



2022  
SUSTAINABILITY  
REPORT

# WE GIVE SHAPE TO VALUE

ALMAG

**2022  
SUSTAINABILITY  
REPORT**

**WE GIVE  
SHAPE TO  
VALUE.**



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## WE GIVE SHAPE TO VALUE

We look to the future to transform progress into growth opportunities, creating lasting value for people, the environment and the community.

Sustainability is at the heart of our strategy just as research and innovation are the common thread of our history.

We select technologies and processes aimed at preserving resources and reducing the environmental and energy impact, for an ethically oriented and socially responsible evolution. The accuracy and quality of our work are a guarantee of virtuous growth: we innovate the present, whilst inspiring the future.

**Creating value means tracing new horizons.  
A virtuous path, built day after day, to give shape to the value  
for a sustainable tomorrow.**





## LETTER TO STAKEHOLDERS

Almag's first Sustainability Report represents a fundamental step in our history: a document in which we illustrate how sustainability is at the centre of our actions, but also a valuable tool for strengthening the dialogue we pursue with our stakeholders and for sharing our goals in a transparent way.

A document that tells our commitment, guides us every day in the continuous path of **creating value** for people, the environment and our community, expresses how much sustainability is an integral part of our identity as a company that operates in the metallurgical sector.

A document that tells about us, and above all it defines which future to build and chooses which goals we want to aspire to.

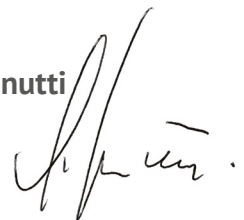
In 2022 we defined our sustainability themes prioritized according to our three strategic pillars - **environment, social** and **governance** - and we

defined the goals to pursue in coming years from a perspective of continuous improvement.

We know that the road to be travelled is still long and for this reason we are working on a daily basis in the awareness that this is the start of a journey that we are undertaking with commitment and dedication.

We are confident that the information and news that follows can offer a clear picture of how strategic the themes of the responsible management of the activities of the business are for us. I hope you all enjoy reading about them.

**Gabriele Gnutti**  
Chairman



## METHODOLOGICAL NOTE

This document is the first edition of the Almag S.p.A. Sustainability Report, the scope of which is to share the activities, project and results achieved during 2022 with all our readers and stakeholders. Its preparation and publication represent the start of a voluntary journey undertaken by Almag to integrate ESG (*Environment, Social, Governance*) aspects in our activities.

The Report is the main tool for reporting the environmental and social performance of the company, represented in a clear, complete and transparent way and makes it possible to highlight the undertakings made with a view to creating long-term shared value.

The Report was prepared voluntarily in conformity with the Global Reporting Initiative Standards (GRI Standards), the most widely recognized and internationally adopted tool for reporting on sustainability. The report followed the “with reference to” approach, in line with the latest 2021 edition published by the Global Reporting Initiative (GRI), in accordance with the principles of balance, comparability, accuracy, timeliness, clarity and reliability.

Specifically, this document refers to the GRI Standards listed in the GRI Content Index table reported in the annex to this document, in which,

for each theme considered significant (“material”), the paragraph and the page in the Report are given where the relevant information can be found.

The content and quality of the reporting reflect the principle of materiality referred to in the GRI Standards. The themes reported are, in effect, those which, following an evaluation process in which corporate management took part, were found to be of greater significance and capable of reflecting the impacts generated by the activities of Almag (for more details, see the “Materiality Analysis” section).

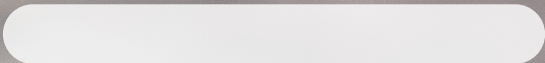
The reporting scope of non-financial data corresponds to that of the company’s Financial Statements for the financial year ended 31 December 2022. The two Lumezzane plants were acquired in October 2022 through the merger with Berna Ernesto S.p.A. and, therefore, do not

come under the scope of reporting, with the exception of the financial data, because the transaction has retroactive fiscal and statutory effects going back to 01/01/2022.

**The Sustainability Report refers to the period from 1 January to 31 December 2022 and provides a comparison with the data relating to the financial year 2021**, where available, in order to present Almag’s performance over a more extended time frame.

To provide a timely representation of performance, qualitative and quantitative indicators that can be directly observed and measured were included, with recourse only in limited cases to promptly reported estimates.

For more details on the objectives, indicators and results achieved or for comments on this document, you can send a request to: [sostenibilita@almag.it](mailto:sostenibilita@almag.it)



## HIGHLIGHTS 2022

€427 Mln

DIRECTLY GENERATED  
ECONOMIC VALUE

215

EMPLOYEES

€1,600

EXTRA WELFARE  
PROVIDED TO EACH  
COLLABORATOR

€100,200

IN DONATIONS

99%

PERMANENT-TERM  
EMPLOYEES

21

HOURS OF  
TRAINING/YEAR PER  
COLLABORATOR

94%

INPUT RAW MATERIAL  
DERIVING FROM  
RECYCLING

96%

WASTE INTENDED  
FOR RECYCLING

-18%

DUST ISSUED THANKS  
TO THE NEW FUME  
REDUCTION FILTER

48%

OF SUPPLIERS ARE  
LOCATED IN ITALY

21

INITIATIVES IMPLEMENTED  
THROUGH THE WORK  
HEALTH PROMOTION  
PROGRAM

0

NO EPISODES OF  
CORRUPTION SINCE  
THE ADOPTION OF  
THE CODE OF ETHICS

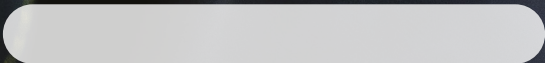




# IDENTITY AND PROFILE

OF ALMAG S.P.A.

ALMAG



# 1.1

## WHO WE ARE

Almag S.p.A. is a single-member company subject to the management and coordination of **Holding Umberto Gnutti** (HUG S.p.A.) operating in Italy with its headquarters in Roncadelle (BS).

The history of HUG S.p.A. dates right back to roots in 1860 in Lumezzane, the most internationally-renowned Brescia industrial district, which was the venue for the launch and success of the entrepreneurial activities of the Gnutti family in the production and hot-pressing of copper and aluminium alloy.

As the years went by equity investments and acquisitions give rise to a complex, comprehensive industrial and commercial group

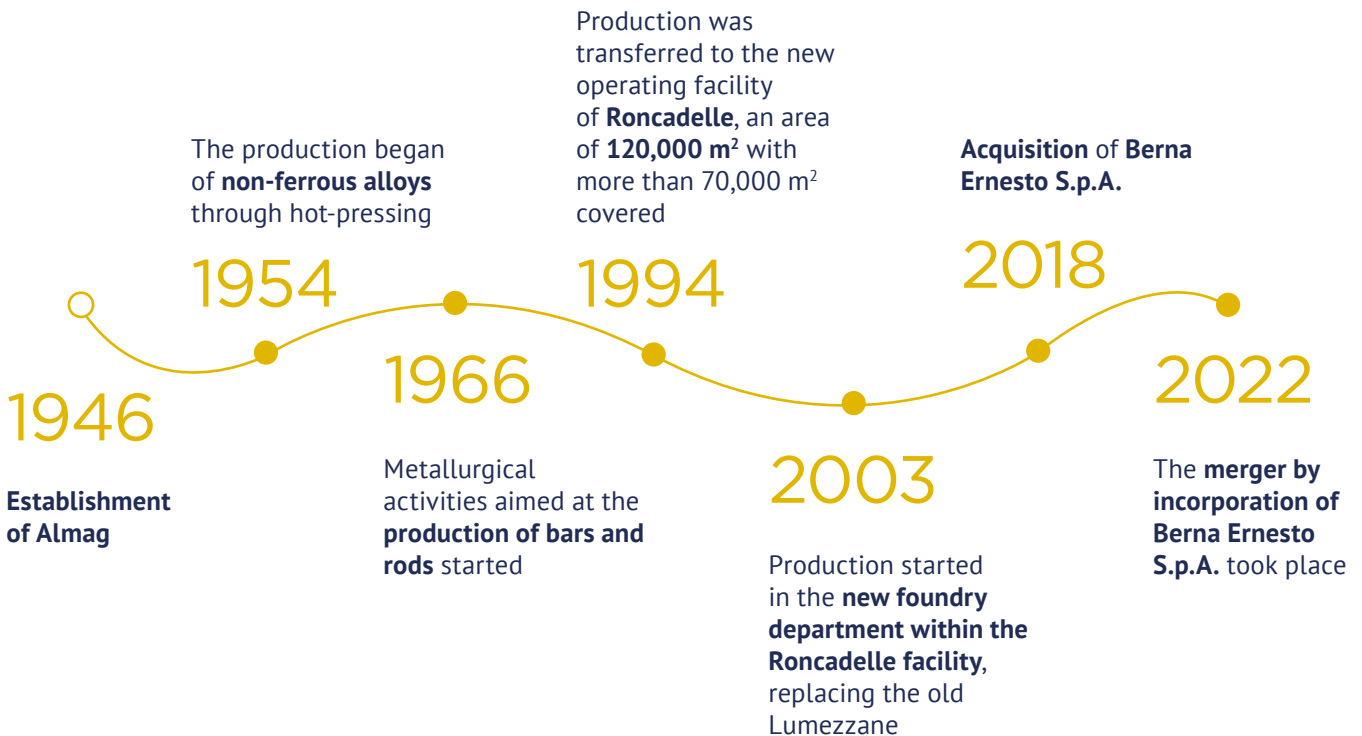
resulting in the establishment of Holding Umberto Gnutti (HUG S.p.A.) in 2011.

**Almag** was established in **1946** and in **1954** it started the production of non-ferrous alloys for hot-pressing, later specialising, from **1966**, in the production of bars and rods, today being among the leading companies in Europe for the production and sale of **brass bars**, as well as one of main Italian players in the metallurgical industry.

In **1994** production was transferred to the new operating facility of Roncadelle, an area of 120,000 m<sup>2</sup> with more than 70,000 m<sup>2</sup> covered.

In **2003** production started in the new foundry department within the Roncadelle facility, replacing the old Lumezzane plant.

In **2022** the merger by incorporation took place of Berna Ernesto S.p.A., wholly-owned by Almag, which produces drilled brass bars.



Over the years, in-house skills were refined, the know-how of management increased and there were ongoing investments in the innovation of production processes that resulted in the current organizational structure and market leadership that we are renowned for. We strive for **360° quality** and this aspect is seen in the continuous pursuit of:

- **Flexible service:** the capacity to find new solutions, on request from our market and to know how to respond, in unusual situations, promptly and speedily.

This allows us to guarantee a highly flexible and comprehensive offering.

- **Precision methods:** great attention to the surface quality, dimensional tolerances and straightness of our bars and semi-finished products. These are the fundamental requirements for ensuring maximum efficiency for each client and reducing errors and imperfections to a minimum. Each product is coded and accompanied, at every stage, by robot and LGV automated trolley solutions which, through predefined routes,

allow the optimization of the automated warehouse procurement times and journeys.

- **Innovation and research:** since the brass market is continuously evolving, this requires constant efforts to respond to new requirements. It's only by creating what currently does not exist that we can respond to what the market is asking for. It's only through innovations in alloys and production methods that we can live up to the most stringent expectations: our own.





# 1.2

## OUR MISSION AND OUR VALUES

“When you have such a long history, betraying it is unacceptable.”

Our history is our strength and running through it, from the fist to the last brass bar, are values of **honesty, respect, reliability** and the **search for perfection**.

From 1860 to the present day, we know what our objectives are and, above all, how we want to achieve them. We offer tailor-made solutions in the brass industry and we want to continue to do so in an increasingly sustainable and irreproachable manner.

**This is what we believe in.**

### OUR VALUES



#### HONESTY

**Honesty** is the compass that guides our daily actions. Both outwardly and inwardly. We are creating loyalty through lawfulness and transparency. We express honesty in the correctness and reliability of communications and financial and economic data, the choice of suppliers and management of our partners.



#### RELIABILITY

**Reliability** takes shape in our historical presence in the area and our financial soundness. We are a strong partner alongside our stakeholders, capable of ensuring continuity and results. Our reliability gives us the assurance of being able to constantly reinvest our resources, in terms of both people and the automation of plants. This makes us a force that can be counted on in the future.



#### RESPECT

We want to grow in keeping with the principles of sustainable development therefore, **respecting** People, Communities and the Environment. We act on a day-to-day basis guided by respect and we ensure that everyone we come into contact with, both within the company and outside of it, allow themselves to be inspired and guided by the same principle.



#### CONTINUOUS PURSUIT

Conscious of that fact the good performance does not exist without making mistakes, it is precisely by recognizing the latter and identifying our weaknesses that we have achieved our most important results and improved our quality. **Quality** is a concept that in Almag we summarise in the three pillars that support the ways in which we work: “*Flexible service*”, “*Accuracy in the method*” and “*Innovation*”. We rely on continuous pursuit to deal with the new challenges that the market constantly throws up and which involve changes, sometimes drastic and rapid.

# 1.3

## OUR PRODUCTION PROCESS

We are involved in the production of semi-finished brass products for turning and pressing, used by our customer’s companies for the production of finished products. Our customers operate in diverse sectors, including the hydraulic industry, construction industry, automotive industry and electromechanical industry.

Our solid brass bars for turning are suitable for different mechanical processes, with high standards of straightness and surface quality. The specific, highly optimised, chemical composition reduces the wear of tools and allows rapid setting times as the production batch changes. Our drilled brass bars for turning, on the

other hand, are standard semi-finished and custom-made, in different thicknesses and shapes both external (knurled, toothed, square, etc.) and internal (bosses, star holes, hexagonal, etc.).

Lastly, our brass bars for pressing are intended for hot plastic

deformation have characteristics that maximise the properties of the forged component, in terms of durability, aesthetic and functional qualities. They also guarantee high performance in a wide range of uses, both in the forging phase and the machining phase.

Our production process features the following **processing stages**:

### CASTING

The material intended for casting is composed of around 94% of production waste of customers and recovered material (shavings from turning, burrs from pressing, etc.) and copper scraps, while the remaining part is made up of raw materials. Before being cast, the material is checked and stored according to category. The shavings are then washed in an innovative turning washing system, separating the emulsion from the actual turning, thereby guaranteeing the quality of the metal bath and preventing pollutants in the air during the process. The shavings, analysed in the laboratory, are then sent to three electric smelting furnaces, in conformity with the state diagrams of the individual alloys produced. In the second stage, the casting from the smelting furnaces to the awaiting furnaces takes place, which, in turn, load the continuous casting furnaces from where, once the metal has been cooled using a water spray, the billets come out. After having checked the quality standards, the billets are identified unequivocally through a tracking code, registered and sent to the automated storage warehouse.





## EXTRUSION

After coming out of one of the **four** methane **furnaces**, the billets, usually cut to a size of 2 metres, are sent to the extrusion department, where they are heated and extruded, in the form of **rods** or **coils**. All of the material processed is then collected and sent to the coils and rods warehouse.



## DRAWING

Once extruded, the rods and coils are drawn in order to achieve the dimensions, length and desired finish on the end. If planned, before carrying out the drawing, **pickling** takes place: the bars and coils are subjected to a chemical treatment aimed at removing the surface oxide layer and removing the impurities resulting from the previous processes.



