

SUSTAINABILITY
REPORT
2022

SUSTAINABILITY REPORT
2022

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Gianpietro Gamba



Daniele Marconi



Valentino Pellenghi

Letter to the Stakeholders

We are proud to present the first edition of Metal Work S.p.A.'s Sustainability Report, a document that testifies to our company's current and future commitments in relation to social and environmental issues, in order to promote and divulge our idea of a sustainable future.

This vision, in fact, is an intrinsic part of our corporate culture. A culture that, every day, we build and promote together with all our stakeholders - and in this culture, sustainability is a pivotal element.

Cultural sustainability in political and institutional agendas is a concept linked to economic and socio-environmental issues, which leads us to rethink the cultural heritage of the community as a strategic component, for the present and the future, of the next generations. In this context, culture, environment and social relations become priorities to be nurtured, especially in the scenario of socio-economic uncertainty and geopolitical instability that, in recent years, have had significant repercussions on our society.

In our sustainability journey, culture becomes an engine of change, a constructive leverage capable of implementing sustainable changes. Indeed, it is through it that we are able to pursue our goals and to inspire sustainable, environmentally friendly and people-friendly behaviours: both internally, towards our employees, and externally, towards those we come into contact with on a daily basis.

With this document, we wish to communicate and share the commitments, tools and objectives we have set in order to contribute to a more sustainable future.

Wishing to convey to you the importance and commitment of our company to the achievement of these results, and the future ones that await us, we hope You will enjoy reading this.

Metal Work S.p.A. Managing Directors



Gianpietro Gamba



Daniele Marconi



Valentino Pellenghi

Note on methodology

This document is the first edition of Metal Work S.p.A.'s Sustainability Report. It has been written and published voluntarily with the aim of describing to all stakeholders the path that the company has taken in integrating environmental, social and governance aspects within the company's activities, by valorising key information, data and achievements, and with a commitment to the creation of shared long-term value.

The Sustainability Report has been prepared in accordance with the GRI Sustainability Reporting Standards (GRI Standards) 2021, defined by the Global Reporting Initiative (GRI), using the "with reference to" approach. The guidelines used as a reference are indicated in the appropriate "GRI Content Index" chapter of this document, in which the paragraph and the page where the relevant guidelines can be found are indicated.

The Sustainability Report is written in accordance with the principles of balance, comparability, accuracy, timeliness, clarity and reliability.

The information contained reflects the materiality principle of the GRI Standards. The reported topics, described in the "Materiality Analysis" chapter, are those which, at the end of an evaluation process involving the company management, were found to be the most relevant, and at the same time able to reflect the positive and negative, potential and current impacts generated by Metal Work's activity.

The reporting boundary corresponds to that of the Company's Financial Statements for the financial year ending on the 31st of December 2022. The Sustainability Report therefore refers to the period from the 1st of January to the 31st of December 2022 and, in order to present our performance over a more extended time horizon, whenever available, a comparison has been made with figures for the financial year 2021. The document therefore refers to data relating to Metal Work S.p.A. alone, although some contextual information on the group is provided.

To ensure the reliability of the data and information published, priority was given to the inclusion of directly detectable and measurable qualitative-quantitative indicators, with recourse to estimates only in limited and duly reported cases.

The Sustainability Report for the first year of reporting is not subject to third-party verification. It was published on 01.07.2023 and made available on the Company's website at the following address https://www.metalwork.it/showForm.php?template=financial_report&masterPage=form_bilanci.html

For additional information on objectives, indicators and results achieved, or for comments on this document, please contact the company at: metalwork@metalwork.it





01

Who we are

The identity card of our group

Leader of pneumatic components.
Metal Work S.p.A., parent company of the group,
is an Italian company specialised
in the production of pneumatic components
for industrial production.



70

Dedicated
specialists



25.580

Active
clients



320

People
in direct contact
with the market
every day



55

Companies
in the Group



1.1

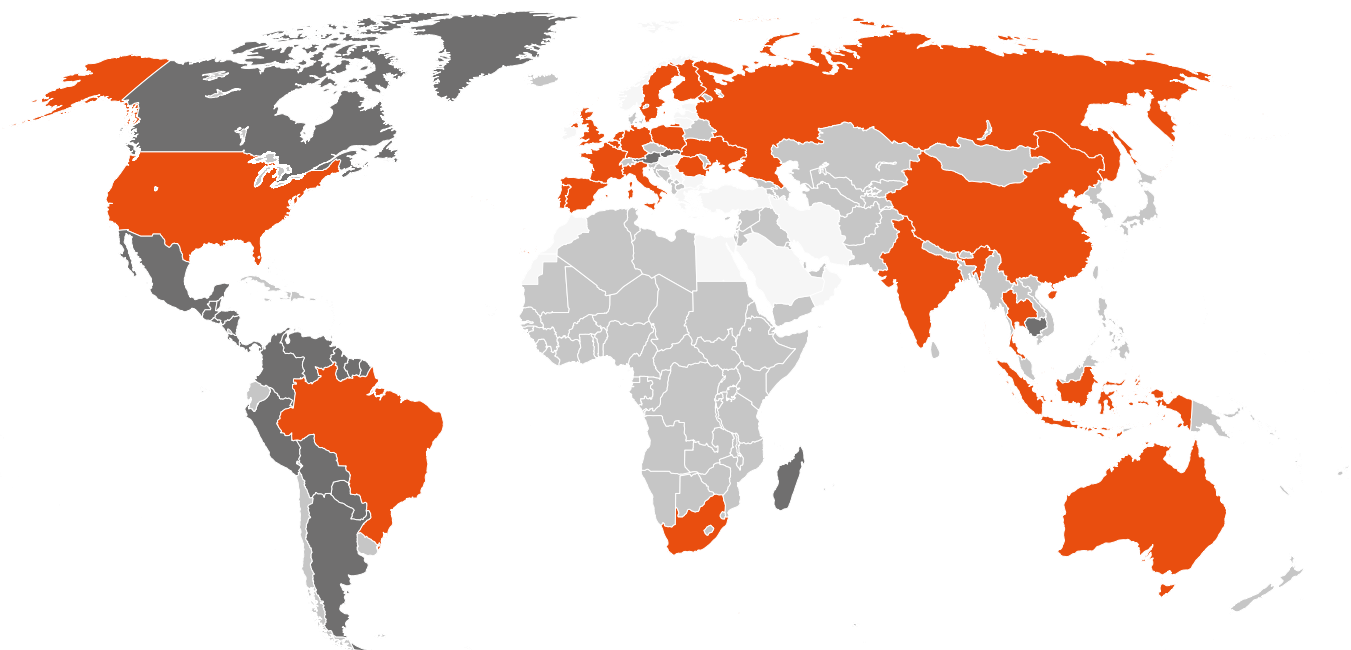
The Metal Work Group

The principles, values and key elements of our way of operating are shared and conveyed by all the companies in the Group.

Therefore, in order to understand the drivers that guide our choices, we consider it necessary to provide some contextual information that characterises us.

Since 1967, the Group has experienced a steady growth, both in Italy and in the rest of the world.

Metal Work Holding S.p.A. is a global company that can be close to its customers everywhere, at any time, thanks to the **55 companies in the group (in addition to the parent company Metal Work S.p.A.)**, which are located both in Italy and abroad. Our companies offer an **extensive and efficient pre-sales and after-sales service**, and they create customised solutions for local customers.



- Branches
- Commercial Areas
- Sellers

The story of the Metal Work group

For over **50 years**, we have been **designing, manufacturing and selling pneumatic automation components**. As pioneers of the mechanisation process, we have faced emerging challenges, with

a vision that can innovate and provide concrete answers to the new needs presented by the market and by the social context.

The stages of our journey



1967

Metal Work was born as a one-man company

1974

Establishment of Metal Work S.p.A.

1982/83

the first Italian and foreign subsidiaries were born

1998

Establishment of the Metal Work Holding S.p.A. Group



2002/03

First acquisition of a manufacturing company in Italy and in Europe

2006

Opening of a branch in China

2008

Launching the Kaizen project

2011

Opening of a branch in Russia



2013

Launching the ELITE project

2015

Opening of the new Metal Work S.p.A. production site.

2019

Acquisition of American Cylinder Co.

2021

Establishing a company in Singapore



2022

Acquisition of AR Vacuum Technologies and establishment of Eurocomp Holding

Our Group's corporate structure

The structure of the Group we belong to includes:

17 Italian companies called Metal Work Service

Located mainly in northern Italy, for the distribution of products throughout the country.

15 trading and manufacturing companies called Metal Work or Metal Work Pneumatic

Mainly located in European countries, as well as in Ukraine, Russia, the UK and Switzerland.

9 non-European trading and manufacturing companies called Metal Work or Metal Work Pneumatic

Located in the United States, South-East Asia, Oceania, China, South Africa and India, joined in 2021 by Singapore-based Metal Work Pneumatic PTE.

2 Metal Work Pneumatica do Brasil companies

Brazilian production company held indirectly through a holding company and jointly with the local management in order to cover the South American market.

Eurofit S.r.l.

It manufactures and distributes its own range of fittings and other accessories.

Alfa Meccanica S.r.l.

Active in the industrial automation and handling sector.

Fluid Force S.r.l.

Active in the production of speed regulators and hydraulic brakes.

