



SUSTAINABILITY REPORT

2022

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LETTER TO OUR STAKEHOLDERS

Dear Stakeholders,

it is a pleasure to present Costacurta's first sustainability report.

The focus on ESG issues and thus on the environment, people and the company's governance, characterized by common sense, is intimately part of the very nature of our company and stems from the example that my grandfather, the founder of the company, was able to provide to his family and to all those who, working in the company, got to know him.

Careful and responsible management of the company, a long-term vision, respect for people and attention to their well-being, the ability to appreciate beauty and harmony in all their forms and manifestations and the desire to preserve them have guided the company's choices and consequent actions and have enabled it to cross the 100-year milestone.

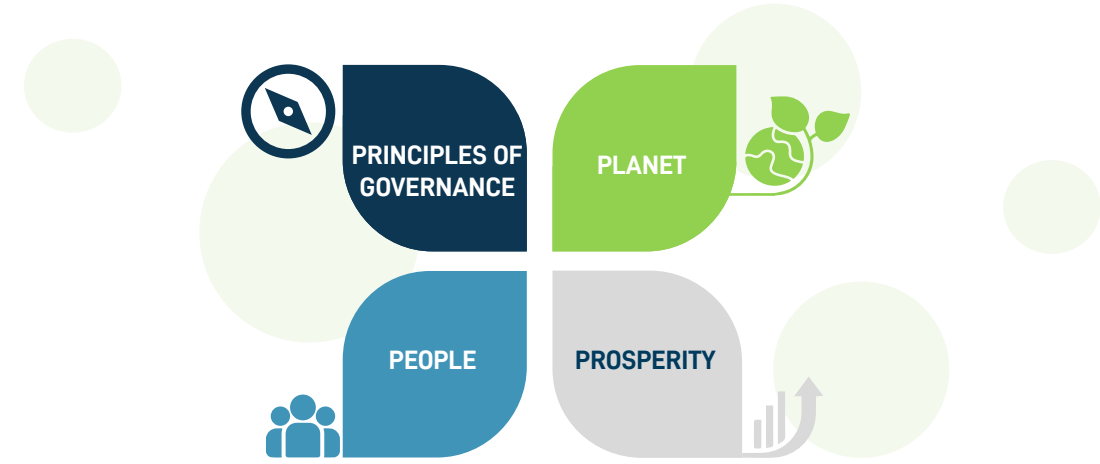
The complexity of today's world makes it necessary to make explicit what in past years was often implicit and to communicate to the outside world, also thanks to new communication tools, much more than in the past.

Making it explicit, in this context, involves a commitment to write down what you do, how you do it and to evaluate and possibly measure the impacts of what you do.

Sharing this in a transparent manner entails taking responsibility and a commitment to continuity and effectiveness.

Preparing a sustainability report is a very demanding exercise for a medium/small company like ours, but I believe that, in the current context, it is a fundamental step to continue pursuing our goal of continuity and development in a long-term perspective.

In the document, you will therefore find out what the company does, how it does it and, as far as possible, what the impacts are in relation to the four pillars of sustainability as defined by the World Economic Forum (WEF):



The four pillars are strongly interrelated, so it is only by acting actively and appropriately in the four areas that the conditions for continuity and development can be created. Therefore, it will not be possible to pursue continuity and development without good governance to achieve economic results that ensure the necessary financial capacity for operations and investments but, at the same time, no organization is able to operate and develop without the individual commitment and contribution of the people working in it and in a Planet devastated by extreme climatic events.

Costacurta's commitment in relation to the health of our Planet will not only be focused on reducing impacts, but will also and above all be aimed at contributing, with the skills and experience accumulated over more than one hundred years, to the development of technologies that can accelerate the energy transition and the transition to a circular economy, which, as the new generations rightly remind us, must be pursued with timeliness and firm determination.

In conclusion, a commitment and a wish:

The commitment: together with my daughter and son-in-law, the fourth generation, who will lead the company in the years to come, to ensure that what is written in the sustainability reports is always inspired by a principle of truth and clarity and that words are followed by concrete and consistent facts.

The wish: that sustainability-focused reporting, as conceived by international bodies, will not be a passing trend but will be a stimulus to companies to concretely realize their declared good intentions, thus triggering a positive evolution in the economic/financial world.

Paolo Mondello
Chairman and CEO

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OUR SUSTAINABILITY REPORT AT A GLANCE

PRINCIPLES OF GOVERNANCE



50%

of the Board comprised of independent directors

D.LGS 231/01

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 to prevent the commission of crimes

3

Management systems certified by LRQA

ISO 9001 - Quality
ISO 14001 - Environment
ISO 45001 - Occupational Health and Safety

PEOPLE



97%

of employees with a permanent contract

40%

of time in Smart Working for the non-production site

+4000 hours

of training for 236 employees

PLANET



768 tco2e

of GHG emissions (Scope 1)

86%

of non-hazardous waste

95%

of materials from Europe (of which 69% from Italy)

PROSPERITY



+€100m

shareholders' equity for a €63m turnover

100%

financial autonomy

92%

of distributed economic value

METHODOLOGICAL NOTE

This first Sustainability Report (hereinafter also "Report") for the financial year 1 January 2022 - 31 December 2022 of the company Costacurta S.p.A.-VICO (hereinafter also "Company" or "Costacurta"), aims to provide a snapshot of the company's commitment to its stakeholders on ESG issues. Through this document, Costacurta highlights the value created for its stakeholders by applying GRI (Global Reporting Initiative) standards.

In this Report, published on a voluntary basis, we intend to illustrate how sustainability is a fundamental part of Costacurta's way of doing business and how the company is striving to do even better. It is a reporting tool concerning social, environmental and economic responsibilities, types of behaviour and results and also explains the company's governance system.

Communicating sustainability information on a voluntary basis is an act of transparency and implies an additional assumption of responsibility towards internal and external stakeholders. It also allows for more informed decisions, on ESG issues, in business management.

The scope of the reported information and data includes the following production sites and offices of Costacurta, which represent the entire company perimeter:



¹ Within the Olginate site, the Brivio (LC) site, which is a small temporary detached site with five employees, was also considered.

The Report was prepared with reference to the *Sustainability Reporting Standards* defined by the Global Reporting Initiative (GRI), edition 2021, according to the "GRI referenced" approach.

In particular, the *GRI Universal Standards* were used to report on the fundamental concepts of sustainability and to illustrate the reporting requirements and principles that an organization must observe in order to report in accordance with the GRI Standards. Additionally, the *GRI Topic Standards* were used for reporting on impacts related to specific material results.

To assist the reader in identifying the GRI information contained in the Document, the table "Selection of GRI Standards" is provided under the heading "*GRI Content Index*".

Please note that this report has not been subject to external assurance.

The Report reflects the principles required by the following standards:

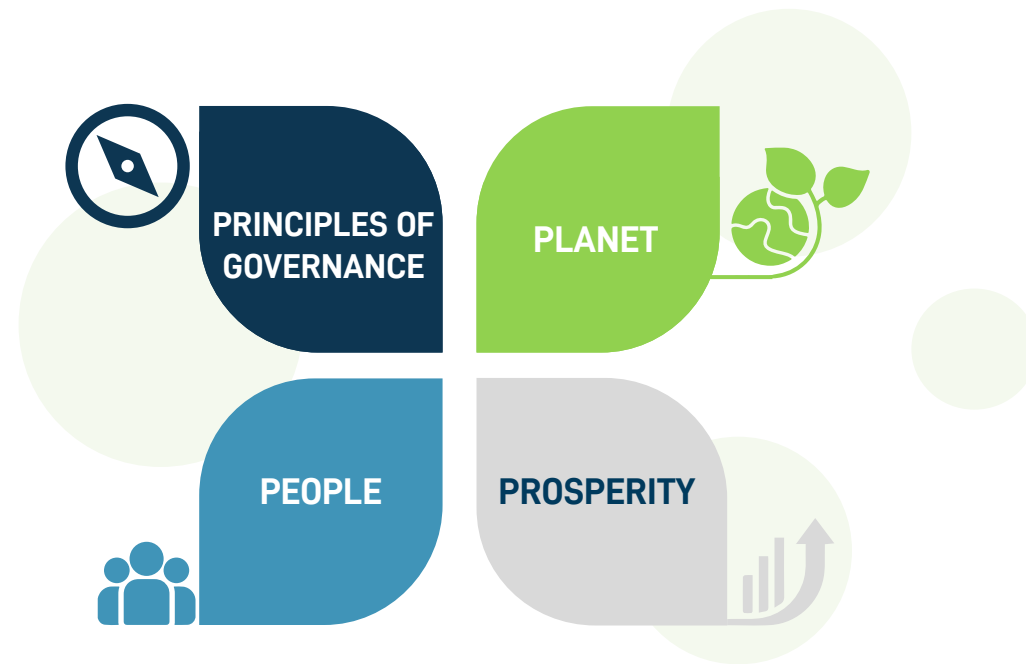
- **GRI Standard 1** (2021) of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability.
- **GRI Universal 2** (2021) with reference to the organization's information on reporting practices and organizational details such as activities, governance and policies. This information illustrates the profile and size of the organization by providing a useful context for understanding its impacts.
- **GRI Universal 3** (2021) for the identification of material topics in relation to the mapped stakeholders, allowing for transparent reporting of the Company's impacts on the economy, the environment and people. This GRI also provides guidance for identifying potential and current impacts and assessing their significance, including impacts on human rights and how these impacts are managed in the context of the company's sustainability and sustainable development pathway.

Additionally, we have taken into consideration the document "Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation"² of the *World Economic Forum* (hereafter 'WEF'), to which 120 of the world's largest companies participated by working together to define metrics and information related to non-financial factors useful to investors and stakeholders for sustainable value creation.

The **WEF** is an independent international organization founded in 1971 as a non-profit foundation and brings together leading members of society (including heads of state, ministers and international organizations) in an impartial space with the aim of driving positive change with global reach.

² Further information on the document can be found at the following link: www.weforum.org/reports/the-global-risks-report-2021/

In the above-mentioned document, the WEF proposes an international framework in which sustainability information and metrics are presented under the following four pillars:



We selected this framework to present the material topics by organizing them in an effective and coherent manner.

In order to enable comparability of data over time, where possible, a comparison with data for the year 2021 is given in the document.

Any methods of presenting quantitative data or qualitative information in relation to the perimeter that may differ from the above are expressly indicated by means of special notes.

The Sustainability Report will be downloadable from the Costacurta website <https://www.costacurta.com/sustainability/>.

For any further information on this document, please write to: sustainability@costacurta.it.



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01.

COMPANY

"All happy families are alike..." wrote Lev Tolstoj. The same is true for family businesses, the ones that succeed in the arduous task of remaining in business and grow from generation to generation are all alike. They all have many things in common: attention to the quality of the product and the service, the ability to forge long-standing relationships with colleagues, customers and suppliers based on honesty, transparency, respect, a close bond with the territory and, finally, the gaze always cast towards the future.

CHAPTER 1

COMPANY

“All happy families are alike...” wrote Lev Tolstoj.

The same is true for family businesses, the ones that succeed in the arduous task of remaining in business and grow from generation to generation are all alike. They all have many things in common: attention to the quality of the product and the service, the ability to forge long-standing relationships with colleagues, customers and suppliers based on honesty, transparency, respect, a close bond with the territory and, finally, the gaze always cast towards the future.

1.1 About us

Costacurta S.p.A.-VICO is an Italian company specializing in the design and manufacture of metal components for industry, serving markets worldwide.

The company was founded in 1921 in Lecco by Virgilio Costacurta and still continues to operate today in accordance with the values transmitted by the founder. It is now managed by the third and fourth generations of the family.



The administrative headquarters and sales offices are in Milan - Italy, while the two production plants are located in Garlate and Olginate in the province of Lecco (50 km north-east of Milan).

The entire product portfolio is based on steel wires and plates. The experience gained over the years has enabled us to produce and supply machine and plant manufacturers with a wide range of metal components made specifically for each customer, used in various sectors, including food, mechanical engineering, textiles, paper, chemicals and energy.

Over the course of more than one hundred years, the company has demonstrated a strong ability to adapt to market changes, knowing how to reinterpret its way of working and interfacing with customers, always maintaining a high level of product and service quality and guaranteeing lasting growth and constant attention to its territory and allied industries.

Exports to **+7**  **Countries worldwide**



OUR HISTORY

After more than a hundred years in business, Costacurta remains to this day independent and owned by the founding family. The company continues to produce exclusively in northern Italy and exports its products to over seventy countries worldwide.

1921

Costacurta begins manufacturing and selling wire cloths and meshes.

40's

The company is engaged in guaranteeing employment and in keeping production going during the second world war and in its aftermath.

50's – 60's

The product range is extended to include separation technologies, conveyor belts and filtering discs.

70's

The production of punched plates, reactor internals and hexagonal mesh begins.

2021

In 2021 Costacurta crosses the **100-year milestone** during the Covid-19 pandemic, facing years marked by the economic repercussions of the health crisis. Maintaining the same passion and commitment as always, the company once again proved its solidity and resilience.

2010-2020

In these years the company continued to evolve also thanks to the adoption of a new enterprise resource planning system.

2000-2010

The manufacture of VICO-Screens begins and the range of reactor internals is expanded.

80's – 90's

The manufacture of drilled and milled plates begins.

2022

Costacurta draws up its first sustainability report. Drawing up a sustainability report is a very challenging exercise for a company of our size, but it is a fundamental step to continue pursuing continuity and development in the long term.

To learn more about our story:

[CLICK HERE](#)

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1.2 Our business model

Administrative as well as sales and project management activities are performed from the Milan headquarters, while production activities are carried out in three production units located within the Garlate (LC) and Olginate (LC) plants.

Each production unit corresponds to a division that manufactures multiple products, which in turn serve numerous industries and applications.

 <p>FILTERING ELEMENTS</p>	<p>PRODUCT LINES</p> <ul style="list-style-type: none"> Woven wire cloths and meshes Filtering discs Perforated plates Wedge wire screen 	<p>MAIN APPLICATIONS</p> <ul style="list-style-type: none"> Food Electrical Paper Chemical Water and waste treatment
 <p>CONVEYOR BELTS</p>	<p>PRODUCT LINES</p> <ul style="list-style-type: none"> Conveyor belts 	<p>MAIN APPLICATIONS</p> <ul style="list-style-type: none"> Food Wrapping and packaging Thermal and acoustic insulators Metalworking Heat treatments Textile
 <p>PRODUCTS FOR ENERGY AND CHEMICALS</p>	<p>PRODUCT LINES</p> <ul style="list-style-type: none"> Reactor internals Separation technologies Hexagonal mesh 	<p>MAIN APPLICATIONS</p> <ul style="list-style-type: none"> Power generation Oil and gas production Refining Chemical Natural gas treatment Desalination Treatment of polluting effluents

For more details on products or applications, please refer to the appropriate pages on the company website:

To learn more about products

[CLICK HERE](#)

To learn more about applications

[CLICK HERE](#)

1.3 Our philosophy

In its 100 years of activity, Costacurta has always operated in accordance with its vision and mission and in full respect of its values. In this era of rapid technological advances and digital transformation, its vision, mission and values remain a stable point of reference.

VISION

*To grow and improve from **generation to generation** in accordance with our original values, adapting to a **constantly changing world***

MISSION

<p>To design and produce high quality metal components for industrial applications.</p>			<p>To support our clients in finding solutions to improve their competitive position on the market.</p>
<p>To build long lasting and mutually satisfactory relationships with colleagues, customers, suppliers and stakeholders.</p>			<p>To put our know-how and experience at the service of the development of new technologies aimed to environmental sustainability and circular economy.</p>

OUR VALUES

*Excellence, Passion, Commitment,
Respect and Integrity.*

In 100 years of activities, Costacurta has always operated in accordance with the values that reflect its firm beliefs.



EXCELLENCE

In our philosophy, excellence means aiming to do our work to the best of our ability and contribute in this way to the growth of our clients' business. All-round excellence that involves the people, processes, products and services that require innovation, continuous improvement, attention to our clients' needs and commitment and dedication to meeting these needs in the best possible way.

|| *Excellence is doing ordinary things extraordinarily well.*
John W. Gardner



COMMITMENT

For Costacurta commitment means giving your all in your work without ever settling for anything less. Being committed to one's work means being committed also to one's clients and other stakeholders.

|| *When you're committed to something, you accept no excuses; only results.*
Kenneth H. Blanchard



RESPECT

We believe in respecting individuality and in cultivating interests, experience, know-how and ideas. We are convinced that each and every role is as important as the next, albeit with different levels of responsibility. In this way, we respect our clients and other Stakeholders without discrimination based on their origin, culture or background. The aim of our work is the continuity and long-term development of our company, while respecting all the individuals we interact with.

|| *Treat others as you want to be treated.*
Lou Holtz



PASSION

By injecting passion, work converts into value and can help give an answer, albeit partial, to the quest for meaning. Passion feeds interest, inspires the achievement of quality and leads towards excellence. Costacurta encourages its people to work with passion and find gratification in their role and in achieving challenging goals.

|| *The only way to do a great work is to love what you do.*
Steve Jobs



INTEGRITY

Every action is guided by a moral compass, with the aim of guaranteeing fairness, transparency and respect in every area we work in. Integrity means remaining faithful to this ethical guidance, necessary foundation on which we build lasting relations, based on trust and honesty, extending good practice to all contexts both inside and outside the company.

|| *Integrity is doing the right thing, even when no one is watching.*
C.S. Lewis

02.

COMMITMENT TO SUSTAINABILITY

*Costacurta has been committed to **sustainable growth** for over **one hundred years**. Sustainability is the basic prerequisite for long-term existence. Drawing up the sustainability report enabled the company to take a snapshot of **its commitment to its stakeholders on ESG issues** and, based on this snapshot, to identify **areas for improvement** in which to invest in the coming years.*

CHAPTER 2

COMMITMENT TO SUSTAINABILITY

Costacurta has been committed to sustainable growth for over one hundred years. Sustainability is the basic prerequisite for long-term existence. Drawing up the sustainability report enabled the company to take a "snapshot" of its commitment to its stakeholders on ESG issues and, based on this snapshot, to identify areas for improvement in which to invest in the coming years.

2.1 Our stakeholders

Costacurta believes that companies play an increasingly important role in society, as business decisions have not only economic, but also environmental and social consequences. Stakeholders are individuals, organizations or groups of people who have an interest in the business objectives of a company.

Indeed, for a company that wants to be sustainable and responsible, its stakeholders play a strategic role in the choices it has to make.

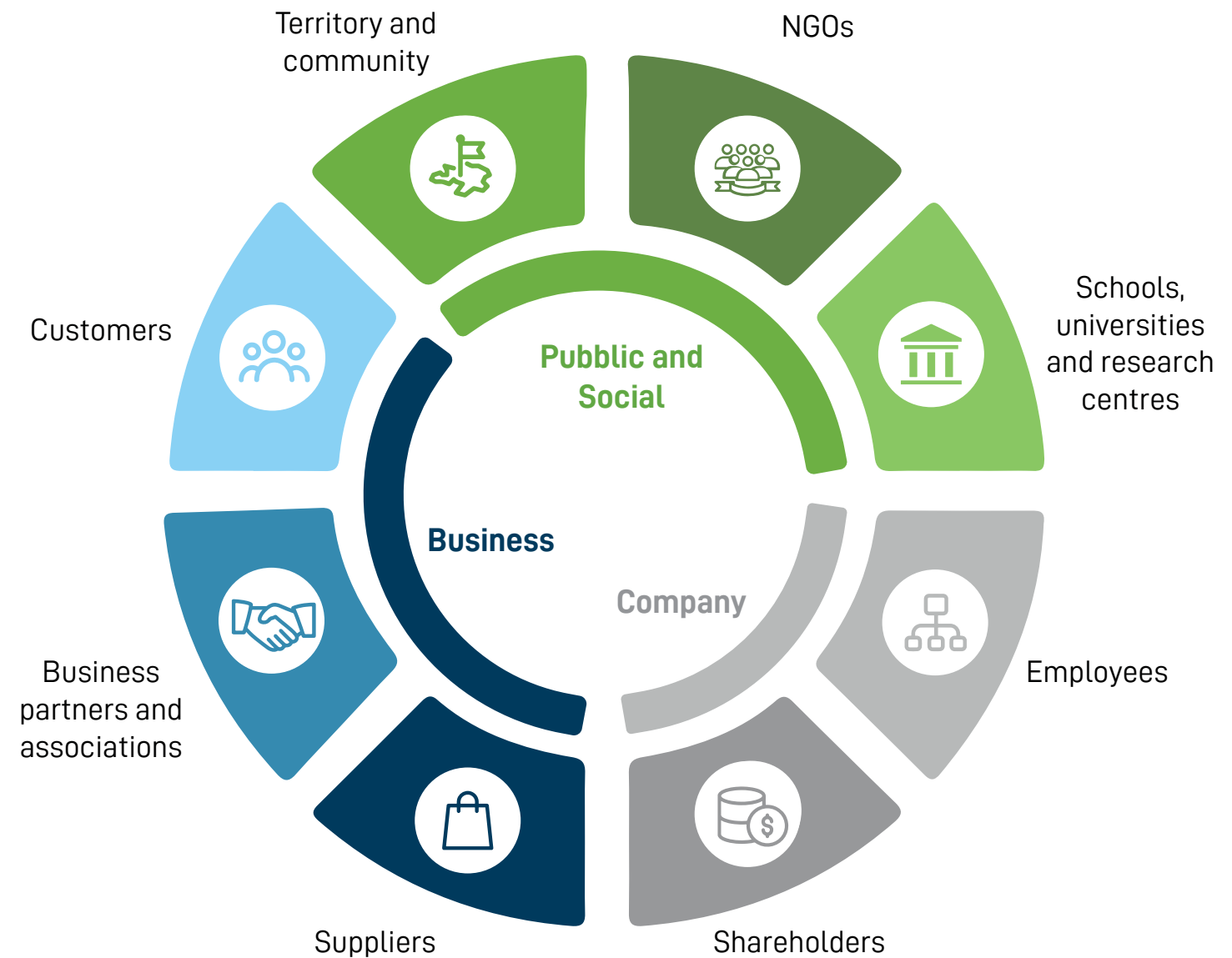
In these one hundred years of activity, Costacurta has always been committed to making its own contribution and intends to continue doing so as an integral part of an increasingly globalized system, where everyone's impact has important repercussions.

