



METALLURGICA
SAN MARCO
THE ITALIAN BRASS PARTNER

2024 EDITION

SUSTAINABILITY REPORT

With renewed commitment, I present Metallurgica San Marco's 2024 Sustainability Report, a document that takes on particular significance this year. During a challenging period for the metallurgical and automotive industries, especially in the Brescia area, our company has demonstrated exceptional resilience, confirming that sustainability is not just an ethical value, but a true competitive advantage in times of uncertainty.

Despite the industry's contraction, we closed the year with a turnover of €240 million, processing over 85,000 tonnes of brass and serving more than 600 customers in 30 countries. These results demonstrate the validity of our business model and our strategic choices, which are always guided by ESG criteria and the United Nations Sustainable Development Goals.

On the environmental front, the connection of the photovoltaic system, the use of 99.95% recycled raw materials, and a waste recovery rate of over 95% confirm our commitment to the circular economy. Our LIBRA alloy, certified UNI/PdR 88:2020, is a product of excellence in the field of sustainability, while the 'MSM Get To Zero' project continues its journey towards carbon neutrality.

Human capital remains central: with 131 employees, 98% of whom are on permanent contracts, and 12 new hires, we have invested in over 3,000 hours of training, implemented the Induction Plan for new hires,

and completed the 'Pact of Values and Behaviors' project. Our commitment to the local community has also translated into the renewal of our partnership with Pallacanestro Brescia and educational programmes with Liceo Guido Carli.

Our governance has demonstrated its effectiveness thanks to an agile and participatory decision-making model. For the three-year period 2024-2026, we have allocated €30 million for the production process, planning a new foundry and a new extrusion plant. International expansion was demonstrated by participation in UK Metals Expo and ISH, while the MSM SERVICE unit continues to ensure the highest quality standards.

2024 was an exceptional test, demonstrating that sustainability is a strategic factor of resilience and competitiveness. Our mission remains clear: to constantly improve production processes to obtain products that comply with ever-higher quality standards, while respecting the environment and people's well-being.

Thank you for your trust in us. It is in challenging times that true resilience is forged, and together we will continue to build an increasingly strong and sustainable company, ready to face future challenges.

Marco Gambarini
President of Metallurgica San Marco



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SUSTAINABILITY REPORT

METALLURGICA SAN MARCO



VISION

Together for effective responses

Sharing and participation are key concepts for Metallurgica San Marco. They are essential to keep all company figures informed about the constant evolution of the national and international market, as well as industry demands. Sharing must be the driving force behind the company's growth and success, both now and in the near future. This means valuing workers, providing incentives and motivation for new professional roles, and having the courage to make radical choices that offer faster, creative, and innovative solutions, fostering a climate conducive to the development of ideas. A structured organisation and a compact work chain are strategic elements that we pursue every day, with the goal of continually refining our ability to react efficiently and promptly to market demands.

MISSION

The pursuit of shared growth

Metallurgica San Marco invests in the continuous and constant improvement of company procedures to streamline production processes and obtain products that comply with increasingly high quality standards, while caring for the environment and people's well-being. Our daily commitment is geared towards understanding the needs of our customers and the target market to ensure innovative products and services, thanks to significant research and development efforts aimed at sustainable growth.

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About Us 01



The Italian Brass Partner

2024 EDITION

SUSTAINABILITY REPORT

METALLURGICA SAN MARCO

About Us

Metallurgica San Marco was founded by the **Gambarini family**, which took its first steps in the metalworking industry in 1968. In 1972, thanks also to the **partnership with the Forelli family**, it created a business that was destined to grow continuously from that moment on. Metallurgica San Marco, or MSM, has been working with brass for three generations, distinguishing itself for its versatility and capacity for product customisation. Thanks to its constant commitment to research, development, and improvement of company procedures and production processes, MSM responds promptly to specific work and application needs, driven by an increasingly dynamic and constantly evolving market. Since 2021, the company has been part of the **Holding Metallurgica Group** which unites Metallurgica San Marco and Cidneo Metallurgica. Today, thanks to careful management and a continuous quest for innovation, the organisation ranks among the leading manufacturers of drawn and extruded brass products in Europe.

Highlights

234 million
euro in turnover

9,828 tCO₂
Scope 1 and scope 2 emissions¹

131 employees

12 new hires

3,000 hours of training

98% permanent contracts

¹ Market-based scenario

> 85,000 tonnes
of brass worked

99% of total material comes from recycling

> 95% of waste produced is sent for recovery

> 600 Customers

> 30 export countries

Our Values

Environmental and social sustainability, investment in human capital, research and development, and a strong relationship with the local area and community are core values at Metallurgica San Marco.



Top of the list is **human capital**, with over 130 employees, who are central to our safety and sustainability initiatives through the adoption of high-tech systems and advanced technologies, selected according to the best internationally recognised standards. Sustainability also means investing in welfare, training, and improving the corporate climate. The objective at MSM is to value its people, creating a participatory climate that fosters ideas, in order to respond to market developments efficiently and effectively.

INNOVATION

In 2018, the innovative In-Line Die Control System (SCML) was implemented in the extrusion department to monitor the wear status of the die set during billet extrusion, achieving higher quality for the outputted semi-finished product and more consistent quantity of required machining allowance. With a view to Industry 4.0, the company is equipped with a system for the handling, storage and pickling of brass coils using Automated Guided Vehicles (AGVs). For the three-year period 2024-2026, the group has allocated €30 million to invest in the production process, planning the construction of a new foundry and a new extrusion plant. Another area of research is focused on low-lead brass, a material playing an increasingly decisive and strategic role in both the plumbing and heating market and the fashion industry.

Our values can be summarised as follows:

honesty

fairness

respect

transparency
and reliability

HONESTY AND FAIRNESS

They are understood as the quality of acting and communicating every day in a sincere and loyal manner towards all stakeholders.

RESPECT

This means compliance with all applicable national and international laws, company procedures, and regulations. The company also promotes respect for people's dignity and prohibits any kind of discrimination.

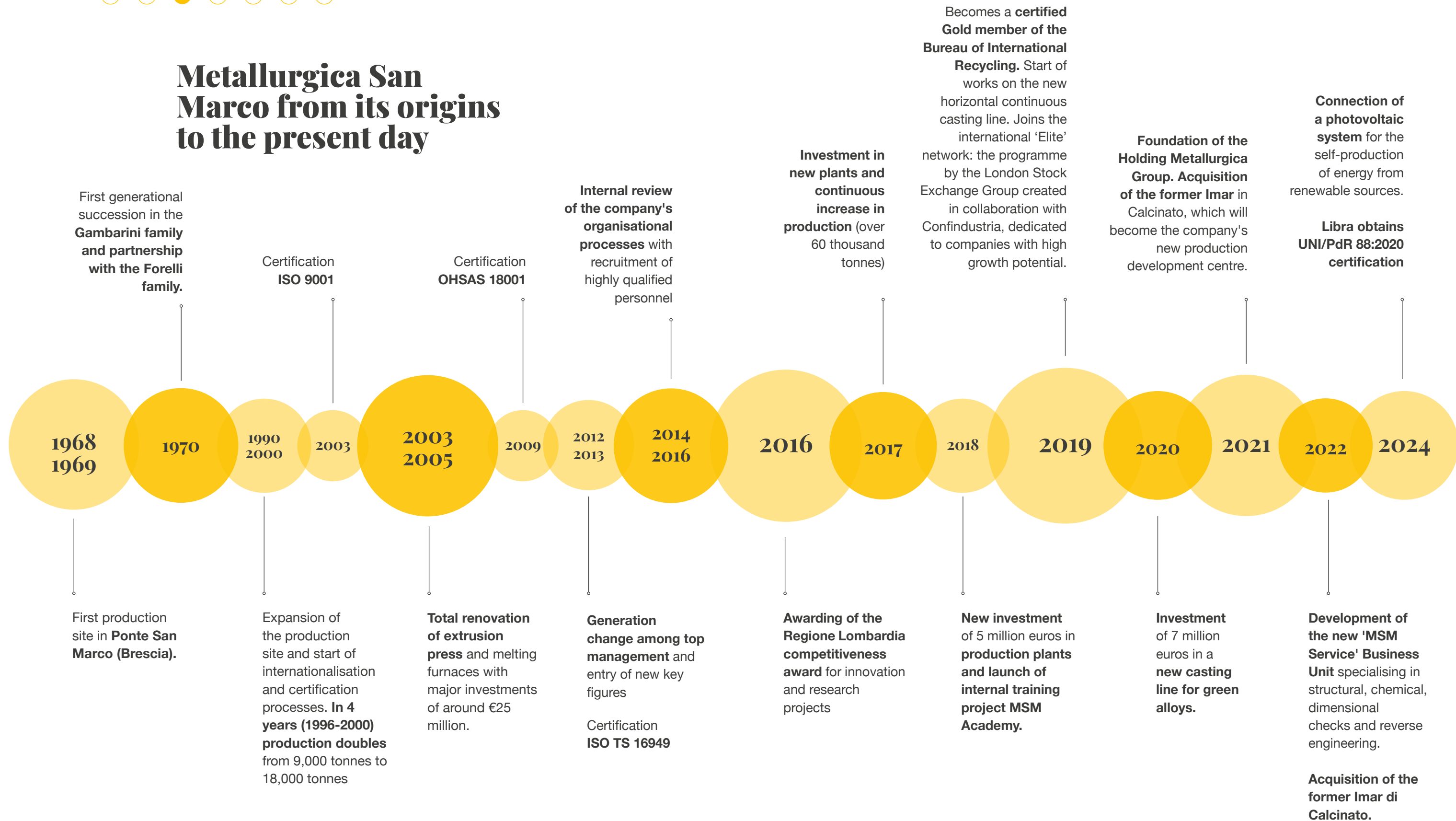
TRANSPARENCY AND RELIABILITY

The organisation's commitment at all times to providing truthful, complete and understandable information both internally and externally.



1.1 1.2 1.3 1.4 1.5 1.6 1.7

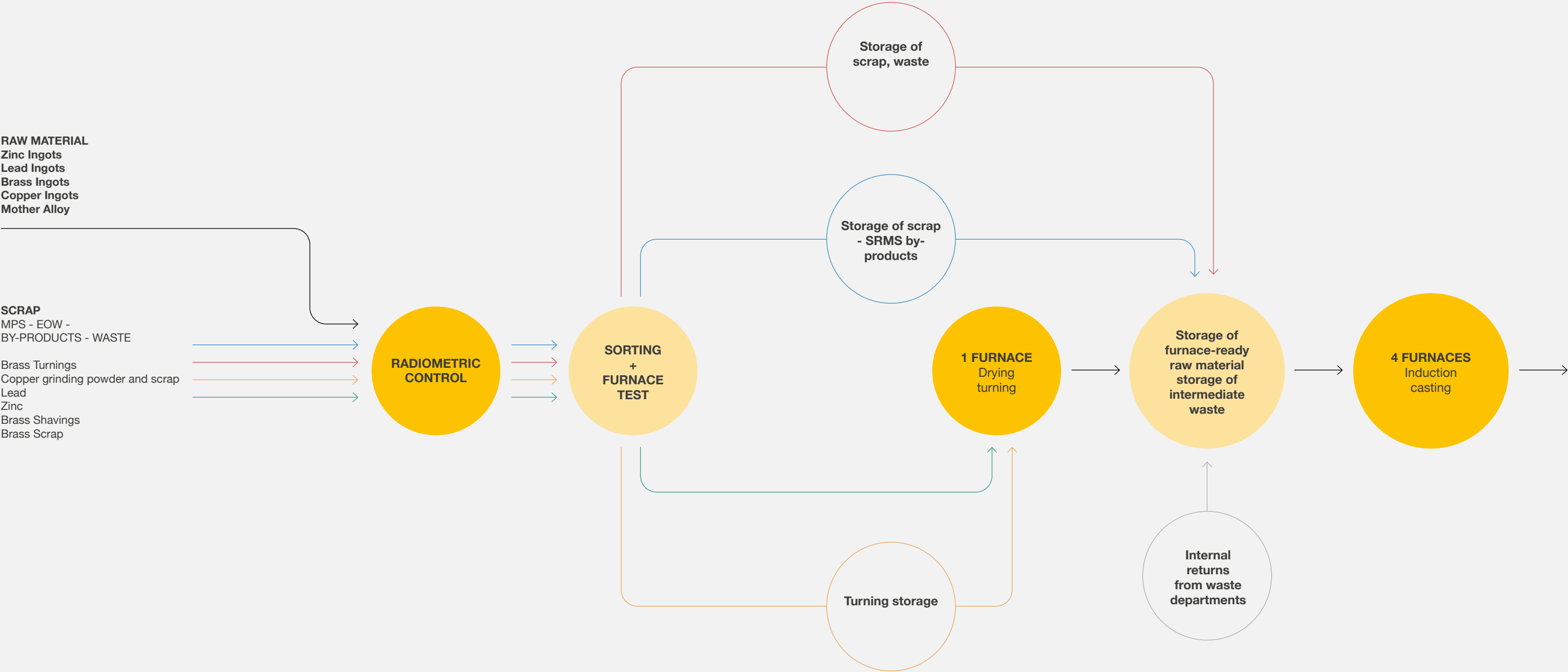
Metallurgica San Marco from its origins to the present day



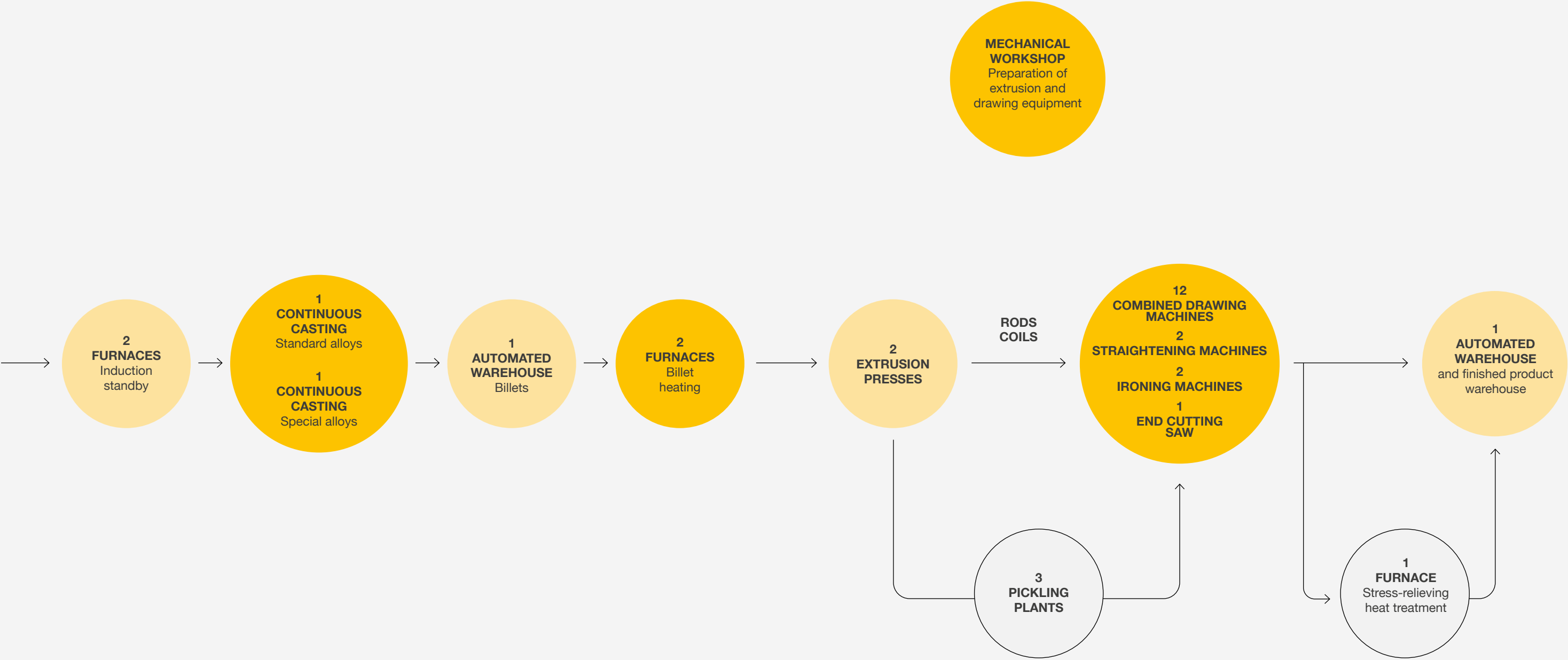
Business Units

The diagram below presents the production flow of Metallurgica San Marco's products.

- Production cycle
- Scrap: SRMs - By-products - EOW
- Scrap: Waste
- Turnings: Waste
- Turnings: By-products



- Production cycle
- Scrap: MPS - By-products - EOW
- Scrap: Waste
- Turnings: Waste
- Turnings: By-products



Metallurgica San Marco manufactures a wide range of brass bars and profiles using various alloys, in compliance with regulatory requirements, including lead-free alloys designed to meet new market demands. MSM continues to invest heavily in the research and development of new materials that can meet new regulations while minimising the impact on users' workability requirements.

Scan the QR code to view all Metallurgica San Marco alloys



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SUSTAINABILITY REPORT

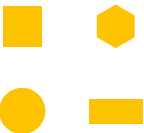
METALLURGICA SAN MARCO

Cutting-edge plants and constant pursuit of innovation, combined with a qualified and motivated workforce and a superior organisation, are the foundation of Metallurgica San Marco's production department, which is divided into two main business areas:

BAR PRODUCTS

production of solid bars in various formats, including rectangular, square, hexagonal and round, using **copper-zinc-lead and lead-free copper-zinc alloys**. Designed in accordance with European and international standards, Metallurgica San Marco bars guarantee excellent performance in all turning and hot pressing processes and are used in a wide range of sectors, including the automotive and electrical industries, and product types, such as small parts, plumbing, fittings, valves, fashion accessories and handles.

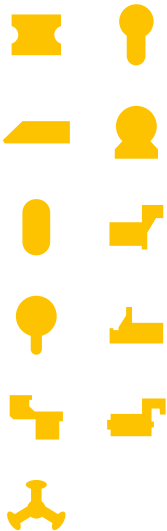
All bar sections:



DRAWN PROFILES

production of extruded and drawn brass profiles, both commercial and custom-designed, used for both cold forming and mechanical machining. Depending on the type of final application and processing, profiles made from copper-zinc-lead and lead-free copper-zinc alloys are used in construction, mechanical applications and parts, locks, padlocks, pressure gauges, lined round bars and valves. The manufacture of customised semi-finished brass products, designed to meet specific working and application requirements, now forms a significant part of the company's business.

All sections of the drawn profiles:





LIBRA is the new lead-free brass alloy that aims to achieve the perfect balance between environmental sustainability and material quality, achieving **100% recyclability and recycled content**.



The UNI/PdR 88:2020 Certification obtained by LIBRA certifies compliance with the requirements for verifying the recycled and/or recovered and/or by-product content found in products, in accordance with the highest and most recent sustainability standards.



Scan the QR Code to see the LIBRA production cycle



View certification



Galà dei Bilanci

LIBRA, a lead-free, 100% recyclable brass alloy produced by Metallurgica San Marco, was used to create the artworks awarded to important Brescian businesses that excelled in financial performance in the 2023 financial year. Sculpted by artist Edoardo Ferrari, the seven unique works enchanted the audience at the Teatro Grande in Brescia, as part of the 2024 Galà dei Bilanci (Financial Statements Gala), an event now in its tenth edition and organised by the Gruppo Editoriale Bresciana, held on 28 November.

Inspired by the trunk of a tree reaching towards the sky, the recycled brass sculptures pay homage to the constant growth and solidity of the award-winning companies.

**EACH WORK
IS A HOMAGE TO
SUSTAINABILITY,
A CLEAR MESSAGE
THAT INDUSTRY CAN
COMBINE ECONOMIC
SUCCESS
AND CARE FOR THE
ENVIRONMENT.**



Each sculpture is a unique piece, shaped and cast using an exclusive technique developed by the artist: singular textures and original shapes make each work an inimitable artistic expression. In addition to the final sculpture, the winning companies also received the prototype and exclusive design for the work: an artistic legacy that can be reproduced in various forms and materials.

With this initiative, Metallurgica San Marco confirms its commitment to innovation and the promotion of Italian-made products. The cutting-edge LIBRA alloy is transformed into a work of art that celebrates entrepreneurial excellence, beauty, art, and environmental sustainability.

Corporate sustainability strategy

Metallurgica San Marco pursues a sustainability strategy focused on reducing environmental impact, improving energy efficiency and enhancing social well-being. Starting in 2021, Metallurgica San Marco has drawn up **a sustainability plan** with the support of specialist consultants and some in-house professionals, with the aim of improving performance in every area of sustainability. The plan is updated annually to report on the results achieved and to set new targets.