Assemblaggi Industriali S.r.l., Tecnopolimeri S.r.l. and Meridian S.r.l.

Production satellites of Metal Work S.p.A. in the areas of fitting assembly, plastic moulding and mechanical turning.

Metal Work Automation S.r.l.

Active in the production of special assembly and assembly machines and switchboards, as well as in the implementation of software for industrial purposes.

Vdm S.r.l.

Active in the sector of painting industrial parts.

Signal S.r.l.

Associated company, active in the field of electronics applied to industrial automation.

American Cylinder Company

Based in Peotone (IL), fully owned through the company Metal Work Pneumatic USA Inc. which produces cylinders for the American market.

AR Vacuum Technologies

Spanish company specialised in the design and production of components and complete systems for high pre-station industrial vacuum.

Eurocomp Holding

For the purpose of acquiring holdings in companies active in the service and maintenance of compressors.



1.2

The method in our way of thinking

Corporate strategy and culture are geared towards creating processes that strive for excellence. Thanks to the contribution and enhancement of our resources, we can aim at continuous improvement.

Updating and innovating our products and processes allows us to reduce waste and, at the same time, to put the customer at the heart of the process. It is through this strategic approach

that we are able to give effective answers to all our stakeholders, with a focus on environmental issues, which require constant process efficiency.

Our mission



Mission

Creating a positive impact on the local community by producing sustainable and high-quality goods. We are indeed strongly local and socially oriented.

We are constantly innovating, proud of our role **as one of the most significant players in the field of pneumatics for automation**. Our growth is reflected in the growth of our collaborators, customers and suppliers, who enable us to guarantee the quality of our products and to live up to our core values: **respect for the environment, giving value to people, and distributing value for the benefit of the community**, in order to meet the expectations of all our stakeholders.

We actively collaborate with local suppliers, using raw materials from sustainable sources. We are committed to creating stable and meaningful jobs for the communities in which we operate. **Social responsibility** is another of our core values. We invest in people by providing training and development programmes, and by promoting a safe and inclusive working environment.

We also collaborate with non-profit organisations and local associations in order to support charity projects, educational and environmental initiatives.

We are committed to minimising the environmental impact of our production activities by adopting sustainable practices, such as using renewable energy, recycling waste and optimising resources. We are constantly looking for innovative solutions to improve our energy efficiency and reduce carbon emissions.

The quality of our products is an absolute priority. We use advanced production processes and rigorous quality controls to ensure that every

product meets the highest standards. We are committed to offering safe, durable products that meet our customers' needs.

We aim at being a positive role model for other companies in order to generate a significant change in the way of doing business in our sector.

We are aware that in order to be a leader, we have to take on the responsibility that comes with our position. This is why we have developed a **Lean Thinking attitude**, by reducing waste along the entire value chain and by constantly involving all our people, in order to enhance the flexibility and competitiveness of our company.



Man



Machinery



Zero waste

Kaizen Philosophy

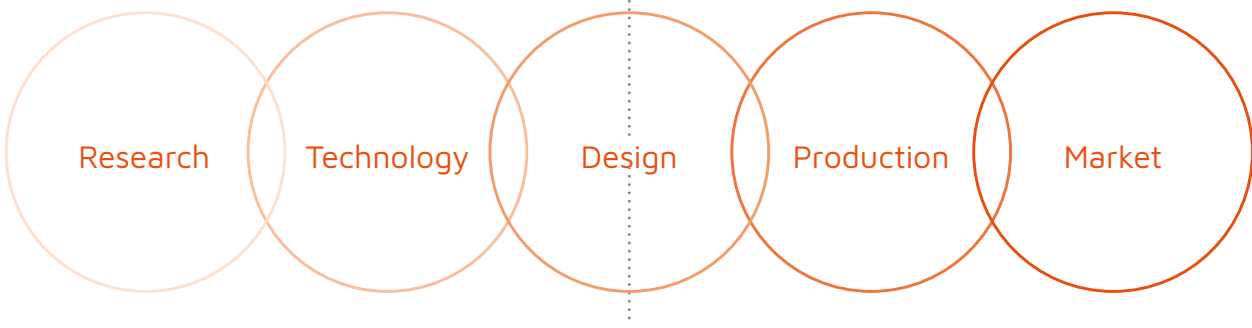
One of the ways in which we strive for continuous improvement in our operations is through the application of the Japanese management philosophy Kaizen, a word that actually means 'change for the better' in Japanese.

This philosophy has as its founding principle the concept that: '**Energy comes from below**'. According to this principle, the performance of an enterprise is not solely due to decisions taken from above by the management, but it generates from

the direct work on products and processes carried out by all internal publics as well. Management therefore assumes a function that is not only related to management itself, but to guiding and supporting employees and people as well.

Radical Innovation

Kaizen



In production, and more generally in the industrial sphere, the method involves continuous **improvement involving the entire structure of the organisation and all company roles.**

This approach starts from the **research** phase and it goes through all business processes, reaching the end customer through the **market**. Only in this way can we achieve the following results:



Improvement of the working environment



Saving resources
such as energy and materials



Finalising ideas
For new products



Reducing waste
in all corporate processes



Continuous improvement of the work
of every employee



Efficiency of processes and of machinery use



Quality improvement
in the end product



Improvement of customer service and of relations
with customers as well

1.3

Metal Work S.p.A.'s business model

Metal Work is a vertically integrated company. This model allows control of the entire production cycle: from process engineering to product engineering, with a focus on detail.



Almost the entire range is manufactured in-house, starting with the selection of raw materials right through to final assembly, **thus reducing waste and shortening lead time**. Critical analysis of production and test data is also processed, generating continuous improvements in both product and process. This is why the **Company Wide Quality Control**

has established itself as a standard of guarantee and quality.

Product quality and a dynamic sales organisation are the foundations on which Metal Work is firmly based. A modus operandi **to meet and satisfy the most diverse pneumatic automation requirements**.



FOCUS

Certifications

Since **1992** we have been certified according to **UNI EN ISO 9001**. In 2000, the quality system certification was joined by the environmental management system certification according to **UNI EN ISO 14001**. To these, in **2007**, we applied the British standard OHSAS 18001 to ensure a Workers' Health and Safety Management System, and in **2019** we moved to the **UNI ISO 45001**. All our accreditations were issued by the German certification body DEKRA ITS, accredited by the DAkkS.

To ensure an integrated management of all technical and organisational aspects of the company, the various management systems have been incorporated into an **Integrated Safety-Environment-Quality Management System (IMS)**. In addition, since 2016 we have also been certified with Elite, the project of Borsa Italiana (Italian Stock Exchange) implemented in collaboration with the Ministry of Economy and Finance (MEF), Confindustria and ABI (Italian Banking Association), designed to accompany and support the growth of small and medium-sized enterprises (SMEs).

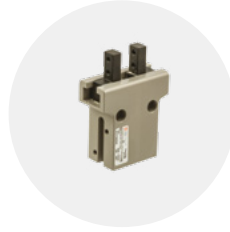
The offer we propose to our customers consists of five product lines:



Pneumatic and electric actuators



Air treatment units



Manipulation components



Fittings and system accessories



Mechanical, pneumatic and electropneumatic valves

Metal Work Pneumatic's products are created in the **Research and Product Development department**, which works hand in hand with the industrialisation department in order to integrate different skills and professionalism. The development phase following the design is the testing phase: all our products are subjected to intense workloads in a continuous cycle in order to test their durability.

In the production process, products are manufactured through the purchase or direct production of individual components. These are then assembled and tested before being placed on the market. Our production department is organised in such a way as to **guarantee production continuity through a structured 24-hour system**, divided into three shifts.

Our three main production areas



1. Tool and equipment preparation area

The instruments used are prepared, maintained and checked in order to ensure that they are in excellent condition to be used during the following phases.



2. Machinery operating area

Components are assembled and final products are created. Appropriate procedures and protocols are adopted in order to ensure the efficiency and precision of the production process.



3. Quality Control Area (SPC - Statistical Process Control)

Product quality is monitored and evaluated during the production process. An SPC (Statistical Process Control) approach is applied, which involves the use of statistical tools and techniques in order to detect any variations or anomalies in the production process.

PHASE	INPUT	OUTPUT	ACTIVITY
1. Storage	Raw materials (metals and plastics). Auxiliaries (oils, solvents...)	Raw materials. Auxiliaries. Packaging waste.	Receipt of raw materials and components, we proceed to the opening of packages for verification of materials. Subsequently, the materials are stored in the warehouse or sent to the production departments.
2. Turning and Milling	Raw materials. Whole cutting oil. Water for emulsions. Energy.	Oil-stained semi-finished products. Metal shavings from cutting. Oil/emulsion residues. Oil-stained rags. Filters for suction of oily mists. Dust and oil mist emissions. Noise.	The materials are subjected to processing mechanically by means of the use of automatic lathes, together with cutting oils and oil emulsions. At the end of of this phase, the machined parts are subjected to a quality check.
3. Tumbling	Semi-finished products. Water. Abrasives (tumbling stones).	Deburred semi-finished products. Exhausted belt filter and sludge (waste), exhausted abrasives (waste). Water with oily residues.	We proceed to the tumbling of the aluminium parts, to remove any burrs and surface imperfections. We proceed to the tumbling.
4. Degreasing	Oil-stained semi-finished products.	Degreased semi-finished products. Recovered oil.	Degreasing using a washing cycle, which allows the recovery of the solvent used through a distillation process.
5. Moulding	Raw materials (plastics). Energy (heat).	Semi-finished plastics. Breakage plastics.	The plastic components are purchased by a subsidiary company of the Group (Tecnopolimeri S.r.l.), which carries out the hot moulding of plastic granulates, using special presses to obtain the semi-finished plastics that make up the finished product.
6. Pad printing	Semi-finished metals and plastics. Inks.	Semi-finished pad-printed products.	Printing is performed by pad-printing, inkjet or laser of the company logo codes and other graphic motifs on finished product parts, by using an automatic machine.
7. Assembling	Semi-finished metal and plastics. Glues. Lubricants.	End product.	Assembly of components using dedicated equipment, glues and/or lubricants, to obtain the end product, which will then be subjected to testing.
8. Packaging	End product Packaging.	Finished and packaged product.	The products are packed to be shipped to the customer.

