

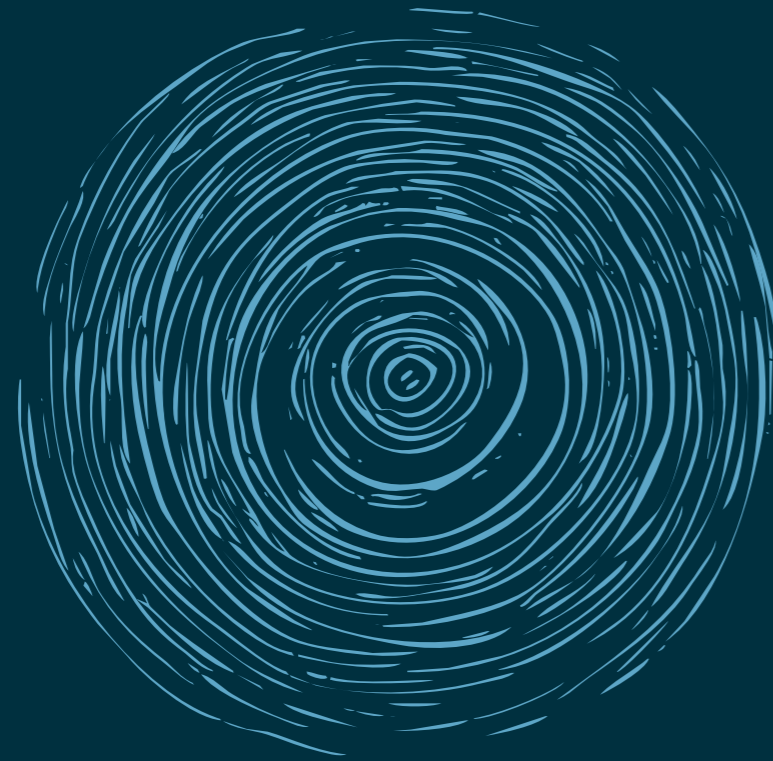
ITALIAN
DRIVING
GROUP

20 **25**

**GREEN
REPORT**

REPORT DI
SOSTENIBILITÀ

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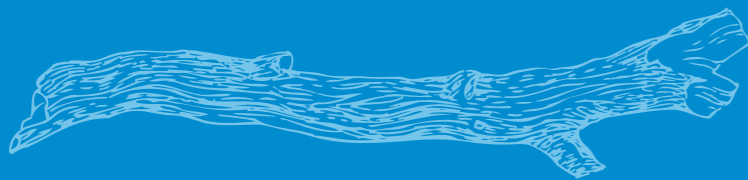
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Chapter

01.0



“Sustainability is not the final chapter of a company that has done its job well. It’s the way it operates every day.”

Livio Torresan
President, Italian Drying Group

Letter to the stakeholders

Dear Stakeholders,

We are pleased to present to you the **new edition** of our Sustainability Report, a document that outlines the results achieved and the long-term vision that guides Italian Drying Group towards its sustainable development. **This Report reflects the daily commitment of a company that, with almost 50 years of experience in the world of industrial drying, continues to innovate and create shared value for the market, the environment, and the community.**

Italian Drying Group has carved a niche all its own in the drying process sector, offering reliable, long-lasting, and energy-efficient technological solutions, built on the in-depth design and manufacturing expertise that distinguishes our team. Our mission is to be a driver of change, generating sustainable value through advanced technologies and lasting collaborations with customers and stakeholders.

The path that has brought us to this point has been marked by constant growth, supported by a vision oriented towards innovation and quality. In 2025, the company completed a major corporate transformation: Incomac has taken on the name of Italian Drying Group, consolidating the historic Nardi brand and creating a company with over 25,000 systems installed worldwide.

Another key milestone in this process was the amendment of the Company’s Articles of Association to become a **Benefit Corporation**, a legal and cultural choice that formalises our commitment to generating not only economic, but also environmental and social value, for the people, the territory, and the communities with which we interact.

Our commitment to sustainability has been enhanced in recent years through the use of assessment tools, which have allowed us to analyse our impact in relation to the Sustainable Development Goals (SDGs), identifying strengths and areas for improvement. This Report documents the actions taken in response to this analysis and the progress made; it also highlights how we are integrating sustainability into our business model and into the way we operate.

We invite you to read this Report as a testament to our vision and commitment, and as confirmation of our desire to grow together with you, respecting people and the environment.

Thank you for your trust and constant support.
Happy reading,



Livio Torresan
President, Italian Drying Group Srl

Chapter

02.0



“Our history is one of engineering, innovation, and long-lasting relationships with those who transform wood into value every day.”

Eng. Shaban Caslli
Technical Department Manager

About us

 **incomac**[®]

A brand of Italian Drying Group

NARDI[®]

A brand of Italian Drying Group

Italian Drying Group Srl (hereinafter also “Italian Drying Group” or “Company” or “Organisation”) is an industrial group based in Montebelluna (TV), **born from the recent union of the companies Incomac Srl and Nardi Srl and specialising in the construction of drying systems**. The NACE code activity identifier is 28.4.9. The main activities concern the production of systems for the heat treatment of any wood species as well as industrial processes in other sectors such as food, packaging, plastics, and textiles.

Italian Drying Group presents itself as a point of reference in the drying process sector, integrating specialised skills in the design and production of high-performance systems. **With over 25,000 systems installed in 110 countries**, the Company aims to become one of the leading centres of excellence in Europe, consolidating a know-how built on experience, innovation, and the ability to anticipate technological trends.

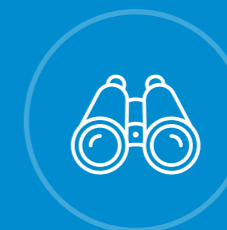
The constant search for progress guides Italian Drying Group in investing in advanced solutions and in the enhancement of every stage of the production process, with the aim of offering customers superior quality products. **Each project is approached through an in-depth, multidisciplinary analysis, focused not only on the final result, but also on optimising the investment and fully meeting the customer’s specific needs.**

The identity of Italian Drying Group represents the meeting point of “Made in Italy” tradition with technological innovation. This is the context in which the acquisition of Nardi, a historic brand renowned for its excellence in the production of wood drying systems, which has been relaunched through an ambitious industrial plan, took place. Thanks to a highly qualified management team and an organisational model oriented towards efficiency and innovation, Italian Drying Group intends to consolidate its role as a leader in the wood treatment sector and strengthen its presence on international markets.



Mission

To be a driver of change in the drying industry by creating sustainable value through the most advanced technologies and promoting energy savings, building a lasting partnership with our stakeholders.



Vision

We believe in the values of sustainability and the empowerment of human resources, striving every day to provide reliable and long-lasting technological solutions. These will be the keys to becoming the point of reference in our sector.

Benefit Corporation

On 1 August 2025, Italian Drying Group amended its Articles of Association becoming a **Benefit Company**, a legal form of business introduced in Italy with law no. 208 (paragraphs 376-383 and annexes 4 - 5) of 28 December 2015, which entered into force on 1 January 2016. The framework governing Benefit Corporations represents a business model which, in addition to the economic and profit-making objectives typical of any enterprise, pursues one or more common benefit purposes. It aims to operate in a responsible, sustainable, and transparent manner towards people, communities, the local area, and the environment. **The transparent way in which Benefit Corporations operate expresses the duty to communicate annually and report, meeting the requirements of a comprehensive, credible, and independent standard, the results achieved, the progress made, and future commitments towards achieving a positive social and environmental impact.**

In order to comply with the regulatory requirements set forth in Italian Law no. 208 of 28 December 2015 (paragraphs 376-383 and annexes 4-5), Italian Drying Group has decided to measure its impacts using the SDG Action Manager tool.

Lastly, in compliance with paragraph 380 of the Law regulating Benefit Companies, the company identified the responsible entity to whom the functions and tasks aimed at pursuing the objectives of common benefit are entrusted. The subject identified in Italian Drying Group coincides with a member of the Board of Directors.

Italian Drying Group, as a Benefit Corporation, is committed to having a positive impact on society and the environment. Within its Articles of Association, the Company has identified six specific common benefit purposes, described below:

01
Commitment to promoting and disseminating a business model based on **ethics, transparency** and aimed at implementing initiatives to integrate **sustainability** in corporate processes and strategy.

02
Development of ideas, projects, and other initiatives aimed at pursuing and maintaining the **best conditions guaranteeing the well-being of employees**, making inclusion, equal opportunities, and training a key factor in business development.

03
Support for local social and cultural projects with the aim of creating a positive impact on the local communities and the people who live there.

04
Research into innovative solutions capable of anticipating future challenges, through the development and production of technologies and drying systems aimed at measuring and improving energy-related impacts, with the aim of contributing to **mitigate climate change**.

05
Development of solutions and projects in the field of **circular economy**, such as the reconditioning of existing plants, with the aim of optimising the use of natural resources.

06
Concrete commitment to the environment through the creation of indicators that make it possible to **measure, monitor, and improve the environmental impacts generated**, promoting the use of resources from renewable sources.



History



2025
Incomac changes its name to Italian Drying Group and becomes a **Benefit Corporation**

2019
New Management

2014
Green Technology with energy saving objectives

1992
The evolution of Incomac systems continues and the first software for managing the drying processes is born

1975
Birth of the Company

2012
Evolution of software systems with wireless and touch screen technologies

2020
Incomac celebrates 45 years of business



2024
Acquisition of the NARDI brand

2026
mac EVO: a new standard in heat pump drying

1985
Diversification of production with the introduction of conventional kilns: ICD

1976
First generation of electrically powered condensation kilns: MAC

Chapter

03.0



Guide to reading the Report

This Sustainability Report (hereinafter also “Report” or “Document”) is part of Italian Drying Group’s sustainability strategy and represents a fundamental tool for guiding the Company’s choices and operational activities. The reporting process began with the identification of the sustainability topics that are most relevant to Italian Drying Group and their related impacts. These topics form the basis on which the Report was developed and are explored in depth in the various sections of the Document.

In particular, each chapter presents an analysis of the material topics identified, relating them to the Sustainable Development Goals (SDGs) deemed most relevant to the Company’s business and to the common benefit objectives set out in the Company’s Articles of Association. The Report is divided into three main sections (Governance, Social, and Environment), in which each SDG represents a reference chapter, while the material topics associated with it are explored in depth in the respective sub-chapters.

Alongside the SDGs considered priorities according to the analysis conducted by the SDG Action Manager, the reporting process includes additional Sustainable Development Goals, as they are closely connected to the material topics of Italian Drying Group.

Raffaella Bonesso
Sustainability Manager

SDG Action Manager

The global context requires undertakings to adopt **sustainable business models**, integrating economic, environmental, and social aspects to ensure innovation and long-term solidity. In this scenario, private undertakings play a key role in contributing to the objectives of the 2030 Agenda by promoting transparency, accountability, and innovative solutions, in line with ESG (Environmental, Social, Governance) criteria.

In this context, Italian Drying Group has evaluated its impacts through the tool **SDG Action Manager**, obtaining an initial measurement of its contribution to the 17 SDGs and identifying the main areas for improvement in its sustainability path. The evaluation was carried out together with the Italian Drying Group team and was divided into the following steps:

- Getting to know and understand the SDGs;
- Prioritising the impacts to identify corporate SDGs relevant to the company’s business;
- Measuring impacts through the Base Module, to have an overall assessment of the Company’s performance with respect to human rights, labour practices, environmental management, and governance;
- Measuring the detailed contribution to each SDG deemed relevant.

Listed below, in order of importance, are the **SDGs identified as priorities** for the Company.



Chapter

04.0



“The most useful questions are the uncomfortable ones. Materiality analysis is how we ask ourselves these questions and how we force ourselves to respond.”

Giancarlo Bontempo
Sales Manager

Materiality analysis

The materiality analysis represents the starting point of Italian Drying Group's sustainability journey and the tool with which the company explored its stakeholders' expectations, identifying the most relevant sustainability topics. This process was developed through research, comparison and evaluation activities, following the guidelines of the **Standard GRI 3: Material topics** (2021), which lays down principles and criteria for identifying the truly significant aspects for an organisation.

According to these guidelines, a topic is considered material when it reflects a significant impact of the organisation on the economy, the environment and people, including human rights, in relation to its activities and the relationships it maintains. The analysis conducted by Italian Drying Group is based on the perspective of **impact materiality**, focusing on identifying the main impacts (positive or negative, actual or potential) generated by the Company on society and the environment. This is what is known as the **“inside-out”** approach, which evaluates the external effects of corporate activities.

The materiality analysis was conducted in 2023 and remains valid in 2025, despite the Company's evolution and change in legal form. The operating context, the business model, and the main activities of Italian Drying Group have not undergone substantial changes that would significantly alter the nature and significance of the identified impacts.

Upon its transformation into a Benefit Corporation in 2025, the material topics identified in 2023 were further enhanced, linking them to the common benefit purposes incorporated into the Company's Articles of Association.



04.1

Context of the Organisation and identification of material topics

A central element of the materiality analysis was an in-depth study of the Company's operating context, which allowed us to gather essential information to identify the actual and potential impacts associated with Italian Drying Group's activities. The analysis was developed by consulting the main international sustainability standards and reviewing the relevant literature in the sector. The results obtained were subsequently supplemented with the analysis of the internal context, which considered the company's activities, relationships along the value chain, its sustainability strategy, and its main stakeholders. The second stage of the analysis involved identifying the material topics and their related positive and negative impacts, both actual and potential. To this end, the Organisation's mission, business model, and internal sustainability strategies were examined. The involvement of the Management in this stage made it possible to outline 28 overall impacts, attributable to **14 material topics**.