Through a context analysis, Costacurta mapped the main stakeholders that may be directly or indirectly affected by its activities. Stakeholder identification was carried out by gathering information both internally, through the involvement of the company's management and in compliance with the reporting guidelines defined by the Global Reporting Initiative (GRI 2021), and externally, through a benchmark analysis on a sample of peer companies³ operating in Costacurta's reference sector.

The interests of these stakeholders have been taken into account in the identification of the material ESG topics covered in this report.

³Peer companies are defined as a group of companies that share similar characteristics such as sector and size.

COSTACURTA'S MAIN STAKEHOLDERS



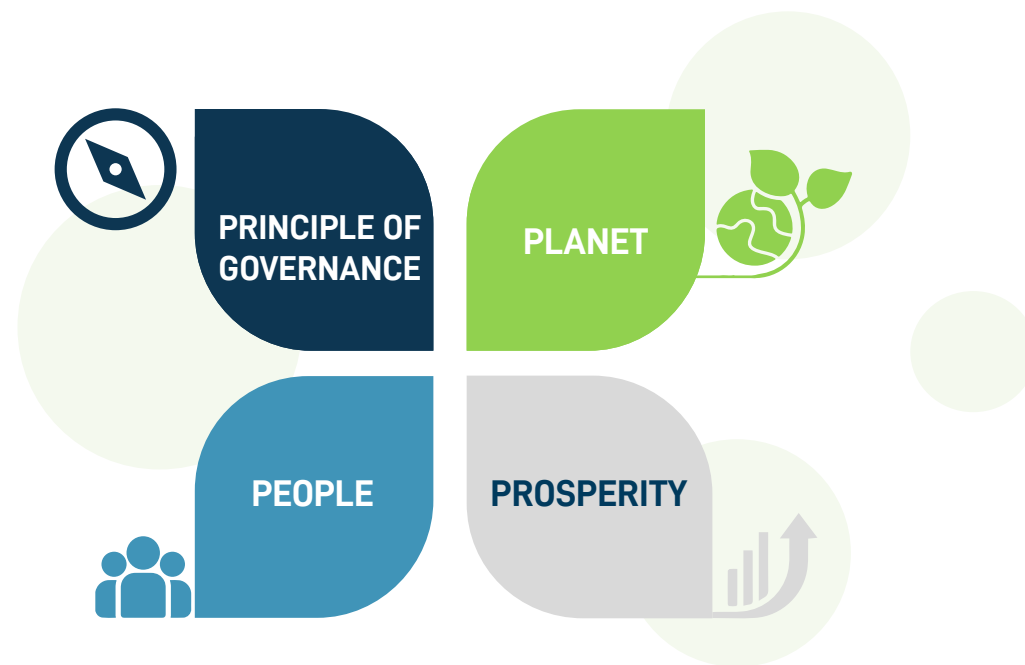
2.2 The material topics

In order to be able to analyse its performance in ESG areas, the company carried out a materiality assessment. Materiality assessment is the process of identifying issues that are priorities for all the company's stakeholders.

The identification of material topics, an activity carried out in accordance with the reporting guidelines defined by the *Global Reporting Initiative* (GRI 2021), initially examined a sample of peer companies operating in Costacurta's sectors, considering the main sustainability areas reported by them. In addition, the relevant topics defined by the standards issued by the *Sustainability Accounting Standards Board* (SASB) for the relevant market were also analysed in order to have a complete mapping. In particular, the "Iron & Steel Producers" sector was examined, as Costacurta mainly produces steel components.

At a later stage, after examining each topic considered potentially relevant by the reference literature, an analysis was launched to identify the sustainability topics relevant to Costacurta, taking into consideration the priority topics for stakeholders, the characteristics of the company, its organization, its specific activities, the products offered to the market and the value chain.

The result of this analysis led to the identification of positive and negative, current and potential economic, social and environmental impacts, including human rights impacts relevant to the specific reality of Costacurta. The topics that determined the information and data covered in this Sustainability Report were then divided into the four macro-areas identified by the WEF framework⁴:



⁴ Further information on the document can be found at the following link: www.weforum.org/reports/the-global-risks-report-2021/

For each topic, the employees with deep knowledge on that specific topic and its related processes were identified. They were then brought together as an internal working group, which was asked to vote on the relevance of the impacts identified by the previous context analysis at a workshop organized in the company. Each member voted on the relevance of the impacts related to the issues identified on a scale of 1 to 5 (with 1 indicating the lowest impact and 5 indicating the highest impact). The vote made it possible to identify the most relevant impacts according to the working group and to define the material topics for Costacurta through a quantitative threshold established considering the relevance for the organization, the context in which it operates and the expectations of its stakeholders.

The working group was also involved in the drafting of this report and actively contributed by describing how the material topics were handled, each for their own area of expertise, and by collecting the quantitative data useful for the preparation of the indicators and metrics required by the GRI Standards. In particular, meetings and discussions were organized in order to share guidance and views on the information to be reported and described in this document. The process led to a complete and comprehensive representation of each of the reported topics.

Furthermore, the Board of Directors, aware of the significance of the sustainability material topics, analysed and subsequently approved the material topics identified by the working group. The Board of Directors also approved the text of this report, pledging to integrate sustainability into the company's strategy and to support management in identifying priority objectives and actions to achieve these goals.

Below is the list of material topics and their impacts that emerged from the materiality assessment conducted for this Sustainability Report 2022, based on the WEF principles. Costacurta will update this list every reporting year in order to produce a document that always best reflects the current interests of its stakeholders.

The definition of positive and negative impacts was carried out through a materiality assessment following the GRI methodology. Specifically, a context analysis of the organization, its activities and stakeholders was carried out to identify its positive and negative, current or potential impacts on the economy, the environment and people.

We report here the GRI descriptions of the nature of impacts:

LEGEND:

NATURE	DESCRIPTION
Positive	Impact that contributes or could contribute to sustainable development through the company's activities, e.g. its products, services, investments, procurement practices and recruitment.
Negative	Impact that contributes or could contribute negatively to sustainable development.
Current	Impact that has already manifested itself.
Potential	Impact that could manifest itself but has not yet done so.

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MATERIAL TOPICS AND THEIR IMPACTS

PRINCIPLES OF GOVERNANCE

TOPIC	IMPACT	IMPACT DESCRIPTION	NATURE OF THE IMPACT
Corporate governance	Conscious management of corporate governance by the Board of Directors, top management and employees.	Structure with specifically tasked committees to manage and monitor any impacts generated by the organization externally.	Positive, Current
Business ethics	Compliance with laws and regulations.	Compliance with laws and regulations through the establishment of a system of company rules and procedures, with a positive impact in the society in which the organization operates.	Positive, Current
Supply chain management	Negative impact on the environment and on people for not Managing ESG issues.	Negative impacts on local communities where suppliers operate due to the lack of assessment of ESG criteria in the supplier selection phase.	Negative, Potential
Cybersecurity	Breach of customer data.	Impact on customer privacy due to security breaches and related loss of customer data.	Negative, Potential

PLANET

TOPIC	IMPACT	IMPACT DESCRIPTION	NATURE OF THE IMPACT
Emissions and energy	Contribution to climate change as a result of energy consumption (within the organization and along the supply chain) and related GHG emissions.	The company generates negative environmental impacts in terms of climate-change emissions from production activities and direct and indirect GHG emissions (from the company's own production and value chain).	Negative, Current
Waste management	Negative impact on the environment from waste generation	A negative environmental impact is generated due to waste generation.	Negative, Current
Materials management	Unsustainable sourcing of raw materials	Unsustainable sourcing of raw materials (e.g. use of virgin raw materials, raw materials from conflict zones) causes a high environmental impact (contribution from scarce resources).	Negative, Potential
	Positive impact on the environment due to the purchase of recycled input material	The company reduces the use of raw materials also by using recycled steel in production processes	Positive, Current
Water management	Water collection and consumption	The company uses water for its production processes, and this could be harmful to the environment, especially in areas where water resources are scarce.	Negative, Current
	Water contamination	The company produces wastewater that, if disposed of incorrectly, could pollute water and thus cause damage to the environment and the population.	Negative, Potential

PEOPLE

TOPIC	IMPACT	IMPACT DESCRIPTION	NATURE OF THE IMPACT
Diversity and equal opportunities	Promoting an inclusive working environment.	The organization is committed to creating an inclusive working environment and to avoiding any form of discrimination against its employees (also within its code of ethics).	Positive, Current
Health and safety	Occupational Diseases. Accidents at work.	Production processes could cause long-term occupational diseases for employees. Impacts on workers' health and safety due to risk of accidents during work activities.	Negative, Potential Negative, Current
Employee engagement and satisfaction	Employee satisfaction.	Promotion of employee welfare and well-being programs that foster a healthy and stimulating working environment.	Positive, Current
Human capital management	Attractiveness and staff retention.	Positive impact in terms of employee attraction and retention of specialized personnel	Positive, Potential
Worker development	Developing employees' skills.	Promotion of personally tailored training with programs focused on the needs of the employee, fostering a stimulating career path and increasing skills inside and outside the organization.	Positive, Current
Product quality	Impact on consumer health from the sale of unsafe end user products that do not meet standards. Customer satisfaction. Product Safety	The sale of unsafe products could generate a negative impact in terms of harm and people's health. Effective management of customers' requests contributing to their development, improving their loyalty and satisfaction. The implementation of controls throughout the product life cycle (from research to manufacturing) in terms of materials used and product yield enables the production of safe and high-quality products.	Negative, Potential Positive, Current Positive, Current

PROSPERITY

TOPIC	IMPACT	IMPACT DESCRIPTION	NATURE OF THE IMPACT
Economic performance	Direct economic value generation and related distribution to stakeholders.	Business strategy capable of generating economic value and distributing it to stakeholders.	Positive, Current
Innovation	More innovative processes and products.	The search for more sustainable and innovative products/materials and processes through research and development investments could lead the company to develop higher quality products or achieve production efficiencies along the supply chain. This could generate positive impacts in both economic and environmental terms.	Positive, Current
Community involvement	Local community development.	Contribution to the development of professional and social opportunities in the area with direct/indirect economic impacts on the local community.	Positive, Potential

03.

PRINCIPLES OF GOVERNANCE

*Having been aware for some time of the important role of companies in the socio-economic context, Costacurta's shareholders decided in 2006 to introduce their own "Principles of Corporate Governance" within the company. The purpose of introducing these Principles was, on the one hand, to create the conditions so that the Company could continue to **exist and develop in the long term**, also and primarily in the interest of its stakeholders, and, on the other hand, so that the **founding family** could continue to **maintain control of the Company**. Maintaining control of the company by the family is considered equally important by the shareholders in order to ensure that the company continues to **operate in the interests of its stakeholders**, as it has done over more than one hundred years.*

CHAPTER 3

PRINCIPLES OF GOVERNANCE

According to the WEF, public opinion is gradually changing its view and expectation regarding the role of companies in the socio-economic context, shifting its focus towards long-term value creation with an increasing interdependence between companies and their economic, environmental and social impact. This change has an inevitable impact on the concept of **good corporate governance** and the strategies it defines. Indeed, the expectation of stakeholders and the public today is to include ESG commitment among the company's strategic activities.

Governance therefore plays an increasingly important role in leading companies to define objectives that are both dynamic and sustainable, monitoring economic and financial performance while protecting the interests of their stakeholders.

3.1 Corporate governance

Having been aware for some time of the important role of companies in the socio-economic context, Costacurta's shareholders decided in 2006 to introduce their own "*Principles of Corporate Governance*" within the company. The purpose of introducing these Principles was, on the one hand, to create the conditions so that the Company could continue to exist and develop in the long term, also and primarily in the interest of its stakeholders, and, on the other hand, so that the founding family could continue to maintain control of the Company. Maintaining control of the company by the family is considered equally important by the shareholders in order to ensure that the company continues to operate in the interests of its stakeholders, as it has done over more than one hundred years.

The main functions of Costacurta's **Corporate Governance** include:

- Clarifying the roles, duties, responsibilities and modus operandi of the Shareholders, the board of directors, the CEO and the board of auditors.
- Contributing to the management of the CEO succession process.
- Creating the conditions for strengthening the company's management structure.
- Ensuring a proper balance between the role of the shareholders and that of management.
- Preventing and managing risks that may compromise the company's capital integrity and capacity for long-term development.
- Providing the CEO and shareholders with guidance and feedback on long-term strategies and critical issues for the company.

The functioning of corporate governance is based on the cooperation of the following bodies:

- **Shareholders:** Family members who directly or indirectly hold shares in the company.
- **Board of directors:** Composed of at least five members among whom at least two must be Independent Directors. There is one representative from each generation of the Family and the maximum age for being a board member is set at 75 years.
- **Committees:** Formed within the board of directors and comprising:
 - Internal Control Committee
 - Human Resources Committee
 - Strategy & Business Policy Committee
- **Top Management:** Consisting of the Chief Executive Officer and other C-level positions. These roles must be filled by different people.
- **Board of Statutory Auditors:** Monitors compliance with the law and the articles of association, verifies the adequacy of the organizational, administrative and accounting structure.

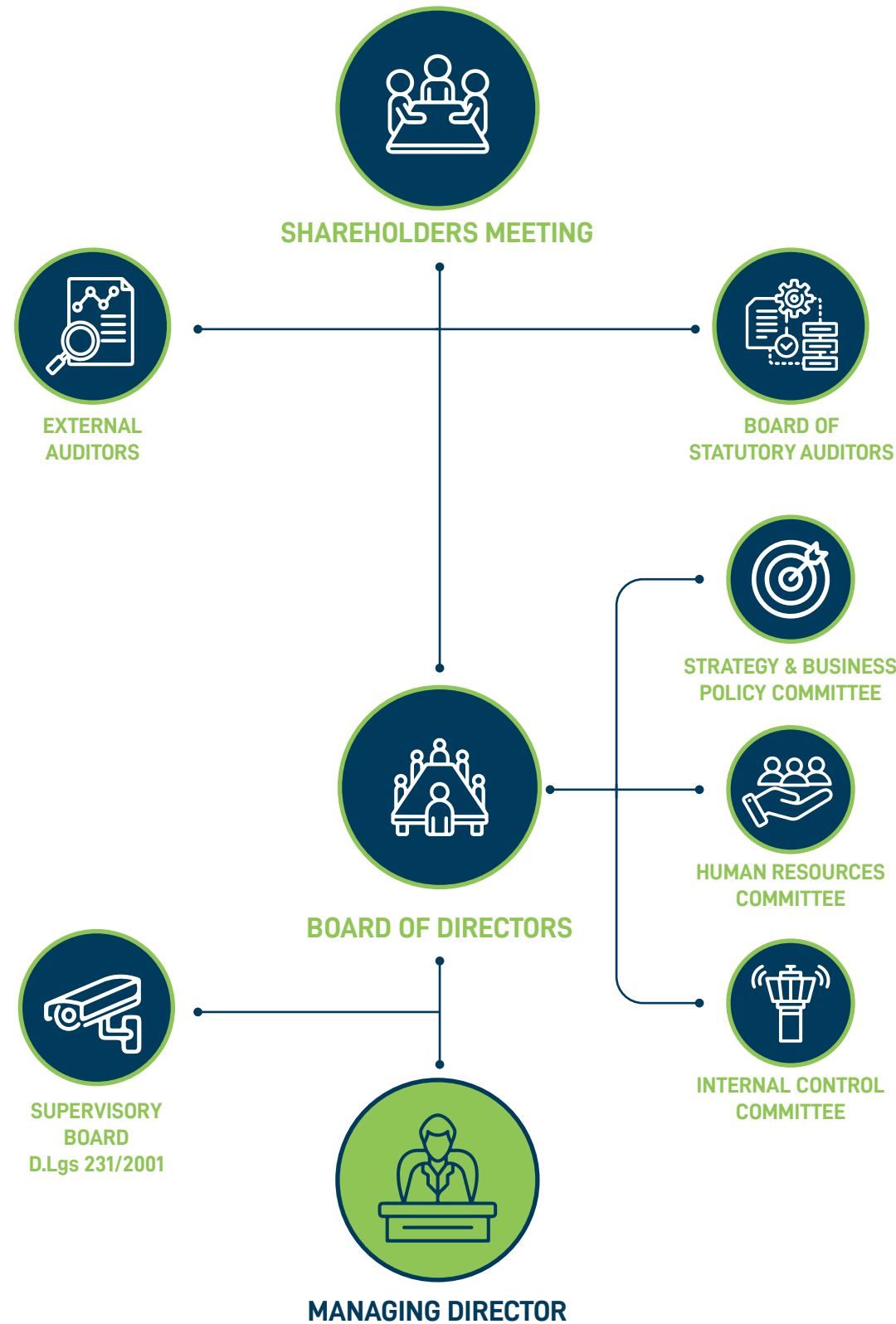
During 2021 and 2022, the Company was not sanctioned for non-compliance with social, economic and environmental laws and/or regulations.

Finally, there were no incidents of corruption and no prosecutions for anti-competitive behaviour, antitrust and monopolistic practices.

3.1.1 Governance and control bodies

Effective governance also requires having adequate governing and supervisory bodies that are effectively operational and composed of competent members who can ensure that their roles and responsibilities are fully discharged. Costacurta has always attached great importance to its governing and supervisory bodies and shown commitment to ensuring the effective and constant operation of each.

GOVERNING AND SUPERVISORY BODIES



COMPOSITION OF GOVERNANCE BODIES IN 2022

GOVERNANCE BODY	NUMBER OF MEMBERS	GENDER (%)		AGE (%)	
		MEN	WOMEN	30-50 YEARS	> 50 YEARS
Board of directors & committees	6	83%	17%	33%	67%
Board of Statutory Auditors	3	67%	33%	33%	67%
Supervisory Board pursuant to Legislative Decree 231/01	3	67%	33%	33%	67%

The figures presented are unchanged from 2021.

3.1.1.1 The board of directors

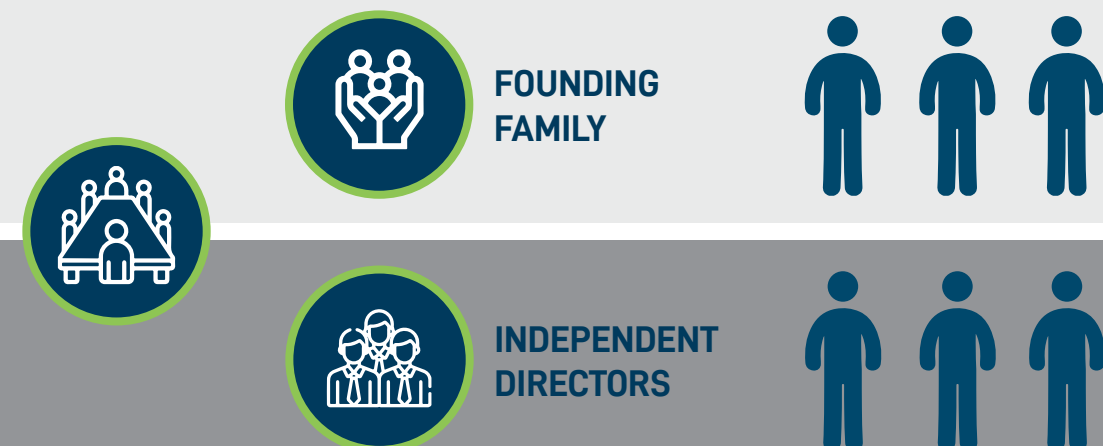
Today, Costacurta is governed by a board of directors consisting of three members of the founding family and three independent directors.

Family members hold the following positions:

- Chairman of the board of directors (and chief executive officer of the company).
- Deputy-chairman of the board (and chief of staff and corporate development).
- Director (and chief operating officer).

The powers of the members of the board of directors are determined by the Shareholders' Meeting.

BOARD OF DIRECTORS COMPOSITION:



3.1.1.2 The committees

The three committees formed within the board of directors include:



The purpose of the three committees is to provide the board of directors with information, opinions and suggestions in relation to the specific issues that are dealt with within each committee.

The Internal Control Committee meets four times a year and provides the board of directors with suggestions in relation to the prevention and control of risks that may lead to legal sanctions or financial and reputational losses for the Company.

The Human Resources Committee meets four times a year and provides information, opinions and suggestions on human resources issues with a focus on organization, management development, appointments and remuneration.

The Strategy & Business Policy Committee meets six times a year and provides the board of directors with information, opinions and suggestions on issues related to corporate strategy. Among its main activities, it assists the board of directors in defining, reviewing and implementing the Company's medium- and long-term strategy.

Regulations have been drawn up for each of these committees. **All Committees are composed of at least three members, including at least one Independent Director who assumes the role of Committee Chairman.** The regulations of the committees also state that the Company considers it desirable for the Chairman of the board of statutory auditors to attend committee meetings. To date, the Chairman of the board of statutory auditors attends all meetings and actively contributes to the various topics, with a focus on sustainability.

The committees may also request, if they deem it appropriate, the participation in their meetings of senior executives, middle managers or other employees of the Company, as well as consultants or Trade Union Representatives.

The committees may be supported by external consultants, provided that the assignment of the relevant task is approved by the board of directors.

