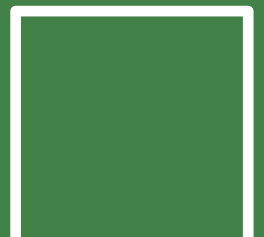
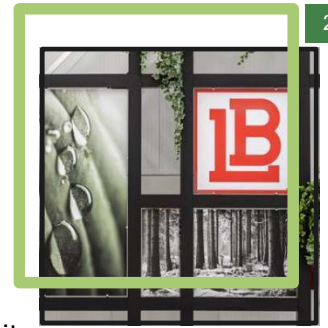


| 2024

Sustainability
report



LETTER TO OUR STAKEHOLDERS



LB Technology Group is pleased to present the 2024 edition of our Sustainability

Report, a testament to our continued commitment to integrating sustainability. In a rapidly changing global context, we remain committed to our mission to innovate responsibly, reduce our environmental footprint, and contribute to the sustainable transformation of the industries we serve.

2024 was a pivotal year of consolidation, innovation, and strategic evolution for LB Group. Despite ongoing geopolitical and economic challenges, we continued to build on our strengths, maintaining stable performance while laying the foundations for future growth. Our diversification strategy gained further momentum, with increasing applications of our technologies in sectors such as fertilizers, agrochemicals, pet food and premixed products, demonstrating the versatility of our solutions and their capacity to generate value beyond the ceramic industry.

A major development this year was the exit of Sermat S.r.l. from the Group in November 2024, a strategic decision aimed at focusing our resources and capabilities on our core business areas and future priorities.

This 2024 document extends the scope of analysis to LB Technology Group and, therefore, contains environmental and social data and information about the Group's Italian companies (LB Officine Meccaniche S.p.A. and Barcom S.r.l.).

We also made significant progress in advancing our sustainability governance and reporting practices. In a context of regulatory uncertainty around sustainability reporting for European companies, we have voluntarily undertaken several preparatory activities required by the Corporate Sustainability Reporting Directive (CSRD), reflecting our belief that sustainability and transparency are key to long-term success. Among these actions, after analyzing all steps and actors in its Value Chain, LB conducted its first Double Materiality Assessment (DMA) following European Sustainability Reporting Standards (ESRS), a crucial step in identifying and prioritizing sustainability topics from both financial and impact perspectives. Moreover, this report also include our complete GHG emissions inventory including all the indirect greenhouse gas (GHG) emissions that occur in a company's value chain ("Scope 3"), further strengthening the foundation for our decarbonization strategy.

Innovation remains at the heart of our identity. Our LB Hybrid technology achieved remarkable progress in 2024, with tests confirming reductions in CO₂ emissions, gas, and water consumption. Alongside this, we continued refining other flagship solutions, such as Easy Color Boost 2.0, and expanded the activities of our LB Technology Center, which plays a strategic role in driving technological development and supporting customers with tailored solutions.

Our efforts toward energy transition also advanced significantly. Building on over a decade of investments in photovoltaic systems, we carried out maintenance and modernization work in 2024 and are planning new installations at additional sites, including Barcom's new facility. We also signed a new electricity supply agreement for 100% renewable energy, marking another important step towards reducing our Scope 2 emissions.

In the supply chain, we continued to strengthen governance and transparency. The supplier evaluation process integrates key ESG-related aspects including sustainability reporting, governance models, and social responsibility initiatives. As in 2024, 10% of new suppliers were screened based on social criteria, underlining our ongoing commitment to responsible sourcing.

Our connection to the local community remains a cornerstone of our identity. We continued our partnerships with Fiorano and San Michele football schools, the Help Sassuolo association, and the University of Modena and local ITS, supporting education, social inclusion, and talent development. We also continued our support to Modena Parkinson Association and ANFFAS (association of families of people with intellectual disabilities and neurodevelopmental disorders). Following a change in municipal administrations, we also launched new channels of dialogue with local authorities, ensuring transparent communication and reinforcing our commitment to supporting the communities in which we operate.

The year was also marked by our active presence at major international exhibitions, including Expositivos, Indian Ceramics Asia, Revestir, and Tecna, where we showcased cutting-edge technologies and engaged with global partners, further strengthening our market presence and fostering collaboration.

As we look to the future, our vision is clear: to position LB as a key partner for sustainable industrial transformation, delivering solutions that combine innovation, efficiency, and environmental responsibility. Our progress in 2024 reflects the passion, dedication, and expertise of our people, whose daily work drives us forward.

I extend my sincere gratitude to all our employees, partners, and stakeholders for their continued trust and collaboration. Together, we will continue building a more sustainable future, one where technology, responsibility, and shared value go hand in hand.



Warm regards,

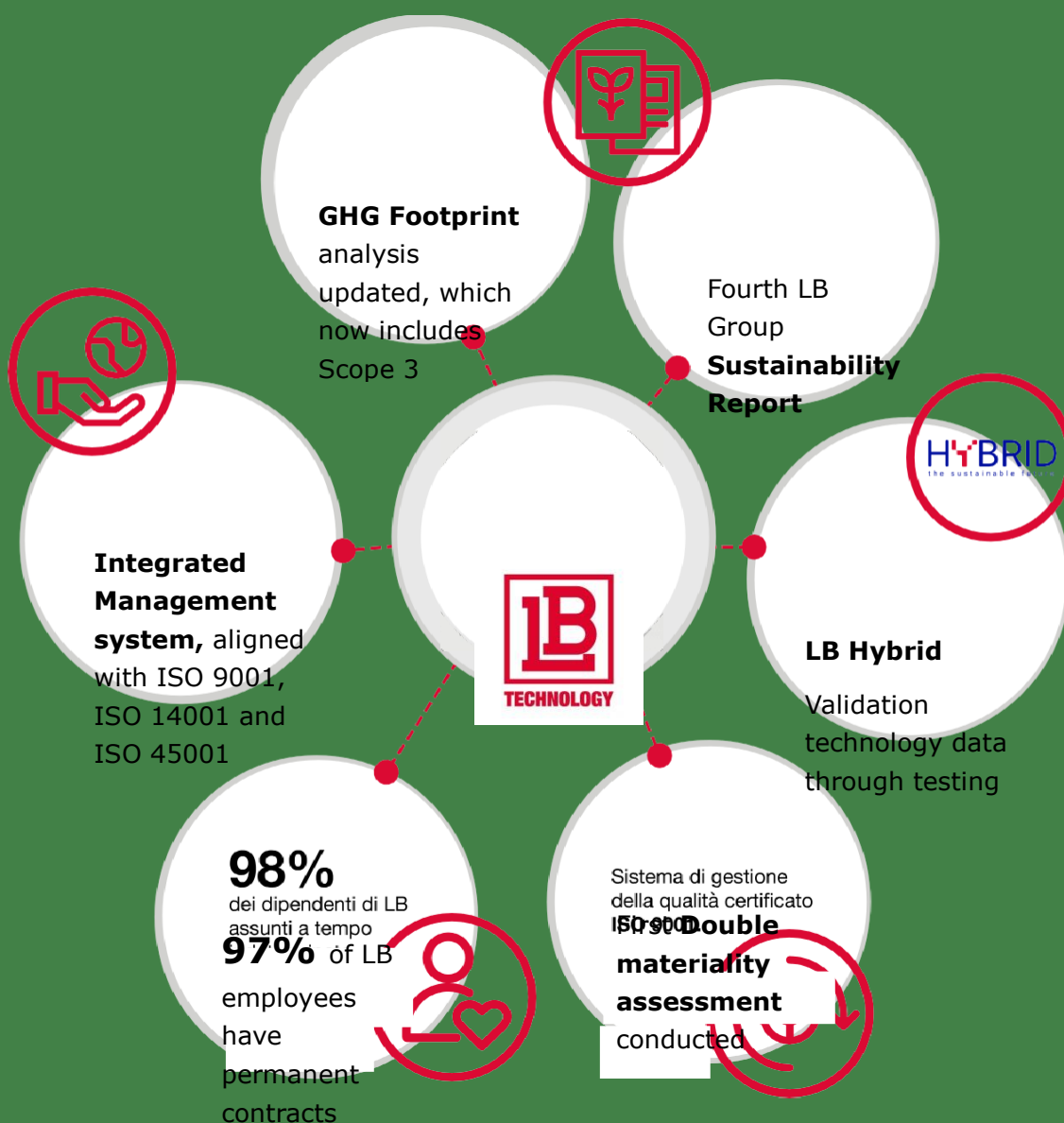
CEO

Corrado Fanti




Highlights 2024

2024 was a landmark year for LB, showcasing major progress in sustainability, innovation, and social responsibility. The company completed its GHG footprint analysis with the inclusion of Scope 3 emissions, providing a comprehensive view of its environmental impact. LB also published its fourth Group Sustainability Report, reinforcing transparency and accountability. With the implementation and consolidation of ISO 14001 and ISO 45001 management systems, the company further strengthened its commitment to environmental and occupational standards. Additional milestones included the first sales of LB-Hybrid machinery and the achievement of a 97% permanent workforce, underlining LB's dedication to innovation, sustainability, and long-term value creation.



1. About the Group

 LB Technology, (hereinafter “the Group” or “LB Group”), comprising LB Officine Meccaniche S.p.A. (hereinafter “LB”) and Barcom S.r.l., is a leading company in the design and development of innovative technologies for the processing of raw materials, historically focused on the ceramic sector and now increasingly active in other industries. Founded over 50 years ago, LB is headquartered in Fiorano Modenese, in the heart of the Emilia-Romagna ceramic district, and is recognized as a trusted partner by customers around the world.

In November 2024, Sermat S.r.l. exited the Group and is no longer considered strategic for its future development. Today, LB continues to strengthen its market position by combining technological innovation, sustainability, and diversification. In recent years, the Group has expanded its activities beyond ceramics into sectors such as mortars, agrochemicals, mining, and pet food, offering tailor-made solutions for mixing, drying, milling, granulation, and compacting of powdered materials. In particular, LB’s expertise is increasingly applied to the production of fertilizers and agrochemical products, where precision technologies contribute to improved efficiency and reduced environmental impact.

Innovation remains central to LB’s strategy, as demonstrated by continuous investments in research and development, the creation of the LB Technology Center, and the launch of groundbreaking solutions such as LB Hybrid. The Group is also advancing its sustainability journey through a Double Materiality Assessment (DMA) aligned with ESRS standards, the completion of its GHG inventory including Scope 3, and investments in renewable energy and resource efficiency.

Guided by a long-term vision, LB’s strategy is to position itself as a key partner for sustainable industrial transformation, leveraging its expertise, technological capabilities, and collaborative approach to support customers, address evolving industry challenges, and generate lasting value across the entire value chain.

1.1 LB Group history

Since its inception, the LB Group has been dedicated to innovation and sustainability. This commitment is exemplified by LB, the Group's oldest brand, which pioneered groundbreaking technologies 50 years ago. This innovation set a new standard for sustainability in the sector, driven by a strong focus on sustainability and research and development, setting it apart from its market competitors. This ethos of research and development has always been integral to the LB Group's philosophy.



1973

Foundation of the business

Activity

As a point of reference in the design and manufacture of powder treatment plants, LB operates on a full-service basis and manufactures plants used throughout the world for the processing of raw materials. LB is specialised in dry processing technologies. In recent years, applications have been designed and installed successfully in the ceramics industry, as well as in the pre-mix, fertiliser and chemicals industries.

95 Number of employees at 31.12.24

Located in Fiorano Modenese

1986

Foundation of the business

Activity

Barcom offers cutting-edge technology solutions for water treatment, purification, and heat recovery systems. With years of extensive experience and numerous installations, combined with a commitment to continuous technological research, Barcom has established a reputation for reliability and strong productive capacity.

26 Number of employees at 31.12.24

Located in Castellano



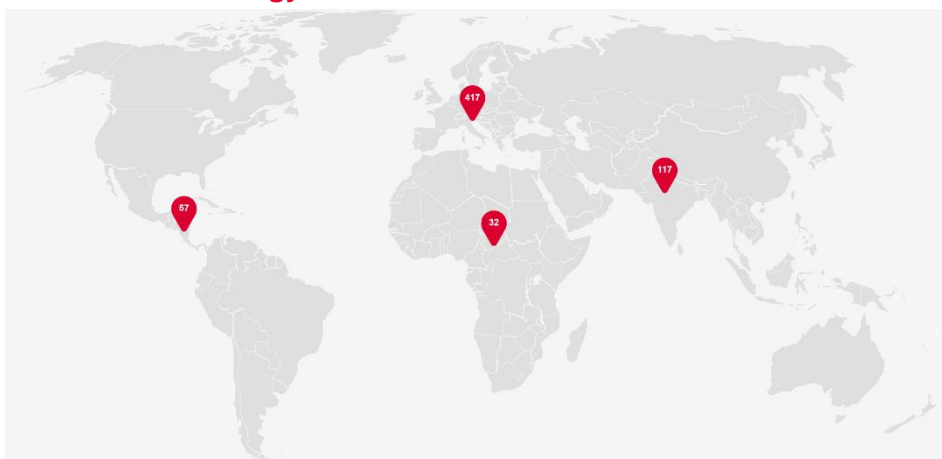
1.2 The Group numbers

With a long-standing export tradition, LB Group operates on a global scale, supplying plants and systems to customers worldwide through an extensive network of international collaborations. The Group maintains sales branches in Spain, India, and the USA, as well as active sales networks in North Africa, Brazil, and China. Additionally, commercial agreements extend its presence across Latin America, Asia, the Middle East, and the Far East, as well as in other European countries. Representative offices in the United States, Spain, and India strengthen this international structure. Close collaboration and synergies between the technical office located in Fiorano and the foreign commercial branches enable the swift and efficient management of testing and remote commissioning, ensuring consistently high levels of technical support and operational efficiency.

In 2024, despite the general contraction experienced in the ceramic sector, the Group consolidated its international presence by pursuing opportunities in new and adjacent industries such as fertilizers, agrochemicals, and pet food. This diversification strategy contributed to strengthening business resilience and expanding LB's portfolio beyond its traditional markets.

During the years, LB installed 690 plants in 48 countries, including 48 large sheet production plants and 128 milling plants. These figures confirm LB Group's ability to adapt to evolving market dynamics while continuing to deliver advanced technological solutions and maintain a strong position in international markets.

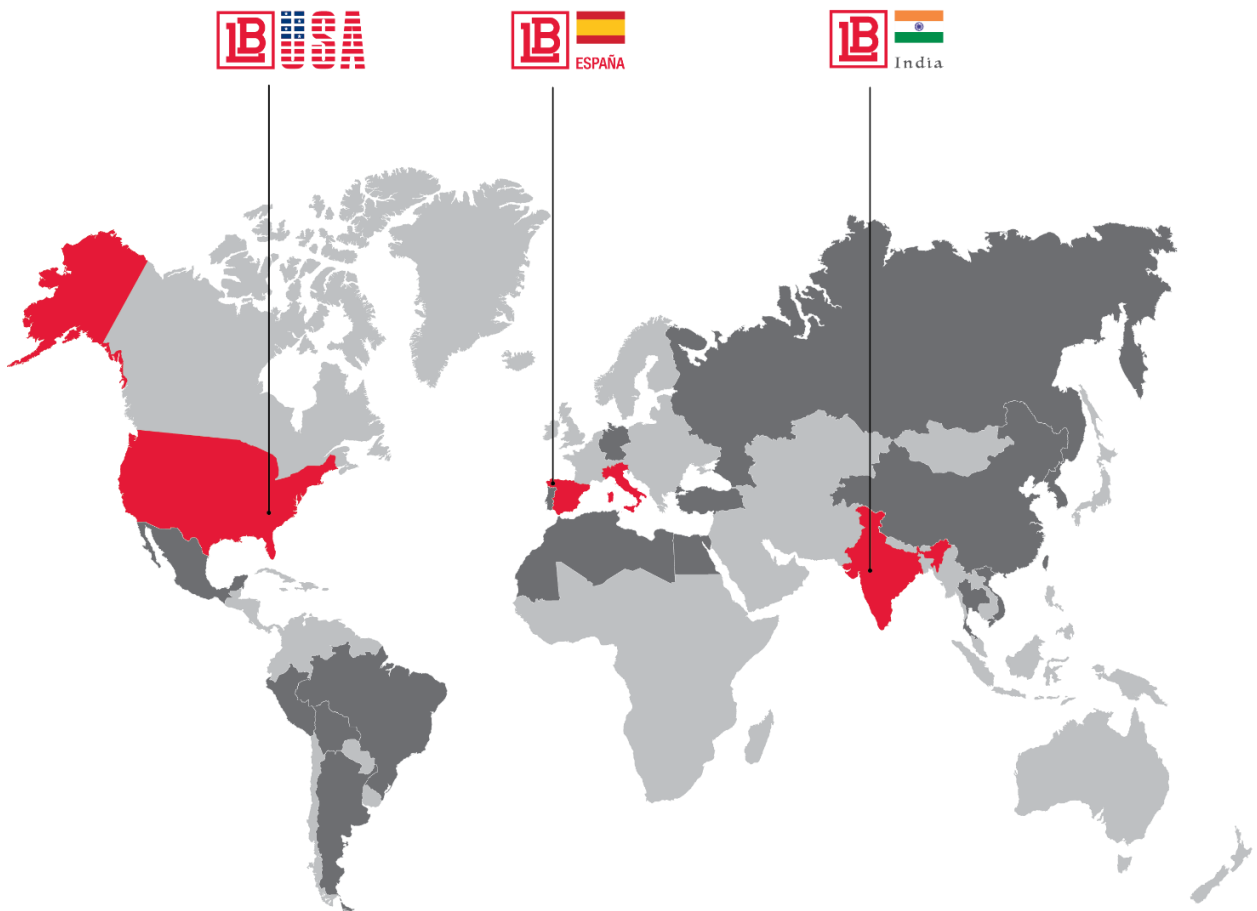
Total number of technology installations





