



SUSTAINABILITY REPORT  
**2023**

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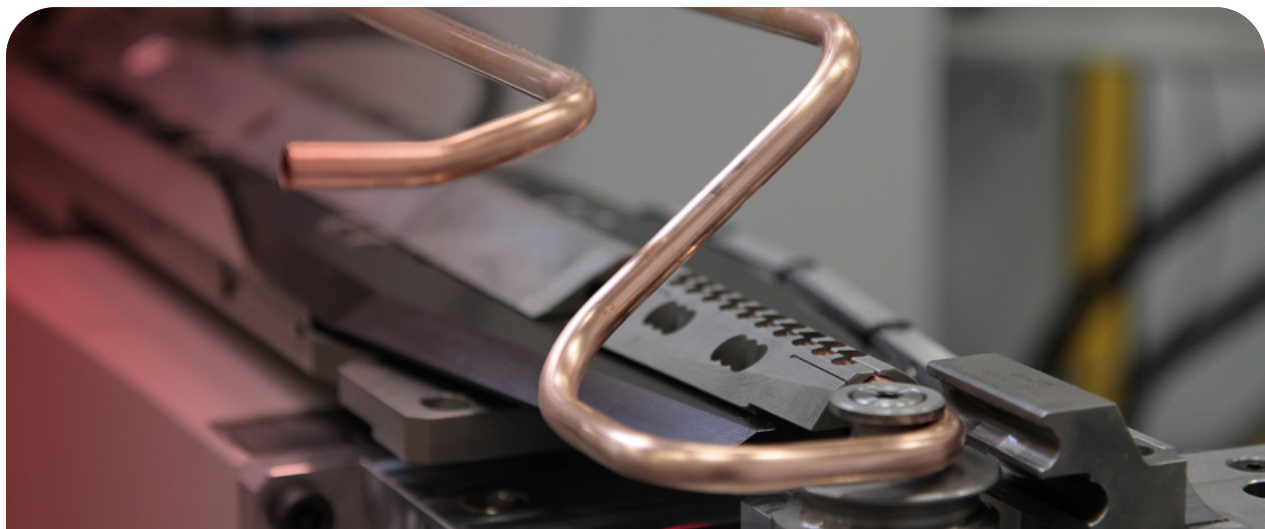
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# Letter to our stakeholders



**Dear Stakeholders,**  
I'm proud to announce a significant milestone for OCTA Group: the release of our first consolidated sustainability report. This document, concerning the year 2023, includes the collective efforts and achievements of our subsidiaries: Crippa, SMI, CMS, and KSE. This comprehensive review reflects our dedication to sustainable development, highlighting the environmental, social, and economic impacts of our business.

## Human Capital: Our Greatest Asset

At OCTA Group, we understand that our most valuable asset is our people. Our employees are the driving force behind our success, thanks to their dedication, innovation, and expertise. In 2023, we continued to invest in our workforce by ensuring a safe, inclusive, and stimulating work environment. We launched various initiatives to boost employee engagement, professional development, and overall job satisfaction. These efforts have nurtured a culture of continuous improvement and collaboration, fortifying our organizational foundation. Our human capital is not only our greatest asset but also the core of our resilience and adaptability. The diverse skills, perspectives, and dedication of our team members enable us to manage challenges and seize opportunities effectively. We are committed to nurturing this talent, ensuring every individual has the opportunity to grow within our organization.

## Environmental Responsibility

The OCTA Group is dedicated to minimizing our environmental footprint. We are actively working to ensure that all our sites are powered by renewable energy sources. For instance,

**LETTER TO OUR STAKEHOLDERS**

Crippa sources its energy from a provider that supplies 100% renewable energy. We are aligning with the CSRD reporting standards, with a particular focus on emissions reporting. Our commitment to environmental stewardship is also reflected in our initiatives to reduce waste, conserve water, and implement sustainable sourcing practices.

**Economic Impact**

Our economic performance in 2023 has been strong, thanks to significant contributions from our subsidiaries. The integration of SMI, CMS, and KSE has boosted our technological capabilities and strengthened our market position. This growth is evident not only in our financial results but also in the positive impact we have on the communities where we operate. We are committed to creating long-term value for all our stakeholders by reinvesting in our business and supporting local economies. Moreover, this success benefits our employees, offering them greater opportunities for professional development.

**Social Commitment**

OCTA Group is dedicated to making a positive social impact. In 2023, we supported various social initiatives and charitable causes, focusing on education, health, and community development. Our goal is to contribute to the well-being of society by fostering strong, sustainable communities.

**Governance and Ethical Conduct**

We uphold the highest standards of corporate governance and ethical conduct. Our governance framework ensures transparency, accountability, and integrity in all our operations. In 2023, we further strengthened our governance practices, aligning them with international standards and best practices. Additionally, we are expanding all our policies across the entire group to ensure a unified and comprehensive approach to governance.

**Future Goals**

Looking ahead, OCTA Group remains committed to our core values of integrity, innovation, and excellence. Our purpose is to empower our customers to become leaders in their sectors through our advanced technologies. We will continue to leverage our strengths, invest in our people, and seize new opportunities that align with our strategic objectives. Our commitment to sustainability will remain a guiding principle as we strive to achieve long-term success and create value for our stakeholders.

I'm proud of the progress we have made in our sustainability journey and excited about the future. We extend our heartfelt gratitude to our employees, customers, partners, and shareholders for their unwavering support. Together, we are building a sustainable and prosperous future for OCTA Group.

Thank you for your continued commitment to OCTA Group.  
Sincerely,



**Paolo Pusceddu**  
Chief Executive Officer  
OCTA Group



# Methodological notes

This document constitutes the **Sustainability Report** (hereafter referred to as the "Report") of **Octa Group S.p.A.** (hereafter referred to as "Octa" or "the Group") and it has been drafted in accordance with the GRI Standards defined by the **Global Reporting Initiative (GRI)**, published in 2021. The Report is published on an annual basis, with the previous edition published in June 2023.

The **2023 data (1 January to 31 December)** have the following reporting boundary:

- **Crippa S.r.l. (hereafter referred to as "Crippa");**
- **CMS S.r.l. (hereafter referred to as "CMS");**
- **KSE S.r.l. (hereafter referred to as "KSE");**
- **SMI S.r.l. (hereafter referred to as "SMI");**

During 2023 Octa has acquired two companies, namely **KSE** and **CMS**, which have been therefore included in the reporting scope for 2023. For these reasons, the reporting boundary presented in this report concerning 2022 differs from that of 2023: the first one including only **Crippa** and **SMI**, while the second one including all the above mentioned companies.

Moreover, some companies within the Group have been excluded from the current reporting scope. These companies include:

- **CMS USA LLC (hereafter referred to as "CMS USA");**
- **SC Services S.r.l. (hereafter referred to as "SC Services");**
- **Microtools S.r.l. (hereafter referred to as "Microtools");**
- **Crippa USA LLC. (hereafter referred to as "Crippa USA");**

Microtools S.r.l. and SC Services are not consolidated within the financial statement; CMS USA LLC and Crippa USA LLC are excluded since they do not generate significant social and environmental impacts. In the next sustainability report, Octa will evaluate their materiality given to the growing expansion of their business.

Some figures for 2022 may have undergone a restatement due to a refined calculation methodology. In these cases, a footnote has been included in the Report corresponding to the data on which restatement has been made.

Material topics were identified through a materiality analysis conducted in 2021 and updated in 2022, which was firstly applied to Crippa and SMI and deemed applicable also to KSE and CMS. Detailed on page 18 and conducted in accordance with the 2021 GRI Standards, this analysis enabled the identification of topics relevant to Octa across **economic, environmental and social** dimensions. Looking ahead to align with the Corporate Sustainability Reporting Directive (CSRD) by 2025, Octa intends to revise its materiality matrix in 2024, adhering to the principles of double materiality.

On 9/24/2024,  
Octa's Board of Directors examined  
the present Sustainability Report.

This Report is also available to the public at:  
<https://www.octa-group.com/en/corporate/sustainability>

For any information on the Report, please  
contact Octa's Sustainability Manager  
Francesca Crippa at  
[francesca.crippa@octa-group.com](mailto:francesca.crippa@octa-group.com)

# Highlights



## Environment



### Green power technology

**Reduction of environmental impact** by using innovative technologies and materials.

### Optimize managing machines

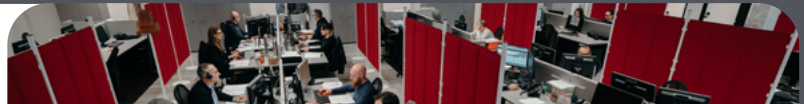
**Research and development** of tools and software that simplify and **optimise** the use of machines.

### 100% energy from renewable sources

All our sites are working to be powered exclusively by providers that supply energy from **completely renewable sources**.



## Social



### We promote diversity

We are committed to bridging the **gender gap** among white-collar workers.

### Human capital

97% of people hired through a permanent contract.

### Professional growth

We are increasing the hours of **voluntary training** and creating **training programs** for all our employees.



## Governance



### Policy standardization

Adoption and implementation of **corporate policies**.

### Supply chain management and zero km logistic

**Around 90%** of our suppliers are Italian.

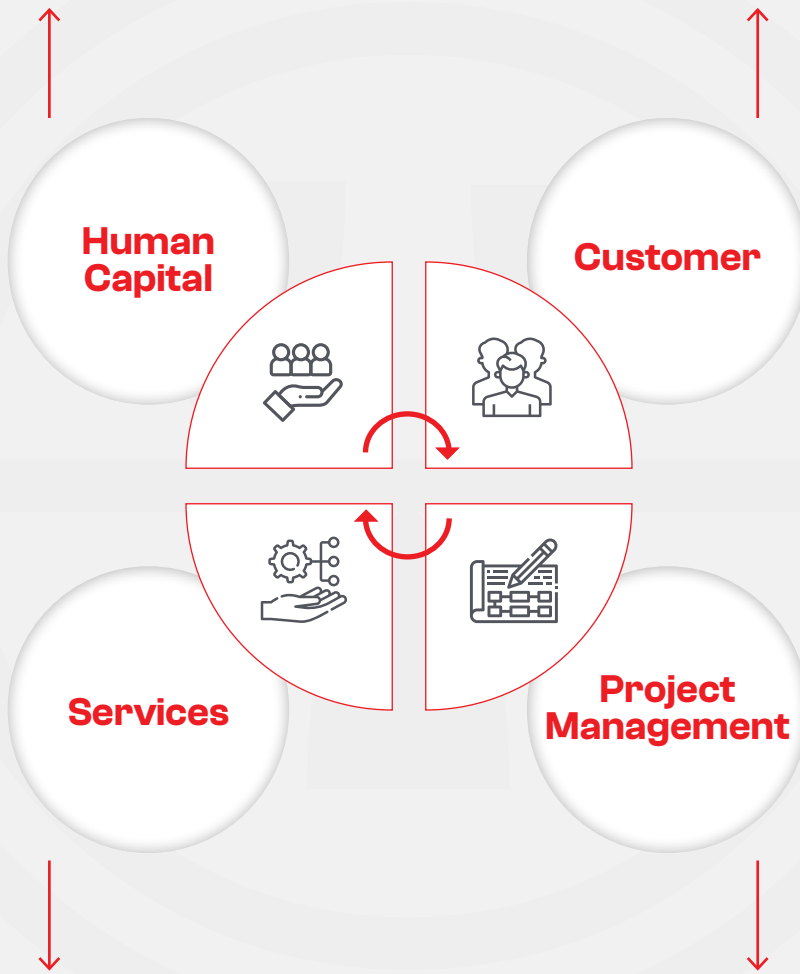
### Appointment of a Sustainability manager

Demonstrating the company's proactive approach to integrating **environmental and social responsibility** into its core operations.



Teamwork  
Professional growth  
Safety first  
Meritocracy  
Work-life balance

Our purpose is customer's success  
Global partner  
A solution for each application  
Octa products reduce time to market



CUSTOMER satisfaction  
Quality service  
30 service points  
Worldwide spare parts hubs'  
100 Field service engineers  
Remote support  
Line relocation  
Machine revamping

Planning  
Trust  
On time delivery  
Acceptance tests and quality  
Always the best performance







# 01

## Introduction to Octa Group

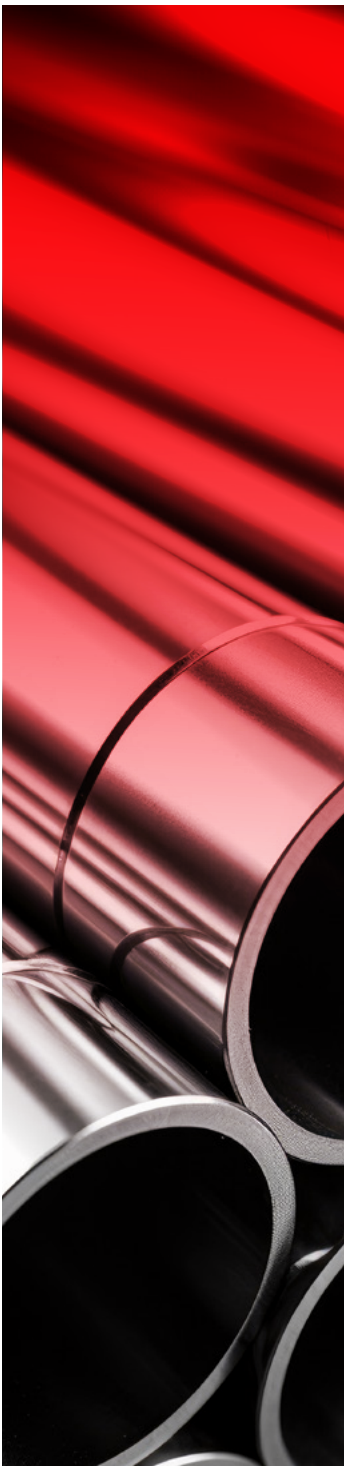
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## 1. INTRODUCTION TO OCTA GROUP

# 1a.

## History and Overview

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The Octa Group has a long history dating back to **1948** when Agostino Crippa founded Crippa S.r.l. (hereafter referred to as "Crippa"), the first company from which the Group originated. Over its 75-year history, **Crippa** has continuously evolved with cutting-edge **technical innovations and the integration of new companies**, driving sustained growth and innovation. Throughout this journey, Crippa has established itself as a leader in the market for machinery dedicated to bending and shaping metal tubes, expanding both its expertise and market presence.

In 2020, thanks to Astraco Capital Holding, a new chapter began for Crippa, leading to the creation of the Group.

In 2021, the Group expanded its geographic reach by establishing two fully owned entities in the USA. In 2022, the Group acquired SMI, enabling its entry into the Heating, Ventilation, Air Conditioning, and Refrigeration (HVACR) industry. Founded in 1978, **SMI has been a leader in the metal tube processing industry**, designing and manufacturing CNC machines and systems for various sectors. SMI's expertise spans HVACR, automotive, home appliances, and the emerging field of alternative/renewable energy, driven by a commitment to understanding market demands and partner requirements, which fuels their continuous innovation.

In 2023, the Group acquired **CMS, a pioneer in the construction of special machines for producing heat exchangers**. Established in 1988 by four industry professionals, CMS has pursued excellence through constant investment in research and development, staff training, and cutting-edge technologies. The company's growth is reflected in the expansion of its industrial space in 2017 and the subsequent increase in staff.

In 2023, the Group also acquired KSE, a company founded by experienced technicians whose expertise quickly made **KSE** synonymous with quality and accuracy. KSE is an ideal partner for **automating new plants, retrofitting machine tools, or applying motion controls** of their own design and manufacture.

With the acquisition of CMS, CRIPPA, and SMI, **the Octa Group was officially formed in 2023**, combining the strengths of these industry leaders. The formation of the Group was marked by significant milestones and key events that have contributed to Octa's development and success as a leader in the metal tube bending and shaping machinery industry. These milestones are briefly illustrated in the following figure.



Figure 1: Octa Group's history and milestones



To offer a comprehensive overview of the current structure of the Group, an organizational chart is presented below. This chart provides detailed insights into the composition and **hierarchy of the Group**, facilitating a better understanding of its operational framework