At the board of directors meeting, the Chairman of each committee updates the Board members on the work of the committees. Should it prove necessary to take decisions on topics dealt with by the committees, the decision will be taken by the board of directors, since the board of directors is the competent body to take important decisions.

3.1.1.3 The board of statutory auditors

Costacurta appointed a board of statutory auditors consisting of three full auditors and two alternates. The board of statutory auditors is the supervisory body of companies that monitors compliance with the law and the articles of association. The board of statutory auditors has also the duty to inform the Supervisory Board of any shortcomings in the internal control systems and any observations on the company's financial statements.

3.1.1.4 Other supervisory bodies

From 2019, Costacurta voluntarily submits itself to a statutory audit carried out by Deloitte.

Deloitte is considered one of the top four auditing firms worldwide, in order to ensure greater transparency on financial disclosure to its stakeholders.

In order to guarantee the effective application of the Organization, Management and Control Model provided for by Legislative Decree 231 of 2001 and adopted by Costacurta in 2018, the board of directors appointed a **Supervisory Board** composed of three members (one internal member and two external ones) who possess both the requirements of professionalism and competence for the performance of their functions, and the personal requirements of honourableness and independence for the necessary autonomy of action. More information on the Supervisory Board can be found in chapter [3.2.1 "The organization, management and control model pursuant to legislative decree 231/01"](#).

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3.2 Costacurta's control measures

In addition to a solid governance system, Costacurta introduced a number of additional measures to manage more effectively the business processes deemed critical in order to ensure a sustainable growth. Corporate ethics, which is a set of norms and values derived from the corporate culture itself, is one of the areas in the field of sustainability that the company particularly cares about and for which additional measures have been adopted.

Costacurta considers it imperative to behave and operate in accordance with applicable laws, but even more so to do that with the highest ethical standards, even beyond what is required by applicable legislation. Costacurta does not tolerate unlawful conduct by any internal or external collaborator, of any kind, whatever the purpose, as it is contrary to the ethical principles to which the organization adheres.

In the following chapters, we will illustrate some of the measures adopted by Costacurta that are united by a strong desire to operate in full respect of the company's values and, in our opinion, are also necessary requirements to ensure sustainable growth.

3.2.1 Organization, management and control model pursuant to legislative decree 231/01

In order to ensure conditions of transparency in the conduct of its business and corporate activities, Costacurta deemed it appropriate to define and adopt an Organization, Management and Control Model pursuant to Legislative Decree 231 of 2001. The Model was approved by the Company's board of directors in 2018 and subsequently updated at the end of 2021.

The Model is composed as follows:

- **General Part:** Containing the main principles of the Model.
- **Special Section 1:** Divided into sections referring to the different categories of crimes mentioned in the Decree and considered relevant for the Company. Each category includes a description of the crimes that may give rise to administrative liability and a description of the general rules of conduct implemented by the organization.
- **Special Section 2:** Containing an indication of the identified areas at risk of crime and a description of the preventive controls implemented in order to prevent the commission of the crimes considered relevant.

In addition, the following documents form an integral and substantial part of the Model:

- **The code of ethics** containing the set of rights, duties and responsibilities of Costacurta towards the recipients of the Model.
- **The Disciplinary System** and its sanction mechanism to be applied in the event of violation of the Model.
- **The System of delegated and proxy powers**, as well as all the documents aimed at describing and assigning responsibilities and/or tasks to those who work within the Company in Crime Risk Areas (i.e. organization charts, service orders, job descriptions, job lists, function charts).
- **The System of Procedures** illustrating the internal controls and conduct to be adopted by the recipients of this Model operating in Crime Risk Areas.

For more information on the Organization, Management and Control Model pursuant to Legislative Decree 231 of 2001 adopted by the Company, please see the dedicated page on the Company's website:

To visit the website:

[CLICK HERE](#)

To guarantee the effective application of the Model, the board of directors has appointed as the **Supervisory Board** (hereinafter also referred to as "SB") of the Company a body composed of three members (one internal member and two external ones) who possess both the requirements of professionalism and competence for the performance of their functions, and the personal requirements of honourableness and independence for the necessary autonomy of action.

In accordance with the indications of the Decree and the Guidelines, the Supervisory Board must provide itself with its own internal regulations, as well as supervise the actual application and effectiveness of the Model, identify and make updates and amendments to it in relation to regulations, corporate needs and company conditions.

In addition, the Supervisory Board is allocated the human and financial resources appropriate for the performance of the assigned task.

During 2022, the Supervisory Board met three times and carried out four audits with the support of the consulting firm **PwC**:

1. A follow-up audit of all previously performed audits (2018 to 2022).
2. An audit on the management of an accident at work.
3. An audit of human resources selection, recruitment and management.
4. An audit of information systems management.

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The Supervisory Board is required to periodically report not only to the board of directors, but also to the board of statutory auditors on its activities and may request to be convened by the aforementioned bodies to report on the functioning of the model or on specific situations.

During 2022, the supervisory board consulted the board of **statutory auditors** and reported to **the board of directors** on its activities in June.

The Supervisory Board is also obliged to:

- Verify compliance by the Recipients with the prescriptions and conduct set out in both the general principles and the specific provisions for each identified risk area.
- Monitor the adoption and effective implementation of the corrective actions that the Company has planned to implement in order to prevent the risk of commission of the crimes mentioned in Legislative Decree 231.
- Verify the adoption of a delegation system that complies with the principles laid down in Legislative Decree 231/01.

In compliance with the provisions of art. 6, letter b) of Legislative Decree 231 of 8 June 2001, Costacurta and the Supervisory Body have identified and defined information flows towards the Supervisory Body from the company organization to facilitate monitoring activities on the functioning, effectiveness, adequacy and compliance with the Model. These flows are to be understood as instrumental to the supervisory and monitoring activities on the effectiveness and actual implementation of the Model and in any case functional to inform the Supervisory Board and allow it to carry out any in-depth analysis of specific corporate activities.

The Supervisory Board collects all reports of unlawful conduct or violations of the Model, through dedicated channels so as to ensure confidentiality and facilitate the flow of reports. The main communication channels are the *"Reports to the Supervisory Board"* available at the following website.

To visit the website

[CLICK HERE](#)

the email address: odv231@costacurta.it accessible only by the Company's Supervisory Board. In its disciplinary system, the Company envisages sanctions against those who violate the whistleblower protection measures, as well as those who make reports that turn out to be unfounded with malice or gross negligence.

The Supervisory Board assesses the reports received and is obliged to inform the board of statutory auditors immediately if the breach concerns members of the board of directors.

3.2.2 Code of ethics

In accordance with the provisions of the organization, management and control model pursuant to legislative decree 231/01, the Company has integrated its own code of ethics in order to formalize the principles and criteria of conduct to which it adheres.

The **recipients** of the code of ethics are **all Costacurta employees**, collaborators (e.g. project collaborators and temporary workers), **the Company's Directors and Statutory Auditors** and **all persons acting in the name of or on behalf of Costacurta** through a formalized mandate. All recipients are required to comply with the laws, regulations and rules in force in Italy and in all the countries where Costacurta operates.

Costacurta also pursues its objectives with the principles of social responsibility in mind. The principles of Social Responsibility adopted are derived from the Principles of the *United Nations Global Compact*, the UN Protocol for Respect for Human Rights, Labor, the Environment and Against Corruption in Business.

The Human Resources Function is in charge of monitoring compliance with the code of ethics. On the other hand, the individual heads of each department must promote, within their structures and in relations with their interlocutors, all conduct in line with the code of ethics, reporting any violations and taking the relevant measures.

The Company undertakes to promote adequate knowledge of the code of ethics by making it easily available. For more information, you can download the code of ethics from the dedicated page on the company website:

To visit the website

[CLICK HERE](#)



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3.2.3 Supply chain management

Costacurta manages its relations with its supply chain in a transparent and responsible manner and defines ways and procedures to build lasting relations with its suppliers, in compliance with the principles and contents of the code of ethics, 231 Model and applicable laws and regulations.

Aware of the importance that environmental and social issues are increasingly gaining in business relationships, as of 2018 Costacurta has stipulated that the use of suppliers with a total annual expenditure of more than EUR 3,000.00 must go through a structured qualification process called "Counterparty Verification". This procedure involves sending a questionnaire to the counterparty, which will be requested to provide information on the following:

- Organizational and ownership structure.
- Potential conflicts of interest.
- Presence of certifications in the areas of quality, environment, health and safety of workers.
- Measures and sanctions.
- Economic and financial situation.
- Regularity of contributions.
- Code of ethics, crime prevention, compliance and anti-corruption programs.

Once the completed questionnaire has been received from the supplier, the Quality Department must in turn complete a form called: "Due diligence", which will make it possible, following a predefined schedule, to provide an exhaustive evaluation of the supplier and then decide whether or not to proceed with its registration in the company's ERP system. In addition to analysing the information received from the supplier via the above-mentioned questionnaire, the Quality Department uses a paid platform to consult blacklists and PEP (Politically Exposed Person) lists and also carries out research on the web using search engines to identify any relevant news about the counterparty. If critical elements emerge, authorization for inclusion must come from the Legal Affairs function with prescriptions regarding any corrective or monitoring actions to be taken. In the event of obstructive elements, the authorization to include the supplier in the company's ERP system may only come from the CEO of the company. In order to keep the ratings up to date, there is an internal periodic due diligence procedure that defines how these qualifications should be updated.

For the selection of suppliers of production material and processing, in addition to the above, the evaluation is supplemented with objective assessments of their performance, based on competitiveness, quality, reputation and timeliness of supply.

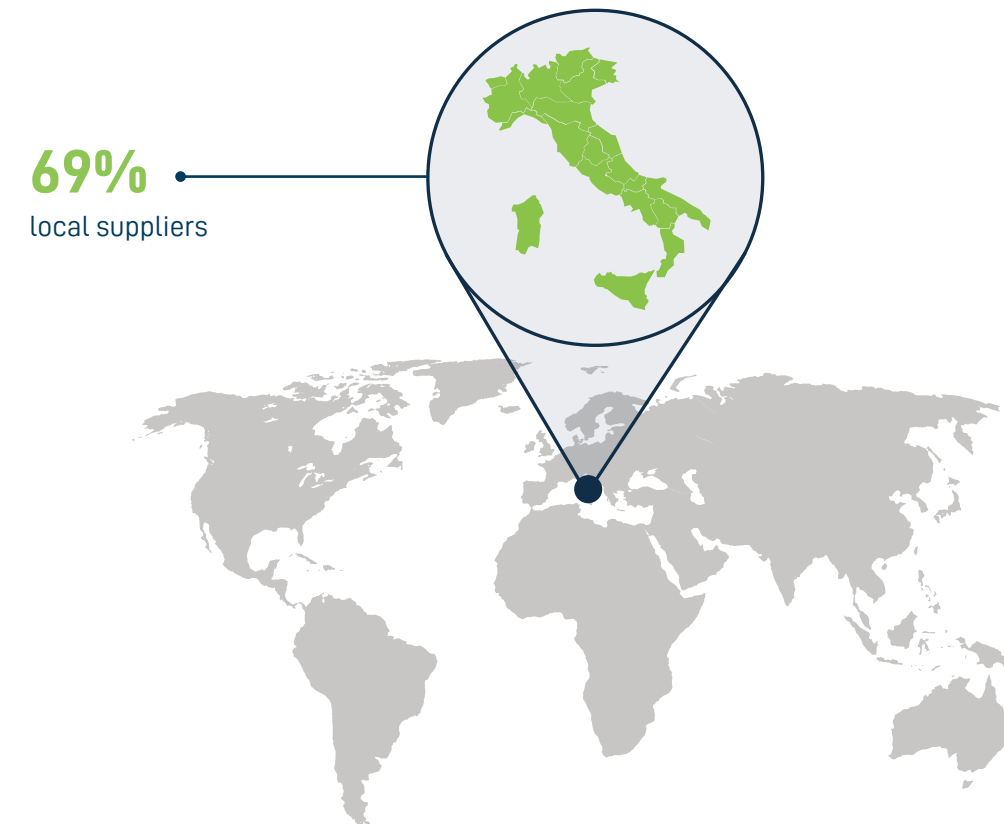
The monitoring of these specific suppliers is automatically carried out by the company's ERP system, by means of two performance indicators, "Number of non-conformities" and "Percentage of non-conforming positions out of total positions".

The company's ERP system allocates the supplier to one of the following four classes:

- Suppliers with performance above the threshold.
- Suppliers with sub-threshold performance.
- Quiescent suppliers, no longer used for a certain period of time.
- Blocked suppliers.

Suppliers in the yellow class are audited at the end of the year by the Quality function with the support of the functions involved in the purchasing process. If necessary, specific corrective actions are identified. Corrective actions may also be taken during the year as special cases arise.

In 2022, the expenditure on local suppliers, i.e. located in Italy, was 69%, down 8.8% from 75.8% the year before, while spending on foreign suppliers was 31%, up from 24% the year before. Although the change in expenditure on local suppliers was down in percentage terms, the figure increased in absolute terms.



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3.2.4 Cybersecurity

Cybersecurity is becoming increasingly important within companies. Cybersecurity serves to prevent cyber-attacks that could generate breaches of personal data or confidential information, undermine operations and generate major damage such as loss of corporate resources, including financial resources. Cybersecurity is therefore an essential safeguard to ensure business continuity, protect sensitive data and reduce the risk of theft of confidential information.

Costacurta constantly invests in cybersecurity. In recent years, it has strengthened its **Information and Communication Systems** function (hereinafter also referred to as "IT"), set up new procedures, trained its resources and invested in improving its infrastructure.

The company now has in-house specialists, who are responsible for the timely updating of systems, the activation of antivirus software and the renewal of computer licenses, in order to maintain an effective defence system against external cyber-attacks.

All computers are equipped with antivirus software and the company's internal staff has been trained to intercept anomalous situations and promptly report them to the IT department.

During 2022, the company started a **training and awareness raising course** on cybersecurity. This was structured through monthly e-mailed **"Security Pills"**, each dedicated to a particular area of security that may have an impact on daily operations.

During 2021 and 2022, no cyber-attacks or cases of data leakage or loss of information were recorded.

3.2.5 Privacy

The correct handling of personal data by the company is another of the issues considered relevant by the society in which we operate. In order to be able to process personal data correctly, defining appropriate methods of collection, use, protection and sharing, Costacurta has fully adhered to **Regulation 2016/679** on data protection, also known as GDPR. To this end, the Company has prepared two operating procedures entitled **"Privacy"** and **"Data Breach Management"**, which regulate the actions to be taken for the proper management of this issue.

The Legal Affairs function is in charge of ensuring proper management of all privacy issues, in accordance with the above-mentioned procedures.

The Privacy Officer was identified in the Head of Legal Affairs. The task of the Privacy Officer is to observe, assess and organize the management of the processing of personal data within the company, in order to carry it out in compliance with the regulations in force.

Costacurta set up a privacy email address, managed by the Legal Affairs function: privacy@costacurta.it.

To view our privacy policy and receive more information about privacy management at Costacurta, please write to this email address.

3.2.6 Confidentiality agreements

Costacurta's business model involves the design and manufacture of products based on the proprietary specifications of its customers, mainly machinery and plant manufacturers. Costacurta is also a qualified partner of several major international companies that develop technologies and provide engineering services.

This means that every day, in the course of its business, Costacurta learns information that is strictly confidential and strategic for its customers. Costacurta signs several confidentiality agreements each year, known as Non-Disclosure Agreements (NDAs), in which the company undertakes to implement all possible safeguards to protect and not disclose its customers' information.

In light of this, in addition to paying particular attention to cybersecurity, as illustrated in [Chapter 3.2.5](#), Costacurta has put in place internal procedures to ensure **the utmost respect for information received from customers**, such as, for example, setting up delimited or separate areas within its plants during inspections, so that inspectors can only access their own products and not those of possible competitors.

This is a subject Costacurta cares a great deal about and handles with the utmost care, as for the company respect and integrity are fundamental values for a fruitful and lasting collaboration.

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3.2.7 Certifications

Costacurta intends to pursue continuity in a multi-generational perspective of constant development, achieving the highest standards concerning Quality, the Environment as well as Health and Safety. The company has adopted different management systems to best meet regulatory requirements and has selected LRQA as its certifying body.

Management systems bring together all company procedures and enable the optimal management of processes to achieve specific goals in well-defined company environments. Costacurta firmly believes that the adoption of specific organizational methodologies makes it possible to manage the various processes in a more advanced manner and that these methodologies contribute to the improvement of the company's overall performance also with a view to sustainability.

In this sustainability report, our certifications are mentioned within the following chapters:

CERTIFICATIONS

	CERTIFICATION	REFERENCE CHAPTER
	ISO 9001 Quality Management System	5.2 Product quality 
	ISO 14001 Environmental Management System	4.1 Emissions and energy 
	ISO 45001 Occupational Health and Safety Management System	5.1.2.1 Health and safety 

To see the certifications:

[CLICK HERE](#)



04.

PLANET

Environmental sustainability is fundamental for our Planet and for the long-term continuation of any organization's business. Climate change, air and water pollution, together with waste, threaten the health of the ecosystem and pose urgent challenges that require concrete action by organizations. Corporate impacts on the environment can cause significant damage to society, which is why Costacurta is committed to understanding, measuring and managing environmental impacts throughout the entire value chain and product life cycle.

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CHAPTER 4

PLANET

As stated in the World Economic Forum framework, environmental sustainability is fundamental for our Planet and for the long-term continuation of any organization's business. Climate change, air and water pollution, together with waste, threaten the health of the ecosystem and pose urgent challenges that require concrete action by organizations.

Corporate impacts on the environment can cause significant damage to society, which is why Costacurta is committed to understanding, managing and measuring environmental impacts throughout the entire value chain and product life cycle.

The following are the main aspects that Costacurta took into consideration when analysing environmental impacts:



ATMOSPHERIC EMISSIONS:

a stable climate has been a critical factor in the growth and advancement of society. The accumulation of greenhouse gases (GHG) in the atmosphere due to anthropogenic emissions is changing our planet's climate at an unprecedented rate. Failure to mitigate climate change poses an existential threat to human civilization.



WASTE:

all waste is relevant, especially because of the resources that are lost when it is disposed of. The impacts of well-managed waste disposal are generally modest, regardless of the material. However, the negative impacts of poorly managed or unmanaged waste can be significant, especially if the materials are not readily biodegradable. For example, single-use plastics (such as packaging, food containers, cutlery and bags), although used to a limited extent in the company's operations, are among the most widespread and problematic factors and have led to considerable environmental damage.



USE OF MATERIALS:

in the long term, true sustainability requires much higher levels of reuse (circularity) of non-renewable resources and sustainable consumption of renewable resources in all our economies. The transition to a more circular economy presents a number of opportunities and risks for companies.



WATER USE:

drinking water is essential for the progress of society and necessary for a healthy environment and a thriving economy. Food production, electricity production and manufacturing, among others, depend on it. Access to clean water and sanitation is a basic human right. However, in parts of the world where water and water infrastructure are scarce, this human right is often not respected.



4.1 Emissions and energy

4.1.1 Emissions

In order to monitor the aspects related to the management of environmental issues, measure its impacts and promote the improvement of the impacts generated over time, Costacurta has implemented an **ISO 14001:2015 certified Environmental Management System** in all its sites located in Milan, Garlate, Olginate and Brivio.

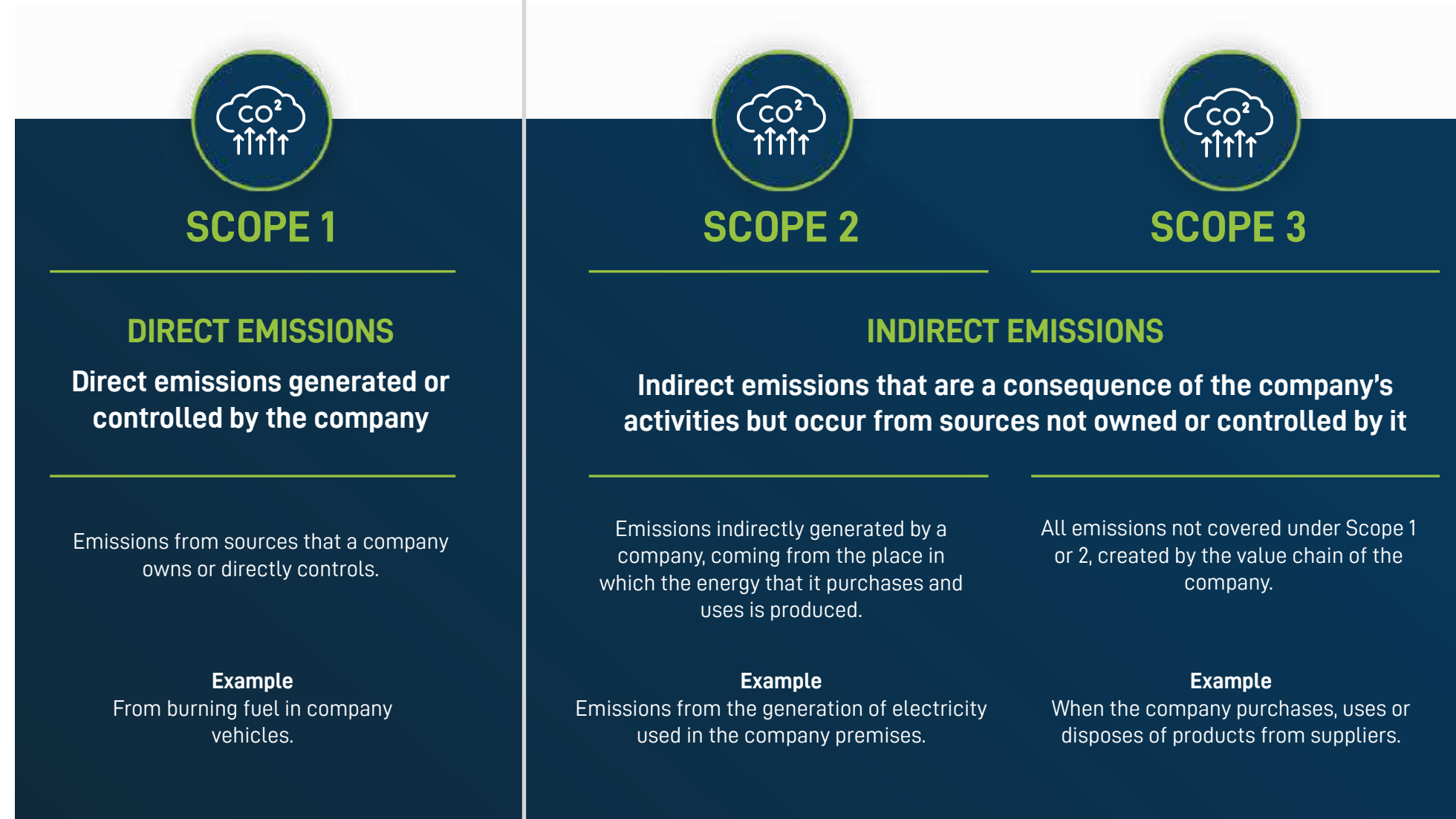
The production plants in Garlate and Olginate are equipped with localized vacuums for some specific equipment and installations, positioned in order to maintain an adequate level of healthy air in the workplace. The extraction systems convey the air into chimneys for outdoor emission equipped with appropriate abatement systems. There are currently four emission points in Olginate and eight in Garlate. All emission points are authorized. An annual or bi-annual (depending on the type of extraction) self-sampling of all emissions is also envisaged.

