CESG Conference 2024. Vienna.

Panel: Small and medium enterprises (SME) and ESG data: What would be a pragmatic and reasonable Approach?

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Manuel Puerta da Costa,
Chair APAF Portugal, Treasurer & member of EFFAS EMC.

Moderator: Thorsten Müller,
CEFA, CESGA, CIIA. Chair DVFA and Member of EFFAS EMC.

SME and ESG data

LSME interviews: key observations

Data collection by SMEs

- LSMEs feel overburdened by ESG data reporting
- Input and output do not correlate
- Scope 3 is considered as an overshooting regulation, especially for SMEs

Capital Markets impact on SMEs

- A € 200m market cap company reports: „out of 250 investor meetings only one!!! investor was interested in ESG.“
- ESG reporting requests under the ESRS for LSME will severely harm SME IPO activity.

EFFAS CESG Conference

Osai A.S. S.p.A. Società Benefit

Osai automation systems

where ideas become technology

Wien, Austrian Central Bank, October 2nd 2024

Osai
automation systems

1991
Osai A.S., company operating in **sector of industrial automation,** was founded by **Carlo Ferrero.**

OSAI Automation System S.p.A. Benefit Company has been operating internationally for over 30 years in the **design and manufacture of machines and systems for industrial process automation,** especially working for the semiconductor, automotive and electronic manufacturing industries.

Operating in a high-tech industry, OSAI A.S. is well aware of future trends and challenges resulting from the digitization of industry and the transition to more sustainable production systems. Awareness of the impact its activities have on society and the area in which it operates has prompted OSAI A.S. to pursue several social and environmental initiatives, enhanced in **2021** with the publication of its **first sustainability report on a voluntary basis**.


AUTOMATION FOR RECYCLING

Osai GreenTech

From Osai's 30 years of experience in industrial process automation, Osai A.S. Spa founded Osai Greentech Srl with **the aim of conveying his expertise into the recycling and reuse industry**, as a prove of its commitment to environmental sustainability.

Mission

"become a primary player in the development and commercialization of automation systems in recycling and technological partner of the main national and international players engaged in the ecological transition and the circular economy"

GREEN TECH | OSAI GROUP
AUTOMATION 4 RECYCLING

Sustainable automation Powering tomorrow's world

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3 reasons for our sustainability reporting

Following the listing at Euronext Growth Market (Milan Stock Exchange), we gradually understood how it was necessary:

1. to **identify a new channel of communication** to the 4 most important stakeholders, namely **lenders, shareholders, customers,** and the **community**;
2. to **establish an ESG data management** and monitoring system functional for calculating greenhouse gas emissions;
3. to **root sustainability in the company processes**.

Working group and activities

In our fourth year of reporting, we can say that we have succeeded, thanks mainly to the efforts of the Chairman and CEO, in consolidating more and more the sustainability working group, which currently includes **11 department heads** and **19 resources** currently working on the project, plus **3 consultants** who normally participate, over a project time frame of November to May (**7 months**) of the fiscal year.

A - Project setup and management

B - Data collection/processing/correction

C - Text revision and translation

D - Graphic design development

E - Assistance for external assurance.

F - Financial communication

Role in external team	Employees involved
Project Manager	1
Project Assistant	1
Editor	1

Company Department	Employees involved
CEO	1
Legal & Corporate Affairs	2
Facility	2
Health & Safety	2
Procurement	1
Quality & Environment	1
Human Resources	3
I&D	1
Investor Relations	1
Finance & Management Control	2
PR & Communication	3

Sustainability Indicators

In terms of GRI reporting disclosures, in the last publication we considered **34 indicators**, as detailed below in the table:

GRI Material topics	KPI
R&D and innovation	2
Anticorruption	1
Value generation for continued growth	1
Ethical supply chain management	3
Customer satisfaction and product quality	2
Employee well-being	2
Protection of diversity and equal opportunity	2
Training and development	2
Occupational health and safety	5
Responsible use of energy	2
Optimization of water consumption	4
Waste management	3
Greenhouse gas emissions	4
Support for local communities	1

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Approach to Scope 3 emissions

We have understood that:

1 - the essential data for calculation are missing (e.g. weight of materials and constituent materials): **the supply chain does not indicate the data** and it is almost impossible to obtain it independently (time and resources);

2 - Even if we had plenty of time and resources, there would still be **no management system for tracking data** in the company.

Then...