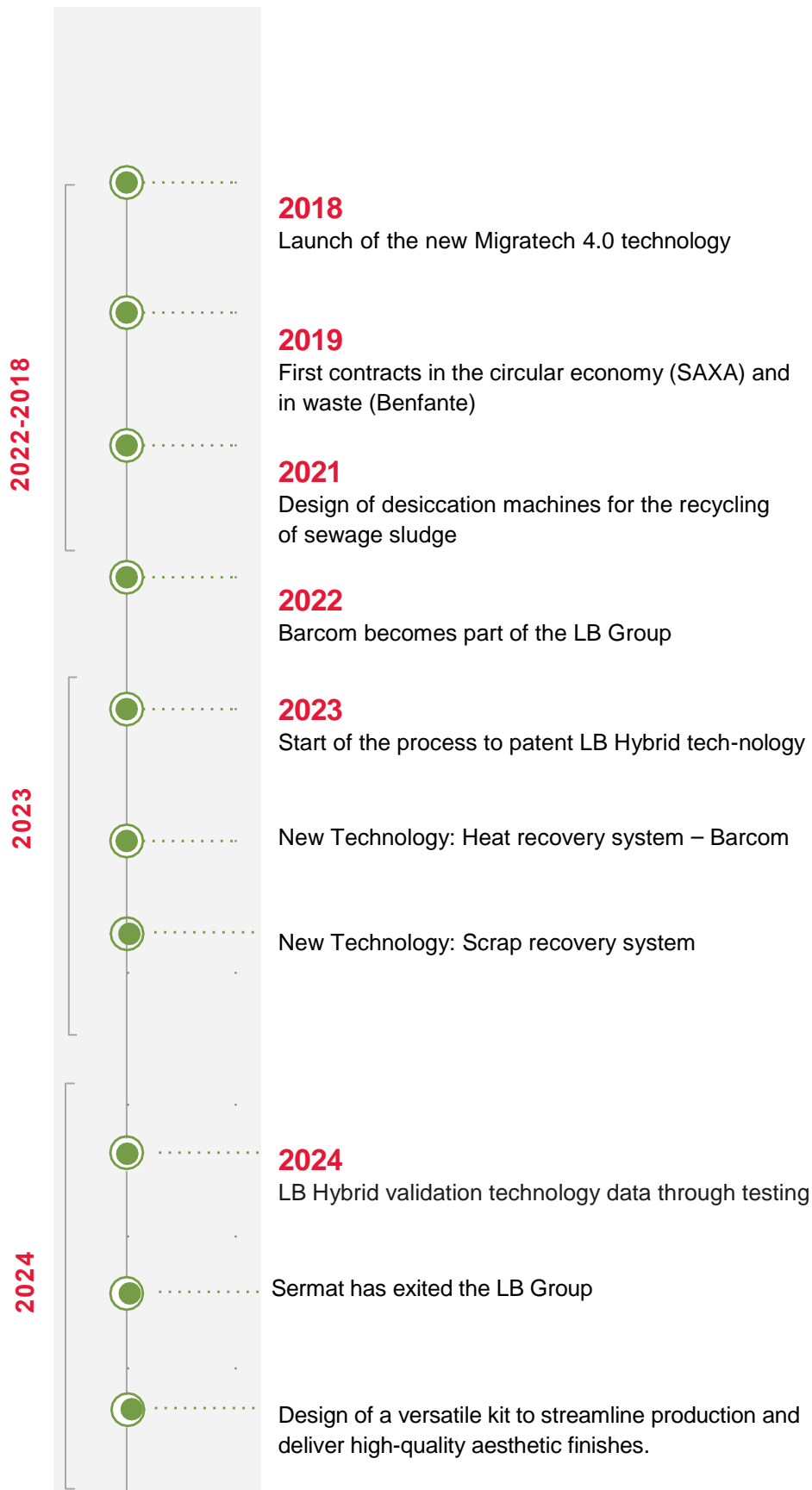
Until November 2024 another Italian company, SERMAT s.r.l, was part of the group. SERMAT exited the group on 15th of Novembre 2024. For further details please refer to [Chapter/Section 9 Methodology](#).

Also part of the group are the following three foreign companies.



1.3 Over 50 years of experience

The LB Group has accumulated more than 50 years of experience in the manufacture of plants for the ceramics sector, with various patents filed over the years.



1.4 Vision and mission

Developing **innovative technological solutions**, the Group helps customers to decide on the design, manufacture and maintenance of plants and machinery.

- **We act as an innovative partner for sustainable development, offering expertise, professionalism, resources and tools for tackling changes and managing their effects, while maximising the resulting opportunities.**
- **We listen to and appreciate our people in a stimulating working environment that is open to change, supporting their growth with merit-based decisions.**
- **We promote the social dimension of our activities, supporting our local territory while remaining open to the world, via projects that facilitate cohesion, inclusion and development.**

VISION



Creating and producing pioneering systems for blending, milling, granulating, colouring, recycling and revolutionizing raw materials through effective and eco-friendly methods is the Group mission:

- **We are responsible for expanding and improving the productive capacity of our customers in quantitative and qualitative terms, offering solutions that study, support and realise their plans.**
- **We promote a culture of innovation for products, services and processes, working with transparency and organisational and operational effectiveness, while developing sound relations with all Stakeholders.**
- **We strive each day to maintain efficient business operations that are both profitable and sustainable over time.**

MISSION

1.5 LB Group's End-to-End Sustainable Solutions

The LB Group excels in offering comprehensive guidance to select the most suitable plant, taking into account the geo-physical conditions at the installation site and the desired outcomes. This holistic approach ensures that each project is tailored to the unique needs of the client and the specific characteristics of the location.

- **Engineering:** The process begins with meticulous engineering services. LB Group's experts design and plan the machinery and systems to meet the highest standards of efficiency and sustainability.
- **Construction:** Following the engineering phase, the construction team steps in to bring the designs to life. The construction phase is handled with precision, ensuring that all structures and installations adhere to the planned specifications and quality benchmarks.
- **Installation:** Once the construction is complete, the installation team takes over, setting up the machinery and systems. This phase is critical to ensure that all components are integrated seamlessly and function as intended.
- **After-Sales Services:** The relationship with the client does not end with installation. LB Group provides dedicated after-sales services, including maintenance, troubleshooting, and upgrades. This ensures that the plant continues to operate smoothly and efficiently over its lifespan.

In addition to these core stages, LB Group integrates cutting-edge automation and digitalization solutions into its operations. These advanced technologies enhance efficiency, monitoring, and control of the plant. Automation reduces manual intervention, minimizing errors and increasing productivity, while digitalization allows for real-time data analysis and remote monitoring, contributing to optimized performance and reduced environmental impact.

LB Group's services encompass every aspect of plant development, from initial design to ongoing support, with a strong emphasis on sustainability and customer satisfaction (For further details, please refer to [Chapter/Section 8.1](#)). This integrated approach guarantees that each project not only meets but exceeds client expectations, delivering reliable and sustainable solutions.

2. LB Group path to sustainability

In recent years, LB Group has progressively integrated sustainability into the heart of its corporate strategy, moving beyond compliance to actively create value for its stakeholders and support the transition toward a more responsible industrial model.

In 2024, this commitment reached a new level with the completion of the Group's first **Double Materiality Assessment (DMA)**, aligned with the European Sustainability Reporting Standards (ESRS). In a context of regulatory uncertainty around sustainability reporting for European companies, LB has chosen to voluntarily undertake this Assessment to identify and prioritize the sustainability topics that are most significant both in terms of their impacts on the environment and society and their financial relevance for the business. The results of this analysis now serve as the foundation for LB's sustainability strategy, which focuses on the material areas where the Group can generate the greatest positive impact and long-term value.

Product sustainability and innovation are central to LB's strategic direction. The Group is committed to designing and delivering technologies that reduce environmental impact, improve energy and water efficiency, and enable customers to lower their carbon footprint across their own operations. Through solutions like LB Hybrid, which can cut CO₂ emissions by around 50%, and the continuous evolution of systems such as Easy Color Boost 2.0, LB is driving technological innovation that contributes directly to climate goals and resource efficiency.

LB's sustainability strategy places strong emphasis on **environmental performance**, with actions aimed at minimizing the impact of production processes, improving resource use, and supporting the transition toward low-carbon and circular operations. Initiatives such as the completion of the Group's GHG inventory including Scope 3, investments in renewable energy, and optimization of production waste demonstrate a structured approach to environmental responsibility.

On the **social dimension**, LB continues to prioritize people, from its workforce and suppliers to local communities, fostering long-term relationships built on trust, safety, and shared values. The Group's ongoing partnerships with educational institutions, humanitarian organizations, and local administrations reflect this commitment and contribute to strengthening the social fabric of the territories in which it operates.

Finally, LB's focus on **governance and business conduct** ensures that sustainability principles are fully integrated into corporate decision-making. Since 2022, a dedicated ESG Manager has overseen sustainability governance, coordinating policies and procedures related to environment, health and safety, quality, and ethical conduct, while embedding ESG considerations into strategic planning.

This strategic direction builds on the foundations laid in 2021, when LB formalized its sustainability framework and initiated a structured process to identify its impact areas, essential to guide the Group's sustainability strategy. The Double Materiality Assessment completed in 2024 represents an evolution of that work, refining the Group's priorities around key material topics that will guide its sustainability strategy in the coming years.



Through this comprehensive approach, LB Group is building a resilient and future-oriented business model, one that connects innovation, sustainability, and value creation across its entire value chain and positions the company as a trusted partner in the sustainable transformation of industrial processes.

HIGHLIGHTS 2024

ECOVADIS



In line with its commitment to continuous improvement and transparency in sustainability performance, LB Group initiated the process of obtaining an **EcoVadis** sustainability rating in 2024, a globally recognized assessment platform that evaluates companies on their environmental, social, ethical, and supply chain practices.



Throughout the year, LB undertook extensive work to collect and organize documentation required for the assessment, mapping existing policies, management systems, and initiatives across key areas such as environmental performance, labour and human rights, ethics, and sustainable procurement. This process not only enhanced internal awareness and governance but also strengthened the Group's ability to monitor and communicate its sustainability progress in a structured and verifiable way.

Many 2024 initiatives, including DMA, renewable energy procurement, and supplier evaluation improvements, directly supported LB's alignment with EcoVadis and strengthened its submission.

2.1 THE STAKEHOLDERS OF THE GROUP

Considering the nature and scope of the Group operations, the LB Group has identified a diverse range of internal and external stakeholders crucial to its sustainable business practices. These stakeholders encompass various groups such as employees, customers, suppliers, local communities, regulatory authorities, shareholders, among others. Understanding the significance of these relationships, the Group is committed to engaging with each stakeholder group effectively.

To facilitate meaningful engagement, the Group employs a variety of channels tailored to the preferences and needs of the stakeholders. These channels include, but are not limited to, regular communication meetings, feedback mechanisms, website publications, and other tailored communications. By fostering transparent and open communication through these channels, LB aims at ensuring that the interests and concerns of LB Group stakeholders are duly considered and addressed in its initiatives (For further details, please refer to [Chapter/Section 8.1](#)).



Involvement of and dialogue with Stakeholders

STAKEHOLDERS	INVOLVEMENT AND DIALOGUE
Owners and Shareholders	<ul style="list-style-type: none"> • Board of Directors • Periodic reports • Dedicated meetings
Customers	<ul style="list-style-type: none"> • Website and newsletters • Meetings at LB Group or customer premises • Financial reports • ESG reports and score (e.g. EcoVadis, Open-ES)
Suppliers	<ul style="list-style-type: none"> • Dedicated meetings • Definition of selection and qualification criteria • Audit checks
Financial institutions	<ul style="list-style-type: none"> • Dedicated meetings • Desk analysis • ESG reports and score (e.g. EcoVadis, Open-ES)
Local communities	<ul style="list-style-type: none"> • Website • Territorial support
Employees and collaborators	<ul style="list-style-type: none"> • Written communications • Personal and dedicated meetings • Informal appraisals • Double Materiality Assessment
Local authorities and PA	<ul style="list-style-type: none"> • Official communications
Universities and research centres	<ul style="list-style-type: none"> • E-mails, brochures • Attendance at conferences, courses • Collaborative projects
Trade unions	<ul style="list-style-type: none"> • Periodic meetings with workers' representatives

HIGHLIGHTS 2024

Celebrating team spirit and shared success

On December 18th, colleagues from across the LB Technology Group gathered at the company's headquarters to celebrate the Christmas season with a convivial barbecue. The event brought together employees from various departments, providing an opportunity to exchange greetings, share experiences, and celebrate the milestones achieved during the year.

More than a festive occasion, the gathering reflected the Group's commitment to fostering collaboration, inclusion, and a positive working environment. Moments of appreciation and informal interaction contribute to strengthening interpersonal relationships, enhancing cohesion, and reinforcing a sense of belonging among employees.

As the year concluded, the event served as a meaningful expression of gratitude for the dedication shown by all collaborators throughout 2024, and a moment to look ahead to the new year with renewed enthusiasm and unity of purpose.



Figure 1. Colleagues from LB Technology Group celebrate the end of 2024 together

2.2 DOUBLE MATERIALITY ANALYSIS (DMA)

In recent years, LB has undertaken significant steps to structure its sustainability governance and reporting practices. Until 2023, the Group conducted single materiality assessments based on the GRI Standards, which allowed it to identify the sustainability topics most relevant to its business and stakeholders and to define its key ESG priorities. In 2024, LB took an important step forward by carrying out its first comprehensive Double Materiality Assessment (DMA), developed in accordance with the European Sustainability Reporting Standards (ESRS) and the methodological guidance issued by EFRAG. The Group voluntarily undertook this more advanced analysis to further strengthen its strategic approach to sustainability. This approach ensures that LB's sustainability priorities remain forward-looking, responsive to stakeholder needs, aligned with regulatory requirements, and strategically embedded within the Group's overall business model.

This assessment seeks to identify the sustainability topics that are most significant from a dual perspective: both in terms of their impact on the company and the company's impact on the environment and society. This dual lens enables LB to strengthen its capacity to anticipate risks, seize opportunities, and create shared value for stakeholders, while laying a robust foundation for the development of its future sustainability strategy.

Methodology

The double materiality principle requires companies to adopt two complementary perspectives:

- **Impact materiality** (inside-out): assessing the most significant actual or potential impacts - positive or negative - that LB's activities, products, and services have on the environment and people across its value chain;
- **Financial materiality** (outside-in): identifying sustainability-related risks and opportunities that could influence LB's business model, strategy, performance, and financial position over the short, medium, or long term.