THE GLOBAL GOALS For Sustainable Development

SDG s OUR GOALS



Expand the photovoltaic system
Monitor continuously electrically-powered plants
Obtain ISO 50001 certification Energy Management Systems

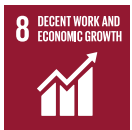
Continuous **relamping**
Electrification of the company fleet



Maintain 88:2020 certification for the Libra alloy
Develop an LCA study on the Libra alloy, obtaining an EPD.
Reduce continuously the production of slag and fumes (waste)



Induction plan for new hires
Conclusion of the **Pact of Values and Behaviours project**



Definition of personalised career pathways and MBO



Continuous training in cybersecurity



MSM Get to Zero project to achieve carbon neutrality² in Scope 1 and Scope 2 emissions.
10% increase in the Guarantees of Origin purchased

Scan the QR Code to see the project in detail



² Being Carbon Neutral means that the amount of CO2 emissions generated is offset by the same amount of CO2 emissions absorbed or saved.

The material topics and impacts of **Metallurgica San Marco**





The Material Topics and Impacts of Metallurgica San Marco

For the assessment of its material impacts and topics, Metallurgica San Marco, although not an obligated entity, has adopted the methodology regulated by the new European Corporate Sustainability Reporting Directive (CSRD)¹ and the related ESRS², which will become the main guidelines for drafting sustainability reports (starting in fiscal year 2024 for the first companies required to produce them)

¹ CSRD - Corporate Sustainability Reporting Directive (2022/2464).

² ESRS - European Sustainability Reporting Standards, contained within the European Commission Delegated Acts, dated 31/07/2023.

The concept of materiality and the assessment of impacts

Before examining the individual stages of analysis and the related results for Metallurgica San Marco, we first need to define the concept of materiality according to the ESRS standards. Materiality assessment aims to identify the **environmental, social and governance topics** that are considered significant (**material**) for the company.

The materiality of a certain topic can derive from:

Impacts generated by the company on the world, its employees and/or the community. These impacts can be positive or negative (with particular attention paid to the latter, as also reiterated by due diligence or corporate responsibility practices) and can be actual (if they have occurred) or potential (if there is a possibility that they will occur).

Financial risks or opportunities linked to ESG aspects, to which the company is exposed for various reasons, whether linked to impacts generated by the company itself or to exogenous factors (such as the market, regulations, natural and/or geopolitical events).



This double perspective is known as double materiality, since it includes the two dimensions:

Inside-out (or **impact materiality**, which identifies the company's effects on the outside)

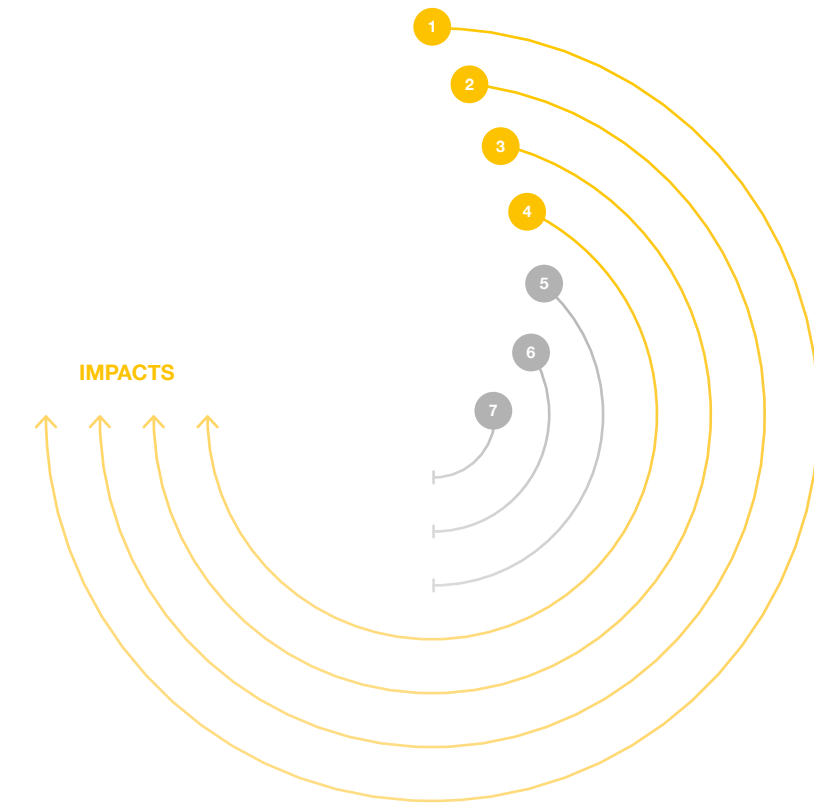
Outside-in (or **financial materiality**, which identifies risks and opportunities to which the company is exposed)

According to the CSRD, a given ESG topic can be considered material from one of these two perspectives or from both.

³ EFRAG IG 1 – Materiality assessment implementation guidance. 5.4 FAQ15 par.197
www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/IG_1_Materiality_Assessment_final.pdf

The stages of the analysis

The process that led to the identification of impacts and therefore the most strategic sustainability issues for Metallurgica San Marco followed a path divided into several stages. The final stages, that is those involving all significant stakeholders (visible in the infographic on the side in grey), were not completed for this reporting year. The reporting standards clarify, in fact, that there is no formal obligation regarding the engagement of stakeholders, but that it is important to mention the methodology used for the materiality analysis and its results³. It should be noted that Metallurgica San Marco's key stakeholders, including customers, suppliers, banks and credit institutions, the community, and employees and associates, were involved in the materiality study included in the 2023 fiscal year sustainability report. For the current financial statements (2024 reporting year), previous results are considered valid, but have been updated and supplemented thanks to interviews with internal company figures who deal with ESG issues. This allowed us to align the double materiality study with the CSRD directive, including significant impacts, risks and opportunities and, therefore, to test the relevant reporting topics for 2024.



- 1 Understanding the business context through interviews with strategic figures within the company and analysis of data and documents
- 2 Together with the company's strategic figures, we identified the ESG issues relevant to the company's activities
- 3 Assessment of significant impacts, risks and opportunities (IRO) according to the criteria established by the CSRD
- 4 Prioritising risk and opportunity impacts through scoring and normalisation
- 5 Mapping relevant stakeholders (divided into categories), to be engaged to validate the IROs
- 6 Stakeholder engagement through the administration of questionnaires with relevant questions for each category
- 7 Re-proposing impact prioritisation through stakeholder scores

Identification of Impacts, Risks and Opportunities

The starting point for identifying Metallurgica San Marco's impacts, risks and opportunities was a **study of the context and interdependencies** of the company, which was explored in depth in various ways. First, there was a meeting with key company figures, including those responsible for environment and safety, human resources, legal, and administration. At the same time, quantitative data were collected relating to various environmental, social, economic, and management aspects, and several significant internal and external company documents were analysed.



To each **IRO (Impact, Risk, Opportunity)** identified through this analysis, values were assigned (on a scale of 1-4), following the criteria dictated by the CSRD⁴. Both the IROs and their respective values were evaluated and approved by key company figures and management, in order to ensure the most objective, informed and accurate scores possible.

Specifically, the **actual** impacts were assessed on the basis of magnitude, i.e. the average of three values relating to the impact itself: **scale** (importance of the damage/benefit generated), **scope** (how widespread) and, for negative impacts only, **irremediable nature** of the impact (possibility or impossibility of restoring the preceding situation).

The weight of **potential** impacts was given by the magnitude (calculated according to the values listed above) multiplied by the probability of occurrence. In the study of the impacts (actual and potential) generated, the degree of **causality** was also considered; that is, the distinction between impacts directly caused, contributed to causing (if Metallurgica San Marco is not the only cause of the impact) or linked to the activity (therefore linked to business relationships with the upstream or downstream value chain, but not attributable to the company's own activity).

Finally, **risks and opportunities** were assessed for their **potential magnitude** (i.e. the possible impact that the economic damage/benefit may have on the company's activity) and for the **probability** of them occurring. For potential impacts, risks and opportunities, a time horizon aligned with that provided by the reference standards was also identified: short (within one year of the reporting period), medium (within five years), long (over five years).

⁴ The reporting standards, both in the official version and in the implementation guidelines made available by EFRAG, the body that drafted the standards, give companies maximum freedom in terms of the method of assessing materiality. To make the assessment comparable and objective, we chose to use a homogeneous scale that could provide the most objective data possible. According to the scale, a value of 4 indicates the maximum weight for each value listed below (e.g., very serious/advantageous, very widespread, very difficult to remedy, very likely), while a value of 1 indicates the minimum weight for that same value (e.g., not very serious/advantageous, not very widespread, not very difficult to remedy, not likely).

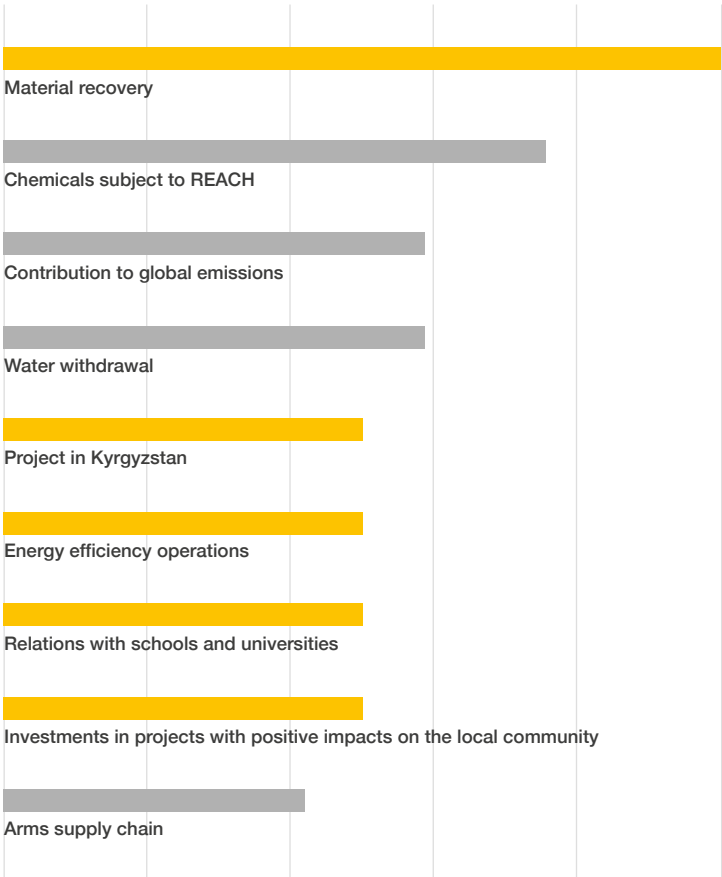
Conclusion of the assessment

To effectively compare the significance of each impact, risk, or opportunity to Metallurgica San Marco's business, the assigned numerical values were normalised in percentage form, thus enabling the prioritisation of the various issues. Three bar charts were then generated, respectively for actual impacts (positive and negative), potential impacts (positive and negative), and risks and opportunities.

The results of the impact, risk, and opportunity assessment are reported below. Negative impacts or risks are indicated in grey, while positive impacts or opportunities are indicated in yellow.

The bar charts show the prioritisation of the various types of IROs: actual impacts, potential impacts, and risks and opportunities. For details on each IRO, including the various strategies implemented by the company to mitigate its negative effects or enhance its benefits, please refer to the subsequent chapters on the relative environmental, social and governance issues. A table summarising the assigned numerical values is instead found in the appendix.

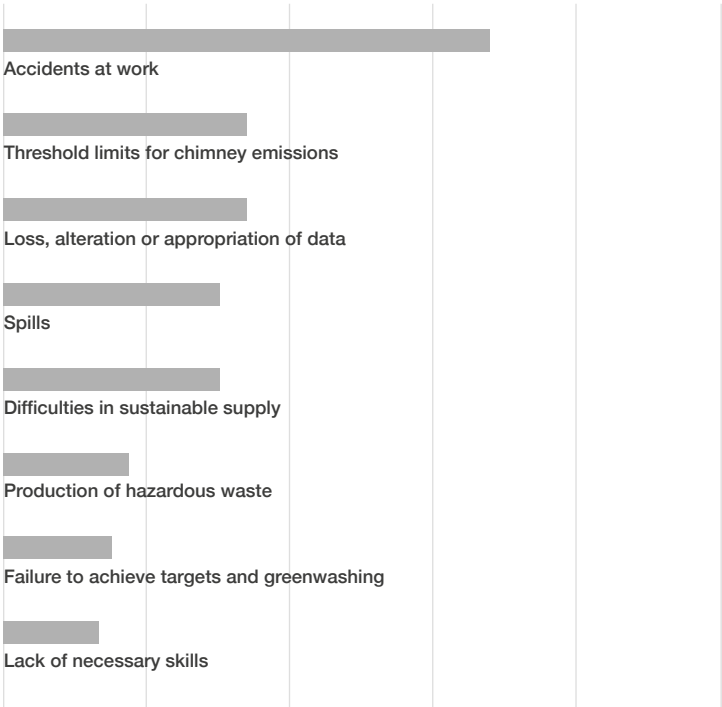
ACTUAL IMPACTS



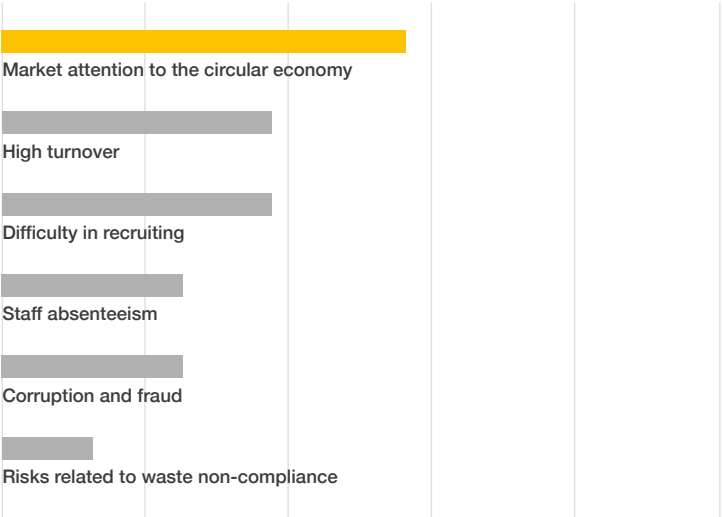
Negative impacts
Risks

Positive impacts
Opportunities

POTENTIAL IMPACTS



RISKS AND OPPORTUNITIES



Negative impacts
Risks



Positive impacts
Opportunities

Metallurgica San Marco's material topics

This assessment therefore allowed us to identify the ESG issues relevant to Metallurgica San Marco, which constitute the content of this Sustainability Report⁵. Below we list the various themes and sub-themes that will be explored in greater depth in the relative chapters, divided by area (Environment, Social and Governance).

Environment

- Climate change
- Energy
- Pollution
- Water
- Resource use and circular economy

Social

- Own workforce
- Affected communities

Governance

- Business conduct

⁵ EFRAG IG 1 – Materiality assessment implementation guidance. Par.3 https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/IG 1 Materiality Assessment_final.pdf

Environnement 03



2024 EDITION

SUSTAINABILITY REPORT

METALLURGICA SAN MARCO

Environment

Metallurgica San Marco is distinguished for its commitment to researching innovative brass alloys, with the aim of minimising the environmental impact of its production processes. The company focuses on improving **waste recovery** processes and increasing the production of **low-lead alloys**. With a view to energy efficiency, Metallurgica San Marco reaffirms its commitment to obtaining **ISO 50001 certification** for energy management. Moreover, in 2024, the company put into operation a 2.1 MWp **photovoltaic system**. These are just some of the steps that have made the company a benchmark in the metallurgical sector in terms of sustainability and innovation.

Highlights

99% of incoming raw material from recovery

95% of waste directed to recovery

> 49% of the electricity demand covered by renewable energy sources¹

**UNI/PdR 88:2020
certification**

for alloys with low lead content

¹ Guarantees of Origin and Photovoltaics



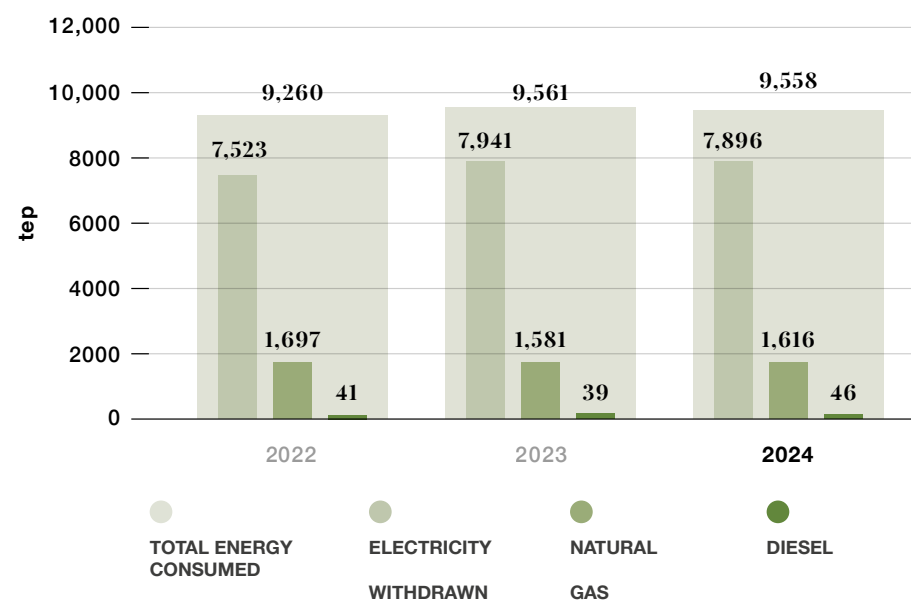
Climate change

Energy consumption and efficiency

Metallurgica San Marco's activity is based on an energy mix consisting of three main vectors: **electricity, natural gas and diesel**. In 2024, total energy consumption reached 9,558 tonnes of oil equivalent (toe), virtually unchanged from the previous year. The company's energy needs are divided into: electricity, which accounts for the largest share of total consumption (82.4%), followed by natural gas (17.2%) and diesel (0.5%) used both in production processes and as fuel for the company fleet.

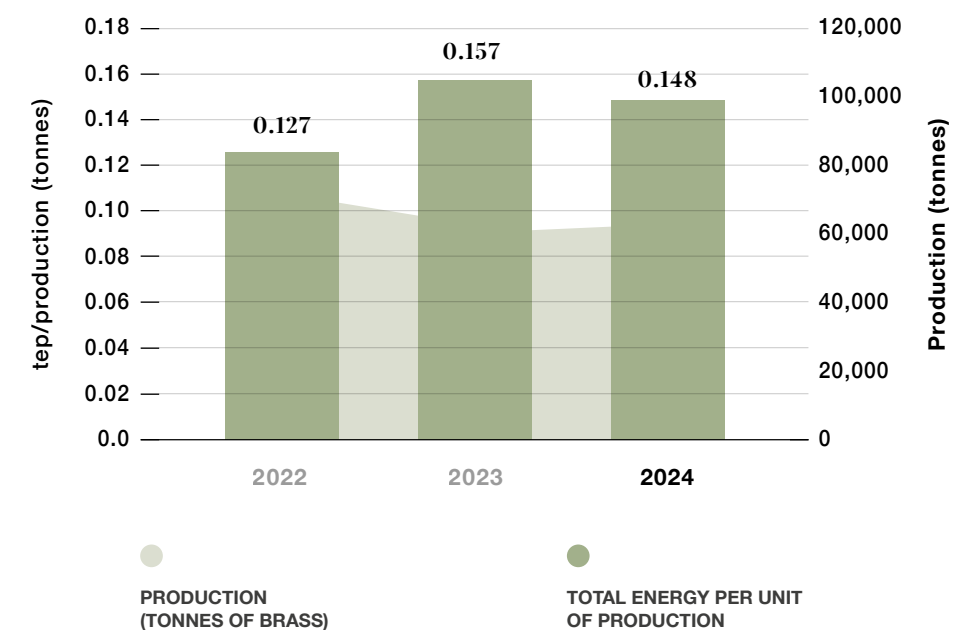
The following graph shows the trend in consumption over the last three years. As you can see, in 2024 total consumption remained unchanged compared to the previous year. In fact, while electricity consumption decreased (-0.5%), natural gas consumption increased (+2.2%), resulting in an overall alignment with the consumption recorded in 2023.

ENERGY REQUIREMENTS



By relating energy consumption to production, we can analyse the trend of specific consumption expressed in tonnes of oil equivalent per tonne of brass produced. In 2024, specific consumption recorded a slight decrease (-5.5%), while overall production increased (+5.8% compared to the 2023 figure²).

SPECIFIC CONSUMPTION VERSUS PRODUCTION



² The 2023 production figure has been revised and corrected from 72,460 tonnes to 61,000 tonnes

THIS REDUCTION
REFLECTS THE
EFFECTIVENESS OF THE
ENERGY EFFICIENCY
MEASURES ADOPTED BY
THE COMPANY DURING THE
REPORTING YEAR.