## STORAGE AND SHIPMENT

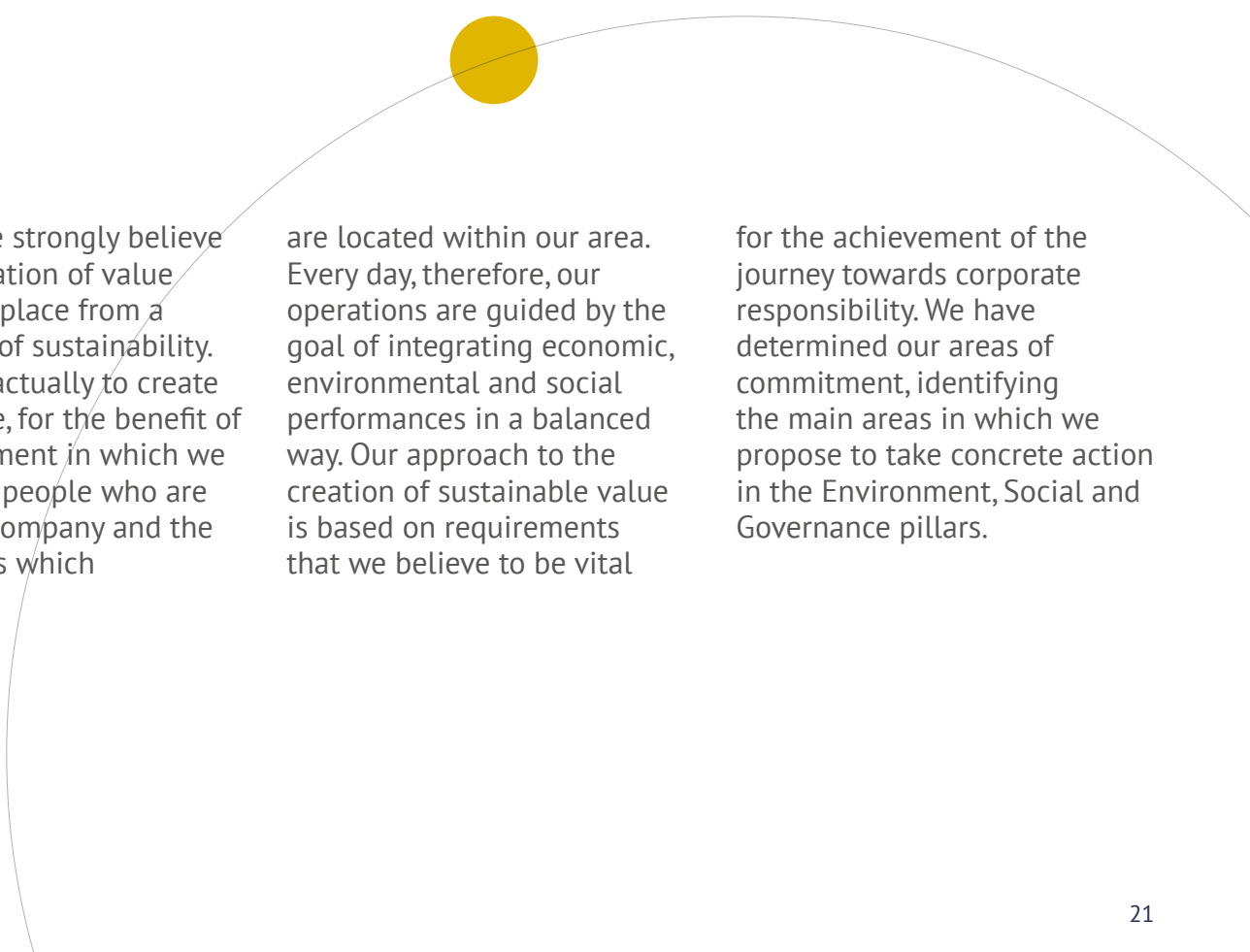
The finished product, after being labelled with a mnemonic code, is stored in the **automated warehouse**; later the planning of shipments destined for Italy and abroad takes place.

2

# WE CREATE LONG-TERM VALUE

The objective that guides us is **creating value** for our people, for the environment in which we operate and for the communities that we are a part of.

**Creating value** is the objective we strive for on a daily basis.



At Almag we strongly believe that the creation of value should take place from a perspective of sustainability. Our goal is actually to create shared value, for the benefit of the environment in which we operate, the people who are part of our company and the communities which

are located within our area. Every day, therefore, our operations are guided by the goal of integrating economic, environmental and social performances in a balanced way. Our approach to the creation of sustainable value is based on requirements that we believe to be vital

for the achievement of the journey towards corporate responsibility. We have determined our areas of commitment, identifying the main areas in which we propose to take concrete action in the Environment, Social and Governance pillars.

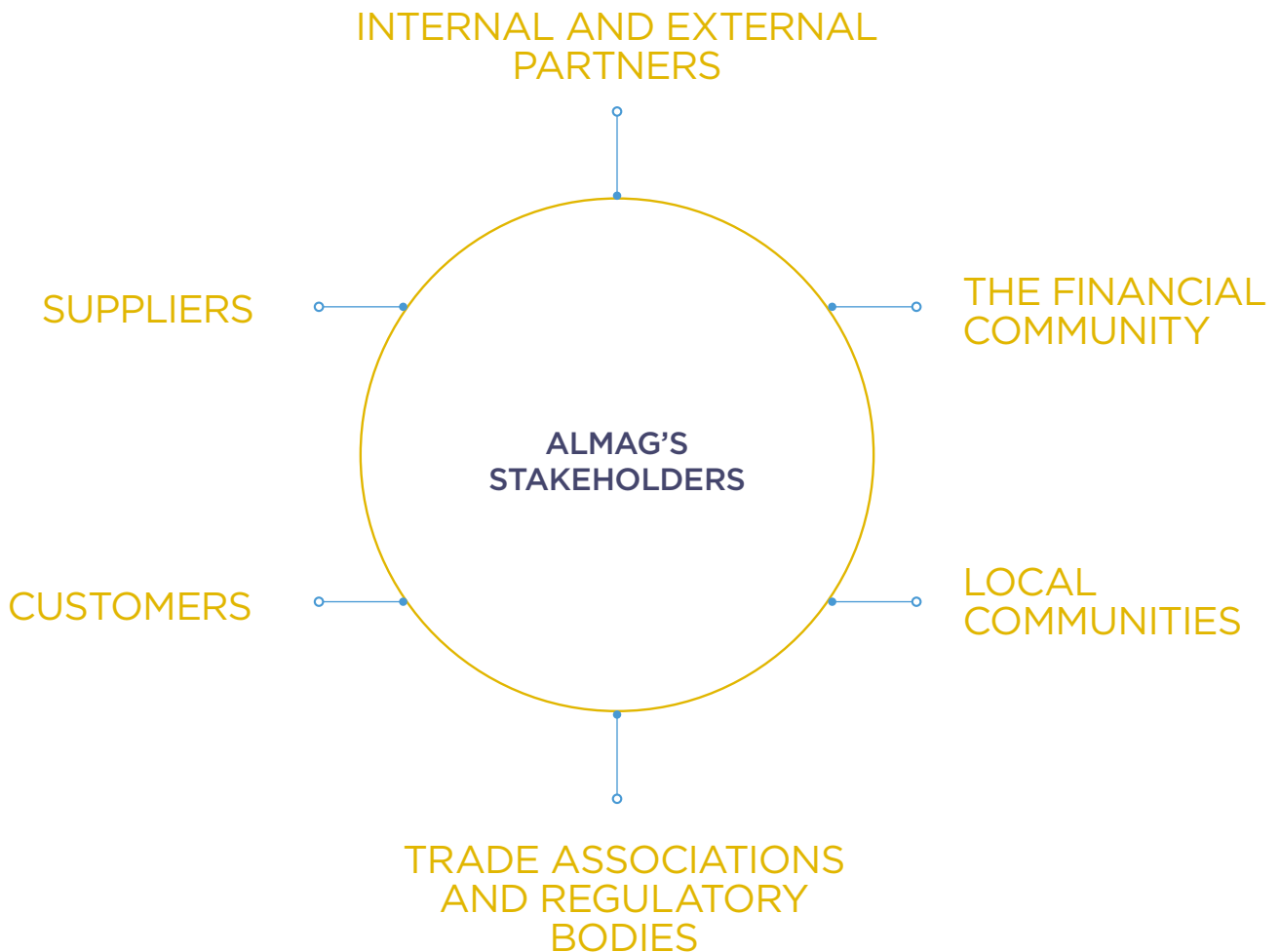
# 2.1

## DIALOGUE WITH OUR STAKEHOLDERS

To create value, it is necessary to start with **listening to our stakeholders** since they play a vital role in the execution of our activities.

The involvement and correct comparison of stakeholders are actually fundamental to us in identifying the impacts of our activities, getting feedback on our operations and becoming aware of their needs and expectations.

Promptly identifying our stakeholders and defining the most efficient involvement channels, constantly monitoring expectations, requirements and opinions, constitutes the starting point for formulating an effective **engagement process**.



The establishment of relationships which are based on sound, long-lasting trust, is a vital prerequisite for the company's operations. With this in mind, we invest on a daily basis in an ongoing dialogue as a precious source of information, input and ideas for incorporating the needs of the areas and responding to them effectively and efficiently.

For Almag, **dialogue and active involvement of stakeholders** are an expression of the company's commitment to creating value for current and future generations.

Over the years we have cultivated grounded relations with our stakeholders through different dialogue channels. There are many methods of involvement and dialogue, appropriate for the different categories:

CATEGORY OF STAKEHOLDER	METHOD OF INVOLVEMENT
 INTERNAL AND EXTERNAL COLLABORATORS	<ul style="list-style-type: none"> <li>• Internal communications</li> <li>• Documents shared through corporate communication methods</li> <li>• Corporate Intranet</li> <li>• Education and Training</li> </ul>
 CUSTOMERS	<ul style="list-style-type: none"> <li>• Dialogue and ongoing relationship through the Commercial function</li> <li>• Company LinkedIn page</li> <li>• Company interactive website</li> <li>• Reporting and accountability</li> </ul>
 SUPPLIERS	<ul style="list-style-type: none"> <li>• Dialogue and ongoing relationship through the Purchasing function</li> <li>• <i>Ad hoc</i> meetings</li> <li>• Exchange and involvement through audit activities</li> <li>• Communication of our values during the contractual phase and its subsequent renewal</li> </ul>
 THE FINANCIAL COMMUNITY	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Dedicated meetings</li> <li>• Institutional communications</li> </ul>
 LOCAL COMMUNITIES	<ul style="list-style-type: none"> <li>• Collaborations with non-profit foundations and organizations</li> <li>• Specific events and meetings</li> <li>• Company website</li> <li>• Company LinkedIn page</li> </ul>
 TRADE ASSOCIATIONS AND REGULATORY BODIES	<ul style="list-style-type: none"> <li>• Constant dialogues between the parties</li> <li>• Formal meetings and get togethers</li> </ul>

# 2.2

## MATERIALITY ANALYSIS

To define the sustainability priorities and our guidelines, as well as defining the content of this Sustainability Report, in 2022 we conducted our first **materiality analysis** to identify the **material topics** relating to the areas in which the company’s activities could have the greatest impact with regard to the protection of the environment, governance instruments and social topics.

The analysis was conducted in line with the **GRI Universal Standards 2021** reporting principles, which define the material topics such as those which reflect **the most significant impacts generated by the company on the economy, environment and people**, including those on human rights, as a result of the commercial activities or relationships that the organization cultivates.

The materiality analysis can therefore be broken down into the following phases:

### UNDERSTANDING THE COMPANY CONTEXT

We carried out an analysis of the main industry trends and benchmarking activities. The main documents published by the most important international organisations on the topic of sustainability relating to the sector in which we operate were analysed. This analysis made

it possible to identify the relevant aspects for our company, taking into consideration our business relations and activities, the sustainability context in which we operate and the expectations of stakeholders.

### EVALUATION OF THE SIGNIFICANCE OF THE IMPACTS

We conducted a workshop with the top management to evaluate for each impact generated the likelihood of occurrence and the magnitude of the actual impact.

### IDENTIFICATION OF THE POSITIVE AND NEGATIVE IMPACTS OF THE RELATED TOPICS

We mapped the positive and negative impacts, current and potential, generated by our company on the economy, environment and people, through the analysis of documents

published on the main impacts of the sectors in which we operate.

### PRIORITIZATION OF THE MOST SIGNIFICANT IMPACTS AND DEFINITION OF THE LIST OF MATERIAL TOPICS

We analysed the answers received from the Top Management in order to prioritize the impacts and associated topics. Lastly, establishing a materiality threshold we obtained the **list of the 14 material topics** for our organization.



Each of the topics identified was reclassified within our three lines of action **Environment, Social and Governance**. All are promptly reported in our Sustainability Report.

The following emerged among the most significant aspects:



14

THE MATERIAL TOPICS IDENTIFIED FOR OUR ORGANISATION

FOR A BETTER UNDERSTANDING OF OUR MATERIAL TOPICS,  
THERE IS A BRIEF DESCRIPTION BELOW



## ENVIRONMENT

### TACKLING CLIMATE CHANGE

Making a commitment to reduce energy consumption and the production of GHG (greenhouse gas) emissions, thanks to a more efficient use of energy sources and the utilisation of renewable energy.

### CIRCULARITY AND WASTE MANAGEMENT

Supporting a circular business model which combines a responsible use of natural resources and a virtuous management of waste, promoting solutions for the recycling and/or recovery of materials and waste.

### MANAGEMENT OF WATER RESOURCES

Guaranteeing the safeguarding of water resources, through the efficient use of water during production stages and through the adoption of good practices in the management of water discharges to protect the quality of recipient bodies of water. Promoting the reuse of water resources.

## SOCIAL

### DIVERSITY AND INCLUSION

Promoting the introduction of programs aimed at encouraging inclusiveness in the company, combating any form of discrimination.

### DEVELOPMENT AND EMPOWERMENT OF PEOPLE

Supporting paths of growth and training aimed at consolidating and developing new capabilities from an upskilling perspective through the active involvement of people.

### HEALTH AND SAFETY AT WORK

Developing policies and safeguards aimed at ensuring a work environment in which it is possible to operate safely, with a progressive decrease of accident rates and timely monitoring systems, promoting a culture of safety at all corporate levels.

### HEALTH AND WELL-BEING

Promoting the development of working conditions that ensure compliance with the health and well-being of employees also protecting the quality of life of our collaborators.

### SUPPORTING LOCAL COMMUNITIES

Contributing to the socio-economic development of communities, through new partnerships and synergic collaborations, aiming to supporting the organisations present in the area in which the company operates.

## GOVERNANCE

### ETHICS, INTEGRITY AND TRANSPARENCY

Ensuring the ethical development of the business through a governance system based on the principles of transparency, lawfulness and ethics, capable of tackling and preventing episodes of active and passive corruption.

### SUSTAINABLE GROWTH

Guaranteeing the continuity of the business and supporting its responsible growth, by satisfying the long-term interests of the parties linked to the company and the creation and distribution of the value generated.

### PRODUCT QUALITY AND INNOVATION

Guaranteeing high-quality products and fostering innovation and the dissemination of new technological and sustainable products on the market.

### RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN

Promoting the dissemination of responsible procurement practices in compliance with the requirements of environmental and social sustainability, with particular attention to human rights.

# 2.3

## SUSTAINABLE ALMAG

Through the desire to further implement our commitment to the creation of value, starting from our pillars of **Environment, Social and Governance**, we have defined a plan of short- and medium-term undertakings and objectives, which we are committed to monitor and achieve along all three guidelines.



We implemented our first commitment through the **Sustainable Almag** formula because we strongly believe that the responsibility of our company cannot be limited to production excellence, but should feature responsible growth mindful of the whole community. The goals

that we set are intended to be a further testament to the efforts undertaken to strive for economic and social development and the general well-being of our people. **Sustainable Almag** was inspired by the 2030 Agenda of the United Nations and its **Sustainable**

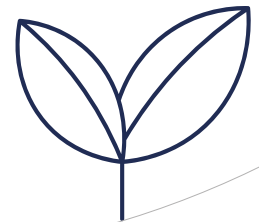
**Development Goals (SDGs)**, endorsed for the purpose of dealing with the main economic, social and environmental global challenges. Specifically, we are committed to contributing to achieving 7 of the 17 SDGs.