04.2 Impact relevance and stakeholder engagement

The third stage of the process involved assessing the significance of the impacts, carried out by identifying and engaging the company's key stakeholders, who may be affected by or may affect the Company's decisions, activities and results. They include: **employees, suppliers, customers, banks, agents, and insurance companies.**

The aforementioned internal and external stakeholders were engaged through an **ESG survey** that was distributed to them. Each participant was asked to rate, on a scale of 1 to 5, the significance of the impacts generated by Italian Drying Group's activities in relation to each material topic. The replies collected allowed us to define the Company's sustainability priorities.

The percentage distribution of the stakeholder categories who took part in the questionnaire is illustrated in the **graph in Figure 1.**

04.3 Prioritisation of the impacts

A fourth step involved prioritising the most relevant impacts for reporting purposes. Below are the results of the materiality analysis, confirmed for 2025, with the topics ranked in decreasing order of significance. **For each topic, we specify the nature of the impact (positive or negative)** and whether it is actual or potential. We also link these impacts to the common benefit purposes set out in the Company's Articles of Association and with the Sustainable Development Goals (SDGs).

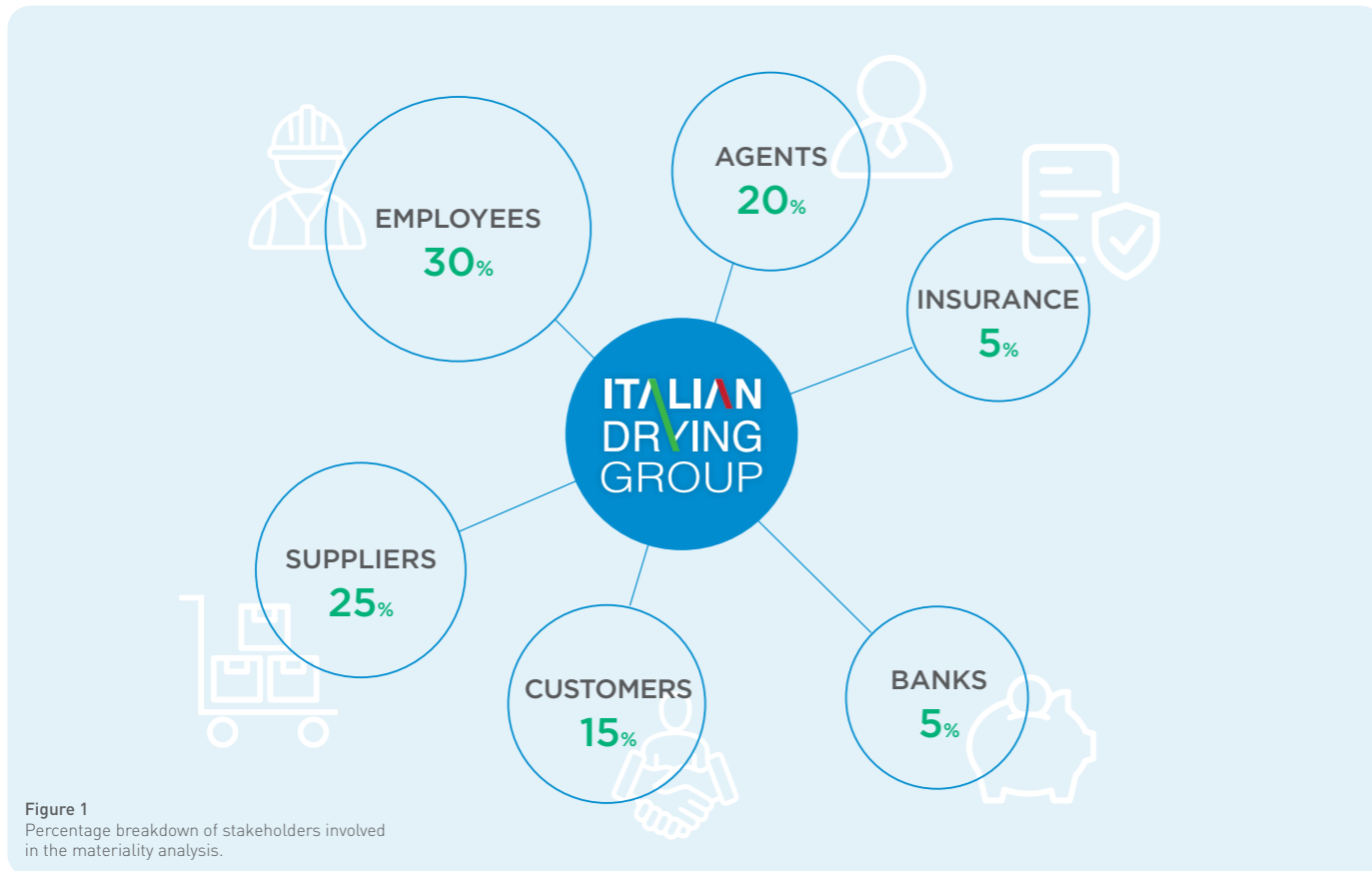


Figure 1
Percentage breakdown of stakeholders involved in the materiality analysis.

SDGs	Material topic	ESG area	Impact type	Impact description	
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	PRODUCT QUALITY AND SAFETY, AND CUSTOMER SATISFACTION	Governance	Positive	Design and construction of safe, efficient drying systems that meet high quality standards. Support and assistance to fully satisfy the customer's specific needs and expectations.	Actual
			Negative	Little attention to quality and safety management of the products and services offered. Growing customer dissatisfaction and higher number of complaints.	Potential
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	R&D AND INNOVATION	Governance	Positive	Design, development, and implementation of innovative and technologically advanced solutions to improve the quality and production performance of drying systems, with the goal of full and automated plant management.	Actual
			Negative	Reduced investments in R&D resulting in obsolescence and inefficient system performance that creates waste and negative environmental impacts.	Potential
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	GOVERNANCE AND BUSINESS ETHICS	Governance	Positive	Adoption of decision-making, management, and conduct practices based on criteria of legality, diligence, transparency, responsibility, fairness, integrity, impartiality, and anti-corruption.	Actual
			Negative	Cases of corruption, unfair business practices, violations of laws and regulations, administrative sanctions, and anti-competitive behaviour that may damage the Company's reputation.	Potential
3 GOOD HEALTH AND WELL-BEING	OCCUPATIONAL HEALTH AND SAFETY	Social	Positive	Identification and implementation of measures to protect and prevent the risks of work-related injuries for company workers. Organisation of worker training activities aimed at adopting responsible behaviour.	Actual
			Negative	Insufficient measures to prevent work-related injuries, resulting in an increase in accident rates. Failure to comply with occupational health and safety regulations.	Potential
4 QUALITY EDUCATION	HUMAN CAPITAL DEVELOPMENT	Social	Positive	Engagement, development, and growth of staff, including by managing training and developing skills, while accelerating progress toward the Organisation's goals.	Actual
			Negative	Lack of commitment to training and developing the human capital. Dissatisfaction and high turnover among employees, failure to acquire new skills.	Potential
8 DECENT WORK AND ECONOMIC GROWTH	TALENT ATTRACTION & RETENTION	Social	Positive	Attracting and retaining talent, strengthening their sense of belonging and alignment with the company's values. Implementation of strategies aimed at employee satisfaction and motivation, including the implementation of corporate benefits and welfare policies.	Actual
			Negative	Practices that alienate existing human resources and discourage the entry of new talent, creating a low sense of belonging and misaligned values, resulting in a high turnover rate.	Potential

SDGs	Material topic	ESG area	Impact type	Impact description	
 Common benefit purposes: Second purpose	WORKING CONDITIONS AND PRACTICES	Social	Positive	Ensure suitable working environments and conditions that respect human dignity, are based on fairness, respect, inclusion, collaboration, the promotion of equal rights and opportunities, and are free from any form of discrimination.	Actual
			Negative	Work practices that fail to respect individual dignity, foster discrimination, and undermine individual growth and equal opportunities, with negative consequences for the well-being of employees within the company.	Potential
 Common benefit purposes: Fourth purpose	ENERGY MANAGEMENT OF PLANTS	Environment	Positive	Development and production of drying systems aimed at improved energy efficiency and implementation of new technological solutions for reducing greenhouse gas emissions.	Actual
			Negative	Lack of solutions and innovations aimed at improving the energy efficiency of the plants with increased consumption and CO ₂ emissions.	Potential
 Common benefit purposes: Fourth purpose	RECONDITIONING SERVICES	Environment	Positive	Refurbishment of existing systems, with the aim of reducing resource consumption and emissions associated with the production of new equipment.	Actual
			Negative	Failure to plan revamping solutions for existing systems, resulting in frequent replacement of existing systems and increased waste generation for their disposal.	Potential
 Common benefit purposes: First purpose	SUPPLY CHAIN MANAGEMENT AND RESPONSIBLE PROCUREMENT	Governance	Positive	Supplier monitoring, not only on aspects related to quality, reliability, and financial conditions, but also on social and environmental performance and risks.	Potential
			Negative	Generating negative social and environmental impacts from purchasing decisions related to the company's supply chain.	Potential
 Common benefit purposes: First purpose	CYBERSECURITY AND PRIVACY MANAGEMENT	Governance	Positive	Secure management of company and stakeholder data. Implementation of solutions aimed at mitigating the risk of data breaches and loss.	Actual
			Negative	Failure to protect sensitive data and information managed by the Company, resulting in increased risk of data loss and potential legal implications and compensation claims.	Potential
 Common benefit purposes: Third purpose	STRATEGIC PARTNERSHIPS	Governance	Positive	Creating and activating strategic, effective, and synergistic partnerships with leading supply chain operators, other commercial partners, and the local community, to implement business initiatives that also focus on sustainable development and the creation of shared value.	Actual
			Negative	Lack of attention in creating strategic partnerships and consequent loss of opportunities related to Sustainable Development.	Potential

SDGs	Material topic	ESG area	Impact type	Impact description	
 Common benefit purposes: Fourth and Sixth purpose	CLIMATE STRATEGY	Environment	Positive	Combating climate change by developing internal strategies, monitoring emissions, and setting targets for reducing CO ₂ emissions.	Actual
			Negative	Contribution to climate change through Scope 1 and Scope 3 emissions.	Potential
 Common benefit purposes: Fifth and Sixth purpose	WASTE MANAGEMENT	Environment	Positive	Proper management and disposal of waste from company activities, including reducing waste generation and increasing the percentage of waste generated for recovery.	Actual
			Negative	Lack of adequate waste management and disposal systems that leads to increased air, water, and soil pollution, ecosystem degradation and harm to local communities.	Potential

The outcome of the materiality analysis process has been summarised in the **materiality matrix**, a two-dimensional graph that represents the relevance of the different topics for management and stakeholders. The vertical axis shows the average ratings expressed by external stakeholders and employees, while the horizontal axis represents the average of the ratings formulated by company management.

Figure 2
Materiality matrix



LEGENDA:

- 1. Product Quality and Safety and Client satisfaction
- 2. R&D and Innovation
- 3. Governance and business ethics
- 4. Occupational Health and Safety
- 5. Human Capital Development
- 6. Talent Attraction and Retention
- 7. Working conditions and practices
- 8. Energy management of systems
- 9. Reconditioning services
- 10. Supply chain management and responsible procurement
- 11. Cybersecurity and privacy management
- 12. Strategic partnerships
- 13. Climate strategy
- 14. Waste management

Chapter

05.0



“Being transparent is easy when everything is going well. True governance is measured by difficult choices.”

Livio Torresan
President, Italian Drying Group

Governance

SDG 16: peace, justice and strong institutions



Relevant SDG



Associated Articles
of Association purposes:
First and
Third purpose

“Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.”

The private sector has an important role in achieving this SDG by embedding transparency principles throughout the organisation, preventing any incidents of violence within its supply chain, and promoting legality in the contexts in which it operates.

Contribution of Italian Drying Group

1. Presence of a corporate Code of Ethics.
2. Signing up for the Cyber Protection Business insurance policy.
3. Incotech customer service and NEED method for product quality and customer satisfaction.
4. Support for social, educational, cultural, and sporting initiatives.
5. Obtaining the “1000 Best Performing Companies” recognition in 2024 and 2025.
6. Finalist for the “Export of the Year” award.

Governance and business ethics

Italian Drying Group is a limited liability company incorporated in Italy at the Treviso-Belluno Companies' Register and is subject to the control of Delfi Srl, which holds 100% of the company shares. In accordance with the Company's Articles of Association, Italian Drying Group has adopted a form of administration consisting of a Board of Directors. **Appropriate distribution of responsibilities and powers among the members of the Board, as well as a balance between management and control functions, are the principles that guide the corporate governance of the Company.** The members of the Board of Directors are appointed by the ordinary Shareholders' Meeting, which deliberates according to the legal majorities, and hold office, except in the case of revocation or resignation, until revoked. The administrative body is responsible for adopting the resolutions required by law, as well as for adjusting the Articles of Association to comply with regulatory provisions. The Directors - including those holding specific positions pursuant to Article 2389, paragraph 3, of the Italian Civil Code - are entitled to compensation that will be set by the Shareholders' Meeting.