First and foremost, the connection and commissioning of the 2.1 MW photovoltaic system, which helped cover the electricity needs thanks to the overall production of 755 MWh of renewable energy. A series of systems and measures aimed at reducing energy consumption have also been introduced within the production process: exhaust gas recirculation systems and inverters on the extraction systems for all casting emissions, an automatic control system during the drying phase to activate air extraction only when necessary, as well as processors for regulating the feed speed and process parameters. Finally, we have implemented the continuous monitoring of furnace temperature and gas flow, control of emission abatement system parameters, and recording of dust and metal emissions, supporting more efficient and sustainable plant management.

In the coming years, Metallurgica San Marco intends to continue this energy efficiency drive, expanding its photovoltaic system, installing an electric oil separator that will reduce natural gas consumption, and integrating more energy-efficient machinery (scrubber and press) than those currently in operation.

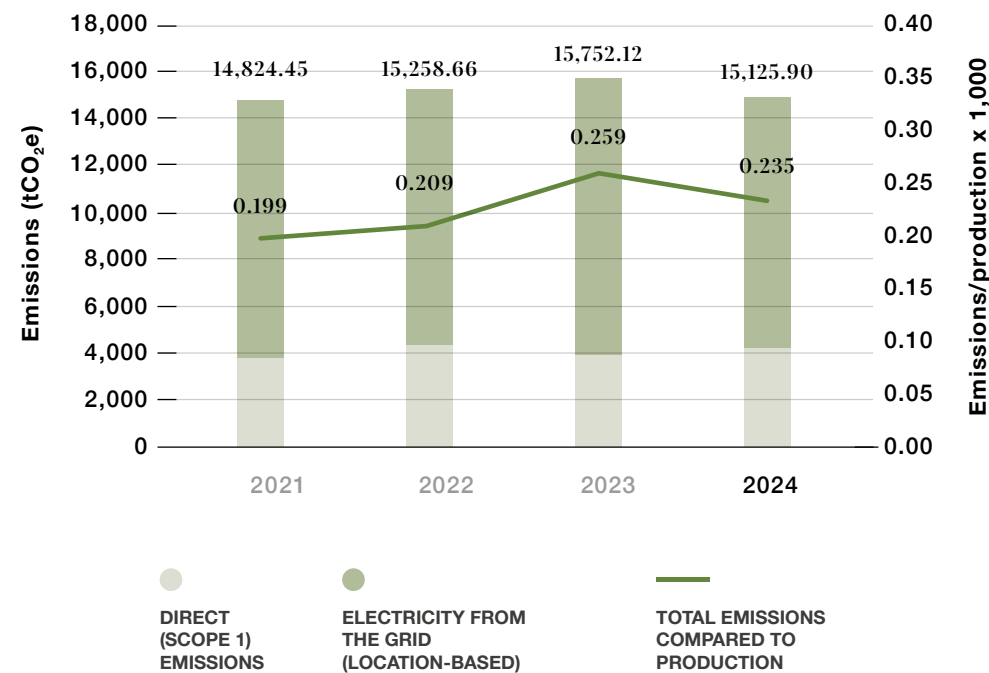
FURTHERMORE, THE
COMPANY PLANS TO
OBTAIN UNI EN ISO
50001:2018 CERTIFICATION
FOR ENERGY MANAGEMENT
SYSTEMS.



Our carbon footprint

Metallurgica San Marco, based on the mapping of its energy consumption, calculates its environmental impact in terms of greenhouse gas emissions, referring to two categories: **Scope 1**, which includes direct emissions generated within its own facilities, and **Scope 2**, which concerns indirect emissions resulting from the withdrawal of electricity from the national grid³. The trend in emissions for these two categories has been monitored since 2021, considered the baseline year, following the ISO 14064-1:2019 standard, which provides a framework for measuring greenhouse gas (GHG) emissions in terms of CO₂ equivalent.

GHG EMISSIONS



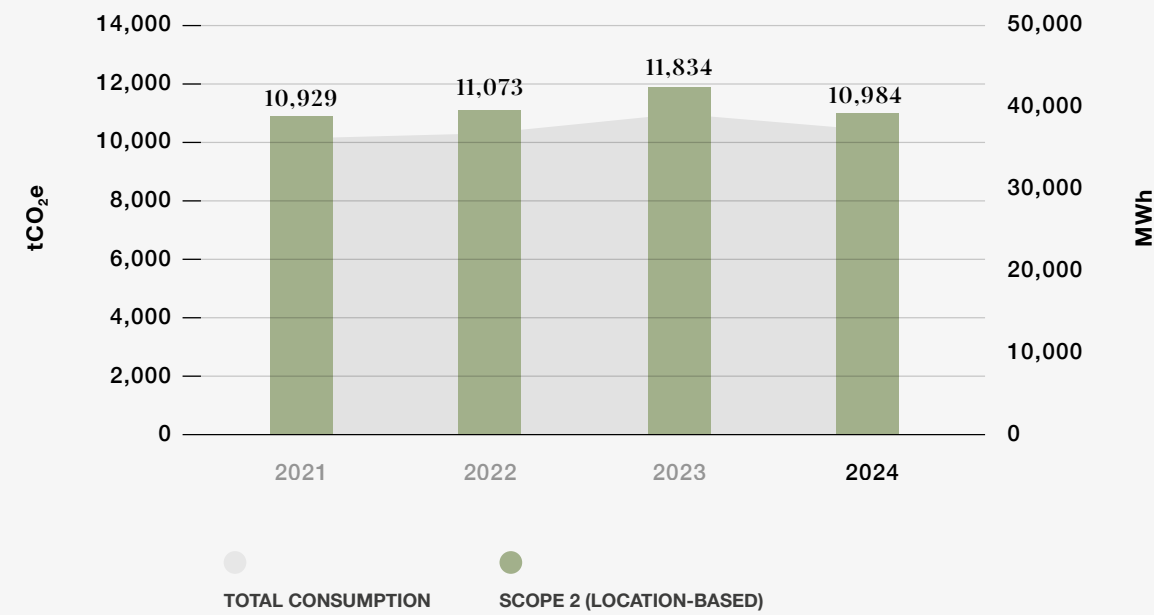
³ § Actual negative impact: Contribution to global emissions §

The total emissions of scope 1 and 2 greenhouse gases, calculated according to the location-based scenario, is 15,125 tonnes of CO₂ equivalent. Compared to 2023, there is therefore a decrease in overall emissions of 4%, just as the value of specific emissions per unit of production also decreased, recording a reduction of 9.2%. As previously specified, the ISO 14064-1:2019 standard requires that emissions calculations be performed using a location-based approach, which considers the national energy mix in order to define an emission factor for electricity. To ensure greater representativeness of the company's operations, emissions from imported energy were also calculated using a market-based approach, which takes into account the specific energy mix of Metallurgica San Marco's provider (with the related emission factors updated with each revision of the Sustainability Report) and any purchases of electricity accompanied by Guarantees of Origin. The graphs relating to scope 2 emissions, calculated with both scenarios, are shown below.

4.1

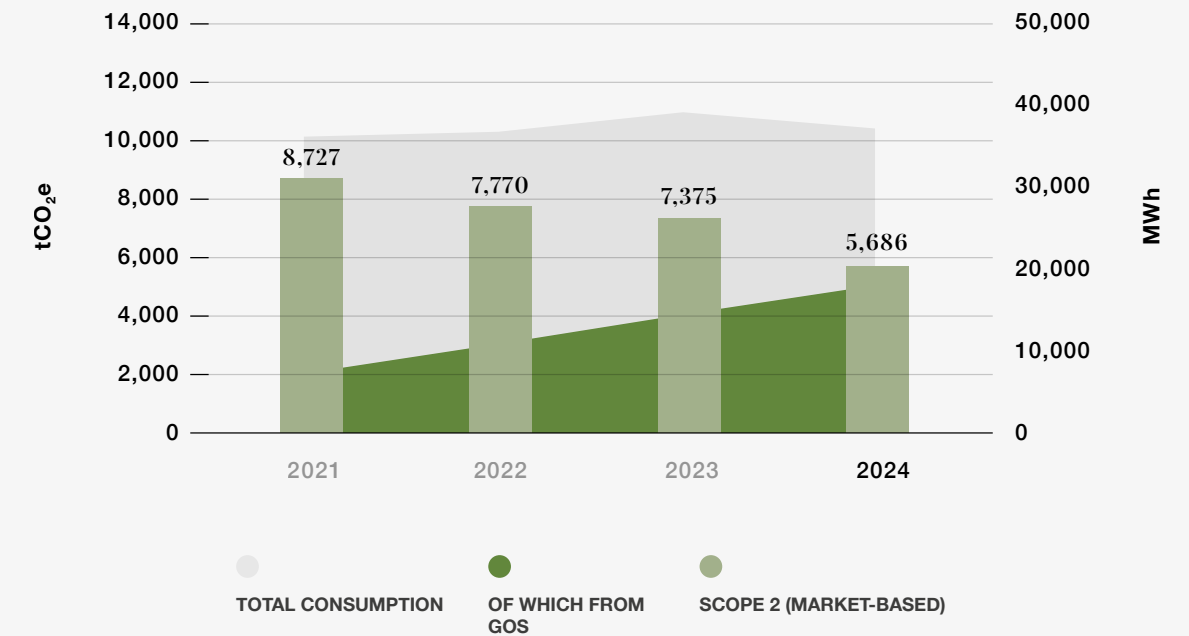
4.2

4.3

SCOPE 2 EMISSIONS:
LOCATION-BASED

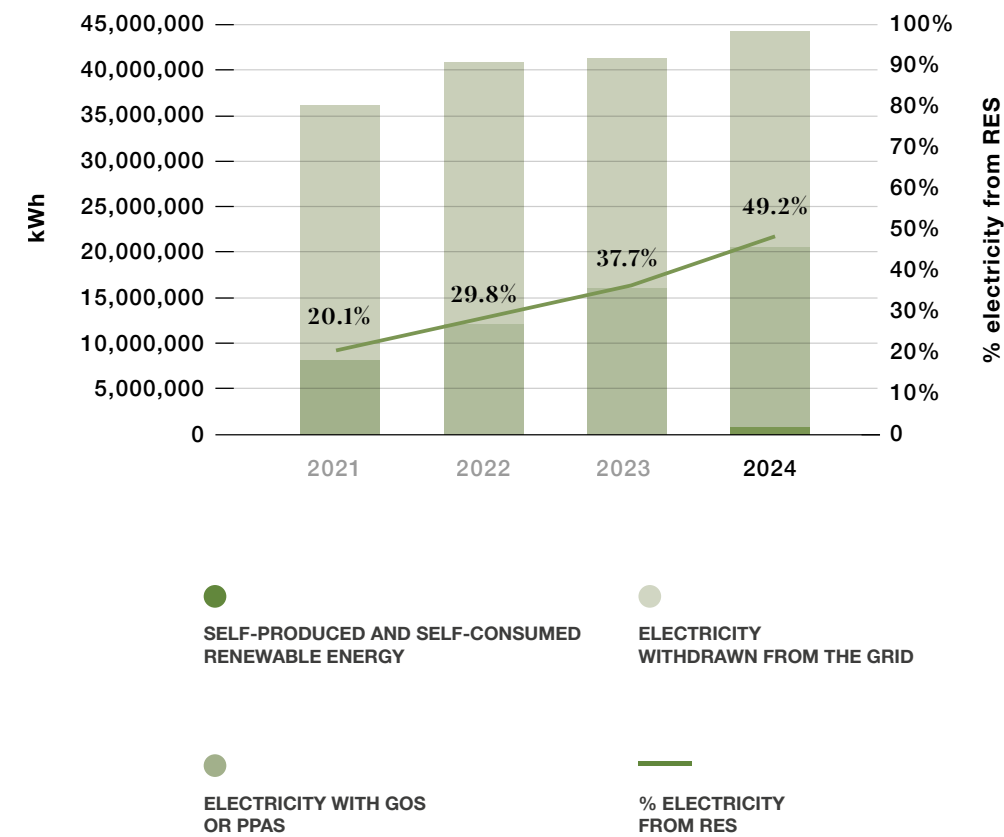
REDUCTION OF SCOPE 2 EMISSIONS THANKS TO THE PURCHASE OF GOS

The charts highlight that, according to a market-based approach, the company's overall emissions, for 2024, are around 5,700 tonnes of CO₂ equivalent (about 5,300 tonnes less than the location-based scenario), while specific emissions correspond to 0.15 tonnes of CO₂ equivalent generated for each tonne of product.

SCOPE 2 EMISSIONS:
MARKET-BASED

The location-based approach shows an emission trend closely linked to energy consumption, since it does not consider the possible choices of **sustainable supply** adopted by the company. On the contrary, the market-based approach takes into account the responsible purchasing strategies implemented by Metallurgica San Marco. Specifically (in addition to the energy produced by the photovoltaic system) starting in 2021, the company began to cover part of its energy needs through the purchase of electricity certified with **Guarantees of Origin (GOs)**, in an effort to mitigate and reduce its greenhouse gas emissions.

ORIGIN OF THE ELECTRICITY
CONSUMED BY MSM



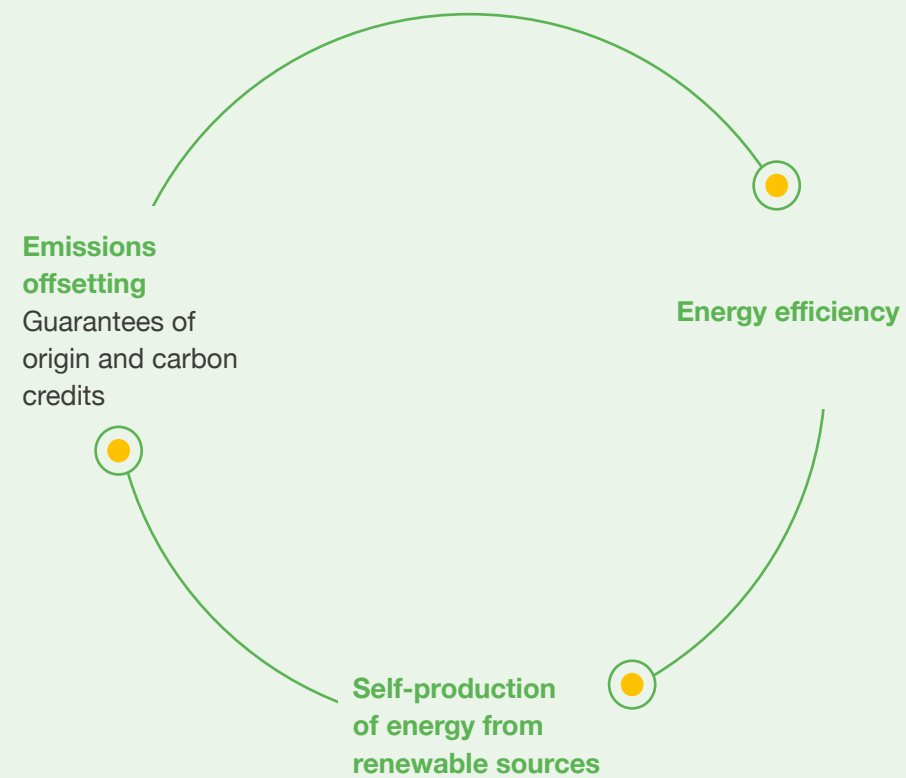
In 2024, Metallurgica San Marco purchased 20,000 MWh of GO-certified energy (+4,000 MWh compared to the previous year) and produced approximately 755 MWh of electricity from photovoltaics, covering 49% of its total electricity needs through **renewable energy sources (RES)**. As with energy produced by photovoltaics, the emission factor associated with the portion of energy covered by Guarantees of Origin (GOs) is also zero, since the GOs certify that the energy comes from renewable sources. Overall, scope 2 emissions, calculated using a market-based approach, show a reduction of 34.8% compared to the base year (2021). This result highlights the effectiveness of the sustainable procurement strategies adopted by the company to reduce its environmental impact.

With a view to reducing its carbon footprint, Metallurgica San Marco is evaluating the possibility of entering into a PPA (Power Purchase Agreement) contract to use electricity from off-site photovoltaics to further offset the emissions generated by its production activities.

MSM Get to Zero

Metallurgica San Marco is committed to reducing its emissions by adopting energy efficiency measures, self-producing electricity from renewable sources (via photovoltaic systems) and, as concerns residual emissions, purchasing electricity with Guarantees of Origin and Carbon Credits⁴. This is the core of the project 'MSM Get To Zero - Shaping a Sustainable Future'.

Scan the QR Code to see the project video MSM Get to Zero



The MSM Get To Zero project, which began in 2021, has led the company to progressively reduce its residual emissions, which in 2024 were 35% lower than in 2021.

⁴ § Potential negative impact: Failure to achieve targets and greenwashing §



In 2024, Metallurgica San Marco purchased 20,000 MWh of electricity with GOs and offset 100% of its scope emissions through the purchase of 4,143 carbon credits.

MSM GET TO ZERO



Metallurgica San Marco's pilot project in Kyrgyzstan

METALLURGICA SAN MARCO'S REFORESTATION PROJECT IN KYRGYZSTAN CONTINUES: COMMITMENT TO SUSTAINABILITY WITH TAKEUP.

Metallurgica San Marco continues its high-impact reforestation project in Kyrgyzstan, in collaboration with TakeUp LLC. Founded in 2021 and based in Kyrgyzstan, TakeUp LLC is committed to promoting environmental and social sustainability at local level. Recognising that Kyrgyzstan's forest ecosystems are both vulnerable and a proxy for the ecological stability of the entire Central Asian region, TakeUp LLC has undertaken an ambitious reforestation effort in collaboration with the Forestry Department.

This project creates added value for the local community and natural ecosystems by engaging public institutions, farmers, ranchers, students, and researchers. The main objective is to **plant 6 million trees in five years**⁵, covering 5,223 hectares (as indicated in the project overview, which includes the areas Tiup, Ananievo, Ak-Suu, Ton and Jalal-Abad of previously unused and deforested land. This significant afforestation effort is expected to absorb over 2 million tonnes of CO₂ over the project's 30-year life.

⁵ § Actual positive impact: project in Kyrgyzstan §



After an initial pilot stage focused on bioclimatic conditions and suitable tree species, a comprehensive feasibility study assessed the reforestation project's potential for climate mitigation and sustainable development. The positive outcome of this study, together with adherence to the principles of traceability, additionality, permanence, exclusivity, and zero carbon stock loss, led to certification by the international standard Climate Pal. The project is expected to be registered for the issue of the relative carbon credits soon. This is in line with the growing demand for high-quality carbon credits.



THE INITIATIVE ALSO EMPHASIZES THE IMPROVEMENT IN SOCIAL AND ENVIRONMENTAL CO-BENEFITS, IN LINE WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS, WHICH THE PRESENTATION NOTES INCLUDE TAKING URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS.

2024 EDITION

SUSTAINABILITY REPORT

METALLURGICA SAN MARCO

THESE CO-BENEFITS, TO WHICH METALLURGICA SAN MARCO CONTRIBUTES, INCLUDE:

- **increasing** the productivity of forest land.
- **preserving** local biodiversity.
- **supporting** social development through new forests.
- **increasing** the bee population, contributing to the health of the ecosystem.
- **engaging** local communities and partner companies, ensuring the longevity and impact of the project.
- **applying** more Positive Climate Solutions, such as reducing GHG emissions

FURTHERMORE, THE PROJECT MEETS THE FOLLOWING CRITERIA:

- existing local biodiversity is maintained and improved
- ecologically important forest areas are protected
- no use of hazardous chemicals or genetically modified organisms (GMOs)
- consultations are carried out with the populations bordering the forest;
- property rights and land tenure are respected
- respect for the health and well-being of forest communities is guaranteed
- human and workers' rights in accordance with ILO recommendations are respected.

Finally, the effort promotes cooperation and educational opportunities between local authorities, institutions, and the company, ensuring sustainability and long-term impact. Metallurgica San Marco's partnership with TakeUp exemplifies a responsible approach to sustainability, emphasizing both environmental protection and the empowerment of local communities.

IMPORTANT

To effectively address climate change, global reforestation plays a primary role (IPCC, 2018). From this perspective, emissions offsetting should prioritise territories that, like Kyrgyzstan, present ecological conditions that are particularly favourable to the growth and maintenance of resilient forest ecosystems (Bastin et al., 2019). Scientific studies demonstrate that well-managed forests maximise CO₂ absorption (Pan et al., 2011), promote biodiversity conservation (CBD, 2010), support the development of local communities and contribute to the improvement of soil quality, generating a positive environmental and social impact on a global scale, in line with the ESG principles of sustainability (UNEP, 2021).



Pollution

In addition to analysing scope 1 and 2 emissions, Metallurgica San Marco monitors other emissions considered significant and for which a concentration limit is set. In 2024, we analysed emissions of various substances such as volatile organic compounds (NMVOCs), nitrogen oxides (NO_x), and particulate matter (PM₁₀). This analysis shows that, as in previous years, the company reports emissions well below the limits established by current legislation (see the table below).