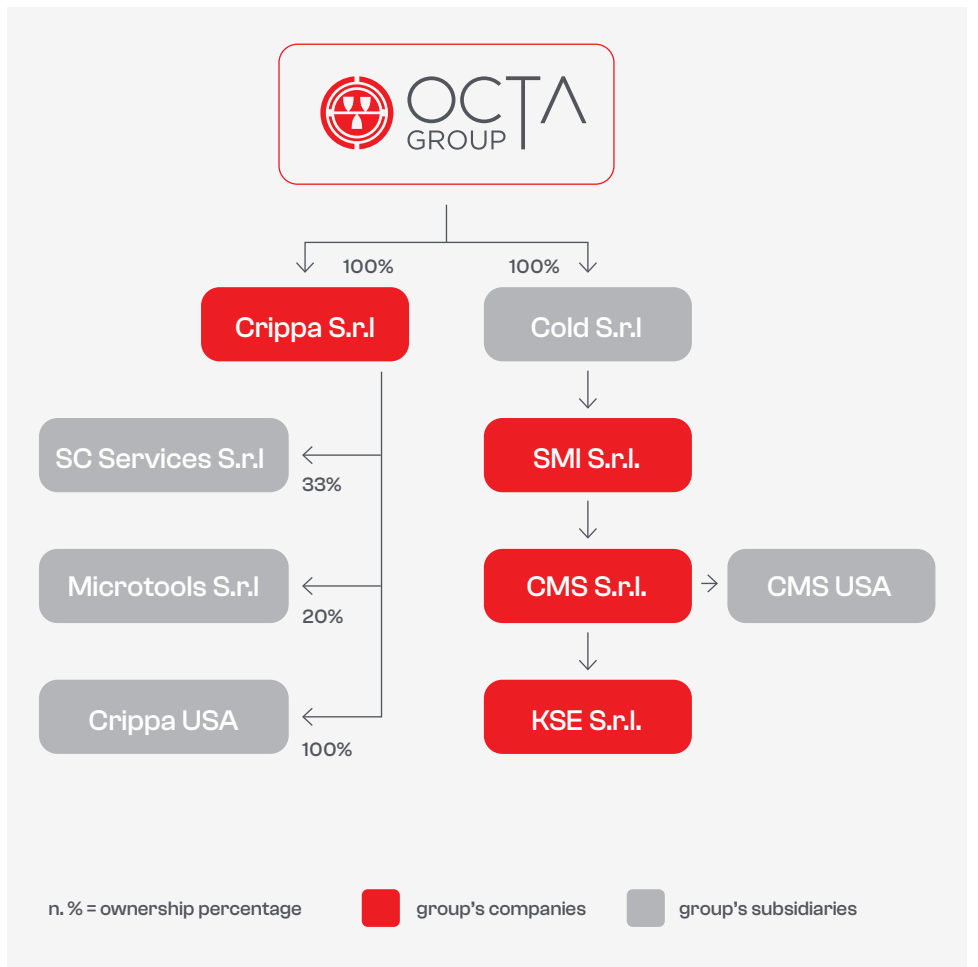


Figure 2: Octa Group's structure



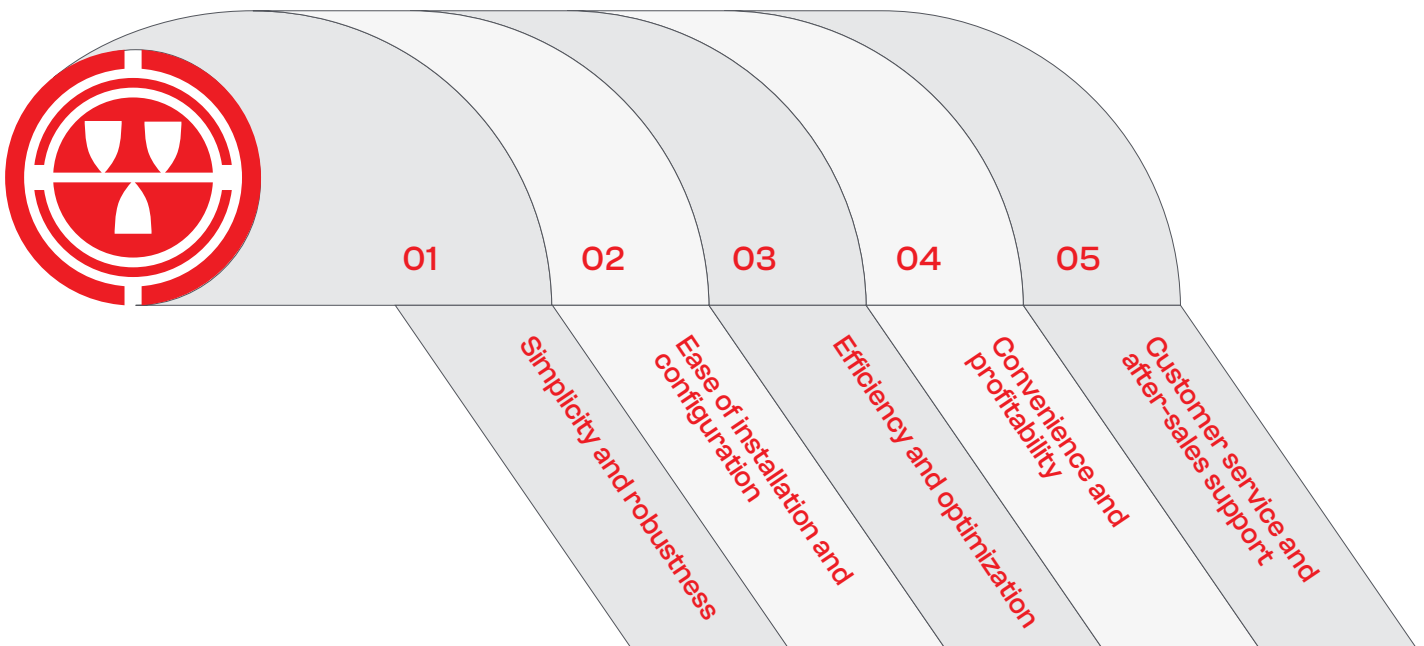
# 1b.

## Group activities

Octa is an international player specialized in the production of bending, end forming tube machineries and HVAC technology<sup>1</sup>.

Each company within the Group contributes its unique expertise and extensive experience, collectively shaping Octa's comprehensive and versatile identity. This synergy enables Octa to adeptly address and fulfill the diverse needs of its clients across a wide array of industries, ensuring **tailored and effective solutions**.

We work alongside our customers to set **new standards of excellence** offering reliable and innovative solutions based on five strengths:



A brief description of the activities conducted in each company of the Group and the products offered is given below.

<sup>1</sup> Acronym for heating, ventilation, and air conditioning.

## 1. INTRODUCTION TO OCTA GROUP



Historical and founding company of the Group, Crippa's primary product lines encompass **tube bending machines, tube endforming machines, work cells and measuring systems**. Tailored to customer requirements, these machines can be integrated into work cells that incorporate advanced, multidisciplinary technologies and expertise, delivering customized solutions. Additionally, Crippa develops **proprietary software in-house** to enhance and streamline the operation of their machines, ensuring optimal performance and ease of use.

With 70 years of success, Crippa's pioneering spirit is reflected in its many industry-firsts, such as the **introduction of Computer Numerical Control (CNC) and fully electric tube bending machines**. Crippa's commitment to quality, productivity, and innovation has firmly established the company as a leader in the field.

Crippa's **bending machines**, renowned for their adaptability to production changes, deliver substantial benefits in feasibility, productivity, and quality. They offer a comprehensive range of options for tubes up to 225 mm in diameter, ensuring ease of use and programmability. In addition to bending machines, Crippa also offers endforming machines, suitable for any production complexity and tube diameter.

Crippa consists of four locations:



### Anzano del Parco (Como):

The company's main production site, where assembly, testing and machine maintenance activities are carried out. There are also technical offices.



### Arosio (Como):

Hosts the company's headquarters, in addition to the administrative and technical offices there is a production area where painting and machine testing activities are mainly carried out.



### Fornaci (Monza and Brianza):

Site that houses a warehouse where spare parts for the machines and packaging materials used for deliveries are stored.



### Carugo (Como):

Site specialized in the production of shaping machines.

For further information and details on the products offered by Crippa, please refer to the dedicated section on **Octa's website**.



Figure 3: CNC full electric tube bending machine R42

Figure 4: Electric endforming machine S2086E+



## 1. INTRODUCTION TO OCTA GROUP



SMI's expertise encompasses specific sectors such as HVACR, automotive, home appliances, and the growing field of alternative and renewable energy. Its commitment to understanding market demands and partner requirements drives continuous innovation. The company's core strengths—professionalism, process analysis, and flexibility—enable SMI to deliver customized solutions for every metal tube processing need. Most SMI machines are fully electric to minimize consumption. They are modular, compact, fast, and versatile to meet a wide range of production needs.

Specifically, SMI designs and manufactures **cutting-edge HVACR machines** for tube processing from coil. Following SMI integration into the Group, its endforming machine models were incorporated into the Group's existing catalog. This integration led to the introduction of a new product range dedicated to **decoiling machines**, which are used for processing coil tubes.

For further information and details on the products offered by SMI, please refer to the dedicated section on **Octa's website**.



Figure 5: Electric SILVER2CD





## 1. INTRODUCTION TO OCTA GROUP



CMS designs and manufactures **fin stamping lines** and machinery for OEMs and companies specializing in heat exchange, positioning itself as a pioneer in the manufacture of this type of machinery. Founded in the 1980s, CMS has consistently pursued excellence by investing in research and development, enhancing staff expertise, and leveraging state-of-the-art technologies. The company's continuous expansion is demonstrated by the enlargement of its industrial facilities in 2017, followed by a corresponding increase in its workforce.



Figure 6: CMS's machine from the PRM series

For further information and details on the products offered by SMI, please refer to the dedicated section on **Octa's website**.



Since 1996, KSE has specialized in the implementation of turnkey automation systems, as well as the design and manufacture of switchboards and on-board machinery for both new and retrofitted systems. Additionally, KSE leverages its dedicated hardware and firmware department to design and produce a range of NC controls for CMS machines and cold metal forming equipment. KSE also provides comprehensive services for Siemens PLCs, including supply, installation, and programming. KSE products are aimed at diverse applications, including sheet metal forming and metal removal, plastic recycling plants, assembly lines, paper processing, and many others.

The Group's machines are designed and marketed for various economic sectors. Their versatility and advanced technology enable them to meet diverse customer needs, which can vary significantly depending on the application of the final product. Presented below is a list of the primary economic sectors served by Octa, highlighting the extensive range and adaptability of its solutions.

1. INTRODUCTION TO OCTA GROUP

# 1b. Group activities

## i. Application Sectors



Automotive



Furniture



Urban



HVAC-R



Marine



Medical



Cycle



Motorcycles



Aerospace



Appliances



Heavy duty  
machines



Agriculture



Cycle and  
Motorcycles



Data center



Leisure



Railways



1. INTRODUCTION TO OCTA GROUP

# 1b. Group activities

## ii. Presence on the market

As a reliable and competitive partner, the Group ensures **high-quality products** and provides **support to its clients in designing essential machinery parts and equipment**. Leveraging a well-established sales network, the Group exports globally its products and maintenance services, including remote support. The European market remains the largest customer base in terms of sales value and the number of partners. Nonetheless, the Group has also developed significant business relationships with companies across all continents, particularly in the United States. In the US, the sales subsidiary is expanding its workforce and in 2023 a showroom of approximately 1,400 m<sup>2</sup> was opened in Wixom (Michigan).

The Group's operations span multiple facilities: Crippa operates sites in Fornaci (Monza Brianza), Carugo (Como), Anzano del Parco (Como), and Arosio (Como). SMI is located in Varmo (Udine), CMS and KSE are based in Alonte (Vicenza). The distribution of sites highlights a strong presence in Northern Italy, a region historically renowned for its entrepreneurial spirit and industrial expertise. Each of the Group's sites specializes in a distinct area of production, with the exception of the Crippa site in Fornaci, which serves as a warehouse for storing spare parts for the machines. Concerning **the Group's general headquarters**, they are located in **Milan**.



Figure 8: Octa's operating sites

## 1. INTRODUCTION TO OCTA GROUP

Overall, the Group boasts more than **30,000 m2 of production plants** and has made more than **10,000 installations** at clients' premises around the world, consolidating a market presence in more than **80 countries in the world**.



Figure 9: Octa installations at clients' premises around the world

# 1c.

## Mission and Values

Octa's mission defines its fundamental reason for existence and guides its operations and decision-making processes. This mission is to deliver innovative technologies and services in the world of machineries and industrial automation to enhance the performance of the processes in terms of quality, productivity and efficiency. For this reason, the Group is dedicated to creating value for all stakeholders by fostering **technological advancement and championing environmental responsibility**.

Through this commitment, Octa aims to lead the industry in both performance and sustainable practices, ensuring long-term success and positive impact. This is achievable only through the maintenance of strong and trustworthy relations with employees, customers, business partners, stakeholders, and local communities. Aware of this, Octa has defined five core values that form the foundation of its business approach and its commitment to internal and external stakeholders:



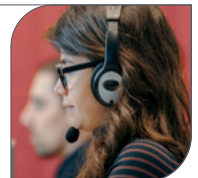
### Teamwork:

Collaboration and teamwork are fundamental to Octa's success. The Group fosters an inclusive work environment, promoting cooperation and mutual support among employees to achieve common goals.



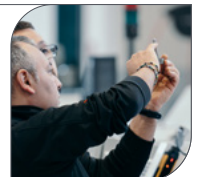
### Customer Centric:

Octa prioritizes customer satisfaction above all else. The Group is committed to thoroughly understanding and fulfilling customer requirements, delivering superior products and services that consistently surpass expectations.



### Passion:

Octa approaches each task with unwavering enthusiasm and dedication. Fueled by a commitment to innovation and excellence, the Group consistently endeavors to enhance its practices and redefine the limits of achievement.



### Trust:

Operating with integrity and transparency, the Octa builds trust with customers, partners, and employees. The Group is committed to ethical practices and maintaining high standards of conduct in all its activities.



### Accountability:

Octa embraces accountability for its actions and their repercussions. The Group is committed to fulfilling its commitments, maintaining transparency across all facets of its operations, and pursuing ongoing enhancements.



## 1. INTRODUCTION TO OCTA GROUP

1d.

## Economic Performance and Value creation

Octa strives to achieve a profitable and sustainable growth, while optimizing the direct economic value generated and shared with both internal and external stakeholders. The economic value generated in 2023 reached EUR 104 million, with an **increase of 70%** compared to 2022. This significant increase, enabled also by the integration of the firms KSE and CMS into the Group, led to a greater distribution of economic value to both internal and external stakeholders. Specifically:

- the economic value distributed to employees increased by 89%;
- the economic value distributed to suppliers increased by 76%;
- the value distributed to the government and organizations increased by 1%;
- the value distributed to the community increased by 21%;
- the value distributed to financial institutions increased by 522%.

Overall, the **economic value distributed increased by 78%** while the value retained by the Group **increased by 9%**.

These figures not only highlight Octa's economic growth but also demonstrate how the Group has generated and enhanced wealth for its stakeholders over the past year. The allocation of economic value to stakeholders—including employees, suppliers, and the community—builds trust and strengthens relationships, thereby bolstering Octa's long-term sustainability and success.

Direct Economic Value generated and distributed	Unit	31.12.22	31.12.2023
<b>Economic Value Generated by Octa</b>	€	<b>61,016,291 <sup>2</sup></b>	<b>104,109,020</b>
<b>Economic Value Distributed to stakeholders</b>	€	<b>54,027,821 <sup>3</sup></b>	<b>96,453,355</b>
<i>Employees and other staff</i>	€	9,343,093	17,718,023
<i>Suppliers</i>	€	41,624,010	73,404,296
<i>Governments, Organizations and Institutions</i>	€	2,607,669	2,636,879
<i>Community</i>	€	24,877	30,191
<i>Financial institutions</i>	€	428,171	2,664,963
<b>Economic Value Retained</b>	€	<b>6,988,469</b>	<b>7,655,665</b>

Table 1: Details of the direct economic value generated and distributed by Octa

1. INTRODUCTION TO OCTA GROUP

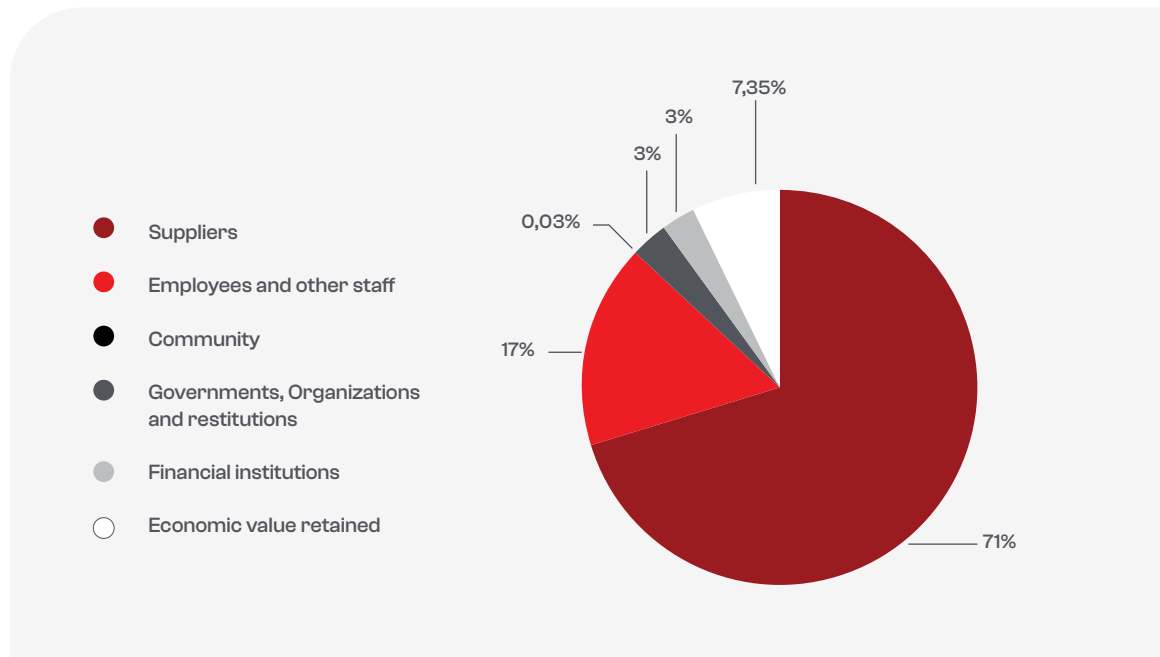


Figure 10: Breakdown of the Economic Value distributed and retained in 2023



<sup>2</sup> Data related to 2022 has been revised in 2023 due to a refinement in the calculation methodology. The value disclosed in the 2022 sustainability report was equal to 59,518,959€.

<sup>3</sup> Data related to 2022 has been revised in 2023 due to a refinement in the calculation methodology. The value disclosed in the 2022 sustainability report was equal to 53,929,282€.



# 02

## Sustainability strategy

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2. SUSTAINABILITY STRATEGY

# 2a. Sustainability journey

The machine tool manufacturing sector is currently in the early stages of addressing sustainability, particularly in the realms of Environmental, Social, and Governance (ESG) issues. In this context Octa is actively pursuing sustainability goals and initiatives, ensuring that its commitment to ESG principles is reflected in every aspect of its business. Indeed, Octa is one of the few companies in the machine tool manufacturing sector to have started sustainability reporting as early as 2022: this forward-thinking approach positions Octa at the forefront of its industry, setting a benchmark for others to follow in the pursuit of sustainable practices. The extension of the reporting scope in 2023, incorporating KSE and CMS, demonstrates Octa's commitment to enhancing its reporting capabilities and expanding ESG considerations across a growing number of entities within the Group.

