging or developing countries. Consequently, in order to continue to grow, OMAL must defend its market share in Europe and intensify its commercial development and penetration of non-European markets, positioning itself at the high end of the market, far from the price dynamics, and where they are required and appreciated the product's performance, the high level technical skill, a more flexible and personalized planning, organizational and production capacity.

The current evolution of production processes requires the continuous development of products. The percentage of automated valves compared to manual valves is also constantly increasing, as dictated by the new industry standards which require that man be transformed from an operator to a mere controller.



Further input on the market and on OMAL's commercial activity come to light from the words of the Commercial Director, who comments as follows:



COMMENTS FROM OMAL

Looking at the closure of 2017, how sales expectations have been met and the objectives achieved emerge. In general, the market is still weak, despite signs of recovery, and the imbalance between supply and demand is still very marked: all this translates into much commercial aggressiveness by competitors. Our company has faced and overcome this difficult period with simple rules: determination, professionalism and spirit of sacrifice on the part of everyone.

I think that for 2018 the market will still be unstable, with a period of ups and downs, given the weakness of the markets in general. I therefore confirm that our commercial temperament will be marked by "strong will and desire": only with this awareness will each of us create the will to overcome each obstacle.

OMAL's Commercial Director



Historically, OMAL's desire to pursue product innovation and continuous improvement in the production process to have a real competitive advantage has always been demonstrated: as early as 1981, the company launched the glyph actuator while the whole industry was biased towards rack actuators; or in 1992 it patented the VIP valve with a totally new philosophy, opening a new niche in the market that's now imitated by other competitors; or again in 2015 it presented the PRO-CHEMIE-60 valve certified by the TUV in Frankfurt which allowed OMAL to enter as the only Italian valve manufacturer in the German chemical market, previously an exclusive prerogative of the German players. SDG9

SDG9

In 2017 the new version of aluminium glyph actuators was launched, offering both technical upgrades and innovative solutions that will define the applicable standards in the coming years.

In the meantime, through significant investments in the production system and in Research and Development we wanted to increase the company's ability to meet the future demands of increasingly demanding end users, which require increasingly customized and sophisticated integrated systems, as well as a flexible and streamlined production.

Complicated markets and engineered products require the external sales network (agents, distributors, retailers) to increase their level of technical and professional skills in order to propose the most suitable solution. On the other hand, the end customer must also refine their knowledge in order to appreciate and understand the technical advantages of the product and therefore the benefits for their company. It therefore becomes fundamental for OMAL, to be closer to its local partners and to the customer to improve the effectiveness of its strategies. This proximity can be both virtual, through new IT systems (3D video, online self-diagnostics, Industry 4.0, webinars, interaction, video tutorials etc.), and physical, directly in local communities.

Finally, with a view to transforming the customer from a passive (recipient) stakeholder to an active stakeholder (partner), OMAL continues the path begun in 2016 aimed at making its customers more responsible on social and environmental issues. During 2017 some parts of the code of ethics specifically dedicated to the reduction of environmental impacts were upgraded, to which the Sales Department is also committed by reducing to a minimum the printing of commercial documents.



Above: OMAL Code of Ethics 2017.

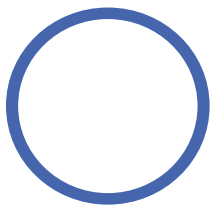
In this regard, OMAL's approach has focused on the maximum respect of the following points, which OMAL honours regarding its customers and asks for them to be mutually respected:

- ban on corruption and other forms of patronage (milestone 1 - Code of Ethics)
- ban on gifts and forms of entertainment (milestone 2 - Code of Ethics)
- respect for free market rules and free competition (milestone 4 - Code of Ethics)
- compliance with current regulations regarding products and processes (milestone 5 - Code of Ethics)

For further aspects dealt with in the Code of Ethics, you may view this document on the OMAL website.

2.6 PHILANTHROPY

GC Goal I



OMAL is aware of working as one of the many players of the local community, i.e. the areas of Franciacorta and Val Trompia, for this reason it conceives its work and commitment within a network of social relations to be respected and protected.

The company therefore listens to the area and, where possible, responds to the needs of local associations and institutions in order to contribute to the public good and the protection of disadvantaged people.

Among the tools historically used by the company to help its area, philanthropy has been, and continues to be, one of the channels of intervention to handle extraordinary emergencies within its area or country, or for particular issues held in high esteem by the owners, including youth sports and disability. Therefore, philanthropy in OMAL exists but as a residual function: it is not strategic, i.e. it is not used for marketing or structural purposes, i.e. it is not an automatic disbursement but a commitment motivated by emergencies or particularly virtuous demands. In fact, a modern approach to the pro bono donation theme was chosen, which sees these as exceptional disbursements, benefiting social and environmental sensitivity that is not only seen in the economic transfer of resources but, rather, in the direct involvement of OMAL employees in favour of local associations: corporate charity, therefore, follows a strategic development in OMAL visible in the image below.



Above: Image taken from: The generative enterprise, various authors, Feltrinelli 2017.

OMAL's philanthropic channel is active for initiatives in two categories:

- The sporting world
- Serious local or national emergencies

Fortunately, in 2017 it was only used for activities related to the world of sport. This category includes the donation made to the ICARO basketball team and the Italian team of under 15 flag football (FIDAF). Moreover, OMAL supports ASD Rugby Lumezzane renewing its sponsorship aimed at the realization of two social projects: the "Motorya" project and the "Schools" project.

In the first case it is a path of psychomotor development for children and teenagers from 6 to 18 years whose purpose is to fluently develop cognitive, psychological and physical faculties through the study and practice of the discipline of rugby. In this case, the need to structure a similar project was picked up by the Municipality of Lumezzane, by some teachers of Motor Sciences at the Faculty of Brescia and by local companies who have devised an initiative to combat sedentary lifestyle problems and poor diet among the local population's youth. The initiative, led by the technical staff of Rugby Lumezzane has gathered a growing interest and an increasing number of small athletes involved. This activity completed with excellent results the preparatory activity to the game of rugby, enhancing the baggage of knowledge of the young people who were already part of the red-blue mini-rugby formations.

The second project, on the other hand, aims to bring rugby into schools as a preparatory activity for the development of interpersonal relationships, exploiting the interactions typical of team sports. The staff of Rugby Lumezzane, directly involved in the initiative, offer an activity included in the curricular programme of the institutes in which it operates. In 2017, the total number of hours attributed to the "Schools" project was 930 hours, with a target for 2018 of 1500 hours. Currently the interventions are supported at primary schools, lower secondary schools, higher-education institutes located in Lumezzane and in municipalities around Val Trompia, with the number of school complexes participating in the initiative continuing to grow. In 2017, the activity was conducted in 20 institutions, which rose to 26 in 2018, with the addition of six kindergartens.

Lastly, 2017 was a year of significant involvement for OMAL in the need for renovation and redevelopment of the ASD Lumezzane playing field. In fact, during the year, OMAL's owners spent time in mentoring and supporting the definition of the economic plan necessary to raise funds for the new sports field. The project, still being defined, will include the presence of a bar and restaurant area that will have to sustain themselves economically, as well as guest quarters and a relaxation area for guests and parents. The goal of OMAL's involvement, therefore, is not just aimed at economic donation but at sharing the strategy, which made the "donation" of man hours necessary to support the managers of ADS Rugby Lumezzane with administrative documents, business models and accounting.



Above: The Lumezzane rugby team sponsored by OMAL.

FLAG FOOTBALL

Flag Football is a team sport that derives from American football and from which it has drawn the fundamental concepts (how the game is played, type of teams in the field and some roles, basic rules of ball advancement, etc.) as well as the use of the same official ball. The significant difference, which also appears to be the primary factor of its increasingly widespread diffusion, is determined by the absence of physical contact as the opponent is not stopped by tackling, but by detaching a flag that is attached to the belt thus leading to the action being interrupted. What has always fascinated Italian practitioners, but equally all those who followed and follow flag football, is that this team sport allows everyone, men and women, adults and children, people with physical and/or mental disabilities (especially in the junior sector, followed by tutors) to be able to take part in it. In 2017 there were many initiatives promoted by the Federation for flag football. Through the school projects managed by the CSAP (School Commission and Promotional Activities) we worked on the example of the National team to transmit to the students, at all levels, different motor skills but also a sense of belonging, appreciation of the group and the development of proper relational behaviour. It is no coincidence that flag football is used in many educational and recreational contexts as a positive example in the fight against bullying, social exclusion and scholastic abandonment. As for the Nationals, in 2017 FIDAF invested in two fundamental projects to increase the results achieved in recent years. The men and women's U15 National teams worked together preparing the new generation for an international tournament hosted in Varese, the "7 Lakes", in which teams from Austria, England and the Czech Republic took part. In the final with England the youngsters of the Blue-Team managed to win the trophy, despite a game played blow to blow until the end. The former national champions of Europe 2016, however, have become part of a new project of excellence for flag football. The ITALIA Academy is in fact a new team created from the desire to continue the preparation of talented flag youngsters, accompanying them from 16 and up to 19 years on the route to the National Seniors. This team participated in the senior league and immediately showed its value, never letting the side down against more experienced teams and "older" players. At its first participation, the ITALIA Academy just missed the playoffs and for this it received a special mention in the finals and the applause of all the companies participating in the championship.

Regarding the ICARO basket project, in 2017 OMAL supported the association's activities with a donation, and in the 2016/2017 season they took part in the Italian Basketball Championship in wheelchairs with a training aimed primarily at developing the youth sector, and training new athletes. One of ICARO's promising youngsters, Francesco Cancelli, has been called up for the National under 22 and played the European Championships in Lignano Sabbiadoro qualifying for the Toronto Under 23 World Championships, which he played in June. After last year's experience with Olympic minibasket Verona, debuting is Endrit Blakaj who, with his 13 years, is the youngest to wear the pink shirt and perhaps in the entire championship.

The women also improved through the presence of Minaya Rodriguez in her second championship with the OMAL team.

"It will be a year of growth for new athletes", says president Luca Savardi Danesi, "the company has decided to invest in the promotion of wheelchair basketball in schools, oratories and meeting places, allocating an important budget for this project supported by some sponsors, with the aim of creating a youth sector and an important basis for a future in the premier league".

Among the objectives supported by the OMAL contribution and pursued by the association, we call to mind:

- 1 •** reinforcement of the project for schools "To basketball school in a wheelchair" to introduce disabled children to post-school sports;
- 2 •** organization of Table Tennis workouts, in collaboration with the ASD association of Coccaglio, in anticipation of the first tournament of the 2017 season in Verona.
- 3 •** upgrading of the transport service for athletes from home to where the activities take place. It allowed 4 people otherwise unable to reach the place where the activities take place, to play sports and have fun.



Above: some shots of the ICARO Basket team calendar with OMAL volunteers, taken at the two factories.

WHEELCHAIR BASKETBALL

Wheelchair basketball, among disabled sports, is one of the most spectacular and has proven to be particularly important and useful for the psychophysical recovery of the person with the increase of autonomy and self-esteem. Both men and women with various disabilities can play (paraplegics, amputees, rare diseases). The rules are the same as those of basketball (basket height, fouls, playing time), to participate there are no age limits and as in basketball there are mini basketball teams with rules adapted to the age of children and adult teams. Each athlete is assigned a score (from 1 to 4.5) according to his disability so that the quintet in the field does not exceed 15 points and, consequently, all the different disabilities are represented. This allows everyone, men and women, adults and children, people with physical and/or mental disabilities (especially in the junior sector, followed by tutors) to be able to practice it.



Finally, during 2017, OMAL contributed to the Milan Marathon, forming a team of four colleagues who ran the 42 km route in a relay race. In effect, the event allows all runners to run for a non-profit organization and to help them collect donations that, in OMAL's case, have supported the NGO Mani Tese (Hands Outstretched) and international cooperation projects. In this way the opportunity was given to add to the pleasure of running, that of doing good too.

Overall since its inception in 2010, the programme has raised over € 3,000,000 and has seen the participation of almost 350 Non Profit Organizations. The 2017 edition confirmed itself as a point of reference for the Italian non-profit world, taking its inspiration for the first time from the virtuous "Anglo-Saxon model", which provides for the purchase of registration packages by Non Profit Organisations and their sale to Supporting teams for a minimum donation or the achievement of a fundraising goal on the Rete del Dono, a crowdfunding platform and a personal fundraising leader in Italy.

This approach actively and directly involves both the individual Non Profit Organisations and the supporters, making them fundraising protagonists and promoters.





QUALITY AND MANAGEMENT

3

“Quality has to be caused, not controlled.”

Phil Crosby Entrepreneur and quality expert, author of the text: “Quality is Free”.

3.1 RAW MATERIALS

The quality of a company can be seen from the care with which the raw materials are chosen. The selection of materials from which valves and actuators are obtained plays a fundamental role in maintaining high levels of performance and reliability. Defining a structured process of incoming materials allows OMAL to process high performance and controlled metals and plastics, obtained from prime quality processes for which the company is able to trace the production steps thanks to open and transparent relations with its suppliers. In addition to the qualitative and technical specifications of the selected materials, OMAL further controls all incoming metals and also chooses to purchase them from areas not affected by armed conflicts.

In this regard, the introduction of United States legislation in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act has brought international attention to the need to carry out a check on the area of origin of certain minerals (gold, tantalum, tin, tungsten) with the aim of promoting the humanitarian objective of ending the violent conflicts in the Democratic Republic of Congo (DRC) and in the surrounding countries, which have been partially financed by the exploitation and trade of these minerals. This check involves the producers and their supply chain. Some customers, interested in the American market and in any case sensitive to the subject, ask OMAL to fill in a standard report, the “Conflict Minerals Reporting Template” (CMRT v5.10), a form in which the use (or the lack of use) and the source of these minerals is made public. In accordance with Section 1502 of the Dodd-Frank Act, OMAL undertakes to comply with these provisions and as part of this process collects information about the presence and use of these minerals from its supply chain. Conflict Minerals Declaration is the name of the declaration that we in turn request our suppliers to sign, confident that this choice also gives credibility to assert our commitment to ensure a better life for our children and those who live in the most disadvantaged areas and subject to violence.



GC Goal 2
GC Goal 8

In addition to the above, EC Regulation 428/09 established a Community regime for the control of exports, transfer, brokering and transit of dual-use products. Goods and technologies that can be used in civil applications but also in the production, development and use of military goods are considered "Dual Use". Their characteristic is that they differ from armament materials as they are not specially designed for military use. The creation of a regime of export controls (EC Regulation 428/2009), common to all the Member States of the Union, is a necessary condition for ensuring compliance with the international commitments and responsibilities assumed by States in the field of non-proliferation. and an indispensable prerequisite for the free circulation of dual-use products.

OMAL guarantees compliance with the provisions of European Regulation 428/09 and Legislative Decree 221/2017, checking that materials and products intended for export outside the European Union are not included in the list of dual-use items, requesting, where necessary, the expected authorizations from MISE (Ministry of Economic Development), and operating in compliance with the European Union provisions on trade embargoes. To this end, OMAL has adopted a specific "Export Compliance" procedure.

Furthermore, in accordance with the provisions of Legislative Decree no. 230, March 17 1995 "Implementation of the Euratom directives 80/836, 84/467, 84/466, 89/618, 90/641 and 92/3 concerning ionizing radiation", the materials used in OMAL's production processes are subject to a double check on their possible radioactivity: in addition to the checks carried out and the declarations made by the suppliers, OMAL carries out a further non-radioactivity check (carried out at the Genoa customs office on behalf of an expert accredited by the Ministry of Labour) on metallic materials coming from non-European destinations in order to exclude the risk, even remote, of health risks for OMAL employees, our customers and end users.

GC Goal 7 SDG 15

Finally, OMAL ensures compliance with European Directive 2011/65/EC "RoHS" (Restricting the use of Hazardous Substances in Electrical and Electronic Equipment), as amended by Delegated Directive 2015/863/EU on the restriction of use of dangerous substances in electrical and electronic equipment (EEE) in order to contribute to the protection of human health and the protection of the environment.

GC Goal 7

Furthermore OMAL respects the EC Regulation no. 1907/2006 "REACH" (from the acronym "Registration, Evaluation, Authorization of Chemicals") concerning registration, evaluation, authorization, restriction of use of dangerous chemicals including hexavalent chromium, cadmium, mercury. These regulations concern both the storage and use of materials (oils, solvents, glues, greases, raw materials) and those related to the management of the end of life of the product (recovery and disposal).

SDG 12
SDG 15
GC Goal 7
GC Goal 9

3.2 PROCESSES

By “internal processes” OMAL intends all those procedures that serve to speed up the relationships between the units and to manage all the internal tasks in a more controlled manner. Some of these processes have ad-hoc reference regulations or certifications, many others are internal initiatives that demonstrate the company's interest in making daily work more streamlined and effective.

On an internal operational level, activity planning is managed and coordinated thanks to a Project Management system that allows the optimization and planning of the projects. Alongside the PM system, an activity declaration procedure was introduced able to monitor critical issues and improve the efficiency of all offices.

More specifically, some of the projects that - with a view to coordinating the units and improving internal management - characterized 2017, were: improving document management, planning the scheduler, processing unprinted orders and updating the quality management system.

Document management

Document management is divided into active documents and passive documents. The active document covers all the documents that our management produces, including: purchase orders, sales orders, delivery notes, invoices. An electronic copy of these documents is generated which can be sent to customers/suppliers and is automatically archived. Passive documents cover all the documents that the management receives from the outside, including: requests for orders, supplier offers, various faxes. Historically these documents were printed and archived physically. The passive document allows these to be electronically archived with the consequent possibility of research. If the documents arrive in electronic form (mail) there is no need for a hard copy, if they arrive on paper, they are scanned and a specific software is responsible for attaching them to the corresponding sections. Each order has then attached and electronically filed all the documents, active and passive, which it generated.

The scheduler

Planning production orders means meeting delivery requests using the available resources, whether they are raw material or labour force. The difficulty grows exponentially as the number of contemporary orders increases, also having to deal with a finite production capacity. The scheduler is a tool that is able to sequence orders based on priority rules and resource availability. The company has an advanced scheduler able to facilitate the task of company planners. Through this tool we are able to predict any manufacturing problems in advance and, in the event of unforeseen circumstances, choose the appropriate corrective actions.

Unprinted orders

Workstation operators have always received work orders and instructions in paper format. By equipping all workstations with PCs, the company is now able to send the orders to the operators in electronic format generated by the active document. Together with the orders, it is possible to provide the operator with a whole series of information ranging from a simple technical drawing with all necessary instructions to multimedia files. The complete entry into force of this system is scheduled for 2018.

Updating the quality management system

In 2015 the ISO 9001 and 14001 standards were revised on the basis of a common structure called a high-level structure (HLS). Among the annexes to the aforementioned directive, “1” Annex SL - Standard proposals for management systems” is of particular interest, which states that all the rules relating to management systems will be based on a structure consistent with common texts and terminology, as ratified by Appendix 2 - “High level structure”. With this new structure, the ISO goal is to facilitate companies and organizations in integrating all or part of the different management systems and obtain a unified management system.

It thus becomes almost inevitable for a company to include in its management system the elements of other standards that it considers relevant, as in the case of elements of the environmental standard ISO14001: 2015 and elements of the future ISO 45001 standard on the management of health and safety at work.

In fact, the new ISO 9001 and 14001 standards require the organization to consider the context in which it operates and the expectations of the stakeholders, to define the environmental, social, cultural, legal and economic factors linked to the organization's internal conditions (personal skills, processes, company policies) that influence the context in which the organization intends to achieve its objectives, assessing the risks and opportunities on which to set up the management system (Risk Based Thinking).

Quality is therefore the result of proper risk and opportunities' management, which go beyond the scope of the product or the service offered: there can be no quality if we are not able to offer the customer, in the long term, a compliant product or service.

This approach is the reference point for a vision of "Responsible Quality", according to which customer satisfaction can be increased by the attention of the organization towards the community and the other subjects of the external/internal context. A substantial integration, with a view to sustainability, to management, quality, environment and safety systems, also through the common denominator of Risk Based Thinking to achieve the expected goals, and achieve continuous improvement.

OMAL has taken up these new challenges by directing its "Integrated" management system to satisfy the growing demand coming from the market, but also from the region in which it operates, to new forms of quality, aimed at the satisfaction of further ethical and social needs, which encompass the protection of the environment, the protection of work, human rights and Legality, which are the expression of a wider context of stakeholders with respect to the traditional figures of customers and suppliers.