Regarding holders of other positions or qualifications within the Company, it should be noted that there is a special attorney, over the age of 50, with powers relating to business activities for the search for new customers and market opportunities.

In carrying out all its activities, Italian Drying Group operates by avoiding situations of conflict of interest that could interfere with the ability to make impartial decisions in the best interests of the Company. **The Organisation is committed to maintaining an ethical work environment, effectively managing conflicts of interest and adopting best governance practices.** No critical issues were reported to the highest governing body during the reporting period.

As for **Sustainability Governance**, the Board of Directors of Italian Drying Group recognises the importance of sustainability as a fundamental element of the company's strategy. Italian Drying Group has established a governance structure dedicated to outlining its sustainability strategy and path to achieving sustainable development goals. The annual Sustainability Report is drafted through a process that involves multiple internal company departments and the Management. This process includes collecting and analysing data related to activities, business relationships, and internal initiatives, as well as engaging with stakeholders to ensure an inclusive view of the impacts. Generally, the Organisation is committed to maintaining an ethical work environment, where conflicts of interest are managed effectively and in line with best governance practices. The Company recognises that acting with honesty, transparency, and responsibility is crucial to building and maintaining stakeholder trust and ensuring its long-term success. As proof of this commitment, in 2024 Italian Drying Group drew up a corporate **Code of Ethics**.

Italian Drying Group confirms full compliance with applicable laws and regulations. Please note that there were no cases of non-compliance with laws and regulations during 2025. The Company is constantly committed to operating in compliance with current regulations in all its activities.

Italian Drying Group adopts a zero-tolerance policy towards corrupt practices, illegitimate favours, and collusive behaviour. Its employees and officers are absolutely forbidden to promote, directly or through third parties, personal advantages for themselves or others, in conflict with the principles of fairness, honesty, respect, and professionalism, as regulated in the Code of Ethics.

The structure of the corporate bodies as of 31 December 2025 includes:

The Board of Directors

which carries out all operations necessary to achieve the corporate purpose and manages the company with the diligence required by the nature of the assignment.

Statutory Auditor

Dr. Nicoletta Gallina

Responsible for the legal audit of the financial statements.
Gender: Woman
Age range: 50-65
Executive

Member of the Board of Directors

Livio Torresan

Chairman of the Board of Directors.
Genere: Man
Age range: 30-50
Executive

Member of the Board of Directors

Raffaella Bonesso

Director.
Genere: Woman
Age range: 30-50
Executive

The Chairman of the Board of Directors is not part of the Organisation's top management. For the number of other principal positions held and commitments undertaken by each member of the Board of Directors, please refer to the information published in the Companies' Register.

Italian Drying Group confirms that no incidents of corruption were identified during the reporting period. No employees were disciplined or fired for corruption, and no contracts with business partners had to be terminated or not renewed due to violations related to corruption. Furthermore, there were no publicly available legal cases involving corruption brought against the Organisation or its employees during this reporting period. Italian Drying Group recognises free competition, provided it is fair, as a key factor in the company's growth and ongoing improvement. It also confirms that, during the reporting period, no legal actions were initiated regarding anticompetitive behaviour or violations of antitrust laws in which the Company was identified as a participant.

The solidity of the governance model and the quality of the corporate practices have also been recognised externally. **In 2024 and 2025, Italian Drying Group received the "1000 Best Performing Companies" award promoted by ItalyPost**; this award is given to companies that have distinguished themselves by healthy balance sheets and revenue growth. Furthermore, the Company has been selected as **finalist for the "Export of the Year" award**, an initiative launched in 2022 by Confindustria Veneto Est and Fondazione Nord Est to honour companies that stand out for their growth in foreign turnover, rewarding the best internationalisation strategies.

05.2 Supply chain management and responsible procurement

Italian Drying Group manages its supply chain responsibly and transparently, placing particular attention to quality throughout all stages of the procurement process. **The Company selects suppliers based on criteria of quality, reliability, and ability to innovate.** From this perspective, suppliers are not simply providers of goods and services, but strategic partners with whom to develop lasting relationships based on trust and mutual collaboration.

The supply chain includes both direct manufacturers of components and materials, as well as brokers and resellers. The main categories of materials supplied include hydraulic and electronic components, electric motors, pipes, fans, sheet metal, insulation panels, and pumps.

During 2025, the Company carried out a preliminary analysis of the impacts potentially arising from the application of the European Regulation on the Carbon Border Adjustment Mechanism (CBAM). Given the activities carried out and the product categories handled, no significant implications for the company's business model have emerged at this time.

Whenever possible, Italian Drying Group favours collaboration with suppliers located in Italy and near the headquarters in Montebelluna (TV). This choice helps support the local economy and reduce the environmental impact associated with transport, in line with the Company's commitment to greater sustainability.

An analysis of the geographical distribution of suppliers based on procurement costs was conducted in the three-year period 2023-2025. The analysis considered the main suppliers, i.e., those who, in the three reference years, generated total expenses exceeding 23,000 euros. For the purposes of the analysis, Italian Drying Group defines "local area" as a radius of 80 km between the supplier's headquarters and the company's headquarters in Montebelluna (TV).

The following table illustrates the breakdown of supply costs, distinguishing between suppliers located within and outside the European Union, in Italy, and in the local area within 80 km of the Montebelluna (TV) headquarters. Suppliers representing at least 80% of the value of supply costs in the three-year reference period were chosen for the analysis. Said analysis shows that almost all purchases come from companies located in Italy and that local suppliers represent 33.4% of total procurement expenditures in 2025.

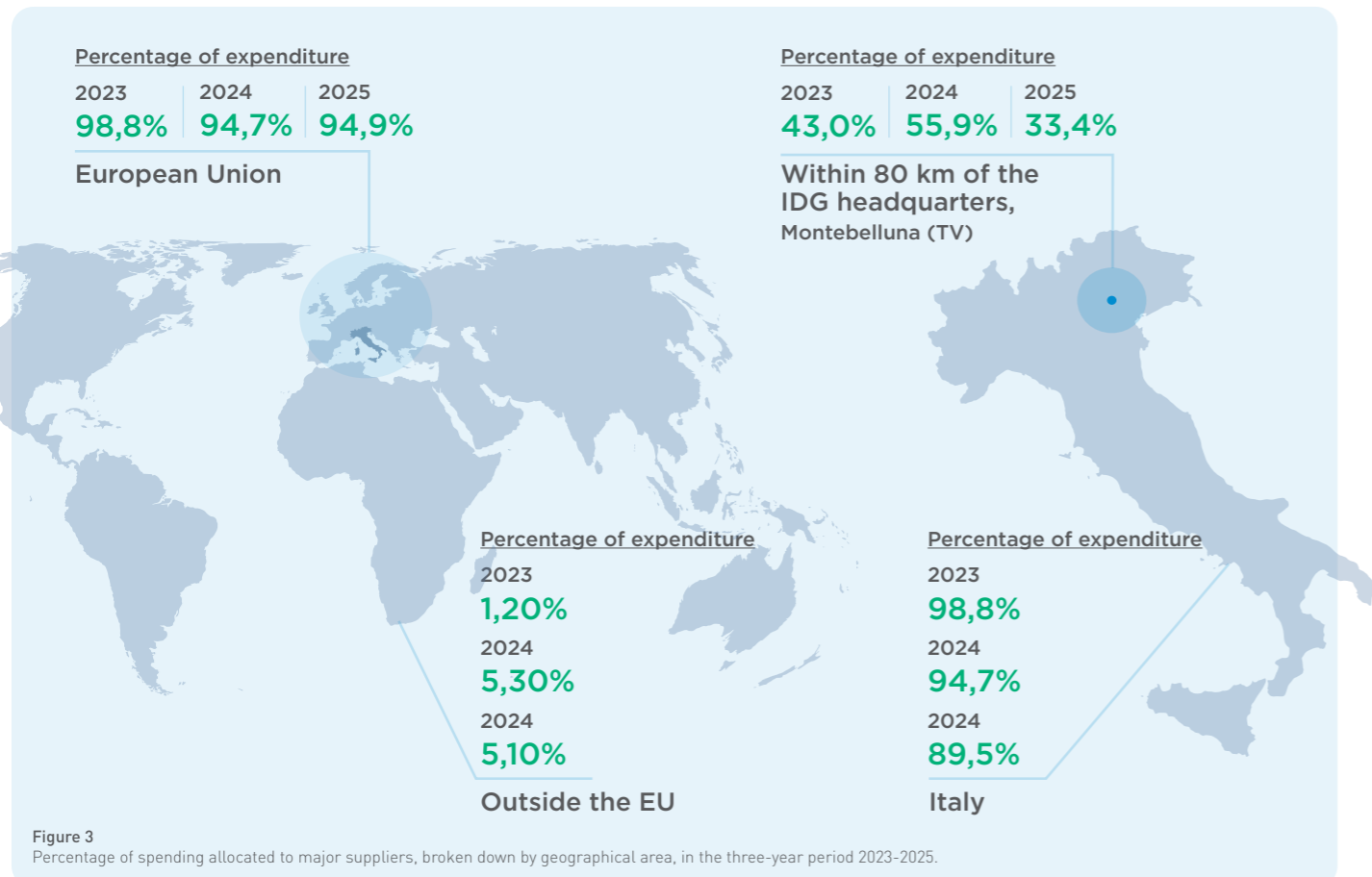


Figure 3 Percentage of spending allocated to major suppliers, broken down by geographical area, in the three-year period 2023-2025.

05.3 Conflict minerals

So-called conflict minerals (tantalum, tin, tungsten, and gold – 3TG) are raw materials whose extraction in some areas of the world is associated with armed conflict, human rights violations, and negative social and environmental impacts. In response to these risks, Regulation (EU) 2017/821 requires European importers to adopt responsible sourcing practices and ensure the traceability of minerals along the supply chain, in line with OECD guidelines. Italian Drying Group monitors potential risks related to conflict minerals and promotes responsible sourcing practices in compliance with current legislation.

05.4 Product quality and safety, and customer satisfaction

Italian Drying Group ensures product quality and safety through constantly evolving control systems, aiming to fully satisfy customer needs and promote greater production efficiency. In this direction, the Company is working to continuously improve its quality management system, including through an increasingly organised use of data generated by systems installed at customer sites. In fact, analysing operational performance helps the company support customers in optimising production processes. **An initial stage of data collection and analysis was launched in late 2025, which could lead to the development of specific improvement projects for some customers during 2026.**

The latest technological integrations make it possible to continuously monitor and optimise the plants' performance in terms of quality and production, thanks to automatic data acquisition and remote control. The electronic supervision system also includes weekly programming for managing and optimising consumption, enabling operators to monitor all phases of the production process in real time. The main advantages include remote control, predictive maintenance, consumption monitoring, and direct connection to customer support.

Additional added value is represented by the service offered by **Incotech, which combines the Italian Drying Group offering with dedicated pre- and post-sales solutions**. Available services include consulting and assistance throughout the project's life cycle, post-sales and predictive maintenance, spare part supply, cloud-based software for integrated management, the regeneration of obsolete systems, and ongoing training programmes for performance improvement. Advanced control systems, based on **Industry 4.0 technologies**, complete the portfolio, ensuring modern and efficient management of the plants. Thanks also to the implementation of a new management system in 2025, the company has further strengthened the efficiency and quality of Incotech's assistance service, improving internal coordination and the timeliness of interventions.

To respond promptly and in a personalised manner to customer requests, Italian Drying Group applies the **NEED method**, a methodology designed to precisely identify specific needs and develop targeted solutions. This approach guides every stage of the process, from preliminary analysis to installation, supported by ongoing support from qualified specialists. To further improve customer relations, the company aims to develop a satisfaction survey covering both the installation and use of the systems. The questionnaire will be implemented starting in 2026 for new machines installed, with a survey expected approximately four months after the system is put into operation.

Incotech's assistance service covers the entire life cycle of the systems: overhauls, upgrades, repairs, and scheduled and extraordinary maintenance activities. Thanks to remote diagnostics and interventions, performed via dedicated software, it is possible to significantly reduce machine downtime and limit the travel of technical personnel. Incotech also guarantees an efficient spare part supply service. Through a widespread network of retailers and agents, Italian Drying Group ensures the timely availability of the components needed to keep systems in optimal operating conditions. All systems produced by Italian Drying Group bear the CE marking, guaranteeing compliance with European safety, health, and environmental protection requirements. No incidents of non-compliance resulting in warnings, sanctions, or penalties related to product labelling were recorded during the reporting period.

The Company also adopts rigorous preventive measures aimed at reducing any potential risks to the user, including fire risks. In the three-year period 2023–2025, there were no incidents or non-conformities relating to plant safety, nor violations of regulations or voluntary codes relating to product safety.



05.5 Cybersecurity and privacy management

Italian Drying Group operates in compliance with Italian Legislative Decree of 10 August 2018, no. 101, which updated the national regulatory framework (It. Legislative Decree 196/2003) in harmony with **Regulation (EU) 2016/679 – GDPR**. The Company ensures strict compliance with the provisions regarding the processing of personal data and the protection of privacy, publishing its own **Privacy Policy** on the company website.

Upon customer request, authorised personnel can remotely access drying system data to manage any technical anomalies. This potentially sensitive information is treated in accordance with a specific Privacy Policy and is stored in secure archives, accessible only by competent and appropriately trained personnel. Italian Drying Group ensures that all personal and sensitive data (including those of customers, employees, and other stakeholders) are handled in strict compliance with applicable regulations.