Octa's dedication is evident through the implementation of a comprehensive Sustainability Policy, which has been in effect since 2021 for Crippa S.R.L. This policy has been structured **around 5 core principles** that are guiding the company's commitment towards sustainable development:

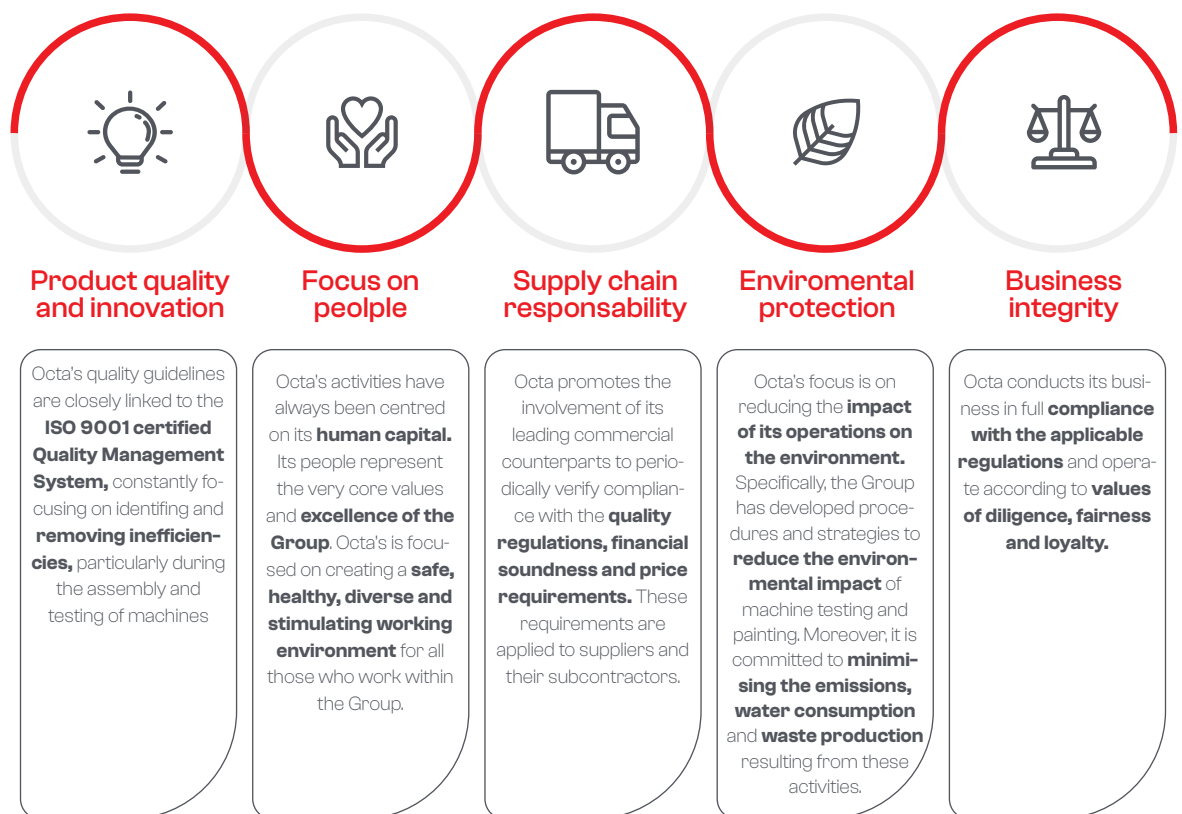


Figure 11: Octa's core principles

## 2. SUSTAINABILITY STRATEGY

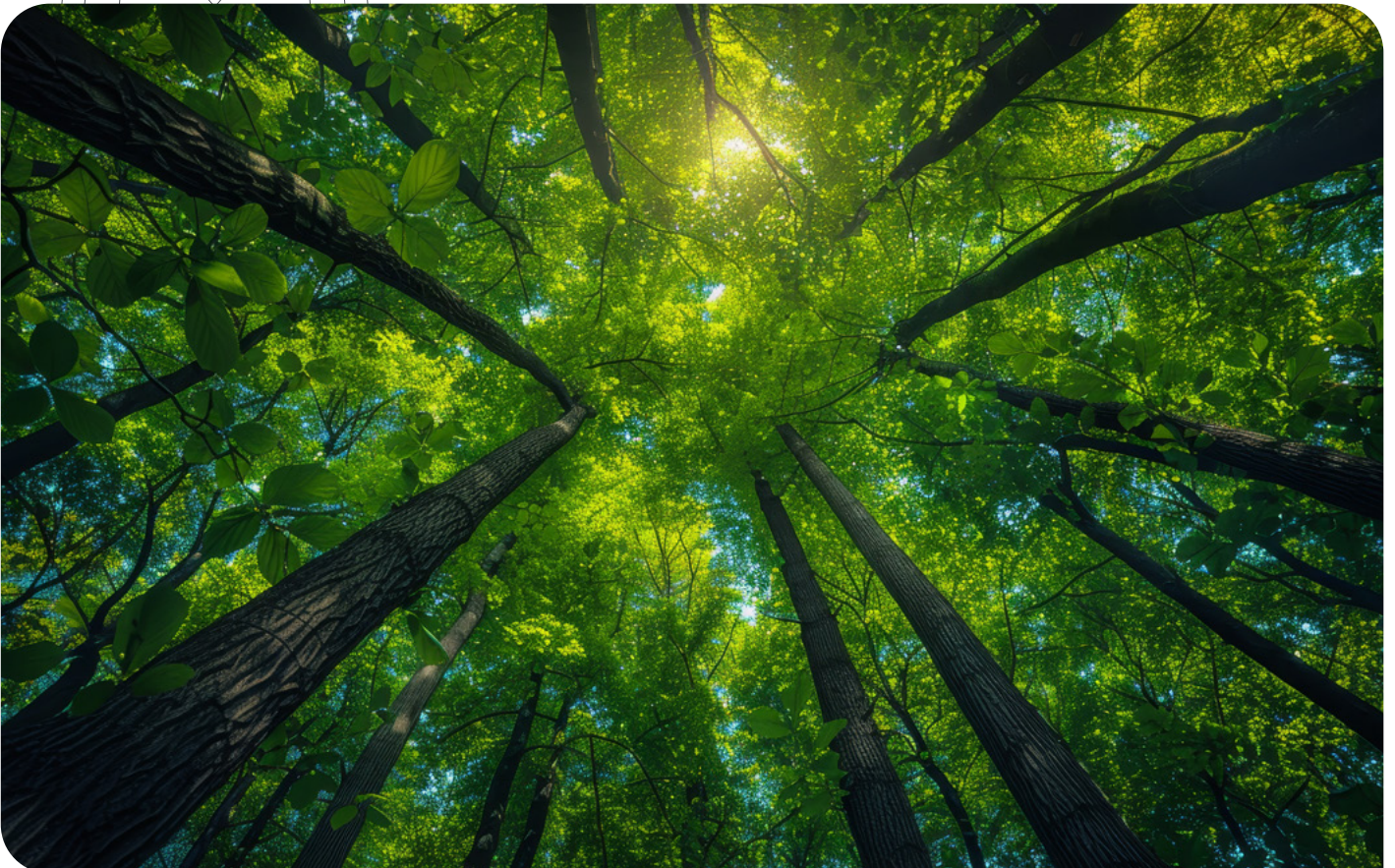
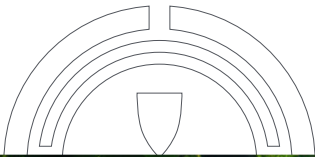
Octa will extend the applicability of the above-mentioned policy to other companies within the Group.



These principles, which have always been integral to Octa's identity, have been aligned with specific Sustainable Development Goals (SDGs) as defined by the United Nations.

**These goals are the cornerstone of the 2030 Agenda for Sustainable Development, a comprehensive action plan aimed at securing a better present and future for the planet and its inhabitants.**



Recognizing the pivotal importance of these objectives, Octa has identified specific SDGs where it can make meaningful contributions through its operations and daily business activities. Such SDGs and the related activities are listed in the following table.



	SDGs	Octa's initiatives and commitments
Environment	 	<ul style="list-style-type: none"> <li>• Integration of full electric machines, cutting energy use and eliminating oil and pollution.</li> <li>• Use of renewable energy supplied by Dolomiti Energia at Crippa's sites.</li> <li>• Use of enhanced cooling and heating systems in production sites, leading to energy savings.</li> </ul>
		<ul style="list-style-type: none"> <li>• Installation of drinking water dispensers in all Octa's locations, cutting down the use of plastic bottles.</li> <li>• Lean Production practices to minimize waste and inefficiency in product's life cycles.</li> <li>• Use of low-impact materials in production (e.g. water based paints)</li> <li>• 5% of annual turnover invested in R&amp;D activities to pursuit the development of sustainable technologies for production.</li> </ul>
Social	 	<ul style="list-style-type: none"> <li>• Provision of clean and organized workplace to foster productivity and comfort, providing ergonomic workstation and flexible hours for employees.</li> <li>• Prioritisation of employees' health, offering comprehensive health and welfare policies, including professional accident and long term care coverage, along with defibrillator stations at operational sites for trained first aid personnel.</li> <li>• Promotion of employee's health by removing sugary drinks and snacks from distributors and encouraging balanced meal consumption through local restaurant agreements for employee canteen services.</li> </ul>
	 	<ul style="list-style-type: none"> <li>• Establishment of standardized recruitment process to acknowledge the positive attributes and personal skills of each workers, forstnering an inclusive work environment.</li> <li>• Advocacy of professional development and meritocracy through performance monitoring and evaluation, fostering employee growth channelling the needs of employees by training them and helping them to achieve shared objectives.</li> </ul>
Governance		<ul style="list-style-type: none"> <li>• Support to local communities through partnerships with educational institutions, local producers and technological partners.</li> <li>• Sponsoring young talents in sports and promoting art and culture through partnerships with local theaters.</li> <li>• Collaborations with universities (e.g. Politecnico di Milano) and sponzorization of research programs.</li> <li>• Investment in education and training through tailored and monitored educational paths for employees.</li> <li>• Provision of after sales training for customers through a wide offer of learning programmes like Dynamics PRC.</li> </ul>
Innovation		<ul style="list-style-type: none"> <li>• Use of 4.0 solutions for machinery monitoring and maintenance via an accessible app, diagnosing system issues using remote technology and augmented reality.</li> <li>• Upgrading and costumization of software solutions based on customer feedback.</li> </ul>

**Table 2: Octa's initiatives and commitments with respect to selected SDGs**

As a further commitment to sustainability, in 2022 an ESG working group was created to oversee ESG issues for SMI and Crippa. By 2023, this initiative expanded within the Octa Group, encompassing comprehensive ESG oversight under a designated **Group-wide ESG coordinator**. This role not only ensures alignment with the Group's sustainability objectives but also manages activities related to specific SDGs, enhancing coordination and accountability across all operations.

2. SUSTAINABILITY STRATEGY

# 2b. Stakeholder Mapping and Engagement Activities

Engaging stakeholders is a pivotal element in every company's sustainability strategy and vision. By directly involving both internal and external stakeholders, companies can effectively identify their desires and expectations, thereby crafting a sustainability strategy that aligns with these expectations. Stakeholders include individuals, groups, or organizations that have a direct or indirect impact on the organization's operations or are influenced by its activities.

In 2021, Crippa conducted a benchmarking analysis of leading peers and competitors in the sector to identify the most critical stakeholder categories. Additionally, a sector trend analysis was performed to pinpoint the most significant societal impacts of bending machine production, thereby identifying the stakeholders most affected by these impacts. This thorough process ensures that Octa's sustainability initiatives are informed by industry best practices and aligned with stakeholder interests. The findings were shared and discussed with the Working Group responsible for managing sustainability topics within Crippa. This collaborative effort enabled the identification of relevant stakeholders for Crippa and SMI; further on, once the Octa Group was established, it was considered that the findings of this analysis were also valid for the Octa Group itself. Octa's stakeholders are illustrated in the following chart.



Figure 12: Octa's stakeholders

# 2c.

## Materiality Analysis

Trend and sector analyses, along with benchmarking against peers, made it possible to identify not only the most significant stakeholder groups for Octa but also key material ESG topics, crucial to the organization. This exercise, known as "materiality analysis", helps define the areas of action and priorities on which the Group must effectively focus and address its resources to achieve sustainable and long-term development.

The topics identified were then assessed within the context in which Octa operates in order to define a list of topics to be submitted to the Working Group for evaluation. The voting was carried out taking into consideration both the relevance of the topics for Octa and the views of the stakeholders. This analysis was updated in 2022 by identifying for each material issue the main impacts on the economy, the environment and the people. The results of the materiality analysis led to the definition of the list of material topics presented below:

Material topic	Impacts
<b>Environment</b>	
Energy efficiency and GHG emissions	Contribution to climate change through direct/indirect GHG emissions.
Waste management	Generation of waste, with a focus on paint.
Use of sustainable materials in production	Reduced environmental impact by using innovative technologies and materials.
Reducing the environmental impact of new product lines	New, more sustainable product lines.
<b>Social</b>	
Employee training and protecting company skills	Developing employee expertise.
Employee health, safety, and well-being	Accidents at work and welfare.
Diversity, equity and inclusion in the workplace	Promotion of a fair and inclusive working environment.
<b>Governance</b>	
Business integrity and sustainability governance	Compliance with applicable laws, regulations, internal and external standards with related social/environmental/economic impacts.
Responsible supply chain management	Local economic impact.
Financial performance	Generation of financial value and its distribution to stakeholders by defining an innovative and economically sustainable business strategy.
Engagement with local communities	Direct/indirect economic impact on families, local communities and schools. Support for local development through donations and sponsorships.
<b>Product</b>	
Quality and safety of products and services	Product safety for customers and Customer satisfaction.
Innovation and connectivity	Value created by R&D investments.

Table 3: Octa's material topics



Based on the findings from materiality analysis and stakeholder engagement, Octa has initiated the development of its ESG strategy. This strategy encompasses the identification of individuals responsible for ESG matters, the enhancement of engagement with Group companies, and the formulation of an ESG Plan for the period from 2024 to 2027. This action plan will take into consideration the material topics identified through the materiality analysis and will guide the Group's decisions to promote continuous improvement in ESG performance. In order to achieve such objective, Octa will establish specific KPIs for each significant ESG area to track progress over time. If KPIs indicate performance below expectations, Octa is prepared to promptly implement corrective actions.

The figure below provides a concise summary of the critical steps involved in defining Octa's sustainability strategy.

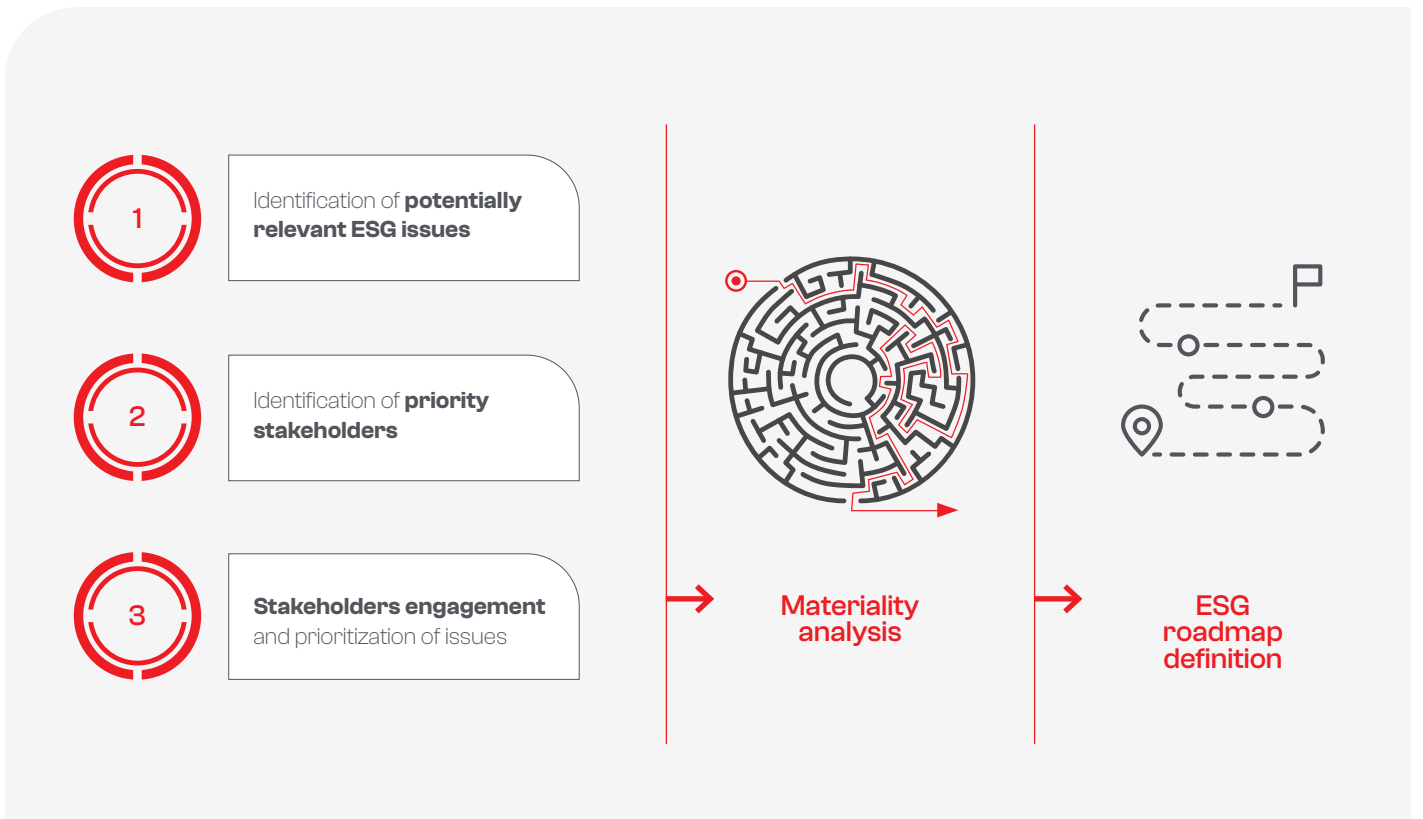


Figure 13: Schematic process of the materiality analysis

## 2d.

# CSRD alignment

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In anticipation of the forthcoming applicability of CSRD requirements on Octa, the Group is undertaking proactive steps to ensure compliance and address any discrepancies between the current management practices of the Group and the regulatory requirements. In 2024 Octa will initiate the development of an ad hoc action plan, strategically designed to guide Octa towards full regulatory alignment by 2026. Steps to align with CSRD requirements include mapping Octa's value chain, updating the materiality matrix in accordance with the double materiality principles (i.e. considering both the Group's impact on the external environment and the environment's impact on Octa's business) and identifying Octa's positioning relative to activities under the European Taxonomy.

**These efforts underscore Octa's commitment to proactive governance and sustainability in preparation for evolving regulatory landscapes.**

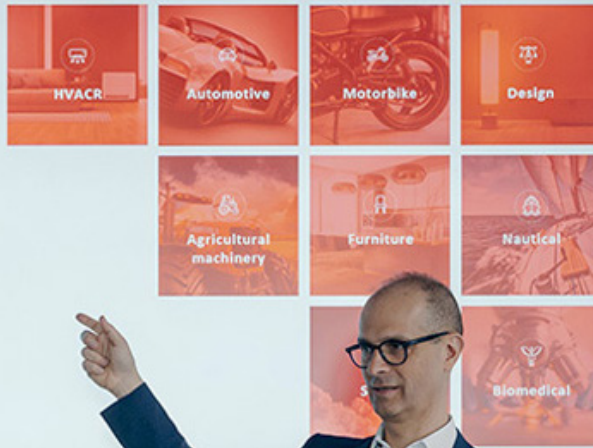


# HIGHLY STANDARDIZED MACHINES AND CUSTOM SOLUTIONS

>100 # Engineers

>250 # Projects annually

>10,000 # Installations



# 03

## Sustainability governance





### 3. SUSTAINABILITY GOVERNANCE



The Group's governance structure consists of a Shareholders' Meeting, a Board of Directors, and independent bodies such as the Supervisory Body, which, under Italian Decree 231/01, monitors the prevention of offenses attributable to the company and committed by its employees and managers.

The group is organized on a functional basis, as shown in the organizational chart below. The overall strategic direction, including for sustainability-related topics, is appointed to the Chief Executive Officer (CEO) and the Board of Directors, while each head of department is responsible for its implementation, supported by the HSE/Sustainability department and the ESG Working Groups at each company level.

