

# SUSTAINABILITY REPORT **2023**

**BONDIOLI  
& PAVESI** 

**BONDIOLI  
& PAVESI**



*Make it green*

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# Letter to Stakeholders

The **path of sustainability** involves a process of innovation, including cultural innovation. Reporting milestones helps encourage and strengthen dialogue with all stakeholders to promote the achievement of the Group's strategic objectives.

Dear Stakeholders,

It gives us great pleasure to present you with the **2023 Sustainability Report**, a document that represents a significant step in our commitment towards a more sustainable future.

During 2023, Bondioli & Pavesi resolutely pursued its vision of sustainability by integrating responsible practices concerning the essential elements - **Planet, People, Culture**, into all operational and commercial activities.

The Sustainability Committee was instrumental in promoting ESG efforts and driving the cultural change within the company, outlining the main guidelines and assigning the relevant responsibilities necessary to successfully implement the **"Make it Green"** philosophy.

The publication of this first Annual Report is a crucial moment to systematically highlight the initiatives that our Group has undertaken over time to **create**

not only economic, but also social and environmental value.

We have worked hard to reduce the environmental impact of our factories and operations, promote the well-being of our employees and support the communities in which we operate.

We are aware that **sustainability is an ongoing journey** and we are determined to continuously improve our performance.

We therefore do hope that the 2023 Sustainability Report will provide you with a clear and transparent view of our activities and progress. Your **support and trust** are essential as we continue to grow together.

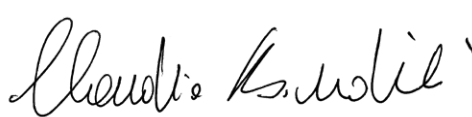
We would therefore like to express our sincere **thanks** to the people who work in the B&P Group and who, on a daily basis, collaborate with us to pursue an increasingly sustainable development capable of generating value for the communities in which we operate.

The Directors

Carlo Bondioli

Claudio Bondioli

Giovanni Pavesi


# 1. Methodology

Bondioli & Pavesi publishes its first **Sustainability Report** for the year 2023 with the aim of transparently communicating to all stakeholders its mission, vision, values, strategies and performance directly related to its social and environmental impacts.

The drafting of this document is entirely **voluntary**, as Bondioli & Pavesi does not fall within the scope of organisations required to report their non-financial performance under Italian Legislative Decree No. 254/2016, but it reflects the company's desire to progressively align itself with the new CSRD directive that will require companies to report their performance in Environmental, Social and Governance matters.

For this first year, the actual scope of the document refers exclusively to the Group's Italian operations:

- **Bondioli & Pavesi S.p.A.**
- **Bondioli & Pavesi Sales & Logistics S.p.A.**
- **Finsuge S.p.A.**
- **HP Hydraulic S.p.A.**
- **DINOIL S.p.A.**
- **TECNOMEK S.p.A.**
- **FIRA S.p.A.**
- **Siboni S.r.l.\***

If certain aspects within the document refer only to some of these companies, this information will be indicated.

The time frame for the reporting of sustainability information covers the period running from **1 January to 31 December 2023**.

Bondioli & Pavesi plans to prepare the Report annually.

The Report was prepared using the “**Global Reporting Initiative Sustainability Reporting Standards**” (the “GRI Standards”), defined by the Global Reporting Initiative, according to the “with reference” approach, with the methodological support of the consulting company SCS Consulting.

The content has been prepared in accordance with the principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and

\* The figures for 2022 do not include Siboni S.r.l. as it joined the Group in 2023.







# Make it green

***Make it green  
is more than  
just a motto!***

*It is the very  
philosophy  
that guides  
the actions of  
the Bondioli  
& Pavesi  
Group in its  
daily choices  
towards a zero-  
impact future.*

verifiability, as stipulated by GRI 1: Foundation 2021.

From a process point of view, corporate departments and management were involved both in defining the topics on which to focus the information and in gathering the qualitative content and quantitative data necessary for the preparation of the Report.

The 2023 Sustainability Report is published and made available on the company's website: [bondioli-pavesi.com](https://bondioli-pavesi.com)

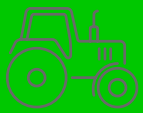
For more information, please contact the company at [bp@bondioli-pavesi.com](mailto:bp@bondioli-pavesi.com)

# 2. 2023 Highlights

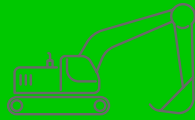
## THE GROUP

TURNOVER

# 455mil/€



**66%**  
AGRICULTURE



**25%**  
CONSTRUCTION



**9%**  
OTHER

## THE PEOPLE

# 1890

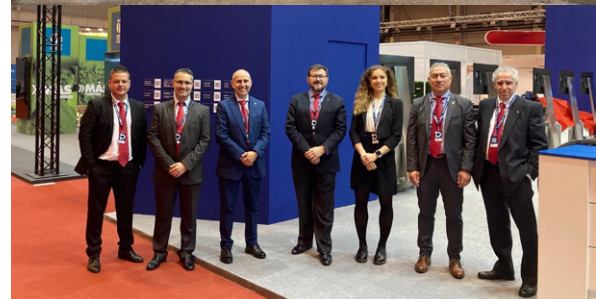


**1,301**  
ITALY



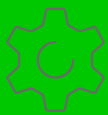
**589**  
WORLD

**146** New recruits  
**1271** Permanent employees  
**16,091** Training hours

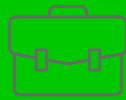




PLANTS  
**26**



**12**  
PRODUCTION



**13**  
COMMERCIAL



**1**  
LOGISTICS

## THE ENVIRONMENT / ITALY

ELECTRICITY

**23,493.89 MWh**  
TOTAL CONSUMPTION



**6.878,45 MWh**  
renewable self-generated by  
photovoltaic systems

WASTE

**4,660 ton**  
NON-HAZARDOUS



**93%**  
reuse/  
recycling

**7%**  
landfill

## MANAGEMENT SYSTEMS / ITALY



**ISO 9001:2015**  
Quality

**ISO 50001:2018\***  
Energy

**ISO 14001:2015**  
Environmental

**ISO 45001:2018\***  
Health and Safety at Work

\* Exclusively for Bondioli & Pavesi S.p.A. and Bondioli & Pavesi Sales & Logistics

# 3. Our History



Expansion  
abroad

Increasing  
production  
sites

Information  
technology  
revolutionises  
work

**1950** **1960** **1962** **1970** **1980** **1982** **1990**

**19 October** marks  
the foundation of  
Bondioli & Pavesi

Plant  
in **new plant**  
at 23 April in  
Suzzara

The offices and plant  
**expand**

The **Hydraulics  
Division** is  
created



We have come a long way since 1950, but some points have remained the same:

**A passion for innovation**

**A firm belief in things “done right”**

**A connection with our People**





The Group definitively affirms its **global presence**



Appointment of the **Ethics Committee** and adoption of the **Code of Ethics**



The **SFT PRO E.D.I. Electronic Data Interchange** u-joint is presented

# 1997 2000 2008 2010 2017 2019 2020

The **Terminal** arrives, the new logistics unit in Suzzara



The **Electronics Division** is created



The transition to **Industry 4.0**



The **Sustainability Committee** is established to promote green initiatives



Growing means continuing to build

*sustainable*

**Factories, Products and Relations**

# 4. Mission and Values

## THE MISSION

Bondioli & Pavesi provides products and services of excellence to fully meet the **needs of Customers** and foster the **development of the Communities** in which it operates.

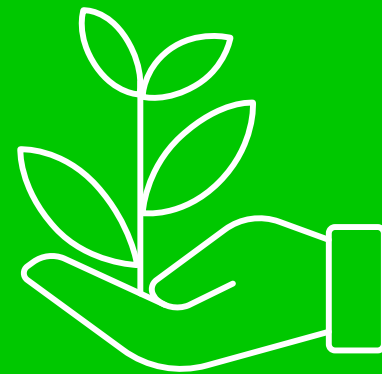
The Group promotes short- and long-term growth based on **Sustainability, Quality and Innovation**.

This is achieved by establishing a virtuous circle based on trust, competence and transparency in relations with stakeholders, creating a strong sense of belonging with our employees, and promoting active synergies in our community and territories.



# THE VALUES

Our values are set out in the **Code of Ethics**, which is an important point of reference for the entire corporate community.



## LOYALTY AND TRANSPARENCY



Company representatives and employees undertake to maintain personal integrity, behaving in a balanced manner that is respectful of the individual, inspiring their actions with principles of honesty, fairness, transparency and good faith.

## PERSONAL VALUE



People are considered an absolute and indispensable value. Their individual contribution is the key to achieving and maintaining market position and credibility.

## FAIRNESS



The Group is committed to eliminating all forms of discrimination, respecting differences in gender, age, race, religion, political and trade union membership, sexual orientation, language or different abilities.

## SENSE OF BELONGING



A sense of belonging implies sharing the same goals. Employees are proud to be part of the individual company and the family of companies, supporting each other, especially in difficult times.

## PRODUCT AND SERVICE EXCELLENCE



The Group's companies are characterised by the intrinsic aim of continuous improvement. Looking to the future, anticipating challenges, cultivating the widespread creativity of staff and valuing merit, having product and service excellence is in the company's DNA.

## TEAMWORK AND EXPERTISE



Being and feeling part of a team is a principle shared by everyone at Bondioli & Pavesi. The formation of a winning team is the duty of Group managers, who are required to encourage teamwork among employees, motivating and involving them.

## COMMUNICATION AND DIALOGUE



Communication and dialogue are the basis of relations in the Group. All managers are required to promote, both within their own department and with the various corporate departments, the mutual exchange of information and cooperation.

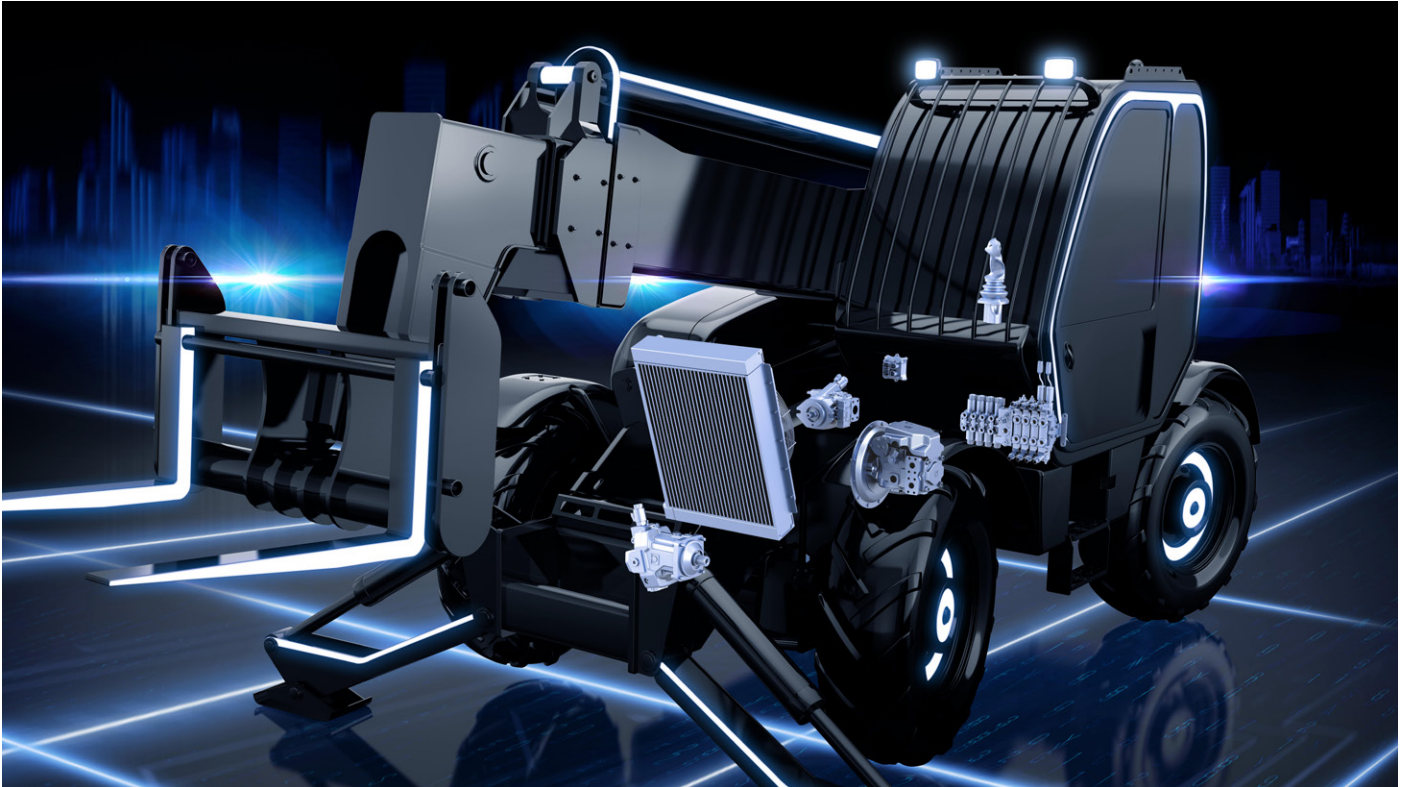
## SOCIAL AND ENVIRONMENTAL COMMITMENT



Supporting social, humanitarian, environmental protection and sustainable land development activities is a priority for the Group. All employees are encouraged to participate professionally and collaboratively, adopting environmentally and health-friendly behaviour.