PARAMETER	UoM	Measured value 2024	Limit value
Particulate matter (PM ₁₀)	kg/year	266.79	50,000.0
Polycyclic Aromatic Hydrocarbons (PAHs)	kg/year	0.02	50.0
Arsenic (As)	kg/year	3.92	20.0
Cadmium (Cd)	kg/year	0.34	10.0
Cobalt (Co)	kg/year	1.85	
Chromium (Cr)	kg/year	6.89	100.0
Copper (Cu)	kg/year	22.33	100.0
Nickel (Ni)	kg/year	1.87	50.0
Lead (Pb)	kg/year	5.83	200.0
Zinc (Zn)	kg/year	52.35	200.0
Chlorine (Cl) and compounds	kg/year	77.42	10,000.0
Non-Methane Volatile Organic Compounds (NMVOCs)	kg/year	4080.83	100,000.0
Polycyclic aromatic hydrocarbons (PCDD)/ Polycyclic aromatic hydrocarbons (PCDF)	kg/year	0.00001	0.0001
Nitrogen oxides (NO _x)	kg/year	4991.79	100,000.0
Sulphuric acid (H ₂ SO ₄)	kg/year	31.55	

Metallurgica San Marco is subject to Integrated Environmental Authorisation (AIA) an administrative measure aimed at ensuring that companies adopt the best available techniques to prevent and **reduce the pollution** generated, managing in an integrated manner their emissions⁶ and the possible environmental impacts of their production activities. With this in mind, the company has implemented a series of measures to comply with the limits for the emissions generated by the machinery within the production facility. Specifically, these measures include: continuous monitoring of foundry emissions, annual or semi-annual analysis of emissions at all emission points, preparation of an airborne emissions control plan, installation and maintenance of exhaust hoods, and extractor fans installed on the machinery used for bar heat treatment and on the extrusion presses. Furthermore, the company has implemented a series of actions aimed at preventing diffuse emissions resulting from: storage of raw materials⁷, movement of raw materials⁸ and metal production⁹.

⁶ § Potential negative impact: Threshold limits for chimney emissions§

⁷ Closed containers for powdery materials, covered storage of materials, design of storage areas, cleaning of the storage area.

⁸ Use of belt conveyors for turnings for handling solid material, machinery layout designed to minimise transport distances, conveyor belts designed to minimise material drop heights, adjustments to reduce the descent speed of open belt conveyors, installation of ducts in safe, open areas to prevent and limit damage caused by potential breakdowns, periodic road cleaning, and areas designed to minimise material movement.

⁹ Thermal pretreatment of turnings to reduce oil contamination, use of a closed furnace equipped with a dust removal system, use of an emission extraction hood during the furnace loading and tapping phases, emission extraction during the transfer of dusty materials, systems designed to extract fumes resulting from tapping and material transfer, use of adequate loading systems for furnace refilling, and emission abatement systems.

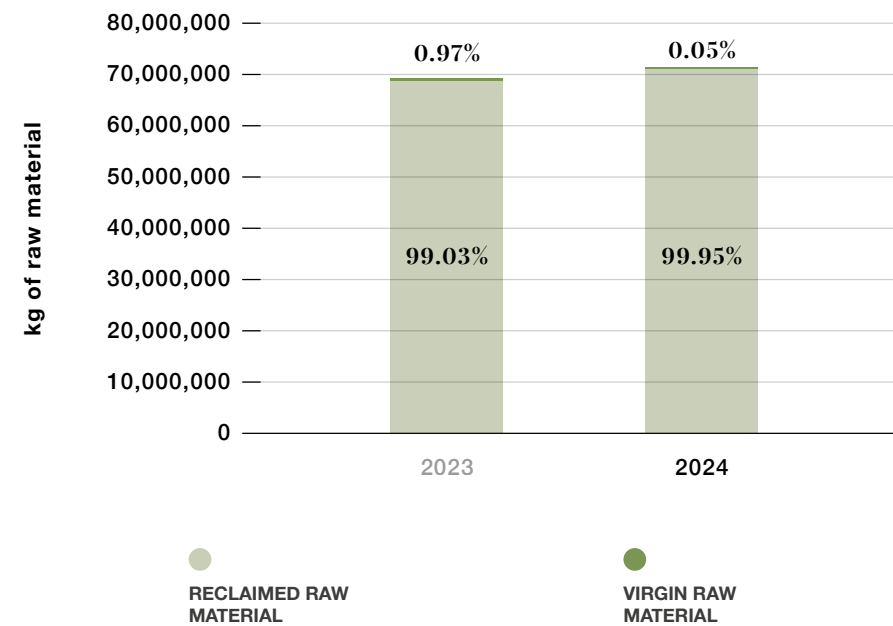


Resource use and circular economy

Circular use of materials

Metallurgica San Marco pays close attention to the flow of resources, striving to orient its procurement strategy toward a circular use of the materials used in the production process. In recent years the company has significantly increased the proportion of raw materials coming from waste or recycled materials¹⁰, reaching, in 2024, an incoming material flow almost totally devoid of virgin raw materials (0.05%, or 34.5 tonnes of raw material out of the total of over 71,000 purchased).

MATERIAL USED FROM RECOVERY



¹⁰ § Actual positive impact: Material recovery §



The company has obtained **UNI/PdR 88:2020 certification for recycled material content** and, in 2024, it set itself the goal of maintaining and improving the results achieved for its products, increasing the portion of recycled material contained in the individual brass alloys used for production, consequently reducing the supply of virgin raw materials. MSM has obtained UNI/PdR certification from TÜV Italia for **five low-lead brass alloys (CW509L, CW510L, CW511L**, with recycled content ranging from 58% to 100%), as well as the LIBRA alloy with 100% recycled material.

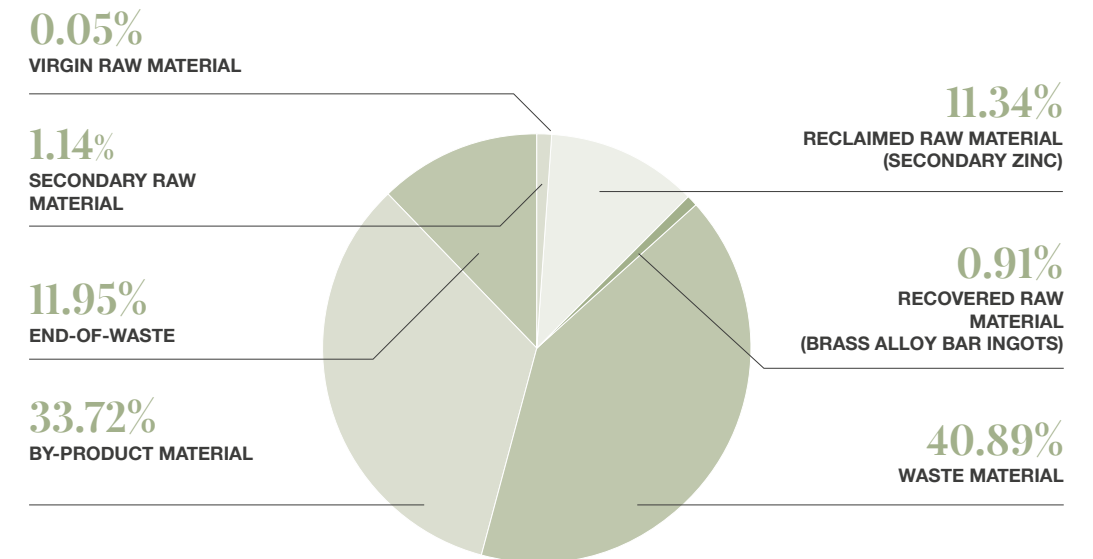
Metallurgica San Marco's focus on the purchase of raw materials with a **high recycled content** is naturally very ecologically motivated, but also economically motivated, given that including brass in the circular supply chain is an important financial opportunity; a strategic response to a market demand that is increasingly oriented towards sustainability¹¹.

In order to implement and maximise the recovery of materials to be used in the production process, the company develops **eco-design**, material recovery and reuse projects, carefully inspects and selects raw materials, which are then mixed to optimise efficiency and reduce waste materials, and is also carrying out a **Life Cycle Assessment (LCA)** with the aim of certification and obtaining an Environmental Product Declaration (EPD).

Metallurgica San Marco analyses its incoming material flow every year. In 2024, total raw material consumption exceeded 71,000 tonnes, a slight increase compared to last year (+2,000 tonnes, +3%), parallel to the increase in production. Of the total materials purchased, as already mentioned, only 0.05% is virgin raw materials, with the majority from recovery: waste (40.9%), by-products (33.7%), End of Waste (12%), secondary zinc (11.3%), secondary raw material (1.1%) and recovered brass ingots (0.9%).

¹¹ § Opportunity: Market attention to the circular economy §

MATERIAL FLOWS



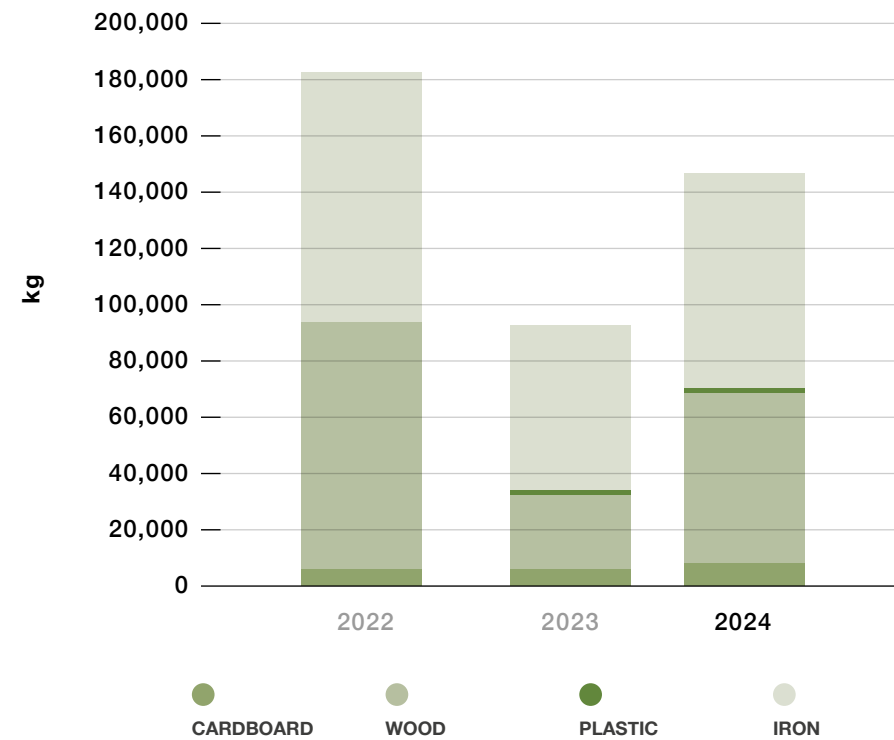
Another very significant issue for the company concerns the marketing of products containing lead, a substance currently subject to REACH regulation¹². REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) is the European regulation that governs the production, import, and use of chemicals, with the aim of protecting human health and the environment by imposing restrictions and authorisation requirements for the substances considered most dangerous. In particular, lead has been included in the list of substances subject to authorisation, which means that Metallurgica San Marco is required to inform users in the event of a lead content exceeding 0.1%. Aware of the potential impact of this element, the company's Research & Development department is employed to study and create lead-free products, such as the **lead-free LIBRA** line, implementing innovative solutions that guarantee an effective and quality product without the need for lead.

¹² § Actual negative impact: Opportunity: Chemicals subject to REACH §

Packaging

The data relating to packaging show the use of two main materials: iron strapping (52% of the total weight) and wooden packaging (41%), while the remaining part is made up of cardboard (6%) and plastic (1%). The chart below shows that, compared to the previous year, the quantity of packaging purchased has increased by 58% overall (147,000 kg, compared to the 93,000 recorded in 2023¹³); this is mainly due to a significant increase in the quantities purchased of strapping (+18,000 kg, 30% more than last year) and, above all, of wooden packaging (+34,000 kg, +127%).

PURCHASED PACKAGING



¹³ Clarification: Packaging data has been revised compared to previous Sustainability Reports.

Waste management and treatment

Responsible waste management is a priority for Metallurgica San Marco, especially due to its extremely circular production chain, which allows for the recovery of the various waste products generated. **The company transforms scrap, machining waste and moulding burrs from its suppliers into high-quality finished products.**, thus creating value from production waste and reducing the environmental impact. This sustainable approach demonstrates MSM's commitment to promoting recycling and the optimised use of resources. The company analyses the quantities of waste annually, dividing them into hazardous and non-hazardous; in 2024, the overall quantity of waste produced decreased by 34% (4,900 tonnes, compared to 7,400 last year), while the quantity of hazardous waste generated¹⁴ remained in line with that recorded over the last three years (between 750 and 800 tonnes per year).

TREND IN WASTE GENERATION



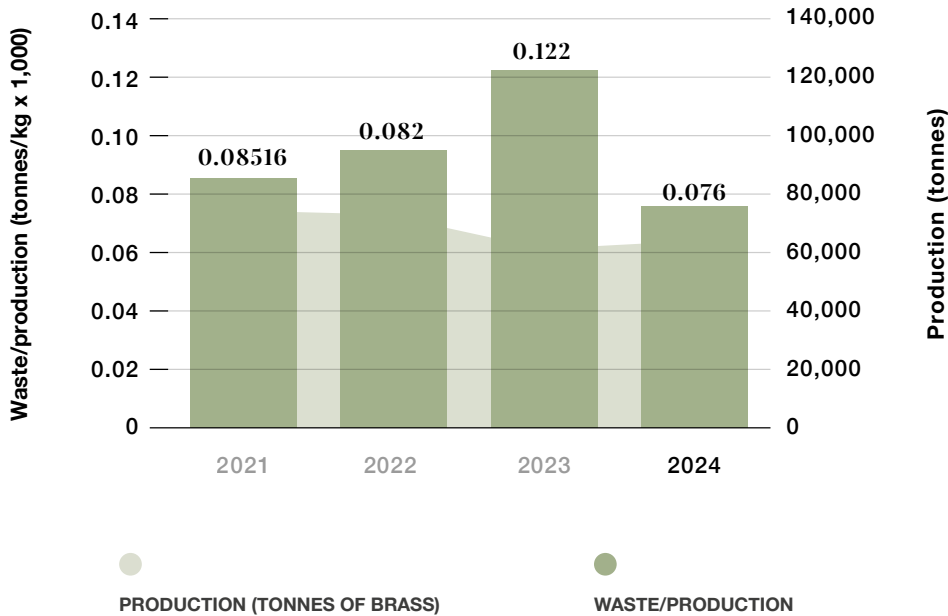
The correct management of hazardous waste is a very important issue for Metallurgica San Marco; over the years, the company has implemented a structured system for managing hazardous waste with the aim of preventing the economic and environmental risks associated with its incorrect handling¹⁵. This system involves a series of risk prevention measures: it monitors and analyses its waste generation annually (focusing in particular on minimising the production of waste and fumes), applies the requirements of Integrated Environmental Authorisation (AIA), entrusts waste treatment exclusively to authorised companies, and has a procedure in place that sorts waste correctly into dedicated internal storage areas.

AS WITH THE TOTAL VOLUME, THE GENERATION OF SPECIFIC WASTE ALSO DECREASED SIGNIFICANTLY, REALIGNING WITH THE VALUE RECORDED IN 2022.

¹⁴ § Potential negative impact: Production of hazardous waste §
¹⁵ § Risk: Risks related to waste non-compliance §

In 2024, 0.076 tonnes of waste were produced for each tonne of finished product, a significant reduction compared to the value recorded in 2023 (-38%, approximately 0.05 tonnes of waste per tonne of product). The efficiency of the company's measures is evident above all from the fact that, despite an increase in production (+5.8%), the volumes of both overall and specific waste have significantly decreased compared to last year; this figure (in line with that recorded in the two-year period 2021-2022) underscores how MSM is able to fully exploit the circularity of brass, fostering development not only from an economic standpoint but also, and above all, from the standpoint of mitigating its environmental impact.

SPECIFIC WASTE GENERATION



In terms of waste destination, approximately 95% is sent for recovery, while the remainder is sent for disposal; this trend demonstrates the company's commitment to maximising the circularity of the raw materials used in production.

4.1

4.2

4.3

Water

The management¹⁶ of water is a very significant issue for Metallurgica San Marco: the company uses significant amounts of water during various stages of its production process (cooling metals, cleaning machinery, etc.); therefore, it maps its water withdrawal and discharge in order to accurately determine its consumption, ensuring constant monitoring and promoting responsible water management.

Regarding the **water supply**, the company draws mainly from groundwater: 95% of the withdrawal comes from wells (95%) and only a small part (5%) from aqueducts. In 2024, total water consumption was 94,030 m³, a value almost identical to that of last year (94,132 m³), in particular there was a slight increase in the quantity withdrawn from wells (+2,500 m³, approximately +3% compared to 2023), offset by the reduction in withdrawals from the aqueduct (-2500 m³, a drop of 33%). By comparing water withdrawal to brass production (expressed in tonnes), we can see that, despite the water supply being the same as last year, specific consumption has decreased by 5.6% (1.46 m³ of water consumed per 1 tonne of product, compared to 1.55 m³ consumed in 2023).

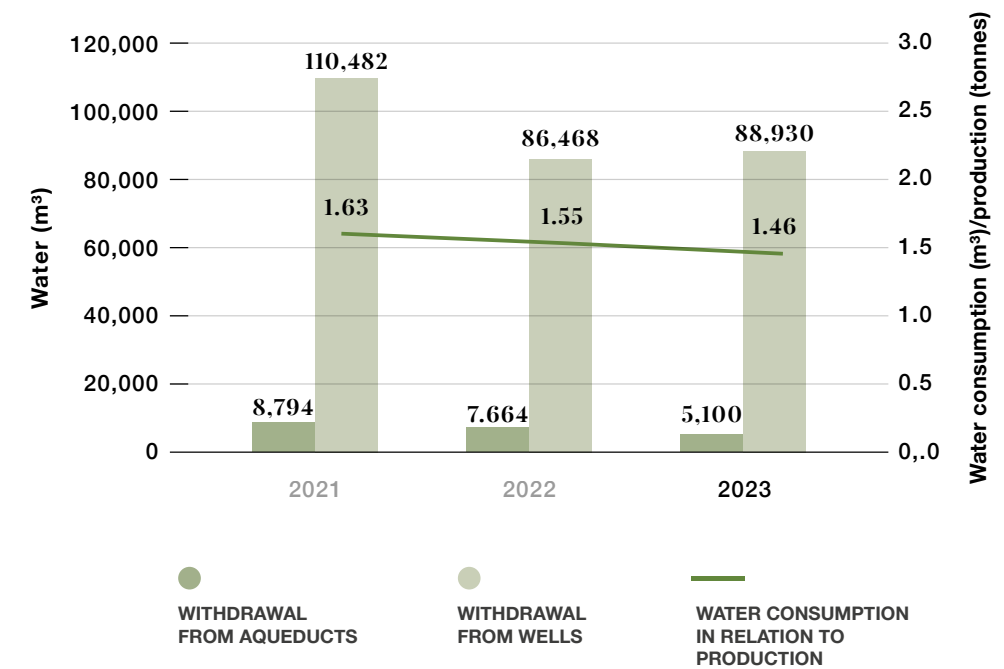
¹⁶ § Actual negative impact: Water withdrawal §

2024 EDITION

SUSTAINABILITY REPORT

METALLURGICA SAN MARCO

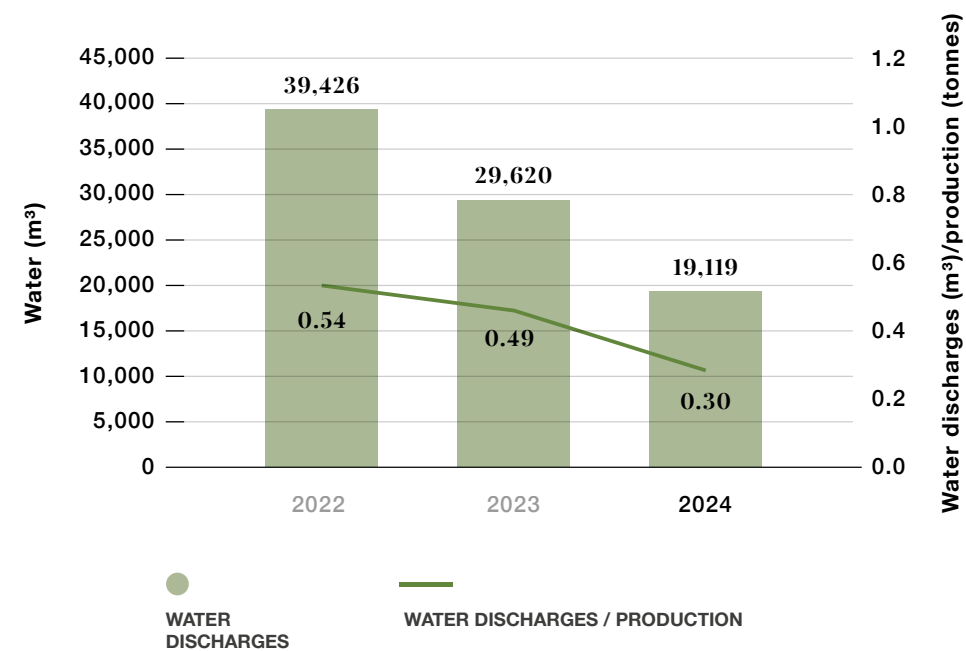
WATER SUPPLY



These data highlight the fact that the increase in production has not been accompanied by an increase in water consumption, demonstrating the effectiveness of the measures implemented by the company to optimise the use of water resources and improve its operational efficiency. Specifically, we have implemented a system for monitoring the volumes of water withdrawn and discharged, which uses a mechanical litre counter and specific meters for both the fresh water used and for wastewater. The company uses a closed-loop cooling system, and continues to develop rainwater harvesting projects to reuse water and reduce continuing water withdrawals. Another measure concerns the management of rainwater: potentially contaminated first flush water is separated from uncontaminated water, thus preventing any harmful substances from ending up in the drainage system or the surrounding environment.