## ENVIRONMENT

### CREATING VALUE BY REDUCING OUR IMPACT ON THE ENVIRONMENT TO A MINIMUM

**For us, this means preserving the planet and generating sustainable value for future generations:**

- Committing to reduce energy consumption thanks to efficiency actions and the use of energy from renewable sources.
- Reducing our greenhouse gas emissions footprint.
- Monitoring and reducing pollutant emissions and improving air quality.
- Managing waste virtuously by assigning our production residues to a new life.
- Promoting the rational use of water resources through reuse and gradually reducing consumption.



## OUR CONCRETE OBJECTIVES

### MANAGEMENT OF ENERGY CONSUMPTION

- Gradually replacing the corporate fleet with hybrid or electric vehicles.
- Increasing the share of renewable energy through self-production with photovoltaics and the acquisition of renewable energy from certified sources.
- Setting gradual reduction targets for Scope 1 and 2 emissions.
- Activating emission offsetting initiatives.
- Completing the carbon footprint analysis with the integration of Scope 3.

### ENVIRONMENTAL INFORMATION

- Continuing with the implementation of the information program to promote environmentally sustainable behaviour.

### FURTHER ENVIRONMENTAL INITIATIVES

- Implementing new furnaces to make consumption more efficient and reduce pollutant emissions into the atmosphere.
- Taking part in the Green Metals Brescia project, with the aim of replacing a share of the natural gas used with biomethane.



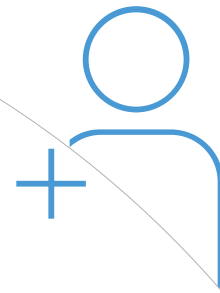


## SOCIAL

### CREATING VALUE MINDFUL OF OUR PEOPLE

**For us, this means being on the side of people every day:**

- Committing ourselves to guaranteeing a secure, healthy workplace.
- Safeguarding the well-being of our collaborators, including outside of the obvious work environment.
- Fostering an inclusive environment in the company.
- Planning training and upskilling courses to develop the potential of our people.
- Contributing to the development of communities with synergic collaborations in support of the growth of the areas.



### OUR CONCRETE OBJECTIVES

#### HEALTH AND SAFETY AT WORK

- Planning information activities and raising awareness of the subject of Health and Safety at work.

#### DIVERSITY AND INCLUSION

- Including an in-depth look at the topics of Diversity and Inclusion in the next investigation.
- Developing specific initiatives with regard to the topics of Diversity and Inclusion.

#### WELL-BEING OF COLLABORATORS

- Carrying out a survey on welfare to understand the needs of employees.

#### INITIATIVES FOR THE AREA AND LOCAL COMMUNITIES

- Organizing voluntary activities in the area involving employees.
- Further supporting educational projects in local communities.

#### TRAINING AND CAREER DEVELOPMENT

- Preparing a training program for different corporate categories on sustainability topics.
- Including training and development programs for professional families.



## GOVERNANCE

### CREATING VALUE THROUGH RESPONSIBLE CORPORATE MANAGEMENT FOCUSED ON SERVICE, RELIABILITY, SUSTAINABILITY AND INNOVATION

#### For us, this means ensuring the ethical behaviour of the company:

- Adopting a production system based on sustainable innovation that promotes the circularity of brass.
- Guaranteeing the highest quality and service standards for our customers.
- Guaranteeing the continuity and responsible growth of the business.
- Promoting the dissemination of responsible procurement through audits throughout our supply chain.



## OUR CONCRETE OBJECTIVES

### CORPORATE POLICIES AND GOVERNANCE SAFEGUARDS

- Drafting a Sustainability Policy.
- Preparing a procedure dedicated to sustainability reporting.

### MARKETING AND COMMUNICATION INITIATIVES

- Building an *ad hoc* section on sustainability on the website.
- Establishing a specific communication plan for aspects of sustainability to include with the editorial plan for the company LinkedIn page.

### RISK MANAGEMENT SYSTEM

- Jointly assessing the corporate risks by creating a Risk Management system with ERM and ESG aspects.
- Formalizing roles and responsibilities on the subject of risk management.

### MANAGEMENT OF THE SUPPLY CHAIN

- Introducing the ESG criteria during the selection and certification of all suppliers.
- Carrying out an ESG risk assessment on the supply chain.

For us, this Sustainability Report is an important means of disclosure with regard to the voluntary journey of integrating **ESG aspects** within our business activities, with the aim of encouraging alignment with the industry context. It also represents our main tool of communication with our stakeholders with regard to economic, environmental and social performance, as well as the means capable of providing a clear, complete and transparent representation of activities, our projects, undertakings and results with a view to creating long-term value.







MATER

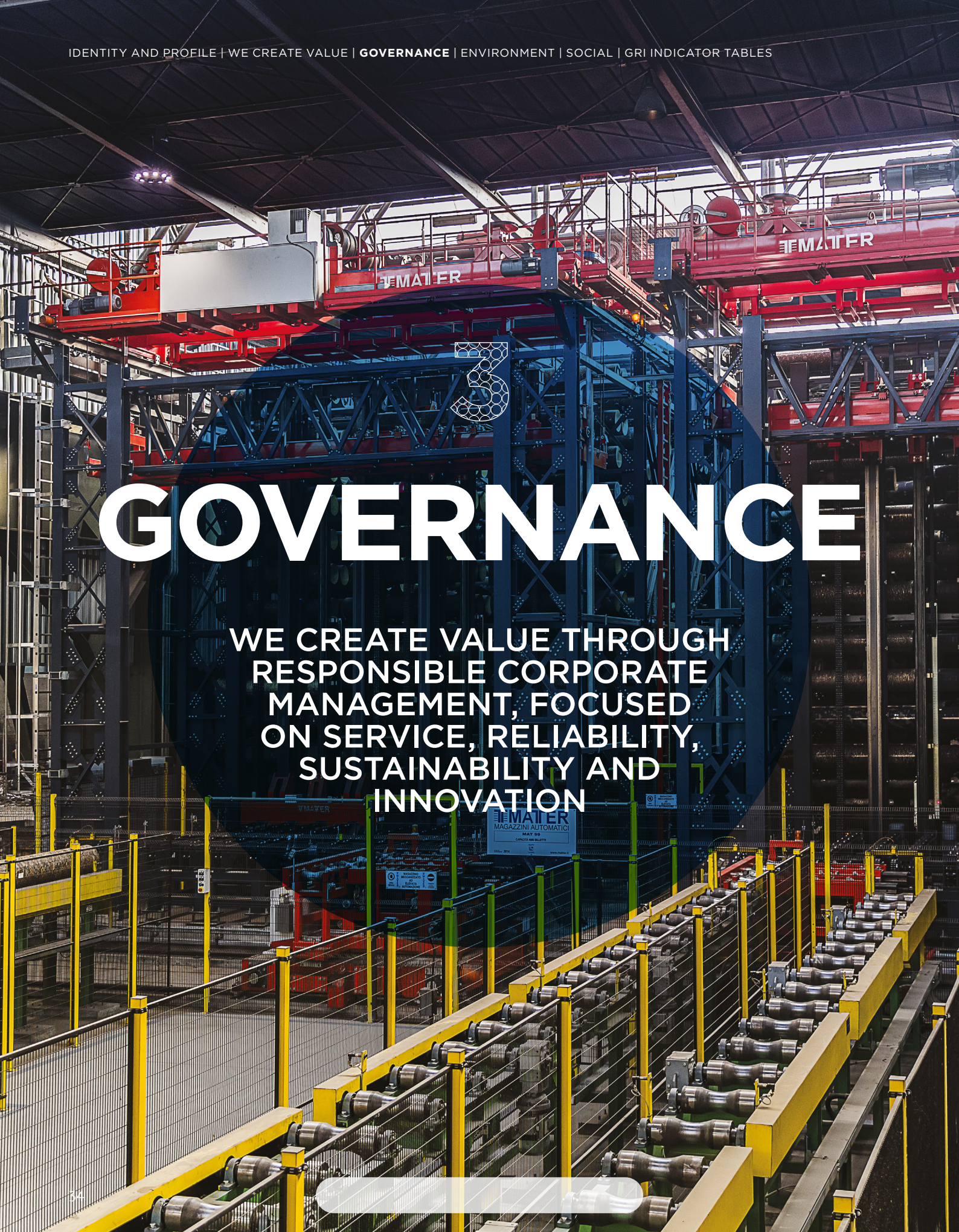
MATER

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# GOVERNANCE

WE CREATE VALUE THROUGH  
RESPONSIBLE CORPORATE  
MANAGEMENT, FOCUSED  
ON SERVICE, RELIABILITY,  
SUSTAINABILITY AND  
INNOVATION





We believe that creation of value is centred around the **responsible management of our business**, which is reflected in the relationship we maintain with our stakeholders.

To do this, we ensure that we conduct our activities both ethically and transparently, that we guarantee our customers product quality with a highly innovative content and that we manage our supply chain responsibly.

Ever aware that value created must in turn be distributed, we contribute to sustainable growth via the distribution of the economic value generated among our stakeholders.

## MATERIAL TOPICS

ETHICS, INTEGRITY  
AND TRANSPARENCY

PRODUCT QUALITY  
AND INNOVATION

SUSTAINABLE  
GROWTH

RESPONSIBLE MANAGEMENT  
OF THE SUPPLY CHAIN

## HIGHLIGHTS 2022

€416,754,130

ECONOMIC VALUE  
DISTRIBUTED IN 2022

0

CORRUPTION EPISODES  
SINCE THE ADOPTION OF  
THE CODE OF ETHICS

0

NON-COMPLIANCE  
WITH LAWS AND  
REGULATIONS

# 3.1

## THE ETHICAL CONDUCT OF OUR BUSINESS

By virtue of the environment in which we operate and the multiplicity of interlocutors with whom we establish relationships, it is essential that all our activities, along the entire value chain, are characterised by strict observance of community and national laws, are in compliance with principles of good faith, integrity, loyalty and honesty and in respect of the interests of internal and external collaborators, customers, suppliers, shareholders, commercial and financial partners.

Our actions are based on the assumption that the conduct of the business is centred around ethical values which in turn contribute to conveying our reliability, integrity and transparency of the activities carried out in order to best pursue our objectives. It is our ambition and desire to strive for excellence that continuously conditions our approach, in order to consistently ensure the high quality and transparent management of activities, which guarantee the construction and maintenance of virtuous relationships with both society and stakeholders.

Adequate monitoring of the ethical conduct of activities ensured that during 2022 no episodes of non-compliance - with regards both laws and regulations - were recorded. Furthermore, during 2022, as in the previous three years, there were no episodes of corruption.

The guidelines, rules and fundamental principles through which we guarantee the correct management of our activities are set forth in the documents specified below.

### CODE OF ETHICS AND CONDUCT

In 2012, the Board of Directors approved, from the first MOGC implementation, our Code of Ethics and Conduct, subject to two subsequent updates. To date, the document represents the reference standard of principles and rules of conduct to which each recipient must refer in their work and in carrying out all activities.

As described in the Code of Ethics, we acknowledge the respect of the following principles and values as priority:

- **Respect for the law, honesty, rigor and integrity:** we are committed to conducting our business in compliance with national, EU and international legislation, rejecting any illegal practice;
- **Impartiality, loyalty and non-discrimination:** we oppose, reject and sanction any attitude, even if only apparently discriminatory, with regard to sex, race, language, religion, political stance, personal and social conditions;
- **Respect for people:** we guarantee respect for individual's fundamental rights and freedoms, in compliance with the principle of equality and non-discrimination and orderly coexistence within the workplace;
- **Transparency, reliability and confidentiality:** we are committed to providing complete, transparent, comprehensible and accurate information, so that those who intend to maintain relations with the company are able to make independent decisions aware of the interests involved and their consequences. Furthermore, we ensure the confidentiality of the information within our possession and refrain from searching for confidential data, except in the case of express and informed authorisation in accordance with current legal regulations;
- **Diligence and accuracy in the execution of business activities and professional services:** we perform our business activities by providing high quality services. To this end, the professional services of our collaborators are performed with

We conduct our business with respect for fair competition

- the utmost diligence, accuracy and professionalism;
- **Fair competition:** we conduct our business in compliance with fair competition, a fundamental value for market development and for the protection of the interests of both consumers and the community;
  - **Appearance:** we are committed to disseminating, sharing and observing the ethical principles established within the Code, in order to protect and develop both our identity and our reputation.

Furthermore, in consideration of the specific professional content and the particular responsibilities that characterise the managerial role, a Disciplinary Code for Managers has been introduced.

## ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL

All relationships and activities pursued by the company are based on a framework of correctness and legality

To minimise the risk of committing crimes contemplated by Legislative Decree no. 231/2001, historically we have adopted an Organisation, Management and Control Model (OMCM), which underpins all relationships and activities pursued by the company to a strategy centred on correctness and legality. It is possible for all stakeholders to report to the Supervisory Body any fact or circumstance at risk of crime, by sending an e-mail to the appropriate address provided by the organisation. This allows the Company to intervene promptly, in an effective and efficient manner, to prevent the commission of the offenses themselves. Finally, the adoption and effective implementation of the Model

allow us to improve our Corporate Governance, thus limiting the risk of committing said offences.

## THE SUPERVISORY BODY

The Supervisory and Control Body (SCB) has the task of verifying the effectiveness and observance of the Organisation, Management and Control Model adopted by the Company's Board of Directors to prevent any and all offences from which administrative liability may arise, according to the provisions of Legislative Decree no. 231/2001.

Due to our corporate structure, we have also implemented robust written procedures that guarantee compliance with both current regulations and related obligations. The procedures have become the means in which we regulate action - listed in various operational activities - and allow preventive and subsequent control of the fulfilment of said performed operations.

The Supervisory Body is made up of three members belonging to the technical and legal-economic professional categories, one of which performs the function of President. The Board of Directors establishes the appointments. It is mandatory that the board meet at least three times a year, as well as whenever the President requests at least one other member.

The SBC is also the recipient of numerous information flows that the corporate subjects must send with a pre-set frequency.

# 3.1.1

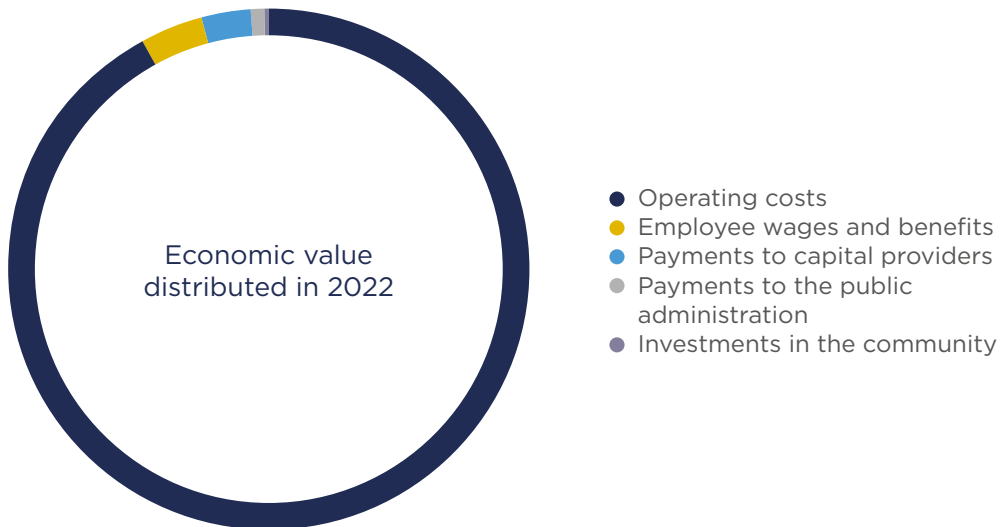
## SUSTAINABLE GROWTH

Being sustainable doesn't only mean rigorously respecting principles of ethics and integrity, but also actively sharing and distributing our economic results.

