Diemme Filtration

Industrial Filtration:
our path of progress and responsibility

Sustainability Report 2024

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Filtration

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Letter to stakeholders

Dears Stakeholders,

With this Sustainability Report we renew the commitment undertaken in 2023 towards an increasingly conscious and transparent management of our business, oriented towards creating lasting value for all the parties involved.

The first edition of our report represented an important starting point through which we wanted to make explicit our vision on environmental, social and governance issues. This second document bears witness to the continuity of that journey and to the growing integration of sustainability into our operational, decision-making and strategic activities.

One of the most significant goals achieved during 2024 was obtaining **ISO 45001 certification**, the international standard dedicated to occupational health and safety management.

After announcing its launch in the previous report, achieving this certification today represents a concrete and meaningful milestone. It is the result of collective work and constant attention to safe, structured working environments that comply with the highest international requirements. The positive outcome of the audit conducted by TÜV reinforces the value of the actions undertaken over time and constitutes an important recognition of the organizational system adopted.

2024 saw the evolution and consolidation of many of the directives outlined the previous year. In particular:

- **the new production hub in Lugo** is now fully operational, both infrastructurally and digitally;

- investment in **management technologies** has continued, such as the MES system in production and Salesforce for Customer Service: tools that are now an integral part of our daily operations; our commitment to operational efficiency has been strengthened through initiatives to standardize processes, digitalize and rationalize internal flows.

Attention to quality has also resulted in technological innovation activities, such as the completion of the new **ME-1500 F** model and the development of an automatic vision system for detecting cloth breakage, which is being integrated with the **AIDA** platform.

During the year, 12 new colleagues were hired, 5 abroad, confirming the strategy of progressive internationalization already illustrated in the previous edition of the report. Our objective remains to develop an organization capable of responding effectively to the needs of local markets while maintaining consistency and continuity with the Diemme model.

We have also continued initiatives related to training, workplace well-being and people engagement, with the goal of promoting a solid, competent professional environment oriented towards continuous improvement.

Despite a less favorable economic environment in the second half of the year, the overall results for 2024 confirm the company's integrity and the soundness of the strategies adopted. The investments already planned, including the completion of the **areas dedicated to laboratories and control panel manufacturing**, will further strengthen our industrial capacity and technological leadership.

We will also continue integrating ESG criteria into our processes, with particular attention to European regulatory developments and the measurement of impacts along the value chain.

Achieving ISO 45001 certification, continuing technological and infrastructural investments, developing internal skills and expanding our international presence are key elements of our journey towards responsible growth.

We would like to thank all our stakeholders for their trust and support. Our commitment is to continue, with earnestness and determination, along this path.

Rosario Eduardo Tagliavini
CEO of Diemme Filtration

Giuseppe Ferraro
CFO of Diemme Filtration

Governance

2011
year of incorporation

24,000 m²
new production area

83.5 mln
value of production 2024

UNI EN ISO 9001 certification
from 2011

Social

158
employees in 2024

+7
hires in 2024

4,341
hours of training

27.5
average hours of training per employee

10
paths for cross-functional skills and orientation

100%
permanent contracts

Environment

-15%
energy intensity
(vs 2023)

over 9 mln t
of water recovered thanks to machines sold in 2024 in the tailings and quarries sector

8,059 GJ
energy consumed in 2024

-9.64%
scope 1 and scope 2 emissions
(vs 2023)

656 t
scope 1 and scope 2 emissions in 2024

+2%
water intensity
(vs 2023)

3,240 m³
water consumed in 2024

+26%
waste generated
(vs 2023)

277 t
waste generated in 2024

1

Diemme Filtration: origins, values, activities

A history of evolution and specialization

GRI 2-6

The Diemme® Filtration brand was born in the early 1970s when the filters produced by the then Diemme Spa expanded beyond their traditional application in the food industry to become established in other industrial sectors as a process technology for solid-liquid separation. In those years the filter press became the equipment of choice for treating industrial and municipal sludge and the Filtration Division was established at Diemme: a new branch of the company specializing in industrial filtration.

In 2011 the company Diemme Filtration Srl was established, inheriting from Diemme SpA the Diemme brand and the entire branch of the business dedicated to industrial filtration. Today Diemme Filtration is part of the Aqseptence Group, representing its "Filtration & Thickening Systems" segment.

Over the years we have been able to seize the new opportunities that have arisen, constantly expanding our scope and adapting our technologies to new applications.

Over time the filter press has been used in an increasing number of sectors, becoming essential in the dewatering of treatment sludge and contributing significantly to reducing the environmental impact of the most polluting production activities.

Today we offer a wide, customizable range of filter presses, with different sizes and designs, engineered to meet the specific needs of our global customers.

Diversifying the portfolio has allowed us to expand our presence in international markets, building strong relationships and reinforcing our adaptability.

The locations of Diemme Filtration

The evolution of the company

1923

The Diemme® brand is established with the development of the first pressing and separation machines for the agri-food industry.

1970

Diemme® Filtration technologies are expanded to encompass other industrial processes.

2011

The filtration division is spun off from the parent company and acquired by Passavant Geiger, a company within the multinational Bilfinger Berger Group.

2013

Passavant-Geiger is renamed Bilfinger Water Technologies, and all group companies are instructed to align their corporate names with the new brand.

2016

Bilfinger Water Technologies is acquired by the Techcent Group and subsequently renamed Aqseptence Group.

2022

As part of a rebranding campaign initiated by Aqseptence Group, the company reverts to its original name, Diemme Filtration.

2023

Aqseptence Group is acquired by Oaktree Capital Management.

The introduction of the **high-rate thickener line** has further enriched our offering in the field of solid-liquid separation, strengthening our proposal of **integrated solutions.**

Our journey is marked by a robust technical vision, constant listening to the market and continuous commitment to Research & Development. Every phase of our evolution reflects the desire to build reliable solutions, capable of responding precisely to the most complex industrial requirements. It is along this trajectory of specialization, adaptability and customer focus that we have strengthened our identity, establishing ourselves as a **reference point in the industrial filtration sector**. This recognition has matured over time thanks to our ability to translate changes in the context into concrete technological and operational opportunities and to anticipate trends with a constant focus on quality and innovation.

Reference context: changing scenarios and new opportunities

[1] **Water scarcity is one of the most urgent challenges of our time**, with significant impacts on industry, agriculture and daily life. Access to clean and safe water resources is not guaranteed everywhere and requires technological solutions that can encourage more efficient and responsible use of the water available. In this context, and in the main markets in which Diemme Filtration operates, solid-liquid separation technologies confirm themselves as essential tools for optimizing industrial processes and improving the management of water resources.

For these reasons, **the industrial filtration sector is experiencing a phase of strong expansion.** According to estimates, the value of the global market will exceed **USD 50 billion by 2029**, starting from the **USD 29.5 billion** recorded in 2020, with a compound annual growth rate (CAGR) of 6% between 2022 and 2029. This trend is supported by several factors: increasing focus on the management of industrial residues, such as **mining tailings**, and increasingly stringent requirements in terms of safety and environmental protection. In this context Diemme Filtration is in a strategic position thanks to its vast experience and its constantly evolving technological offering.

One significant result in this area concerns the overall water recovery made possible by the use of Diemme Filtration plants. It has been calculated that, once commissioned, the machines supplied through orders sold during **2024** and used in the mining sector for the dewatering of tailings will allow the **recovery of 9.168 million tons of water per year**. This enormous quantity of water, if it had been discharged, as is customary, into artificial tailings ponds, would have been lost through evaporation.

The benefit provided by the installation of this equipment is therefore clear, as it has made it possible to reuse a water resource that, in certain parts of the world, is scarce and therefore costly.

The sector is also undergoing a profound digital transformation, driven by the principles of Industry 4.0. The integration of intelligent and interconnected systems allows manufacturers to monitor plant performance in real time, collect data, prevent breakdowns and optimize operational efficiency throughout the production cycle.

[1] Industrial Filtration Market by Type, Product, Filter Media and by Region, Global Trends and Forecast from 2022 to 2029 – Exactitude Consultancy (www.exactitudeconsultancy.com/it/Bilancio s/13993/industrial-filtration-market/).

Vision, mission and values

Vision

Engineering Filtration for the Future.

Mission

We innovate filtration technologies for global industries, leveraging our expertise to enhance efficiency, reduce costs, and promote environmental sustainability.

By continuously developing the skills of our team and working closely with customers, we build trust and deliver reliable services alongside customized, data-driven solutions.

Values

Safety
Safety is a fundamental principle in an activity characterized by operational risks. It translates into a constant commitment to protecting the health and well-being of the people who work with us or interact with our organization.

Responsibility
We act with seriousness and transparency in decisions and behavior. We promote a solid and consistent ethic that guides every relationship and process, inside and outside the company.

Respect
We believe in a working environment founded on collaboration, inclusion and mutual trust. Respect is the basis of our organizational culture.

Trust
Building and maintaining reliable relationships is essential for us. Mutual trust enables us to work effectively and continuously in every context.

Competence
We value technical knowledge and professional growth. We invest in training to deliver effective, up-to-date solutions in line with the needs of the sectors in which we operate.

Passion
Passion for what we do accompanies us every day. It is the energy that motivates us to add value to every detail, with attention and care.

Creativity
We know that every challenge requires new ideas. For this reason we encourage innovation and remain open to change, with a keen eye on market developments.

Global presence and technical specialization

Diemme Filtration is globally recognized as a **leader in industrial filtration**, with a technological offering designed to meet complex requirements in diverse application contexts. We operate in strategic areas such as the mining, chemical and pharmaceutical sectors, construction, dredging and agri-food.

The versatility of our solutions has allowed us to establish a **presence worldwide**, building long-lasting relationships with international clients and strengthening a reputation based on innovation, reliability and adaptability.

Our product portfolio focuses mainly on **filter presses** and **sludge thickeners**, key tools in solid-liquid separation processes in the most advanced industrial sectors.

Filter presses: the heart of our offering

Filter presses are one of the main strengths of our offering. Every plant is designed and customized, starting from the client's technical and operational specifications, to ensure perfect adherence to process requirements.

The product range includes **overhead beam** and **side beam** models, customizable according to the operating conditions and standards required in the different sectors. This design flexibility enables us to respond effectively to the needs of complex and diversified markets.

Thickeners: efficient support for industrial processes

Diemme Filtration thickeners are the result of a continuous commitment to **Research & Development**. They offer high performance combined with optimized management of operating and plant costs. They are available in **fixed bridge** or **center-column** configurations, for diameters over 40 meters, and can be made of **steel or concrete**, depending on design and environmental requirements.

These solutions are characterized by robustness, durability and efficiency, representing an essential solution in sludge treatment and management processes in the most advanced industrial sectors.

The applications of our solutions

Chemical and Pharmaceutical

Dredging and Soil Remediation

Food & Beverage

Power Industry

Red Mud

Quarrying and Recycling

Mining and Metals

Oil & Gas

Second-generation Bioethanol

Wastewater Treatment

Our solutions: technology tailored to every process

GRI 2-6

Diemme Filtration develops **solid-liquid separation solutions** designed **to improve the efficiency of industrial processes and make the most of the resources employed**. Through a wide and modular range of filter presses and thickeners, the company meets the technical and operational requirements of the most challenging sectors, with a customized, performance-oriented approach.

The solid-liquid separation systems produced by Diemme Filtration help to increase yield and process reliability, both in production and in operation. In particular, plate filter press technology for solid-liquid separation delivers high dewatering efficiency, even under complex operating conditions.

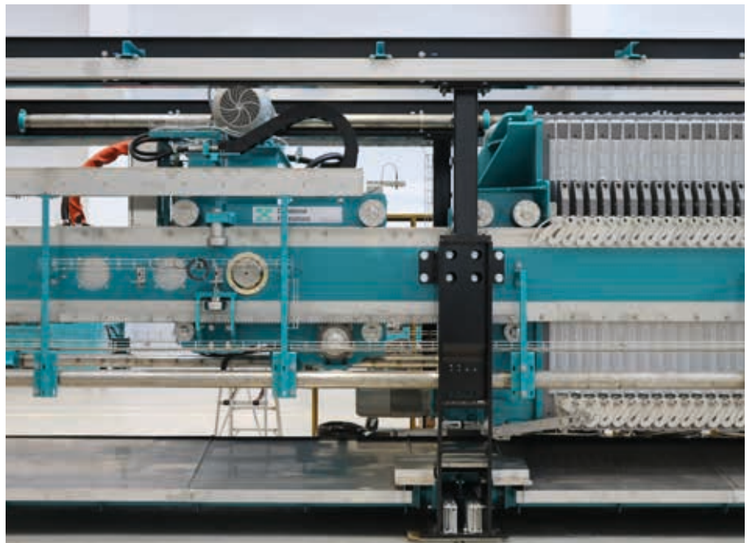
In all the sectors in which we operate, the demand for customized plants is constantly growing. We have built our identity precisely on this ability: **to design and build tailor-made solutions**, shaped to the specific process requirements of each customer. Our solutions stand out for their variety of sizes and configurations, their degree of automation, and the level of customization we offer during the design phase. Among the most advanced models is the **GHT5000F Domino**, currently the largest filter press in the world. Designed for large mining operations, this machine is capable of handling **high volumes of tailings, waste sludge from the mining process**, guaranteeing continuous operation and the management of large quantities of residues (millions of tons per year).

The **GHT-F** filter press is intended for the treatment of **products with high filterability** and for large throughputs. It is used in particular in the mining and metallurgical sectors and in the treatment of red mud from aluminum refineries.

The **GHT-P**, with its overhead beam structure, **is among the most versatile models** and is suitable for most of the sectors served. Designed for **heavy-duty** use, it combines robustness and production capacity.

The **GHS** model stands out for its **accessibility** to the plate pack, robustness and **functional flexibility**. It is designed for the chemical, pharmaceutical, food & beverage, mining, metallurgical and oil & gas sectors, offering ease of use and solidity.

The **ME** machine, **fully automated**, is suitable for sectors such as mining and power generation, where high performance is required with minimal manual intervention.



The **AUTOMAT** is a **side-beam filter press** available in various sizes, designed for industrial processes that require a **limited number of cycles per day** and handle **products with low filterability**.

The **KE** model, on the other hand, is designed for **small volumes of sludge and limited space**: an ideal solution, for example, for pilot plants.

Alongside the filter presses, **high-rate thickeners play a crucial role in the sludge treatment process, improving the overall efficiency of the process**. Their main function is to increase the concentration of suspended solids upstream of the mixing tank that precedes the filter press, thus helping to optimize filtration conditions.

Each thickener, like Diemme Filtration's other products, is designed on the basis of laboratory tests carried out on customer samples to ensure a configuration suited to specific needs.

These solutions are used in various industrial contexts, particularly in the production and processing of aggregates and in the mining sector, where operational continuity and process stability are priorities.