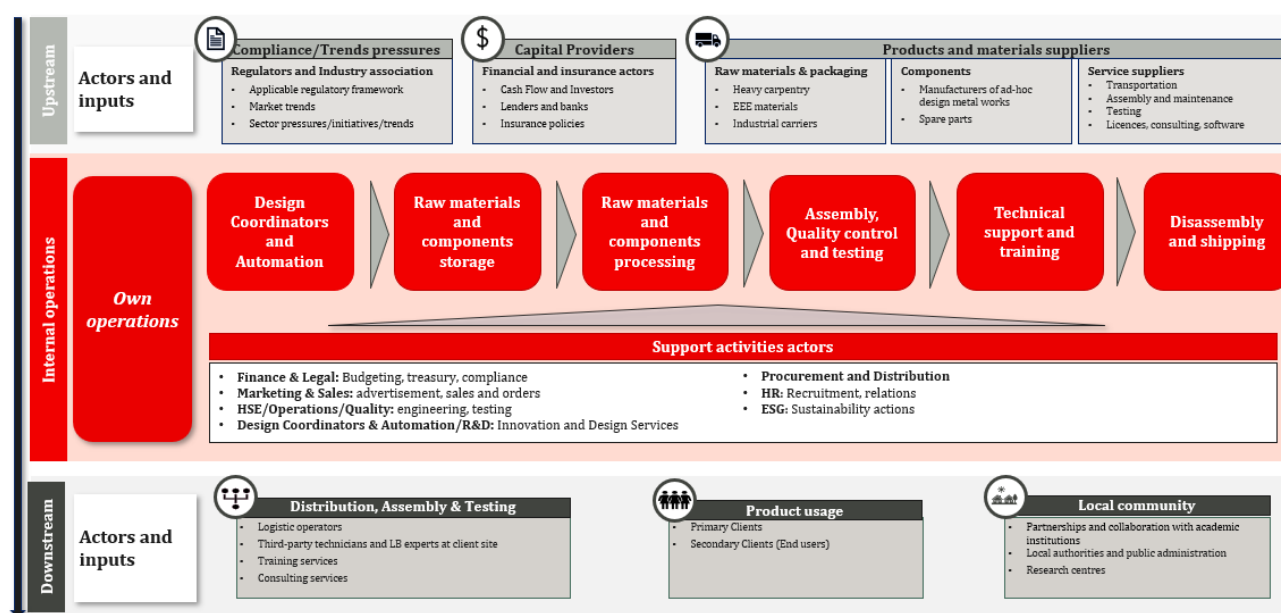
The process conducted by the Group was structured in the following three stages:

1) **Identification of potentially relevant sustainability topics linked to LB's operations and its value chain, along with their associated Impacts, Risks, and opportunities (IROs)**

The first phase focused on identifying potentially relevant sustainability topics linked to LB's operations and value chain, along with their associated IROs. The company analysed both upstream and downstream activities using a top-down approach that considered corporate objectives (including LB's strategic objectives, existing sustainability commitments, and planned initiatives) as well as insights from benchmarking (comparative review of peers, industry leaders, and stakeholder expectations to capture sector-specific trends and material issues) and context analyses (examination of emerging regulations, evolving frameworks, and authoritative guidelines relevant to LB's sector and operating geographies).

This comprehensive process resulted in a preliminary list of potentially relevant topics, each linked to specific IROs. Additional insights from internal documentation and ongoing initiatives were incorporated to refine and validate the list.

Figure 2: Value Chain Representation



2) Definition of the methodology for the assessment of IROs' relevance

In the second stage, the Group defined the criteria and drivers used to evaluate the relevance of IROs under both impact and financial materiality dimensions.

For **impact materiality**, severity was determined by combining three parameters: scale (magnitude of the impact), scope (number of stakeholders or extent of ecosystems affected), and irremediability (difficulty of reversing the impact, applicable to negative impacts). The composite severity score was then multiplied by the likelihood of occurrence to obtain a final impact score.

For **financial materiality**, sustainability-related risks and opportunities were evaluated based on the likelihood of their occurrence and the magnitude of their potential effect on LB's business model, strategy, financial performance, or position. This scoring framework ensures comparability across risks and opportunities and allows the company to identify those most critical to its long-term resilience.

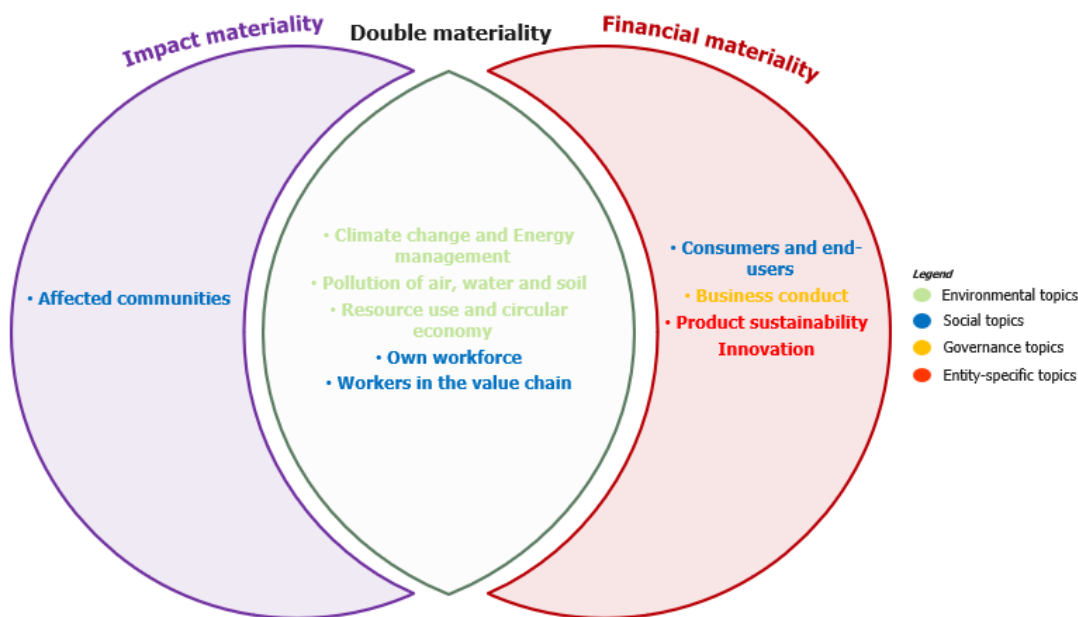
3) Assessment of the relevance of IROs

In this phase, a group of key internal stakeholders was engaged to evaluate the potential impacts, risks, and opportunities based on the methodology defined in the previous step. Using the combined assessments, IROs were considered material when they exceeded the materiality threshold defined internally within a two-dimensional matrix that considers likelihood and relevance.

A topic is considered material from an impact perspective if at least one of the identified impacts receives a score above the defined materiality threshold. Similarly, a topic is deemed financially material if at least one risk or opportunity obtains an overall score

exceeding the materiality threshold. Finally, if a topic includes both a material impact and a material risk or opportunity, it is considered material from both perspectives. The aggregated results, presented in the infographic below, provide a clear view of the sustainability issues that are most significant for LB’s long-term strategy and value creation.

Figure 3: Material Topics Identified



The tables below show in detail the results of the materiality assessment.

Table 1: Material Topics and Related Material IROs Resulted from the Assessment

Material topic	IRO	Description	Value chain	
ENVIRONMENT	Climate change and Energy management	Negative impact (A)	Generation of GHG emissions due to LB's direct and indirect operations	Upstream Own operations Downstream
		Risk	Transition risks due to increased requirements by stakeholders on sustainability issues	Upstream Own operations Downstream
		Risk	Indirect physical climate risks on suppliers	Upstream
		Risk	Increased costs due to extreme weather events (own operations)	Own operations
		Risk	Increased costs due to extreme weather events (downstream)	Downstream
		Risk	Rising energy prices could lead to increased costs	Upstream Own operations Downstream
	Pollution of air, water and soil	Negative impact (A)	Runoff of polluting substances in the air/soil/water	Own operations
		Risk	Sanctions and fines linked to accidental discharge of harmful substances in air/water/soil	Own operations
	Resource use and circular economy	Positive impact (A)	Technologies for the recovery of production scraps in own operations	Own operations
		Negative impact (A)	Generation of hard to recycle processing waste	Own operations
Opportunity		Increased demand for sustainable materials and production methods	Downstream	
SOCIAL	Own workforce	Negative impact (A)	Impact of work-related injuries on own workforce	Own operations
		Positive impact (A)	Improvement of employees' satisfaction thanks to stable contracts and welfare packages	Own operations

		Positive impact (P)	Competitive remuneration packages	Own operations
		Risk	Turnover and loss of talent due to inadequate forms of welfare and professional growth	Own operations
		Opportunity	Strengthening talent attraction and retention	Own operations
		Risk	Work-related injuries	Own operations
		Opportunity	Prioritizing employee well-being	Own operations
		Positive impact (P)	Fostering gender equality	Own operations
		Positive impact (A)	Training in personal, professional and technical skills	Own operations
Responsible Value Chain		Negative impact (P)	Work-related injuries sustained by subcontractors	Downstream
		Negative impact (P)	Lack of proper working conditions in the value chain	Upstream
		Risk	Risks related to accidents in the value chain	Upstream Own operations
		Risk	Working conditions in the value chain	Upstream
		Risk	Human Rights violations in the value chain	Upstream
		Opportunity	Selection of local suppliers	Upstream
	Consumers and end-users		Risk	Financial and reputational consequences of cyberattacks or data breaches
		Risk	Data breaches affecting machinery sold to clients	Downstream
		Risk	Provision of unsafe or unreliable products	Downstream
Affected communities		Positive impact (A)	Creation of economic benefits in areas where LB operates	Upstream Own operations Downstream
		Positive impact (A)	Financial support for local communities	Upstream Own operations Downstream
GOVERNANCE	Business conduct	Risk	Non-compliance with regulations	Upstream Own operations Downstream
		Risk	Transition risk arising from obsolete machinery	Own operations Downstream
		Opportunity	Spread of ethical and sustainability corporate culture	Upstream Own operations Downstream
		Risk	Risk of suppliers involved in corruption and bribery practices	Upstream
		Risk	LB's employees or management involved in corruption and bribery	Own operations
CROSS-TOPIC	Product sustainability Innovation	Opportunity	Design of energy efficient machinery	Downstream
		Opportunity	Design of chemical-efficient machinery	Downstream
		Opportunity	Design of water-efficient machinery	Downstream

(A): Actual impact; (P) Potential impact

This updated materiality assessment represents an essential milestone in LB's sustainability journey. It establishes a robust foundation for prioritizing ESG initiatives, shaping future strategy, and strengthening the company's ability to navigate an evolving regulatory landscape. Building on this work, LB is implementing a series of targeted initiatives, including the calculation of Scope 3 greenhouse gas emissions and the transition to 100% renewable electricity, which will be detailed in this Sustainability Report. These actions reflect LB's ongoing commitment to enhancing sustainability performance and creating shared value for stakeholders in line with best market practices.

3. Governance and corporate ethics

3.1 Governance

The Group operates under a robust governance structure centred around family values and responsible growth objectives, aiming to create value in both the short and long term. The governance model is based on a Board of Directors (BoD), appointed by the Shareholders' Meeting, which is responsible for decision-making and for overseeing the activities of the Managing Director. Oversight functions are further ensured by the Board of Statutory Auditors, which monitors the work of the Board of Directors, and by the Supervisory Body (SB), established in accordance with Legislative Decree 231/2001, which is tasked with preventing potential offenses by employees and executives. Within the Group, governance is organised through two separate Boards of Directors, one for LB Officine Meccaniche and one for Barcom, which share some members in common. This structure enables coordinated management of strategic objectives while preserving the specific legal and operational responsibilities of each entity.

HIGHLIGHTS 2024

Target	Performance 2024
Definition of a sustainability governance system and identification of internal corporate responsibilities for defining the sustainability strategy (e.g., initiatives, objective plans, reporting).	<ul style="list-style-type: none"> • Continue implementation with the establishment of the sustainability governance system through a Working Group to: <ul style="list-style-type: none"> ○ Overseeing sustainability-related matters and managing reporting activities; ○ Collaborate with the ESG manager (appointed in 2022) to define the sustainability strategy, including key initiatives, reporting responsibilities and related actions.
Adoption of a Sustainability Plan that includes a medium/long-term strategy and objectives for reducing environmental impacts such as fossil fuel consumption, waste production, use of non-recyclable materials, and water resource management.	<ul style="list-style-type: none"> • Achieved continued progress with the publication of the fourth Sustainability Report and the inaugural Carbon Footprint Report, including a Scope 3 assessment, providing comprehensive insights into the LB Group's ongoing efforts to reduce environmental impacts; • Implemented an Integrated Management System (ISO 45001, ISO 14001 and ISO 9001 standards) to ensure best practices and advance organisations' objectives of minimizing overall impacts.

<p>Promote gender balance within governance bodies by ensuring a minimum of 25% female representation on the Board of Directors</p>	<ul style="list-style-type: none"> • Women represent 25% of the members of LB Officine Meccaniche's Board of Directors, achieving the target set for gender balance. • Women represent 17% of the members of Barcom's Board of Directors, reflecting ongoing efforts to enhance gender diversity across governance bodies
<p>Maintain a zero-tolerance approach by ensuring that no cases of discrimination or breaches of equal opportunity policies occur.</p>	<ul style="list-style-type: none"> • No cases of discrimination or violations of equal opportunity principles were reported, in line with the Group's zero-tolerance commitment.
<p>Improvement and streamlining of the Privacy Policy and CyberSecurity system.</p>	<ul style="list-style-type: none"> • Following action achieved in 2023 (e.g. approval of Privacy Policy, data protection impact assessment, development of procedure using IT tools), no actions were further implemented

Selection: Each member of the BoD and the SB serves a term and is eligible for reappointment, as it is the Managing Director.

The duration of the mandate granted to the SB is unspecified and the appointment of its members may be revoked at any time.

Composition: As of 31 December 2024, the Board of Directors (BoD) of LB Officine Meccaniche comprised five internal members, one of which executive (C.E.O.) and four non-executives and three external non-executives consultants, maintaining gender diversity with six men and two women. In terms of age distribution, 63% of members were between 30 and 50 years old, while the remaining 37% were over 50.

The Board of Directors of Barcom consisted of three internal members and three external consultants, for a total of six members. Three of these individuals also serve on the BoD of LB Officine Meccaniche, ensuring continuity and effective communication between the two entities. The Barcom BoD included one woman and five men; 33% of members were between 30 and 50 years old, and 67% were over 50.

Function: The BoD, Managing Director, and senior executives are actively engaged in shaping policies, strategies, and objectives that drive sustainable development. The Managing Director and the BoD are responsible for approving all corporate policies and strategies. Regular meetings of the BoD and Executive Committee, held quarterly or more frequently, focus on reviewing the ESG Plan and exchange experiences regarding sustainable initiatives. The BoD responsibilities also encompass the examination and approval of the Sustainability Report, along with the identification of material topics.

Compensation: BoD members receive quarterly compensation, whereas executives are provided with a fixed salary along with a variable component, calculated as a percentage of their gross annual income. In 2024, the highest-paid individual earned 4.02 times the median compensation of employees, increased by 0.32 times in respect to 2023.

Active policies and procedures: The Group has implemented several active procedures covering various areas, including related party transactions, financial reporting, credit collection, personnel search and selection, and gift management. These procedures are

aligned with the Organization, Management, and Control Model in accordance with Italian Decree 231/2001. Additionally, since 2021, the Group has fully integrated these procedures into a new Enterprise Resource Planning (ERP) system. This integration ensures more comprehensive control over budgets and costs.

Sustainability governance

In alignment with LB Group's resolute dedication to sustainability, the Group is actively integrating sustainability processes into its corporate strategy. As a key progression, since 2022, the Group has appointed a new ESG manager that plays a significant role in advancing the Group's sustainability efforts and fostering a company culture focused on responsibility and accountability. This individual collaborates closely with an external Responsible for Health and Safety at Work (RSPP in Italian) to ensure the supervision and execution of the sustainability agenda. Moreover, among the Group, each area has a designated person who collaborates with the ESG Manager to gather and send data, ensuring a cohesive approach across all operational domains. To further support these efforts at the governance level, sustainability-related topics are also considered during both ordinary and extraordinary meetings of the Board of Directors. Although not yet addressed in a fully systematic manner, such matters are discussed whenever they are relevant to the decisions on the agenda, reflecting the Group's growing commitment to integrating sustainability into strategic decision-making.

Entrusted with the coordination and implementation of the Group's ESG policies and initiatives, the ESG manager leads the development and execution of strategies aimed at reinforcing environmental sustainability, fostering workplace health and safety, maintaining stringent quality standards, and driving continuous improvement. The person responsible for the integrated EHS management system plays a pivotal role in managing environmental and quality aspects, while the external RSPP oversees all operational facets of health and safety matters.

Building on the thorough review and update of procedures and manuals, including health, safety, and environmental elements, and the establishment of a comprehensive environment, safety, and sustainability policy in 2023, 2024 marked a year of consolidation. During the year, the Group focused on strengthening the integration of these policies and procedures into its organizational practices. Through continuous improvement initiatives, LB further embedded these principles into its corporate culture and daily operations, ensuring their effective implementation across all areas of activity.

3.2 LB Group ethics

The Group is dedicated to conducting its operations guided by the highest ethical standards and compliance with laws, fostering transparency and integrity across all business endeavours. In 2024, updates were introduced to the Code of Ethics, the Model 231, and other internal policies related to compliance and transparency, in line with regulatory developments and the company's evolving needs. Moreover, 2024 marked an important

year of consolidation, during which the Group focused on embedding the updates and initiatives introduced in recent years into its organizational culture. Through targeted training programs and continuous engagement, LB strengthened the internalization of its ethical values and compliance principles across all levels of the organization, further reinforcing a culture of integrity and accountability.

