SUSTAINABILITY REPORT 2023





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Letter to stakeholders

Dear stakeholders,

We are proud to present the first Sustainability Report of Metelli S.p.A., drafted with reference to the GRI (Global Reporting Initiative) standards and principles. This report is an important step in our journey of transparency and responsibility, aiming to document our commitment to sustainability in all its dimensions: environmental, social and governance.

2023 marked by growth, sustainability and innovation

2023 was a growth year for Metelli S.p.A., marked by solid financial results and a constant commitment to sustainability. We invested heavily in resources, in terms of:

Production of electricity from renewable sources: We have installed photovoltaic plants that allow us to self-produce part of our own energy needs.

Optimisation of energy consumption: We have adopted technologies and procedures to reduce energy consumption in our main production plants, recording a -3% reduction in kWh of electricity and a -15% reduction in m³ of methane gas compared to 2022.

Reduction of the carbon footprint: With the investments made to optimise energy consumption, we have reduced our greenhouse gas (GHG) emissions by -9% compared to 2022, specifically:

- -15% tCO₂e for Scope 1 (Direct Emissions)
- -6% tCO₂e for Scope 2 (Indirect Emissions)

Industrial waste management: We have implemented an efficient industrial waste management system that meets the laws in force, aiming to reduce the quantity of waste directed to disposal. With these optimisations, 93% of the waste produced in 2023 was diverted to the recycling chain, recording a 13% reduction in waste directed to disposal.

Reduction in the consumption of water resources: We adopted measures for water savings, reducing water consumption by 12% compared to 2022. The aim was to minimise water consumption in industrial processes.

Enhancement of human resources: We have invested in training and the development and growth of our employees, delivering 9564 total hours of training, for all the workers, and we have launched a project to foster diversity and inclusion in the company.

Support to local communities: We have been supporting social development in the communities we work in for several years, by sponsoring sports teams and events that bring positive values to the young generations who represent our future.

Our vision for the future: an even stronger commitment to sustainability

We are aware that sustainability is not a milestone in its own right but a continuously developing process. For this reason, we look to the future with ambition and determination, striving to:

Further reduce the environmental impacts of our activities, measuring our carbon footprint and assessing new investments to mitigate the environmental impact of our activities.

Foster an even more inclusive and responsible business culture, enhancing diversity and creating a positive and stimulating working environment for all our employees.

Strengthen our commitment to the sustainable development of corporate governance, through ethical and responsible practices and the transparency of business decisions.

Thanks to all our stakeholders

It would not have been possible to produce this report without the contribution of all our employees, customers, suppliers, partners and local communities. And we would like to sincerely thank you all for the trust and support you have shown us.

We are sure that, together, we can build an even more sustainable future for Metelli S.p.A. and for the future generations.

Sergio Metelli *Executive Chairman, Metelli S.p.A.*

Metelli S.p.A.

Founded in 1962, Metelli S.p.A. is an Italian company specialised in the production and distribution of vehicle components. The company works mainly in the sector of braking, hydraulic, drive and timing belt systems and engine components.

The business model

The business model of Metelli S.p.A. is characterised by:

Products and Services

BRAKE COMPONENTS

The product range includes brake shoes, brake pads, brake discs, brake cylinders, brake pumps, brake correctors, clutch cylinders, clutch pumps, concentric clutch cylinders. Metelli S.p.A. stands out for the high quality of the materials used and the precision of its production processes.

ENGINE COMPONENTS

The production includes valve guides, valve seats, valve shims and adjusting pads. These products are crucial for the correct operation and long life of engines.

DRIVE COMPONENTS

Metelli S.p.A. also produces constant velocity joints, drive shafts, boot kits, wheel bearing kits, fundamental for efficient power transfer from the engine to the wheels.

DISTRIBUTION COMPONENTS

Metelli S.p.A. produces water pumps, auxiliary water pumps, timing belt kits, timing belt chain kits.

Markets and Customers

AFTERMARKET

Metelli S.p.A. mainly serves the car after-market, supplying high-quality spare parts and components for a wide range of European, American and Asian vehicles.

OEM (ORIGINAL EQUIPMENT MANUFACTURER)

The company also works with car manufacturers, supplying components for the assembly of new vehicles.

Innovation and Quality

Metelli S.p.A. invests continuously in research and development to innovate its products and improve its production processes. The quality is guaranteed by strict controls during all production phases, ensuring that each component meets the highest international standards.

Sustainability

The company adopts sustainable practices in the management of resources and in its production processes, reducing its environmental impacts and promoting corporate social responsibility.

Expansion strategy

In July 2001, Metelli S.p.A. bought 100% of GRAF S.p.A., a renowned manufacturer of water pumps and brake discs for the car industry. In 2008 it introduced brake pads and in 2010 brake shoes, to complete its braking range. In December 2015, Metelli S.p.A. bought Trusting S.r.l. and Fri.Tech S.r.l., manufacturers of brake pads and shoes. In May 2017, it bought out the majority share of Breda Lorett S.r.l., specialised in the production of tensioners, idler pulleys, wheel kits, clutch thrust bearings and pulleys, and 100% of Bugatti Autoricambi S.p.A., specialised in the production of water pumps. In January 2022, the associate company Bugatti Autoricambi S.p.A was taken over by merger, and in August the same year the company Breda Lorett S.r.l. was also incorporated by merger.

The Metelli S.p.A. business model is therefore based on a mix of the high quality of its products, continuous innovation, diversification of the product portfolio and a strong lean towards the after-market and OEM market. Sustainability and social responsibility play an increasingly important role in the business strategy.

The value chain

A leading name in the car spare parts sector, Metelli S.p.A. places the accent on a sustainable and efficient value chain as a cornerstone of its business operations, guaranteeing both environmental and economic sustainability.

In this way, Metelli S.p.A. not only improves its comparative advantage but also positively contributes to the environment and to society. The complete approach to value chain management reflects the company's dedication to sustainable development and its role as a responsible leader in its sector.

The key elements of Metelli S.p.A.'s value chain are:



Sustainable Procurement

Metelli S.p.A. pays great importance to the responsible procurement of raw materials. For this reason, its procurement practices focus on suppliers who can guarantee compliance with environmental and ethical requirements. This approach not only allows it to reduce its environmental footprint but also supports the development of a sustainable supply chain.



Efficient Production

The company uses pioneering production processes that focus on energy efficiency, waste reduction and the minimisation of emissions. Integrating advanced technologies, Metelli S.p.A. ensures that its plants work to full efficiency while maintaining high quality standards.



Product Innovation

Continuous investments in research and development allow Metelli S.p.A. to innovate and improve its product range. This innovation aims to create car spare parts that not only ensure high performance but are also respectful of the environment, in line with global sustainability trends.



Customer engagement

The company works actively with its customers to understand their sustainability needs and expectations. This continuous feedback helps Metelli S.p.A. to continuously improve its products and services, fostering long-term relations based on trust and common values.



End-of-life management

Metelli S.p.A. is committed to the principles of the circular economy, reducing waste and promoting the re-use of materials.

The value creation model

The value creation model of Metelli S.p.A. is designed to generate sustainable economic, environmental and social benefits through innovation, operational efficiency and a customer-focused approach. This model is structured to optimise every phase of the value chain, from research and development to production, distribution and after-sales service.

The key elements of the Metelli S.p.A. value creation model are:



Innovation and Research and Development

Metelli S.p.A. invests continuously in research and development to improve and innovate its products. The company aims to develop advanced technological solutions that meet the growing demands for sustainability and performance in the car market. These investments not only increase the company's competitive performance but also promote energy efficiency and the reduction in emissions.



Sustainable Production

Operational efficiency is at the heart of Metelli S.p.A.'s production activities. The company uses optimised production processes to reduce waste, consume fewer natural resources and redu ce its carbon emissions. This approach not only improves cost efficiency but also contributes to environmental sustainability, in line with the global goals to reduce environmental impacts.



Product Reliability and Quality

Quality is a fundamental pillar in the Metelli S.p.A. value creation model. The company applies strict quality controls in all production phases to ensure that the products meet the highest sector standards. This commitment to quality not only increases customer trust but also reduces costs linked to defects and returns, improving overall efficiency.



Sustainability and Social Responsibility

Metelli S.p.A. adopts a holistic vision of sustainability that includes not only the environment but also social well-being. The company implements social responsibility practices to promote safe and fair working conditions, support local communities and guarantee compliance with ethical and environmental standards. This approach creates common value that benefits both the company and society as a whole.



Customer engagement and After-sales service

Metelli S.p.A. pays close attention to customer engagement and after-sales services. The company works closely with its customers to understand their needs and offer customised solutions. Moreover, continuous support and after-sales services help to maintain high levels of customer satisfaction and loyalty.

The Metelli S.p.A. value creation model is built on a foundation of innovation, sustainability and customer focus. Investing in research and development, optimising production and maintaining high quality standards, the company is able to generate long-term value for all its stakeholders. This integrated approach not only strengthens Metelli S.p.A.'s competitive position in the global market but also positively contributes to the environment and to society.

Corporate Governance

The governance structure

Corporate governance refers to the way in which companies are governed and their purpose. It establishes who holds the power and responsibilities and who takes decisions in the organisation, including a set of rules, practices and procedures that allow the Management and the Board of Directors to manage the business challenges more effectively. Corporate governance ensures that companies have appropriate decision-making and control processes, guaranteeing a balance of the interests of all stakeholders.

In particular, the company has a Chairman and CEO, Sergio Metelli, in charge of routine management, while the extraordinary management is assigned to the Board of Directors, which has 5 members. Metelli S.p.A. selects the members of its governing bodies not only on the basis of their professional experience and adhesion to the corporate values, but also considering the range of different experiences in order to assure specific contributions in various fields of responsibility.

The Board of Statutory Auditors, which was renewed in 2023 with a three-year mandate, has three statutory and two deputy auditors. The Chairman of the Board of Statutory Auditors is Dino Terbaldi, whose main function is to monitor the company management and guarantee the correctness and transparency of its business transactions. The activities of the Board of Statutory Auditors includes both the supervisory function and the legal auditing function. The Board is composed of expert professionals with an excellent reputation.

The General Meeting is in charge of resolving, both in ordinary and extraordinary sessions, on the appointment and revocation of the members of the Board of Directors and the Board of Statutory Auditors, as well as their remuneration and responsibilities, the approval of the financial statements and the allocation of the profits. The organisation of the functions is given in the company organisation chart.

ESG governance

ESG governance

In a global context marked by increasingly urgent environmental, social and economic challenges, ESG governance has become a crucial element for the sustainability and resilience of businesses. ESG governance refers to the set of practices, policies and structures guiding our organisation in the management of risks and opportunities linked to environmental, social and governance factors.

For Metelli S.p.A., ESG governance is not only a matter of regulatory conformity, it also represents a strategic commitment to sustainability. Integrating ESG principles into our everyday operations is fundamental for building the trust of investors, improving stakeholder relations and guaranteeing our ability to adapt and prosper in a continuously evolving world.

We are committed to minimising our environmental impacts through the reduction of carbon emissions, energy efficiency and investments in the production of renewable energy, as well as promoting sustainable waste management. We promote policies and practices supporting the development of our human capital with a view to the continual improvement of working conditions, fostering diversity and inclusion in a safe and healthy environment. We maintain a transparent and responsible governance structure, based on ethical principles, fair pay for Managers and a composition of the Board of Directors that reflects our dedication to integrity.