2

The sustainability approach

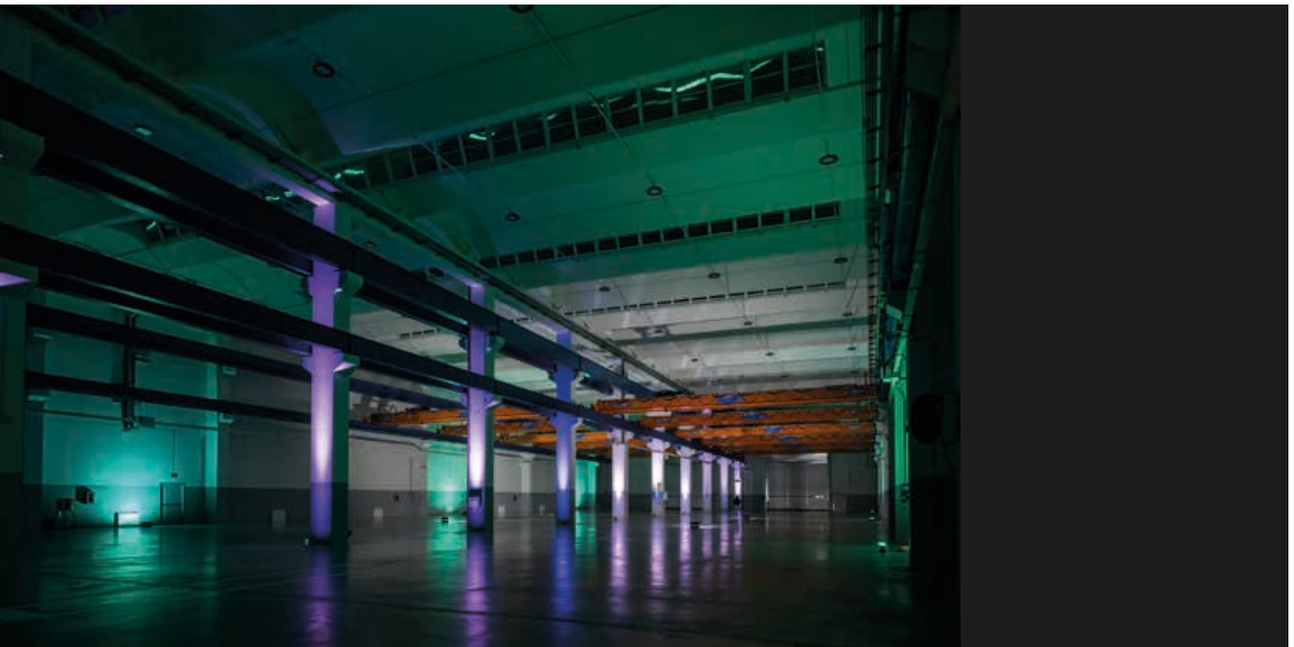
Integration of ESG into corporate strategy

Companies are encouraged to consider their role from a perspective that takes into account not only economic performance, but also the social and environmental dimensions of their operations. With this in mind, **Diemme Filtration has embarked on a structured process in recent years**, with the support of external consultants, to integrate these aspects into its corporate strategy.

Through a participatory process involving the board of directors and the Sustainability Committee, we underwent an **ESG Assessment, an evaluation tool used to analyze our environmental, social, and governance performance**. Based on industry best practices, our strengths and areas for improvement were identified.

Following this analysis, in 2023 we undertook a **consulting process** focused on defining a sustainability strategy based in part on the findings of the ESG assessment. At the same time, we implemented various activities, including the drafting of our **first Sustainability Report** and the launch of our **first organizational carbon footprint study**. Although not certified, this was a fundamental step that provided us with a solid foundation for the future and a new awareness of our emissions.

In **2024**, we took a further step forward by activating data collection aimed at **measuring Scope 1, 2, and 3 emissions** for the current year, in accordance with the GHG Protocol. Our goal is to obtain **UNI EN ISO 14064 certification** by the end of **2025**. This achievement will add precision, credibility, and transparency to our commitment.



Areas of action and priorities

Diemme Filtration's strategic path for the **four-year period 2024-2027** is structured around **five pillars**, developed into key themes and specific actions. The plan focuses on **initiatives aimed at improving environmental, social, and governance performance**.

The strategic pillars represent the **key areas identified by Diemme Filtration**. The company intends to concentrate its efforts on these areas in the medium term to strengthen its focus on resources, people, and its operating context.

The plan reflects the desire **to consolidate competitiveness in the industrial filtration sector** through **technological efficiency** and increasingly structured management of **environmental, social, and organizational aspects**.

The implementation of the planned actions is monitored continuously, verifying the results achieved and updating the approach based on regulatory and operational developments and emerging challenges. **For each pillar, below is a summary of the actions and objectives** achieved, underway, or planned between **2023** and **2024**, divided by area of reference.

People

Valuing people and promoting a **corporate culture** that is aware of and oriented towards **equal treatment**. Ensuring **continuous training, well-being, and growth opportunities** to foster **personal and professional development, listening to and involving** employees, and promoting a **healthy, multicultural, safe, and secure** working environment for all workers.

	Goal	Target Year	2023 Progress	2024 Progress	Status
Acquisition and retention of talent	Activation of at least 1 industrial doctoral scholarship with financial contribution and provision of a hospitality period every three years	Annual		1[a] scolarship activated	✓
	Commitment to host 5-7 students per school year (PCTO) annually	Annual	16 students hosted	10 students hosted	✓
	Formalization of an onboarding procedure	2024	-	Release of onboarding procedure	✓
Training	Training of 100% of employees on ESG issues (general training) by 2024	2024	-	100%	✓
	100% of workers trained on ESG issues (general training) by 2025	2025	-	-	→
Health and Safety at work	Implement a Health and Safety Management System certified according to the UNI ISO 45001:2018 standard	2024	-	Achievement of ISO 45001 certification	✓
	Annual renewal of the Safety Walk listening project	Annual	-	Project completed	✓
	Development of a survey on work-related stress for employees, every 4 years	2023 2027	Survey sent		→
Welfare and well-being at work	Integration of the welfare plan: creation of a relaxation room	2024	-	Creation of a relaxation room	✓
	Integration of the Welfare Plan: activating an additional Health Plan	2026	-	-	→
	Formalization of a welfare and work-life balance plan for employees	2025	-	-	→

Company, Innovation and Supply Chain

Integrating ESG issues into corporate governance means extending the principles of transparency, ethics, and legality to decision-making and operational processes. Diemme Filtration intends to monitor environmental, social, and governance factors in a structured manner, identifying risks and opportunities related to its operations with greater awareness.

The goal is to ensure **consistency and continuity in the adoption of practices that reflect high standards of management**, helping to generate value in the medium to long term for all stakeholders.

We view **process and product innovation** as a strategic lever, promoting the adoption of advanced **technologies, including artificial intelligence**, and working **to optimize the value chain** through collaboration with suppliers, customers, and partners. An approach geared towards building **solid and synergistic relationships** throughout the supply chain.

	Goal	Target Year	2023 Progress	2024 Progress	Status
Responsible management of the supply chain	Sharing and signing of the code of conduct with 100% of active suppliers	Annual	Ongoing	100% of procurement expenditure with suppliers who have signed the Supplier Code of Conduct	✓
	Implementation of a supplier evaluation and qualification plan based on compliance with environmental and social criteria	2027	-	-	→
	Mapping of suppliers from an ESG perspective	2025	-	-	→
Transparency, Ethics, and Business Integrity	ECOVADIS Medal Awarded	2026	-	Completion of the Ecovadis questionnaire	→
	Development of an internal and external materiality analysis with stakeholder involvement	2025	First internal materiality analysis	Internal and external materiality analysis	✓
Responsible governance	Drafting of a strategic sustainability plan and monitoring	2024	-	Release of the corporate sustainability strategy plan	✓
	Establishment of sustainability governance	2025	Creation of an ESG working group	Transformation of working group into an ESG Committee	→
R&D	Completion and implementation of the WMS project	2026	-	Ongoing	→

Planet

Diemme Filtration is committed to improving **energy efficiency** and **optimizing** the use of resources through the use of technologies and the design of solutions aimed at reducing consumption, **particularly of water**.

We promote practices aimed at the reuse, recycling, and circularity of materials, integrating **emission reduction** strategies into our operations and implementing **measurement and progressive compensation strategies**.

	Goal	Target Year	2023 Progress	2024 Progress	Status
Energy management	Expansion of renewable energy use: extension of the photovoltaic park (new plant) with a capacity of 240 kW	2024	-	+240 kW	✓
	Expansion of renewable energy use: installation of a photovoltaic park on the old plant	2025	-	-	◐
	Expansion of renewable energy use: activation of an EE supply contract with GDO release	2026	-	-	→
	Achieving greater energy efficiency through the implementation of ad hoc measures	2024	-	-	✓
	Launch of energy management activities with identification of energy performance indicators	2025	-	-	◐
	Monitoring of 100% of electricity consumption	2027			◐
Emissions					
	Preparation of a UNI EN ISO 14064:2019 or GHG Protocol certified study - CFO Scope 1, 2, 3 study	2025	-	Release of first CFO Scope 1, 2, 3 study (uncertified)	◐
	Optimization of business travel monitoring (e.g., through the use of an ad hoc tool)	2025	-	-	→
	Implementation of an environmental policy	2025	-	-	◐
Materials	Use of recycled paper from FSC-certified supply chains (for office use/brochures)	2024	-	Use of recycled paper from FSC supply chains and Ecolabel certified	✓

Community

Diemme Filtration intends to strengthen its ties with the local area through the **active involvement of the local community**.

We promote partnerships with schools and universities, participating in **initiatives of local interest** and supporting **cultural and social projects** that generate shared value. These activities contribute to building a conscious and participatory presence in the context in which we operate.

	Goal	Target Year	2023 Progress	2024 Progress	Status
Relationship with the local area and community	Schools - Donation of 5 computers every two years to selected educational institutions	2023 2025 2027 2029	12 PCs ITIS Ravenna	-	✓
	Schools - Annual organization of company visits with at least 2 classes	Annually	3 classes	5 classes	✓
	Sponsorship, every two years, of an event/initiative in the local area	2024 2026 2028	Shell Eco Marathon Europe	Romagna Digital Valley	✓
	University - Activation of financial support for the annual mechatronics degree course starting in 2024	Annually	-	Grant payment (23 enrolled students)	✓

→ To start
◐ Underway
✓ Achieved

Relationship with stakeholders

GRI 2-29

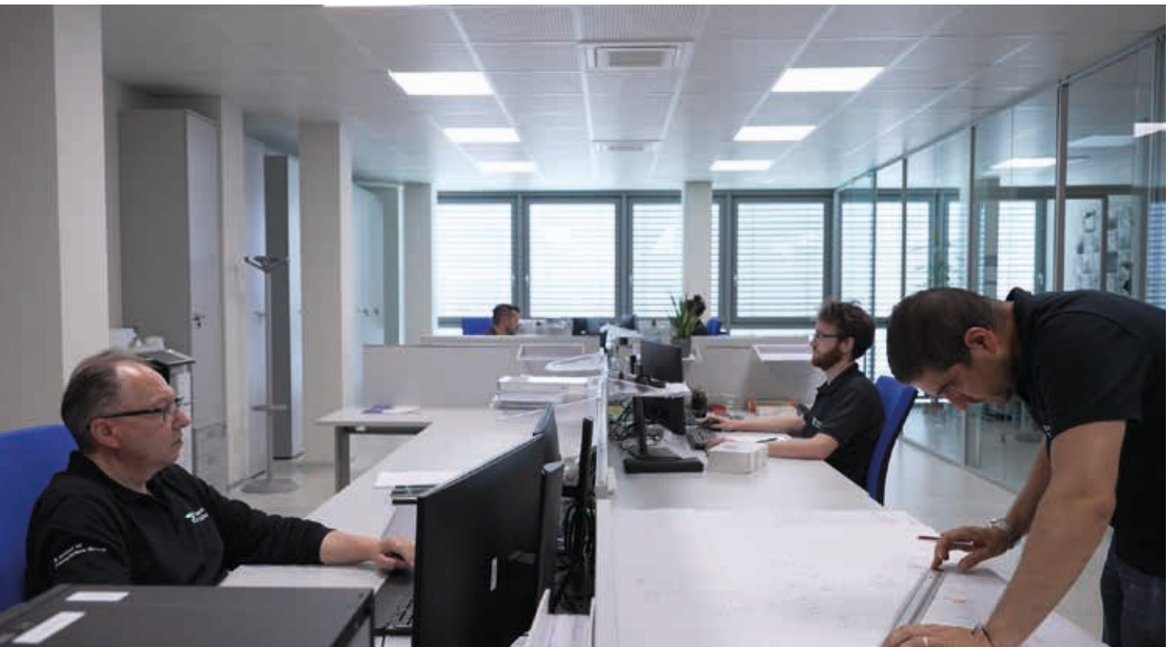
Stakeholders are individuals or groups who may be affected by the organization's activities, products, and services, or whose actions may affect its ability to implement its strategies and achieve its objectives.

For Diemme Filtration, maintaining active and collaborative relationships with stakeholders is a central element of corporate management. Continuous dialogue with stakeholders allows us to understand their needs and expectations, as well as to identify and manage any risks associated with our operations more effectively.

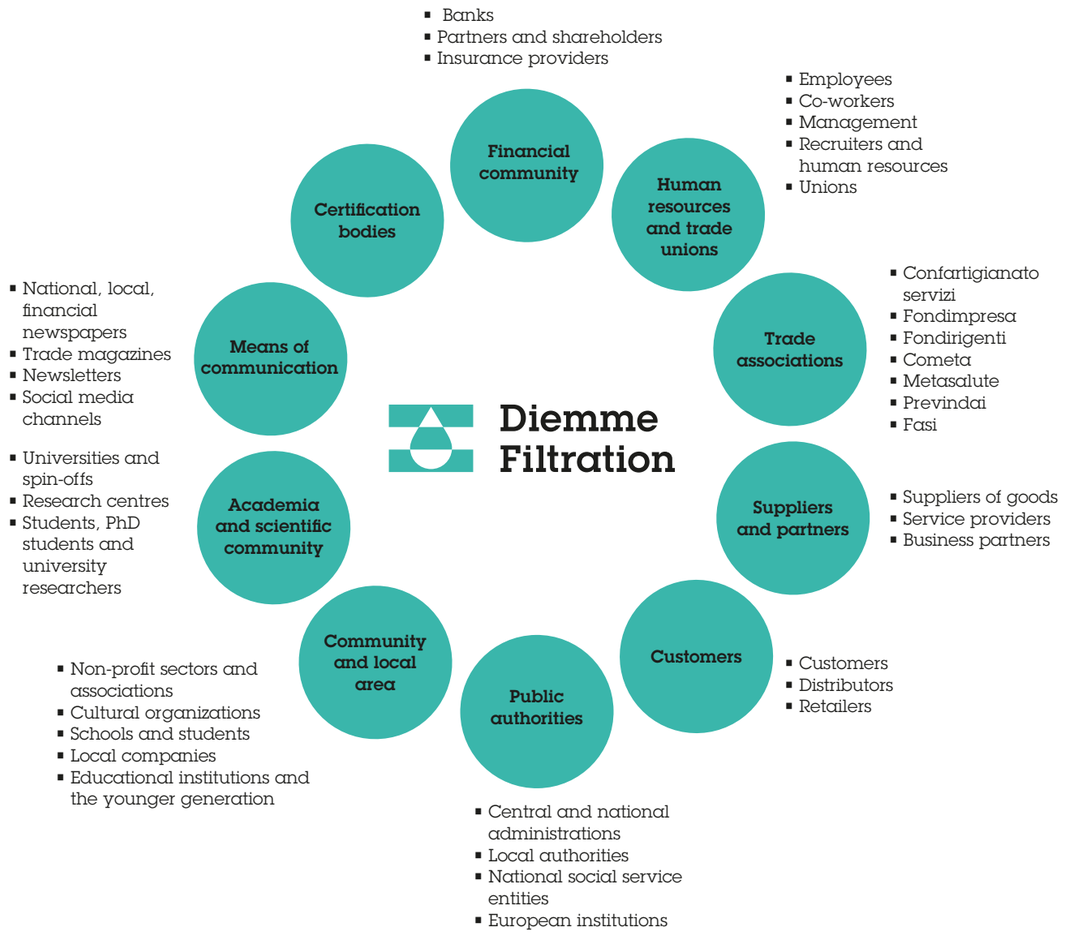
This interaction helps to strengthen **trust, transparency, and consistency in the actions taken**, and guides business decisions with a view to shared growth.

At Diemme Filtration, stakeholder relations are not just about listening, but **a concrete lever for aligning strategy and operations**, enhancing the role of all those involved.