There is a need for collaboration and data exchange platforms (**ESG software/tools**) between customers and suppliers, which can **facilitate the collection of data and ensure their quality**.

Thanks for your attention

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ITALIAN EURONEXT GROWTH MARKET SUSTAINABILITY ORIENTATION RESEARCH

EFFAS ESG COMMISSION ANNUAL EVENT IN VIENNA

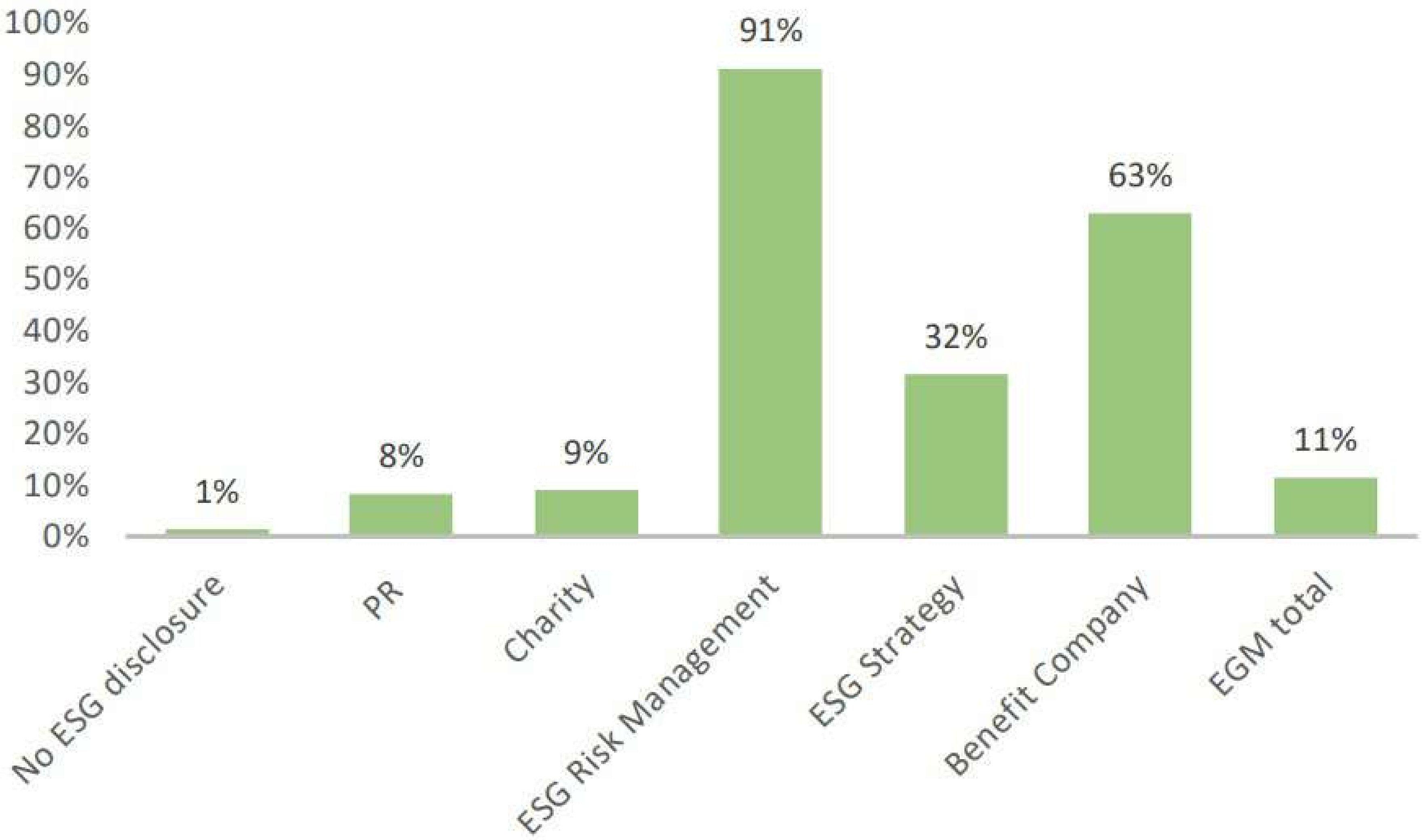
OCTOBER 2, 2024

Daniela Carosio, Senior Partner, Sustainable Value Investors

ESG/SUSTAINABILITY APPROACH

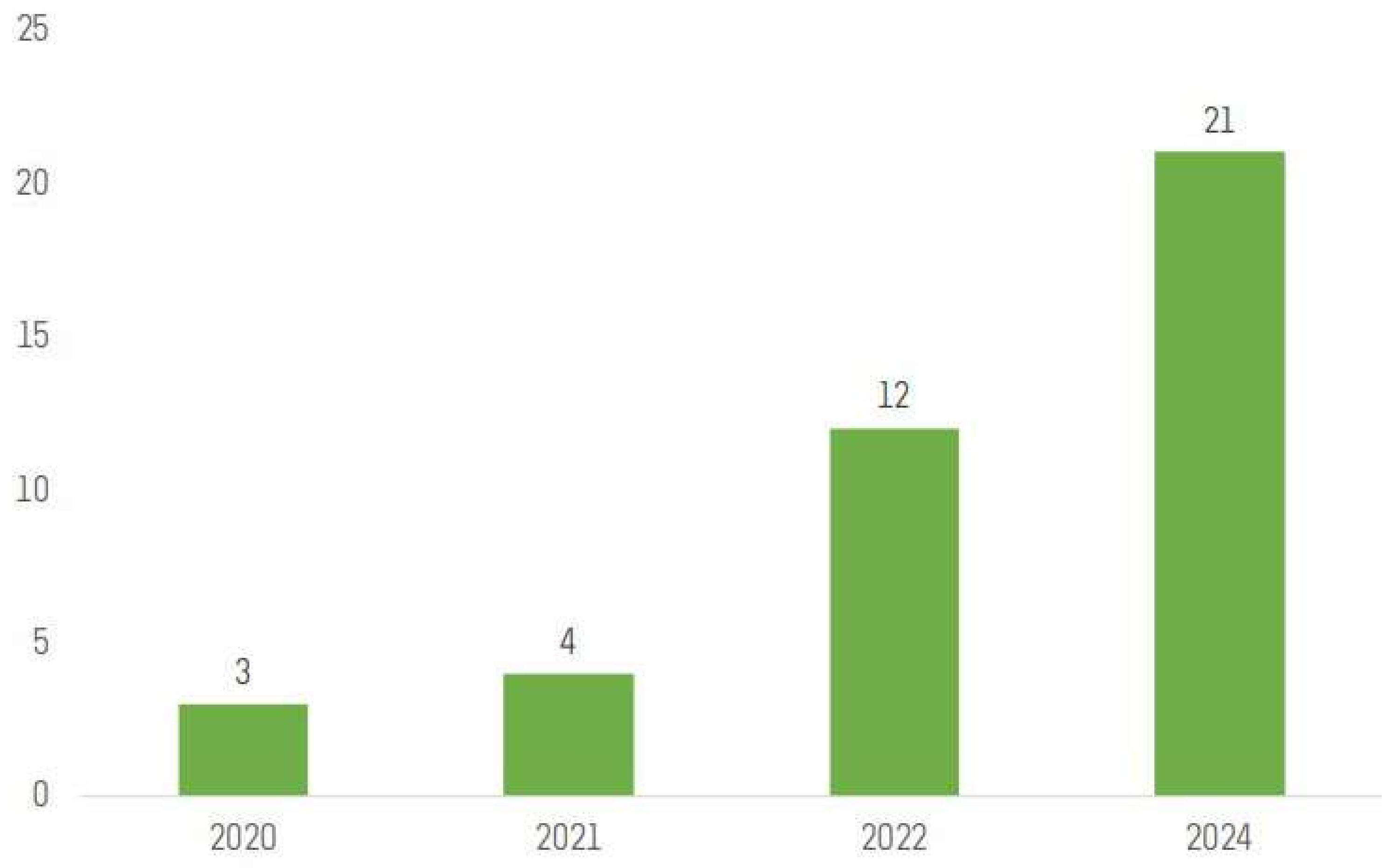
No disclosure	Companies exhibit no form of disclosure, neither quantitative nor qualitative, or commitment towards sustainability.
PR Orientation	Companies exhibit vague statements or commitment towards sustainability, more as a form of self-branding rather than accountability tool.
Charity Orientation	Companies are involved in charity projects or have their own foundations, but activities are unrelated to core business.
Risk Management Orientation	Companies are involved in ESG risk management, exhibiting some type of quantitative and / or qualitative disclosure.
Strategic Orientation	Companies prove the integration of sustainability objectives within core business / corporate strategy, aiming at the maximization of economic value through a sustainable business model.