Regarding the issue of **water discharges**, in 2024, the company recorded a sharp decrease in discharged water, down to 19,000 m³ (-35% compared to 29,600 m³ in 2023).

TOTAL AND SPECIFIC WATER DISCHARGES



The risk of spillage of substances¹⁷ represents a significant potential negative impact for Metallurgica San Marco, which has implemented a series of risk prevention and mitigation measures. The company has adopted rigorous procedures for spill management: performance and consumption analysis, periodic monitoring of control and emergency systems, installation of a monitoring system for recovered water, and recovery of emergency water leaks. The company is also equipped with collection tanks and emergency kits, a dedicated oil storage facility, and has optimised the management of its cooling towers and purifier, concentrating them in a single location to improve efficiency and reduce the risk of spills.

¹⁷ § Potential negative impact: spillage of substances §

Social

04



2024 EDITION

SUSTAINABILITY REPORT

METALLURGICA SAN MARCO

Social

HUMAN CAPITAL COMES FIRST

Metallurgica San Marco operates through a cohesive and qualifying system, in which human capital—represented by workers, but also by the local area and community—contributes to raising company standards at all levels.

Highlights

131

well-being

as at 31/12/2024

3,000

hours of training provided

> 98%

of employees hired on
permanent contracts

welfare platform

for all employees

2024 EDITION

SUSTAINABILITY REPORT

METALLURGICA SAN MARCO

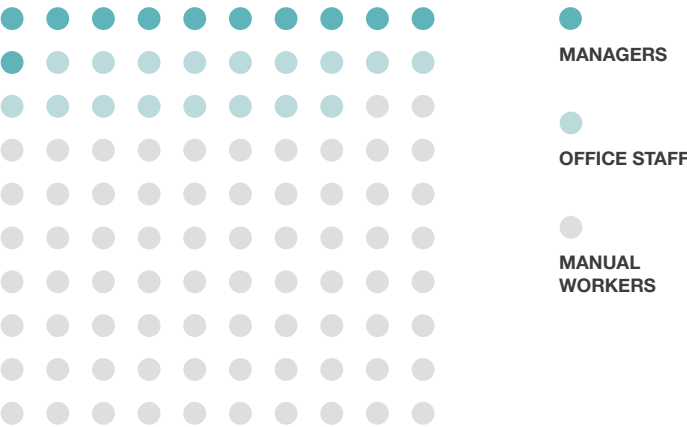


Own workforce

Workforce management

In Metallurgica San Marco's vision, valuing human resources means fostering a working environment in which every person has the opportunity to showcase their skills and develop their potential. A calm atmosphere and solid internal organisation are the essential foundations for building a cohesive group, capable of effectively addressing market dynamics and making a significant contribution to the company's development.

As at 31 December 2024, Metallurgica San Marco had 131 employees. Of these, 14 are managers, 23 are office staff and the remainder (94) are manual workers.



Composition of company employees

The following analysis of the company employees was carried out for 2024, taking into account the number of employees as at 31 December. Indicators such as contract type, gender, age and nationality were analysed.

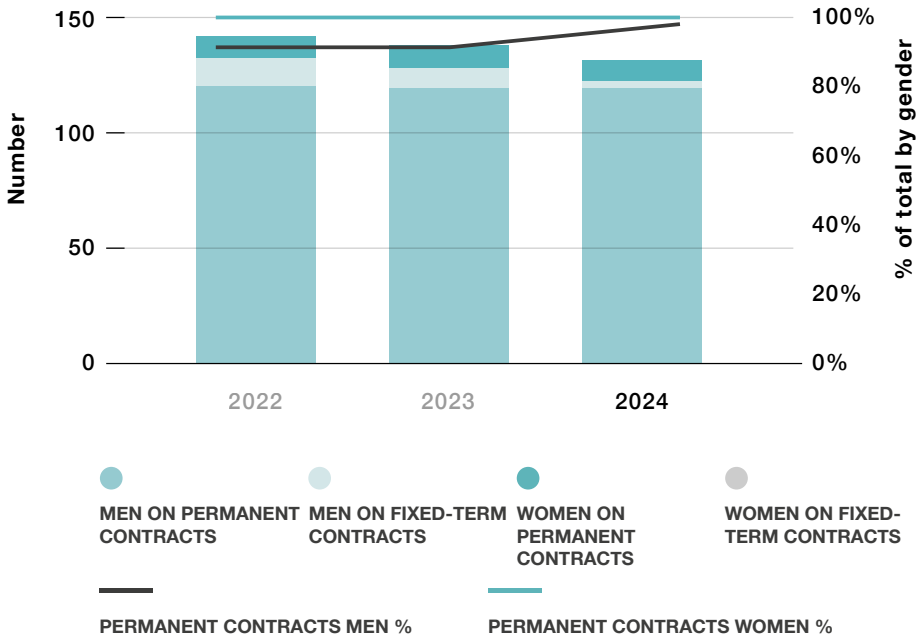
For the company, individual well-being also depends on job stability: **all women at Metallurgica San Marco are employed on permanent contracts**. While only 3 men (2.5% of the total) are employed on fixed-term contracts. The three-year trend, however, sees growth in permanent contracts, which are gradually reaching 100%.

Analysing the type of contract by nationality, we can see how the trend of permanent contracts is growing for Italian workers (who make up 46% of the total), European workers (38.7% of the total) and non-European workers (15.3% of the total) alike.

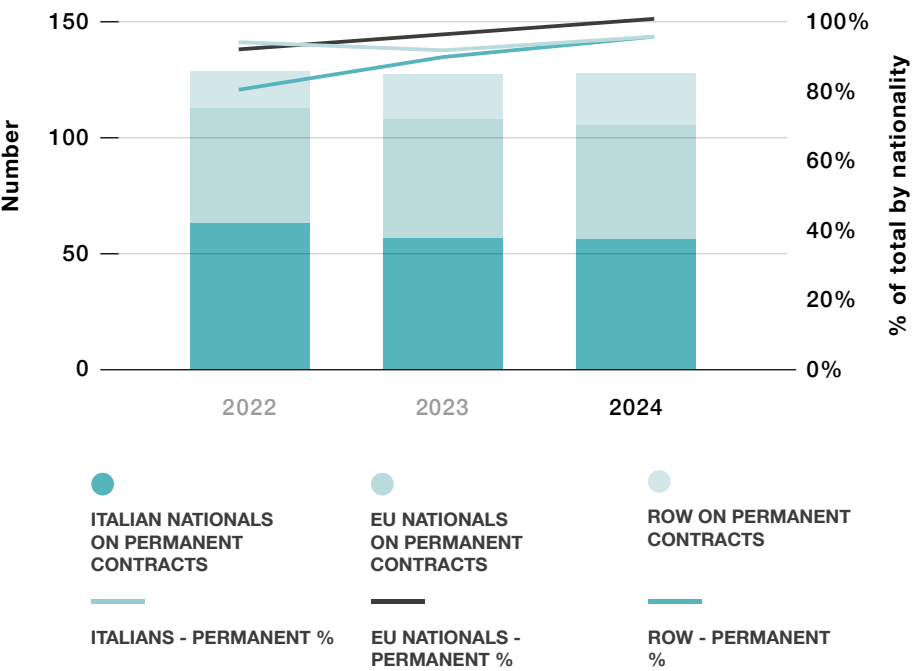
In terms of age distribution, 2024 saw a decline in the middle-age group of the company population and a consequent increase in the 'older' age group (over 50 years of age).

Finally, in terms of gender, as might be expected given the sector in which the company operates, women make up a very marginal percentage of the workforce and clearly do not occupy production positions. However, if we consider only the group of office staff and managers (i.e. the roles where women can potentially be placed), employment stands at 22%.

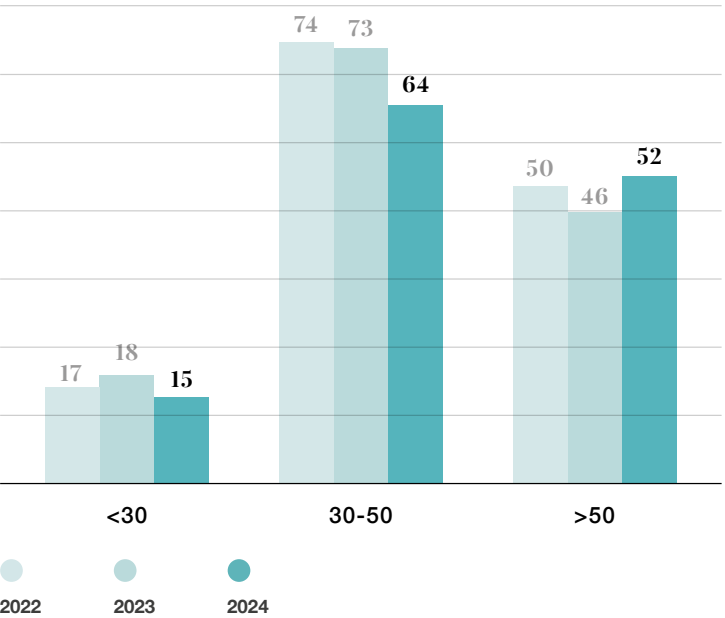
WORKERS BY CONTRACT
AND GENDER



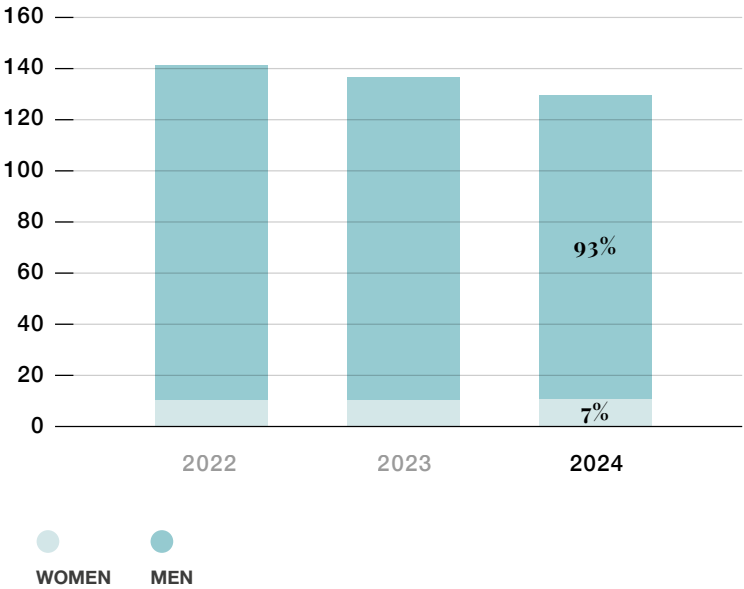
WORKERS BY CONTRACT
AND BY NATIONALITY



WORKERS BY AGE



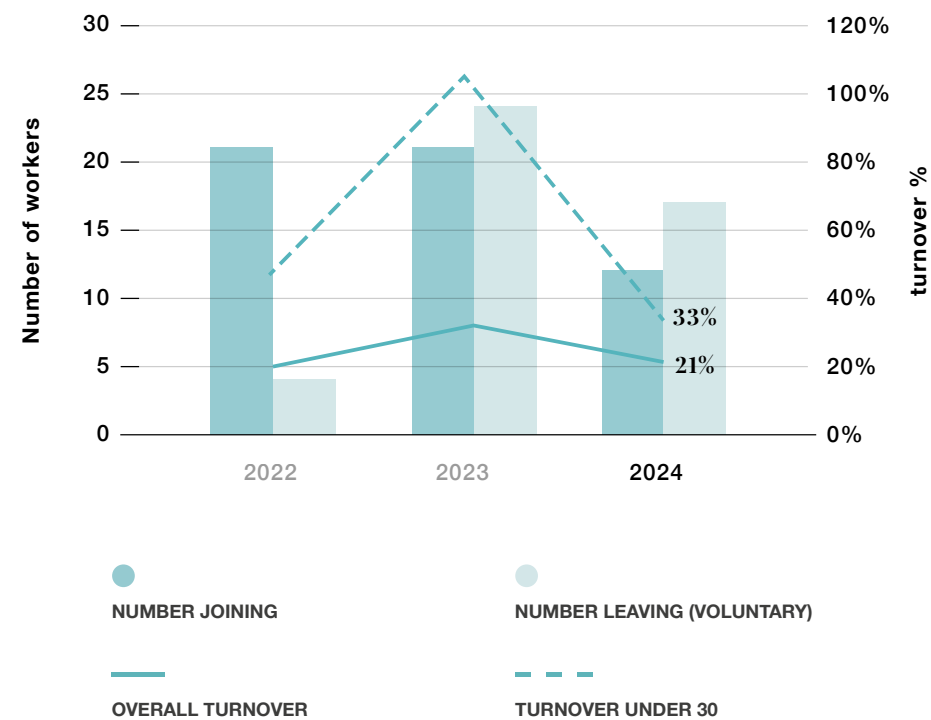
WORKERS BY GENDER



Turnover

Metallurgica San Marco monitors annually its overall and under-30 employee turnover rates. Keeping the turnover rate under control, especially youth turnover¹, is an indicator of the **company's retention** capacity, as well as the perceived well-being of its employees. In 2024, both turnover rates fell, settling at 21% (for the overall turnover rate) and 33% (for the under-30 turnover rate). This result was thanks to a series of actions implemented by the company, including a welfare programme extended to the entire company workforce, continuous monitoring of internal dynamics to address any critical issues, an analysis of the internal climate conducted

EMPLOYEE TURNOVER



¹ § Financial risk: High turnover §

in collaboration with Umana Analytics, and continuous communication regarding improvement objectives in terms of company management and organisation.

As regards the difficulty in recruiting², this is an extremely current topic that affects many companies. Metallurgica San Marco encounters this issue especially when recruiting for specific roles. In response, it is working to strengthen its employer branding, enhance its direct recruitment channels, and establish partnerships with local employment agencies and agreements with universities and schools. We also focused strongly on the induction plan for new hires, which was established in 2023. This plan provides support and monitoring of the onboarding process through various steps of assessment and reassessment, an in-depth review of the results of the psychometric tests administered during the selection process, and verification of alignment with the objectives set for the position in question.

PATHWAYS OF DIALOGUE AND ORGANISATIONAL GROWTH

In 2024, Metallurgica San Marco launched a structured internal liaison and dialogue process with the aim of strengthening the alignment between corporate values, organisational behaviours, and strategic objectives. Through the involvement of Umana Analytics and the active participation of employees, we applied the scientific methodology of Trust Network Analysis and the assessment of value alignment in order to gain a deep understanding of the company's relational dynamics, strengths, and opportunities for improvement. Dedicated

¹ § Potential negative impact: Difficulties in recruiting §

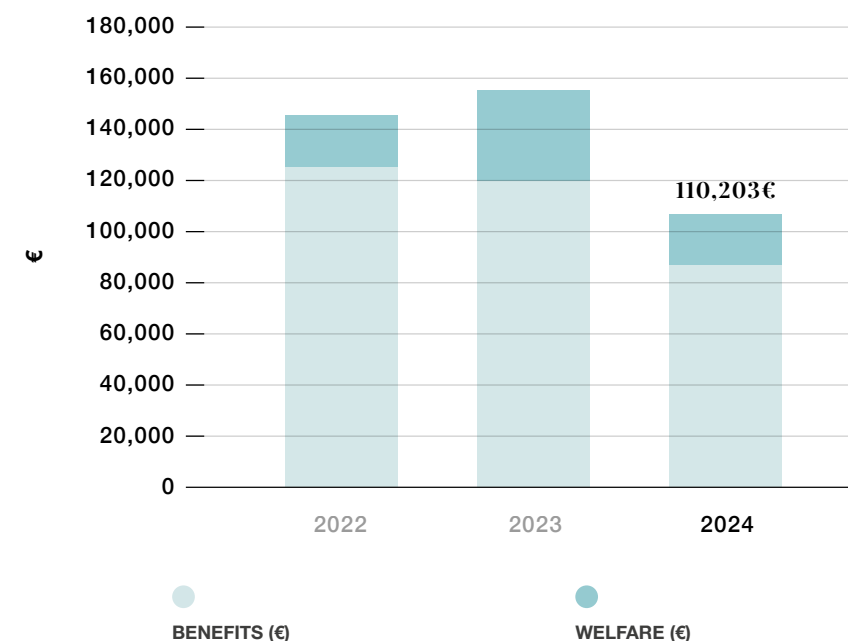
- 1.1
- 1.2
- 1.3
- 1.4

focus groups were also held to identify, together with employees, the most suitable behaviours to consolidate corporate values in daily practice. The initiative is part of a broader vision of social sustainability, which recognises human capital as a fundamental asset for the harmonious and responsible development of the organisation. MSM's commitment in this area will continue in the coming months, with concrete actions aimed at enhancing a culture of trust, fairness, and respect, while strengthening the foundations for diffused leadership and increasingly participatory and transparent governance.

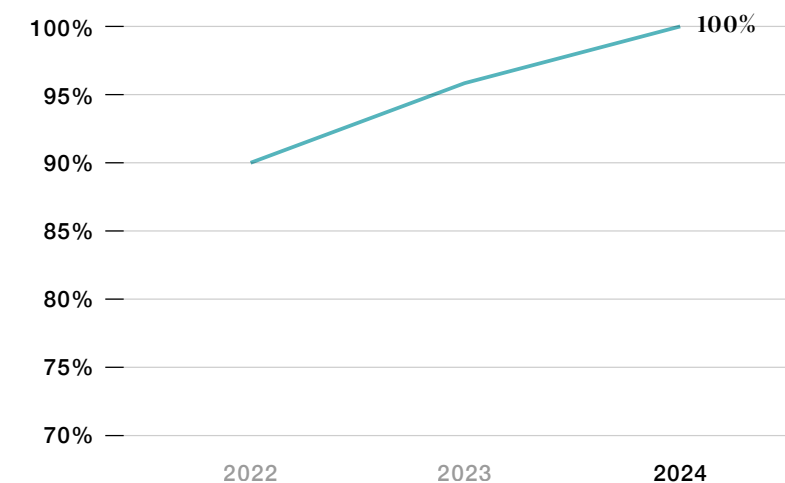
Employee benefits

Over the years, Metallurgica San Marco has progressively extended access to the welfare platform to include all of its employees: by 2024, 100% of MSM employees had access to welfare. In the reporting year, the company paid out over €110,000, equal to 11.9% of its profit in welfare and benefits. During 2024, there was a significant focus on informing and raising employee awareness on the use of the platform; this initiative will continue in 2025 with the aim of increasing the number of beneficiaries.

WELFARE E BENEFITS AT MSM



WORKERS WITH ACCESS TO WELFARE



MSM GOLF TROPHY

The Metallurgica San Marco Trophy is an annual event, launched in 2014, that opens the summer season at one of the most prestigious golf clubs in Northern Italy. The tenth edition of this trophy took place in 2024, at the Garda Golf Country Club in Soiano Del Lago, on Lake Garda (Brescia). The tenth edition was an important milestone and an opportunity to spend a day of sharing and fun at one of Italy's most famous courses. In addition to the competition itself, the programme included a welcome brunch, an aperitif, the awards ceremony and the Gala dinner.

INAUGURATION OF THE TEATRO MARCONI IN CALCINATO

On 1 May 2024, Marco Gambarini, in the presence of numerous Metallurgica San Marco employees, attended the ribbon-cutting ceremony to re-open the Teatro Marconi in Calcinato, after 20 years of closure and a €3 million renovation, approximately a third of which was provided by the company. Coinciding with Labour Day, it was an opportunity to share his vision of today's world of work in his speech to the public, with some very topical and interesting food for thought.