The market we work for

Our target market is transversal, mainly due to the nature of our components, whether they are dedicated to pneumatic, electrical or process automation.

We find movement in almost every machinery or plant, customised according to the specific requirements of the individual field of application (think, for instance, of the different requirements of someone who has to install a pneumatic cylinder in an analysis laboratory or in a foundry plant).

From general automation, for those operating in 'usual' environments, to applications requiring special cleaning (**Life Science or Food & Beverage**), right up to **Heavy Duty** applications, where the careful choice of materials and treatments makes the difference. Without neglecting, of course, the transport sector, with its associated regulations, or the potentially explosive environment, where the reduced presence of electrical components makes the use of pneumatics particularly suitable.

Furthermore, there is a growing need for positionings with the possibility of changing rides, speeds and accelerations. These requirements are met by electric axes. For years now, Metal Work has been offering electric cylinders with an interface in accordance with **ISO 15552**, which are therefore interchangeable in size with pneumatic cylinders. The additional proposal of new solutions has made our range of electric axes even wider.

Process automation deserves a separate mention: there are application areas where products designed for normal use

with compressed air are not suitable (e.g. liquid dosing plants, steam transport systems or chemical processing plants). For these applications, which fall under the generic '**process industry**' term, it is necessary to use components designed using specific materials, treatments and technical solutions. Metal Work offers a wide range of products for shutting off and regulating the flow of various types of fluids: water, steam, mineral oil and various chemicals.

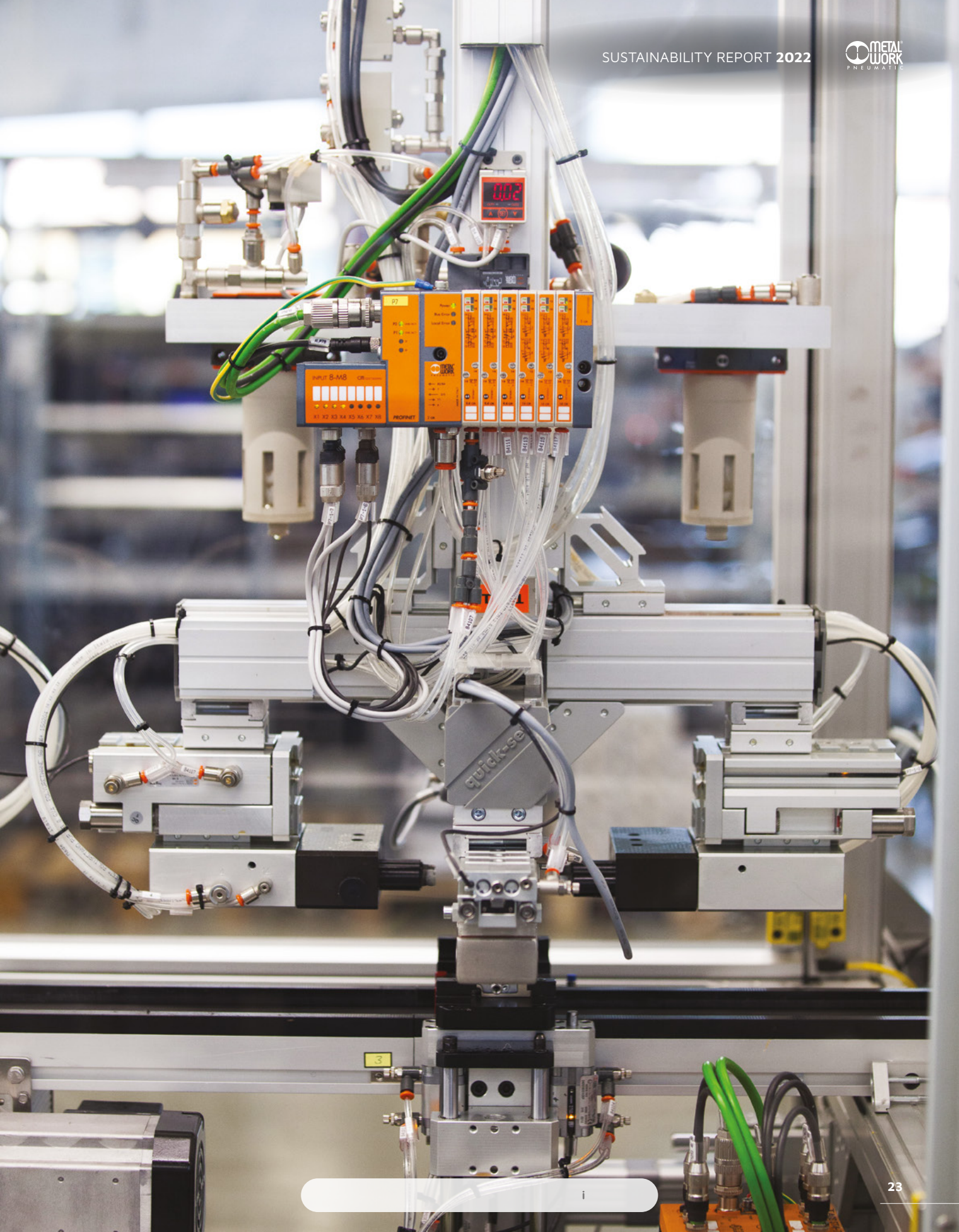
We firmly believe that our strength lies in the **effectiveness of the proximity services we provide to the customers** we work with, always trying to be at their side.

Our automated logistics centre operates 24/7, enabling us to guarantee fast same-day deliveries to customers and, in any case, in no more than 72 hours for customers who are further away.

Our transport is completely outsourced: in Europe it is done exclusively by land; by sea and air, on the other hand, for overseas destinations. To achieve this, we have decided to undertake a course of action that will lead us to optimise our transports, especially those of turnings, which, because of their nature, despite their low weight, occupy high volumes, with the possibility of reducing transport costs and related emissions by 70%.

REDUCING BY **70%**
TRANSPORT COSTS
AND RELATED EMISSIONS

AUTOMATED
LOGISTICS CENTRE
OPERATING
24H/24H





02

Our approach to sustainability as part of our corporate culture

Sustainability has always been part of our corporate culture. We strive every day to adopt sustainable economic, social and environmental behaviours, encouraging their adoption by the stakeholders we interact with.



455

Employees of the company
of which 99% on a
permanent contract



10.684

Hours
of training



17,27

Accident
rate



5%

Energy consumption
saved per year



99%

Waste
for recovery



94.5%

Suppliers
in Italy



2.1

The dialogue with our Stakeholders

At Metal Work we develop and maintain relationships of trust and collaboration with our stakeholders, i.e. employees, customers, suppliers, the Trust and the Erminio Bonatti Foundation.

Furthermore, the company's stakeholders are all those individuals or groups, as well as the organisational units representing them, whose interests are touched by the direct and indirect effects of our activities, such as **the financial community, local communities, institutions and the public sector.**

We consider it essential to **establish and cultivate solid and lasting relationships with all our target audiences**, relationships based on **trust, involvement, dialogue and respect**. This is the only way we can embrace and capitalise on the multiplicity of interests and needs of each individual, perfecting our approach and our activities.

Our Stakeholders

Suppliers

We are aware of the importance of establishing and maintaining solid and lasting relationships with all our suppliers, focused on compliance with precise and high standards of quality, ethics and corporate responsibility.

Clients

The ultimate goal of our actions and decisions is the satisfaction of our clients, starting with the creation of products that meet the highest quality and safety standards.

Employees

Change, which is a prerequisite for keeping up with the challenges of the market, cannot disregard the valorisation of People, the development of their professionalism and the promotion of their well-being. People are the fundamental asset and the essential prerequisite for the competitiveness of our company.

Institutions and public sector

We promote dialogue with institutions and with the public sector, and we are committed to establishing fair, transparent and constructive relations, with the aim of collaborating on a variety of initiatives.







Local communities

We express and emphasise the central importance we give to people, also through the strong bond with local communities, with whom we collaborate by carrying out multiple initiatives.

Financial community

The financial community gives us access to the resources we need to create value. Therefore, one of our main objectives is to involve them in all company processes, through a transparent, clear and effective communication.

