

2023
SUSTAINABILITY
REPORT

WE
SHAPE THE
FUTURE.

ALMAG

**2023
SUSTAINABILITY
REPORT**

**WE
SHAPE THE
FUTURE.**



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LETTER TO STAKEHOLDERS

We are pleased to publish the second edition of Almag's Sustainability Report. We are continuing the route of transparency, sharing, and open dialogue with all of our stakeholders by voluntarily choosing to report on our sustainability goals and commitments for the second year in a row.

Through this document, we renew our commitment to creating value for people, the environment and our community.

We intend to continue to tell what it means for us today to be a company that operates in the metallurgical sector and that places sustainability at the centre of its daily actions. This also means telling what the directions of our development are, i.e. those that allow us not only to give shape to value, but to give shape to the future, aiming for responsible and careful growth.

In 2023, we were able to take several steps forward in relation to important sustainability subjects, the definition process of which, with a view to dialogue and sharing, this year also

involved some of our external stakeholders.

In particular, we remain committed to the development and evolution of a business model based on the three ESG strategic pillars: environmental, social and governance.

We choose all of the specific technologies and processes that allow us to innovate and innovate, preserving resources and reducing environmental impact. We prioritise environmental impact when making decisions and investments. Our production model is based on a circular economy, which includes responsible water use and energy efficiency initiatives.

At Almag, we consider people as a key factor in creating value and for this reason we

are committed to establishing solid and long-lasting bonds with our collaborators, while also providing a safe working environment and supporting a healthy and balanced lifestyle.

Ultimately, the responsible management of our operations rests on our values and our governance model. Together, they enable us to create a future that is consistent with who we are.

At Almag, we will maintain our commitment to fostering positive change and promoting well-being in society through the synergistic contribution of all employees. We will share commitments, responsibilities, and outcomes with all involved parties in our daily actions.

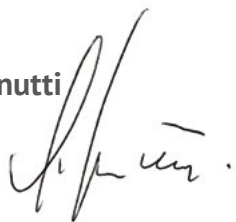
Almag is committed to ensuring that its daily operations,

which are made possible by the collective efforts of all employees, result in positive change and contribute to the well-being of the society we live in by sharing results, responsibilities, and commitments with all parties involved.

Trusting in the clarity and transparency of the contents here presented,

we wish you a good read.

Gabriele Gnutti
Chairman





METHODOLOGICAL NOTE

This document is the second edition of the Almag S.p.A. Sustainability Report, the scope of which is to share the activities, project and results achieved during 2023 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 “*in accordance with*” 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 internal and external stakeholders 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 data reporting perimeter corresponds to that of the Company's Financial Statements for the fiscal year ended 31 December 2023. Compared to the previous edition of the Sustainability Report, the perimeter includes, starting from

2022, the two Lumezzane plants which were acquired in October of the same year, through merger by incorporation with the company Berna Ernesto S.p.A.

The Sustainability Report refers to the period from 1 January to 31 December 2023 and provides a comparison with the data relating to the financial year 2022 and 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



2023 HIGHLIGHTS

€312 Mln

ECONOMIC VALUE
GENERATED

269

EMPLOYEES

165

SAFETY, ENVIRONMENT
AND NEAR MISS REPORTS

€142,785

IN DONATIONS

99%

PERMANENT-TERM
EMPLOYEES

5,088

HOURS OF TRAINING
PER YEAR

93.1%

INPUT RAW MATERIAL
DERIVING FROM
RECYCLING

94%

WASTE INTENDED
FOR RECYCLING

-11.5%

TOTAL CARBON
FOOTPRINT COMPARED
TO 2022

49%

OF SUPPLIERS
ARE LOCALIZED
IN ITALY

30

LOCAL ACTIVE
AGREEMENTS
FOR OUR EMPLOYEES

0

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





WE SHAPE THE FUTURE

We believe in a future where growth, passion and responsibility come together to create lasting value and inspire change.

We look to the future with confidence and commitment to quality. Our dedication extends excellence: we shape the future through innovative business choices, motivated by the belief that sustainability is a prerequisite for progress. Every stride we take together is dotted with initiatives that guide us in the present and outline our path towards change, without losing sight of our history.

Sustainability is our shared commitment, the unifying thread that drives all of our operations. We shape the future together, leaving a valuable legacy for the environment and future generations.

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 the Holding Umberto Gnutti (HUG S.p.A.) began in **1860** in the industrial estate of Lumezzane, in Brescia, where the Gnutti family started their business with the production and hot-pressing of copper and aluminium alloys. From this initial activity, the business was then expanded thanks to various shareholdings and acquisitions over the years, thus giving rise, in **2011**, to HUG S.p.A.

We founded Almag in **1946**, starting the production of non-ferrous alloys for hot-pressing in **1954**. About a decade later, more precisely in 1966, we began to specialise in the production of bars and rods.

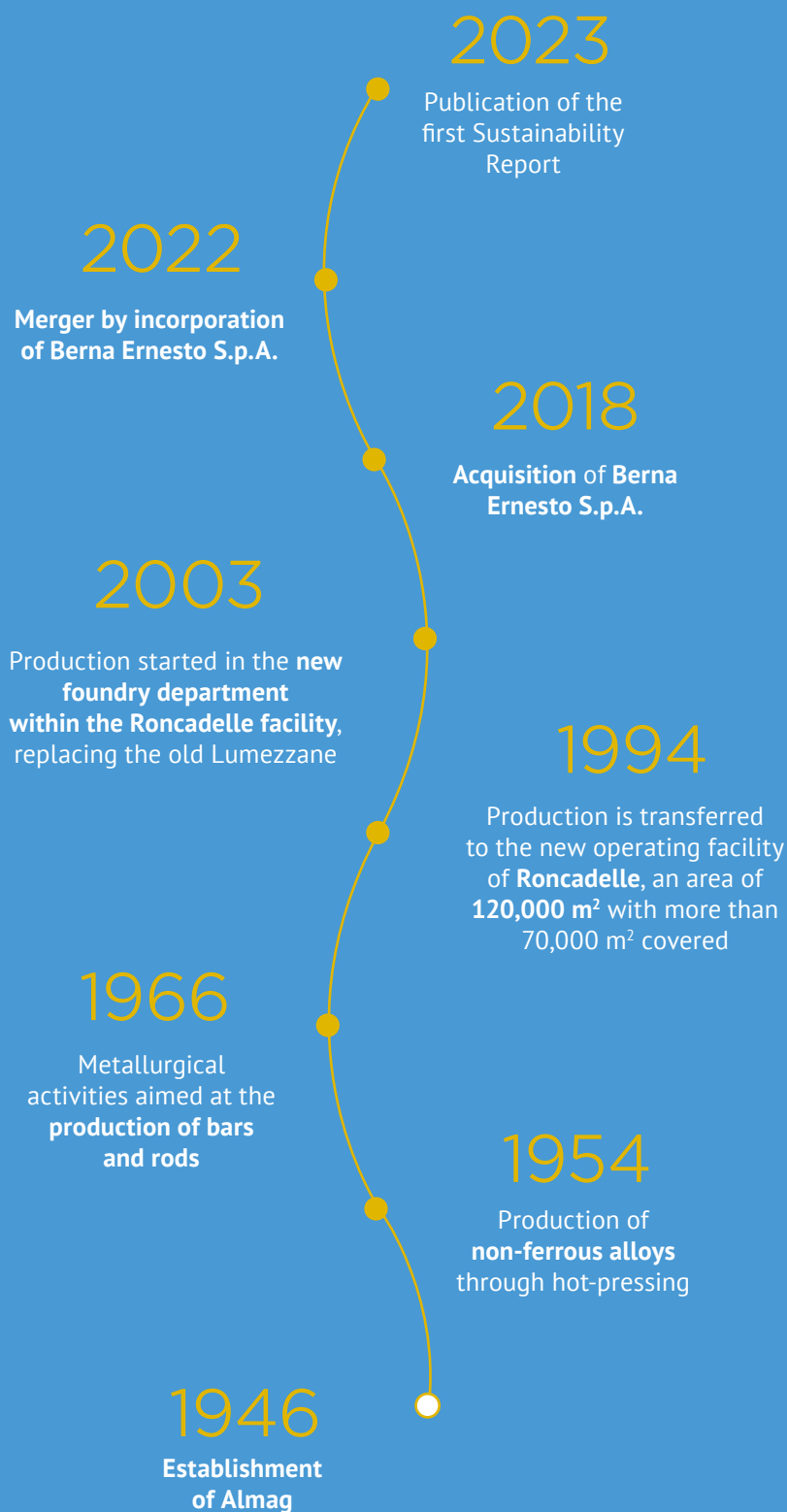
Today our company is leading the production and sale of brass rods, as well as one of the main Italian players in the metallurgical industry.

A big change in the history of our company took place in 1994, with the transfer of production to Roncadelle, an area of 120,000 m² of which over 70,000 m² were covered. A few years later, in 2003, the new foundry department was launched in this complex replacing the old Lumezzane plant.

2022 marks another important moment for our growth, with the merger by incorporation of Berna Ernesto S.p.A., wholly-owned by

Almag, which produces hollow brass rods. This company will then become **Almag Lumezzane**, made up of two plants located in the municipality of the same name.

In **2023** we continued our activity in continuity with the previous year, working to complete the integration of the merger. Furthermore, we have reached a fundamental milestone in our history, with the publication of our first Sustainability Report, a document that allows us to communicate our activities, performance and objectives to our stakeholders, in full transparency.



1.2

OUR MISSION AND OUR VALUES

“When you have such a long history, it is impossible to disregard it.”

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

We have always known what our goals 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 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.



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.



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.



CONTINUOUS RESEARCH

Aware that a good performance does not exist without making mistakes, it is precisely by recognising the latter and identifying our weaknesses that we have achieved our most important results and therefore improved our quality. In Almag we summarise in the three pillars the concept of quality, supporting the ways in which we work: “Service flexibility”, “Accuracy in the method” and “Innovation”. We rely on **continuous research** to tackle the new challenges that the market poses and which often require drastic and sudden changes.



Embracing our core values has driven our company's growth and development while maintaining quality and specialisation. In fact, we assure our customers:

SERVICE FLEXIBILITY

thanks to new solutions that adapt to market demands and the ability to respond to customer needs in a timely manner. Thanks to the sizing of the finished product warehouse, we are always ready to respond to customer requests with an excellent level of service, maintaining a broad and flexible offering.

ACCURACY IN THE METHOD

which occurs thanks to the attention paid to the surface quality, dimensional tolerances and straightness of our rods and semi-finished products, maximising efficiency and reducing errors and imperfections to a minimum through the use of some of the most automated systems in the sector, a highly cutting-edge casting, extrusion and drawing processes, to which the human component is added through the direct control of our specialised operators.

INNOVATION AND RESEARCH

which allow us to keep pace with a continuously evolving market, thanks to the pursuit of continuous improvement and the ambition to create what does not exist today, with the aim of living up to the most stringent expectations: our own.

1.3

OUR PRODUCTION PROCESS

Our core business focuses on the production of semi-finished brass products for **machining** and **forging**, which are then processed by our client companies to create finished components for the hydraulic, construction, automotive and electromechanical sectors.

Our portfolio is made up of three main types of products:

- **Solid brass rods for machining**, suitable for various mechanical processes, with high standards of straightness and surface quality. The particular consistency of the chemical composition reduces tool wear and allows rapid setting times as the production batch varies;
- **Hollow brass rods for machining**: standard semi-finished and custom-made, both regarding the internal and external profile;
- **Brass rods for forging**: intended for hot plastic deformation with characteristics able to maximise the properties of the forged component in terms of durability, aesthetics and functional qualities. They also guarantee high performance in a wide range of uses, both in the forging phase and the mechanical processing phase.

Our production process features the following processing stages:



1. SUPPLY OF MATERIALS

The production process begins with the receipt of the material which will be processed in the subsequent phases, mainly composed of scraps coming from the processing of our bar by us and our customers, recovered material (shavings from turning, burrs from pressing, etc.), copper scrap and, to a minimum part, raw material. Once in the factory, this material is qualitatively checked in the laboratory and stored according to the category it belongs to.

2. PREPARATION OF THE SHAVINGS

Before being introduced into the oven, the shavings are washed in an innovative turning washing system, which separates the emulsion from the turning, in order to guarantee the quality of the metal bath and avoid the release of pollutants into the air during the process.



3. FIRST STAGE OF THE CASTING

The material is analysed in the laboratory, and then sent to three electric smelting furnaces, in conformity with the state diagrams of the individual alloys produced.

4. SECOND STAGE OF THE CASTING

In this stage the material is poured from the smelting furnaces to the holding furnaces which in turn load the continuous casting furnaces.

The metal, undergoing the primary cooling stage into the ingot mould and subsequently with nebulised water, solidifies in the form of billets.

5. EXTRUSION

The billets cut to the conventional size of 2 metres and stored in the automated warehouse are recalled to the next department according to the production program and introduced into methane furnaces to be heated. They are then sent to the extrusion presses from which they emerge in the form of rods or coils.



6. SHIPPING TO WAREHOUSE

All of the material processed is then collected and shipped to the coils and rods warehouse.

7. POSSIBLE PICKLING

In some cases, the rods and coils are subjected to a chemical treatment aimed at removing the surface oxide layer and removing the impurities resulting from the previous processes.

8. DRAWING

Rods and coils are drawn in order to achieve the dimensions, length and desired finish on the end.

9. STORAGE AND SHIPMENT

The finished product is labelled with a mnemonic code to be stored in the automated warehouse while waiting for shipments to be planned both for Italy and abroad.





A VALUABLE FUTURE

We believe collaboration is the key to creating lasting value. For this reason, we promote an open and inclusive dialogue.

Through an open dialogue with our stakeholders, we identify the challenges ahead, the requirements of our team members and the opportunities for growth, developing solutions that will benefit everyone. A specific example of our dedication is the active participation of internal and external stakeholders in revising the materiality analysis. This participative approach has enabled us to define our priorities in a more synergistic and precise manner, as well as to establish initiatives that create value for people, the environment in which we operate, and the community in which we live.

A valuable future begins with listening, continually monitoring expectations, needs and opinions.

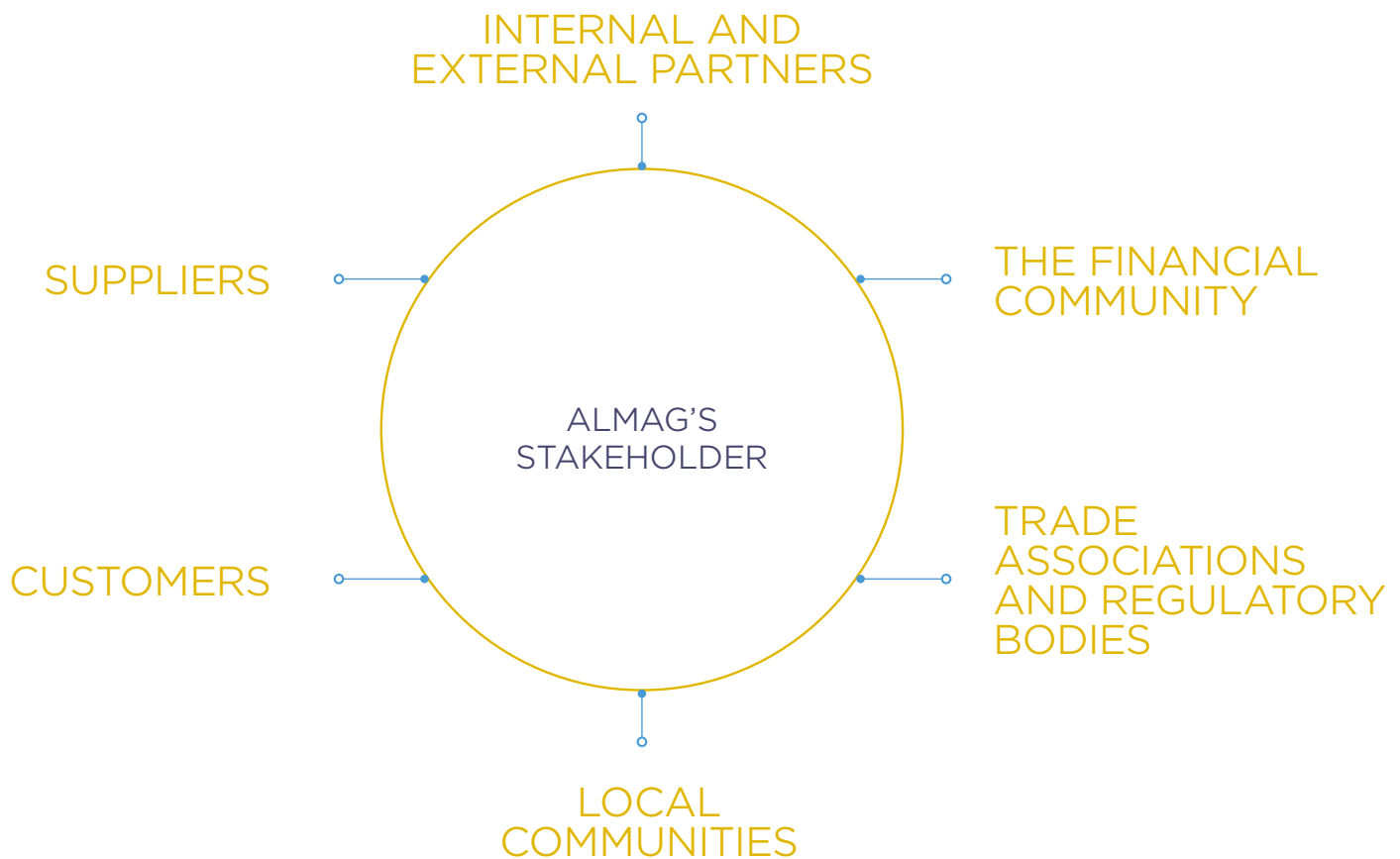
2.1

DIALOGUE WITH OUR STAKEHOLDERS

At Almag, the creation of value starts precisely from **listening to our stakeholders**, since they play a vital role in the execution of our activities.

Involving and communicating directly with stakeholders is essential for understanding whether we are pursuing the right path, for recognising the most relevant impacts of our activities, for receiving feedback on our work, and for becoming aware of their wants and expectations.

To establish an effective **engagement strategy**, it is critical to remember who our reference stakeholders are and define the most appropriate channels to involve them, regularly monitoring their expectations, requirements, and opinions.



The work of our Company is based on the creation of solid and long-lasting relationships based on trust. Therefore, we invest in an open and consistent dialogue as a precious source of information, input and ideas responding effectively and efficiently to the needs of the territory.