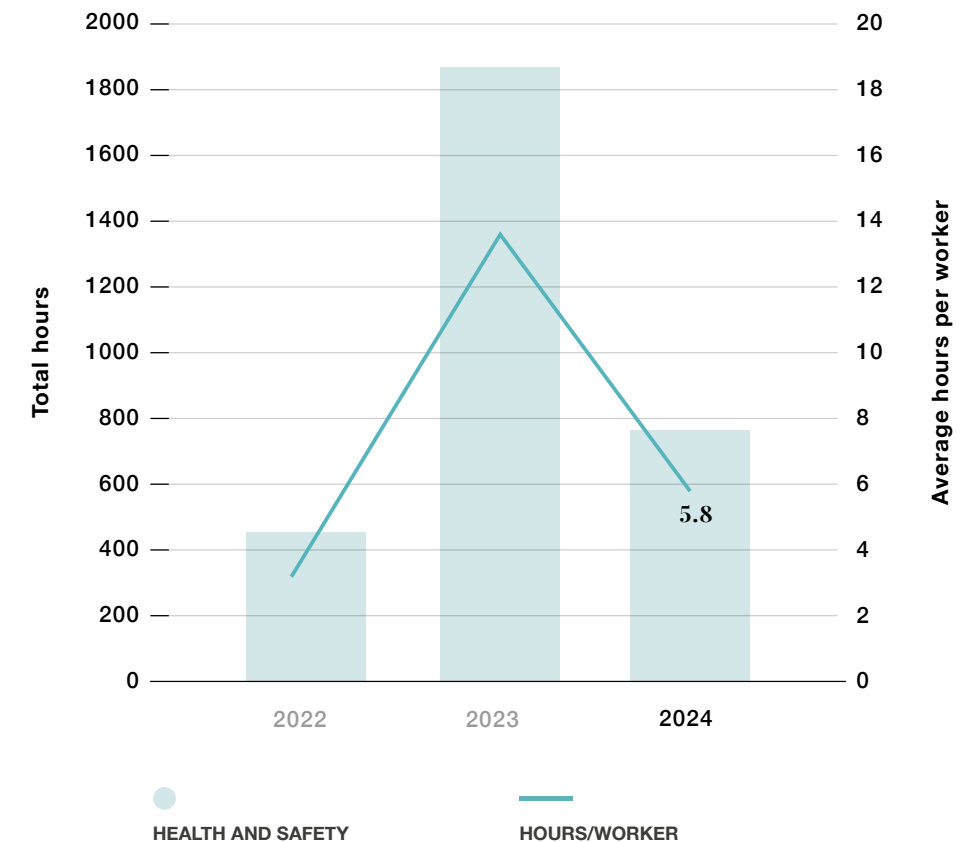
Personal health and safety

As a manufacturing company, for Metallurgica San Marco **protecting the health and safety** of its workforce is one of the main priorities³. This commitment is an integral part of the company's code of ethics and is confirmed by certification according to the UNI EN ISO 45001 – ‘Occupational health and safety management systems’. In 2023, MSM delivered extensive training in health and safety⁴, also following the appointment of a Health and Safety Officer (RSPP), providing over 1,800 hours’ training to its employees. In 2024, the data returned to more regular values, but still higher than those prior to 2023: training sessions were increased, but of shorter duration, to maximise staff attention and ensure the effectiveness of the courses. In particular, almost 800 hours’ training were provided, for an average of 5.8 hours per employee. In addition to the mandatory hours, the company has also provided courses on the use of **defibrillators, first aid**, and additional courses for the automated warehouse.

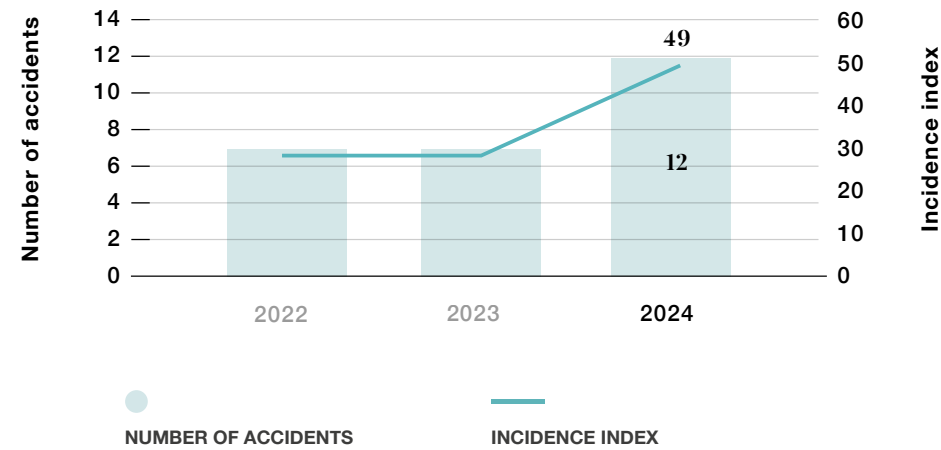
³ § Potential negative impact: accidents at work §

⁴ § Potential positive impact: Promotion of occupational health and safety §

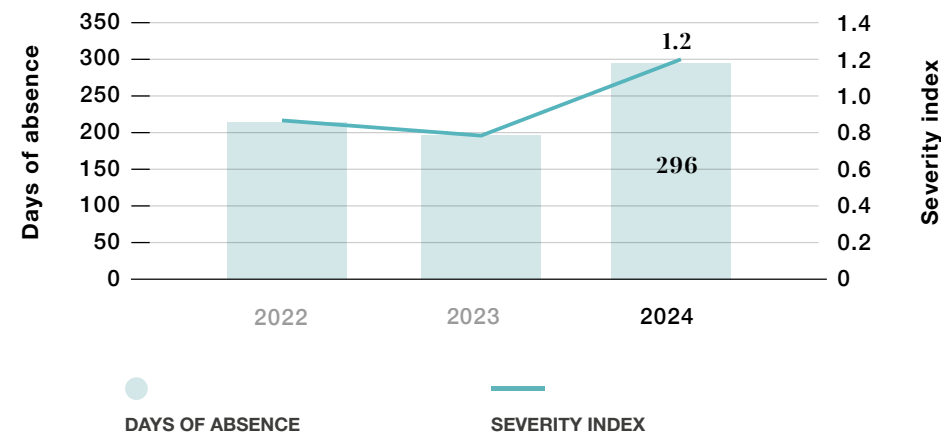
HEALTH AND SAFETY TRAINING



ACCIDENTS - INCIDENCE



ACCIDENTS - SEVERITY



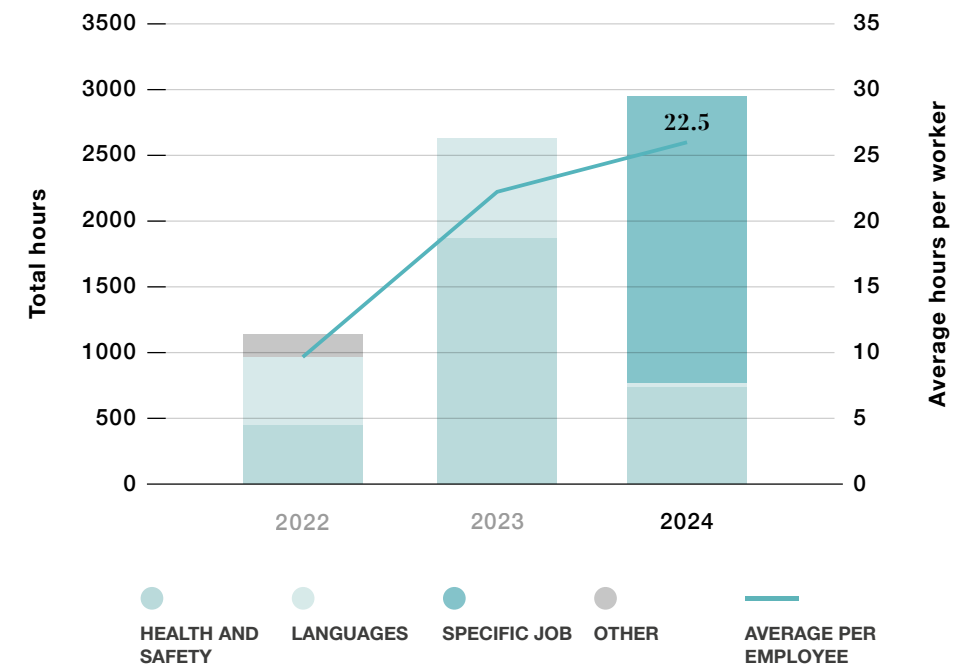
In 2024, 12 accidents occurred at Metallurgica San Marco, 5 more than the previous year. This has led to an increase in both severity and incidence rates⁵.

⁵ The incidence index data has been revised compared to previous editions of the Sustainability Reports

Training and education

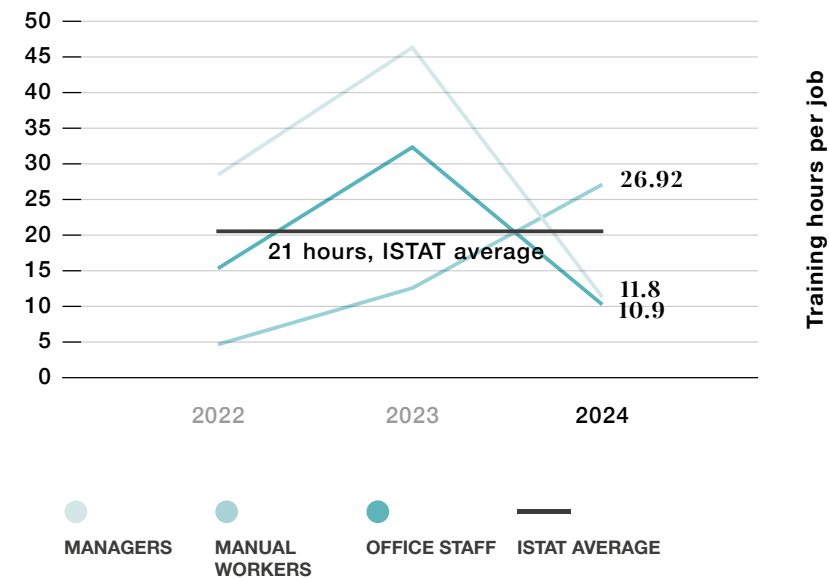
Staff specialisation is a key issue for Metallurgica San Marco⁶, which considers it essential to invest in the continuous development of skills within the workforce. In 2024, the company provided nearly 3,000 hours of training to its employees, for an average of 22.5 hours of training per worker. Both total hours and average hours per employee have increased compared to both 2023 and 2022. In 2024, in particular, Metallurgica San Marco placed ample emphasis on health and safety issues and specific training for each job.

HOURS OF TRAINING



⁶ § Potential negative impact: Lack of necessary skills §

AVERAGE HOURS OF TRAINING PER JOB

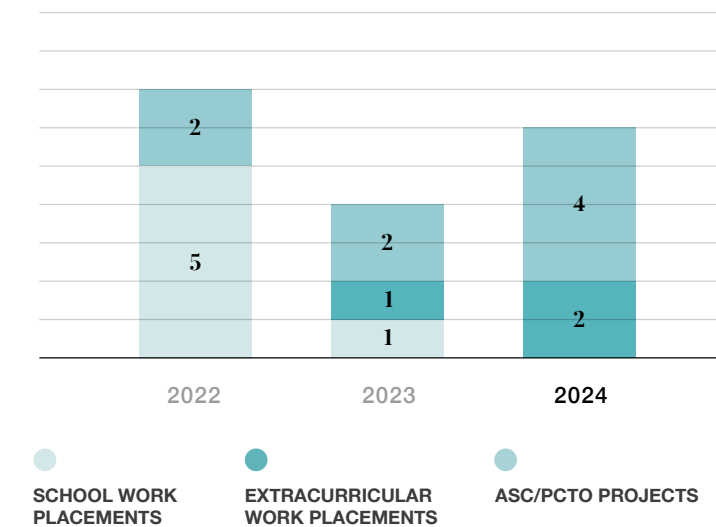


In 2024, the category that received the highest average number of hours of training was manual workers, with almost 27 hours per employee. This figure is up compared to the previous two years, while there was a decline in the average hours delivered to managers and office staff, which had peaked in 2023.

Setting up internships and work-study programmes is an important strategic opportunity for Metallurgica San Marco. These initiatives help introduce young people to the world of work, promoting the transfer of skills and the dissemination of corporate culture. At the same time, MSM can identify and train potential future employees, actively contributing to building qualified and motivated human capital. Furthermore, the connection with schools and institutions strengthens the company's social role in the local area, enhancing its image and social responsibility.

In 2024, Metallurgica San Marco hosted 6 students, 4 of whom were on work-study programmes and 2 on extracurricular work placements.

INTERNS AT MSM



THE LINK BETWEEN ACADEMIA AND INDUSTRY

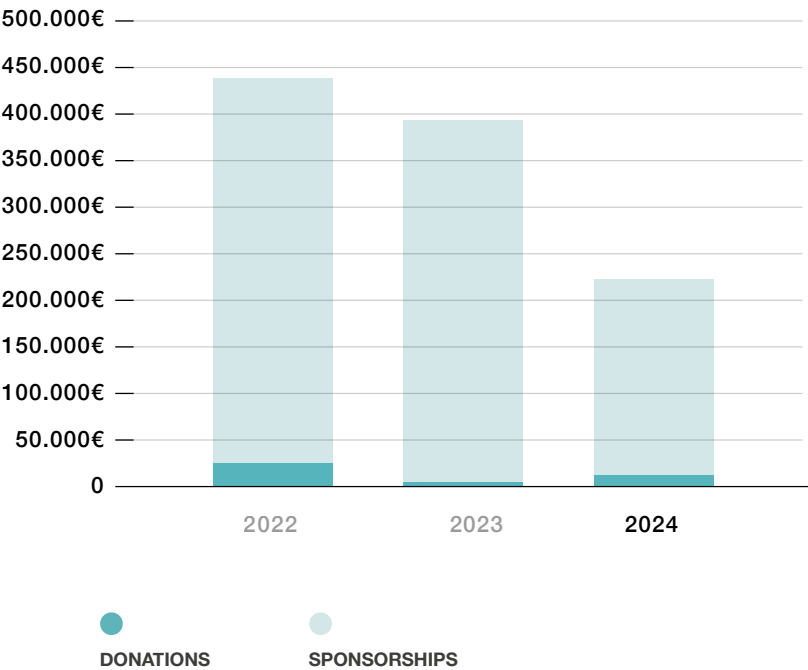
In December 2024, Metallurgica San Marco opened the doors of its Ponte San Marco plant to students on the master's degree programme in Engineering for Materials and Product Innovation at the University of Brescia. During the visit, the students followed the entire production process of brass rods, starting from the scrap yard, where they learned about the material selection criteria, smelting, continuous casting, extrusion, and drawing processes. The final stop was in the quality control laboratories, where we conduct metallographic, mechanical, and metrological analyses. The day concluded with a discussion between students and company staff, an opportunity to exchange ideas and learn more about the technical aspects of the industry.

Affected communities

Value creation in the local area and among stakeholders

Metallurgica San Marco is convinced of the importance of creating a strong bond with the local area. For this reason, it is committed to actively supporting the territory and the local community, promoting sports culture, developing the resources of the territory and supporting charitable projects through sponsorship and donations. In 2023, the company devolved over €200,000 in donations and sponsorships⁷.

SPONSORSHIPS AND DONATIONS



⁷ § Actual positive impact: Investments in projects with positive impacts on the local community §

SPONSORSHIP

- PALLACANESTRO BRESCIA SRL
- VIRTUS BASKET LUMEZZANE
- ZANCHI MOTORSPORT ASD
- PROGETTI DEL CUORE
- US Calcinato ASD
- MI.MA Sport CLUB Società Sportiva Dilettantistica
- Brixia Power Asd
- ASD Valduggia Calcio
- G.S. RONCO
- F.C. LUMEZZANE SRL
- F.C. Pro Vercelli 1892 SRL
- VIGHENZI CALCIO
- MILLENIUM SPORT & FITNESS – ‘Muoviamoci’ event
- PONTE DI LEGNO SKI SCHOOL



Governance 05



2024 EDITION

SUSTAINABILITY REPORT

METALLURGICA SAN MARCO

Governance

Sustainability governance

Metallurgica San Marco has adopted a development model based on sustainability, making it a central element of its corporate strategy. Environmental, social, and economic principles are not just guidelines, but an integral part of corporate and operational decisions. The company invests time, money, and resources to streamline production processes and offer high-performance solutions that meet market demands and ensure minimal environmental impact.

The MSM Board of Directors takes a proactive role in defining and implementing ESG policies, ensuring that sustainability is a cross-cutting guiding principle. Through careful monitoring of environmental, social, and economic indicators, the Board of Directors guides strategic decisions toward responsible growth, incentivising low-impact projects and entrusting experts, such as the HSE Manager and the RSPP, with the task of assessing risks, opportunities, and consequences generated or suffered by the company's activities.

Highlights

Obtained

★++
**legality
rating**

Around

10,000
hours of R&D

More than

€230 M
of economic value generated

Over

95%
of satisfied customers

How the company is governed

Metallurgica San Marco relies on a structured and functional governance structure, which allows the company to operate with rigour, effectiveness, and responsibility. Decision-making and operational activities are distributed in such a way as to ensure compliance with the fundamental principles of legality, transparency, and sustainability at every stage of the business process.

THE GOVERNANCE SYSTEM IS
STRUCTURED THROUGH THREE
MAIN BODIES:

01 Shareholder's meeting

the organisation's sovereign body, it is responsible for outlining strategic guidelines, appointing members of the Board of Directors, assigning powers, and approving the annual budget.

02 Board of Directors

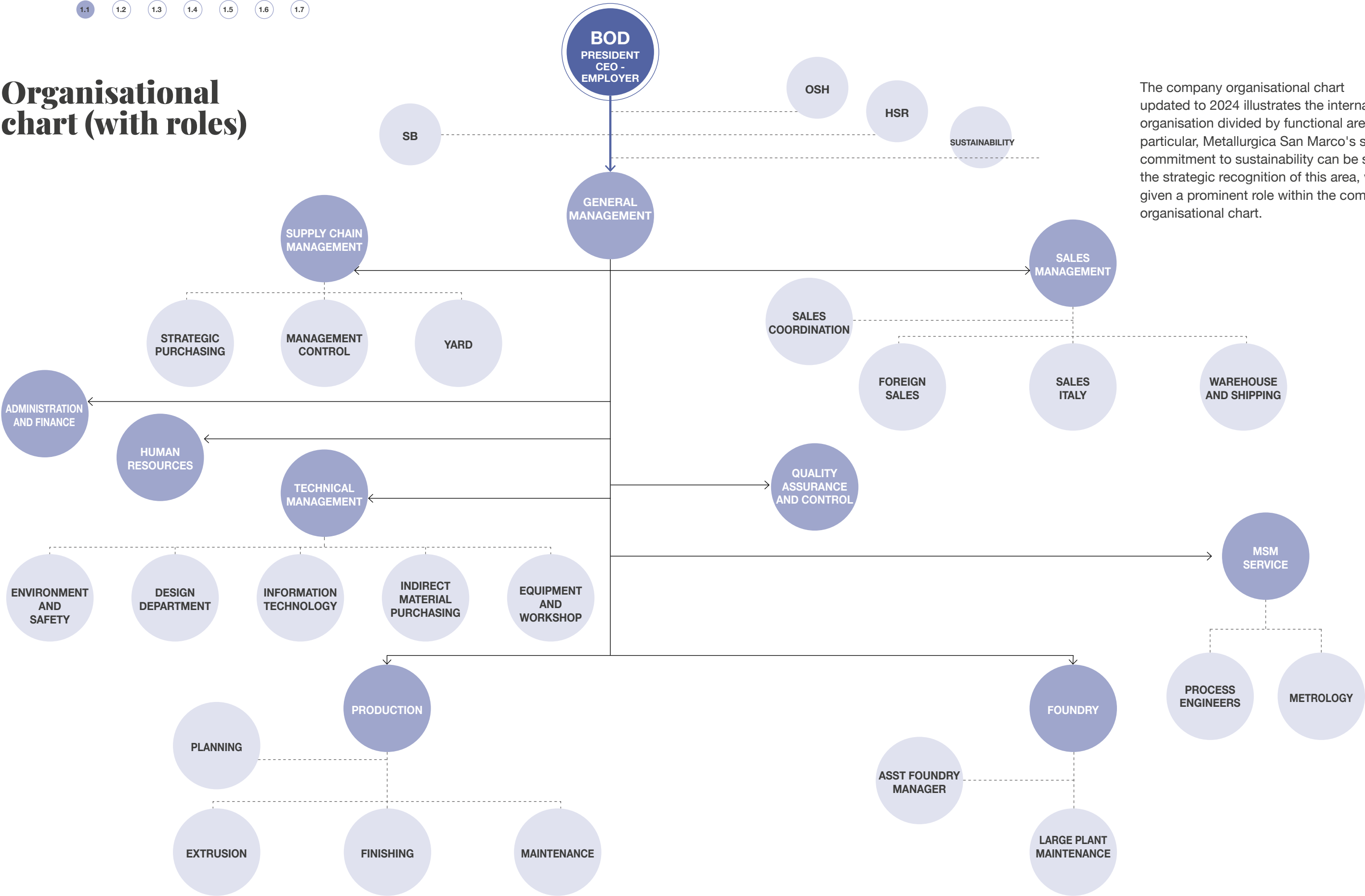
composed of five members (including one employee), it is responsible for the overall management of the company. This body is entrusted with executive powers for ordinary and extraordinary administration, in pursuit of the objectives established by the organisation.