Below you will find a brief description of how we involve our **stakeholders**:

STAKEHOLDER CATEGORY	INVOLVEMENT MODALITIES
 Employees	<ul style="list-style-type: none"> • Internal Communications • Documents shared via corporate communication media • Corporate intranet • Training and education • Growth and development paths
 Clients	<ul style="list-style-type: none"> • Constant dialogue and reporting through sales and marketing managers • Corporate social media • Corporate website • Reporting and accountability • Product brochures
 Suppliers	<ul style="list-style-type: none"> • Constant dialogue and relationship through the Purchasing function • Exchanges and involvement through verification, selection and qualification activities • Communication and exchanges during the contractual phase and subsequent renewals
 Financial community	<ul style="list-style-type: none"> • Corporate website • Institutional communications • Meetings • Reporting and accountability
 Local communities	<ul style="list-style-type: none"> • Collaborations with foundations and local organisations • Specific events and meetings • Support for activities aimed at promoting the territory and its culture • Corporate website • Corporate social media
 Institutions and Public Sector	<ul style="list-style-type: none"> • Reporting and accountability • Institutional communications • Corporate website • <i>Ad hoc</i> meetings

2.2

Materiality analysis

In order to strategically prioritise and report on the most relevant sustainability issues for Metal Work S.p.A. in 2022 in this document, we performed a materiality analysis that allowed us to identify our material themes.

The analysis was conducted in accordance with the reporting principles of the GRI Universal Standards 2021, taking as subject matter issues those reflecting **the most significant impacts of the company on the economy, environment and people, including those on human rights**, as a result of the organisation's activities or business relations.

The materiality analysis

The materiality analysis followed the following steps:



1. Understanding the company context

Analysis of key industry trends and benchmarking of competitors and peers, best practices and customers, using ESG documentation produced by them. Relevant aspects for the Company, in relation to our activities and business relations, were identified, together with the context in which we operate and the expectations of our stakeholders.



2. Identification of positive and negative impacts and related issues

Through the analysis of public documentation on the main impacts of our business sector, we were able to identify the current and potential positive and negative impacts of our company on the economy, on the environment and on people.



3. Assessing the significance of impacts

Through the course of a workshop with top management, the significance (1) of each impact was assessed.



4. Prioritisation of the most significant impacts and definition of the list of material issues

Through the analysis of the feedback gathered from top management, the impacts and associated themes were prioritised, and a list of **13 material issues** for our company was defined. Among the most relevant topics for the Group there are **the Generation of Shared Value, Product Quality and Innovation, and Safety in the Workplace**, which testify to the priority interest we have in our people and our customers.

1. Significance is defined as the probability of impacts occurrence, in terms of their severity when they occur.

Our material themes and issues were then brought back to **our sustainability pillars**, which encapsulate the essence and goals of our sustainable action.

Our sustainability pillars

PROMOTING A SUSTAINABLE CULTURE



Regulatory compliance is the basis of our culture and our governance guides us towards a sustainable growth.

<p>Sustainability Governance: ethics and business integrity</p>	<p>Maintaining strong and trust-based relationships with stakeholders. Understanding the specific demands, expectations and needs of each category considered, through a constant dialogue.</p>
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PROMOTING QUALITY AND RESPONSIBILITY



The quality and innovation of our products and the promotion of responsible behaviour all along the supply chain are the key to our success.

<p>Generation of shared value</p>	<p>Supporting a responsible business growth through the creation and distribution of generated value and the creation of positive impacts on the market.</p>
<p>Quality and innovation of products</p>	<p>Guaranteeing quality products and promoting innovation, fostering customer satisfaction and loyalty.</p>
<p>Promoting investment in green technologies</p>	<p>Promoting sustainable innovation thanks to the diffusion of low environmental impact technologies.</p>
<p>Responsible marketing and brand reputation</p>	<p>Protecting the reputation of the Group and the value of the Metal Work brand within the market.</p>
<p>Responsible management of the supply chain</p>	<p>Managing the relationship with suppliers by integrating sustainability criteria into the selection and evaluation processes. Paying special attention to the respect of human rights throughout the company's value chain.</p>

PROTECTING OUR PLANET



Environmental protection is for us a form of responsibility towards present and future generations.

Reducing emissions and managing consumption

Reducing energy consumption by promoting the reduction of climate-changing emissions and contributing to the fight against climate change.

Managing water consumption

Promoting the protection of water resources by minimising water waste and encouraging the reuse of water in manufacturing processes.

Responsible production and waste management

Minimising waste production and the use of virgin raw materials. Promoting a circular business model that aims at maximising material reuse and recovery.

GIVING VALUE TO PEOPLE



The value of our people is an essential factor for us, in order to create a healthy, stimulating and safe environment.

Well-being and inclusion

Promoting the development of working conditions that ensure the well-being of workers. Supporting the introduction of programmes aimed at ensuring the protection of diversity in the company, favouring the creation of an inclusive environment.

Safety in the workplace

Developing working conditions that protect the safety of employees, with timely management and monitoring systems to prevent occupational accidents.

Valuing skills

Providing training courses aimed at professional and personal growth, through active listening and periodic enhancement of employees' skills.

Relations with communities

Paying great attention to the support of local communities through the development of initiatives that promote personal health, culture, art and sport. Generating value for the community and for the territories in which the company operates.

2.3

Our sustainability goals

We want to distinguish ourselves by becoming promoters of a sustainable culture, in which the combination of sustainability and culture can be a vehicle of development for our organisation and all our stakeholders.

In order to promote a culture of sustainability on a daily basis, while seeking to integrate ESG priorities into business logic and maintaining an approach in line with the values that guide the company’s operations, we have identified some objectives to be pursued in the coming years:

PROMOTING A SUSTAINABLE CULTURE



Regulatory compliance is the basis of our culture and our governance guides us towards a sustainable growth.

This is why we are committed to ensuring compliance with current regulations and to being promoters of a sustainability-conscious governance. We promote a culture of sustainability in line with the company’s founding values and principles, which have accompanied us for more than 50 years.

Local communities and territory	Organising structured corporate volunteering activities on the territory , by actively involving Metal Work employees.
Corporate Communication	Harmonising communication activities in the CSR field and in sustainability by preparing a communication plan in line with the Sustainability Report .
Governance	Implementing Protocol 231 by the end of 2023 in order to ensure legal conformity and to promote an ethical and responsible corporate culture. Therefore, revising activities, identifying risk areas and implementing appropriate preventive measures. Involving employees and constantly monitoring the effectiveness of the compliance system.

PROTECTING OUR PLANET



Environmental protection is for us a form of responsibility towards present and future generations.

This is why we are committed to reducing the impacts of our operations in terms of energy consumption, waste generation and waste recovery, and responsible management of raw materials and water resources. We monitor our consumption, adhering to the highest regulatory standards and identifying efficient and continuous improvement actions.

Managing energy consumption

Reducing energy consumption. Owning **50% of electric or hybrid** cars in the company fleet within 5 years. Fighting the climate change.

Renewable energy

Increasing the share of renewable energy through the purchase of **Origin Guarantee Certificates**

Environmental initiatives

Implementing **employee awareness initiatives on the responsible use** of company equipment and materials.



GIVING VALUE TO PEOPLE



The value of our people is an essential factor for us, in order to create a healthy, stimulating and safe environment.

That is why we are committed to building relationships based on respect and trust, recognising in every context the value of our employees, of local communities, and of suppliers and customers. We believe in an inclusive, health- and safety-conscious environment and we respect the communities in which we operate, striving to raise everyone’s awareness towards sharing a sustainable culture.

Health and safety	<ul style="list-style-type: none"> • Launching a process for the provision of voluntary training on Health and Safety at Work. • Planning further awareness-raising activities on Health and Safety at Work.
Diversity and Inclusion	<ul style="list-style-type: none"> • Conducting a survey among employees on D&I issues. • Activating an e-mail mechanism for the collection of anonymous reports. • Developing engagement initiatives on D&I issues.
Well-being and welfare	<ul style="list-style-type: none"> • Conducting an internal climate survey. • Introducing welfare initiatives dedicated to employee welfare, considering providing courses on the subject.
Training	<ul style="list-style-type: none"> • Designing <i>ad hoc</i> training plans per professional category. • Structuring new training courses on sustainability issues.
Career development	<ul style="list-style-type: none"> • Initiating a structured employee performance appraisal process.



03

Promoting a sustainable culture

In order to promote a sustainable culture, it is essential to establish constant, solid and transparent relations with your stakeholders. It is important to do this by starting from what you believe in most, such as the territory where you work and the cultural and artistic heritage that it offers.



+25 years

Of social commitment and solidarity



0

Episodes of corruption



8

Fundamental principles making up the Code of Ethics and Conduct



In fact, culture is a way to contribute to the development of a community, and to ensure its prosperity as well. This is why we conduct our business in an ethical and integral manner, promoting and sharing our principles of conduct with our stakeholders, both inside and outside the company. It is about spreading **a culture of care towards society**.

3.1

Governance: ethics and business integrity

A strong culture needs solid principles in order to thrive. This is why, at Metal Work, we have always placed great emphasis on respecting the principles of ethics and business integrity.

This attention is reflected in the adoption of the principles contained in our Code of Ethics and Conduct:

they are the basis of every business decision and of our behaviour both inside and outside the company.

Our governance structure

We are committed to promoting a sustainable culture by operating both ethically and transparently, through a governance system that promotes the company's founding principles.

We operate in full respect of regulatory compliance. To prove this, over the past two years, **there have been no incidents of non-compliance with laws and regulations, and no episodes of corruption.**

The bodies constituting our governance structure are the **Board of Directors** (BoD) and the **Board of Statutory Auditors**.