During 2017, the transition to the ISO 9001: 2015 certification schemes took place in May 2017 and 14001: 2015, which took place in December 2017. Moreover, in 2017 OMAL published its Green House Gas Inventory Verification Statement (GHGI) in accordance with the ISO 14064-3 standard in order to share projects and objectives regarding environmental protection and sustainability with the community.

This integrated and systemic approach in internal processes is therefore synonymous with OMAL's way of operating, which has always posed managerial and organizational questions that go beyond the single sector that requires improvement efforts.

3.3 TRAINING

The various types of OMAL valves and actuators require excellent productive and organisational processes, performed by specialised and up-to-date staff in order to maintain standards that are appropriate for an increasingly strong and extensive global competition. As regards staff training, OMAL considers the training of employees to be a key driver of competitiveness, capable of impacting the market through improvement of technical performance and work skills, and of encouraging the staff by motivating them and stimulating them to learn.

OMAL provides its staff two types of training: external and internal.

EXTERNAL TRAINING

To give substance to the "2020 Strategic Plan" training plan, a plan was established for the year 2017 entitled "In FormAzionE". The project takes two directions: it highlights the importance of teamwork and also focuses on the need for training to translate into winning action in the field, with direct involvement of a coach or tutor in the company. Furthermore, the logic behind the various training courses - especially for the first levels of the organisational chart - aims not only at technical expertise in the strict sense but also at managerial and organisational skills, as described below:

1st level manager - to develop a double path directed towards:

1 • purely technical fields: - hard:

- a.** Foreign languages: (154 hours)
- b.** Business Intelligence & Project Management: (120 hours)

2 • corporate management and HR management organisational guidelines - soft skills - for a total of 260 hours:

- a.** Work organisation.
- b.** Leadership skills.
- c.** Delegating skills.

In order to increase the soft design skills between operations, a "LEGO® Serious Play®" 16-hour course was held, aimed at performing co-designing activities with customers and suppliers in complex subjects (from environmental sustainability to conflict management and the organisation of time and human resources). Courses have also developed in different departments in the following areas throughout the year, to improve: proficiency in foreign languages, 3D drawing programmes, non-destructive testing, robotics, set up and CNC, welding and customs operations.

The following courses were then provided (not to executives):

- Foreign languages: (88 hours)
- Design techniques and software: (168 hours)
- Control techniques and software: (80 hours)
- Robotics and CNC: (200 hours)
- Updating on customs rules and regulations: (102 hours)

The table below shows the details of the courses followed by OMAL staff in 2017, excluding those on "Work health and safety", reported in the second table.

No.	TITLE	HOURS	PARTICIPANTS
1	Internal shadowing with sales management and back office	80	1
2	Using ERP Panthera	8	1
3	OMAL Project 2020	12	6
4	Using CNC machines	72	6
5	Updating SIL regulations	3	1
6	Product training	20	1
7	Webinar on ISO 9001 and ISO 14001 transition	8	3
8	Improving procurement performance	32	1
9	Leadership development - TO	48	1
10	Leadership development - QSA	36	1
11	Implementing the new ISO 9001:2015	6	4
12	Presentation of the new ISO 9001:2015	4	8
13	Penetrating liquid method (pt) - extension of qualification from level 1 to level 2 (Uni en ISO 9712:2012)	32	1
14	English language course	188	11
15	Implementing the new ISO 14001:2015	16	1
16	Qualification procedures and welders for inclined valves	48	2
17	Use of solidworks inspections for QO	32	2
18	Use of software inspections TO	32	2
19	Courses for the declaration of domicile of customs operations and AEO certification	72	24
20	Leadership development - social innovation & communication	28	1
21	Programming training and use of testing machines	4	1
22	Presentation of the company organisation chart	2	2
23	Presentation and illustration of corporate job descriptions	3	3
24	Customs documentation management (POD/SAD)	12	6
25	Use of software and measuring tools for QO	8	2
26	Use of the software for programming the measurement routines from CAD	4	1
27	Use of solidworks software for TO	96	12
28	Use of optical measuring machines	7	2
29	Training courses on mechanical ATEX and assemblies	17	2
30	Internal training on the use of measuring instruments software	13	5
31	Use of cam machines	48	2
32	Training course for ATEX directives 2014/34/EU & 99/92/EC	17	2
33	"OMAL Product certification: ped directive 2014/68/EU"	4	2
34	Basic course for the use of the DEA machine	25	1
35	Business intelligence	120	3
36	Lego® serious play®	18	1
TOTAL		1175	125

WORK HEALTH AND SAFETY

SDG 3 → GC Goal 1

The protection of the health and safety of employees in the workplace is a legal obligation. The reference documents are the SINGLE TEXT. Legislative Decree 9 April 2008, no. 81. Text coordinated with Legislative Decree 3 August 2009, no. 106: "CONSOLIDATED LAW ON OCCUPATIONAL HEALTH AND SAFETY".

For OMAL, compliance with these legislation is the minimum required for compliance with the values it declared to its employees and to the communities in which it operates. OMAL operates in a well-structured and cohesive manner to ensure that activities are carried out safely while minimising negative impacts in the work environment and preventing accidents and injuries. In this regard, the Management is committed to integrating an Occupational Safety and Health Management System into the existing organisational systems (ISO 9001, ISO 14001) to ensure that the following objectives are achieved:

- 1 • Strictly observing the requirements of current and future laws on health and safety in the workplace;
- 2 • Defining and implementing methodologies for the identification of hazards and for the assessment of risks to workers' health and safety;
- 3 • Designing appropriate measures to prevent, protect and control impacts within the work environment;
- 4 • Ensuring that all workers are adequately made aware and trained on the content of this policy and on all health and safety issues, at the time of their hiring and during their entire work period at the company;
- 5 • Searching for suppliers of goods and services that share, in principle but also in practice, the values of health and safety protection, so as to pursue mutually beneficial cooperation initiatives.

The training courses planned and carried out in 2017, which are in addition to the internal meetings carried out when hiring new staff and on the occasion of specific internal activities such as use of overhead cranes or the administered moving of plants, have been pursuant to articles 36 and 37 of Legislative Decree 81/2008 to 9 people, of which two are high risk, one is medium risk and six are low risk. Training administered pursuant to: STATE-REGIONS AGREEMENT OF 21.12.2011. RELATING TO TRAINING ON THE PROTECTION OF HEALTH AND SAFETY AT WORK PURSUANT TO ARTICLES 36 AND 37 OF LEGISLATIVE DECREE 81/2008 and subsequent amendments.

The training courses planned and carried out in 2017 on the protection of health and safety at work and of the environment involved a total of 25 people for 115 training hours.

No.	TITLE	HOURS	PARTICIPANTS
1	Emergency team refresher, environmental impact management - evacuation drills	4	8
2	Management of waste documents and operations	2	1
3	High risk training - Legislative Decree 81/2008	56	2
4	Waste classification	4	1
5	Implementation of the new ISO 14001:2015 standard	30	3
6	Webinar - transport and handling. Hazardous goods - Q&A	2	1
7	In-house staff training for managing hazardous goods(Q&A)	12	4
8	Management of environmental aspects and impacts	5	5
TOTAL		115	25

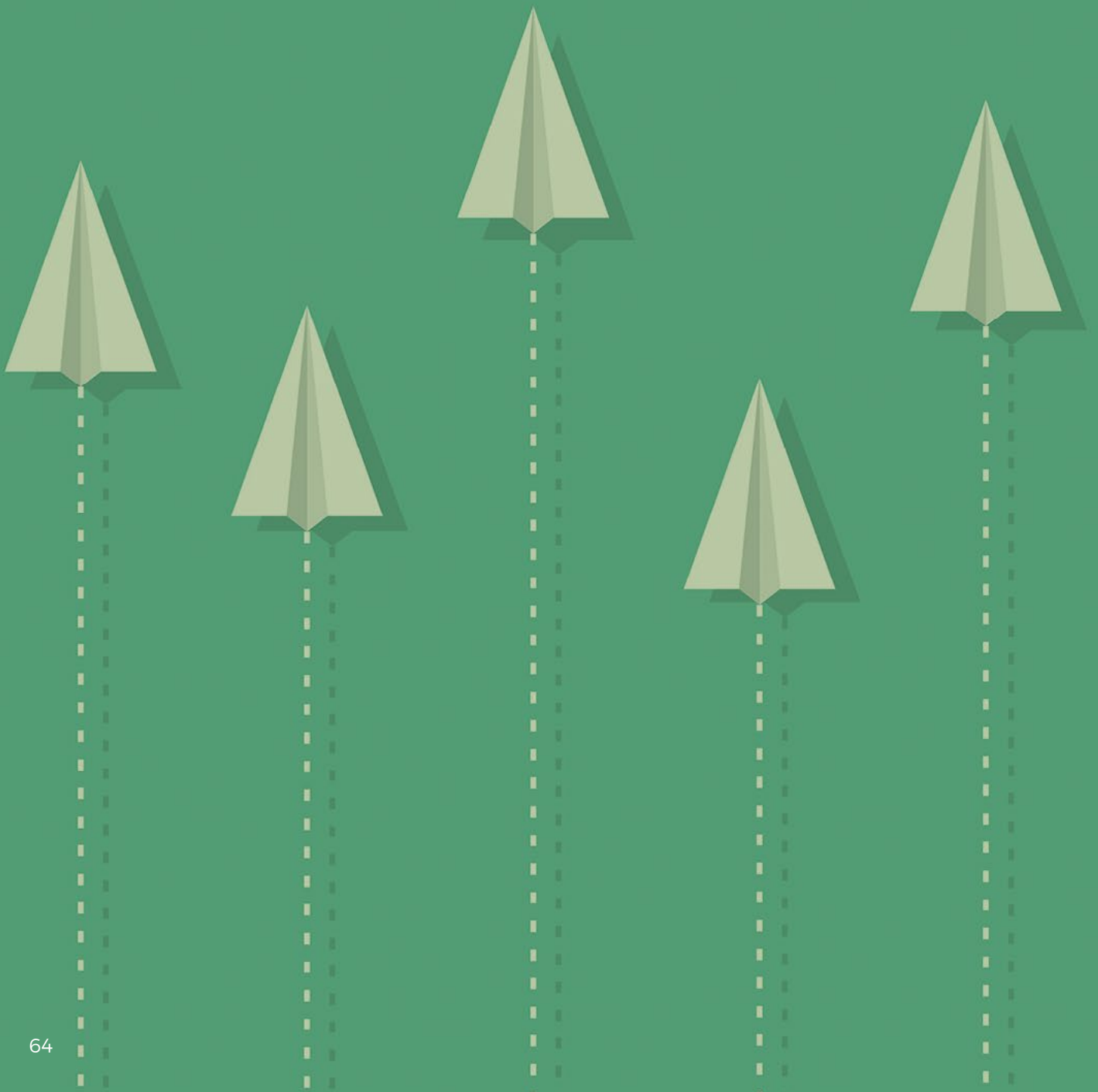
IN HOUSE TRAINING

In addition to this training, managed with resort to external consultants or coaches, "In house" training courses were developed, in which managers established ad hoc guidelines for collaborators of other operations directed towards two areas: changing management (for strategic roles) and transferring knowledge across the business units. Training was required for those situations in which the manager of a unit transferred their skills to colleagues in another department, as in the case of a technical manager transferring knowledge to the sales department, or the production manager to colleagues of the Data Processing Centre.

Specifically, the self-training areas were: the management system, production logics, technical characteristics of the product and control methods with new measuring tools.

A separate training path involved the Change Management. It was aimed at making more efficient the handing over process required by changes in the organisational structure, with reference to key positions and management system procedures, including changes resulting from the implementation of corrective or preventive actions. In this case, training is essential for the transfer of the internal logics that characterise an office/department. An ad-hoc path is therefore necessary for a correct handing over process when new people are introduced.







SOCIAL INNOVATION

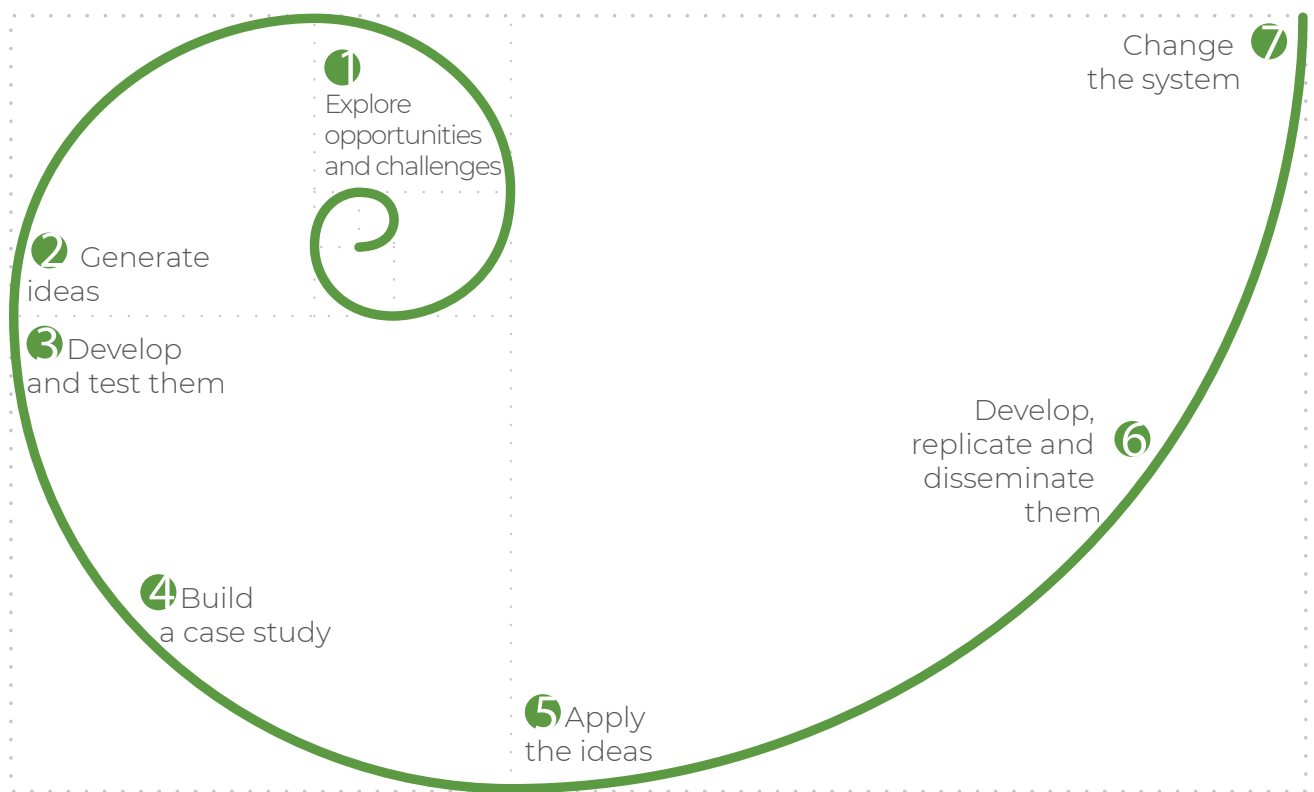
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“The only thing we know of the future is that it will be different.”

Peter Drucker Author of the modern theory of corporate management

4.1 BACKGROUND

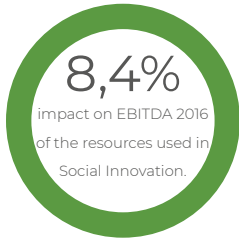
Social Innovation means developing new ideas applied to products, services or models that meet social needs in an innovative and more efficient way, compared to the existing alternatives, creating new relationships and partnerships between different actors. Like all forms of innovation, social innovation involves a methodology linked to an empirical approach, which starts from a phase of identifying opportunities for action, continues with the proposal of solutions, and ends with the testing of possible solutions and the collection of feedback in order to refine and then scale the initiative, subsequently achieving systemic and long-term impacts.



Above: Social Innovation: spiral model. Source: Murray et al. (2010), White Paper on Social Innovation, The Social Innovator Series, London, Nesta.

The relationship between Social Innovation and corporate activity is part of the Corporate Social Responsibility (CSR) model that OMAL has reinterpreted by renewing it in such a way as to respond effectively to the needs of its territory, to the challenges of the global market and to the guidelines of systemic change that is already well under way in the sector of valves and components for automation. The relationship between Social Innovation and CSR is therefore twofold: if, on the one hand, the methods of setting up activities, projects and programmes move from CSR bases, it is with the contribution of Social Innovation that solutions are identified. These solutions will be innovative never-before carried out, and more closely related to the company's core business, so as to connect it to all the efforts of the various operation to generate positive social and environmental impacts in their external and internal interactions, according to the Integrated Governance approach. Finally, the prospect of Social Innovation enriches the CSR vision as it combines it with the social communication sector, i.e. the set of ad-hoc communication channels to finalise need assessments, stakeholder engagement and reputation gain.

SDG 17
GC Goal 8



At a quantitative level, OMAL's commitment in the area of Social Innovation had an incidence of 8.4% on the EBITDA 2016, as indicated in the chart to the side. The division of projects between environmental and social will be illustrated at the end of the relevant sections of the document.

4.2 BRAND REPUTATION

OMAL designed the path of Social Innovation as a system that can be replicated symmetrically within MACRO processes (Italian and foreign salespeople, production chain, external communication) and MICRO processes (internal communication, relationship with the suppliers), generating impacts on the brand reputation and market positioning. The latter, defined as intangible assets because they are not directly linked to a quantitative increase in production, do however have a value that can be monetised, as the result of the quantification of variables including:

- Efficient staff management, which is a function of HR motivation,
- Innovation in business relationships with suppliers and customers,
- CSR as a driver of risk reduction,
- The quality of process management is the result of a clear communication between the different units,
- The presence of the brand at events that give public visibility or in study/research or policy making contexts, linked to the presence of the Brand in the national and international debate on social and environmental issues.

In order to clarify the points listed above, the following paragraphs will present a series of occasions in which, thanks to Social Innovation, the OMAL brand has been able to improve its reputation.

GC Goal 8

SECTOR MEETINGS

The Procurement Meeting

OMAL was invited to participate with its story in the event organised by "The Procurement" on innovative policies for supply chain management. The event, held at the headquarters of the Mediolanum Corporate University, gathered together buyers from large industrial groups presenting corporate cases, models for increasing supplier chain accountability and up-to-date data on the social and environmental impacts of the procurement function. OMAL, in this event, recounted the concrete experience that allowed it to win "The Procurement Award" in 2017 in the "Ethical and Sustainable Purchases" and "Multifunctional Team Purchases" categories.

Meeting B-Corp Italy

OMAL took part in the annual meeting of Italian B-CORPs, after being recognised as such in September 2017. The event, held in Milan, brought together contractors and consultants who are sensitive to the theme of the new business models and eager to have updates and useful contacts to team up and create opportunities for professional collaboration. During the evening, data were presented on the B-Corp movement in Italy and around the world, and the companies with the highest assessment scores were announced in the individual analysis components. OMAL has received the official plaque of a Certified Benefits Corporation Company.

3. SOCIAL INNOVATION

"Sustainability as a business model" meeting

OMAL was invited to take part in the event on "Sustainability as a business model", organised by a consultancy firm at the Mille Miglia Museum. OMAL's testimony was included in the starting panel, where a themed introduction was presented, followed by an in-depth study of ethical certifications, concluding with the business case studies, one focusing on B-to-B and one on B-to-C.

CSR and Social Innovation Exhibition

For the second year running, OMAL was among the protagonists of the CSR and Social Innovation Exhibition in Milan, the most important Italian event dedicated to corporate projects with social and environmental impact. On this occasion, OMAL was involved in the round table discussion on the relationship between Art and Business, in virtue of the Corporate Art project launched by the company in September 2017 (more information on page 92). At the event, OMAL was supported by institutional representatives (Ministry of Cultural Heritage and dedicated associations) who offered the public sector's point of view on the investment of profit in support of cultural heritage.

Italian Business & SDG Annual Forum - Italian Global Compact Foundation

OMAL participated for the first time in the annual forum of the Italian Global Compact Foundation, where there was discussion of the opportunities offered by corporate strategies in favour of Sustainable Development Goals (SDGs). The conference, which lasted two days, was full of ideas and commitments made at the end of the afternoon of work in which each participant chose a design table. The results of these discussions made it possible to define the interests of the majority of the participants and therefore to direct the work of the Italian Global Compact Foundation in terms of policy and services for members.