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 and strengthened relationships with our stakeholders through multiple channels of dialogue considered among the most effective based on the category of stakeholder involved:

CATEGORY OF STAKEHOLDER	METHOD OF INVOLVEMENT
 INTERNAL AND EXTERNAL COLLABORATORS	<ul style="list-style-type: none"> • Internal communications • Documents shared through corporate communication methods • Corporate Intranet • Education and Training • Company LinkedIn page • Making the Sustainability Report available via the intranet and company website
 CUSTOMERS	<ul style="list-style-type: none"> • Dialogue and ongoing relationship through the Commercial function • Company LinkedIn page • Company Interactive website with dedicated customer section • Reporting and accountability • Visits to our company headquarters • Making the Sustainability Report available via the intranet and company website and distribution
 SUPPLIERS	<ul style="list-style-type: none"> • Dialogue and ongoing relationship through the Purchasing function • Ad hoc meetings • Company LinkedIn page • Exchange and involvement through audit activities • Communication of our values during the contractual phase and its subsequent renewal • Making the Sustainability Report available via the company website and LinkedIn page and distribution
 THE FINANCIAL COMMUNITY	<ul style="list-style-type: none"> • Company website • Company LinkedIn page • Dedicated meetings • Institutional communications • Making the Sustainability Report available via the company website and LinkedIn page and distribution
 LOCAL COMMUNITIES	<ul style="list-style-type: none"> • Collaborations with non-profit foundations and organisations • Company website • Company LinkedIn page
 TRADE ASSOCIATIONS AND REGULATORY BODIES	<ul style="list-style-type: none"> • Constant dialogues between the parties • Formal meetings and get togethers • Participation in working groups of Confindustria and other trade associations for the development of environmental culture and safety in the workplace¹.

¹ For specifics on participation in working groups of Confindustria and other trade associations, please refer to the SOCIAL - CREATING VALUE FOR OUR PEOPLE chapter of this Sustainability Report.

2.2

MATERIALITY ANALYSIS

Taking into consideration stakeholders' expectations regarding our sustainability guidelines and priorities is of primary importance for us. Therefore, after having conducted the first materiality analysis in 2022, we have updated it in 2023 through the direct involvement of some significant categories of stakeholders.

The **materiality analysis** helps to identify the material topics, i.e. the priorities on which to focus our company's initiatives of sustainability and which constitute the heart of this reporting.

Such analysis has been 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 pursued by the organisation.

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

UNDERSTANDING THE COMPANY CONTEXT

Through the analysis of the main sector trends and a benchmarking activity, we have analysed the main documents published by the most

important international organisations on sustainability topics in our sector documents published by the most important international organisations on sustainability topics in our sector and we have identified the relevant aspects for the company, taking into consideration our business relations and activities, the context in which we operate and the expectations of stakeholders.

IDENTIFICATION OF POSITIVE AND NEGATIVE IMPACTS

We have mapped the current and potential, positive and negative impacts that our company generates or could generate on the economy, environment and people.

EVALUATION OF THE SIGNIFICANCE OF THE IMPACTS

Different categories of stakeholders were involved to evaluate the significance of the topics and their impacts.

PRIORITIZATION OF THE TOPICS AND THEIR IMPACTS

The analysis of the results that emerged from the involvement of stakeholders made it possible to confirm the significance of the company's material topics.



STAKEHOLDER INVOLVEMENT

In 2023 we consulted with various internal and external stakeholders who were deemed particularly sensitive to sustainability topics in order to collect their perspectives on the significance of our material topics and their associated impacts.

Through an online questionnaire, we asked suppliers, customers, and internal collaborators of the front-line questions intended at strengthening their point of view about our dedication to the environment, as well as presenting the topics that are important to us and their associated impacts.

From the results it emerged that 82% of respondents are aware of our initiatives related to sustainability issues and are aware of the Sustainability Report published in 2022 as a communication tool for our environmental and social performance.

Involving stakeholders was an essential step to continue on our sustainable path and achieve our goals, as the themes and related impacts we identified as material were confirmed and no new aspects to examine were reported.

In particular, the topics subjected to evaluation were confirmed as material according to the following order of relevance:

- CIRCULARITY AND WASTE MANAGEMENT
- MANAGEMENT OF WATER RESOURCES
- HEALTH AND SAFETY AT WORK
- DEVELOPMENT AND EMPOWERMENT OF PEOPLE
- TACKLING CLIMATE CHANGE AND POLLUTION
- SUSTAINABLE GROWTH
- PRODUCT QUALITY AND INNOVATION
- RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN
- HEALTH AND WELL-BEING
- DIVERSITY AND INCLUSION
- ETHICS, INTEGRITY AND TRANSPARENCY
- SUPPORTING LOCAL COMMUNITIES

● Environment ● Social ● Governance





Each of the themes was eventually grouped into our three action lines: **Environment**, **Social**, and **Governance**. They are all reported in our Sustainability Report.

Among the most relevant aspects emerged from the 2023 Materiality Analysis:



The new list of material topics, although consistent with those identified during the first year of reporting, contains changes that reflect the evolution of our company and our attention to sustainability topics.

In particular, the "**Tackling climate change**" topic has undergone an update aimed at including not only the impacts associated with the production of greenhouse gas emissions, but also those relating to all pollutants that can potentially be released into the atmosphere through company activities.

This topic, which is adequately monitored inside our company, is consistent with our goal to make communication with our stakeholders as transparent and effective as possible. As a result, it has been renamed "**Tackling climate change and pollution**".

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



ENVIRONMENT

TACKLING CLIMATE CHANGE AND POLLUTION

Making a commitment to reduce energy consumption and the production of GHG (greenhouse gas) emissions and other emissions into the atmosphere, thanks to a more efficient use of energy sources, the utilisation of renewable energy and the research for technological solutions aimed at containing the release of potentially polluting substances into the atmosphere.

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 and 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 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

Last year, we set short- and medium-term targets based on our commitment to creating value through our pillars of **Environment**, **Social**, and **Governance**.



Our plan, **Sustainable Almag**, conveys the notion that our company's responsibility cannot be confined to excellence in production, but must also be characterised by sustainable growth that is attentive to the entire community. The goals that we have set and are committed to achieving are intended

to be further evidence that the generation and sharing of value are becoming increasingly important for our company, as well as the effort undertaken to pursue economic and social development and the general well-being of our people and the communities in which we operate.

Sustainable Almag is inspired by the United Nations 2030 Agenda and its **Sustainable Development Goals** (SDGs), which were developed to address the main global challenges in the economic, social, and environmental domains. In particular, we are committed to contributing to the achievement of **8** of the 17 SDGs.



ENVIRONMENT

CREATING VALUE BY REDUCING OUR IMPACT ON THE ENVIRONMENT AS MUCH AS POSSIBLE

For us, this means preserving the planet and safeguarding environmental capital for future generations:

- Committing to reduce energy consumption thanks to efficiency actions and the use of energy from renewable sources
- Reducing greenhouse gas emissions from year to year
- Constantly monitoring and reducing polluting emissions, in order to preserve and contribute to improving air quality
- Reducing the amount of waste produced and giving production residues a new life
- Promoting the responsible use of water resources through reuse actions and gradually reduction of its consumption



OUR GOALS

2022 GOAL

2023 STATUS

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	⊙
Build a baseline for calculating Scope 3 emissions	✓
Activating emission offsetting initiatives	...
Continuing with the implementation of the information program to promote environmentally sustainable behaviour	✓
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	...

✓ Realised

☆ Planned

... In planning phase

⊙ In progress



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
- Promoting the well-being of our employees and collaborators,
- including outside the working environment
- Promoting inclusiveness and the valorisation of diversity
- Enhancing our employees' potential through training and up-skilling programmes
- Contributing to the development of communities by establishing and strengthening synergic collaborations in support of the growth of the territories

OUR GOALS

2022 GOAL

2023 STATUS

Providing a program for the implementation of information and awareness activities regarding Health and Safety at work



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



Preparing a training program for different corporate categories on sustainability topics



Including training and development programs for professional families



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



Organising voluntary activities in the area involving employees



Further supporting educational projects in local communities



 Realised

 Planned

 In planning phase

 In progress



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 the materials
- Guaranteeing the highest quality and service standards for our customers
- Guaranteeing the continuity and responsible growth on the business
- Promoting the dissemination of sustainability practices along our supply chain



OUR GOALS

2022 GOAL	2023 STATUS
Drafting a Sustainability Policy	
Preparing a procedure dedicated to sustainability reporting	
Jointly assessing the corporate risks by creating a Risk Management system with ISO, ERM, and ESG aspects	
Formalising roles and responsibilities on the subject of risk management	
Introducing the ESG criteria during the selection and certification of all suppliers	
Carrying out an ESG risk assessment on the supply chain	
Building an <i>ad hoc</i> 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	
Adopting a platform dedicated to ESG aspects	

Realised

Planned

In planning phase

In progress

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 and sharing long-term value.





The background of the entire image is a dense, repeating pattern of gold-colored compact discs (CDs) or DVDs. The discs are arranged in a grid-like fashion, with their reflective surfaces catching the light, creating a shimmering, textured effect. A large, semi-transparent white circle is centered over the image, serving as a container for the text.

2023 HIGHLIGHTS

€312 Mln

ECONOMIC VALUE
GENERATED IN 2023

0

CORRUPTION
EPISODES

0

NON-COMPLIANCE
WITH LAWS AND
REGULATIONS EPISODES

A RESPONSIBLE FUTURE GOVERNANCE

A responsible future requires the sound, reliable management of the business, aimed at service and actively committed to sustainability and innovation.

Conscious of this challenge, we undertook a process aimed at improving our corporate practices, implementing virtuous solutions focused on improving our impact on the planet and on society. The extensive use of materials from recovered sources and the constant devotion to striving to improve the safety and sustainability of products are tangible examples of our commitment.

We operate ethically and transparently, aware that the value created now could contribute to a more ecological future that benefits everyone.

MATERIAL TOPICS

ETHICS, INTEGRITY
AND TRANSPARENCY

SUSTAINABLE
GROWTH

PRODUCT QUALITY
AND INNOVATION

RESPONSIBLE
MANAGEMENT OF
THE SUPPLY CHAIN



3.1

ETHICAL CONDUCT OF OUR ACTIVITIES

Considering the large number of stakeholders whom we have relations with and the area in which we operate, it is vital for us that all activities along the entire chain of value are carried out in **full compliance with EU and national laws**, as well as in conformity with the principles of **good faith, fairness, integrity and honesty** and in the interests of all collaborators, customers, suppliers, shareholders and commercial and financial partners.

We place conducting business at the base of the ethical values that support disseminating an image of **reliability, fairness and transparency** of the activities carried out and pursuing the goals set.

We adopt this approach to strive for excellence and to establish and maintain virtuous relations with companies and stakeholders. Keeping the ethical conduction of activities constantly and appropriately monitored meant that in **2023** as well there was not a single episode of non- conformity with the rules and regulations and there were also no incidents of corruption, in line with the previous three-year period.

In order to ensure the ethical management of our activities, we refer to the guidelines, rules and fundamental principles established in the documents listed below:

CODE OF ETHICS AND CONDUCT

Our **Code of Ethics and Conduct** which, until now, has represented the

baseline of the behaviour principles and rules that every recipient should follow in carrying out their activities, was approved by the Board of Directors for the first time in 2012 and was then subject to five updates.

As described in the Code of Ethics, we base our way of acting in compliance with the following general ethical principles:

- **Respect for the law, honesty, discipline and integrity:** we base carrying out our activities on compliance with national, EU and international legislation and we reject any illegal practices;
- **Impartiality, fairness and non-discrimination:** we consider impartial treatment and fairness to be fundamental values in conducting all relations within and outside of the company. We oppose, reject and sanction any attitude that is even only apparently discriminatory, with regard to gender, race, language, religion, political opinion, personal and social conditions;
- **Respecting employees, collaborators and people:** we respect and we

safeguard the values and rights of individuals, ensuring compliance with them and fundamental human freedoms, complying with the principle of equality and no discrimination and orderly coexistence in the workplace;

- **Transparency, reliability and confidentiality:** we are committed to provide complete, transparent, comprehensible and accurate information, so that those who intend to have relations with the company are able to take independent and informed decisions. We guarantee the confidentiality of information in our possession and we refrain from searching for confidential data, except in the case of express, informed authorisation in conformity with applicable legislation;
- **Diligence and thoroughness in performing business activities and professional services:** in order to carry out our business activities guaranteeing a high-quality performance, our collaborators deliver professional services with maximum diligence and thoroughness;

- **Fair competition:** we carry out our business activities respecting fair competition, the fundamental value for the development of the market and for safeguarding the interests of consumers and communities;
- **Image:** we are committed to disseminating, sharing and observing the ethical principles established in the code, in order to protect and develop our image and reputation.

In the Code of Ethics, in addition to the general principles, there are also specific principles, which stress the importance attributed by our company to the presence of motivated, professional human resources; these principles confirm our attention to respecting individuals and our commitment when operating to ensure equal treatment with no discrimination. These specific principles involve:

- **Relations with employees;**
- **Relations with collaborators and consultants;**
- **Relations with customers and suppliers;**
- **Relations with shareholders;**
- **Relations with the Public Administration;**
- **Relations with competitors;**
- **Relations with the community;**
- **Conflict of interests.**

In addition, taking into consideration the specific professional contents and particular responsibilities of the role of an Executive, in **2023** we also updated the **Disciplinary Code for Executives**.

ORGANISATION, MANAGEMENT AND CONTROL MODEL

We have had an **Organisation, Management and Control Model (MOGC)** for many years in order to reduce the risk of committing the offences covered by Legislative Decree 231/2001.

This Model ensures that all relations and all activities pursued by the company are carried out in accordance with the principles of fairness and lawfulness and allows all stakeholders to notify the Supervisory Body of any event or situation with a risk of offence. Adopting the Model effectively allows our corporate governance to be improved, as well as preventing the risk of committing the offences included therein.

Whistleblowing

To enable the reporting of violations of the MOGC, a dedicated procedure was formalised a while ago. It is known as the **"Procedure for reporting violations (Whistleblowing)"**.

The reports can be made by anyone, through a dedicated online platform which, since July of this year, guarantees the total anonymity of the whistleblower in compliance with the legal requirements on the subject of privacy. The platform allows whoever has become aware of offences or unlawful acts where the company or one or more collaborators are involved, to report them to the manager, following the methods set out in the procedure. The reports received are evaluated by the designated manager who, after verifying the merits underlying the

precise, consistent facts, decides whether to launch an investigation in this regard.

The new reporting management system (whistleblowing) adopted by Almag, is in line with the most recent updates of Legislative Decree 231/2001, introduced following the implementation by the Italian legal system of EU Directive 2019/1937 through Legislative Decree 24/2023. We have provided training on the issue to all employees, in order to make them aware of the above-mentioned new features; we have also taken the opportunity to take an in-depth look at the related issue of cybersecurity and concrete aspects of daily routine.

THE SUPERVISORY BODY

The body with supervisory and control functions (SB) checks that the **Organisation, Management and Control Model** is observed correctly and effectively. The SB has prepared a specific regulation that governs correct operation, compliance with existing legislation and related fulfilment. This regulation makes it possible to carry out checks, before and after, in relation to the correctness of the operations carried out.

The Supervisory Body is composed of three members belonging to technical and legal-financial professional categories, with one of them acting as chairman. The appointments are established by the Board of Directors and they are obligated to meet at least three times a year, as well as every time the chairman receives a request from at least one member.

3.1.1

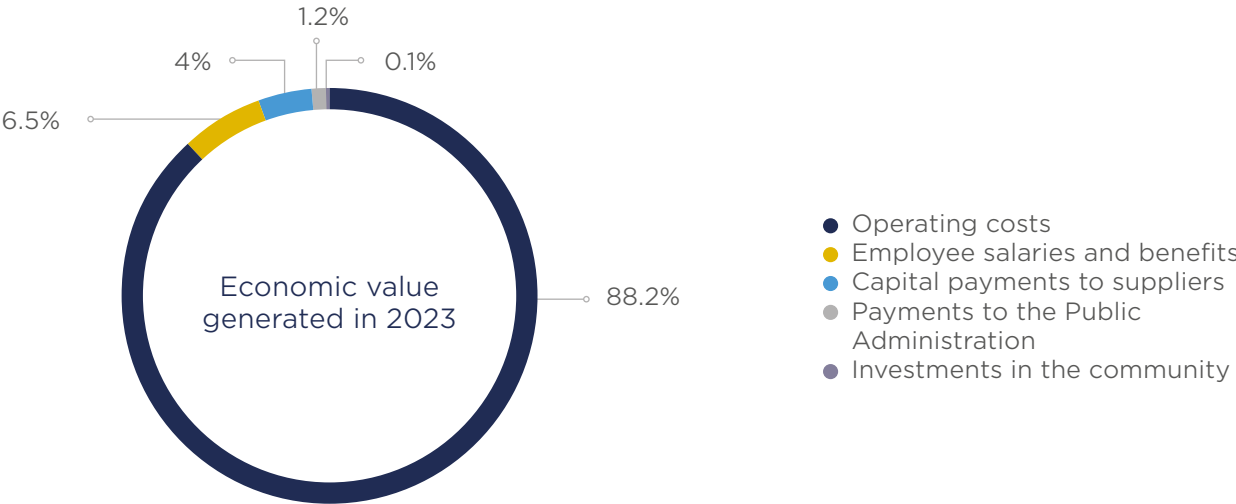
SUSTAINABLE GROWTH

In Almag, the concept of responsible business management also goes through the sharing of value with all stakeholders who have contributed in generating it.

The creation of value would not actually be possible without their precious participation which we are committed to reward involving them in the results achieved. To monitor the **socio-economic impact** resulting from the sharing of

value, every year we analyse the financial value generated and distributed, establishing the wealth produced for **suppliers, collaborators, shareholders and investors, the public administration and community**. In 2023 the

economic value generated was equal to **€312,059,825** a decrease of 32% compared with 2022. During the year we distributed 88% of this value to our stakeholders, while the remaining part was invested for the growth of the business.



3.2

OUR GOVERNANCE

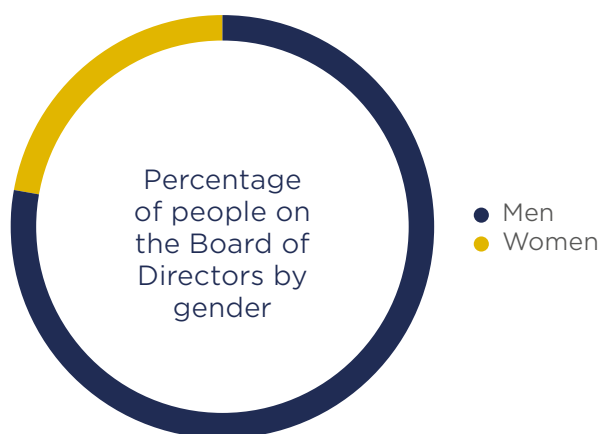
A further pillar of the responsible management of the business is our system of governance, which also plays a fundamental role in ensuring the creation of long-term value. Specifically, our governance structure is composed of three main bodies: the **Board of Directors (BoD)**, the **Supervisory Body (SB)** and the **Board of Statutory Auditors**.