# 5. Business Model, Activities and Markets



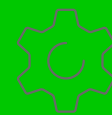
Since its foundation in 1950, Bondioli & Pavesi has played a key role in the development of agricultural mechanisation, specialising in gearboxes and cardan joint driveshafts.

Subsequently, the company consolidated its national successes by embarking on an internationalisation strategy through the establishment of sales subsidiaries in countries producing agricultural and mobile machinery.

Today, the Bondioli & Pavesi Group stands out for the manufacture of strategically important mechanical, hydraulic and electronic components at a global level, thanks to its numerous sales subsidiaries and production facilities distributed all over the world.

Despite its international growth, Bondioli & Pavesi maintains close ties with the Italian market. In 2007, Bondioli & Pavesi Sales & Logistics was founded to manage distribution logistics, as well as the commercial activities of the Group in Italy, consolidating its commitment to serving the domestic market with efficiency and proximity.

# PRODUCTION



## Italy

**BONDIOLI & PAVESI** | Suzzara (MN)  
**HP HYDRAULIC** | Pieve di Cento (BO)  
**DINOIL** | Montecchio Maggiore (VI)  
**FIRA** | Dosso Terre del Reno (FE)  
**TECNOMEK** | Lestans di Sequals (PN)  
**SIBONI** | Forlì (FC)

## World

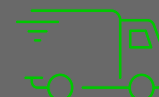
**O.M. PROTIVÍN** | Protivín, Czech Republic  
**BP COMPONENTES HIDRÁULICOS E MECÂNICOS** | Caxias do Sul, Brazil  
**BPN TRANSMISSÕES** | Santana de Parnaíba, Brazil  
**B&P HYDRAULIC AND MECHANICAL COMPONENTS** | Hangzhou, China  
**BONDIOLI & PAVESI MECHANICAL** | Nanchang, China  
**BONDIOLI & PAVESI INDIA** | Chakan Pune, India

# COMMERCIAL



**B&P SALES & LOGISTICS** | Suzzara (MN)  
**BONDIOLI & PAVESI FRANCE** | Mennecy, France  
**BONDIOLI & PAVESI DEUTSCHLAND** | Gross Gerau, Germany  
**BONDIOLI & PAVESI IBÉRICA** | Saragossa, Spain  
**BONDIOLI & PAVESI INC.** | Ashland, USA  
**BONDIOLI & PAVESI POLSKA** | Slupsk, Poland  
**BONDIOLI & PAVESI UKRAINE** | Velyki Birky, Ukraine  
**BP COMPONENTES HIDRÁULICOS E MECÂNICOS** | Caxias do Sul, Brazil  
**BPN TRANSMISSÕES** | Santana de Parnaíba, Brazil  
**BONDIOLI & PAVESI CHINA** | Hangzhou, China  
**BONDIOLI & PAVESI INDIA** | Chakan Pune, India  
**DANITECH A/S** | Haderslev, Denmark  
**DANITECH BV** | Zoeterwoude, The Netherlands

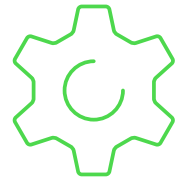
# LOGISTICS



**B&P SALES & LOGISTICS** | Suzzara (MN)

# PRODUCTION

## Design/Production



The **twelve** Bondioli & Pavesi **production companies**, each specialising in the design and manufacture of specific components, operate independently to ensure maximum customer benefit.

ITALY

### **BONDIOLI & PAVESI | Suzzara (Mantova)**

The credibility and reputation gained over more than seventy years of activity and market presence have made Bondioli & Pavesi a leader in the production of components for power transmission.

The parent company of an ever-growing Group, Bondioli & Pavesi is a point of reference across the world in the manufacture of cardan joint driveshafts for the agricultural sector, and of gearboxes used in all types of industrial and agricultural applications, fulfilling the requirements of customers in every corner of the globe.



### **HP HYDRAULIC | Pieve di Cento (Bologna)**

The company has been part of the Bondioli & Pavesi Group for over thirty years and specialises in the production of axial piston pumps and motors, gear pumps and motors, and servocontrols, which are used for a host of industrial and agricultural mechanisation applications.

This Production Unit has recently taken over SM Oleodinamica Srl, which joined the Group in 2014 bringing its range of axial piston pumps and motors, and pump-motor coupling systems with it.



### **DINOIL | Montecchio Maggiore (Vicenza)**

DINOIL joined the Bondioli & Pavesi Group in 1986 and is responsible for the design and construction of directional control valves, which are used in an extensive range of applications in the agricultural, construction and earth moving sectors.

In line with the company philosophy, these products are available as part of a standard range or are developed in close collaboration with the customer for use in specific applications.







### **FIRA | Dosso Terre del Reno (FE)**

This company specialises in the production of high-quality heat exchangers, using cutting-edge technologies in the production of aluminium radiator cores, with the ability to provide the market with both standard and customised heat exchangers in traditional, combined and giant versions. Part of the Group since 1987, the company is particularly renowned for its applications involving mobile machinery and industrial installations.



### **TECNOMEK | Lestans di Sequals (PN)**

This modern plant is dedicated to the manufacture of the high-precision components that are used in the pumps and valves produced in all the Group's plants. This Production Unit demonstrates the importance of a strategy that focuses on investment in technology, with a view to making components that are increasingly innovative and reliable, to be used directly in the manufacturing processes of the companies that make up the Bondioli & Pavesi Group.



### **SIBONI | Forlì (FC)**

Siboni S.r.l., founded in 1957 in Forlì by brothers Enzo and Ivo Siboni, became part of the Bondioli & Pavesi Group in September 2023.

Originally specialising in the repair of household appliances, the company has evolved into the production of electric motors, planetary gearboxes and DC gearmotors.

With the entry into the new millennium, it has expanded its focus on motor control electronics, becoming a benchmark for mechatronic solutions.

The acquisition by Bondioli & Pavesi has strengthened Siboni's presence in the industrial, agricultural, robotics and intralogistics sectors, enriching the Group's proposition in electric and hybrid power transmission.

## O.M. PROTIVÍN | Protivín, Czech Republic

The company boasts a history spanning more than 100 years and was established as a division specialising in machining complete gearboxes and components for the motorcycle industry. Today, its activities are concentrated on the production of precision gears and it remains a point of reference within this sector, whilst also manufacturing gearboxes used both in agricultural and industrial applications. Although it became part of the Bondioli & Pavesi Group in 2007, its headquarters continue to be in the Czech Republic.



## BP COMPONENTES HIDRÁULICOS E MECÂNICOS | Caxias do Sul, Brazil

Founded in 2002, the company manufactures cardan joint driveshafts and directional control valves, as well as marketing a range of hydraulic products on the Brazilian and Latin American markets.

The decision taken by Bondioli & Pavesi to open a production plant on site has proven to be a resounding success, enabling utilization of the full potential of the economic growth in Brazil and in South American as a whole.



## BPN TRANSMISSÕES | Santana de Parnaíba, Brazil

The company was founded in 2000 as part of a joint venture between Bondioli & Pavesi and Engrecon S/A, a Brazilian company specialising in the construction of gearboxes for agriculture machinery and for special applications.

Today, it enjoys a reputation for reliability and is an ideal partner for mobile machinery manufacturers, uniting the best aspects of the company's international experience with its consolidated presence throughout Brazil.



## B&P HYDRAULIC AND MECHANICAL COMPONENTS | Hangzhou, China

Founded in 2000 as a representative office, the Chinese company has developed into a central buying hub, focusing on all activities related to representing the company on the Chinese market. Today, the sales division operates alongside a production plant dedicated to the manufacture of cardan joint driveshafts and directional control valves for the Chinese and international markets.



## BONDIOLI & PAVESI MECHANICAL | Nanchang, China

Located in the capital of Jiangxi province in south-east China, the Nanchang factory was officially opened on 22 October 2022. Set up from scratch, the Group's second Chinese plant is dedicated exclusively to the production of mechanical components for cardan joint driveshafts, which are then supplied to the Suzzara headquarters and the Hangzhou plant.







## BONDIOLI & PAVESI INDIA | Chakan Pune, India

Bondioli & Pavesi India commenced operations in 2012 producing pumps, axial piston motors and directional control valves for the leading local manufacturers of agricultural and mobile machinery, construction projects and public works.

In the Chakan Pune plant, key European components and parts machined in India are assembled with a guarantee of the highest possible quality standards.

Each component produced is tested on special test benches in order to ensure utmost reliability and convenience.

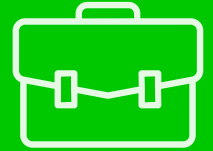
With a view to fostering discussion and cooperation between the operators of the UTE and Logistics, it was decided to create a dedicated space for their meetings in all production facilities directly in the factory: the PEM Arena.



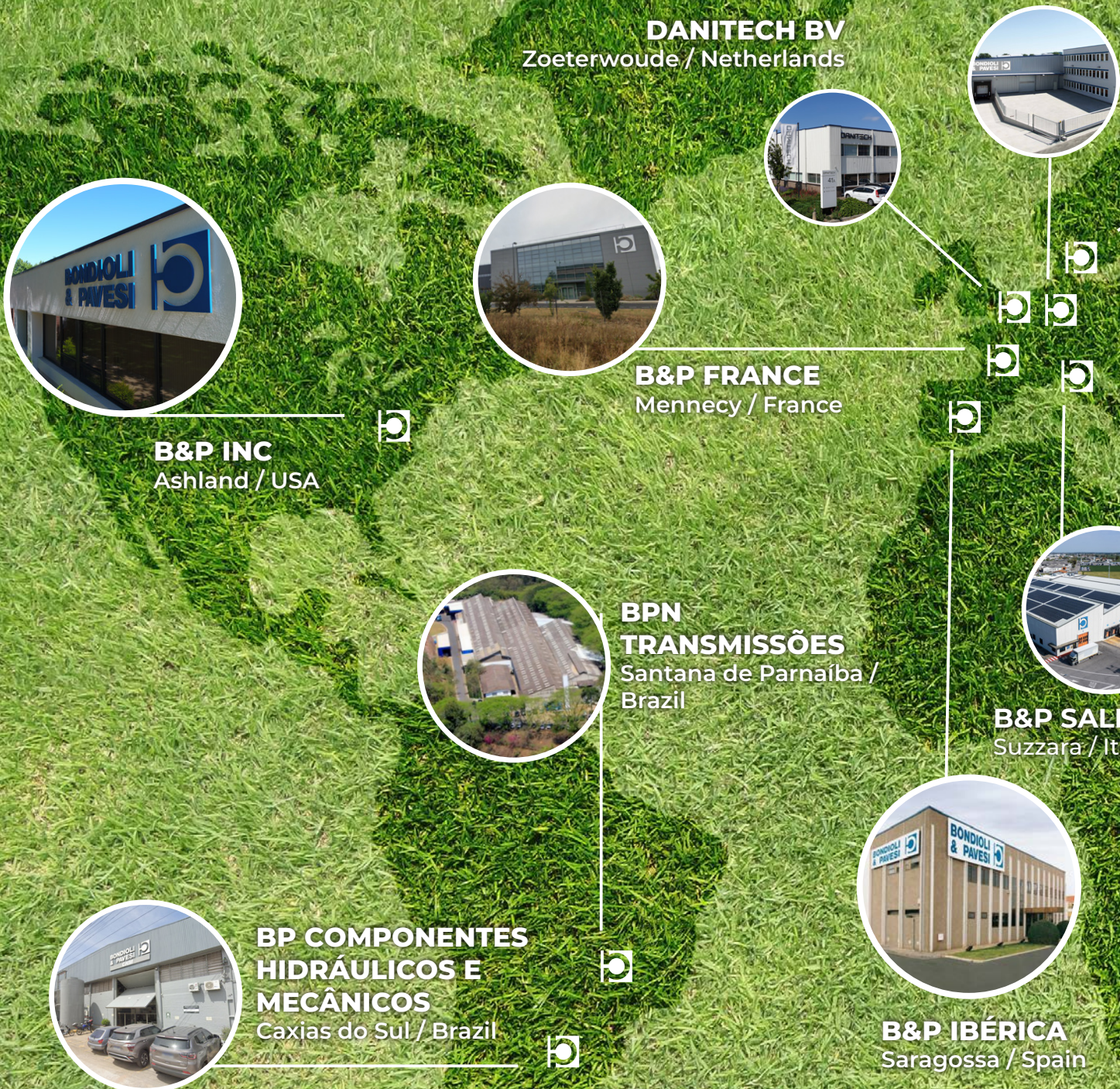


# COMMERCIAL

Sales/Service



Commercial strength is a key strategic premise, evidenced by the establishment of sales and logistics companies in the world's major markets since 1967.