To strengthen IT security, the Company adopts advanced protection systems, such as firewalls, multi-level backups, and antivirus software, which ensure a high level of protection for IT systems, which are accessible only with specific credentials. To complete the internal technical measures, the company has also signed a **Cyber Protection Business insurance policy**, which protects the Organisation from potential damage resulting from cyber incidents and ensures greater protection even in interactions with third parties.

No complaints regarding cybersecurity breaches or data losses were recorded during the reporting period, confirming the effectiveness of the procedures and systems adopted to protect stakeholder privacy and ensure the security of the data processed.

05.6 Strategic partnerships

Italian Drying Group has built a network of strategic partnerships to support its growth and innovation.

These collaborations extend both to the industrial level, with active collaborations in the wood industry, and to technological research and support for the local community. Thanks to these alliances, Italian Drying Group is able to offer cutting-edge solutions, improve the efficiency of its processes, and make a positive contribution to society. The Company has entered into strategic collaborations with partners around the world, aimed at mutually enhancing their respective business activities. Through collaboration with its local customers, Italian Drying Group aims to integrate innovative and tailor-made solutions, adapting to the specific needs of each market.

Furthermore, in line with its philosophy of shared growth, the Company offers its customers regular training opportunities, with the aim of improving their understanding of existing technologies and the latest innovations related to the systems supplied, accompanying the sale of products with high value-added services.



05.7 Industrial partnerships

Italian Drying Group is associated with important organisations that support the transformation of the production and territorial system. These collaborations enable the company to work synergistically with other companies to achieve common goals and address future challenges with a shared vision. Italian Drying Group is a member of the following associations:

- **FederlegnoArredo**, an Italian association representing companies in the wood and furniture sector, with the aim of protecting and promoting their interests. The association supports member companies through institutional representation, regulatory and market consultancy, professional training, promotion of Made in Italy products, and initiatives aimed at fostering technological innovation and the development of shared best practices.
- **Assindustria Venetocentro**, an association representing businesses in the Veneto region that works to support the competitiveness and economic growth of its member companies. Through institutional representation, consulting, training, networking, and innovation promotion, the association fosters the development of the local business community.



05.8 Social commitment to the local area

Italian Drying Group recognises the value of its role within the local community and considers its connection to the area a central element of its identity. The Company promotes and supports social, educational, cultural, and sporting initiatives, with the aim of generating a positive and lasting impact on the people and contexts in which it operates. During 2024, Italian Drying Group strengthened its commitment to the community's health and well-being. The various initiatives include the distribution of company "panettone" made in **collaboration with LILT**, to support cancer prevention activities. In the same year, the Company sponsored a **mammogram van** intended for the Municipality of Montebelluna, making the service available to both employees and residents of the area, and contributed to the **purchase of a defibrillator (Lucas) for the White Cross**. To confirm its attention to local traditions, Italian Drying Group has also supported the **Musano Festival**, confirming its support also in 2025.

In 2025, the commitment to the local area was further expanded and diversified. The Company supported the **educational project "Eureka! Funziona!"**, participating in a competition aimed at schools, and took part as **sponsor at the Palio di Montebelluna**. Particular attention was paid to sports as a tool for inclusion, growth and sharing of team values, through the sponsorship of **Rugby Montebelluna and Calcio San Gaetano di Montebelluna**. Also in 2025, Italian Drying Group contributed to the reconstruction of a roundabout in the **Guarda area**, also supporting the development of greenery, with the aim of improving urban décor and the quality of common spaces. In that same year, the company created its "panettone" in collaboration with the **association Amici dei Bambini**, strengthening the Company's commitment to solidarity initiatives to support children.

At the same time, Italian Drying Group promoted dialogue with the world of education and training. In 2025 it took part in a **keynote address** at the University of Padua, **Department of Territory and Agro-Forestry Systems (TESAF)**, and in December it accompanied university students on a visit to a customer's premises, offering them the opportunity to apply the theoretical concepts studied in depth in the classroom in a real-world context. Also in 2025, the company hosted a school **visit for Class 3F of the Maser (TV) Secondary School** at one of its production facilities. Working in partnership with Confindustria Veneto Est, Italian Drying Group demonstrated its business operations and highlighted the value of technical and professional skills. The Company has also promoted initiatives aimed at strengthening employee cohesion and well-being. In 2025 it organised a **"Rugby Day"** as a team building activity, with the participation of Fabio Coppo, a historic rugby figure, who shared with the team the values of sports, such as collaboration, respect, and team spirit.



Italian Drying Group's goal for 2026 is to maintain and consolidate some of its key projects supporting the local community and the region, confirming its commitment to contributing to the social and cultural development of the areas in which it operates.

Governance

SDG 9: business, innovation and infrastructure



Relevant SDG



Associated Articles
of Association purposes:
Fourth
purpose

“Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.”

Companies must promote industrial processes that do not impact the environment, incorporating small and medium-sized enterprises into their value chain. The private sector is called upon to promote the expansion of sustainable communications infrastructure and technologies and to support innovation and research within its sphere of action.

Contribution of Italian Drying Group

1. Development of heat recovery units.
2. Development of the new mac EVO system.
3. Development of advanced digital control systems.
4. Customer satisfaction questionnaire.
5. Collaboration with the University of Padua aimed at developing a proprietary AI-based control system.

05.9

R&D and Innovation

In line with SDG 9, Italian Drying Group confirms its commitment to sustainable innovation through targeted investments, the development of specialised skills, and the adoption of advanced technologies. Innovation, in fact, represents a central element of the company strategy, aimed at improving the efficiency of the industrial processes and reducing the environmental impact of the proposed solutions.

The recent acquisition of the Nardi brand has contributed to enriching the Company's technical assets, introducing new specialised skills and know-how. This operation has expanded the technological offering and accelerated the development of high value-added solutions, strengthening Italian Drying Group's ability to respond to the needs of an ever-evolving market.

Key achievements include the development of **heat recovery systems**, designed to reuse hot air that would otherwise be vented into the atmosphere as water vapour. The benefits of this technology include: thermal energy recovery of up to 30%, achieved through high-efficiency air-to-air heat exchangers; process cycle optimisation, by extracting air from the wettest point of the kiln and using inverters for automatic fan speed control; a subsequent reduction in energy consumption and emissions.

At the same time, Italian Drying Group has begun developing **advanced digital control systems**. In 2025, it launched a research project in collaboration with the University of Padua, aimed at creating a proprietary **control system based on artificial intelligence algorithms**. This tool is designed to optimise the ratio between energy consumption and production capacity, improving the operating efficiency of the kilns and further reducing their environmental impact.

mac EVO

Also in 2025, the Company developed the new MAC EVO system, which makes it possible, with the same installed power, to reduce energy consumption by at least 30%, with values varying depending on the size of the machine. Compared to the previous version, the **mac EVO** introduces important benefits related to the standardisation of the production processes, which make for a significant reduction in production costs and post-installation operating costs.

Building on this journey, the Italian Drying Group is currently completing its artificial intelligence project. The Group aims to finalise development in 2026 and roll out the first operational applications to selected customers for field testing. This will make it possible to validate the developed solutions in the field and to further strengthen the Company's contribution to a more efficient and innovative industry.



Chapter

06.0



“People don’t work for a company. They work with a company. This is the difference that changes everything.”

Alessandra Ferraccioli
Employee Relations Specialist

Social

Italian Drying Group confirms its commitment to the local community and the promotion of social well-being through a variety of initiatives, as highlighted in the previous paragraphs. This focus also extends to internal policies, aimed at protecting and empowering the people who contribute daily to the Organisation’s growth. The Company recognises the role of each employee as a crucial factor in achieving its objectives and creating long-term value.

As of 31 December 2025, the workforce consisted of 21 employees, of whom 90.5% were hired on permanent contracts and 100% were full-time.



Overview of Italian Drying Group employees for the three-year period 2023-2024

Employees as at 31/12/25

21

Permanent contract

90,5%

Middle Ages

42 anni

	2023	2024	2025
Total employees	22	21	21
New hires	4	7	5
Average age	40	43	42
Average hours of training	13,1	7,8	14,7
Percentage of permanent employment	95,5%	90,5%	90,5%



Social

SDG 10: reduced inequalities



Relevant SDG



Associated Articles
of Association purposes:
Second
purpose

“Reduce income and opportunity inequalities among and within countries, promoting the social, economic, and political inclusion of all.”

Companies are called upon to ensure decent working conditions along the entire value chain, especially for disadvantaged groups, and to redistribute wages more fairly among their employees.

Contribution of Italian Drying Group

1. Annual monitoring of the number of cases of discrimination.

06.1

Reduced inequalities

Italian Drying Group promotes a fair, inclusive work environment based on respect and dignity for each person, regardless of seniority, role, or other individual characteristics. The Company firmly condemns any form of discrimination, whether based on gender, age, ethnicity, nationality, religion, political opinion, socio-economic conditions, or any other factor that may affect internal and external stakeholders. Italian Drying Group monitors and records the total number of discrimination incidents detected annually. In particular, no incidents of discrimination were reported among stakeholders internal or external to the Organisation in 2025.

The Company recognises the **strategic value** of a diverse and inclusive work environment, considering it an essential element to enrich the company culture and ensure equal opportunities for growth and professional development. For this reason, Italian Drying Group continues to improve its internal processes, ensuring that every practice is consistent with the principles of inclusivity and social justice, also as regulated within the **Code of Ethics**.

Employees are encouraged to maintain an open dialogue with management to report any inappropriate or discriminatory behaviour and to contribute suggestions for continuous improvement. The goal is to maintain a positive, respectful, and inclusive work environment, where every voice is acknowledged and valued.

The following tables present data relating to the workforce in the three-year period 2023-2025, collected at the end of each financial year (31 December) and broken down by gender, age group, professional category, type of employment and employment contract. All Italian Drying Group employees are covered by the National Collective Bargaining Agreement (CCNL) for the metalworking sector and work at the Montebelluna headquarters in the province of Treviso.

As of 31 December 2025, the most represented professional category is that of blue-collar workers (47.6%), followed by white-collar workers (38.1%). 52.4% of employees are between 30 and 50 years old, while 14.3% are under 30. All employees work on full-time contracts and 90.5% have permanent contracts. Women make up 9.5% of the staff and are all hired as office workers. The presence of women in the company is influenced by the sector it operates in and the high number of blue-collar workers on the staff, which is currently made up exclusively of men.



Percentage of **employees by professional category and age group:**

Professional category	2023				2024				2025			
	< 30	30-50	> 50	Totale	< 30	30-50	> 50	Totale	< 30	30-50	> 50	Totale
Executives	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Middle managers	0,0%	0,0%	33,3%	9,1%	0,0%	0,0%	37,5%	14,3%	0,0%	0,0%	42,9%	14,3%
White-collar workers	33,3%	50,0%	16,7%	36,4%	33,3%	42,9%	25,0%	33,3%	33,3%	63,6%	0,0%	38,1%
Blue-collar workers	50,0%	50,0%	50,0%	50,0%	66,7%	57,1%	37,5%	52,4%	66,7%	36,4%	57,1%	47,6%
Apprentices	16,7%	0,0%	0,0%	4,5%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
TOTAL	27,3%	45,5%	27,3%	100%	28,6%	33,3%	38,1%	100%	14,3%	52,4%	33,3%	100%

Number and percentage of **employees by gender and age group:**

Age range	2023				2024				2025			
	Men	Women	Total	%	Men	Women	Total	%	Men	Women	Total	%
<30	5	1	6	27,3%	5	1	6	28,6%	2	1	3	14,3%
30-50	8	2	10	45,5%	6	1	7	33,3%	10	1	11	52,4%
>50	6	0	6	27,3%	8	0	8	38,1%	7	0	7	33,3%
TOTAL	19	3	22	100%	19	2	21	100%	19	2	21	100%

Percentage of employees **by gender and professional category:**

Professional category	2023			2024			2025		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executive	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Middle manager	10,5%	0,0%	9,1%	15,8%	0,0%	14,3%	15,8%	0,0%	14,3%
White-collar worker	26,3%	100%	36,4%	26,3%	100%	33,3%	31,6%	100%	38,1%
Blue-collar worker	57,9%	0,0%	50,0%	57,9%	0,0%	52,4%	52,6%	0,0%	47,6%
Apprentice	5,3%	0,0%	4,5%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
TOTAL	86,4%	13,6%	100%	90,5%	9,5%	100%	90,5%	9,5%	100%

Number and percentage of **employees by gender and type of employment:**

Type of employment	2023			2024			2025		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time	19	3	22	19	2	21	19	2	21
TOTAL	19	3	22	19	2	21	19	2	21

Number and percentage of **employees by gender and contract type:**

Employment contract	2023				2024				2025			
	Men	Women	Total	%	Men	Women	Total	%	Men	Women	Total	%
Open-ended	18	3	21	95,5%	19	2	21	100%	17	2	19	90,5%
Fixed term	1	0	1	4,5%	0	0	0	0,0%	2	0	2	9,5%
TOTAL	19	3	22	100%	19	2	21	100%	19	2	21	100%

Social

SDG 3: good health and well-being



Relevant SDG



“Ensure healthy lives and promote well-being for all at all ages.”