Creating value for all our stakeholders means adequately remunerating all of our interlocutors, ensuring that they share in the results that we have achieved together. In order to be able to measure our performance,

we analyse the economic value generated and distributed, in order to evaluate the socio-economic impact created, thus determining the wealth generated for the benefit of our stakeholders. The economic value generated in 2022 was

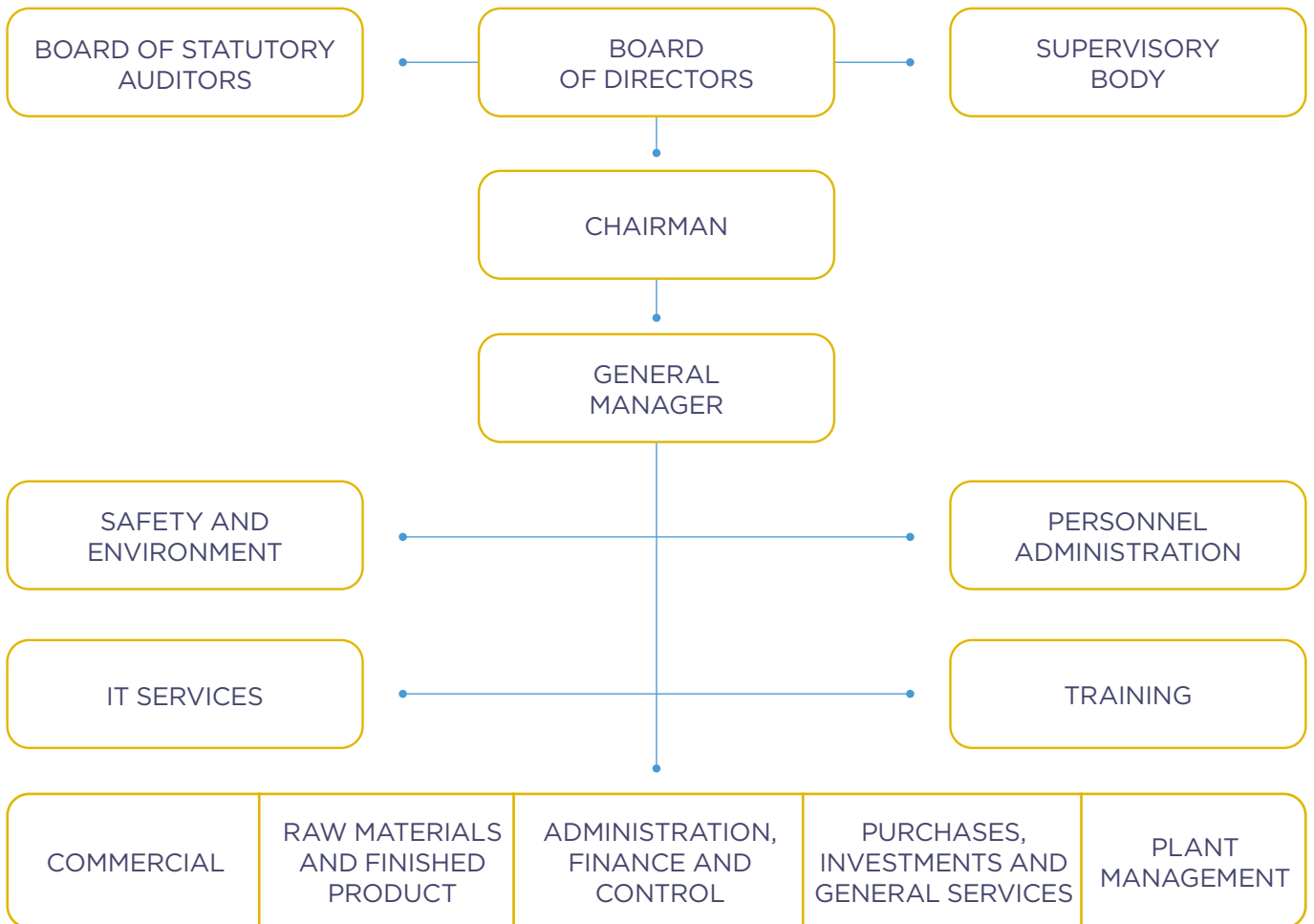
€426,933,870, up 8% from 2021. In 2022, we distributed 98% of our generated value, while the remainder retained was dedicated to sustainable business growth.



# 3.2

## OUR GOVERNANCE

Our governance system plays a fundamental role in ensuring the professional and precise operation of our business, contributing to the creation of long-lasting value. The three main bodies that form our governance structure are the **Board of Directors (BoD)**, the **Supervisory Body (SB)** and the **Board of Statutory Auditors**, which are guaranteed independence.



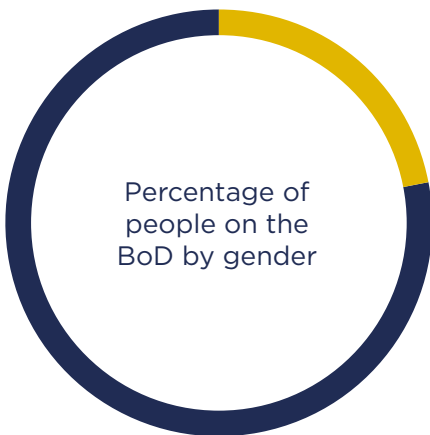
The **Board of Directors** is made up of **nine members** appointed by the Ordinary Shareholders' Meeting, representing the shareholders, in office for a period of time not exceeding three financial years, with the possibility of being re-elected. The Board of Directors is responsible

for the ordinary and extraordinary management of the Company and for the achievement of all corporate objectives.

The current **Chairman**, Gabriele Gnutti, performs the role of legal representative, therefore, exercising

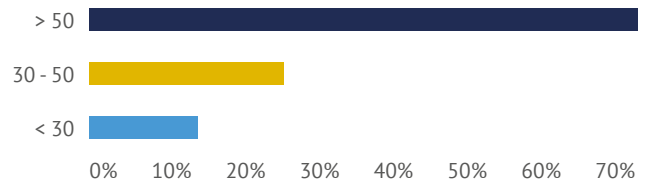
extensive powers both directly and indirectly, via the attribution of proxies.

The **Board of Directors** includes two women from a total of nine members. Additionally, one member of the board is under 30 years of age and two under 50.



● Men  
● Women

Percentage of people on the BoD by age



The **Board of Statutory Auditors**, the Company's controlling body, is made up of three members, two men and one woman, appointed by the Ordinary Shareholders' Meeting, who remain in office for three financial years. The Board of Statutory Auditors entrusts accounting control to an external auditing company.

The current organisational structure assigns a strategic role to **General Management**, which performs four cross-functions for the organisation:

1. **Safety and Environment**
2. **Personnel administration**
3. **IT services**
4. **Training**

Furthermore, all corporate departments report directly to the General Manager:

- **Commercial**
- **Purchases of raw materials and finished products**
- **Administration, finance and control**
- **Purchases, investments and general services**
- **Plant management**



# 3.3

## COMMITMENT TO SUSTAINABLE INNOVATION AND CUSTOMER FOCUS

Our brass bars feature high recovery properties. Processing scraps (turning shavings and hot stamping burrs) can be entirely reused and melted down again generating new value.

The high thermal conductivity of brass and the use of electric induction furnaces with very high performance allow us to produce with low energy consumption.

Starting from these levers, we are committed every day to design and implement projects that allow us to create increasingly innovative products, as well as increasingly safer for the environment and people. A study is currently underway to obtain an alloy that does not use lead. In fact, the most recent regulations limit the presence of **lead** to a maximum percentage of 0.1% in alloys, especially in areas of use such as plumbing, where there is contact of lead with drinking water. In the European context, to date, the **CW724R alloy** has been developed, which uses silicon instead of lead in the brass alloy. However, this type of alloy has some disadvantages, dictated both by its cost and by the presence of silicon, an element that does not allow to mix chips of different materials together during manufacturing.

Our success also depends on the quality and level of service that we guarantee to our customers. Over the years, we have continued to invest in modern and cutting-edge systems to offer the highest possible quality, and in improving the efficiency of our warehouse, to guarantee delivery services in a short time.

In the light of the growing challenges that the current context poses, we base our work on innovation, with the aim of improving the quality and efficiency of our products and services. As part of this strategy, we have decided to focus on the purchase of **modern and technologically advanced plants and machinery**, which also allow us to improve our energy performance, and **on fully automated warehouses**.

In the context of innovative investments, in recent years we have achieved:

- a progressive control panel for the 4,000-ton press, which provides for a capillary and efficient control system of all process parameters;
- different wire drawing plants,

with sealing systems with latest generation technologies;

- the new automatic warehouse for finished products, which handles the bundles of bars stored in it, arranging them on the unloading bays according to the shipping orders;
- the new fume extraction and abatement system which has made it possible to improve the efficiency of the extraction of primary and secondary emissions as well as to significantly reduce the concentrations of dust released into the atmosphere.

Finally, with the awareness that quality, in all its aspects, influences the competitive position, profitability and reputation of every company in the relevant market, at Almag we have made product quality our response strategy to market needs. We are **UNI EN ISO 9001:2015** certified since **1996**, making continuous improvement our working method.



### UNI EN ISO 9001:2015 CERTIFICATION

UNI EN ISO 9001:2015 certification is the international standard for quality management systems of organisations in all sectors, published by the International Organization for Standardization (ISO). ISO 9001 establishes the criteria for a quality management system and helps ensure that customers get consistent, good quality products and services at the initiative.

Our production process quality controls are thoroughly performed following detailed plans that are revised periodically. Product and process control data are inspected by qualified personnel and are archived to ensure the traceability of the materials during the process.

The measurement equipment is monitored to ensure accuracy and precision. Chemical analysis performed on incoming raw materials and on the products are carried out using sophisticated integrated analytical systems. The induced current equipment for

quality control on our wire drawing lines ensures repeatable and optimal surface quality. Furthermore, our chemical laboratory certifies the mechanical characteristics of the products and provides technical support for the solution of any chemical-metallurgical problem.

# 3.4

## RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN

We manage our supply chain responsibly, building lasting relationships with our suppliers, based on continuity and the search for stability over time.

More than half of our business is based on processing of material on behalf of the customer and for the residual part on processing from raw material purchased from suppliers, whether in the form of scrap or pure material (Zinc and Copper).

In addition, approximately 48% of our suppliers are located in Italy and the remaining 52% come from abroad. The scrap is mainly purchased from European suppliers, with the majority of suppliers located in Switzerland, while the zinc comes mainly from Kazakhstan and Uzbekistan.



RAW MATERIAL SUPPLIERS THAT WERE ACTIVE IN 2022



Of the total materials - indicated in the graphs above - purchased each year, equal to **192,324 tonnes**, **94%** comes from **recycle**.

We set up a correct and transparent relationship with all our suppliers starting from the stage of contract's stipulation, which provides for the sending of a specific document for acceptance of the **Code of Conduct**, a necessary condition for acquiring the status of supplier.

Preventive and continuous controls are assured through the procedure for the qualification and selection of raw material suppliers. This control procedure is also extended to any third-party company responsible for delivering material on behalf of third parties (so-called "indirect supplies").

During 2021, out of a total of 62 suppliers active in the procurement of raw materials, an agreement

was stipulated with a new supplier, which was also assessed according to environmental criteria. During 2022, however, no new suppliers were assessed according to specific environmental criteria. Furthermore, assessments on our suppliers are also carried out thanks to the creation of reports that allow us to review the situation of the supplier analysed, both from a financial point of view and in relation to any particular events that occurred during the year. The qualification procedure includes, if logistically compatible, also audits at the supplier and the request for evidence of the environmental certifications held by the suppliers.

In addition, we have prepared an

annual assessment of the quality level of supplies and materials, with respect to the parameters set by the UNI EN 12861:2018 standard, the reference standard for scrap. We use an SQL (Supplies Quality Level) merit indicator, which automatically calculates the score using SAP software.

Over the years, we have refined our methods of procurement of raw materials, especially for the Italian market. We have systematised our purchasing strategy by deciding to restrict the total number of suppliers from which to purchase, to be able to implement more targeted controls on the status of our partners.



### COMMITMENT TO ANTICIPATE THE USE OF CONFLICT MINERALS

By "Conflict Minerals" we mean metals and minerals such as gold, coltan, cassiterite, wolframite and their derivatives such as tantalum, tin and tungsten, originating from conflicted or high-risk areas (CAHRAs - Conflict Affected and High-Risk Areas). These minerals are subject to international regulations which discourage their use, since the trade in these metals could finance armed conflicts in areas at risk, where serious violations of human rights are recorded, including the exploitation of workers.

Almag shares the conflict-fighting policy in the Democratic Republic of Congo or in neighbouring countries and carries out checks on its raw material suppliers, in order to ensure that tin, the only metal used in our process which is included in the list of Conflict Minerals, does not come from conflict zones, providing certifications to requesting clients.

In regards to the **quality control of the incoming raw material**, we produce an annual report based on the quality analysis we carry out on the purchased scrap.

We make use of the support of the internal quality control laboratory which, subsequently, stipulates an analytical classification including the quality level of the material. Based on the findings, corrective actions are requested from suppliers that score negatively.

During the incoming phase of raw material, the material is weighed,

first in the vehicle weighbridge and then in the scrap weigher; we constantly review the status of the scales in order to have total certainty of our material (incoming/outgoing).

As far as logistics is concerned, we register the incoming material through a dedicated management system, collecting information useful for understanding the overall flow. This information is reported on the SAP management system and concerns the supplier, the transporter, the type of vehicle used, the origin of the material received.

Our virtuous management of the procurement of raw materials is also implemented through the management of the outgoing waste. Waste with metallic content, such as zinc oxides, copper slag and brass skimming, is sold to special companies that deal with waste recycle, representing for us an important responsible business opportunity (more information is available in the paragraph “Circularity and waste management”).





# ENVIRONMENT

WE CREATE VALUE  
BY REDUCING OUR IMPACT  
ON THE ENVIRONMENT



Environmental sustainability in the metallurgical industry sector is an increasingly important competitive factor, in consideration of the growing attention of the international community and the expectations of stakeholders on topics related to climate change and the protection of the Planet.

Our company therefore is committed to control and reduce its emissions into the air, water and soil, and to pursue the minimization of waste production and

its efficient management, favouring its recovery and reuse. Through these commitments we can create value for the environment around us.

## MATERIAL TOPICS

FIGHTING CLIMATE CHANGE

WATER RESOURCE MANAGEMENT

CIRCULARITY AND WASTE MANAGEMENT

## HIGHLIGHTS 2022

94%

INPUT RAW MATERIAL DERIVING FROM RECYCLING

96%

WASTE INTENDED FOR RECYCLING

-5%

WATER WITHDRAWN COMPARED TO 2021

# 4.1

## OUR COMMITMENT TO PROTECT THE ENVIRONMENT

Our commitment to environmental sustainability is directly reflected in the safeguards adopted within our **Integrated Quality, Health and Safety, Environment and Energy Management System (QEHSEn)**, in which we have set policies and objectives to reduce our impacts.

As evidence of the commitment to ensure the protection of the environment, **the quality of our integrated system has been attested through the recognition of the ISO 14001 certification**, for the management of environmental aspects, and ISO 50001 certification, for the management of the energetic aspects.