The adoption of a robust ESG governance means coping with numerous challenges, including the need to innovate traditional business models, invest in new technologies and adapt to continuously evolving regulations. However, the opportunities are equally relevant: the integration of ESG principles allows us to access new markets, be attractive to the financial world and improve our reputation.

At Metelli S.p.A., we consider ESG governance to be a journey of continuous improvement. We are committed to evolving constantly, increasingly integrating the ESG principles into our operational and decision-making strategies.

This Sustainability Report explores our good practices, the reference regulatory frameworks and a plan underlining our path to an effective and innovative ESG governance.

Lastly, ESG governance represents a crucial element for the long-term success and sustainability of our company. Implementing responsible environmental practices, inclusive social policies and a transparent and ethical governance structure, we are building solid foundations for tackling future challenges and welcoming new opportunities for growth. Our constant commitment to sustainability allows us to monitor and constantly improve our performance.

Looking to the future, we remain devoted to strengthening our ESG strategy, ensuring that sustainability principles are integrated into every aspect of our operations, thus contributing to creating value for all our stakeholders. To ensure the effective implementation of our ESG strategy, we have set up an ESG Committee, which is fundamental for guiding and supervising our sustainability initiatives.

ESG committee

Metelli S.p.A. has established an ESG Committee to underline its strategic dedication to corporate sustainability.

Metelli S.p.A.'s ESG committee formulates clear and measurable ESG strategies and policies that are fully integrated into its industrial plan. In addition to strategic formulation, the ESG committee supervises and constantly monitors the company's progress towards its ESG goals, assessing the effectiveness of the adopted strategies and making adjustments where necessary.

The Committee also ensures that the company complies with the reporting requirements of the adopted standards and reference laws, ensuring that the reporting process provides complete, transparent and truthful data. An integral part of this task is the IRO (Impacts, Risks and Opportunities) management of ESG topics, where the committee identifies and assesses the impacts of significant risks and opportunities for the business, developing strategies to mitigate risks and exploit opportunities.

Furthermore, the Committee actively manages the communication and engagement of both internal and external stakeholders, ensuring that they are informed of the progress made in the ESG initiatives through clear and transparent communication channels.

It consists of key members of the company leadership, including the Chairman and CEO, the Human Resources Director, HSE manager, Administration Manager, Marketing and Communication Manager, Maintenance Manager and two members of the 231 Supervisory Body. The ESG committee acts as a bridge between the Board of Directors and the executive management. This structure ensures that ESG policies and practices are an integral part of the company's everyday operations and long-term strategies.

ESG manager

Metelli S.p.A. aims to increase its commitment to corporate sustainability, in future appointing an ESG Manager, a crucial figure for aligning the business operations to the increasing global sustainability expectations and ensuring conformity with the CSRD (Corporate Sustainability Reporting Directive).

The ESG Manager will coordinate the development and implementation of sustainability strategies, supporting the management team in defining ESG goals which are then integrated into the company's everyday operations and long-

term strategies. In addition to providing support to defining the goals, the ESG Manager will ensure conformity with the current sustainability laws, monitoring legislative developments, coordinating the ESG risk and opportunity assessment process.

A fundamental aspect of their role will be to effectively communicate ESG policies and performance to stakeholders, including the production of detailed reports that reflect the reporting standards used. Inter-functional cooperation is another key aspect of their work, as they will work in close contact with the various department in order to integrate sustainable practices throughout the organisation. This includes the review of procurement practices to ensure that suppliers meet the ESG standards of Metelli S.p.A.

Furthermore, the ESG Manager will implement training programmes for employees on ESG topics and will ensure that the corporate culture reflects the sustainability principles through workshops and seminars. These efforts not only increase the employees' awareness of the importance of sustainability but also encourages them to actively contribute to the company's ESG goals.

Finally, a long-term vision is essential for balancing regulatory compliance with innovation in sustainable practices that can generate competitive advantages. In this field, its stimuli to assess investments in green technologies can lead the organisation to reduce its environmental impacts, leading to cost savings and improved operational efficiency.

The due diligence system

Metelli S.p.A. has launched an innovation process to implement a solid ESG (Environmental, Social and Governance) due diligence system. This commitment will be formalised by the end of 2024 through the implementation of a process of ESG mapping of the value chain, using a technological platform.

The platform will be used to monitor and assess essential data relating to environmental, social and governance aspects of the partners in the value chain. Collecting and analysing this information offer a detailed vision of ESG performance, identifying areas for improvement and opportunities for implementing more sustainable practices.

To develop a complete ESG due diligence system in the next two years, Metelli S.p.A. undertakes to comply with the directives and guidelines laid down in the Corporate Sustainability Reporting Directive (CSRD). The verification system will be designed to identify, assess and manage both actual and potential ESG risks throughout the whole value chain, using standardised metrics to measure the impacts of company operations on environmental and social factors. We plan to launch a continuous monitoring process that includes regular audits to ensure compliance with the international standards and regulations in force, integrating real time feedback to improve ESG performance.

The due diligence system will be based on the active engagement of stakeholders to maximise their participation. We will promote transparent dialogue with our suppliers to ensure a common understanding of ESG practices, involving them in the definition of goals and the assessment of performance. To effectively support this process, it is essential to invest in training and development. Training will focus on specific programmes for the various partners in the value chain, improving their sustainability awareness and skills.

Finally, reporting will be crucial for consolidating confidence and maintaining transparency. We will use the digital platforms during implementation and the know-how developed with our certified management systems to draft periodic ESG reports. These reports will not only accurately reflect corporate performance, but will also act as a key communication tool to demonstrate our continuous commitment to sustainability.

This ambitious undertaking is not only a response to regulatory requirements but also reflects Metelli S.p.A.'s full commitment to positively contributing to the environment and society. The company intends to guarantee economic growth that is both sustainable and inclusive, integrating environmental considerations into its everyday operations. This holistic approach will not only improve the company's ESG performance but will also consolidate stakeholder confidence, demonstrating our constant commitment to sustainability and social responsibility.



* The graph shows the distribution of assessments by industrial sector. The percentage represents the share of companies includes in the respective assessment classes

* The graph compares the ESG scores of the individual sections with the median values of companies in the same sector.

The ESG strategy: material topics, targets and actions

The stakeholder perspective

In our continuous commitment to sustainability, we are implementing the AA1000 standard for stakeholder engagement, aiming to ensure systematic, coherent and transparent engagement practices. We follow a wellstructured process that starts with the identification and mapping of stakeholders, assessing their demands and how these could be affected by our operations.

This allows us to better understand their expectations and prioritise the most relevant issues. The following list gives the result of the main stakeholder mapping process, the number of contacts in the stakeholder engagement process and the percentage of answers in each category.

Category	Number of sendings	Percentage of answers
Suppliers	127	21%
Customers	69	23%
Credit Institutes IT	5	40%
Consultants	15	27%
Schools\Training institutions	3	67%
Trade associations	2	50%
Employees	50	94%
Trade unions	5	100%

We launched the stakeholder engagement process by sending out an initial survey, aiming to further develop it through meetings, workshops and both individual and collective consultations. These moments of dialogue are designed to be inclusive, allowing all stakeholders to freely express their opinions and worries.

To guarantee the accessibility of the process to everyone, whatever their geographical location or background, we are implementing different communication tools and platforms. During these meetings, we gather feedback and comments that are analysed and integrated into our decision-making process. This approach allows us to ensure that corporate decisions reflect an in-depth understanding of our activities on our stakeholders and the surrounding environment.

Our stakeholder engagement process is monitored and reviewed regularly to ensure its relevance and effectiveness. Through these practices, we continue to underline our commitments to responsible governance and sustainable management, in line with the global standards and expectations of our stakeholders.

In this first financial year we have engaged specific national and international stakeholders, as well as a first selection of our employees, asking them to express their opinion on a series of issues which could potentially impact the creation of common value. The engagement process identified ideas and integrations that enhances the company's most important sustainability topics, also offering food for thought on the potential common commitments for action. The stakeholders were invited to indicate an order of preference among the proposed ESG topics, assessing the impact of each topic on the company's ability to product medium-long term value. The table below shows the voted topics.

STAKEHOLDER AVERAGE



ENVIRONMENT FACTORS



SOCIAL FACTORS



GOVERNANCE FACTORS



The double materiality analysis ESG risks and opportunities

The identify the major ESG topics, we examined the significant ones using the Double Materiality analysis. This analytical method supports organisations in recognising and selecting their own ESG material topics through a gradual, logical process. The analysis considers two different perspectives that allow the organisation to identify its most relevant (Material) ESG topics:

 Inside-Out perspective: how the organisation generates external impacts (on the environment and on society) through its own activities;

• Outside-In perspective: how sustainability issues influence the economic and financial impacts in the organisation.

During the gradual adaptation to the new ESG reporting demands (CSRD), it was decided to identify the material topics following the double materiality principle. During the guided activity in the company, the Management Team was involved in an in-depth analytical process for each relevant topic examined. Each topic was presented and divided according to relevance. The results of the stakeholder engagement were used as an indication to make the process of relevant topic analysis and evaluation more aware. The Management Team was guided in its reflections to:

 Identify the (high-medium-low) probability that certain dynamics with environmental, social and financial impacts occur;

Foresee the (high-medium-low) impact if the event occurred;

The described exercise launched a process of structured implementation of the management of impacts, risks and opportunities (IRO). For each priority risk, Metelli S.p.A. develops mitigation plans integrated into the company's operational plans, with specific actions to reduce the probability of occurrence of the risks and minimise the negative consequences. At the same time, using the same approach, having assessed the opportunities linked to each ESG topic, adopting innovative technologies, optimising the operational processes and developing new products and services responding to the emerging market demands.

The continuous monitoring of significant ESG performance is essential for guaranteeing the effectiveness of the actions undertaken. Metelli S.p.A. is implementing monitoring systems to constantly assess progress, regularly communicating the results to stakeholders through detailed reports, ensuring transparency and responsibility.

The IRO process involves the periodic review to identify any areas for improvement, allows the company to update its strategies and operational plans in accordance with the changes to external conditions and the new information available.

Through this integrated, methodological approach, Metelli S.p.A. aims to ensure that the management of impacts, risks and opportunities responds to the expectations of its stakeholders, contributing to creating sustainable value and supporting the long-term resilience of the company.



At the same time, the impact of the company's activities on the environment and on society are analysed, assessing how the business operations can positively or negatively contribute to various sustainability issues. The inside-out perspective focuses on how the corporate activities and operations of Metelli S.p.A. affect the external context, i.e., the environment and society. This approach assesses the impact of corporate decisions and practices on the various sustainability aspects, including the reduction of carbon emissions, the improvement of work and the contribution to local economic development.

Analysing these impacts, Metelli S.p.A. can identify the areas in which its operations generate social and environmental value and implement measures to amplify the positive effects and mitigate the negative ones.

On the other hand, the outside-in perspective examines how the external sustainability factors affect the company. These include the analysis of how environmental, social and governance issues can impact the financial and operational performance of Metelli S.p.A. Identifying and managing these factors allows Metelli S.p.A. to pro-actively adapt to emerging challenges and exploit opportunities to improve its resilience and competitive performance.

This double perspective allows Metelli S.p.A. to have a complete and integrated vision of its own ESG performance, facilitating a more effective and pro-active management. Double materiality ensures that strategic decisions are informed by an in-depth understanding of all the sustainability dimensions, improving the company's ability to create long-term value and respond appropriately to the expectations of its stakeholders.

The following diagram gives a summary of the study carried out and the result obtained.