With the aim of reducing environmental impact and optimizing energy performance, Costacurta's objectives for continuous improvement include reducing CO₂e emissions from production and related processes.

For the second year running, an analysis of greenhouse gas (GHG) emissions was conducted by calculating the organization's Carbon Footprint (hereafter "CFO"), taking into account all of its sites in Milan, Garlate, Olginate and Brivio.

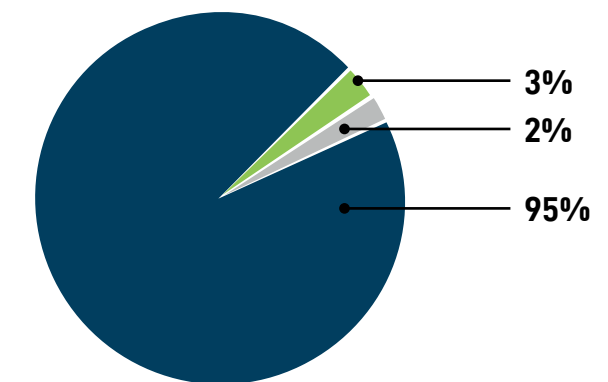
The analysis considered all three scopes and was conducted according to the GHG Protocol, involving the company's process owners, and was subsequently verified and validated by a specialized external company.

The CFO calculation allows the company to lay the foundation for developing strategies to reduce climate impact.



PERCENTAGE OF GHG EMISSIONS IN 2022

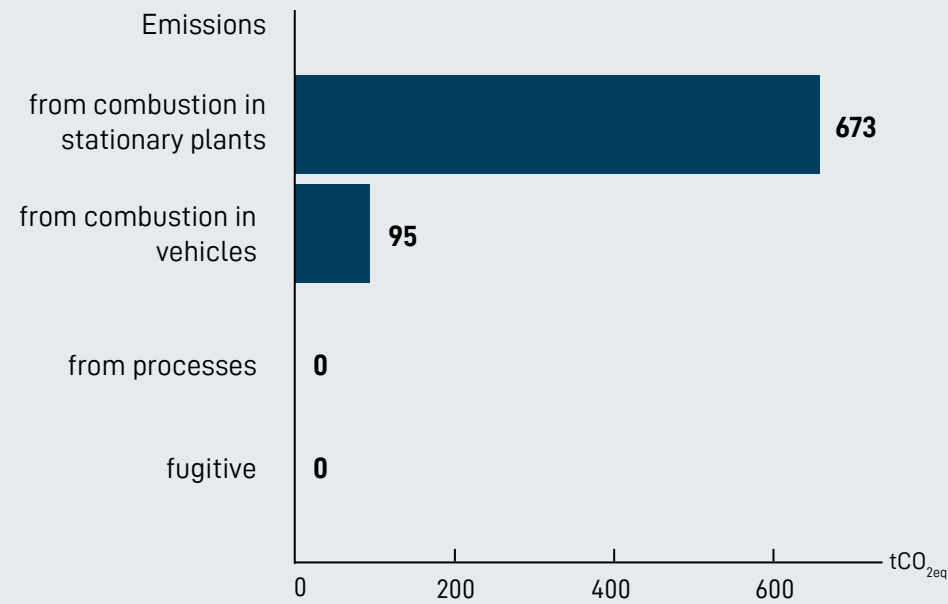
- Scope 1: Direct GHG emissions
- Scope 2: Indirect GHG emissions from imported energy
- Scope 3: Indirect GHG emissions



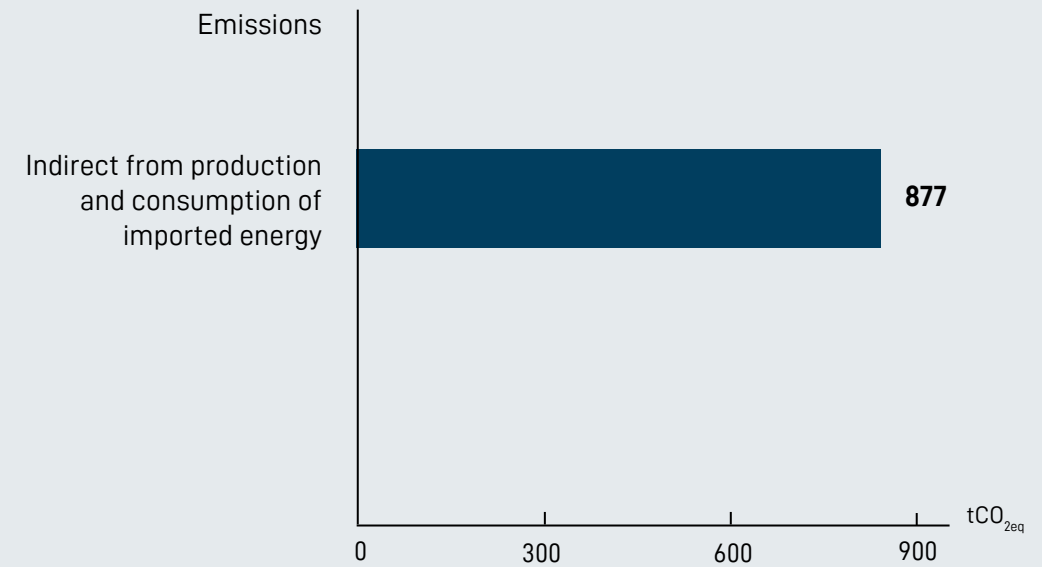
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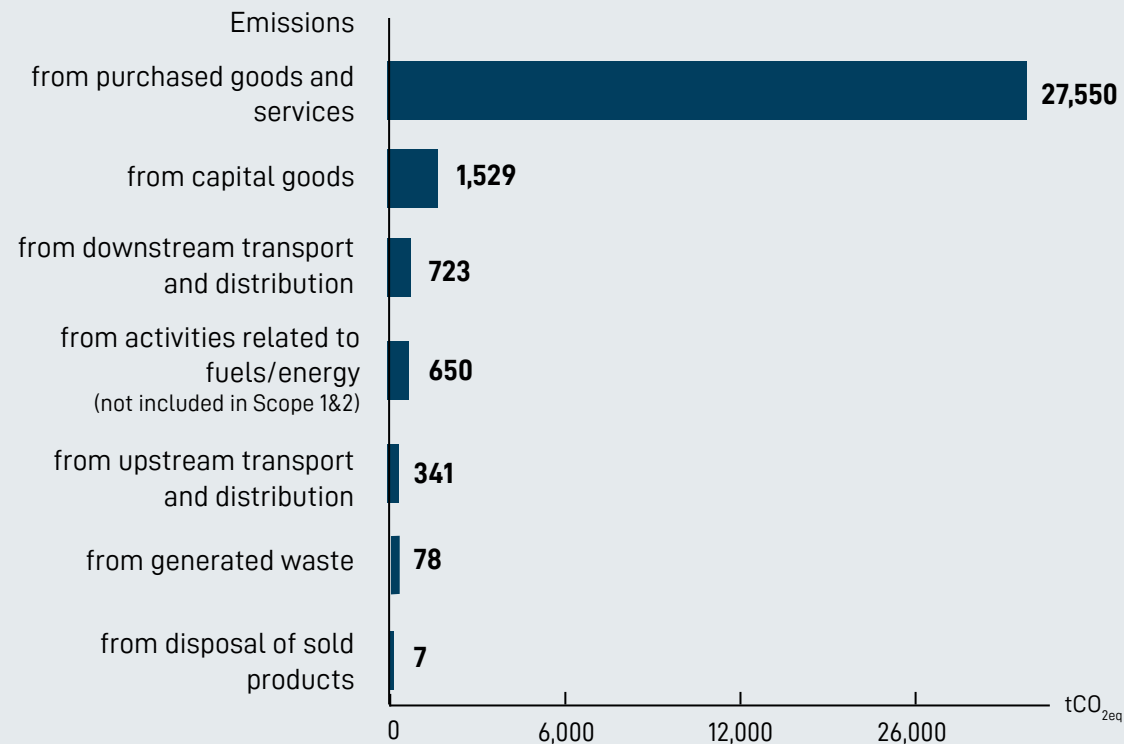
DIRECT SCOPE 1 GHG EMISSION IN 2022 (tCO_{2eq})



ENERGY INDIRECT SCOPE 2 GHG EMISSIONS (tCO_{2eq})



OTHER INDIRECT SCOPE 3 GHG EMISSIONS (tCO_{2eq})



Specifically, GHG emissions related to **Scope 1**, i.e. the Company's directly generated emissions, amount to 768tCO_{2eq}, about 2% of the total, and stationary combustion of natural gas constitutes the largest emission in the category with a contribution of about 673tCO_{2eq}. No fugitive emissions were recorded in the year 2022, while process emissions are negligible as they are less than 1tCO_{2eq}.

On the other hand, the emissions related to **Scope 2**, i.e. resulting from the consumption of electricity purchased from third-party suppliers and thus produced outside the company, amounted to 877 tCO_{2eq}.

Finally, **Scope 3** emissions, i.e. from value chain activities, account for 95 per cent of Costacurta's total emissions in 2022; they amount to 30,877 tCO_{2eq}, of which 27,550tCO_{2eq} relate to purchased goods and services.

The results obtained from the analysis show that total GHG emissions in 2022 amount to approximately 32,522 tCO_{2eq}, a slight increase from the 31,924 tCO_{2eq} calculated in 2021. Considering that the observation of absolute emissions may be unrepresentative if analysed without taking into account certain parameters relevant to the company's business trends (such as, for example, the increase in production), a set of Key Performance Indicators (KPIs) were identified in order to monitor the trend of environmental impact over time.

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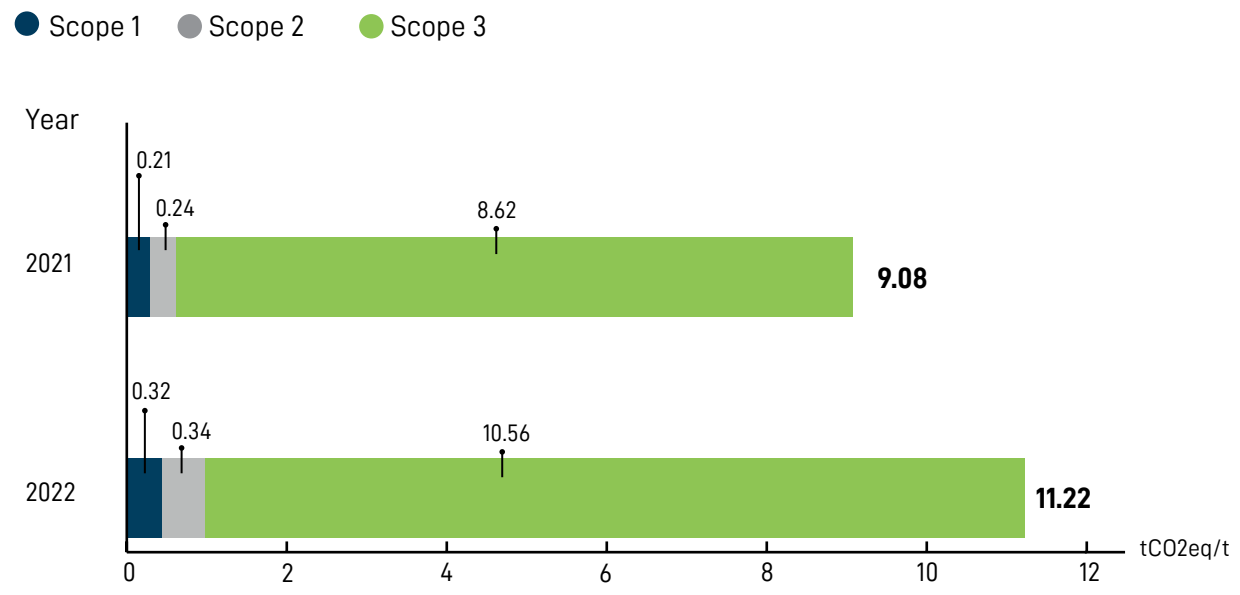
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The KPIs relate total emissions as well as Scope 1, 2 and 3 emissions to a representative parameter on company performance identified in the quantity of shipped product. The comparison of KPIs calculated for 2021 and 2022 reveals that, although there was an absolute increase in corporate emissions of 600 tons of carbon dioxide equivalent (+1.8%), the normalized emissions decreased when taking into account the quantity of shipped product.

NORMALIZED EMISSIONS TREND ON QUANTITY OF SHIPPED PRODUCT



Starting in 2021, Costacurta also joined the **Carbon Disclosure Project (CDP)**⁵, answering CDP questionnaires in the Climate Change Program. The questionnaires are evaluated by CDP, which provides a score (CDP score). For the year 2022, the score will be made available by CDP in early 2024.



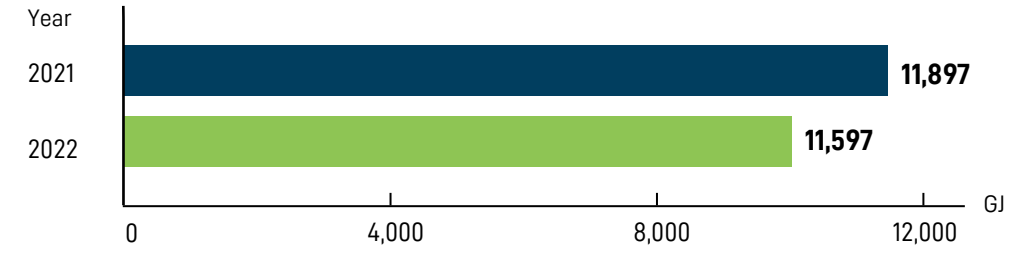
⁵ | CDP is an international non-profit organisation that provides companies, local authorities, governments and investors with a global system of environmental measurement and reporting. For more information, please visit www.cdp.net.

4.1.2 Energy

Among the activities implemented by Costacurta to reduce electricity consumption, according to a multi-year plan, the lighting systems were optimized by replacing the luminaires with LEDs.

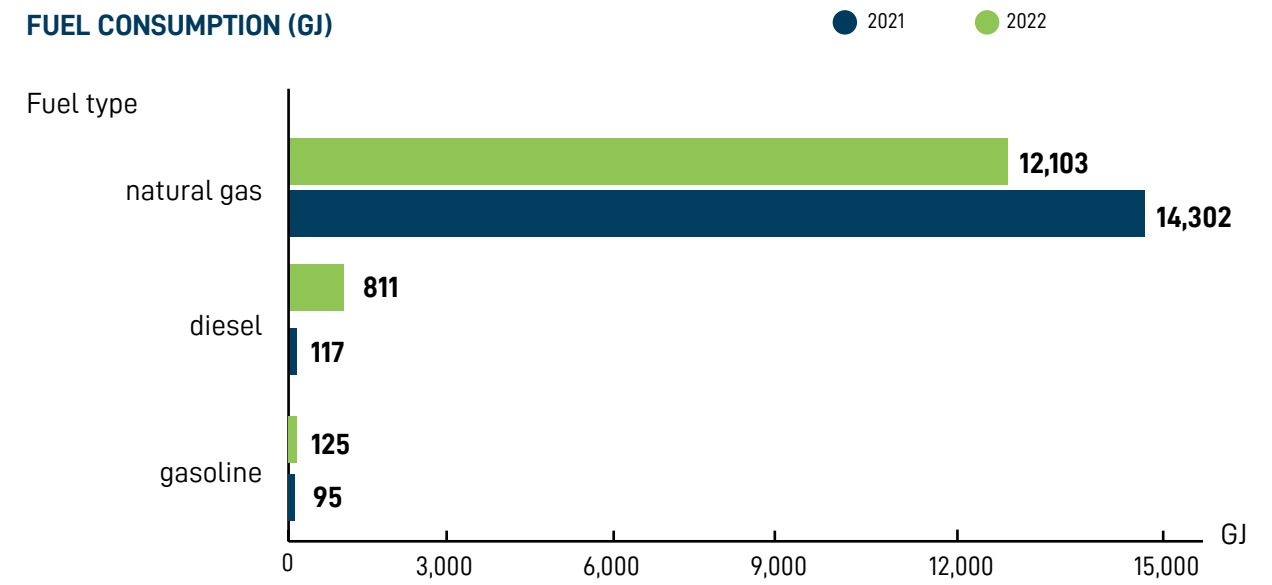
This measure, intensified over the past year, has contributed to a 3% decrease in overall electricity consumption compared to the previous year, reducing consumption from 11,897 GJ in 2021 to 11,597 GJ in 2022. The decrease in electricity consumption had a positive impact on Scope 2 emissions, bringing the calculated figure of 965 tCO2eq in 2021 to 877 tCO2eq in 2022.

ELECTRICITY CONSUMPTION (GJ)



The fuel consumption recorded in 2022 is 13,039 Giga Joules (hereafter "GJ"), a -10% change compared to the 2021 consumption of 14,514 GJ. A share of consumption comes from reducing the use of natural gas. Fuel utilization decreased by 15% to 12,103 GJ in 2022 from 14,302 GJ in 2021. It should be noted that the consumption of diesel and petrol is only attributable to the use of the company car fleet and not to production activities.

FUEL CONSUMPTION (GJ)



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4.2 Waste management

Costacurta applies **the Environmental Operating Procedure 4.6.01 "Waste Loading and Unloading Management"** which aims to regulate the related activities in compliance with current legislation and in line with Costacurta's environmental policy.

As per the relevant procedure, waste produced within the departments is stored in temporary areas within the same department and identified according to location matrix MOD4.6.01.

Within the plants there are different storage areas where the stored materials are identified by colour:

- Scrap
- Miscellaneous industrial waste
- Oil-based liquid waste
- Waste assimilable to municipal waste
- Discontinued capital goods

The head of department is responsible for verifying that the waste is correctly identified and that no problems are created that could have significant environmental impacts (e.g. spillage and leakage of polluting liquids).

When the storage areas are saturated, the **Waste Administrative Manager** requests disposal by filling out the waste identification and transport form. At the end of disposal, the fourth copy of the form will return to the company with an indication of the quantity actually disposed of, verified at destination.

Based on this information, waste production statistics are updated every six months and are used for the constant and timely monitoring of waste trends in the company, also compared to previous years.

PERCENTAGE OF HAZARDOUS AND NON-HAZARDOUS WASTE (% ON TOTAL WASTE PRODUCED)



In 2022, Costacurta produced 1,070 tons of waste, split between hazardous (14%) and non-hazardous (86%), with a decrease of 11% compared to the 1,198 tons produced in 2021. The main waste categories include ferrous scrap (60%), water jet sand (12%) and aqueous washing solutions (11%)⁶.