The **Board of Directors**² is composed of **nine members** appointed by the Shareholders' Meeting, representing the shareholders, who remain in office for a maximum period of three financial years, with the possibility of being re-elected. The Board of Directors is responsible

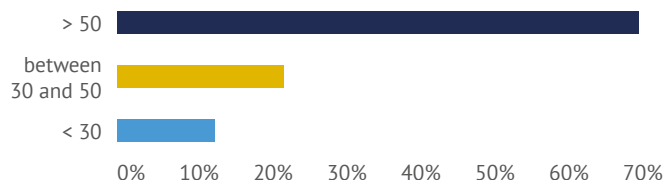
for the ordinary and extraordinary management of the company and achieving company goals.

There are two women on the **Board of Directors** out of a total of nine members, with two being under 30 years old and one less than 50.

In addition, 6 members of the board are part of the controlling shareholder's group, while the other three are appointed based on their expertise.



Percentage of people on the BoD by age



The current **Chairman**, Gabriele Gnutti, who also holds the post of Chief Executive Officer, has the widest-ranging ordinary and extraordinary administrative powers. The board, on the other hand, has certain types of operations delegated to it.

² There are no sub-committees within the Board of Directors.



THE GOVERNANCE OF SUSTAINABILITY

The senior management, in the person of the Chief Executive Officer, regularly bring to the attention of the Board of Manager, the **concrete actions to introduce in order to ensure the sustainable management of the business**, which are evaluated under the scope of the more general corporate strategies to develop in the short, medium and long-term. The board makes use of **powers of attorney**, in order to **delegate** the management responsibilities of activities and their **related impacts**, including those on the economy, environment and people, to the heads of department, according to their expertise. Later on, at the management review meeting, **these parties report** to the Chief Executive Officer on the pursuit of the goals they are responsible for, thereby defining the management strategy. Lastly, the Chief Executive Officer, in turn, at least once a year, **reports to the Board of Directors on the effectiveness of the actions undertaken** based on the performance reported in the company's **Sustainability Report**.

In addition, **twice a year under the scope of the Board of Director's meetings**, an **institutional meeting** is held during which the Chief Executive Officer illustrates **any critical areas** to the board **under the scope of occupational health and safety and concerning environmental impacts** which have occurred during the previous half-year; the chairman is constantly updated on any minor problems referring to these topics.

In addition to this, if there are any **negative impacts** or presumed as such, we **collect more information and possible details on the event reported**, establishing a direct debate with the person reporting it in order to receive the comments directly in the most complete manner. With the exception of the case of little relevance where a response is still guaranteed, we take an in-depth look at the issues reported through appropriate in-house or external investigations sharing the results with the parties concerned. As far as the reports in general are concerned, we refer to the provisions of the Organisation, Management and Control Model on the subject of Whistleblowing³.

The **Board of Statutory Auditors**, a control body of the company, is composed of **three** members, two men and one woman, appointed by the Ordinary Shareholders' Meeting, who remain in office for three financial years. This body, acting in conjunction with an auditing firm, is responsible for the accounting management.

The current organisational structure assigns a strategic role to the **General Management**, which both the management of the Lumezzane plants and the four cross-functional departments in the organisation report to:

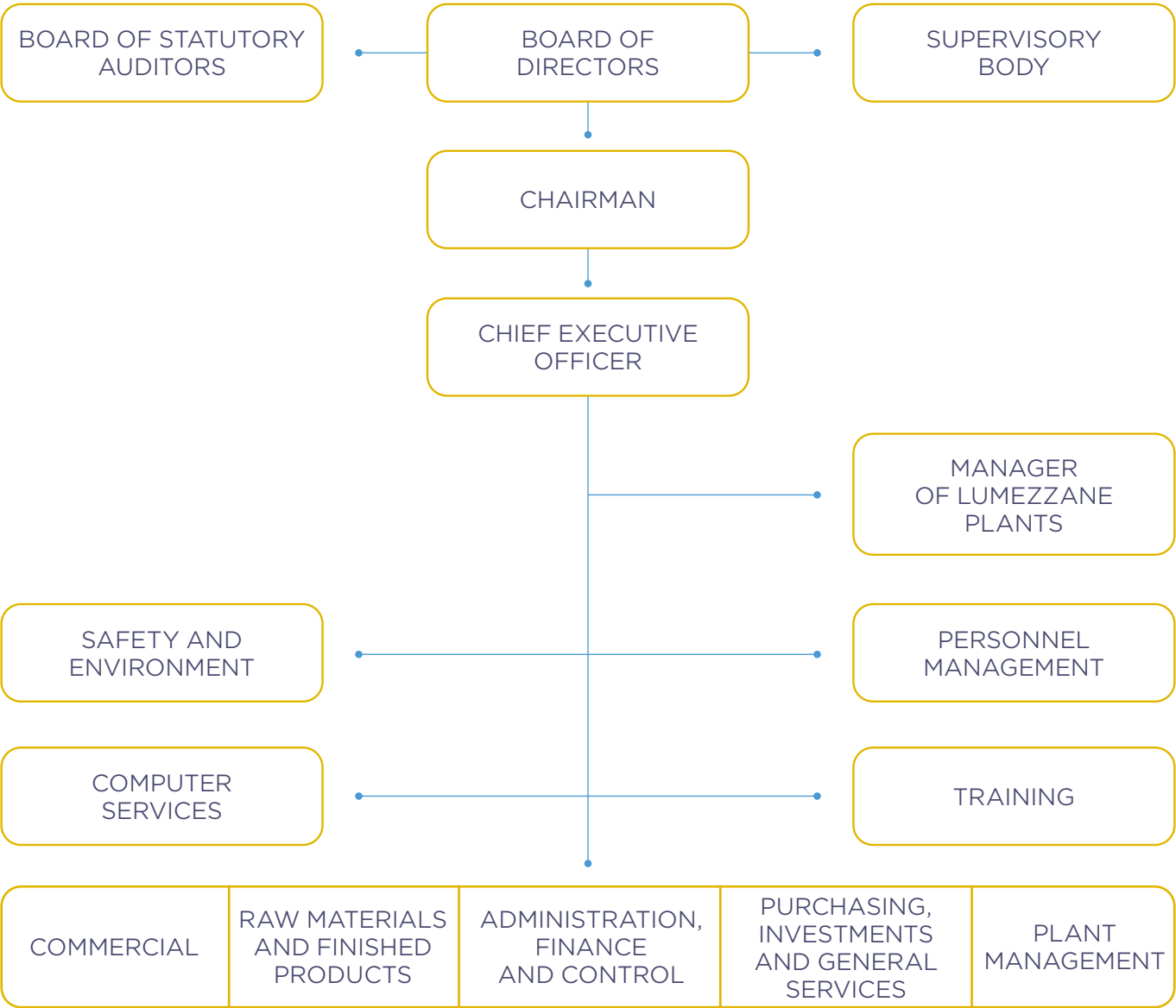
1. **Safety and Environment**
2. **Personnel Management**
3. **Information Services**
4. **Training**

In addition, all the company divisions report directly to the Chief Administrative Officer:

- **Commercial Division**
- **Division for the purchasing of raw materials and finished products**
- **Administration, finance and control**
- **Purchasing, investments and general services**

³ See chapter 3.1. "The ethical conduct of our activities".

ORGANISATONAL CHART



3.3

COMMITMENT TO SUSTAINABLE INNOVATION AND CUSTOMER FOCUS

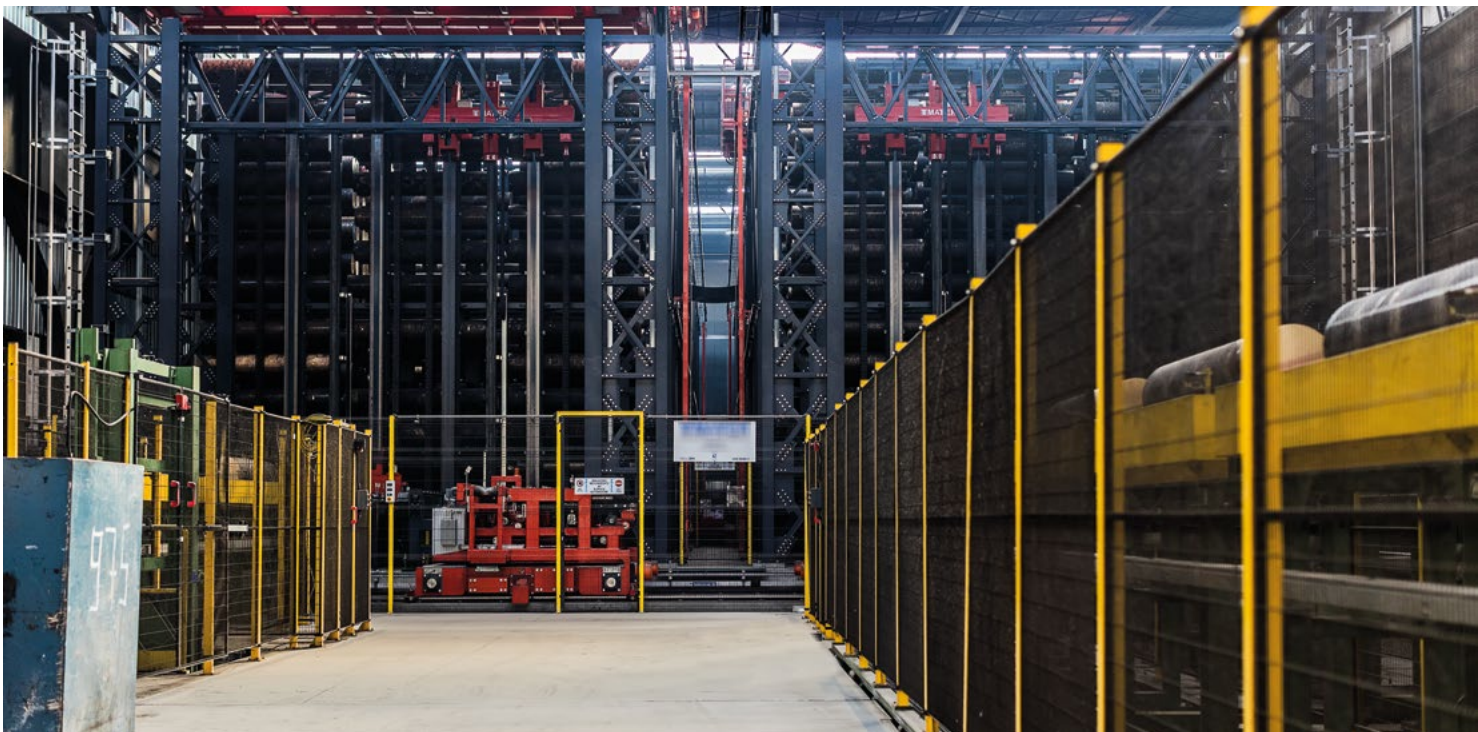
In Almag, **innovation** works in **two directions**, the first is aimed at guaranteeing **the highest quality standards to our customers**, through constantly responding to their requirements, the second is, thanks to time and ongoing research, transforming **products and processes** in order to **reduce their impact on the environment and making them increasingly safer**.

As far as **the impact of activities on the environment** is concerned, a typical characteristic of our **brass rods** is precisely their high **recoverability**.

Manufacturing scraps, such as turning shavings and hot-forging burrs can actually be reused internally and cast to create new resources. In

addition, we pay special attention to the **circularity of our production process**: our products are actually composed of more than 93% recovered materials. Specifically, part of the latter comes from the residues of the manufacturing activities of our customers and part of the residues

from our manufacturing activities. All of this is added to factors such as the high thermal conductivity of brass and the use of high-performance electric induction furnaces, which allow the **energy consumption associated with production to be contained**.





ONGOING RESEARCH INTO THE DEVELOPMENT OF NEW ALLOYS

With regard to the **safety of our products for people**, an issue which we are very aware of is the one concerning the **presence of lead in brass alloys**.

An increasing number of scientific studies have actually confirmed the danger of this substance for human health.

Lead, if present in the brass alloys used for manufacturing piping, can actually come into contact with water destined for human consumption, with possible toxic effects to health.

Therefore, an ever-growing number of regulations make provision for the use of alloys with an extremely low lead content (less than 0.1%) or actually without this element. A feature of brass alloys which do not contain lead, however, is the metal's poor processing properties.

In this context, the brass market is affected by the growing popularity of silicon, bismuth, antimony, selenium, magnesium and other alloys to increase the machinability of traditional copper alloys from which lead has been or will be removed.

In Almag we are also **working to develop copper-zinc alloys** with alternative elements to lead, to allow adequate machinability and quality of the finished product, at the same time preserving the health of the end users.

In addition to the safety of our products and processes, the quality of the service guaranteed to our customers is also of vital importance to us, because both are key elements in meeting customer's requirements fully and effectively.

Specifically, the creation of value cannot be separated from the quality and the level of service guaranteed to our customers. We are aware that quality is capable of influencing the competitive position, profitability

and reputation of every business in the respective market; therefore, in Almag we have made product quality the strategic response to the market's requirements.

In 1996 we gained UNI EN ISO 9001:2015 certification, developing **continuous improvements logics of the Deming cycle (PDCA - Plan Do Check Act) in every work phase**.

Over the years we have continued to invest in the modernisation of our plants and in improving the

efficiency of our warehouse, in order to be able to guarantee both high quality standards and faster delivery times. In this context, between 2022 and 2023 the following investments were realised:

- Replacement of the material thermal treatment furnace;
- Replacement of the billet heating furnace burners, with others that allow greater energy efficiency;
- Replacement of the burners in the lathe washing system.

3.4

RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN

The relationship with our suppliers is based on continuity, trust and collaboration in the long-term, elements that we believe to be fundamental for the responsible management of our supply chain.

We favour suppliers with extensive experience in the sector, in order to be able to rely on their expertise and ensure the maximum quality of our products.

Over half of our activities feature **manufacturing materials on behalf of customers**.

Around half of our suppliers are located in Italy and the remainder are abroad. Specifically, scrap is mainly purchased by European suppliers, predominantly located

in Switzerland; zinc, on the other hand, is, for the most part, imported from Kazakhstan and Uzbekistan.

The fair, transparent relationship with our suppliers already begins in the contract phase and includes the sending of a specific document aimed at accepting the **Code of Conduct**, a necessary condition for becoming our supplier.

We are further perfecting our raw material procurement processes, specifically in the Italian market, thanks to the development of a more

structured purchasing strategy to limit the total number of suppliers that we buy from, in order to implement more specific, targeted checks on the conditions of our partners.

54

ACTIVE SUPPLIERS OF RAW MATERIALS IN 2023



In 2023, like in 2022, no new evaluations were carried out in accordance with specific environmental criteria. The evaluations of our suppliers are conducted based on a report that allows us to have a complete overview of the specific situation of the supplier in question, in relation to financial aspects, but also with regard to any particular situations that have occurred during previous years.

In addition, if compatible at a logistical level, for the purpose of the qualification procedure, audits were also conducted at suppliers, as well as requesting to share evidence of the environmental certifications held. In this regard, **in 2023 we carried out visits** to the premises of **five suppliers** of raw materials, with the aim of checking the authorisations and certifications reported.

In addition, we have carried out an evaluation with the goal of certifying the qualitative level of the supplies and material, using an LQF (Supplier Quality Level) merit indicator. This indicator is based on the parameters required by UNI EN 12861:2018 (reference standard for scrap) and on the score calculated automatically by the SAP software.



THE COMMITMENT TO OPPOSING THE USE OF CONFLICT MINERALS

Conflict Minerals are metals and minerals (like gold, coltan and their derivatives) that come from regions defined by the EU as areas affected by conflict and at high risk of political instability, institutional weakness, the collapse of the civil infrastructure, widespread abuse of human rights and violations of national and international law. For this reason, these minerals are regulated by international rules that discourage their use, because their sale could be funding armed conflicts in the aforementioned areas.

In this connection, Almag subscribes to this policy of opposing the conflicts in the Democratic Republic of the Congo (coming under high-risk regions) and in the bordering countries. For this purpose, we carry out inspections at our suppliers, ensuring that the tin (the only metal used in our processes that comes under the category of Conflict Minerals) does not come from conflict zones.

In Almag managing the supply chain responsibly also means paying special attention to the **process that incoming materials follow**. With this in mind, we carry out a rigorous evaluation of them through quality controls, weighing the materials, management of the incoming logistics and management of the waste recovered.

To guarantee the **quality control of the incoming raw materials**, we regularly conduct a quality analysis, through our internal laboratory, of the quality of the scrap purchased from our suppliers. Afterwards, we produce a report highlighting the quality level of the material and, we ask the suppliers who have achieved

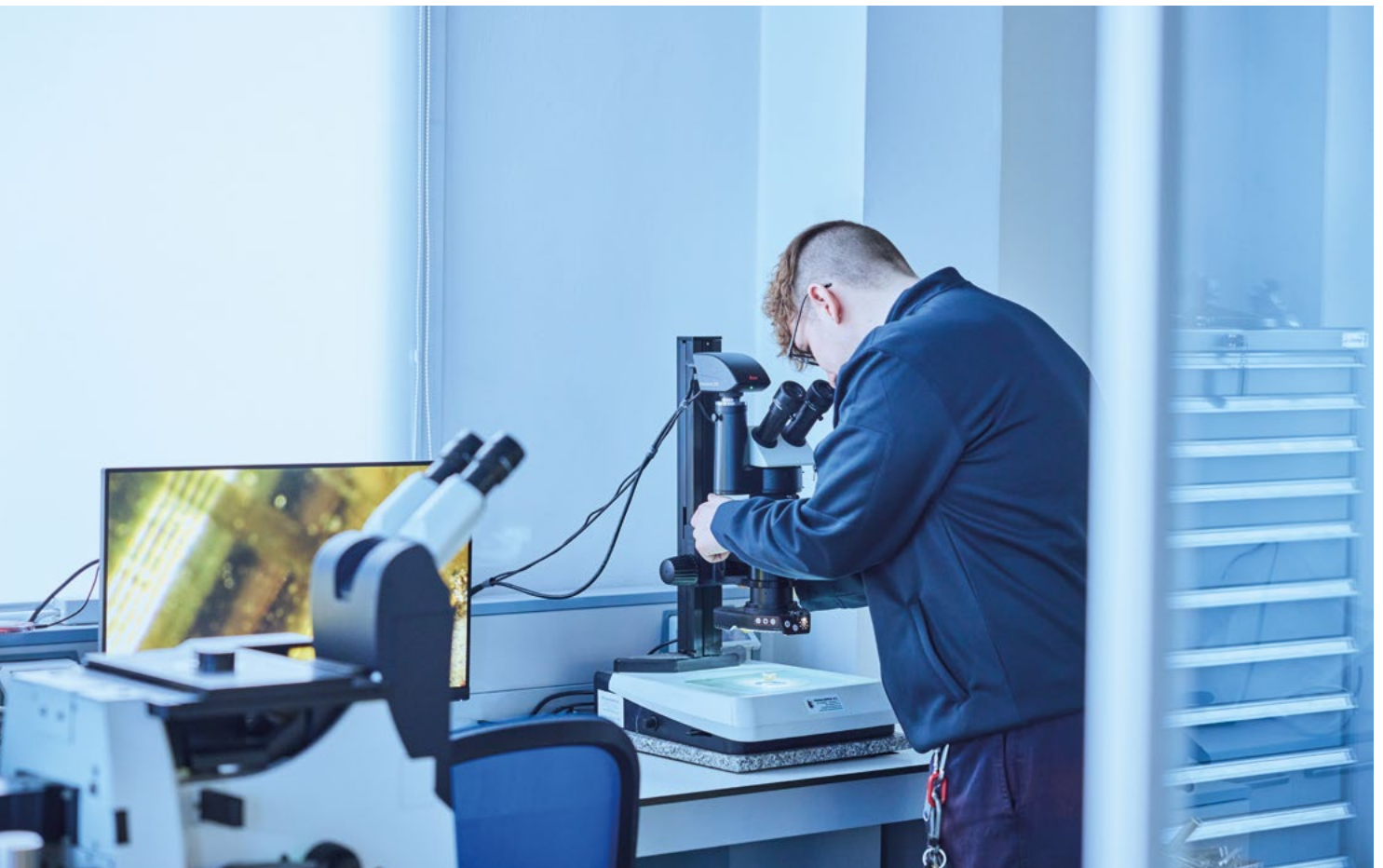
a negative score in the analysis carried out, to implement improvement actions.