Торіс	External impacts	Eco-fin impacts
Fight against and adaptation to climate change		
Natural resources and biodiversity	••000	0000
Environmental footprint		
Energy		
Circular economy	••000	0000
Well-being, diversity and inclusion	••000	
Occupational health and safety		
Development of human capital		
Sustainability of the value chain	••000	
Relations with the territory and the community	••000	0000
Regulatory compliance	••000	••000
Business ethics	••000	••000
Secure information management	••000	
Integration of ESG aspects into governance		••000
Product safety and quality	••000	

The process included a further overall analysis and final selection of the material topics, i.e., the fundamental ESG aspects for tracing the route to corporate sustainability. As regards the environmental dimension, the identified topics were Environmental footprint, the Fight against and adaptation to climate change and Energy. In the social dimension, the material topics emerged were Occupational health and safety, Development of human capital and Well-being, Diversity and Inclusion. Lastly, for the Governance dimension, the identified topics were the integration of ESG aspects in Governance and Business Ethics.

Our ESG plan

Metelli S.p.A.'s sustainability strategy is the result of the double materiality process described in the previous paragraphs, which, starting from the material topics, define the goals for the three-year period 2024-2026, divided into the ESG dimensions (Environmental, Social, Governance). In the environmental dimension, Metelli S.p.A.'s ESG plan aims to reduce CO₂ emissions through energy efficiency and the use of renewable energy, improving waste management through recycling and reducing the waste produced. In social terms, the accent is placed on the improvement of worker safety through training programmes and the improvement of working conditions, the promotion of diversity and inclusion and the development of human capital through lifelong training programmes. In terms of governance, the plan strengthens corporate transparency and conformity with ESG regulations, implementing corporate policies to promote ethics and actively engage stakeholders in corporate decisions and in the definition of ESG strategies. The plan is structured into different sections with short- and medium-term goals for the implemented actions. To conclude, the Metelli S.p.A. ESG plan represents a significant commitment to sustainability, seeking not only to respond to current regulations but also anticipate future regulations and stakeholder expectations, promoting a pro-active and responsible approach to business management.

TOPIC	GOAL	ACTION		2025	2026
ENVIRONMENTAL		Waste traceability project assessment		0	0
FOOTPRINT	Continuous improvement of waste management	Waste traceability project implementation	0		
15 UFE ON LAND		Enhancement of waste to secondary raw material			0
		Update the full inventory of chemical substances currently used in all operations.		0	0
	Progressive elimination of hazardous/highly	Cooperate with internal departments, suppliers to develop or identify less harmful replacements for hazardous substances.	•	•	•
	hazardous substances	Update the procurement policies and the design and development of process engineering to exclude hazardous substances and give priority to the purchase of safer materials.	0	•	•
	Reduction of	Analysis of centralised air filtration systems	0		0
	atmospheric emissions	Implementation of any improvement solutions	0	0	
FIGHT Against and Adaptation	Adaptation to climate change	Vulnerability assessment of climate change for each operating site, identifying specific climatic risks and the potential impact on operations and logistics.	0	•	0
		Development and implementation of business continuity including climate risk scenarios.	0	•	0
13 action		Assessment of investments in infrastructural changes to improve the resistance to extreme climatic conditions (e.g., the installation of improved drainage systems, strengthening of structures and efficient cooling systems)	0	0	•
	Mitigation of climate	Improvement in the energy efficiency of buildings and systems		0	0
		Investments in renewable energy installations		0	0
		Modernisation of the car fleet with electric or hybrid vehicles and the optimisation of logistics to reduce inefficient travel	•	•	•
		Organisation's CF calculation	0		
		CF reduction plan	0		
		Investment in carbon compensation projects (reforestation or other decarbonisation initiatives).	0	0	
AFFORDABLE AND	Reduction of electricity	Installation of Inverters on the motors of the air filtering plants with an annual reduction of 60MW	0	•	0
	consumption for the production of Compressed Air	Installation of PHV plant on Plant 1 with Rated Power 600KWP and annual 30% reduction in the consumption of purchased energy	•	0	0

TOPIC	GOAL	ACTION	2024	2025	2026
OCCUPATIONAL HEALTH		Assessment of investments in technologies that reduce physical risks.	•	•	0
AND SAFETY 3 GOOD HEALTH AND WELL PERING	Develop and promote an effective health and safety management	Develop and implement an innovative health and safety training programme that exceeds statutory obligations	•	•	•
	system	Safety Day Assessment		0	0
<i>-</i> ₩		Assess the incentive to use bicycles for commuting	0		0
DEVELOPMENT/ WELL-BEING	la successi in Englance	Progressive creation of career paths for increasing employee skills to support individual growth		•	
OF THE HUMAN CAPITAL (two integrated topics)	Increase in Employee Skills and Training	Implement the in-house project "la cassetta delle idee" with the ESG area and continuous feedback system	0	•	•
8 DECENT WORK AND ECONOMIC GROWTH	Promotion of diversity	Train managers in diversity, equity and inclusion issues and organise workshops to raise awareness among all employees.	0	•	•
	and inclusion	Implement recruitment policies fostering diversity. Assessment of gender equality certification		•	0
3 GOOD HEALTH AND WELL-BEING 10 REDUCED INEQUALITIES	Enhancement of people through initiatives linked to well-being and the work-life balance	Enhance well-being support services and work-life balance initiatives also through the integration of welfare services		•	•

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TOPIC	GOAL	ACTION	2024	2025	2026
INTEGRATION		Definition of Specific ESG Goals	0		0
OF ESG ASPECTS INTO GOVERNANCE	ASPECTS INTO GOVERNANCE	Create and implement incentives policies connecting a part of variable remuneration of the management to the established ESG goals.	0	•	•
9 INDUSTRY, INNOVATION ANDINERASTRUCTURE Integration aspects in and Remu Policies	Integration of ESG aspects into Incentive and Remuneration Policies	Organise training sessions for the management and the Board of Directors on the benefits and importance of ESG aspects, ensuring they understand how these aspects affect company performance and remuneration	0	•	0
		Implement continuous monitoring systems to assess progress in achieving the ESG goals. This includes the creation of a specific committee or the assignment of specific responsibilities to members of the board for supervising progress.	0	0	•
		Create a specific framework to identify, assess and manage ESG risks. This includes the definition of the processes and procedures for sustainability-linked risk management.	•	0	0
Improvement of ESG Supervision and Risk Management	Improvement of ESG Supervision and Risk Management	Appoint an ESG manager to supervise and manage risks/opportunities	0	•	0
	management	Integrate ESG risk assessment and management into periodic reports to the board of directors, ensuring that these aspects are considered in strategic and operational decisions.	0	•	0
BUSINESS ETHICS 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Integrate the corporate	Identify and assess appropriate governance tools	•	•	0
17 PARTINERSHIPS FOR THE GOALS	values, mission and purpose with ESG elements				

HIGHLIGHTS



Management of environmental impacts

Awareness of the importance of environmental topics and the respect for natural resources has driven the company to undertake initiatives aiming to reduce and prevent negative impacts deriving from its activities.

In order to obtain a systematic framework for the integration of good practices to protect the environment, prevent pollution, reduce waste, energy and material consumption, the company has implemented a UNI EN ISO 14001-certified Environmental Management System, which helps to identify, manage and monitor the environmental impacts of the company's activities. The environmental management system applies transversely to all plants, and considers all activities undertaken.

The company's commitment to sustainability is underlined by the silver medal it obtained in the assessment of its ESG (Environmental, Social and Governance) criteria, commissioned to the company Ecovadis, which recognises the commitment to protecting the environment, social responsibility and corporate governance, placing the company in the top 15% of companies assessed by EcoVadis. The assessment focuses on sustainable development goals concerning the environment, ethics, labour practices, human rights and sustainable purchases. The assessment therefore aims to improve corporate social responsibility.

These certifications represent the first steps of Metelli S.p.A.'s journey towards an increasingly sustainable future, for which actions are being defined to ensure an increasingly rational use of resources, the reduction of waste and the implementation of practices aiming to reduce energy consumption.

The company has launched its transition towards renewable energy by installing a photovoltaic system on Plant 2 and assessing the extension of the project by installing a second system on Plant 1.

The company has begun to install specific measuring devices in the departments in all the plants to obtain a detailed overview of energy consumption and identify the areas of most waste. The data collected by the measuring devices will be used to create a detailed map of consumptions and identify the areas requiring increased efficiency, which will lead to significant energy savings and a lower environmental impact.

To optimise energy efficiency and reduce consumption, a project has been launched to completely replace the conditioning system in Plant 1, replacing obsolete machinery with latest-generation models.

The company also aims to make the use of resources more efficient, driven by the belief that reducing is a winning strategy for improving its environmental profile. In this respect, Metelli S.p.A. has decided to eliminate hard copies of the instruction sheets in the packs of its water pumps, replacing them with a digital PDF version that can be consulted and downloaded from the website using a QR Code. This decision, which will be extended to other product lines, is part of a wider corporate strategy based on a commitment to minimise the impact on the environment of the materials used in the products (HybriX brake pads have already been free of copper and other materials harmful for man and the environment for over 5 years) and packaging, and in our communication material as well. We've recently launched a process of digitalisation and personalisation with regards the catalogues in the reserved My Metelli area of the website, and this has produced a huge reduction in the amount of paper used, not to mention an improvement in the service.

The company also aims to improve its calculation methodologies and intensify its efforts to reduce atmospheric emissions, proceeding in the short term to quantify not only the organisation's direct emissions (Scope 1) and indirect emissions linked to energy use (Scope 2), but also its indirect emissions (Scope 3).

The company's environmental impacts on the environment are direct and indirect. Direct impacts concern the activities directly controlled by the company (e.g., production of sold components), while indirect impacts derive from activities on which the company has no direct control (e.g., choice of means of transport used by suppliers), but on which the company can in any case act through its commercial choices. Environmental impacts deriving from various aspects are monitored, including:

production of incoming raw materials for the manufacture of its products, the amounts of which are monitored through the company management system;

 energy consumption, calculated and monitored in relation to electricity, natural gas and vehicle fuels (diesel and petrol);

- interaction with water, calculating the annual water consumption;
- interaction with biodiversity;

 atmospheric emissions of climate-altering gases (GHG), by monitoring GHG emissions at the emission points and annually quantifying direct emissions, caused by stationary combustion, fugitive emissions of f-gas and mobile consumption, as well as indirect emissions linked to electricity consumption;

• waste generation and subsequent management, privileging directing to recycling over disposal.

Each of these actions generates impacts on the environment in several areas, including polluting gas emissions, interaction with biodiversity, increased water and soil stress.

Metelli S.p.A. currently uses a monitoring system to calculate the annual incoming and outgoing flows related to environmental impacts, including energy consumption (electricity, natural gas, diesel and petrol), water consumption, direct emissions into the atmosphere and waste generation.

Materials

Materials used by weight or volume

Metelli S.p.A. works in the Automotive sector, manufacturing various products for car manufacturers, OEM and after-market clients. Its products include hydraulic clutches, constant velocity joints, water pumps, brake discs, brake pads, tensioners, idler pulleys, wheel kits, pulleys and clutch thrust bearings, mainly in steel, cast iron and other metals.

The company is implementing a flow accounting system for incoming raw materials, finished products, semifinished products/components and packagings, used to ensure increasingly precise monitoring of the use and purchasing of materials.

The table shows the quantities of materials purchased in 2023 expressed in tonnes, divided by type. The types of purchased materials are Semi-finished products/ Components, Finished products, Raw materials and Packagings. It also states if the incoming material is renewable or non-renewable.

