SUSTAINABILITY REPORT 2016-2017

COMPENDIUM
“FIGURES ARE IMPORTANT, BUT VALUES ARE WHAT MATTER MOST.”

Silvestro Niboli
Letter to the Stakeholders

Our group has always had a very precise vision: to be a model of sustainable industrial and technical efficiency and to create products that improve the lives of the people who use them and that represent a benchmark on the market.

Every day, we commit ourselves concretely in this direction, having very clear in mind our reference values such as work, passion, tenacity, efficiency and sustainability: values that we want to share with those who work with us and for us, to ensure that our, and our children’s future will be more and more focused on the idea of a world on a human scale.

For this reason, we considered it particularly important to continue involving the three companies, Valsir, OLI and Marvon, in order to enhance the synergies created through collaboration, to ensure maximum transferability of experiences and to develop maximum sharing.

Pursuing the continuous development of Corporate Social Responsibility is not only an investment in economic resources, but above all means investing in people and in the values that unite them.

We are firmly convinced that a successful business strategy requires a clear integration between financial soundness, responsibility towards the environment and involvement of the people who work with us: the heart of our business.

For this reason, it is with great satisfaction that we present the new Sustainability Report, now in its second edition, a testament to our ongoing commitment to Corporate Social Responsibility.

In autumn 2017 we celebrated the anniversary of our three companies, Valsir, OLI and Marvon, which are 30, 25 and 50 years old respectively. For the occasion we wanted to first of all bring a special thanks to our father Silvestro, who with his commitment and his values allowed the birth and growth of the company, and to our internal and external collaborators for their daily contribution to our success.

We would also like to thank the group of collaborators who made possible not only the drafting of this Report, but also the growth of Social Responsibility within the corporate culture, through the implementation of a number of dedicated projects: we are moving forward towards an efficient and sustainable world, all together.

The Chairman
Pier Andreino Niboli

Managing Director
Federica Niboli
Valsir: between past and present

Valsir, was born in 1987, part of Silmar Group, is a national and international leader in the plumbing and heating sector. Valsir is today a solid and expanding company within a Group that, through the synergies activated within it and the specific skills contributed by each individual component, expresses its true points of cohesion and strength.

Valsir, deeply aware of the economic, environmental and social challenges that require special attention, is also aware that this is a business and a strategic opportunity. For this reason, it embarked on an initial process of Corporate Social Responsibility (CSR) in 2015, when it decided, together with the other companies OLI and Marvon, to draw up the first edition of the Sustainability Report.

1987
22 July Valsir is born in Vestone (BS)
Surface area: 26,700 m²
25 employees
6 presses
2 extrusion lines
HDPE range
PP range

1988
Trap range

1992
Line of cisterns for toilets

1996
Pexal multilayer system

1998
Silere soundproofed waste system
New Valsir plant in Carpeneda di Vobarno (BS)

2000
Strengthening of production facilities in Vestone (BS)
Surface area: 45,500 m²
(of which 26,590 m² covered)

2002
New plant Vobarno 1 in Vobarno (BS)
Surface area: 75,350 m²
(of which 19,350 m² covered)

2003
Mixal multilayer system
2004
Silvestro design software
Radiant panel system
Pexal Easy fittings
Thermoline PE-X system with and without oxygen barrier

2005
Pexal Gas system

2006
Triplus soundproofed waste system
Ariapur system

2009
Rainplus drainage system
T-58 shallow trap
Valsir Design push plate line

2010
Brass press fitting system
Floor level shower systems

2012
Expansion and construction of the new Vobarno 2 logistics and production hub in Vobarno (BS) operating in only one year’s time
Surface area: 32,200 m²
(of which 45,400 m² covered, on several levels)
Reorganisation of the plant in Carpeneda dedicated to Recycling activities
Bravopress fittings range

2013
PP3 waste system

2014
New T-Trap and Linea traps

2015
Implementation of BIM models and Pexal Connex-T connection system

2016
Soundproofed flush cisterns: Tropea S, Winner S, Cubik S
MFV system (quick and easy installation system for sanitary fixtures)
## Valsir 2017

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total surface area</td>
<td>247,445 m²</td>
</tr>
<tr>
<td>Employees</td>
<td>515</td>
</tr>
<tr>
<td>Turnover</td>
<td>138,813,108 €</td>
</tr>
<tr>
<td>Investments</td>
<td>15,301,714 €</td>
</tr>
<tr>
<td>Opening of Construction Division</td>
<td></td>
</tr>
<tr>
<td>Reached product lines</td>
<td>21</td>
</tr>
<tr>
<td>Reached articles</td>
<td>7,000</td>
</tr>
<tr>
<td>New product lines</td>
<td>2 Heat Recovery Ventilation (HRV)</td>
</tr>
<tr>
<td></td>
<td>White Marine waste system for the marine sector</td>
</tr>
</tbody>
</table>
Valsir in figures

Total surface area in m²

- 1987: 26,700
- 1997: 35,170
- 2007: 103,865
- 2017: 247,445

Number of employees

- 1987: 25
- 1997: 188
- 2007: 399
- 2017: 515

Turnover €

- 1987: 91,129
- 1997: 32,453,130
- 2007: 113,096,814
- 2017: 138,813,108

Total surface area in m²:

- 1987: 0
- 1997: 50,000
- 2007: 100,000
- 2017: 150,000

Production sites Commercial premises Valsir’s presence in the markets

we work in more than 100 countries
Valsir and quality

In order to maintain excellent quality standards, Valsir has been equipped for years with quality laboratories among the most advanced ones in the plumbing and heating market, constantly updated with the latest technologies.