CERTIFICATION OF EXCELLENCE

B-Corporation

OMAL's interest in completing the B-Corp certification process began in March 2016. At the time, the outcome of the assessment was 60 points, a good 20 points below the minimum access threshold (80 points). After a year and a half of corporate commitment for the realisation and the measurement of activities with a social impact, at the end of September 2017, OMAL achieved a score of 107 and was therefore able to begin the verification process. The latter provided for the definition of a management figure responsible for internal data collection, which has continued successfully thanks to the collaboration of almost all the business units committed to reporting their activities and the related impact metrics in a transparent and complete manner. After two months of work, between July and September 2017, the score was finally confirmed: OMAL is the first B-Corp certified Italian metalwork and mechanical engineering company and the first valve and actuator company in the world.

Ecovadis Gold

In 2017, OMAL improved its status within the Ecovadis platform by moving from Silver to Gold level. The improvement is the result of the projects developed over 2016/2017, which enriched the corporate dossier by adding, among other things, a Sustainability Report, a Supplier Code of Conduct for suppliers, and an ISO14064. All these activities have increased OMAL's score from 59 to 63, allowing us to enter into the top 10% of the best suppliers evaluated by Ecovadis (around 40,000) in virtue of its social and environmental impact. The result of the Ecovadis assessment was characterised by a particularly virtuous performance in the suppliers and human rights.

AGCM Ethical Rating

OMAL successfully achieved the certification of transparency promoted by AGCM, the Italian Competition and Market Authority. In the ranking prepared by the Authority, OMAL achieved two out of three stars, synonymous with full compliance with the institutional guidelines on transparency (i), the presence of systems for the traceability of payments including for amounts that are lower than stipulated by law (ii), the presence of ongoing CSR activities, etc. The rating lasts for two years and each certified company is present in the AGCM database, which can be consulted online here: <http://www.agcm.it/rating-di-legalita/elenco.html>

United Nations Global Compact

The company has had an interest in Global Compact membership since January 2016, but it was only after a year of work that, in March 2017, the status of supporter was confirmed thanks to the testimony of the Communication on Parties (COP) which, in the case of OMAL, was judged to be "Advanced" due to the presence of internal/external impact and dissemination metrics. The COP, to be renewed and updated every year, represents a form of final accounting of how the company has complied with the 10 Global Compact principles in the last year.

AWARDS

The Procurement Award 2017

OMAL won first prize in the categories of "Sustainable purchasing practices" and "Multipurpose team purchases", by nominating the projects "OMAL walks the talk in India" and "TVO smart app for operations". The awards, presented in Milan in May 2017, represent a confirmation of OMAL's commitment to innovative and responsible procurement.

Premio Confapi "Il sogno del futuro"

On the 70th anniversary of CONFAPI (Italian Federation of Small and Medium Private Industry), OMAL was rewarded for its commitment to a model of responsible entrepreneurship. The reason for the award was: *"For over 30 years, OMAL has been working in the sector of valves and actuators, demonstrating excellence in Italy and in the world. The company has stood out in recent years due to its sensitivity toward the environment and the community in which it operates. This activity led OMAL to obtain the prestigious Procurement Award in the categories of ethical purchases and sustainable/multi-purpose team purchases for two consecutive years. Moreover, OMAL is the first valve and actuator company in the world to obtain the innovative B-Corporation® certification, which attests the presence of a sustainable business model, capable of intercepting many of the current challenges to the MADE IN ITALY brand, including social responsibility, continuous innovation and the reputation of the brand"*.

PUBLICATIONS

In 2017, OMAL was talked about many times in various articles and publications. Among all those who described the desire of OMAL to associate their brand with values such as the accuracy and respect of materials and processes, environmental responsibility and the desire to help their own territory, the following stand out: the mention in the book "L'arte della Sostenibilità" (The Art of Sustainability) in the chapter "Fare Innovazione Sociale con l'Arte" (Achieving Social Innovation through Art); the Degree thesis specialising in Political and Social Sciences on "Le sfide alla valutazione dell'impatto sociale: analisi del caso OMAL" (Challenges in evaluating social impact: a case study analysis of OMAL) - the Catholic University of the Sacred Heart; an interview with the OMAL owner entitled "A manager for Social Innovation" was published in Sole24Ore on 24 October 2017.

SPONSORSHIPS

TEDx Brescia

In April 2017, OMAL supported the first edition of the event TEDx Brescia, dedicated to the theme of "Take Care". The company chose to support the TEDx event because the latter has always been synonymous with innovation and originality in dealing with complex subjects by presenting speakers who have achieved something concrete on the chosen theme. As part of "Taking Care", OMAL measured its willingness to return value to its own territory, making the connection between "saying and doing" very evident. To improve this alignment even more, an ad-hoc stand was created with elements of gamification on the theme of Social Innovation. The sponsorship, aimed at associating the OMAL brand with border issues, has allowed for an increased awareness of other businesses and territorial companies that invest in innovation in the company through educational, technological or communicative projects.

Kiss Mugello

In June 2017, OMAL actively participated in the success of KISS Mugello-Keep it Shiny and Sustainable, the programme for the environmental and social sustainability of the Italian MotoGP Grand Prix, which has taken place every year since 2013 at the Mugello circuit. The programme, designed and coordinated by the company Right Hub and promoted by the Mugello Circuit, FMI (Italian Motorcycling Federation), FIM (International Motorcycling Federation), Dorna and IRTA (The International Road Racing Teams Association), aims to increase the collective awareness of the importance of implementing sustainability-oriented behaviours in the context of major sporting events, as well as in everyday life. The many initiatives include raising awareness within the Mugello circuit on the subject of waste management: from correct differentiated waste collection to the collection of surplus food. The involvement of OMAL in this event was not only of an economic nature, since, as OMAL is a Supporter of the programme, it chose to help the organisers of the two sporting days by providing four volunteers who dedicated their weekend to the KISS Mugello programme. More specifically, the OMAL team followed the work of the KISS info desk in the paddock by helping the Right Hub Team to collect food surpluses and used cooking oil, and by explaining to guests how and where to differentiate their waste correctly. At the same time, the other half of the OMAL team looked after the KISS info desk located near Forum 58, by the Arrabbiata bend, informing spectators as to how to differentiate waste and raising awareness of the importance of separating waste and recycling materials.

In addition to the educational aspect of the initiative, it is important to mention the distinguishing impacts in which OMAL participated:

- The collection of surplus food has been carried out on Saturday 3 June. The surpluses were then donated to the guests of non-profit organisations in the area. The non-profit organisations designated by the Mugello Circuit were the Villaggio San Francesco of Scarperia and San Piero (Florence) and Caritas of Florence. In total it was possible to donate approximately 400 meals, of which 300 went to the Villaggio San Francesco and 100 to Caritas in Florence. Three deliveries were carried out: for the first delivery, 150 food trays were collected and made available (corresponding to approximately 220 meals). The following were also delivered: 20 loaves of 500 g each, 4 boxes of pasta of 500 g each, and 20 desserts. For the second delivery, 120 food trays were collected (about 180 meals), 29 boxes of finger biscuits of 200 g each were also delivered. The third delivery included 60 kg of fresh fruit, 20 kg of vegetables, 5kg of mushrooms, and 1kg of grain. Approximately 400 trays which were not used, all biodegradable and compostable, were also donated to the Villaggio San Francesco.

As regards the management of waste, this is a subject of great importance for the track that winds among the hills of Mugello, where most of the fans who follow the event camp throughout the weekend. The objective was to reduce the environmental impact of the event, with initiatives such as the separate collection and recycling of waste (according to the principles of a circular economy); the collection of spent batteries, used cooking and lubricating oils; and complimentary drinking water for the spectators. Moreover, the environmental side of KISS Mugello has also provided for the installation of ecological islands and drinking water dispensers along the circuit.

- The differentiated collection of waste carried out over the three days of testing and racing at the Mugello circuit has had a positive outcome, increasing from 39.28% of differentiated collection in 2016 to 51.42% in 2017. A total of 145,095 kg of waste were collected (5,920 kg of organic waste, 41,240 of glass, plastic and metal packaging, 15,145 of paper and cardboard, 160 kg of used cooking oil, 12,150 of urban waste and 70,480 of unsorted waste) of which 74,615 kg were sent to be recycled, compared to 54,330 in 2016. 20,000 differentiated waste kits were also distributed to spectators. Finally, the environmental issue was linked to the social issue by relating the kilos of recovered materials to be recycled with a donation, made by National Consortia - Cial, COMIECO, Corepla, Coreve and Ricrea - 5,000 Euros to the Meyer Paediatric Hospital Foundation of Florence as a result of the activity of differentiated collection at this sporting event.

MUGELLO GOES GREEN

KISS Mugello is grafted onto a history of attention to sustainability that began at the Mugello Circuit in 2013. The circuit was the first in the world, in 2015, to obtain the prestigious recognition of 'Achievement of Excellence', the highest level of environmental sustainability certification issued by the FIA (International Automobile Federation). The circuit has obtained environmental and health and safety certification. A photovoltaic system is installed on the central grandstand which covers 20% of the circuit's annual requirements and is also covered with an eco-active and antibacterial ceramic material capable of degrading the most common pollutants present in the air. With the collection of surplus food, the circuit adds an initiative with a significant social impact.



Above: some moments of the KISS Mugello event 2017. Photo credits: Right Hub.

RESPECT FOR THE ENVIRONMENT

The environmental performance of OMAL has always represented important data for the company, both from an ethical point of view and due to their ability to motivate and inspire internal processes of innovation and improvement. In the course of 2017, the incentive to reduce environmental impacts motivated a series of new initiatives which contributed to advancing the path of improvement, which began in 2016.

4.3 GREEN - IN

GC Goal 9
GC Goal 8
GC Goal 7

SDG 12
SDG 13

The first programme developed in this context was GREEN-IN, aimed at improving the business performance of our suppliers. In particular, starting from January 2016 and throughout 2017, awareness-raising activities for our suppliers were carried out on the themes of environmental responsibility and sustainability in the company. The aim to increase awareness on these issues involved suppliers of the company Supply Chain, of both products and services. Within the GREEN-IN programme, OMAL completed three projects:

GC Goal 8

1 Raising awareness on issues of corporate social responsibility and on the respect of social and environmental standards.

In 2016, this project led to the sharing and signing of the code of conduct for suppliers by a first sample group of 17 companies, responsible for 22% of the OMAL purchasing package. The 2017 objective, which involved all suppliers, was reached in February 2018.

SDG 17

No.	PURCHASE CATEGORY	COUNTRY	WHAT THEY SUPPLY
1	ALUMINIUM	ITALY	Custom bars and profiles
2	STEEL	ITALY	Bars and carbon steels
3	VALVES	TAIWAN	Manufacturer of stainless steel ball valves
4	ACCESSORIES	ITALY	Accessories for valves
5	CASTINGS	CHINA	Castings in stainless steel with lost-wax and sand technology
6	TRANSPORT	ITALY	Far East shipping and air transport
7	RUBBER	ITALY	Custom and commercial moulded rubber
8	STEEL	SWEDEN	Laminated bars forged in stainless steel
9	CASTINGS	INDIA	Castings in stainless steel and cast iron with lost-wax and sand technology
10	STEEL	ITALY	Carbon and high alloy steels
11	PACKAGING	ITALY	Packing materials
12	SPRINGS	GERMANY	Compression springs for actuators
13	TRANSPORT	GERMANY	Express transport by land and air
14	SERVICE	ITALY	Graphic services and similar
15	ALUMINIUM	ITALY	Custom profiles
16	STATIONERY	ITALY	Stationery office
17	DRINKS/FOOD	ITALY	Canteen catering

Above: the first OMAL providers involved in the GREEN-IN project.

Calculation and Offsetting of CO2 and GHGs emitted by three logistics partners (April SpA, Shenker Italia SpA, DHL EXPRESS) in relation to the movement of 50% of goods entering the company.

Starting in January 2016, OMAL evaluated the possibility, among the top 10 SMEs in Italy, of participating in an offsetting project for the CO2 emitted by its shippers. The increasingly green vision of the processes, together with the possibility of sharing the project with a major player in the sector, were the factors that helped to bring about a rapid agreement.

Once the project began, it was decided that the market share would be redistributed for those who presented similar projects, while at the same time offering a better economic treatment. The proposal was welcomed by two other suppliers, allowing OMAL to participate in a total of three offsetting projects.

The quantification and the relative compensation, made by individual partners through non-homogeneous methods, has allowed for:

1 • With the first partner, DHL Express, quantifying 17.27 tonnes of CO2 and greenhouse gases related to 126 international well-to-wheel shipments calculated from January 2017 to December 2017 and offset by the purchase of carbon credits according to the VER methodology (Gold Standard).

The photo below shows the projects supported by the CO2 offset carried out by the DHL partner.



Overview of total Customer Carbon Footprint at DHL Express (1/2)



Above: DHL GoGreen protection projects.

3. SOCIAL INNOVATION

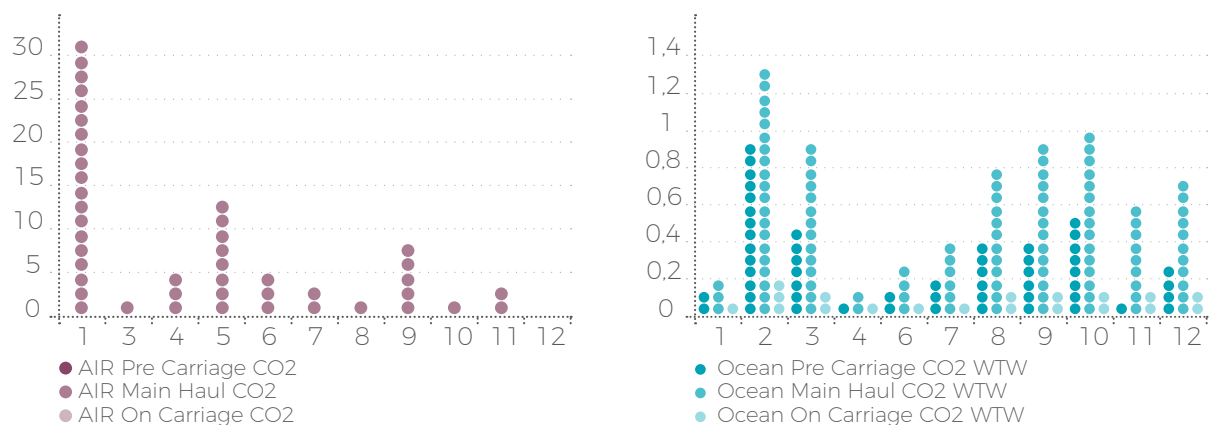
2 • With the second partner, April SpA, quantifying the emissions of greenhouse gases from January to December 2017, estimated at 117 tonnes of CO₂ equivalents gases. The calculation, carried out according to the IPCC GWP 100° method led to the purchase of 117 emission credits on the voluntary market (VER) from the project "Production of electrical energy from biomass in China". This project benefits the villages of Liaoning thanks to the delivery of a plant with a capacity of 12 MW for the use of maize processing waste.

The technical partner estimates that the project will be able to supply up to 81 GWh of electricity to the North-East China network using approximately 133,000 tonnes of agricultural waste per year and to reduce the emission into the atmosphere of CO₂ that is harmful to health and to the environment. The project in fact allows the total recovery of this biomass, which was previously burned outdoors with serious consequences for health and the environment.



Above: The AzzeroCO₂ Project supported by OMAL compensation and official certificate of 2017 compensation.

3 • With the third partner, Shenker Italia SpA, quantifying the well-to-wheel emissions for the period January - December 2017 in 71 tonnes of CO₂ gas equivalents, as shown in the table below.



Above: Tonnes of CO₂ equivalents issued by OMAL for international well-to-wheel transport, January - December 2017.

The aim of OMAL for 2017, i.e. the unification of the calculation and offsetting methods of all international shippers was not achieved due to the impossibility of accessing the matrix of the original data of individual shippers.

3 Identification and application of social and environmental criteria for the evaluation and selection of OMAL suppliers.

The third project of the GREEN-IN programme allowed the addition of social and environmental variables within the OMAL supplier rating mechanism. In detail, to give evidence of the environmental and social commitment, a set of social and environmental criteria has been applied in relation to the geographical origin of the supplier (Advanced Economy vs. Developing Economy) and the type of effort made (concerning certification processes vs. other voluntary and additional activities). This made it possible to profile the performance of OMAL suppliers in light of their actual working conditions, by evaluating their choices more closely against the possibilities of action. In addition to the three sub-indicators, the presence or absence of social or environmental certifications has made it possible to shift the performance of the supplier towards a more or less high score during the qualification phase. Finally, new and old suppliers have been subjected to monitoring and audits carried out on the spot (when possible) or remotely, and managed by the purchasing department manager, based on the criteria contained in the OMAL vendor list. This vendor rating is now used by OMAL.

THE STRUCTURE OF THE ETHICAL VENDOR RATING

Below we present an extract from the ethical vendor rating created by OMAL in 2016 and entered into force in the supplier selection process.

SELECTION CRITERIA FOR SUPPLIERS BASED ON ENVIRONMENTAL PERFORMANCE

ENVIRONMENTAL CERTIFICATIONS

- *Not mandatory; Absent.*
- *Mandatory; Present.*
- *Not mandatory; Present.*

VOLUNTARY AND ADDITIONAL ENVIRONMENTAL ACTIVITIES

- *Developing Economies*
 - The presence of mechanisms to identify and characterise the environmental risk linked to production operations, the production environment, and the factory work time (risk awareness).
 - The presence of environmental risk management procedures.
 - The presence of information mechanisms for the prevention of environmental risks through training days, and the dissemination of internal and external information materials.
- *Advanced Economies*
 - The presence of a Life Cycle Assessment.
 - Green investments on input, machinery and processes.

SELECTION CRITERIA FOR SUPPLIERS ON THE BASIS OF SOCIAL PERFORMANCE

CERTIFICATIONS/GUIDELINES/SOCIAL NETWORKS

- *Not mandatory; Absent.*
- *Mandatory; Present.*
- *Not mandatory; Present.*

VOLUNTARY AND ADDITIONAL SOCIAL ACTIVITIES

- *Developing Economies*
 - Abolition of forced labour and child labour in all internal production processes
 - The respect of freedom of association in the workplace.
 - The abolition of forced labour, inhumane or degrading treatment or punishment.
- *Advanced Economies*
 - The presence of women in managerial positions.
 - Equal pay between men and women at the same professional level.

3. SOCIAL INNOVATION

Each of the criteria not related to certification accounts for 33% of the total value and each internal performance, i.e. linked to the single indicator, is evaluated on the basis of a scale that goes from non-fulfilment (black) to maximum satisfaction (gold coloured), as in the example below relating to developing countries.

INDICATOR					EXPLANATION		RELEVANCE
Investments on risk awareness					Identification and standardisation mechanisms of environmental risks linked to production operations, to the production environment, to the working time in the factory		33%
Score					Material sharing		ADDITIONAL NOTES
GOLD	SILVER	BRONZE	RED	BLACK	YES	NO	

Above: Green-IN Environmental Indicators for developing countries.

More specifically, the supplier who will show negative environmental and social data will lower its rating within the OMAL vendor list, with possible elimination from the suppliers list for extremely serious cases, personally ascertained by the Purchasing Manager.



4.4 GREEN - US

*GC Goal 9
GC Goal 8
GC Goal 7*

*SDG 7
SDG 12
SDG 13*

The second programme developed in the environmental sphere is the GREEN-US, concerning the quantification and reduction of the environmental impacts generated by the productive life of the company. The reasons for this second type of environmental planning include:

- 1 •** improving company performance and reducing environmental impacts, in line with OMAL's commitment to concretely virtuous and responsible market ethics;
- 2 •** market positioning, consistent with the desire to distinguish itself from other competitors in virtue of its environmental performances, which therefore make OMAL a strategic business partner for other companies that are attentive to these values and already operational on the issue of the Responsible Supply Chain and Cross Sectoral Partnerships;
- 3 •** Communicating and raising awareness of the theme of environmental sustainability of the company within its community and among its internal and external stakeholders, including foreign markets which, supported by OMAL, could begin a process of approaching these issues with positive effects on the economic and financial levels.