⁶ For details on the composition of waste, please refer to the ["Quantitative tables" section](#)

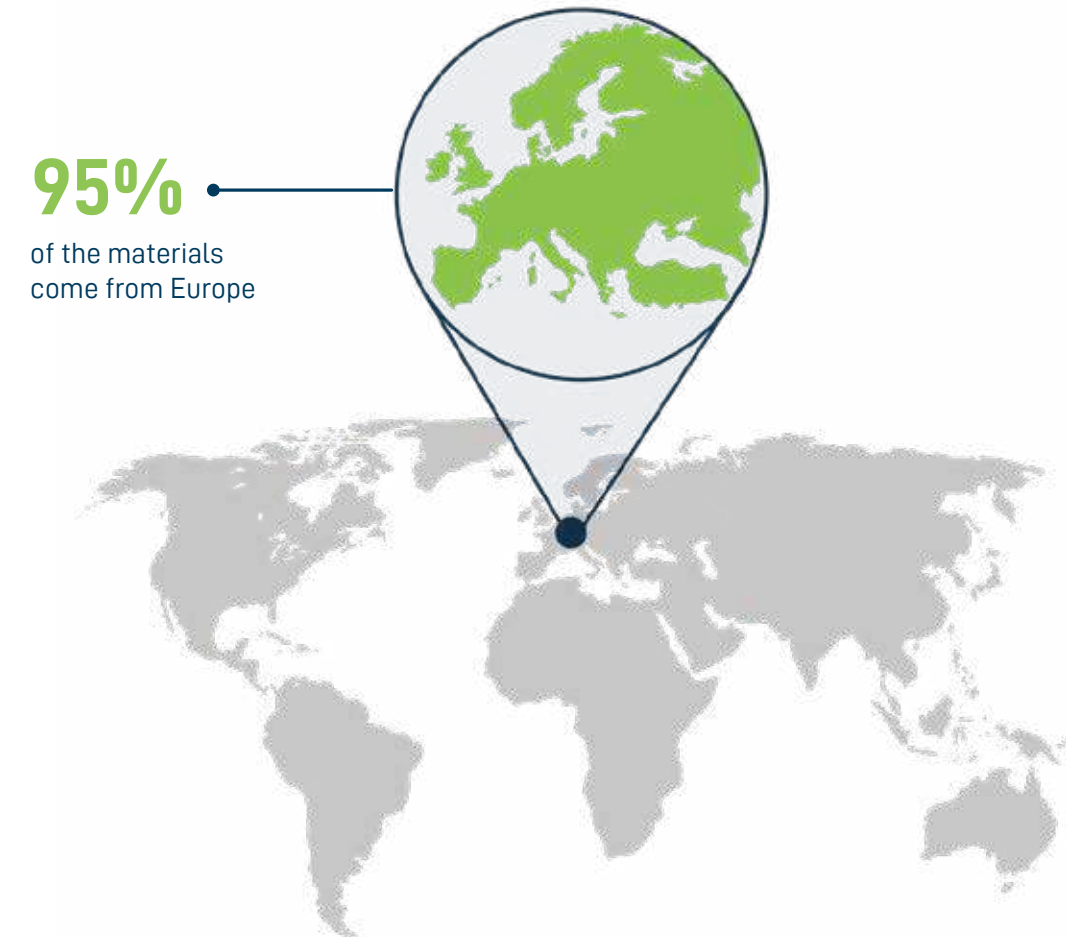
Costacurta relies on third-party companies for waste treatment. During 2022, the waste disposed of amounted to 132.45 tons, divided into non-hazardous waste (equal to 87%), consisting mainly of aqueous washing solutions, and hazardous waste (equal to 13%), consisting of aqueous liquid waste, oil and grease mixtures from separation and residues of blasting material.

Waste generated and not sent for disposal during 2022 amounted to 933.05 tons (of which 96% non-hazardous waste and 4% hazardous waste), a decrease of 15% compared to 2021, or 1,100.20 tons⁷. Metallic waste is recycled, while other waste is handled by a licensed disposer who will process it.

4.3 Materials management

Each division purchases different raw materials depending on the specific job to be carried out at the customer's request. The management software that supports the purchasing process is SAP. **95% of the materials come from Europe. In addition, Costacurta relies on certified suppliers for the purchase of recycled steel.**

THE ORIGIN OF THE MATERIALS USED

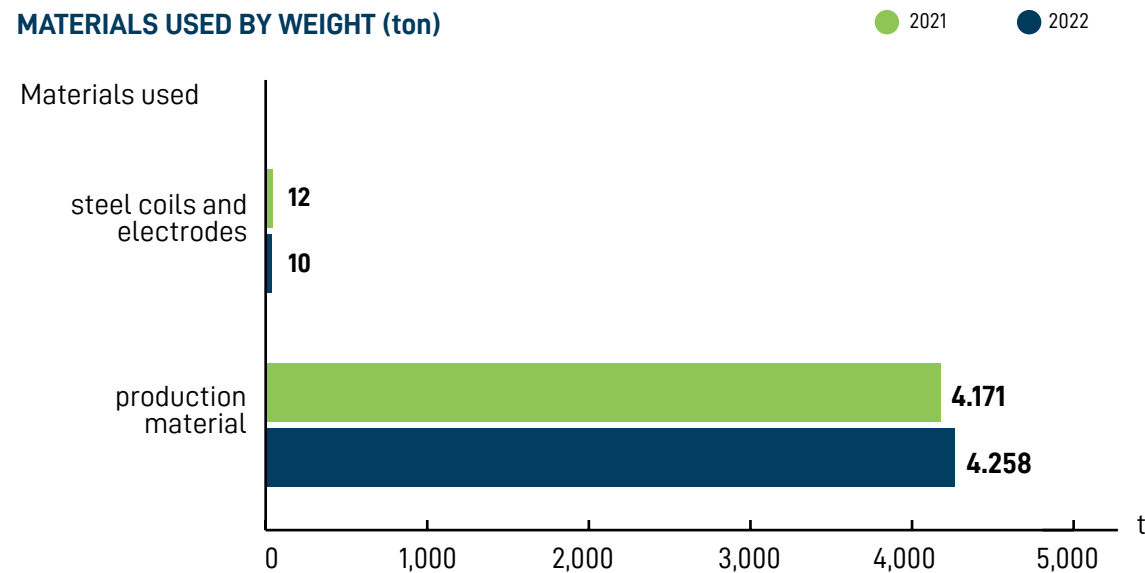


⁷ For details on the composition of waste, please refer to the ["Quantitative tables" section](#)

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In 2022, the materials used by Costacurta amounted to 4,268 tons, an increase of 2% compared to 2021 (amounting to 4,183 tons). The most commonly used material categories are production materials (such as steel, stainless steel, copper, etc.), coils and welding steel electrodes. Particular attention is also paid to the **sustainable procurement of materials**. Please refer to [Chapter 3.2.3 Supply chain management](#) and [5.2 Product quality for more information](#). Thanks to the **SAP management system**, we are able to guarantee full traceability of materials along the entire production chain.

MATERIALS USED BY WEIGHT (ton)



4.4 Water management

Costacurta monitors water consumption on a monthly basis in order to check for anomalies in consumption or leaks and optimize its use. The production plants in Garlate, Olginate and Brivio are areas classified as Medium-Low risk according to the mapping of water stressed areas⁸.

The water is taken from the municipal waterworks at the various locations, as there are no wells or direct groundwater collection points at the plant. The amount of water collected in 2022 was 6.45 megalitres, a decrease of 3% from the previous year (6.67 megalitres). Water collection and consumption are only partly related to process requirements, including oily emulsions used in drilling and CNC (Computerized Numerical Control) machines, for use in washing tanks and for the operation of the Water Jet. The remaining consumption is related to staff services such as changing rooms, canteens, toilets and water dispensers.

⁸ Link to site for water stressed areas: [Aqueduct | World Resources Institute \(wri.org\)](https://www.wri.org/aqueduct)
 Water stressed areas are those areas where the ratio of total annual water collection to total available annual renewable water supply (baseline water stress) is high (40-80%) or extremely high (>80%) according to data from the World Resources Institute's Aqueduct Water Risk Atlas.

For the Garlate plant, the **Single Environmental Authorization (A.U.A.)** was issued for discharge into the public sewage system. The water is used for domestic and industrial purposes. In order to know the exact water consumption, the company has installed volumetric meters on the internal network where the most significant water demands are verified. It should be noted that wastewater undergoes pre-treatment before being discharged into the sewage system, through three steps:

1. Filtration with 200 µm openings.
2. Decantation through three successive cascading tanks.
3. Filtration with 150 µm openings.

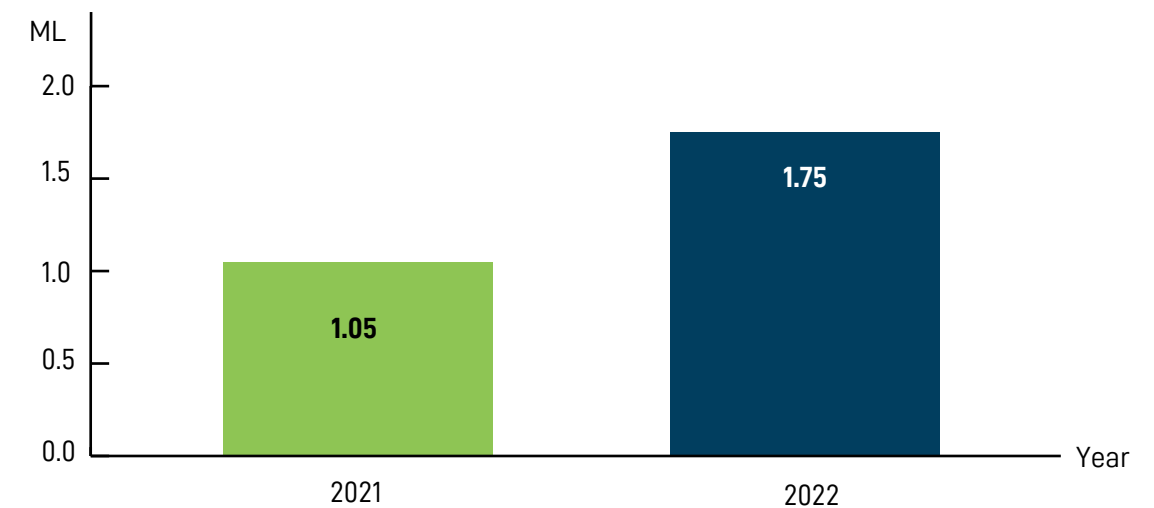
The remaining water is used for toilets, services, heating and canteens as well as a small percentage for the caretaker's house in Garlate. Finally, the flow rate of industrial wastewater discharge is compatible with the characteristics of the sewage system and urban wastewater treatment plant.

Costacurta has drawn up the **"Water Discharge Management"** procedure with the aim of regulating the management of water discharges referred to all the organization's sites, in particular for the types of discharge listed below:

- Civil discharge;
- Water drainage from yards;
- Stormwater drainage.

The Environmental Manager is responsible for monitoring and recording significant environmental impacts, verifying and updating discharge points and any changes to the water networks within the production site. The Manager also plans the four-monthly self-monitoring analyses for the "Water Jet" industrial discharge at the Garlate plant.

TOTAL WATER DISCHARGE (ML)



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The only discharge measured by meter is that authorized for the 'Water Jet' cutting machine, which in 2022 is 1.75 megalitres, an increase of 66% compared to 2021, where discharges had been 1.05 megalitres. The increase is due to a substantial increase in production. The other drains, public sewage and white water, do not have meters, therefore, no precise analyses are envisaged. Through the "Water Consumption Control" procedure, the Company defines the operating methods for carrying out the following monitoring activities:



IN NORMAL OPERATING CONDITIONS

The person in charge takes meter readings on a monthly basis; these are recorded in the environmental impact register. The measured data is then compared with that reported by the water supply operator. Starting from this data, the Manager verifies whether or not it is in line with improvement trends in relation to the programs expressed in the company's environmental policy

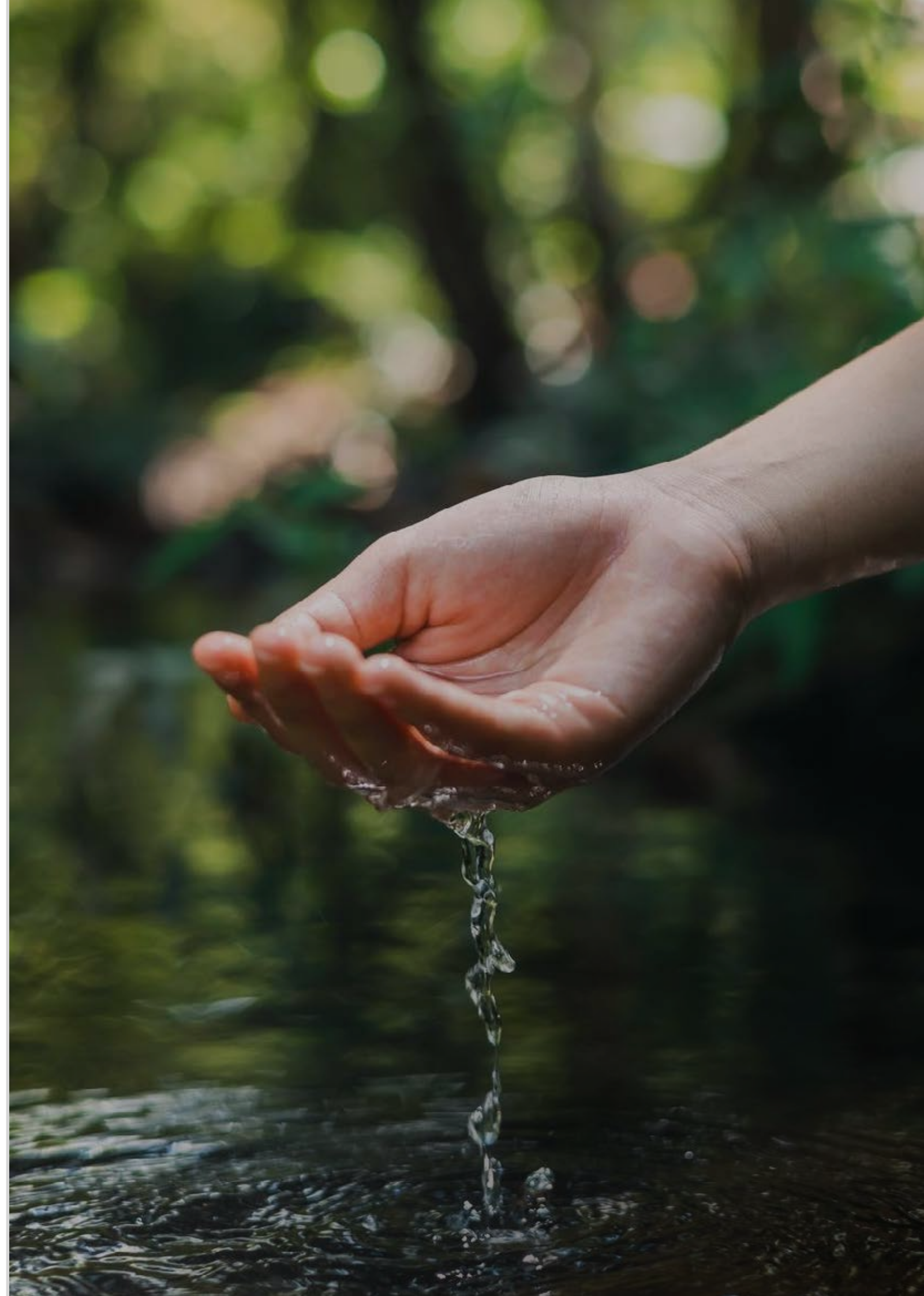
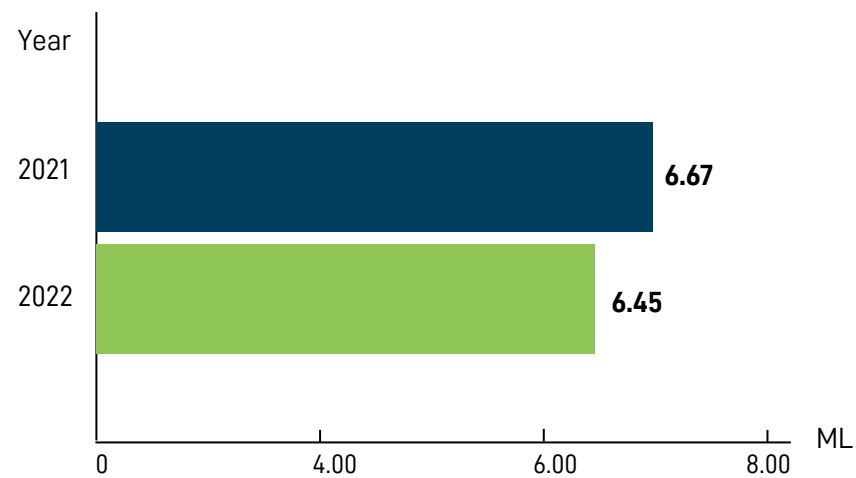


IN ABNORMAL AND EMERGENCY OPERATING CONDITIONS

The person in charge of the intervention together with the RSPP (Prevention and Protection Service Manager) and the shop floor operators take action for the immediate disconnection of the company water networks by closing the sluice gates and for the identification of the causes that originated the emergency, operating according to the provisions described in the company's Emergency and Evacuation Plan.

Total water consumption in 2022 is 6.45 megalitres, a **decrease** of 3% compared to the consumption of 6.67 megalitres in 2021.

WATER CONSUMPTION (ML)



05.

PEOPLE

*Like all organizations, companies are first and foremost made up of people: **the culture, identity, good functioning and success** over time of a company **depend** heavily on the **human factor**, in other words on the professional contribution of the people who work there. The growth of people within companies is in fact one of the fundamental elements for the development of an economic system and society in general.*

CHAPTER 5 PEOPLE

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Like all organizations, companies are first and foremost made up of people: the culture, identity, good functioning and success over time of a company - perhaps especially in the case of a company that is part of so-called **"family capitalism"** - depend heavily on the **"human factor"**, i.e. on the professional contribution of the people who work there, often in close contact with the owners and in the context of long-term working relationships.

The World Economic Forum itself, in its documents, identifies the growth of people within companies as one of the fundamental elements for the development of an economic system and society in general.

Ensuring economic stability for employees, creating opportunities for employees to enhance and develop their attitudes and skills, defining a system of transparent and fair internal rules, contributing (also through the appropriateness of the working environment and the company's operating model) to improving employees' psycho-physical well-being and investing in training are all crucial aspects that companies have an interest in considering in order to maximize people's engagement and thus their effectiveness and efficiency, as well as to be attractive and competitive in the labour market.

Taken together, the above factors contribute to creating an inclusive culture, meeting and aligning individual people's needs for economic security, motivation and fulfilment with the Company's needs for economic compatibility and development.

According to the WEF, the **People** topic can be divided into the following basic principles:



HEALTH AND WELL-BEING

Stakeholders increasingly expect organizations to take care of the health of employees and their families and support their rights to adequate physical and mental well-being.



DIGNITY AND EQUALITY:

From the "Universal Declaration of Human Rights" adopted by the UN General Assembly in 1948: "All human beings are born free and equal in dignity and rights" and "all are entitled to all rights and freedoms without distinction of any kind, such as race, colour, gender, language, religion, political or other opinion, national or social origin, property, birth or other status." The major theme of providing equal opportunities to all employees - in recruitment and selection, training and development, beyond any distinction of gender, race, age, ethnicity, ability and sexual orientation - was therefore enshrined decades ago by the UN. However, it deserves to be continually recalled as a basic prerequisite for the creation of workplaces in which all employees can feel valued and respected, receiving fair treatment also in terms of economic benefits, and in which moreover - by embracing diversity and equal opportunities - companies can contribute to the integration of under-represented groups and minorities.



SKILLS FOR THE FUTURE:

Having qualified workers is a key factor for any company aiming to operate successfully. To address the skills gap challenge, companies need to increase investment in training and retraining of their workforce: this will allow them to seize opportunities to change work models and improve workplaces through the effective use of new tools and technologies. Furthermore, companies that are able to create a positive social effect and build a more diverse and inclusive culture will be in a better position with respect to employee engagement and productivity. Businesses should therefore aim to equip people with the necessary skills to innovate and, consequently, put themselves in a position to create new jobs and, more generally, prosperity, measured in terms of both financial and human capital.



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In addition to these three cornerstones suggested by the WEF, Costacurta believes it is important to include in the concept of social **responsibility and care for people** also the impact that their products produce in society.



PRODUCT QUALITY:

In the context of social responsibility, we should also take into account the impact our products may have on customers, end users and society in general. We live in an interconnected world, where society is increasingly attentive to the values of responsible entrepreneurship. Through the quality of our products we want to contribute to the technological development of the sectors in which we operate and at the same time guarantee the safety of our products.

In the following paragraphs, Costacurta's social responsibility will be presented, according to each of the areas just described.

5.1 Our people

Costacurta has always placed the well-being and motivation of its employees among the top priorities to focus on, aware of their fundamental importance for the long-term success and continuity of the company.

The company is committed to protecting human rights, promoting inclusive workplaces with equal pay for work of equal value, and offering opportunities for growth to all those who have an interest in creating value for the company.

The company attaches great importance to the attitude and commitment people show because with the right attitude, serious commitment and the necessary perseverance, professional and career growth become a natural and mutually beneficial consequence. Moreover, it should be emphasized that the company's needs change over time, even rapidly: understanding this inevitable dynamic and a proactive and positive attitude in the face of it, constitute a specific and crucial aptitude, which can prelude to the best growth opportunities for those who are able to demonstrate it.

In addition to strictly enforcing occupational health and **safety regulations** and **best practices**, Costacurta carries out **preventive training and information activities on the subject** on an ongoing basis, with a particular focus on the production sites of Garlate, Olginate and Brivio, where the majority of the company's workforce is employed and where risks may be more significant.

5.1.1 Dignity and equality

No form of irregular employment is tolerated at Costacurta, nor is any form of discrimination against its employees and collaborators.