TABLE 1

Materials purchased in 2023 divided by product type

Materials	Quantity purchased (ton)	Renewable/ Non-renewable
Semi-finished products/ Components	5,189	
Steel	2,566	Non-renewable
Aluminium	14	Non-renewable
Other*	1,134	Non-renewable
Paper/cardboard	53	Renewable
Cast iron	9	Non-renewable
Rubber	258	Non-renewable
Hard carbon	134	Non-renewable
Sintered materials	1	Non-renewable
Brass	11	Non-renewable
Plastic	957	Non-renewable
Copper	53.7	Non-renewable
Finished products	3,641	
Steel	15	Non-renewable
Aluminium	28	Non-renewable
Other*	2,102	Non-renewable
Cast iron	1,474	Non-renewable
Rubber	3	Non-renewable
Plastic	18	Non-renewable
Raw materials	4,027	
Steel	2,137	Non-renewable
Aluminium	197	Non-renewable
Other*	436	Non-renewable
Bronze	27	Non-renewable
Paper/cardboard	1	Renewable
Cast iron	1,223	Non-renewable
Plastic	6	Non-renewable
Packagings	1,345	
Paper/cardboard	444	Renewable
Wood	893	Renewable
Plastic	8	Non-renewable
Total	14,202	

* The materials grouped together in the "Other" category are mainly finished products and semi-finished products/ components purchased externally for which it was not possible to separate the share of each single material as they are complex products.

GRAPH 1



Materials purchased in 2023 divided by product type

GRAPH 2

% share of purchases according to product type



TABLE 2

Distribution of purchases between renewable and non-renewable materials

Renewable/ Non-renewable	Quantity purchased (ton)	%
Renewable	1,390	10%
Non-renewable	12,812	90%
Total	14,202	100%

Recycled input materials used

The purchased aluminium comes from secondary aluminium alloy, from production waste, generated during the manufacturing of aluminium products such as cans, sheets and t-bars, and post-consumer scrap, endof-life aluminium products, including cars, household appliances and packagings. Compared to primary alloys, secondary aluminium alloys offer numerous advantages, including a lower environmental impact as secondary aluminium production requires less energy and produces fewer greenhouse gas emissions than primary aluminium production and saves resources as the use of aluminium waste reduces the need to extract new bauxite minerals.

Energy

Energy consumption within the organisation

Metelli S.p.A. uses both electricity and thermal energy and, according to the MISE Decree of 21 December 2017, is classified as an energy-hungry company.

Electricity is the main energy source as it is used to run the technological systems in the production departments, for auxiliary services including internal handling and warehouses and for general services including lighting, offices, heating, aircon and various utilities. The share of thermal energy relates to methane gas for heating and fuels (petrol and diesel) for the company car fleet.

The data relating to total energy consumption and the contributions of electricity and thermal energy, expressed in Giga-Joules (GJ), divided by the three years under analysis and for the plants included in the analysis, are presented below. All data are accounted for in bills or by direct measuring, and have not been processed with the exception of the conversion to the standard unit of measurement (GJ), as described in the specific paragraph.

The total fuel consumption of the organisation, in 2023, derived from non-renewable energy sources was 49,457 GJ. The total fuel consumption in the organisation derived from renewable energy sources is 802 GJ, as during the second half of 2023, the company installed a photovoltaic system in Plant 2 with a nominal power output of 800 kWh, on a total surface area of 4,000 m2. During the first months of operation, the system produced around 220,000 kWh, and will soon be working at full strength, so its effects on energy procurement are expected to increase.

The company recorded a reduction in energy consumption, compared to 2022, of 3% for electricity and 15% for methane gas in 2023.

TABLE 3

Total energy consumption

Source	UM	2021	2022	2023
Petrol	GJ	507	431	565
Diesel	GJ	2,989	4,880	4,338
Electricity	GJ	43,770	39,708	38,708
Natural gas	GJ	8,548	7,812	6,647
Total	GJ	55,815	52,832	50,259
of which NON-RENEWABLE	GJ	55,815	52,832	49,457
of which RENEWABLE	GJ	0	0	802

GRAPH 3



Total energy consumption

ELECTRICITY

The company has recorded a reduction in electricity consumption in all plants in the last few years. Specifically, in 2023, compared to 2022, a 5% reduction was recorded in Plants 1 and 4, and of 2% in Plant 2.

The most energy-hungry plants are those where components are produced, particularly Plant 2 was responsible, in 2023, for 73% of electricity consumption and Plant 1 20%. The two logistic hubs, Plant 4 and Plant 7, have a negligible impact on energy consumption (not more than 6%) compared to the production sites. No energy consumption is indicated for 2021 for Plant 7 as this was acquired by merger in 2022.

TABLE 4

Consumption of electricity divided by plant

Plant	UM	2021	2022	2023
Plant 1	GJ	9,469	8,360	7,935
Plant 2	GJ	32,705	28,770	28,300
Plant 4	GJ	1,596	1,604	1,530
Plant 7	GJ	-	973	943
Total	GJ	43,770	39,708	38,708
of which NON-RENEWABLE	GJ	43,770	39,708	37,906
of which RENEWABLE	GJ	0	0	802

GRAPH 4



METHANE GAS

Over the years, methane gas consumption has reduced in all plants. In the production sites, Plants 1 and 2, in 2023, the reduction on 2022, was equal respectively to 16% and 13%, while in the logistics hubs, Plants 4 and 7, the reduction was equal respectively to 9% and 47%. The predominant contribution to methane gas consumption comes from Plant 1, the production site, in 2023 responsible for 33% of consumption and Plant 4, logistics hub, responsible for 38% of consumption.

TABLE 5

Consumption of methane gas divided by plant

Plant	UM	2021	2022	2023
Plant 1	GJ	3,137	2,613	2,205
Plant 2	GJ	2,306	1,885	1,640
Plant 4	GJ	3,105	2,788	2,526
Plant 7	GJ	-	526	276
Total	GJ	8,548	7,812	6,647

GRAPH 5



Consumption of methane gas divided by plant

To make the energy consumptions reported with different units of measurement comparable and addable, the conversion factors shown in the table were used to standardise the units of measurement to Gigajoules $(1GJ=10^9 \text{ Joule}).$

TABLE 6

Conversion factors used and data source

Carrier	Conversion factor	UM	Source
Petrol	36.000	MJ/litre	Italian Legislative
Diesel	32.000	MJ/litre	Decree no. 199 of 8/11/2021 (implementing Directive (EU) 2018/2001 - on the promotion of the use of energy from renewable sources)
Electricity	277.780	kWh/GJ	
Natural gas	35.457	MJ/smc	ISPRA 2023

Energy intensity

Energy intensity defines energy consumptions in the context of a specific parameter of the organisation. In this case, the specific parameter chosen was total operating hours of the machinery in the production plants. To calculate the energy intensity, the electrical consumption in the company was taken into consideration. The analysis was performed for Plant 1 and Plant 2, excluding Plant 4 and Plant 7 as these are logistics hubs and are not representative of the electricity consumption.

During the three years analysed, a reduction in electricity consumption by hours of machinery operation was recorded. This reduction is mainly attributable to the implementation of the efficiency measures at Plant 2.

TABLE 7

Energy intensity

Plant	UM	2021	2022	2023
Plant 1	GJ/h	0.13	0.14	0.10
Plant 2	GJ/h	0.15	0.14	0.11

GRAPH 6

Energy intensity





Reduction of energy consumption

In the three-year period 2019-2021, the company implemented a strategic energy efficiency plan aiming to significantly reduce its environmental impacts and optimise energy consumption. This plan involved the implementation of various concrete measures, including the renovation of part of the lighting system with highefficiency LED solutions and the installation of some measuring systems on the main loads in order to monitor and optimise energy consumption. Furthermore, in 2023 the lighting system in the packaging warehouse was modernised with LED lights and a photovoltaic system was installed in Plant 2 to produce renewable electricity.

Reduction in energy needs for products

The Italian automotive sector is undergoing a major challenge: the transition to sustainable mobility. This challenge, however, must be seen as an opportunity for development. Even before the pandemic, many Italian companies had already embarked on a major process of industrial and cultural transformation, having identified sustainability as the only viable way forward for the development of the country. Today the context appears favourable: Europe appears to have taken a decisive step on this path, identifying green solutions as an asset for recovery on the one hand, whilst underlining the urgency of reducing CO_2 emissions through increasingly stringent regulations on the other. Furthermore, the investments made by key players in the automotive industry and

beyond indicate a strong commitment to the goal of zero-emissions mobility.

From cooperation with different companies, in 2019 came the "Hyper - HYbrid Propulsion for Electric Realignment" project, funded by the Lombardy Region that is developing innovative electric automotive components at industrial level, in order to improve energy efficiency in the sector. The project has been endorsed by leading companies like Ferrari, Same and Magneti Marelli Motorsport, who have brought it to the attention of the entire automotive sector.

This project, in which Metelli S.p.A., lead company, ensures the coordination and makes available its fluid-dynamic and industrialisation skills, involves E-Novia: the "business factory" from Milan that develops software and control algorithms; the University of L'Aquila, which is already involved in several European projects for the mobility of the future, and is studying a series of aspects relating to fluid dynamics; Sisme: company from the province of Como with over 50 years of experience, working on the production of innovative electric motors and 1000 Miglia: a company that right from the outset has been driving the automotive chain towards technological progress, with particular attention to the area of Brescia, which will be disseminating the hybrid and electric culture.

In order to facilitate the transition to electric mobility solutions, the Hyper Project has set itself the goal of electrifying all the auxiliary components of the vehicle – or in other words, the components that do not directly act on the propulsion system – with a view to reducing emissions. Electrified components are not only compatible with hybrid cars, making them more sustainable, but also with full electric vehicles.

Taking into consideration various transport scenarios (heavy goods, high performance and so on), the work team has developed various technological possibilities, running from the cooling control of various devices to innovative hydraulic models and new structures.

One example is the innovative hydraulic pump, the performance of which demonstrates the ability to achieve nearly 80% hydraulic efficiency at the point of use, whilst maintaining very high values over the entire operating range. This product has been joined by the full range of electric pumps, with various powers and voltages for different applications. The proto-zero units, which have been constructed and are now in the final stages of development, range in voltage from 12V to 48V, with a variable power from 150W to 2500W and a number of potential applications (passenger cars, duty vehicles and supersport vehicles). The Hyper Project has also produced a thermal management study of the vehicle's powertrain, with a view to helping to maximise the energy efficiency of the vehicle.

After the positive conclusion of the Hyper project, Metelli S.p.A., in partnership with the University of L'Aquila, has launched the PEMSO project (Pompe Elettriche per una Mobilità Sostenibile - Electric Pumps for Sustainable Mobility), still in progress, the aim of which is to further develop the concepts explored with Hyper. In particular, it aims to produce an innovative and efficient electric primary cooling pump, to be built using highly reliable processes, the study and prototyping of a high-voltage electric motor with low rare earth contents (the extraction of which requires processes with high environmental impacts) and the development of operating strategies for an on-board electric pump for vehicles that drastically reduces pollutants.

Water

Metelli S.p.A. uses water for both its production process and for sanitary use. The potential environmental effects associated to this resource deriving from the company's activities are therefore investigated.

Interaction with water as a shared resource

Metelli S.p.A. is in the province of Brescia, an area affected by the Po water catchment area, in particular in the municipality of Cologne and Castegnato, not far from the River Oglio, an major affluent of the Po.