In terms of quantifying the company's carbon footprint, OMAL will renew the calculation process, which began in 2016, every 2 years, therefore the next measurement period will be 2018. In the course of 2017, however, the GHG emissions calculated in 2016 were fully offset, quantified in 10231,48 tCO₂eq. The compensation, carried out in October 2017, contributed to the Life Straw project, aimed at bringing drinking water to some villages in Kenya. The compensation, which was calculated using the Gold Standard methodology, led to the purchase of 200 tCO₂eq, calculated on the perimeter measured and validated by DNV-GL in the 2016 carbon footprint.

That measured in 2016 was linked to improvement objectives to be achieved in the course of 2107. In particular, the first edition of the OMAL Sustainability Report provides for:

- 1. Activation of the photovoltaic system on the production site of Passirano, with a consequent reduction of the electricity purchased and consumed for the company activities. With regard to this activity for improving the environmental impacts of OMAL, a scenario of a total reduction of the carbon footprint of 3% was simulated, equivalent to a reduction of 35% of scope 2, i.e. 774,95 tonnes of GHG.
- 2. Replacement of the existing light bulbs in OMAL offices with LED lighting, in Passirano and Rodengo Saiano factories;

The first objective was achieved with the installation of photovoltaic panels on the roof of the OMAL factory in Passirano, which took place in July 2017. As regards the second objective, this was not achieved in 2017 and is still being defined.

Also in the context of the GREEN-US, five other initiatives serve as a corollary to OMAL's commitment to reducing their environmental impact:

- 1. Offsetting CO₂ emissions generated from accesses to the OMAL site according to the annual pageviews 2. The offsetting, as in the case of the international shipments mentioned above, involved 200 kg of CO₂ equivalent and led to reforestation activities in Italy, in addition to supporting environmental education projects. The offsetting is carried out by their partner Rete Climate®, starting with the ENEA-MSE document by encoding a specific emission coefficient in terms of CO₂eq/kWh, based on the national energy mix declared by Terna for the year 2012.



Above: compensation certificate of CO₂ issued by the organisation in 2016.



3. SOCIAL INNOVATION

GC Goal 7

2 • Advancement of the "Zero Paper" project, which, since June 2012, has led to the replacement-activation of new tools including the digitisation of faxes and the registration of tests/certifications, and raising the awareness of staff on the issue of critical consumption, for example with the prohibition of the duplication of paper archives. In particular, the following activities were undertaken:

- o training on the subject of the reduced consumption of paper and use of paper from FSC certified forests, for all commercial materials;
- o the internal recovery and recycling of paper and cardboard waste, according to the data shown in the table below.

RECOVERY AND REUSE OF PAPER

All waste coming from paper and cardboard packaging are managed by OMAL so as to guarantee their 100% recovery by transferring them to the differentiated waste collection centres in the territory, or via recovery/recycling through their transfer to specialised companies. In particular, in the second case it is possible to accurately report the quantities recycled which, in 2017, were 24 tonnes.

TONNES YEAR	2017
TOTAL TONNES	24
MEANS OF RECOVERY	Recovery as a raw material CER 15.01.01
%	100%

Above: paper recovery and recycling activities initiated by OMAL in 2017

PAPER CONSUMPTION

With regard to the consumption of printing paper produced in offices, the final figure for total prints in black and white and colour shows a substantial reduction in consumption compared to previous years (-8% compared to 2015, -9% compared to 2016) even in the presence of an increase in staff. This result is made possible thanks to the digitisation of business processes and related documents and records, which promote the sharing of information through the corporate intranet with a reduction in data acquisition times, and the improvement of their management and of the times and methods of storage and use.

With regard to the consumption of office paper, the final figure for total prints in black and white and colour shows the data reported below:

YEAR	Total number printed BN and C
2015	578.583
2016	584.086
2017	530.178

Above: annual consumption of paper for office use, data for 2015 and 2016 and 2017.

Starting from 2014, OMAL has identified new areas of application for the "Zero Paper" project, including the digitisation of sales and assembly orders, contract documentation and invoicing, together with the extension of the use of the management system for sales management (e.g. tender management) and management and archiving of documents in digital format (handling returns and complaints, non-conformity). Finally, the implementation phase of a PLM was launched for the digital distribution of technical information on products, and the specifications of materials and components. This choice made it possible to eliminate seven paper files existing in the company by creating, distribution and archiving the drawings through computer support.

GC Goal 7
SDG 7
SDG 8

3 • Activation of the "IoBevo" project, operated by the OMAL supplier of bulk beverages. With this project, OMAL undertakes to provide bulk beverages to all employees who dine in the canteen. In this case, among the possible drinks available to employees (natural and carbonated micro filtered water, fizzy drinks and natural juices) we highlight the presence of certified Fairtrade Cola, labelled to allow traceability as per current legislation. The cola served in the OMAL canteen is also free from GMOS in accordance with EC Regulations 1829/2003 and 1830/2003 and is not subject to ionising radiation treatment.



Above: General beverage distributor in the OMAL canteen of Rodengo Saiano.

In general, for a canteen with five thousand meals a year, such as OMAL, the average reduction of environmental impacts is as follows (data confirmed by the supplier):

- less than 180 kg of waste generated
- 7.6 tonnes of goods (bottles) not transported
- 280 kg of CO2 not released into the atmosphere in relation to non-produced plastic bottles
- 240 kg of oil not used for transport of 76 tonnes of goods

4 • The penultimate project corollary of the GREEN-US programme refers to the activation of the electricity supply contract obtained from 100% renewable energy sources through the purchase of white certificates. The A2A supplier therefore guarantees that the electricity that drives the entire production area and the offices of the two OMAL plants is eco-friendly. Considering that electricity represents 86% of the energy used by OMAL (compared in TEP with 11% represented by methane and 3% represented by diesel), it can be concluded that OMAL is one of the few engineering companies able to produce while minimising its energy impact as much as possible. According to a simulation carried out in 2016, this choice will lead to a 11% reduction of the carbon footprint, further improving the company's environmental performance.

RESOURCE	Equiv.Energy (TEP) 2017	%
ELECTRICITY	347,74	86%
METHANE	44,02	11%
DIESEL	10,50	3%

Above: Summary table of OMAL energy supplies in 2017, of which electricity is completely derived from renewable energy.



www.azaenergia.eu



Above: A2A certification of a 100% renewable electricity supply.

5 • Finally, as in 2016, OMAL's procurement commitment continues for the purchase of recycled stationery materials. In particular, all pens bearing the OMAL logo, as well as pencils, paper bags and canvas bags are made with recycled and certified materials. In addition to this, as described above in relation to the "Zero Paper" project, is the progressive use of recycled paper for catalogues and brochures. To date, the percentage of green procurement with regard to total internal stationery expenditure is 30%. The OMAL 2017 objective of reaching 40%, was not achieved

In addition to the processes described above, 2017 was also the year of the updating of the ISO 14001:2105 legislation. Originally, the decision to implement an Environmental Management System according to legislation EN ISO 14001:2004 arose from the desire of OMAL to manage business processes and activities by ensuring a high level of quality, full compliance with laws on the protection of the environment and a common benefit in terms of quality of life. The organised management (in an Integrated Management System) of the environmental aspects relating to the organisation of OMAL and its supply chain, has objectified communication, awareness and shared management needs of both the legal and operational implications related to the creation of products from the point of view of costs, strategic choices and business relationships, favouring the growth and spread of an "Environmental Responsibility" inside and outside the organisation.

In October 2016, OMAL submitted a request to the certification body DNV-GL to extend the Environmental Management System certification, active at the Rodengo Saiano site since 2012, to the new Passirano site to and to increase and standardise the levels of control and performance of the organisation concerning legislative compliance and the protection of the environment. On 27 February 2017, following the positive outcome of the audit, the extension was confirmed.

THE ENERGY PERFORMANCE OF THE PASSIRANO PRODUCTIVE SITE

The construction of the new manufacturing plant in Passirano (BS) has made it possible to fulfil the commitment of OMAL to environmental sustainability by concentrating efforts on:

GC Goal 7

SDG 7
SDG 9
SDG 13

HEATING

OMAL has invested in increasing the efficiency of the production plants and infrastructures within the scope of environmental impact improvement programmes of its productive facilities. All plants (compressors, air conditioning, electricity...) are purchased equipped with an inverter. Air conditioning installations in summer and winter were centralised and managed by home automation systems to allow the optimisation of periods of operation and a reduction in consumption. An insulation system has been chosen for the new manufacturing plant in Passirano (BS) which includes a shed roof with polycarbonate windows and ; reinforced-concrete tiles with an overlying insulation 15 cm thick; the walls of the façade of the building are made with prefabricated concrete panels, 30 cm thick. This solution reduces external noise emissions (-50 dB at closed doors, - 25dB at open doors), as shown by the preliminary evaluation of acoustic impact, and reduces external heat loss by 20%. The construction of the new production site in Passirano in compliance with legal requirements and the principles of sustainability and energy savings has allowed an average reduction of the primary energy index of the building equal to 53.5% (compared to the limits of the law) corresponding to about 70 tonnes of CO2 saved. The heating of the building is also guaranteed by the recovery of the heat produced by the compressors, installed for the production of the compressed area, during their normal operation for 16/day.

ACCOUNTING

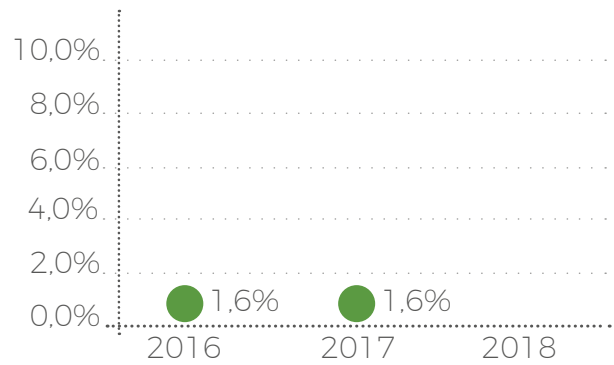
The main heating and heat recovery circuits are equipped with thermal energy counters to control and monitor consumption. These systems are interfaced with a system of supervision with the bus network that allows the control of electrical absorption of the building dedicated to the productive and civil part . The management of energy consumption is guaranteed by a company Domotics system (MOVICON) that allows the rationalisation and optimisation of consumption.

RENEWABLE ENERGY PRODUCTION

In the context of programmes for the improvement of the environmental impacts of its productive facilities, OMAL has invested in the production of energy from renewable sources. In particular, at the new Passirano site (BS) a photovoltaic system was installed consisting of 400 panels of 250W arranged on 16 rows of 25 panels and connected to 5 20Kw inverters for one of the installed power of 100 kwp, capable of guaranteeing a minimum contribution of 100,000 Kwh/year of renewable energy. The photovoltaic system was activated in August and on 31 December 2017 the production of energy was 52.330 kWh of which 11,109 kWh transferred to the network were sold to the national energy grid.

3. SOCIAL INNOVATION

As can be seen from the two programmes (Green-IN and Green-US) described above, and from our commitment to improving the environmental performance of the process every year as part of the UNI EN certification: ISO 14001, the involvement of OMAL in environmental matters is concrete and structural. Wanting to translate this into a percentage of EBTDA in 2016, the corporate expenditure on environmental sustainability stood at 1.6% of the total, in line with the previous year.



Above: Incidence of OMAL environmental investment on EBITDA in 2016 and 2017.

RESPECT FOR THE PERSON

The last, but not least, of the OMAL areas of work in the field of Social Innovation concerns the sphere of social action, i.e. all those projects that improve the living and working conditions of disadvantaged or needy beneficiaries of the territory in which OMAL operates. In the course of 2017, OMAL's social projects focused on different scenarios, as described below.

4.5 COMMUNITY VOLUNTEERING

The project stems from the desire of the Ownership to involve employees in activities with an added social value that can put the motivation and the skills of OMAL employees at the service of the community. A similar approach, particularly innovative considering that in Italy there are very few companies that have structured corporate volunteering activities, it exceeds the traditional philanthropy model as a means to help the most needy localities allows the creation of a social sensitivity pragmatically defined in hours of volunteer expenses in response to local needs. Starting from this awareness, therefore, the design process of the project followed a first phase of participatory planning between the OMAL management and all employees, realised in 2015 during a lunch offered by the company to all interested parties. On this occasion, the inclinations of the employees and the thematic preferences on which to map the local stakeholders were analysed together.

The themes that gained the greatest number of subscriptions were:



- **CARE OF YOUNG CHILDREN**

This is a service aimed at helping professionals in the sector (teachers, educators, nursery staff) by supporting them with coordination, entertainment and logistics activities, facilitating the implementation of the activities;

- **CARE OF THE ELDERLY**

This is a service aimed at helping professionals (doctors, nurses, social workers) by supporting them with coordination, entertainment and logistics activities, facilitating the implementation of the activities.

Immediately after this part of the project design, the mapping of stakeholders was carried out, which allowed OMAL to understand which entities active in the area were potentially interested in hosting OMAL volunteers to advance their activities. Over the years, the choice of activities in which the volunteers have been able to help local associations have often been proposed to the company from the territory itself, spontaneously, synonymous with a high receptivity from the local community and a strong desire for dialogue between non-profit and for-profit organisations.

From the first mapping carried out in 2016 and continued in 2017, the following associations have emerged as project partners:



Each institution or association was met with several times and was involved in the purposes of assistance, animation, care of green spaces and co-created teaching, belonging to the various partners of the project. After this phase of meeting with local entities, an annual calendar of activities was developed, to which OMAL employees were able to dedicate up to a maximum of 16 hours per year, to be spent during working hours.

In 2017, the associations that supported the project again included:

- **RUT Association** > accompanying and animation activities together with nursery educators; maintenance of green spaces; accompaniment of the elderly;
- **"Ai Caduti" (To the Fallen) Comprehensive Institute, Rodengo Saiano** > computer support activities; archiving activities; warehouse management.
- **Residence for the elderly "Tilde and Luigi Colosio" GENESI** > accompanying and animation activities together with female doctors, assistants and the hosts of the residence;
- **Manitese NGOs** > Christmas fund-raising activities in partnership with Feltrinelli;
- **"Madre Teresa" healthcare home** > accompanying and entertainment activities together with female doctors, assistants and the hosts of the residence;
- **"La Vittoria" nursery school, Provaglio d'Iseo** > activities of the arrangement of gardens and playgrounds.
- **ICARO Basket** > fund-raising, support and accompaniment activities.

3. SOCIAL INNOVATION



"RUT" ASSOCIATION



RESIDENCE FOR THE ELDERLY "TILDE AND LUIGI COLOSIO"



"LA VITTORIA" NURSERY SCHOOL



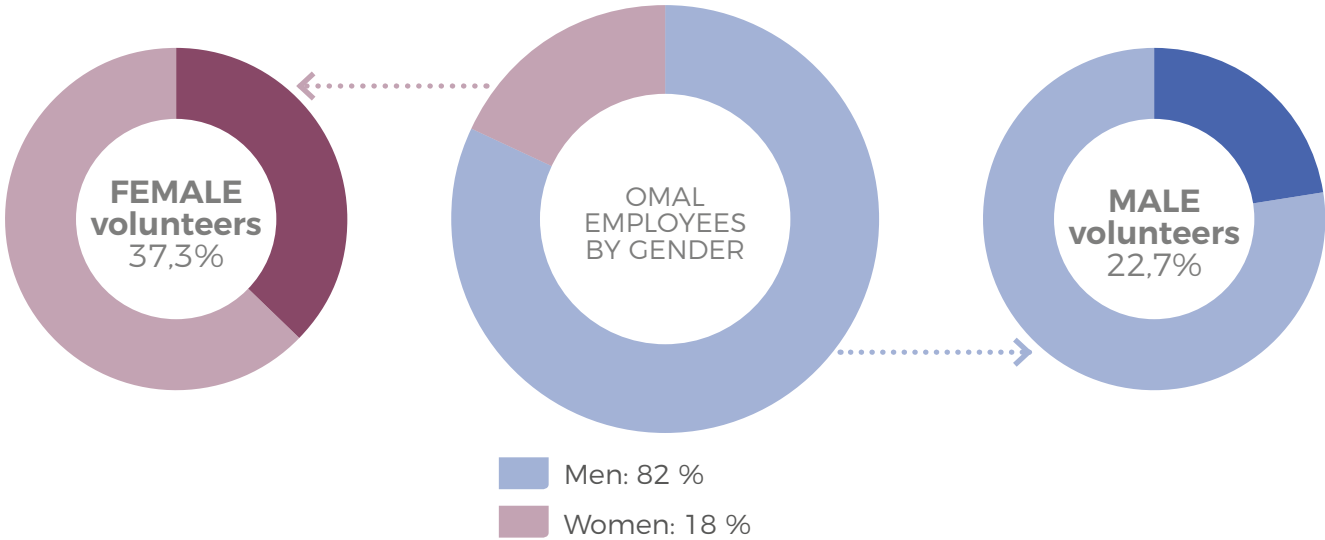
"AI CADUTI" COMPREHENSIVE INSTITUTE

In terms of impacts of the OMAL 2017 Community Volunteer Initiative, the metrics reported the following returns:

- participants of the initiative:
 - **2016 data:** 70 out of 99, i.e. 71% of OMAL employees;
 - **2017 data:** 44 out of 93, i.e. 47% of OMAL employees.
- available hours actually used:
 - **2016 data:** 697,5 out of 1584, i.e. 44% of those available;
 - **2017 data:** 391,5 out of 1552, i.e. 25% of those available.
- activities that attracted the highest number of subscriptions in proportion to available hours were:
 - **2016 data:** ONLUS training and assistance for Dharma (i), and training and assistance for the GENESIS Cooperative for the guests of the Rodengo Saiano Care home (ii);
 - **2017 data:** arrangement of the external structures at the "La Vittoria" nursery school (I), support and fundraising for ICARUS basket (ii) and fundraising for MANITESE at Feltrnelli (iii).
- the offices that provided the greatest response to the project:
 - **2016 data:** CED Office (Data Processing Centre), operation manager and quality office;
 - **2017 data:** Social Innovation office, operation manager, quality office and technical office.
- the added value transferred from OMAL production to the social activities carried out within the various associations was €12,167 corresponding to 391,5 working hours transferred to community service, without counting those of design, coordination, monitoring and evaluation of the various projects activated in the territory.

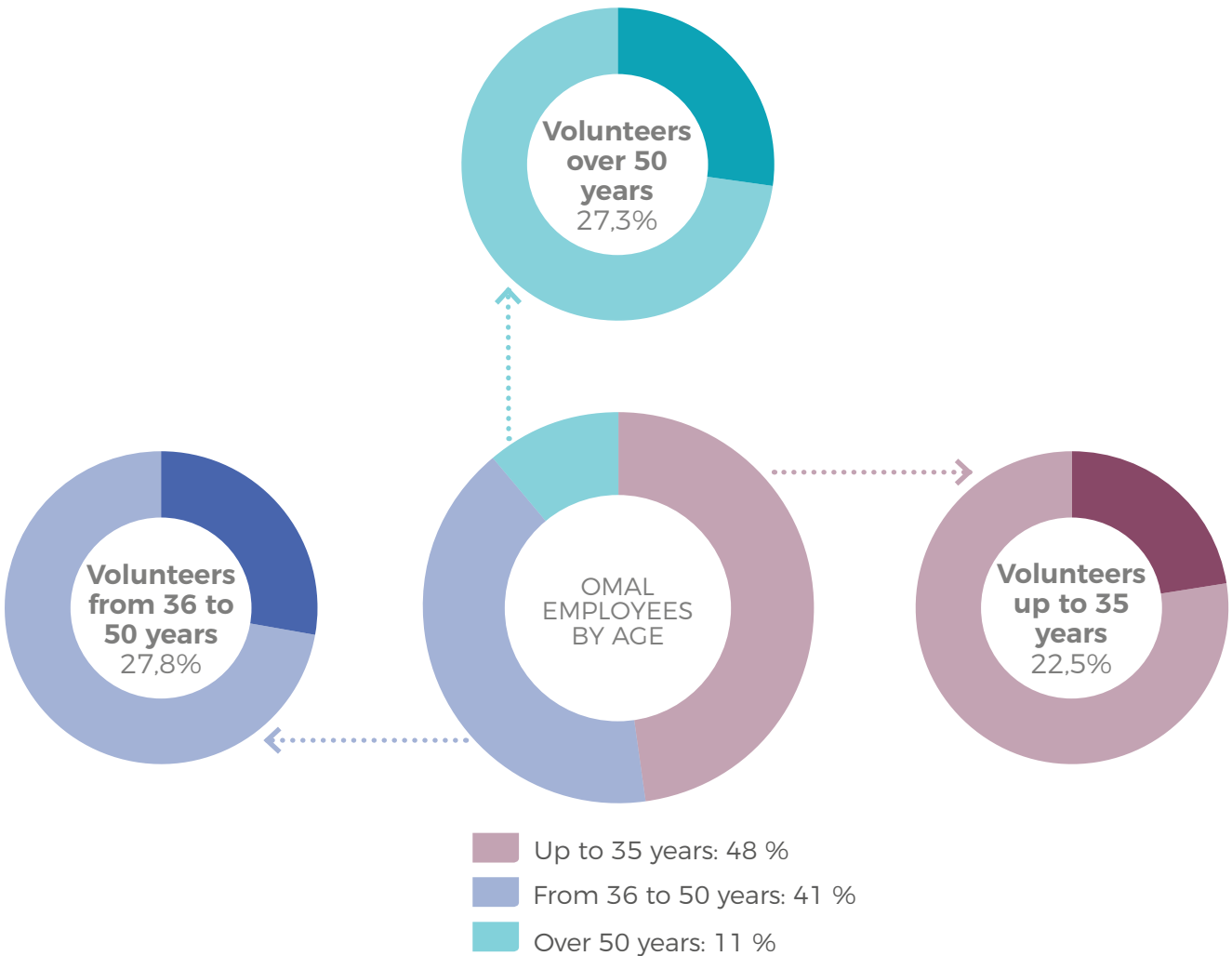
Additional inputs on the type of participation in the "Community Volunteer 2017" project are presented below.