During the reception phase, for the purpose of providing the data relating to the materials entering and leaving, we **weigh the raw materials** using instruments like carriage scales and dedicated scrap scales. In order to ensure the reliability of the data, we constantly supervise the conditions of the scales used for weighing.

As far as the logistics are concerned, we have a **management system** that tracks the pertinent information for the entire procurement flow. This information includes specific details about the supplier, transportation,

the type of vehicle used, the origin of the material received, thereby guaranteeing complete and transparent traceability.

Lastly, we are committed to the responsible management of **incoming waste recovered as raw material to be recycled**. The waste contained in metal materials, such as zinc oxide and copper slag, are disposed of through specialist firms, that restores them partly through the recovery of material that can be reused during the production process, thereby contributing to the reduction of the environmental impact of our supply chain.







2023 HIGHLIGHTS

-11.5%

TOTAL CARBON
FOOTPRINT COMPARED
WITH 2022

94%

WASTE DESTINED
FOR RECOVERY

-17%

WATER COLLECTED
COMPARED WITH 2022

A MORE ECOLOGICAL FUTURE **ENVIRONMENT**

We are guided by the knowledge that the creation of value requires a gradual reduction in our impact on the environment.

In the present context, where attention to the environment is growing, sustainability is crucial for the success of businesses. The metallurgical industry, which is facing challenges like the consumption of resources and pollution, is implementing innovative solutions and advanced methodologies to limit energy consumption, reduce emissions and optimise waste management, promoting recovery and reuse.

**Thanks to investments in innovation and streamlining,
we aim to improve our environmental performance, contributing
responsibly to a future more focused on the environment and natural resources.**

MATERIAL TOPICS

TACKLING CLIMATE CHANGE
AND POLLUTION

CIRCULARITY AND WASTE
MANAGEMENT

MANAGEMENT OF WATER
RESOURCES



4.1

OUR COMMITMENT TO PROTECT THE ENVIRONMENT

In order to make our commitment to the environmental compartment of sustainability concrete, we adopt timely monitoring and control measures, also through the **Integrated Quality Health & Safety, Environment and Energy Management System (QEHSEn)**, within which we have defined policies and objectives to reduce the environmental impact of our activities.

Through the Integrated Environmental Management System, aimed out continuous improvement, we intend to:

- Improve energy performance;
- Prevent the pollution associated with environmental aspects that we can keep in check or over which we can exert influence;
- Proactively manage the risks and opportunities associated with the environment and energy;
- Gradually reduce overall costs relating to the environment and energy;
- Increase the efficiency of our processes, improving performance from an environmental perspective, with a view to conserving and reducing the use of natural resources.

The integrated Management System involves the entire corporate organisation and processes. It is regularly monitored and reviewed by staff from the Quality, Safety & Environment and Energy offices and is subject to regular internal and external audits.

This system makes it possible to establish the improvement goals, defining:

- The actions to implement to reach the goals;
- The internal and external resources needed;
- The accountability for reaching these goals;
- The time required to reach these goals;
- The evaluation methods of the results achieved.



THE INTEGRATED MANAGEMENT SYSTEM IS SUBJECT TO REGULAR MONITORING AND REVIEW

All the targets set are subject to half-yearly monitoring by the Manager of the QEHSEn System and are updated, also on the occasion of the regular reports sent to the employer and representatives and are regularly shared with the members of the Supervisory Body.



The integrated management system is also subject to an annual review by the corporate management in order to guarantee that it is constantly suitable, effective and consistent with the corporate strategic goals.

The meticulous preparation of our integrated system procedures has allowed us to obtain ISO 14001 certification of the management of environmental aspects and ISO 50001 certification for the management of energy aspects.

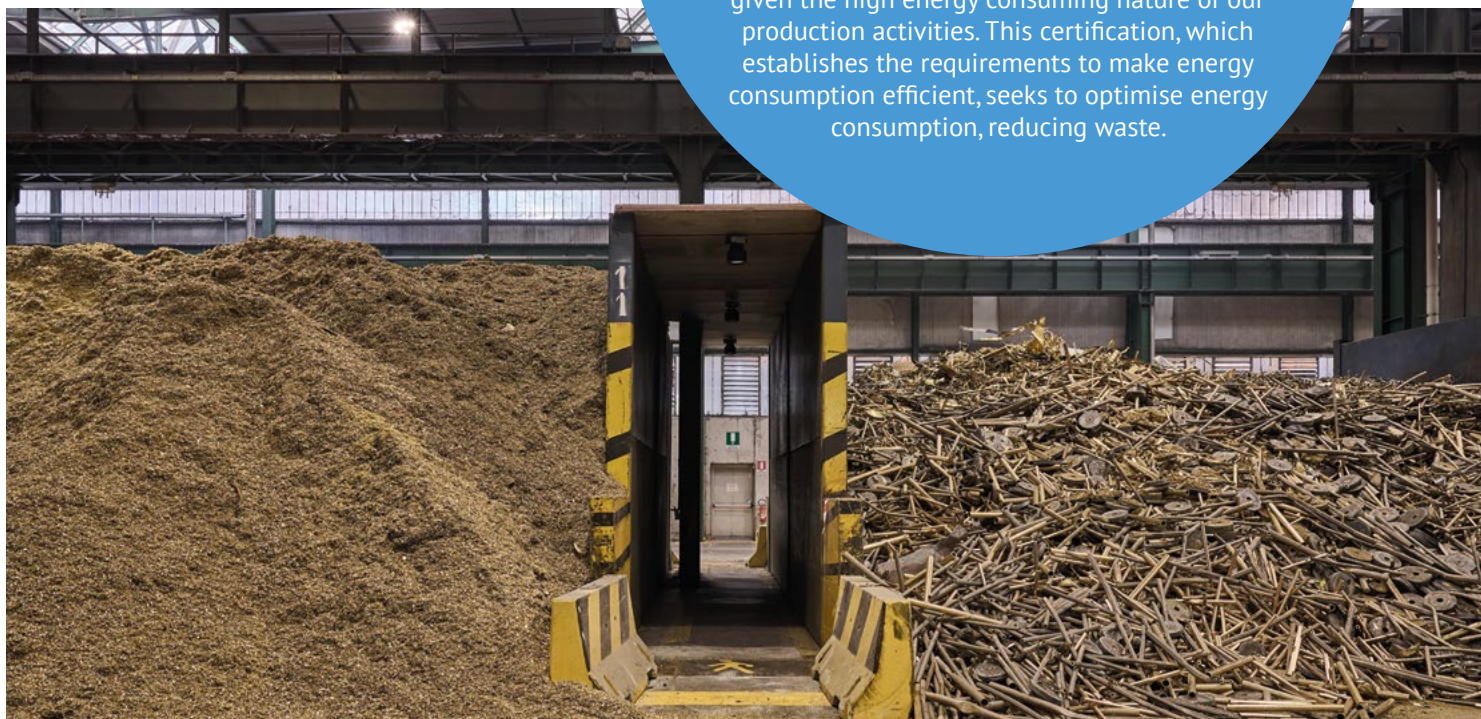
Conscious of the importance of this issue, we decided to extend the Energy Certification to the Lumezzane plants by 2024.

ISO 14001 FOR THE MANAGEMENT OF ENVIRONMENTAL ASPECTS

ISO 50001 FOR THE MANAGEMENT OF ENERGY ASPECTS

UNI EN ISO 14001:2015 certification, obtained for the first time in 2015 and renewed annually with no non-conformity, identifies and lists the requirements for an Environmental Management System that aims to improve the environmental performance of an organisation, generating added value for the environment, the organisation and stakeholders.

UNI EN ISO 50001:2018 certification, obtained in 2021 has been of vital importance to us, given the high energy consuming nature of our production activities. This certification, which establishes the requirements to make energy consumption efficient, seeks to optimise energy consumption, reducing waste.





PARTICIPATION IN FUTURA EXPO 2023

Futura EXPO 2023 is an event dedicated to the sustainable economy and green transition, organised by the Brescia Chamber of Commerce and ProBrixia. The objective is to create synergy between the businesses and alliance systems in the area which are capable of competing at a global level, placing the sustainable development process of the businesses at the heart and tackling the green issue in a practical way.

We have taken part in this event as a sponsor, for the second year running, also as a testament to the importance that metallurgical firms attribute to the responsible management of the business's activities. Specifically, the second edition of the event focused on human beings, analysing the needs, responsibilities and solutions that businesses can develop to guarantee a sustainable future for coming generations.



4.1.1

TACKLING CLIMATE CHANGE AND ATMOSPHERIC POLLUTION

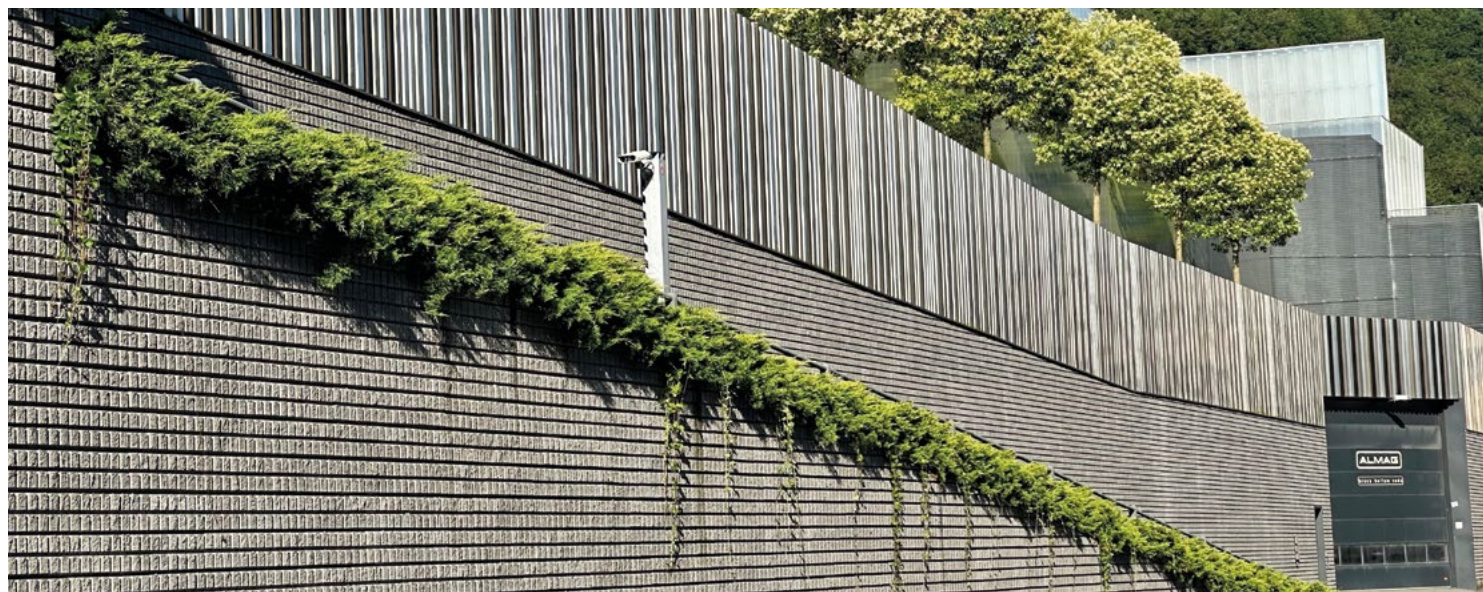
We contribute to the fight against climate change, also mitigating our environmental impact through a constant commitment to making our premises and plants more energy efficient, planning and implementing projects and targeted initiatives.

Over the course of the last two-year period we implemented an **energy performance monitoring platform**, in line with the standards established by ISO 50001. This platform makes it possible to integrate the data with production information and important variables (temperature, flows, radiation levels) in order to calculate specific performance indicators that also support the energy manager in the prompt identification of any anomalies.

In order to gradually make the production-related consumption more efficient, we have planned the installation, by 2024, of a **new thermal treatment furnace** with a capacity of 1000 kW that will replace the old furnace, allowing a saving in terms of energy consumption.

Still in relation to production and the use of the furnaces, we have already planned and authorised the replacement of the billet heating furnace burners and the interior of

the lathe washing system, to ensure greater consumption efficiency and a reduction in the impact of emissions into the atmosphere. In order to save energy, we are evaluating the possibility of intervening in the compressor room, in order to be able to use the heat generated for heating certain areas. Also, in conjunction with an external consultant, we are looking into the possibility of recovering energy from the cooling towers and from the billet heating furnace exhausts.



OUR ENERGY CONSUMPTION

The energy efficiency initiatives that we have implemented over the years, like the **improvement of our production plants**, have led to positive results. A demonstration of the success of the implementation of these initiatives is the effective reduction in energy consumption that has been achieved. In spite of the acquisition of the Lumezzane plant, with a consequent expansion of the reporting scope and anticipated increase in actual values,

total energy consumption in **2023 fell by 4%** compared with 2022. In **2023**, a significant **reduction** in consumption was recorded for two strategic vectors: **electricity purchased from non-renewable sources and diesel consumption**.

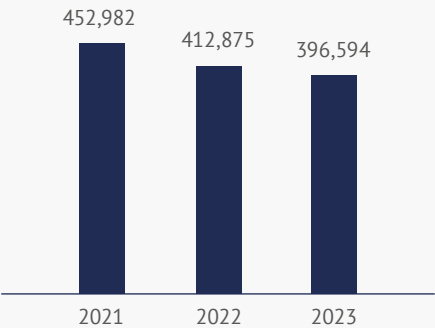
Specifically, energy purchased from non-renewable sources **fell by 9.2%** compared with 2022: **266,671 GJ** were purchased in 2023, compared with 293,731 GJ in 2022.

Diesel consumption relating to the Roncadelle plant, on the other hand, decreased by 14%, a quantity

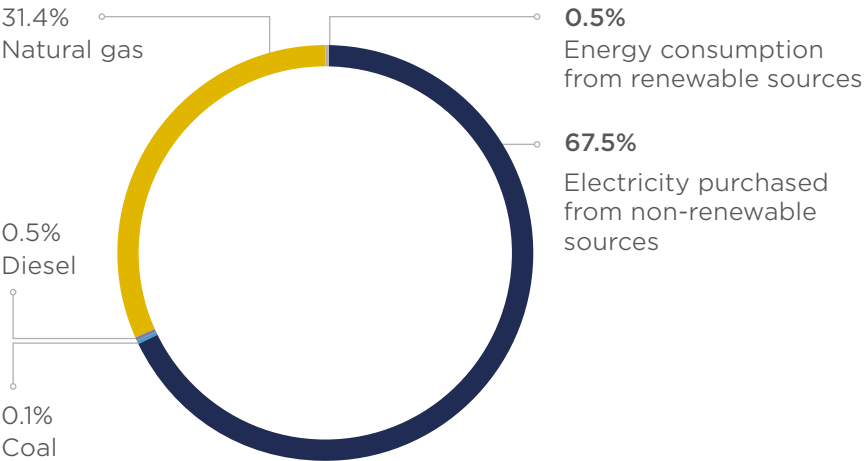
corresponding to **1,967 GJ** in 2023⁴ and 2,291 GJ in 2022.

The energy used to operate our **automated warehouse** is worthy of special mention as it was **totally supplied from renewable sources**, coming, specifically, from the photovoltaic panels installed covering it. To increase the amount of self-produced renewable energy, we are evaluating the possibility of further expanding the surface area available for installing more photovoltaic panels.

ENERGY CONSUMPTION FOR PRODUCT AND THE OFFICES (GJ)



Breakdown of energy consumption for production and the offices in 2023 (GJ)

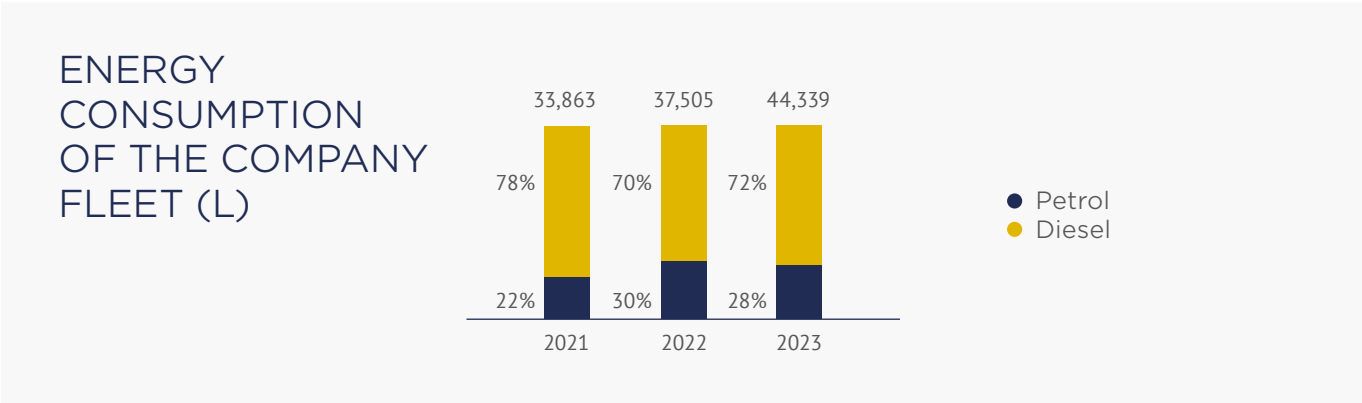


⁴ The diesel consumption referred to only involves the Roncadelle plant.