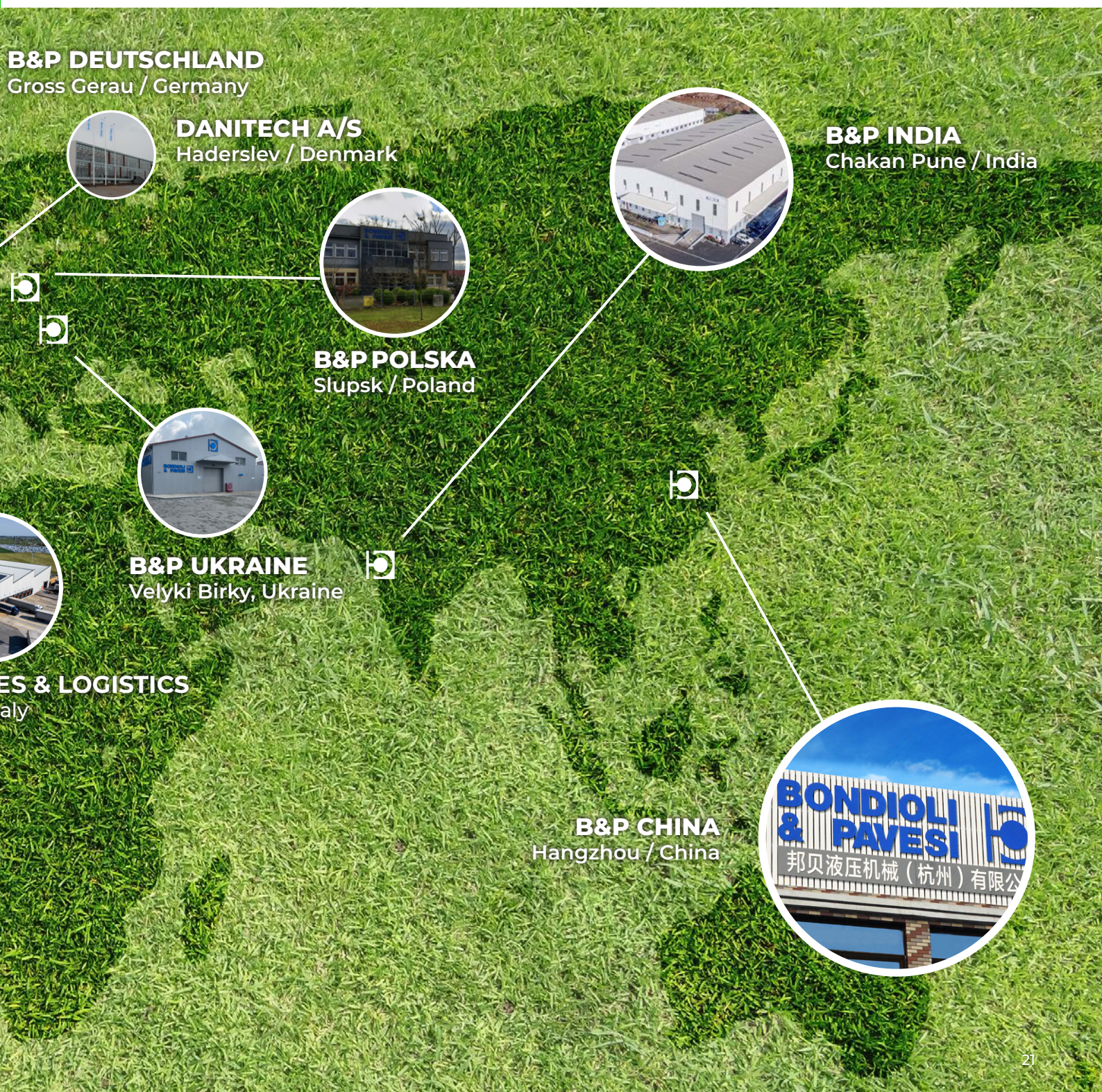




# LOGISTICS

## Distribution

The **logistics hub** aims to optimise product distribution and provide customers with excellent technical support, consolidating Bondioli & Pavesi's global presence and the supply of original components and spare parts on an international scale.





# 6. Governance



## BOARD OF DIRECTORS

Bondioli & Pavesi's governance is characterised by a solid holding-type structure, which favours effective coordination and control of the company's activities.

Finsuge S.p.A. acts as the parent company, exercising control and supervision over the Group's operations.

The management of the Company is entrusted, in accordance with the traditional system of administration and control, to the **Board of Directors** (the "BoD"), which is the body responsible for decision-making and has the following members:

**CARLO  
BONDIOLI**

**CLAUDIO  
BONDIOLI**

**GIOVANNI  
PAVESI**

The Board of Directors is the executive body of Bondioli & Pavesi and is responsible for the ordinary and extraordinary management of the company. It has the power to perform all acts deemed fit and proper to pursue the corporate purpose.

*All three members of B&P's BoD are male and in the over-60 age bracket.*



## ETHICS COMMITTEE



In addition to the Board of Directors, there is also the **Ethics Committee**, which has the task of promoting a corporate culture based on sound ethical principles and ensuring that the company acts responsibly and in accordance with the highest standards.

In order to guide corporate decision-making processes and guide the decisions of top management and employees, Bondioli & Pavesi has laid the foundations of its Governance in the adoption and implementation of the **Code of Ethics**. This document defines the principles of inspiration for the company and its collaborators in conducting business, representing the foundation on which the actions and decisions of all those who work for and with the Group are based.

## SUSTAINABILITY COMMITTEE



In 2021, the **Sustainability Committee** was established to guide Bondioli & Pavesi in integrating sustainability principles into its operations. The Committee defines and implements the Sustainability Plan, setting measurable targets in the short, medium and long term, and coordinates the drafting of the **Sustainability Report**.

The Committee also manages and processes proposals for innovative ideas and improvements related to environmental management (including but not limited to energy, water resources, waste management and packaging) suggested through the 'Activity Requests' section accessible on the company intranet platform.

# Did you know that...?



Companies are not only made up of factories and equipment, but above all **people**. Corporate culture defines the way we think and act; in a nutshell... **the way we "are"**.

This is why it is so important to pass it on to all employees, the true ambassadors of our **values and objectives**.

# 7. The commitment to Sustainability

## 7.1. The materiality analysis

Through its first Sustainability Report, Bondioli & Pavesi has **voluntarily** decided to report on the most relevant sustainability topics for the company, identified through an assessment of the company's ability to generate impacts on the environment, the economy and society.

The Sustainability Report is based on the **Global Reporting Initiative (GRI)** sustainability reporting standards, which require a materiality analysis to identify and assess the impacts the company has or could have on society and the environment. This process also allows for the gathering and incorporation into corporate decisions of stakeholder concerns, the evolution of the regulatory environment, corporate strategy and any driver capable of significantly influencing the ability to generate value in the short, medium and long term.

The materiality analysis conducted in 2023 by Bondioli & Pavesi also took into account **key regulatory developments** and standards that have occurred in recent years, including:

- the introduction of the **new GRI Universal Standards** in October 2021, in particular the release of GRI Standard 3 - Material Topics, which redefines material topics as those most significant impacts an organisation has on the economy, the environment and people, including human rights;
- the **Corporate Sustainability Reporting Directive (CSRD)**, approved in 2022, which aims to make sustainability reporting mandatory for more companies than is currently the case.

The CSRD focus points include the requirement to adopt the new European Financial Reporting Advisory Group (EFRAG) Reporting Standards, approved in July 2023 by the EU Commission, and the requirement to adopt a “Dual



Materiality” approach, which identifies two directions in which to frame sustainability issues, namely:

- a) how these affect the financial performance of a company and its value in the long run (impacts suffered - “Financial Materiality”); and
- b) what effects the company causes on society and the surrounding environment (generated impacts - “Impact Materiality”).

Bondioli & Pavesi's materiality analysis process involved conducting an “Impact Materiality” analysis, in accordance with the new requirements of the Global Reporting Initiative, and an initial “Financial Materiality” exercise for a step-by-step alignment to the “Double Materiality” required by the CSRD and related EFRAG standards.

The process consists of three stages, as explained over the following paragraphs:

- 1. Identification of potentially material topics and impacts;**
- 2. Stakeholder engagement and topic assessment;**
- 3. Validation of the materiality analysis.**





# 1. Identification of potentially material topics and impacts



In view of the new GRI requirements and the adopted Double Materiality approach, Bondioli & Pavesi identified the most relevant topics for its business.

Through an in-depth analysis of the context and benchmarking of topics deemed relevant by peers and competitors, **14 new potentially material topics** were identified, organised in four pillars:

- a. Environment
- b. Social
- c. Governance
- d. Business

At the same time as defining the potentially material topics, a list of the **impacts generated** by the company was drawn up, along with the main **risks and opportunities** of Bondioli & Pavesi in connection with these topics.

This process was guided by a detailed analysis of the external and internal context, evaluating company documentation, industry benchmarks and GRI standards.

## 2. Stakeholder engagement and topic assessment

Having defined the list of potentially relevant topics with the aim of identifying and material topics to be covered in the Sustainability Report, a **stakeholder engagement process** was initiated, whereby key stakeholders were engaged and listened to. The listening methods were defined from the **stakeholder map**.

Internal and external stakeholders were involved: in addition to the involvement of top management, **representatives were identified, considered as "experts" for the most relevant stakeholder categories**, i.e. references with specific knowledge of the sector and sustainability topics in order to be able to assess the actual and/or potential impacts of each topic, consistent with the GRI Universal Standards 2021 methodology and the business context.

**More than 50 stakeholders were involved** in the materiality analysis, in addition to the representatives of top management.

Stakeholders were involved in the following ways:



Stakeholders were included from the **financial community** in order to examine **Financial Materiality**, understanding the priority topics for banks and financial companies and assessing the ability to generate relevant effects on business performance.

The active involvement of the financial community is crucial to ensuring that financial decisions are aligned with market needs and expectations, contributing to the long-term sustainability of the company.

### 3. Validation of material topics

During the engagement events described above, the topics defined for 2023 were submitted for evaluation and respondents were asked to give two quantitative evaluations, on a scale of 1-5, about:

- **The impact generated** by the topic, understood as the company's ability to generate actual or potential positive or negative impacts on the economy, the environment and/or people, including human rights;
- Bondioli & Pavesi's actions already in place to **monitor** the topic.

**The final impact materiality score** associated with each topic was the weighted average of the following contributions used in the analysis:

- **the assessment of the ability to generate impacts** carried out by **expert stakeholders and employees**;
- **the assessment of the ability to generate impact** carried out by **top management**.

The final score was further elaborated during the **Workshop with top management**, during which suggestions of a qualitative-quantitative nature emerged for a consistency check and refinement of the topic ranking.

For financial materiality, interviews were conducted with both internal top management representatives and external stakeholders from the financial community.

**Qualified insights, observations and contributions** were requested based on the main risks and opportunities identified, which contributed to the definition of the results of this first financial materiality exercise.