With the Environmental Management System, based on the continuous improvement of our environmental performance, we aim to:

- Improve company energy performance;
- Prevent pollution associated with environmental aspects that we can control or have an impact;
- Proactively manage the risks

and opportunities related to the environment and energy;

- Progressively reduce overall costs related to the environment and energy;
- Increase the effectiveness and efficiency of our processes, improving environmental performance, with a view to preserving and reducing the use of natural resources.



### UNI EN ISO 14001:2015 CERTIFICATION

The standard identifies and lists the requirements of an environmental management system that a company can use to increase its performance, with the aim of generating added value for the environment, the organization and the stakeholders.

This certification was obtained for the first time in 2015 and has been subjected to validation every year since that date, without any non-conformities ever being detected, proving the constant importance we attach to environmental sustainability.



### ISO 14001 FOR THE MANAGEMENT OF ENVIRONMENTAL MATTERS

### ISO 50001 FOR THE MANAGEMENT OF ENERGY MATTERS





### UNI EN ISO 50001:2018 CERTIFICATION

The standard identifies a series of requirements for the correct management of energy consumption, with the aim of improving energy efficiency and reducing waste, in order to obtain a reduction in costs, also thanks to in-depth knowledge of management processes, to have a constant monitoring of energy consumption and KPIs, and to reduce consumption and consequently CO<sub>2</sub> emissions.

This recognition, obtained in 2021, is of fundamental importance for our company, given the energy-consuming nature of the activities that characterize our production cycle.



### THE INTEGRATED MANAGEMENT SYSTEM IS SUBJECT TO PERIODIC MONITORING AND REVIEW

**The Integrated Management System applies to the entire corporate organization and its processes and is subject to periodic monitoring and review by the collaborators of the Quality-Safety-Environment and Energy offices and to both periodic internal and third-party audits.**

Through this system, we establish the relevant processes and goals for the environment and energy for the various functions, defining:

- The actions to be implemented to achieve the goals;

- The necessary internal and external resources;
- The necessary responsibilities and timescales to achieve these goals.

All the established goals are monitored - and possibly updated every six months by the QEHSen System Manager, also on the occasion of the periodic reports sent to the Employer and to the Delegates.

The Management System is reviewed annually by the company's top management, to ensure its suitability, adequacy and effectiveness in implementing the company's strategic guidelines.



## PARTICIPATION IN FUTURA EXPO 2022

In 2022 we took part in the **Futura EXPO 2022** event, organized by the FUTURA network, to spread awareness of how metallurgical companies over the years have become increasingly virtuous in relation to responsible business management and its impact on the environment and on the local communities.

Futura is a space where a green and sustainable future is conceived and where the green topic is tackled in a practical way, also with attention to the economic repercussions.

One of the main objectives of the event was to create a network between companies allowing the transmission of know-how, innovation and collaboration, with the ultimate goal of having a positive and concrete impact on the Brescia area, by undertaking positive, such as the planting of trees.

**As part of this project, we signed the Brescia 2050 Sustainability Pact:** in this document the entrepreneurs, citizens and institutions of Brescia commit to implement long-term strategies for the decarbonisation and neutralization of climate-altering gas emissions and polluting substances by 2050, thanks to the promotion of low-carbon production and consumption models and circular economy choices to achieve the well-being of the environment and citizens.



# 4.1.1

## FIGHTING CLIMATE CHANGE AND ATMOSPHERIC POLLUTION

In order to contribute to the fight against climate change, at Almag we implement a series of measures to improve certain aspects of our activities, that can directly or indirectly influence the emissions of climate-changing and polluting gases into the atmosphere.

In particular, over the years we have implemented various energy-efficiency projects in our headquarters and plants. During 2021 we completed a remote reading **system for all the electricity and natural gas meters within the production plant** and only for electricity within the oil cooling system of the presses. This punctual monitoring was instrumental in the implementation of an energy performance monitoring platform; indeed, **we use a specific platform to collect energy consumption data in a combined manner**. This platform allows us to monitor data in compliance with the requirements of the ISO 50001 standard and to combine them with production data

and other relevant variables (e.g., temperatures, flow rates, irradiation values, etc.), in order to calculate specific performance indicators that make it possible to further optimise the management of utilities and promptly intercept possible anomalies, supporting the energy manager and control management.

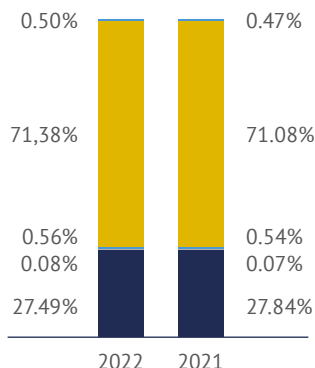
Over the last two years, we have also implemented a **maintenance policy for the electric motors in the production departments**, aimed at progressively making production and energy consumption more efficient.

Furthermore, we have carried out interventions to enhance and make

the extraction system more efficient, in order to achieve the objectives of optimising the extraction process with a consequent **reduction in both its energy requirements** and the research and repair of compressed air leaks. In this perspective, an intervention was carried out at the drawing plant **to improve the efficiency of the energy consumption of the soundproof cabins**.

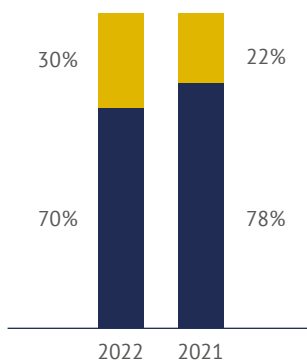
Our production model also allows us to reduce energy consumption. In particular, we combine the high technical conductivity of brass with the performance of our electric induction furnaces to employ the least amount of energy possible.

Energy consumption of production and offices (GJ)



	2022	2021
Energy consumption from renewable sources	2,039	2,129
Electricity purchased from non-renewable sources	293,731	321,070
Coal	318	318
Diesel	2,291	2,444
Natural gas	113,107	125,757

Energy consumption of the corporate fleet (L)



	2022	2021
Petrol	11,206	7,575
Diesel	26,299	26,288

Thanks to these **energy efficiency** initiatives that we have implemented over the years, overall, our **emissions decreased by 9%** between 2021 and 2022.

The **total energy consumption** recorded a drop of 9% going from over 452,000 GJ in 2021 to around **412,000 GJ** in 2022, keeping the emission intensity unchanged at 0.15<sup>1</sup>.

Direct and indirect CO <sub>2</sub> e emissions <sup>2</sup>	u.m.	2022	2021
Direct emissions (Scope 1)		5,973	6,621
From non-renewable sources (natural gas, diesel, coal)	t. CO <sub>2</sub> e	5,876	6,532
From car (petrol and diesel)		97	89
<b>Indirect emissions (Scope 2) - location based</b>		<b>21,316</b>	<b>23,299</b>

<sup>1</sup> The emission intensity was calculated using the ratio between direct (Scope 1) and indirect (Scope 2 location-based) emissions of CO<sub>2</sub>e and the volume of production.

<sup>2</sup> The Scope 1 emissions of CO<sub>2</sub>e were calculated using the ISPRA 2021 emission factors, for the 2021 values, and ISPRA 2022, for the 2022 values. The carbon emissions were calculated with the DEFRA emission factors, respectively 2021 and 2022.

Most of our emissions are attributable to indirect emissions (**Scope 2**) deriving from the **consumption of electricity**, mainly connected to the power supply of the induction furnaces used to melt the metal. According to the **location-based** approach which considers the distribution network by applying average emission factors of the country where energy is purchased, these emissions amount to **78% of the total**<sup>3</sup>.

In order to reduce these emissions, as well as continuing to implement energy efficiency policies, we have set the goal of **purchasing energy from renewable sources with certificates of guarantee of origin**.

Direct emissions (**Scope 1**), deriving from the **use of fossil fuels**, are mostly attributable (**98%**) to the energy consumption necessary to power production activities and offices, through the use of natural gas, diesel and coal<sup>4</sup>. **Renewable energy** is used to power our automated warehouse. Currently the renewable energy source we have is **self-produced**, which derives from the photovoltaic panels placed above our most recently built warehouses. To increase the portion of self-produced renewable energy, we set ourselves the goal of investigating the possibility of increasing the surface area available to **install additional photovoltaic panels**.

Another area to which **direct emissions (Scope 1)** can be attributed is relating to the energy consumption generated by the **company fleet**, for which the main fuel used is diesel, with an additional portion of petrol. To achieve the goal of progressively reducing consumption attributable to the company fleet, we are gradually replacing the fleet with electric or hybrid vehicles.

The foundry activity has an impact in terms of noise pollution, an environmental aspect that we have always supervised to limit the impact of noise both inside and outside the plant. To monitor compliance with the noise limit values, we periodically carry out **phono-metric measurements in the workplace** and in sensitive points outside the company perimeter, in accordance with the noise zoning plan of the Municipality of Roncadelle.



#### ATTENTION TO AIR QUALITY

In addition to monitoring and, where possible, reducing our greenhouse gas emissions, we have always, as a foundry, paid great attention to the periodic monitoring of potentially polluting emissions such as dust generated by production and nitrogen oxides.

We seek out the best technologies available on the market. In 2022 we installed a new fume extraction and abatement system with a flow rate of 500,000 Nm<sup>3</sup>/h, equipped with 4 high-efficiency axial cyclones and latest generation bag filtration units, whose emission point is subjected continuous monitoring of dust and flow rate parameters. This investment has allowed us to reduce the concentrations of dust emitted by 18%.

Furthermore, we have invested in improving the quality of combustion, through new technologies for our burners, thus also obtaining a benefit in terms of energy efficiency and Nox emissions.

<sup>3</sup> According to the market-based approach, which takes into account the supply contracts signed by the company, in 2022 emissions amounted to 37,252 t. CO<sub>2</sub>e, while in 2021 amounted to 40,898 t. CO<sub>2</sub>e.

<sup>4</sup> Coal is used in the foundry to maintain temperatures, during plant stand-by periods, above the molten bath, limiting heat dispersion and oxidation.

# 4.1.2

## CIRCULARITY AND WASTE MANAGEMENT

Our production process is by nature circular: our brass alloys, in fact, are made up of **94%** of material coming from **processing waste, burrs from pressing, and scrap**; it is material that comes from the customers' activities which is recovered and melted down again.

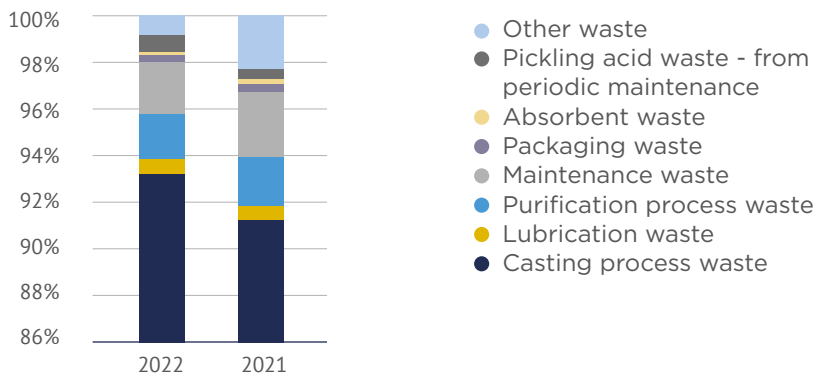
Furthermore, the percentage of waste deriving from production activities is recycled for **96%**. The waste resulting from our production process is classified by

type based on the origin, through periodical analyses (biannual or annual). In order to have complete control over the entire waste cycle, to identify transporters and disposal

companies, we carry out a careful pre-qualification to verify the effective existence of the necessary transport and recovery/disposal authorisations.

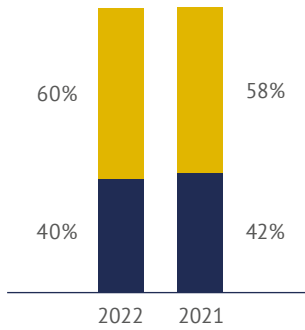
Below is a representation of the main types of waste:

Waste produced (tonnes)



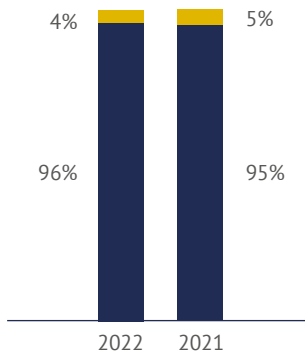
Of the total waste produced in 2022 (**9,003 tonnes**), **96%** has been destined for recovery. Furthermore, compared to 2021, the waste produced in 2022 decreased by **9%**.

Hazard Waste produced (t)



	2022	2021
Non-hazardous waste	5,366	5,660
Hazardous waste	3,637	4,180

Destination of the waste (t)



	2022	2021
Waste for disposal	371	460
Waste for recycle	8,632	9,380

The type of waste that mainly derives from the casting process is the **slag generated inside the furnaces** which is recovered internally and melted. The dustier and thinner slags are, however, sent to third parties who take care of their recycle.

Another type of waste is made up of **fume abatement dust**, i.e., the residual part of what is aspirated

by fume abatement systems: these dusts contain metals useful for other processes and are therefore sold to third-party companies that take care of their recycle.

Waste coming from our washing turning plant consists of oil and **emulsion**. The emulsion, in particular, is conveyed into four containers placed above special collection tanks,

so that the decantation process can take place: the resulting oil is then sent to the Consortium of Used Oils for its recovery.

**Packaging** waste consists of metal straps, used for the transport of our finished product and plastic pallets or wooden boxes that are used as containers for the goods arriving from our suppliers.

# 4.1.3

## RESPONSIBLE USE OF WATER

To reduce our environmental impact, we are also committed to responsibly managing the water resources we use.

For technological and industrial uses, we draw water from an artesian well, while as regards the use of water for drinking and sanitary purposes, we draw from a public aqueduct. The total amount of water withdrawn amount to **174 ML** in 2022, a decrease compared to 2021 (**183 ML**). All water withdrawn is fresh water and does not come from water scarce areas<sup>5</sup>.

Most of the water withdrawn comes from a 60-metre deep well with the aid of pumps, with an amount of 168 ML for 2022 and 176 ML for 2021. Furthermore, we have a tank, located at a height of 30 meters and with a capacity of 600 m<sup>3</sup>, which supplies the industrial plants for cooling in case of emergency.

Furthermore, in the production process we use rainwater to replenish the closed-cycle cooling water of the foundry, after mechanical ultra-filtration.

Within our plants, we reuse water several times before sending it to the waste systems. For example, we have carried out a project through which we have made improvements to the two pickling tanks; this project consisted in the creation of a **reverse osmosis system** which allowed us to save a considerable amount of

water. Reverse osmosis is a physical treatment for the separation of residual substances from the water, which allows to reduce the saline concentration in the same without altering its chemical composition, thanks to the use of the osmotic membrane, thus allowing a significant recovery of water.

Furthermore, in 2022 we created the new watertight lining of the underground tanks of the factory water purification system, so as to guarantee their tightness against potential water leaks into the subsoil.

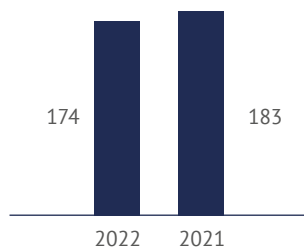
The withdrawal from the aqueduct - around **6 ML** in 2022 - is made for uses not related to the production process, but for hygienic-sanitary purposes and for the use of water at the company canteen.

During 2022 our water discharges decreased by **15%**, going from 112 ML in 2021 to **95 ML** in 2022.