Below are the main categories of stakeholders with whom we interact:



Diemme Filtration's stakeholder map



Stakeholders and methods of engagement

Stakeholder engagement is the process used by an organization to involve significant stakeholders in order **to achieve a clear, pre-set objective**. It is recognized as a **fundamental mechanism for identifying and understanding sustainability issues, but also for reporting, explaining, and informing stakeholders about specific decisions, actions, and performance**[2].

During 2023, Diemme Filtration initiated a process to identify and map the interests and methods of stakeholder engagement.

For each stakeholder category, current information channels and specific methods of engagement were identified in order **to establish a solid foundation for future stakeholder engagement**, ensuring that their voices are heard in corporate strategies and decisions.

[2] Standard AA1000 Stakeholder Engagement

Interests and forms of stakeholder engagement

Category	Interests	Forms of involvement	
Public authorities	▪ Responsible governance ▪ Transparent management ▪ Regulatory compliance	▪ Website ▪ Annual reports	▪ Periodic declarations ▪ Social services fund ▪ Entratel
Community and local area	▪ Supporting local initiatives ▪ Economic support for local associations ▪ Economic support for the local area	▪ Fairs and events, specific meetings, open days ▪ Meetings and local events ▪ Social media	▪ Website ▪ Donations, press releases, sponsorships
Academia and scientific community	▪ Collaborative opportunities for training undergraduates ▪ Opportunities for collaboration ▪ Financial stability ▪ Financing	▪ Fairs and events, specific meetings ▪ Career days	
Means of communication	▪ News and innovations	▪ Personal meetings ▪ Social media ▪ Website	
Certification bodies	▪ Maintenance of certifications	▪ Audit days ▪ Specific meetings	
Financial community	▪ Long-term economic and social sustainability	▪ Website ▪ Company balance sheets	▪ BoD ▪ Specific meetings ▪ Emails
Human resources and trade unions	▪ Job stability ▪ Occupational wellbeing ▪ Responsible governance	▪ Website ▪ Notice board ▪ Social media ▪ Individual meetings ▪ Corporate events	▪ Training and awarenessraising activities, professional development opportunities ▪ Regular meetings ▪ Emails ▪ Newsletters
Trade associations	▪ Product quality ▪ Product safety ▪ Innovation	▪ Website ▪ Comparison meetings ▪ Emails	
Suppliers and partners	▪ Continuity of working relations ▪ Business integrity ▪ Economic sustainability	▪ Website ▪ Contract documents ▪ Regular meetings ▪ Vendor list ▪ Emails	
Customers	▪ Product quality and safety, process efficiency, respect for the environment ▪ Customer care ▪ Business integrity	▪ AIDA customer service ▪ Social networks ▪ Newsletters ▪ Website ▪ Press releases	▪ Complaint and dispute management ▪ Specific meetings and web meetings ▪ Trade fairs/conferences ▪ Academy portal ▪ Events/open days

Materiality assessment

GRI 3-1 | GRI 3-2

Stakeholder engagement is **strongly promoted by the Global Reporting Initiative (GRI)**, which emphasizes its fundamental role in the effective identification of material environmental, social, and governance issues.

Aware of the strategic value of this process, not only to gather stakeholder expectations but also to improve the internal management of ESG issues, **Diemme Filtration launched a direct engagement activity with its most significant stakeholders in 2024**. The aim was to gather opinions on the company's impact, the perceived relevance of sustainability issues, and the company's ability **to respond effectively to the issues raised**.

The process was designed to ensure **balance and representativeness** among the various stakeholder categories, in line with the company's operating context.

The following paragraph reports the main findings that emerged from this process.

The materiality analysis aims **to identify and prioritize the issues that outline an organization's sustainability approach and that must be reported**. In particular, the objective of the materiality analysis is to understand which issues related to sustainability - economic, governance, environmental, and social issues - are relevant and therefore material to an organization through internal and external stakeholder engagement processes.

Material issues represent aspects that reflect the significant economic, environmental, and social impacts that a company generates and that substantially influence stakeholder assessments and decisions.

For the second edition of its sustainability report, Diemme Filtration undertook **a structured materiality analysis process, consolidating and expanding on the approach introduced the previous year**. In the 2024 Sustainability Report, Diemme Filtration launched an initial exercise to identify material topics through an approach based on sector analysis and evidence, benchmarking, and the **direct involvement of senior management (CEO and CFO) and the Sustainability Committee**, according to the following phases:

2024 materiality process

1	Mapping of stakeholders and methods of involvement
2	Analysis of market scenarios and prospects, in-depth study of comparables at both national and international level (benchmark analysis)
3	SASB (Sustainability Accounting Standards Board) Materiality Map analysis for the filtration systems sector
4	Identification of ESG issues and assessment of internal materiality
5	Interviews with company representatives on the business model and company priorities
6	Validation of materiality issues and priority levels by management and the Sustainability Committee

As there have been no particular changes in the business and/or events that would require an update of the context analysis compared to last year, **Diemme Filtration has considered the evidence from the first materiality process, also involving the most significant external stakeholders**, in order to obtain their views on the issues identified as significant last year and any new areas to be addressed.

2025 materiality assessment (internal and external)

2025 materiality process

1	Interviews with company representatives for updates on the business model and the business context compared to the previous year
2	Internal assessment of material and emerging issues identified last year
3	Identification of the most significant stakeholders and engagement through surveys
4	Analysis of survey results addressed to management (CEO and CFO) and the Sustainability Committee and external stakeholders
5	Validation of materiality issues and priority levels by management and the Sustainability Committee

Not only internal figures but also external stakeholders were involved in this Sustainability Report.

Specifically, Diemme Filtration's management (CEO and CFO) and Sustainability Committee assessed the ESG issues that emerged as relevant last year - with the possibility of identifying additional/emerging areas - by completing a survey on a dedicated online platform and conducting interviews with external consultants.

At the same time, **external stakeholder engagement** was carried out by sharing a survey translated into several languages (Italian, English, Spanish, and Portuguese), again on an online platform with guaranteed anonymity. This tool was chosen to ensure the involvement of diverse stakeholders from different parts of the world.

In line with the principle of inclusive reporting, Diemme Filtration's **approach to stakeholder selection was broad and inclusive**, as all relevant classes were represented in the engagement process, based on the absolute number of each stakeholder class.

The process made it possible to:

- map strategic priorities in relation to relevant stakeholders;
- validate sustainability actions in relation to stakeholder perceptions;
- strengthen the ability to listen to and engage with stakeholders.

The activity involved **10 categories of external stakeholders, comprising a total of 141 representatives, with a response rate of 51%.**

The stakeholders involved expressed their assessment, in terms of interest, on a numerical scale from 1 (not interesting) to 4 (priority issue) for **the material and emerging issues identified the previous year.** In addition, Diemme Filtration also explored their perception/knowledge of its initiatives and commitment to sustainability, which emerged as positive overall.

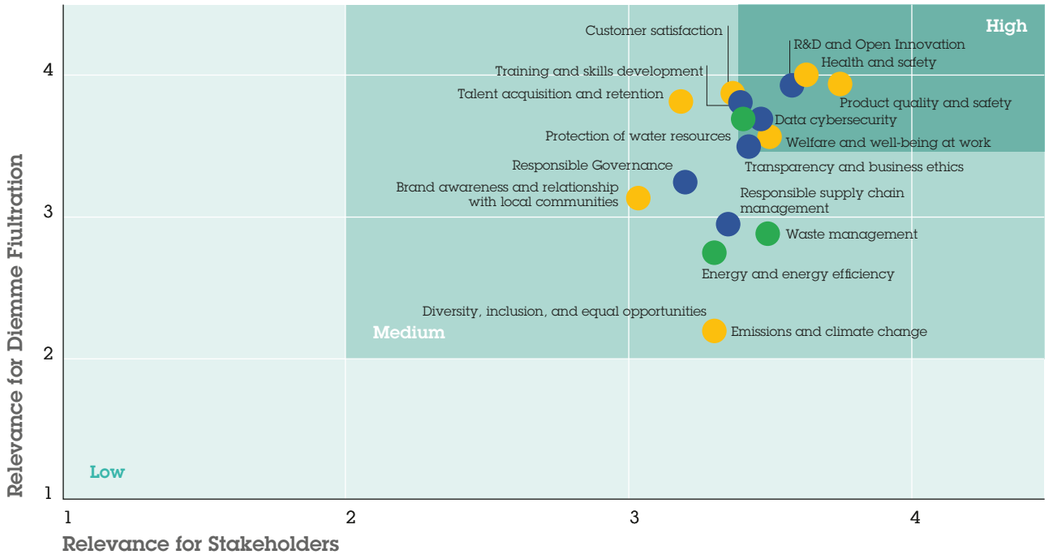
Evidence of external stakeholder involvement through surveys

Stakeholder category	Response rate (%)
Financial community	66
Suppliers and business partners	100
Customers	15
Public administration	-
Human Resources and Trade Unions	-
Certification bodies	-
Trade associations	100
Academic world and scientific community	50
Media	50
Supervisory body	100
Total	**51**

The engagement activity was a key opportunity **to gain a deeper understanding of the perceptions of key stakeholders and to gather useful information to guide strategic priorities in the ESG area.**

The results of the engagement with external stakeholders and **the analysis by Diemme Filtration's management (CEO and CFO) and Sustainability Committee** were summarized in the **materiality matrix**, which graphically shows the relevance attributed to each issue from both perspectives, highlighting points of convergence and any areas of misalignment.

The matrix was validated by the Sustainability Committee, confirming its value as **a strategic decision-making tool**.



The y-axis represents the level of relevance of the issues attributed by the Management (CEO and CFO) and the Sustainability Committee of Diemme Filtration as internal stakeholders, while the x-axis represents the level of relevance of the issues attributed by suppliers, customers, institutions, local communities, universities, and other external stakeholders.

The most relevant issues are located far from the origin on both axes; **the upper right quadrant of the matrix identifies those with the greatest significance**. The **materiality matrix** graphically represents the result of the stakeholder engagement process, aimed at deepening **the perceived relevance of the issues identified as material and emerging last year**, in order to further refine their framework within the company's strategies.

The issues included in the 3.4-4 (high) area are perceived as highly relevant for both Diemme Filtration and its external stakeholders. Given their significance, these issues are considered a priority not only for sustainability reporting purposes but also in strategic and priority terms. **These mainly consist of social and governance issues** *(Research and Development, Product Quality and Safety, Data Security, Welfare and Well-being at Work, Health and Safety, Customer Satisfaction, Training and Skills Development, Transparency and Business Ethics)*, **with the exception of the environmental issue of "water resources", which is fundamental to the company's business**.

The issues included in areas 2-3.4 (medium) are perceived as having a medium-high level of relevance for both Diemme Filtration and its external stakeholders. These issues have also been reported, providing the areas of intervention currently underway/planned; they represent areas in which investments have been made and/or are expected to be made, as also highlighted in the strategic plan.

As before, there is a prevalence of social and governance issues *(talent acquisition and retention, responsible governance, brand awareness and relations with local communities, responsible supply chain management, diversity and equal opportunities)*. **However, environmental issues are higher than in the top box of the matrix.** These include waste management, emissions and climate change, energy and energy efficiency.

The absence of assessments in area 1-2 (low) highlights the validity of the first materiality approach launched in 2024 and validated by external stakeholders, enabled **accurate and consistent identification of material issues.** The **strong alignment** between internal and external assessments testifies to the soundness of the path taken and the consistency between Diemme Filtration's strategic direction and the expectations of its reference ecosystem.

3

Governance at Diemme Filtration

Corporate governance and organizational structure

GRI 2-9 | GRI 405-1

In a global context where integrity and attention to ESG issues are becoming increasingly important, adopting these principles as guidelines is not only an ethical choice, but also a lever for strengthening the consistency and reliability of the organization.

Diemme Filtration has established a **Sustainability Committee** tasked with **guiding, supporting and monitoring the company's ESG initiatives**, promoting their integration into strategic and operational processes.

ESG Committee	Role
Andrea Pezzi	Director of Marketing and Communication [Coordinator of ESG Committee]
Giovanni Bombardini	HSE Manager
Gaia Corelli Grappadelli	Head of Human Resources
Nicola Rossi	HSEQ Manager
Roberto Dal Monte	Digital Process Data Manager and Head of Project Controlling
Andrea Giampaolo	Plant Manager
Elisa Canto	Head of Administration
Salvatore Trinchese	Procurement Manager

Vision and leadership of the organization

Diemme Filtration adopts a multi-person, collegial governance system that combines experience, expertise and control to ensure balanced decision-making.

The **Board of Directors** is composed of two key figures:

- **Rosario Eduardo Tagliavini,** Chairman of the Board of Directors and Chief Executive Officer (CEO);
- **Giuseppe Ferraro**, member of the Board of Directors and Chief Financial Officer (CFO).

The administrative body is supported by the **Single Statutory Auditor**, **Alessandro Gallo**, who holds supervisory and guarantee functions in regulatory matters and ensures the management balance.

The structure also includes the **Supervisory Body** (SB), composed of Roberto Nicolucci (Chairman) and Alessandro Gallo. The SB is responsible for monitoring the application of **Legislative Decree 231/2001**, to protect the transparency and fairness of internal processes.

This structure is designed to combine strategic vision and organizational rigor, forming the basis of the trust that the company builds with its stakeholders on a daily basis.

Board of Directors	Role	Age
Rosario Eduardo Tagliavini	Chairman of the BoD and CEO	Older than 50
Giuseppe Ferraro	Member of the BoD and CFO	Between 30 and 50

Single Statutory Auditor	Role	Age
Alessandro Gallo	Statutory Auditor	Older than 50

Supervisory Board	Role	Age
Roberto Nicolucci	President of the SB	Older than 50
Alessandro Gallo	Member of the SB	Older than 50

Organizational structure

Over time, Diemme Filtration has developed a solid and functional organizational structure focused on **operational efficiency, collaboration between units and the ability to adapt to changing contexts.**

Each area is defined by a specific focus, in a system that aims to translate corporate objectives into coordinated and consistent actions, in line with the defined strategic direction.

The **Aqseptence Group**, of which we are a part, **owns 100% of our company**. Belonging to this international group gives us access to a consolidated network of **expertise, technologies and industrial synergies**, supporting our development and positioning in global markets.