**The final financial materiality score** associated with each topic was the weighted average of the following contributions used in the analysis:

- **the assessment of the ability to generate relevant financial effects** for the company carried out by **top management**;
- **the assessment of the ability to generate relevant financial effects** for the company carried out by external stakeholders belonging to the **financial community**;
- **desk assessment of the risks and opportunities identified**, through the use of an assessment tool structured around probability and impact criteria.



The final score was then further elaborated during the Workshop with top management, during which qualitative-quantitative cues were obtained for a consistency check and fine-tuning of the topic ranking.

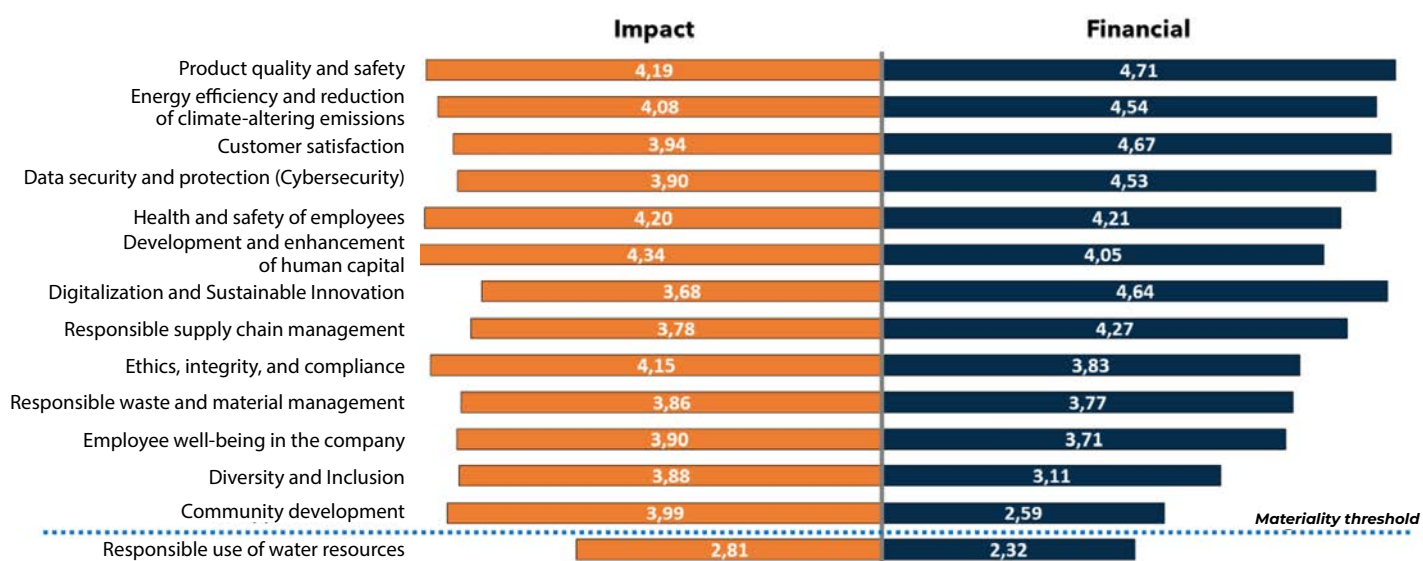
In line with the requirements of the GRI Standards, a **materiality threshold** was applied for the purposes of the Sustainability Report, including all topics with an **impact rating of more than 3** and, therefore, capable of meaningfully representing the topics on which the main - positive/negative - impacts generated on the economy, the environment and people are recorded.

All the potentially material topics exceed the materiality threshold set at 3, with the exception of the topic "Responsible use of water resources", which does not reach the materiality threshold set and is not to be considered material in terms of impact and financial materiality.

The final ranking of Bondioli & Pavesi's **materiality** analysis for 2023 presents **13 material topics**.

The entire materiality analysis process and the list of topics was validated during the Workshop with top management.

Below is a representation of the outcome of the double materiality, showing the ranking of topics obtained as a result of stakeholder engagement.



The next few chapters will recount the actions and policies implemented by Bondioli & Pavesi in reference to the material topics identified during this first materiality analysis.

# 7.2. Sustainability Strategy

Bondioli & Pavesi embarked on a journey to identify the main **areas of intervention** to promote sustainability within the company's operations. The materiality analysis was instrumental in identifying priority topics for the new sustainability strategy.

Based on the main elements that emerged during the stakeholder engagement, including the contributions from the interviews with top management and the final workshop to return the materiality analysis, and considering the most relevant material topics, four areas of intervention were identified on which to build the Bondioli & Pavesi **Sustainability Plan**.

With respect to the strands of action that emerged, we worked with the various business divisions to formulate a series of tangible commitments that form the basis of the Sustainability Plan for the period 2024-2026.

The sustainability initiatives included in the Plan represent a sort of map of commitments and actions to be implemented in the coming years, using measurable indicators to assess progress towards the goals set.

SUSTAINABILITY PLAN OF BONDIOLI & PAVESI			
SUSTAINABILITY GOVERNANCE	HUMAN RESOURCES AND COMMUNICATION	PROCUREMENT	SUSTAINABLE INNOVATION AND CIRCULAR ECONOMY
Establishment of a central coordination structure for ESG initiatives, for the supervision and alignment of sustainability actions with the company's strategic objectives, and formalization of compliance documents to ensure adherence to regulatory requirements and transparency in corporate practices.	Definition of a communication and integration path into HR development policies for sustainability, aimed at raising awareness and involving internal and external stakeholders.	Analysis of current procurement practices to identify improvement opportunities in terms of environmental, social, and economic sustainability and definition of Sustainable procurement policies.	Activities to promote resource efficiency and emission monitoring solutions, in order to accurately quantify and manage greenhouse gas emissions and other pollutants.







# 8. Responsible management of the B&P Group

## 8.1. Ethics, integrity and compliance

For over seventy years, Bondioli & Pavesi has operated on the basis of its core values of integrity, transparency, loyalty and fairness. These values underpin every business activity and guide relations with all stakeholders.

Furthermore, Bondioli & Pavesi is committed to complying with local laws and regulations in all countries where it operates, promoting legality and fairness in every aspect of business operations.

In order to promote and disseminate the corporate values that guide its relations with stakeholders, Bondioli & Pavesi has adopted the Group's **Code of Ethics**.

Through this document, Bondioli & Pavesi wishes to set out the key values in which the company believes and to which it is committed, outlining the principles of conduct that flow from them and contextualising them with respect to relations with each stakeholder.

To ensure the adoption of the principles of the Code of Ethics, a copy of the document is provided to all employees, who are required to comply with the rules of conduct, and is given to new recruits so that they can get to know and apply the *modus operandi* that guides the company's activities. In this way, it aims to ensure a high degree of consistency between all members of the company, helping to strengthen mutual trust between stakeholders.

To supervise the implementation of the principles outlined in the Code of Ethics, Bondioli & Pavesi has established an Ethics Committee.

Any breach of the Code is reported to the Ethics Committee, who, in addition to constantly assessing the effectiveness of the Code, cooperates with the Company Management to take appropriate disciplinary measures.

Furthermore, in accordance with **whistleblowing** legislation (Italian Law 197/2017), the Group has defined the process for receiving and managing reports of conduct and/or behaviour



that may represent a criminal, civil or administrative violation during the performance of work duties, with the aim of regulating and conveying them to the relevant authorities.

Thanks to the commitment and focus on business ethics, there were **no significant instances of non-compliance with laws and regulations and no incidents of corruption** in 2023.

## 8.2. Cybersecurity and Data protection

The protection of personal data and confidential information is essential in the conduct of company business, as emphasised by current regulations. This aspect is of particular importance to Bondioli & Pavesi, considering the vast amount of data and information collected by the Group's companies in their relations with customers and suppliers. It is crucial to ensure a high level of confidentiality, integrity, security and availability of such data and information, especially considering the growing cyber threats at national and international level.

In order to meet these needs, Bondioli & Pavesi has adopted all the necessary requirements to comply with the **General Data Protection Regulation** (or "GDPR" - EU Regulation 2016/679), transposed by the Italian legislator with legislative decree no. 101/2018, and best practices for privacy protection. To this end, an internal document has been drafted, describing the procedure for handling confidential information.

It is vital to raise staff awareness internally about data protection. Accordingly, **cybersecurity training courses** have been organised for Group employees in order to increase awareness and understanding of data protection issues.

During 2023, **no substantiated complaints were received concerning breaches of customer privacy.**



## 8.3.

# Responsible supply chain management



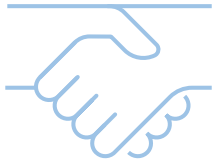
The Bondioli & Pavesi Group has been operating for years on the international market in compliance with current laws and regulations. The mission is to stand out as a company that pursues its own and its customers' goals in an innovative and sustainable manner.

The quality of Bondioli & Pavesi products is not only based on a relentless commitment to innovation and continuous improvement, but also on the extensive network of global partnerships that provide goods and services essential to the company's operations. These partnerships are crucial to ensure success on the global market.

In dealing with business partners, we adhere to essential ethical principles, including fairness, equality, protection of the person and the environment, diligence, transparency, honesty, confidentiality and health protection.

To ensure that suppliers also adopt these principles, in addition to what is defined in the Code of Ethics, a “**Supplier Code of Conduct**” has been implemented, reflecting the company's values and principles. This document is crucial for establishing responsible and lasting business relationships, oriented in the following areas:



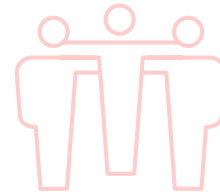


## COMMERCIAL ETHICS

Suppliers must conduct their activities in a professional, honest, transparent, and integral manner, in compliance with laws against corruption, money laundering, and to promote fair competition.

They must avoid any action that may create conflicts of interest between their own interests and those of the Bondioli & Pavesi Group.

Furthermore, they must maintain confidentiality of company information and ensure transparency in communication.



## WORKING CONDITIONS AND HUMAN RIGHTS

Health and safety at work, along with respect for human rights, are fundamental for the Group. Suppliers are required to ensure a safe and healthy working environment, compliant with legal regulations. They must promote the elimination of any form of discrimination, respect the freedom of association, and employ personnel in accordance with current legislation, including fair wages and working hours, and preventing all forms of exploitation, such as child labor.

## CONFLICT MINERALS POLICY

Minerals from conflict zones, known as "3TG" (tantalum, tungsten, tin, and gold), originate from the Democratic Republic of Congo and surrounding countries.

Their trade may finance armed forces, contributing to human rights violations such as forced labor and the abuse of women and children.

The Bondioli & Pavesi Group is committed to operating responsibly, discouraging the purchase of products containing 3TG minerals sourced from conflict zones, and requiring the same commitment from its suppliers.