All the plants are in areas subject to medium-high water stress, as defined by the Aqueduct Water Risk Atlas map produced by the World Resources Institute (WRI)¹. In particular, it is reported that the greatest risks are related to physical risks relating to the availability of water, while as concerns the risks linked to the water quality, both at physical and regulatory level, the related area is considered low-medium risk. Focusing on the physical risks, the Brescia area is at maximum risk level (4-5) mainly due to the high probability of exposure to drought and high water stress due to the excessive demand compared to the renewable underground and surface waters guaranteed by the local reservoir.

FIGURE 1

Water stress map (source: Aqueduct Water Risk Atlas (WRI))



The hydrological characteristics of the area were further investigated by the company in the context analysis (updated in 2024), which showed in detail the water supply in the areas where the plants are located.

The municipality of Cologne, where Plants 1, 2 and 4 are located, is characterised mainly by a tight network of canals and secondary branches for irrigation. The main canals are the Seriola Fusia, the Roggia Miola and the Roggia Mioletta, which generate a mainly rectangular irrigation system. In the Cologne area there is no instability nor stretches of rivers subject to control by the River Authorities.

In Castegnato, where Plant 7 is located, there are two rivers belonging to the main Water Network: the Gandovere and the Laorna, the latter which does not cross the Castegnato territory but flows into the Gandovere just before this enters the municipal territory. In the Castegnato area there is also a tight network of irrigation ditches, streams and canals of various sizes that make up the Minor Water Network that characterises the whole plane area.

Water withdrawal and water consumption

Metelli S.p.A. withdraws its water from the main water supply, with the exception of Plant 7, which has a well.

In relation to Plants 1, 2 and 4, the mains water is used for four main classes of use: sanitary, process, technological and fire-fighting. The sanitary water is used in the bathrooms, changing rooms, offices and canteen. Production water is used in the preparation of oily emulsions (tumbling department) and for cleaning machinery/equipment/plant components. Water is used for technological use in supplying the adiabatic cooling systems and in the production of demineralised water for the thermo-hydraulic circuit. Water for fire-fighting is required to supply the fire-fighting network, including hoses/hydrants and is supported by a water reserve stored in a special tank.

For Plant 7, the water withdrawn from the well is used for irrigation and to supply the fire-fighting system, which has hoses and hydrants positioned around the plant. The fire-fighting system is also supported by a water reserve stored in a special tank.

The total water consumption of Metelli S.p.A. in 2023 was 19-81 ML and has remained practically constant in all plants over the years analysed. The production plants (1 e 2) are responsible for most of the total water consumption. In particular, Plant 2, which has the highest production rate, in 2023 was responsible for 42% of water withdrawals. Plant 1 uses 30% of the total withdrawals. Plant 7 and Plant 4 have much lower consumptions, and do not exceed 5 ML per year. As regards Plant 7, the data are provided for 2022 as this was the year in which it was acquired by Metelli S.p.A.

TABLE 8

Total water consumption divided by plant (ML = megalitres)

Plant	Source	UM	2021	2022	2023
Plant 1	From the mains	ML	9.53	6.90	5.97
Plant 2	From the mains	ML	10.75	10.05	8.31
Plant 4	From the mains	ML	0.84	1.16	1.41
Plant 7	From wells	ML	-	4.52	4.12
Total		ML	21.12	22.63	19.81

GRAPH 7



Total water consumption divided by year (ML = megalitres)

The organisational changes in Plant 4, transformed from production to logistics hub (with the consequent decommissioning and dismantling of the production lines over time), and the reorganisation of the packaging activities and the type of packagings, has generated an increase in water consumption.

GRAPH 8



Total water consumption divided by plant (ML = megalitres)

Water discharge

Three types of water are discharged by the company: domestic wast water, process water and rain water. The amount of domestic waste water is not monitored as this is not required by the laws in force concerning water discharges. The amount of technological water cannot be identified individually, as the technological water is discharged in different types of waste according to use. The overall reporting of waste generated by the company can be consulted in GRI 306.

DOMESTIC WASTE WATER

Domestic waste water from the company bathrooms and changing rooms (production departments and office building) and from the company canteen, are delivered to the municipal drains through a specific collection ring, with the exception of the water from Plant 7, which is discharged into the surface run-off (with a specific authorisation). In Plant 2, septic tanks and oil separators are used to reduce the amount of water discharge, installed in the bathrooms and the canteen.

Up to 2021, for Plant 1, there was an authorisation for domestic discharges, confirming that the company is located in an area where there are no public drains and that the discharge points are located outside the buffer area (distance > 200 m) from the public mains water points (municipal mains supply). The authorisation was bound to the construction of public mains drains and a consortium purification plant, currently under construction by AOB2 (the managing body). As soon as the sewage network collectors serving the area where Plant 1 is located were available, the company performed the construction works required to connect the plant to the mains drains, ended in July 2021, and the discharge into the ground was halted.

RAINWATER

Rainwater is collected in common networks from the shed roofs and yards (drainage land).

For Plant 1, all the water is sent to dry wells distributed around the company property, with the exception of an overflow for the dry well. For Plant 2, all the water is delivered to tanks, to separate any oil residues, before discharge by dispersion in the subsoil. For Plant 7, rainwater is collected in specific dry wells installed between December 2022 and January 2023.

PROCESS WATERS

Technological waste water from the backwashing of the water softener resins (for the canteen, heating, Menerga, workshop washing), are not discharged into the sewers or the ground but are kept as waste. After regeneration in brine, the resins are washed with water to eliminate the excess regenerating salt and then disposed of as waste.

Biodiversity

Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

The company has performed a preliminary analysis on the potential impacts caused directly by its own actions on local biodiversity, focusing on the characteristics of the environment in which its plants operate.

Metelli S.p.A. has two production plants and a logistics hub in the municipality of Cologne and a further logistics hub in Castegnato, both in the province of Brescia.

Both municipalities are around 10 km from the Torbiere del Sebino Natural Reserve, a set of lakes, copses, reed beds and meadows that represent a reservoir of biodiversity assured the highest level of protection in Italy, through the name "Riserva Naturale Regionale Orientata delle Torbiere del Sebino", dating back to 1984. From the 2000s, the Reserve was included in the European Ecological Network (ReteNatura 2000) and today is recognised as a special area of conservation (SAC) and special protection area (SPA) in accordance with the Habitat Directive (92/43/EEC and 97/62/EEC) and the Birds Directive (79/409/EEC) of the European Union.

Despite the proximity to these areas of natural interest, the company's plant lie in areas which, as indicated in the Provincial Territorial Plan (PTCP), are not high-level nature areas.

FIGURE 2

Extrapolation from tab. 14 of the Provincial Territorial Plan (PTCP): supporting analysis for drafting the ecological network





support areas

 \Bbbareas of high naturalness (woods, copses, other natural or semi-natural areas)

areas of high naturalness (wetlands)

areas of high naturalness (water bodies)



BS2 - Main support areas

BS3 - Specific biogeographical areas

- BS4 Main lake ecosystems
- 💋 BS5 Interconnected natural Alpine matrices

BS6 - Special monitoring area of the Valvestino mountain ecosystem

TABLE 9

Type, location and surface area of the Metelli S.p.A. production plants

Plant	Туре	Municipality	Surface area [m2]
Plant 1	Productive	Cologne	32,541
Plant 2	Productive	Cologne	60,340
Plant 4	Logistics	Cologne	25,024
Plant 7	Logistics	Castegnato	12,674

Significant impacts of activities, products and services on biodiversity

The company plants lie in places intended mainly for production, as indicated in the Provincial Territorial Plan (PTCP)³ and do not have environmentally sensitive areas or any areas of hydro-geological risk.

The company's activities are not related to direct impacts on biodiversity as they have not caused any conversion of the territorial habitat, the introduction of invasive species or toxic substances.

The following image shows the main elements of environmental sensitivity and pressure identified in Table 3.3 of the PTCP.

FIGURE 3

Extrapolation from tab. 3.3 of the PTCP: environmental pressures and sensitivities. The areas intended mainly for production purposes are shown in purple; refer to the PTCP for the full key



IUCN Red List species and national conservation list species with habitats in areas affected by operations

The bird species with habitats in the Torbiere del Sebino nature reserve were analysed to have an indication of whether any of the species listed in the IUCN "Red List" are present near the company site. The analysis showed that there are 9 endangered species, of which 5 critically endangered species, in the area, as shown in the following table. As described in the previous paragraphs, given the characteristics and location of the premises it is estimated that the industrial activities do not directly produce negative effects on the biodiversity of the surrounding area.

GRAPH 9

IUCN key



TABLE 10

List of species found in the Torbiere del Sebino natural reserve area with IUCN classification (2021)

Species	Category of Italian pop. 2021 (IUCN)
Osprey	CR
Sedge Warble	CR
Common reed bunting	CR
Spotted crake	CR
Eurasian teal	EN
Bearded reedling	EN
Savi's warbler	EN
Eurasian bittern	EN
Western marsh harrier	VU
Red-crested pochard	VU
Garganey	VU
Common pochard	VU
Eurasina penduline tit	VU
Little bittern	VU
Marsh warbler	NT
Cuckoo	NT
Kingfisher	NT
Blue rock thrush	NT
Grey heron	LC
Red heron	LC

Species	Category of Italian pop. 2021 (IUCN)
Eurasian reed warbler	LC
Great reed warbler	LC
Swan	LC
Cormorant	LC
Coot	LC
Seagull	LC
Common moorhen	LC
Mallard duck	LC
Black kite	LC
Black crowned night heron	LC
Sardinian warbler	LC
Wallcreeper	LC
Water rail	LC
Alpine accentor	LC
Great crested grebe	LC
Little grebe	LC
Cetti's warbler	LC
Rock bunting	LC

Direct and indirect GHG emissions (Scope 1 and 2)

The greenhouse gas (GHG) emissions were measured to identify the framework of emissions generated by Metelli S.p.A. and its related activities. This report allows the company to account for and understand its potential impact on climate change; moreover, the analysis becomes the starting point for reflecting annually on the strategies to be implemented to mitigate and reduce greenhouse gases in the medium and long-term, through a process of assessing the potential environmental loads linked to its activities.

The greenhouse gas emissions analysis was commissioned from an external consulting firm specialised in analyses based on the LCA methodology and was carried out using a calculation model built using the professional software SimaPro Analyst 9.5 and the database Ecoinvent 3.9.1. The greenhouse gas emissions were calculated using the characterisation method called IPCC 2021 GWP 100a, version 1.01, developed by the Intergovernmental Panel on Climate Change (IPCC). This method contains the characterisation factors referred to the global warming potential from direct gas emissions into the atmosphere, over a time period of one hundred years. The Global Warming Potential (GWP) is expressed with the unit of measurement of tonnes of CO₂ equivalent (tCO₂e) as it estimates the contribution to global warming due to the emission of various greenhouse gases, relating the effect of each one of these with the same effect due to the emission of a certain quantity of CO_a.

The emissions inventory includes the analysis of direct (Scope 1) emissions and indirect (Scope 2) emissions linked to electricity consumption. Direct Scope 1 emissions include stationary combustion, deriving from the consumption of methane gas for heating, direct emissions from the production process and the involuntary release of F-gas and mobile combustion, linked to the use of company vehicles. Scope 2 GHG emissions are calculated by applying the "Location-based" methodology that considers the average emission factor associated with the specific national energy mix.