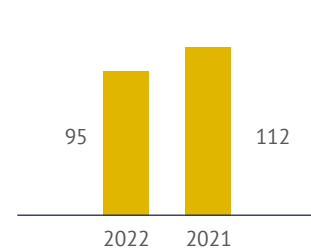
The discharged waters are classified according to the production process and are purified and treated. Some pollutants, based on the activity from which they derive, are sampled and monitored daily according to the legislative parameters referred to in the Environment Law (Table 3, Part III, Legislative Decree 152/2006), as they potentially cause water pollution compared to other parameters that are monitored on a monthly basis. In both 2021 and 2022 there were no cases of non-compliance with the discharge limits.

In conclusion, for the year 2022 our **water consumption** amounted to **79 ML**.

Total water withdrawals (ML)



Water drains (ML)



<sup>5</sup> The reference for the assessment of areas subject to water stress is the World Resources Institute (WRI) "Aqueduct Water Risk Atlas".





5

# SOCIAL

WE CREATE VALUE  
MINDFUL OF PEOPLE



The last pillar that makes up our constant commitment to creating value concerns the **attention to people**.

We firmly believe in their value and work every day to contribute to the personal and professional growth of our collaborators, through professional development paths, education and training activities. Furthermore, we protect the health, safety and well-being of our people, adopting appropriate safeguards, providing training

activities and guaranteeing a welfare system that meets the needs of everyone. Finally, aware of the importance of all the people we interact with, we share part of the value created with a communities by supporting initiatives and activating synergistic collaborations in the area in which we operate.

## MATERIAL TOPICS

DIVERSITY AND INCLUSION

HEALTH AND WELL-BEING

DEVELOPMENT AND ENHANCEMENT OF PEOPLE

SUPPORT TO LOCAL COMMUNITIES

HEALTH AND SAFETY AT WORK

## HIGHLIGHTS 2022

99%

PERMANENT-TERM EMPLOYEES

21

AVERAGE TRAINING HOURS PER COLLABORATOR

0

INJURIES WITH PERMANENT DAMAGE

€100,200

PAID FOR THE COMMUNITY AND THE LOCAL AREA

# 5.1

## MANAGEMENT OF OUR PEOPLE

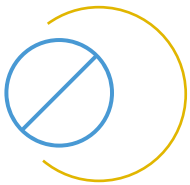
People are a key factor in the success of our business. They allow us to achieve high performance thanks to their constant commitment.

For this reason, above all we strongly believe in the professionalism of our collaborators and we are committed to establishing **solid and lasting bonds** with each of them over time. We foster an inspiring

work environment that fosters collaboration, teamwork and individual success. We also believe it is essential to respect the rights of all our collaborators. As highlighted in our Code of Ethics, we strongly

condemn all forms of discrimination in the workplace. We are committed to creating shared growth paths, taking into consideration the skills, knowledge and work performance of everyone.

**We are therefore committed to:**



**PROHIBIT ANY VIOLATION OF FUNDAMENTAL HUMAN RIGHTS**



**PREVENT INCIDENTS OF DISCRIMINATION BETWEEN AND/OR AGAINST OUR EMPLOYEES**

Our work is inspired by the most relevant international standards on the subject, such as:

- United Nations Universal Declaration of Human Rights;

- European Convention on Human Rights;
- Eight fundamental conventions identified by the International Labor Organization (ILO).



During 2022 and 2021  
**there were no episodes  
of discrimination**

We believe that any form of **diversity** contributes to creating value and, therefore, we act to protect and enhance the characteristics of each of our collaborators. Our company is committed to protecting the moral integrity of ours people, opposing and rejecting any act of psychological violence and any attitude or behaviour that is discriminatory or harmful to the person and his values. Therefore, we oppose and reject in internal or external working relationships, any type of harassment that may occur with the creation of a hostile work environment towards individual workers or groups of workers. To guarantee the above, for several years we have activated a communication channel that guarantees the anonymous collection of any report, the recipient of which is the Supervisory Body.

We protect the coexistence  
of nationalities by  
promoting integration

We also believe it is essential to protect the **coexistence of nationalities**. At our company, **6%** of the employees are of **foreign origin** and, to encourage their integration, we provide Italian courses to those who need them. In addition,

we respect different religious denominations and practices. For all collaborators who present conditions of limitation, incapacity and/or invalidity, it has been carried out in advance an assessment with the Occupational Health Physician in order to identify the job compatible with the type and degree of disability. On the basis of these considerations, specific **preventive and protective measures** have been envisaged, that can be also implemented in the event of emergency situations.

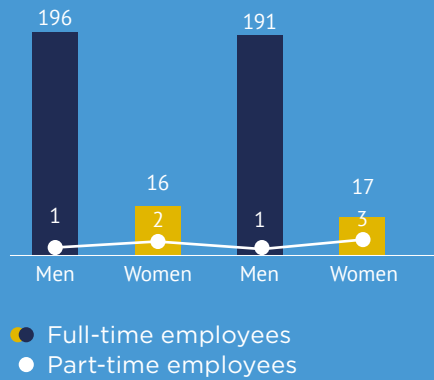
In **2021** we counted on the valuable collaboration of a total of **212** employees, who reached a total of **215** in **2022**, in addition to **4 temporary workers**, demonstrating the growth trend that is characterising our company.

In Almag, the overall breakdown by gender of employees is **92% for men** and **8% for women**; the proportion of women holding office roles has risen to **25%**.

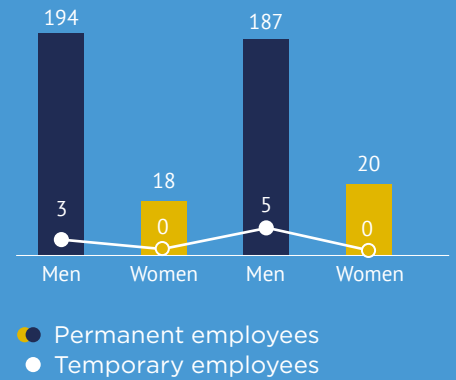
99%

99% of employees have a permanent full-time contract, while a part-time contract is envisaged for the remaining 1%, to meet the needs expressed by the employees who have requested it.

Employees by type of employment



Employees by type of contract



54%

16% of our employees have an average age under 30, while 54% have an average age between 30 and 50.

- Employees under 30
- Employees between 30 and 50
- Employees over 50



# 5.2

## THE TRAINING AND PROFESSIONAL DEVELOPMENT OF RESOURCES

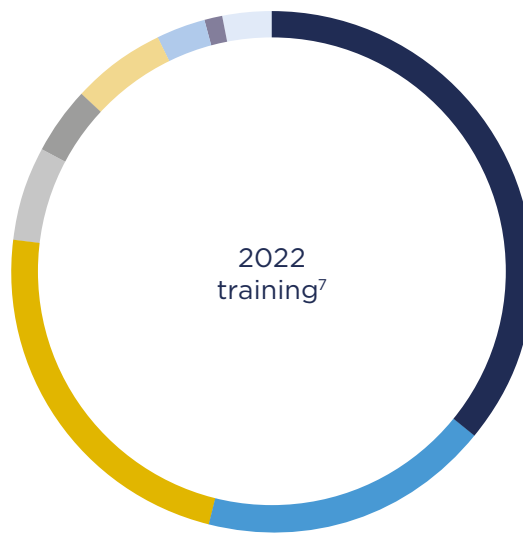
Training and education are essential to strengthen and make the most of the potential of all the talents present in the company, to share our goals and to create a strong and shared culture.

In order to provide training and education courses adapted to the needs of both our people and a corporate and external context, we draw up a **specific training plan** every year. Following our plans, a total of **3,630** hours of training were provided in 2021, with an average of more than 15 hours of training for collaborators. In 2022, the total number of hours of training provided **increased by 34%** reaching a total of **4,870** hours, demonstrating the commitment made by our company in developing the knowledge and skills of collaborators; in line with this increase, the average per

capita training hours also recorded a **40% growth** in 2022 compared to the values of 2021, exceeding the threshold of **21 hours/year per collaborator**<sup>6</sup>. This growth bears witness to our company's identification of training as a strategic lever for the development of skills and the increase in the value of our people. The company's willingness to invest more and more resources on this front, over the course of 2022 has conveyed in a critical increase in the hours dedicated to training initiatives in the areas of safety and technical competence. In regards to the

breakdown by type of training, in 2021, **Health and Safety at Work** was the category with highest number of hours supplied. This data demonstrates the great importance attributed by our company to this matter, both to comply with legislative provisions and to increase the awareness of collaborators regarding the behaviours to be adopted in the workplace. In addition to health and safety topics, in 2021 our courses covered topics such as **the development of distinctive skills, the management of emergencies, the quality, and the environment and energy**.

- Safety
- Emergency management
- Separate training (technical, organizational, managerial skills)
- Environment
- Energy
- Quality
- Sustainability
- Legislative Decree 231/01
- English



<sup>6</sup> The data on the average hours of training per capita for 2021 and 2022 is calculated on all our collaborators, both employees and non-employees.  
<sup>7</sup> The graph also includes the 293 hours of training provided to workforce external to the organization, who collaborated for a limited period of time.





**Training for new hires** deserves specific mention as it plays a fundamental role in integrating resources within the corporate structure and in sharing company values and practices with incoming resources.

In 2022 we hired **17 new employees**, to whom we provided a total of **745 hours of training**:



**HEALTH & SAFETY**

Together with training, professional and personal growth paths represent an extremely important component in order to motivate collaborators and create a stimulating work environment,



**ON ESG TOPICS**

able to attract and retain all the skills and professionalism necessary for the continuous development of our company. We take this matter very seriously



**AVERAGE HOURS PER NEW COLLABORATOR**

and are constantly committed to perfecting our career system based on merit, through an evaluation system grounded on feedback from managers.

# 5.3

## PROMOTION OF HEALTH, SAFETY AND WELL-BEING OF EMPLOYEES

### 5.3.1

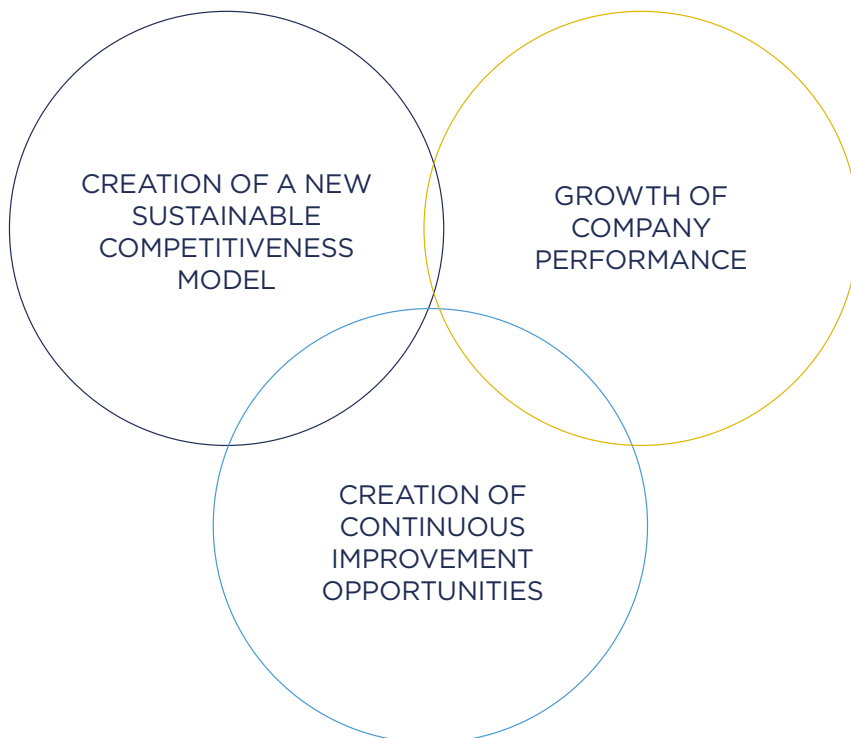
#### HEALTH AND SAFETY AT WORK

Our company firmly believes that all accidents and occupational illness are avoidable and actively strives for a progressive reduction of frequency and severity.

Therefore, we are **actively committed to eliminating dangers and reducing** risks by replacing specific materials, processes, operations or equipment, using technical and administrative

controls, training our collaborators and providing adequate personal protective equipment. At Almag, safety management, inserted in the broader context of the company's overall management,

becomes an integral part of the work processes. Indeed, adequate management of health and safety at work can help create value, generating positive effects such as:



Through our corporate intranet, integrated and designed in compliance with UNI EN ISO 45001, we keep track of all work-related accidents.

Specifically, in 2021, 6 accidents were recorded, of which 5 turned out to be accidents at work and 1 in transit. Whereas in 2022, the registered accidents at work amounted to 8, while those in transit to 1, for a total of 9 accidents.

Furthermore, in 2022, there was a minor injury to a contractor. The type of injury is mainly caused by crushing and bruising, which have minor consequences for the injured persons. We also handle dozens of “**improvement and near miss reports**” every year<sup>8</sup> of environmental nature as well as of health and safety at work, paying particular attention to the reports of all collaborators with a view to continuous improvement.

Keeping track of accidents that have occurred also allows us to monitor the **frequency rate of work-related accidents**<sup>9</sup>, obtained from the quotient between the number of work-related accidents and the total hours worked by employees during a financial year: for **2021** and **2022** these values are respectively **12.67** and **21.84**<sup>10</sup>.



UNI EN ISO 45001:2018  
CERTIFICATION

Since **2012** our Health and Safety at Work Management System has been certified BS OHSAS 18001, since 2021 according to the **UNI ISO 45001** standard.

The UNI ISO 45001 standard “Health and Safety at work management systems - Requirements and guidance for use” defines the minimum standards of good practice for the protection of workers worldwide.

It establishes a framework to reduce risks in the workplace and improve the health and well-being of workers, thus enabling any organization that chooses to certify its management system under accreditation to increase its health and safety performance.



ACCIDENTS  
RECORDED  
IN 2022



ACCIDENT OF  
NON-EMPLOYEE  
WORKER  
IN 2022



REPORTS OF  
IMPROVEMENT  
& NEAR MISS  
IN 2022

<sup>8</sup> A Near Miss is an event with the potential to cause damage.

<sup>9</sup> There were no workplace deaths or accidents with serious consequences; therefore, these rates are equal to 0%.

<sup>10</sup> The calculation of the “Recordable work-related accident rate” is based on 1,000,000 hours worked, according to the following formula: (Total recordable work-related accidents / Hours worked) \* 1,000,000.

To ensure that the prevention and protection measures we implement correspond to the expectations of our collaborators, we carry out a satisfaction analysis with respect to the management of safety at work on a pre-established basis.

Furthermore, we periodically perform a risk assessment in order to identify in advance the areas and tasks most exposed and define the safeguards to be implemented to minimize these risks. All the hazards and risks identified,

the figures and the related processes used to determine and subsequently manage them are reported in the Risk Assessment Document drawn up pursuant to Legislative Decree 81/08 and periodically reviewed and updated.



ACCIDENT WORKING GROUP -  
CONFINDUSTRIA BRESCIA

With the aim of **spreading the culture of safety** and sharing our experience, we meet every year with other companies in the area, in a working group made up of the Prevention and **Protection Service Managers**. The main purpose of the meetings is to explore specific topics related to **Health & Safety**, analysing the cases brought by each company that actually occurred, as well as organize training courses dedicated to the collaborators of the member companies.

Participation in this group allows us to share and develop good practices in the field of accident management and health and safety at work, together with the companies participating in the initiative.

As regards training in the Health and Safety area, in 2021 we provided a total of 1,764 hours of training, broken down into compulsory training, in compliance with regulatory obligations, and voluntary training in specific information sessions. To these must be added 852 hours of training relating to emergency management, divided into

training on first aid, on the use of defibrillators and on fire prevention practices. Compulsory training is provided when workers are hired, while periodic training, repeated on a cyclical basis, is divided into training sessions during which topics deemed relevant are dealt with based on the nature of the risks, specific training needs, identified from time to time, or

on the basis of the indications of the workers.