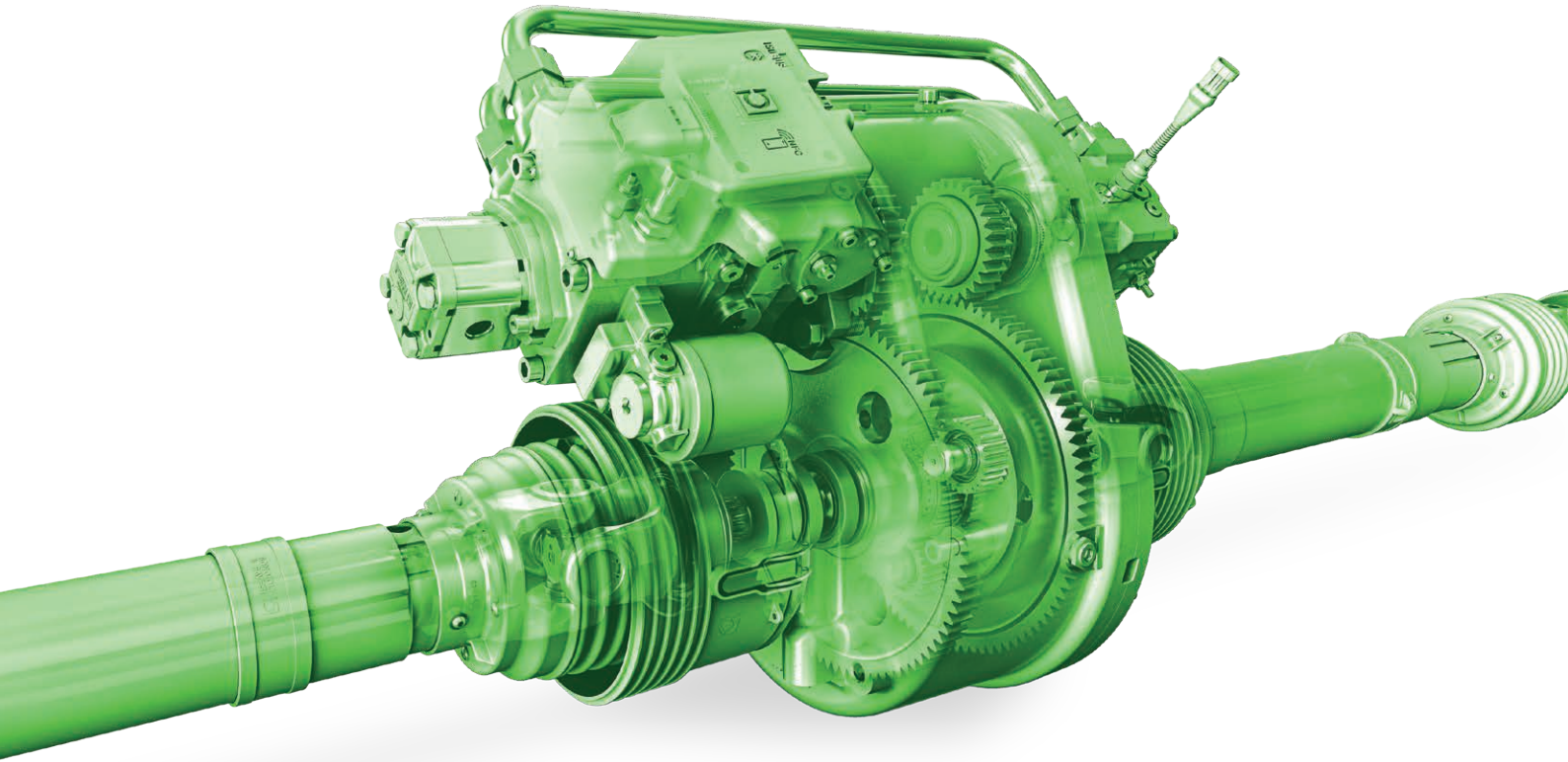
## ENVIRONMENTAL RESPONSIBILITY

Suppliers must comply with environmental laws and commit to improving the quality and efficiency of their production processes, reducing environmental impact.

This includes reducing resource waste such as water and energy, properly managing hazardous waste, and training personnel on environmental protection.



# 9. Sustainability in B&P Group's business



## 9.1. Product quality and safety

Bondioli & Pavesi is formally committed to providing products and services that meet customer expectations, without compromising on quality, safety and conformity.

The Quality Policy summarises the Group's commitment to the pursuit of excellence, allowing it to be communicated, shared and implemented at all company levels.

In order to make its Quality Policy a concrete, implemented reality, the Bondioli & Pavesi Group has developed its **Quality Management Systems (UNI EN ISO 9001)** based on a risk-based approach that makes it possible to make the most of opportunities offered by the analysis of the context and stakeholders and to minimise the negative effects of any critical issues.

The **corporate Quality Policy** is based on the following main objectives, consistent with the Group's values:



### **OFFERING A QUALITY PRODUCT AND SERVICE**

Bondioli & Pavesi Group operates to offer innovative and reliable products, tailored to the needs of the market and customers.

### **PRESENCE IN THE NATIONAL AND INTERNATIONAL MARKET**

Bondioli & Pavesi Group consolidates and increases its market share through relationships with Clients built on presence, trust, confidentiality, and collaboration at all levels.

### **SHARING**

Management recognizes that its own behavior is crucial for creating clarity in objectives and cohesion within the company, promoting an environment where everyone can contribute their best.

### **INVOLVEMENT**

Bondioli & Pavesi Group encourages the involvement of every collaborator through the sharing of corporate values and a culture based on responsibility, dialogue, and interaction among colleagues and different corporate functions.

### **TRAINING AND DEVELOPMENT**

Bondioli & Pavesi Group promotes and pursues through training, continuous updating, and mentoring, the development of both technical and interpersonal skills and knowledge in its collaborators.

### **CONTINUOUS IMPROVEMENT OF COMPANY PROCEDURES**

Bondioli & Pavesi Group has developed an organizational model based on processes to manage all activities systematically. This model is supported by the use and continuous search for cutting-edge IT tools, aimed at simplifying and integrating business processes.

### **COMPLIANCE WITH LEGISLATIVE REQUIREMENTS**

Bondioli & Pavesi Group is constantly committed to complying with legislation in all sectors in which it operates, with continuous updating and investments to ensure the health and safety of workers, continuity of services, product conformity, information security, and compliance with privacy regulations.

### **IMPLEMENTATION OF ITS OWN CODE OF ETHICS**

Bondioli & Pavesi Group is committed to ensuring respect for the fundamental principles of its Code of Ethics, which are reflected in the values of transparency, ethics, and sustainability.

## 9.2. Customer satisfaction

Customer satisfaction is at the heart of the Bondioli & Pavesi Group's operational approach, which promotes business success through careful consideration of **customer needs**.

The trust of **business partners** plays a fundamental role, so the Group is committed to working exclusively with companies that share the values of honour and professionalism, thus establishing solid and reliable business relations.

Within the Group companies, the management of customer relations is entrusted to the designated personnel, who operate in accordance with the **guidelines** laid down in the relevant Quality System **procedure**.

Each and every interaction with customers is characterised by courteous, helpful and transparent behaviour.

In the event of problems or critical issues, employees are required to promptly report them to their superiors and to actively endeavour to resolve them as best they can.

The **disclosure of clear and truthful** information is another pillar of Bondioli & Pavesi's approach, in which care is taken to protect the company's reputation, as well as the interests of shareholders, managers and colleagues, in order to create a collaborative and professional climate where transparency and integrity are a priority.

Group companies constantly strive to maintain **high quality standards** in the products and services they offer, carefully monitoring customer perceptions and adapting accordingly.

This commitment is integrated into the company's Quality System procedure, which guides each stage of work to ensure maximum customer satisfaction.

To this end, **questionnaires** are conducted to assess customer satisfaction, in order to identify areas for improvement and to guarantee a service that is increasingly tailored to customer needs.

In addition, customer satisfaction is fostered by the high **customisation** of products, which allows for an effective and precise response to specific customer requirements.

Last November's winning of the *Systems & Components Trophy 2023 - Engineers' Choice* is recognition of Bondioli & Pavesi's commitment to innovation and digitisation and of the relentless pursuit of excellence.

This prestigious award, organised by the DLG (German Agricultural Society), highlights the most innovative systems and components that contribute significantly to the development of agricultural machinery.

On the podium this year is the E.D.I. (Electronic Data Interchange) u-joint, the result of impeccable teamwork and major investments in innovation and technology.





## 9.3.

# Digitisation and sustainable innovation

To meet new market demands and to be a point of reference for customers, Bondioli & Pavesi actively engages in **scientific and technological advancement**, recognising its importance in promoting economic growth, social development and environmental protection.

To achieve this goal, the Group focuses on strengthening research and development, with a particular focus on **digital competencies**.

The company's vision of innovation is based on the **continuous improvement** of products, services, production processes and internal management, using the latest **sustainability criteria** as a guide.

In addition, work is done to implement **sustainable**, resilient and quality facilities and **plants** to ensure the well-being of employees and the local community.

To promote digital inclusion, the company offers all workers access to **information and communication technologies (ICT)** and promotes the deployment of these technologies throughout the supply chain.

It is recognised that equal access to and competence in the use of ICT are crucial for success and competitiveness in the digital age.

Furthermore, Bondioli & Pavesi constantly invests in **Research and Development**, both internally and in collaboration with local universities, in order to promote technological evolution and innovation in all activities.

This commitment translates into **increasingly efficient, sustainable and state-of-the-art solutions**, enabling them to address complex challenges and effectively respond to the needs of the market and society as a whole.







# 10. The Social commitment of the B&P Group

## 10.1. Health and safety of employees

For the Bondioli & Pavesi Group, the **protection of health and safety** at work is a crucial value and a key element for competitiveness and growth. Indeed, Group companies actively work to preserve the health and safety of their employees through preventive, training and organisational actions, demonstrating a constant commitment to the protection of staff and the workplace.

All Group structures have implemented formal procedures for the management of health and safety matters; in particular, the Suzzara facilities have been certified in accordance with **ISO 45001:2018**.

The presence of a health and safety management system indicates the adoption of a structured approach to define and identify potential **risks**, and to implement **effective measures and actions to prevent, minimise and eliminate them**.

A further pillar of the company policy is the commitment to a safe, clean, **orderly and healthy working environment**. To achieve this, a **dedicated protection and prevention structure** has been set up, assigned the task of analysing risks, defining safety rules and implementing measures to ensure a healthy and protected working environment for all.

The focus is not only on physical safety, but also on the **general well-being** of employees, considering environmental aspects such as noise, waste management and workplace cleanliness.

In fact, Group companies carefully monitor the evolution of reference scenarios and the consequent **change in risks**, seeking to prevent them through technical, organisational and training interventions aimed at safety.

To do this, dedicated safety and environmental organisational models are implemented, with continuous risk and criticality analyses of the processes and resources involved.

Furthermore, in pursuing the goal of ensuring the health and safety of employees, Bondioli & Pavesi takes a holistic approach throughout the entire value chain.

Over the years, the company has made significant **investments** in plant, machinery and training programmes aimed at improving safety standards and promoting risk awareness among employees.

Bondioli & Pavesi constantly ensures that the working environment complies with the legal provisions on health and safety.

Initiatives such as awareness-raising campaigns and education projects are implemented to consolidate a safety and health culture among all employees.

As far as external personnel, such as suppliers, are concerned, clear information is provided on security procedures and how to access and move within company facilities.

In 2023, **fewer** occupational accidents were recorded than in 2022: the rate of recordable occupational accidents dropped from 18.5% to 17.2%, while the total number of hours worked increased (see table for how these rates are calculated).

The main types of injuries reported were cuts, blunt trauma, dislocations, and sprains due to distraction.

Attention is also paid to the health and safety of **external workers**, which includes those who are not directly employed but work at Group sites.

It is essential for them to respect and adhere to all the safety rules established by each company in order to guarantee their safety.





Work-Related Injuries - Employees		
	2022	2023
Number of recordable work-related injuries (n.)	36	34
Number of work-related injuries with severe consequences* (n.)	0	1
Number of work-related fatalities (n.)	0	0
Number of hours worked (h.)	1.947.065	1.981.307
Rate of recordable work-related injuries**	18,49%	17,16%
Rate of work-related injuries with severe consequences***	0%	0,50%
Rate of fatalities following work-related injuries****	0%	0%

\*Work-related injury leading to damage from which the worker cannot recover, does not recover, or is not realistically expected to fully recover, returning to the pre-incident state of health within six months.

\*\*Rate of recordable work-related injuries = (number of recordable work-related injuries / number of hours worked) x [200,000 hours worked].

\*\*\*Rate of severe work-related injuries (excluding fatalities) = (number of severe work-related injuries (excluding fatalities) / number of hours worked) x [200,000 hours worked].

\*\*\*\*Rate of fatalities due to work-related injuries = (number of fatalities due to work-related injuries / number of hours worked) x [200,000 hours worked].

Work-Related Injuries - External Workers*		
	2022	2023
Number of recordable work-related injuries (n.)	5	3
Number of work-related injuries with severe consequences* (n.)	0	0
Number of work-related fatalities (n.)	0	0
Number of hours worked (h.)	187.867	181.568
Rate of recordable work-related injuries**	5,32%	3,30%
Rate of work-related injuries with severe consequences***	0%	0%
Rate of fatalities following work-related injuries****	0%	0%

\*Work-related injury leading to damage from which the worker cannot recover, does not recover, or is not realistically expected to fully recover, returning to the pre-incident state of health within 6 months.

\*\*Rate of recordable work-related injuries = (number of recordable work-related injuries / number of hours worked) x [200,000 hours worked].

\*\*\*Rate of severe work-related injuries (excluding fatalities) = (number of severe work-related injuries (excluding fatalities) / number of hours worked) x [200,000 hours worked].

\*\*\*\*Rate of fatalities due to work-related injuries = (number of fatalities due to work-related injuries / number of hours worked) x [200,000 hours worked].