VOLUNTARY PARTICIPATION BY GENDER



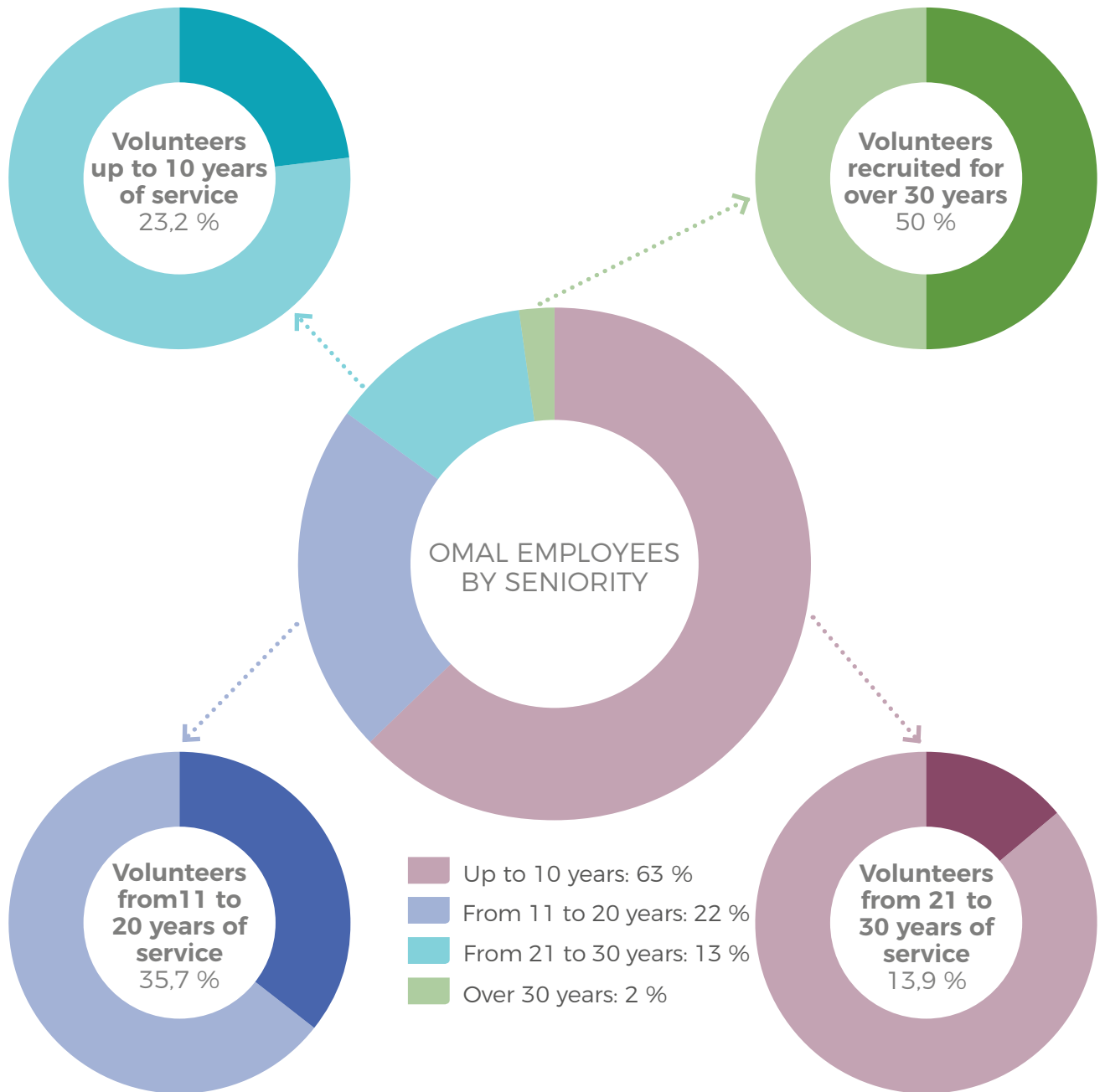
Above: 2017 data on participation in the project by gender.

VOLUNTARY PARTICIPATION BY AGE



Above: 2017 data on participation in the project by age.

VOLUNTARY PARTICIPATION BY LENGTH OF SERVICE



Above: 2017 data on participation in the project by length of service.

From the percentages reported above, it can be seen that: the female component in OMAL, while representing only 18%, has contributed most to the project (37.3% of available hours vs. 22.7% of the male component); employees over 50 years old, while representing only 11% of the workforce, contributed to a proportionately greater extent to the project than the other two age components, which make up a greater numerical proportion of the workforce; employees with over 30 years of service, while representing only 2% of the workforce, took advantage of 50% of their volunteering hours, compared to the other more numerous components (e.g.: colleagues with a service age \leq 10 years, who exploited only 23.2% of available hours).

In conclusion, the data also demonstrate for 2017 that the most involved units are: Quality, Social Innovation (for thematic accreditation) and the figure of the operations manager. It is interesting to note, in 2017, the increased adhesion of the Technical Office. More at the macro level, the data show a decline in corporate participation, which can be interpreted in three ways and are almost certainly interconnected:

- the second year is the most difficult year for social/environmental planning, as revealed by the physiological adhesion data, i.e. not the result of the novelty effect typical of the first years of the initiatives. In this sense, therefore, the 2017 figure can be seen as illustrative examples of the company's ability to absorb the project.
- the most-followed activities in the second year of corporate volunteering were those added in 2017. This data can be interpreted as a tendency to register and participate preferably in new activities, and therefore a sign that would mean a desire for diversification and a change of associations.
- in 2017 OMAL managed the start of the second production site that moved from Villa Carcina at Passirano. The need for moving and managing production were prioritised over any other requirement, even in the face of market demands that have not been lacking, precisely during the more complex months from a logistical point of view. The decline in the availability of hours for volunteering is therefore understandable.

In anticipation of 2018, instead of aiming to maintain the levels of adhesion of the previous year, it was decided to estimate the volunteer hours at the individual offices, so as to be able to attest to a reasoned average, the result of the analysis that each OMAL office carries out internally within the field of social sensitivity.

4.6 PARTNERSHIP AND SCALING

Another area of work in the field of OMAL Social Innovation refers to the replication of Social Innovation projects through the direct involvement of commercial partners, invited to repeat the same initiatives within their communities. The purpose of this latter perspective of action is to "network" with suppliers, customers and distributors, in order to maximize social impacts by replicating them elsewhere, i.e. in other communities, according to the same model already tested by OMAL in the territory of Franciacorta and Val Trompia. Very often, in fact, private companies work in isolation, locating the positive impact of their projects solely in the circle of first level stakeholders. With this project, OMAL intends to team up with its partners and support them in the implementation of similar initiatives based on the OMAL model and capable of transferring part of the reputation dividend from OMAL to all partners who will accept the challenge.

The benefits of this strategy are twofold: on the one hand, the good practices of social innovation are spread and it helps to promote an innovative and socially oriented way of doing business. On the other hand, the relations between the company and the supplier (or customer) are strengthened, improving levels of transparency and communication. In addition, OMAL believes that it is interesting for its customers to know that they can rely on a supplier that transparently and concretely carries out brand reputation projects according to the model of Social Innovation. It is not easy for such virtuous activities to follow bottom-up guidelines, i.e. from the supplier to the buyer and without the push of regulation to be respected. Knowing how to share projects that have already been tested by OMAL is an added value that the company distributes to its partners at the same price, so it makes strategic sense to trust and co-create ad-hoc solutions backed by OMAL's previous experience in this sector. In 2016, the "Community Volunteer" Social Innovation model migrated to India, thanks to the availability of an OMAL supplier who agreed to replicate the same initiative within the company. AMEX-SWELECT, a producer of photovoltaic panels and steel products, has familiarised itself with the model since March 2016, and was trained on methods, impact metrics and participatory design processes.

In India, the OMAL - AMEX/SWELECT project involved employees in the implementation of reforestation activities in the village of Pulikundram (planting lemon and mango trees) and training activities in the field of food hygiene linked to small-sale street-food activities in the Chennai area. OMAL and AMEX-SWELECT, also thanks to the collaboration of the NGO International Justice Mission, have succeeded in extending, even in the context of poverty, a system of cutting-edge profit-social involvement.

3. SOCIAL INNOVATION

From a technical point of view, the OMAL model was adapted to the results of the need analysis and stakeholder engagement carried out together with the Indian partner in Chennai area of Tamil Nadu, India. This step was taken to avoid replicating a model designed for the Italian context and therefore not necessarily functional in India.



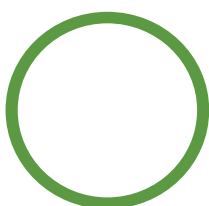
The replication of the Social Innovation model carried out by OMAL in 2017 led to new cross-sectoral partnerships in the field of Social Innovation applied to the company. In March 2017, thanks to the collaboration with the OMAL AMEX-SWELECT supplier, an Indian school was involved, which developed a working module together with the Rodengo Saiano Comprehensive Institute, scaling-up the "The Small Businesses" project. More specifically, the Indian school contributed to a work programme dedicated to the customs and traditions of the two countries, India and Italy, ranging from characteristic food to a typical day. The lesson, taken in English, was done via a video-conference and allowed the children to play and learn new things by talking in English.



In the photo: logos of the OMAL suppliers and some moments of the "Community Volunteer India 2016 and 2017" project.

4.7 BEING A B-CORP

↘ GC Goal 8



OMAL wants to represent a cutting-edge way of doing business, both in terms of products and processes, which has been demonstrated for over twenty years on the market and by the numerous awards obtained. However there are frontiers of innovation where, even for OMAL, the challenge is very complex and the B-Corp certification process was one of these.

The B-Corp certification is linked to the Benefits Corporation/Benefits Company, (SB), movement which represents an evolution of the company concept: in fact, while traditional companies exist for the sole purpose of distributing dividends to shareholders, benefit companies are the expression of a more evolved paradigm, integrating within their social object, in addition to profit objectives, the purpose of having a positive impact on society and on the biosphere. This virtuous aim has always made OMAL stand out, as can also be seen from the company's mission and vision.

MISSION

We guarantee a better world for our children. Thanks to our products, we protect the environment that surrounds us and concretely improve quality of life by making the plants more secure and reliable.

VISION

The right balance between man and the environment improves quality of life, guaranteeing a better world for future generations.

Benefit companies are not Social Enterprises, nor an evolution of non-profit companies, but a positive transformation of the dominant models of for-profit business, designed to make them more appropriate to face the challenges and opportunities of the markets of the 21st century. Unlike all non-profit organisations, such as ONLUS, APS, Social Enterprises etc. benefit companies continue to make profit, without particular limitations, and add a further purpose to this, i.e. to pursue one or more social purposes. Moreover, unlike non-profit organisations, they do not make use of fundraisers or external donations to achieve their social goals, because these are included in their business activities. From a legal point of view, since January 2016 Italy has introduced, first in Europe and the first in the world outside the USA (where the legal form of the Benefit Corporation, equivalent to the Italian Benefit Company, was introduced in 2010 and now exists in 33 States), the Benefit Company to allow entrepreneurs, managers, shareholders and investors to protect the company's mission and stand out in the market compared to all other forms of companies through a virtuous and innovative legal nature. In Italy the regulation of Benefit Companies is contained within law no.208 of 28/12/2015 (Stability Law 2016) Art.1, Paragraphs 376-384 and entered into force as of 1 January 2016. At present, the Benefit Companies do not enjoy economic or tax-based incentives, which, in addition to representing a value for the company, do not burden taxpayers.

OMAL's interest in completing the B-Corp certification process began in March 2016, when many of the activities described in this document were not yet structured. At the time, the outcome of the assessment was 60 points, a good 20 points below the minimum access threshold (80 points). After a year and a half of corporate commitment for the realisation and the measurement of activities with a social impact, at the end of September 2017 OMAL achieved a score of 107 and was therefore able to begin the verification process. The latter provided for the definition of a person responsible for internal data collection, which has continued successfully thanks to the collaboration of almost all the business departments committed to reporting their activities and the related impact metrics in a transparent and complete manner. The B-CORP referent conducted three review calls during which about thirty randomly selected questions were checked and, for each question, sending further support data was necessary. After two months of work, between July and September 2017, the score was finally confirmed, particularly high for a company working with metals that is not a service company.

Certification is the first step to then imagine being able to become a benefit company; to date, OMAL has succeeded in becoming one of the most responsible companies in the world, demonstrating that it has internalised the ethical and environmental values to such an extent that it has made it a business component, i.e. a characteristic of the "OMAL way" of doing business.

OMAL is the first mechanical metalworking company in Italy to be B-Corp certified



OMAL is the first valve and actuator company in the world to be B-Corp certified.

PEOPLE USING
BUSINESS
..... AS A
FORCE FOR GOOD

... we walk the talk, indeed!

B
the change



Above: images of B-CORP certification obtained by OMAL in September 2017.

4.8 CORPORATE ART

Zygmund Baumann confirms the presence of "Liquid Modernity", a society with volatile external references and affiliations that are in continuous movement. The temporary nature of affiliations generates an uncertain identities, which, without a community of origin, find themselves isolated and an expression of a disintegrating individualism.

Producing valves means producing objects that intercept moving liquids and fluids within industrial structures and processes. Within a liquid society, a complex structure, the valve thus directs the flows, guides the exchanges and structures the order of movement.

OMAL has used this metaphor to initiate a journey of Corporate Art, using street art as a language to express its values, i.e. the desire to intercept flows of innovation and change, reworking the direction of social and market challenges together with its own employees and with artists.

GC Goal 8  SDG 4
SDG 17

The murals created in January 2017 for the inauguration of the second production plant of Passirano have been followed by an artistic workshop created by the whole company, the result of dialogue between professional actors and the writers, who, together with workers and their families, co-created a theatrical script that generated images later represented on canvas. More than 200 m2 of artwork, a painting and various theatrical readings to narrate with colours and words what is usually described in a company profile, i.e. the ambitions and the vision of a 100% Italian second-generation company. Dealing with issues of teamwork, internationalisation of business, intergenerational responsibility, balanced diet and motivation of staff through images and expressions captured in theatre and painting, connecting a variety of opinions and sensitivities within an industrial sector - metalworking and mechanical engineering - and a kind of art - street art - which have never interacted before, all reinforced by the narrative aid of theatre.

The Short Term impacts of OMAL Corporate Art have been inclusion, sharing and internal engagement; the medium-long term objectives are improved brand reputation and the attraction of new talent. The various initiatives, all launched in the first months of 2017 and implemented in the course of the year, were replicated in the different production plants, in order to scale and maximize impacts within the various areas. In addition, the project was presented on the occasion of the CSR and Social Innovation 2017.

Imagining, narrating and declaring in a memorable way our vision of the future of the company, with the support of actors, writers, workers and Management: this is, for OMAL S.p.a., "working with art".

VOICES OF OMAL



"I was impressed by the skills of the guests and I loved having the chance to learn more about new forms of art ... I also liked the integrated event in itself, the opportunity to "see" the company not as a place of work but something else, aside from just roles and duties."

"The thing that I liked most was being able to involve my family in a work activity, in a time of fun, in an original and non-boring way."

"I loved the whole event, which was truly original and engaging for the public involved."

"I liked it very much; it was alternative and different from the usual, combining theatre with our product, something that I never thought possible, ending up to be a pleasant evening among friends."



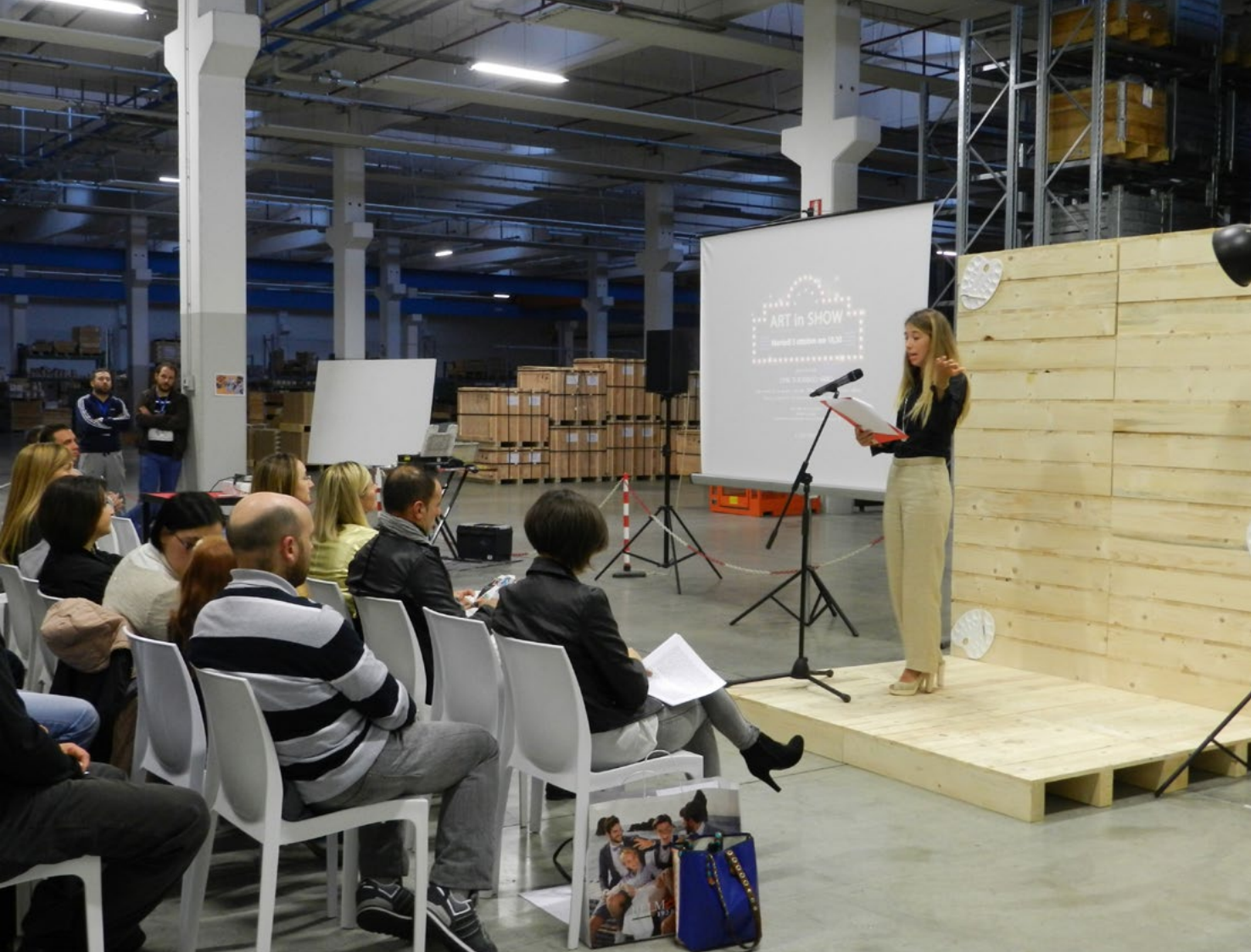
SILENCE IN THE (ENGINE) ROOM

Below a short interview with Margherita Monga, who, together with Sofia Finotti, worked in collaboration with the Social Innovation Department to create the OMAL "Corporate Art" event.