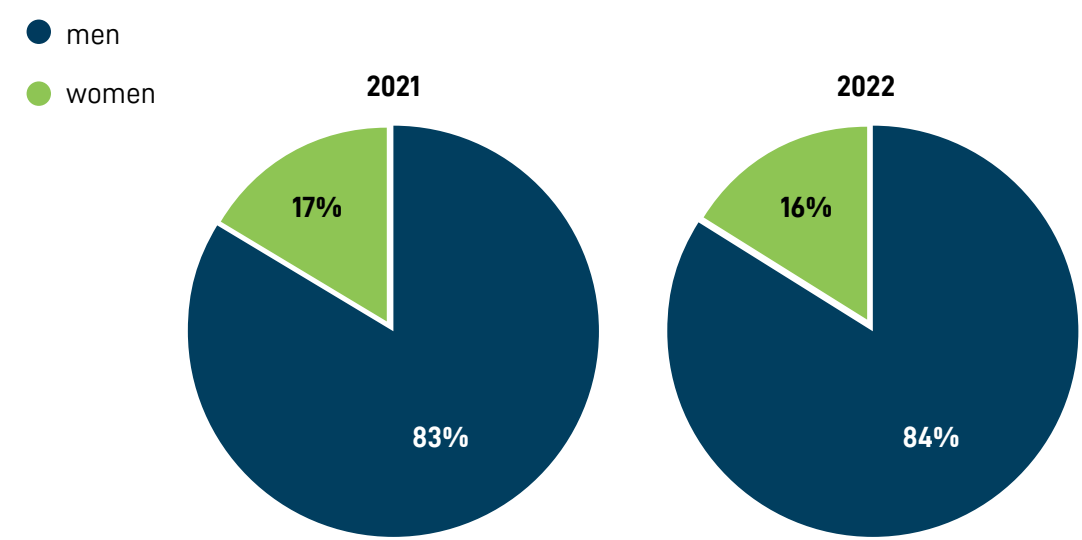
Originally, the company population of the two plants located in the Lecco area consisted almost exclusively of people from the area. For several years now, Costacurta has been able to count on people coming not only from all over Italy, of course, but also from various countries and from different cultures. They have integrated themselves both in the territory and in the company, contributing to enrich the working environment with their own specificities.

As at 31 December 2022, the company's workforce numbered⁹ 247 employees, of whom 236 were salaried employees, 10 temporary workers and 1 collaborator. The figure remained almost unchanged compared to 2021, with 17 employees leaving and 18 new hires, for an overall increase of one unit over 2021.

97% of the employees have an open-ended contract and 95% are employed full-time.

The percentage of women on the total number of employees is 16.1%, substantially the same as 2021 (16.7%), but increasing compared to previous years, especially with regard to managerial roles.

PERCENTAGE OF MALE AND FEMALE EMPLOYEES



⁹ For further information, please refer to the chapter "Quantitative tables"

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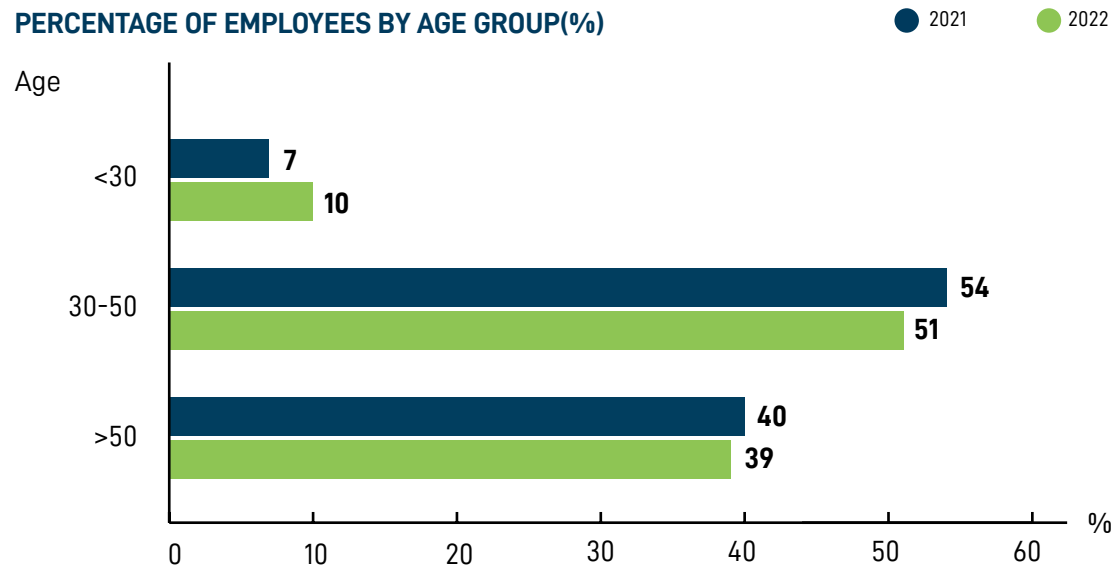
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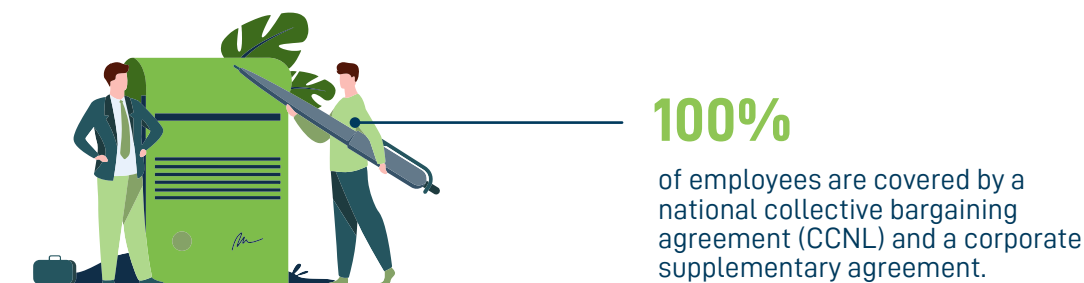
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Most of Costacurta employees are between 30 and 50 years old (51%), while employees in the under-30 age group account for 10% and the remaining 39% belong to the over-50 age group.



The largest occupational category is blue-collar workers, who make up 56% of the total number of employees, followed by white-collar workers (36%) and senior executives (5%). In addition, 12 employees belong to the **protected categories**¹⁰. The company fully respects, and in some years has exceeded, the 7% percentage of protected categories out of the total number of employees (calculated in accordance with the law), also thanks to agreements with social cooperatives in the Lecco area, signed at the competent Provincial Labor Office.

In 2022, recruitment doubled compared to the previous year, from 9 new employees in 2021 to 18 in 2022¹¹, 78% of whom were men and 22% women, with the age groups most affected being employees under 30 and between 30 and 50. All Costacurta employees (excluding senior executives, who are employed under the labour collective agreement for managers of industrial companies) are employed under the national collective bargaining agreement (CCNL) for the metalworking industry and, in addition, benefit from the company's a corporate supplementary agreement, which provides - among other things - for forms of participation geared towards improving activities and safety in particular at the plants.



¹⁰ For further information, please refer to the chapter "Quantitative tables"

¹¹ For further information, please refer to the chapter "Quantitative tables"

During the two-year period 2021-2022, Costacurta, adapting to the needs imposed by the pandemic and post-pandemic context, increased the flexibility of working hours at the Milan administrative headquarters, and also introduced **smart working** for up to 40% of working time (equal to 2 days per week).

Smart working is planned up to 40% of working time.

In order to increase homogeneity between its sites, Costacurta is planning to introduce, starting from September 2023, flexibility of working hours also for the office employees at the Garlate and Olginate sites. This initiative will take into account the constraints set by the organization model in the performance of the production activities.

The company has also defined and regulated a corporate welfare plan, currently reserved for about 25% of the population and which it intends to extend to more employees in the coming years. At present, all employees have health insurance and supplementary pensions, as regulated by collective agreements.

The company has also defined and regulated a corporate welfare plan. All employees have health insurance and supplementary pensions.

Finally, the company has made improvements to the quality of the working environment with various initiatives, such as the installation of healthy food dispensers followed by meetings with a nutritionist, water dispensers and the provision of water bottles. The supply of water bottles and the replacement of vending machines have also reduced the use of disposable plastic water bottles and replaced coffee cups and scoops with biodegradable products. Each workstation is also equipped with paper recycling bins to encourage proper waste disposal also in the office.

5.1.2 Health and well-being

Health is defined as "a **good psychophysical condition of the body**". Well-being is defined as "the **emotional, mental, physical, social and spiritual state that enables people to reach and maintain their personal potential**". Costacurta is committed to ensuring that its people work in an optimal condition of safety, an essential prerequisite for achieving an adequate level of well-being.

5.1.2.1 Health and safety

Costacurta is committed to constantly developing its safety culture, increasing risk awareness, knowledge of and compliance with current prevention and protection regulations and promoting and demanding responsible behaviour from all its employees and collaborators. Through its **HSE Policy**, Costacurta sets out its objectives, principles and commitments in this area.

All Costacurta sites are certified according to ISO 45001:2018 and adopt the provisions of the internal occupational health and safety management system which allows for the prevention of accidents and occupational diseases in the workplace.

The production departments are subject to periodic audits by the HSE manager and SOTs (Safety Observation Tours), which are carried out by the HSE manager in cooperation with the company's senior executives, the production unit manager, the Workers' Safety Representative and the head of the production department. SOTs enable not only the constant verification of the required safety standards, but also the participation of all levels of the corporate safety hierarchy, creating a direct channel of communication with the figures involved "in the field". An awareness-raising campaign for staff is underway by means of graphic information and video-pills, aimed at increasing awareness, communication and involvement in order to encourage a corporate culture that promotes health and safety at work.

In parallel, a system was developed to encourage reporting and to involve workers by using forms, touch-screen informants, monitors and regular "improvement proposal" meetings with operational staff in the production departments.



In addition, a parameter has been designed to be included in the 2023 performance evaluation of employees working in the production plants with a variable portion of their remuneration linked to the bonus, with the aim of further incentivizing the reduction of accidents in the workplace. This parameter allows for the application of a 5% increase of the accrued bonus if the company's target of a 20% improvement in the **LTIFR** (Lost Time Injury Frequency Rate) over the average of the last three years is achieved.

The Company's activities are carried out in full compliance with current health and safety regulations, pursuing continuous improvement in health and safety conditions at work. The fundamental principles that govern the Company's decisions on occupational health and safety are a careful assessment of the possible sources of risk in the Company, which is carried out with the help of dedicated software, and the evaluation, planning and implementation of the most effective measures to prevent, reduce and, where possible, eliminate risks, by intervening with the necessary investments.

Costacurta strongly believes in the importance of providing employees with continuous training and information on safety issues in the company.

Almost 1,000 hours of training were provided in 2022 and training and updates totalling almost 2,000 hours are planned for 2023.

Roles and responsibilities necessary for the management of safety aspects in the company have been clearly defined, including by means of internal delegations and appointments, and are disseminated to all workers at the time of recruitment and through notice boards and information monitors.

In addition, every accident, near miss or reported event is followed by a careful analysis that can result, if necessary, in preventive or corrective measures to reduce the risk. HSE KPI's are disseminated to all levels of the company by means of an **"HSE dashboard"** updated quarterly with statistics on accidents and injuries, corrective actions and the progress of the annually planned training process.

The Employer has drawn up, pursuant to **Legislative Decree 81/08, the Risk Assessment Document**, for all sites (Milan, Garlate, Olginate and Brivio), which includes:

- The assessment of all health and safety risks during work, and specification of the criteria adopted for this assessment.
- Prevention and protection measures and personal protective equipment.
- Program of measures considered appropriate for the improvement of safety levels over time and action plans necessary for the reduction of significant risks.
- Procedures for the implementation of the measures to be carried out, as well as the roles of the relevant company organization.

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- The names of the head of the Prevention and Protection Service, the Workers' Safety Representative and the Company doctor who took part in the risk assessment.
- Tasks that may expose workers to specific risks that require recognized professional skills, specific experience, and appropriate education and training.

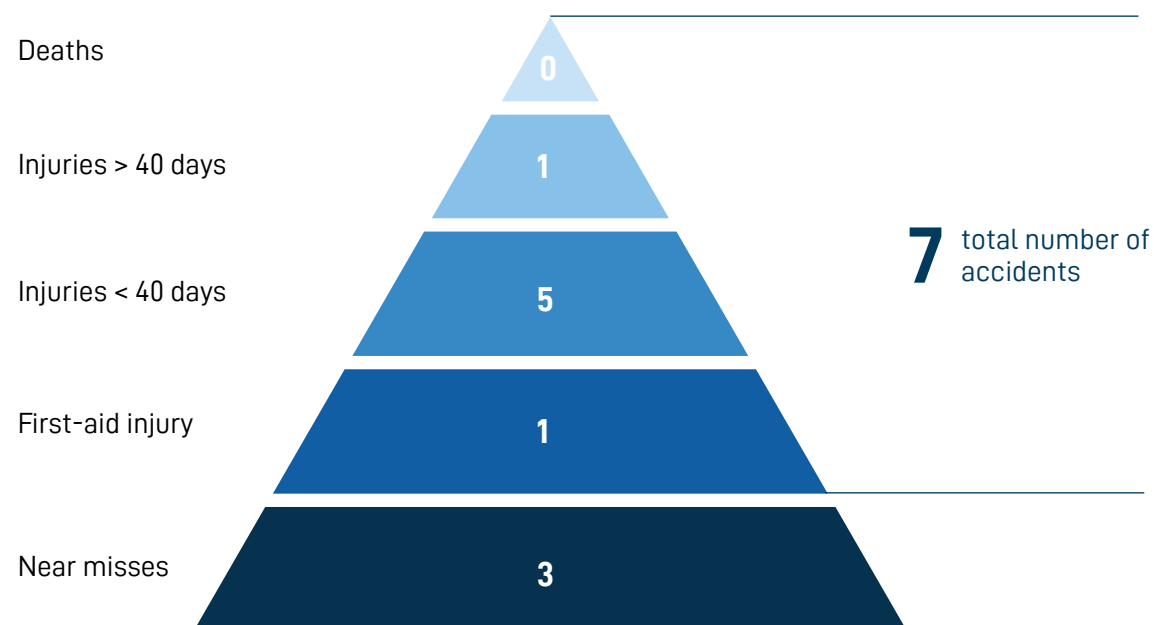
The results of the risk assessment and the resulting action and prevention plans are adopted by the safety management system and set as objectives in the annual HSE improvement plan. During 2022¹² the company recorded one occupational accident with a prognosis of more than 40 days. The causes of the accident were carefully analysed, and appropriate corrective measures were put in place. In addition, six non-serious accidents were recorded, compared to 376,875 hours worked by employees. The figure is in continuity with 2021. In both reporting years, there were no cases of occupational diseases. As far as temporary workers are concerned, there was one accident against 16,323 hours worked in 2022.

Finally, a statistical analysis of accidents, broken down by location, is carried out each year and includes:

- Number of injuries and the specific body part affected.
- Type of injury.
- Duration of the accident calculated in days.

EXTRACT OF THE HSE DASHBOARD FOR THE YEAR 2022

ACCIDENT PYRAMID - CUMULATIVE FROM THE BEGINNING OF THE YEAR

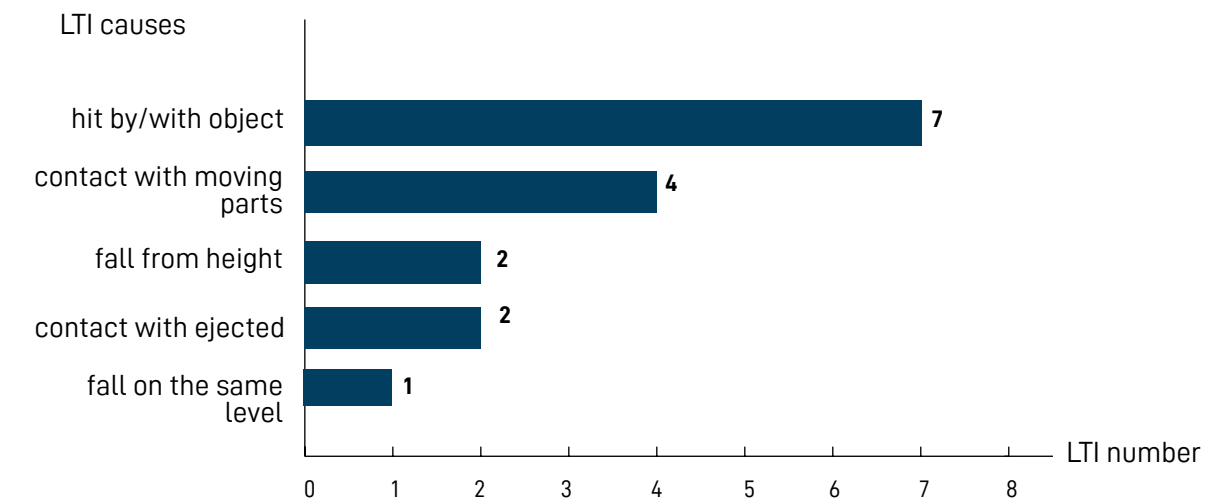


¹² For further information, please refer to the chapter "Quantitative tables"

MAIN INJURY CAUSES - LAST THREE YEARS (REF. DECEMBER 2019 - DECEMBER 2022)

LTIs (LOST TIME INJURIES) are lost time injuries and include all work accidents requiring a person to be away from work for more than 24 hours or provoking death or permanent disability.

16 total number of LTI



5.1.2.2 Well-being

In the introduction to this chapter, we defined well-being as "the emotional, mental, physical, social and spiritual state that enables people to reach and maintain their personal potential". According to the **classic theory of Maslow** and his pyramid (1954), people have five main types of needs, with hierarchical priority starting at the base. Indeed, without the satisfaction of the needs at the base of the pyramid (physiological needs), it is not possible or difficult to "feel" and thus meet the needs of the next level and so on up to the top (need for self-fulfilment). However, it is sufficient that one of the levels of the pyramid is not satisfied for the concept of well-being, as defined above, to become unachievable.

That said, taking this model as a general reference, a company is obliged to pay attention, within the limits of its scope of action, to all the levels in the pyramid in order to adopt an all-embracing approach that enables people to achieve a state of well-being. In other words, the company's commitment is to pay attention, in its basic choices and daily operations, to the multiple needs that characterize human nature and that, although obviously conditioned by the entire affective, relational and social life of the person, must still be concretely taken into account in the work context, especially when - as in the case of Costacurta - employee engagement and satisfaction are considered strategic priorities.

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MASLOW'S PYRAMID OF NEEDS (1954)

Self-actualization
and self-acceptance



Esteem
self-esteem, recognition,
prestige



Belonging
friendship, affection,
identification



Safety
physical, moral, health,
property.



Physiological
breathing, nutrition,
sleep



For Costacurta employee engagement and satisfaction are considered strategic priorities.

Physiological and safety

The first two needs of the pyramid - **physiological and safety** - are needs that the company seeks to satisfy by guaranteeing people a stable and secure job, in strict compliance with all legal regulations, including those concerning the timely payment of wages and the correct tax, social security and pension contributions. In this regard, Costacurta also applies an "Organization, Management and Control Model" which, through formalized rules and procedures, incorporates the principles of employee protection provided for by specific legal regulations (Legislative Decree 231/01). For many years, the company, together with the internal trade union representatives, has held monthly meetings at which senior executives provide information on the production situation, market situation and workloads concerning the production departments.

In the case of changes to working hours that affect all employees or groups of employees, the company management involves the trade union representatives in advance. For instance, regarding the introduction of second and third shifts at the plants. An information meeting is held annually, at the request of the territorial trade unions, on the company's general performance, investments, programs and prospects in the relevant markets.

In addition, the corporate supplementary agreement signed with the trade unions, valid for the years 2020/2023, provides for an annual performance bonus, of a significant amount, determined based on the improvement results actually achieved, for each year of duration of the agreement, with reference to indicators linked to Product quality as well as Improvement and Innovation processes. The bonus is paid to all workers in three advance payments during the year and the balance with the salary in February of the year following the reference year. Workers receive a payment corresponding to the amounts contracted for each employment category, according to the identified parametric scales.