The Group's efforts to strengthen integrity and compliance in 2024 are rooted in a long tradition of ethical governance. Since 2012, LB Group has officially published its **Code of Ethics**. This document incorporates various key themes of the group, and its approach, together with the principles that distinguish the Group in pursuit of its mission. The ethical principles outlined in the document hold primary and absolute value. Acting in the interest or advantage of LB Group does not justify behaviours contrary to these principles. The Group respects all laws and regulations, requiring its personnel to know and promptly report any coercion or incitement to violate the law. Everyone collaborating with the group must adhere to the following ethical principles:

- **Fair and lawful competition, loyalty, and fidelity** are fundamental to LB Group and its employees' relationship.
- **Conflicts of interest** must be avoided, with transparency and communication required in such instances.
- Confidentiality of the Group's knowledge and **protection of intellectual property** are emphasized, alongside transparency, completeness, and accuracy of information provided.
- LB Group condemns crimes such as **corruption, money laundering, and the use of illicit funds**.
- **Environmental protection**, compliance with laws, and responsible behaviour are integral to the Group's operations, fostering a culture of environmental awareness and safety. Compliance with environmental laws and regulations is mandated for all, including third-party contractors.

The most relevant topics covered in the Code of Ethics are:

- Rules of conduct in internal relations, such as conflict of interest, privacy protection, environmental protection, human resources, and worker safety.
- Rules of conduct in external relations, such as relationships with customers, suppliers, the media, and public authorities.
- Whistleblowing reports (For further details, please refer to Chapter/Section 3.3).

In 2023, the Code of Ethics was updated to include the provisions of Legislative Decree 24/2023 on whistleblowing mechanisms, concerning the protection of individuals reporting violations of EU law. In 2024, LB Group continued to ensure its proper application by maintaining active reporting channels, providing training and awareness sessions to employees, and monitoring the effectiveness of the whistleblowing system.

In 2024, **19 areas of operations have been audited** for compliance with the model and code of ethics.

All employees have been trained on updates to the system, whistleblowing and communications with SB.

Moreover, in 2024, **no cases of anti-competitive practices were identified involving the company or its suppliers.** To ensure fairness in business relationships, the Group adopts measures aimed at safeguarding equitable pricing and promoting fair competition. In particular, the Group does not restrict price lists, set minimum prices, or limit suppliers' freedom to set commercial terms. These practices reflect LB Group's ongoing commitment to ethical conduct, transparency, and integrity in all market interactions.

In alignment with the Italian Decree 231/2001, LB Group has implemented an Organization, Management, and Control Model (the "Model"), designed to prevent offenses and ensure ethical conduct. The Model encompasses the principles outlined in the Group's Code of Ethics, fostering a culture of compliance and integrity throughout the organization. It serves as a framework for preventing unlawful behaviour and promoting transparency. The Model is publicly available on website: [Modello-di-organizzazione.pdf \(lb-technology.it\)](#).

Structure of the Model:

- General Part: Distributed to all recipients, such as the employees and the external people working for the Group, this section includes general prevention protocols for addressing offenses (Whistleblowing).
- Special Part: Contains specific prevention protocols communicated to relevant Organizational Units, focusing on activities susceptible to risk.

The confidential Mapping of Risks document is part of the Model, accessible only to the Supervisory Body (SB), the BoD, and Shareholders.

Implementation and Oversight: The Group is responsible for implementing the Model, while the SB ensures its effectiveness. The SB also provides an anonymous reporting channel for employees and associates to report unlawful activities, ensuring whistleblower protection.

Anti-Corruption Efforts: By adhering to policies, procedures, and mechanisms for reporting irregularities to the SB, LB Group fights both active and passive corruption. The Model covers different types of activities:

- Feedback mechanism through surveys with clients;
- Personnel selection and hiring;
- Credit institution and creditors relationships.

Furthermore, LB Group meticulously prepared accounting documents detailing each operation, aiming to establish rigorous controls and ensure that operations are authentic and carried out only with the approval of company management.

Throughout 2024, activities aimed at integrating the anti-corruption management system continued. In particular, training was provided to all employees, including new hires, on the

Model 231 and its operation. The training was delivered mainly in person, with online sessions to ensure coverage across all company functions. Additionally, specific sessions were provided for the company functions most exposed to non-compliance risks, with the goal of strengthening awareness and prevention capabilities.

Thanks to these efforts, during 2024 (as in 2023) **the Supervisory Body did not find any confirmed cases of corruption** involving the employees or commercial partners of the Group, or **cases of non-compliance with laws or regulations**.

3.3 Whistleblowing and Reporting Mechanisms

To ensure transparency and accountability, aligned with the Italian Legislative Decrees 231/2001 and 24/2023, the Group has established a dedicated confidential mechanism for reporting potential non-conformities involving the Group or its employees. This reporting channel is accessible to every stakeholder of LB Group and is facilitated by the email address of the SB. Complete anonymity is guaranteed for reporting, ensuring a secure and confidential environment for whistleblowers. In 2024, the internal whistleblowing system was further strengthened. Practical training was provided for the individuals designated as report managers, and the procedure for using the channel was communicated to all employees, reinforcing awareness and proper use of the reporting system across the organization.

Monthly BoD Review

In addition to the reporting channel, the SB ensures that all matters related to corporate projects, business performance, and activities are reviewed during each monthly BoD meeting. This includes addressing any issues identified through the whistleblowing channel and integrates ethical oversight into regular corporate governance.

LB Group's whistleblowing policy is publicly available on the website (Italian only): [All 11 Sistema disciplinare \(lb-technology.it\)](#)

Sanctions

Sanctions appointed to employees are listed in order of increasing severity. They include:

- Disciplinary actions that preserve the employment relationship: written reprimand, fine of maximum three hours of total pay, suspension from service and pay for a period not exceeding three days of salary.
- Disciplinary actions that terminate the employment relationship: dismissal.

5.4. Sustainable economic performance



4.1 Economic performance



LB Group maintained a solid operational performance during 2024, despite a complex global macroeconomic and political landscape and structural changes within the Group, including the exit of Sermat. As a result, some economic indicators decreased compared to the previous year, reflecting the new scope of consolidation. Nevertheless, the Group continued to pursue profitability and efficiency, strengthening its commitment to sustainable and resilient business practices.

The Group remains committed to fostering sustainable growth that extends beyond profit generation, aiming to cultivate a circular economy model that creates enduring value for all stakeholders across the value chain. These values are also reflected in the solutions and technologies developed for customers, such as LB hybrid, aiming to optimize the economic impact of their investments and resulting production (For further details, please refer to [Chapter /Section 7.1](#)). These initiatives contribute to the establishment of a sustainable economic model over time.

Economic value generated and distributed

The Group recognizes the importance of fairly distributing the economic value generated among its stakeholders who contributed to its creation. In 2024, the LB Group generated a total economic value (total revenues) of €48,232 thousand, reflecting a decrease compared to 2023 primarily due to the exit of Sermat from the Group's perimeter. The economic value distributed amounted to €45,735 thousand, of which €35,596 thousand (around 78%) related to operating costs and €8,762 thousand (about 20%) was allocated directly to collaborators in the form of salaries, social charges, and personnel costs.

The total economic value retained in 2023 amounted to €2,497 thousand, highlighting the

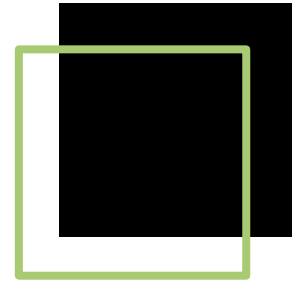
Group's continued capacity to generate value and reinvest resources for future growth and development.

Total economic value of the Group

Economic value (thousands of euro)	31 December 2022	31 December 2023	31 December 2024
Economic value generated directly	62,059	63,320	48,232
Economic value distributed	58,577	59,363	45,735
Operating costs	47,328	47,151	35,596
Remuneration of collaborators	9,847	10,309	8,762
Remuneration of lenders	993	1,325	2,153
Remuneration of the public administration	408	577	777
Donations and gifts	1	1	1
Economic value retained	3,482	3,957	2,497

Following the significant growth achieved in 2023, largely driven by increased sales in the premix and granulation sector, which for the first time surpassed the ceramic sector, 2024 represented a year of consolidation and strategic adjustment. During the year, the Group focused on strengthening its organizational structure, optimizing processes, and embedding sustainable and efficient business practices across all operations, thereby laying a solid foundation for future growth.

6.5. Human resources



5.1 Safeguarding of workers' rights and equal opportunities



The Group recognizes that embracing diversity and protecting workers' rights are crucial for driving sustainability, inclusivity, and the Group's growth. As emphasized in the Code of Ethics, the Group is dedicated to fostering the development and professional growth of each employee by respecting their physical and moral integrity. Any form of denigratory, oppressive, or harassing behaviour is strictly prohibited to create an optimal working environment, and equal opportunities for employment, training, and career advancement are promoted.

This commitment to personnel management is reflected in the values of professionalism, loyalty, honesty, and collaboration. By preventing discrimination and moral or psychological harassment based on gender, age, ethnicity, religion, or sexual orientation, the Group creates a positive and inclusive work environment that supports the well-being and success of all employees.

Human resources targets and performance

Target	Performance 2024
<p>Definition of a health and safety policy, inspired by ISO 45001 standards</p>	<ul style="list-style-type: none"> Continued implementation of the Sustainability Policy, ensuring its integration across business operations and reinforcing commitments to health and safety. Integrated and strengthened the Health and Safety Management System in alignment with ISO 45001 standards.
<p>Strive for zero workplace injuries through continuous improvement in health and safety management.</p>	<ul style="list-style-type: none"> Four non-serious workplace injuries occurred with continuous monitoring, training, and preventive measures remaining in place to strengthen safety awareness and further reduce incident
<p>Ensure gender pay equity by maintaining the ratio of women's to men's base remuneration at around 75%.</p>	<ul style="list-style-type: none"> Achieved a ratio of 69%, reflecting continued efforts towards improving gender pay equity
<p>Definition of a regular performance evaluation system</p>	<ul style="list-style-type: none"> Development of a performance-based KPI system underway, with gradual implementation planned for first- and second-line roles to strengthen performance management and accountability.
<p>Definition of a structured training plan that allows for the continuous growth of individuals (in terms of knowledge and responsibilities) and that integrates training in the ESG field.</p>	<ul style="list-style-type: none"> Delivered targeted training programs on occupational health and safety, machine operation, and regulatory compliance enhance workforce skills and ensure a safe working environment. Offered foreign language courses in response to employee demand, supporting personal growth and improved internal communication.
<p>Maintain or increase the total number of employee training hours to support continuous learning and professional development.</p>	<ul style="list-style-type: none"> Achieved an average of approximately 15 training hours per employee, representing a significant increase compared to the previous year.

5.2 LB Group's people in 2024

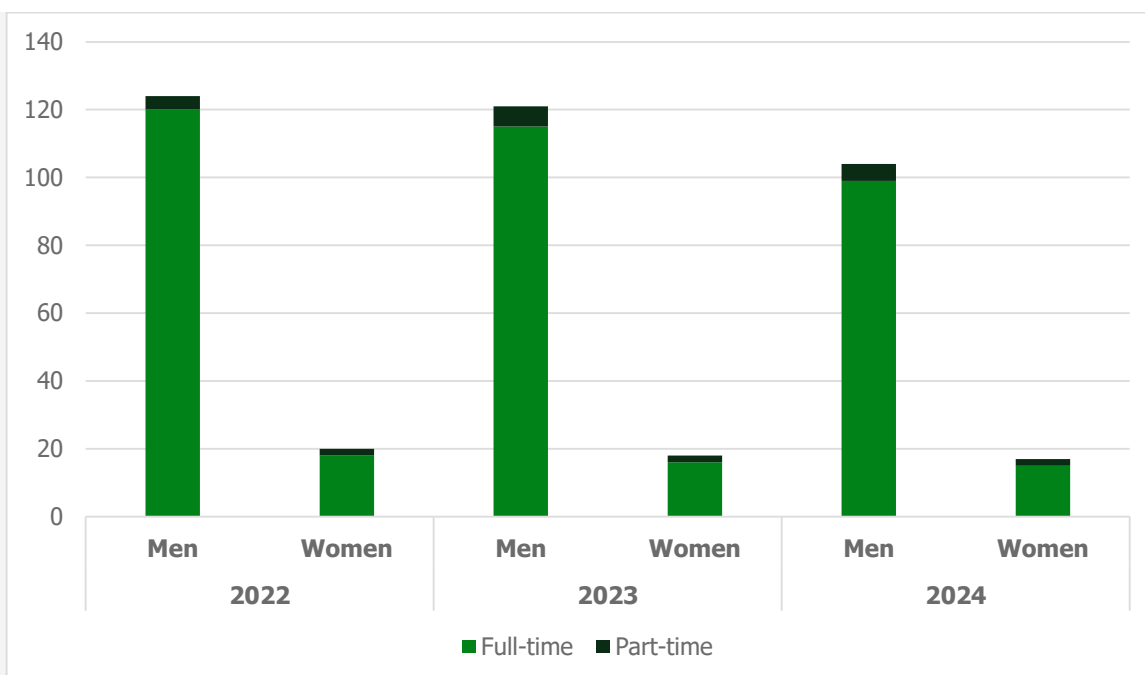
LB's people are the foundation of the Group's long-term value creation. Their expertise, safety and wellbeing are central to LB's strategy and to the way the Group serves customers and communities. Even as the organizational perimeter changed in 2024, LB's commitment to fair, inclusive and engaging workplaces did not change. LB invests in dialogue, learning and leadership so that all colleagues can grow, contribute and thrive, supporting business performance and the Group's sustainability goals. As of 31 December 2024, the Group employed 121 people, a decrease of approximately 13%, mainly driven by the exit of Sermat from the Group's perimeter and structural changes. The quality of employment remained strong, with 97% of colleagues on permanent contracts, unchanged from the prior year.

Aligned with the Group's Code of Ethics, LB strives to ensure equal opportunities for all employees and cater to their needs, such as accommodating requests for part-time employment. In 2024, part-time roles represented approximately 6% of the workforce, consistent with the prior year. Moreover, all LB Group employees are covered by collective bargaining agreements ("CCNL Metalmeccanico" type), underscoring the Group's emphasis on favourable working conditions and fostering positive employer-worker relationships.

Number of employees by type of contract (permanent and fixed term) and gender

Contract type	31 December 2022			31 December 2023			31 December 2024		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent	118	18	136	131	20	151	102	15	117
Fixed term	3	1	4	3	2	5	2	2	4
Total	121	19	140	134	22	156	104	17	121

Employment by type of work and by gender



Percentage of employees* by professional category and gender

Professional category	31 December 2022		31 December 2023		31 December 2024	
	Men	Women	Men	Women	Men	Women
Executives	100%	0%	100%	0%	100%	0%
Managers	100%	0%	100%	0%	100%	0%
Office workers	78%	23%	78%	24%	77%	23%
Factory workers	98%	2%	100%	0%	100%	0%
Total	86%	14%	86%	14%	86%	14%

In 2024, the Group's gender distribution remained broadly unchanged from 2022: approximately 86% male and 14% female. This pattern reflects the occupational mix of LB's operations, which are concentrated in production and field activities that the wider industrial labour market still staffs predominantly with men. Representation varies by function and site: women are more present in office and administrative roles, while technical and shop-floor roles remain male-majority. Nonetheless, Women at LB hold senior and specialist roles and make significant contributions to the Group's performance.

Percentage of employees by professional category and age group

Professional category	31 December 2022			31 December 2023			31 December 2024		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Executives	0%	50%	50%	0%	50%	50%	0%	100%	0%
Managers	0%	10%	90%	0%	14%	86%	0%	25%	75%
Office workers*	16%	54%	30%	20%	53%	27%	23%	53%	23%
Factory workers*	13%	40%	48%	11%	39%	50%	16%	40%	44%
Total	14%	46%	41%	16%	46%	38%	20%	48%	32%

During 2024, the greater part of the workforce (**48%**) was in the **30-50 age group**, followed by the **over 50s (32%)**. In the LB Group commitment to fostering diversity and innovation, the Group emphasized the recruitment of young graduates, resulting in a 4% increase in employees under 30, now totalling 20%. These individuals were identified through internships conducted in collaboration with universities and ITS (Higher Technical Institutes). (For further details, please refer to [Section/Chapter 8.3](#)).

LB shows a balanced and gradually younger age mix. Compared with 2022, the share of younger staff has risen (+6%) and the over-50 cohort has declined (-9%), while the 30–50 group remains broadly stable. By role, executives are now concentrated in the 30–50 band; managers remain predominantly over 50 but with a steady increase in the 30–50 segment (from 10% in 2022 to 25% in 2024). Office functions have seen a progressive rise in under-30s (from 16% to 23%), and factory roles show a modest rejuvenation in 2024 (under-30s up to 16%, over-50s down to 44%). These trends indicate ongoing generational renewal and support LB’s succession planning and knowledge-transfer priorities.