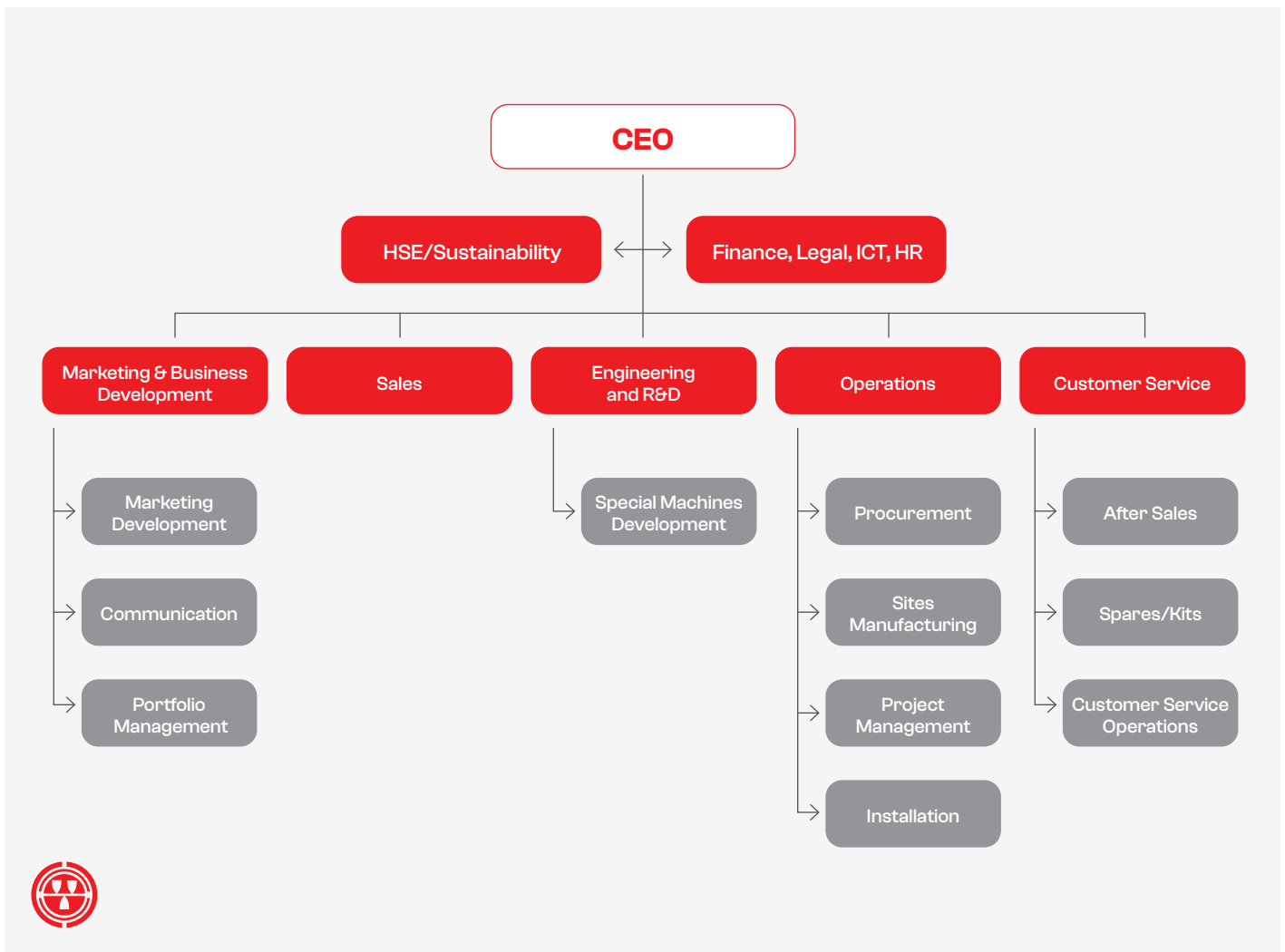


Figure 14: Octa's Corporate Organizational Chart



### 3. SUSTAINABILITY GOVERNANCE

The Group's highest governing bodies is the Board of Directors. The Board of Directors comprises 14 male members, including the CEO. Of these members, 71% are executive members, while 29%, including the Chair of the Board, are non-executive members.

Board of directors composition	Unit	2023
<b>Total number of board members</b>	N°	14
<b>% of women</b>	%	0%
<b>% of men</b>	%	100%
<b>% of non-executive members</b>	%	29%
<b>% of executive members</b>	%	71%
<b>% of independent members</b>	%	14%

Table 4: Octa's Board of Directors composition

Board of Directors	2022			2023		
	Men	Women	Total	Men	Women	Total
<b>Under 30 years old</b>	0%	0%	0%	0%	0%	0%
<b>30-50 years old</b>	57%	0%	57%	29%	0%	29%
<b>Over 50 years old</b>	43%	0%	43%	71%	0%	71%

Table 5: Octa's Diversity of the Board of Directors

Another key governance body is the Board of Statutory Auditors, which plays a crucial role in overseeing the administration and financial reporting processes of the Group. This Board is responsible for ensuring compliance with legal and regulatory requirements, monitoring the adequacy of internal controls, and verifying the accuracy and transparency of financial statements.

Board of Statutory Auditors	2022			2023		
	Men	Women	Total	Men	Women	Total
<b>Under 30 years old</b>	0%	0%	0%	0%	0%	0%
<b>30-50 years old</b>	40%	0%	40%	100%	0%	100%
<b>Over 50 years old</b>	60%	0%	60%	0%	0%	0%

Table 6: Octa's Diversity of the Board of Statutory Auditors

The procedures for **appointing members to the Board of Directors and the Executive Committee** are comprehensively detailed in the Group's organizational charter and fall under the exclusive authority of the Shareholders' Meeting. While a formal internal evaluation procedure is not in place, candidates are rigorously assessed based on their reputation, expertise in business management and corporate governance, as well as their proficiency in managing the organization's economic, environmental, and social impacts, including quality management, occupational health and safety, regulatory compliance, and relevant professional experience.

### 3. SUSTAINABILITY GOVERNANCE



The Board of Directors holds responsibility for **approval, and update of the sustainability policy and the sustainability report**, which constitute the building documents of the Group's sustainability strategy.

The economic, social, and environmental impacts generated by the Group are overseen by the Chief Executive Officer and are periodically reviewed by the Board of Directors. This review process ensures that these impacts are effectively managed and aligned with the Group's sustainability strategy and industrial plan. If any deviations from the strategic objectives are identified, appropriate corrective actions are undertaken. These may include adjustments to business practices, modifications to sustainability policies or quality management procedures, or changes to the composition of the Board.

In assessing the impacts generated by the Group and providing strategic guidelines, the Board of Directors is constantly supported by the Supervisory Boards, which guarantee the respect and application of ethical principles and applicable laws.

The Group has also created a dedicated **HSE/Sustainability function** and **appointed a sustainability manager**, responsible for implementing sustainability guidelines across the entire Group and coordinating efforts to execute the sustainability strategy at each company level.

At the company level, employees are delegated responsibility for coordinating and executing sustainability activities through **ESG working groups**. These groups serve as a bridge, connecting the organization with local stakeholders, including educational institutions, and provide regular updates and reports to the Board of Directors.

Board of Directors

- Definition and approval of sustainability policy and strategy
- Approval of the Sustainability Report

HSE/Sustainability function

- Coordinates efforts among companies to implement sustainability strategy at each company level

ESG Working Group

- Coordination and implementation of sustainability strategy
- Regular reporting to the Board of Directors
- Engagement with key stakeholders

3. SUSTAINABILITY GOVERNANCE

To ensure the effective execution of strategic guidelines and create an adequate system of incentives, the Group has aligned its remuneration policies, which have been developed and approved by the Board of Directors. The remuneration of the Board of Directors is specified in the organizational charter and includes measurable incentives based on the Group's companies' qualitative and quantitative performance. In addition, for some managerial roles, the Board of Directors has approved a remuneration scheme encompassing financial outcomes.

To further analyze fair remuneration, the Group continued monitoring in 2023 the ratio of the highest-paid individual's annual total compensation to the median annual total compensation across all employees. In 2022, the ratio resulted equal to 3.33, reflecting a 16% decrease compared to 2022. The Group is dedicated to regularly monitoring employee compensation to address potential salary disparities and ensure fair treatment for all members of the organization.

Further details on remuneration policies and equal opportunities are provided in the section [“Workforce composition and diversity”](#).

Annual total compensation ratio	2022	2023
Ratio of the annual total compensation for the organization’s highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual) <sup>4</sup>	4	3.33

Table 6: Octa's Annual total compensation ratio

<sup>4</sup> The ratio of the percentage increase in annual total compensation for the organization’s highest-paid individual to the median percentage increase for all employees (excluding the highest-paid individual), as required by GRI 2-21b), is not reported because 2022 data is unavailable, with 2023 being the first year of monitoring.



### 3. SUSTAINABILITY GOVERNANCE

The Group ensures that its Board of Directors possesses the necessary knowledge, skills, and experience to effectively oversee sustainability matters. To achieve this, the governing bodies receive regular training on sustainability topics, participate in conferences and seminars, and engage in ongoing exchanges with the ESG Working Group. Additionally, the Board of Directors participates in benchmarking and analyzing ESG trends to remain consistently informed about the dynamic sustainability landscape.

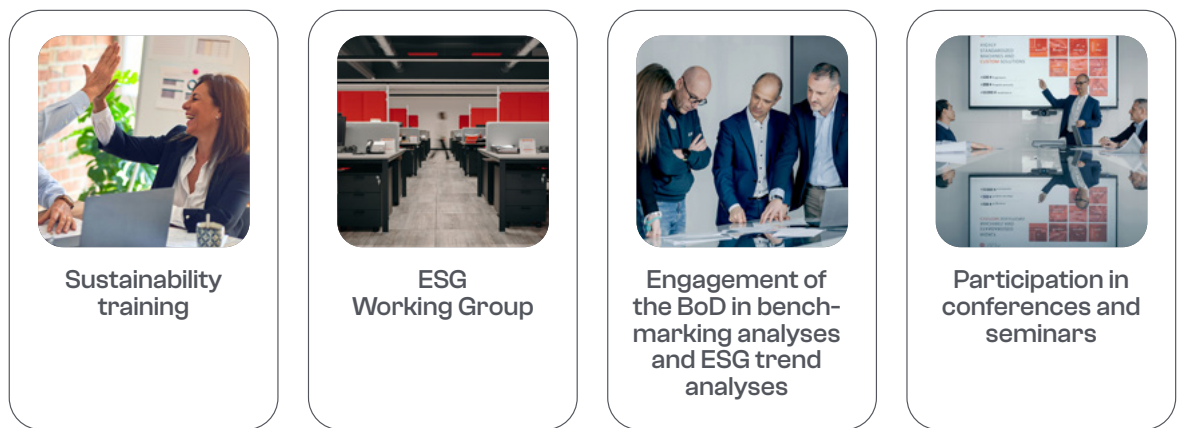


Figure 14: Measures to advance the collective knowledge of the Board of Directors

Effective incorporation of sustainability into corporate governance is supported by established policies and procedures. Within the Group, all companies have implemented a **Quality Management System** that includes regular internal and external audits to evaluate risks and implement necessary improvements. Notably, Crippa and SMI have achieved ISO 9001 certification for their Quality Management Systems, while KSE and CSM are currently working toward obtaining this certification.

The Group is leveraging the existing **Code of Ethics** and **Organizational and Control Model**, which two of its companies have already adopted in compliance with Italian Legislative Decree 231/2001. Now, the Group is in the process of adapting these documents to a Group-wide level. As part of this effort, it is developing its own Model and Code of Ethics to enhance the integration of business ethics across its operations.

For further information, please refer to the section [“Corporate Governance and Ethics”](#).

Furthermore, Crippa has developed an extensive **sustainability policy** that provides guidelines for seamlessly integrating sustainability factors into the company's operations. Currently, the Group uses this policy as a reference for its sustainable development approach and plans to formalize its own policy shortly.





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# 04

## Environmental information

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## 4. ENVIRONMENTAL INFORMATION

4a.

## Energy efficiency and Greenhouse gas Emissions

**Due to the production nature of the Group, energy efficiency and reduction of greenhouse gas emissions are critical priorities for Octa, representing a cornerstone of its ESG strategy, although a Group policy**

on this topic has not been formalized yet. Indeed, the Group is engaged in production activities at its proprietary facilities, resulting in energy consumption. This consumption, in turn, generates emissions.

In 2023 Octa has undertaken several initiatives to enhance its performance and promote sustainable practices. Particularly, during the year Crippa transitioned all its sites to a renewable energy supply, verified by Certificates of Origin. Octa's ambition extends further: the Group aims to transition all the companies mentioned in this report to a 100% renewable energy supply, following Crippa's example. This action is significant because it marks a substantial step towards reducing the company's carbon footprint and aligns with global efforts to combat climate change. Concerning the Group's energy consumption, Octa make use of electricity, natural gas, diesel and petrol. Natural gas is used for heating purposes, while diesel and petrol are used to power the group-owned car fleet).

Details of the Group's consumption is outlined in the table below.



## 4. ENVIRONMENTAL INFORMATION

Internal energy consumption	Unit	2022	2023
<b>Fuel consumption from non-renewable sources</b>	GJ	<b>6,641</b>	<b>9,289</b>
<i>of which:</i>			
LPG	GJ	0	0
Diesel	GJ	1,630	2,776
Natural gas	GJ	4,835 <sup>5</sup>	6,313
Petrol	GJ	176	200
<b>Energy consumption from non-renewable sources</b>	GJ	<b>1,950</b>	<b>2,228</b>
Electricity supplied by the national grid	GJ	1,950	2,228
<b>Energy consumption from renewable sources</b>	GJ	<b>0</b>	<b>1,257</b>
<i>of which:</i>			
Self-generated electricity from photovoltaics	GJ	0	0
Electricity certified with guarantee of origin	GJ	0	1,257
<b>Total energy consumption</b>		<b>8,591<sup>6</sup></b>	<b>12,774</b>
<i>of which:</i>	GJ		
<b>from renewable sources</b>	GJ	<b>0</b>	<b>1,439</b>
<b>from non-renewable sources</b>	GJ	<b>8,591</b>	<b>11,335</b>

Table 7: Details of Octa's energy consumption

Following the integration of two companies into the Group, there was **an increase in all energy** consumption categories, with an overall increase of total energy consumption by **48%**. In comparison to 2022, diesel consumption increased by 70% due to the presence of diesel cars also in the new companies integrated in the perimeter. This expansion doubled the number of vehicles from 26 to 52, representing a 100% increase. Nevertheless, Octa has made significant efforts to upgrade its vehicle fleet entering into a contract with a long-term rental company to introduce new electric and hybrid vehicles. In 2022, only one electric car was in the fleet (owned by Crippa).

By 2023, Crippa had added another electric vehicle, and KSE incorporated two hybrid cars into its fleet as well. Currently, the electric charging stations at Crippa's facilities are exclusively reserved for company vehicles. However, there are plans to expand access to these stations for employees' vehicles as well, promoting and facilitating a more sustainable approach to travel and commuting. In 2023 Octa's share of energy from renewable sources reached **10% of the total consumption**, thanks to measures implemented by Crippa.


During 2023 the second annual monitoring of Greenhouse gases (GHG) emissions (Scope 1 and Scope 2) has been conducted according to the GHG Protocol Standard. Particularly, GHG emissions can be divided into three distinct categories:

<sup>5</sup> Data related to 2022 has been revised in 2023 due to a refinement in the calculation methodology. The value disclosed in the 2022 sustainability report was equal to 4,975.


<sup>6</sup> Data related to 2022 has been revised in 2023 due to a refinement in the calculation methodology. The value disclosed in the 2022 sustainability report was equal to 8,727.




4. ENVIRONMENTAL INFORMATION



**Scope 1**



**Scope 2**



**Scope 3**

emissions, which are direct emissions from owned or controlled sources, such as fuel combustion in company-owned vehicles and on-site manufacturing processes;

emissions, which are indirect emissions from the generation of purchased electricity, steam, heating, and cooling consumed by the company;

emissions, which often represent the largest share of a company's carbon footprint, include all other indirect emissions that occur in the value chain, such as purchased goods and services, business travel, and waste disposal.

Octa currently tracks its companies' Scope 1 and 2 emissions and plans to map and monitor Scope 3 emissions during 2024 and 2025 to align with CSRD requirements. An overview of the Group Scope 1 and Scope 2 emissions is given in the table below.

Scope 1	Unit	2022 <sup>7</sup>	2023
<b>Direct emissions – Scope 1</b>	<b>(t CO2eq)</b>	<b>413<sup>8</sup></b>	<b>602<sup>4</sup></b>
Scope 2	Unit	2022 <sup>1</sup>	2023
<b>Indirect emissions – Scope 2</b>			
<b>Location based</b>	<b>(t CO2eq)</b>	<b>141<sup>910</sup></b>	<b>274<sup>11</sup></b>
<b>Market based</b>	<b>(t CO2eq)</b>	<b>249<sup>1213</sup></b>	<b>260<sup>14</sup></b>
Scope 1 + Scope 2	Unit	2022 <sup>1</sup>	2023
<b>Total Scope 1 + Scope 2 Location-Based</b>	<b>(t CO2eq)</b>	<b>554<sup>15</sup></b>	<b>875</b>
<b>Totale Scope 1 + Scope 2 Market-Based</b>	<b>(t CO2eq)</b>	<b>662<sup>16</sup></b>	<b>861</b>

Table 8: Details of the Scope 1 and Scope 2 emissions of Octa Group

Following the integration of two companies into Octa, there was an overall increase in consumption, which consequently led to a rise in GHG emissions. Indeed, Scope 1 emissions have increased by nearly 46% compared to 2022, while Scope 2 emissions have risen by 94% on a location-based basis and by 4% on a market-based basis; this is mainly due to the fact that Crippa purchased electricity from renewable sources in 2023.

<sup>7</sup> As a result of an improved data collection process, the emissions data for 2022 have been restated from the 2022 sustainability report.

## 4. ENVIRONMENTAL INFORMATION

Lastly, while Octa has not yet commenced monitoring its indirect Scope 3 emissions, proactive steps have been initiated to minimize non-essential work-related travels. Specifically, Octa has begun implementing remote testing of its equipment and providing customer support through video calls. This initiative reduces emissions associated with technician travels while maintaining robust technical assistance and a high level of customer service. Moreover, Octa is adopting strategies to minimize the number of machines transported to trade fairs. This reduction is facilitated by advanced technological systems provided by Octa (details available in the Sustainable Product Innovation chapter of this report).

This initiative not only showcases the Group's innovative solutions but also significantly reduces the emissions associated with transporting machinery, reinforcing Octa's commitment to sustainability and operational efficiency.

<sup>8</sup> As a result of an improved data collection process, the emissions data for 2022 have been restated from the 2022 sustainability report.

<sup>9</sup> Source of emission factor: DEFRA (2021)  
Source of emission factor: ISPRA (2019)

<sup>10</sup> Data related to 2022 has been revised in 2023 due to a refinement in the calculation methodology. The value disclosed in the 2022 sustainability report was equal to 90.4

<sup>11</sup> Source of emission factor: IEA Emission factors electricity purchased in Italy (2022)

<sup>12</sup> Source of emission factor: AIB European Residual Mixes (2020)

<sup>13</sup> Data related to 2022 has been revised in 2023 due to a refinement in the calculation methodology. The value disclosed in the 2022 sustainability report was equal to 159.71

<sup>14</sup> Source of emission factor: AIB European Residual Mixes (2022)

<sup>15</sup> Data related to 2022 has been revised in 2023 due to a refinement in the calculation methodology. The value disclosed in the 2022 sustainability report was equal to 502.73

<sup>16</sup> Data related to 2022 has been revised in 2023 due to a refinement in the calculation methodology. The value disclosed in the 2022 sustainability report was equal to 572.04



# Focus:

## renewable energy at Crippa sites



**In 2023 all Crippa sites have passed to a completely renewable energy supply, verified by Certificates of Origin.**



Certificates of Guarantee of Origin trace and certify that the energy used by Crippa is of Italian provenance and derived from renewable sources. These certificates ensure transparency and accountability in Crippa's energy consumption.