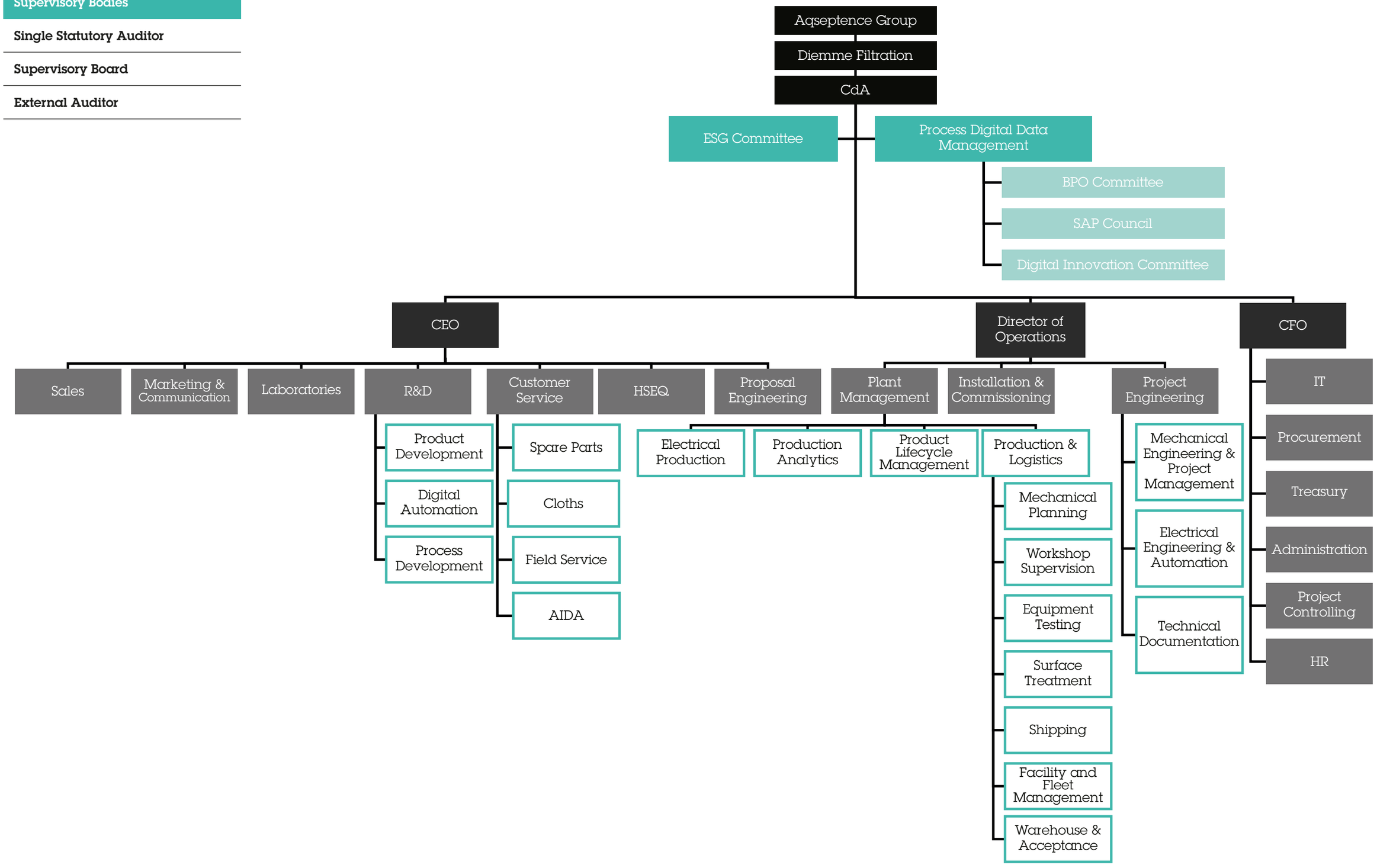
Below is the organizational chart of Diemme Filtration:

Supervisory Bodies

Single Statutory Auditor

Supervisory Board

External Auditor



Transparency, ethics, and compliance

GRI 2-16 | GRI 2-26 | GRI 2-27 | GRI 205-3 | GRI 406-1

At Diemme Filtration, we adopt principles of **transparency, ethics and regulatory compliance** as fundamental elements of business management, integrating them into our decision-making, operational and relational processes.

Adopting an integrated and proactive approach in these areas strengthens stakeholder confidence, protects our organization and contributes to the strength of our internal and external relationships.

We adopt the Aqseptence Group Code of Conduct, in addition to our Code of Ethics, which we actively share with all our stakeholders, both internal and external. Both documents, also available on our website, reflect the values that guide us every day:

- combating all forms of corruption;
- respect for diversity - cultural, ethnic, religious, ideological and gender;
- a commitment to ethical behavior in all relationships, both inside and outside the organization.

Since 2013, we have adopted an **Organization and Management Model in accordance with Legislative Decree 231/2001**, which allows us to prevent and manage unlawful conduct and promote a corporate culture based on integrity and compliance with the rules.

Our **Supervisory Body** is responsible for ensuring the implementation and monitoring of the model, verifying the correct application of the provisions and promoting a context based on transparency and fairness.

To support our organizational system, we have also established a **whistleblowing channel**, which enables anyone, including anonymously, to report unlawful, improper, or inconsistent behavior. This tool protects those who report incidents and is a fundamental safeguard for a safe, inclusive and transparent working environment.

In the last three years, there have been no incidents of corruption, regulatory violations nor discrimination.

Data security

GRI 205-1 | GRI 205-2 |

When it comes to data security, at Diemme Filtration we take a proactive, multi-pronged approach to make sure your info is protected.

Our **Data Security policy** is rooted in the most rigorous information security management standards and represents an ambitious commitment to high standards of IT security, not only for Diemme Filtration but for the entire group, paving the way for the extension of best practices to all business units.

We have consistently employed best practices inspired by the ISO 27001 model for file system management, which enables us to classify and protect files based on their criticality and confidentiality, ensuring that confidential information is treated with utmost care.

Furthermore, in 2024, we introduced a DMS (Document Management System) designed to ensure the highest levels of security and traceability, which enables us to manage and protect the information entrusted to us by customers and partners who choose to establish a collaborative relationship with Diemme Filtration.

We adopt management models that comply with ISO standards, but as relevant entities under the European NIS2 directive, starting this year, we have also begun **collaborating with the National Cybersecurity Agency (ACN)** to align ourselves with European best practices in cybersecurity and undergo periodic government audits. This process, which aims to increase the resilience of the national and EU production chain, ensures the continuous improvement of data management and protection practices.

Regarding the management of personal data, we closely monitor the provisions of the GDPR, incorporating advanced privacy practices that comply with and, where possible, exceed European regulations.

Firstly, partners and customers can rely on complete transparency in the processing of personal data, as outlined in our up-to-date and readily available privacy policies.

We monitor all processes that involve personal data by maintaining an up-to-date Register of Processing Activities, which is subject to annual audits. We also constantly follow developments in best practices to ensure that standards are maintained.

We hold training courses for Data Processors to promote a culture of compliance with privacy regulations and to ensure the cooperation of all company departments.

Our communications with customers are targeted and responsible, through newsletters that ensure we only reach those who have expressed a genuine interest in our services, avoiding any form of unwanted mass mailing.

This approach protects our reputation and strengthens our partners' confidence in our ability to manage and protect their data securely and in compliance with current regulations.

Economic performances

GRI 201-1

All our operations are guided by the principles of **economic responsibility** towards our stakeholders, in compliance with applicable laws and regulations.

We are committed to regularly communicating our financial situation, activities, business developments and forecasts, always maintaining the **principles of clarity, truthfulness and transparency.**

In 2024, the value of production fell by 15% compared to the previous year, reaching €83,524,165 and returning to the levels recorded in 2022.

On the other hand, **turnover reached €86,992,960, an increase of 13.7% compared to the previous year** and 44% compared to 2022. The increase recorded in 2024 was driven by orders already in the portfolio and stable raw material costs, in contrast to the previous year.

The turnover result for 2024 represents the second-best year ever, surpassed only by the historic record set in 2023. This performance was supported by both orders acquired during the year and the remaining order book at the end of 2023.

The first few months of 2025 began with a positive trend in orders acquired, suggesting that turnover for the current year will be substantially in line with that of 2024.

The following tables illustrate the **creation and distribution of economic value** over the three-year period, based on data taken from the income statement for each financial year. The aim is to transparently represent the **value generated by Diemme Filtration** and its subsequent **redistribution among the various stakeholders**.

In 2024, 99.2% of the **economic value generated** consists of revenues from the sale of finished products, while the remaining 0.8% comes from ancillary activities. Overall, there was a 13% increase compared to the previous year, reflecting sustained growth in line with the company's strategies.

Changes in inventories of work in progress, semi-finished and finished products, and work in progress on order (or contracts) have not been taken into account here, which, given the company's approach to accounting in accordance with OIC 23, will contribute to the creation of value distributed during the next financial year.

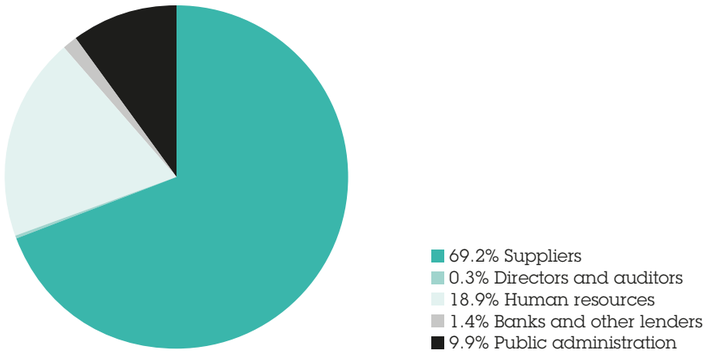
The **economic value received** includes the portion of other revenues received from the Public Administration in the form of contributions during the financial year, mainly intended to strengthen the company's investment activities.

The **distributed economic value** encompasses costs, categorized by the primary stakeholders who benefit from them. In 2024, approximately 74.7% of the economic value directly generated was redistributed, with the largest share going to suppliers (69.27%). This percentage represents a 20% decrease compared to the previous year, marking a **gradual reallocation of resources**.

In particular, there has been a growing focus on human capital: **the share allocated to human resources has increased by 5%**, recognizing that people's skills and commitment are a key factor in the company's development.

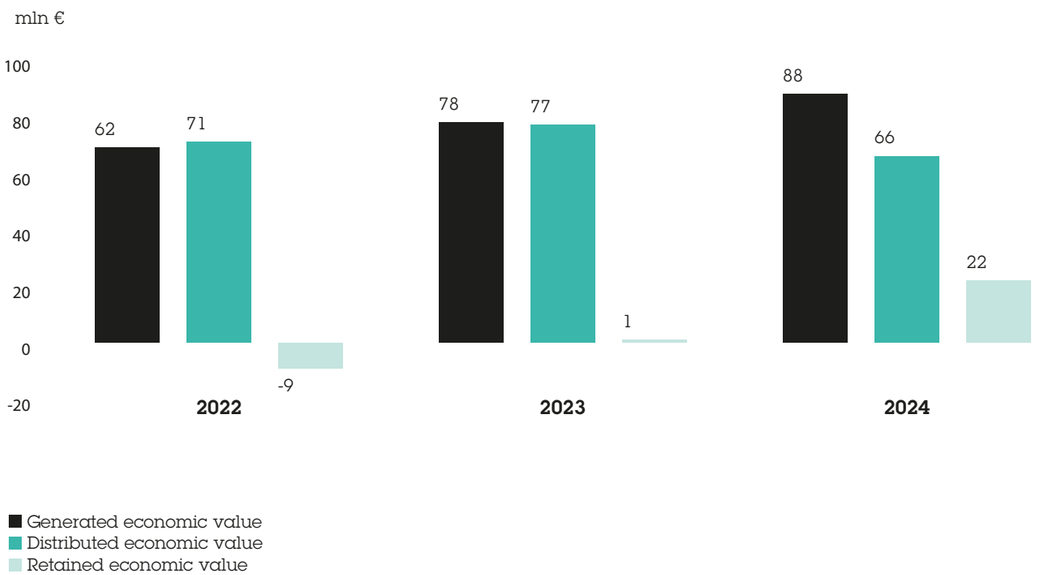
Distribution of value among stakeholders is as follows:

Distributed economic value



The **retained economic value** is represented by the difference between the economic value generated and received, and the economic value distributed to the various categories of stakeholders.

Retained economic value



Below is a breakdown of the economic value generated and distributed, in accordance with GRI standards.

Directly generated and distributed economic value	2022	% of tot.	2023	% of tot.	2024	% on tot.
Economic value generated and received	**62,091,702**	**100%**	**78,576,680**	**100%**	**89,066,101**	**100%**
Generated economic value	61,372,048	98.8%	78,138,578	99.4%	88,325,397	99.2%
Received economic value	719,654	1.2%	438,102	0.6%	740,704	0.8%
Distributed economic value	**71,120,739**	**114.5%**	**77,167,620**	**98.2%**	**66,493,376**	**74.7%**
Suppliers	57,630,281	81%	57,600,460	74.6%	46,060,249	69.27%
Directors and auditors	463,060	0.7%	398,813	0.5%	226,486	0.34%
Human resources	10,505,037	14.8%	12,012,764	15.6%	12,633,185	18.9%
Banks and other lenders	652,159	0.9%	742,871	1%	931,074	1.4%
Public administration	1,688,988	2.3%	6,130,424	7.9%	6,638,516	9.98%
Local community	181,214	0.3%	282,288	0.4%	3,865	0.01%
Retained economic value	**(9,029,037)**	**-14.5%**	**1,409,060**	**1.8%**	**22,572,725**	**36.4%**

For greater clarity, we highlight in the appendix the reconciliation between the retained value and the net result for the period from the financial statements. The table includes changes in inventories, depreciation and amortisation of tangible and intangible assets, provisions, value adjustments to financial assets and other income and expenses.

4

Quality, innovation, and cutting-edge technology

The culture of quality at Diemme Filtration

GRI 203-1 | GRI 2-16 | GRI 416-1

Product quality is an essential pillar for us, supported by a systemic approach based on accurate analysis, timely corrective actions and shared company policies, with constant attention to safety and customer satisfaction.

We adopt a **quality management system** compliant with the UNI EN ISO 9001 standard, certified since 2011 and renewed in 2022 under the new name of "Diemme Filtration Srl".

The management system allows us to monitor various indicators in a structured manner, among them the quantity and nature of incidents related to **non-compliance of the product**. Each event is recorded and analyzed with the direct involvement of the technical department in order to identify the causes and implement the necessary corrective actions.

The system is based on structured documentation - **quality manual, procedures and operating guidelines** - which guarantees consistency and traceability of processes.

All our products are subject to the Machinery Directive, which requires the preparation of a complete technical dossier for each model, bearing the **CE marking**.

To complete the quality management system, we adopt and share **the Quality Policy, the Aqseptence Group Code of Conduct and our Code of Ethics**, which establish the expected behavior and operating principles for all employees, promoting responsible management consistent with the company's commitments.

Cutting-edge engineering and design

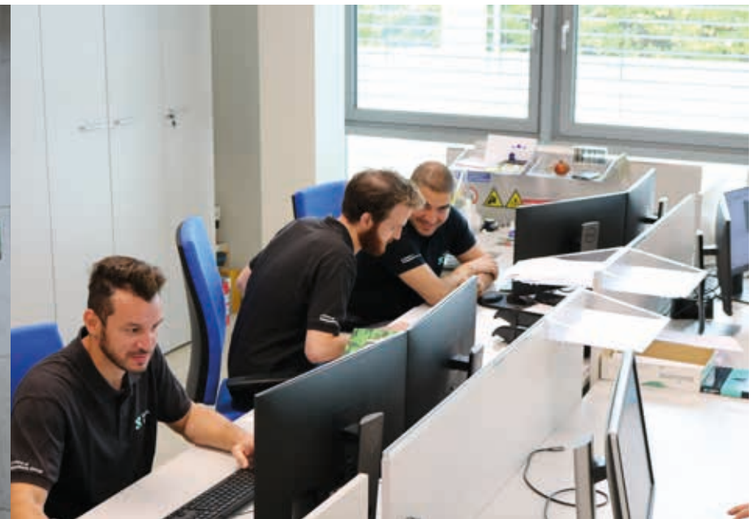
Innovation is the driving force behind Diemme Filtration's business model and represents the key to its position as a benchmark in the industrial filtration sector. In a rapidly evolving market, we act to anticipate customer needs with advanced and customized solutions.

Two complementary souls guide this path: **the Laboratory and the Research & Development (R&D) department**, integrated within the company and focused on continuous experimentation.

Laboratory

The Laboratory plays a key role in the pre-sales phase, supporting the sales department through tests aimed at optimizing processes and performance of the solution we offer. Approximately 80% of its activities are dedicated to technical support for customers and partners, while the remaining 20% is focused on innovation.

With a dedicated budget, we invest in equipment, training and continuous improvement. In particular, we are currently working on optimizing **the polishing system** for the reuse of the filtrate from cloths washing.



Research and development

The R&D department focuses on innovative projects, including the development and expansion of the AIDA platform, the evolution of existing product lines, and process automation. We frequently participate in initiatives funded by public bodies, as well as collaborations with universities, centres of research and private partners, with the aim of expanding our expertise and accelerating technological development.