Although no additional employees belonging to protected categories were hired during 2024, the Group remains firmly committed to promoting diversity and inclusion within its workforce. In line with this commitment, targeted recruitment initiatives are planned to begin in 2025, aimed at strengthening representation and creating an increasingly inclusive work environment.

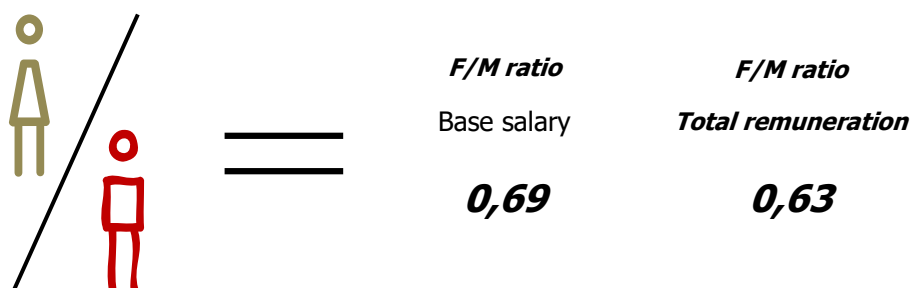
In 2024, the **ratio of basic salary of women to men** was 0.69 for office workers, compared with 0.79 in 2023. This reflects composition effects within office roles and the relatively small female sample, which makes the indicator more volatile. For factory workers, the gender pay ratio is not reported due to the absence or very low number of women in this category in 2024.

In this spirit of progressive change, LB has also initiated a comprehensive reorganization of our compensation and incentive framework. This new approach, still in its developmental stages, will be implemented in the coming years. It aims to assess pay and incentives based on individual performance, reflecting our commitment to a merit-

based system that recognizes and rewards excellence. The introduction of a performance-based KPI system is also under consideration and will be gradually implemented for first- and second-line roles. This initiative will complement existing measures related to generational turnover and retirements, contributing to a more dynamic, fair, and performance-oriented organizational structure.

*Factory workers are individuals who perform tasks requiring physical strength or skill rather than office work. In contrast, office workers are those who engage in tasks typically conducted in an office or other professional environments.

Ratio of basic salary and remuneration of women to men in 2024 for the Office workers category



5.3 Development of professional and business skills

The LB Group is dedicated to establishing a safe and welcoming workplace that encourages both personal and professional growth. The Group actively promotes various training programs, including optional ones, and has increased its workforce, particularly by hiring more young people, over the past year. It also prioritizes the professional development of its employees, ensuring a work environment that upholds workers' rights and fosters equal opportunities for everyone. To further support employee well-being and satisfaction, the Group is evaluating the introduction of internal surveys as a potential future initiative. Such tools would provide deeper insights into employees' needs and expectations, strengthening LB's ongoing commitment to creating a positive, inclusive, and engaging work environment.

The Group places great importance on identifying and developing new talent for its team. To this end, LB Group actively scouts for new human resources on LinkedIn, with a particular focus on engaging young graduates and emerging professionals.

The Group has also strengthened its partnerships with local universities and educational institutions, most notably the University of Modena, to create structured internship and placement programs. These initiatives offer students valuable opportunities for professional growth while enabling LB to attract and develop future talent aligned with its values and business objectives.

New recruits and leavers

As evidenced in its Code of Ethics (for further details, please refer to Section/Chapter 3.2), during the selection and recruitment process, the Group adopts evaluation criteria based on the actual abilities and skills of individuals, adhering to the principle of equal opportunities without any favoritism.

In 2024, four employees joined the Group, evenly split by gender (two women and two men). The age profile of new hires was diversified: 25% were under 30, 25% were

between 30 and 50, and 50% were over 50. Recruitment was selective and aligned with operational needs during a year of organizational change, helping maintain an intergenerational workforce and continuity of skills

Overall, the total inbound **turnover rate** is 3%, while the outbound rate is 18%.

New recruits by age band

Number of recruits	31 December 2022			31 December 2023			31 December 2024		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Men	7	9	6	6	14	11	1	-	1
Women	1	3	1	2	2	-	-	1	1
Total	8	12	7	8	16	11	1	1	2
Inbound turnover rate (%)	42%	19%	12%	32%	22%	19%	4%	2%	5%

Leavers by age band

Number of leavers	31 December 2022			31 December 2023			31 December 2024		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Men	4	13	11	2	8	8	1	8	10
Women	1	1	2	-	-	1	1	1	1
Total	5	14	13	2	8	9	2	9	11
Inbound turnover rate (%)	26%	22%	23%	8%	11%	15%	8%	16%	28%

Training

LB Group implements a comprehensive program of development pathways and training initiatives designed to enhance the expertise of its employees and collaborators. This includes delivering specialized training courses tailored to specific needs. The goal is to continually enhance the Group's human capital. Additionally, LB Group defines strategies for the regular assessment of personnel needs, satisfaction, and performance to effectively manage the risks associated with losing specialists.

Technical training needs are formalized with the aim of maintaining high qualitative standards at both corporate and individual levels. In 2024, training activities covered a wide range of topics, including occupational health and safety, machine operation, and regulatory updates. Furthermore, foreign language courses were made available upon employees' request,

supporting professional development and strengthening LB's capacity to engage with international clients. Looking ahead, additional modules on cybersecurity and artificial intelligence are planned for 2025, further enhancing the Group's training offering and preparing employees for future technological challenges.

Each employee received approximately **15 hours of training on average in 2024**, marking a significant increase compared to 8 hours in 2023. This growth demonstrates the Group's commitment to continuously strengthening technical competencies, soft skills, and digital readiness, thereby contributing to the ongoing development and adaptability of its workforce.

Average hours of training by professional category

Average training hours	31 December 2022	31 December 2023	31 December 2024
Executives	6	21	59
Managers	16	13	40
Office workers	13	14	20
Factory workers	3	5	5
Average	10	811	15

Average hours of training by gender

Average training hours	31 December 2022	31 December 2023	31 December 2024
Men	36	10	16
Women	35	17	14
Average	36	1011	15

5.4 Health, safety and well-being of employees

LB places human capital at the centre of its strategy. The Group's values guide daily operations and inform a commitment to a safe work environment that supports personal and professional growth. LB applies management systems to uphold high standards of occupational health and safety across production sites and off-site activities. These systems cover risk assessment and prevention measures, clear operating procedures,

incident reporting and root-cause analysis, and targeted training. Workplace injuries are systematically tracked and analysed to identify trends and corrective actions, and health-and-safety training is provided on a regular basis. Continuous improvement and employee involvement in safety are central to this approach.

Hazard identification and mitigation

The LB Group identifies work-related hazards in its Risk Assessment Document (DVR) and adheres to the Italian Decree 81/2008 standards to enhance occupational health and safety. In compliance with regulatory requirements, the Group:

- Evaluates and addresses risk factors;
- Tracks prevention and protection progress through a Role Identification and Implementation Program;
- Conducts regular inspections and meetings for continuous improvement.

Before mobilizing to any new worksite, the Group conducts a site-specific risk assessment and defines the required preventive and protective measures. The RSPP (Responsible for the Prevention and Protection Service) conducts initial and follow-up inspections to ensure compliance. To mitigate risks, LB Group follows a Worksite Start-up Procedure and performs periodic site inspections.

The principal hazards associated with the work performed by the Group include:

- Chemical/silica toxicity risk at the Technology Centre, where suitable face masks are provided and the presence of free silica is monitored periodically via laboratory analyses. In order to eliminate these hazards and minimize the risks, LB Group implements a Worksite Start-up Procedure and, via the RSPP, carries out periodic site inspections.
- Working at height, with the risk that employees at external sites might fall. This risk is mitigated via the on-site cutting of all sheet metal needed for silos, thus avoiding the need for aerial platforms with dangerous openings.

All routine activities performed by production operatives are considered low risk, as they primarily involve manual tasks without the use of hazardous equipment or material removal.

In 2024, **four work-related injuries** were recorded within the Group. While this represents a change from 2023, when no injuries occurred, all of these incidents were **minor in nature** and did not result in serious harm. The number remains limited and reflects LB's ongoing commitment to occupational safety and risk management. Notably, the **injury rate remained below 10% compared to the average of the previous three years**, demonstrating the continued effectiveness of the Group's prevention measures.

Health and safety are deeply embedded in LB's integrated policies and operational processes and remain a top priority for the Group alongside continuous training. In response to the incidents recorded in 2024, LB further enhanced its training programs, focused on the safety of workers. These include modules on worksite protocols, the use

of personal protective equipment (PPE), and the safe handling of electronic devices, designed to strengthen awareness and prevention capabilities across all teams. Moreover, traveling technicians receive comprehensive training on all aspects of occupational health and safety. When visiting customers, these technicians ensure compliance by requesting training certificates and other relevant documents, which employers in the European Union use to fulfil their obligation to provide corporate safety information.

Work-related injuries to employees

	31 December 2022	31 December 2023	31 December 2024
Number of registrable work-related injuries	1	0	4
<i>of which serious work-related injuries (excluding death)</i>	0	-	-
<i>of which, deaths following work-related injuries</i>	0	-	-
Hours worked ²	287,616	269,210	233,889
Rate of registrable work-related injuries ³	0.7	0	3.4
Rate of serious work-related injuries (excluding death)	0	0	0
Rate of deaths following work-related injuries	0	0	0

²The number of hours worked by Group employees has been estimated with reference to the average number of hours worked by each employee.

³Injury rates are calculated as follows: [(number of injuries by category/total hours worked) x 200,000].

ISO 45001 as part of the integrated management system

In 2024, LB implemented an Integrated Management System (IMS) that brings together its certifications under ISO 9001 (Quality Management), ISO 14001 (Environmental Management, obtained in 2024), and ISO 45001 (Occupational Health and Safety, issued in 2023).

The IMS provides a unified framework for managing quality, environmental, and health and safety aspects across all business processes. By integrating these standards, LB ensures greater operational consistency, risk control, and resource efficiency, while simplifying procedures and avoiding duplication of efforts.

This system supports LB's commitment to continuous improvement, regulatory compliance, and sustainable value creation, reinforcing its ability to deliver high-quality products while minimizing environmental impacts and safeguarding employee wellbeing.

Welfare initiatives

The LB Group has implemented various initiatives aimed at enhancing the overall well-being of its employees, including benefit packages and flexible working arrangements designed to foster a high-quality work environment and enhance employees' work-life balance.

The Group's structured corporate welfare system and internal communication strategies play an important role in strengthening the relationship between the company and its people. All employees benefit from comprehensive health and supplementary insurance coverage, which includes protection against both work-related and non-work-related injuries that may result in disability. In addition, the welfare program provides benefits such as meal vouchers, accident insurance, and partnerships with external service providers, including agreements with a restaurant chain, further enriching the employee experience and strengthening LB's value proposition as an employer of choice.

7.6. Environmental responsibility



Since its founding in 1973, LB Group has treated environmental responsibility as a core business principle, making it a cornerstone of its mission. Over five decades, the Group has diversified its business sectors, maintaining a steadfast commitment to sustainability. From the beginning, LB Group's technology stood out as more sustainable than other market options, designed with principles of circularity and resource efficiency at its core. This determined focus on sustainability has been integral to LB's vision and operations.

LB Group has progressively integrated sustainable practices into its development and production processes. To further strengthen its dedication to environmental stewardship, the Group has embarked on a comprehensive and structured journey to understand and mitigate the environmental impact of its activities, including those within its supply chain.

To achieve this, LB Group has implemented specific measures such as calculating the Group's Carbon footprint. This initiative is part of a broader effort to track and reduce emissions, improve resource management, and promote sustainable practices throughout the organization. By identifying and quantifying its carbon emissions, LB Group can take targeted actions to minimize its environmental footprint.

Environmental targets and performance

Target	Performance 2024
Definition of an environmental policy and formalized energy consumption management, inspired by ISO 14001 standards	<ul style="list-style-type: none"> The ISO 14001 certification has been officially issued in March 2024
Definition of principles and requirements for the quantification and reporting of greenhouse gas	<ul style="list-style-type: none"> Completed the first comprehensive GHG inventory in 2024, covering Scope 1 and Scope 2 emissions

(GHG) emissions and their subsequent removal, inspired by ISO 14064 standards	and identifying and quantifying the most material Scope 3 categories, inspired by ISO 14064 standards.
Definition of a plan of initiatives aimed at reducing environmental impacts (e.g., purchase of green energy, CO2 emissions offsetting) in relation to the results from the Carbon footprint analysis.	<ul style="list-style-type: none"> • Signed a new electricity supply agreement sourced from renewable energy, further increasing the share of renewables in total consumption. • Conducted maintenance and modernization activities to ensure optimal performance and efficiency of the photovoltaic system. • Other proposals are under evaluation.
Maintain or reduce energy consumption, allowing a maximum increase of 5% compared to the previous year or the three-year average.	<ul style="list-style-type: none"> • Energy consumption reduced by 18.5%. 26% of the total energy is derived from renewable sources.
Ensure that at least 95% of packaging materials are derived from renewable sources	<ul style="list-style-type: none"> • Achieved 97% of packaging materials derived from renewable sources, representing a 1% improvement compared to the previous year.
Ensure that hazardous waste remains below 5% of the total waste produced, through continuous monitoring and proper waste management practices.	<ul style="list-style-type: none"> • Hazardous waste accounted for 2.2% of total waste generated, remaining well below the 5% target.
Regulate the identification, management, and disposal of new laboratory waste.	Defined within the scope of ISO 14001.

The Group is continuously updating its environmental policy each year, adapting to global requirements and industry standards.

~~7.16.1~~ Energy consumption

LB Group places a strong emphasis on tracking and managing its energy use to ensure efficient operations across both offices and production sites. Regular reviews of consumption patterns are carried out, allowing the Group to pinpoint areas where efficiency gains can be achieved and to adopt measures that contribute to reduced energy intensity.

Demonstrating its commitment to continuous enhancement of environmental performance, the Group has progressively broadened the scope of these activities.

The main energy inputs for the Group's activities are:

- Natural Gas – primarily employed to provide heating in workplaces and production halls.
- Gasoline – required for the operation of the corporate vehicle fleet.
- Electricity – supplied through the national grid, with the majority currently derived from conventional (non-renewable) sources.

Use of renewable energy

To reduce its dependence on grid-supplied electricity and increase the share of renewable sources in its energy mix, LB Group has been investing in solar power for more than a decade. The first photovoltaic systems were installed in 2011, and today they continue to make a tangible contribution to the Group's overall energy consumption.

At the Fiorano Modenese facility, photovoltaic panels supply a significant share of the electricity required by LB Officine Meccaniche S.p.A. In 2024, the system underwent maintenance and modernization, including the replacement of inverters, rewiring, and thorough cleaning of the panels to ensure optimal performance. Looking ahead, the Group is evaluating the expansion of the existing photovoltaic installation to other buildings at the Fiorano site, as well as the installation of a new system at Barcom, which has recently relocated to a new facility. In 2024, the photovoltaic systems produced around 175 GJ of electricity, demonstrating their tangible role in reducing reliance on conventional energy sources.

These long-term investments in solar power form part of a broader strategy to decarbonize the Group's energy consumption. Building on this foundation, in early 2024 LB Group signed a new electricity supply agreement sourced entirely from renewable generation for its Fiorano Modenese plant, further increasing the share of renewables in its energy mix and marking a significant step forward in its decarbonization strategy and energy transition pathway. Moreover, 26% of the total energy used in 2024 was derived from renewable sources, underscoring LB Group's commitment to expanding clean energy within its portfolio. The entire energy consumption used in LB Officine Meccaniche plant in Fiorano Modenese is certified by Guarantees of Origins (GOs).

Energy efficiency measures

LB Group continues to invest in improving the energy efficiency of its operations through technological innovation. One example is the development of LB Hybrid technology, which is designed to reduce the energy requirements of production machinery (further details are provided in Chapter/Section 7.1).

In addition, Barcom has introduced a pioneering Heat Recovery System that captures hot air generated during industrial processes and reuses it within operations. This system not only optimizes energy efficiency but also contributes to lower CO₂ emissions and creates economic benefits for clients through reduced operating costs.

During 2024, the Group's total energy consumption decreased from 10175 GJ to 8259 GJ (equivalent to a 18.83% decrease).

Vehicle Fleet

The LB Group currently manages a fleet of 55 vehicles. As part of its broader sustainability strategy, the Group is transitioning towards more efficient and lower-emission mobility solutions. In 2023, the first hybrid vehicles were introduced, marking the start of a gradual fleet renewal program. To further support this transition, two charging stations were being installed at Group facilities in 2024, enabling the future integration of additional electric and hybrid vehicles.