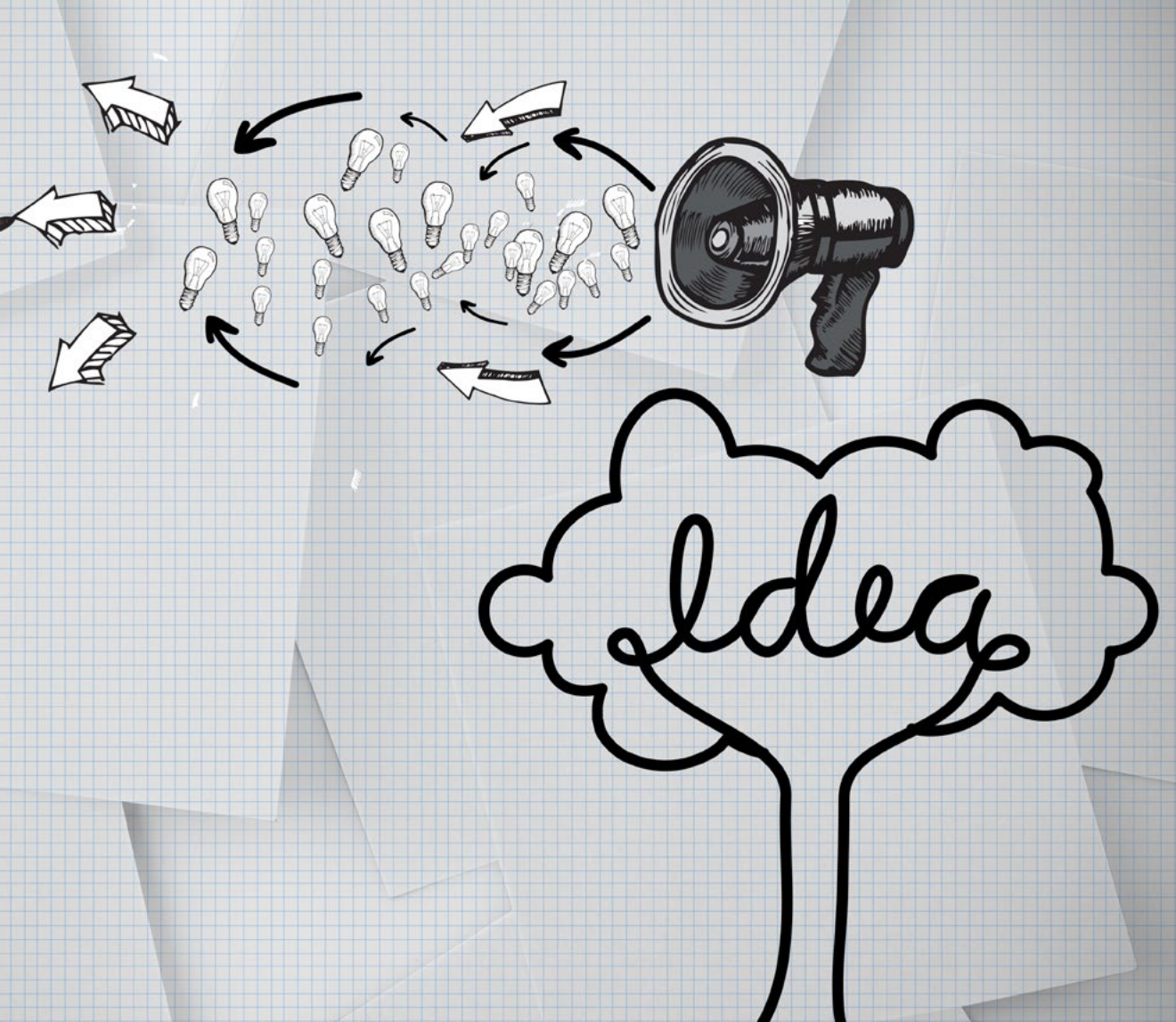
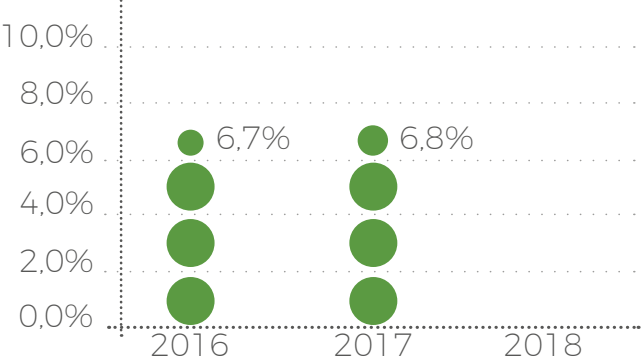
- **Had you ever thought of theatre as a language of business engagement?**
Yes, but I devoted myself to team building, rather than to real forms of theatrical staging. The reading is as close as you can get to theatre, although it lacks scenes and action - however it engages the public more than a traditional prose performance, because it forces the people present to be active listeners and to interact with the reader insofar as it is without the traditional distance between actor and audience.
- **What struck you most about collaboration with OMAL?**
The thing that struck me most about collaboration with OMAL was the desire to "create art" inside a place that can appear as cold and closed off to the outside, given that the production of valves appears to be a topic inaccessible to most of us.
- **What do street art and theatrical language have in common?**
Street art and theatrical language have in common the performance. Even though street art uses media that lasts over time and the work can also be used in the absence of the artist, it certainly makes more sense to watch it being created live. Only during the performance can the spectator really be aware of the skill of someone who, with spray cans and very quickly, manages to give shape to contemporary visions. The same can be said of a reading: reading alone is always a good exercise, but listening to an interpretation of a text is something more: it becomes a real-time team game.
- **What unites the participation of the theatre audience and the participation company employees?**
Theatre audience and "Corporate audience" have everything and nothing in common. Everything, insofar as an audience is a group of people who are ready to listen, whether they be in the theatre or in a company. Nothing, insofar as a theatre audience is certainly more prepared and trained in its role as silent listener, while the corporate audience is taken by surprise and measures its engagement based on interaction with the actor.
- **Where did you get the ideas for your script?**
Our script ideas came from science fiction stories and old car journey stories. , a story is always a journey through wonder and valves allow the flow of great ideas.
- **What was the most difficult part in the process of creating a script on the world of valves?**
The most difficult part of the process of creating a text on valves is certainly the risk of falling into the banality of metaphors, given the lack of technical expertise to deal with the topic. We hope that we managed to avoid this error by telling a story that has very little of the technical and a lot of the magical.

3. SOCIAL INNOVATION





As can be seen from the projects described above, OMAL's commitment to social issues is both concrete and structural. Wishing to translate it into a percentage of EBTDA for 2016, company expenditure on social issues stood at 6.8% of the total, a slight increase compared to the previous year. The increase in investment was mainly due to the external costs of B Corp certification.







GROWING TOGETHER

5

5. GROWING TOGETHER

“*Teamwork ... Is the fuel that allows common people to attain uncommon results.*”

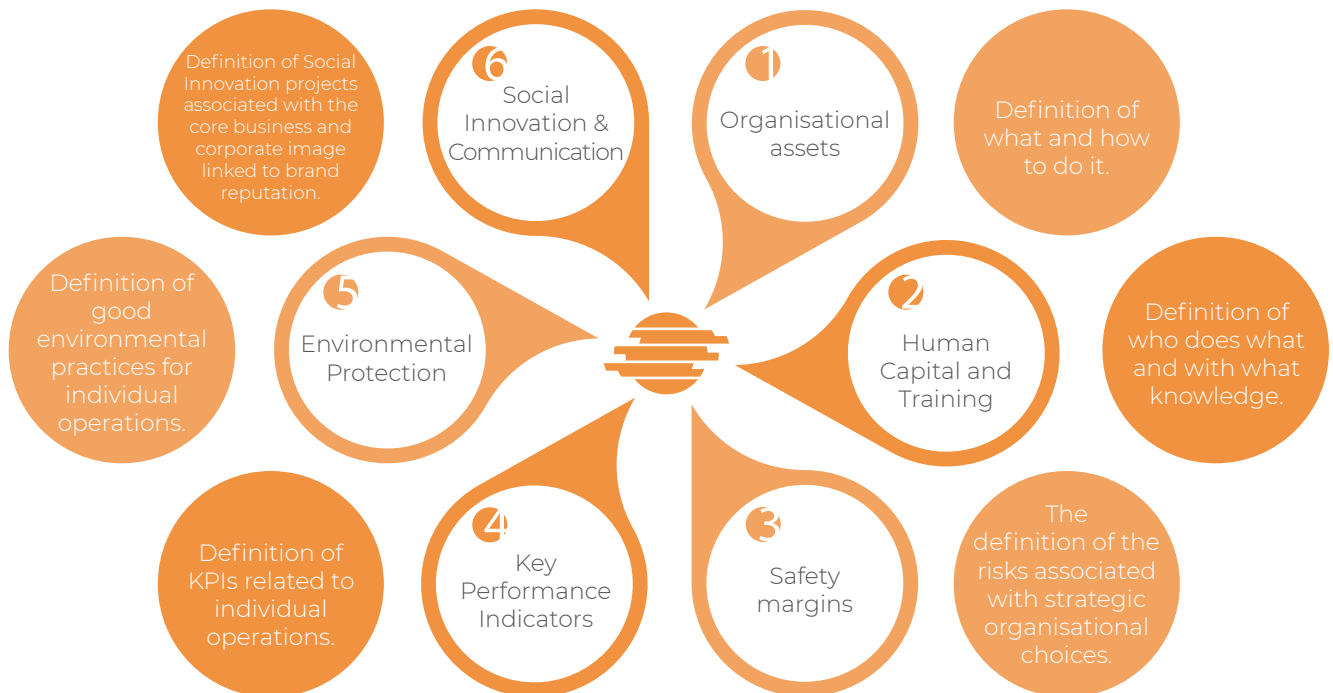
Andrew Carnegie Industrialist and philanthropist in the steel sector ”

OMAL is convinced that the harmonious growth of a company depends on the motivation of its employees, fulcrum of productive activities and progress towards a leading role on the global market. This section of the Sustainability Report 2017 will illustrate OMAL's initiatives aimed at building and strengthening of work teams and the relative projects of internal and external communication that reaffirm the importance of coherence and shared objectives.

OMAL believes that the staff should be encouraged to improve in individual performance and in their ability to build relationships with colleagues, particularly due to the significant generational changes that occurred at the beginning of 2016. Teamwork is essential to this regard and the company is aware that it can no longer manage operations, and therefore also human resources, with a sectoral approach focused on the operation of the individual department, but instead needs to monitor and evaluate production overall, i.e. from the design and approval by management to the final operational stage of introducing the product (or service) to the market. This "biological" approach, i.e. systemic and integrated, to the various operations has motivated over the course of 2017 the continuation of a series of projects aimed at the internal growth of OMAL personnel (i) and the restoration of a more true and accurate corporate image (ii).

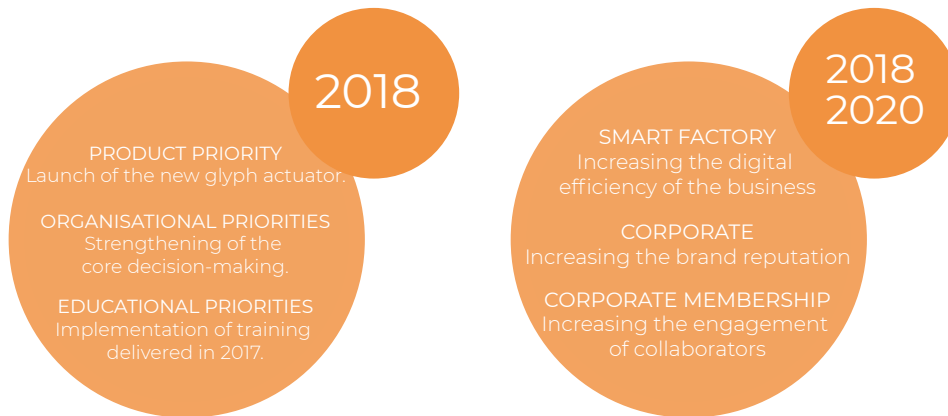
5.1 VISION

The six key points the OMAL 2020 Vision are shown in the image below.



Above: six key points of OMAL 2020 Vision.

For 2018, the strategic corporate priorities are:



In addition, control panels will be developed in the respective operations that contain KPIs, or rather:

- **Key:** "key" variables;
- **Performance:** linked to business moving in three directions, i.e. efficiency, performance and quality of service;
- **Index:** guide the company with regard to reference targets, on the one hand, using values over a sufficiently long period of time in order to verify progress (control), and, on the other hand, making projections on the future trends of those values (planning).

The efficient organisation of operations between individual units is the result, as said previously, of clear process management. In the same way, however, internal processes, in order to be linear, require a shared purpose among the various units, called upon to define a common strategy that will lead the company toward goals for improvement. To this regard, all the managers of the units work to organize, manage, measure and improve the output of their departments, sharing results and developments in a series of meetings organised by the Management, called "All invited". In 2017, the meetings were as follows:

JANUARY

Presentation of the strategic product guidelines and the targets for each operation linked to the 2017 budget. In addition, training activities for each unit, objectives and the respective KPIs were planned.

FEBRUARY

Presentation of the quarterly progress report and future prospects of the portfolio in relation to the budget. In-depth analysis was then performed on the investments approved by the proprietors.

JULY

The progress of operations were verified in relation to the targets envisaged by each individual operation at the beginning of the year. In addition, the half-yearly progress report and the back log improvement actions were presented.

OCTOBER

Presentation of data for the first nine months of the year and the improvement actions to achieve the objectives within the expected deadlines. In addition, business strategies were submitted for the presentation of the new GLIFO launched in the first months of 2018.

The impacts of the vision described above and of strategies shared in meetings between Managers are reported to the company during the annual Empower Day meeting. On this day of meeting between all colleagues, the Management discusses new themes of shared relevance, introduced by the Proprietors and by the relevant representatives. Empower Days usually include stories of new product launches, an occasion for socialisation among colleagues from different plants and reflection on the preceding six months, in search of stimuli for the months to come.

OPEN HOUSE 2017

The 2017 edition of Empower Day was held on 1 July and, on this occasion, two important issues were introduced to all employees: the imminent implementation of the double shift in production and reflection on the theme of perseverance as a positive approach to work. In addition, central to this edition was the recovery of corporate values listed as part of the personnel selection process. Finally, during the morning of Empower Day 2017, the "Open House" initiative was launched, opening up to employees the company welcome procedure, which is usually reserved for schools or customers/suppliers. With the aim of improving awareness of the company premises, an open day was organised for employees who enjoyed a guided visit in the various plants, visiting, in a festive atmosphere, the spaces of the company for which they work and grasping—even physically - the value of recent investments, new logic of production and assembly and future developments in logistics organisation.





TEAMBUILDING... AND MORE

In the course of 2017, one of the most original opportunities for dialogue between the Unit Managers, was a "Murder Mystery Dinner" offered by the Proprietors to their managers. Following the common thread of corporate art and wanting to at the same time to pursue the path of team building, it was decided to organise a "Murder Mystery Dinner". The pleasure of a social evening was combined with a theatrical murder mystery staged by the AnubiSquaw theatre company from Cremona.

In the time between courses, the OMAL team was able to:

- listen to the statements of the suspects;
- interrogate directly each of the suspects;
- complete the indictment indicating the course of events, the guilty party and the motive.

This gripping teamwork required attention and spirit of observation, as well as a good appetite, solved the intriguing and curious case of "Drag Anatomy".

5.2 INTERNAL GROWTH

With regard to internal growth, OMAL has brought forward to 2017 three projects intended to provide its employees with something more than just the ordinary organisation of their duties. Whilst, on the one hand, this is clearly one of the the founding pre-requisites of the company, of OMAL believes that the added value that motivates employees to give more and to be passionate about their work is found elsewhere: i.e. in the value of culture and knowledge.

Better to be: project dedicated to encouraging participation in cultural events by all OMAL employees, who, bringing ticket receipts and a photo of themselves during the event, will be able to get a voucher worth up to 50 euro each for attending concerts, exhibitions and theatrical events in Italy and abroad. 2017 data records 43 employees for vouchers worth a total of 660.20 euro. Given the high number of participants, this project will be repeated in 2018.

Bookcrossing: project involving the setting up of a corporate library where you can borrow books made available by the OMAL employees themselves. Given the low number of subscriptions and book requests, this project will not be repeated in 2018.

Work related learning: in January 2017, collaboration was begun with the "Astolfo Lunardi" Institute of Higher Education in Brescia for a period of work related learning. The Schools Reform, with Italian Law 107/2015, has established a mandatory period of work experience with a company during the three years of school, aimed at allowing pupils to acquire skills useful to entering into the world of work. This professional orientation course is considered to all effects an educational activity, which OMAL interpreted by offering the candidate dual training: for the first three weeks, a course was organised in the Quality Office - thanks also to the support of the manager - to train the student on the product audit for a Ukraine certification. In this first period, the student engaged in the certification processes and communicated with external bodies directly in Russian. In the second period, the student worked in Social Innovation & Communication, involving a specific shadowing course undertaken with a colleague who worked side by side with the girl on the mapping of welcome signs for a product naming brainstorming session and on the English translation of a brochure on sustainability. This very useful educational experience proved to be positive and will be renewed in May 2018 with a student from the "Abba-Ballini" Technical and Commercial Institute.

"As soon as I started at OMAL, I realized that it would be work experience focused on the student and that the aim was to enable me to learn something, not to use me to do things that nobody else wanted to do".
E.C.

App-lication technology: this project originated from the results of the competition "Shake It Out" 2016, which was won by the "App-lication Technology" proposal for a time management app for employees. With the activation of the "Info-day pocket" module, integrated with the ND24 program already managed by administration, from December, employees can request holidays, leave, confirmation of working hours and clocking records, ask to consult pay slips, request tax documentation (e.g. single certification) directly via app. This project, which is a first step toward the creation of an app that enables the whole company to dialogue with every stakeholder, is a sign of the company's focus on the simplification of the basic human resource management processes.

5.3 COMMUNICATION

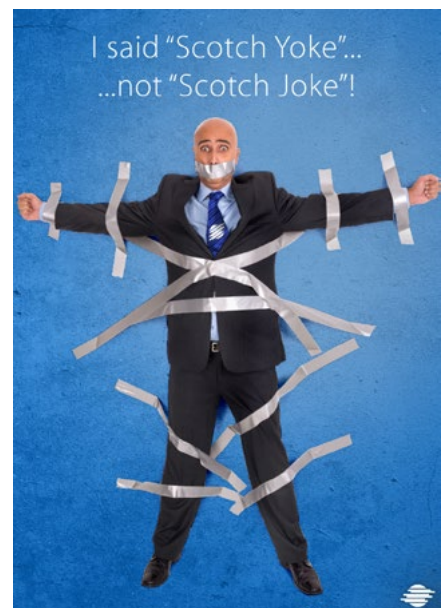
OMAL believes in the importance of proper corporate communication that is both consistent and transparent, capable of restoring the commitment and the values in which the company believes and towards which it strives with passion every day, including through the human resource enhancement projects described above. Corporate image improvement also continued in 2017, leading to the rebuilding and enhancement of many external communication materials, including:



Website > in 2017, in addition to the regular maintenance of the website certain pages were improved with new content. We then began the process to select the provider and outline the project to rebuild the corporate website.



Social media > in 2017, we continued to use Social Media as tools of business information, with particular reference to new projects, ADV, business travel reports and/or reports on trade fairs, corporate events. The common theme of our Facebook posts was public motivation and engagement using a simple and direct register, in order to make all users feel part of the OMAL team and to allow them to familiarise themselves with the more "news worthy" events that occurred during the course of the year. For LinkedIn, we adhered to the more professional purpose of the platform, sharing posts on business or reputation (awards, personal research, official thanks, new partners), avoiding posts on internal engagement or ADVs using a more informal communication register, such as those on the series in streaming and on English/Italian false friends, which instead have been interspersed with the commercial/corporate content of the company FB page.