Associated Articles of Association purposes: Second purpose

Companies play an active role in implementing measures to ensure occupational health and safety for all employees, while also ensuring that business operations do not negatively impact the right to health, and maximising their positive contributions to the well-being of society as a whole.

Italian Drying Group recognises the importance of ensuring health and well-being within its organisation, as described in SDG 3 of the 2030 Agenda and in the second common benefit goal of the Company’s Articles of Association.

Contribution of Italian Drying Group

1. Implementation of a Health and Safety Management System.
2. Supplemental private insurance for employees on business trips.
3. Joining the Metasalute Supplementary Healthcare Fund.
4. Free mammogram for women workers.



06.2

Occupational Health and Safety

Protecting the health and safety of workers is a priority for Italian Drying Group and constitutes a fundamental right placed at the heart of every company activity. From this perspective, the Company has implemented a **Health and Safety Management System**, based on dedicated procedures and constant monitoring of key indicators, such as the number of work-related injuries.

To promote a culture of prevention, Italian Drying Group invests in **continuing education** activities, specific training and awareness initiatives aimed at promoting safe and responsible behaviour. Health and Safety training is scheduled annually, in full compliance with current legislation, and is tailored to the specifics of each job. In accordance with Italian Legislative Decree 81/08, all employees are subject to **periodic health** surveillance by the company doctor, who assesses the suitability for the task performed. To complement its health prevention activities, in January 2025, Italian Drying Group promoted a free mammogram initiative for female workers.

Italian Drying Group updates the **Risk Assessment Document (RAD)**, drawn up in accordance with the regulatory provisions. The RAD makes it possible to promptly identify and assess potential risks related to the business processes and define appropriate preventive and corrective measures. This tool also makes it possible to continuously monitor the work environment and adopt both technical and organisational prevention strategies.

The Company guarantees workers **Personal Protective Equipment (PPE)** appropriate to the specific risks of individual tasks and carries out periodic internal audits, with the support of an external **Health and Safety Officer (RSPP)**.

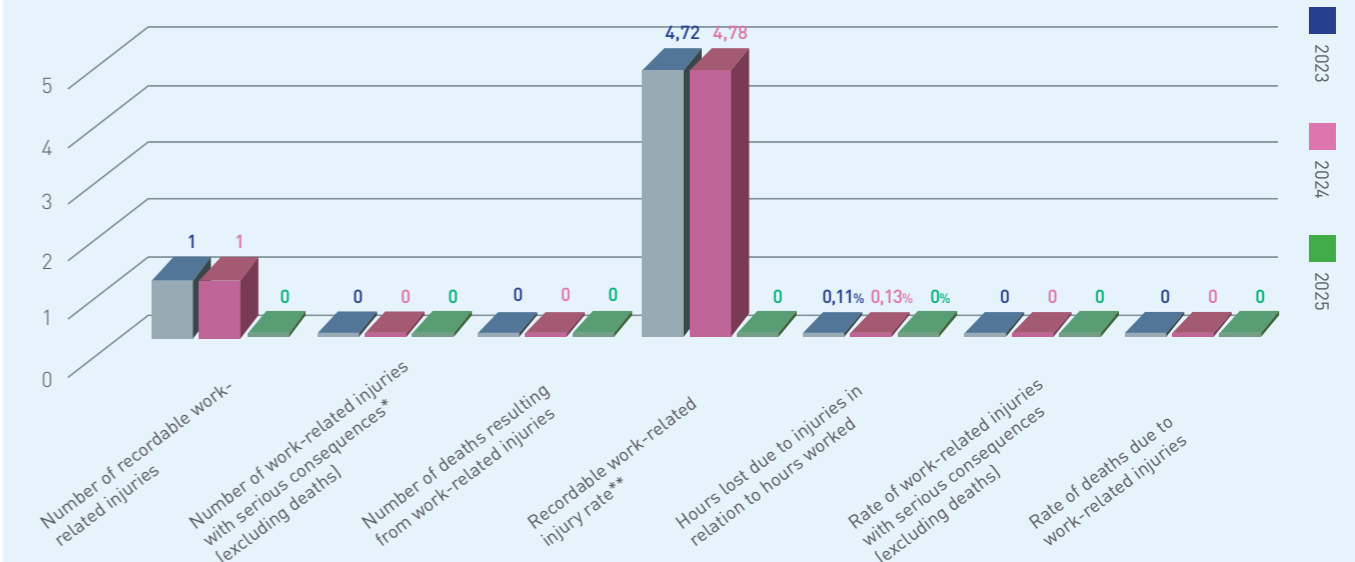
There is also a Single **Document for the Assessment of Interference Risks (DUVRI)**, made available to external companies operating at the company headquarters. The document promotes cooperation and coordination between Italian Drying Group, contractors, and self-employed workers, identifying the risks of interference and defining the measures necessary to eliminate or minimise them.

To protect workers engaged in off-site activities, in 2025 Italian Drying Group took out a **supplementary private insurance** which also covers health and safety aspects for all travelling employees.

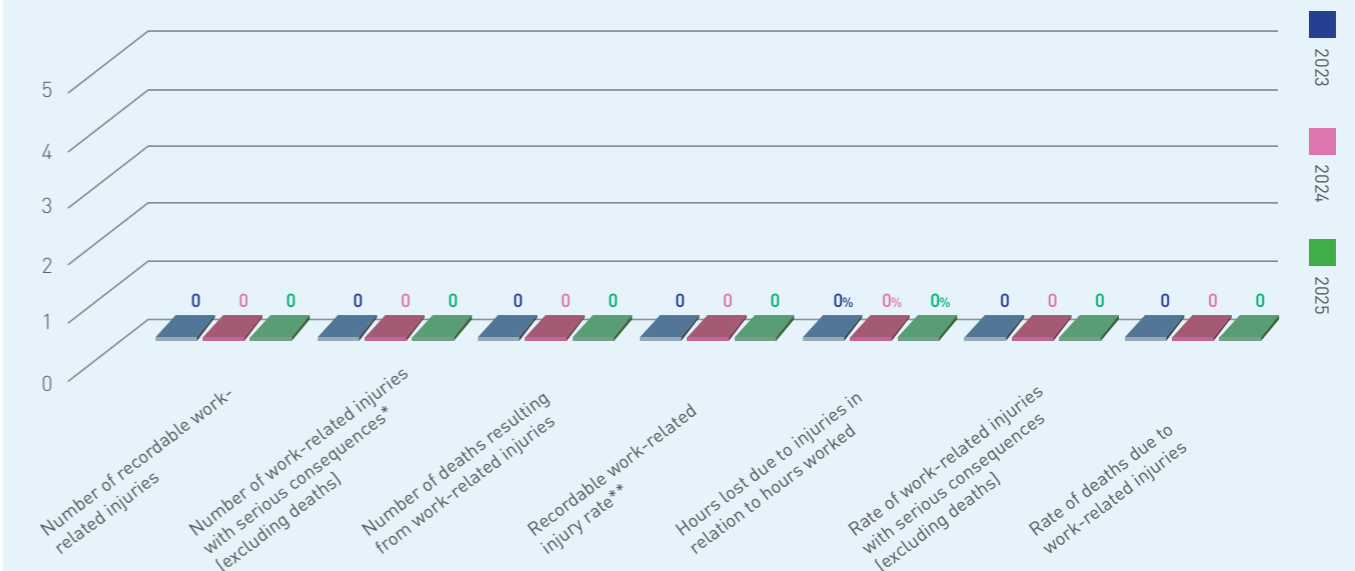
Lastly, Italian Drying Group has joined the **Metasalute Supplementary Healthcare Fund**, which offers employees supplementary healthcare benefits. The fund is accessible to all personnel covered by the Metalworking and Industrial Collective Bargaining Agreement, regardless of their contract type: apprenticeship, fixed-term contract of at least five months, permanent contract, full-time or part-time. In 2025, Italian Drying Group did not employ any temporary workers.

In 2025, the Company recorded no work-related injuries among either employees or non-employees. Table 10 shows the accident rates for employed and non-employed personnel over the last three years. The rate of work-related injuries, regardless of the severity of the event, is calculated by dividing the number of accidents by the total hours worked, using 200,000 as a multiplication coefficient.

Figure 4
Accident rates for employees and non-employees in the three-year period 2023-2025
EMPLOYEES



NON-EMPLOYEES



* **Serious Consequences** = Accident at work resulting in death or injury from which the worker cannot recover, does not recover, or cannot realistically be expected to fully recover to the pre-accident state of health within 6 months.
 ** (number of work-related injuries / number of hours worked) x 200,000



Social

SDG 8: decent work and economic growth



Relevant SDG



Associated Articles
of Association purposes:
Second
purpose

“Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.”

Businesses are the primary means of creating jobs, and they must ensure decent working conditions, both for their own employees and for those in the supply chain.

In line with SDG 8 and the second common benefit goal of the Company’s Articles of Association, Italian Drying Group is committed to ensuring decent working conditions for all its staff, recognising the importance of a working environment that fosters both economic growth and worker well-being.

Contribution of Italian Drying Group

1. Emission of shopping/fuel vouchers.
2. Distribution of employee satisfaction survey.
3. Organisation of team building activities.

06.3

Working conditions and practices

Italian Drying Group adopts detailed internal regulations for its employees, which complement the Code of Ethics and govern key aspects, such as working hours, compensation policies, benefits, training, permits, and leave. This document ensures transparency and consistency in company practices, ensuring that every employee is fully aware of their rights and responsibilities.

To promote a healthy work-life balance, the Company offers, where possible, flexible start and finish times, allowing employees to adapt their workday to their personal needs without compromising organisational efficiency.

In 2025, in line with the provisions of the National Collective Bargaining Agreement, Italian Drying Group also provided its employees with a **fuel voucher**. The Company plans to continue providing fuel vouchers or, alternatively, shopping vouchers in 2026, as established by the relevant National Collective Bargaining Agreement.

Italian Drying Group also provides **corporate clothing**, optional and separate from Personal Protective Equipment, as a corporate identity tool and additional service for employees. Alongside this, the Company ensures a safe and professional working environment focused on the wellbeing of its people.

Particular attention is paid to developing internal relationships and team spirit. In 2025 the company organised a **team building training day**, focused on mindset and teamwork, during which Italian Drying Group was a guest of Montebelluna Rugby. The initiative represented a moment of sharing company values and strengthening collaboration among employees.

In order to support the continuous improvement of the corporate climate, Italian Drying Group has distributed, over the last three years, an **employee satisfaction survey**, conducted anonymously. The results collected are a fundamental tool for identifying areas of strength and opportunities for improvement. The Company plans to repeat the survey in 2026, confirming its commitment to active listening and employee engagement. During the reporting period, Italian Drying Group also celebrated its fiftieth anniversary, a significant moment of sharing with its employees, aimed at highlighting the company’s history and the contributions of the people who have accompanied its development over time.

Italian Drying Group continues to monitor and refine its human resources management practices, ensuring that all company policies are consistent with the principles of decent work and economic growth. The benefits described, including access to the Metasalute supplementary healthcare fund described in the previous chapter, are extended to all employees, regardless of the type of contract, including full-time, part-time and fixed-term staff.

06.4

Talent attraction & retention

Italian Drying Group promotes initiatives that foster the attraction and retention of resources within the company.

In 2025, Italian Drying Group increased its workforce by hiring five new resources, two of whom were under 30. At the same time, five employees left the company, involving men over 50 and under 30.

The following tables show the trend in hiring and terminations in the three-year period 2023–2025.

Number of hires and terminations by gender and age group

Age range	2023			2024			2025											
	Hires	Terminations		Hires	Terminations		Hires	Terminations										
	♂	♀	Total	♂	♀	Total	♂	♀	Total									
<30	0	0	0	3	1	4	2	0	2	2	0	2	2	0	2	3	0	3
30-50	2	0	2	1	1	2	3	0	3	5	0	5	3	0	3	0	0	0
>50	2	0	2	3	0	3	2	0	2	1	0	1	0	0	0	2	0	2
TOTAL	4	0	4	7	2	9	7	0	7	8	0	8	5	0	5	5	0	5

Percentage of hires and terminations by gender and age group

Age range	2023			2024		
	Hires		Terminations	Hires		Terminations
	♂	♀	Totale	♂	♀	Totale
<30	0,0%	0,0%	0,0%	60,0%	100%	66,7%
30-50	25,0%	0,0%	20,0%	12,5%	50,0%	20,0%
>50	33,3%	0,0%	33,3%	50,0%	0,0%	50,0%
TOTAL	21,1%	0,0%	18,2%	36,8%	66,7%	40,9%



2023
TOTAL
40,9%

Age range	2024			2025		
	Hires		Terminations	Hires		Terminations
	♂	♀	Totale	♂	♀	Totale
<30	40,0%	0,0%	33,3%	40,0%	0,0%	33,3%
30-50	50,0%	0,0%	42,9%	83,3%	0,0%	71,4%
>50	25,0%	0,0%	25,0%	12,5%	0,0%	12,5%
TOTAL	36,8%	0,0%	33,3%	42,1%	0,0%	38,1%



2024
TOTAL
38,1%

Age range	2025			2026		
	Hires		Terminations	Hires		Terminations
	♂	♀	Totale	♂	♀	Totale
<30	100%	0,0%	66,7%	150,0%	0,0%	100%
30-50	30,0%	0,0%	27,3%	0,0%	0,0%	0,0%
>50	0,0%	0,0%	0,0%	28,6%	0,0%	28,6%
TOTAL	26,3%	0,0%	23,8%	26,3%	0,0%	23,8%



2025
TOTAL
23,8%

Social

SDG 4: quality education



Relevant SDG



“Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.”