The synergy between the Laboratory and R&D allows us to push the boundaries of innovation, offering solutions that improve the performance of our plants and reduce operating costs.

AIDA System Tutor: digitalization and process monitoring

The industrial filtration sector is undergoing a deep transformation, driven by increasing digitalization that is redefining operating models and processes.

In response to this evolution, Diemme Filtration has introduced **AIDA, a project of servitization designed to integrate products and services through Industrial Internet of Things (IIoT) solutions.**

AIDA allows customers to monitor the values and operating conditions of equipment in real time, focusing particularly on energy efficiency.

Features include:

- diagnostics of the condition of filter cloths;
- monitoring of accessories;
- real-time machine data collection and analysis.

Key **benefits** include:

- cloth traceability and management of life cycle;
- reduction of machine downtime thanks to historical data collection;
- proactive customer care;
- definition of KPIs useful for optimization of costs and processes.

To date, six machines are already connected to the AIDA platform; by the end of 2025, we expect to reach approximately 30 connected units, expanding the digital network and value for our customers.

AIDA - Remote intervention: optimization of a plant in Peru

In a large copper extraction and processing plant in Peru, even the slightest drop in productivity can translate into significant economic losses. This is where AIDA, the intelligent monitoring and continuous diagnostics system, comes into play.

Initially, the customer had not noticed any anomaly in the plant's performance. However, **AIDA promptly detected an unusual high air consumption and feeding pressure below optimal levels.**

If ignored, these signals could have compromized the efficiency of the entire system, resulting in productivity losses.

Thanks to the intervention of our technical team, **it was possible to act quickly by remote**: targeted software modifications and mechanical optimizations were implemented, all without the need to send personnel on site. This made it possible to avoid costly plant downtime and on-site interventions, ensuring operational continuity and real savings for the customer.

B-PLAS: synergies for circularity

Innovation means transforming ideas into applicable solutions, establishing collaborations with scientific and entrepreneurial entities focused on technological experimentation.

In the name of sustainability and innovation, Diemme Filtration has taken on a leading role by supporting, as a **Corporate Venture Builder**, the **start-up B-Plas,** which began as a spin-off of the University of Bologna.

In 2021, Diemme Filtration chose to believe in the project and, together with BEHOLD srl (a company wholly owned by the University of Bologna - Alma Mater Studiorum) and the researchers involved, launched the start-up, becoming its **majority shareholder**.

B-Plas has developed a biochemical process that converts sewage sludge into bioplastics, adding value to a material that is currently considered waste. This approach aims to reduce dependence on traditional resources and give a new function to existing flows.

Our collaboration takes the form of sharing the working space, resources and know-how, particularly in the areas of Research&Development and Engineering.

In 2024, following the introduction of new norms by the budget law, **B-Plas lost its status as an innovative start-up**, while retaining its status as a **Benefit Corporation**, which indicates a formal commitment to environmental and social goals.

The activities of B- Plas focus on two key areas:

- reducing pressure on sludge disposal systems from wastewater treatment plants;
- the search for alternative materials to fossil-based polymers.

The project received funding under the **European LIFE program**, dedicated to promoting technological solutions applicable in industrial and environmental fields, within which two demo plants will be built at wastewater treatment plants in northern Italy.

In 2024, B-Plas won a tender to supply Italy's first industrial plant for the conversion of civil wastewater into PHA, marking an important step towards the large-scale implementation of the developed process.

Our value chain: customers and suppliers

GRI 2-6 | GRI 204-1

Relationships with customers

At Diemme Filtration, we believe that creating solid, long-lasting partnerships is a strategic element in strengthening our company's competitiveness. **Constant dialogue with our customers, based on trust, transparency and mutual support, is the heart of our approach.**

To promote the sharing of knowledge and to support the optimal use of our technologies, we created the **Diemme Filtration Academy**, a platform available to customers to train and guide them in understanding, managing and optimizing our systems.

The platform offers videos, webinars, tutorials, technical content and process information, with the aim of **increasing customer autonomy and strengthening their technical skills**, particularly in the installation and optimal use of the machinery. This format also helps to consolidate the relationship of trust and collaboration between Diemme Filtration and its customers.

Customer Service: Diemme Trust Badge

In 2024, we launched a **process to revamp our customer service management**, with the goal of strengthening our relationships with operators and enhancing the efficiency of our systems. This led to the creation of the **Diemme Trust Badge** programme, an initiative that rewards the technical expertise of our customers' operators.

Obtaining the badge involves two stages: a theoretical test, administered via the Diemme Filtration Academy platform, which requires a minimum score of 85%, followed by a practical field test, supervised by an experienced Diemme operator.

"The Diemme Trust Badge is, to us, a new way to connect with our customers and operators. In particular, we want to create a good working relationship with the people who use our equipment."

With this initiative, we have set ourselves the goal of training operators to acquire greater knowledge and expertise in the equipment used, while promoting collaboration between customers and suppliers based on a shared vision. This approach is capable of increasing plant performance and, at the same time, reducing operational and production risks.

There are several examples of successful collaborations with our customers based on mutual trust, which have led to important and high-quality results.

Among these, we would like to mention **our partnership with a group that in 2024 enabled us to build the fifth lignin filtration plant in Brazil**, thanks to the customer's ongoing trust in both the technical solution provided and the dedicated local support of our Italian and Brazilian teams.

The custom-built system comprises two GHT2000.P19 membrane filter presses, each equipped with dedicated pumps and compressors to ensure high operational efficiency.

Among the various supplies in place with this partner, one is fully operational, two are in the assembly phase and two are currently in the production and procurement phase.

Performance tests conducted at the first site confirmed that it is possible to consistently achieve the target moisture content of 50% by optimizing key parameters such as feed density and concentration, validated through laboratory tests carried out at the beginning of the project.

This result underscores **the strength of our collaboration and shared commitment to providing efficient solutions for the second-generation bioethanol industry**, ensuring high-performance filtration and continuous process optimization.

Supply chain: proximity and reliability

To ensure an **optimal management of our supply chain, we adopt rigorous selection criteria**, working exclusively with suppliers who are able to meet our quality standards.

In the near future, in line with the objectives of the strategic plan, we plan to **expand these criteria by also introducing environmental parameters and additional safety criteria**, alongside a structured audit plan for the most critical suppliers.

Diemmev Filtration's procurement mainly concerns semi-finished products, raw materials and commercial components.

Each supplier is required to sign the **Group's Code of Conduct**, thereby demonstrating their commitment to the principles that guide our work. **We assess the financial stability and certifications of each supplier**, including those related to environmental and social issues.

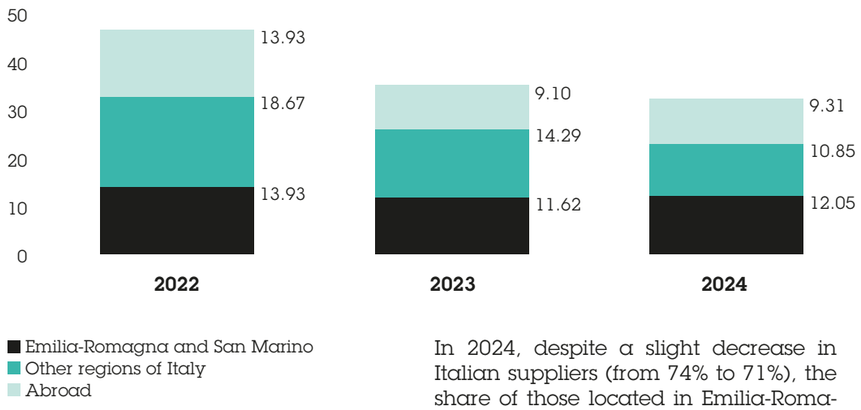
For each project, we carry out **random inspections** on progress, while on an annual basis we audit suppliers with the highest number of non-conformities.

In 2024, in line with our commitment to continuous improvement and maintaining high quality standards, we introduced, thanks to the synergy between the Purchasing Department and the Quality Department, **a bonus/malus system** aimed at specific suppliers to encourage the reduction of non-compliance. An individual, personalized contractual agreement was offered to each of the 9 identified partners, which provides **financial rewards** upon achievement of quality standards.

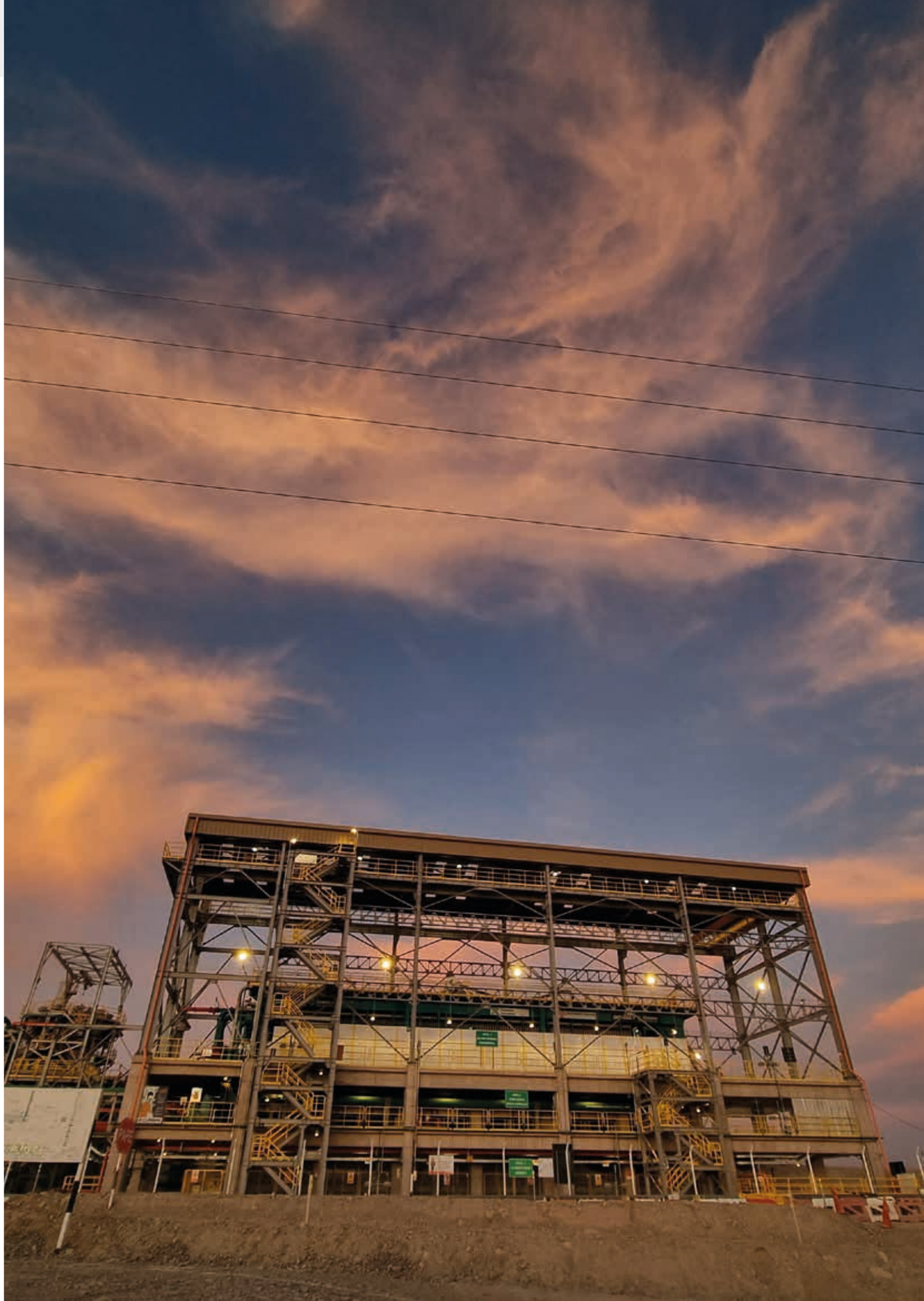
Through this initiative, suppliers who improve their compliance levels compared to the past can obtain real recognition.

To strengthen relations with the local area and simplify logistics management, **we give preference to local suppliers**.

Localization of supply expenditure (millions of euros)



In 2024, despite a slight decrease in Italian suppliers (from 74% to 71%), the share of those located in Emilia-Romagna and San Marino increased from 45% to 53%.



5

Our commitment inside and outside the company

The value of human capital

GRI 2-7 | GRI 2-8 | GRI 2-30 | GRI 401-1

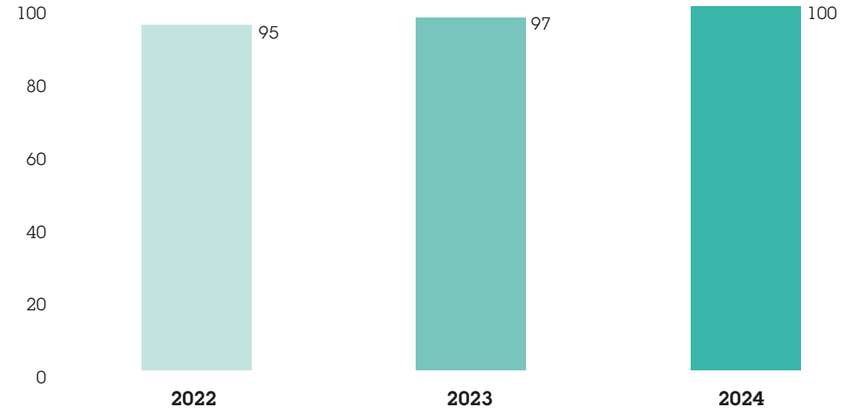
In a rapidly evolving and complex production environment, **what makes the difference is human capital**: the ability to face challenges, grow together and contribute to the creation of value over time. Every skill and every experience strengthens the solidity and quality of our work. **People are the driving force** behind Diemme Filtration. We recognize the importance of our workers in supporting and enhancing every aspect of our production operations.

That is why we are committed to ensuring a working environment that promotes professional development, safety and well-being for our employees, aware that valuing people is the basis for achieving lasting results.

In **2024**, our workforce consisted of **158 people**. Turnover was low (-1.25% compared to 2023), with a growth of 6.7% compared to 2022. Some functions, such as those related to geographical mobility, are more variable, but the overall picture reflects continuity and consolidation.

While there was a more modest increase in new hires at the Lugo headquarters compared to 2023, in 2024 we hired five new people in our **foreign branches** in Brazil, India and the United States to support the **customer proximity** project.

Employees with permanent contracts (%)



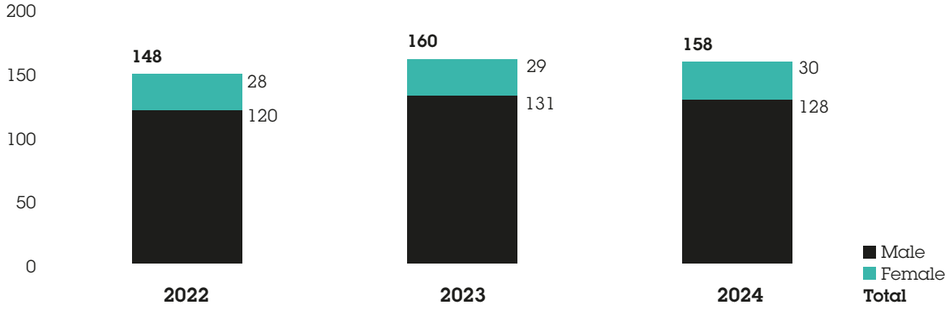
100% of employees are hired on permanent contracts, an increase of 3 percentage points compared to the previous year: a concrete sign of our focus on job stability. All workers, excluding managers, are employed under the National Collective Labour Agreement for the Metalworking Industry.