The **Board of Directors**, in charge since June 2021, consists of **six members**. The directors, one woman and five men, **are all over the age of 50**.

Of these, three have delegated powers, which have been assigned according to their respective competences. The control function is entrusted to the **Board of Statutory Auditors**, which consists of three members, all men.

Appointment of Metal Work directors and remuneration

Directors are appointed by the Shareholders' Meeting for a period not exceeding three financial years, and they may be re-elected. The remuneration is determined by the Shareholders' Meeting, which, after consulting the Board of Statutory Auditors, may provide for an increase in the remuneration for directors holding special offices, as well as approve the accrual of a severance payment. The company's Articles of Association provide for the payment of a bonus, directly linked to the group's EBITDA performance for Managing Directors.

Managing Conflicts of Interest and Reporting Violations

Metal Work S.p.A. has set up, in its **Code of Ethics and Conduct**, a procedure for the management

of conflicts of interest, including an obligation to report them to the managers of each company division or, in any case, to other subjects identified by internal procedures. The Code of Ethics and Conduct itself designates the **Human**

Resources Manager as the person responsible for clarifications and reports on non-compliance with the principles of the Code. Reports shall be made anonymously and while respecting confidentiality.

Code of Ethics and Conduct

In 2019, the Board of Directors approved our Code of Ethics and Conduct, which applies to the entire Group.

It is a set of positive principles and rules of conduct that Metal Work has deliberately chosen to adopt and to make public, as a concrete expression of our intentions towards the people we come into contact with.

Compliance with the Code of Conduct and constant application of its principles can avoid conflict situations and help overcome interpersonal relationship problems.

The Code is a point of reference for our everyday work. All actions, in fact, or relations between people and towards the outside world, have effects on the company, both positive and negative. **Professional integrity, honesty and respect for commitments are attitudes that generate trust in the company.**

The Code of Conduct is also intended to **help people identify ambiguous or potentially risky situations that may arise in the course of activities**, as well as unclear relationships or behaviour that may harm both Metal Work and all its staff.



Fundamental ethical principles

In the Code of Ethics and Conduct, we have listed the principles that we consider fundamental for the proper management of the business:



Legality

It is the pillar on which the entire Code rests. Consequently, a violation of this principle is not justified under any circumstances.



Honesty

It is necessary to gain credibility both inside and outside the company and to establish relationships of trust with all stakeholders.



Responsibility

It means to consider the consequences of one's actions, paying attention to their impact on the community and on the environment, as well as on the sustainability of Metal Work's growth in the long term.



Good management on all levels

It is the ability to lead and manage the company in a balanced and profitable way, but also the commitment of each individual to carry out his or her work correctly, effectively and efficiently, always providing high quality standards.



Promoting a culture

Promoting a shared culture of safety and awareness of both individual and general risks, through risk management systems and through the identification of benchmarks for business decisions and for the definition of procedural standards.



Respect

It means the protection of the physical and moral integrity of the staff and its valorisation as a key resource for competitiveness and success.



Equity

It represents the ability to maintain a constant balance between individual and general interests, of the individual and the company. With regard to the treatment of people, it indicates the need to give fair consideration to abilities and merits, as well as to duties.



Transparency

In both acting and communicating, and when informing as well, the sphere of business management must be clear, verifiable, simple, understandable, pragmatic, timely and truthful.



3.2

The Erminio Bonatti Foundation supporting the territory and its culture



"We support art and culture, because our values go beyond our work"

Erminio Bonatti



FOCUS

Our Founder: Erminio Bonatti

Erminio Bonatti, who passed away in November 2017 at the age of 82, was a man of great entrepreneurial spirit. Thanks to his willingness and ability to face and overcome the challenges of the market, he has allowed the company to evolve to its current structure.

His well-known sensitivity and awareness towards local associations, scientific research and medicine, culture and art in all its expressions, and his foresight and entrepreneurial strategy have always guided the fundamental choices of his life.

In **2017**, he set up the **Foundation** that now carries his name, with the intention of creating a connection with society: a testament to the ethics that have always permeated the running of the business over the years.

The Erminio Bonatti Foundation, set up on the 25th of October 2017 by Mr Erminio Bonatti, is a non-profit organisation and it aims at pursuing social solidarity purposes within the territory of the Lombardy Region. It promotes initiatives exclusively for social solidarity and for the civil, cultural, scientific, environmental and economic development of the Lombardy community.

The Foundation mainly carries out charitable activities, granting free donations in cash or in kind, with the use of sums coming from specially

collected donations in favour of non-profit organisations.

On 01/02/2018, **the President of the Lombardy Region** declared the legal recognition of the Erminio Bonatti Foundation by entering it in the Regional Register of Private Legal Persons (ref. Decree no. 886 of the 1st of February 2018 - Act Id. no. 850). As of today, the President of the Foundation is Donata Dell'Anna Bonatti, Erminio Bonatti's wife.

THE ACTIVITIES OF THE BONATTI FOUNDATION

INTERVENTION AREA

MEDICINE AND SCIENTIFIC RESEARCH



PURPOSE

Interventions in partnership with other associations and universities to support scientific research in the field of medicine and surgery.

Creation of scholarships for young doctors to finance research or personal care projects in local hospitals and structures.

Educational events in schools to promote the prevention of major diseases and encourage improvements in young people's lifestyles.

Activities aimed at human capital development and scientific production.

PROJECTS REALISED

Donation to the Spedali Civili in Brescia: purchase of instrumentation for paediatric micro-surgery and 100,000 euros donated to cope with the Covid-19 emergency.

Co-financing with the University of Brescia, Faculty of Medicine and Surgery, for two scholarships: the first for professor in 'Anaesthesiology'; the second at the Department of 'Clinical and Experimental Sciences' for the "Definition of a Core Outcome Set", for clinical studies concerning the repair of rotator cuff injuries.

'Le Rondini Onlus' Foundation: allocation for the purchase of new technologies for hospital services, in order to support the needs of the local population.

Nadia Toffa Foundation - "Progetto Dona": contribution for the purchase of an ultrasound scanner and a neural navigator.

THE ACTIVITIES OF THE BONATTI FOUNDATION

INTERVENTION AREA

PURPOSE

PROJECTS REALISED

EDUCATION ART AND CULTURE



Interventions aimed at promoting the cultural heritage and the popularisation and preservation of the territory's artistic, museum and architectural assets, with international events as well.

Contribution in support of the Istituto comprensivo di Concesio for educational projects and scholarships: Annual contribution for the period 2021-2027 for projects that pass on the spirit of the founder, for training activities and for the purchase of equipment and teaching materials.

The scholarships named after Mr Bonatti are intended for students in need of support, giving priority to students with forms of fragility or family difficulties, and to students who have distinguished themselves during the school year for their performance and meritorious behaviour (e.g., support for classmates in difficulty, sensitivity to social issues, ability to include and welcome diversity).

Centro Studi Paolo VI di Concesio Art and Spirituality Association: contribution to support cultural initiatives.


Parish Church S. Antonino di Concesio: contribution for restoration and renovation.

Eméra Project of the Risorsa Famiglia Association: contribution for educational support and integration activities for families and children between 6 and 14 years old.


Antares Onlus Bookpass - Solidarity Stationery: free provision of school supplies to minors in economic difficulties.

Cultural Workshop Triumpulina-Leonardo Da Vinci in Val Trompia: contribution to the event 'Man. Nature. Intelligence'.

THE ACTIVITIES OF THE BONATTI FOUNDATION

INTERVENTION AREA	PURPOSE	PROJECTS REALISED
<p>ENVIRONMENT</p> 	<p>Promotion of environmentally friendly lifestyles and behaviour.</p> <hr/> <p>Promotion of a mentality aware of environmental issues and innovation, aimed at stimulating a virtuous path, thanks to the dialogue between different actors, such as citizens, companies, the scientific community, associations, institutions and local communities.</p>	<p>Sostenitori Vigili del Fuoco di Lumezzane (Lumezzane Fire Brigade supporters) Association: contribution for the purchase of equipment.</p> <hr/> <p>S.E.V.A.C. Squadra Ecologica Volontari Antincendio di Concesio (Ecological Volunteer Firefighting Team of Concesio): contribution in support of activities.</p>

SERVICES FOR THE INDIVIDUAL

	<p>Promotion of inclusion projects to reduce the risk of marginalisation, with a focus on new marginalisation and social needs.</p>	<p>Azienda Speciale - Comune di Concesio (Concesio Municipality), 2021: contribution for the realisation of an autobiographical storytelling workshop, led by the expert in autobiographical memory and drama practices Francesca Franzè, to offer the nursing home residents a qualified opportunity to meet, following the isolation caused by the Covid-19 pandemic.</p> <p>Centro Bresciano Down (Down Center in Brescia): contribution for inclusion projects for people with Down Syndrome.</p> <p>Homerus Onlus Association: implementation of an autonomous sailing course for the visually impaired.</p> <p>Associazione Solidarietà Viva di Prealpino "Progetti del Cuore" (Association Solidarietà Viva of Prealpino 'Heart Projects'): socialisation initiatives for people in difficulty, particularly the elderly.</p> <p>Gruppo Alpini Costorio (Costorio Alpine Group): contribution for the construction of a new building.</p>
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3.3

Relations with our community

*"The measure of life is not its duration, but its donation."
(Peter Marshall)*

We believe it is fundamental to promote and enhance the artistic and cultural heritage of our territory. We are active all over the world with our companies, but we remain strongly attached to our origins and roots, aware that our country's history and artistic traditions are positive characteristics, fundamental in an increasingly globalised and interconnected world.