In parallel with upgrading the fleet, the LB Group is also reducing transportation-related emissions by encouraging virtual meetings in place of business travel, thereby limiting commuting needs and supporting more sustainable working practices.

Energy consumption within the organization

Energy consumption ¹ (GJ)	31 December 2022	31 December 2023	31 December 2024
Fuel (natural gas)	4,289	4,583	3578
Electricity purchased from the grid (from non-renewable sources)	2,138	2,423	2548
Electricity self-generated from renewable sources	678	613	175
<i>of which sold to the grid</i>	274	243	6
Vehicle fleet ² (diesel)	2,024	2,556	1958
Total energy consumption	9,129	10,175	8259
<i>Of which renewable sources (%)</i>	7.4%	6.0%	26%

[1] The factors used for the conversion of energy consumption into GJ are published by ISPRA (2019) and in the FIRE Report on Energy Managers, 2018.

[2] The factors used for the conversion of fleet consumption into GJ are published by NIR: ITALIAN GREENHOUSE GAS INVENTORY 1990 - 2017 - NATIONAL INVENTORY REPORT 2019 and FIRE: Energy Manager Guidelines 2018. Data for the two-year period 2020-2021 was estimated from the average distance travelled (km) by company cars, which is monitored annually.

6.2 Carbon footprint focus

For the first time in 2021, the Group assessed its Carbon footprint in accordance with international standards (ISO 14064-1:2019). This initial analysis, completed in 2022, improved the recording of energy consumption data, establishing the initial baseline to set improvement targets and develop a long-term strategy for emissions reduction.

Each year LB updated this calculation of Scope 1 and Scope 2 emissions, introducing, for the first time in 2024, the reporting of Scope 3 emissions.

The assessment of Scope 3 enables the Group to monitor progress and identify additional areas of improvement, such as increasing collaboration with suppliers to source raw materials with a lower carbon footprint. In the same year, the Group initiated the certification process of its GHG emissions inventory under ISO 14064 standards.



Scope 1 emissions

With this term, the GHG Protocol* identifies emissions that are under the direct control of the organization and are generated within its operational boundaries

Scope 2 emissions

With this term, the GHG Protocol identifies indirect GHG emissions resulting from purchased energy, generated outside the company's boundaries but consumed internally. Scope 2 GHG emissions can be location or market based**.

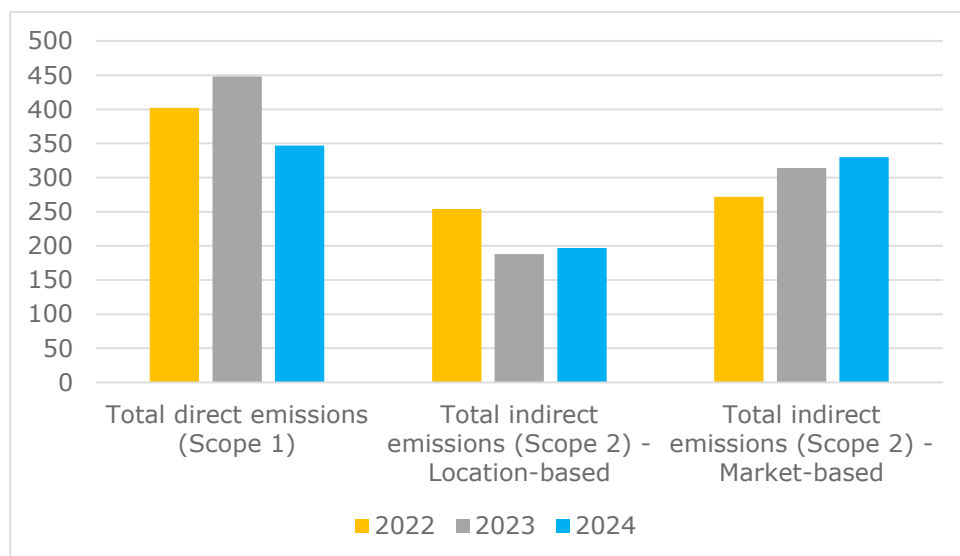
Scope 3 emissions

With this term, the GHG Protocol identifies all other indirect emissions that are not under the control of the organization, excluding those of Scope 2. These are indirect emissions resulting from the upstream supply chain and the downstream distribution chain.



**The GHG Protocol is an internationally recognized set of guidelines and standards developed to facilitate the measurement and management of greenhouse gas (GHG) emissions. It provides organizations with a comprehensive framework for calculating emissions across different sectors and scopes, allowing for consistent and comparable reporting of environmental impacts.*
*** The "Location-Based" approach calculates emissions using average factors for energy generation within specific geographical areas. The "Market-Based" approach uses emission factors defined by contractual agreements with electricity suppliers. Since the Group lacks specific contracts with its electricity supplier, it uses the emission factor for the national residual mix for the Market-Based approach.*

Direct (Scope 1) GHG emissions and Indirect (Scope 2) GHG emissions from energy consumption



Emissions (ton CO ₂ eq)	31 December 2022	31 December 2023	31 December 2024
Total direct emissions (Scope 1) ¹	402	448	347
Total indirect emissions (Scope 2) - Location-based ²	154	188	197
Total indirect emissions (Scope 2) - Market-based ³	272	314	330
Total Scope 1 and Scope 2 emissions (Location-based)	557	636	544
Total Scope 1 and Scope 2 emissions (Market-based)	675	762	677
Energy emission intensity (tCO₂eq/M€)	11	12	14

[1] The 2020 and 2021 Scope 1 emissions were calculated using the emission factors published by the Ministry of the Environment - Table of national standard parameters for the monitoring and communication of greenhouse gases.

[2] The Scope 2 - Location-Based emissions were calculated using the emission factors published by ISPRA - GHG atmospheric emission factors in the national electricity sector and in the principal European countries.

[3] The Scope 2 - Market-Based emissions were calculated using the emission factors published by the Association of Issuing Bodies (AIB) European Residual Mixes (2019 and 2020).

Analysing the Group's 2024 activities compared to 2023, Scope 1 emissions decreased from 448 to 347 (-23%), mainly reflecting reduced direct fuel consumption and the exit of Sermat from the Group. Scope 2 (location-based) emissions increased from 188 to 197 (+5%). When calculated with the market-based method, Scope 2 emissions increased from 314 to 330 (+5%).

As a result, total Scope 1 and 2 emissions (market-based) declined from 636 to 544 (-14%) compared to the previous year.

At the same time, energy emissions intensity **increased** from 11 tCO₂eq/M€ to **14** tCO₂eq/M€ (+27%) because, although the economic value of revenues declined due to the market contraction in 2024, a certain minimum level of emissions linked to the company's operations remains.

Indirect (Scope 3) GHG emissions and related categories

Category		Emissions (tCO ₂ e)	% on total Scope 3	Category Emissions (t CO ₂ e)
Category 3: indirect GHG emissions from transportation	3.1 Emissions from Upstream transport and distribution for goods	485,014	54%	528,352
	3.2 Emissions from Downstream transport and distribution for goods	42,761	5%	
	3.3 Emissions from Employee commuting	302	0%	
	3.5 Emissions from Business travels	245	0%	
	3.6 Upstream of fuels for mobile sources	30	0%	
Category 4: indirect GHG emissions from products used by organization	4.1 Emissions from Purchased goods & services	165,774	18%	166,178
	4.2 Emissions from Capital goods	23	0%	
	4.3 Emissions from the disposal of solid and liquid waste	73	0%	
	4.4 Emissions from the use of assets (leasing)	199	0%	
	4.6 Upstream fuels (from stationary sources) and electricity	108	0%	
Category 5: Indirect GHG Emissions associated with the use of products from the organization	5.1 Emissions or removals from the use stage of the product	201,749	22%	201,749

For the first time in 2024, the Group extended its GHG inventory, in accordance with the applicable Scope 3 categories along its value chain. Among all, the following categories emerged as most relevant:

- Category 3.1 – Upstream Transportation and Distribution: accounting for 54% of total Scope 3 emissions, related to third-party logistics for the inbound transport of raw materials and semi-finished goods.
- Category 3.2 – Downstream Transportation and Distribution: representing 5%, covering emissions associated with the distribution of finished products to customers and end markets.
- Category 4.1 – Purchased Goods and Services: contributing 18% of the total and representing the largest share, reflecting the carbon intensity of raw materials and components procured by the Group.
- Category 5.1 – Use of Sold Products: equal to 22%, linked to emissions generated during the operational lifetime of products once delivered to customers.

Among these, Upstream Transportation and distribution (Category 3.1) emerged as the most material category, while the other categories contributed smaller, though relevant, shares to the overall Scope 3 footprint.

Scope 3 emissions are calculated to capture indirect greenhouse gas emissions occurring along the value chain, both upstream and downstream of company operations. For certain categories, both well-to-tank (WTT) and non-WTT emissions were calculated to ensure comprehensive coverage of upstream and downstream impacts. WTT emissions

account for the upstream processes related to the extraction, refining, and transport of fuels and energy, while non-WTT emissions capture the indirect emissions directly associated with the activity itself (e.g., use of goods, waste processing, transportation). Emission factors are applied to activity data (e.g., liters of fuel, tonnes of material, passenger-kilometers) to quantify these impacts, based on the most recent and reliable datasets available (i.e., Defra, Ecoinvent, local studies, IPCC).

GHG emissions reduction initiatives

LB Group is constantly seeking to improve its GHG emission reduction strategy. Beyond the energy efficiency measures already mentioned, the Group is working on several organizational initiatives:

- Identifying and promoting products that reduce dependence on materials with high carbon intensity (such as carbon steel);
- Adopting technologies that minimize waste and optimize energy and water consumption;
- Limiting urgent shipments (e.g., airplanes or ad-hoc expeditions) that are only used when strictly necessary to meet the Group's customers' needs;
- Replacing in-person meetings with virtual alternatives, whenever possible.

The Group is also endeavouring to enhance its decarbonization strategies by engaging in a new partnership with MUGO, a company that helps in developing carbon neutrality strategies and decarbonization pathways, thanks to CO₂ reduction activities and carbon offsetting.

6.3 Use of sustainable raw materials

LB promotes the responsible use of resources within a circular economy framework, aligning its productive activities with strategic sustainability guidelines. Since its beginnings, LB Group has addressed market demands with innovative technology that reduces the direct environmental impacts of production. Coupled with innovation and efficient production processes, this approach ensures that the Group's machines have a life cycle of about 30 years, offering longevity and durability over time, while focusing on energy consumption and material usage.

Materials used by weight or volume

Weight of raw materials used (tons)	31 December 2022	31 December 2023	31 December 2024
Packaging	49.93	51.40	161.53 91.74
<i>of which from renewable materials (%)</i>	96%	96%	96%
Materials for plant metalwork	216.09	2,260.21	2,730.40

<i>of which from renewable materials (%)</i>	0%	0%	0%
Total raw materials used	266.02	2,311.62	2,891.93
<i>of which from renewable materials (%)</i>	18%	2%	5%
Total recycled input materials used	0	0	0

In the LB Group packaging operations, raw materials are categorized into renewable materials*—such as crates, cages, pallets, and cardboard boxes—and non-renewable materials*, including plastic, polyethylene, and nylon.

Between 2023 and 2024, the use of packaging materials increased sharply, from 51.4 tons to 161.5 tons. Despite this growth, the share of renewable materials remained stable at around 96–97%, confirming the Group’s consistent commitment to sustainable sourcing and packaging solutions.

At the same time, materials used for plant metalwork rose from 2,260 tons to 2,730 tons, in line with the greater number of metal components in the equipment produced. As a result, the total raw materials used grew from 2,311.6 tons in 2023 to 2,891.9 tons in 2024, while the overall share of renewable materials increased modestly from 2% to 5%.

Additionally, the significant increase in materials used compared to the previous year is primarily due to the type of equipment sold, particularly the greater presence of metal structures. Materials data can fluctuate considerably year to year due to the variability in equipment sold and the estimation methods used for calculating weights based on similar items. The increase in 2023 is also due to a recalibration of the previous year’s data, achieved by refining the Group calculation method to ensure the most accurate data possible.

** Renewable materials are derived from abundant resources that are quickly replenished by ecological cycles or agricultural processes. This ensures that the services provided by these and other linked resources are not endangered and remain available for future generations. Non-renewable materials, on the other hand, are resources that do not renew in short time periods.*

Advancing Circular Economy Practices in Production

In 2024, LB introduced a new **management system for handling sheet metal scrap from laser cutting processes**, enabling precise tracking through the integration of a digital management tool and bill of materials. This improvement ensures better monitoring of material flows, supporting more responsible use of resources. Building on this step, the Group is planning to launch an advanced nesting software that optimizes the arrangement of cutting patterns in 2025, significantly reducing material waste. These initiatives represent a concrete example of LB’s commitment to circular economy principles, minimising waste, improving resource efficiency, and contributing to a more sustainable production model.

6.4 Responsible management of production waste

Upon completing various processing activities at LB Group facilities, the production residue is managed in compliance with current environmental regulations and internal procedures. Waste traceability is ensured through the input/output register and the Combined Environmental Declaration Form (MUD in Italian), which must be filed annually by waste producers.

Waste produced, not sent for disposal and sent for disposal

Composition of waste produced (tons)	31 December 2022	31 December 2023	31 December 2024
Hazardous waste	3.30	25.70	7.30
Non-hazardous waste	491.70	571.90	315.90
Total waste	495.10	597.50	323.10
<i>of which sent for disposal (%)</i>	75%	75%	75%

In 2024, the total waste produced by LB Group amounted to 323.10 tons, marking a 45.9% decrease compared to 597.50 tons in 2023. This significant reduction is mainly linked to the slowdown in the ceramic sector, which led to lower production volumes, and to the Group's organizational changes, including the discontinuation of activities at Sermat, previously responsible for nearly 10% of total waste.

Hazardous waste totalled 7.30 tons in 2024, representing a 71.6% decrease compared to 25.70 tons in 2023, while remaining higher than the 3.30 tons recorded in 2022. Non-hazardous waste amounted to 315.90 tons, a 44.8% reduction from 571.90 tons in 2023 and a 35.7% decrease compared to 491.70 tons in 2022. As in previous years, 75% of the total waste generated in 2024 was sent for disposal, while the remaining 25% was recovered through recycling or other forms of recovery.

The composition of waste produced continues to be primarily associated with processing residues such as wastes from construction and demolition activities, followed by packaging waste, absorbents, rags, filter materials, and protective equipment.

HIGHLIGHTS 2024

Print Releaf



In 2024, LB **continued its partnership with PrintReleaf**, the global reforestation program launched in 2023 to measure and offset paper consumption through tree

planting initiatives. This collaboration enables the company to accurately track paper usage across its operations using market-leading software seamlessly integrated into LB's existing systems.

Through PrintReleaf, LB is given the opportunity to choose where to reforest to compensate its paper consumption, selecting from a network of certified global reforestation projects. This ensures that the environmental impact of LB's paper use is mitigated by contributing to the growth of new forests in various parts of the world.

LB remains committed to offsetting **100% of its paper consumption**, with progress carefully monitored and verified through a dedicated platform to ensure full transparency and accountability. All reforestation activities are independently certified, guaranteeing that the projects meet stringent sustainability and environmental stewardship standards.

By maintaining and strengthening this initiative, LB not only continues to address its paper footprint but also actively contributes to broader efforts in biodiversity conservation, climate action, and ecosystem restoration.

Focus on ISO 14001:2015

In March 2024, LB Group obtained ISO 14001 Environmental Management System certification, a key milestone in its journey toward operational excellence and sustainable growth. The certification confirms that LB's environmental management practices comply with internationally recognized standards, demonstrating a structured and proactive approach to identifying, managing, and reducing environmental impacts across its activities.

The ISO 14001 certification process involved a comprehensive review of LB's environmental policies, procedures, and performance indicators. It required the integration of systematic methods for monitoring energy use, waste generation, and emissions, as well as the adoption of measurable objectives for continuous improvement.

Achieving this certification strengthens LB's commitment to environmental responsibility, regulatory compliance, and the prevention of pollution. It also provides a solid foundation for the integration of environmental management with quality and health and safety systems within the Group's **Integrated Management System**.

7. Responsibility for products and services



7.1 Product quality, innovation and safety

Continuous product and process innovation has always been integral to the Group's DNA, driving the creation of a new generation of technologies. This commitment is embodied in the LB Group Technology Center, a state-of-the-art Research and Development laboratory equipped with systems and technologies that replicate those used in industrial plants.