## 10.2.

# Developing and enhancing human capital

Continuous corporate training is one of the pillars on which Bondioli & Pavesi is founded, as confirmed by the **16,091 total training hours delivered in 2023**.

The Group's companies utilise and enhance the skills present in the structure, using the available **tools** to foster the **development and growth of their employees**.

These tools include practices such as **job rotation, initial onboarding, shadowing of experienced staff and the assignment of tasks involving ever greater responsibility**.

Here, communication by managers on the strengths and weaknesses of employees is particularly relevant, enabling them to improve their skills through **targeted training**.

The definition of training needs, training delivery methods and evaluation of the effectiveness of the actions undertaken is governed by a **dedicated internal procedure** in the Quality System.

According to the company's Code of Ethics, every manager is required to value the working time of employees, ensuring that performance is consistent with their tasks and work organisation plans.

Furthermore, the **active** involvement of employees is promoted, including participation in discussions and decisions functional to the company's objectives. During work reorganisations, an attempt is made to safeguard the value of human resources through training and/or retraining, distributing burdens evenly among all employees and assigning tasks compatible with professional skills.

Total Training Hours for Employees		
	2022	2023
<b>Total training hours provided</b>	<b>15.716</b>	<b>16.091</b>
Total training hours provided to male employees	13.051	13.509
Total training hours provided to female employees	1.093	2.582
Total training hours provided to employees – Executives and managers	176	346
Total training hours provided to employees – Clerks and middle management	5.011	7.440
Total training hours provided to employees – Workers	8.958	8.306
<b>Average training hours per employee</b>	<b>12</b>	<b>12</b>
Total number of employees	1.192	1.301





# Bondioli & Pavesi ACADEMY

The Bondioli & Pavesi Academy represents the training management system within the Group, with the primary objective of promoting the dissemination of planned training activities in such a way as to involve all persons concerned.

Every year, courses are organised through the B&P Academy for **all company departments**, emphasising the belief that each employee should expand his or her knowledge and skills.

Each course is carefully researched and prepared with the help of selected consultants and lecturers, and often with the valuable contribution of in-house staff.



## 10.3. Staff well-being in the company

**Protecting the well-being of employees** plays a key role for Bondioli & Pavesi.

Investing in employee welfare brings tangible benefits, including increased productivity, reduced absenteeism and the attraction of talent.

In addition, it contributes to improving the company's image and reputation, ensuring compliance with applicable regulations and fostering the creation of a positive organisational climate.

This ongoing commitment is at the heart of the company's social responsibility towards its employees and contributes to long-term success and sustainability.

Each country has different norms and legal requirements. For companies located in Italy, Bondioli & Pavesi promotes fair working conditions by applying the National Collective Bargaining Agreement (**CCNL**) to all (100%) of its employees, as required by law.

In addition to ensuring balanced working conditions, each Group company is committed to promoting employee motivation, empowerment and satisfaction through a **reward system** based on the calculation of quality and efficiency indices.

This system, transparently managed by the directors, recognises the value of individual contribution in meeting customer needs and optimising internal operations, thereby contributing to the overall sustainability of the company.

In addition, there is also the allocation of **welfare vouchers** to employees, including those on temporary contracts.

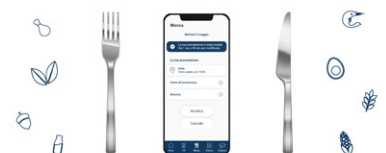
Furthermore, as part of their corporate welfare benefits, Group companies offer all employees a **D&O insurance policy** to protect the employee's personal assets in the event of legal disputes, such as regulatory violations or environmental litigation.

In addition, a travel **and relocation** policy is offered that provides health cover and protection of personal assets while travelling on business.

Group companies offer a **canteen** service, which at the Suzzara site is developed in collaboration with a nutritionist to meet the needs of employees and ensure a balanced diet. In the absence of the canteen, **meal vouchers** are generally provided.



Giorgio Bombarda,  
CEO of HP Hydraulic,  
presents the Fedeltà  
Award for 30 years of  
service at Bondioli &  
Pavesi.  
(Pieve di Cento, BO 17  
January 2023)





In 2020, Bondioli & Pavesi launched the “**B&P People**” app, dedicated entirely to personnel with the aim of improving communication with employees, giving them the opportunity to read news and documents, stay informed about events, receive instant messages, interact with human resources services and much more.



In 2023, Bondioli & Pavesi was placed in the “Italy’s Best Employers 2024” ranking compiled by Corriere della Sera and Statista.

More than 20,000 workers from over 4,500 companies in various sectors participated in the survey, which was carried out anonymously and on a voluntary basis, with the aim of surveying employee satisfaction with their company.

Bondioli & Pavesi reconfirmed its 6th place in the “Products for Industry, Building and Agriculture” sector, with an increase in its score compared with 2022.



## 10.4. Diversity and inclusion

Diversity, inclusion and equal opportunities are the foundations on which Bondioli & Pavesi bases and promotes its corporate policies.

Ensuring non-discriminatory and conflict-free working conditions is considered crucial for the proper functioning of all company activities.

From the selection and recruitment of talent, through reward and benefits policies, to training and professional development initiatives, Bondioli & Pavesi is firmly committed to creating and maintaining an inclusive and respectful working environment.

The Group's **Code of Ethics** constitutes a fundamental point of reference for outlining the ethical and social responsibilities of all those operating within the Group's companies, including suppliers and external collaborators.

This tool guides the adoption of behaviour and practices that foster an inclusive, non-discriminatory and conflict-free working environment, to the benefit of employees, customers, shareholders and the community at large.

With due respect for **equal opportunities**, in personnel management and development processes and in the selection phases, decisions are guided by consistency between the **skills** required and those possessed by employees (e.g. in the case of promotion or transfer) and/or by merit assessments (e.g. in the allocation of performance-based incentives).

At a national level, Bondioli & Pavesi **employs a total of 1,301 employees, 98% of whom have permanent (1,271) and full-time (1,265) contracts.**

The majority of employees within the Group are **male**, making up about 81% of the total workforce (1,054). In particular, the largest category of employees is **blue collar** workers, who account for 73% of the total staff (952), of whom 84% are men (804).

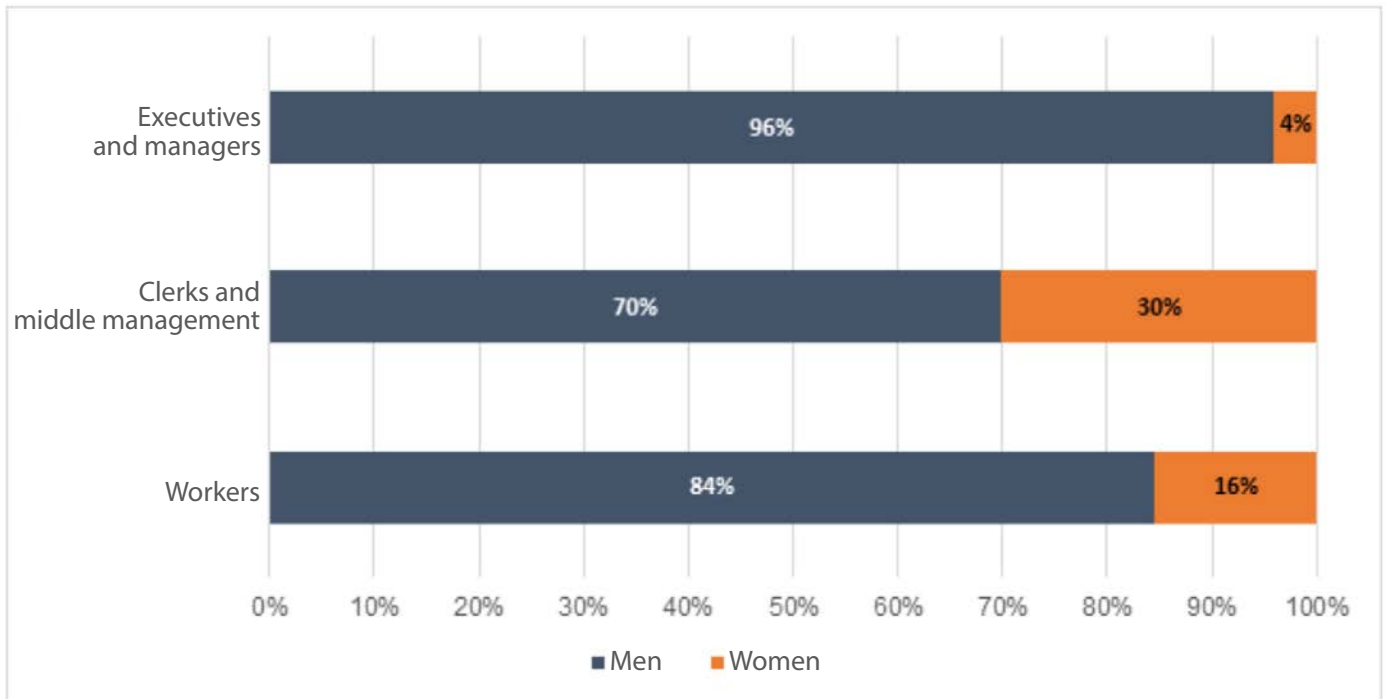
This gender imbalance reflects the norms of the sector in which the Group operates.



Some colleagues from Bondioli & Pavesi India during the Holi festivities (Chakan Pune, Maharashtra 25 March 2024)

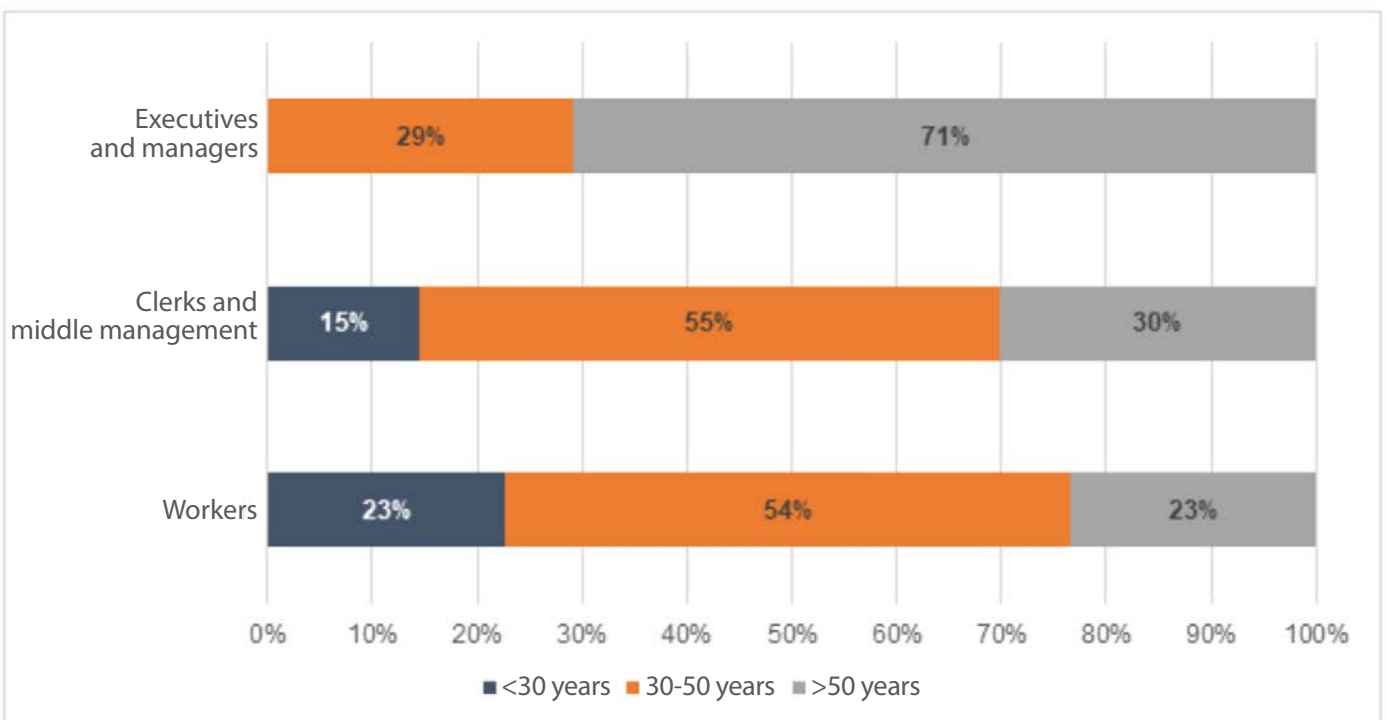


## Percentage of employees by category and gender, 2023



The **age** distribution of employees is fairly balanced within the Group, ensuring that the new perspectives and skills of young talents are integrated with the important wealth of knowledge and experience accumulated over time. In 2023, 20% of employees were under 30 years of age, 54% were in the 30-50 age bracket, and the remaining 26% were over 50.