Energy consumption in **2023** relating to the company fleet, on the other hand, **increased**, overall, by 18% compared with 2022, with **44.339 L** consumed in **2023**, compared with 37,505 L in 2022; this is also due to the fact that we expanded the vehicle fleet by **7 units**, adding 3 petrol cars

and **4** diesel vehicles. This led the petrol consumption to increase by **10.3%** (**12,370 L** consumed in 2023 compared with 11,206 L in 2022) and diesel consumption increased by 21.5% (**31,969 L** consumed in **2023** and 26,299 L in 2022).

In particular, the total company vehicle fleet composed of 28 vehicles, breaks down in 54% with an electric or hybrid engine, while the remaining 46% have an internal combustion engine.



Our carbon footprint

The energy used throughout our chain of value generates **direct and indirect emissions**.

The **Scope 1 direct emissions** mainly derive from the **energy used for production areas and the offices**, supplied with natural gas, diesel and to a small extent coal. Another factor that contributes to Scope 1 direct emissions is the energy consumption of our **company fleet**, which we are gradually replacing with electric or

hybrid vehicles to reduce relation emissions. With this in mind, in 2023 we added two electric charging points to the existing three in the company car park.

Scope 2 indirect emissions are mainly caused by the **energy consumption necessary to fuel our induction furnaces** used in the metal casting process, as well as connected auxiliary services.

The **majority of our emissions (73.7%)** come under the category of

Scope 3 indirect emissions, caused mainly for the major part by material used by the organisation and the remainder by all the transportation relating to the loading and unloading of finished products.

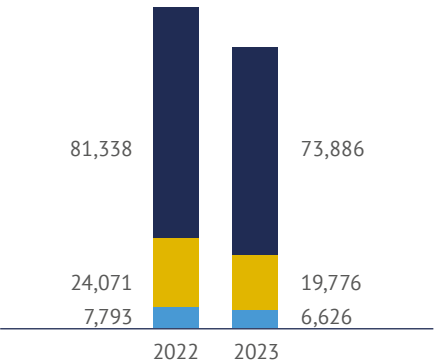
Specifically, the **transportation** mentioned includes that of incoming raw materials, outgoing finished products to and from internal sites, as well as the transportation of waste generated by production activities, travel and journeys from home to work of employees.

In **2023** direct and indirect **total emissions** fell by **11%** compared with 2022: total emissions produced in 2023 stood at **100,287 tCO₂eq**, compared with 113,252 tCO₂eq in 2022.

Specifically, in **2023**, **Scope 1 direct emissions** fell by **15%**, while **Scope 2** indirect emissions saw an ever more significant reduction, with a fall of **18% recorded, also in terms of the reduction in production recorded during the year.**

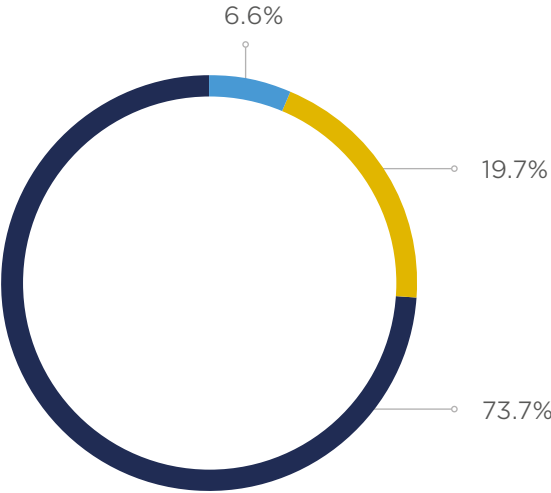
With the aim of continuing to reduce Scope 1 and 2 emissions, as well as continuing to implement **energy efficiency policies**, we have set ourselves the goal of **purchasing energy from renewable sources** with guarantee of origin certificates.

GHG emissions performance (tCO₂eq)



- Scope 1
- Scope 2
- Scope 3

2023 emissions (tCO₂eq)



- Scope 1
- Scope 2
- Scope 3

The **emission intensity**⁵ has remained almost unchanged compared with 2022, recording a slight increase equal to **7.7%**, due to the fact that the furnaces need to be kept at the correct temperature even when

they are not used and, therefore, in spite of the fact that the quantity of finished products was lower than the previous year, the emission intensity actually increased.

⁵ The emission intensity is calculated through the ratio between direct emissions (Scope 1) and indirect emissions (Scope 2 location-based and Scope 3) of CO₂e and the outgoing quantity of products from the casting phase (tons).

Emissions of direct and indirect CO ₂ e ⁶	u.m.	2023	2022	2021
Direct emissions (Scope 1)		6,626	7,793	6,621
Natural gas		6,204	7,415	6,325
Diesel for internal use and company vehicles		227	240	246
Petrol for internal use and company vehicles	tCO ₂ e	29	26	18
Coal for internal use		31	33	32
Refrigerant gases		135	79	
Indirect emissions (Scope 2) – location based		19,776	24,071	23,299
Indirect emissions (Scope 3)		73,886	81,388	
For transportation		18,368	23,264	32
For products used		55,518	58,124	
Emission intensity	tCO₂eq/ton	0.652	0.605	-⁷

Attention to air quality

In addition to constant monitoring and our commitment to reducing greenhouse gas emissions as far as the foundry is concerned, we place special importance on the regular control and monitoring of other potential sources of atmospheric pollution, such as the **dust produced during production processes and nitrogen oxides**.

In 2022 we installed a **new smoke aspiration and reduction system**. Specifically, the project upgraded the filtration capacity, going from 360,00 Nm³/h to **500,000 Nm³/h**. The project phases included the addition of 2 interchangeable fans, new inlet and outlet piping and the installation of a new filter with

sound insulation panels, as well as the replacement of 2 axial cyclones with 4 high-efficiency vertical cyclones. The high-efficiency cyclones allowed a significant improvement in the reduction of dust and a cut in the risk of the filter sleeves burning. The installation of the new sleeve filter also led to a reduction in the emission of dust into the atmosphere, energy consumption and noise.

In **2023**, an **olfactometric analysis** was also conducted; odour emissions actually represent an element that could have a direct impact on the community living in the areas adjacent to the production plants. We therefore carried out a specific campaign to measure the odour concentration, based on standard

UNI EN 13725. Based on the results recorded, the measurements taken confirm that the odour figures, both inside and outside the plant, can be traced back to the low perception level. These olfactory emission monitoring and control activities are helping to maintain good air quality surrounding the plant.

Lastly, with regard to noise pollution, regular **noise monitoring** activities were carried out.

In **2023**, after establishing and sharing the specific points relating to the checks with the Provincial Authority, we carried out tests, daytime and nighttime, to compare the insertion and emission of noise. Following these tests we did not discover any non-conformity.

⁶ The emission intensity is calculated through the ratio between direct emissions (Scope 1) and indirect emissions (Scope 2 location-based and Scope 3) of CO₂e and the outgoing quantity of products from the casting phase (tons).

⁷ The emission intensity for 2021, unlike 2022 and 2023, was calculated only on Scope 1 and 2 emissions, because the Scope 3 emissions had not yet been calculated for that year, and stood at 0.14.

4.1.2

CIRCULARITY AND WASTE MANAGEMENT

Our production process, based on the **principle of the circularity of brass and the recovery, recycling and regeneration of materials**, has the goal of reducing waste to a minimum and exploiting resources as efficiently as possible.

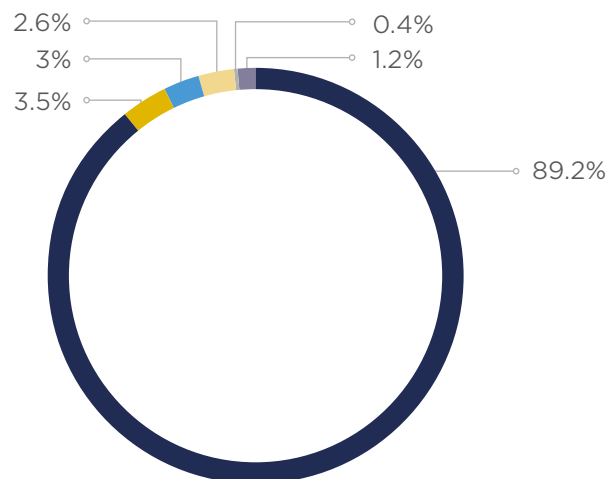
We use some of the materials recovered from **manufacturing scraps and residues** (turning shavings, hot-stamping burrs, etc.) and **copper scraps**: this allows us to reduce the reliance on virgin raw materials, as well as decreasing the overall volume of waste produced. These materials are destined for casting, which

constitutes the main phase of the production process. Casting enables the materials recovered and the copper waste to be transformed into semi-finished products to produce finished products: we thereby manage to maximise the use of the resources at our disposal and reduce the need to purchase new raw materials.

In addition, the majority of waste generated by our production activities are destined for **recovery** (**96%** for the **Roncadelle** plant and **54%** for the **Lumezzane** plant) through a careful process of collection, treatment and reuse of residual materials produced by production activities.

Waste produced in 2023
broken down by type (t)

- Waste from the casting process
- Waste from the manufacturing process
- Waste from maintenance
- Waste from the purification process
- Packaging waste
- Other waste



In **2023**, the type of waste produced in great quantities was that resulting from the **casting process carried out at the plant** of Roncadelle, with **6,473 tons (89.2%)**, out of a total of around **7,257 tons** of waste produced

In the three plants: this includes the **slag produced inside the furnaces**. This slag is partly recovered internally and melted, while the more powdery, thin slag is sent to third parties specialised in recovery treatment.

Another category of waste produced is the residual powder from the **smoke reduction** systems which, since they contain metals which can be reused, are sold to third-party companies, specialised in their recovery.

The waste generated by our lathe washing system is oil and emulsion. The emulsion is separated from the oil by a sedimentation process; there are four reservoirs for this purpose, located above dedication collection tanks. The oil separated is then sent to the Used Oil Consortium, which takes care of its recovery.

At the **Lumezzane plants**, the waste produced comes exclusively from the **manufacturing process** (extrusion and drawing) and the quantity in **2023** stood at around **257 tons**.

At the **Roncadelle** plant, just under **220 tons** of the waste produced results from various **maintenance**

activities carried out and approximately **189 tons** come from the **process waters treatment and purification system**.

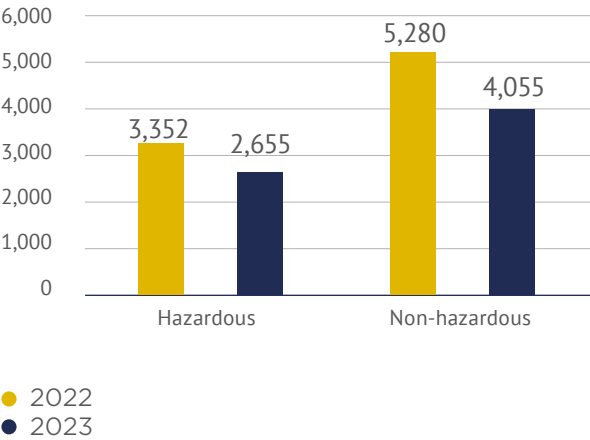
Packaging waste, which in **2023** totalled **28 tons**, includes metal strapping, used for the transportation of the finished products, plastic pallets and wooden boxes, used as containers.

Lastly, some additional categories of waste produced in less significant quantities are listed below (in the graph included under the item **“other waste”**): lubrication waste (54.20 tons), absorbent pads (6.46 tons) and pickling acids (14.18 tons).

Overall, with reference to the waste produced by all the plants in **2023**, the quantity of waste produced fell by 21% compared with 2022, going from a total of 9,225 tons in 2022 to 7,257 tons in 2023.

Overall, in 2023 for the three plants, the amount of waste classified as hazardous and non-hazardous, as well as the waste destined for disposal and recovery compared with the total quantity of waste produced over the year, remained approximately the same as in 2022. Specifically, there were no significant variations at the **Roncadelle** plant.

Hazardous and non-hazardous waste produced in the three plants (t)





WINNOW PROJECT SCALES FOR THE REDUCTION OF WASTE IN THE CANTEEN

In Almag we believe in the need to **also reduce food waste**.

For this purpose, in 2023, there were plans to introduce special scales in the company canteen, in early 2024, with two locations, one in the kitchen and one in the area where the meals are eaten, to quantify the waste resulting from production as well as that leftover after eating. We want to achieve two objectives: to keep the potential production of excess meals in check and to make those who eat meals in the company canteen aware of actual requirements.

These scales use the **Winnow system** to record and monitor food waste. Daily and weekly reports identified the main areas of waste and appropriate modifications were made in the preparation of meals to reduce waste.

The system offers advanced monitoring based on Winnow Vision artificial intelligence, allowing the kitchen team to plan the food and access the images of the waste, thereby maximising savings in the cost of food.

The hardware includes a touchscreen computer, intelligent scales and an artificial intelligence camera. Through the activation of the waste reduction scales we also wanted to reduce the waste produced in the company canteen, thereby helping the progress of **SDG no.2 – Zero Hunger**. The above-mentioned goal of Sustainable Development calls, in general, for a commitment to reducing hunger, also promoting the sustainability of food production systems and encouraging the fight against food waste.





4.1.3

RESPONSIBLE USE OF WATER RESOURCES

In order to minimise our environmental impact, we are committed to the **responsible management** of the water resources that we use in our production process.

With this in mind, we draw water from an artesian well, while for domestic and hygienic-sanitary activities, we use the public water system.

The majority of water that we collect comes from a well 60 metres deep. In addition, we have a tank with a 600 cubic metre capacity, located at a height of 30 metres, designed to supply the industrial cooling system in emergency situations and part of the plant fire hydrant network.

In our production process we also reuse rainwater: it is reintroduced into circulation after having undergone a mechanical ultra-filtration process.

In our facilities we adopt water recycling practices before sending it to be discharged. A concrete

example is the creation of a **reverse osmosis system** in the rod and coil pickling tanks and in the foundry to replace the previously installed softeners, which have afforded us a considerable water saving.

Reverse osmosis is a physical treatment method that separates waste substance from the water through the use of osmotic membranes, without altering the chemical composition, thereby allowing a significant **recovery**.

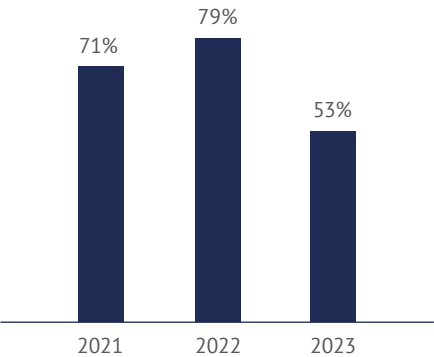
In **2023**, the total quantity of water collected, coming from fresh water sources, not extracted from water stress zones, **decreased by 17.2% (182 ML in 2023 and 220 ML in 2022)** and total consumption of water resources in **all three plants**, recorded a significant **reduction, of 25%**. Overall, at the Lumezzane

and Roncadelle plants, total water consumption stood at **94 ML**, a fall compared with the total figure of 124 ML consumed by the three plants in 2022.

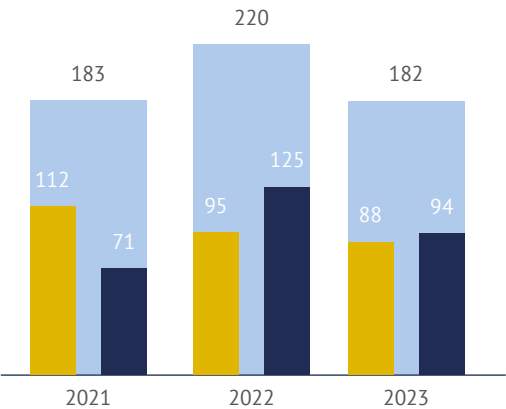
At the **Roncadelle** plant, water consumption in **2023** was down **33%**, going from 79 ML in 2022 to 53 ML in 2023. At the two Lumezzane plants too, total water consumption **fell by 9.75%: 41 ML** was the amount of water consumed in 2023 compared with 45 ML in 2022.

At one of the two Lumezzane plants the water used in production, which consequently constitutes industrial waste water, is discharged into the public sewage system based on applicable legislation, while in the second Lumezzane plant, it is treated by third parties and disposed of.

Water consumption at the Roncadelle plant (ML)



Water consumption (ML)



- Total collections
- Total discharges
- Total consumption (collections - discharges)



2023 HIGHLIGHTS

99%

EMPLOYEES HIRED
ON PERMANENT
CONTRACTS

-3%

WORKPLACE ACCIDENT
RATE COMPARED
WITH 2022

5,088

HOURS OF TRAINING
PROVIDED

€142,785

PROVIDED TO
THE COMMUNITY
AND THE AREA

A FUTURE FOCUSED ON PEOPLE

SOCIAL

Our mission is to shape the future, with a clear awareness: the real progress that we achieve is determined by the well-being of our people and that of the surrounding community.

This year we invested in training and skills development with customised courses, safeguarding the health of employees and partners by raising awareness of and promoting workplace safety. We believe that it is vital to bring out the potential of employees in order to create innovation and tackle challenges in the future. People are the agents of change and therefore it is through them that progress will be made.

**We are moving towards a sustainable future,
keeping what counts at the very heart of things: people.**

MATERIAL TOPICS

DEVELOPMENT
AND
EMPOWERMENT
OF PEOPLE

SAFETY
AT WORK

HEALTH
AND WELL-BEING

SUPPORTING
LOCAL
COMMUNITIES

DIVERSITY
AND INCLUSION



5.1

MANAGEMENT OF OUR PEOPLE

People are a key element for the success of our activities and it is thanks to their constant commitment that we are able to guarantee a high level of quality and to achieve excellent performance.

The professionalism of our partners is of great value and something we are committed to nurturing through **strong, long-term relations** with each of them, fostering a stimulating work environment that encourages collaboration and individual success.

Creating a strong bond with our partners cannot be separated from the creation of an appropriate work environment based on mutual respect, where every individual is protected and valued, as endorsed by our **Code of Ethics**.

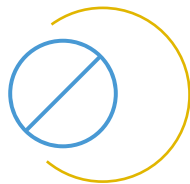
In conducting relationships with our people, we are inspired by the main international standards, such as the:

- United Nations Universal Declaration of Human Rights;
- European Convention on Human Rights;
- The various basic conventions of the International Labour Organisation (ILO).