The work of the Foundation, which operates in the name of Erminio Bonatti and promotes his values, has in fact inspired and strengthened our way of doing business in recent years, nourishing in our organisation the inclination to become promoters of a **sustainable culture**.

We adopt a broad-based planning approach, which encourages **community involvement**, proceeding

in the same direction taken by the citizens.

Requalification activities

In **2021**, we **financed the redevelopment of the roundabout at Levata in Concesio** for a total amount of € 158,600. The project work included the installation of a structure in memory of Saint Paul VI, landscaping, and the installation of irrigation and lighting systems.



INITIATIVE	DESCRIPTION
SIXTH INTERNATIONAL CONFERENCE ON UNIVERSAL DESIGN	Metal Work supported the UD2022 conference, co-hosted by the University of Brescia, Ca' Foscari University of Venice and the University of Trieste, the sixth in a series of major biennial international conferences on Universal Design: UD2012 (Oslo), UD2014 (Lund), UD2016 (York), UDHEIT2018 (Dublin), UD2021 (Helsinki), and the first to be organised in Southern Europe.
UNIVERSITY OF BRESCIA	The conference was aimed at professionals and academics interested in the topic of universal design and in the 2030 Sustainable Development Goals. Themes included mobility and urban environments, knowledge and information exchange, with research and best practices from all over the world.
INITIATIVE	DESCRIPTION
RESTORATION OF THE "BRAVO" ('THE BRIGAND') AND OF "LA RAGAZZA CHE CUCE" ('THE SEWING GIRL')	Metal Work Group financed the reopening of the Tosio Martinengo Art Gallery and donated to the community the restoration, through the Art Bonus programme, of the two new paintings that are now part of the new 18th-century rooms: the 'Bravo' (The Brigand) by Giacomo Ceruti and 'La ragazza che cuce' (The Sewing Girl) by Antonio Cifrondi.
MUSEI BRESCIANI – TOSIO MARTINENGO ART GALLERY	"Supporting Brescia Musei is a source of pride and satisfaction for us, as we consider it fundamental to promote and enhance the artistic and cultural heritage of our region. We are active in 27 countries all over the world with our companies, but we remain strongly attached to our origins and roots, aware that our country's history and artistic tradition are fundamental positive characteristics in an increasingly globalised and interconnected world. Brescia Musei represents a great image opportunity which we seize with great enthusiasm, contributing to the enhancement of our city's cultural heritage." Daniele Marconi, CEO Metal Work Group.
INITIATIVE	DESCRIPTION
MOMPIANO CAMPUS	Metal Work contributed to the construction of some lecture rooms at the new Mompiano Campus of the Università Cattolica del Sacro Cuore in Brescia.
UNIVERSITÀ CATTOLICA DEL SACRO CUORE - BRESCIA	The new campus extends over 14,700 square metres of indoor area, with a total size of 20,500 square metres, and it houses the courses belonging to the Faculty of Mathematics, Physics and Natural Sciences, Education Sciences, Psychology, the Bachelor of Social Service Sciences belonging to the Faculty of Political and Social Sciences, and the Bachelor and Master's Degree courses of the Higher Institute of Religious Sciences.



Collaborations with technical institutes

We collaborate with the Foundation **'Istituto Tecnico Superiore Lombardo per le Nuove tecnologie Meccaniche e Meccatroniche' (Lombardy Technical High School for New Mechanical and Mechatronic Technologies)** (I.T.S. Mechatronics Lombardy), which offers post-diploma courses in mechatronics throughout the Lombardy region, of which we are Founding Members. We provide 5 scholarships per year of 1,000 €/each, as well as hosting some students for internship periods at our company.

We are also **Founding Members of the Fondazione Istituto Tecnico Benedetto Castelli (Benedetto Castelli Technical Institute Foundation)**, which aims at promoting and relaunching technical training in the area and re-establishing collaboration between the business world and schools. We provide €2,000 per year and we purchase technical equipment for the laboratories of a number of institutes the Foundation cooperates with. The Castelli Institute also named its mechanical laboratory after the Metal Work founder Erminio Bonatti.

In **2019**, Metal Work was awarded the **Confindustria Bollino per l'Alternanza di Qualità (BAQ) (Seal of Approval for Quality Alternation)**, created to valorise the commitment of companies in the training of new generations. In fact, the BAQ rewards those companies that stand out for the realisation of high-quality school-to-work alternation courses. The aim of the project is to foster partnerships with companies, to raise the quality of training courses and to create the conditions for improving the employment conditions of young people. This seal was renewed in 2022, demonstrating Metal Work's commitment to the education of future generations.

Metal Work was one of the first companies in Italy to obtain in 2019 the Confindustria Bollino Imprese - Company Seal - in ITS, which promotes ITS knowledge and encourages the participation of companies in ITS, enhancing successful partnership experiences (ITS = Technological Institutes). BITS rewards companies that distinguish themselves by establishing partnerships with ITS, by hosting students in internships or by participating in their training activities. This seal was renewed in 2022.



FOCUS

The A.M.I.C.I. (FRIENDS) Cooperative in Concesio

The A.m.i.c.i. Cooperative in Concesio deals with vocational rehabilitation and social and work integration, through the concrete participation in work activities of disadvantaged or marginalised people.

Metal Work S.p.A. offers employment to the cooperative, in order to enable it to employ the labour force of people in marginalised or socially disadvantaged conditions.





04

Promoting quality and responsibility

Promoting a sustainable culture means also to promote the adoption of the best quality standards throughout the entire value chain.



135
million €

Economic value generated
(+6% vs 2021)



UNI EN ISO
9001:2015

Quality Management
System



94,5%

Suppliers
in Italy



These standards are met in our company through an approach geared towards continuous innovation, which characterises all processes and products, and which allows us to design environmentally friendly solutions. Innovation comes with

responsibility towards all those who contribute to the generation of value within the company. Innovation, responsibility and sharing, these are the key cultural concepts that we promote every day throughout the entire production chain.

4.1

The generation of shared value

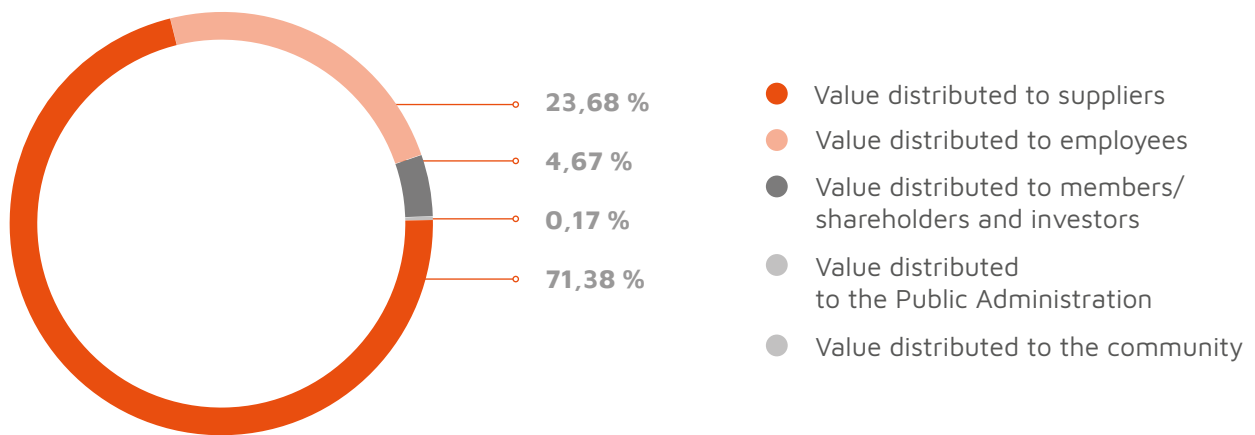
The sustainability context is constantly evolving, presenting us some major challenges, which we intend to address proactively, so that we can reconcile economic growth with a path of sustainable development.

Our performance over the past two years has been largely positive and it has brought great satisfaction in terms of our achievements. In 2022 our economic generated value was, in fact, **EUR 135 million**, and EUR 126 million in 2021, marking **a growth of 6%**.

We are increasingly committed every year to supporting the responsible growth of our business

through **the creation and distribution of generated value and positive market impacts**. We adequately remunerate all of our interlocutors, making them aware of the results we have achieved and recognising the added value of each and every one of them. In 2022 the economic value we distributed was **EUR 121 million, an increase of 9%** compared to 2021.

Distributed value in 2022²



2. Calculated as specified in GRI Standard 201-1.

4.2

Quality and innovation of products



*"Quality above all:
from design to realisation,
we follow everything step
by step, to ensure the perfect
movement"*

Erminio Bonatti

Product innovation, an approach that is oriented towards the real needs of the Customer, the implementation of Total Quality Management, the Kaizen philosophy and the Lean Organisation have enabled Metal Work to establish itself as a leader in the industrial pneumatics and automation sector.