EGM LISTED COMPANIES CAGR IN 2020-2024

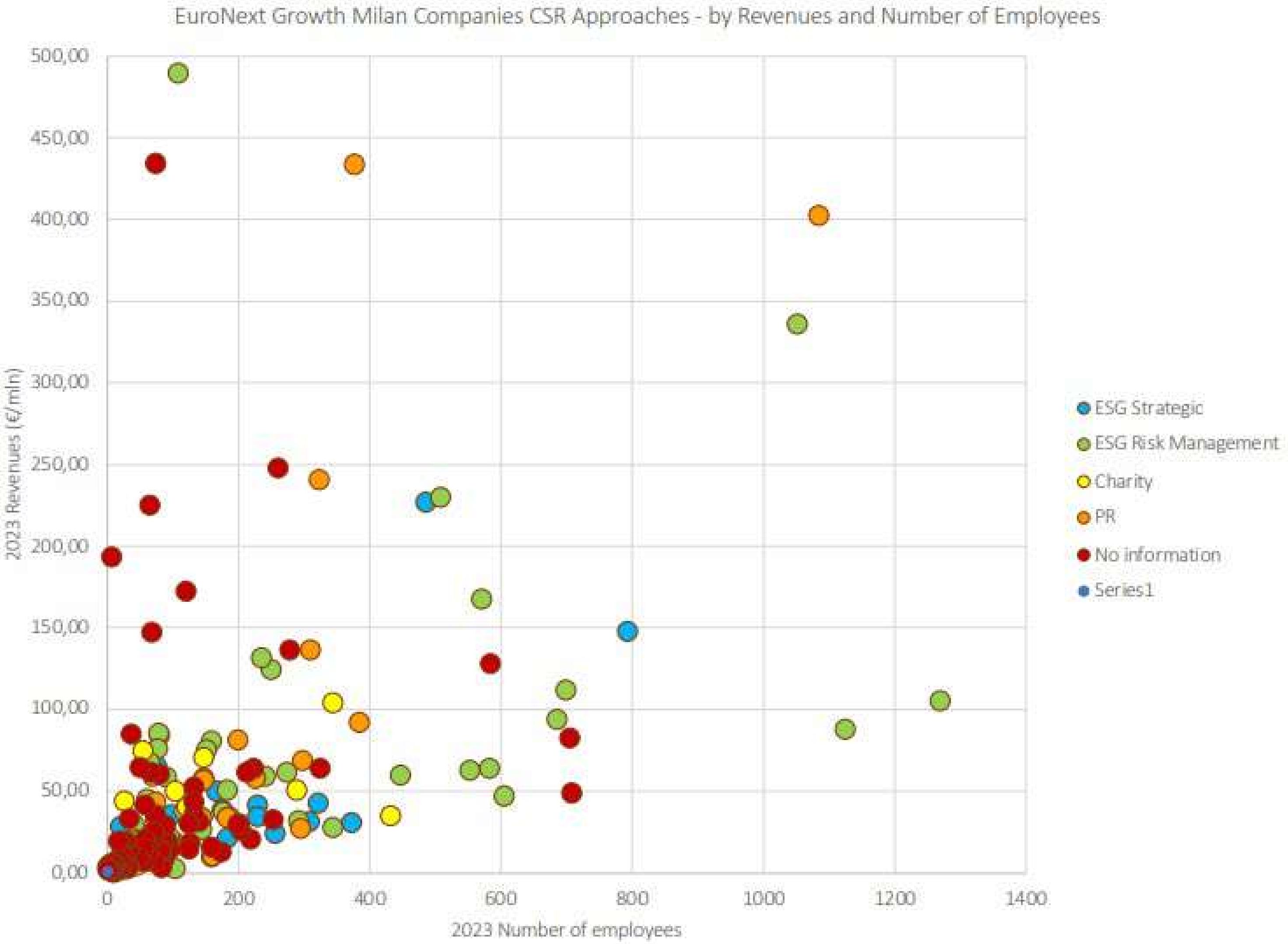


% EGM ESG APPROACH IN 2020-2024

EGM - BENEFIT COMPANIES IN 2020-2024



EGM SUSTAINABILITY APPROACH OF SME 2024



SUSTAINABLE VALUE INVESTORS

Signatory of: PRI Principles for Responsible Investment

EGM SUSTAINABILITY APPROACH OF SMALL E. 2024