ISO 9001:2015
Quality management system (present in the company’s plants)

ISO 50001:2011
Energy management system (obtained for the plants in Vestone and Vobarno)

ISO 14001:2015
Environmental management system (obtained for the plant in Vestone)
over 70 quality checks

2,100 m² quality area

over 200 product certifications

Test

Temperature Cycle Testing (TCT)
Differential Scanning Calorimetry (DSC)
Dynamometer
Fourier Transform infrared spectroscopy (FT-IR)
Thermogravimetric Analysis (TGA)
Test of the hydraulic characteristics for flush-mounted/external flush cisterns
Verification test of trap pressure resistance requirements

18 staff dedicated to quality

1,508,663 € invested for quality in 2017

59 machines with which more than 80 different types of tests are carried out
VISION
Our vision is to be a model of industrial, technical and sustainable efficiency, with products that are benchmark for the market and solutions that improve people’s living standards.

MISSION
Our mission is to excel in the creation of innovative, environmentally sustainable and quality solutions by guaranteeing a meticulous and prompt service. Boasting deep roots within our local area and a strong commitment to internationalisation, we have adopted processes that are respectful of both, people and environment.
CSR through concrete actions

- Near miss project
- Company welfare project
- Customer satisfaction project
- Sustainability Tips project
- Project to involve the people living in Valle Sabbia
- Suppliers’ project
- School project
- Box of Opportunities project

WHP project
Environment and energy

Energy efficiency

Degree of awareness of the energy consumption
94.5% thanks to the implementation of the monitoring plan

6.6% of the needs covered by photovoltaic production

-8.8% of the specific consumption (kWh/kg) of electricity with respect to 2015
Energy mix 2017

- **30%** Renewable sources from the grid
- **6%** Company solar panels
- **3%** Diesel fuel
- **10%** Natural gas
- **51%** Traditional sources from the grid

**36%** share of energy from renewable resources

**1,911,198 kWh**

quantity of electricity produced by the photovoltaic system in 2017

= 

**708 households**

no. of households using the same amount of energy in one year

= 

**2,832 persons**

equivalent to an average household composed of 4 persons

**2,200 kWp**
total power of the photovoltaic system in 2017
Concrete actions

The actions implemented that have allowed us to achieve an improvement in energy performance include:

<table>
<thead>
<tr>
<th>Compressed air production</th>
<th>Energy quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction of specific energy consumption (kWh/m³) by a percentage that varies from 17% to 47% thanks to the replacement of compressors with more efficient and appropriately sized units.</td>
<td>4.3% reduction of energy in transit through one of the transformers of the Vestone plant, following the adoption of an equipment that, acting on the inefficient energy components, is able to improve its quality.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Relamping</th>
<th>Ultrasound analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction of 62% in electricity consumption for lighting following the completion of the relamping project with the replacement of the remaining halogen lamps.</td>
<td>Detection and repair of 274 leaks of varying magnitude - with an average 10% airflow reduction - through ultrasonic vibration analysis applied to compressed air circuits.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Electric motors</th>
<th>Electric presses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Considerable improvement in energy efficiency by installing some class IE3/IE4 electric motors to replace some class IE1 motors.</td>
<td>Reduction in specific consumption (kWh/kg) of 40% following the replacement of some hydraulic presses with new and more efficient electric presses, while ensuring better control of the drives and greater moulding precision.</td>
</tr>
</tbody>
</table>
Internet of Things

The creation of an IoT (Internet of Things) infrastructure, associated with the implementation of an Energy Management system, made it possible to identify new points for improvement and at the same time to preventively identify a series of out-of-control activities that would otherwise have led to waste and inefficiencies.

Optimisation of the workpiece clamping system

The adoption of a more effective and efficient clamping system for the moulded parts, obtained thanks to the improved adjustment during the phase of maintenance of the vacuum level, has produced significant results in the moulding department also from an energetic point of view.

Predictive maintenance

The adoption of a predictive maintenance system at the extrusion lines of the multi-layer department. Thanks to vibration analysis techniques, it is able to foresee even 6 months in advance any faults on the mechanical parts of the extruders, allowing to act on the cause of the problem in time, and to plan any maintenance activities in advance.

Inverter

60% reduction in energy consumption thanks to the installation of frequency control systems (inverters) on some motors.
Protection of water resources
Valsir water saving ...