Associated Articles of Association purposes: Second purpose

Companies can contribute to this goal within their own organisations through employee training programmes and externally through investments in education systems and programmes.

Italian Drying Group is committed to promoting the training and professional development of its employees, providing incentives and dedicated resources to support skill development and foster a culture of continuous improvement. With this in mind, the Company cultivates active relationships with local universities and educational institutions, establishing partnerships that foster innovation and the dissemination of knowledge throughout the region. Italian Drying Group also envisages **training courses dedicated to customers** for efficient and conscious use of the systems, with particular attention to solutions designed to ensure minimal environmental impact. These plants are developed to minimise the environmental impacts, monitored and reported through specific indicators. To ensure the quality and effectiveness of these activities, the Company prioritises training for staff responsible for promoting its products to customers, ensuring accurate transmission of the technical expertise and sustainability values that guide the Organisation.

Contribution of Italian Drying Group

1. Provision of dedicated training to customers for efficient and conscious use of the systems.
2. Employee-specific courses on sustainability, AI, foreign languages, and team building.

06.5 Human capital development

Italian Drying Group considers continuous training a fundamental tool for empowering people, supporting innovation, and ensuring the company's long-term competitiveness. Investing in the development of technical, managerial, and transversal skills is a central element of the growth and continuous improvement strategy.

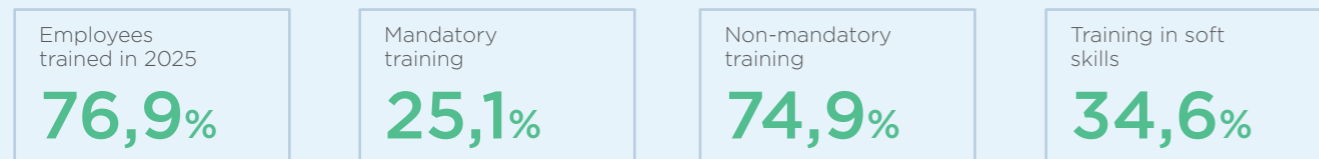
During 2024 the training course held by continued **Open Source Management (OSM)**, dedicated to personal improvement, the creation of cohesive work teams and the improvement of sales techniques through emotional and relational approaches continued. In the same year, Italian Drying Group took part in the course held by Marco Mariotto, "**Appointment with sustainability**", promoted by the Treviso-Belluno Chamber of Commerce, with the aim of exploring issues related to corporate sustainability and the integration of ESG criteria into corporate strategies.

In 2025, the Company further expanded its training offer, promoting **English, French and German language courses** aimed at both office staff and installers, in order to improve language skills and support operations in an increasingly international context. In the same year, the Administrator, the Sales Manager and the Service Manager participated in a course dedicated to artificial intelligence applied to marketing, with a focus on the use of AI in B2B and B2C contexts and on potential applications to support commercial and communication activities. The company also delivered the **Opes Mind** training programme, "**L'azienda attrattiva**" (The Employer of Choice). This initiative aimed to engage the team in a process of listening and team-building, fostering a culture rooted in collaboration and shared methodologies.

In line with the development path undertaken, Italian Drying Group has defined specific training objectives for 2026. They include the launch of courses dedicated to the methods and characteristics of work for nine company managers, a "Better People Make Better Team" programme for all employees to strengthen interpersonal and collaboration skills, and the extension of artificial intelligence training to the entire IDG team, with the aim of encouraging the informed and responsible diffusion of new technologies within the organisation.

The following tables summarise the data relating to employee training in the three-year period 2023-2025.

Figure 5 Key Performance Indicators (KPIs) relating to training at Italian Drying Group in the three-year period 2023-2025.



	2023	2024	2025
People who received the training	72,4%	48,3%	76,9%
People who received training in soft skills	31,0%	24,1%	34,6%
Mandatory training hours in relation to total training hours	59,5%	32,2%	25,1%
Non-mandatory training hours in relation to total training hours	40,5%	67,8%	74,9%
Total training hours in relation to hours worked	0,9%	0,5%	1,0%

Figure 6 Average number of hours of training per employee, broken down by gender and category



In 2025, 76.9% of employees benefited from training activities. 25.1% of total hours were dedicated to mandatory health and safety training, while 74.9% involved non-mandatory training on specific and transversal professional skills, including training on the new management system and team building activities. Over the past year, hours dedicated to training represented 1.0% of total hours worked, the highest figure in the three-year period.

Chapter

07.0



“It’s not enough to say we care about the environment. We need to measure how much we care and have the courage to publish it.”

Eng. Riccardo Luison
Operations Department

Environment

Italian Drying Group has always worked with **deep care for the environment**, placing sustainability among the principles that guide its activities and the design of its facilities. The Company constantly monitors energy and material consumption, committing to identifying solutions that can significantly reduce its ecological footprint. The systems are also developed to guarantee high performance, while optimising efficiency and consumption throughout the entire production cycle.

To support a circular economy approach, Italian Drying Group offers maintenance and reconditioning services for existing systems, extending their useful life and limiting the need for new resources to produce replacement equipment.

The environmental impacts generated by company activities mainly concern greenhouse gas emissions, connected to the consumption of electricity and fossil fuels, and the production of waste. Water consumption, on the other hand, is minimal. The water is used exclusively for hygiene and sanitation purposes, while the outdoor green area is irrigated through the recovery of grey water, thus reducing the withdrawal of drinking water.

The following sections explore the main environmental impacts associated with Italian Drying Group’s activities and illustrate the technologies and strategies implemented to prevent and mitigate them.

Italian Drying Group has initiated an internal process to monitor energy consumption, both internally and for the systems it builds, with the aim of identifying solutions capable of significantly reducing it.

In 2025, overall diesel consumption, used to power company vehicles and heat factories during the winter months, decreased by 4.4% compared to the previous year. The reduction is mainly due to the lower use of diesel for company vehicles (-15.1%). In contrast, diesel fuel for heating purposes recorded an increase of 22.2%.

Electricity is used primarily to power company processes, particularly the automated warehouse and various equipment and systems (including hydraulic press brakes, chop saws, automated and manual welding machines), as well as the electronic devices used in the offices.

Over the years, the company has progressively replaced traditional lighting with LED lights, which are more energy efficient. In 2025, electricity consumption decreased by 11.3%.



Environment

SDG 7: affordable and clean energy



Relevant SDG



Associated Articles of Association purposes:
Fourth and Sixth purpose

“Ensure access to affordable, reliable, sustainable and modern energy for all.”

Companies can invest in clean energy sources, such as solar, wind, or thermal, focus on technologies that reduce electricity consumption in buildings and industries, and implement projects that help provide energy to the most disadvantaged local communities.

Contribution of Italian Drying Group

1. Energy Manager activities aimed at customers.
2. STOP&GO drying programme.
3. Development of heat recovery units and installation of inverters.
4. mac_Hybrid and mac EVO systems with greater energy efficiency.
5. Designing Energy Management software.
6. 100% of the electricity purchased comes from renewable sources.

Energy consumption within the Organisation in the three-year period 2023-2025

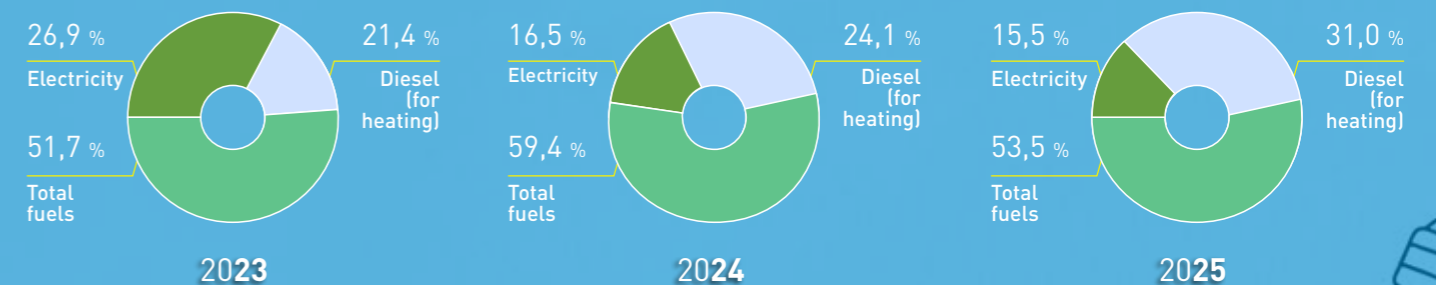
FUELS	u.d.m	2023	2024	2025	Δ% 2025 vs 2024
Diesel*	GJ	783,0	1.207,8	1.155,2	-4,4%
of which: for vehicles	GJ	554,1	859,7	729,8	-15,1%
of which: for heating	GJ	228,9	348,1	425,4	+22,2%
Petrol*	GJ	-	-	3,9	+100%
of which: for vehicles	GJ	-	-	3,9	+100%
Total consumption of fuels from non-renewable sources	GJ	783,0	1.207,8	1.159,1	-4,0%
Total consumption of fuels from renewable sources	GJ	-	-	-	-

ELECTRICITY	u.d.m	2023	2024	2025	Δ% 2025 vs 2024
Purchased electricity	GJ	288,6	238,5	211,6	-11,3%
of which: from traditional mix	GJ	288,6	51,9	0,0	-100,0%
of which: 100% certified from renewable sources	GJ	-	186,6	211,6	+13,4%

TOTAL ENERGY	u.d.m	2023	2024	2025	Δ% 2025 vs 2024
Internal energy consumption	GJ	1.071,6	1.446,3	1.370,7	-5,2%
of which: renewable	GJ	-	186,6	211,6	13,4%
of which: non-renewable	GJ	1.071,6	1.259,7	1.159,1	-8,0%

The following graph shows the percentage breakdown of consumption by category. In the 2023-2025 period, diesel remains the main energy source used by the Company.

Perc. breakdown of internal energy consumption in the three-year period 2023-2025



The table below shows the trend in energy intensity indices in the three-year period 2023-2025. Over the past year, total energy consumption in relation to turnover increased by 19.7% compared to the previous year, while electricity consumption in relation to hours worked decreased by 3.3%.

Energy intensity

measured in relation to turnover and hours worked

Energy intensity	u.d.m.	2023	2024	2025	Δ% 2025 vs 2024
Total energy consumed on turnover	GJ/Mln €	142,69	184,76	221,20	+19,7%
Electricity consumed over hours worked	(GJ/h) x 1.000	6,81	5,70	5,51	-3,3%

* Source of conversion factors used for fuels: Defra UK GHG conversion factors. The fuels were converted to kWh using conversion factors based on their Gross CV and subsequently converted to GJ.

07.1

Energy management of plants

Rising energy costs are encouraging companies to develop more efficient and sustainable methods of managing internal consumption. Italian Drying Group recognises the urgency of energy efficiency and actively participates in the energy transition through the design of high-performance systems and the performance of the role of **Energy Manager**. The company supports clients with specialised consulting services, leveraging its experience in energy management to identify solutions that improve process efficiency and reduce emissions.

The international energy sector is undergoing a profound transformation, and energy management has become a central element in environmental sustainability strategies. **In this context, Italian Drying Group does not limit itself to improving the efficiency of individual solutions, but adopts an integrated approach aimed at optimising all stages of the production process through comprehensive plant management.**

The Italian Drying Group **management system** is designed to acquire and analyse data relating to electrical and thermal consumption, providing a detailed picture of the systems' energy performance. This makes it possible to identify opportunities for improvement and reduce the environmental impact of production activities.

1. Energy management is divided into four main stages:
2. Collection of data relating to energy consumption and plant use;
3. Analysis and measurement of performance through energy indicators (ENPIs);
4. Implementation of work meant to increase efficiency, using advanced and customised technological solutions;
5. Continuous monitoring of results to ensure constant improvement.

To support this process, Italian Drying Group relies on its Research and Development department to develop increasingly advanced software and technologies aimed at optimising consumption, reducing process times, and maintaining high product quality standards. In this context, in 2025 we launched the new **mac EVO**, designed to further improve the energy performance of drying systems.

The company works closely with customers to design tailor-made solutions that can adapt to specific production needs and varying climatic and environmental conditions, seeking an optimal balance between performance and energy efficiency. In line with this approach, the Group developed the **mac_Hybrid** system, which integrates conventional

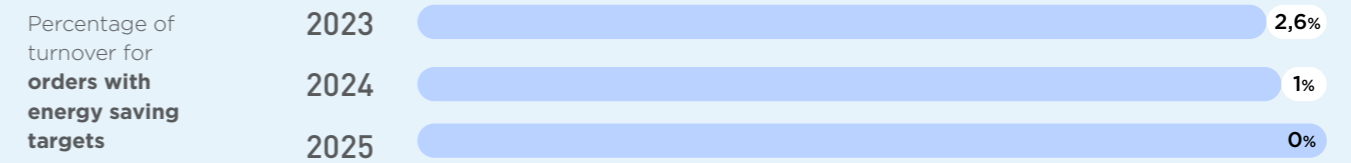
and condensation drying techniques. This system optimises both electrical and thermal energy consumption while reducing the need for further investment in boilers. Further contributing to energy savings is the **STOP&GO drying programme**, which saw increasing market interest in 2025. The system constantly monitors the condition of the timber and automatically adjusts ventilation and kiln schedules. This reduces the energy used per unit of output and enhances the quality of the treatment.