03 Board of auditors

with control functions, it ensures the compliance of company activities with current regulations and the by-laws, monitoring the work of the BoD.

- 1.1
- 1.2
- 1.3
- 1.4
- 1.5
- 1.6
- 1.7

Organisational
chart (with roles)



The company organisational chart updated to 2024 illustrates the internal organisation divided by functional areas. In particular, Metallurgica San Marco's strong commitment to sustainability can be seen in the strategic recognition of this area, which is given a prominent role within the company's organisational chart.

Corporate governance guidelines

Code of Ethics

Metallurgica San Marco's Code of Ethics is an essential point of reference for the corporate identity and the daily actions of all those who work on behalf of the company. Introduced in 2016 and updated in 2020, aligning it with the evolution of the sustainability policies adopted, the document collects the founding values and behavioural guidelines underlying the organisation's choices, both internally and in its external relations.

Its dissemination is supported by training and communication initiatives aimed at ensuring full awareness of its contents and promoting a corporate culture based on integrity.

THE CODE CLEARLY STATES THE COMMITMENT TO PROTECTING HUMAN RIGHTS THROUGHOUT THE SUPPLY CHAIN, REJECTING ANY FORM OF EXPLOITATION, CORRUPTION, OR DISCRIMINATION.

THE CODE HIGHLIGHTS A SERIES OF ETHICAL PRINCIPLES THAT ARE CONSIDERED INDISPENSABLE:



Legality



Respect for the people's dignity



Honesty and fairness



Transparency in the management of business affairs and accounting and tax compliance



Product quality



Effectiveness and efficiency



Competition protection



Safety and health protection



Environmental protection

Furthermore, a specific section of the Code governs the methods of interacting with corporate bodies, personnel management, individual responsibilities, and relationships with customers, suppliers, and public administration, defining a clear framework of rules and duties aimed at ensuring consistent and responsible behaviour in every area of the company's activity.

In 2024, Metallurgica San Marco began a significant effort to engage its supply chain on issues of integrity and responsibility, formally requiring its suppliers to sign the company's Code of Ethics. This initiative stems from the desire to extend the company's core values to external partners who contribute to the creation of corporate value. Ensuring that suppliers operate according to high standards of workplace safety, fairness, and respect for human dignity is a strategic element in building solid, transparent business relationships geared toward sustainable and shared development throughout the entire supply chain.



Scan the QR code to view
the Code of Ethics

Organisation, Management and Control Model

To ensure the concrete application of the principles expressed in the Code of Ethics, Metallurgica San Marco has implemented an **Organisation, Management and Control Model (MOG)** compliant with Legislative Decree 231/2001. This tool was designed to strengthen the company's internal control system and consolidate an ethical culture based on honesty, transparency, and full compliance with applicable regulations.

A key element of the MOG is the **Supervisory Body (SB)**, an independent body with specific tasks of monitoring and verification. The Supervisory Body monitors the effective adoption of the rules contained in the Model and the Code of Ethics (an integral part of the MOG), ensuring their correct application at all company levels. To facilitate the reporting of any illicit behaviour or behaviour that does not comply with the Model¹, the organisation has a dedicated e-mail communication channel, in line with the practices established by the internal whistleblowing system.

¹ § Risk: Corruption and Fraud

The Model is also supported by a **Disciplinary System**², which establishes the sanctions applicable in case of violations. Sanctions may be applied for, among other things, failure to comply with company protocols, violations of ethical principles, failure to comply with workplace health and safety obligations, and harmful behaviour toward whistleblowers.

To complement these measures, Metallurgica San Marco has introduced an **internal policy** that sets out clear and detailed behavioural guidelines addressed to all internal stakeholders involved in activities considered to be at risk, in accordance with the provisions of Legislative Decree 231/2001. This initiative aims to prevent illicit conduct by providing a shared and easily applicable operational framework for everyday work.

In parallel, the company has formalised its ethical commitment by signing the **Ethical and Integrity Pact**, a tool that strengthens adherence to the values of transparency, fairness, and legality. The pact represents a moral and operational obligation that involves all those who work in the name and on behalf of the organisation, further consolidating the system of values underlying the company's actions.

² https://www.metallurgicasanmarco.it/wp-content/uploads/2020/09/sistema_disciplinare.pdf



FOCUS LEGALITY RATING 2024

The legality rating is an award issued by the Italian Competition Authority (AGCM) to companies that demonstrate a high degree of **regulatory compliance, transparency and fairness** in business dealings, and adoption of organisational models geared towards crime prevention. It is structured as a score from one to three stars, assigned based on objective requirements (such as the absence of sanctions or criminal proceedings against company executives) and rewarding requirements, including the adoption of codes of ethics, traceability of payments, adherence to legality protocols, and compliance with labour and environmental regulations.

IN 2024, METALLURGICA SAN MARCO ACHIEVED A RATING OF ONE STAR ++, CERTIFYING ITS ALIGNMENT WITH THE MINIMUM REQUIREMENTS SET BY THE SYSTEM.

Obtaining this rating is an important starting point in the process of strengthening corporate governance. In the coming years, the company aims to improve its rating by further structuring internal control tools, formalising established practices, and adopting voluntary measures that demonstrate its commitment to legality, transparency, and social responsibility in an increasingly tangible manner.

Certifications and Management Systems

For Metallurgica San Marco, transparency of communication of results and economic, social, and environmental impacts is essential for building strong, lasting relationships with stakeholders. This approach translates into a concrete commitment to the adoption and continuous improvement of management systems aimed at monitoring and constantly improving key areas, such as occupational health and safety and the quality of products and services offered.

Looking to the future, Metallurgica San Marco plans to further expand its management system by obtaining certifications relating to ISO 14001 for environmental management and ISO 50001 for energy efficiency, confirming the responsible and integrated approach that guides the company's evolution.

PdR 88:2020

which certifies the content of recycled and by-product material in low-lead alloys;

ISO 45001

for the management of occupational health and safety;

IATF 16949

relating to quality standards in the automotive sector;

ISO 9001

for the company quality management system.

IQNET

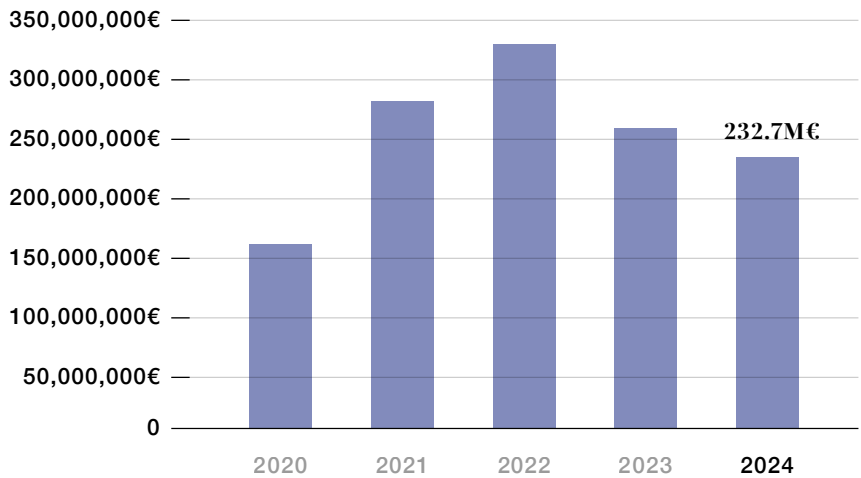
which certifies the effective implementation and maintenance of the H&S system.

Economic performance

Over the five-year period 2020-2024, Metallurgica San Marco demonstrated remarkable financial strength, recognising that a stable financial base is essential for concretely strengthening its commitment to sustainability. Over the past five years, the company has experienced significant growth, both in terms of employment (a 19% increase in staff compared to 2020) and financially, with a turnover that, in 2024, will exceed €230 million, marking a 46% increase compared to the beginning of the period under consideration.

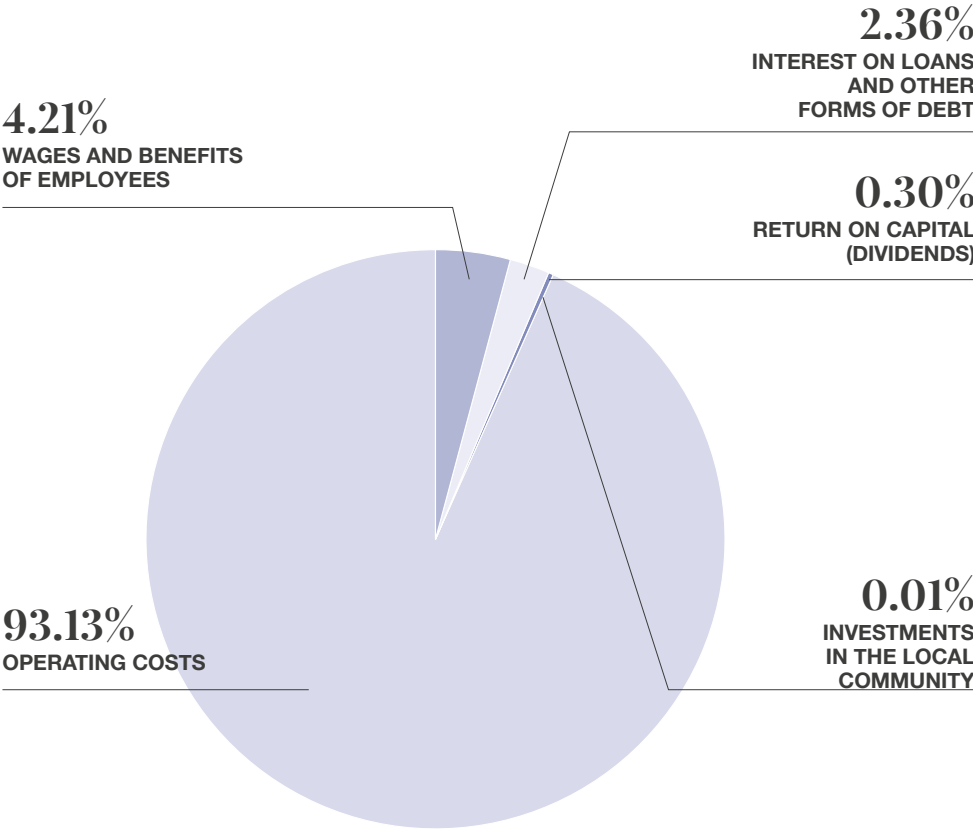
The company has chosen to report its economic and financial performance within the Sustainability Report by adopting the framework defined by the GRI standards. In this context, the company analyses the **economic value generated**, understood as the sum of revenues from sales, investments and disposals of goods, and the **distributed value**, which includes operating costs, salaries, dividends, tax contributions and community initiatives.

VALUE GENERATED



As shown in the chart below, despite a decline in economic value generated over the last three years, Metallurgica San Marco has managed to maintain a high capacity for distributing the generated value. This result was achieved thanks to careful management of resources, which allowed us to contain costs without compromising the quality of wages, employment stability, or return on invested capital. In particular, in 2024, the majority of the distributed value (93%) was allocated to supporting operating costs, while the remaining portion was divided between employee salaries and benefits (4.2%), interest expenses, return on capital and community investments (2.7% overall).

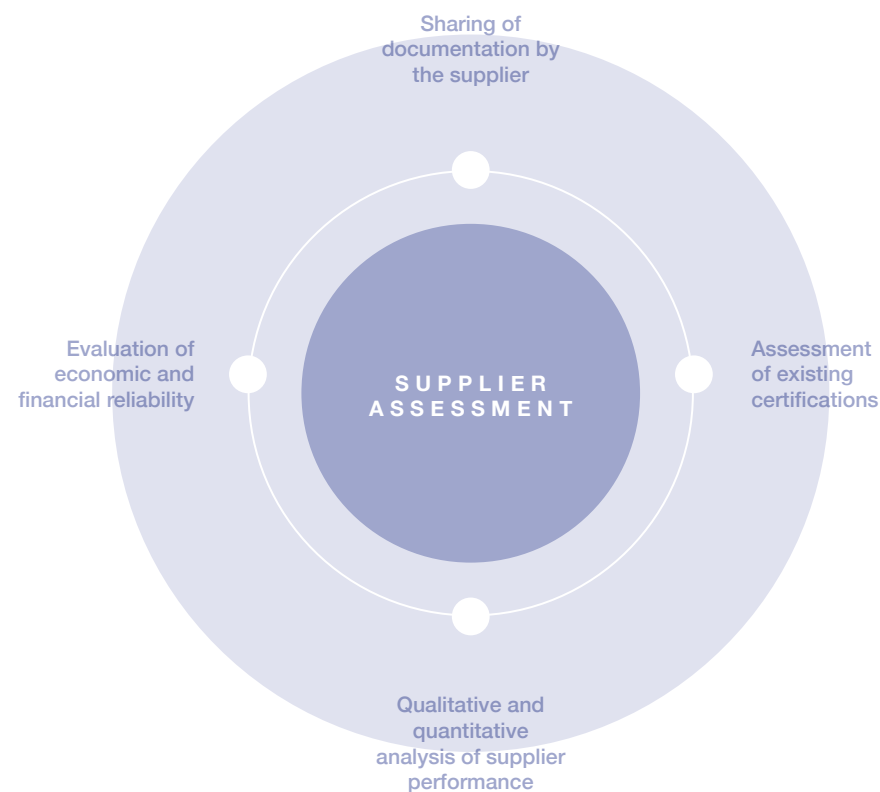
ALLOCATION OF DISTRIBUTED VALUE



Supply chain

For Metallurgica San Marco, the commitment to sustainability is not limited to the company's boundaries, but translates into an active engagement of all stakeholders in its value chain through responsible and transparent practices. The choice to direct the company strategy towards sustainable procurement represents the desire to integrate environmental, ethical and economic criteria in the supplier selection and management process³.

The company adopts a specific procedure for the selection and management of its supply chain, which is developed through a multi-level analysis.



³ § Potential negative impact: Difficulties in sustainable supply

Initially, each potential supplier is required to share their updated documentation relating to the Chamber of Commerce registration, financial statements and public environmental compliance requirements (such as the MUD for waste). Additionally, a questionnaire is required to determine the supplier's quality, environmental, safety, IATF, and anti-corruption certifications. To avoid unduly penalizing smaller, less structured organisations, not holding certifications does not constitute a criterion for exclusion or formal scoring, but is instead considered an added value.

For suppliers already engaged with the company, a qualitative and quantitative performance analysis is conducted annually, focusing on factors such as non-conformities, the quality of documentation, timely responses, and willingness to collaborate. An evaluation report (range 1-5) is drawn up on the main suppliers divided by tonnage, in particular suppliers of raw materials, verifying the validity of the environmental authorisations held and the economic-financial reliability, including an analysis of the shareholder structure⁴. This process determines the supplier's suitability and the possibility of continuing the supply relationship with Metallurgica San Marco for the following year (to date, suppliers have remained stable over time).

⁴ § Actual negative impact: Arms supply chain

1.1 1.2 1.3 1.4 1.5 1.6 1.7

Intermediary suppliers are also subject to mapping, associating to each one the origins of the materials treated (which vary from year to year), which are screened according to the criterion of possession of environmental authorisations. The analysis does not foresee a tax audit or the signing of the MOG 231.

GENERALLY SPEAKING, ALL MSM SUPPLIERS MUST ACCEPT THE CONTENT AND PROVISIONS OF THE COMPANY'S CODE OF ETHICS BY SIGNING THE INFORMATION QUESTIONNAIRE, WHICH INCLUDES A COMMITMENT TO COMPLY WITH THE ORGANISATIONAL MODEL 231.

In addition to the supplier assessment procedure, Metallurgica San Marco promotes the active involvement of the entire supply chain through the development of initiatives oriented towards the **circular economy**. Given its role as a contractor, the company enters into agreements with some customers for the delivery of waste and by-products (such as brass scrap) in exchange for transformed bars. Customers involved in the procedure are asked to complete an information questionnaire similar to that required for suppliers; however, completing it is not mandatory for completing the waste delivery process.

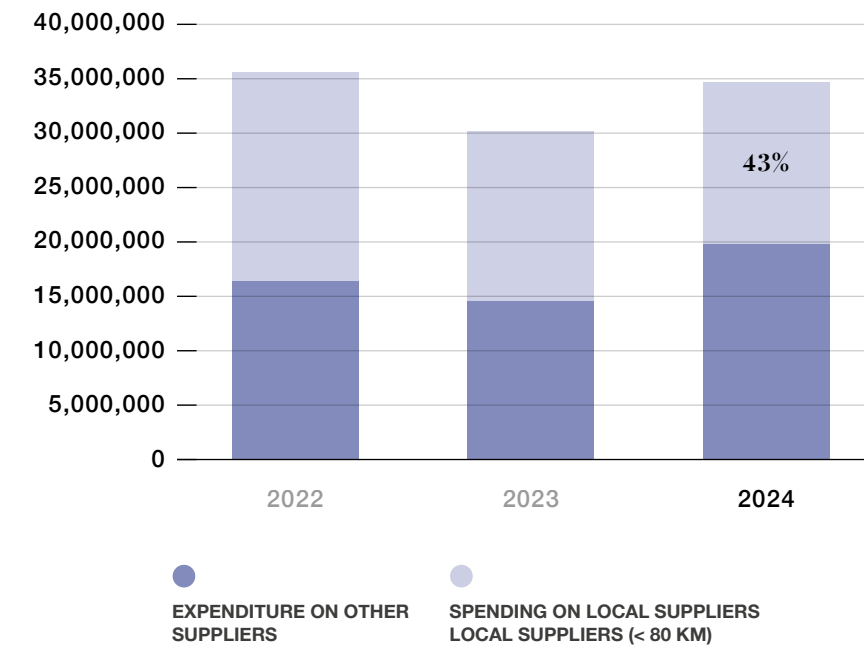
2024 EDITION

SUSTAINABILITY REPORT

METALLURGICA SAN MARCO

The chart below shows the expenditure incurred towards suppliers in the last three years (2022-2024). The company adopts a classification system that distinguishes between local suppliers, identified as those operating within an 80 km radius of the Ponte San Marco headquarters, and non-local suppliers, those outside this perimeter. Comparing the 2024 data with those recorded in the last two years, we can see a general alignment in the percentage of spending on local suppliers, which stands at a value slightly below 50% (between 43% and 48% in the three-year period). Even in terms of absolute value, the volume of spending on this category of suppliers is in line with the value recorded in 2023, while total spending on suppliers increased (+14%), getting closer to the 2022 figure.

EXPENDITURE ON SUPPLIERS



Cybersecurity

IN AN INCREASINGLY
DIGITALISED ECONOMIC AND
BUSINESS ENVIRONMENT,
PROTECTING IT SYSTEMS
PLAYS A VERY IMPORTANT
ROLE IN A COMPANY'S
BUSINESS STRATEGY.

Cybersecurity threats can expose organisations to privacy breaches, reputational damage, and significant economic impacts. For this reason, adopting effective digital defence measures is not just a technical issue, but a crucial element to ensure business continuity, safeguard customer trust and consolidate our competitive position⁵.

To minimise the impact of any data loss, the company has implemented a structured set of mitigation measures and strategies. Specific IT security systems, such as antivirus and firewalls, have been adopted to prevent unauthorised access and detect any suspicious activity. The access control system restricts the visibility of sensitive information to authorised personnel only, while e-mail address management compliant with the provisions of the **GDPR** guarantees that data processing is carried out in compliance with European privacy legislation.

⁵ § Potential negative impact: Loss, alteration or appropriation of data

The adoption of MOG 231 helps prevent cybercrime and strengthen organisational accountability; furthermore, the signing of the Code of Ethics by all employees implies a commitment to avoid improper conduct that could potentially harm cybersecurity. Finally, the company has implemented IT procedures for data backup, ensuring the recovery of critical information in the event of incidents or malfunctions.

In 2024, the company strengthened its digital commitment by promoting **targeted cybersecurity training** and organising specific courses dedicated to secure information management, with a special focus on privacy and preventing corruption (cybersecurity awareness).