This initiative allowed Crippa to reduce its total GHG emissions **by 38%** in comparison to 2022.

Thanks to the adoption of an electricity contract relying on **100% renewable energy sources**, Crippa managed to **bring to zero its Scope 2 market-based emissions**.

This reduction had implications also on the total production of emissions of the Company. Details is given in the tables below.

Scope 1 and Scope 2 - Crippa	Unit	2022	2023
<b>Total Scope 1 + Scope 2 (Location-Based)</b>	<b>(t CO2eq)</b>	409	374
<b>Total Scope 1 + Scope 2 (Market-Based)</b>	<b>(t CO2eq)</b>	491	275

Table 9: Analysis of Crippa's Scope 1 and Scope 2 emissions, distinguishing between market-based and location-based assessments

Scope 2 emissions - Crippa	Unit	2022	2023
<b>Location based</b>	<b>(t CO2eq)</b>	107	99
<b>Market based</b>	<b>(t CO2eq)</b>	189	0

Table 10: Detail of Crippa's Scope 2 emissions

## 4. ENVIRONMENTAL INFORMATION

## 4b.

## Resource Management and Circular Economy

In addition to the materials used in the machines (plastics, metals, and rubber), the company's activities primarily involve materials for testing, maintenance, painting, and packaging.

The testing phase requires significant quantities of metal tubes, supplied mainly by customers, in various shapes and sizes to ensure the machines operate efficiently and correctly before delivery. Oils and lubricants are used during testing and any required overhaul or retrofitting. Although the transition to fully electric machines has considerably reduced the use of these substances, specific components still require constant lubrication for proper operation.

The type and quantity of packaging materials depend on the mode of transport and the distance between the plant and the end customer. Machines are delivered by sea or land based on the customer's geographical location. For sea deliveries, special packaging, such as aluminum barrier bags, is used to protect the machines from humidity, while plastic film is used for land transport. For shorter distances, machines are not packed to minimize material use.

Machines are placed on wooden pallets for shipment, and a fumigation certificate is enclosed to ensure traceability. Making extensive use of different materials, Octa recognizes the importance of circular economy, although a Group policy on this topic has not been formalized yet.

Octa specifically implements circular activity actions by **refurbishing its machines** directly at customer sites. These actions **extend the lifespan of the machines**, optimizing the customer's investment and significantly reducing the necessity to manufacture new machines. This approach not only conserves resources but also minimizes environmental impact through reduced material consumption and waste. Additionally, by promoting sustainability and operational efficiency, Octa enhances customer satisfaction and loyalty.

Regarding the materials utilized by the Group, they primarily consist of oils and lubricants and cutting fluids for machines, wooden boxes for the shipping of the machinery, plastic films and cardboard. The Group predominantly utilizes **non-renewable materials**, accounting for 99% of its total usage. Compared to 2022, there has been an increase in nearly all metrics following the integration of CMS and KSE into the Group. The sole exception is the usage of tubes, which has decreased. This decline is attributed to Crippa's participation in the TUBE fair in 2022, an event it did not attend in 2023, resulting in a reduced demand for this kind of material.

<sup>17</sup> TUBE is a leading trade fair for the tube industry, which regularly takes place in Düsseldorf.

#### 4. ENVIRONMENTAL INFORMATION

Details on the type and quantity of materials used by the Group is given in the table below.

Type of material	Unit	2022		2023	
Type of material	Unit	Non renewable	Renewable	Non renewable	Renewable
Tubes <sup>18</sup>	t	13.5	0	3.2	0
Wooden Boxes	t	13.5	7.4 <sup>19</sup>	56	7.4
Cardboard	t	1.2	1.7 <sup>20</sup>	5.6	1.7
Plastic Film	t	3.4	0	6.5	0
Oils and Lubricants	t	61.2 <sup>21</sup>	0	68.2 <sup>22</sup>	0
Barrier bag	t	1.1	0	1.1	0
Varnish	t	1.8	0	4.7	0
Grease	t	1	0	0	0
Copper	t	0	0	4.2	0
Cutting Fluid	t	0	0	13.6	0
<b>Total</b>	<b>t</b>	<b>97<sup>23</sup></b>	<b>9</b>	<b>164</b>	<b>9</b>

Table 11: Details of the materials used in Octa's production process

<sup>18</sup> Tubes of different materials: non-renewable source materials, ferrous materials, steel, titanium, etc.

<sup>19</sup> Data related to 2022 has been revised in 2023 due to a refinement in the calculation methodology. The value disclosed in the 2022 sustainability report was equal to 22.8. It should be noted that last year's data was derived from the sum of non-renewable and renewable sources.

<sup>20</sup> Data related to 2022 has been revised in 2023 due to a refinement in the calculation methodology. The value disclosed in the 2022 sustainability report was equal to 2.2. It should be noted that last year's data was derived from the sum of non-renewable and renewable sources.

<sup>21</sup> Data related to 2022 has been revised in 2023 due to a refinement in the calculation methodology. The value disclosed in the 2022 sustainability report was equal to 4.6. It should be noted that last year's data was derived from the sum of non-renewable and renewable sources.

<sup>22</sup> Please notice that it was not possible to obtain the precise data for SMI for 2023. As a result, the company's 2022 value has been used as a proxy.

<sup>23</sup> Data related to 2022 has been revised in 2023 due to a refinement in the calculation methodology. The value disclosed in the 2022 sustainability report was equal to 49. It should be noted that last year's data was derived from the sum of non-renewable and renewable sources.



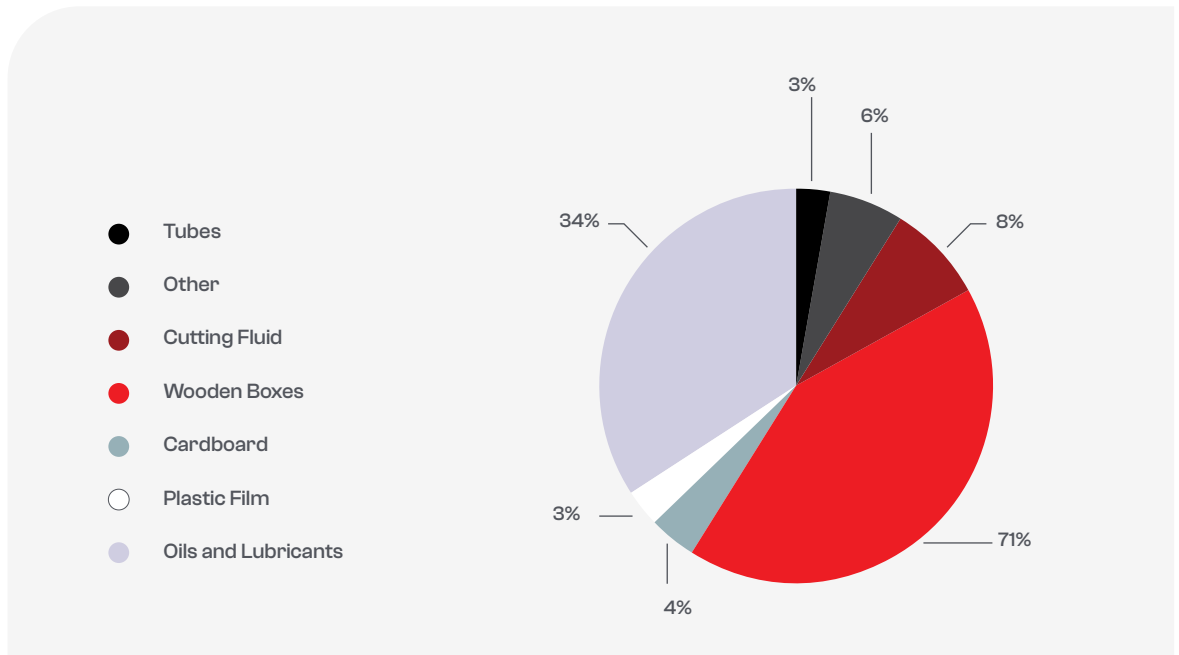


Figure 15: Share of non-renewable materials used by Octa divided in category

Regarding the waste generated by Octa, **73% is classified as non-hazardous waste**. At the conclusion of the production process, particularly during the assembly and testing phases, some of the materials used are disposed of as waste and managed in accordance with applicable environmental regulations and internal procedures. The procedure for collecting waste from machine assembly activities involves on-site collection at the production plant, where the waste is sorted into specific containers. Periodical internal audits are conducted at the sites to verify the proper management and disposal of waste.

The most common type of waste generated is mixed bulk waste, primarily produced during the assembly and testing phases. Significant quantities of testing waste are generated due to the extensive use of tubes for machine operation testing. The Group has implemented strategies for sorting and disposing of valuable materials contained in these testing tubes.

In addition to testing waste, another significant category is the mixed packaging waste. This waste originates from the containers and packaging of components purchased and assembled on the machines. These materials are sorted according to type.

Waste production	Unit	2022	2023
Hazardous	t	8	59
Non-hazardous		81	156
<b>Total</b>		<b>89</b>	<b>215</b>

Table 12: Octa's waste production

4. ENVIRONMENTAL INFORMATION

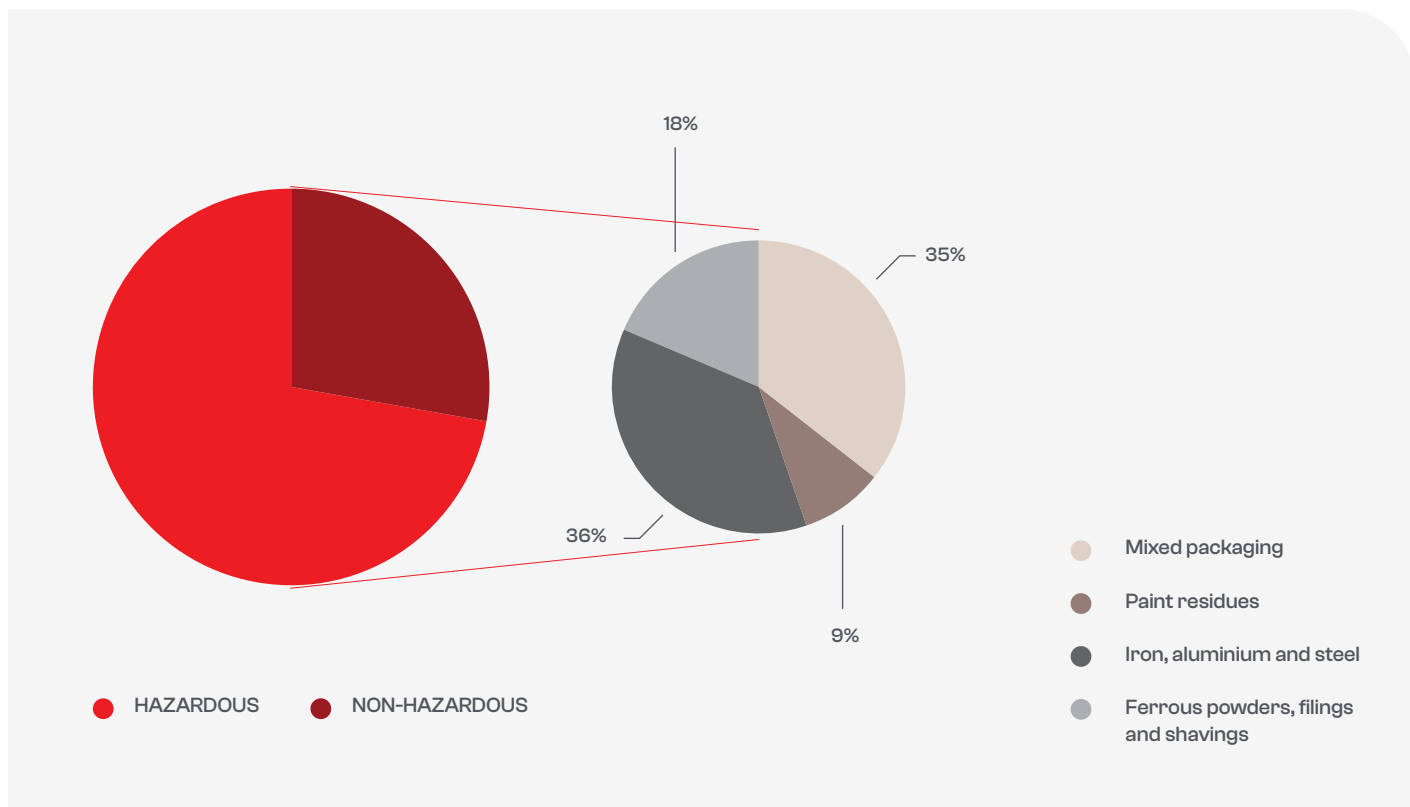


Figure 16: Details of the waste produced by Octa

The most commonly produced non-hazardous waste includes iron, aluminum, and steel scrap, followed by mixed packaging materials. The procedure for collecting waste from machine assembly activities involves gathering the waste at the factory where it is generated and sorting it into designated containers.

For municipal waste generated in offices, Octa is raising workers' awareness to encourage the correct disposal of waste inside the production facilities and offices (e.g. containers for waste sorting and information distributed to personnel).

Concerning **hazardous waste** instead, they are constituted by emulsions for machinery, filter materials, mineral oils for machinery, mixed packaging, paints, and absorbent materials.

CMS leads the Group in waste production, having generated 96 tons of waste in 2023, followed by SMI with 68 tons and Crippa with 50 tons. In contrast, KSE produces the least waste (0,64) due to the nature of its operations, which are not predominantly productive.



# 05

## Social information

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5. SOCIAL INFORMATION

# 5a.

## Workforce composition and diversity

By the end of 2023, the Group's workforce expanded to 288 employees, reflecting an **increase of nearly 88%** in comparison to 2022 due to the integration of CMS and KSE within the reporting boundary.

Notably, 97% of Octa's employees hold **permanent contracts**, with 87% of these being men and 13% women. Conversely, employees on **fixed-term contracts** constitute 3% of Octa's workforce, with the majority being male (80%).

Employees by contract type and gender	2022			2023		
	Men	Women	Total	Men	Women	Total
Fixed term	2	2	4	8	2	10
Permanent	133	25	158	242	36	278
<b>Total</b>	<b>135</b>	<b>27</b>	<b>162</b>	<b>250</b>	<b>38</b>	<b>288</b>

Table 13: Octa's employees by contract type and gender

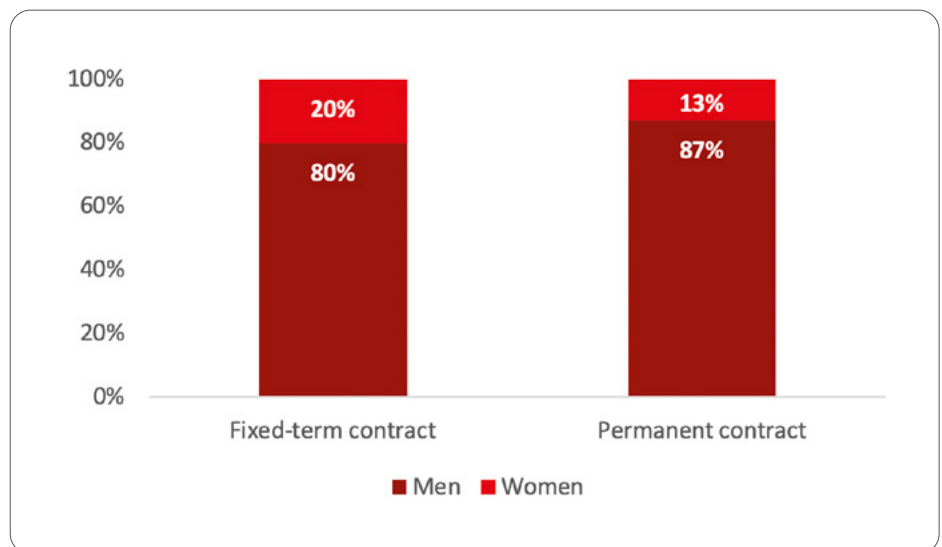


Figure 17: Details of employees' contract type in 2023

Additionally, while the majority of Octa employees hold full-time positions, the companies in the Group also offer **part-time contracts** to accommodate individual employee needs. This type of contract is predominantly utilized by **female employees** (67%). No company within the Octa Group employs workers at non-guaranteed hours.

5. SOCIAL INFORMATION

Employees by contract type and gender	2022			2023		
	Men	Women	Total	Men	Women	Total
Full time	131	19	150	245	28	273
Part time	4	8	12	5	10	15
<b>Total</b>	<b>135</b>	<b>27</b>	<b>162</b>	<b>250</b>	<b>38</b>	<b>288</b>

Table 14: Octa's employees by contract type and gender

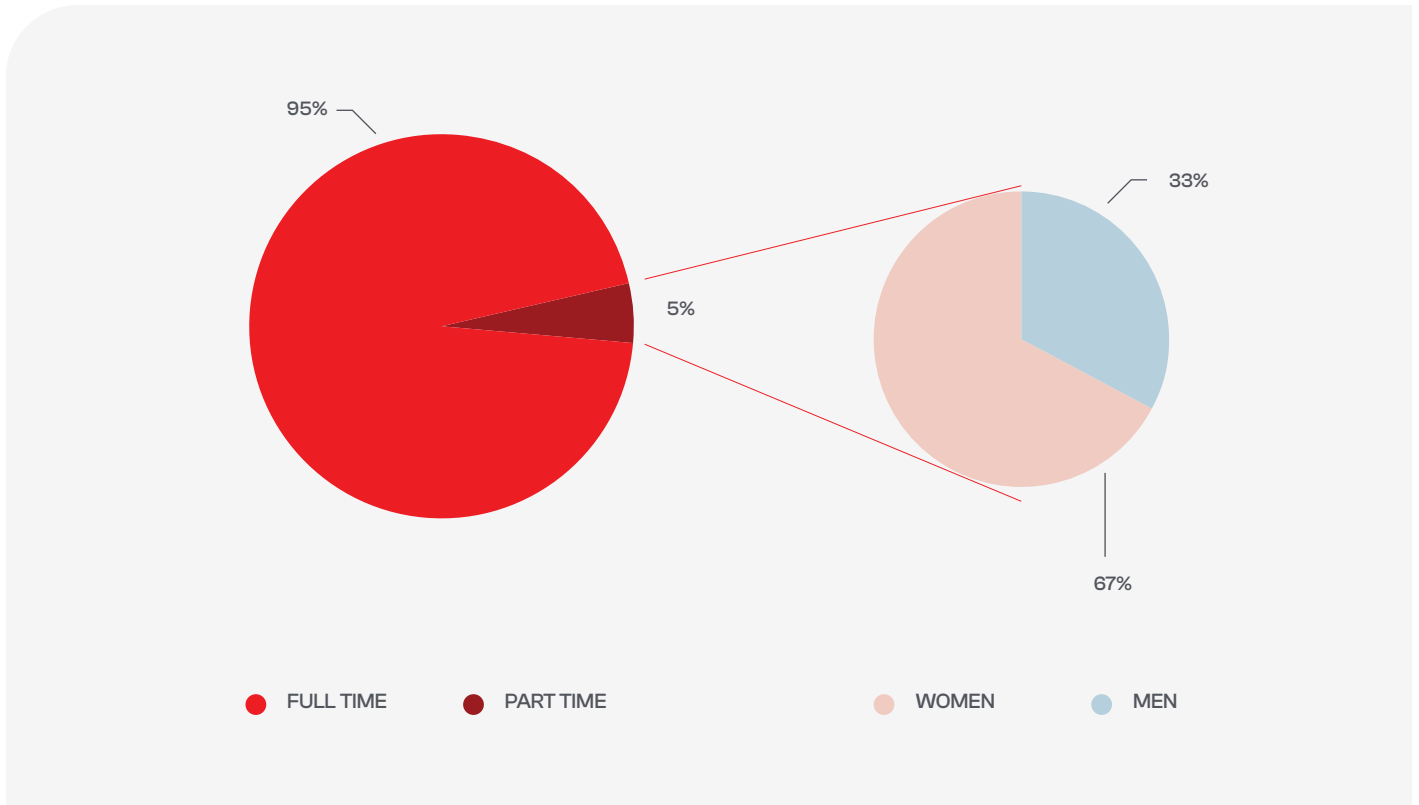


Figure 18: Octa's employees by occupational type and gender in 2023

Of the totality of the employees, 87% is represented by men as shown in the pie chart below. As of 2023, although Octa has not yet formalized a Group policy on the topic of Diversity, it regularly monitors key performance indicators such as employee composition and remuneration policies, and it is considering developing specific actions to correctly manage this topic.