Specifically, we safeguard and add value to the rights of our people and we are committed to:



GUARANTEEING THAT 100% OF EMPLOYEES ARE COVERED BY A COLLECTIVE AGREEMENT, APPLYING THE INDUSTRY CCNL (NATIONAL COLLECTIVE BARGAINING AGREEMENT)



PROHIBITING ANY VIOLATION OF BASIC HUMAN RIGHTS



PREVENTING CASES OF DISCRIMINATION AMONG OUR PARTNERS AND/OR WITH REGARD TO THEM



INITIATIVES FOR THE INTERNATIONAL DAY FOR THE ELIMINATION OF VIOLENCE AGAINST WOMEN

Gender-based violence is a widespread phenomenon that affects millions of women throughout the world both within and outside of workplaces and there needs to be a joint, constant effort to oppose it.

Our company is committed to raising awareness about the fight to combat this type of violence, lighting up all our corporate offices in red on the International Day for the Elimination of Violence against Women on 25 November 2023 as a sign of solidarity and support for the victims of this brutal phenomenon. This gesture, albeit symbolic, is designed to send a clear message: we are actively committed to supporting these women.

Given the high number of cases of gender-based violence nationally, combatting this phenomenon necessitates an ongoing effort requiring concrete actions. For this reason, we have brought to the attention of our partners the presence of the 1522 public service, a dedicated helpline for the victims of violence and stalking, sponsored by the Prime Minister's Department of Equal Opportunities. 1522 is a free service, available 24 hours a day throughout Italy, that provides victims with help and support, offering a safe, confidential point of contact for those needing help.

In addition, we are signatories of the Brescia Agreement on the prevention and combatting of harassment and violence in the workplace, agreed on 30 March 2023 and signed by the Confindustria Brescia together with representatives of the CGIL, CISI and UIL trades unions. It is based on principles such as prevention and raising awareness, dignity and confidentiality, adoption of internal policies, training, resources and support. We have widely publicised this agreement and plan to adopt internal measures in line with its principles in order to foster a respectful, inclusive work environment.

Lastly, we have formalised our commitment, through an official declaration, in which we have clearly stated our position against any form of harassment or violence in the workplace: we are striving to adopt suitable measures with regard to anyone responsible for such behaviour, demonstrating our determination to create a respectful, safe work environment for all employees.



We promote an inclusive, welcoming work environment

Additionally, we seek to ensure an inclusive work environment, which allows everyone to best express their personalities and skills. We respect different religious practices and faiths and we believe in the **coexistence of different nationalities**: in order to encourage the integration of our foreign employees we offer in-house Italian language courses. We safeguard employees with disabilities, in line with the provisions of the legal reference, carrying out evaluations with the competent doctor and identifying suitable tasks. We have also made provision for specific **preventive and protective measures**, which can also be adopted in the case of any emergency situations. Our journey towards the creation of an inclusive workplace will also continue in 2024, thanks to the activation of an **inclusive training internship project**

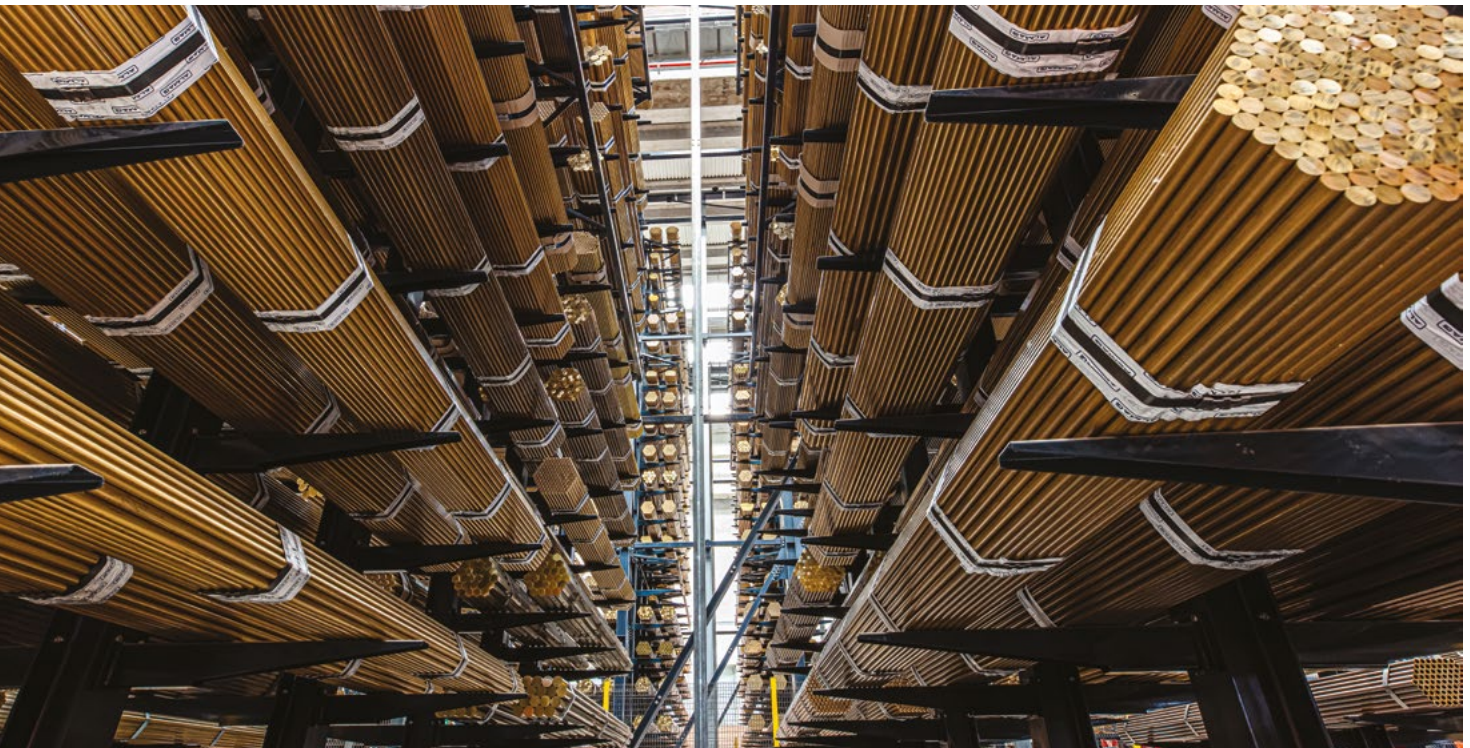
in conjunction with a cooperative in the Brescia area, with the aim of the gradual integration into the world of work of people with cognitive challenges.

In **2023** the number of employees increased by 27% compared with 2021, reaching a total of **269**, while it remained stable compared with the 2022 figure.

This increase, due to the acquisition of the two **Lumezzane** plants, confirms the growth trend that is a feature of our company.

Specifically, in 2023 there were **57** employees at the Lumezzane plants, **100%** of whom were hired on permanent contracts and the vast majority of whom are full time.

In the Roncadelle plant there are **212** employees, **99%** of whom are on permanent contracts working full time.

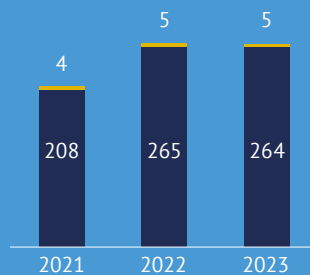


PERMANENT CONTRACTS

99%

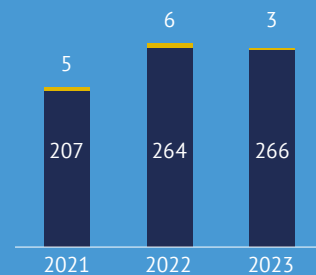
98% of our total employees have a permanent contract, while the remaining 2% are on a part-time contract. In addition, almost all employees (**99%**) benefit from a permanent contract and there are only 3 employees on a fixed-term contract.

Employees
by job type



- Full-time employees
- Part-time employees

Employees
by type of contract



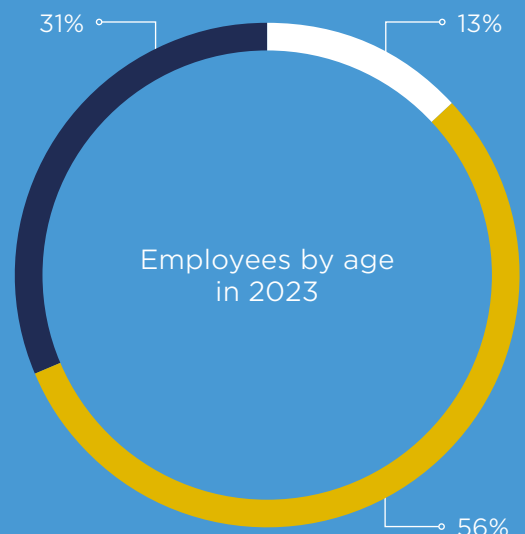
- Temporary employees
- Permanent employees

EMPLOYEES AGED 30 - 50

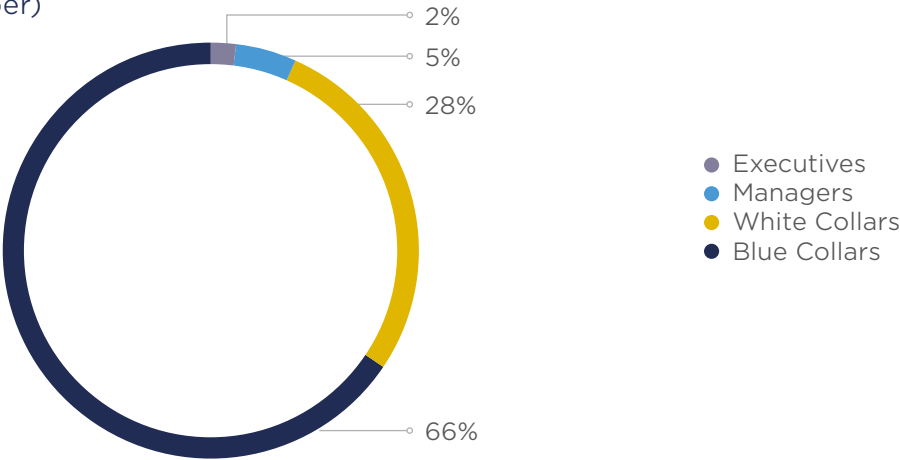
56%

The composition of our company features a population of a **56%** with an average age of between 30 and 50. Below is the percentage of employees in representative order: **31%** are over 50 years of age and **13%** are under 30.

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



Employees by professional category (number)



The breakdown of employees by gender includes **92% men** and **8% women**, who are mainly employed in office-based roles, representing **29%** of the category.

The strong relations developed over time with our partners is confirmed by the employee **turnover rate**: in **2023** it actually decreased significantly compared with 2022, going from 12% to **5%** and in 70%

of cases the employment relationship ended through retirement. As far as hiring is concerned, in **2023 13** new employees were taken on: 4 in the **Lumezzane** plants and **9** in the **Roncadelle plant**.





FOCUS GROUP VALUES

In 2023 we implemented the “World Café – Almag Values” project aimed at understanding and comparing the values perceived by employees with those shared by corporate management. To ensure effectiveness, the method used was a focus group, in order to encourage participation and inclusivity and facilitate constructive discussions.

The World Café activity was conducted in two sessions. The sessions involved 75 employees coming from different departments of the company. The participants were divided into groups and took part in two rounds of informal conversations on specific company values, with a change of tables between the two rounds, to promote the fusion of ideas.

The following four main values emerged during the discussions:



HUMANITY

This reflects attention to the well-being and personal and professional development of employees, fostering a work environment based on mutual appreciation and collaboration.



RESPECT

It includes respect for employees, the environment, local communities and external stakeholders, highlighting a commitment to social and environmental responsibility.



RELIABILITY

This stresses the financial soundness and stable reputation of the company, which allows us to be perceived as a reliable, stable partner.



CONTINUOUS RESEARCH

This demonstrates the importance of innovation and continuous improvement to maintain corporate competitiveness and guarantee the quality of the products and services offered.

In the second session, with the aim of delving further into the individual perception of the company, a series of images was provided and every participant was asked to choose the one that best represented the company and share their reasoning.

The image that got the most votes was that of a game of rugby, representing collaboration and solidarity, stressing the importance of teamwork and a collective commitment to achieving shared goals.

The participatory, inclusive approach adopted in this project contributed to creating a positive, collaborative climate during the sessions, allowing the employees to openly express their opinions and perceptions. This process strengthened their sense of belonging and helped in building a solid, cohesive corporate culture.

Lastly, the identification of corporate values from the perspective of partners further enriched the understanding of the corporate culture, highlighting the alignment between individual perception and the values shared by the company in its entirety.

5.2

PROFESSIONAL DEVELOPMENT AND TRAINING OF RESOURCES

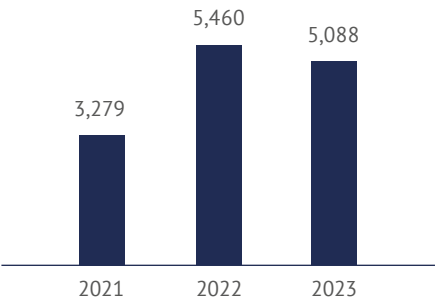
In Almag, we consider education and training to be vital tools for the best development and improvement of the skills of all talents in the company, as well as the preferred channel for sharing our corporate values and goals. By doing this we have managed to create a strong, shared culture.

With the aim of providing educational and training courses that are in keeping with the requirements of our people and their needs within the corporate setting and outside of it, we are undertaking to develop a dedicated **training plan** every year.

Following the plan, in **2023** a total of **5,088⁸** hours of training was provided, evidence of the value that we attribute to training as a strategic tool for the development of skills and increasing the potential of our human capital.

In relation to the total hours offered, **3,793** are attributable to the **Roncadelle** plant and **1,295** to the **Lumezzane** plants.

Hours of training provided (hours)



171
hours

LEADERSHIP
TRAINING

At an overall level, the average training hours per employee recorded in 2023 stood at around **19⁹**, a slight drop compared with the figure of 21 recorded in 2022. The average hours per capita relating to the individual plants were **18** for **Roncadelle** and **23** for Lumezzane.

Training courses are offered to all employees, irrespective of the professional category to which they belong. In **2023**, out of employees, the categories that received the most training were **Executives** and **Managers**, each with a total

of **40** hours of training per capita. **White Collars** and **Blue Collars** received, respectively, **20** and **15** hours per capita. On the other hand, **contractors** received **43** hours training per capita.

⁸ The data on training hours taking all partners into consideration, both employees and those not employed (contractors).
⁹ The figure for average training hours per capital is calculated for all partners, both employees and non-employees (contractors).

Average training hours
per professional category
(hours/no.)



2.474
hours

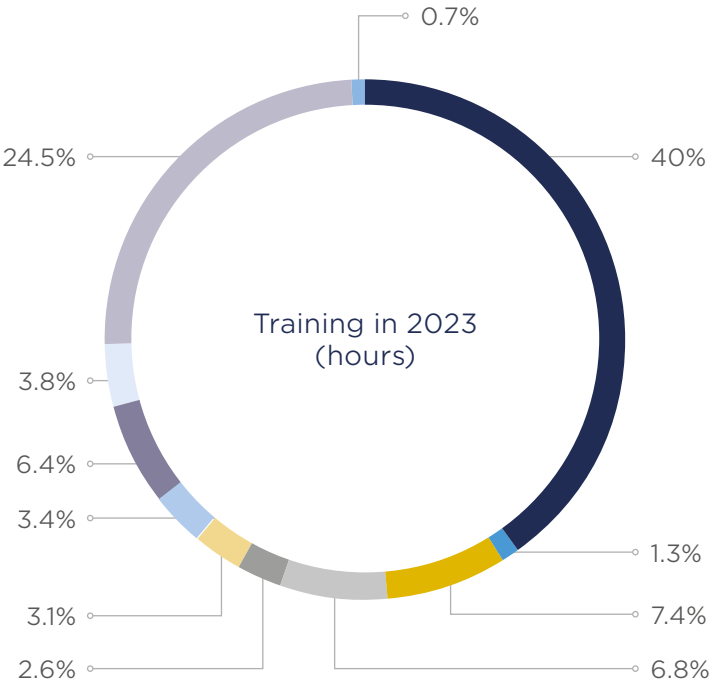
HEALTH
AND SAFETY,
MANAGEMENT OF
EMERGENCIES
AND BBS

With regard to the breakdown by type of training, in **2023**, in line with 2022, we devoted particular attention to training on **Health & Safety at work**, which actually represents the category with the highest number of hours provided. This figure bears witness to the great importance that we at Almag

attribute to the protection and well-being of our partners, in order to guarantee compliance with existing legislation, but also with a view to fostering a corporate culture aimed at workplace safety. Alongside the health and safety initiatives, in 2023 we also offered courses that covered a wide range

of subjects, relating to aspects that we believe to be strategic for the creation of value: the **development of distinctive skills (technical managerial and organisational)** the **management of emergencies, quality**, the **environment** and **energy, sustainability, coaching, privacy** and **language skills**.

- Safety
- BBS
- Management of emergencies
- Environment - Energy
- Quality
- Sustainability
- Privacy
- Coaching
- Language skills
- Separate training (technical, organisational and managerial skills)
- Sharing Review of Management



In addition, in **2023** some categories of employees received **specific training**, based on the task conducted and training requirements. This training included, specifically, **waste management** and environmental compliance and involved a total of **20 resources** for around **95 hours of training in total** provided in five distinct modules.

Lastly, all administrative employees and heads of department received training on the subject of

Cybersecurity. This training, which came to a **total of 116 hours**, involved subjects such as raising awareness of all risks which operators may come across when accessing data or other resources through the use of various devices, the risks associated with IT security and the safeguards to adopt daily to mitigate them.

In particular, Almag recognises the **protection of privacy** as a fundamental aspect in the management of its relations with

stakeholders. The company's information infrastructures are actually subject to constant maintenance and careful updating in order to ensure a high level of efficiency. The safety measures adopted are designed to effectively tackle potential interruptions to services and unauthorised access attempts. In **2023**, there were no incidents of data theft relating to either customers or other stakeholders and no complaints were recorded relating to this issue.



LEADERSHIP TRAINING AS A DEVELOPMENT TOOL

In 2023, we organised a dedicated training programme, aimed at promoting the professional development of seven young talents who are part of our team, identified by the General Management and Heads of Department. This programme was developed as a cycle of seven meetings, the first of which was preparatory and aimed at identifying the behavioural models and relational styles of each of the participants. Specifically, during this meeting, each of the participants took a specific test aimed at discovering particular characteristics of their personality:

- Energy: how the person is motivated (through extroversion or introversion);
- Perception: what a person does with attention and, from a corporate perspective, the way they prefer to receive or provide information (in a sensory or intuitive way);
- Decision: how a person takes decisions (by thinking or through emotions);
- Life: how a person tends to act (by judgement or perception).