## Percentage of employees by category and age group, 2023



## 10.5. Territorial development

Bondioli & Pavesi strives to cultivate **prosperous relationships with the communities in the areas** where it operates and to have a **positive influence** on society.

Bondioli & Pavesi's dedication to the development of the territory translates into a series of initiatives that directly involve the local community, with projects aimed at promoting the social, cultural and economic well-being of the area.

In 2023, Bondioli & Pavesi participated in the **Science Festival** organised by the Suzzara Municipality and Piazzalunga. For this occasion, several days of meetings with scholars and researchers were organised to explore topical issues such as environmental sustainability, robotics and digitisation.

In addition, the Group's companies frequently organise **meetings** with local **schools** and **universities** to share the history and knowledge of Bondioli & Pavesi, and actively participate in university **orientation days**, including those of the University of Modena and the University of Ferrara.

Bondioli & Pavesi also demonstrates its commitment to the territory in which it operates through **contributions and donations** to non-profit, social and cultural organisations, or for socially or publicly useful purposes.

Funded activities include, for example, the purchase of hospital equipment, the provision of and contribution to scholarships, and the funding of festivals and awards.



Bondioli & Pavesi, together with the Gonzaga Suzzara Rotary Club and the local authorities, present the Merit Award to the students of the Manzoni Institute in Suzzara and the Strozzi Technical Agricultural Institute in Palidano who finished the school year with a final mark of 100 with distinction. (Suzzara, 25 February 2023)





The HR team meets young people at “Open Day 2023”, the orientation event organised by the Consulta Economica d’Area Oltrepo’ Mantovano. (Gonzaga, 19 April 2023)

Bishop Mons. Marco Busca with Don Paolo Gibelli and Don Giovanni Parise visit the Headquarters accompanied by Carlo Bondioli (Suzzara, 19 October 2023)

# 11. Environmental commitment of the B&P Group

## 11.1. Energy efficiency and the reduction of climate-altering emissions

Bondioli & Pavesi has decided to engage in **numerous initiatives for responsible energy management**, convinced that efficient management is essential for the company's Energy Saving (i.e. limiting consumption and, consequently, reducing climate-changing emissions), yielding both economic and environmental benefits, and contributing to compliance with international agreements on the environment.

Bondioli & Pavesi's commitment to optimising energy management is enshrined in the **Code of Ethics** and the **Environment, Occupational Health and Safety and Energy Policy**.

All Group facilities have implemented formal energy management procedures.

In particular, the plants of Bondioli & Pavesi S.p.A. and Bondioli & Pavesi Sales & Logistics S.p.A. were certified according to **ISO 50001** for the **Energy Management System**.

This international certification establishes the requirements for implementing, maintaining and improving an Energy Management System, promoting the integration of energy efficiency in all company operations.

This objective is realised through a series of actions to contain energy waste, monitor and optimise consumption and related targets:

- Compliance with **relevant regulations**;



- The use of **affordable, reliable and modern energy services** that minimise energy impacts;
- **The identification of activities and/or areas responsible for energy consumption, in order to implement improvement actions;**
- Installation of **photovoltaic panels** to produce clean energy, thus making the plants increasingly energy self-sufficient;
- Installation of **photocells** to avoid excessive power consumption and reduced illumination of the premises;
- Installation of electric charging **stations** for cars.

During 2023, the Bondioli & Pavesi Group reduced the total energy consumption within the organisation, considering that the total value in 2022 does not include Siboni's energy consumption, which was then integrated in 2023:

<b>Energy consumed within the organization</b>		
	<b>2022</b>	<b>2023</b>
<b>Total electricity consumption (MWh)</b>	<b>23.408,47</b>	<b>23.493,89</b>
Purchased electricity (MWh)	20.457,02	19.446,85
<i>Of which renewable and certified with GO (Guarantee of Origin) (MWh)</i>	14.200,92	1.397,48
Self-produced electricity (MWh)	3.531,91	5.480,97
<i>Of which renewable (MWh)</i>	3.531,91	5.480,97
Electricity sold (MWh)	580,46	1.433,93
<i>Of which renewable (MWh)</i>	580,46	1.433,93
<b>Total gas and diesel consumption (scm)</b>	<b>829.102,57</b>	<b>736.822,33</b>
<i>For heating (scm)</i>	634.536,57	519.910,30
<i>For production (scm)</i>	194.566,00	216.912,03
<b>Total fuel consumption for car fleets (L)</b>	<b>108.192,67</b>	<b>112.189,50</b>
Gasoline (L)	9.463,79	13.131,13
Diesel (L)	98.728,88	99.058,37

The energy intensity per employee, calculated as the ratio of total energy to the number of employees on 31 December of each year, showed a significant improvement for the Bondioli & Pavesi Group.

In 2023, energy intensity was 84.43 GJ/person, down from 89.88 GJ/person in the previous year.

This reduction reflects the effectiveness of the measures implemented to improve energy efficiency and Bondioli & Pavesi's ongoing commitment to sustainability and reducing the environmental impact of its operations.

Since 2023, Bondioli & Pavesi has started monitoring its consumption and related emissions following the standard proposed by the GHG Protocol and suggested by the GRI Standard.

The aim is to ensure the comparability of data also in comparison with other companies. This monitoring is structured into the following areas:

**Scope 1:** Direct emissions generated by the company, such as the use of fossil fuels for heating the building.

**Scope 2:** Indirect CO<sub>2</sub> emissions from the consumption of electricity and heat purchased and used within the organisation. This parameter was calculated both through the market-based method, which requires determining GHG emissions from electricity purchases by considering specific emission factors reported by suppliers, and through the location-based method, which accounts for emissions from electricity consumption by applying national average emission factors for Italy.

<b>Emissions produced</b>		
	<b>2022</b>	<b>2023</b>
Direct greenhouse gas emissions (Scope 1) (tCO <sub>2</sub> eq.)	1.943,25	1.782,33
Indirect emissions from purchased electricity (Scope 2) - Market-based (tCO <sub>2</sub> eq.)	1.640,54	8.288,29
Indirect emissions from purchased electricity (Scope 2) - Location-based (tCO <sub>2</sub> eq.)	1.634,44	4.875,86
<b>Total Market-based emissions (tCO<sub>2</sub> eq.)</b>	<b>3.583,79</b>	<b>10.070,63</b>
<b>Total Location-based emissions (tCO<sub>2</sub> eq.)</b>	<b>3.577,69</b>	<b>6.640,20</b>

Detail of the photovoltaic plant at the main Headquarters (Suzzara, 2023)





## 11.2.

# Responsible waste and materials management

The Bondioli & Pavesi Group is actively committed to **responsible consumption** and **production**, as expressed in the **Code of Ethics** and the **Environment, Occupational Health and Safety and Energy Policy**.

As proof of this commitment, all of the Group's Italian sites have obtained **ISO 14001** certification for their Environmental Management System.

This certifies that the Group has implemented an Environmental Management System that complies with International Organisation for Standardisation (ISO) standards. The system promotes the adoption of best practices and processes to minimise the environmental impacts of the company's activities, encouraging a gradual reduction in waste production and supporting pollution prevention and compliance with environmental regulations.

In the area of responsible waste and materials management, Bondioli & Pavesi strives to maintain an environmentally friendly approach through **sustainable and conscious purchasing policies** that avoid the waste of materials and resources.

The Group's primary objective is to **reduce waste** by implementing waste prevention strategies and promoting reuse wherever possible.

By 2023, 73% of waste generation will be non-hazardous materials, of which 93% will be reused or recycled. The remaining waste consists mainly of materials contaminated with pollutants, making them non-recyclable.

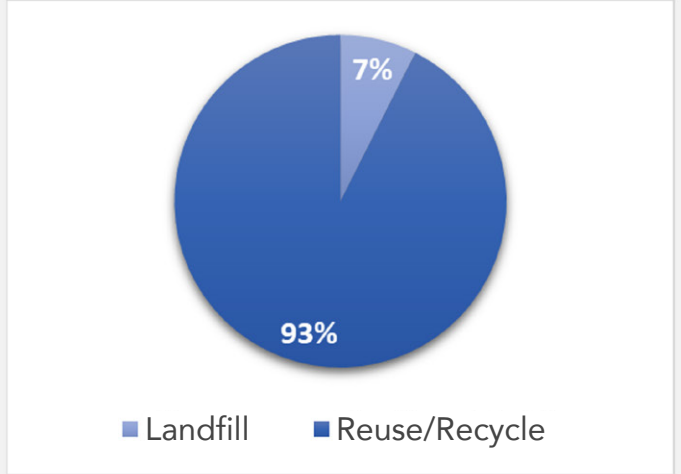
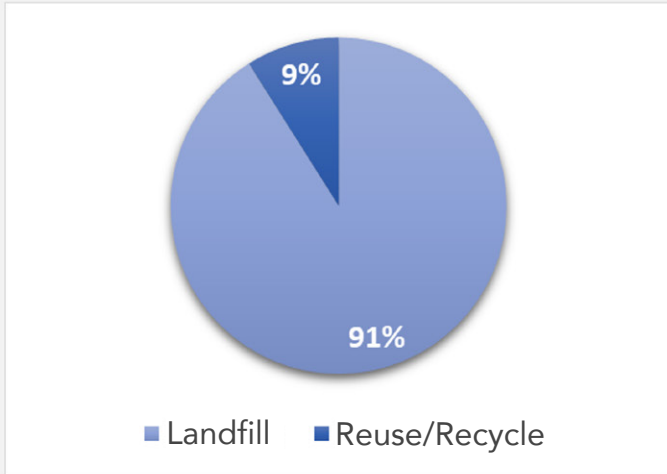


**Waste generated by Bondioli & Pavesi in 2023**

**5,966 tons** of total waste produced

**1,305 tons**  
Hazardous waste

**4,660 tons**  
Non-hazardous waste



The Group has implemented several **operational activities** to reduce waste, including the promotion of separate waste collection, the use of FSC-certified paper and other recyclable materials, and the elimination of the use of water bottles through the installation of water dispensers on the premises.

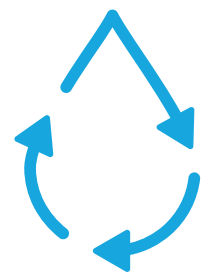
These actions are particularly significant as they contribute to reducing the environmental impact of waste generation.

To support these initiatives, a five-member internal sustainability committee was established, which meets monthly to discuss and implement improvement actions.

Furthermore, **chemicals** are managed strictly in accordance with current regulations, with the aim of significantly reducing their release into the air, water and soil. This environmentally-friendly approach is designed to minimise negative impacts on health and the environment, confirming the Group's commitment to sustainable and responsible production.

With regard to **water management**, 32,947 m<sup>3</sup> of water was withdrawn in 2023 from third parties, representing a 17% reduction in consumption compared to the previous year.

In addition, the use of water resources is mainly related to production activities, only a small part concerns the typical use of water resources in offices.



**REUSE  
REDUCE  
REFILL**





**Significant improvements** have also been made in this area, including the use of photocells in taps in company premises to reduce water consumption.

In addition, water recycling and reuse processes have been initiated within the facilities to minimise the waste of this resource, including the practice of collecting rainwater for use in toilets, demonstrating the company's commitment to the conscious use of water.