In 2021 and 2022 there were no cases of **occupational illnesses** and the Health Surveillance procedures were regularly carried out in accordance with the Health Protocol defined by the Occupational Health Physician.

## 5.3.2

### HEALTH AND WELL-BEING

The well-being of our company cannot be separated from that of our collaborators. We believe it is essential to be promoters of a healthy and balanced lifestyle, focused on enhancing not only physical but also mental health, as well as a working environment that guarantees everyone the ability to combine work and private life.

#### CORPORATE WELFARE

For years we have been equipped with a welfare platform that allows all our people to choose from a series of services available in multiple areas, divided into:

- Culture, sport, free time, travel and holidays,
- Grocery and petrol vouchers, transport costs,
- Medical expenses, long-term care and health & family care, social welfare expenses,
- School expenses,
- Pension fund.

Furthermore, to deal with the many critical issues that characterised the geopolitical context of 2022, we disbursed an extra contribution of €1,600 (€1,400 in welfare and €200 in fuel vouchers) to each employee.

In addition, our corporate welfare program complies with the

relevant National Collective Labor Agreements (CCNL). In accordance with them, all our collaborators are entitled health care, parental leave and pension contributions provided for by law. We guarantee our executives life insurance, professional and non-professional accidents and insurance coverage in the event of disability and invalidity.

#### JOINING THE WORK HEALTH PROMOTION PROGRAM

Since 2016 we have been part with other companies of the Work Health Promotion Network (WHP) - Lombardia, and collaborating with ATS Brescia (Health Protection Agency) and Confindustria Brescia, to develop and to disseminate best practices every year on topics relating to health and the well-being of all workers.

This project is based on a model promoted by the World Health Organization (WHO) with the

objective of promoting organisational changes in the workplace to favour the diffusion of healthy lifestyles, and contributing to the prevention of chronic illnesses.

Before joining the project, in 2016, we carried out an internal survey on a sample of 174 collaborators, representative of the different lifestyles among the corporate population, in order to determine on which areas to focus our program.

The survey investigated the following aspects:

- Smoking habits;
- Body mass index;
- Eating habits;
- Alcohol consumption;
- Physical activity;
- Road safety and mobility;
- Personal and social well-being.

The results of the questionnaire allowed us to identify the priority areas of intervention and, over the years, through the Work Health Promotion program we have implemented numerous initiatives.

## THE INITIATIVES CARRIED OUT BY ALMAG THROUGH THE WORK HEALTH PROMOTION PROGRAM

### 2016

#### NUTRITION

- “Colour Code” initiative: use of different colours for the food available in the company canteen, according to their nutritional properties, to help employees compose balanced dishes.
- Availability of fruit and vegetables and low-sodium or wholemeal bread for each meal available in the canteen.
- Vending machines offering at least 30% healthy food according to WHP guidelines.

#### LIFE-WORK BALANCE

- Birth kit delivered to collaborators for their newborns.
- Scholarships for the children of collaborators.

### 2017

#### SUSTAINABLE MOBILITY

- Support in the implementation of interventions to improve the safety of road infrastructures near the company.

#### FIGHTING ADDICTION

- “Minimal Advice” training: training for collaborators, provided by an occupational health physician, relating to the management of risk behaviours related to stress, smoking, alcohol and problematic consumption of other psychoactive substances.
- Provision of specific training to increase workers’ awareness of the risks associated with the abuse of substances, alcohol, gambling and social networks.

### 2018

#### FIGHTING THE ADDICTION OF SMOKING

- Provision of a detoxification program for smokers.

#### PHYSICAL ACTIVITY

- Distribution of pedometers to collaborators, to encourage monitoring and therefore increase in walking trips made during the day.
- Agreements with gyms, swimming pools and sports centres, to encourage exercise.

## 2019

### PHYSICAL ACTIVITY

- Construction of a cycle lane near the company and a rack for bicycles in the company car park, to encourage their use to go to work.
- Provision of information activities on road safety and the safe use of bicycles.

## 2020

### NUTRITION

- Purchase of a body impedance scale to be used during Company Doctor visits.
- “Minimal Advice” training: training for collaborators, provided by an occupational health physician, on proper nutrition and the management of risk behaviours related to eating disorders.

## 2021

### PHYSICAL ACTIVITY

- “Minimal Advice” training: training for collaborators, provided by an Occupational Health Physician, on the risks of sedentary lifestyle.

### LIFE-WORK BALANCE

- Provision of sponsorships and donations to local non-profit organisations.

## 2022

### PHYSICAL ACTIVITY

#### **Stairs to health**

Initiative aimed at promoting and encouraging the use of stairs to replace the lift and at the same time improving the environmental context in which the stairs are located.

### LIFE-WORK BALANCE

#### **Food Waste**

Promotion of initiatives aimed at reducing food waste in the canteen.

#### **Distribution of Courses**

Courses to support the schooling of employees' children.

#### **Cancer screening**

Activation of initiatives agreed with the Brescia ATS for the promotion and adherence to cancer screening programs.

## FONDAZIONE POLIAMBULANZA PRIVATE HOSPITAL

We collaborate with the **Fondazione Poliambulanza private hospital**, offering our collaborators the opportunity to carry out specific tests for free, in order to provide an additional service to what is already present in the welfare plans.

During 2021 and 2022 we developed important projects in the health sector, through the creation of the **“men’s package”** and **“women’s package”** to allow collaborators to carry out **cancer screenings** to prevent the main gender-based cancers.



### ALMAG CARD

Almag Card is of great importance, a card through which we make commercial agreements and discounts available to our collaborators, both for the local and national markets. Among the various types of discounts offered over the years, there are those for the purchase of stationery and personal care products, services such as dentists, hairdressers, insurance, physiotherapy and osteopathy, nutrition and psychotherapy.

## RISK OF WORK-RELATED STRESS

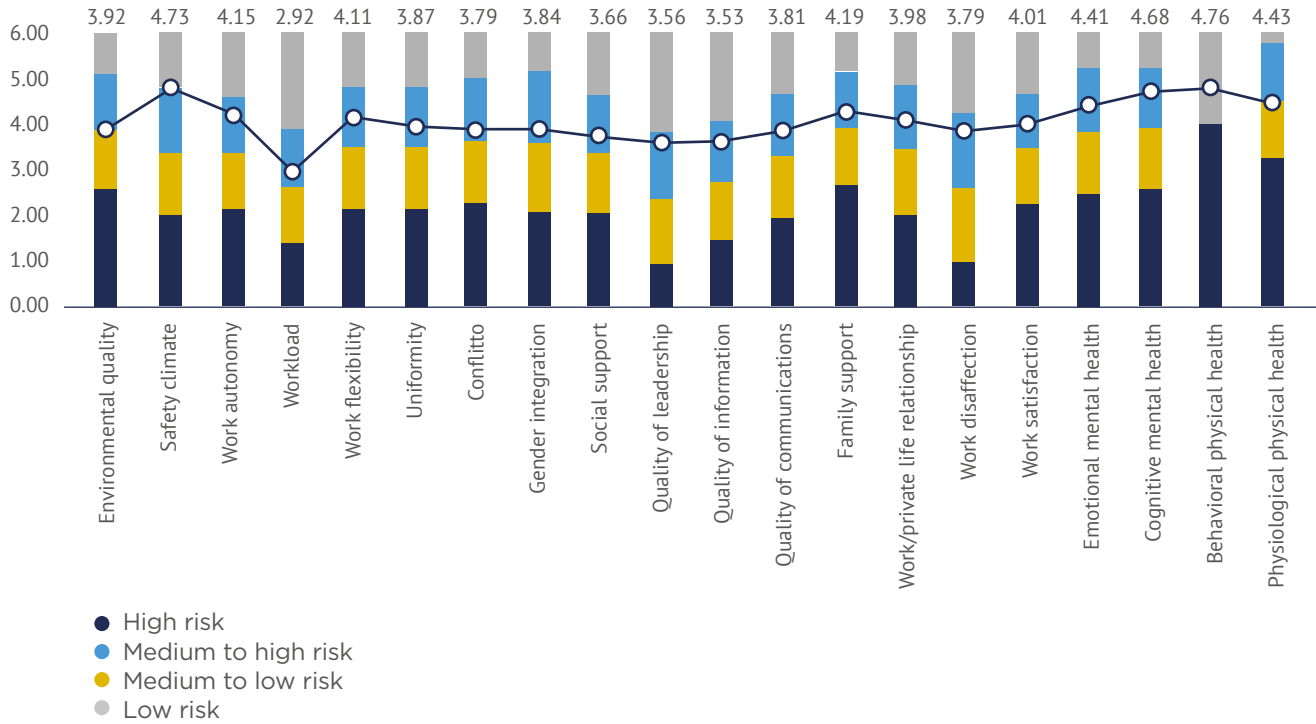
In May 2021 we performed an internal analysis, with the support of an occupational psychologist, on the risk of work-related stress, by assigning a questionnaire to 185 employees selected according to socio-demographic metrics representative of the company population. The

questionnaire proposed a series of statements referring to the working conditions and organizational dimensions of the company, with which to associate a perceived level of risk. Among the dimensions investigated were: environmental quality, work flexibility, workload,

work-life balance, mental and emotional health, etc..

The results of the questionnaire were in line with what was previously evidenced by the same analysis carried out in 2019 and placed all the investigated dimensions in a low or medium-low risk threshold.





The results were subsequently divided by professional category, highlighting for some categories a risk slightly below the medium-low threshold in some dimensions. Individual interviews were therefore carried out with workers belonging to these professional families to

understand the corrective actions to be taken. This analysis allowed us to confirm the positive results of the commitment made by our company in creating a comfortable work environment suitable for the development of resources.

Considering the overall positive outcome of the evaluation, we have decided, on the recommendation of the occupational psychologist who oversaw the survey, to maintain the analysis every two years, repeating it in 2023.

# 5.4

## COLLABORATIONS FOR TERRITORY DEVELOPMENT AND SUPPORT TO LOCAL COMMUNITIES

Our company is rooted in the Brescia area, where our path of value creation began and continues nowadays. We are therefore aware of the importance of establishing, maintaining and strengthening ties with local organisations every day, in order to create and share value for the benefit of our community.

### 5.4.1

#### OUR COLLABORATIONS

Our commitment to supporting the local area starts with collaborations with other companies in the metallurgical sector which, like us, were born and developed in the Brescia area. These collaborations

are a source of pride for our organisation, because they allow us to establish very important synergies with our stakeholders. Thanks to these synergies, the associations and consortia to which

we belong are able to enrich their know-how and return important innovations, research and common benefits for companies and for the territory itself.



WE COLLABORATE WITH LOCAL ORGANISATIONS TO CREATE VALUE FOR THE COMPANIES AND THE COMMUNITY



WE SUPPORT THE TERRITORY BY ESTABLISHING SYNERGIES THAT BRING BENEFITS AND INNOVATION



## CONFINDUSTRIA BRESCIA

We are members of Confindustria Brescia which, with more than 100 years of history, is among the oldest industrial associations in Italy whose mission is to represent and protect entrepreneurs and businesses in the Brescia area also through the creation of a solid integrated system of relationships with local stakeholders.

## RAMET

We are members of the Board of Directors of RAMET since 2005, an environmental research consortium to which 22 metallurgical companies in the province of Brescia adhere. As members of RAMET, we are committed to become a tangible and innovative example in the protection of the environment, conducting research and studies with the main universities in the area. Together with the other member companies, we have the specific objective of reducing the emissions of pollutants into the atmosphere by 50% and organic micro-pollutants by 80% compared to the limit values defined by law. Furthermore, we aim to: encourage an ever-greater recovery of waste, with the aim of not sending it for disposal; to reduce the further environmental impacts that metallurgical companies can generate on the territory; to promote the protection of the soil and subsoil.

## ASSOMET – ENVIRONMENT COMMITTEE

We are members of the General Council of ASSOMET, an association that represents Italian companies that produce and transform non-ferrous metals, precious metals and minor metals, for a total of about one thousand companies, employing 25 thousand workers. Founded in 1946 and part together with Confindustria and Federacciai of Confindustria Metalli, the Association is committed to safeguarding of the operating conditions of the sector in the energy, customs, fiscal and commercial policy fields, to obtain conditions of competitiveness comparable with those of the main European countries and of the competitors of the domestic industry. Furthermore, the Association works

in all its actions to enhance the full environmental sustainability of metals and of the industry that produces and transforms them, through constant attention to the circular economy, which can be achieved thanks to the infinite recyclability feature of metals.

Within ASSOMET we participate in the Environment Committee, which meets to follow the environmental regulations, relating to the management of solid waste, emissions into the atmosphere, water discharges, noise and health and safety at work. The Committee is dedicated to defending the interests of the category when drafting regulations and proposing technically feasible solutions relating to environmental topics.

## AIM – ITALIAN ASSOCIATION OF METALLURGY

AIM, founded in 1946, is a non-profit cultural institution, aimed at disseminating the science and technology of metallic materials and other materials for engineering, with the aim of encouraging the exchange of ideas and experiences between those who are interested in the development and deepening of knowledge in the field of metallic materials. The Association promotes meetings between producers, users and researchers, through events of greater visibility such as national and international conferences and workshops, seminars, courses and technical tours.

The contents of these meetings are developed thanks to the activity of its 18 Research Centres; in this context, we participate in the Environment & Safety Research Centre. The Centre is mainly aiming to investigate the content of the regulations in force and those in progress, to prepare analysis and research to understand where to intervene with training, and help with the organisation and plant engineering planning in compliance with the current and future regulation, also through the organization of days for the presentation of studies by experts in the field.

Finally, we are part of Green Metals Brescia, an alliance signed between 13 metallurgical companies from Brescia, which aims to replace natural gas with biomethane, obtained using agricultural waste. The alliance's objective is to reduce the consumption of natural gas for a total of between 50 and 100 million cubic meters by 2025.

# 5.4.2

## SUPPORT FOR LOCAL COMMUNITIES

We support and sustain various projects, through social inclusion initiatives, for developed communities in the area in which we operate.

We select the projects to join on the basis of three fundamental criteria. In fact, we want our contribution to be characterised by:

- **Relevance for the community:** every action must be characterized by its responsiveness to the needs and expectations of the community;
- **Inclusiveness:** we prioritise projects whose benefits extend to a large group of citizens;
- **Synergy:** for each action we seek maximum collaboration with local players, in order to combine resources and knowledge.

For years we have also made donations to promote the development of local organisations operating in the social sphere, such as parishes, sports associations, cultural associations and medical-scientific foundations. Between 2019 and 2020 we greatly expanded our system of donations, which reached a total of approximately €256,600 in 2021 thanks also to the policy of increasing grants and donations distributed in the same year. During 2022 we made donations for a value of approximately €100,200.

**+100,200€**  
TOTAL DONATIONS  
IN 2022



### OUR SUPPORT TO THE IEO-MONZINO ETS FOUNDATION

A part of our donations is intended in particular to support the IEO-MONZINO Foundation (European Institute of Oncology and Oncological Centre), a non-profit organization and the only foundation that exclusively and directly finances clinical research. For over 25 years, its goal has been to identify the best treatments and support innovative projects that make it possible to make more personalised treatments and increasingly effective diagnostic systems available to patients.