The company's total emissions in 2023 were 5,595 tCO₂e. In 2023, Scope 1 was 1,512 tCO₂, recording a 15% reduction on the data for 2022. In 2023, Scope 2, calculated using the Location-based methodology, was 4,082 tCO₂, with a 6% reduction on 2022.

TABLE 11

Total emissions

Category	UM	2021	2022	2023
Scope 1	tCO2e	1,522	1,784	1,512
Scope 2	tCO2e	4,812	4,366	4,082
Total	tCO2e	6,334	6,150	5,595

GRAPH 10



The main contribution to direct (Scope 1) emissions came from mobile combustion, responsible in 2023 for 66% of emissions. In 2023, stationary combustion counted for 34% of impacts.

TABLE 12

Scope 1 emissions

Source	UM	2021	2022	2023
Stationary combustion	tCO2e	656	599	510
Atmospheric emissions	tCO2e	156	91	0
Mobile combustion	tCO2e	710	1,094	1,002
Total - Scope 1	tCO2e	1,522	1,784	1,512

GRAPH 11



GHG emissions intensity

Emissions intensity defines the ratio between the company's GHG emissions and a specific parameter of the organisation. In this case, the specific parameter chosen was total operating hours of the machinery in the various production plants during the reference year. The calculation of GHG emissions includes both direct Scope 1 emissions and indirect emissions - Scope 2 - linked to electricity consumption.

The company's total emissions intensity in 2023 was 0.015 tCO₂e/h, down 32% on 2022. Energy intensity of Scope 1 only, which in 2023 was 0.004 tCO₂e/h, was down 37% on 2022.

TABLE 13

GHG emissions intensity

Category	UM	2021	2022	2023
Scope 1	tCO2e/h	0.005	0.007	0.004
Scope 2	tCO2e/h	0.016	0.016	0.011
Total	tCO2e/h	0.021	0.023	0.015

GRAPH 12

GHG emissions intensity



Significant emissions

POINTS OF EMISSION

At the Metelli S.p.A. plants, as illustrated in the following table, 7 emissions points are located in the two production sites: Plant 1 and Plant 2. The chimneys are subject to periodic inspections, during which the total dust emissions and Polycyclic aromatic hydrocarbons (PAH) are measures to ensure that they remain below the legal limits.

TABLE 14

Points of emission inside the plants

Plant	Emission	Description				
	E1	Emission from lathing, drilling rectifying and washing machinery				
Plant 1	E2	Emission from lathing, drilling rectifying and induction hardening machinery				
Plant 2	E1	Emission from lathing machines for small parts, brake parts, water drive pumps				
	E2	Emission from lathing machines for small parts, brake parts, water drive pumps				
	E3	Emission from lathing, milling, tapping, workshop threading machinery and water pumps				
	E4	Emission from lathing, milling, tapping, workshop threading machinery and brake parts				
	E5	Emission from brake disc efficiency tests (brake disc test bench)				

In Plant 2 there is also a fugitive emission supporting the FCA department. The emissions deriving from mechanical processing are not discharged but treated with filters on-board the machine are returned to the working environment (fugitive emission E1). Each machine is equipped with a HEPA filter series "ARF 700". The filter consists of the following:

- Stage 1: self-cleaning centrifugal condenser;
- Stage 2: pre-filtration with washable metallic pre-filter;
- Stage 3: synthetic pocket coalescing filter;
- Stage 4: washable panel filter;
- Stage 5: high-efficiency filter (up to 99.95% for particles of 0.15 μm) conforming to standard EN 1822.

Waste

Waste generation and significant waste-related impacts

Waste generation relating to the company activities takes place upstream (packaging, defective or unused materials, ...), at core level (production wastes including auxiliary materials, scraps, ...) and downstream (product end-of-life).

The company presents a detailed diagram of input and output flows for all its plants, shown graphically in the figures below. The possibility for a holistic overview of its waste generation facilitates the identification of the related impacts and consequently the implementation of improvement measures.

Currently it is not possible to detail a quantitative analysis of the correlation between the Upstream, Core and Downstream phases and waste generation, reported generally through the Annual Waste Statement (MUD). Among the short-term improvements, the company intends to increase the level of detail of the flow analysis in order to discriminate more clearly the actual and potential impacts deriving from its waste management.



Production process Plant 1



GRAPH 14

Production process Plant 2



GRAPH 15

Production process Plant 4



GRAPH 16

Production process Plant 7



Management of significant waste-related impacts

The company undertakes to plan a series of measures to manage and reduce its waste-related impacts, including the choice, where possible, of products and substances with a lower risk to worker health and safety and for the environment. The input materials are selected mainly by checking the safety data sheets, but analyses are also performed to check the efficient consumption of resources, preferring products with a higher potential for recycling and/or higher contents of recycled materials. Examples of aware choices include the use of plastic impellers with recycled material and "green" glues. The manufacturing methods for products were analysed, making improvements such as the use of automatic glue dispensers to increase the efficiency of the use of materials and minimise operator contact.

A careful design helps to minimise the health and safety risks for end users, which is particularly important with products such as drives and brake parts, the use of which is designed to assure safety, and this is why the company invests in a quality-control system adopted to maintain high performance standards. Furthermore, guaranteeing high quality products helps to protect the environment, reducing risks such as the dispersion of brake fluid or grease.

Generally, the normal use of the products does not cause health and safety risks or environmental protection risks. For pads, shoes, brake discs and drums, the use may cause the release of particulates, which could potentially contain heavy metals which, due to their use, may be dispersed in the environment and breathed in. The company has worked on the mixtures to eliminate some of these potential pollutants, particularly on the brake pads and shoes modifications were made to the mixture in order to obtain R90 certification and obtain Better Brake Law certification (determination of heavy metals).

The company has also worked to reduce the risks related to the incorrect use of the product, making available to all users operating instructions published on the official website and including a hard copy with the product (in some

cases accompanied by a video tutorial). In any case, in the case of use with incorrect assembly of safety products (braking parts and drives) or hydraulic parts, brake fluid or grease could leak out in any case in limited quantities, with potential soil/water pollution. In the case of use with incorrect assembly of products such as water pumps, there could be a limited loss of refrigerant (in any case in limited quantities, with potential soil/water pollution).

In relation to waste management, the company relies on a third party that may be directly the waste disposal company, who is contacted and collects the waste with their own means of transport and delivers it to the plant, or intermediaries who, after collecting the waste, independently dispose of it in appropriate collection centres according to the characteristics of the waste itself. Incoming and outgoing records and the related forms are managed by the company using the software "eSTARweb", which also allows for specific checks on the authorisations of the intermediaries, plants and transporters for each waste transfer. The software is a web portal, consequently it is always updated in accordance with the latest related directives.

Metelli S.p.A. has a company procedure for waste management which illustrates the operational methods to adopt in order to ensure its correct management. This document applies to the production, identification, storage and disposal of waste generated by all the company sites. In addition to the operational methods, roles are identified for each activity in order to guarantee a standardised process and internal checks for the waste management.

Waste generated

WASTE PRODUCTION

Waste production is directly related to the everyday production activities. As can be seen in the table and the graph, around 90% of the waste production in the last 3 years, is attributable to Plants 1 and 2 as these are the production sites of Metelli S.p.A., while Plant 4 contributes for around 10% of the total waste production. As Plant 7 was acquired in 2022, the waste production has constantly increased in the last two years; in fact, in 2022 this plant counted for just 2% of the impacts, while in 2023 this figure was 9%.

TABLE 15

Total waste production divided by plants

Plant	UM	2021	2022	2023
Plant 1	tonnes	662	485	462
Plant 2	tonnes	2,132	1,914	1,740
Plant 4	tonnes	262	294	234
Plant 7	tonnes	-	51	245
Total	tonnes	3,056	2,745	2,681

GRAPH 17



In the three years analysed, waste production has fallen in Plants 1 and 2. For Plants 4 and 7, the organisational changes in the plant, from production to logistics, with the consequent decommissioning and dismantling of the production lines over time, and the reorganisation of the packaging activities and the type of packagings, has led to a variation in the type and reduction of waste produced.

GRAPH 18



The category of waste generated in the highest quantity is "Metals" which in 2023 counted for 63% of the waste produced, followed by "Paper and cardboard" (10.5%), "Wood" (9.1%) and "Oils, waxes, emulsions and solvents" (8.1%). "Aqueous solutions" and "Sludges" are together responsible for 7.1%. The situation was practically the same in previous years.

GRAPH 19



Distribution of total waste generated in the various goods

The following table shows the quantities of waste generated by the company divided by the various categories.

TABLE 16

Distribution of total waste produced in the various goods categories and by Plant

Plant	UM	2021	2022	2023
Plant 1	tonnes	662	485	462
Aqueous solutions	tonnes	15	19	11
Plastic	tonnes	2	3	2
Oils, waxes, emulsions and solvents	tonnes	50	30	90
Metals	tonnes	441	304	199
Wood	tonnes	49	34	52
Sludges	tonnes	61	52	43
Paper and cardboard	tonnes	37	41	61
Other	tonnes	7	3	5
Plant 2	tonnes	2,132	1,914	1,740
Aqueous solutions	tonnes	102	108	108
Plastic	tonnes	18	22	22
Oils, waxes, emulsions and solvents	tonnes	119	96	127
Metals	tonnes	1,652	1,443	1,253
Wood	tonnes	73	79	85
Sludges	tonnes	45	52	26
Paper and cardboard	tonnes	108	105	110
Other	tonnes	14	9	8
Plant 4	tonnes	262	294	234
Aqueous solutions	tonnes	4	4	2
Plastic	tonnes	11	8	11
Oils, waxes, emulsions and solvents	tonnes	11		
Metals	tonnes	112	168	30
Wood	tonnes	22	47	92
Sludges	tonnes		1	1
Paper and cardboard	tonnes	97	59	85
Other	tonnes	5	8	15
Plant 7	tonnes		51	245
Plastic	tonnes			4
Oils, waxes, emulsions and solvents	tonnes		8	0
Metals	tonnes		24	196
Wood	tonnes		6	14
Paper and cardboard	tonnes		11	24
Other	tonnes		2	6
Total	tonnes	3,056	2,745	2,681

WASTE CLASSIFICATION - HAZARDOUS WASTE AND NON HAZARDOUS WASTE

The waste generated by Metelli S.p.A. are almost exclusively non-hazardous: non hazardous waste in 2023 represented 88% and hazardous waste 12%. The following table shows the quantities of waste generated by the company divided by hazardous and non-hazardous waste in the various plants

TABLE 17

Total waste generated in the various plants divided by hazardous and non-hazardous

Plant	UM	2021	2022	2023
Plant 1	tonnes	662	485	462
Non-hazardous	tonnes	558	409	332
Hazardous	tonnes	104	76	130
Plant 2	tonnes	2,132	1,914	1,740
Non-hazardous	tonnes	1,958	1,742	1,539
Hazardous	tonnes	173	172	201
Plant 4	tonnes	262	294	234
Non-hazardous	tonnes	249	294	234
Hazardous	tonnes	13		
Plant 7	tonnes		51	245
Non-hazardous	tonnes		43	241
Hazardous	tonnes		8	4
Total	tonnes	3,056	2,802	2,681

Classification	UM	2021	2022	2023
Non-hazardous	tonnes	2,766	2,488	2,346
Hazardous	tonnes	290	256	335
Total	tonnes	3,056	2,745	2,681
Non-hazardous	%	91%	91%	88%
Non-hazardous	%	9%	9%	12%

GRAPH 20



Total waste generated divided by hazardous and non-hazardous

The main category of hazardous waste is "Oils, waxes, emulsions and solvents" for all the plants, for Plants 1 and 2 also "Sludges" and Aqueous solutions" are classified as hazardous. The main non hazardous waste category is "Metals".