We place the expectations of all parties involved at the centre of our activities: customer satisfaction and loyalty to our company and products are the main indicators of our success. Metal Work's strength lies not only in the product but also and especially in the service and support, oriented towards offering the customer adequate solutions for each and every need, respecting delivery times and quality at the same time.

For this purpose, a Quality Management System according to **UNI EN ISO 9001:2015** has been implemented. Metal Work promotes a continuous market research, and the preservation of product leadership through the continuous improvement of Quality. At the same time, we consider it a priority to involve Human Resources in reaching quality objectives, through the development of a training and awareness plan extended to all company levels.

Our products are certified in line with European Directives concerning their safety and quality, both with regard to the environment and to human health - such as the Declaration of the European Community REACH (Registration, Evaluation and Authorisation of Chemicals). This declaration is designed to reduce the health risks associated with chemical substances and it requires companies to register information on the safety of substances and, if necessary, to replace dangerous ones.

Furthermore, in order to **innovate our products** and keep up with market demands, we have embarked on a project **to purchase brass and aluminium with a lead content of less than 0.1%**. The project anticipated the requirements of current legislation, and it gave us the possibility **to replace 50% of the current aluminium alloy** with bars containing a lead alloy of less than 0.1%. The reduction operation has already been completed on most lead-containing steels, switching to alternative alloys.

One of our prerogatives is to offer the client **customised solutions developed for a specific application**, ranging from simple customisations to specific treatments involving the use of special materials or the design of new solutions. We want to make a difference for our customers by stepping out of the comfort zone and by offering a product that does not force the user to make changes to his or her system in order to adapt to the supplier.

It is precisely customised products that represent the new product philosophy we are adopting in order to ensure **maximum satisfaction of each specific customer request**. This product range includes actuators, valves, units, fittings and accessories. Furthermore, in order to optimise the sizing of pneumatic system components and therefore reduce consumption, Metal Work offers its own **Easy Sizer software**, which can be downloaded for free from our website, and which summarises years of experience in the production and use of pneumatic automation products.

The continuous innovation we bring to our products follows the guidelines of digitalisation and energy saving, in order to realise end products that allow the user to control their energy consumption during use.

We pay particular attention to **energy saving** right from the design phase. This is why we choose quality materials, lubricants and components, and that is why we carefully study the internal geometry of the products, including through the use of advanced tools for fluid-dynamic analysis. Technical choices are then validated by laboratory tests in order to guarantee product quality. By reducing mechanical friction in the products, we achieve better efficiency and actuator performance for the same amount of energy consumed. In the same way, improving the conditions for the passage of the pneumatic fluid within the components and hoses will reduce pressure drops and, consequently, it will increase the efficiency of the system.

Pneumatic actuators consume an amount of air per stroke that depends on pressure and bore. It is estimated that, on average, the energy required for the generation of compressed air accounts for approximately 20 per cent of the total consumption of an average company. Using the right cylinder at the right pressure results in considerable savings in air, and consequently in the energy required in order to pump it. Paying special attention to these details during the design phase allows us to produce valves, fittings and pipes in smaller sizes, therefore consuming less material. In addition, the use of energy-saving valves mounted on our cylinders allows us to reduce the energy required to apply pressure onto them.

Almost all Metal Work products are designed in such a way that, **at the end of their life, they can be dismantled by separating the various components and materials**. In addition to this, we place the '**Recyclable**' label on the techno polymer parts of some products, on packaging and on cardboard boxes.



Responsible marketing and brand reputation

By following one of the principles that guide us in conducting our business, **transparency**, we strive to offer our customers clear, complete and up-to-date information on our products, to demonstrate their quality and **the reliability and professionalism of our brand**.

On our website you will find all the latest information on our products, as well as the latest news and a variety of brochures and technical catalogues. We also constantly update our social media profiles, in order to reach as many users as possible in a direct and effective manner.

In 2020, 2021 and 2022 we published '**Just in Time**', a magazine with the purpose of providing information on everything related to the Metal Work world. It is aimed at all those who are in contact with us and with whom we want to share everything that we have in common.

4.3

Responsible management of the supply chain

We have always given great importance to the choice of our supply chain, aiming at using selected partners who operate according to high ethical standards.

94.5% of the value distributed to suppliers is allocated to Italian ones. In fact, we favour the choice of local suppliers; this approach is represented by the fact that **the 20 companies that account for 53% of our supplier expenditure are all located in the province of Brescia**.

As **for the supplier selection process**, this is carried out with the help of our Purchasing Department, which sends evidence of the supplier's eligibility to the Quality System Department.

When selecting suppliers, we use a short questionnaire, the '**Supplier Evaluation Form**', which contains a section dedicated exclusively to Safety and Environment. Suppliers with Quality - ISO 9001 - Safety - ISO 45001 - and Environmental - ISO 14001 -

certifications are exonerated from completing this questionnaire.

The **questionnaire** includes an ad hoc section for waste transporters/disposers and recovery, to check whether they possess the necessary authorisations to carry out the activities.

In order to verify and promote compliance with social, economic and environmental sustainability criteria along our supply chain, we intend to initiate **a mapping process of our suppliers**, in order to verify how many of them already apply sustainable development criteria in their business, and to include ESG-related fields in the evaluation and selection questionnaires, which will have to be filled in.



05

Protecting our planet

At Metal Work we have always operated by paying great attention to environmental impacts: this *modus operandi* is in fact part of our corporate culture, aimed at fighting all kinds of waste and inefficiency.



36%

of renewable energy used



-23%

direct and -8% indirect energy consumption



28%

of the materials used coming from recycling



99%

of the waste produced is subject to recovery



Therefore, in 2000 we decided to voluntarily undertake the certification of our **Environmental Management System**, which is part of our Integrated Safety-Environment-Quality Management System (IMS), according to the **UNI EN ISO 14001** standard. This makes it possible to increase environmental performance, with the aim of generating added value for stakeholders, for the environment and for the organisation itself.

Our commitment to environmental protection is reflected in our **constant compliance with laws and regulations**, our continuous search for solutions **to reduce emissions, waste and discharges**, as well as **the consumption of water, energy and raw materials**. This commitment also implies the adoption of technological processes that offer **minimum environmental impact**, the constant **assessment of environmental aspects related to production**, the adoption of appropriate systems in order to ensure **adequate protection of the environment** and, finally, the delivery of **training to all employees** in order

to encourage any initiative aimed at protecting the environment. We assess **environmental risks** by trying to **eliminate their potential** and transform them into **opportunities**, in order to achieve increasingly ambitious goals.

Our production results in **pneumatic products** that require **high energy consumption** in order to be used; being aware of this, we provide our customers with all the information they need in order **to reduce energy waste during use**. Moreover, at the end of their life, our products must be disposed of; therefore, we design them so that they can be largely recyclable and we provide all our customers with information on how to recycle them in the best possible way.

We are committed to **continuously improving the environmental behaviour** of the entire company. To achieve this, it is essential to promote, both inside and outside the company, the **culture of sustainability**, declared, in this case, as **care for the environment**.



5.1

The path to a progressive reduction of our climate impact

Our planet and its ecosystems are experiencing a phase of extreme difficulty, dictated mainly by the increase in extreme weather phenomena, the growing scarcity of natural resources and the progressive increase in water-stressed areas.

We want to take these signals as clear messages that we need a change of direction. Therefore, we try to act towards these goals on a daily basis, with the consolidation of best practices and concrete actions that allow us to protect our Planet.

We are aware that the first step to efficiency is to measure: that is why we monitor our energy consumption monthly, in order to compare data in real time.

With the aim of reducing energy consumption and in line with the indications of the global scientific community, we take active steps in order to maximise the efficiency of energy use, while keeping CO₂ and other pollutant emissions to a minimum. In line with our intentions, we have carried out energy efficiency measures at our plants in Via Borsellino and Via Segni in Concesio, including:

An underfloor heating and cooling system

in our plant located in Via Borsellino, which uses thermal exchange from wells to extract water in order to produce heat;

The replacement of the natural gas heating system

in our factory located in Via Segni, which now has a heat pump system;

The replacement of lighting systems

in both plants, using LED lighting systems instead.

Our energy efficiency strategy also includes **periodic checks**, carried out at plant shutdown, in order to **monitor compressed air leakage**, which can occur due to worn equipment or to special production cycle needs.

In our plants, we use **compressed air**, which requires the use of energy sources in order to be generated; therefore, its leakage leads to energy waste and losses of high economic value, related to both wasted electricity and to excessive compressor stress. In order to fix this, we carry out:

Periodic checks

to detect air leaks using instruments capable of measuring even the smallest ones;

Placement of solenoid valves in each machine

which close the air passage when the machines are switched off;

Compressor and system sizing

according to the minimum, necessary and sufficient pressure;

Deactivation of compressors during downtime

which would otherwise consume 30-40% of their power at full load.

Shower water heating

in our changing rooms by using the residual heat from our compressors.

-23%
OF DIRECT
ENERGY
CONSUMPTION

-8 %
OF INDIRECT
ENERGY
CONSUMPTION
COMPARED TO 2021

Our plants also have **voltage levelling systems** to avoid waste when purchasing electricity. These systems allow us to achieve an **average annual consumption saving of 5% in kW/h** compared to traditional consumption.

In 2022, our CO₂ emissions decreased by 6 % compared to 2021. Most of our emissions are **attributable to direct Scope 2 emissions**, which derive from electricity consumption, mainly related to the power supply of the various machines in the departments. According to the **location-based approach**, which takes into account the distribution network by applying average emission factors of the country where energy is purchased, these emissions amount to **82 per cent of the total**³.