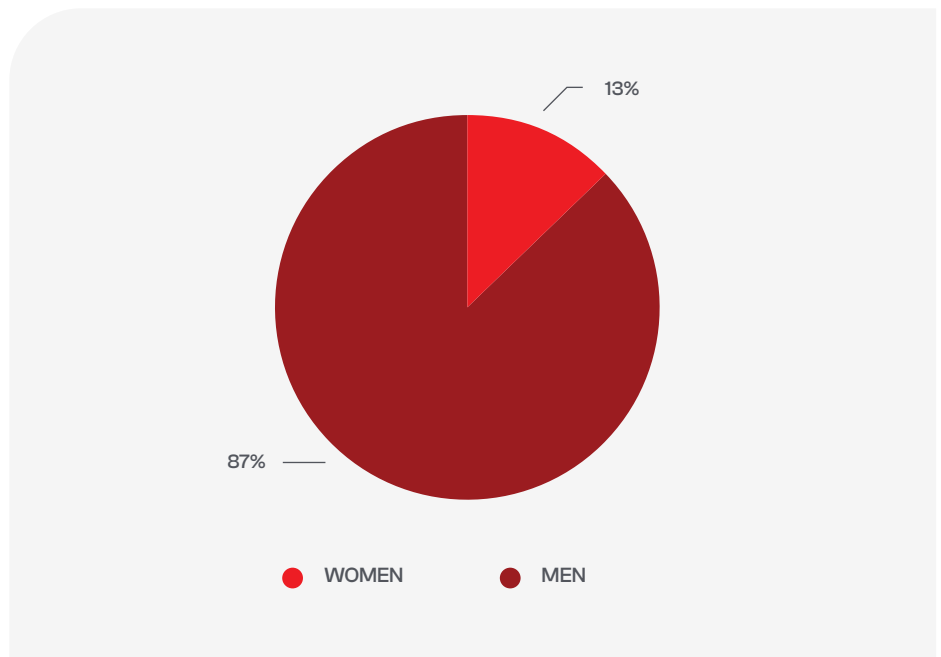


Figure 19: Details of Octa's workforce by gender

Regarding professional categories, in 2023, all senior executive positions are occupied by men, with 70% of them being over the age of 50. On the contrary, women hold almost completely white-collar positions.

Employees by professional role and gender	2022			2023		
	Men	Women	Total	Men	Women	Total
Senior Executives	3	1	4	6	0	7
Executives	4	0	4	6	0	6
White collars	57	26	83	92	36	128
Blue collars	71	0	71	145	2	147
<b>Total</b>	<b>135</b>	<b>27</b>	<b>162</b>	<b>250</b>	<b>38</b>	<b>288</b>

Table 16: Octa's employees by contract type and gender



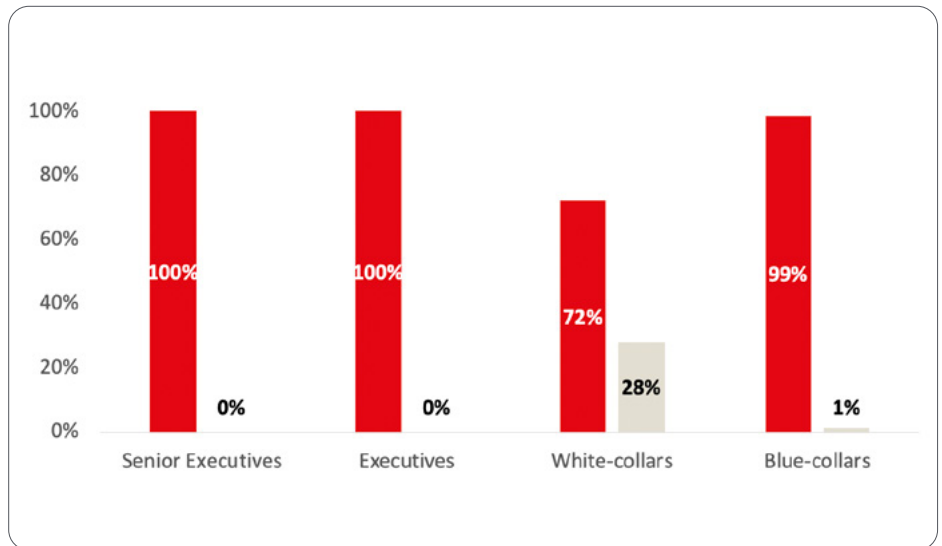


Figure 22: Details of Octa's Employees by professional role and gender

The majority of Octa employees fall into the **blue-collar category (51%)**, followed by **white-collar workers (44%)**. Senior executives and executives represent only the remaining 4%.

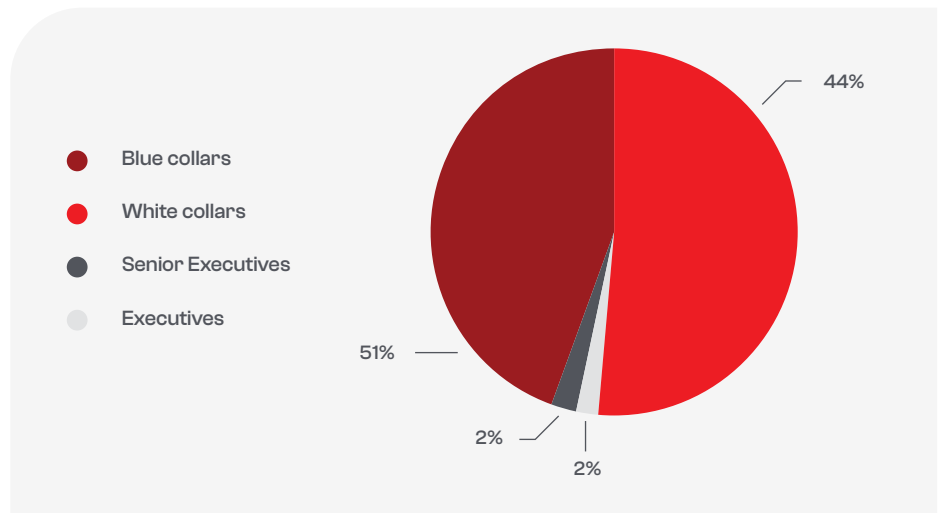


Figure 23: Details of Octa's workforce by professional role

The **predominant age** Group within the company is between 30 and 50 years, indicating a relatively young workforce that fosters the exchange of expertise and inter-generational knowledge.

Employees by professional role and age group	2022				2023			
	<30 y.o.	30-50 y.o.	>50 y.o.	Total	<30 y.o.	30-50 y.o.	>50 y.o.	Total
Senior Executives	0	2	2	4	0	2	5	7
Executives	0	3	1	4	0	4	2	6
White collars	6	48	29	83	16	61	51	128
Blue collars	14	35	22	71	39	65	43	147
<b>Total</b>	<b>20</b>	<b>88</b>	<b>54</b>	<b>162</b>	<b>55</b>	<b>132</b>	<b>101</b>	<b>288</b>

Table 17: Octa's employees by professional role and age group

5. SOCIAL INFORMATION

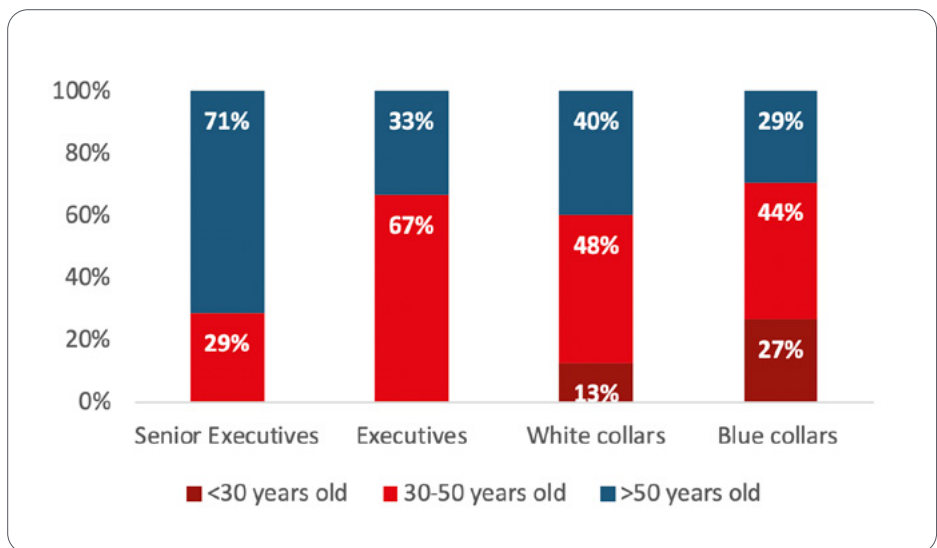


Figure 20: Details of Octa's employees by professional role and age group in 2023

Thanks to the expansion of the Group, the rate of new employee hires has been equal to 13%.

New Hires	2022					2023				
	<30 y.o.	30-50 y.o.	>50 y.o.	Total	% of new entries	<30 y.o.	30-50 y.o.	>50 y.o.	Total	% of new entries
<b>Men</b>	4	6	3	13	10%	14	11	6	31	12%
<b>Women</b>	2	3	0	5	19%	1	3	2	6	11%
<b>Total</b>	6	9	3	18	9%	15	14	8	37	13%
Leavers	2022 <sup>24</sup>					2023				
	<30 y.o.	30-50 y.o.	>50 y.o.	Total	% of turnover	<30 y.o.	30-50 y.o.	>50 y.o.	Total	% of turnover
<b>Men</b>	1	2	0	3	3%	3	14	12	29	12%
<b>Women</b>	1	0	0	1	4%	0	2	2	4	12%
<b>Total</b>	2	2	0	4	3%	3	16	14	33	11%

Table 18: Octa's New Hires and leavers

<sup>24</sup> Please note that the 2022 data does not include SMI.



With regard to contractual regulation, the entire company workforce is covered by the National Collective Labor Agreement (CCNL) for the Metalworking Industry and Installation of Plants (**Industria Metalmeccanica e della Installazione di Impianti in Italian**).

In addition to employees, Octa also engages with non-employees, i.e. interns, temporary workers, agents, contractors and VAT-registered workers, as well as labor providers.

Non-employees	2022			2023		
	Men	Women	Total	Men	Women	Total
<b>Trainees</b>	1	1	2	4	0	4
<b>Temporary workers</b>	0	0	0	3	1	4
<b>Agents</b>	0	0	0	3	0	3
<b>Contractors</b>	2	0	2	2	0	2
<b>Other</b>	0	0	0	2	0	2

Table 19: Octa's External employees by gender

Trainees are recruited through partnerships with schools and training institutions; these periods provide young professionals with the opportunity to gain practical experience and acquire technical skills, as internships are often designed to lead to potential employment.

## 5. SOCIAL INFORMATION

# 5b.

## Employee well-being and development

People are the beating heart of the business and the success of every company. Well aware of the importance of having a satisfied and rewarded workforce, Octa prioritizes the well-being of its employees, aiming to create a safe and inclusive workplace that fosters both personal and professional growth. Committed to enhancing the work experience and overall well-being of its staff, the Group provides various initiatives and resources to cultivate a positive work environment and boost productivity, although it has not yet formalized a Group policy on this topic.

First of all, since January 2023 a supplementary **Long-Term Care (LTC) insurance policy** has been extended to all Group employees, integrating the one already provided by CCNL. Such additional policy safeguards employees against potential loss of self-sufficiency due to illness. Moreover, Octa has renovated the assurance for all employees covering extra-professional accidents in 2023 as well, in alignment with the actions taken in 2022. This kind of assurance grants financial support in instances of disabling accidents that hinder employees from working.

In addition to initiatives strictly related to the health and safety of Octa's employees, the Group also provides welfare services: such services are managed through a **dedicated platform** accessible to all employees via the company intranet, allowing for the creation of personalized funds for independent expenditure. The utilization of this welfare platform has shown steady growth since 2022, both in terms of service diversity and employee engagement.

Moreover, to assure a good work-life balance, the Group offers **flexible working hours** to all employees, including blue-collar workers, allowing them to manage their time effectively, accommodate personal commitments and optimize their performance during peak productivity hours.

Octa also provides a series of **vouchers**, such as meal vouchers valid at local partner restaurants and petrol vouchers. Additionally, Octa gives each employee a Christmas card with discounts at a renowned supermarket chain in Italy.

Moreover, employee **trainings** hold a pivotal role within the Group. Training initiatives are organized leveraging both internal resources and external partnerships, tailored to the number of participants and the specific subjects addressed. The HR Department formulates customized training agendas that align with both organizational objectives and individual developmental goals.

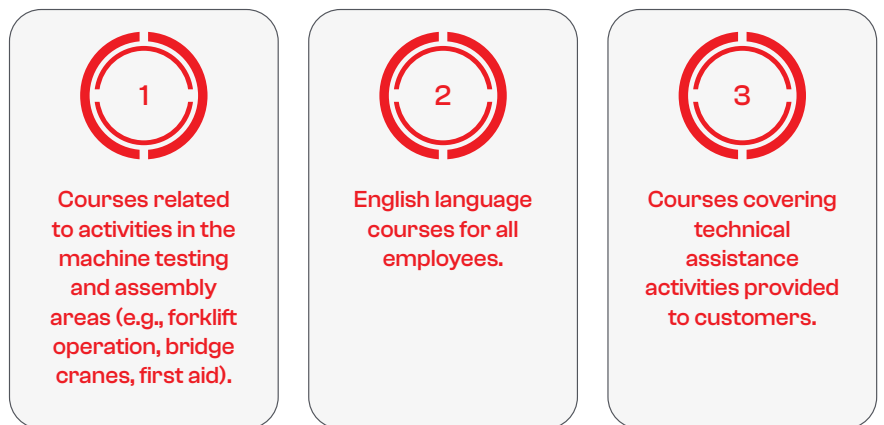
5. SOCIAL INFORMATION

Average hours of training	2022		2023 <sup>25</sup>	
	Men	Women	Men	Women
Senior Executives	0	4	1.3	0
Executives	14	0	33.5	0
White collars	6.6	4.8	9.9	2.9
Blue collars	8.6	0	20	16.5
<b>Total</b>	<b>8</b>	<b>5</b>	<b>16.1</b>	<b>3.6</b>

Table 20: Octa's Training hours by professional role

Regarding worker **health and safety training**, all legally required courses are conducted annually. In addition, supplementary training activities are offered, covering procedures such as LOTO (Lockout/Tagout), overhead crane operation, and machine operator courses, as well as topics like VAT in international trade and programming, which are not legally mandated. Of the total training sessions, 65% were mandatory, focusing on safety and work, while the remaining 35% were voluntary.

Moreover, since 2015 Octa has implemented a formalized training plan structured into three main areas:



Attendance at these courses is tracked using specific attendance registers, which are subsequently integrated into employees' individual records. This approach allows for the monitoring of each employees' professional development, enabling the provision of targeted training to develop and update specific skills.

Additionally, training activities are not limited to Group employees but are also extended to customers who use the machines. The Group offers to customers the opportunity to participate in training sessions at their premises, leveraging the expertise of Octa's professionals. These courses primarily focus on the operation of tube bending and shaping machines and automated work cells, ensuring customers can utilize the equipment efficiently and safely.

<sup>25</sup> Please note that the values for the company SMI are missing from this data as they were unavailable.



## 5. SOCIAL INFORMATION

## 5c.

## Health and safety

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Due to the nature of its operations, **employee safety** remains a **top priority for Octa**. While a comprehensive security policy for the entire Group is still under development, Octa is actively dedicated to complying with current health and safety regulations for its workforce. Each Group company has its own **Prevention and Protection Service Manager** (Responsabile del Servizio di Prevenzione e Protezione - RSPP in Italian) who assists the employer in assessing and managing health and safety risks and drafting the Risk Assessment Document (DVR). For each company, this responsibility is fulfilled by an external individual who operates independently from Octa.

Crippa and SMI **adhere to the Model 231**, which precisely delineates the organizational structure for safety and ensures rigorous monitoring of health and safety practices, including the delivery of mandatory workplace safety courses. CMS and KSE, despite not having adopted a formal Model 231 yet, have established and monitored **security procedures**, even though these procedures are not officially standardized. CMS in particular has a large number of machines that have a radar protection system with special barriers to prevent workers' hands from getting into the machinery.

In all companies **dedicated personnel** have been assigned **to oversee the safety of employees** engaged in machine assembly and testing, serving as primary points of contact for addressing potential health and safety concerns. Additionally, a machine safety officer has been appointed to further optimize the effective and secure coordination of operations within the facilities. Moreover, as a further action to safeguard the health and safety of employees, in 2023 defibrillators were installed at all four Crippa production plants.

Octa's **employees who operate outside** the Company's facilities, such as maintenance workers and testers at customer sites, also adhere to precise **health and safety protocols**: they receive specific training courses aimed at minimizing risks associated with activities performed at customer premises.

In case of accidents, incidents are promptly reported, detailing whether they occurred during travel to work or while on duty, along with their implications. Timely reporting of accidents is crucial for identifying primary risks encountered by employees during company operations. Following the identification and classification of these risks, mitigation measures are implemented. These include training programs, provision of personal protective equipment, updates to procedures, and reorganization of work environments.