TABLE 18

Total waste generated in the various plants divided by hazardous and non-hazardous and by waste category

Plant	UM	2021	2022	2023
Plant 1	tonnes	662	485	462
Non-hazardous	tonnes	558	409	332
Aqueous solutions	tonnes	15	19	11
Plastic	tonnes	2	3	2
Metals	tonnes	441	304	199
Wood	tonnes	49	34	52
Sludges	tonnes	11	8	5
Paper and cardboard	tonnes	37	41	61
Other	tonnes	2	0	3
Hazardous	tonnes	104	76	130
Oils, waxes, emulsions and solvents	tonnes	50	30	90
Sludges	tonnes	50	44	38
Other	tonnes	4	2	2

Plant	UM	2021	2022	2023
Plant 2	tonnes	2,132	1,914	1,740
Non-hazardous	tonnes	1,958	1,742	1,539
Aqueous solutions	tonnes	71	74	65
Plastic	tonnes	18	22	22
Metals	tonnes	1,652	1,443	1,253
Wood	tonnes	73	79	85
Sludges	tonnes	29	17	
Paper and cardboard	tonnes	108	105	110
Other	tonnes	б	1	2
Hazardous	tonnes	173	172	201
Aqueous solutions	tonnes	31	34	42
Oils, waxes, emulsions and solvents	tonnes	119	96	127
Sludges	tonnes	16	35	26
Other	tonnes	8	8	б
Plant 4	tonnes	262	294	234
Non-hazardous	tonnes	249	294	234
Aqueous solutions	tonnes	4	4	2
Plastic	tonnes	11	8	11
Metals	tonnes	112	168	30
Wood	tonnes	22	47	92
Sludges	tonnes		1	1
Paper and cardboard	tonnes	97	59	85
Other	tonnes	3	8	15
Hazardous	tonnes	13		
Oils, waxes, emulsions and solvents	tonnes	11		
Other	tonnes	2		
Plant 7	tonnes		51	245
Non-hazardous	tonnes		43	241
Plastic	tonnes			4
Metals	tonnes		24	196
Wood	tonnes		6	14
Paper and cardboard	tonnes		11	24
Other	tonnes		2	3
Hazardous	tonnes		8	4
Oils, waxes, emulsions and solvents	tonnes		8	0
Other	tonnes		1	3
Total	tonnes	3,056	2,745	2,681

Waste diverted from disposal and waste directed to disposal

WASTE RECOVERY AND DISPOSAL

The waste generated by Metelli S.p.A., with a view to the circular economy, is managed almost totally by being sent to recycling centres (91%) and the distribution over the years has remained practically constant, as shown in the table.

TABLE 19

Overall waste generated divided according to destination (recycling or disposal)

Destination	UM	2021	2022	2023
Recovery	tonnes	2,795	2,535	2,498
Disposal	tonnes	260	209	183
Total	tonnes	3,056	2,745	2,681
Recovery	%	91%	92%	93%
Disposal	%	9%	8%	7%

The following graphs show, separately for hazardous and non-hazardous waste, the destination for the various categories of waste generated in 2023 by the whole organisation.

GRAPH 21

Destination of hazardous wastes generated by the organisation in 2023



GRAPH 22



Destination of non hazardous wastes generated by the organisation in 2023

Social responsibility

Metelli S.p.A. enhances its people as a primary resource. The accent on human relations, a focus on occupational safety and environmental protection, as well as attention to well-being and staff training, are key to our personnel management. This philosophy reflects the family spirit that underlines the corporate governance.

Rooted in its corporate mission, Metelli S.p.A. is committed to all aspects of social responsibility and integrates its responsibilities to civil society in its corporate structure. It works actively in the local community with sporting associations and charities.

Workers

221 men and 149 women work at Metelli S.p.A. All the workers, from blue collar to middle management, are subject to collective bargaining agreements (CCNL Engineering industry); while the executives fall under the Industrial Managers Contract.

Almost all the employee contracts are permanent; only one female employee has a fixed-term contract. Full-time contracts (87.8%) are much more frequent than part-time. The company does not use workers on zero-hours contracts.

GRAPH 23



Distribution of types of employment by gender

The previous indicators were calculated on the basis of the number of persons in the company at 31.12.2023. No significant variations in the company population were recorded during the year.

The activities listed below are usually contracted out: goods receipt, assembly department staff, canteen service, reception service, packaging, shipping, cleaning services, internal handling, loading/unloading, picking. Depending on contingent operational needs, such as temporary increases in work loads, Metelli S.p.A. also makes recourse to temporary workers. We also take on interns with a view to recruitment. In 2023 there were around fifteen temporary workers and four interns.

Occupational health and safety

Metelli S.p.A. believes safeguarding workers' health and safety is a key priority, and aims at both compliance with applicable regulations and the continuous improvement of working conditions.

The Group thus conforms to current occupational health and safety regulations, and each director, employee, collaborator and anyone working in its name and on its behalf must conduct its activities with the utmost diligence, closely observing all established safety and prevention measures to avoid any risk for itself or for its contractors and colleagues.

The related decisions, starting from their conception, design, technical choices up to their implementation and execution, are adopted in implementation of the principles and general measures of protection provided for by the laws in force, in particular Italian Legislative Decree 81/08, which has the primary objective of protecting the personnel's physical and mental integrity.

The company has an Organisation, Management and Control Model that complies with the provisions of Italian Legislative Decree 231/2001, with a special part relating to occupational health and safety, consisting of an organic set of principles, rules, provisions, organisational diagrams and related tasks and responsibilities, aiming to prevent, reduce or eliminate the risks present.

Metelli S.p.A. also has an Occupational health and safety management system, certified to the international standard UNI EN ISO 45001. This system covers the whole company population: all workers are constantly subjected to internal audits.

The company's health and safety organisation has a hierarchical structure with the Employer at the top, and with Directors and Supervisors for its implementation and supervision. The Occupational health and safety management system is overseen by the RSGSSLA (Occupational Health and Safety and Environment Management System Manager): this figure implements and maintains the management system in effective operation and cooperates in its coordination with the Risk Prevention and Protection Service, holding the position of manager (RSPP).

Workers consultation is guaranteed by the RLS (Workers Safety Representatives), elected by the trade unions. The Employer also appoints the Occupational Physician, who ensures the workers' health surveillance. Finally, teams of officers are set up for fire-fighting and evacuation, environmental emergencies and first aid. In order to minimise and control them, the hazards and risks in the company are monitored and assessed in accordance with legal provisions, using internal and external qualified personnel, and are reported in the Risk Assessment Document (DVR), summarised by department and job description. These risks are reviewed annually: in 2023 it was assessed that the main risks are mechanical, linked to the manual handling of loads, repetitive movements, the use of work machinery and tools, chemical risks, acoustic risks are those derived from the working environment (traffic, fugitive emissions).

At Metelli S.p.A., the number of work-related injuries and incidents is constantly monitored and managed in order to maintain the values as low as possible. In 2023, only one work-related injury was recorded, relating to a mechanical incident caused by the improper use of a piece of work equipment. On the basis of the investigation of the causes of this incident, thanks to the reporting and constant monitoring of "near misses", the appropriate measures corrective measures and preventive measures were implemented to prevent such events from occurring again in the future.

Occupational health and safety training and refresher courses are delivered to all employees of the company in accordance with the criteria of the State-Regions Agreement of 21/12/2011, both in terms of general training and training on specific risks. The trainers may be from inside or outside the company and are all qualified in accordance with the aforementioned Agreement. Training is always delivered during working hours and is therefore paid; the effectiveness of the training is assessed through tests.

In addition to the activities performed to ensure occupational health and safety, Metelli S.p.A. offers additional services and opportunities to its employees to promote health and well-being also in everyday and family life. All the workers have the possibility to access supplementary health care programmes (Metasalute), which guarantees access to health care services with both direct and indirect reimbursement, for themselves and their families. The health plan adopted by the company is of a higher level than the basic plan (Metasalute Plan MS1).

INJURY FREQUENCY INDEX 2023 =

no. of recordead injuries / (no. of hours worked / 1,000,000) = 1 / (590,184 / 1,000,000) = 1.69

INJURY SEVERITY INDEX 2023 =

no. of total days of injury / (no. of hours worked / 1,000) = **20 / (590,184 / 1,000) = 0.03**

If contractors are working in the company sites, the single risk assessment document ("DUVRI") is drafted and submitted to inform the company of the risks to workers and which prevention and protection measures are to be adopted to reduce them. In 2024 we also plan to draft a supplier assessment procedure, including information on health and safety.

No incidents were recorded during the year concerning contracted workers or workers who are not employees whose place of work is under our control. No work-related ill health was reported for the employees or other workers.

Training and education

Metelli S.p.A. is firmly committed to encouraging and guaranteeing appropriate training and personal and professional development for its staff, enhancing their skills; professional development plans and training courses are designed and implemented.

Training and refresher courses are offered regularly throughout the year, in the form of seminars and lectures alongside classroom activities and on the job training, delivered by both experienced personnel and external experts. Knowledge and skills are also developed through the participation in training courses, conferences and conventions.

In the company, training activities usually cover topics linked to health and safety, the environment, training and instruction on quality procedures and technical and professional training. In addition to this, general training is provided with a view to developing soft skills, including managerial and relational skills. Training activities are also carried out in the event of professional turnover, such as generational changes following retirement. New resources undergo a period of training and instruction that is transversal to the company functions, in order to ensure their smooth entry into the organisation.

The company population is subject to an annual performance and professional development assessment, highlighting areas for improvement and any need to develop specific skills, and training is planned for the following year, consistently with the identified needs and in line with company goals.

In 2023, all employees were involved in training activities, with a total of 9,564 hours delivered. Of these, 19% were devoted to professional refresher courses and the acquisition of new skills, 17% to mandatory or additional health and safety training, 6% on the guality system and internal procedures and 1% on environmental topics; the remaining hours, 57% of the total, concerned training in technical issues, computing, languages and managerial skills. In particular, in the health, safety and environment field, training was delivered on issues such as waste management and environmental emergency response, the use of III category personal protective equipment, refresher courses for supervisors, first aid and firefighting officers, worker safety representatives (RLS) and protection and prevention officers, as well as training in specific risks.

TABLE 20

Participation as a percentage and average hours of training divided by gender and category

	% participants out of the total	Average hours per participant
Women	93%	13
Men	96%	30
Blue collar	94%	15
White collar	97%	41
Middle managers	100%	65
Executives	100%	101
Total	100%	26

GRAPH 24

Total number of hours delivered and distribution of percentage, divided by topic



Diversity, aequal opportunities and non-discrimination

Moreover, Directors, Auditors, Employees, Agents, Consultants, Collaborators and anyone who works nationally and abroad – in the name of and on behalf of the group, is obliged to recognise and respect the personal dignity, private life and personality rights of any individual. No discrimination of any kind is tolerated, and everyone works with colleagues of any nationality, culture, religion, race and social group. No episodes of discrimination were recorded in 2023.

The compliance with mandatory regulations being understood, the system of remuneration, at any level, whether money or benefits, is inspired by the principle according to which remuneration is determined solely on the basis of evaluations concerning training, specific professionalism, experience gained, merit shown and assigned targets reached. With reference to the two main diversity characteristics (gender and age), it is reported that the Board of Directors of Metelli S.p.A. consists of five men, one in the 30-50 age group and the other four over 50. No minority categories are represented in the BoD.