During 2024, we welcomed **seven new colleagues and recorded ten departures**, with slightly higher mobility among men. These figures reflect a dynamic labour market and our ability to attract and retain skilled professionals.

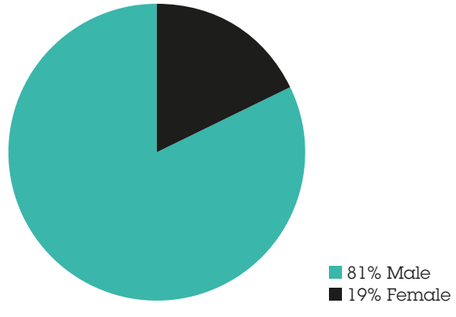
We are aware that **our sector is still influenced by gender stereotypes**, with a greater presence of women in administrative roles and less representation in production areas, partly due to the limited number of applications received. **In 2024, women accounted for 19% of our workforce**, compared to a national average of 20.9%.

We continue to work to overcome these barriers by promoting equal opportunities for all and an inclusive culture in all areas of the company.

Staff composition by gender (n)



Gender of the employed workforce (%) - 2024



Attracting and developing young talent

Each new generation brings with it new questions and perspectives, stimulating a rethinking of the present and paving the way for change.

At Diemme Filtration, attracting young talents is a strategic choice, both for the present and for the future. We devote time, resources and attention to their integration, development and growth.

The introduction of new talents follows **a structured talent acquisition process, formalized in 2024 through an onboarding procedure**. During the first three months, each new employee is supported by a mentor and involved in on-the-job training, receiving practical tools, information on company procedures to learn more about how to manage their work, the code of conduct and a welcome pack containing a useful company handbook for new employees on communication and managing absences, working hours, smart working, the correct use and care of company assets provided, as well as company organization chart. This approach promotes integration, collaboration and inclusion. To strengthen the sense of belonging, we also give visibility to new hires on our social media channels by sharing a welcome photo of them.

The connection with the local area is reflected in **established partnerships with local schools (ITIS, IPSIA, high schools), through company visits, cross-curricular skills and career guidance programmes (PCTO) and summer internships.** These initiatives bring young people closer to the world of work and promote practical skills that will be useful in their future careers.

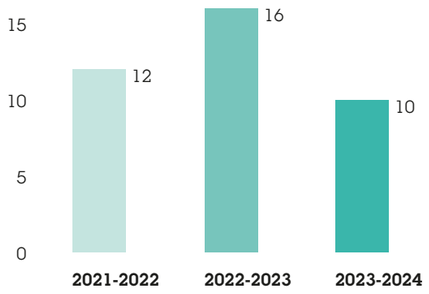
In the 2023-2024 school year, 10 PCTOs and 2 summer internships were activated.

Together with B-Plas, we are co-funding an industrial scholarship for an innovative three-year doctoral programme with the University of Ferrara, which began in January 2024.

Our commitment to the growth of individuals and the community continues, with the aim of helping young people enter the professional world.

Finally, Diemme Filtration continues to support the **three-year Mechatronics course at the University of Bologna**, actively participating through a network of companies. The contribution is not limited to offering internship opportunities, but also includes stable funding to support the educational programme.

Hosted PCTO's (n)



Training and skills development

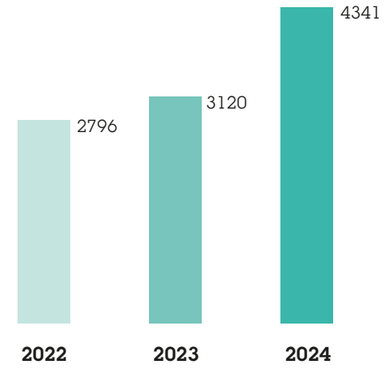
In a rapidly evolving environment, training is an essential tool for addressing current challenges and contributing to common development.

For this reason, every year, **we dedicate time and resources to technical and cross-disciplinary training courses designed to meet the individual professional needs of our people**.

The courses, which are either individual or group-based, are activated either on the recommendation of department managers or at the direct request of employees.

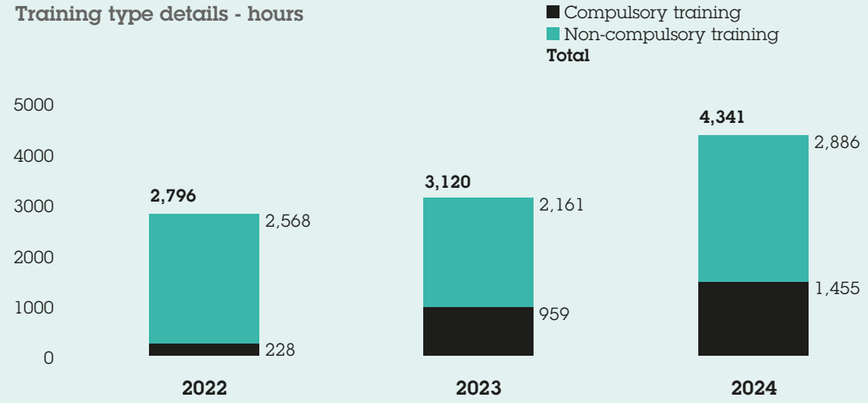
In 2024, we provided a **total of 4,341 hours of training**, an increase of 39% compared to 2023 and 55% compared to 2022. The average number of hours per employee rose from 19.5 to 27.5 hours, confirming our growing commitment to personalized development.

Total hours of training provided



Non-mandatory training hours accounted for 66.5% of total training, amounting to **2,886 hours**. This figure highlights Diemme Filtration's concrete commitment to going **beyond what is required by law.**

Training type details - hours



The technical courses focused on **technological updates and operational efficiency**, while the cross-disciplinary courses focused on **soft skills**, enhancing **interpersonal, communication and management skills**, with a growing focus on the **use of artificial intelligence**.

In 2023, confirming our desire to strengthen cross-disciplinary skills, we selected three employees to participate in the international **"FIT 4 Leadership"** programme organized by the Aqseptence Group: a nine-day course dedicated to **developing leadership skills** in a multicultural context, which fostered collaboration between colleagues from different locations around the world. **The next meeting is scheduled for 2025**.

In 2024, we collaborated with **Romagna Digital Valley**, an initiative aimed at promoting **digitalization and technological innovation** in the region. We participated in training meetings, interacted with new talent in the sector and awarded a prize to the participants in a contest dedicated to **innovative ideas for improving our processes**.

To support structured growth, we conduct an **annual performance review**, which encourages constructive discussion and stimulates continuous improvement, both technically and personally.

Looking to the future, we are evaluating whether and how to introduce new training programmes related to ESG issues and to develop a growth strategy based on MBO objectives, gradually integrating sustainability indicators.

Welfare and well-being at work

At Diemme Filtration, **people's wellbeing is an integral part of business management**: an element that contributes to productivity, satisfaction and organizational stability.

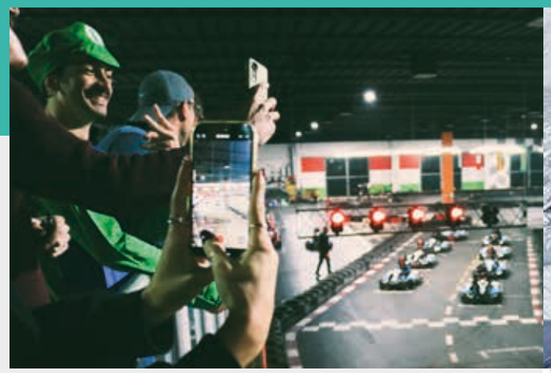
To give concrete form to this commitment, we adopt a **structured welfare plan** that guides the management and continuous improvement of working conditions. We promote a positive environment through good practices that nurture a culture based on trust, listening and mutual responsibility.

Among the initiatives in place:

- **Social security**: contribution to the **Cometa Pension Fund** for participating employees;
- **Meal vouchers**: recognized without deductions for each working day with afternoon return, in agreement with local restaurants;
- **Insurance coverage**: life, accident and occasional travel in the event of business trips;
- **Annual welfare bonus**: usable for fuel, shopping or via the **Tippest Welfare** platform;
- **MetaSalute Health Fund**: access for all employees, with assessment of additional supplementary health coverage;
- **Parenting support**: integration of the INPS allowance for parental leave (up to 30 days in total);
- **Scholarships**: for children of employees who excel in their studies, both in secondary school and in **STEM** university courses;
- **Sustainable mobility**: mileage reimbursement for those who use bicycles or electric scooters, for those who carpool with at least three colleagues, and incentives for using public transport;
- **Agile working**: flexible hours and **smart working** to improve the balance between private and professional life, while enhancing the value of being in the office as an opportunity for exchange;
- **Performance bonus**: awarded at the end of the year, linked to the achievement of shared company objectives, including **EBITDA**, margin on contracts and reduction in accidents.

In 2023, we launched our first **company climate survey**, which marked the beginning of a process of listening to our staff. In 2024, to strengthen mental and physical well-being and internal relations, we **renewed our agreements with two gyms**, introduced a **yoga course** at the company and **organized sports and recreational activities** to promote team spirit.

Team Building



After work, we challenged each other on the track with an electric kart race: adrenaline, healthy competition and lots of team spirit. The evening ended with a convivial dinner, filled with laughter and toasts.

Other opportunities for meeting and sharing: a skiing trip to Pampeago, a late summer dinner accompanied by live music and the traditional Christmas dinner, precious moments to strengthen bonds and celebrate our achievements together.

The Beach Tennis tournament, now in its third edition, took place in Marina di Ravenna on five courts set up on the beach. This has become a traditional event for Diemme Filtration, combining sport, teamwork and moments of sharing.

Health and safety at work

GRI 403-1 | GRI 403-2 | GRI 403-3 | GRI 403-4 | GRI 403-5 | GRI 403-6 | GRI 403-8 | GRI 403-9

At Diemme Filtration, **safety** is an integral part of every phase of our business activities. We work every day to ensure a **safe working environment**, where prevention is incorporated into our processes and shared by everyone.

In 2024, we achieved **ISO 45001:2023 certification**, the international standard for occupational health and safety management systems, which allows us to take a **structured and proactive approach to risk assessment and reduction**. This analysis involves the use of a risk matrix that allows us to identify the key information needed to take action and plan measures aimed at eliminating or reducing exposure to risks, thus ensuring the safety of workers.

Workers are actively involved in reporting any anomalies, either through their supervisors or through special forms. During the monthly Safety Walk, attended by the CEO and the plant, production, quality, and safety managers, direct feedback is collected from workers on issues and suggestions for improvement. The reports collected are examined during the PPS (Prevention and Protection Service) meetings, where the necessary corrective actions are planned and implemented.

In the event of accidents or near-accidents, a dedicated procedure allows the causes to be analyzed, **corrective measures to be defined and the occurrence or recurrence of such events to be prevented.**

Employee involvement is further **strengthened through the figure of the WSR** (Workers' Safety Representative), who guarantees a constant channel of communication between staff and management, ensuring that every report is heard and dealt with promptly.

Health surveillance is managed by a Competent Doctor, who carries out periodic inspections and medical examinations, as required by Legislative Decree 81/08, and is responsible for updating protocols in relation to any organizational or job changes.

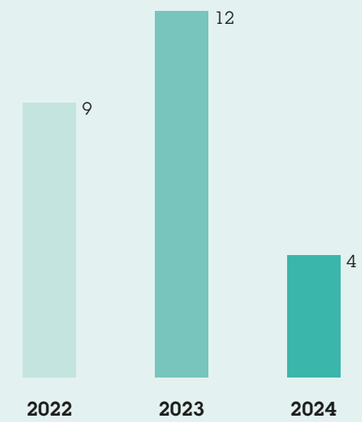
Accidents

In 2024, there was only one accident at work, with a rate of 4* per 257,287 hours worked. The accident was handled with care, applying investigation procedures and corrective measures to prevent its recurrence.

In the three-year period 2022-2024, there were no deaths due to occupational diseases, no recordable cases, and no non-compliance relating to product health and safety. These figures confirm the effectiveness of the measures taken by Diemme to ensure a safe working environment.

* The accident rate is calculated as follows: (Total number of recordable accidents at work/Hours worked) * 1,000,000

Accident rate



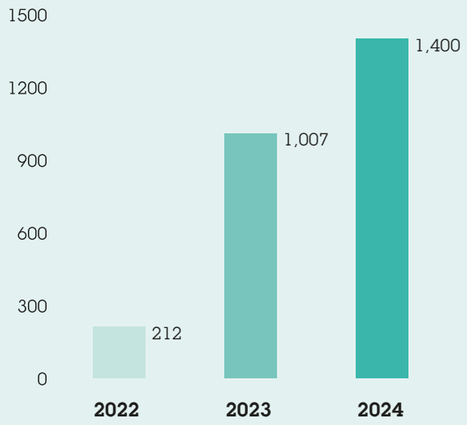
Even **"near misses"** are treated with care, leading, where necessary, to preventive modifications to machinery with a view to continuous improvement.

In some cases, operational errors by customers on new models have led to risky situations that we have addressed through the intervention of the Research and Development (R&D) team, with the introduction of additional safety devices.

Health and safety training at work

In 2024, we significantly stepped up our commitment to health and safety training, providing **1,400 hours of training, an increase of 39% over the previous year**, involving 109 employees. This investment reflects our dedication to enhancing the skills and awareness of our staff, consolidating a culture of safety based on preparedness and responsibility.

Training hours on the topic of "Workplace Safety"



The link with the territory

GRI 2-28

Cultivating ties with the local area means **generating value beyond business activities**, contributing to the development of the local economy and promoting social, cultural and environmental well-being. At Diemme Filtration, we express this commitment through concrete actions and investments in **projects that leave a lasting mark, strengthening mutual trust with the community**.

In 2024, we carried out numerous initiatives, including:

- **Healthcare**: donation of a **probe for cardiological examinations to the Anaesthesia and Resuscitation Unit of Lugo Hospital**, in support of the local healthcare system;
- **Culture and education**: support for the **"La città dei bambini e delle bambine"** (The City of Children) project, an initiative spread across the urban space with creative and inclusive activities aimed at young children;
- **Sport**: support for the **44th edition of the "Giro di Romagna"**, a leading cycling event, and renewal of **sponsorships for the sports hall, swimming pool and municipal stadium;**
- **Environment**: contribution to the **planting of new trees** in the city of Lugo;
- **Environmental and intercultural education**: participation in the creation of the **"Riciclato Circo Musicale"** (Recycled Musical Circus) workshop at the Lugo Music Festival, which involved local schools in the creation and experimentation of musical instruments made from recycled materials.

These initiatives demonstrate our commitment to **giving something back to the local community**, strengthening ties with the community and supporting activities that integrate **local development, culture and participation**.

6

Environmental management and performance

Energy and energy efficiency

GRI 302-1

At Diemme Filtration, we **adopt a structured approach to energy management, aimed at reducing consumption, optimizing costs and improving the performance** of our production processes.

In 2024, we inaugurated a **new production facility covering 24,000 m²** (approximately 50% indoor and 50% outdoor), designed from the outset to minimize energy consumption.

A **radiant floor heating and cooling system** has been installed in the assembly spans, ensuring comfort and efficiency in all seasons. In the surface treatments area, the introduction of **150-metre rails** allows for the transport of heavier structural steelwork using dedicated trolleys, reducing unnecessary handling and optimizing workflows.

The painting plant is equipped with filters for the containment of volatile substances and with air extraction and filtration units. These units are fitted with **air-to-air cross-flow exchangers** that allow the recovery of outgoing heat to preheat the incoming air, reducing energy requirements in the colder months.

The completion of the structure included the **installation of a 240 kW photovoltaic system**, which was completed in March 2024 and is scheduled to start operating in May 2025. The system will help cover part of the energy requirements, also powering the radiant heating system.