## 5. SOCIAL INFORMATION

Nevertheless, the number of workplace accidents rose compared to 2022, primarily due to one incident occurred in 2023 at the SMI site and four incidents occurred at the CMS site. As a result, these incidents have led to an **increase in the rate of recordable occupational** accidents. However, these accidents did not result in critical consequences or fatalities. CMS implemented corrective actions to enhance employee awareness of safety protocols and their critical importance.

Work related injuries - Employees		2022	2023
Total number of work-related fatalities as a result of work-related injury	#	0	0
Total number of high-consequence work-related injuries (excluding fatalities)		0	0
Total number of recordable work-related injuries		2	5
Hours worked		282,187	523,125
Rate of fatalities as a result of work-related injury		0	0
Rate of high-consequence work-related injuries		0	0
Rate of recordable occupational accidents		1.41	1.9

Table 21: Work related injuries of Octa's employees

Regarding external workers who are not employed by Octa, there were no work-related accidents reported in 2022 nor 2023. Due to the diligent approach to workplace health and safety, there have been no reported cases of work-related illnesses among employees or external workers for the second consecutive year, resulting in no lost workdays.



## 5d.

### Customer and Communities Relations

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Considering the sector in which the Group operates, direct engagement with the local communities is essential for fostering the development of technical and specialized skills. The Group prioritizes building long-term relationships with schools, professional institutes, and universities. This is primarily achieved by engaging high school graduates, particularly those focusing on mechanics and mechatronics courses. Furthermore, the Group promotes activities such as meetings between students and company employees to introduce the Group's operations and provide insights into the tube and pipe-bending machinery sector. Relations with universities are managed through career services, particularly with the Politecnico di Milano.

In addition to academic partnerships, the Group has also initiated projects that underscore its commitment to environmental sustainability and community engagement. For instance, the Group has established an apiary at one of its production sites as a concrete example of its dedication to biodiversity conservation. Bees are essential to the ecosystem, aiding in the pollination of 70% of cultivated plants. The Group organizes workshops for employees, demonstrating beekeeping maintenance, honeybee care activities, and honey extraction operations.

This initiative promotes environmental awareness and socially shared values. The honey produced, benefiting from the woods and greenery of Brianza where Crippa's headquarters are located, is shared with customers and employees as a symbol of the Group's dedication and sensitivity towards sustainability.



# 06

## Governance information

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## 6. GOVERNANCE INFORMATION

# 6a.

## Corporate governance and ethics

**The Group is dedicated to conducting business ethically, ensuring integrity and sound corporate governance.**

To this end, two of the companies within the Group have developed and implemented an **Organizational and Control Model compliant with Legislative Decree 231/2001 (231 Model)**, which identifies illegal behaviors subject to sanctions and monitors key risk factors associated with activities within the companies that may lead to unlawful conduct.

All the companies developed a **whistleblowing policy** and established a secure, confidential channel for employees and other stakeholders to report unethical, illegal, or inappropriate behavior within the organization. This **whistleblowing channel** was subsequently updated to comply with Legislative Decree 24/2023.

In addition, each company established a **Supervisory Board**, composed of one or more members, responsible for monitoring compliance with the content of the 231 Model and receiving, analyzing, and verifying the validity of reports of wrongdoings or conflicts of interest. A **system of sanctions**, proportionate to the severity of the proven violation, ensures compliance with corporate values, the content of the 231 Model, and legal requirements. All reports received by the Supervisory Board are communicated to the Board of Directors for discussion and resolution.

Operational responsibilities for implementing commitments on business conduct are delegated to managers of each company, including the CFO and members of the ESG working group, who coordinate and manage corporate sustainability issues.

Furthermore, in each company adopting a 231 Model, a **Code of Ethics** was formalized, representing the value system that guides the company in its daily operations. This Code is applied to both internal and external stakeholders, including business partners and suppliers, who are also required to adhere to it.

This structured approach ensures that the companies within the Group uphold the highest standards of ethical conduct and regulatory compliance. The Organizational Models, along with the internal controls and procedures, also help avoid **conflicts of interest** and ensure that business relationships are conducted transparently.

## 6. GOVERNANCE INFORMATION

To support the effective implementation of these responsible business conduct commitments, OCTA provides **continuous training to its employees** on various topics such as health and safety, environmental management, and regulatory compliance. Additionally, workshops and seminars are organized to raise awareness among employees and business partners about the principles of the Code of Ethics and the corporate sustainability policies of its subsidiaries.

As a result of responsible business practices, for the third consecutive year, **no instances of corruption** involving either employees or business partners have been detected. In addition, **no reports of misconduct or non-compliance with the 231 Model** were received by the Supervisory Boards of the three companies.

Confirmed incidents of corruption and actions taken (GRI 205-3)	Unit	2022	2023
<b>Total number of confirmed incidents of corruption</b>	<b>Number</b>	<b>0</b>	<b>0</b>
<i>Total number of confirmed incidents in which employees were dismissed or disciplined for corruption</i>	Number	0	0
<i>Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption</i>	Number	0	0

Table 22: Confirmed incidents of corruption and actions taken

Not only is Octa S.p.A. committed to guaranteeing responsible conduct internally, but it also places significant emphasis on establishing trustworthy relationships with key external stakeholders.

All internal and external stakeholders can seek advice on implementing the organization's policies and practices for responsible business conduct, as well as raising concerns about the organization's business conduct, through the system established in the context of the Organizational Model, that is by reporting through the whistleblowing channel or directly to the Supervisory Board. In addition, the Quality Management System provides an internal framework to collect and manage inquiries and feedback from stakeholders.

As evidence of the responsible approach, the Group incurred only in minor fines related to non-material issues in 2023, while **no instances of negative impacts on health and safety** were reported during that year.

6. GOVERNANCE INFORMATION

Compliance with laws and regulations	Unit	2022	2023
<b>Total number of significant instances of non-compliance with laws and regulations</b>	<b>No.</b>	<b>0</b>	<b>0<sup>26</sup></b>
<i>Instances for which fines were incurred</i>	No.	0	0
<i>Instances for which non-monetary sanctions were incurred</i>	No.	0	0
<b>Total number and the monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period</b>	<b>No.</b>	<b>0</b>	<b>0<sup>27</sup></b>
<i>Fines for instances of non-compliance with laws and regulations that occurred in the current reporting period</i>	No.	0	0
<i>Fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods</i>	No.	0	0
<b>Instances of noncompliance with regulations and/or self-regulatory codes regarding health and safety impacts of products and services</b>	<b>N°</b>	<b>0</b>	<b>0</b>

Table 23: Significant instances of non-compliance with laws and regulations

Business integrity is also guaranteed through adequate system for **data privacy and protection**. Firewall and software solutions are continually implemented to protect and safeguard sensitive data. The Hypertext Transfer Protocol Secure (HTTPS) used on the Group's website ensures the integrity and confidentiality of data exchanged between visitors and the site, enabling secure and confidential browsing. The website has also been updated to comply with new cookie legislation, allowing users to choose which categories of cookies they wish to accept and storing each user's preferences for six months.

Marketing practices comply with regulations, and the Group respects the privacy of current, potential, and prospective customers by regularly updating subscription and unsubscription lists, with a focus on personal data profiling.

<sup>25</sup> Instances were considered significant only if the value exceeded 10,000 euros. The Group encountered three minor non-compliance issues, which were therefore not deemed significant.

<sup>26</sup> Fines incurred in 2023 are considered non-material as they were below the threshold value of 10,000 euros. However, for transparency, the Group discloses that it received 3 fines in 2023, none of which exceeded the materiality threshold.



## 6. GOVERNANCE INFORMATION

# 6b.

## Procurement and supply chain management

The Group's journey towards sustainable development also includes the continuous and effective involvement of the supply chain. Ensuring that the operations of its partners are in line with the values and policies developed is deemed a fundamental aspect of offering quality products and services that meet customers' expectations.

The Group's supply chain is composed by:

- **Commercial partners, which supply components and materials used during machine assembly, testing and maintenance activities;**
- **Mechanical processing suppliers, from which the Group purchases labor services beyond the company's in-house activities;**
- **Packaging and services suppliers, from which the Group procures packaging materials and logistics services for shipping machines to customers.**

The Group largely relies on suppliers operating in the Italian territory. Especially for the provision of services and products that require particular know-how, the Group relies on local suppliers, defined as partners operating in Northern Italy, with which the Group has developed historical and trust-based relationships. The decision to prefer local supply chains is now well-established in the Group's business strategy, contributing to fostering strong community relationships and optimizing direct and indirect negative impacts on people and the environment connected to the supply chain.

<sup>28</sup> Data related to 2022 has been revised in 2023 due to a refinement in the calculation methodology. Specifically, the same definition of a local supplier as a partner operating in Northern Italy, was applied to calculate the proportion of spending on local supplier for 2022.





6. GOVERNANCE INFORMATION

Proportion of spending on local suppliers	Unit	2022	2023
Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation	%	82 <sup>28</sup>	71

Table 22: Confirmed incidents of corruption and actions taken

The Group's supply chain operations are governed by the **Quality Management Systems (QMS)** developed and implemented across all its companies, alongside **adherence to the Code of Ethics**, which all suppliers are required to acknowledge.

The QMS sets forth the criteria for **supplier selection and evaluation**, encompassing factors such as quality, delivery time, costs, and specific know-how. In addition, the Group conducts **audits at the sites of its strategic suppliers**, to ensure their operations conform to the Group's QMS guidelines and to identify potential improvement actions, which are monitored and periodically verified for effectiveness.

The QMS promotes close collaboration and transparent communication with suppliers, fostering long-term partnerships and developing tailored products that meet client needs.

This strategic approach enables the Group to manage supply chain risks, mitigate potential adverse effects, and generate value within the local community. Through these efforts, the Group ensures that its supply chain not only supports its sustainability goals but also enhances its ability to deliver high-quality products and services to its customers.

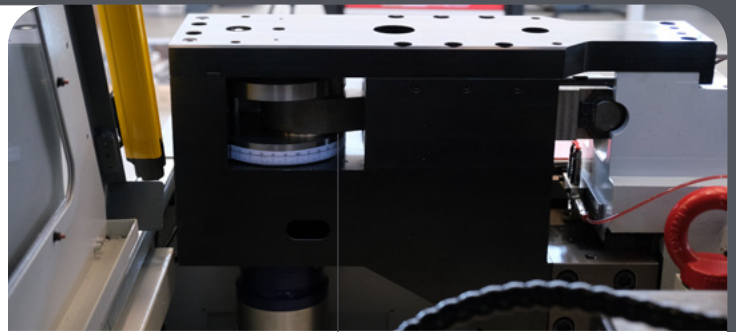


# Focus:

## Supply chain management at Crippa



Crippa has integrated a Supplier Quality Plan into its procedures and operating instructions.



### Careful Selection of Partners:

Identifying suppliers who guarantee optimal performance in terms of delivery time, cost, and quality.



### Supplier Involvement:

Engaging suppliers in the company's Quality Management System.

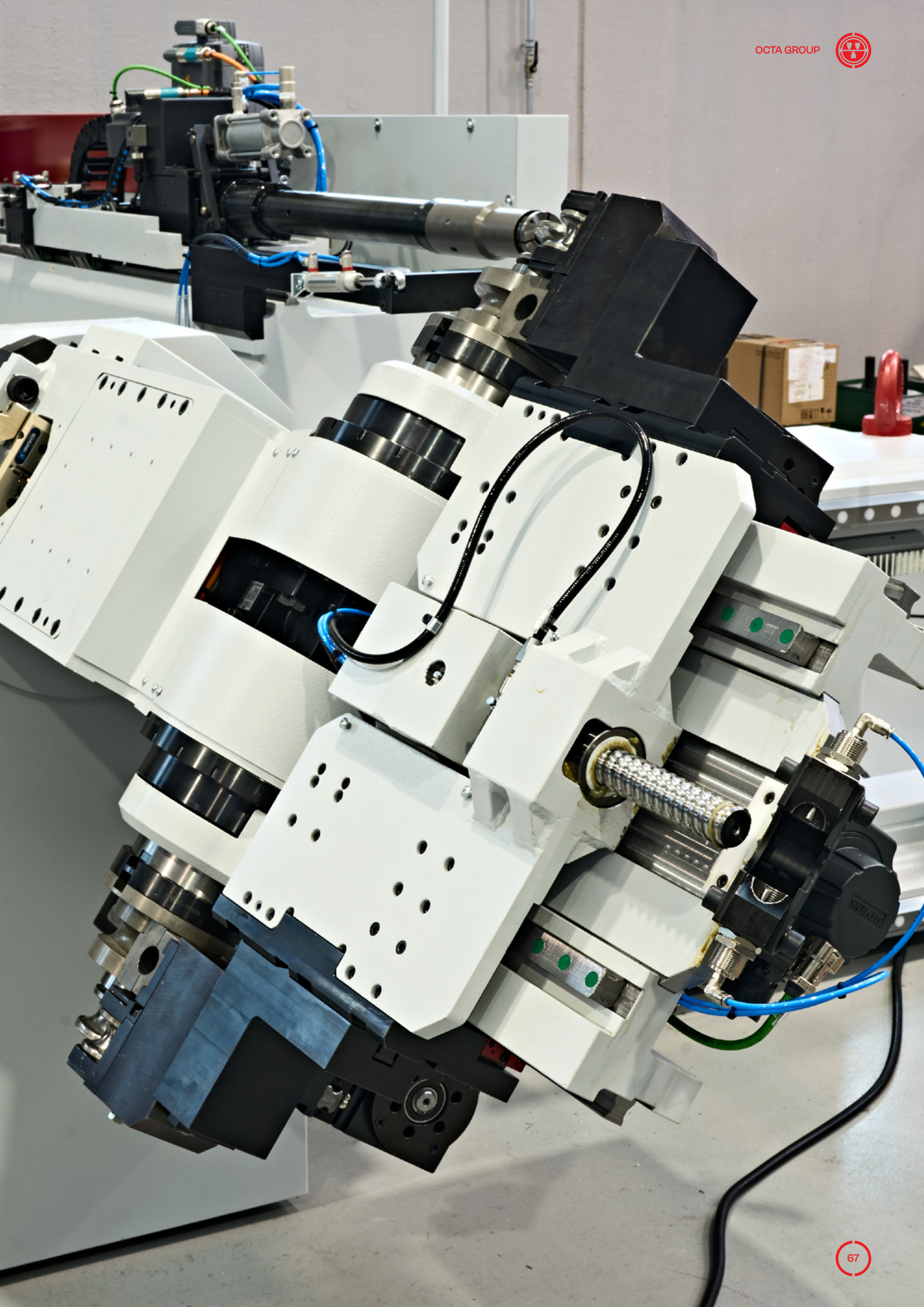


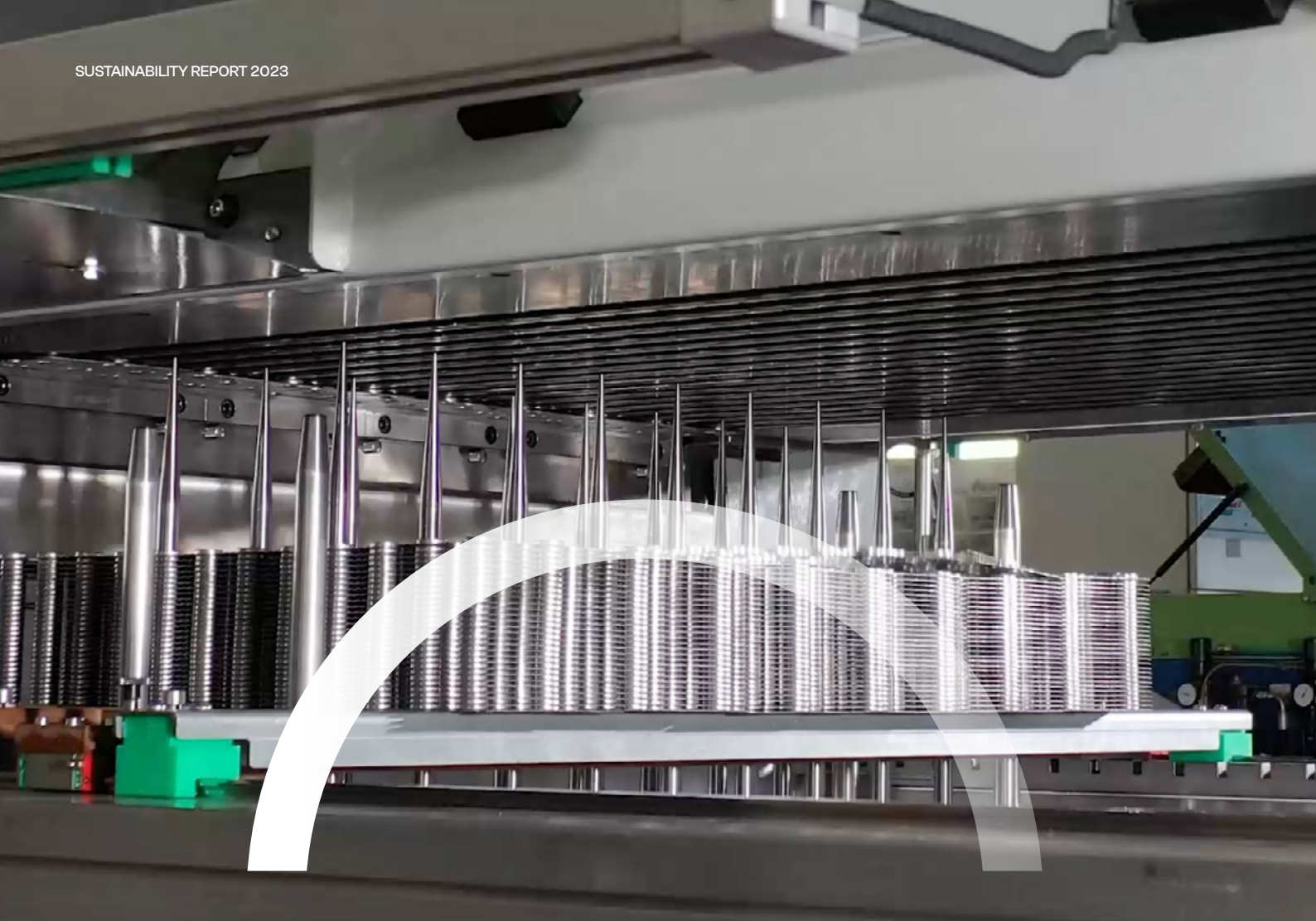
### Compliance Verification:

Ensuring suppliers align with the principles expressed in the company's Code of Ethics.

Crippa also assigns a Vendor Rating based on several factors: the quality of deliveries (e.g., the number of non-conforming parts and returns), punctuality of deliveries, pricing and economic conditions, and the supplier's availability and cooperation.

The overall rating, which is the sum of these criteria, results in a score ranging from 1 to 100 for each evaluated supplier.





07

# Products and Innovations

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## 7. PRODUCTS AND INNOVATIONS

# 7a.

## Product range and quality

**Research and development lie at the core of the Octa Group's strategy. The company consistently invests in cutting-edge technologies to anticipate market trends and meet customer needs with an agile approach.**

This dedication is evident in the continuous introduction of innovative solutions and the optimization of production processes, enhancing quality, productivity and efficiency. Technological advancements have been crucial in maintaining the Octa Group's competitive edge in the industry. These innovations not only enhance precision and efficiency but also promote sustainability and versatility, ensuring that the Group meets the evolving demands of its customers. The Group aims to offer a large and diversified product range with innovative and exclusive technological developments that highlight its commitment to excellence.