The population of Metelli S.p.A. on the other hand is

divided as follows: TABLE 21

Division of the company population by gender and age

	% employees with the following characteristics
Women	40.3%
Men	59.7%
<30 years	7.6%
30-50 years	55.7%
>50 years	36.8%

7% of the company population is disabled; this percentage fully complies with the legal obligations on the recruitment of disabled persons.

As regards the measuring of the gender pay gap, some differences in salary were recorded for some contractual categories, as shown in the following table. Metelli S.p.A. has made significant progress towards achieving a fair and inclusive working environment; however, an existing gender gap requires continuous attention. The gender gap at Metelli S.p.A. is partly attributable to historical and sectoral factors: this has led to inherited disparities for which efforts are being made to fill any gaps. To ensure that the efforts are effective, Metelli S.p.A. will continue to monitor the progress made in reducing the gender gap.

As explained in its Code of Ethics, Metelli S.p.A. does not tolerate any form of discrimination or unfair treatment based on gender, race, disability, ethnic or cultural origin, religion or belief, age, sexual orientation or political conviction.

TABLE 22

Percentage difference in remuneration of women compared to men, by contractual category

Remuneration women vs men	%
middle management (A1)	99%
B3	89%
B2	79%
B1	90%
C3	87%
C2	100%
C1	100%
D2	87%
D1	63%

procedure that also includes social and environmental information.

GRAPH 25

Proportion of the number of suppliers according to their location



Relations with suppliers

At Metelli S.p.A., we are aware that the quality and reliability of our products is developed throughout the whole supply chain. Therefore, we subject all our suppliers to a strict selection procedure, performing checks to guarantee that they comply with our standards of excellence.

Metelli S.p.A. demands that all suppliers be certified to at least ISO 9001. If some of them are not certified, Metelli S.p.A. is responsible for assessing their quality through specific audits. Supplier qualifications are reviewed every quarter by a Vendor Rating, which analyses various aspects of the suppliers, including the quality levels of the delivered product/service, technical skill, delivery times, flexibility etc.

Currently, Metelli S.p.A. purchases its materials and/or components, indirect materials, goods and services from 574 vendors.

Most of the suppliers - 82% are Italian (57% located in Lombardy): over 60% of supply costs are spent on these (37% in Lombardy). Many of them however distribute non-Italian products.

At the moment, no vendor assessment procedures are based on environmental and/or social criteria, but in 2024 it is planned to produce a draft vendor assessment GRAPH 26

Proportion of expenditure to suppliers according to their location



Local communities

Metelli S.p.A. has deep roots in its local territory, where it was founded and has developed and prospered. Every year, we promote and undertake numerous initiatives to strengthen this bond and engage the local community, aiming to foster the creation and dissemination of common value.

Participation in the Brescia Art Marathon 2023

The sports event BAM, Brescia Art Marathon, has for years been a sporting feature of Brescia and has also become an opportunity where Confindustria Brescia companies and their employees share common goals and promote aggregation, visibility and health. For us, participation in BAM 2023 was also a charity event, associated to fundraising for two local associations: Associazione Sportiva Dilettantistica MOV and Ri.Pre.Sa. APS.

Metelli S.p.A. took part both by sponsoring the event and by supporting the participation of its employees: 10% of them joined the non-competitive race in 2023, and 2% took part in the competitive marathon.

Pallamano Cologne sponsorship

A.S.D. Pallamano Cologne, known as Metelli Cologne, was set up in 1984 by a professor and group of students, and immediately began to achieve success, even reaching the national handball final at the Youth Games. From there, it went on to win the "Serie A1" league in 1997/98, marking its mark as one of the great national handball teams.

Today, the team plays honourably in the national Silver championship, and continues to win titles in the youth competitions, winning nine national titles. Many players coming from the team's nursery have worn the national strip at both junior and senior level.

All this was made possible by the enthusiasm and

commitment of technical staff, managers and club members, which today total 140 in the various categories, from the Under 13s to the Silver series (national second division).

Pallamano Cologne is one of the top names in handball not only in Lombardy but across Italy, perfectly combining the personal growth of young players and coaching for high-level athletes.

Metelli S.p.A. has been supporting Pallamano Cologne for over 30 years, aiming to ensure continuity for this movement and promote handball at both local and national level.

Acquisition of MARGO and collaboration with the "AManoAMano" cooperative

In August 2023, Metelli S.p.A. announced that it had acquired MARGO S.r.I., a company with headquarters in Cologne (BS), Via Brescia 34, previously one of Metelli S.p.A.'s exclusive subcontractors. Right from the start, personnel training and integration were a priority for Metelli S.p.A.: the staff of MARGO S.r.I. were hired by Metelli S.p.A., thus benefiting from new professional opportunities.

At the same time this operation had a major impact of fostering the job placement of people with disabilities, through the collaboration with AManoAMano s.c.s., a cooperative that works to help people with disabilities recover social skills and return to work. The cooperative has been granted free use of the premises previously rented to MARGO S.r.l., which already belonged to the Metelli family, as well as the equipment.

The collaboration between Metelli S.p.A. and the cooperative AManoAMano not only creates new job opportunities for people with disabilities but also helps to foster a corporate culture based on social responsibility, labour inclusion and the enhancement of diversity. An internal training programme was launched at the Cologne premises to facilitate the inclusion of disabled workers. Here, the cooperative employees worked with those of Metelli S.p.A., acquiring the necessary skills for producing some components intended for the company.

Methodological note

Metelli S.p.A. is publishing its first sustainability report, aiming to transparently communicate its own environmental, social and governance performance to its stakeholders, telling of the initiatives undertaken, the results achieved and the future goals.

The reporting scope of this document is that of Metelli S.p.A., with reference to the financial year 01.01.2023 – 31.12.2023. The report was drafted using the Global Reporting Initiative Standards as a reference framework. Our sustainability report is published annually.

The Report 2023 was drafted by the ESG Committee, coordinated by the HSE Manager, supported by a team of external consultants, under the supervision of the Top Management.

Contacts

Please contact us, we're here to help!

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GRI contents index

Statement of use	Metelli S.p.A. has reported the information mentioned in this GRI contents index for the period 01.01.2023 – 31.12.2023 with reference to the GRI Standard.
GRI1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
	2-1 Organisational details	Metelli S.p.A. Contacts
	2-2 Entities included in the organisation's sustainability reporting	Methodological note
	2-3 Reporting period, frequency and contact point	Methodological note Contacts
	2-4 Restatements of information	Not applicable as this is the first reporting document
	2-5 External assurance	The organisation does not have a policy or practice for seeking external assurance
GRI2: General	2-6 Activities, value chain and other business relationships	The business model The value chain Relations with suppliers
Disclosures 2021	2-7 Employees	Workers
	2-8 Workers who are not employees	Workers
	2-9 Governance structure and composition	The governance structure
	2-11 Chair of the highest governance body	The governance structure
	2-12 Role of the highest governance body in overseeing the management of impacts	ESG governance
	2-13 Delegation of responsibility for managing impacts	ESG governance
	2-14 Role of the highest governance body in sustainability reporting	ESG governance
	2-22 Statement on sustainable development strategy	Our ESG plan

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GRI STANDARD	DISCLOSURE	LOCATION
	2-23 Policy commitments	The due diligence system
GRI2: General Disclosures 2021	2-24 Embedding policy commitments	The due diligence system The value creation model
	2-29 Approach to stakeholder engagement	The stakeholder perspective
	2-30 Collective bargaining agreements	Workers
CDI2.	2.1 Drogoga to datarming material taning	Impacto risko and opportunition
The ESG strategy:		
material topics, targets and actions	3-2 List of material topics	The material topics
GRI204:	3-3 Management of material topics	Relations with suppliers
Procurement practices 2016	204-1 Proportion of spending on local suppliers	Relations with suppliers
		Monogoment of any iron antal increases
GRI301.	3-3 Management of material topics	Management of environmental impacts Materials
Material Topics 2016	301-1 Materials used by weight or volume	Materials
	301-2 Recycled input materials used	Materials
		Management of environmental impacts
	3-3 Management of material topics	Energy
CD1302+	302-1 Energy consumption within the organisation	Energy
Energy 2016	302-3 Energy intensity	Energy
	302-4 Reduction of energy consumption	Energy
	302-5 Reductions in energy requirements of products and services	Energy
		Management of environmental impacts
	3-3 Management of material topics	Water
GRI303: Water and water discharge 2018	303-1 Interactions with water as a shared resource	Water
	303-2 Management of water discharge-related impacts	Not applicable as process waters are managed as waste
	303-3 Water withdrawal	Water
	303-4 Water discharge	Water
	303-5 Water consumption	Water

GRI STANDARD	DISCLOSURE	LOCATION
	3-3 Management of material topics	Management of environmental impacts Biodiversity
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity
GRI304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity
	304-3 Habitats protected or restored	Not applicable as the company does not perform prevention and restoration activities.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity
		Management of any ironmental impacts
	3-3 Management of material topics	Emissions
GRI305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Emissions
	305-2 Energy indirect (Scope 2) GHG emissions	Emissions
	305-4 GHG emissions intensity	Emissions
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Emissions
	3-3 Management of material topics	Management of environmental impacts Waste
GRI306: Waste 2020	306-1 Waste generation and significant waste- related impacts	Waste
	306-2 Management of significant waste-related impacts	Waste
	306-3 Waste generated	Waste
	306-4 Waste diverted from disposal	Waste
	306-5 Waste directed to disposal	Waste

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GRI STANDARD	DISCLOSURE	LOCATION
GRI403: Occupational health and safety 2018	3-3 Management of material topics	Occupational health and safety
	403-1 Occupational health and safety management system	Occupational health and safety
	403-2 Hazard identification, risk assessment and incident investigation	Occupational health and safety
	403-3 Occupational health services	Occupational health and safety
	403-4 Worker participation, consultation and communication on occupational health and safety	Occupational health and safety
	403-5 Worker training on occupational health and safety	Occupational health and safety
	403-6 Promotion of worker health	Occupational health and safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational health and safety
	403-8 Workers covered by an occupational health and safety management system	Occupational health and safety
	403-9 Work-related injuries	Occupational health and safety
	403-10 Work-related ill health	Occupational health and safety
GRI404: Training and Education 2016	3-3 Management of material topics	Training and education
	404-1 Average hours of training per year per employee	Training and education
	404-2 Programs for upgrading employee skills and transition assistance programs	Training and education
	404-3 Percentage of employees receiving regular performance and career development reviews	Training and education
GRI405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	Diversity, equal opportunities and non-
		discrimination
	405-1 Diversity of governance bodies and employees	Diversity, equal opportunities and non- discrimination
	405-2 Ratio of basic salary and remuneration of women to men	Diversity, equal opportunities and non- discrimination NB: applying the national collective bargaining contract (CCNL), at Metelli S.p.A. the minimum salary paid to women and to men is completely equal
GRI406: Non discrimination 2016	3-3 Management of material topics	Diversity, equal opportunities and non- discrimination
	406-1 Incidents of discrimination and corrective actions taken	Diversity, equal opportunities and non- discrimination
	3-3 Management of material topics	Local communities
GRI413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Local communities
	413-2 Operations with significant actual and potential negative impacts on local communities	Local communities

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Document drafted with the support of Studio ARES (www.studioares.net)

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July 2024

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