Above: some examples of OMAL Facebook content, 2017.



ADV > in February 2017, we developed and approved an advertising theme linked to the challenges we face on the valve and actuator market. The theme has been adopted for all national and international magazines under subscription for 2017, as well as for our trade stands. At a conceptual level, for 2017, we wanted to communicate the importance of daring, challenging the big market players, finding strength in diversity, ambition and ability. As symbolised by David and Goliath (ADV theme), OMAL intends to make its name on the market based on expertise and creativity, without fear of challenging larger and more established players. Moreover, the ADV 2017 concept, featuring the famous statue of David by Michelangelo, symbol of Italy around the world, recalls our roots in Italian production. It is precisely in the gaze of the statue, with the logo OMAL as his pupil, that we perceive the value of thought that overcomes the limits of personal dimension to imagine - here the close-up on the eyes - a direction of growth and continuous improvement.



Marketing > OMAL communication for 2017 exploited ADV theme, reworking it by means of gamification and using it at trade fair events. At both the IVS and OMC trade fairs, we set up a step-by-step course that encouraged visitors to get involved by answering some questions on products, processes, marketing and raw materials. The course, designed as an actual road within the OMAL stand and therefore within the world of 100% Italian metalwork and mechanical engineering, enabled us to obtain some interesting ideas from the participants, who were then rewarded for their time with green gadgets and a copy of the 2016 Sustainability Report.



Documents on Social Innovation > As in 2016, our corporate statements feature images linked to the natural elements, preferably that can be associated with the theme of moving fluids, indicating the momentum and the propulsive force of nature and of ideas. Externally, we then prepared a video summarising all that OMAL has achieved over the past two years in Social Innovation, useful for demonstrating in a few seconds and to any stakeholder (even commercial) the social and environmental value of the company (<https://youtu.be/V6jHuEQhWus>). Using the same themes, we then produced a leaflet in Italian/English including certain guidelines for the management of company waste in the office and at home, responding to some of the suggestions made by the certifying authority of ISO 14001:2015. Finally, we created a "map" of Social Innovation projects for 2016-2017, to be used as a summary of the Sustainability Report.



Gadgets > corporate communication conveyed through the OMAL gadgets was very directly related to the theme of environmental sustainability and recycling. In 2016, we designed gadgets with zero impact, i.e. recyclable, capable of amazing and conveying a message of accountability to younger generations. In 2017, we created two gadgets associated with achieving B Corp Certification: erasers with the company logo on one side and the certification logo on the other and a related explanation card. In 2017 we also designed the new company shirts for all employees.



Catalogues and brochures > in 2017, we continued to update all the catalogues and the commercial brochures, in addition to preparing the safety instructions for the various production sites and updating manuals and product instructions. As well as the usual efforts towards graphics coordination, in 2017 we indicated, in accordance with the Quality Department, which stages of product maintenance and/or disposal involved choices on sustainability and reducing environmental impact, as shown in the image below.

CARATTERISTICHE DEGLI ATTUATORI OMAL	OMAL ACTUATOR FEATURES	ALLGEMEINE EIGENSCHAFTEN DER OMAL ANTRIEBE	CARACTERÍSTICAS DE LOS ACTUADORES OMAL
<p>OMAL produce una ampia gamma di attuatori pneumatici (doppio effetto con potenza da 8 a 8000 Nm, semplice effetto con potenza da 15 a 4000 Nm) in grado di soddisfare qualsiasi esigenza, caratterizzati da una curva di coppia massima in fase di apertura e chiusura per vincere l'attrito e tornare nello stato di riposo. La loro struttura è stata studiata per vincere l'attrito e tornare nello stato di riposo. La loro struttura è stata studiata per vincere l'attrito e tornare nello stato di riposo. La loro struttura è stata studiata per vincere l'attrito e tornare nello stato di riposo.</p> <p>IL LUBRIFICAZIONE: Aria compressa filtrata (massima dimensione del filtro 40µm) secca non necessariamente lubrificata. TEMPERATURA: da 0°C a +80°C, da -20°C a +40°C, con aria secca. Versioni speciali: alta temperatura: +20°C a +150°C, bassa temperatura: -50°C a +0°C.</p> <p>PRESSIONE: nominale 5,6 bar, max. 8,4 bar. Press. 7 bar per gli attuatori serie DA000.</p> <p>NOTE: Verificare che la coppia necessaria per azionare la valvola sia compatibile con quella esposta dall'attuatore (legata al tipo di attuatore e alla pressione di alimentazione). Al suo proposito occorre ricordare che la coppia richiesta dipende oltre che dalla valvola, dalle condizioni di esercizio e dai margini di sicurezza previsti dall'installatore.</p>	<p>OMAL produces a wide range of pneumatic actuators (Double Acting actuators from 8 to 8000 Nm - Spring Return actuators from 15 to 4000 Nm) which can meet all customer's requests. Their torque curve has been made higher in the opening and closing phase to overcome the adherence of the seats which might take place when a valve has been closed for a long time. A very accurate selection of materials and their careful treatment make total reliability and high working quality possible.</p> <p>CONTROL MEDIA: Filtrated compressed air (maximum filter size 40µm) dry, not necessarily lubricated.</p> <p>TEMPERATURE: from 0°C to +80°C, from -20°C to +40°C, with dry air. Special versions: high temperature: +20°C to +150°C, low temperature: -50°C to +0°C.</p> <p>PRESSURE: 5.6 bar nominal pressure, 8.4 bar max. Press. 7 bar for actuators series DA000.</p> <p>NOTE: Make sure that the torque necessary to operate the valve is compatible with the actuator torque (it depends on both actuator type and air supply). Please note that the requested torque depends not only on the valve, but on the working conditions and the safety margins of the plant in question, too.</p>	<p>OMAL stellt eine breite abgestufte Baureihe (Doppelschubventil ab 8 bis 8000 Nm, einseitigwirkend ab 15 bis 4000 Nm) von pneumatischen Antrieben her. Die Kulturleistung des Antriebes sicherl Ihnen hohe Werte beim Öffnen und Schließen des Hahnes bzw. der Klappen. Die verwendeten hochwertigen Werkstoffe und sorgfältigste Behandlung sorgt Garant eines langfristigen und störungsfreien Betriebes.</p> <p>STEUERMEDIE: Gefilterte (höchstmaximal des Filters 40 µm), trockene, nicht unbedingt geschmierte Druckluft.</p> <p>TEMPERATUR: von -20°C bis +80°C bei trockener Luft, ab 0°C bis +80°C bei geschmierter Luft.</p> <p>Spezielle Ausführungen: hohe Temperatur: 20°C +150°C, niedrige Temperatur: -50°C +0°C.</p> <p>DRUCK: Nenndruck 5,6 bar, max. 8,4 bar.</p> <p>Press. 7 bar für Aktoren Serie DA000.</p> <p>Achtung: Das Drehmoment des Antriebes muß unter Berücksichtigung des Steuerdruckes zum gegebenen Hahn passen. Das Drehmoment ist abhängig von dem Hahn/Klappen, den Betriebsbedingungen der Anlage und dem gewünschten Sicherheitsgrad der Anlage.</p>	<p>OMAL fabrica una amplia gama de actuadores neumáticos (de doble efecto, con potencia de 8 a 8000 Nm, de simple efecto, con potencia desde 15 a 4000 Nm) e de satisfacer cualquier exigencia. Están caracterizados por una curva de fuerza máxima en su fase de apertura y fase de cierre, para vencer la resistencia de sus asientos, debido a un cierre prolongado de la válvula. La minuciosa selección de los materiales, y su cuidadoso tratamiento son la garantía de su gran fiabilidad y elevada calidad de funcionamiento.</p> <p>FLUIDO DE ALIMENTACIÓN: Aire comprimido filtrado (dimensión máxima del filtro 40µm) seco no necesariamente lubricado. TEMPERATURA: De 0°C a +80°C, de -20°C a +40°C, con aire seco. Versiones especiales: Temperatura alta: 20°C +150°C, baja temperatura: -50°C +0°C.</p> <p>PRESIÓN: Nominal, 5,6 bar. Máx., 8,4 bar. Press. 7 bar para actuadores serie DA000.</p> <p>NOTA: Verificar que la fuerza necesaria para accionar la válvula sea compatible con la suministrada por el actuador (correspondiente al tipo de actuador y a la presión de la alimentación). Con este fin, es oportuno recordar que la fuerza necesaria depende además de la de la válvula, de las condiciones de funcionamiento y de los márgenes de seguridad previstos para la instalación.</p>
<p>ISTRUZIONI PER IL MONTAGGIO</p> <p>Non sono richieste misure particolari per la movimentazione degli attuatori nelle taglie più piccole per le serie DA1440/SR720 si raccomanda l'impiego di idonei mezzi di presa e sollevamento per evitare rischi per la sicurezza delle persone. Per le taglie più grandi, da DA3840/SR1920, le istruzioni per la movimentazione sono riportate direttamente sui dispositivi mediante etichetta.</p> <p>Rimozione della valvola ogni meccanismo manuale di apertura lasciando libero lo stelo della valvola. Controllare che la forma dello stelo sia adatta all'attuatore e che non ci siano fessure che limitino la rotazione. Montare l'attuatore sulla valvola facendo attenzione a centrarlo bene sullo stelo e verificare che il senso di rotazione sia corretto (vedi scheda di funzionamento), non inserire in nessun caso le mani all'interno della valvola. Si raccomanda di verificare la pulizia dei condotti dell'aria di alimentazione soprattutto nel caso in cui temperature prevedano un'installazione tra la valvola e l'attuatore.</p> <p>I dispositivi devono essere sempre disallineati nella fase di installazione, movimentazione e manutenzione al fine di evitare rischi per la sicurezza delle persone.</p> <p>NOTE: Nel caso di utilizzo di attuatori semplice effetto "SR" prevedere un filtro sul filo d'aria dell'aria per evitare che polveri o altre sostanze vengano aspirate all'interno dell'attuatore.</p> <p>ATTENZIONE! Per nessuna ragione le molle a causa della loro elasticità, devono essere smontate da leggi. Tale operazione può risultare molto pericolosa. Utilizzare in alcune configurazioni premere parti sporgenti ed evitare in movimento che possono costituire un rischio per la sicurezza delle persone in caso di contatto accidentale.</p> <p>NOTE: Dipositive funzionare (meccanico, pneumatico...)</p> <p>Il compito dell'installazione verificarsi prima dell'installazione l'esistenza di tali rischi e adottare opportune protezioni richiedendo espressamente ai produttori.</p> <p>IL OMAL S.p.A. non risponde di danni causati a persone, cose o animali dovuti ad un uso improprio del prodotto.</p>	<p>MOUNTING INSTRUCTIONS</p> <p>No special instructions are required for the handling of the smaller size actuators for the series DA1440/SR720 is recommended the use of the appropriate means of grip and lift to avoid risks to safety of persons and damage to the product. For larger sizes, from DA3840/SR1920, instructions for handling are reported directly on the device label. Remove any manual opening device of the valve, leaving the valve stem free. Make sure that the shape of the stem fits the actuator output and that the rotation is not hindered in any way. Mount the actuator onto the valve, ensuring it is centred on the stem. Make sure that the rotation direction is correct (see the "Working diagram"). We strongly suggest checking the cleanliness of the air supply pipes, especially when the plant does not provide with filters. A spacer between actuator and valve will be necessary with fluids at high temperature.</p> <p>NOTE: The devices must always be in a service (without air feed) during installation, maintenance and handling operations to avoid risks for the safety.</p> <p>NOTE: Spring Return (SR) actuators must be provided with an filter on the air outlet hose to prevent dust and other substances from being sucked into the actuator.</p> <p>WARNING: Being pre-compressed springs must not be disassembled from the caps, such an operation might be very dangerous. The actuator in some configuration has protruding and moving parts that may be a source of safety of persons in case of accidental contact.</p> <p>ATTENTION: Device switches (mechanical, pneumatic...)</p> <p>The user has to verify before the installation if any possible risk is occurring and take all the appropriate precautions asking them if needed to the producer.</p> <p>OMAL S.p.A. can not be held responsible for any damage to people, things or animals due to an improper use of the product.</p>	<p>MONTAGEANLEITUNG</p> <p>Keine besonderen Maßnahmen erforderlich für die Bewegung der Geräte in kleineren Größen für die Serie DA1440/SR720 den Einsatz geeigneter Mittel, Griff und Heben. Sie empfiehlt, um Risiken für die Sicherheit der Menschen zu vermeiden. Für größere Größen, von DA3840/SR1920, Anweisungen für die Bearbeitung direkt auf den Geräten mit dem Etikett angegeben.</p> <p>Von dem Hahn eventuelle Handhalte entfernen und die Zapfen des Hahnes frei lassen, kontrollieren, daß die volle Drehbewegung gewährleistet ist.</p> <p>Kontrollieren, daß die Aufnahme des Antriebes zum Zapfen des Hahnes paßt. Den Antrieb gut zentriert auf den Hahn aufsetzen und darauf achten, daß die Drehbewegung des Hahnes und des Antriebes identisch ist (siehe Betriebsanweisung).</p> <p>Beachten Sie besonders, daß die Luftrohre keine Verschmutzungen mit sich enthält.</p> <p>Bei hohen Mediumtemperaturen muß eine Distanzwelle zwischen Hahn und Antrieb verwendet werden.</p> <p>Die Geräte sollten immer außer Luft setzen, während Installation, wartung und handling um Risiken für die Sicherheit zu vermeiden.</p> <p>Bei Filtern verwenden "SR" Antrieben muß, bei der Entlastungslöcher ein Filterelement montiert sein, um das Ansaugen von Schmutzpartikeln zu vermeiden.</p> <p>ACHTUNG! Als Vor-Komprimiert, Federn dürfen nicht aus den Köpfen demontiert werden. Ein solcher Vorgang wäre sehr gefährlich. Die Antriebe in einigen Konfigurationen haben vorstehende Teile und bewegliche Teile, die eine Gefahr darstellen können, um die Sicherheit der Personen im Falle einer unversehrlichen Kontakt.</p> <p>Warnung: Bei Vor-Komprimiert, Federn dürfen nicht aus den Köpfen demontiert werden. Ein solcher Vorgang wäre sehr gefährlich. Die Antriebe in einigen Konfigurationen haben vorstehende Teile und bewegliche Teile, die eine Gefahr darstellen können, um die Sicherheit der Personen im Falle einer unversehrlichen Kontakt.</p> <p>Bei unangemessener Nutzung des Produktes ist OMAL S.p.A. von Regressansprüchen jeder Art entbunden.</p>	<p>INSTRUCCIONES PARA EL MONTAJE</p> <p>No require medidas especiales para el movimiento de los actuadores en tamaños más pequeños; para la serie DA1440/SR720 recomendamos el uso de medios adecuados de agarre y levantar para evitar riesgos a la seguridad humana. Para los tamaños más grandes, de DA3840/SR1920, instrucciones para el manejo se presentan directamente en los dispositivos que van la etiqueta adhesiva de la válvula cualquier tipo de mecanismo de apertura manual, dejando libre el eje de la válvula. Comprobar que la forma del eje esté adaptado a la salida del actuador y que no haya obstrucciones que limiten su rotación. Montar el actuador sobre la válvula prestando atención a que aquel quede bien centrado sobre el eje de la válvula y verificar que el sentido de rotación de la válvula sea el correcto (ver el esquema de funcionamiento). Se aconseja que se verifique la limpieza de los conductos del aire de alimentación, sobre todo en el caso en que la instalación esté prevista en fluidos. Su utilización con fluidos a temperatura elevada precisa de un separador montado entre la válvula y el actuador.</p> <p>Los dispositivos deben ser siempre desalineados en la instalación, y movimiento de mantenimiento para evitar riesgos a la seguridad.</p> <p>NOTA: En el caso de utilizar actuadores de simple efecto "SR", debe utilizarse un filtro montado sobre el orificio de entrada del aire, para evitar que pueda introducirse polvo u otras sustancias al interior del actuador.</p> <p>ATENCIÓN! Siendo pre-comprimidos, resortes no deben ser desmontados de los casquillos. Dicha operación actuador puede ser muy peligrosa. The en algunas de configuración tiene partes sobresalientes y partes móviles que pueden representar un riesgo para la seguridad de las personas en caso de contacto accidental.</p> <p>Advertencia: Siendo pre-comprimidos, resortes no deben ser desmontados de los casquillos. Dicha operación actuador puede ser muy peligrosa. The en algunas de configuración tiene partes sobresalientes y partes móviles que pueden representar un riesgo para la seguridad de las personas en caso de contacto accidental.</p>
<p>MANUTENZIONE</p> <p>L'attuatore OMAL, installato ed impiegato correttamente, non necessita, nelle normali applicazioni, di manutenzione poiché fornito di sufficiente lubrificazione per la normale durata. Nel caso sia necessario sostituire la guarnizione consigliamo di rivolgersi alla OMAL, dove il prodotto, una volta ricevuto, viene anche collaudato. OMAL fornisce comunque il kit e le istruzioni per la sostituzione delle guarnizioni (vedi tabella) e operatori di manutenzione devono essere effettuati da personale qualificato.</p> <p>IL OMAL S.p.A. declina ogni responsabilità a garanzia sui prodotti riparati da terzi.</p> <p>Per applicazioni particolari ed eccezioni speciali, vedere il catalogo OMAL, dove è possibile trovare una vasta lista di riferimento di completamento per l'attuatore.</p>	<p>MAINTENANCE</p> <p>If an OMAL actuator is properly assembled and used, it will be maintenance free, as it has been lubricated enough to last a normal working life under normal working conditions. Should it get necessary to replace its seals, we suggest turning to OMAL, as well as where the product will be overhauled first and then tested. On request, OMAL S.p.A. will be willing to provide its customers with kits and instructions (see the table). Maintenance tests should be carried out by qualified personnel.</p> <p>OMAL S.p.A. declines any responsibility for products repaired by third parties.</p> <p>For particular applications and special features, please refer to the catalogue OMAL, where you will be able to find a wide range of accessories to go with the actuator.</p>	<p>WARTUNG</p> <p>Bei korrektem Einsatz ist der Omal Antrieb wartungsfrei. Sollten die Dichtungen ausgetauscht werden müssen, so empfehlen wir Ihnen eine Beratung des Antriebes bei Omal. Sollten Sie dennoch den Austausch selbst vornehmen wollen, so haben wir entsprechende Reparaturpakete für Sie im Angebot (siehe Tabelle). Gleichzeitig müssen wir auch darauf hinweisen, daß die Haftung von Omal für solche Antriebe erst nach Wartungsarbeiten selbst ausschließlich von qualifiziertem Personal durchgeführt werden.</p> <p>OMAL S.p.A. haftet nur für ungeprüfte Produkte.</p> <p>Für eventuelle Sonderfälle, Zubehör bzw. für Sonderanwendungen empfehlen wir unseren Hauptkatalog.</p>	<p>CONFORME ALLA DIRETTIVA 2006/42/CE</p> <p>IN ACCORDANCE WITH DIRECTIVE 2006/42/EC</p> <p>CONFORME ALLA NORMA IEC 61508 - SIL 3</p> <p>IN ACCORDANCE WITH IEC 61508 - UP TO SIL 3</p>
<p>Smaltimento dei prodotti a fine vita</p> <p>I componenti metallici possono essere recuperati come materia prima. Guarnizioni/elementi di tenuta, in quanto contaminati dai fluidi intercettati e dai materiali di lubrificazione, devono essere avviati a smaltimento. I materiali di imballaggio che accompagnano il prodotto devono essere conferiti al sistema di raccolta differenziata organizzato sul territorio.</p>	<p>Disposal of products at the end of life</p> <p>Metal components can be recovered as raw materials. Gaskets/seals, insofar as they are contaminated by blocked fluids and lubrication materials, must be sent for disposal. Packaging materials that are supplied with the product must be recycled according to local waste recycling systems.</p>	<p>Entsorgung der Produkte am Ende ihrer Lebensdauer</p> <p>Die metallischen Komponenten können als Rohstoffe verwertet werden. Dichtungen/Dichtungselemente müssen entsorgt werden, da sie durch die aufzufangenden Flüssigkeiten sowie durch Schmiermittel verunreinigt sind. Die Verpackungsmaterialien, mit denen das Produkt versehen ist, müssen in das regionale organisierte System zur Mülltrennung abgegeben werden.</p>	<p>Eliminación de los productos al final de su vida útil</p> <p>Los componentes metálicos pueden reciclarse como materia prima. Tapabombas/elementos de sujeción, por estar contaminados por los fluidos intercetados y por los materiales de lubricación, deben ser eliminados. Los materiales de embalaje que acompañan al producto deben ser depositados en el sistema de recogida diferenciada dispuesto en el territorio.</p>
<p>I dati e le caratteristiche di questo opuscolo potrebbero essere variati anche senza preavviso e, pertanto non sono vincolanti ai fini della fornitura.</p>	<p>The data and characteristics reported in this manual could undergo changes due to technical improvements without any advice. Therefore, they are not binding as far as the supply is concerned.</p>	<p>Die in dieser Anleitung angegebenen Daten und Merkmale könnten jederzeit zwecks technischer Verbesserung geändert werden. Aus diesem Grund sind sie für die Lieferung nicht verbindlich.</p>	<p>Los datos y características indicados en este manual pueden ser modificados sin previo aviso por su mejora técnica y por tanto, no son vinculantes a los fines de su entrega.</p>

ATTUATORI PNEUMATICI PNEUMATIC ACTUATORS

CONFORME ALLA DIRETTIVA 2006/42/CE
IN ACCORDANCE WITH DIRECTIVE 2006/42/EC

CONFORME ALLA NORMA IEC 61508 - SIL 3
IN ACCORDANCE WITH IEC 61508 - UP TO SIL 3

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5. GROWING TOGETHER

Above: detail of the environmental product disposal and end-of-life notes.