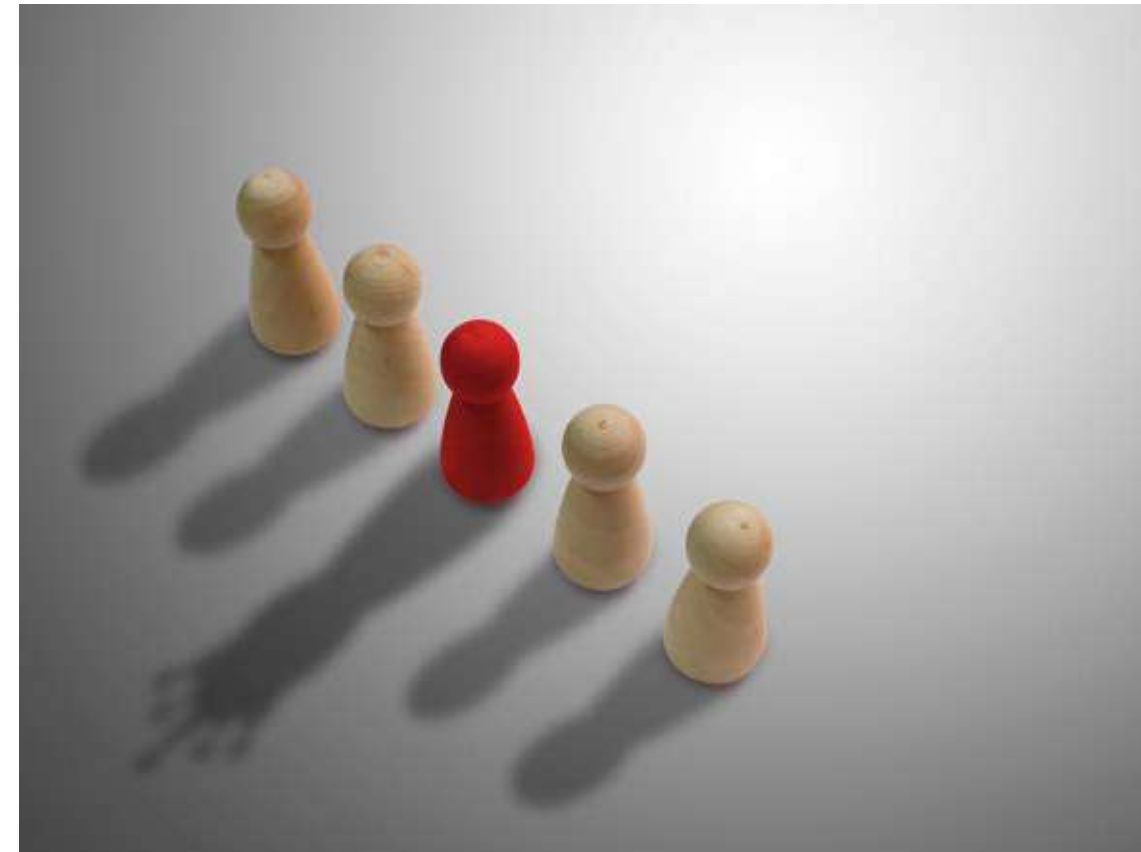
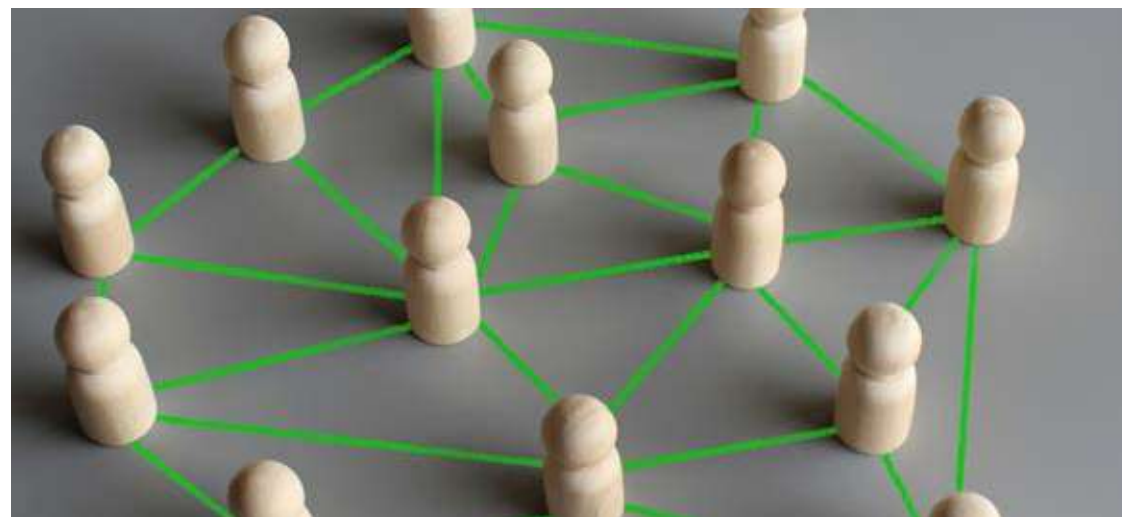
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The sense of belonging and esteem

With regard to the third need, which concerns **the sense of belonging**, the company seeks to guarantee dignity and equality in the workplace as explained in [Chapter 5.1.1](#). In recent years, it has also begun to think about possible moments of social aggregation that could allow people to get to know each other better also outside formal working moments and to develop a greater sense of belonging. The COVID-19 pandemic unfortunately slowed down these programs, but they have been resumed following the latest developments in the health context, and the first initiatives will be undertaken in 2023 and will be continued and intensified in the following years.

Concerning the fourth need related to **esteem**, mainly understood with the need for recognition, during 2022 the company undertook a project to redesign and digitalize performance management processes. The aim of this project is to introduce an evaluation, not linked to an immediate financial reward, for all so-called "soft skills" (competences and ways of behaving) and to apply this evaluation process to all employees (excluding blue-collar workers) in the company so that each of them can receive structured and formal feedback at least once a year, thus being able to receive appreciation for a job well done and indications of possible areas for improvement. This feedback will also allow specific training to be scheduled in order to fill any skills gaps.

Individual incentive programs have existed in the company for years. Indeed, Costacurta applies an MBO system with specific individual quantitative and qualitative objectives assigned and evaluated annually to about 25 per cent of its employees (100 per cent if we consider only senior executives and middle managers, about 60 per cent if we consider also white-collar workers excluding blue-collar workers). Variable bonuses linked to this system constitute a significant component of the remuneration and contribute to increasing the level of participation and commitment of the employees involved. As part of the redesign of the performance management processes described above, the MBOs were also revised in order to make them more specific so as to allow managers a more precise and fair evaluation. Both processes described above have been implemented through a dedicated software (Cezanne HR) that will allow people to have easy access to all their evaluations.



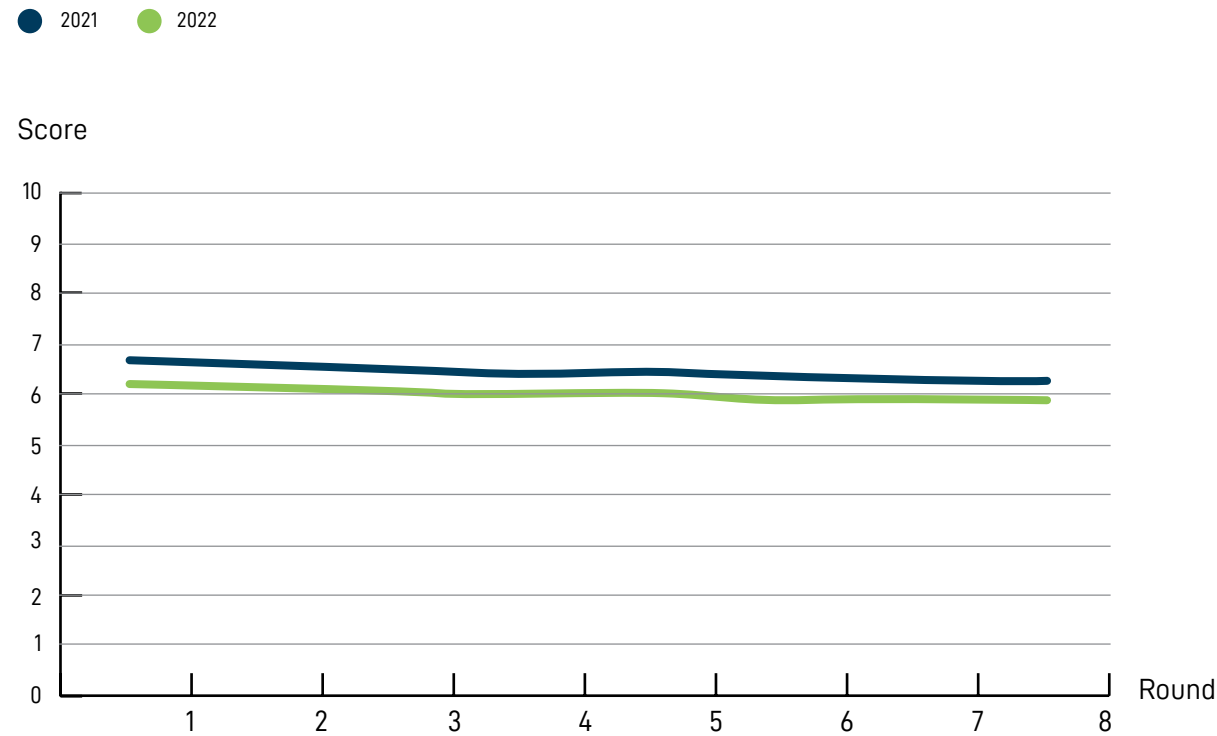
Self-actualization

The fifth and final need in Maslow's pyramid concerns **self-actualization**. Self-actualization is perhaps the most complex need since it incorporates multiple needs. It is indeed "the individual aspiration to be what one wants to be, making the most of one's mental and physical faculties". In order to help meet this need, which represents the highest state of well-being, starting in 2021, Costacurta has decided to introduce an annual company engagement survey to measure people's level of satisfaction with their activities and with the company. A dedicated software (Workday Peakon Employee Voice) was selected to administer this questionnaire, which allows the process to be better managed and the results compared with those of other similar companies worldwide. Data is presented in anonymous and aggregated form (a feature guaranteed by the platform) and for each question participants have the opportunity to enter comments and suggestions for improvement.

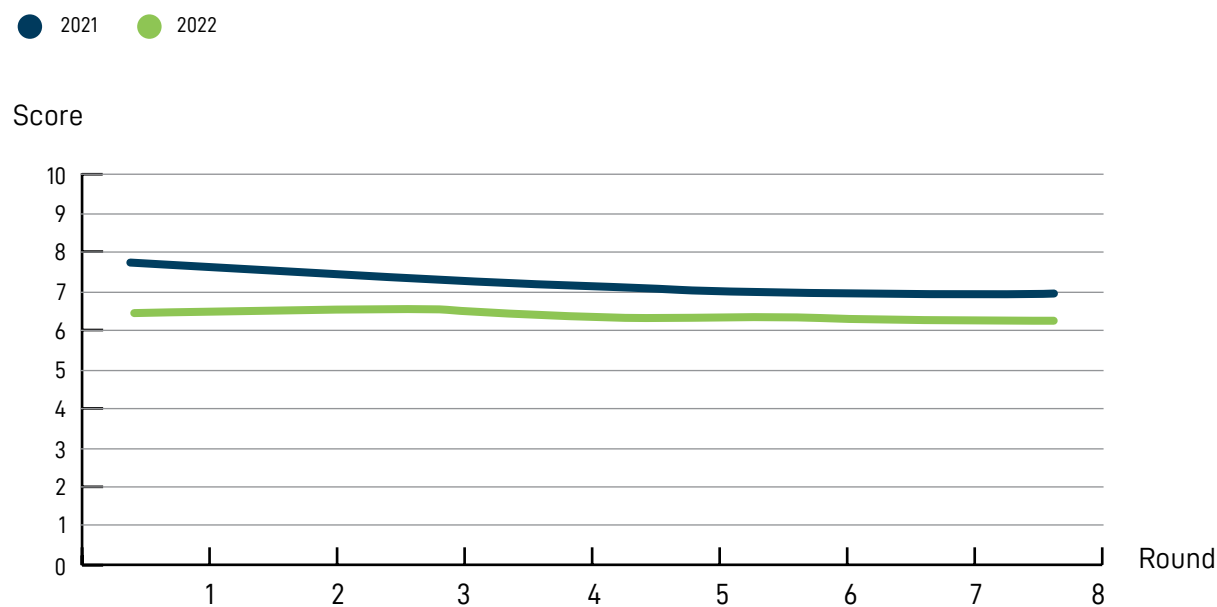
In 2022, for the second year in a row, Costacurta administered this questionnaire to senior executives, middle managers and white-collar workers, with 68 questions on various topics. The company then used the results of the survey and the comments left by each person to guide some improvement actions, in terms of training, flexibility of working hours and working methods, awareness-raising among managers with respect to caring for their employees, recognition of merit and formalization of the evaluation and feedback system described above.

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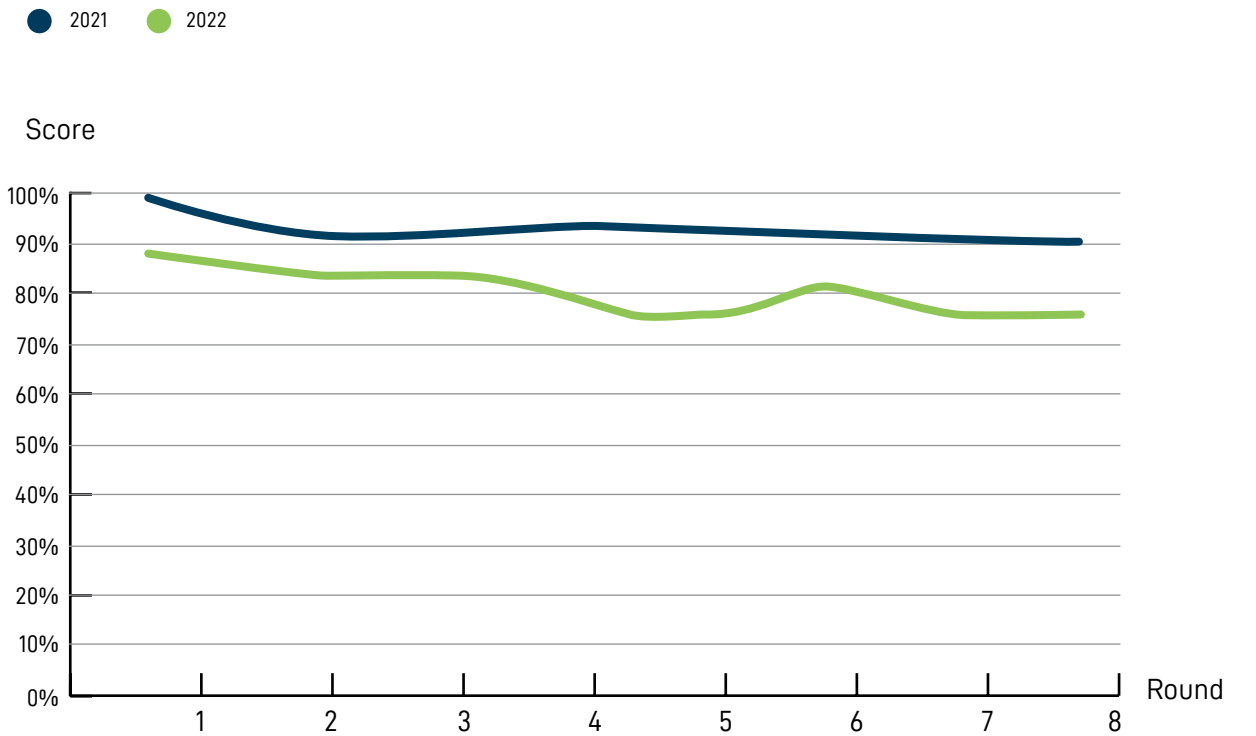
RESULTS OF THE EMPLOYEE ENGAGEMENT SURVEY 2021-2022 - ENGAGEMENT



RESULTS OF THE EMPLOYEE ENGAGEMENT SURVEY 2021-2022 - HEALTH AND WELLBEING



RESULTS OF THE EMPLOYEE ENGAGEMENT SURVEY 2021-2022 - PARTICIPATION RATE (%)



Compared to the year 2021, there was a decrease in the participation rate, which is considered physiological. Indeed, the survey provider itself explained that the first year the survey is submitted, the participation rate is always higher than in subsequent years.

In 2022, scores were also slightly lower than in the previous year. We expect an improvement in scores during 2023, following the implementation of the improvement actions studied during 2022 following the reports received in 2021 and 2022.

The company aims to maintain high participation rates and improve scores through the implementation of targeted improvement actions. The survey will continue to be administered annually in order to be able to measure the effect of these actions over time.

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5.1.3 Skills for the future

Costacurta strongly believes in the development and constant growth of its people in order to improve their productivity and satisfaction, enhance the company's market positioning and create social value. For these reasons, in the course of 2022¹³ the company planned a training program by providing courses to all its employees for a total of 3,129 hours, up 22% from 2,557 hours in the previous year.

The count of training hours does not include the 960 hours spent on compulsory health and safety courses (general and specialized training, forklifts, bridge cranes, first aid, firefighting, etc.) and the hours spent training workers on machines, carried out in the case of new hires, assignment changes, and modifications or improvements to machines.

The professional categories of white-collar and middle management received the highest average number of training hours.

The training activities proposed for the year 2022 range from leadership, technical skills, soft skills, language and project management courses.

During 2022, it was also decided to manage the training program within a **new corporate software** (Cezanne HR) that will become operational from 2023. This software will lead to better planning and reporting of training and more independence for individuals to consult their own training pathway in the company.



¹³ For further information, please refer to the chapter "Quantitative tables"

5.2 Product quality

In the area of social responsibility, Costacurta considers it essential to provide quality products that enable customers, manufacturers of machinery and plants, to in turn provide safe products for end users. Quality is also a fundamental prerequisite for business continuity and the long-term development of the company.



Costacurta has always regarded quality as one of its main objectives and obtained its first ISO 9001 certification in the early 1990s. Still today, the company has a **Quality Management System certified to ISO 9001:2015 by LRQA.**

During the ISO 9001 audit, no system non-conformities were found for 2021 and 2022.

Costacurta's quality system is based on numerous rigorous procedures that require total quality control throughout the entire production process, which differs from product to product, so that the technical specifications of the products required by each customer can be met. Each division follows its own formalized operating procedures defining the criteria to be followed.

Costacurta monitors by means of special forms the execution of controls on the raw material arriving at the plants. The company also undertakes internal checks to verify that the products and semi-finished products purchased externally meet all the technical-production characteristics and quality levels specifically indicated by the Costacurta. The company checks and inspects products in order to verify the absence of flaws and defects and the completeness and regularity of the supply. Any rejected product is immediately taken back by the suppliers who will have to rectify or replace it. A supplier non-conformity is issued to keep track of what happened.

Traceability on the final product is ensured by the company's ERP system SAP by means of codes on all operational documents. Evidence of the checks carried out on the final product is provided by a conformity certificate, stating that the product meets the customer's requirements. Costacurta also monitors and manages internal and customer non-conformities.

CUSTOMER NON-CONFORMITIES 2021-2022

YEAR	NO. OF NON-CONFORMITIES	% ON ORDERS ISSUED
2021	47	0.56%
2022	65	0.65%

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The number of non-conformities is almost constant and in relation to the number of sales orders issued is always below 1%.

All notices of customer non-conformities were handled and resolved with individual customers. None of these non-conformities had a direct impact on people's health and safety.

In order to monitor the external perception of the quality level of its products and services, the company sends a **satisfaction questionnaire** to all customers, in conjunction with the first annual order, in order to verify their level of appreciation and identify any areas for improvement. If the questionnaire score is insufficient, action can be taken to solve the reported problem. One of the tools used by Costacurta to keep track of an improvement action is the internal drafting of an Improvement Form (MOC), which starts with the definition of the objective and goes all the way to monitoring the achievement of the objective.

The score remained unchanged between 2021 and 2022, confirming a positive evaluation by customers of the products supplied and the level of service offered by the company.



In addition to the standard checks put in place by the company, there are a number of additional specific checks relating to product quality that are undertaken and which we will outline below.

For some specific products in the food sector, the **MOCA** (Materials and Objects in Contact with Food) declaration can be provided. The MOCA declaration requires a description of the products and how they comply with regulations governing the requirements for materials intended to come into contact with food products. The company has prepared a specific Operating Procedure that describes good manufacturing practice to be followed in the production of components intended to come into contact with food. The company is able to carry out specific analyses on the materials used to verify actual compliance with MOCA requirements. The MOCA declaration is drawn up following the completion of a self-assessment form filled in by the company, in order to assess the effectiveness of its system and procedures for products placed on the market, thus ensuring that they comply with the regulations governing MOCA's.

Costacurta also pays attention to the origin of the materials used in its production process, with particular reference to steel, and any social impacts this may have. To this end, it implements what is required by EU Regulation 2017/821 on **Conflict Minerals**, although to date there is no obligation to do so. Conflict Minerals refer to the four chemical elements tin, tantalum, tungsten and gold. Since the proceeds from the purchase of these materials from the Democratic Republic of Congo and neighbouring countries are used to finance armed conflict in the same territory, it is particularly important to ensure that we do not contribute to such an abomination. In order to ensure that materials from these regions are not used, Costacurta carries out an analysis on purchased materials. To make the process more robust, Costacurta plans to require a declaration of non-use of Conflict Minerals from all suppliers already at the supplier qualification stage.



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Similarly, **Regulation (EC) No 1907/2006 REACH** (Registration, Evaluation, Authorization of Chemicals) concerning **hazardous chemicals is also monitored**. One of the aims of REACH is to collect information on all chemicals used in the EU to ensure their safe use and to eliminate the most hazardous ones. To date, no chemicals are produced in the company or imported into the EU, so the company is not obliged to register them. Despite the fact that the quantities handled in the company are well below the ton per year threshold defined by the REACH Regulation, a large number of chemicals, including hazardous ones, are used today. Costacurta manages them in accordance with current regulations and is committed to rationalizing their use by limiting the number of products used and identifying alternative products with a lower level of risk.

In summary, product quality is one of the key elements to be able to have a positive impact on society and protect people. Quality makes it possible to:

- Create a solid base of satisfied customers and thus be able to continue to grow by guaranteeing work and development for employees and the territory.
- Ensure the supply of products free of defects that could have implications, including on safety, at subsequent stages of the supply chain.
- Ensure that the materials used are those requested by the customer and therefore judged by the latter to be suitable for their use (e.g. steels that are to come into contact with food products).
- Ensure that the origin of materials along the supply chain does not indirectly finance illegal or unethical activities (e.g. financing armed conflict in Africa).
- Avoid the use of hazardous chemicals that can harm the health of those who use them in production but also of end users.



06.

PROSPERITY

*The concept of prosperity, understood as a commitment to contributing to the development of economies that are able to prove themselves strong, transformative and inclusive in the long run, in **Costacurta** can be summarised in **commitment to the creation of economic prosperity, innovation capacity and support to the local communities**. Costacurta firmly believes that economic prosperity is the cornerstone of sustainability. Without economic and financial prosperity, **no other pillar of sustainability can stand**. It is, therefore, an **indispensable condition** to ensure sustainable development in the long run.*

CHAPTER 6 PROSPERITY

As suggested by the World Economic Forum framework considered for this paper, the concept of prosperity, understood as a commitment to **contributing to the development of economies** that are able to prove themselves strong, transformative and inclusive in the long run, can be examined from three different standpoints:



ECONOMIC PROSPERITY

Commitment to the creation of economic prosperity. This enables the maintenance and creation of jobs and more generally an increase in the production capacity of the economy of which the company is part.

INNOVATION

Innovation, through which companies can contribute to the creation of better products and services that meet the changing needs and desires of customers, creating economic and social value for them. The innovation capacity of a company is decisive in ensuring its long-term survival. Innovation efforts have the potential to create positive impacts on both the planet and its people.