Among its complementary technologies, the Italian Drying Group has introduced **heat recovery units**. These systems pre-heat incoming external air using the hot exhaust air, recovering up to 30% of thermal energy. Additionally, the installation of inverters has further optimised the performance of fan motors. The integration of these solutions makes it possible to significantly reduce emissions. A system equipped with heat recovery and STOP&GO software, in fact, can reduce CO₂ emissions by up to 34% compared to a basic system.

With a view to continuous improvement, in 2026 Italian Drying Group intends to further promote more energy efficient systems and develop case studies dedicated to some customers, analysing the energy performance of the systems before and after the optimisation interventions proposed by the Company. These initiatives will make it possible to measure the benefits achieved and disseminate best energy efficiency practices along the supply chain.

Below are the percentages of turnover resulting from the sale of systems designed to reduce the environmental impact while maintaining the same performance in the three-year period 2023–2025.

Figure 7
KPI relating to the sale of systems with a lower environmental impact in the three-year period 2023-2025



Pictured: mac EVO condensation dryer



Pictured: Cross-flow heat exchanger



Environment

SDG 13: climate action



Relevant SDG



Associated Articles of Association purposes: Fourth and Sixth purpose

“Take urgent action to combat climate change and its impacts.”

The private sector can develop strategies to reduce its greenhouse gas emissions by using renewable energy instead of fossil fuels.

Sustainable Development Goal 13 (SDG 13) aims to make climate change a priority on the global political agenda. This goal is addressed to national and regional governments, businesses, and civil society, promoting the integration of strategies and programmes needed to effectively address climate change-induced problems, such as natural disasters. SDG 13 also encourages education and awareness-raising on these issues. **The private sector, in particular, can contribute significantly by developing strategies to reduce its own greenhouse gas emissions.** One effective way to do this is to adopt renewable energy instead of fossil fuels, thus reducing the environmental impact and promoting more sustainable development.

Contribution of Italian Drying Group

1. Purchase of electricity exclusively from 100% renewable sources.

07.2

Climate strategy

In line with its commitment to SDG 13, **Italian Drying Group monitors greenhouse gas emissions from its activities and implements specific mitigation measures.** They include strategic design and investments in research and development to improve the energy efficiency of systems. Some installations, for example, are designed, right from the start, to reduce the environmental impact without compromising performance. The company is also evaluating the possibility of replacing the refrigerant gases used in its machinery with less polluting gases.

Below is the trend in the Company’s CO₂ emissions. (Scope 1 and Scope 2) for the three-year period 2023-2025. **Scope 1** refers to direct greenhouse gas emissions from installations within the company’s boundaries. **Scope 2** refers, instead, to indirect emissions connected to the generation of electricity, heat and steam imported and consumed by the Organisation. Total emissions are expressed in tonnes of CO₂ equivalent, using the conversion factors reported in the “Methodological Note”.

In the case of Italian Drying Group, direct emissions (Scope 1) relate to the use of diesel for heating and fuel for company vehicles. Indirect emissions (Scope 2), on the other hand, are connected to the purchase and use of electricity. The latter are calculated according to the location-based method, which considers an average CO₂eq emission factor based on the national energy mix, either according to the market-based method, which assigns a CO₂zero eq emission factor for energy consumption from certified renewable sources. **As illustrated in the table below, there were reductions in both Scope 1 and Scope 2 emissions in 2025 compared to 2024.**

Figure 8
Scope 1 and Scope 2 CO₂ emissions



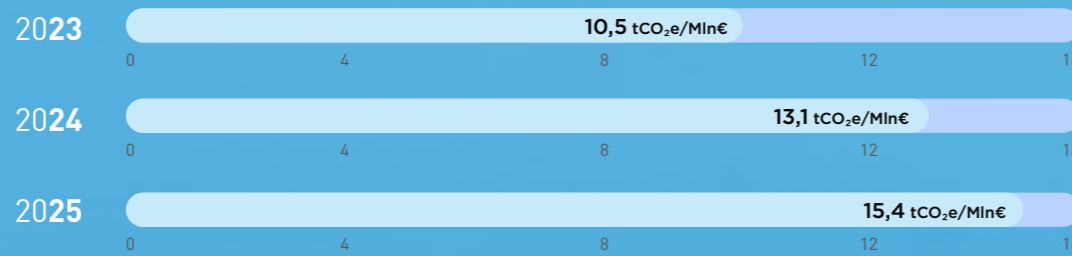
* The sources of the coefficients for the location-based and market-based Scope 2 calculation are Terna and the AIB European Residual Mixes report respectively. The coefficients required for the Scope 1 calculation are derived from the Defra UK GHG conversion factors. For the calculation of fuel emissions, the Gross CV (Calorific Value) or, in its absence, the Net CV was considered.

The following table and graph show the emission intensity indices measured in relation to turnover. In 2025, both of these indicators are expected to increase by 17.0% according to the location-based methodology and 13.5% according to the market-based method.

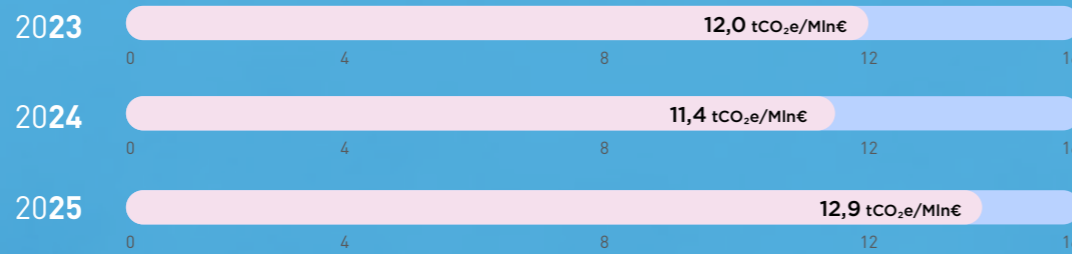
Emission intensity

EMISSION INTENSITY	u.d.m	2023	2024	2025	Δ% 2025 vs 2024
Location-based emission intensity on turnover	tCO ₂ e/Mln €	10,5	13,1	15,4	+17,0%
Market-based emission intensity on turnover	tCO ₂ e/Mln €	12,0	11,4	12,9	+13,5%

Emissions intensity relative to turnover in millions of € Location-based

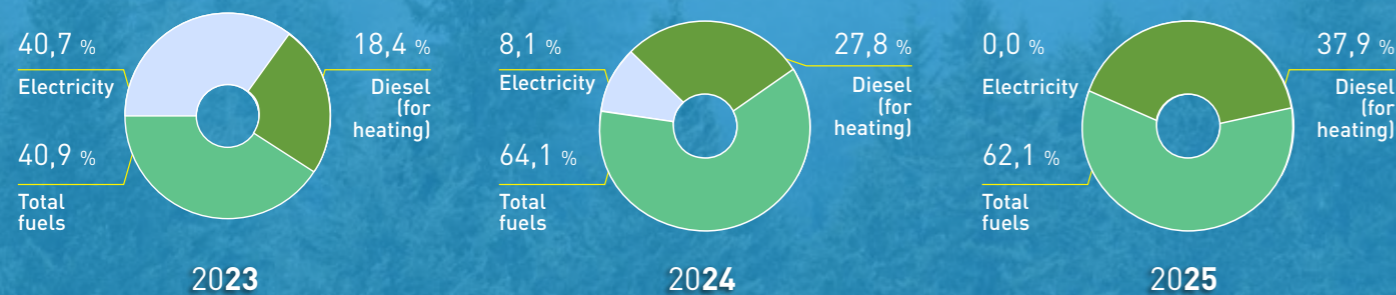


Emissions intensity relative to turnover in millions of € Market-based

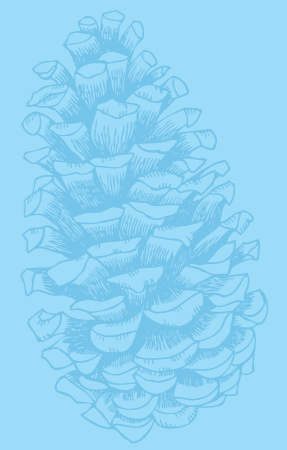


The following graph, instead, shows the percentage distribution of emissions calculated according to the market-based method deriving from the different energy sources used by the Company. In 2025, 100% of these emissions are attributable to the consumption of diesel for heating and fuels for company vehicles (Scope 1). Purchasing electricity exclusively from renewable sources has, in fact, eliminated market-based Scope 2 emissions over the last year.

Scope 1 and Scope 2 market-based percentage composition



Environment



SDG 12: responsible consumption and production

Relevant SDG



“Ensure sustainable consumption and production patterns.”

Associated Articles of Association purposes: Fifth and Sixth purpose

Companies have many options for action, especially those operating in the food, textile, or consumer goods sectors. For example, companies could gradually withdraw from the market products or services that require excessive consumption of energy and natural resources, progressively favouring the use of recyclable and biodegradable materials in their production processes.

Contribution of Italian Drying Group

1. Incotech predictive maintenance interventions, which extend the operational life of systems.
2. Regeneration and optimisation program for existing systems.
3. Reuse of used packaging.

07.3 Waste management

Italian Drying Group manages waste by adopting an approach aimed at reducing waste and promoting circular practices throughout the entire operational cycle. The Company has implemented a regulated programme for the recovery and recycling of materials, such as paper, cardboard, plastic, glass and metals, integrated with strategies aimed at **reusing packaging** used in daily activities, thus significantly reducing waste.

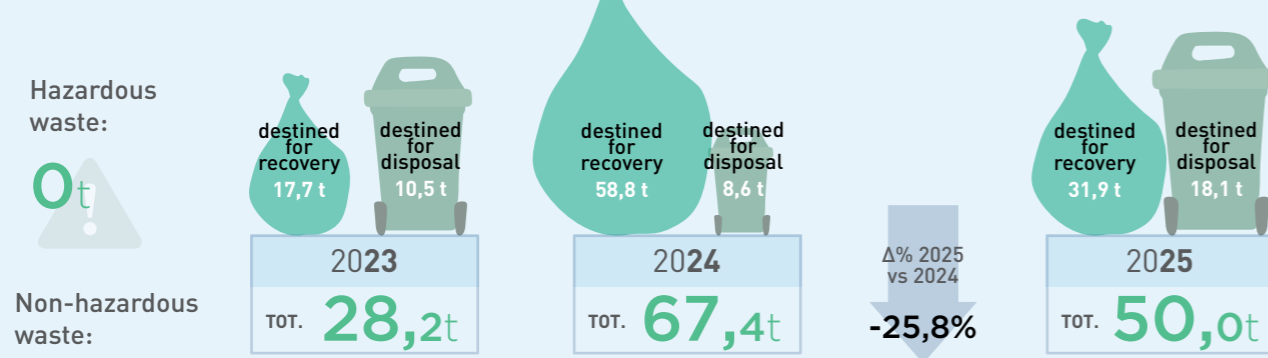
To ensure proper and efficient treatment, the production site is equipped with dedicated internal and external collection areas where waste is sorted by type. Most of the waste generated comes from the industrial processes and consists mainly of scrap metal, wood and pallets.

The traceability of waste flows is ensured through regularly updated recording systems. In line with the evolution of the regulatory framework, Italian Drying Group has started the transition to the **National Electronic Register for Waste Traceability (RENTRI)**, which will enable increasingly digital, transparent, and timely management of data relating to waste production, movement, and disposal. All forms and requested information are archived in accordance with current legislation.

Operational waste management is entrusted to qualified third-party suppliers, who operate in authorised facilities. Italian Drying Group annually verifies its partners' compliance with contractual and legal requirements, ensuring responsible management and compliance with applicable standards.

The Company has also adopted a separate waste collection system in its offices, with waste managed by the Municipality in accordance with local regulations. In 2025, Italian Drying Group generated 50.0 tonnes of non-hazardous waste, a 25.8% reduction compared to the previous year. **It is important to note that, in the last three years, the Company's activities have not produced any hazardous waste.**

Figure 9
Waste generated within the Organisation broken down by category and final destination



As shown in the table below, over the past year, waste generated in relation to turnover decreased by 6.3%, a sign of greater efficiency in waste management by the Company. However, the percentage share of waste sent for recovery also decreased (-23.4%) compared to 2024.

Figure 10
KPIs relating to waste produced by Italian Drying Group in the three-year period 2023-2025

	u.d.m.	2023	2024	2025	Δ% 2025 vs 2024
Percentage of waste destined for recovery out of total waste generated	%	62,8	87,2	63,8	-23,4%
Ratio between total waste generated and turnover	t/Mln €	3,8	8,6	8,07	-6,3%

07.4 Reconditioning services

Italian Drying Group is recognised for the durability of its systems, with an average useful life of approximately 20 years. In line with SDG 12, which promotes sustainable consumption and production patterns, the Company has developed a range of services aimed not only at improving the energy efficiency of its products but also at ensuring their proper functioning over time, through the restoration and regeneration of existing systems, significantly extending their useful life.