For LB, innovation means integrating productivity, quality, sustainability, and technological progress to support customers at every stage of the value chain, from project consulting to after-sales service. Each year, the Group focuses on R&D activities, advancing dozens of projects aimed at improving process efficiency, reducing emissions, and enabling the circular use of materials. Importantly, R&D activities work closely with the Purchasing Department to identify sustainable technical solutions in collaboration with suppliers. This proactive approach ensures that ESG considerations are embedded from the earliest stages of product development, strengthening the sustainability profile of future technologies while meeting the evolving market and customer needs.

With over 50 years of experience in ceramic plant engineering and numerous patents developed over time, LB combines a strong heritage with a forward-looking vision. Looking ahead, the Group is focused on expanding productivity while simultaneously reducing production costs and minimizing environmental impact, ensuring that innovation remains a cornerstone of its sustainable growth strategy.

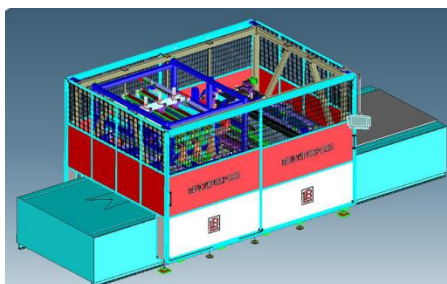


Quality and innovation targets and performances

Target	Performance 2024
Update of the quality manual and procedures	<ul style="list-style-type: none"> • Renewal of the ISO 9001 Quality Management System and revision of the Quality Manual to ensure ongoing compliance and continuous improvement • Strengthened the non-conformity management system, now overseen by a dedicated specialist, improving both the sensitivity and traceability of internal reporting.
R&D activities with an environmental impact on reducing consumption	<ul style="list-style-type: none"> • Conducted additional laboratory testing with new customers on LB Hybrid Technology to further enhance performance and expand its range of applications • Continued the refinement of Easy Colour Boost, incorporating customer feedback to optimize performance and minimize colour wear

Throughout its history, LB has developed various technologies with a strong focus on research and development and environmental sustainability. These technologies are highlighted in the table below. LB Group is continuously advancing and refining its technologies to respond effectively to evolving market needs. In addition to the flagship LB Hybrid project, developed in 2022, the Group developed and enhanced several other innovative solutions in 2024, further strengthening its technological offering and competitive edge:

LB Technologies	Description	Technological and environmental advantages
	<p>Easy color boost 2.0 is an evolution of the continuous dry colouring system, allowing for the application of new materials to reduce wear. In 2023, access to the machine for maintenance operations was redesigned, and the project was reconfigured to offer greater compactness in installations. In 2024, the refinement process continued, guided by customer feedback to further optimize performance and adapt the solution to evolving production needs.</p>	<p>Flexibility: Increased chromatic intensity and opportunity for rapid product differentiation</p> <p>Innovation: Higher product quality and greater compactness in installations.</p> <p>Sustainability:</p>
	<p>Naturtech 2.0 is a new system that allows the control of vein inclination laterally, providing greater repeatability of vein position on the plane and increasing hopper extraction performance.</p>	<p>Reduction of material waste in production processes, water and chemical use.</p>
	<p>LB Hybrid technology achieved significant milestones in its development. Extensive testing with various customer-supplied materials validated the project's data and confirmed its strong environmental performance. Results demonstrated reductions in CO₂ emissions, as well as decreases in gas and water consumption. Laboratory testing with additional customers is ongoing to further enhance performance and broaden its applicability.</p>	
	<p>Scrap Recovery System: In 2023, the LB Group introduced the Scrap Recovery System, an evolution of the Group's existing technology. This system crushes large scraps, such as thick tiles, into reusable pieces. The main advantages for the clients are: CO₂ savings, reduced costs and reduced waste.</p>	
	<p>Heat Recovery System by Barcom: Also in 2023, the LB Group introduced the Heat Recovery System by Barcom. This system captures and reuses hot air from industrial processes to boost energy efficiency. The advantages for the clients are multiple and tangible: reduction of CO₂ emissions, significant economic savings and real-time system monitoring for efficient management.</p>	



Multi-purpose KIT: It is a versatile, compact technological solution designed for ceramic manufacturers seeking to optimize production and achieve multiple, exclusive, high-quality aesthetic effects. Easy to use and compatible with various types of presses, the kit represents a cutting-edge and practical option to produce double-charge large slabs. To minimize installation space and simplify replacement during production changes, this fully automated, the multipurpose system integrates the functions of traditional kits, enabling the creation of double-charge products with unique, natural-looking aesthetic effects.

Diversifying technological applications beyond ceramics

LB Group continues to diversify its R&D efforts beyond the ceramics industry, exploring new applications of its technologies in sectors such as fertilizers, agrochemicals, and pet food. Building on previous developments, such as the application of microgranulation technology to optimize fertilizer use and reduce environmental impacts, the Group is now focusing on tailor-made solutions that respond to specific customer needs. These solutions often involve granulation processes (both dry and wet) with precise particle size requirements and an emphasis on energy efficiency.

In 2024, LB conducted tests on materials such as compost and digestate for fertilizer production, adapting its technology through preliminary testing and system customization to match the properties of the supplied materials and the customer's product recipes. This customized approach not only optimizes machine performance but also reduces energy waste, delivering tangible sustainability benefits. Particular attention was given to the premixed products sector, where LB consolidated its expertise by installing several systems, further strengthening its position as an innovation partner in emerging markets and contributing to more sustainable and efficient production processes.

Product safety

Regarding product safety, LB Group complies with Machinery Directive 2006/42/EC by conducting specific activities in the design, manufacturing and installation phases to enhance the safety of equipment. In addition to the Machinery Directive, LB Group also complies with other relevant regulations governing safety and the conformity of products marketed in Europe, such as ATEX 2014/34/EU and Directive 2014/35/EU (the Low Voltage Directive). This comprehensive approach ensures that the Group meets the highest standards, reflecting the Group's commitment to the safety and well-being of its customers.

Each plant and machine supplied by LB is adequately identified by a unique label indicating project ID, machine description, section identification inside project, compliance with CE and ATEX directives.

Each plant and machine comes also with a detailed user manual which not only shows

how to operate safely the machine but also how to unbox and install it, dispose it and handle waste material.

LB Group's high-quality engineering allows seamless integration of their products with other machinery, providing the "partly completed machinery" certification for incomplete applications or undetermined end-uses. They also offer after-sales safety checks, maintenance services, and comprehensive training during acceptance tests, covering product usage and maintenance procedures, detailed in an accompanying manual.

Demonstrating LB Group's commitment to quality and safety, the Group received no complaints leading to sanctions in these areas in the last years. Starting in 2023, in alignment with their Life Cycle Perspective (LCP) approach, which involves participating in projects from the beginning of a product's life cycle through to its end, the Group began incorporating clauses into their user and maintenance manuals focused on the proper management of waste generated during product use and at the end of the product's life, currently applied to belts.

Customer privacy and data protection

Regarding privacy and data protection, LB Group utilizes the most advanced cybersecurity technologies to protect customer data handled in its facilities and by its employees and complies with UE directive 2016/679 (GDPR). Access to Technological Centre and research data is restricted to authorised personnel only. Authorization can be granted to external people only upon decision of company directives and only after signing an NDA agreement.

For further details please read our privacy policy published on our website.

Focus on ISO 9001:2015

LB Group ensures the delivery of products and services that meet the highest quality standards through the implementation of an ISO 9001:2015 certified Quality Management System (QMS). This QMS provides continuous monitoring of business process quality and addresses the risks associated with meeting both internal and external quality requirements throughout the entire value chain of the Group.

The requirements of this standard apply to the design, production, and installation of plant and machinery for the ceramics industry, as well as to the processing of powders and materials in other industrial sectors.

In December 2024, LB successfully renewed its ISO 9001:2015 certification, reaffirming its commitment to operational excellence and continuous improvement.

A key milestone in 2024 was the strengthening of the non-conformity management system, now overseen by a dedicated specialist. This development has enhanced both the sensitivity and traceability of internal reports, including those originating directly from production departments, thereby improving responsiveness and fostering a stronger quality culture within the organization. In parallel, LB has implemented target actions to improve quality control in production, internal logistics and material handling, further reinforcing the robustness and effectiveness of its quality processes.



8. Fostering value creation across the value chain

8.1 Customer satisfaction

At the LB Group, customer satisfaction is integral to business practices, demonstrating the Group's commitment to long-term success and maintaining a solid reputation. The Group believes that relationships with clients should be based on loyalty, fairness, and transparency, in full compliance with LB Group's Code of Ethics. (For further details, please refer to Chapter /Section 3.2).

Listening to and understanding customer needs is central to this commitment. In 2024, LB placed particular emphasis on gathering customer feedback as a tool to continuously improve its technologies, services, and solutions. Feedback was primarily collected through direct interactions between sales teams and clients, including scouting activities and dedicated meetings, rather than through structured surveys. Digital channels also played a significant role in strengthening engagement and capturing customer perceptions. Positive feedback emerged from social media communication activities, particularly in non-ceramic markets, where new contacts and business opportunities were generated. Engagement on LinkedIn continued to grow steadily, while the technical data sheets on LB's website were increasingly consulted by customers seeking detailed information and downloadable catalogues.

LB Group is dedicated to safeguarding client interests by providing clear and accurate service information, helping customers make informed decisions and fostering trust. Clients consistently choose the Group for its meticulous attention to their needs and unique, exclusive products unavailable from other multinational companies. Additionally, LB Group's focus on reducing environmental impact and production costs, along with its certifications, management systems, and procedures, positions it competitively on the market.

LB Group **international clients demand:**

- Unique, exclusive, and difficult-to-replicate products
- Increased productivity and larger dimensions
- Reduction in production costs
- Environmental impact reduction
- Cutting-edge technology and services
- Extreme precision in every aspect
- Expertise and confidentiality
- Serious and reliable partners
- Technology and services compatible with Industry 4.0



LB myPlus

LB Group's commitment to customers goes beyond installing production lines; it includes ongoing support through on-site technical assistance and online support. Embracing Industry 4.0 standards, which involve integrating cutting-edge technologies into modern industrial automation, LB's R&D division has developed advanced software systems to control the production cycle remotely using augmented reality. These systems ensure smooth daily operations and provide rapid response times in case of malfunctions.



30 minutes

A CALL IS RECEIVED



1 hour

START SUPPORT WORK ON PROBLEMS THAT AFFECT THE FUNCTIONING OF THE PLANT



2 hours

START SUPPORT WORK ON PROBLEMS THAT RESTRICT FUNCTIONING OF THE PLANT



24 hours

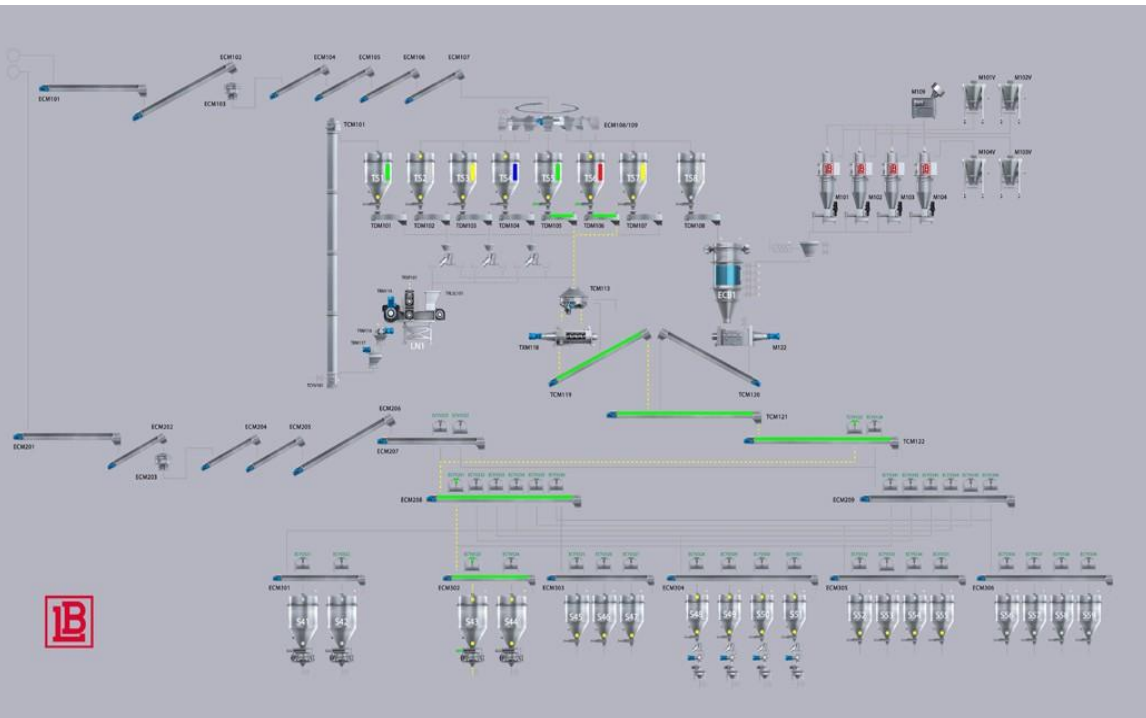
START SUPPORT WORK ON PROBLEMS THAT DO NOT AFFECT OR RESTRICT THE FUNCTIONING OF THE PLANT



The MyPlus software platform provides detailed and effective information for optimizing production processes, featuring an intuitive graphic interface and optional modules for operators.

LB's maintenance management function is designed to plan and enhance maintenance activities, ensuring the longevity and quality of its plants. By analysing usage statistics, it identifies inefficiencies and issues, enabling precise corrective actions. Trend analyses optimize machine and line setups for maximum productivity and efficiency, while material consumption reports improve procurement and overall production control.

MyPlus offers a comprehensive, modular, and scalable solution for all LB technology systems, ensuring ease of use for operators.



LB Group worldwide presence

In 2024, LB underscored its commitment to global outreach, innovation, and technological leadership through targeted participation in four pivotal trade events: Exposolidos, Indian Ceramics Asia, Revestir, and Tecna. These exhibitions offered strategic platforms to present the Group's latest technologies, strengthen partnerships, and promote solutions aligned with sustainability and evolving market needs.

- **Exposolidos** enabled LB to engage with leaders in solids processing and bulk materials across Southern Europe. Through technical dialogues and showcasing solutions in material handling, dosing, and solid-liquid separation, LB reinforced its capabilities and expertise in powder and solids technologies.
- **Indian Ceramics Asia**, the most important B2B event for the ceramics and brick industries in the Indian subcontinent, offered an opportunity to connect with one of the world's fastest-growing ceramic markets. LB showcased its sustainable technologies to local and international audiences, presenting solutions for slab production and new kits for natural aesthetic effects, including applications for tables, kitchens, and bathroom countertops.
- At **Revestir 2024**, held March in São Paulo, LB showcased LB Hybrid and its new Naturae aesthetic kit, including versions adapted for large-format presses, aiming to highlight its latest technological advances in decorative and efficiency solutions.
- At **Tecna**, a premier global expo for ceramics and surfaces, LB leveraged the event's international reach to present its newest solutions, reinforcing its positioning as a leader in resource-efficient and innovative plant technologies. LB's presence focused on two fundamental pillars: achieving maximum sustainability in raw material preparation and delivering superior aesthetic results, with particular attention to large slabs. The strong interest expressed by visitors underscored the relevance and market demand for LB's technologies.

Through its active participation in these key events, LB strengthened its global presence, fostered closer relationships with customers and partners, and reaffirmed its commitment to delivering innovative and sustainable solutions that address the evolving needs of the industry.

8.2 Responsible supply chain management



For the LB Group, suppliers are key partners in strengthening its core business and exploring new opportunities. Building strong relationships with suppliers is vital, facilitating the exchange of capabilities and expertise. This collaboration supports responsible management of procurement processes and promotes efficiency and sustainability across the supply chain.

HIGHLIGHTS 2024

Target	Performance 2024
Implementation of supplier screening and evaluation systems.	<ul style="list-style-type: none"> • Successfully renewed ISO 9001 certification for suppliers. • Continued application of the existing supplier evaluation questionnaire introduced in previous years to support systematic screening and monitoring of suppliers' sustainability and quality performance.

The Group's supply chain is characterized by a balanced allocation of expenditures: 17% on materials and raw materials, 15% on industrial carriers and machines, 29% on custom metalwork, and 38% on maintenance, transportation, and services. These allocations underscore the Group's commitment to quality, operational efficiency, and innovative solutions, which are integral to its sustainability strategy.

Supplier management responsibilities are centralized and entrusted to a team of experienced purchasing professionals. This team manages various expenditure streams based on the relevant product categories. In line with the Group's Code of Ethics, LB continues to strengthen its commitment to ethical sourcing by including specific contractual clauses with suppliers from countries deemed "at risk" for human rights violations. These clauses require suppliers to uphold fundamental worker rights and prohibit child labour, promoting socially responsible practices throughout the supply chain and encouraging suppliers to adopt sustainable approaches.