Here below some examples:

- **CNC (Computer Numerical Control): Introduction of CNC technology has enabled unprecedented precision in tube bending and shaping.**
- **Full Electric Technology: Development of fully electric machines enhances energy efficiency and reduces power consumption.**
- **Multi-stack Multi-radius Tube Bending Machines: allows processing on multiple stacks and with different angles in a single production cycle.**

This synergy creates flexible, dynamic solutions that adapt to customer needs, constantly improving service. All tube bending and end forming machines are programmed using 'Uii' simplified interface software and can be integrated into **Smart Factory 4.0 systems.**

Octa Group internally develops software solutions aimed at simplifying and optimizing the use of tube bending and shaping machines, thanks to a design team that constantly works on their improvement, releasing updates and customizations that directly respond to the daily input received from after-sales service and customers.



## 7. PRODUCTS AND INNOVATIONS

The Group places the supply of quality products and services at the heart of its corporate strategy. This strategic direction is reflected in the attraction and internal development of the specialized skills required to meet ever-changing customer demands. For this reason, the Group's employees participate in periodic targeted training initiatives to stay updated on innovations in production processes and operating methods. The main objective is to identify and eliminate inefficiencies in the operations, particularly during machine assembly and testing, and to create strong synergy with customers to understand and meet their needs efficiently. For more than 70 years, Octa Group's business strategy has focused on maximum customer satisfaction, encompassing machine operation as well as pre- and after-sales services.

Quality is comprehensively monitored throughout the Group, with guidelines tied to the Quality Management System certified under **ISO 9001:2015** standard (for Crippa and SMI). The Management System is applied in quality assurance during internal processes and supply chain management. The quality procedures and guidelines are formalized in the Quality Manual and in the Integrated Company Policy. As part of this Management System, Octa has defined a process for mapping and managing risks related to the quality of company processes, divided into four phases: mapping processes at risk, preparing a list of potential risks for each process, analyzing the existing preventive control system, and assessing residual risks (i.e. those not covered by preventive checks).

To guarantee high product quality, attention is paid to all aspects of implementation, such as supplier performance, organization of internal activities, cost of internal and external non-conformities, and customer satisfaction through periodic monitoring of perceptions of products and services. Additional key objectives for the Group are: meeting delivery times, utilizing energy-saving technologies, utilizing mechanical and electrical solutions with a lower environmental impact and reducing the quantity of testing materials.

To ensure customer safety when using the machines, each prototype undergoes testing by a third-party company, followed by two levels of internal control:



### Checks of visible safety devices:

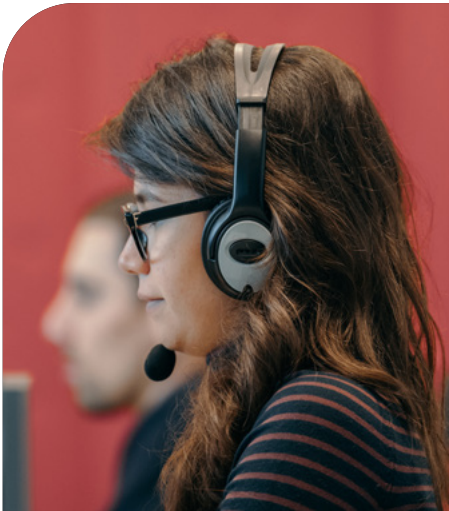
a layout is created for each machine, shared with the customer, and approved.



### System checks:

the checks involve creating an initial prototype that simulates the machine's operation.

7. PRODUCTS AND INNOVATIONS



In addition to these two levels of control, a checklist is used to monitor the machine assembly phases. Each machine is associated with a file that includes technical product specifications. Customers can conduct their own checks at the company's premises or their own sites to verify the machine's correct and safe operation. Octa Group specialists address any necessary corrective measures in a timely manner.

The maintenance of OCTA machines is managed by our customer service team, which has implemented a customer relationship management (CRM) system and a tracking mechanism for any modifications made to the machines post-testing. Our team can address potential issues remotely using advanced diagnostic technologies. This entire process relies on automated digital procedures for managing information flows, ensuring more efficient task management and maintaining the highest standards of machine and service quality.

OCTA improves your performance



**Customer satisfaction**

Leit motif of Customer Service team



**Quality service**

High skilled service technicians Global presence to ensure availability



**Managing of the installed machine base**

Bringing additional benefits to customers during the machine's life cycle



30 service points



Worldwide spare parts HUBs'



Complete lines maintenance



Field Service engineers



100

**Highly**  
competent Field Service Technicians

As evidence of Octa Group's commitment to machine safety for both employees and end customers, there were no cases of **non-compliance with regulations in the past two years.**

The Group constantly monitors performance indicators related to the quality of their machines, services, and processes. These indicators analyze the number of process non-conformities that occurred during the year, which include hours, delivery times, and parts compliance. Irregularities are recorded based on customer feedback, ISO satisfaction analysis, and information from service personnel. In 2022, 180 non-conformity events were recorded, compared to 218 in 2021. Non-conformities are classified into two categories: internal (related to Octa) and external (related to customers and suppliers).

## 7. PRODUCTS AND INNOVATIONS

7b.

## Sustainable Product Innovation

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Octa Group's Technical Department focuses its research and development efforts on optimizing machine production efficiency and enhancing end-user safety. As a demonstration of the Group's commitment to innovative solutions, Octa employed 43 people in Research and Development in 2022, resulting in **15 Group-owned patents**.

Investments were also made to optimize installed power, improve the company intranet, and implement energy-saving systems. Today, fully electric machines deliver top performance in reducing energy consumption. Additionally, lighter systems have been developed for machine suspension devices, further decreasing energy usage during vertical movements.

One of Octa Group's notable research and development initiative is the **Industry 4.0 platform MHM**. This new platform facilitates communication within and outside the company via the cloud, allowing one or more machines to be connected. MHM enables customers to create and monitor their production plans, focusing on overall efficiency or individual machine performance and productivity. The platform also provides access to technical documentation, maintenance information, and energy monitoring, checking maintenance status, axis power absorption, motor temperature, air consumption, and overall energy consumption.

In response to the smart factory revolution, the Group (through SMI) developed the **'INDUSTRY 4.0+ PLUS'** integrated platform. This advanced application exchanges essential information to control, manage, and optimize production with each machine. It creates a robust link between production scheduling, parametric plant management, and the acquisition of production data for historical and statistical analysis. This interconnected system allows comprehensive and efficient management through analytical and predictive data, accessible remotely from smart-enabled devices.

OCTA is committed to enhancing efficiency and optimization through our internally developed software solutions. Our software development team continuously works to refine these tools, incorporating updates and customizations based on ongoing feedback from our support services and clients. This proactive approach allows us to deliver versatile and dynamic solutions that adapt to diverse client needs, promoting continual improvement in our offerings.

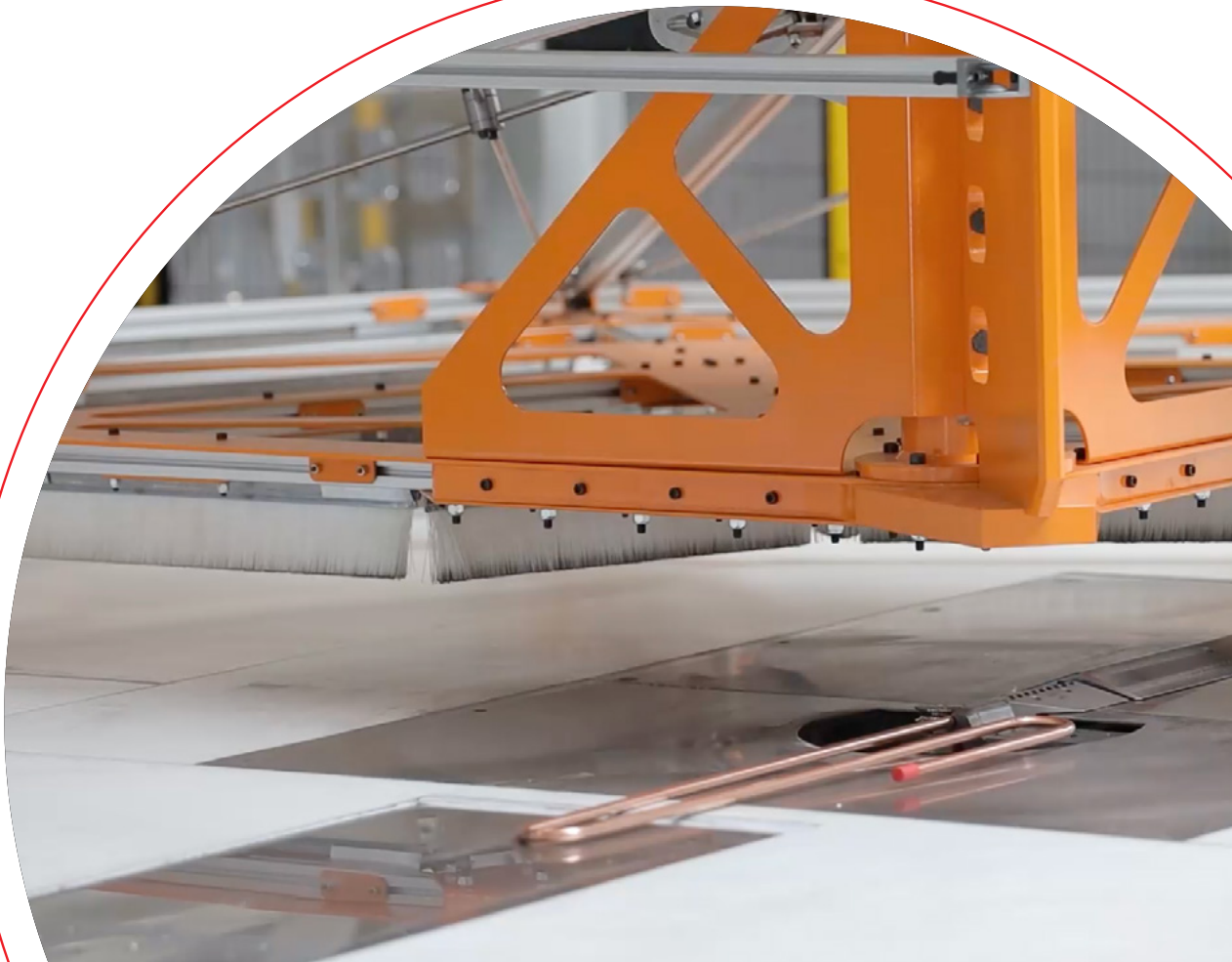
The software developed by OCTA includes a range of applications designed to optimize the production process and minimize waste.



## 7. PRODUCTS AND INNOVATIONS

Produced machines are equipped with sensors to monitor drive parameters and with an easily extendable sensor array to measure additional relevant metrics. By collecting structured data, information traceability is ensured, facilitating the study of production evolution over time. This data enables predictive maintenance management, allowing for the assessment of machine status and the planning of non-emergency actions in advance.

Through close collaboration with customers, the Group produces high-quality machines and services, striving for more efficient task management and continuous improvement.



# Focus:

## Life Cycle Assessment

As part of its initiatives to reduce the environmental impact associated with its machines' operations, Octa Group commissioned a Life Cycle Assessment (LCA) study based on ISO 14040:2006 and ISO 14044:2020 standards.



The purpose was to analyze and compare the environmental impacts of the life cycle of two different machines: one hydraulic and the other fully electric.

To conduct the analysis, the study's objective and scope were first defined, followed by data collection and the selection and use of secondary data from literature or databases when primary data was insufficient or unavailable. Two LCA models were then created using both primary and secondary data related to the machines, allowing for an evaluation of the environmental impact of their life cycles.

The hydraulic machine analyzed was a model 563, last sold in Italy in 2015. For the fully electric technology, two 955LE machines were considered, one sold in the United States and the other in the Czech Republic, both in 2015. The functional unit for the study was the bending of an iron tube with a diameter of 60 mm, a thickness of 1.5 mm, a length of 1500 mm, and a mass of 4 kg, into four curves using a tube bending machine with an average service life of 15 years.

The study's scope was defined as "from cradle to grave," encompassing all phases and processes included in the life cycle of the object being studied. The life cycle of a product can be distinguished into the following macro-phases:

- **Upstream processes (from cradle-to-gate):**  
Processes occurring before the manufacturing phase of the product.
- **Core processes (from gate-to-gate):**  
Processes during the manufacturing phase of the product.
- **Downstream processes (from gate-to-grave):**  
Processes occurring after the manufacturing phase of the product.

Each of these macro-phases comprises various activities and process units. The multiple interactions (consisting of specific flows of matter and energy) between activities within each phase and between the different phases of the life cycle allow the system as a whole to function and provide the user (market, consumer) with the finished product being studied.

This LCA study compared the potential environmental impacts of the two machines by applying two environmental impact assessment methods: the EPD 2018 (Environmental Product Declaration) method and the CED (Cumulative Energy Demand) method. The EPD method gathers the main indicators typically required for Environmental Product Declarations. Eight indicators are evaluated using this method: abiotic depletion (elements), abiotic depletion (fossil fuels), acidification, eutrophication, global warming, ozone layer depletion, photochemical oxidation, and water scarcity. The CED method calculates direct and indirect energy use, including the energy consumed during the extraction, processing, and disposal of raw and auxiliary materials.

Through this study, it was possible to identify environmental hotspots and critical aspects related to the life cycle of the two machines, allowing for a comparison of their environmental impacts. Applying the EPD 2018 method revealed that the hydraulic machine had higher impacts than the fully electric machine across all impact categories, except for eutrophication. In the case of eutrophication, the fully electric machine had higher impacts than the hydraulic machine due to the energy mixes in the countries where it is used (Czech Republic and the United States) being characterized by lignite, which has a greater impact compared to the energy mix in Italy, where the hydraulic machine is used and where lignite's contribution is not particularly significant.

The fully electric machine exhibited lower impacts than the hydraulic machine, ranging from 36% to 84% depending on the indicator used in the EPD 2018 method, with the exception of

eutrophication for the reasons mentioned above. The hydraulic tube bending machine had higher impacts than the fully electric machine when applying the CED method as well, with a difference of approximately 45% between the two impacts.

In general, for both machines, the study revealed that the greatest environmental impacts, applying both the EPD and CED methods, did not occur during the core phase of internal operations but were mainly due to the downstream phase combined with the upstream phase. Specifically, for the model 563, the impacts in the upstream phase ranged from 24% for abiotic depletion to 1% for water scarcity. In the downstream phase, impacts ranged from 75% for abiotic depletion to 98% for water scarcity. The core phase contributed around 1% across all categories.

For the model 955LE, the environmental impacts in the upstream phase ranged from 42% for abiotic depletion to 5% for water scarcity. In the downstream phase, impacts ranged from 57% for abiotic depletion to 94% for eutrophication. The core phase impacted all categories between 0% and 2%.


The LCA study showed that the most impactful downstream phase for the life cycle of both tube bending machines was the usage phase related to electrical energy consumption (90% for the model 563 and 86% for the model 955LE).

# GRI Content Index

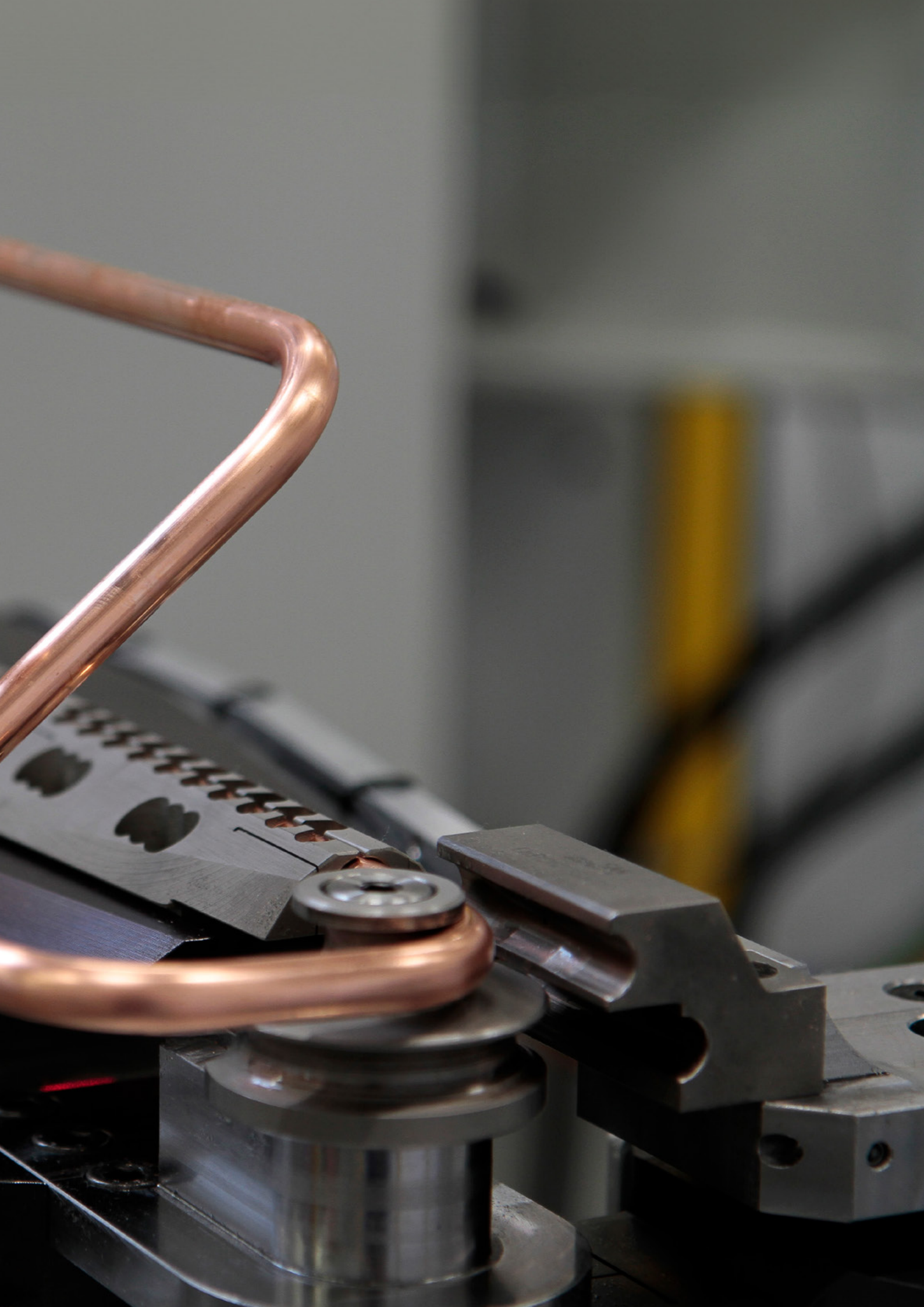
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Shaping a sustainable future  
with tubes and energy  
exchangers





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The company is under the management and coordination  
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