ATTENZIONE!  
Non toccare  
la macchina  
durante  
il ciclo di lavoro.  
ALMAG  
S.p.A. - Via S. Giovanni  
1 - 40014 - Sesto San Giovanni (BO)

MTR3  
SYN 3



# GRI INDICATOR TABLES

## 6

## GRI INDICATOR TABLES

## GRI 201-1: ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED

Economic value (euros)	2022 <sup>11</sup>	2021
<b>Economic value directly generated</b>	<b>426,933,870</b>	<b>395,593,601</b>
Operating costs	381,139,731	354,912,704
Employee wages and benefits	18,520,051	15,634,389
Payments to capital providers	11,011,242	10,325,262
Payments to the public administration	5,982,906	5,561,141
Investments in the community	100,200	256,600
<b>Economic value distributed</b>	<b>416,754,130</b>	<b>386,690,096</b>
<b>Economic value retained</b>	<b>10,179,740</b>	<b>8,903,505</b>

## GRI 2-7: EMPLOYEES

Employees by type of employment (n)	2022			2021		
	Men	Women	Total	Men	Women	Total
Full-time employees	196	16	<b>212</b>	191	17	<b>208</b>
Part-time employees	1	2	<b>3</b>	1	3	<b>4</b>
<b>Total</b>	<b>197</b>	<b>18</b>	<b>215</b>	192	20	<b>212</b>

## GRI 2-7: EMPLOYEES

Employees by type of contract (n)	2022			2021		
	Men	Women	Total	Men	Women	Total
Permanent employees	194	18	<b>212</b>	187	20	<b>207</b>
Temporary employees	3	0	<b>3</b>	5	0	<b>5</b>
Employees on call	0	0	<b>0</b>	0	0	<b>0</b>
<b>Total</b>	<b>197</b>	<b>18</b>	<b>215</b>	<b>192</b>	<b>20</b>	<b>212</b>

<sup>11</sup> Following the merger with Berna Ernesto S.p.A., all accounting data have fiscal and statutory effect backdated to 01/01/2022.

**GRI 2-8: NON-EMPLOYEE WORKERS**

<b>Non-employee workers (n)</b>	<b>2022</b>	<b>2021</b>
Temporary workers	4	17
<b>Total</b>	<b>4</b>	<b>17</b>

**GRI 405-1: DIVERSITY IN GOVERNMENT BODIES AND EMPLOYEES**

<b>Employees by category and by age (n)</b>	<b>2022</b>			<b>2021</b>		
	<b>Men</b>	<b>Women</b>	<b>Total</b>	<b>Men</b>	<b>Women</b>	<b>Total</b>
<b>Top Managers</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>2</b>
< 30	0	0	0	0	0	0
30-50	1	0	0	0	0	0
> 50	3	0	0	2	0	2
<b>Middle Managers</b>	<b>9</b>	<b>0</b>	<b>9</b>	<b>12</b>	<b>0</b>	<b>12</b>
< 30	0	0	0	0	0	0
30-50	6	0	6	8	0	8
> 50	3	0	3	4	0	4
<b>White Collars</b>	<b>52</b>	<b>18</b>	<b>70</b>	<b>59</b>	<b>20</b>	<b>79</b>
< 30	3	2	5	4	3	7
30-50	24	13	37	28	12	40
> 50	25	3	28	27	5	32
of which other (e.g., minorities or vulnerable categories) [invalids L. 68]	1	1	2	1	1	2
<b>Blue Collars</b>	<b>132</b>	<b>0</b>	<b>132</b>	<b>119</b>	<b>0</b>	<b>119</b>
< 30	30	0	30	25	0	25
30-50	71	0	71	63	0	63
> 50	31	0	31	31	0	31
of which other (e.g., minorities or vulnerable categories) [invalids L. 68]	7	0	7	7	0	7
<b>Total</b>	<b>197</b>	<b>18</b>	<b>215</b>	<b>192</b>	<b>20</b>	<b>212</b>



**GRI 405-1: DIVERSITY IN GOVERNMENT BODIES AND EMPLOYEES**

Members of the governing bodies (n)	2022			2021		
	Men	Women	Total	Men	Women	Total
<30	1	0	1	1	0	1
30-50	1	1	2	1	1	2
> 50	5	1	6	5	1	6
<b>Total</b>	<b>7</b>	<b>2</b>	<b>9</b>	<b>7</b>	<b>2</b>	<b>9</b>

**GRI 403-9: WORK-RELATED ACCIDENTS**

Recordable work-related accidents (n)	2022			2021		
	Men	Women	Total	Men	Women	Total
At work	8	0	8	5	0	5
In transit	1	0	1	1	0	1
<b>Total</b>	<b>9</b>	<b>0</b>	<b>9</b>	<b>6</b>	<b>0</b>	<b>6</b>
<b>Hours worked (h)</b>	332,358	33,933	<b>366,291</b>	363,268	31,300	<b>394,567</b>
<b>Work-related accident rate</b>	<b>27</b>	<b>0</b>	<b>26</b>	<b>17</b>	<b>0</b>	<b>15</b>

**GRI 404-1: AVERAGE HOURS OF ANNUAL TRAINING PER EMPLOYEE<sup>12</sup>**

Average hours of training by gender and professional level (h/n)	2022			2021		
	Men	Women	Total	Men	Women	Total
Top Managers	21	0	21	4	0	4
Middle Managers	54	0	54	34	0	34
White Collars	23	30	25	18	12	17
Blue Collars	17	0	17	9	0	9
Temporary workers	28	15	22	25	0	25
<b>Total</b>	<b>20</b>	<b>32</b>	<b>21</b>	<b>16</b>	<b>12</b>	<b>15</b>

<sup>12</sup> The data scope includes both employees and non-employees

**GRI 301-1: MATERIALS USED BY WEIGHT AND VOLUME**

<b>Materials used (t)</b>	<b>2022</b>	<b>2021</b>
<b>Virgin raw materials (non-renewable)</b>	12,012	14,573
<b>Reclaimed raw materials</b>	180,312	204,939
<b>Total</b>	<b>192,324</b>	<b>219,512</b>

**GRI 301-2: MATERIALS USED THAT COME FROM RECYCLING**

<b>Recycled input materials (t)</b>	<b>2022</b>	<b>2021</b>
<b>Total inputs used</b>	192,324.00	219,512.00
<b>Total input materials reclaimed used</b>	180,312.00	204,939
<b>Percentage of recycled input materials (%)</b>	<b>94</b>	<b>93</b>

**GRI 308-1: NEW SUPPLIERS ASSESSED USING ENVIRONMENTAL CRITERIA,  
GRI 414-1: NEW SUPPLIERS ASSESSED USING SOCIAL CRITERIA**

<b>Suppliers</b>	<b>2022</b>	<b>2021</b>
<b>New suppliers assessed through environmental criteria (n)</b>	0	1
<b>Total suppliers (n)</b>	<b>55</b>	<b>62</b>
<b>New suppliers assessed through environmental criteria (%)</b>	<b>0</b>	<b>2</b>
<b>New suppliers assessed through social criteria (n)</b>	0	0
<b>Total suppliers (n)</b>	<b>55</b>	<b>62</b>
<b>New suppliers evaluated through social criteria (%)</b>	<b>0</b>	<b>0</b>

**GRI 302-1: ENERGY CONSUMED WITHIN THE ORGANIZATION**

<b>Energy consumption (GJ)</b>	<b>2022</b>	<b>2021</b>
<b>Direct energy consumption</b>	<b>119,144</b>	<b>131,902</b>
<b><i>Of which from non-renewable sources</i></b>	<b>115,716</b>	<b>128,519</b>
Natural gas	113,107	125,757
Diesel	2,291	2,444
Coal	318	318
<b><i>Of which by car</i></b>	<b>1,388</b>	<b>1,264</b>
Diesel	1,004	1,004
Petrol	384	260
<b><i>Of which from renewable sources</i></b>	<b>2,039</b>	<b>2,129</b>
Self-produced solar energy	2,039	2,129
of which self-consumed	2,039	2,129
of which transferred to the network	0	0
<b>Indirect energy consumption</b>	<b>293,731</b>	<b>321,070</b>
Electricity purchased from non-renewable sources	293,731	321,070
<b>Total energy consumption</b>	<b>412,875</b>	<b>452,982</b>

**GRI 305-1: DIRECT GHG EMISSIONS (SCOPE 1), 305-2: INDIRECT GHG EMISSIONS (SCOPE 2)**

<b>GHG emissions (tCO<sub>2</sub>e)</b>	<b>2022</b>	<b>2021</b>
<b>Total direct emissions (Scope 1)</b>	<b>5,973</b>	<b>6,621</b>
From non-renewable sources (natural gas, diesel, coal)	5,876	6,532
From car (petrol and diesel)	97	89
<b>Indirect emissions (Scope 2) - location based</b>	<b>21,316</b>	<b>23,299</b>
<b>Indirect emissions (Scope 2) - market based</b>	<b>37,252</b>	<b>40,898</b>

**GRI 305-4: INTENSITY OF GREENHOUSE GAS EMISSIONS**

<b>Direct and indirect CO<sub>2</sub>e emissions (t)</b>	<b>2022</b>	<b>2021</b>
Direct emissions (Scope 1)	5,973	6,621
Indirect emissions (Scope 2) - location based	21,316	23,299
Total emissions	27,289	29,920
<b>Production (t)</b>	<b>180,312</b>	<b>204,939</b>
<b>Emission intensity</b>	<b>0.15</b>	<b>0.15</b>

**GRI 306-3: WASTE PRODUCED**

<b>Waste produced (t)</b>	<b>2022</b>	<b>2021</b>
Casting process waste	8,385	8,978
Lubrication waste	63	56
Purification process waste	178	206
Maintenance waste	195	277
Packaging waste	29	29
Absorbent waste	13	22
Pickling acid waste - from periodic maintenance	69	54
Other waste	71	218
<b>Total</b>	<b>9,003</b>	<b>9,840</b>

**GRI 306-4: WASTE NOT INTENDED FOR DISPOSAL**

<b>Waste destined for recycle from third parties (t)</b>	<b>2022</b>	<b>2021</b>
<b>Total hazardous waste</b>	<b>3,352</b>	<b>3,844</b>
Other Recycle Options	<b>3,352</b>	<b>3,844</b>
Solid	39	34
Powdery	1,542	1,693
Muddy	191	243
Liquid	1,580	1,874
<b>Total non-hazardous waste</b>	<b>5,280</b>	<b>5,536</b>
Other Recycle Options	<b>5,280</b>	<b>5,536</b>
Solid	268	296
Powdery	5,012	5,158
Muddy	0	0
Liquid	0	82
<b>Total</b>	<b>8,632</b>	<b>9,380</b>

**GRI 306-5: WASTE FOR DISPOSAL**

<b>Waste intended for disposal by third parties (t)</b>	<b>2022</b>	<b>2021</b>
<b>Hazardous waste</b>	<b>285</b>	<b>336</b>
Transfer to landfill	<b>285</b>	<b>336</b>
Solid	0.1	0.1
Powdery	0.3	0
Muddy	178	206
Liquid	107	130
<b>Non-hazardous waste</b>	<b>86</b>	<b>124</b>
Transfer to landfill	<b>86</b>	<b>124</b>
Solid	34	74
Powdery	1	0
Muddy	0	0
Liquid	51	50
<b>Total</b>	<b>371</b>	<b>460</b>

**GRI 303-3: WATER WITHDRAWAL, 303-4: WATER DRAIN, 303-5: WATER CONSUMPTION**

<b>Withdrawals, drains and consumption of water (MI)</b>	<b>2022</b>	<b>2021</b>
<b>Total water withdrawals - fresh water</b>	<b>174</b>	<b>183</b>
Groundwater	168	176
Third party water resources	6	7
<b>Total water drains - fresh water</b>	<b>95</b>	<b>112</b>
Surface water - CIS	95	112
<b>Total water consumption</b>	<b>79</b>	<b>71</b>

## GRI CONTENT INDEX

<b>Declaration of use</b>	Almag S.p.A. reported the information cited in this GRI content index for the period 01/01/2022 - 31/12/2022 with reference to the GRI Standards		
<b>GRI 1 used</b>	GRI 1: GRI Foundation 2021		
<b>GRI standards</b>	<b>Disclosure</b>	<b>Reference paragraph</b>	<b>Pages</b>
2-1	Organisation details	1.1.	13
2-2	Entities included in the Company's Sustainability Report	Methodological note	8
2-3	Reporting period, frequency and contacts	Methodological note	8, 88
2-4	Processing of information	Not applicable as this is the first Sustainability Report of Almag S.p.A.	
2-5	External certification	The Sustainability Report is not subject to external audit	
2-6	Activities, value chain and other business relationships	1.1., 1.3., 3.4.	13-14, 16-17, 41
2-7	Employees	5.1., 6.	60-61, 77
2-8	Non-employee workers	5.1., 6.	60, 78
2-9	Governance structure and composition	3.2.	37-38
2-22	Statement on the sustainable development strategy	Letter to stakeholders	7
2-27	Compliance with laws and regulations	During 2022 there were no episodes of non-compliance with laws and regulations	34
2-28	Association membership	5.4.1.	73
2-29	Approach to stakeholder engagement	2.1.	20-21
3-1	Process for determining material topics	2.2.	22-23
3-2	List of material topics	2.2.	24-25

GRI standards	Disclosure	Reference paragraph	Pages
3-3	Management of material topics	3.1., 3.1.1., 3.3., 3.4., 4.1.1., 4.1.2., 4.1.3., 5.1., 5.2., 5.3.1., 5.3.2., 5.4.2.	34-35, 36, 39-40, 41-43, 49-51, 52-53, 54, 58-61, 62-63, 64-66, 67-71, 74
201-1	Economic value directly generated and distributed	3.1.1., 6.	36, 77
205-3	Confirmed incidents of corruption and actions taken	No incidents of corruption were recorded in 2022	34
301-1	Materials used by weight or volume	6.	80
301-2	Materials used that come from recycling	3.4., 6.	41, 80
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303-1	Interaction with water as a shared resource	4.1.3.	54
303-2	Management of impacts related to water discharge	4.1.3.	54
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303-4	Water drain	4.1.3., 6.	54, 83
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305-2	Indirect GHG emissions from energy consumption (Scope 2)	4.1.1., 6.	50-51, 81
305-4	Intensity of greenhouse gas emissions	4.1.1., 6.	50, 81
306-1	Waste production and significant impacts associated with waste	4.1.2.	52-53
306-2	Management of significant impacts associated with waste	4.1.2.	52-53
306-3	Waste produced	4.1.2., 6.	52, 82
306-4	Waste not intended for disposal	4.1.2., 6.	53, 82
306-5	Waste for disposal	4.1.2., 6.	83
308-1	New suppliers assessed using environmental criteria	3.4.	42, 80

<b>GRI standards</b>	<b>Disclosure</b>	<b>Reference paragraph</b>	<b>Pages</b>
401-2	Benefits provided for full-time employees, but not for part-time or temporary employees	5.3.2.	67
403-1	Health and Safety at Work Management System	5.3.1.	64-65
403-2	Hazard identification, risk assessment and accident investigation	5.3.1.	66
403-4	Participation and consultations of workers and health and safety communication	5.3.1.	66
403-5	Health and safety training	5.3.1.	66
403-6	Promotion of workers' health	5.3.2.	67-69
403-7	Prevention and mitigation of health and safety impacts within commercial relationships	5.3.	64-71
403-9	Work-related accidents	5.3.1., 6. The recordable work-related accident frequency rate for non-employee workers is not reported, as for the first year of reporting, the data on the total hours worked by them is not available.	65, 79
403-10	Occupational illnesses	5.3.1.	66
404-1	Average hours of training by employee category	5.2., 6.	62, 79
405-1	Diversity in government bodies and employees	3.2., 5.1., 6.	38, 60-61, 78-79





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Editorial Project Coordination: Barbara Tortelli  
Artistic direction and graphic design: COMMON