LOOKING AT THE BIG PICTURE

6

“If you do things well, do them better.

Anita Roddick Founder of "The Body Shop", philanthropist ”

6.1 SOCIAL RESPONSIBILITY IN THE FUTURE

Among the most important activities of OMAL 2018, there is certainly the continued internal reflection on corporate art, that will be linked to the environmental theme, thus closing the cycle of forward-thinking. The link between the two areas will be waste, understood as an object to be revalued. We shall also consider services in favour of employees in the same way, continuing with their involvement and studying solutions of sharing and ad-hoc communication of social projects.



6.2 ENVIRONMENT IN THE FUTURE

Among the activities of environmental impact that OMAL will implement in 2018, there is certainly the continuous improvement of the mechanism for environmental data collection, through the introduction of systems for the detection and reporting of consumption and also the production of energy from renewable sources or energy recovery.

Compared to 2016, the internal data collection process was faster and better organised, except for the B-CORP assessment that, being new to the whole company, did not allow us to follow a roadmap clarified prior to the start of interactions between the various departments involved.

Another important aspect is the introduction of a system for the management and optimisation of energy consumption through a system of corporate domotics.

On an operational level, more in-depth consideration will be given to the theme of product end-of-life, which will be enhanced by extending to all products the provision of information on the purchase of raw materials use of the product, maintainability and the duration of useful life.

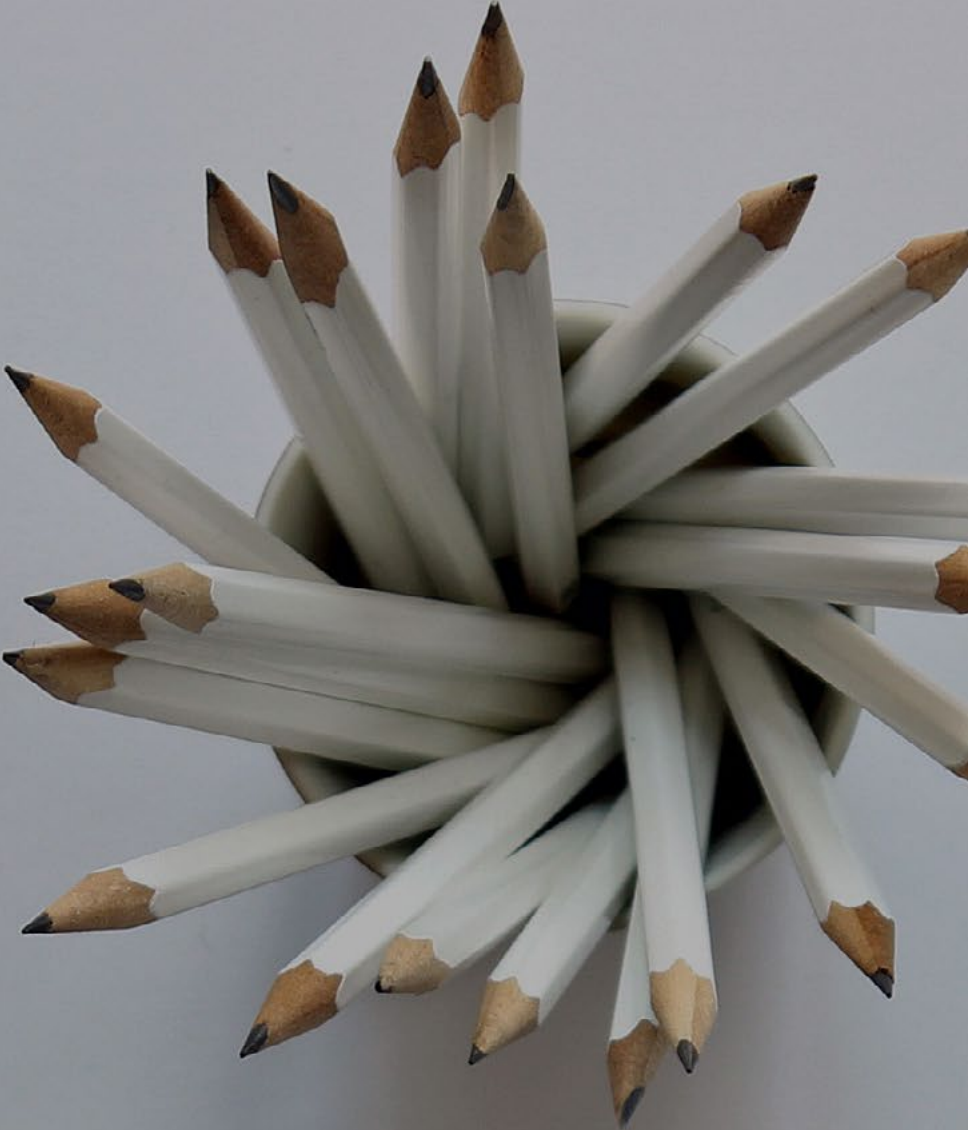


6.3 QUALITY IN THE FUTURE

In recent years, the global market has seen an increasing demand for quality aimed at the satisfaction of new needs: the protection of occupational health and safety, the prevention of pollution, environmental sustainability, human solidarity, employment protection, the respect for human rights. All this can be summed up in the term "Social Quality". This scenario requires companies to understand the context in which they operate and to build their own strategies, taking into account the needs of the parties concerned that, for various reasons, may be influenced or influence business activities.

OMAL has decided to take up this challenge and, with the advancement to the new edition of the ISO 9001:2015, has adopted a "Risk-based Thinking" approach, according to which an organisation makes decisions based on the assessment of the possible positive or negative consequences of its actions. The future Quality Management System is therefore based on the management of risks and opportunities, identifying the greatest risks and the best opportunities, in order to work on them with control that is proportionate to the disadvantages and potential benefits.

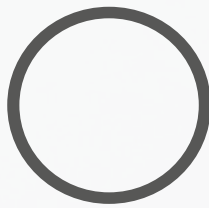




“ *It's kind of fun to do the impossible*

Walt Disney Entrepreneur ”

CONCLUSIONS



MAL's second year of social and environmental reporting was a significant year for the company, since it was possible to analyse the physiological performance of the organisation, i.e. performance not excessively affected by the influence of novelty and the launch of the unit of Social Innovation. In a certain sense, therefore, the second year is the true benchmark of reference, from which to begin analysis and any corrective action in terms of investment and design decisions.

In general, 2017 was an excellent year for the quality of the new social and environmental initiatives achieved, with top sector positions and repeated successful results for the second consecutive year. Some shadow remains over the engagement of OMAL personnel in volunteer projects, which reduced significantly for the reasons described earlier. Certainly, overall the company has done his best to balance the different internal and external demands, of the market and the Proprietor, striving to balance all operations to the best of its ability: the challenge that remains for 2018 shall be to understand how the information presented in this report can enable the company to stand out in the mind of other sensitive and virtuous businesses.





ANNEXES

GLOBAL COMPACT MEMBERSHIP RENEWAL



Omal S.p.A.

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H.E. Antonio Guterrez

Secretary-General

United Nations

New York, NY 10017 USA

Dear Mr. Secretary-General,

I am pleased to confirm that Omal S.p.A keeps on supporting the ten principles of the Global Compact on human rights, labour, environment and anti-corruption for this second year of commitment. With this communication, we express our intent to implement those principles and advance in improving the corporate engagement on such key values. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. Omal S.p.A will reaffirm its clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP), which we will upload by the due date for the second year of our participation to the Global Compact. As we support public accountability and transparency, we reaffirm our willingness to report on progress annually, according to the Global Compact COP policy.

Sincerely yours,

Amdeo Bonomi, CEO

A handwritten signature in blue ink, appearing to read 'A. Bonomi', is written over a light blue horizontal line.



MAP OF GLOBAL COMPACT PRINCIPLES AND SUSTAINABLE DEVELOPMENT GOALS



INTERNAL TARGETS AND PERFORMANCE

1 • Sharing and subscription of the supplier code of conduct by all suppliers:	100% ACHIEVED	  
2 • Unification of the calculation and payment methods for all international shippers:	0% NOT ACHIEVED	  
3 • Activation of the photovoltaic system at the Passirano production site	100% ACHIEVED	  
4 • Replacement of the existing light bulbs in the OMAL offices with LED lights, in the Passirano and Rodengo Saiano premises	50% UNDER PROGRESS	  
5 • Recovery and recycling of paper via collection:	+ 800%	  
6 • Internal consumption of paper:	- 9%	  
7 • Achievement of 40% Green Procurement:	0% NOT ACHIEVED	  
8 • Index of primary energy at the Passirano site:	- 53.5%	  
9 • Participation in volunteer work:	-24%	  

TARGETS AND PERFORMANCE EXPRESSED BY THE GRI

ELEMENTS OF REPORTING

GENERAL STANDARD DISCLOSURES		
AREAS	INTERNAL REFERENCE	GRI INDICATORS
Strategy and Analysis	Lettera agli stakeholder	G4-1
Organisation profile	<ul style="list-style-type: none"> · Corporate Identity · Human Resources · Suppliers · Local community · Our main partners for sustainability 	G4-3, G4-4, G4-5, G4-6, G4-7, G4-8, G4-9, G4-10, G4-12, G4-13, G4-15
Identification of the material aspects and limits	Analysis of materiality and relations with stakeholders	G4-17, G4-18, G4-19, G4-20, G4-21, G4-22, G4-23
Stakeholder engagement	Analysis of materiality and relations with stakeholders	G4-24, G4-25, G4-26, G4-27
Outline of the report	Outline of the report	G4-28, G4-29, G4-30, G4-31
Governance	Governance	G4-34, G4-35, G4-36
Ethics and integrity	Strategic sustainability tools	G4-56, G4-57, G4-58

PERFORMANCE INDICATORS

SPECIFIC STANDARD DISCLOSURES			
AREA	MATERIAL ASPECT	INTERNAL REFERENCE	INDICATORI GRI
ENVIRONMENTAL	Raw materials	Environmental resources	G4-EN2
	Energy	<ul style="list-style-type: none"> · Power consumption · Energy Supply 	G4-EN5, G4-EN6, G4-EN7
	Emissions	<ul style="list-style-type: none"> · Management of greenhouse gas emissions · Investment in the environmental field · Waste management 	G4-EN15, G4-EN16 G4-EN17, G4-EN19 G4-EN23, G4-EN25
	Products and Services	Environmentally friendly products	G4-EN27
	Packaging	Environmentally friendly products	G4-EN28
	Transport	Management of greenhouse gas emissions	G4-EN30
	General	The environmental management of the organisation	G4-EN31
	Assessment of suppliers with respect to environmental criteria	Control of sustainability requirements of suppliers	G4-EN32
WORK PRACTICES	Employment	Working-turnover practices	G4-LA1
	Training and education	Spreading the culture of health and safety	G4-LA9, G4-LA10
	Diversity and equal opportunities	Human resources management	G4-LA12
	Assessment of suppliers with respect to working practices	Control of sustainability requirements of suppliers	G4-LA14

TARGETS AND PERFORMANCE EXPRESSED BY THE GRI

SPECIFIC STANDARD DISCLOSURES			
AREA	MATERIAL ASPECT	INTERNAL REFERENCE	GRI INDICATORS
HUMAN RIGHTS	Procurement practices	Control of sustainability requirements of suppliers	G4-HR1
	Child labour	Human rights - Equal opportunities, diversity, non-discriminatory practices	G4-HR6
	Forced labour	Human rights - Equal opportunities, diversity, non-discriminatory practices	G4-HR7
	Safety Practices	Internal training	G4-HR7
	Assessment of suppliers with respect to human rights	Control of sustainability requirements of suppliers	G4-HR10
COMPANY	Local communities	The territory	G4-SO1
	Corruption	Governance	G4-SO4
	Assessment of suppliers relative to the impacts on society	Control of sustainability requirements of suppliers	G4-SO9, G4-SO10
	Health and safety of consumers	The quality and safety of our products	G4-PR1, G4-PR2
PRODUCT LIABILITY	Product information	The quality and safety of our products	G4-PR3

GLOSSARY

AA1000

Regulations published by AccountAbility that provides organisations with the tools to manage sustainability.

Environment

(extract from UNI EN ISO 14001:2004)

Surroundings in which an organisation operates, including air, water, land, natural resources, flora, fauna, humans and their interrelation.

Carbon Footprint

Carbon Footprint (Source: Ministry of the Environment and Protection of the Land and Sea) The carbon footprint is a measurement that expresses in CO₂ equivalent

the total emissions of greenhouse gases associated directly or indirectly to a product, organisation or service.

In accordance with the Kyoto Protocol, the greenhouse gases to be included: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs) and sulfur hexafluoride (SF₆) and perfluorocarbons (PFCs). The tCO₂e (tonnes of CO₂ equivalent) allows the greenhouse effect produced by these gases to be expressed in reference to the greenhouse effect produced by CO₂, considered to be 1 (for example, methane has a greenhouse potential of 25 times that of CO₂, so one tonne of methane is measured as 25 tonnes of CO₂ equivalent).

The measurement of the carbon footprint of a product or process requires in particular the identification and quantification of the consumption of raw materials and energy in selected phases of the life cycle of the product or process.

CO₂ eq (carbon dioxide equivalent):

Parameter used to compare the emissions of various greenhouse gases on the basis of the Global Warming Potential (GWP). The value of CO₂ equivalent of a gas is obtained by multiplying

its overall weight by the relative GWP.

Conflict minerals

Minerals extracted in conditions of armed conflict and violation of human rights that come from the Democratic Republic of Congo and neighbouring countries. Use in the USA is regulated by the Dodd-Frank Act.

Direct energy consumption

Consumption relating to the use of primary energy sources (methane gas, fuel, etc.) within areas owned or controlled by the organisation. For example, the consumption of methane gas for the operation of heating systems installed at sites of the organisation.

Indirect energy consumption

Consumption relating to the use of primary energy sources (coal, natural gas, fossil fuels, etc.) outside areas owned or controlled by the organisation. For example, the consumption of electricity purchased from an energy provider that uses primary energy sources at its sites to produce electricity.

Direct emissions

Emissions from sources that are owned or controlled by the organisation (e.g. emissions arising from mobility and heating of offices).

Indirect emissions

Emissions from the organisation's activities but that are generated by sources owned or controlled by other organisations (e.g. emissions from the production of energy consumed).

FSC

Forest Stewardship Council.

This mark identifies products containing wood from forests managed properly and responsibly according to strict environmental, social and economic standards. FSC is an international certification that allows organisations to

guarantee on the market the origin of the wood or paper used for their products, thus demonstrating its active contribution to responsible forest management in a correct, transparent and controlled manner.

Green Procurement

Integration of environmental considerations in product and service procurement procedures, taking into account environmental impacts in the course of their life cycle, from the extraction of raw materials to the disposal of waste. Environmental impact (extract from UNI EN ISO 14001:2004) any change to the environment, whether adverse or beneficial, wholly or partially resulting from an organisation's environmental aspects.

ISO 9001 International standard that defines the requirements of an organisation's quality management system. This standard provides guidelines for improving effectiveness and efficiency in the creation of a product or in the provision of a service and for increasing customer satisfaction and loyalty.

Environmental impact

(extract from UNI EN ISO 14001:2004)

Any change to the environment, whether adverse or beneficial, wholly or partially resulting from an organisation's environmental aspects.

ISO 14001

International Standard that identifies the requirements of an "environmental management system" capable of identifying and assessing the environmental aspects of the activities, products and services of an organisation for the purposes of the continuous improvement of environmental performance and of the requirements of the system itself. The standard can be used for the purposes of obtaining certification as a third party, and/or for a self-declaration or simply as a guideline to establish, implement and improve

an environmental management system.

ISO 14064

Voluntary rules published by the International Organization for Standardisation (ISO), which define the international best practices in the management, reporting and checking of data and information relating to GreenHouse Gases (GHG).

ISO 9001

International standard that defines the requirements of an organisation's quality management system. This standard provides guidelines for improving the effectiveness and efficiency in the creation of a product or the provision of a service and for increasing customer satisfaction and loyalty.

Employee

Individual who, pursuant to national laws or practices, is recognized as an employee of the organisation that draws up the report.

LCA (Life Cycle Assessment)

Method of analysis that evaluates the combined interactions that a product/component has with the environment and defines its direct or indirect impact considering its entire life cycle: from production to recycling and final disposal.

Materiality

Materiality is understood to mean the importance that a given (economic, managerial, social or environmental) topic has for the company and its stakeholders (see Stakeholders). Material things are aspects that reflect the significant economic, social and environmental impact of the organisation or influence substantially the assessments and decisions of stakeholders.

Environmental Policy

(extract from UNI EN ISO 14001:2004)

Overall intentions and direction of an organization related to its environmental performance as formally expressed by top management. The environmental policy provides a reference framework for conducting activities and defining environmental objectives and environmental goals.

REACH (Registration, Evaluation, Authorisation and restriction of Chemicals):

European Community regulation on chemicals and their safe use.

Stakeholder AND multistakeholder

Stakeholders are groups or individuals who, within reason, are expected to have significant interest in the activities, products and/or services of the organisation, or whose actions may affect the ability of the organisation to implement its strategies successfully and achieve its objectives. According to the AA1000SES standard (developed by the English organisation, AccountAbility, and recognized as an international benchmark), an organisation can assign a priority to its stakeholders or groups of stakeholders on the basis of their individual relevance. Relevance is an attribute determined by the combined evaluation of the dependency, influence and urgency that each stakeholder has with regard to the organisation or of other aspects which characterise the relationship between the stakeholder and the organisation. The multi-stakeholder approach envisages that a given topic be addressed with the participation and collaboration of players representing different interests in relation to the topic itself and who, therefore, have different demands. These can be, for example, the different players who contribute to a production chain, representatives of institutions, companies

and non-profit organisations, etc.

Sustainability and Sustainable Development

The most widely used definition of sustainable development is found in the "Brundtland Report" of the World Commission on Environment and Development (named after the Chairman in office, Gro Harlem Brundtland), developed in 1987. Sustainable development is a model of development that "meets the needs of the present without compromising the ability of future generations to meet their own needs." Sustainability is therefore an approach (towards the company, as well as towards business) that aims to ensure the balance between present and future demands, balancing economic-financial, social and environmental needs.

Supply Chain

Process of planning, implementing and controlling the efficient and effective movement and storage of raw materials, semi-finished and finished products and related information from the point of origin to the point of consumption, with the aim of satisfying the needs of customers.

Well-to-wheel:

Analysis that concerns the entire life cycle of energy.



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HEADQUARTERS

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Coordinates:

Lat: 45° 35' 53" North; Lon: 10° 05' 21" East

PRODUCTION SITE

Via Brognolo, 12 - 25050 Passirano (BS) ITALY

Coordinates:

Lat: 45° 35' 51" North; Lon: 10° 05' 18" East