The Group's supply chain remains largely composed of loyal, long-term partners who contribute to creating value within the regional context where LB operates. This approach fosters the development of skills and knowledge locally, strengthens collaboration, and builds trust with suppliers that share LB's values and standards.

In July 2024, LB launched a more formalized supplier management system, supported by an online portal for publishing procurement needs and tender opportunities. This platform marks a significant step toward the digitalization of supplier evaluation, which is expected to be fully implemented in 2025. Supplier evaluation forms, currently completed on paper, will be integrated into a new online questionnaire, streamlining processes and improving data traceability.

During 2024, the total number of suppliers decreased, thanks to the optimization of relationships with existing partners and the multi-purpose use of suppliers across different categories. Some services were also internalized, and a targeted strategy was introduced to reduce waste and improve space utilization (e.g., purchasing additional sheet metal to minimize inventory surplus).

Supplier evaluation

No new ESG criteria were introduced in 2024, and the same parameters defined in 2023 remain in effect. Supplier assessments continue to include “health and safety” as key ESG elements, and the use of ESG questionnaires has not undergone significant changes. However, in cases of serious violations, LB maintains a strict approach by immediately suspending relationships with suppliers, with particular attention to smaller suppliers, who are often less structured in managing ESG-related issues.

The supplier evaluation questionnaire, updated in 2023 to align with ISO 9001 (Quality Management), ISO 14001 (Environmental Management), and ISO 45001 (Occupational Health and Safety Management), continues to serve as a key tool for monitoring and assessing supplier performance. It includes ESG-related aspects such as:

- Presence of a sustainability report;
- Implementation of governance systems (e.g., Model 231);
- Presence of a greenhouse gas (GHG) inventory;
- Social responsibility initiatives.

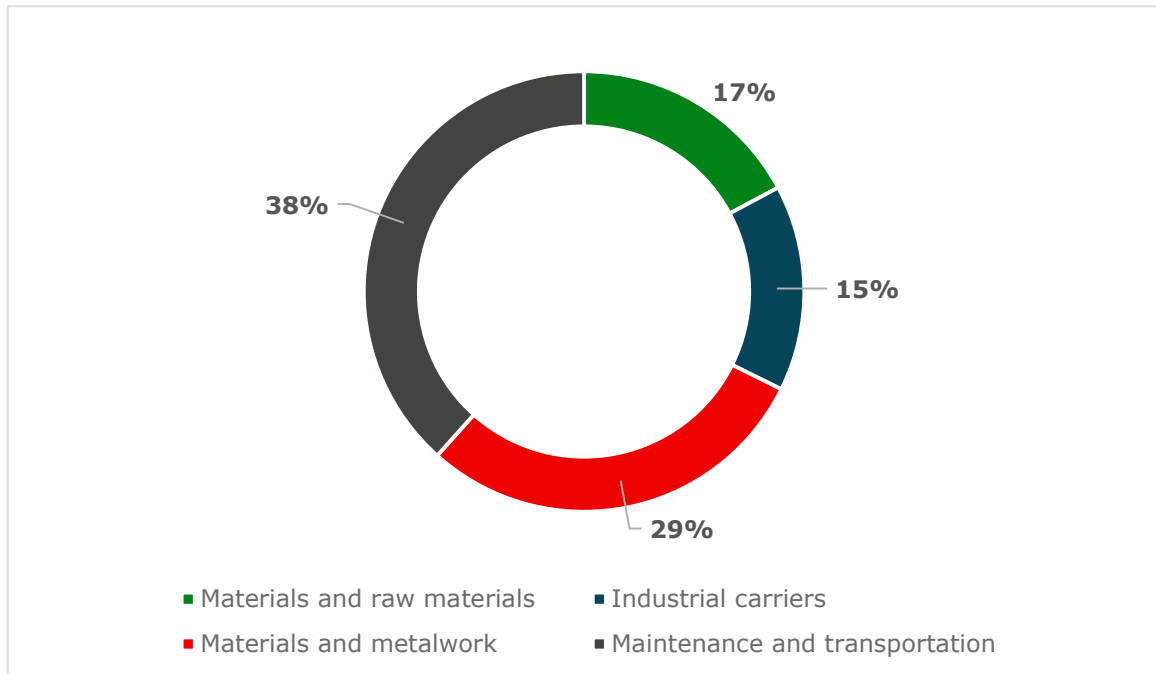
Thanks to this approach, 10% of new suppliers were screened based on social criteria in 2024, maintaining the same level as in 2023. This reflects LB’s ongoing commitment to integrating environmental and social considerations into supplier selection and evaluation processes. Through these efforts, the Group is progressively strengthening its ability to oversee and manage its value chain, ensuring that suppliers contribute to the company’s commitment to quality, sustainability, and responsible business practices.

New suppliers that were screened using social criteria

New suppliers that were screened using social criteria	2022	2023	2024
Percentage of new suppliers that were screened using social criteria.	0	10%	10%

LB Group also conducts regular supplier audits tailored to their strategic and economic importance. These audits, both before and after signing contracts, are typically conducted on-site and assess areas like work quality and occupational health and safety compliance with established procedures and standards.

Percentage of payments made by type of supply in 2024



Percentage of "local" suppliers in 2024

In 2024, the Company's spending on local suppliers (defined as suppliers registered in Italy) represented 85.8% of total supplier spend, with local suppliers accounting for 89.4% of the supplier base (by number). When excluding utilities and leasing/rental-related suppliers, local spending represented 85.6% of total spend and local suppliers accounted for 90.3% of suppliers.

These metrics are calculated on the full supplier list available for FY2024. The Company considers suppliers registered in Italy as "local" for the purpose of this disclosure.

The supplier spend profile shows a strong concentration in Italy, which can support closer supplier engagement, increased visibility of working conditions along the value chain, and more effective implementation of responsible procurement requirements. The Company's procurement function can leverage this geographic proximity to facilitate communication, monitoring and remediation where needed, including through established reporting and escalation channels.

8.3 Local involvement and awareness

The attention to stakeholders across LB Group's value chain and the emphasis on fostering sustainable relationships generates positive shared values. The group's commitment to community involvement stems from the belief that a thriving local environment benefits everyone, promoting mutual growth and resilience. By actively engaging with and supporting the communities in which it operates, LB Group not only contributes to their social and economic development but also enhances its own sustainability and corporate responsibility.

HIGHLIGHTS 2024

Target	Performance 2024
Definition of a strategic plan for supporting initiatives, organizations or foundations as a measure to support the local community in which LB Group operates.	<ul style="list-style-type: none"> Supporting and participating in various community initiatives (Modena Volley, ANFASS, etc.).

LB Group continues to play an active role in supporting and strengthening the local community, reaffirming its long-standing commitment to social responsibility. The initiatives launched in previous years have remained firmly in place throughout 2024, demonstrating the Group's dedication to creating lasting value beyond its business activities:

- **Youth and sports:** LB continues to partner with the Fiorano and San Michele football schools, creating valuable opportunities for children to engage in sports, develop their skills, and promote teamwork and well-being.
- **Humanitarian support:** The collaboration with the Help Sassuolo association remains ongoing, providing continued humanitarian assistance to communities affected by the earthquakes in Syria and Turkey and supporting broader social solidarity initiatives.
- **Education and talent development:** LB maintains its partnerships with the University of Modena and the local ITS (Higher Technical Institute), offering internship opportunities to recent graduates. These collaborations help nurture new talent, foster knowledge transfer, and support the long-term growth of the industry.

LB also has a global presence through various commercial initiatives, such as exhibitions and trade fairs. (For further details, please refer to [Chapter /Section 8.2](#)).

Operations with local community engagement, impact assessments, and development programs

In 2024, LB Group made significant strides in integrating local community engagement, impact assessments, and development programs into its operations. These initiatives have been adopted by the 33% of the Group's total operations*, highlighting the commitment to responsible business practices and corporate social responsibility.

As part of these efforts, rigorous environmental impact assessments were conducted to better understand and mitigate potential effects on local ecosystems and communities. Introduced in 2023, this indicator represents a key step towards greater transparency and accountability, enabling the Group to better understand and mitigate the potential effects of its activities on local ecosystems and communities.

LB continues his participation in ACIMAC association and Confindustria Emilia.

During 2024, new channels of dialogue with local administrations were also launched following a change in municipal leadership. In a district characterized by strong social ties, LB expressed its willingness to support local communities and ensured that citizens received timely information about the company's presence and activities. This proactive communication has helped strengthen trust and foster closer collaboration with local stakeholders.

This focus in community-focused activities not only demonstrates LB Group's evolving dedication but also signifies a significant shift towards a holistic approach to corporate social responsibility and sustainable development. By integrating these values into its core operations, LB Group reinforces its role as a responsible corporate citizen, dedicated to fostering lasting positive impacts in the communities it serves.

Percentage of total operations made by the LB Group

Operations with local community engagement, impact assessments, and development programs	2023	2024
Percentage of operations with implemented local community engagement, impact assessments, and/or development programs	33%	50%

*An operation with significant actual or potential negative impacts on local communities is defined as an activity, considered alone or in combination with the characteristics of local communities, that has a higher-than-average potential of negative impacts, or actual negative impacts, on the social, economic, or environmental well-being of local communities. The 50% figure has been calculated by considering the two operations within the group, one per each brand: LB, and Barcom. The percentage is derived based on whether each company engages in at least one of these activities. In the case of the LB Group, only LB engages in such activities, resulting in a 50% involvement rate.

9. Methodology

**T**

his document is the fourth Sustainability Report of LB Officine Meccaniche S.p.A. and its subsidiary Barcom (hereinafter “LB” or the “Group”) covering 2024 (from 1 January to 31 December). The LB Sustainability Report is published annually.

In order to describe the sustainability performance of the Group in a transparent and comparable manner, the Sustainability Report has been prepared in accordance with the “**Global Reporting Initiative Sustainability Reporting Standards**” and related updates defined by the Global Reporting Initiative (GRI).

The reported **content** was defined on the basis of the **Double Materiality Assessment (DMA) conducted in 2024**, in alignment with the **European Sustainability Reporting Standards (ESRS)** and the methodological guidance issued by **EFRAG**, which identified the most material topics for the Group and its stakeholders. This analysis is presented within the section entitled “**LB Group path to sustainability**” and contains a description of the impacts, risks and opportunities for each material topic. This new approach replaces the previous single materiality assessment carried out in 2021 and allows LB to identify and prioritize sustainability topics based on both their impact on the company and the company’s impact on the environment and society.

The information contained in this Report relates to the year 2024 (from 1 January to 31 December 2024) and, where possible, comparative data for the prior years has also been presented, to facilitate the assessment of the performance and progress made by the Group over time. The use of estimates has been limited to the greatest extent possible, and where used, they have been prepared based on the best available methodologies and are clearly indicated in the report.

The quantitative information and data presented refer to the LB Group as a whole, while social and environmental data cover the Italian companies within the Group (LB Officine Meccaniche S.p.A. and Barcom S.r.l.), excluding Sermat S.r.l., which exited the Group in November 2024 and is no longer considered strategic for LB’s core business in the coming years. As a result, Sermat is not included in the reporting scope, and no data relating to its activities are reported. The Group’s foreign branches and sales offices (such as LB USA Inc., LB Mascerca España SL, and Ligabue Bigi Support PVT Ltd.) are also excluded, as they are not considered material with respect to social and environmental impacts, which primarily concern operations in Italy.

This document was examined and approved by the **Board of Directors of LB Officine Meccaniche S.p.A.** on 18th of December 2025. This document has not been audited by an external body.

SUSTAINABILTY REPORT 2024

Further information about

the LB Sustainability Report can be obtained by writing to the following address:
info@lb-technology.com

Statement of use

LB Technology has reported the information cited in this GRI content index for the period 01-01-2024 to 31-12-2024 with reference to the GRI Standards.

GRI 1 used

GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	Section/Paragraph
GRI 2: General Disclosures 2021	2-1 Organizational details	1.1, 1.2
	2-2 Entities included in the organization's sustainability reporting	1.2, 9
	2-3 Reporting period, frequency and contact point	9
	2-4 Restatements of information	<i>No restatements of information have been made.</i>
	2-5 External assurance	<i>No external assurance has been performed.</i>
	2-6 Activities, value chain and other business relationships	2.2, 8.2, 8.3
	2-7 Employees	5.2
	2-8 Workers who are not employees	<i>Omission</i>
	2-9 Governance structure and composition	3.1
	2-10 Nomination and selection of the highest governance body	3.1
	2-11 Chair of the highest governance body	3.1
	2-12 Role of the highest governance body in overseeing the management of impacts	3.1
	2-13 Delegation of responsibility for managing impacts	3.1
	2-14 Role of the highest governance body in sustainability reporting	3.1
	2-15 Conflicts of interest	3.2
	2-16 Communication of critical concerns	<i>Critical concerns have been communicated to the highest governance body; however, accountability for the total number during the reporting period is not available.</i>
	2-17 Collective knowledge of the highest governance body	3.1
	2-18 Evaluation of the performance of the highest governance body	3.1
	2-19 Remuneration policies	4.1
	2-20 Process to determine remuneration	<i>Missing information due to an ongoing reorganization of the process for determining remuneration, which is set to be implemented over the coming years.</i>
	2-21 Annual total compensation ratio	3.1
	2-22 Statement on sustainable development strategy	2
	2-23 Policy commitments	3.2

	2-24 Embedding policy commitments	3.2
	2-25 Processes to remediate negative impacts	3.2, 3.3
	2-26 Mechanisms for seeking advice and raising concerns	3.2, 5,4, 6,4
	2-27 Compliance with laws and regulations	3.2
	2-28 Membership associations	8.2
	2-29 Approach to stakeholder engagement	8.3, 2.1
	2-30 Collective bargaining agreements	5.2
GRI 3: Material Topics 2021	3-1 Process to determine material topics	2.2
	3-2 List of material topics	2.2
	3-3 Management of material topics	2.2
GRI 201: Economic Performance 2016	3-3 Management of material topics	2.2
	201-1 Direct economic value generated and distributed	4.1
GRI 204: Procurement Practices 2016	3-3 Management of material topics	8.2
	204-1 Proportion of spending on local suppliers	8.2
GRI 205: Anti-corruption 2016	3-3 Management of material topics	3.2, 3.3
	205-1 Operations assessed for risks related to corruption	3.2, 3.3
	205-2 Communication and training about anti-corruption policies and procedures	3.2, 3.3
	205-3 Confirmed incidents of corruption and actions taken	3.2, 3.3
GRI 206: Anti-competitive Behavior 2016	3-3 Management of material topics	3.2, 3.3
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.2, 3.3
GRI 301: Materials 2016	3-3 Management of material topics	2.2
	301-1 Materials used by weight or volume	6.3
	301-2 Recycled input materials used	6.3
GRI 302: Energy 2016	3-3 Management of material topics	2.2
	302-1 Energy consumption within the organization	6.1
GRI 305: Emissions 2016	3-3 Management of material topics	2.2
	305-1 Direct (Scope 1) GHG emissions	6.2
	305-2 Energy indirect (Scope 2) GHG emissions	6.2
	305-4 GHG emissions intensity	6.2
GRI 306: Waste 2020	3-3 Management of material topics	2.2
	306-3 Waste generated	6.4
	306-4 Waste diverted from disposal	6.4
	306-5 Waste directed to disposal	6.4
GRI 308: Supplier Environmental Assessment 2016	3-3 Management of material topics	2.2
	308-1 New suppliers that were screened using environmental criteria	8.2
GRI 401: Employment 2016	3-3 Management of material topics	2.2
	401-1 New employee hires and employee turnover	5.2
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	2.2
	403-9 Work-related injuries	5.4
GRI 404: Training and Education 2016	3-3 Management of material topics	2.2
	404-1 Average hours of training per year per employee	5.3
	3-3 Management of material topics	2.2

GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	5.2
GRI 406: Non-discrimination 2016	3-3 Management of material topics	2.2
	406-1 Incidents of discrimination and corrective actions taken	5.1
GRI 413: Local Communities 2016	3-3 Management of material topics	2.2
	413-1 Operations with local community engagement, impact assessments, and development programs	8.3
GRI 414: Supplier Social Assessment 2016	3-3 Management of material topics	2.2
	414-1 New suppliers that were screened using social criteria	8.2
GRI 416: Customer Health and Safety 2016	3-3 Management of material topics.	2.2
	416-1 Assessment of the health and safety impacts of product and service categories	7.1
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	7.1
GRI 417: Marketing and Labelling 201	3-3 Management of material topics.	7.1
	417-1 Requirements for product and service information and labeling	7.1
GRI 418: Customer Privacy 2016	3-3 Management of material topics.	7.1
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	7.1
Product Sustainability Innovation	Management of material topics	7.1
	Research & development	7.1
	Automation, reduction of environmental impacts	7.1, 8.1