LOCAL COMMUNITIES

Companies contribute with the resources they have to support the local communities in which they operate, either directly through donations or indirectly through taxes paid to help fund services for those communities.

In the light of the above, the following section describes how Costacurta interprets the concept of economic, social and innovation-related prosperity in the context in which it operates.

6.1 Economic prosperity

Costacurta firmly believes that economic prosperity is the cornerstone of sustainability. Without economic and financial prosperity, no other pillar of sustainability can stand. It is, therefore, an **indispensable condition** to ensure sustainable development. Economic prosperity ensures business continuity and has a direct impact on the economic landscape of the area in which the company operates by maintaining and creating jobs.

Costacurta's primary objective is to maintain and, if possible, strengthen its economic and financial solidity in order to be able to fulfil all the objectives it has set itself in this sustainability report.

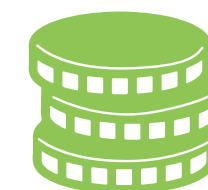
The company has a net worth of EUR 104m, has no financial debts and intends to continue financing all investments from its own resources.

FINANCIAL STRENGTH INDICATORS 2022



€104m

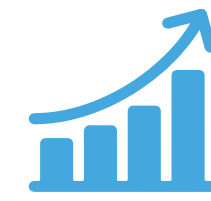
shareholders' equity



100%

financial autonomy index¹⁴

TURNOVER

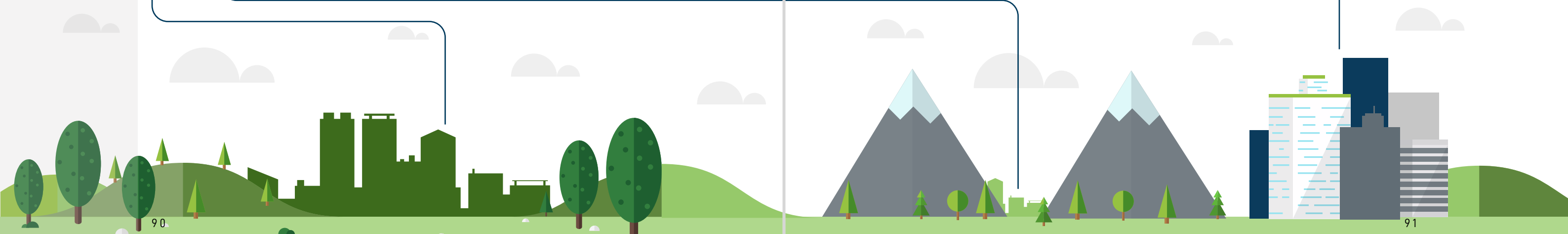


€63m

of turnover

¹⁴ Own funds / (own funds + third party funds)

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Aware of the impact the company generates on its stakeholders and the territory in which it operates, Costacurta has also decided to measure its impact in terms of economic value generated and distributed, based on a reclassification of the income statement as required by GRI Standard 2021, with particular reference to GRI 201-1.

In 2022, the economic value generated by the Company was EUR 65.6 million, compared to EUR 59.7 million in 2021.

In 2022, the **economic value generated** by the Company was **EUR 65.6 million**, compared to EUR 59.7 million in 2021, with an increase of 10%, and the value distributed (determined as shown in the table below) was EUR 60.6 million, compared to EUR 53.5 million in 2021, with an increase of 13%.

In the current year, of the **distributed value**, operating costs (costs for raw materials, services, use of third-party assets, miscellaneous operating expenses and allocation of operating profit to dividends) are the category with the highest incidence, accounting for about 75%. In absolute value, they increased by 16% compared to 2021. In 2022, donations amounting to EUR 12,450 were made, a slight decrease from the 2021 figure.

The **retained value** (calculated as the difference between generated and distributed value) was almost **EUR 5 million** compared to EUR 6.1 million last year. The main items in the balance sheet that make up retained value are depreciation and amortization and undistributed profit for the year, net of prepaid and deferred taxes recorded in the income statement.

The year 2022, on a macroeconomic level, was characterized by the **conflict between Russia and Ukraine**, which continues to this day. This event had and still has direct and indirect **repercussions on the economic activity**, mainly due to the sharp rise in the price of all raw materials, and a significant increase in inflation in all Western countries. Despite these difficulties, the company's solid capital and financial structure made it possible to mitigate these effects and to continue working to create the conditions for development in a long-term perspective.

% OF RETAINED AND DISTRIBUTED ECONOMIC VALUE IN 2022



ECONOMIC VALUE GENERATED AND DISTRIBUTED (EVG&D) - 2021 AND 2022

		2021	2022
VALUE GENERATED (€)			
DISTRIBUTED VALUE + RETAINED VALUE		59,671,173	65,607,977
DISTRIBUTED VALUE	EURO	53,532,383	60,612,506
of which operating costs		38,922,566	45,220,620
of which personnel costs		14,378,030	14,666,058
of which payments to capital providers (financial charges and dividends)		216,018	580,782
of which investments in the community		15,769	12,450
of which remuneration of the public administration (current taxes)		0 ¹⁵	132,596
RETAINED VALUE	EURO	6,138,93	4,995,471
PROFIT/LOSS	EURO	547,379	1,381,806



¹⁵ Following a series of tax benefits provided by the Italian government, which the company was able to benefit from, in the 2021 financial statements additional tax deductions were recorded, leading to a negative taxable amount resulting in zero taxes to be paid.

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6.2 Innovation

In this chapter, we focus on **product innovation**. Product innovation means using scientific and technological progress to improve the manufacturing processes of products already introduced on the market or to develop new products. By innovation we also mean using scientific and technological progress to serve new applications and new markets that have emerged in recent times.

In the following paragraphs, we will analyse how we innovate in our **traditional business** and what innovations are taking place in the newly **identified sectors** linked to the energy transition and the transition to a circular economy, sectors with a very high and direct impact in the field of sustainability.

6.2.1 Innovation in our traditional business

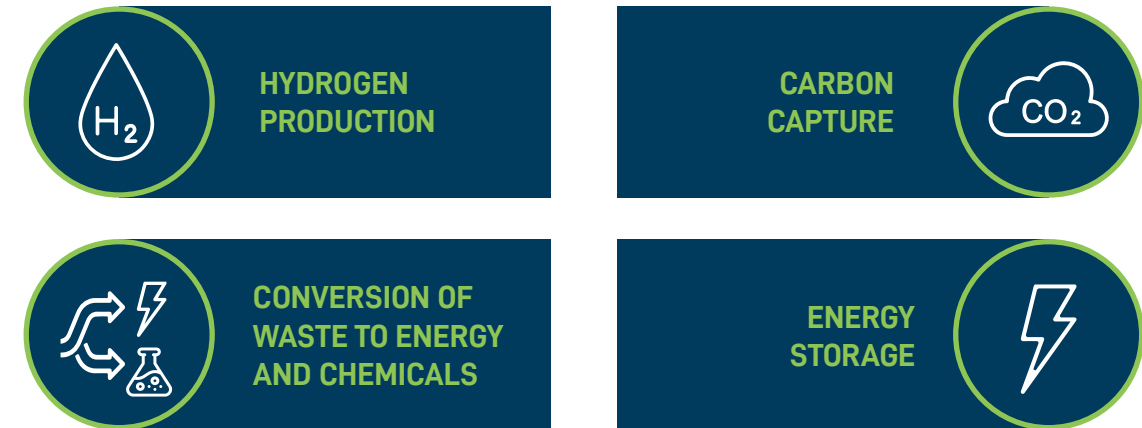
Through investments and **R&D projects in its traditional business**, Costacurta aims to develop products and improve production processes to enable its customers to make their machinery and plants more efficient and therefore competitive, thus contributing within its field of action to create economic and social value.

The company pursues a path towards technological and sustainable development through the application of its strategic planning process, which includes the definition of *annual development programs*. These programs are monitored through monthly meetings. Many of the objectives within these programs are translated into specific performance goals for those employees that have a direct impact on the operational plan for the given objective.

6.2.2 Innovation in new areas related to the energy transition and the transition to a circular economy

In early 2020, Costacurta launched the *“Strategy Formation”* project, with two main objectives. The first is to monitor and assess the impacts of the energy transition on sectors served by the organization, such as oil & gas, petrochemicals and chemicals in order to anticipate and contain its impacts. The second objective is to analyse the technological sectors that will develop in relation to the need to reduce climate-changing gas emissions, to remove some of the carbon dioxide already present in the atmosphere, and those that will develop in relation to the transition to a circular economy. The aim of this second objective is to seize growth opportunities for the company by contributing with its experience and production skills to the development of technologies that can slow down or reverse the climate crisis and facilitate the transition to a circular economy. The company therefore offers its expertise to customers who are developing technologies in these areas, with the aim of becoming a **strategic partner** for the design and production of metal components.

The main technology sectors are:



The Strategy Formation Project requires **three types of activities** to be carried out:

1. Analysing long-term trends in the served sectors in order to understand the potential impacts on the relevant businesses.
2. Monitoring trends and technological developments to understand the direction and pace of transitions.
3. Exploring the development of new technologies also in collaboration with universities and research centres and through direct interaction with companies involved in the development of innovative technologies in the four technological sectors of interest, to verify whether the skills and experience developed by Costacurta in over 100 years of activity can effectively contribute.

6.3 Supporting local communities

Costacurta contributes to the **development of the territorial and social contexts** in which it operates (Milan and the province of Lecco) and in which its employees reside (mainly in Lombardy). This is first and foremost due to the company's decades-long confirmation of its priority goal of maintaining the employment categories it has achieved (around 250 employees, without mentioning the satellite activities). Costacurta also contributes to the development of the territorial and social contexts in which it operates by applying rigorous, proactive and total compliance with all legal requirements and regulations, with particular reference to those of a fiscal nature, being aware of the social functions and responsibilities assigned to economic and entrepreneurial entities.

The Company's primary objective is to maintain the employment levels achieved and apply rigorous, proactive and total compliance with all legal regulations.

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Thanks to the company's desire to cultivate a **strong bond with the local communities** where it operates (mainly the province of Lecco where its production plants are located) and more generally with the national territory, Costacurta has undertaken solidarity initiatives of social nature over the years. Some of the main activities undertaken during 2022 are outlined below. Since 2015, Costacurta has supported the **Maria Letizia Verga Committee** (a non-profit organization for the study and treatment of children's leukaemia) through donations. Starting in 2019, Costacurta has also funded the "MRM" (Minimal Residual Disease) project, by financing the **Minimal Residual Disease** diagnostic test for a number of children with leukaemia every year. The association "Comitato Maria Letizia Verga" ODV, founded in 1979, brings together parents, volunteers, supportive friends, researchers, doctors and health workers in an alliance whose aim is to improve the overall quality of life of children and young people suffering from haematological-oncological diseases and metabolic and genetic diseases of high therapeutic complexity.

In 2022, Costacurta sponsored a group of volunteer employees to take part in the Lenovo Relay marathon through the **Milano Marathon Charity Program**, which is a fund-raising project that allows all runners to run for a non-profit organization of their choice. Costacurta sponsored twenty colleagues organized into five relay teams, who ran with passion and commitment for the Maria Letizia Verga Committee.

In 2022, Costacurta also supported the **BMX (Bicycle Motocross) sports project** for the renovation of the training track located near its factories.

Since 2021, the company has installed several **AED (Automated External Defibrillator) devices** in the Milan offices and at the plants. AED devices are AREU-registered and are made available to neighbouring areas in case of need. AREU is the Regional Emergency Agency in charge of the emergency health service (Lombardy region in our case). Training courses were provided to volunteer employees at all company sites. In 2022, Costacurta also contributed to the purchase of a defibrillator installed in the town square of Olginate (LC).



QUANTITATIVE TABLES

GENERAL DISCLOSURE GRI 2-7

TOTAL NUMBER OF EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER						
NUMBER OF EMPLOYEES	2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Permanent	194	38	232	194	36	230
Temporary	2	1	3	4	2	6
Total	196	39	235	198	38	236

TOTAL NUMBER OF EMPLOYEES HIRED FULL-TIME/PART-TIME AND BY GENDER						
NUMBER OF EMPLOYEES	2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Full-time	193	32	225	195	30	225
Part-time	3	7	10	3	8	11
Total	196	39	235	198	38	236

GENERAL DISCLOSURE GRI 2-8

NUMBER OF WORKERS WHO ARE NOT EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER						
NUMBER OF WORKERS WHO ARE NOT EMPLOYEES	2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Contracted workers	9	1	10	8	2	10
Long-term collaborators	1	0	1	1	0	1
Total	10	1	11	9	2	11

GRI STANDARD 301-1

MATERIALS USED BY WEIGHT			
TYPE OF MATERIAL	UNITS OF MEASUREMENT	2021	2022
Steel Coils and Electrodes	Ton	12	10
Production material	Ton	4,171	4,258
of which Carbon Steel	Ton	785	825
of which stainless steel 200 series	Ton	0	0.35
of which stainless steel 300 series	Ton	3,088	3,075
of which stainless steel 400 series	Ton	86	190
of which aluminium alloys	Ton	4	3
of which Ni/Cr alloys	Ton	171	131
of which Various materials	Ton	32	30
of which Nickel	Ton	1	1
of which Brass	Ton	3	3
of which Lead	Ton	0.1	0
of which Copper	Ton	1	0.4
of which Titanium	Ton	0.16	0
Total	Ton	4,183	4,268

GRI STANDARD 303-3

WATER WITHDRAWAL BY SOURCE					
SOURCE OF WITHDRAWAL	UNITS OF MEASUREMENT	2021		2022	
		ALL AREAS	WATER-STRESSED AREAS	ALL AREAS	WATER-STRESSED AREAS
Surface water (total)	Megalitres	6,675	0	6,457	0
Fresh water (≤ 1000 mg/L total dissolved solids)	Megalitres	6,675	0	6,457	0
Other water (> 1000 mg/L total dissolved solids)	Megalitres	0	0	0	0
Groundwater (total)	Megalitres	0	0	0	0
Sea water (total)	Megalitres	0	0	0	0
Process water (total)	Megalitres	0	0	0	0
Third-party water (total)	Megalitres	0	0	0	0
Total	Megalitres	6,675	0	6,457	0

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GRI STANDARD 303-4

TOTAL WATER DISCHARGES BY DESTINATION			
DISCHARGE DESTINATION	UNITS OF MEASUREMENT	2021	2022
Managed by the Company	Megalitres	0	0
Surface water (total)	Megalitres	0	0
Groundwater (total)	Megalitres	0	0
Sea water (total)	Megalitres	0	0
Produced water (total)	Megalitres	0	0
Managed by third parties	Megalitres	1	2
Public sewage (total)	Megalitres	1.05	1.75
Groundwater (total)	Megalitres	0	0
Sea water (total)	Megalitres	0	0
Produced water (total)	Megalitres	0	0
Total	Megalitres	1	2

GRI STANDARD 303-5

WATER CONSUMPTION					
	UNITS OF MEASUREMENT	2021		2022	
		ALL AREAS	WATER-STRESSED AREAS	ALL AREAS	WATER-STRESSED AREAS
Water consumption	Megalitres	6,674	0	6,455	0
Change in water storage	Megalitres	0	0	0	0
Total	Megalitres	6,674	0	6,455	0

GRI STANDARD 306-3

TOTAL WEIGHT OF GENERATED WASTE							
WASTE COMPOSITION	UNITS OF MEASURE.	2021			2022		
		HAZARDOUS	NON-HAZARDOUS	TOT.	HAZARDOUS	NON-HAZARDOUS	TOT.
Ferrous scrap	Ton	0	781.22	781.22	0	643.95	643.95
Non-ferrous scrap	Ton	0	15.42	15.42	0	3.37	3.37
Aqueous washing solutions	Ton	91.12	0	91.12	115.24	0	115.24
Impregnating absorbents	Ton	1.27	0	1.27	1.35	0	1.35
Paper and cardboard	Ton	0	15.5	15.5	0	14.71	14.71
Plastic spoons	Ton	0	4.32	4.32	0	3.66	3.66
Alkaline batteries	Ton	0	0	0	0	0.01	0.01
Wooden packaging	Ton	0	107.47	107.47	0	86.49	86.49
Packaging in mixed materials	Ton	0	18.49	18.49	0	19.68	19.68
Emulsifiable oil	Ton	25.86	0	25.86	27.1	0	27.1
Mechanical surface treatments	Ton	0	1.27	1.27	0	2.02	2.02
Chlorine-free waste oil	Ton	0.68	0	0.68	0.82	0	0.82
Fluorescent tubes	Ton	0.02	0	0.02	0.03	0	0.03
Lead-acid batteries	Ton	0	0	0	0.06	0	0.06
Electrical cables	Ton	0	0.1	0.1	0	0.64	0.64
Edible oils and fats	Ton	0	3.91	3.91	0	3.28	3.28
Welding slag	Ton	0	3.27	3.27	0	4.4	4.4
Nickel-cadmium batteries	Ton	0	0	0	0.01	0	0.01
Water jet sand	Ton	0	126.41	126.41	0	127.57	127.57
Aqueous liquid wastes	Ton	0	1.13	1.13	0	12.41	12.41
Abrasive waste material	Ton	0.96	0	0.96	1.52	0	1.52
Lithium batteries	Ton	0	0	0	0.004	0	0.004
Other emulsions (compressor water)	Ton	0	0	0	1.84	0	1.84
Total	Ton	119.91	1,078.51	1,198.42	147.97	922.19	1,070.16
Percentage	%	10%	90%	100%	14%	86%	100%

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GRI STANDARD 401-1

NUMBER AND RATE OF NEW EMPLOYEES HIRES BY GENDER AND AGE GROUP										
NUMBER OF EMPLOYEES	2021				2022					
	<30 YEARS	30-50 YEARS	>50 YEARS	TOT. RATE	<30 YEARS	30-50 YEARS	>50 YEARS	TOT. RATE		
Men	4	4	0	8 4%	8	6	0	14 7%		
Women	0	1	0	1 3%	1	3	0	4 11%		
Total	4	5	0	9 4%	9	9	0	18 8%		
Rate	25%	4%	0%	4% -	33%	8%	0%	8% -		

NUMBER AND RATE OF EMPLOYMENT TERMINATIONS BY GENDER AND AGE GROUP										
NUMBER OF EMPLOYEES	2021				2022					
	<30 YEARS	30-50 YEARS	>50 YEARS	TOT. RATE	<30 YEARS	30-50 YEARS	>50 YEARS	TOT. RATE		
Men	2	2	6	10 5%	1	8	3	12 6%		
Women	0	1	1	2 5%	0	3	2	5 13%		
Total	2	3	7	12 5%	1	11	5	17 7%		
Rate	12%	2%	8%	5% -	4%	9%	5%	7% -		

GRI STANDARD 403-9

NUMBER AND RATE OF INJURIES AT WORK – EMPLOYEES		
NUMBER OF INJURIES	2021	2022
Total number of fatalities as a result of work-related injuries	0	0
Total number of high-consequence work-related injuries (excluding fatalities)	0	1
Total number of work-related injuries	6	6
INJURY RATE ¹⁶	2021	2022
Rate of fatalities as a result of work-related injuries	0	0
Rate of high-consequence work-related injuries (excluding fatalities)	0	1
Recordable work-related injuries	3	3

TEMPORAL DATA – EMPLOYEES		
HOURS	2021	2022
Worked hours	392,816	376,875
Calculation multiplier ¹⁵	200,000	200,000

¹⁶ Injury Rate: refers to the frequency rate of lost-time injuries, that is, injuries that cause a period of absence from work of at least one day.

¹⁷ 200,000 is a calculation multiplier required by the GRI 403-9 and is used in the calculation of injury rates (injury rate: [(no. of injuries/hours worked)*200,000]).

GRI STANDARD 403-10

TOTAL NUMBER OF WORK-RELATED ILL HEALTH – EMPLOYEES		
NUMBER OF WORK-RELATED ILL HEALTH	2021	2022
Total number of recordable cases of occupational disease	0	0
of which deaths caused by occupational disease	0	0

GRI STANDARD 404-1

AVERAGE HOURS OF TRAINING BY EMPLOYEE CATEGORY		
AVERAGE HOURS	2021	2022
Senior executives	19	16
Middle managers	23	28
White-collar workers	21	28
Blue-collar workers	2	3
Total	11	13

AVERAGE HOURS OF TRAINING BY GENDER		
AVERAGE HOURS	2021	2022
Men	11	13
Women	8	13
Total	11	13

GRI STANDARD 405-1

TOTAL NUMBER OF EMPLOYEES PER EMPLOYEE CATEGORY AND GENDER						
EMPLOYEE CATEGORY	2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Senior executives	9	1	10	11	1	12
Middle managers	7	2	9	4	3	7
White-collar workers	64	24	88	64	22	86
Blue-collar workers	116	12	128	119	12	131
Total	196	39	235	198	38	236

TOTAL NUMBER OF EMPLOYEES BY EMPLOYEE CATEGORY AND AGE GROUP								
NUMBER OF EMPLOYEES	2021				2022			
	<30 YEARS	30-50 YEARS	>50 YEARS	TOTAL	<30 YEARS	30-50 YEARS	>50 YEARS	TOTAL
Senior executives	0	3	7	10	0	2	10	12
Middle managers	0	6	3	9	0	5	2	7
White-collar workers	8	53	27	88	12	47	27	86
Blue-collar workers	8	64	56	128	11	66	54	131
Total	16	126	93	235	23	120	93	236

EMPLOYEES BELONGING TO VULNERABLE GROUPS BY EMPLOYMENT CATEGORY AND GENDER						
NUMBER OF EMPLOYEES	2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTALE
Senior executives	0	0	0	0	0	0
Middle managers	0	0	0	0	0	0
White-collar workers	0	1	1	0	0	0
Blue-collar workers	8	3	11	9	3	12
Total	8	4	12	9	3	12

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