Based on the answers to the questionnaire and the training requirements of the individual participants,

we have established the contents and objectives on which the next 6 meetings will concentrate, structured according to the Goal Team Coaching approach. This approach aims to guide the teams towards reaching the objectives by applying the following method:

- Definition of a clear, tangible objective that the group intends to achieve;
- Identification of the necessary resources to achieve it and the strategies to acquire these resources;
- Development of a detailed, shared action plan to define the stages, deadlines and responsibilities of each one to achieve the objective;
- Regular monitoring of the team's progress and gathering of feedback to make any changes to the action plan.

The subjects to be dealt with over the 6 meetings were as follows: introduction to the leadership; proactivity, analysis and objectives; empowerment of people and feedback; active listening and elements of the listening process; teamwork; SWOT analysis (strategic analysis to evaluate strong and weak points, opportunities and threats of a project or specific situation).

Together with training, professional and personal development tracks represent an extremely important element in order to motivate partners and create a stimulating work environment that is capable of attracting and retaining people who possess and have developed the necessary skills for the ongoing development of our company. This subject is very close to our heart and we are committed to perfecting our **meritocracy-based career system**, through an **evaluation**

system based on feedback from managers.

For 2024 we have decided to organise a **BBS (Behaviour Based Safety)** course - The science of behaviour applied to the safety of work in order to identify and reinforce virtuous behaviour and, where necessary, adopt preventive and corrective measures.

In addition, in order to organise specific growth paths, we have begun a process for reviewing job descriptions for front-line employees, which will be extended next year to first-level employees and operators.

Specifically, by 2024 **Management by Objectives (MBO)** will be extended to all front-line employees, thereby adopting a results-based structure.



5.3

PROMOTION OF HEALTH, SAFETY AND THE WELL-BEING OF PARTNERS

Attention to **health, safety and the well-being of partners** is an issue that is of vital importance to our company that represents the basis of our day-to-day actions.

Therefore, in order to reduce the risks associated with our activities to a minimum and protect the health and well-being of our partners, we implement **targeted strategies and ongoing investment** in training, state-of-the-art technologies and industrial practices improvements.

5.3.1

HEALTH AND SAFETY AT WORK

Our company strongly believes that occupational accidents and illnesses can be and should be prevented, so for this reason we are actively engaged in constantly reducing their frequency and severity.

We strive to **eliminate the dangers and minimise the risks**, introducing the best industry technologies on the market, educating our partners, reinforcing the safest behaviour and supplying suitable personal protection equipment. Through our corporate intranet, integrated and also designed in conformity with **UNI EN ISO**

45001¹⁰, we immediately disseminate safety procedures and information at all company PC workstations and we keep track of all accidents and near misses¹¹ that occur during the year.

In **2023**, at the **Roncadelle** plant, **7** workplace accidents were recorded and **1** in transit, making a total of **8** accidents relating to employees, a

slight fall compared with 2022, when there was a total of 9 accidents; for non-employed workers there was just one accident. In **2023**, at the **Lumezzane** plant, there was only 1 workplace accident involving employees and no accidents relating to non-employed workers.

¹⁰ UNI EN ISO 45001 certification, obtained for the first time in 2021, defines the minimal global standards for protecting workers and provides a framework for managing risks in the workplace, improving the health and well-being of employees and contributing to the overall effectiveness of the management system and health and safety.

¹¹ A near miss - almost an accident - refers to an event that has the potential to create harm.

As mentioned, we also monitor “**reports of improvement and near misses**”, collecting information and suggestions of an environmental nature and about workplace health and safety, paying attention to the reports of all partners with a view to continuous improvement. Monitoring accidents that have occurred allows us to calculate their severity index¹²

and **the frequency index of workplace accidents**¹³ namely the ratio between the number of accidents that have taken place at work and the total hours worked by employees over a year. For **2023**, at the Roncadelle plant, **the workplace accident frequency rate** was **20.34**, while at the Lumezzane plant it was **11.42**. The total workplace accident frequency

rate, taking the three plants into consideration, was **18.53**. Thanks to the active, constant commitment of our company to try and reduce the accident frequency rate and severity, **the workplace overall accident frequency rate fell by 3% compared with 2022**.

Almag 2023 – Occupational health and safety

We regularly carry out a risk assessment in order to preventively monitor the most exposed areas and tasks and establish the measures to implement to reduce them. All the potential threats and risks identified, together with the subjects involved and processes used to identify them and manage them, are documented in the Risk Assessment Document in conformity with Legislative Decree 81/08 which, integrated with more than **30 Specific Risk Assessments**, are regularly reviewed and updated, including during the regular annual meetings pursuant to Article 35 of Legislative Decree 81/08.

8

ACCIDENTS RECORDED
IN 2023

1

NON-EMPLOYED
WORKER ACCIDENTS
(outside business) IN 2023

165

REPORTS UNDER
THE SCOPE OF HEALTH
AND SAFETY, ENVIRONMENT
AND NEAR MISSES

In the three-year period 2021-2023 no cases of occupational disease were reported and the health monitoring activities were conducted regularly in

conformity with the health protocol established by the Occupational Health Physician.

¹² The severity index expresses the severity of the workplace accidents and gives the number of sickness days over the total number of hours worked.

¹³ In 2023, there were 3 accidents with serious consequences, one in transit and two in the workplace, due to errors when carrying out manoeuvres, following which the safety procedures were updated (for more details about the relative index, refer to the tables in the annex). There were no fatalities at work, therefore this index stands at 0%.



DISSEMINATE THE CULTURE OF SAFETY

ACCIDENT TASK FORCE CONFINDUSTRIA BRESCIA

With the goal of **disseminating the culture of safety** and sharing our experiences, we meet annually with other companies in the area within a Task Force composed of the **Prevention and Protection Service Managers**. The main purpose of these meetings is to explore specific issues related to **Health & Safety**, discussing actual cases originating in each company and organising training courses dedicated to employees of associated companies. Participation in this group makes it possible to share and develop effective practices for the management of accidents and promotion of health and safety in the workplace.

In 2023, in collaboration with **Confindustria Brescia**, we used artificial intelligence to produce a video that describes a **near miss episode** that took place within the company. This video proved to be extremely helpful in analysing the mistakes that took place during the near miss and, therefore, in devising the corrective measures. With reference to the Task Force of Prevention and Protection Service Managers, this video is also vital for sharing the best practices identified with the other members.

WORKPLACE SAFETY – ROCK AND SAFE EVENT

We have also decided to tackle the issue of workplace accidents in Italy in a particularly innovative way: to the sound of rock. We have decided to bring the “sound of safety” outside of the work domain, with a stage show at the Teatro Santa Giulia in Brescia. The original way in which the subject was portrayed, ensured that workplace safety was not only perceived as a collection of obligations and duties, elevating individual behaviour and allowing the employee to internalise the pleasure of fostering safe actions. In the process, we involved more than 300 partners, employees, suppliers and consultants, raising awareness of the importance of workplace safety and the promotion of safe behaviour. The originality of this means of communication allowed us to increase the field of force generated by the contents, closely linked to the concept of human behaviour. Consequently, there was also the opportunity to reflect on safety outside of

an exclusively work domain. It was actually possible to also discuss the importance of safety in domestic and recreational contexts.



5.3.2

HEALTH AND WELL-BEING

In Almag people play a central role: the well-being of the company actually overlaps with that of our collaborators. This translates into the promotion of a healthy, well-balanced lifestyle, centred not only on valuing physical health, but also mental health, as well as a work environment that guarantees everyone can combine their work life and private life.

CORPORATE WELFARE

Our corporate welfare programme complies with the reference National Collective Bargaining Agreements (CCNL): all our partners have the right to all the provisions therein, for example to healthcare, parental leave and pension contributions.

We have had a welfare platform available for many years, through which all our employees can benefit from a sum of money to spend choosing from a range of available services.

These services break down into many areas, including:

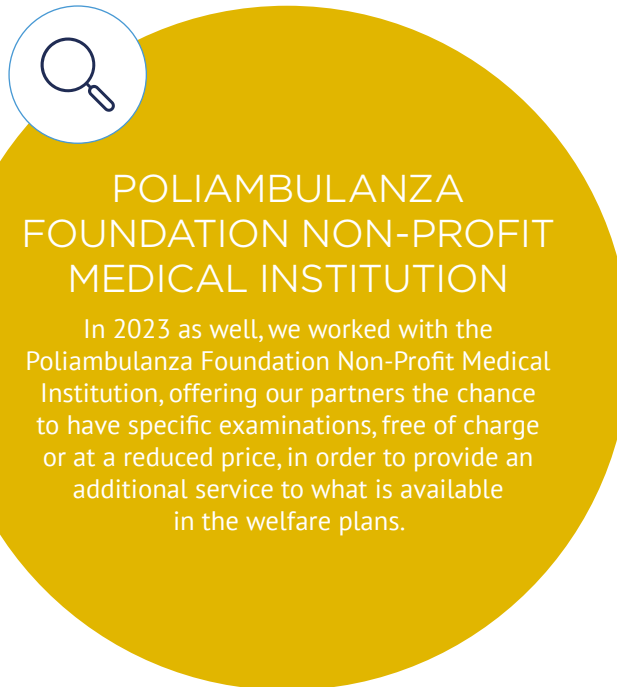
CULTURE, SPORT,
LEISURE, TRAVEL
AND HOLIDAYS

VOUCHERS EXPENSES
AND PETROL,
TRAVEL EXPENSES

MEDICAL EXPENSES, LONG-TERM
CARE AND HEALTH & FAMILY CARE,
SOCIAL WELFARE EXPENSES

SCHOOL
FEES

PENSION
FUND



**POLIAMBULANZA
FOUNDATION NON-PROFIT
MEDICAL INSTITUTION**

In 2023 as well, we worked with the Poliambulanza Foundation Non-Profit Medical Institution, offering our partners the chance to have specific examinations, free of charge or at a reduced price, in order to provide an additional service to what is available in the welfare plans.

MEMBERSHIP OF THE WORKPLACE HEALTH PROMOTION SCHEME

In 2016 we formalised membership of the **Workplace Health Promotion Network (WHP) – Lombardy**, which, collaborating with ATS Brescia (Health Protection Agency) and **Confindustria Brescia**, each year, together with other companies that are part of the network, develop and disseminate best practices in certain areas based on the health and well-being of all workers. The objective of this project, based on a model promoted by the World Health Organization (WHO), is to promote organisational changes in workplaces in order to make them conducive to the **dissemination of healthy lifestyles**, leading to the **prevention of chronic illnesses**.

From 2016 onwards, the initiatives implemented under the scope of the project were concentrated on priority areas for our corporate population, highlighted courtesy of an in-house survey conducted on 65% of our partners, a representative sample of the lifestyles of our people.



ALMAG CARD

In addition to the welfare portal, we provide our employees with the Almag Card, namely a card that provides access to a range of discounts thanks to agreements with companies in the area. These agreements have been developed at the request of employees who send suggestions directly to our General Services office; in this way it is possible not only to meet the needs of our people, creating a connection with activities they are interested in, but also, to ensure that our company creates important synergies with the area.

The subject areas covered in depth involved the following aspects:



FOOD



WORK/LIFE
BALANCE



SUSTAINABLE
MOBILITY



ADDICTIVE
BEHAVIOUR



SMOKING



PHYSICAL ACTIVITY

For more details about the initiatives implemented between 2016 and 2022, refer to the **2022 Sustainability Report**¹⁴.

In 2023 the Work Health Promotion programme focused on the issue of proper nutrition, the **issue of smoking and the issue of addiction to social platforms. The objective** was to promote the dissemination of validated, free initiatives and instruments to help smokers gain awareness of their addiction to smoking and encourage improving health. In agreement with the competent Regional Agency for Health Service and with the aim of spreading awareness of the services offered by the Health System Smoking Treatment Centres, we have activated the following **activities**:

- Information and communication initiatives
- General training for all workers, aimed at raising awareness of the risks associated with addictive behaviour, strengthening resilience and gaining familiarity with the procedures for getting support.

In 2023, we continued with the process started in 2021, renewing important plans in the area of health, in conjunction with the Poliambulanza Foundation Medical Institution. Specifically, in 2023 we launched specific activities in addition to those under the WHP programme and corporate welfare, aimed at encouraging membership of (skin) cancer screening programmes and for hepatitis C, for all partners.

THE RISK OF WORK-RELATED STRESS

In May 2021, we analysed work-related stress through two evaluations, one preliminary and one specific, where 185 partners took part in a questionnaire: after breaking down the results by professional family, further interviews were conducted to identify corrective measures. This analysis confirms our company's commitment to the creation of a respectful, stimulating and safe work environment, as well as

one suitable for the professional development of people. The result of the updating of the preliminary analysis carried out in 2023 was an insignificant work-related stress risk for all Almag professional families. The specific evaluation was postponed until 2024, in order to be able to prepare a climate survey and a partner satisfaction survey to be conducted at the same time as the work-related stress risk analysis¹⁵.

¹⁴ https://www.almag.it/it/pdf/D.150623_ALMAG_REPORT_SOST_INTERATTIVO.pdf

¹⁵ For more details about the "work-related stress risk" analysis, refer to the 2022 Sustainability Report (https://www.almag.it/it/pdf/D.150623_ALMAG_REPORT_SOST_INTERATTIVO.pdf)

5.4

PARTNERSHIPS FOR THE DEVELOPMENT OF THE AREA AND SUPPORTING LOCAL COMMUNITIES

Our company traces its roots back to the Brescia area, where most of our activities are still carried out, allowing us over the years to establish, maintain and strengthen the links built up over the years, maintaining and strengthening connections with the local communities, with the aim of creating and sharing value and benefiting the entire area.

5.4.1

OUR PARTNERSHIPS

Our regional network features, first and foremost, partnerships that we have established over time with other companies in the metallurgical industry which, together with us, were established

and developed in the area of Brescia. These partnerships are a source of pride to our organisation because it is precisely thanks to them that we are able to establish extremely important **synergies with**

our stakeholders, taking part in associations and consortia that allow us to enrich our know-how and provide important innovations, research and benefits to the actual area and the people that live there.



WE STRENGTHEN
THE BONDS WITH
LOCAL COMMUNITIES
TO CREATE SHARED
VALUE



WE GENERATE
INNOVATION AND
BENEFITS FOR THE
COMMUNITY THROUGH
INDUSTRY PARTNERSHIPS

We are proud to present some of the associations and consortia in the metallurgical industry that we belong to:

CONFINDUSTRIA BRESCIA

With over a century's history, it represents and protects entrepreneurs and businesses in the Brescia area.

RAMET CONSORTIUM

This is an environmental research consortium company composed of 22 metallurgical companies in the province of Brescia that we have been part of since 2005. Together, we are committed to reducing pollutant emissions in the air and promoting environmental protection.

ASSOMET

National Association of Non-Ferrous Metal Industries an association which is committed to safeguarding operating conditions in the industry regarding energy, customs, tax and commercial policy, to achieve competitive conditions comparable with those of major European countries and competitors in the national industry.

AIM

Italian Association of Metallurgy

We actively participate in the AIM Environment & Safety Research Centre, a cultural body that promotes the dissemination of metal science and technology.

IWCC

International Wrought Copper Council

We are members of the council of the international association of the industry for manufacturing copper and copper alloys. Founded in 1953, the IWCC has members throughout the world: in Europe, Japan, China, India, Malaysia, South Africa, Korea, Taiwan, Thailand and the United States.

APQI

Italian Quality Award Association

We are evaluator members for the allocation of the business award for safety, given together with Confindustria, INAIL and Accredia. This cultural, non-profit association proposes to promote the quality and competitiveness of businesses, through the development and dissemination of methods, models and tools for evaluating and improving organisations. The purpose of the association is to give out awards based on models of excellence such as those of Total Quality Management (TQM), recognised at a European and international level.



5.4.2

SUPPORTING LOCAL COMMUNITIES

We have always supported different projects for supporting communities in the area in which we operate, choosing projects based on three fundamental criteria.

We actually want our contribution to feature:

- **Relevance to the community:** each action should feature attention to the needs and expectations of the community;
- **Inclusivity:** projects whose benefits extend to a wide group of citizens are a priority for us;
- **Synergy:** we are seeking maximum cooperation with local organisations for every action and initiative in order to combine resources and know-how.

We support the development of **local entities** operating in a **social sphere**, such as, for example, foundations, schools, parishes, sports associations, cultural associations and medical-scientific associations, also through **donations and sponsorships**. Supporting these organisations also allows us to support young students, the children of our partners, through the provision of bursaries. Since 2019-2020, we significantly expanded our system of providing donations and

sponsorships, reaching a total, in 2022, of around **€236,159¹⁶**, further increasing the value in 2023 to **€249.385**.

Over 142,000€
OF DONATIONS ONLY



OUR SUPPORT FOR THE IEO-MONZINO ETS FOUNDATION

Some of our donations are destined specifically for supporting the IEO-MONZINO Foundation (European Institute of Oncology and Cancer Centre), a non-profit organisation and the only one that exclusively and directly funds the clinical and experimental research of the European Cancer Institute and the Monzino Cardiology Centre. For over 25 years its goal has been to identify the best treatments and support innovative projects that make it possible to provide patients with customised treatments and more effective diagnostic.

¹⁶ he figure was revised compared to the one published in the previous Sustainability Report (2022) following a reinterpretation of the method used to restate the income statement.



SPAZIO ALMAG FOR BERGAMO-BRESCIA CAPITALS OF CULTURE 2023

Spazio Almag was established in a wing of ALMAG, developing on two floors for a total of 1250 square metres. The collection was established at the request of the President Giorgio Gnutti, who passed on his passion for art to his eldest daughter Umberta. They had wanted to mount a personal exhibition for some time so, in agreement with the current President Gabriele Gnutti, it was decided to create an exhibition space in the family company on the occasion of the **Bergamo-Brescia Capitals of Culture 2023**.

Spazio Almag is not a museum but a place dedicated to art, where the artistic skills of young talents are celebrated. The works exhibited are chosen personally by the owner, Dr. Umberta Gnutti Beretta and her choices are never random: the acquisitions actually always have a story or precise reason for being in Spazio Almag. Digital art, in the form of NFT works (Non-Fungible Token), also find space in a dedicated area, guaranteeing authenticity.

Spazio Almag exhibits contemporary works of art created in a period ranging from the fifties and sixties to the

present day. With the exception of several artists who contributed to better defining the artistic trends of contemporary art (including Lucio Fontana and Enrico Baj), the majority are currently contributing to defining the artistic identity of our times: from Marina Abramovic to Jeff Koons, from David La-Chapelle to Maurizio Cattelan, from Michelangelo Pistoletto to Francesco Vezzoli. These universally-recognised artists are joined by well-known names in the world of collectors and less so by the general public, whom Dr. Umberta Gnutti Beretta has always strongly supported with a view to promoting young talent.