# Appendix

<b>2-7 Employees</b>	<b>UoM</b>	<b>2022</b>	<b>2023</b>
<b>Total employees (head count)</b>	<b>N.</b>	<b>1192</b>	<b>1301</b>
<i>Men</i>	N.	975	1054
<i>Women</i>	N.	217	247
<b>Permanent employees</b>	<b>N.</b>	<b>1160</b>	<b>1271</b>
<i>Men</i>	N.	952	1030
<i>Women</i>	N.	208	241
<b>Temporary employees</b>	<b>N.</b>	<b>32</b>	<b>30</b>
<i>Men</i>	N.	23	24
<i>Women</i>	N.	9	6
<b>Full-time employees</b>	<b>N.</b>	<b>1164</b>	<b>1265</b>
<i>Men</i>	N.	968	1045
<i>Women</i>	N.	196	220
<b>Part-time employees</b>	<b>N.</b>	<b>28</b>	<b>36</b>
<i>Men</i>	N.	7	10
<i>Women</i>	N.	21	26

<b>2-8 Non-employee Workers</b>	<b>UoM</b>	<b>2022</b>	<b>2023</b>
<b>Total number of workers who are not employees but whose work is controlled by the organization</b>	<b>N.</b>	<b>125</b>	<b>58</b>

<b>303-3 Water Withdrawal</b>	<b>UoM</b>	<b>2022</b>	<b>2023</b>
<b>Total Water Withdrawal</b>	<b>m<sup>3</sup></b>	<b>39.828,00</b>	<b>32.947,00</b>
<i>Surface water</i>	m <sup>3</sup>	0	0
<i>Groundwater</i>	m <sup>3</sup>	0	0
<i>Seawater</i>	m <sup>3</sup>	0	0
<i>Produced water</i>	m <sup>3</sup>	0	0
<i>Third-party water</i>	m <sup>3</sup>	39.828,00	32.947,00

<b>306-3 Waste generated</b>	<b>UoM</b>	<b>2022</b>	<b>2023</b>
<b>Total weight of waste generated</b>	<b>ton</b>	<b>5.690,17</b>	<b>5.966,23</b>
<b>Total weight of hazardous waste</b>	<b>ton</b>	<b>1.109,16</b>	<b>1.305,50</b>
<i>Sent to landfill</i>	ton	1000,95	1188,34
<i>Sent to recovery</i>	ton	108,21	117,16
<b>Total weight of non-hazardous waste</b>	<b>ton</b>	<b>4.581,11</b>	<b>4.660,43</b>
<i>Sent to landfill</i>	ton	205,07	347,53
<i>Sent to recovery</i>	ton	4376,04	4312,90



<b>401-1 New employee hires and employee turnover by age and gender</b>	<b>UoM</b>	<b>2022</b>	<b>2023</b>
<b>Total number of new employees hired during the year</b>	<b>N.</b>	<b>136</b>	<b>146</b>
<i>Men</i>	N.	123	114
<i>Women</i>	N.	13	32
<b>Total number of new employees hired during the year - Up to 30 years old</b>	<b>N.</b>	<b>71</b>	<b>74</b>
<i>Men</i>	N.	67	60
<i>Women</i>	N.	4	14
<b>Total number of new employees hired during the year - From 31 to 50 years old</b>	<b>N.</b>	<b>57</b>	<b>60</b>
<i>Men</i>	N.	49	45
<i>Women</i>	N.	8	15
<b>Total number of new employees hired during the year - Over 50 years old</b>	<b>N.</b>	<b>8</b>	<b>12</b>
<i>Men</i>	N.	7	9
<i>Women</i>	N.	1	3
<b>Total number of employees who left the organization during the year</b>	<b>N.</b>	<b>64</b>	<b>105</b>
<i>Men</i>	N.	54	82
<i>Women</i>	N.	10	23
<b>Total number of employees who left the organization during the year - Up to 30 years old</b>	<b>N.</b>	<b>8</b>	<b>20</b>
<i>Men</i>	N.	8	19
<i>Women</i>	N.	0	1
<b>Total number of employees who left the organization during the year - From 31 to 50 years old</b>	<b>N.</b>	<b>29</b>	<b>49</b>
<i>Men</i>	N.	25	37
<i>Women</i>	N.	4	12
<b>Total number of employees who left the organization during the year - Over 50 years old</b>	<b>N.</b>	<b>27</b>	<b>36</b>
<i>Men</i>	N.	21	26
<i>Women</i>	N.	6	10

<b>Incoming turnover</b>	<b>UoM</b>	<b>2022</b>	<b>2023</b>
Rate of incoming turnover for new male employees	%	12,62%	10,82%
Rate of incoming turnover for new female employees	%	5,99%	12,96%
Rate of incoming turnover for new employees Up to 30 years old	%	31,14%	28,24%
Rate of incoming turnover for new employees From 31 to 50 years old	%	8,86%	8,56%
Rate of incoming turnover for new employees Over 50 years old	%	2,49%	3,55%

<b>Outgoing turnover</b>	<b>UoM</b>	<b>2022</b>	<b>2023</b>
Rate of outgoing turnover for male employees	%	5,54%	7,78%
Rate of outgoing turnover for female employees	%	4,61%	9,31%
Rate of outgoing turnover for employees Up to 30 years old	%	3,51%	7,63%
Rate of outgoing turnover for employees From 31 to 50 years old	%	4,51%	6,99%
Rate of outgoing turnover for employees Over 50 years old	%	8,41%	10,65%

<b>405-1 Diversity in governance bodies and employees</b>	<b>UoM</b>	<b>2022</b>	<b>2023</b>
<b>By category and gender</b>			
<b>Total number of employees</b>	<b>N.</b>	<b>1192</b>	<b>1301</b>
<i>Men</i>	N.	975	1054
<i>Women</i>	N.	217	247
<b>Total Executives</b>	<b>N.</b>	<b>23</b>	<b>24</b>
<i>Men</i>	N.	22	23
<i>Women</i>	N.	1	1
<b>Total Office workers</b>	<b>N.</b>	<b>289</b>	<b>325</b>
<i>Men</i>	N.	202	227
<i>Women</i>	N.	87	98
<b>Total Laborers</b>	<b>N.</b>	<b>880</b>	<b>952</b>
<i>Men</i>	N.	751	804
<i>Women</i>	N.	129	148
<b>By category and age group</b>			
<b>Total number of employees</b>	<b>N.</b>	<b>1192</b>	<b>1301</b>
<i>Up to 30 years old</i>	N.	228	262
<i>From 31 to 50 years old</i>	N.	643	700
<i>Over 50 years old</i>	N.	321	338
<b>Total Executives</b>	<b>N.</b>	<b>23</b>	<b>24</b>
<i>Up to 30 years old</i>	N.	0	0
<i>From 31 to 50 years old</i>	N.	7	7
<i>Over 50 years old</i>	N.	16	17
<b>Total Office workers</b>	<b>N.</b>	<b>289</b>	<b>325</b>
<i>Up to 30 years old</i>	N.	36	48
<i>From 31 to 50 years old</i>	N.	166	179
<i>Over 50 years old</i>	N.	87	98
<b>Total Laborers</b>	<b>N.</b>	<b>880</b>	<b>952</b>
<i>Up to 30 years old</i>	N.	192	215
<i>From 31 to 50 years old</i>	N.	470	514



<b>Percentage distribution of employees</b>			
Percentage of male employees - Executives	%	95,65%	95,83%
Percentage of female employees - Executives	%	4,35%	4,17%
Percentage of employees up to 30 years old - Executives	%	0,00%	0,00%
Percentage of employees from 31 to 50 years old - Executives	%	30,43%	29,17%
Percentage of employees over 50 years old - Executives	%	69,57%	70,83%
Percentage of male employees - Office workers	%	69,90%	69,85%
Percentage of female employees - Office workers	%	30,10%	30,15%
Percentage of employees up to 30 years old - Office workers	%	12,46%	14,77%
Percentage of employees from 31 to 50 years old - Office workers	%	57,44%	55,08%
Percentage of employees over 50 years old - Office workers	%	30,10%	30,15%
Percentage of male employees - Laborers	%	85,34%	84,45%
Percentage of female employees - Laborers	%	14,66%	15,55%
Percentage of employees up to 30 years old - Laborers	%	21,82%	22,58%
Percentage of employees from 31 to 50 years old - Laborers	%	53,41%	53,99%
Percentage of employees over 50 years old - Laborers	%	24,77%	23,42%

# GRI content index

GRI Standard		Disclosure	Paragraph/Notes
<b>GRI 2: General Disclosures 2021</b>	<b>GRI 2-1</b>	Organization details	3. Our history
	<b>GRI 2-2</b>	Entities included in the organization's sustainability reporting	1. Methodological note
	<b>GRI 2-3</b>	Reporting period, frequency, and contact point	1. Methodological note
	<b>GRI 2-4</b>	Restatements of information	1. Methodological note 2023 is the first reporting year
	<b>GRI 2-5</b>	External assurance	No external assurance has been performed on this Sustainability Report
	<b>GRI 2-6</b>	Activities, value chain, and other business relationships	3. Our history 5. Business model, activities, and markets served
	<b>GRI 2-7</b>	Employees	Appendix
	<b>GRI 2-8</b>	Workers who are not employees	Appendix
	<b>GRI 2-9</b>	Governance structure and composition	6. Governance
	<b>GRI 2-11</b>	Chair of the highest governance body	6. Governance
	<b>GRI 2-27</b>	Compliance with laws and regulations	8.1. Ethics, integrity, and compliance
	<b>GRI 2-29</b>	Approach to stakeholder engagement	7.1. Materiality analysis
	<b>GRI 2-30</b>	Collective bargaining agreements	10.3. Collective bargaining agreements
<b>GRI 3: Material Topics 2021</b>	<b>GRI 3-1</b>	Process of determining material topic	7.1. Materiality analysis
	<b>GRI 3-2</b>	List of material topics	7.1. Materiality analysis
	<b>GRI 3-3</b>	Management of material topics	All material topics are managed in accordance with the guidelines of this GRI standard
<b>GRI 205: Anti-Corruption 2016</b>	<b>GRI 205-3</b>	Confirmed incidents of corruption and actions taken	8.1. Ethics, integrity, and compliance
<b>GRI 302: Energy 2016</b>	<b>GRI 302-1</b>	Energy consumption within the organization	11.1. Energy efficiency and reduction of climate-altering emissions



<b>GRI 303: Water and Effluents 2018</b>	<b>GRI 303-3</b>	Water withdrawal	Appendix 11.2. Responsible management of waste and materials
<b>GRI 305: Emissions 2016</b>	<b>GRI 305-1</b>	Direct GHG emissions (Scope 1)	11.1. Energy efficiency and reduction of climate-altering emissions
	<b>GRI 305-2</b>	Energy indirect GHG emissions (Scope 2)	11.1. Energy efficiency and reduction of climate-altering emissions
<b>GRI 306: Waste 2020</b>	<b>GRI 306-1</b>	Waste generation and significant waste-related impacts	11.2. Responsible management of waste and materials
	<b>GRI 306-2</b>	Management of significant waste-related impacts	11.2. Responsible management of waste and materials
	<b>GRI 306-3</b>	Waste generated	Appendix 11.2. Responsible management of waste and materials
<b>GRI 401: Employment 2016</b>	<b>GRI 401-1</b>	New employee hires and employee turnover	Appendix
<b>GRI 403: Occupational Health and Safety 2016</b>	<b>GRI 403-1</b>	Occupational health and safety management system	10.1. Health and safety of employees
	<b>GRI 403-2</b>	Hazard identification, risk assessment, and incident investigation	10.1. Health and safety of employees
	<b>GRI 403-5</b>	Worker training on occupational health and safety	10.1. Health and safety of employees
	<b>GRI 403-8</b>	Workers covered by an occupational health and safety management system	10.1. Health and safety of employees
	<b>GRI 403-9</b>	Work-related injuries	10.1. Health and safety of employees
<b>GRI 404: Training and Education 2016</b>	<b>GRI 404-1</b>	Average hours of training per year per employee	10.2. Development and enhancement of human capital
	<b>GRI 404-2</b>	Programs for upgrading employee skills and transition assistance programs	10.2. Development and enhancement of human capital
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	<b>GRI 405-1</b>	Diversity of governance bodies and employees	Appendix 10.4. Diversity and Inclusion
<b>GRI 417: Marketing and Labeling 2016</b>	<b>GRI 417-2</b>	Incidents of non-compliance concerning product and service information and labeling	In 2023, no cases of non-compliance with regulations and voluntary codes concerning product and service information and labeling were detected.
	<b>GRI 417-3</b>	Incidents of non-compliance concerning marketing communications	In 2023, no cases of non-compliance with regulations and voluntary codes concerning marketing communications - including advertising, promotion, and sponsorships - were detected.
<b>GRI 418: Customer Privacy 2016</b>	<b>GRI 418-1</b>	Substantiated complaints concerning breaches of customer privacy and losses of customer data	8.2. Data security and protection (Cybersecurity)



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