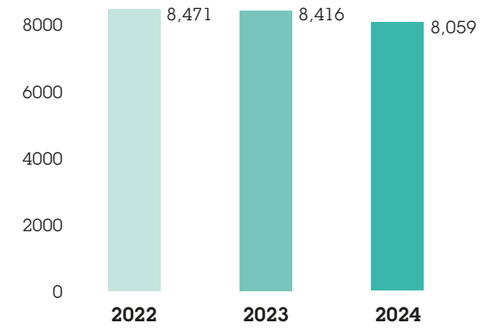
All the electrical lines in the new plant are continuously monitored by **Schneider switchgear**, integrated with an advanced energy management platform, which allows for precise control of consumption and advanced energy management functions.

In 2024, the conversion of the old production plant into a warehouse made it possible to rationalize staff distribution, avoiding the heating of unused spaces and concentrating various functions in shared environments, thus improving **overall energy efficiency**.

Energy consumption in 2024 stands at around 8,059 GJ, which is a drop from 8,416 GJ in 2023, a trend also confirmed by **the energy consumption intensity value, which is 15% lower than the previous year and 33% lower than in 2022**: a significant result that confirms the effectiveness of the path taken.

The table shows details of the sources of energy consumption used over the years.

Energy consumption (GJ)



Energy consumption from fuel (GJ)	2022	2023	2024
Natural gas	-	-	-
Natural gas for thermal uses (heating)	4,609.58	4,616.79	3,449.31
Fuel for company fleet	-	-	-
Diesel	1,053.52	1,003.39	766.07
Gasoline	85.43	112.98	90.92
Total energy consumption from fuels (GJ)	**5,748.52**	**5,733.16**	**4,306.29**
Purchased energy consumption (GJ)	**2022**	**2023**	**2024**
Electricity purchased from non-renewable sources	2,723.25	2,683.08	3,753.16
Electricity purchased from renewable sources with GO	-	-	-
Total electricity purchased	**2,723.25**	**2,683.08**	**3,753.16**

Energy intensity	Unit of measurement	2022	2023	2024
Total energy consumption	GJ	8,471	8,416	8,059
Sales volume	€	60,364,193	76,482,265	86,992,960
Energy intensity index	**(GJ/€)**	**1.40**	**1.10**	**0.93**

We have set new targets for 2025, including extending the monitoring systems to the old production site and installing a photovoltaic system on that same building.

Produced emissions

GRI 305-1 | GRI 305-2

Every production choice can generate emissions, which is why we focus on monitoring and reducing them, combining production efficiency with regulatory compliance. In the production process, we are very careful in selecting paints and solvents, favouring products with a **lower solvent content** and therefore with **reduced emissions of harmful substances**. This choice helps to **improve air quality in our factories and reduce our contribution to air pollution**.

A significant step forward is the introduction of water-soluble (water-based) paints, which have significantly lower emissions than traditional solvent-based paints. Their use is set to increase progressively, partly in response to increasingly stringent **regulatory limits**, such as the maximum limit of **15 tonnes/year** of organic solvents set by current legislation.

All emission points are constantly monitored in compliance with the relevant regulations. Analyses conducted through the **Italian Single Environmental Authorization (SEA)** confirm that the levels detected in the new plant are **well below the permitted limits** and lower than historical values. For this reason, emissions generated directly by our organization did not emerge as one of the most significant issues in the materiality analysis process, although it is an area to which we devote the utmost attention.

The most significant impact, on the other hand, is along the value chain.

In light of this awareness, which has been present for some time, in 2023 we launched our **first Organizational Carbon Footprint study**. Although not certified, it provided a fundamental knowledge base for planning future interventions.

In **2024**, we began the process of **measuring and certifying Scope 1, Scope 2 and Scope 3 emissions** for 2024, in accordance with the **GHG Protocol**. The goal is to obtain **UNI EN ISO 14064 certification** by the end of **2025**, in support of the **transparency** and **verifiability** of our commitment.

Scope 1
Direct emissions generated by company operations

Direct GHG emissions
- combustion from fixed/stationary sources (consumption of natural gas used for heating or for the production process);
- combustion from mobile sources (fuel consumption of the company's fleet of vehicles used to transport employees and goods inside and outside the plants);
- refrigerant gas leaks.

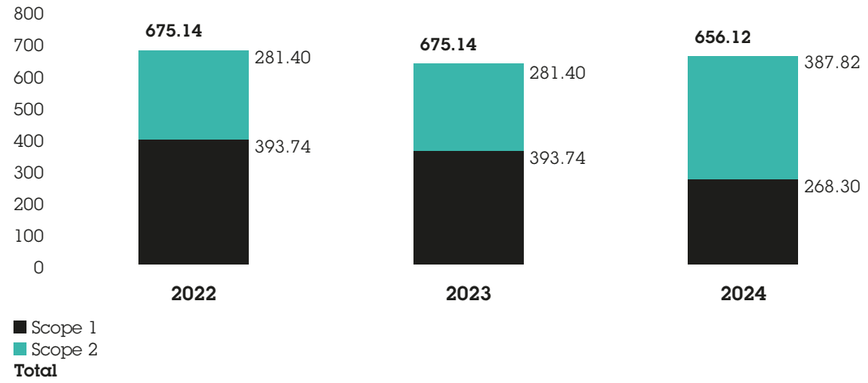
Scope 2
Indirect emissions from imported energy

Indirect emissions from imported energy (drawn from the mains supply)

Scope 3
Other indirect emissions along the value chain, both upstream and downstream

- Purchase of goods and services
- Business travel
- Employees' commutes
- Etc.

Total emissions - tCO_2eq



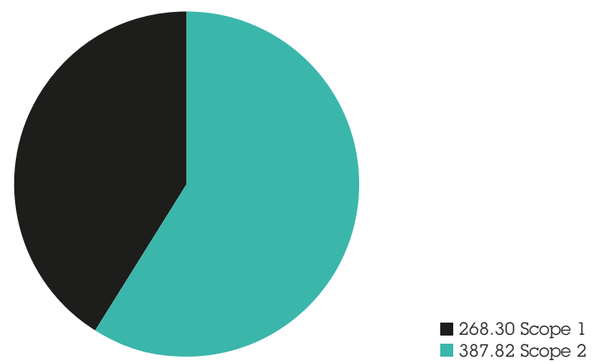
In 2024, total emissions related to **Scope 1 and 2** amounted to **656.12 tCO_2eq**, marking an increase of 3.48% compared to 2023 (634.08 tCO_2eq) and a **reduction of 2.82% compared to 2022** (675.14 tCO_2eq).

In detail:

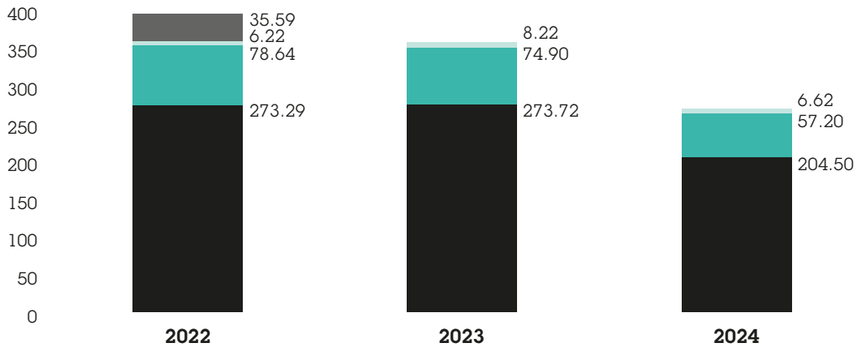
- **Direct emissions (Scope 1)** amounted to **268.30 tCO_2eq**, a **decrease of 24.8%** compared to the previous year, mainly due to the **reduction in natural gas consumption**.
- **Indirect emissions from purchased energy (Scope 2)** amounted to **387.82 tCO_2eq, an increase compared to the previous year** (+39.8%).

Below is the calculation of the total emissions intensity of Scope 1 and Scope 2 over the three-year period. This indicator represents an objective calculation of the total value of emissions as it relates to sales volumes.

Breakdown of total emissions (2024)



Scope 1 emissions composition - tCO_2eq



As can be seen from the table, **emissions intensity decreased by 33% in the period from 2022 to 2024**[3].

Emissions intensity	Unit of measurement	2022	2023	2024
Total GHG emissions (Scope 1 and Scope 2) (a)	tCO_2eq	675.14	634.08	656.12
Sales volume (b)	€	60,364,193	76,482,265	86,992,960
Emissions intensity index [(a/b) *100,000]		**1.12**	**0.83**	**0.75**

With the installation of the photovoltaic system at the new plant and the start-up of the second system planned for the old plant, we expect an **even more significant reduction in Scope 2 emissions**, thanks to the increasing coverage of energy needs through solar energy.

[3]Scope 1 and Scope 2 emissions for 2022 and 2023 have been recalculated using updated emission factors, the same ones used to calculate Scope 1 and Scope 2 emissions for 2024.

Water consumption

GRI 303-5

In our industry, **water** is a key resource for production processes. Its **efficient management** is essential both in our internal operations and throughout the **value chain**.

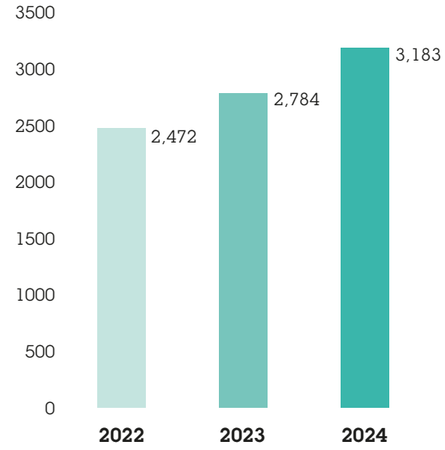
Although **Diemme Filtration**'s direct consumption is not among the main factors of impact, we take measures to **optimize water use in production activities**, mainly in the painting operations and washing of laboratory equipment, processes that require significant amounts of water.

In 2024, we consumed 3,183 litres, an increase of 14.33% compared to 2023 due to increased production. However, when consumption is compared to turnover, water intensity decreased by 10% compared to 2022, with a slight increase compared to 2023.

We promote efficient water management for our customers, particularly in the mining sector, where water recovery and reuse are key factors in the responsible use of this resource.

In 2024, thanks to 12 orders for tailings filtration in various mines across different geographical areas, we estimate that our customers will be able to recover almost 10 million tonnes of water per year.

Water consumption - m^3



Our solutions are designed to promote water reuse even in complex contexts, such as the Andes or coastal areas, where water availability is limited or desalination involves high costs. In tailings treatment, the conventional method involves storage in artificial basins, which can pose an environmental risk in the event of failure. Our technologies enable more stable dewatered sludge, reduce the space required for storage, promote faster restoration of areas and limit the withdrawal of fresh water.

Water intensity	Unit of measurement	2022	2023	2024
Total water consumption (a)	m^3	2,472	2,784	3,183
Sales volume (b)	€	60,364,193	76,482,265	86,992,960
Water intensity index [(a/b) *100,000]		**4.09**	**3.64**	**3.66**

Case study
Huarón Mine, Peru

In the zinc tailings dewatering project in Peru, **Diemme Filtration has supported the client, headquartered in Canada, since the early stages of laboratory testing, helping to characterize the product and design a tailor-made filtration system.**

This collaboration is part of a partnership that has been active for **over 10 years**, with projects carried out in various plants in Latin America. The Peruvian plant, now operational, treats over 3,400 tonnes of dry solids per day with residual moisture content between 13.5% and 15.5%, ensuring continuous performance and operational reliability.

Tailings dewatering allows a significant amount of process water to be recovered and reduces the volume of material to be stored, with more compact and stable sludge. This technical configuration can facilitate faster restoration of storage areas and more efficient use of available water resources.

Waste management

GRI 306-1

At Diemme Filtration, **waste management follows a structured approach based on regulatory compliance, traceability and the search for technical solutions** to reduce the quantities generated and improve final disposal.

We produce both non-hazardous and hazardous waste. Most of the latter comes from laboratory waste water, consisting mainly of water containing dissolved solids. This waste water is managed in accordance with current regulations and through dedicated procedures to ensure its correct treatment and disposal. **Responsible waste management is also a significant challenge for our customers**, particularly in the mining sector, where water recovery and safe disposal are essential. This is why we develop **solutions to simplify and optimize** waste management **processes**.

A concrete example is our **Cloth Recycling Project**: using the largest machine in the world involves the management of worn-out cloths; for this reason, we collaborate with suppliers to develop solutions that make the yarn in the cloths recoverable and recyclable. Our goal is clear: **to reintroduce the regenerated yarn into the production of new filter cloths, thus prolonging the use of the raw material.**

In 2024, 277 tonnes of waste were produced, an increase of 43.21% compared to the previous year, partly due to the increase in production value. To provide a more accurate picture, we report below the waste production indexed to sales volume.

Waste production intensity	Unit of measurement	2022	2023	2024
Total waste production (a)	t	232.40	193.74	277.47
Sales volume (b)	€	60,364,193	76,482,265	86,992,960
Waste production index [(a/b) *1000]		**3.85**	**2.53**	**3.19**

Waste management is a **complex process that requires attention, expertise and investment**. We will continue to develop technologies and **collaborate with specialized partners** to reduce the quantities generated and **increase recycling** where possible.

Methodological note

GRI 2-1 | GRI 2-2 | GRI 2-3 | GRI 2-5

Reporting boundaries

Company name	Diemme Filtration
Nature of ownership	Private
Legal form	Srl
Location of headquarters	Via Gessi 16, 48022 Lugo, RA - Italy

The report

This document represents the second Sustainability Report of **Diemme Filtration S.r.l.** (hereinafter also referred to as "the company" and/or "the corporation"). The information contained in this document has been collected and processed in order to ensure understanding of the activities carried out by the company, its performance, its results, and the resulting impact.

The Sustainability Report has been prepared on a voluntary basis.
The analysis will be further developed and deepened in subsequent periods through one or more stakeholder consultation activities and reporting on the company's contribution to the achievement of the defined objectives.

The Sustainability Report is prepared annually and published on the official website of Diemme Filtration Srl.
For further information on the contents of the document, please contact the following email addresses:

info@diemmefiltration.com
andrea.pezzi@diemmefiltration.com

References

The Sustainability Report was prepared by selecting indicators from the *GRI Sustainability Reporting Standards* published by the *Global Reporting Initiative (GRI)*, in accordance with the "Referenced" reporting option. The set of *GRI Standards* indicators used for reporting is indicated in the *GRI Content Index* of this document.

The general principles applied in preparing the Sustainability Report are those established by the *GRI Standards*, namely: relevance, inclusiveness, sustainability context, completeness, balance between positive and negative aspects, comparability, accuracy, timeliness, reliability, and clarity.

The performance indicators selected are those provided by the adopted reporting standards, representative of the specific areas of sustainability analyzed and consistent with the company's activities and the impacts it produces. These indicators were selected on the basis of an analysis of the materiality of the issues for the company, the sector of reference, and Diemme's most significant external stakeholders, as described in the "Materiality assessment" section.

As part of the sustainability process, this analysis involved the management (CEO and CFO) and the Sustainability Committee of Diemme Filtration in an assessment of the issues and the subsequent attribution of a value based on two different aspects: the importance and the priority of intervention for the company.

This Sustainability Report was prepared with methodological support from:

tecno ESG

GRI standards

Reporting package

This section provides details on the GRI indicators used in the document to ensure greater clarity and comparability of ESG performance over the three-year reference period.