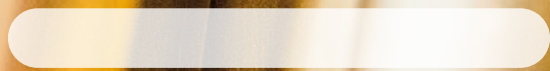
Umberta Gnutti Beretta said: «The occasion of the Bergamo-Brescia Capital of Culture 2023, which also saw entrepreneurs called upon to contribute to making the city come alive, was the perfect time for an operation that my father had wanted for some time as he is also an art lover like me».

Art for the city, a question of family that becomes available to all.

Paola Pivi

I am a professional bear, 2017.

Urethane foam, plastic, feathers, desk and chair | 140 × 260 × 153 cm / 55 × 102.3 × 60.2 inches | Photograph by Todd-White Art Photography | Courtesy of the artist and MASSIMODECARLO.



GRI

INDICATOR TABLES

6

GRI INDICATOR TABLES

GRI 201-1: ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED

Economic value (euros)	2023	2022	2021
Economic value directly generated	312,059,825	460,340,608	417,108,790
Operating costs	241,629,823	379,700,138	353,556,388
Employee wages and benefits	17,805,370	18,520,051	15,675,387
Payments to capital providers	10,941,764	11,011,242	10,708,079
Payments to the public administration	3,211,550	5,984,191	5,561,842
Investments in the community*	337,905	319,216	462,103
Economic value distributed	273,926,412	415,534,838	385,963,799
Economic value retained	38,133,413	44,805,770	31,144,991

Note: the data relating to 2022 and 2021 differ from what was published in the previous Sustainability Report as the income statement reclassification methodology has been revised in order to provide a more accurate view of how the economic value is distributed among stakeholders. Furthermore, a balance sheet item has been inserted in order to highlight the value distributed to shareholders through dividends for the item relating to payments to capital suppliers.

* Investments in the community include donations (€142,785), sponsorships (€106,600) and membership contributions (€88,520).

GRI 2-7: EMPLOYEES

Employees by type of employment (n)	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time employees	246	18	264	247	18	265	191	17	208
Part-time employees	1	4	5	1	4	5	1	3	4
Total	247	22	269	248	22	270	192	20	212

GRI 2-7: EMPLOYEES

Employees by type of contract (n)	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent employees	244	22	266	242	22	264	187	20	207
Temporary employees	3	0	3	6	0	6	5	0	5
Total	247	22	269	248	22	270	192	20	212

Note: there are no employees with non-guaranteed hours for the entire three-year period.

GRI 405-1: DIVERSITY IN GOVERNMENT BODIES AND EMPLOYEES

Employees by category and by age (n)	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Top Managers	5	0	5	5	0	5	2	0	2
< 30	0	0	0	0	0	0	0	0	0
between 30 and 50	0	0	0	1	0	1	0	0	0
> 50	5	0	5	4	0	4	2	0	2
Middle Managers	12	1	13	11	0	11	12	0	12
< 30	0	0	0	0	0	0	0	0	0
between 30 and 50	6	1	7	7	0	7	8	0	8
> 50	6	0	6	4	0	4	4	0	4
White collars	53	21	74	55	22	77	59	20	79
< 30	5	2	7	3	3	6	4	3	7
between 30 and 50	26	15	41	27	15	42	28	12	40
> 50	22	4	26	25	4	29	27	5	32
Blue collars	177	0	177	177	0	177	119	0	119
< 30	29	0	29	31	0	31	25	0	25
between 30 and 50	101	0	101	99	0	99	63	0	63
> 50	47	0	47	47	0	47	31	0	31
Total	247	22	269	248	22	270	192	20	212

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

Members of the governing bodies (n)	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<30	2	0	2	1	0	1	1	0	1
30 - 50	1	0	1	1	1	2	1	1	2
> 50	4	2	6	5	1	6	5	1	6
Total	7	2	9	7	2	9	7	2	9

GRI 403-9: WORK-RELATED ACCIDENTS

Recordable work-related accidents (n)	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
At work	8	0	8	8	0	8	5	0	5
In transit	1	0	1	2	0	2	1	0	1
Total	9	0	9	10	0	10	6	0	6
Hours worked (h)	398,114	33,587	431,701	431,139	38,981	470,121	363,267	31,300	394,567
Work-related accident rate	20.1	-	18.5	18.6	-	17	13.8	-	12.7

GRI 404-1: AVERAGE HOURS OF ANNUAL TRAINING PER EMPLOYEE

Average hours of training by gender and professional level (h/n)	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Top Managers	40	0	40	17	0	17	4	0	4
Middle Managers	42	12	40	45	0	45	34	0	34
White Collars	17	26	20	24	25	24	18	12	17
Blue Collars	15	0	15	16	0	16	9	0	9
Temporary workers	48	20	43	59	17	38	25	0	25
Total	18	26	19	19	25	20	15	12	14

Note: the average hours of total training also include those provided to temporary workers.

GRI 301-1: MATERIALS USED BY WEIGHT AND VOLUME

Materials used (t)	2023	2022	2021
Virgin raw materials (non-renewable)	10,789	12,012	14,573
Reclaimed raw materials	146,169	180,312	204,939
Total	156,958	192,324	219,512

GRI 301-2: MATERIALS USED THAT COME FROM RECYCLING

Recycled input materials (t)	2023	2022	2021
Total input used	156,958	192,324	219,512
Total input materials reclaimed used	146,169	180,312	204,940
Percentage of recycled input materials	93.1%	93.8%	93.4%

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

Suppliers	2023	2022	2021
New suppliers assessed through environmental criteria (n)	0	0	1
Total suppliers (n)	54	55	62
New suppliers assessed through environmental criteria	0%	0%	2%
New suppliers assessed through social criteria (n)	0	0	0
Total suppliers (n)	54	55	62
New suppliers assessed through social criteria	0%	0%	0%

GRI 302-1: ENERGY CONSUMED WITHIN THE ORGANIZATION

Energy consumption (GJ)	2023	2022	2021
Direct energy consumption	129,922	119,144	131,912
Of which from non-renewable sources	126,299	115,717	128,519
Natural gas	124,014	113,107	125,757
Diesel	1,967	2,291	2,444
Coal	318	318	318
Of which by car	1,630	1,388	1,264
Diesel	1,209	1,004	1,004
Petrol	422	384	260
Of which from renewable sources	1,993	2,039	2,129
Self-produced solar energy	1,993	2,039	2,129
of which self-consumed	1,993	2,039	2,129
of which transferred to the network	0	0	0
Indirect energy consumption	266,671	293,731	321,070
Electricity purchased from non-renewable sources	266,671	293,731	321,070
Total energy consumption	396,594	412,875	452,982

**GRI 305-1: DIRECT GHG EMISSIONS (SCOPE 1),
305-2: INDIRECT GHG EMISSIONS (SCOPE 2, SCOPE 3)**

Direct and indirect CO ₂ e emissions (tCO ₂ e)	2023	2022	2021
Direct emissions (Scope 1)	6,626	7,793	6,621
Natural gas	6,204	7,415	6,325
Diesel for internal use and company cars	227	240	246
Petrol for internal use and company cars	29	26	18
Coal for internal uses	31	33	32
Refrigerant gases	135	79	-
Indirect emissions (Scope 2) - location based	19,776	24,071	23,299
Indirect emissions (Scope 3)	73,886	81,388	-
For transport	18,368	23,264	-
For products used	55,518	58,124	-
Total emissions	100,288	113,252	29,920
Foundry (ton)	153,703	187,046	213,681
Emission intensity (tCO₂eq/ton)	0.652	0.605	0.140

Note: Scope 1 emissions of CO₂eq were calculated using the emission factors ISPRA 2021, for the 2021 values, ISPRA 2022, for the 2022 values, and ISPRA 2023 for the 2023 values. Carbon emissions were calculated with the DEFRA emission factors, 2021, 2022 and 2023 respectively.

The emission intensity was calculated through the ratio between direct (Scope 1) and indirect (Scope 2 location-based and Scope 3) emissions of CO₂e and the quantity of product leaving the fusion phase (tons). The emission intensity for 2021, unlike 2022 and 2023, was calculated only on Scope 1 and 2 emissions, as Scope 3 emissions had not yet been calculated, and is equal to 0.14. Furthermore, the methodology for calculating emission intensity has been revised compared to the previous reporting period, in order to provide more timely reporting of those impacts. In particular, the production volume was used as a denominator, which has now been replaced with the quantity of product leaving the fusion phase.

GRI 306-3: WASTE PRODUCED

Waste produced (t)	2023	2022	2021
Casting process waste	6,473	8,385	8,978
Processing waste	257	222	0
Lubrication waste	54	63	56
Purification process waste	189	178	206
Maintenance waste	220	195	277
Packaging waste	28	29	29
Absorbent waste	6	13	22
Pickling acid waste - from periodic maintenance	14	69	54
Other waste	14	71	218
Total waste produced	7,257	9,225	9,840

GRI 306-4: WASTE NOT INTENDED FOR DISPOSAL

Waste destined for recycle from third parties (t)	2023	2022	2021
Total hazardous waste	2,671	3,352	3,844
Other Recycle Options	2,671	3,352	3,844
<i>Solid</i>	33	39	34
<i>Powdery</i>	1,141	1,542	1,693
<i>Muddy</i>	190	191	242
<i>Liquid</i>	1,307	1,580	1,874
Total non-hazardous waste	4,173	5,280	5,536
Other Recycle Options	4,173	5,280	5,536
<i>Solid</i>	359	268	296
<i>Powdery</i>	3,815	5,012	5,158
<i>Muddy</i>	0	0	0
<i>Liquid</i>	0	0	82
Total	6,845	8,632	9,380

GRI 306-5: WASTE FOR DISPOSAL

Waste intended for disposal by third parties (t)	2023	2022	2021
Hazardous waste	378	385	336
Transfer to landfill	378	351	336
<i>Solid</i>	5	6	0
<i>Powdery</i>	0	0,2	0
<i>Muddy</i>	246	217	206
<i>Liquid</i>	127	127	130
Non-hazardous waste	34	208	124
Transfer to landfill	34	208	124
<i>Solid</i>	1	156	74
<i>Powdery</i>	0	1	0
<i>Muddy</i>	0	0	0
<i>Liquid</i>	33	51	50
Total	412	593	460

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

Withdrawals, drains and consumption of water (Ml)	2023	2022	2021
Total water withdrawals – fresh water	182	220	183
Surface waters	28	26	0
Groundwater	149	188	176
Third party water resources	5	6	7
Total water drains – fresh water	88	95	112
Surface water - CIS	88	95	112
Total water consumption	94	125	71

GRI CONTENT INDEX

Declaration of use	Almag S.p.A. reported the information cited in this GRI content index for the period 01/01/2023 – 31/12/2023 with reference (“in accordance with”) to the GRI Standards.
GRI 1 used	GRI 1: GRI Foundation 2021
GRI Sector Standards applicable	N/A: the GRI Sector Standards for the business sectors of Almag S.p.A. have not yet been published.

GRI Standards	Disclosure	Reference paragraph	Notes
2-1	Organisational details	1.1. Who we are Methodological note	
2-2	Entities included in the Company’s Sustainability Report	Methodological note	
2-3	Reporting period, frequency and contacts	Methodological note	
2-4	Processing of information	GRI indicator tables	
2-5	External certification		The Sustainability Report is not subject to external audit.
2-6	Activities, value chain and other business relationship	1.1. Who we are 1.4. Our manufacturing process 3.4. Responsible management of the Supply Chain 5.4.1. Our partnerships 5.4.2. Supporting local communities	
2-7	Employees	5.1. Management of our people GRI indicator tables	
2-8	Non-employee workers	5.1. Management of our people GRI indicator tables	
2-9	Governance structure and composition	3.2. Our Governance	
2-10	Appointment and selection of the highest governing body	3.2. Our Governance	

GRI Standards	Disclosure	Reference paragraph	Notes
2-11	President of the highest governing body	3.2. Our Governance	
2-12	Role of the highest governing body in managing impact	3.2. Our Governance	
2-13	Delegation of responsibility for impact management	3.2. Our Governance	
2-14	Role of the highest governing body in sustainability reporting		The contents of this Sustainability Report are approved by the Board of Directors.
2-15	Conflict of interest	3.1. Ethical conduct of our business	
2-16	Communication of critical issues	3.1. Ethical conduct of our business	
2-17	Collective knowledge of the highest governing body		In 2023, no paths aimed at improving the collective knowledge of the highest governing body regarding sustainable development were launched.
2-18	Performance evaluation of the highest governance body		There is no performance evaluation of the members of the Board of Directors.
2-19	Remuneration policies		At the moment there are no formalized remuneration policies in place.
2-20	Process for determining compensation		The Company's remuneration policies are managed independently by the General Management in collaboration with the Personnel Management. Salaries are linked to market levels and the specific professional skills of employees.
2-21	Annual total compensation ratio		The Company, in order to preserve the confidentiality of its employees' data, and since such data is not required by law, decides not to provide it.
2-22	Statement on the Sustainable development strategy	Letter to stakeholders	

GRI Standards	Disclosure	Reference paragraph	Notes
2-23	Policy commitment	2.3. Sustainable Almag 3.1. Ethical conduct of our business	
2-24	Integration of commitments	1.2. Our mission and our values 2.3. Sustainable Almag 3.1. Ethical conduct of our business 3.3. Commitment to sustainable innovation and customer focus 3.4. Responsible management of the supply chain 4.1. Our commitment to protect the environment 5.1. Management of our people 5.2. Professional development and training of resources 5.3.1. Health and safety at work 5.3.2. Health and well-being 5.4. Partnerships for the development of the area and supporting local communities	
2-25	Processes intended to remedy negative impacts	1.2. Our mission and our values 2.3. Sustainable Almag 3.4. Responsible management of the supply chain 4.1. Our commitment to protect the environment 5.3.1. Health and safety at work 5.3.2. Health and well-being	
2-27	Compliance with laws and regulations		During 2023 there were no episodes of non-compliance with laws and regulations.
2-28	Association membership	5.4.1. Our partnerships	
2-29	Approach to Stakeholder engagement	2.1. Dialogue with our stakeholders 2.2. Materiality analysis - Stakeholder engagement	
2-30	Collective agreement		100% of employees are covered by collective agreements.
3-1	Process for determining material topics	2.2. Materiality analysis	
3-2	List of material topics	2.2. Materiality analysis	

GRI Standards	Disclosure	Reference paragraph	Notes
3-3	Management of material topics	3.1. Ethical conduct of our business 3.3 Commitment to sustainable innovation and customer focus 3.4. Responsible management of the supply chain 4.1.1. Tackling climate change and atmospheric pollution 4.1.2. Circularity and waste management 4.1.3. Responsible use of water resources 5.1. Management of our people 5.2. Professional development and training of resources 5.3.1. Health and safety at work 5.3.2. Health and well-being 5.4.2. Supporting local communities	
201-1	Economic value directly generated and distributed	3.1.1. Sustainable growth	
205-3	Confirmed incidents of corruption and actions taken		No incident of corruption were recorded in 2023
301-1	Materials used by weight and volume	GRI indicator tables	
301-2	Materials used that come from recycling	3.3. Commitment to sustainable innovation and customer focus GRI indicator tables	
302-1	Energy consumed within the organisation divided between renewable and non-renewable sources	4.1.1. Tackling climate change and atmospheric pollution GRI indicator tables	
303-1	Interaction with water as shared resource	4.1.3. Responsible use of water resources	
303-2	Management of impacts related to water discharge	4.1.3. Responsible use of water resources	
303-3	Water withdrawal	4.1.3. Responsible use of water resources GRI indicator tables	

GRI Standards	Disclosure	Reference paragraph	Notes
303-4	Water drain	4.1.3. Responsible use of water resources GRI indicator tables	
303-5	Water consumption	4.1.3. Responsible use of water resources GRI indicator tables	
305-1	Direct GHG emissions (Scope 1)	4.1.1. Tackling climate change and atmospheric pollution GRI indicator tables	
305-2	Indirect GHG emissions from energy consumption (Scope 2, Scope 3)	4.1.1. Tackling climate change and atmospheric pollution GRI indicator tables	
305-4	Intensity of greenhouse gas emissions	4.1.1. Tackling climate change and atmospheric pollution GRI indicator tables	
306-1	Waste production and significant impacts associated with waste	4.1.2. Circularity and waste management	
306-2	Management of significant impacts associated with waste	4.1.2. Circularity and waste management	
306-3	Waste produced	4.1.2. Circularity and waste management GRI indicator tables	
306-4	Waste not intended for disposal	4.1.2. Circularity and waste management GRI indicator tables	
306-5	Waste for disposal	4.1.2. Circularity and waste management GRI indicator tables	
308-1	New suppliers assessed using environmental criteria	3.4. Responsible management of the supply chain	
401-1	New hires and turnover	5.1 Management of our people GRI indicator tables	
401-2	Benefits provided for full-time employees, but not for part-time or temporary employees	5.3.2. Health and well-being	

GRI Standards	Disclosure	Reference paragraph	Notes
403-1	Health and safety at work management system	5.3.1. Health and safety at work	
403-2	Hazard identification, risk assessment and accident investigation	5.3.1. Health and safety at work	
403-4	Participation and consultation of workers and health and safety communication	5.3.1. Health and safety at work	
403-5	Health and safety training	5.3.1. Health and safety at work	
403-6	Promotion of worker's health	5.3.2. Health and well-being	
403-7	Prevention and mitigation of health and safety impacts within commercial relationships	5.3. Promoting the health, safety and well-being of partners	
403-9	Work-related accidents	5.3.1. Health and safety at work GRI indicator tables	To date, the Company does not report the frequency rate of recordable workplace accidents for non-employee workers as the data on the total hours worked by them is not available. The Company undertakes to collect the necessary information in the coming years.
403-10	Occupational illnesses	5.3.1. Safety at work	
404-1	Average hours of training by employee category	5.2. Professional development and training of resources GRI indicator tables	The data on the average hours of training per capita is calculated on all the Company's collaborators, both employees and non-employees (temporary staff).
405-1	Diversity in government bodies and employees	3.2. Our Governance 5.1. Management of our people GRI indicator tables	
406-1	Incidents of discrimination		No incidents of discrimination were recorded in 2023.



CONCLUSION

At ALMAG we will continue to shape the future through responsible and far-sighted choices, aware that sustainability is not a destination, but a path that requires passion and constant dedication.

Through open dialogue, responsible governance, care for the environment and attention to people's well-being, we have demonstrated that change is necessary and above all possible.

As we look ahead, we carry with us the certainty that even small gestures can have a big impact.

Together, we can make the change happens. Together, we shape the future.

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