A central element of the offer is **Incotech**, a suite of advanced predictive maintenance solutions designed to prevent potential problems and optimise the performance of the systems at the customers' premises. Incotech interventions extend the operating life of systems, improve their overall efficiency, and help reduce the environmental impact and energy costs, ensuring that systems always operate at maximum capacity, minimising resource consumption and reducing waste.

A distinctive feature of the Italian Drying Group is the **regeneration and optimisation programme**, applicable not only to systems produced by the Company, but also to those of other manufacturers. This significantly reduces the need for virgin resources in primary production, contributing to the preservation of natural resources and a reduction in the carbon footprint associated with industrial manufacturing. Key upgrades include relining the kiln walls and installing thermal fluid heating coils. These measures make it possible to retrofit gas- or diesel-fired plants into more sustainable hot-water systems, powered by biomass boilers. This increasingly popular solution represents a concrete step towards decarbonising the industrial sector, reducing the use of fossil fuels and encouraging the use of renewable energy sources.

Through these initiatives, Italian Drying Group aims to meet customers' immediate needs and, at the same time, actively contribute to reducing waste and the environmental impact.

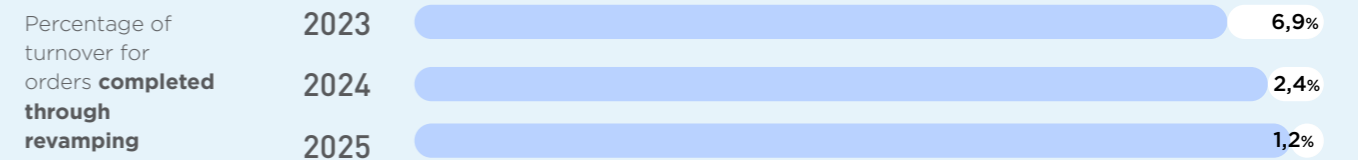
At the end of 2025, the company introduced an **app dedicated to plant monitoring**, which allows customers to interact directly with the machine and independently view the maintenance steps, with the aim of extending its useful life. The app also makes it possible to check the system's status in real time, improving activity planning, reducing machine downtime, and optimising work organisation.

The percentage of turnover generated by revamping orders over the last three years is shown below.



Incotech
incotech srl.com/app

Figure 11
KPI relating to the revamping programme for the three-year period 2023-2025



Chapter

08.0

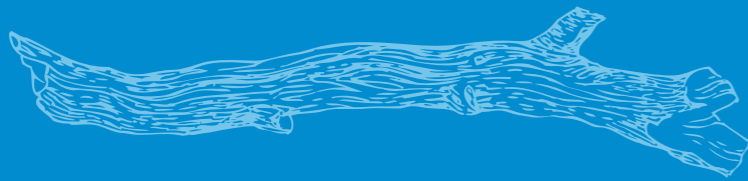
Common benefit purposes, material topics and ESGs



Common Benefit Purpose	Material Topic	SDGs	2026 Goals
<p>First purpose</p> <p>Commitment to promoting and disseminating a business model based on ethics, transparency and aimed at implementing initiatives to integrate sustainability in corporate processes and strategy</p>	Product quality and safety, and customer satisfaction		Creating a customer satisfaction survey
<p>Second purpose</p> <p>Development of ideas, projects, and other initiatives aimed at pursuing and maintaining the best conditions guaranteeing the well-being of employees, making inclusion, equal opportunities, and training a key factor in business development</p>	Occupational Health and Safety		Enter into a contract with an external supplier to carry out monthly audits to verify and monitor procedures and raise awareness. Installation of the AED in the company
	Human capital development		Continue with the implementation of cross-disciplinary training courses
	Talent attraction & retention		Proseguire il percorso sviluppo soft skills interne con fornitore esterno "OPES MIND" di Treviso
	Working conditions and practices	 	Increase the percentage of women in the workforce
<p>Third purpose</p> <p>Support for local social and cultural projects with the aim of creating a positive impact on the local communities and the people who live there</p>	Strategic partnerships		Continue the commitment to supporting local initiatives and sponsorships
<p>Fourth purpose</p> <p>Research into innovative solutions capable of anticipating future challenges, through the development and production of technologies and drying systems aimed at measuring and improving energy-related impacts, with the aim of contributing to mitigate climate change</p>	R&D and Innovation		Development of new solutions (mac EVO) to reduce reducing CO ₂ emissions and save energy.
	Energy management of plants		Case studies on work aiming to improve energy efficiency for several customers, comparing performance before and after the optimisation measures proposed by IDG. Promotion of energy-efficient systems
<p>Fifth purpose</p> <p>Development of solutions and projects in the field of circular economy, such as the reconditioning of existing plants, with the aim of optimising the use of natural resources</p>	Reconditioning services		Continuation of the iRenew service, which deals with the revamping of old drying systems
	Waste management		Raising awareness among staff and cleaning companies regarding the separation of corporate waste
<p>Sixth purpose</p> <p>Concrete commitment to the environment through the creation of indicators that make it possible to measure, monitor, and improve the environmental impacts generated, promoting the use of resources from renewable sources</p>	Climate strategy		Continue purchasing electricity from renewable sources exclusively from the supplier "Dolomiti Energia"

Chapter

09.0



“Whoever reads this report deserves to know not only what we measured, but also how we did it. Methodology is not a footnote.”

Marco Mariotto

Marketing Communications Specialist

Methodological note

This document is the second edition of the Sustainability Report, the first drafted as Italian Drying Group Srl, written with the aim of communicating in a timely, responsible, and transparent manner to stakeholders the most significant social, environmental, and economic impacts resulting from the company's activities, decisions, policies, and practices, including those relating to its value chain. The process that led to the preparation of the Report involved the company management and the main departments it coordinates.

This Report aims to provide stakeholders with a clear understanding of Italian Drying Group's sustainability performance across its three ESG (Environmental, Social, Governance) dimensions. The Document presents qualitative and quantitative information relating to the progress and impact generated with respect to the material topics identified as having the greatest impact on the Company and its stakeholders.

These topics were identified through a materiality analysis carried out in accordance with the Standard GRI 3: Material topics, as explained in the dedicated paragraph.

The Report's scope includes the company Italian Drying Group Srl, whose registered office and operational headquarters are at Via Galileo Ferraris, 50 - 31044 Montebelluna (TV). The Company operates only in Italy and the reporting period to which the data in the Report refer is from 1 January 2025 to 31 December 2025, coinciding with the Financial Statements. Some reported indicators compare the results of the years 2023, 2024 and 2025, while others refer only to the current reporting year. The indicators were calculated accurately and precisely based on data obtained from the general accounting, integrated management systems, and other available information systems.

The Document, published annually, was drafted with reference to the 2021 version of the Global Reporting Initiative (GRI) Universal Standards.

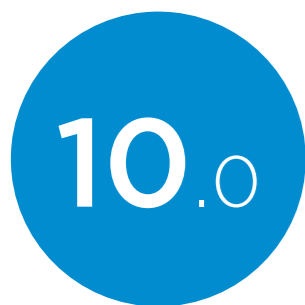
The Report follows the fundamental principles for reporting according to GRI 1: Foundation defined in 2021, such as: accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability.

Please note that no revisions have been made compared to the previous edition of the Report. It is also specified that this Document has not been the subject of assurance from external competent bodies.

The GRI Content Index, created to facilitate searching and understanding the reported information by indicating the name of the reference paragraph, is to be found at the end of the Document. Work-related injuries were calculated based on the guidelines described in GRI 403-9 and 200,000 was used as the multiplication coefficient. The conversion coefficients presented by DEFRA UK were used to calculate the environmental parameters related to energy consumption; ,, the data presented by Terna and the European Residual Mixes AIB Report were used to calculate market-based and location-based emissions. It should also be noted that the warehouse's electricity consumption has been estimated, as it is negligible compared to the overall electricity consumption.

For information and further details regarding Italian Drying Group's sustainability strategy and the contents of this Sustainability Report, please contact the following address: info@idgsrl.com.





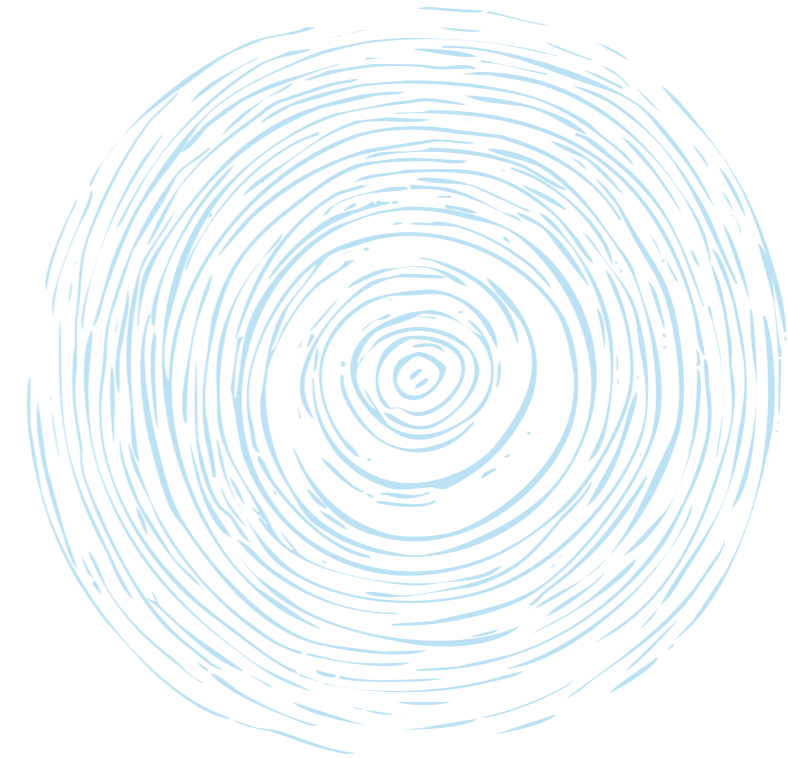
GRI Table of Contents

Declaration of Use	Italian Drying Group Srl has submitted a report with reference to the GRI Standards for the period from 1 January 2025 to 31 December 2025.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION (paragraph name)
GRI 2: General Disclosures 2021	2-1 Organisational details	Methodological note
	2-2 Entities included in the organisation's sustainability reporting	Methodological note
	2-3 Reporting period, frequency and contact point	Methodological note
	2-4 Restatements of Information	Methodological note
	2-5 External assurance	Methodological note
	2-6 Activities, value chain and other business relationships	About us Supply chain management and responsible procurement
	2-7	SDG 10: Reduced inequalities
	2-8 Workers who are not employees	Occupational Health and Safety
	2-9 Governance structure and composition	Governance and business ethics
	2-10 Nomination and selection of the highest governance body	Governance and business ethics
	2-11 Chair of the highest governance body	Governance and business ethics
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance and business ethics
	2-15 Conflicts of interest	Governance and business ethics
	2-16 Communication of critical concerns	Governance and business ethics
	2-22 Statement on sustainable development strategy	Letter to the stakeholders
	2-27 Compliance with laws and regulations	Governance and business ethics
	2-28 Membership associations	Strategic partnerships
	2-29 Approach to stakeholder engagement	Assessment of Impact importance and stakeholder engagement
	2-30 Collective bargaining agreements	SDG 10: Reduced inequalities

GRI STANDARD	DISCLOSURE	LOCATION (paragraph name)	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality analysis	
	3-2 List of material topics	Prioritisation of the impacts Governance and business ethics Supply chain management and responsible procurement Product quality and safety, and Customer satisfaction Cybersecurity and privacy management Strategic partnerships R&D and Innovation Occupational Health and Safety	
	3-3 Management of material topics	Working conditions and practices Talent attraction & retention Human capital development Energy management of plants Climate strategy Waste management Reconditioning services	
	GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Supply chain management and responsible procurement
	GRI 205: Anti-Corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Governance and business ethics
	GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Governance and business ethics
	GRI 302: Energy 2016	302-1 Energy consumption within the organisation	SDG 7: Affordable and clean energy
		302-3 Energy intensity	SDG 7: Affordable and clean energy
		302-4 Reduction of the energy requirements of products and services	Energy management of plants
	GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate strategy
305-2 Energy indirect (Scope 2) GHG emissions		Climate strategy	
305-4 GHG emissions intensity		Climate strategy	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste management	
	306-2 Management of significant waste-related impacts	Waste management	
	306-3 Waste generated	Waste management	
	306-4 Waste diverted from disposal	Waste management	
	306-5 Waste directed to disposal	Waste management	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Talent attraction & retention	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Working conditions and practices	

GRI STANDARD	DISCLOSURE	LOCATION (paragraph name)
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
	403-3 Occupational health services	Occupational Health and Safety
	403-5 Worker training on occupational health and safety	Occupational Health and Safety
	Human capital development	Salute e Sicurezza sul lavoro
	403-6 Promotion of workers health	Occupational Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety
	403-9 Work-related injuries	Occupational Health and Safety
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee (a)	Human capital development
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	SDG 10: Reduced inequalities Governance and business ethics
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	SDG 10: Reduced inequalities
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	No actual or potential negative impacts of Italian Drying Group Srl's operations on the local community are reported.
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Product quality and safety, and Customer satisfaction
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Product quality and safety, and Customer satisfaction
GRI 417: Marketing and Labelling 2016	417-2 Incidents of non-compliance concerning product and service information and labelling	Product quality and safety, and Customer satisfaction
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cybersecurity and privacy management



Edition: **2026**
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Note
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