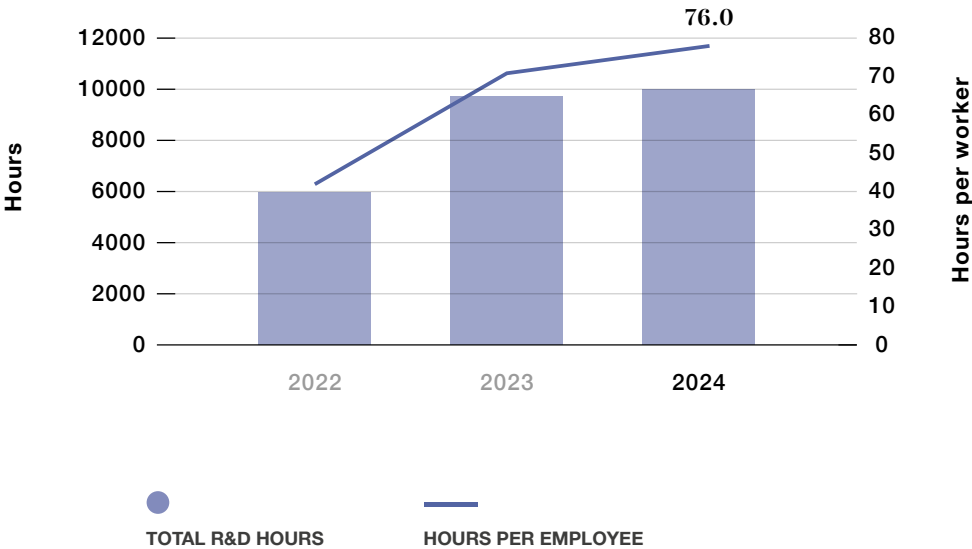
THESE INITIATIVES AIM TO
INCREASE STAFF AWARENESS
OF CYBER RISKS, PROMOTING
INFORMED AND RESPONSIBLE
BEHAVIOUR IN THE USE OF
DIGITAL TOOLS AND DATA
PROTECTION.

Technological innovation

In a constantly evolving industrial context, Metallurgica San Marco recognises technological innovation and **applied research** as two fundamental levers for facing the challenges of the future and consolidating competitiveness. The company invests significant time and resources in advanced solutions, equipping itself with cutting-edge production facilities designed to meet the highest technological standards in the industry. This is accompanied by fully digitalised and automated process management, which ensures precise control of activities, with data accessible in real time, fully traceable and verifiable.

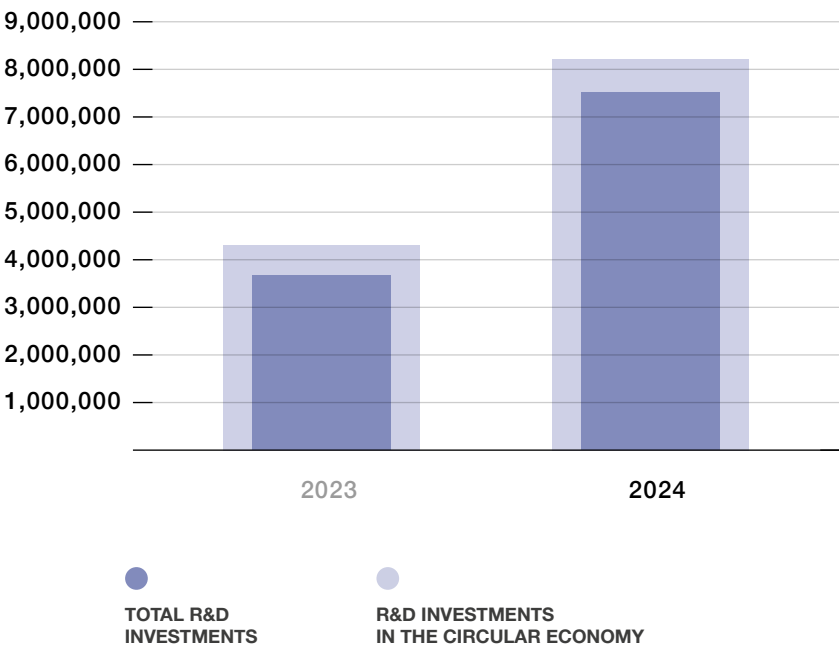
The commitment to innovation is not limited to plant engineering, but is also reflected in the value assigned to human capital and the internal growth of skills. As a demonstration of this, 9,950 hours were dedicated to Research and Development in 2024, in line with the value recorded in 2023 (+67% compared to 2022). This translates into an average of 76 hours per year per employee, a significant increase compared to the data recorded in the last two years (+7% compared to 2023 and +80% compared to 2022).

HOURS SPENT ON RESEARCH AND DEVELOPMENT



One of the key areas subject to research by Metallurgica San Marco is lead-free brass alloys. Eliminating lead from alloys represents a significant technical challenge, which the company addresses by investing time, expertise, and resources in experimenting and analysing the most effective solutions. The goal is to ensure that these new formulations maintain optimal workability and mechanical resistance characteristics, in line with the needs of industrial applications.

INVESTMENT IN RESEARCH
AND DEVELOPMENT



In terms of resources, the chart above highlights the significant investment made by the company in 2024 in circular economy projects and, more generally, in R&D projects. As can be seen, investments have almost doubled (from €4.3 million to € 8.2 million) as well as those relating to in-depth studies on the topic of the circular economy (+100% compared to 2023) which make up a very significant share of total investments (90%).

Customer satisfaction

At Metallurgica San Marco, quality is not just a goal, but a daily responsibility. At the heart of the company's strategy is the desire to build strong, long-lasting relationships with customers, offering products that not only meet technical requirements but also exceed performance expectations. This orientation is translated into a structured approach to quality management, formalised in the 'Quality Policy' approved by Management and recognised internationally with the ISO 9001:2018 certification (achieved in 2021).

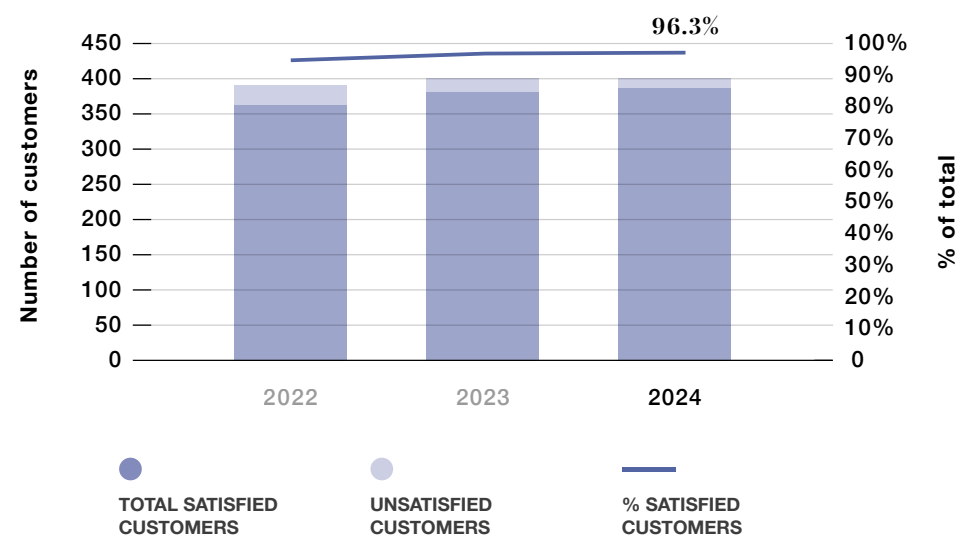
THE QUALITY OF PRODUCTS
AND PRODUCTION PROCESSES
IS CONSTANTLY MEASURED,
MONITORED, AND IMPROVED
THROUGH THE USE OF TWO
PERFORMANCE EVALUATION
INDICATORS: COMPLAINT
ANALYSIS AND MONITORING
CUSTOMER SATISFACTION.



The analysis of complaints is based on the quantification of the kilos of brass subject to complaint as a proportion of the total kilos of brass invoiced. In 2024, as in the previous year, the proportion of products compliant with standards and customer requests reached 99.93%, confirming the stability of the production processes and the care taken at every stage. At the same time, the effectiveness of complaint management remained high, with almost all reports resolved within a reasonable timeframe.

Customer satisfaction is measured through a rating system that starts with the analysis of complaints, considering all customers satisfied with a complaint rate of less than 0.2% of purchases made. According to this criterion, in 2024 the customer satisfaction level reached 96.3%, exceeding the excellent result of 2023 (95.8%). This achievement confirms the company's constant dedication to ensuring high quality standards, offering solutions that meet customer expectations precisely.

CUSTOMER SATISFACTION



Appendix 06



Methodological note

Metallurgica San Marco S.p.A. drew up the Sustainability Report 2024 with the support of the consulting firm Fedabo SpA SB, following the 'with reference to' option for the international GRI (Global Reporting Initiative) standards, in relation to the latest update that came into force at the start of 2021. The scope of the study is the company Metallurgica San Marco S.p.A. located in Ponte San Marco (Brescia).

This is the company's fourth sustainability report and aims to communicate to its stakeholders (internal and external) the virtuous initiatives implemented by the company regarding environmental, social, and governance sustainability issues.

The report was drafted adopting the principles of materiality, inclusiveness, sustainability context, completeness, accuracy, balance, clarity, comparability, reliability and timeliness.

The materiality analysis used to prepare this report was updated and carried out in 2025, and the impact analysis has also been revised compared to that carried out in the previous report, including the parameters relating to the scale, scope and irremediable nature of the impact, as required by the new ESRS. During 2025, it was decided not to repeat the stakeholder engagement process, so the analysis carried out in the previous year was deemed valid. The impacts presented in Chapter 2 are each explored in greater depth in the relative chapter. In order to facilitate the reading and identification of impact disclosures, a note has been inserted next to each impact disclosure, identified by the symbol "§".

The information given refers to the reporting period from 1 January 2024 to 31 December 2024. Information on the previous three-year period (2022-2024) can be found within the document.

For each material issue identified, the correlation with the main international reference standard for sustainability reporting, the Global Reporting Initiative (GRI), is presented below.

There are no GRI sector standards relevant to Metallurgica San Marco's activities.

DECLARATION OF USE	Metallurgica San Marco SpA submitted a report “ <i>with reference to</i> ” in relation to the GRI Standards for the period 01/01/2024 – 31/12/2024.
USED GRI 1	GRI 1 – Foundation – Version 2021

GRI 2 - GENERAL DISCLOSURES 2021		
GRI STANDARD	DISCLOSURE	REFERENCE SECTION
The organisation and its reporting practices		
	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	Any variations are indicated in the text
Activities and workers		
	2-7 Employees	Own Workforce - Workforce management

Governance		
	2-9 Governance structure and composition	Sustainability governance - How the organisation is governed
	2-10 Nomination and selection of the highest governance body	Sustainability governance - How the organisation is governed
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability governance
	2-13 Delegation of responsibility for managing impacts	Sustainability governance
	2-14 Role of the highest governance body in sustainability reporting	Sustainability governance - How the organisation is governed
	2-17 Collective knowledge of the highest governance body	Sustainability governance
Strategies, policies and practices		
	2-22 Statement on sustainable development strategy	Corporate sustainability strategy; letter to stakeholders
	2-25 Processes to remediate negative impacts	The material topics and impacts of Metallurgica San Marco; The mitigation strategies for negative impacts are mentioned in the relevant chapters.
GRI 3 - Material topics - version 2021	3-1 Process to determine material topics	The material topics and impacts of Metallurgica San Marco – The stages of the assessment
	3-2 List of material topics	The material topics and impacts of Metallurgica San Marco – The material topics of Metallurgica San Marco
	3-3 Management of material topics	The management of material topics is reported in conjunction with the relevant chapters

INFORMATION	REFERENCE SECTION
Standard topics – economic	
201-1 Direct economic value generated and distributed	Sustainability Governance – Economic performance
204-1 Proportion of spending on local suppliers	Sustainability governance - supply chain
Standard topics – environment	
301-1 Materials used by weight or volume	Resource use and circular economy - Circular use of materials
301-2 Recycled input materials used	Resource use and circular economy - Circular use of materials
301-3 Recaimed products and their packaging materials	Resource use and circular economy Circular use of materials
302-1 Energy consumed within the organisation	Climate Change – Energy consumption and efficiency
302-3 Energy intensity	Climate Change – Energy consumption and efficiency
302-4 Reduction of energy consumption	Climate Change – Energy consumption and efficiency
303-3 Water withdrawal	Water
303-4 Water discharge	Water
303-5 Water consumption	Water
305-1 Direct (Scope 1) GHG emissions	Climate Change – our carbon footprint
305-2 Energy indirect (Scope 2) GHG emissions	Climate Change – our carbon footprint
305-4 GHG emissions intensity	Climate Change – our carbon footprint
305-5 Reduction of GHG emissions	Climate Change – our carbon footprint
306-2 Management of significant waste-related impacts	Resource use and circular economy – waste management and treatment
305-7 Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions	Climate change – Pollution; Our carbon footprint
306-1 Waste generation and significant waste-related impacts	Resource use and circular economy Waste management and treatment
306-2 Management of significant waste-related impacts	Resource use and circular economy Waste management and treatment

306-3 Waste generated	Resource use and circular economy Waste management and treatment
306-4 Waste diverted from disposal	Resource use and circular economy Waste management and treatment
306-5 Waste directed to disposal	Resource use and circular economy Waste management and treatment
Standard topics – social	
401-1 New employee hires and employee turnover	Own workforce - Workforce management - Turnover
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time workers	Own workforce - Workforce management - Employee benefits
403-1 Occupational health and safety management system	Own workforce - Health and safety of people
403-2 Hazard identification, risk assessment and incident investigation	Own workforce - Health and safety of people
403-5 Worker training on occupational health and safety	Own workforce - Health and safety of people
403-6 Promotion of worker health	Own workforce - Health and safety of people
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Own workforce - Health and safety of people
403-8 Workers covered by an occupational health and safety management system	Own workforce - Health and safety of people
403-9 Work-related injuries	Own workforce - Health and safety of people
404-1 Average hours of training per year per employee	Own workforce - Training and education
405-1 Diversity of governance bodies and employees	Own Workforce - Workforce management
413-1 Operations with local community engagement, impact assessments and development programmes	Affected communities - Creating value in the local community
413-2 Operations with significant actual and potential negative impacts on local communities	Affected communities - Creating value in the local community

Actual Negative Impacts					
Topic	IRO Title	Contribution Method	Magnitude		
			Scale	Scope	Irremediable Nature of the Impact
E1 - Mitigation and adaptation to climate change	Contribution to global emissions	Contributed to causing	2	2	3
E2 - Substances of concern or very high concern	Chemicals subject to REACH	Directly caused	3	3	3
E3 - Water consumption and withdrawal	Water withdrawal	Directly caused	2	2	3
G1 - Management of supplier relationships, including payment practices	Arms supply chain	Connected to own business	3	1	1
Actual Positive Impacts					
Topic	IRO Title	Contribution Contribution	Magnitude		
			Size	Scope	
E1 - Mitigation and adaptation to climate change	Project in Kyrgyzstan	Directly caused		3	1
E1 - Energy	Energy efficiency operations	Directly caused		2	2
E5 - Resource inflows, including resource use	Material recovery	Connected to own business		4	4
S3 - Impacts related to community well-being	Relationships with schools and universities	Contributed to causing		2	2
S3 - Impacts related to community well-being	Investments in projects with positive impacts on the local community	Directly caused		3	1

Potential Negative Impacts							
Topic	IRO Title	Contribution Contribution	Magnitude			Probability	Time Horizon
			Size	Scope	Irremediable Nature of the Impact		
E1 - Mitigation and adaptation to climate change	Failure to achieve targets and greenwashing	Contributed to causing	2	3	2	1	Short term
E2 - Pollution (of air, water, soil, living organisms and food resources)	Threshold limits for chimney emissions	Directly caused	3	2	3	2	Short term
E3 - Water discharges (including oceans)	Spills	Directly caused	2	2	3	2	Short term
E5 - Waste	Production of hazardous waste	Directly caused	3	2	3	1	Short term
S1 - Health and safety	Accidents at work	Contributed to causing	3	3	3	3	Short term
S1 - Training and skills development	Lack of necessary skills	Contributed to causing	3	2	1	1	Short term
G1 - Management of supplier relationships, including payment practices	Difficulties in sustainable supply	Contributed to causing	2	3	2	2	Short term
G1 - Cybersecurity	Loss, alteration or appropriation of data	Connected to own business	3	1	4	2	Short term

RISKS				
TOPIC	IRO TITLE	POTENTIAL MAGNITUDE	PROBABILITY	TIME HORIZON
E5 - Waste	Risks related to waste non-compliance	2	1	Short term
S1 - Safe employment	High turnover	3	2	Short term
S1 - Working hours	Staff absenteeism	2	2	Short term
S1 - Corporate well-being	Difficulty in recruiting	2	3	Short term
G1 - Corruption: Accidents and prevention and detection, including training	Corruption and Fraud	4	1	Short term
OPPORTUNITIES				
TOPIC	IRO TITLE	POTENTIAL MAGNITUDE	PROBABILITY	TIME HORIZON
E5 - Outflows of resources related to products and services	Market attention to the circular economy	3	3	Short term



Appendix - Data Tables

ENERGY				
	UoM	2022	2023	2024
Electricity	kWh	40,228,800	42,466,800	41,468,082
Of which withdrawn from the grid	kWh	28,228,800	26,466,800	21,468,082
Of which from GOs	kWh	12,000,000	16,000,000	20,000,000
Natural Gas	Sm³	2,029,335	1,890,665	1,932,994
Diesel	l	47,500	46,009	31,000
Total energy	toe	9,260	9,561	9,417

EMISSIONS				
	UoM	2022	2023	2024
Direct (Scope 1) emissions	tCO ₂ eq	4,185	3,918	4,142
Of which from Natural Gas	tCO ₂ eq	4,058	3,793	3,960
Of which from Diesel	tCO ₂ eq	127	123	144
Of which from F-gas leakage	tCO ₂ eq	0	2	38
Indirect (Scope 2) emissions - location-based	tCO ₂ eq	11,073	11,834	10,984
Indirect (Scope 2) emissions - market-based	tCO ₂ eq	7,658	6,150	5,686
Total (Scope 1 + Scope 2) emissions - location-based	tCO₂eq	15,258.7	15,752.1	15,125.9
Of which offset	tCO ₂ eq	4,185.27	3,918.00	4,143.00

WATER WITHDRAWAL				
	UoM	2022	2023	2024
Total water supply	m³	119,276	94,132	94,030
Of which from well	m³	110,482	86,468	88,930
Of which from aqueduct	m³	8,794	7,664	5,100
Water discharge	m³	39,426	29,620	19,119

MATERIALS				
	UoM	2022	2023	2024
Virgin raw material	kg	3,675,357	669,362	34,481
Waste material	kg	31,547,478	29,516,060	29,041,005
By-product material	kg	28,145,219	21,467,743	23,947,411
End-of-Waste	kg	11,057,797	7,483,845	8,491,317
Secondary raw material	kg	195,624	104,990	810,611
Total packaging material	kg	182,942	93,072	147,007
Of which cardboard	kg	6,929	6,287	8,736
Of which wood	kg	87,541	26,713	60,529
Of which iron	kg	88,472	58,637	76,308
Of which reclaimed and/or re-used	kg	0	0	0

WASTE				
	UoM	2022	2023	2024
Waste generated	tonnes	5,993	7,434	4,897
Of which hazardous	tons	765	786	800
Waste directed to recovery	tons	5,900	7,101	4,632
Of which directed to disposal	tonnes	93	333	265

PERSONNEL AND TURNOVER				
	UoM	2022	2023	2024
Number of employees	num	141	137	131
Number joining	num	21	21	12
Number leaving	num	4	24	17
Overall turnover rate	%	17.7%	32.8%	21.2%
People joining under 30	num	7	11	1
People leaving under 30	num	1	8	4
youth turnover rate	%	47.1%	105.6%	33.3%
CLASSIFICATION OF EMPLOYEES				
	UoM	2022	2023	2024
BY CONTRACT TYPE				
Permanent	num	129	128	128
Fixed-term	num	12	9	3
BY GENDER				
Women	num	9	9	9
Men	num	132	128	122
BY AGE GROUP				
< 30 YEARS	num	17	18	15
BETWEEN 30 AND 50	num	74	73	64
> 50 YEARS	num	50	46	52

TRAINING				
	UoM	2022	2023	2024
Total number of hours	hours	1,176	2,648	2,945
Of which on health and safety	hours	456	1863	762
Of which in foreign languages	hours	512	785	24
Of which on IT	hours	208	0	0
Number of hours per employee	hrs/employee	8.34	19.33	22.48
Average hours paid to managers	hrs/employee	28	45.9	11.8
Average hours paid to office staff	hrs/employee	16.6	32.4	10.9
Average hours paid to manual workers	hrs/employee	3.96	12.3	26.9
INJURIES				
	UoM	2022	2023	2024
Number of injuries	num	7	7	12
Days of Absence	days	215	198	296
Hours worked	hours	226,914	229,696	237,863
Incidence index	-	31	29	25
Severity index	-	0.90	0.80	1.20

* Injury data has been revised compared to the previous report

BOD				
	UoM	2022	2023	2024
Total number of members	num	5	5	5
Of whom under 30	num	0	0	0
Of whom between 30 and 50	num	2	2	1
Of whom over 50	num	3	3	4

RESEARCH AND DEVELOPMENT				
	UoM	2022	2023	2024
Number of hours dedicated to R&D	hours	5,960	9,753	9,950
Average per employee	hrs/employee	42	71	76

SPENDING ON SUPPLIERS				
	UoM	2022	2023	2024
Total spending on suppliers	€	35,682,162	30,253,215	34,495,825
Of which on local suppliers (<80 km)	€	16,368,622	14,639,227	14,815,757

SUSTAINABILITY REPORT

2024 EDITION

Made in collaboration with Fedabo Spa SB



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