GRI 302
Energy

Energy consumption from fuel (GJ)	2022	2023	2024
Natural gas			
Natural gas for thermal uses (heating)	4,609.58	4,616.79	3,449.31
Fuel for company fleet			
Diesel	1,053.52	1,003.39	766,07
Gasoline	85,43	112,98	90,92
Total energy consumption from fuels (GJ)	**5,748.52**	**5,733.16**	**4,337.93**

Purchased energy consumption (GJ)	2022	2023	2024
Electricity purchased from non-renewable sources	2,723.25	2,683.08	3,753.16
Electricity purchased from renewable sources with GO			
Total electricity purchased	2,723.25	2,683.08	3,753.16
Total energy consumed	**8,471.77**	**8,416.24**	**8,059.45**

Energy intensity	Unit of measurement	2022	2023	2024
Total energy consumption (a)	GJ	**8,471**	**8,416**	**8,059**
Sales volume (b)	€	60,364,193	76,482,265	86,992,960
Energy intensity index [(a.b) *10.000]	(GJ.€)	1.40	1.10	0.93

GRI 305
Emissions

GHG Scope 1 emissions – tCO_2e[4]	2022	2023	2024
Natural gas	273.29	273.72	204.50
Diesel fuel for company fleets	78.64	74.90	57.19
Gasoline fuel for company fleets	6.22	8.22	6.62
Fugitive emissions from anthropogenic systems	35.59		
Total Scope 1	**393.74**	**356.84**	**268.30**

GHG Scope 2 emissions – tCO_2e[5]	2022	2023	2024
Electricity purchased	281.40	277.24	387.82
Total Scope 2	**281.40**	**277.24**	**387.82**

[4] Source of emission factors used:
- Natural gas: DEFRA 2024, foglio "Fuels", Natural gas (metric cubes)
- Diesel: DEFRA 2024, foglio "Fuels", Diesel (100% mineral diesel), Litres
- Gasoline: DEFRA 2024, foglio "Fuels", Petrol (100% mineral petrol), litres
- Fugitive emissions from anthropogenic systems: DEFRA 2023 Refrigerant & other - Blends - R410A - Total emissions including non-Kyoto products.

[5] Source of emission factors used: Electricity: Ecoinvent 3,9 Electricity, medium voltage {IT}| market for electricity, medium voltage | Cut-off.

GRI 306
Waste

Hazardous waste (t)	2022	2023	2024
050601	0.21		
060106	0.66	2.06	
080111	4.92	4.36	3.44
120116	4.34	4.18	0.58
130208	2.72		0.89
130802	3.93	1.98	5.25
140603	0.66	0.62	4.44
150110	1.62		1.89
150110	0.03	1.24	
150202	1.41	6.50	1.90
160211			0.04
161001	48.54	72.56	63.54
160213	0.04		0.30
Total hazardous waste	**69.08**	**93.51**	**82.27**

Non-hazardous waste (t)	2022	2023	2024
060503	0.93	0.45	1.79
080120	47.34	28.66	10.46
160306			1.86
080318			0.01
150101	1.26		
160214	0.56		0.25
160216	0.04		0.02
170203	30.59		
170405	24.45	9.84	111.62
150203	0.04		
150103	29.08	25.90	29.78
200301	18.90	18.25	24.94
200101	10.10	14.32	14.46
170201		1.34	
170411		1.47	
Total non-hazardous waste	**163.29**	**100.23**	**195.19**

GRI 303-5
Water consumption

Water consumption (m^3)	2022	2023	2024
Total water consumption	**2,472**	**2,784**	**3,183**

GRI 2-7
Employees

Employees by gender	2022	2023	2024
Female	28	29	30
Male	120	131	128
Total	**148**	**160**	**158**

Employees by contract type	2022	2023	2024
Temporary	7	5	
Female	1		
Male	6	5	
Permanent	141	155	158
Female	27	29	30
Male	114	126	128
Total	**148**	**160**	**158**

Employees by form of employment	2022	2023	2024
Full-time	145	157	155
Female	25	26	27
Male	120	131	128
Part-time	3	3	3
Female	3	3	3
Male			
Total	**148**	**160**	**158**

GRI 405-1
Corporate bodies and employees classified by gender and age group

Corporate bodies by gender	2022			2023			2024		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Board of Directors		2	**2**		2	**2**		2	**2**
Supervisory Board		2	**2**		2	**2**		2	**2**
Single Statutory Auditor		1	**1**		1	**1**		1	**1**
Total*		**4**	**4**		**4**	**4**		**4**	**4**
Percentage %		100	**100**		100	**100**		100	**100**

*The Single Statutory Auditor is also a member of the SB. To avoid double counting, the total is different from the sum of individual entries

Corporate bodies by age group	2022				2023				2024			
	<30 years	30-50 years	>50 years	Tot.	<30 years	30-50 years	>50 years	Tot.	<30 years	30-50 years	>50 years	Tot.
Board of Directors		1	1	**2**		1	1	**2**		1	1	**2**
Supervisory Board			2	**2**			2	**2**			2	**2**
Single Statutory Auditor			1	**1**			1	**1**			1	**1**
Total		**1**	**3**	**4**		**1**	**3**	**4**		**1**	**3**	**4**
Percentage %		25	75	**100**		25	75	**100**		25	75	**100**

Employees by category and gender	2022			2023			2024		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Senior managers		4	**4**		4	**4**		4	**4**
Middle managers		17	**17**	1	17	**18**	1	17	**18**
Office workers	28	45	**73**	28	50	**78**	29	51	**80**
Factory workers		54	**54**		60	**60**		56	**56**
Total	**28**	**120**	**148**	**29**	**131**	**160**	**30**	**128**	**158**
Percentage %	18	82	**100**	18	82	**100**	19	81	**100**

Employees by category and age group	2022				2023				2024			
	<30 years	30-50 years	>50 years	Tot.	<30 years	30-50 years	>50 years	Tot.	<30 years	30-50 years	>50 years	Tot.
Senior managers		2	2	**4**		2	2	**4**		1	3	**4**
Middle managers		12	5	**17**		13	5	**18**		12	6	**18**
Office workers	12	56	5	**73**	12	61	5	**78**	13	60	7	**80**
Factory workers	6	32	16	**54**	8	32	20	**60**	6	26	24	**56**
Total	**18**	**102**	**28**	**148**	**23**	**108**	**32**	**160**	**19**	**99**	**40**	**158**
Percentage %	12	69	19	**100**	12.5	67.5	20	**100**	12	63	25	**100**

Protected job categories by category and gender	2022			2023			2024		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Factory workers		6	**6**		8	**8**		8	**8**
Office workers	1	1	**2**	1	1	**2**		1	**1**
Total	**1**	**7**	**8**	**1**	**9**	**10**		**9**	**9**

GRI 401
Turnover

Employees at the end of the reporting period	2022			2023			2024		
Gender	Female	Male	Tot.	Female	Male	Tot.	Female	Male	Tot.
Total	**28**	**120**	**148**	**29**	**131**	**160**	**30**	**128**	**158**

New hires	2022			2023			2024		
Gender	Female	Male	Tot.	Female	Male	Tot.	Female	Male	Tot.
Up to 29 years	2	5	**7**	1	5	**6**	2	2	**4**
30-50		10	**10**	2	9	**11**		2	**2**
More than 50 years		4	**4**		3	**3**		1	**1**
Total	**2**	**19**	**21**	**3**	**17**	**20**	**2**	**5**	**7**

Separation	2022			2023			2024		
Gender	Female	Male	Tot.	Female	Male	Tot.	Female	Male	Tot.
Up to 29 years				2		**2**		4	**4**
30-50		2	**2**		5	**5**	1	4	**5**
More than 50 years	1	4	**5**		1	**1**		1	**1**
Total	**1**	**6**	**7**	**2**	**6**	**8**	**1**	**9**	**10**

Reason for separation	2022			2023			2024		
Gender	Female	Male	Tot.	Female	Male	Tot.	Female	Male	Tot.
Voluntarily separation		1	**1**	2	2	**4**	1	6	**7**
Resignation for just cause									
Dismissals for just cause								1	**1**
Retirement	1	4	**5**		1	**1**		1	**1**
Other		1	**1**		3	**3**		1	**1**
Total	**1**	**6**	**7**	**2**	**6**	**8**	**1**	**9**	**10**

Turnover	2023			2024		
Gender	Female	Male	Tot.	Female	Male	Tot.
Positive turnover - new hires	11%	14%	14%	7%	5%	5%
Negative turnover - separations	-7%	-5%	-5%	-3%	-8%	-7%
Total turnover	**4%**	**9%**	**8%**	**3%**	**-3%**	**-2%**

GRI 404-1
Average hours of training per year per employee

Average hours of training	2022			2023			2024		
	Female	Male	Tot.	Female	Male	Tot.	Female	Male	Tot.
Senior managers		6.0	**6.0**					19.5	**19.5**
Office workers - Middle managers	26.1	28.1	**27.5**	23.6	27.7	**26.5**	27.2	37.8	**34.6**
Factory workers		5.5	**5.5**		9.6	**9.6**		15.9	**15.9**
Total	**26.1**	**17.2**	**18.9**	**23.6**	**18.6**	**19.5**	**27.2**	**27.8**	**27.6**

GRI 403-5
Formazione dei lavoratori in materia di sicurezza e salute sul lavoro

Health and safety training delivered	2022		2023		2024	
	hours of training	employees involved	hours of training	employees involved	hours of training	employees involved
Health and safety general training	72	8	16	4	48	12
Health and safety specific training	140	14	541	87	1352	102
Total	**212**	**22**	**557**	**91**	**1400**	**122**

GRI 403-9
Work-related injuries

Number of accidents	2022	2023	2024
Total number of fatalities due to work-related injuries			
Total number of serious work-related injuries (excluding fatalities)			
Total number of recordable work-related injuries	**2**	**3**	**1**

Type of injury	2022	2023	2024
Falls and trips		1	
Road accidents			
Impacts	2	2	1

Temporal data	2022	2023	2024
Number of hours worked	**229,809**	**243,450**	**257,287**
Type of injury	**2022**	**2023**	**2024**
Rate of fatalities due to work-related injuries			
Rate of serious work-related injuries (excluding fatalities)			
Rate of recordable work-related injuries	9	12	4

GRI 204-1
Proportion of spending on local suppliers

	2022			2023			2024		
	No.	€	%	No.	€	%	No.	€	%
Total expenditure for suppliers	**295**	**46,542,620**	**100%**	**265**	**35,012,297**	**100%**	**279**	**32,214,563**	**100%**
Suppliers in Italy and San Marino	265	32,608,712	70%	248	25,910,852	74%	253	22,901,845	71%
Local suppliers (Emilia-Romagna and San Marino)	129	13,933,908	43%*	131	11,618,481	45%*	117	12,049,412	53%*

*Percentage calculated on the value of suppliers in Italy and San Marino

Reconciliation report with the annual financial statements (€)

	2022	2023	2024
Economic value retained	**(9,029,037)**	**1,409,060**	**22,572,725**
Economic value not allocated	**(18,100,813)**	**(12,352,784)**	**8,750,249**
2) inventory changes for products being manufactured, semi-finished products and finished good	-20,451,527	24,831,424	3,928,179
3) changes in ongoing contract work		-43,771,225	2,698,911
4) increases in fixed assets for internal work	-272,855	-216,743	-137,871
5) other revenue and income	-1,119,028	-1,708,776	-1,710,948
7) costs for services	1,174,832	1,543,209	1,088,061
10 a) amortization of intangible fixed assets	1,116,162	1,125,763	1,133,430
10 b) amortization of tangible fixed assets	827,540	916,840	1,446,311
10 d) depreciation of receivables included in current and liquid assets	25,818	974,276	105,630
12) provisions for risks	446,057	3,169,288	
13) other provisions			129,000
14) Miscellaneous operating expenses	44,121	426,639	164,400
17 b) foreign exchange gains and losses	108,067	356,522	-94,855
Profit for the year	**9,071,776**	**13,761,844**	**13,822,476**

GRI content index

Diemme Filtration Srl has reported the information mentioned in this GRI content index for the period January 1, 2024 - December 31, 2024 with reference to GRI standards.

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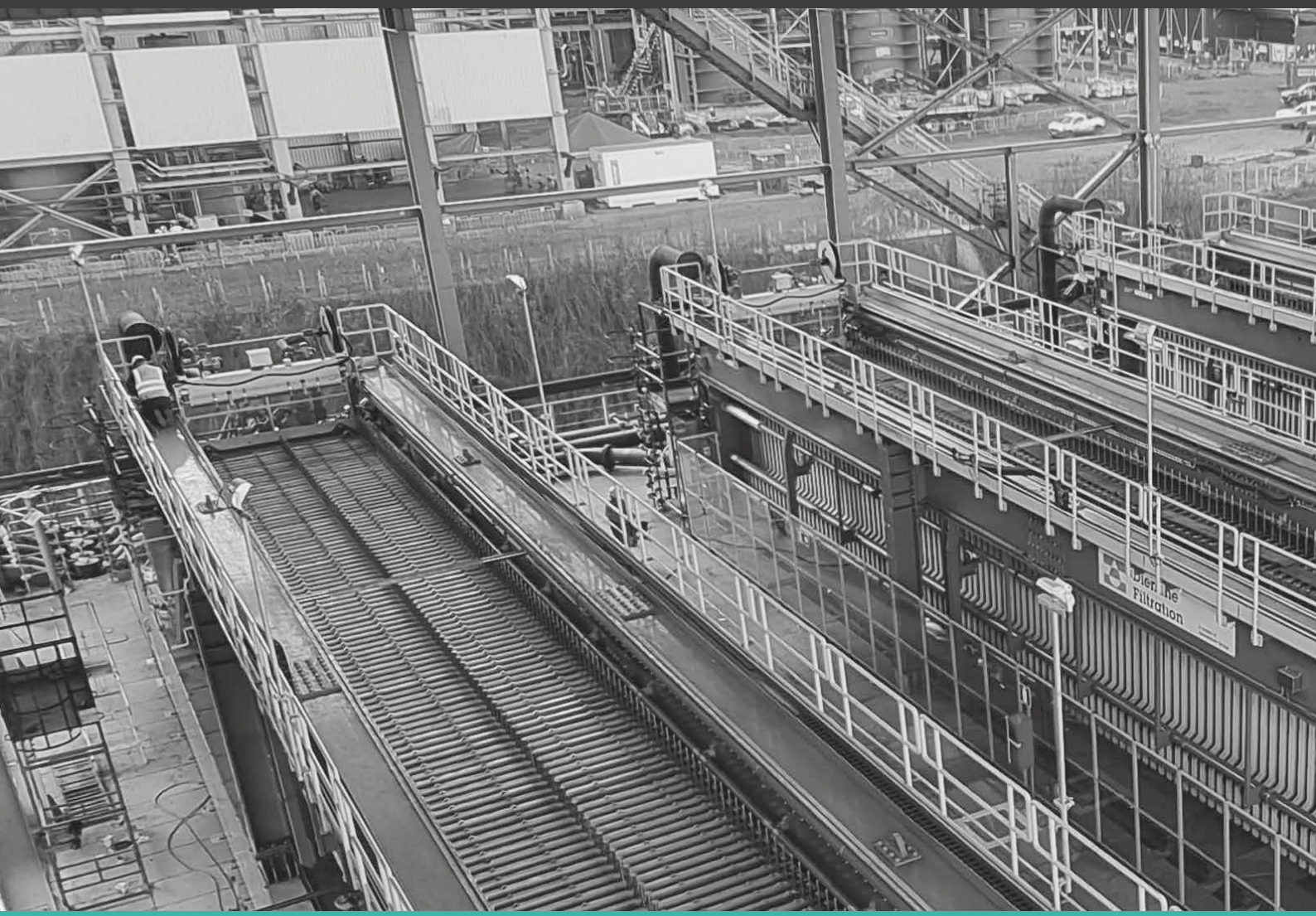

Diemme Filtration

A brand of
Aqseptence Group

Diemme Filtration Srl

Via Gessi 16
48022 Lugo Italy
Ph. +39 0545 20611
www.diemmefiltration.com