... and that of its sustainable products

In one year with Tropea S you can save 25,500 liters of water (consumption estimated for a family made of 4 people) -> which equals 640 showers

-13% specific consumption, calculated as the ratio between total water consumption and kg of finished product.
Waste management

88% Vestone’s sorted waste in 2017

87% Vobarno’s sorted waste in 2017

Vestone’s waste sorting

Vobarno’s waste sorting

Waste sent for recycling in 2017

88% Vestone

98% Vobarno
People and the local area
Valsir’s workforce - 2017

Office workers and labourers
- Office workers: 30%
- Labourers: 70%

Men and Women
- Men: 75%
- Women: 25%

Contract types
- Permanent: 82%
- Temporary: 18%

Residence
- Employees who don’t live in the Valle Sabbia: 18%
- Employees who live in the Valle Sabbia: 82%

Return to company after parental leave 100%

515 employees in 2017
## New hires for 2017

<table>
<thead>
<tr>
<th>Age</th>
<th></th>
<th></th>
</tr>
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<tbody>
<tr>
<td>16-20</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>20-40</td>
<td></td>
<td>43</td>
</tr>
<tr>
<td>40-60</td>
<td></td>
<td>20</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td></td>
<td>52</td>
</tr>
<tr>
<td>Women</td>
<td></td>
<td>16</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Origin</th>
<th></th>
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</tr>
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<tbody>
<tr>
<td>Italy</td>
<td></td>
<td>58</td>
</tr>
<tr>
<td>Abroad</td>
<td></td>
<td>10</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employees who live in the Valle Sabbia</th>
<th>Residence</th>
<th></th>
<th>49</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non residents</td>
<td></td>
<td>19</td>
</tr>
</tbody>
</table>

**Total new hires**: 68

**Average years in service**: 9.6 years
Service Portfolio

In the last years Valsir, along with OLI and Marvon, offered to their collaborators initiatives related to Welfare.

In 2017 a questionnaire dedicated to all the employees has been created in order to receive their feedback about the existing services but also about new proposals, comments and ideas.

The company Welfare Portfolio consists of:

**Tax assistance**

The company provides a free tax assistance service for the purpose of completing the tax return.

- **2016**: 132 participating collaborators
- **2017**: 144 participating collaborators

**Gym**

At OLI there are gym facilities available at set times. These spaces and the related equipment are also available to Valsir and Marvon employees.

**Scholarships**

Through a transparent selection process, the criteria of which are indicated in specific guidelines, scholarships are granted to the children of employees who attend school with merit and honours.

- **2016**: 11 award-winning students
- **2017**: 12 award-winning students

**Kindergarten bonus**

Service to provide mothers with young children with concrete help for nursery and kindergarten expenses, facilitating their return to the company in the months following the birth of the child. The service offered aims at better balancing private and working life. The bonus allows mothers to independently choose for their children the facilities closest to home or more comfortable for their family organisation.

- **2016**: 19 participating mothers
- **2017**: 19 participating mothers
The restaurant service at the company is accessible at a reduced price.

<table>
<thead>
<tr>
<th>Year</th>
<th>Meals Provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>71,560</td>
</tr>
<tr>
<td>2017</td>
<td>76,477</td>
</tr>
</tbody>
</table>

Among the initiatives to support income, as requested and appreciated by employees in the questionnaire, the issue of fuel vouchers was decided also in 2017, and took place at the beginning of 2018. For the following years, other forms of income support may be considered.

<table>
<thead>
<tr>
<th>Year</th>
<th>Vouchers Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>407</td>
</tr>
<tr>
<td>2017</td>
<td>461</td>
</tr>
</tbody>
</table>

The proposals cover a wide range of skills to support the personal development of staff: foreign languages, IT (Excel), NLP.

Investment of more than 40,000 € in 2017

In addition, as we are aware that our actions have a significant impact on the environment, a water dispenser has been installed into Vestone’s canteen. The water dispensers gives employees a choice of still, sparkling, cold and room-temperature water.

Thanks to this dispenser we avoid the use of a considerable amount of plastic bottles.

-3,000 bottles per month in the canteen of Vestone = -36,000 waste bottles per year
Personnel training...

Continuous training is the backbone of the Valsir collaborators professionalism. Learning, growing and improving are the true keys of success. Every year specific courses concerning foreign languages, IT, public speaking are performed within the companies of the group. Along these courses, others related to health and public safety tackle topics that we do consider as essentials.

... and the safety one

19,800 hours of training in 2016-2017

4,927 hours of safety training in 2016-2017
Valsir for the new generations

Internships and dual education

“Valsir Meets The Schools” visits to the company

Scholarships for the children of employees

Tables and chairs donated to the Vestone nursery school

Degree theses
in 2017, one university student prepared his/her final dissertation on the treasury and one on CSR is under way

IWB (Interactive Whiteboards) project
donation of 30 computers, 30 overhead projectors and 30 interactive whiteboards installed in primary and secondary schools in Bagolino, Ponte Caffaro, Idro, Capovalle and Treviso Brescia with a view to helping schools in the Valle Sabbia by providing them with appropriate technology to support school education.

School
143,800€
donated for schools in 2017
Download the extended version of the Valsir Sustainability Report.

The Sustainability Report has been prepared and prepared according to the GRI Standards: Core Option of the Global Reporting Initiative.