Scope 1 direct emissions resulting from the use of fossil fuels are mainly attributable to the consumption of **natural gas, specifically methane gas**, which is mainly used in distilled

form in the production plant located in Via Segni, to keep the washing fluids of the workpieces hot, and for the heating of workplaces and of water for sanitary use. In terms of other fuels used, **diesel and liquefied petroleum gas** are used to power the means of transport.

During **2022, direct energy consumption was reduced by 23%**, from 17,834 GJ to 13,755 GJ⁴.

Indirect energy consumption, i.e. electricity taken from the national distribution network, on the other hand, amounted to approximately 32,860 GJ in 2022, with **a reduction of 8%** compared to 35,740 GJ in 2021.

The share of renewable energy we use is 36%, partly due to the presence of **photovoltaic panels covering the roofs of our plants**. Furthermore, in our premises in Concesio, there is a geothermal system for heating and cooling the plant.

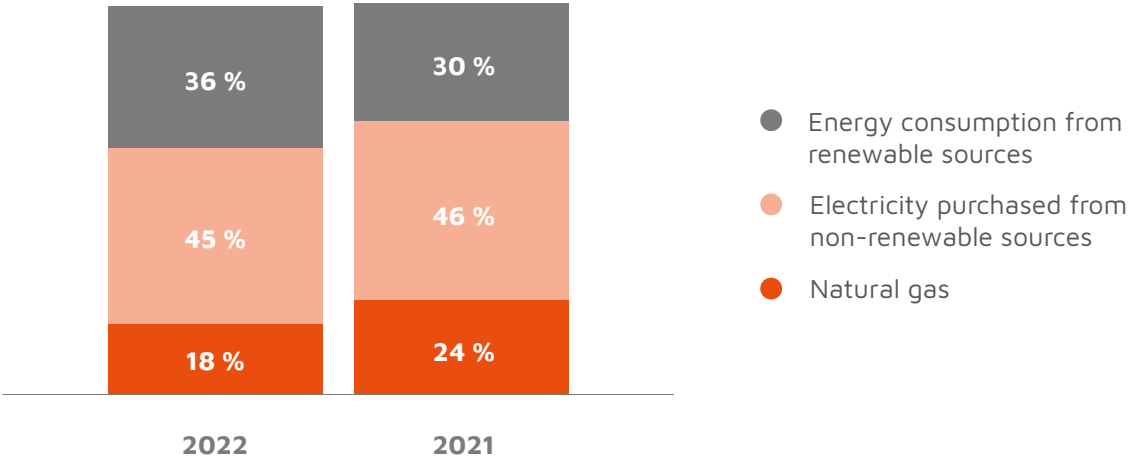
-6% CO₂ EMISSIONS
COMPARED TO 2021

36% OF RENEWABLE
ENERGY USED

3. According to the market-based approach, which takes into account the company's signed supply contracts, emissions in 2022 were 4,167 t. CO_{2e}, and in 2021 they were 4,553 t. CO_{2e}.

4. In 2022, the figure on the percentage split between renewable and non-renewable sources for the share of energy withdrawn from the national grid of distribution was estimated, by averaging the delta of the same figure between the years 2018-2019, 2019-2020 and 2020-2021.

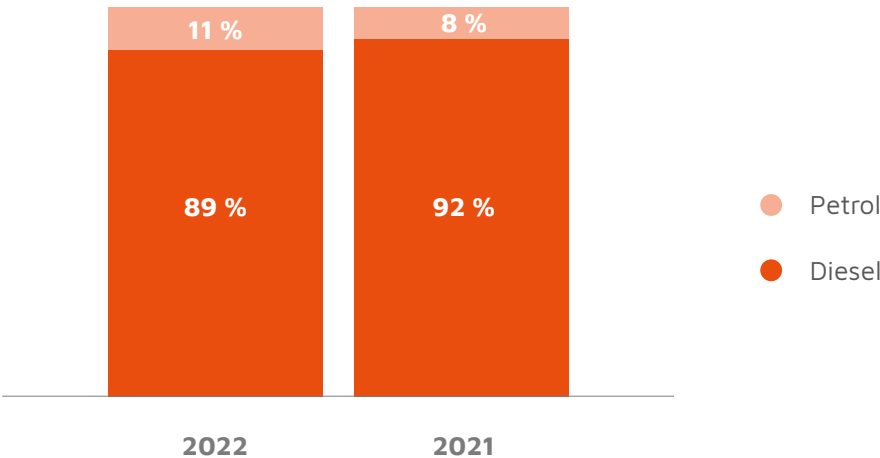
Energy consumption for production and offices (GJ)



Our **car fleet** includes a number of vehicles used for automotive purposes and the executive and commercial car fleet, which is almost completely fuelled by diesel. In a minor proportion, our cars are petrol-powered,

while two are respectively electric and hybrid, and for them we have recently equipped ourselves with **three electric recharging stations with no reading value**.

Energy consumption within the organisation for company vehicles (GJ)



At Metal Work, we believe that efficiency must also start from the design of our own buildings: in order to promote natural lighting and natural ventilation, they have been designed to have a large illuminating surface that can be opened at the same time.

The projects that are currently being implemented and that will enable us to reduce consumption even more are also worth mentioning:

Heat from compressors recovery project

so that we can use it for the heating of our warehouses, with an estimated 15% saving in methane consumption;

Free-cooling project

to optimise electricity consumption with expected savings of 80 MW/h per year.

5.2

Responsible use of resources

Water

We are aware that water is an invaluable resource and that the consequences of climate change could coincide with an aggravation and increase in water-stressed areas, both in terms of lack of availability of the water resource and in terms of deterioration of the quality of the resource itself.

In our company, we use water for **the creation of emulsions necessary for brass turning and milling operations, for the maintenance of green areas and for sanitary facilities.**

At Metal Work, we pay a great deal of **attention** to the use of water, trying to promote **its reuse in our production process**, which requires this resource to create the oily emulsions necessary to dissipate the heat produced by the processing of metals and materials used to produce the components. **Oily emulsions are in fact 90 per cent water.**

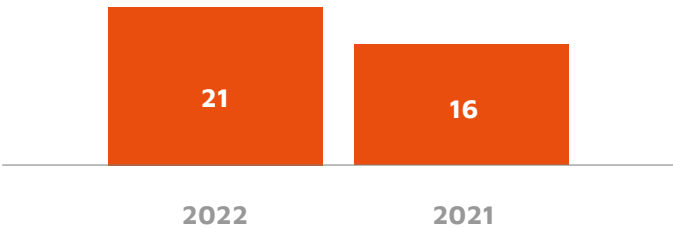
There are two types of oil emulsions using **water from the aqueduct: one using demineralised water and one using untreated aqueduct water.** Both types of emulsions are managed by a distiller that recovers the water and reintegrates it via closed-loop tanks, after the emulsion residue:

- **Evaporates due to cooling**, oil mists are sucked in by the machines and released into the environment after a filtration treatment;
- **Stays on the components**, which undergo a subsequent washing treatment with modified alcohols. Washing machines are closed-circuit and they separate the emulsion part from the washing liquid using a stripping process;
- **Remains on the chip that was generated** and it is separated from it by a mechanical centrifugation process. The water is then brought back into the closed circuit of the tanks containing the emulsions and reused. The turnings obtained, which therefore have a grease content below the prescribed limit, can be sent to foundries in order to obtain new raw material.

All these processes have as a co-product an oily filtered residue, which must be specifically disposed of, as it is no longer usable.

In 2022, **total water consumption amounted to 21 megalitres** from non-water-stressed areas.

Total water consumption (Megalitres)



The **average daily water consumption is 2.71 m³**, of which approximately 1.3 m³ is used to generate **demineralised water** using an osmosis process. **Part of the demineralised water**, necessary for emulsions, is obtained by the process of compressing the air. The compressors suck in air from the environment with a humidity gradient that varies from season to season. The compression process brings the moisture to the dew point and, by means of special filter/purification systems, **it separates the water from the air**. The resulting water has a **very low level of hardness** and is therefore demineralised, allowing us to **reduce the amount of resource withdrawn from the aqueduct**; the production of this water is in fact on average about 0.3 m³ /day per year, making it possible **to reduce water withdrawal by 0.6 m³ / day** and thus allowing considerable savings in the use of water resources.

For the production process in the plants located in Concesio, there is no need to discharge waste fluids into surface water or into the sewerage system, as the exhausted emulsions, which are the only industrial waste fluid, are stored in suitable containers and sent to an authorised disposal company.

Our waste fluids consist of rainwater, washing water from outside yards, and civil sewage. Both are conveyed into the municipal sewage system according to the routes shown in the company blueprints, for both the Via Segni and Via Borsellino sites. In order to ensure that rainwater from the yards is not contaminated with oil residues and metals, we store our oil-contaminated waste and by-products in a sheltered area, and we take special care in the cleaning of the yards, as well as in the handling of oil sludge and waste.

Responsible use of raw materials and waste management

At Metal Work, we are committed to using high-quality raw materials that have a sustainable cost and that are environmentally friendly as well.

Therefore, we act in accordance with the principle of **circular economy**, promoting the reduction of the use of raw materials of primary origin, i.e. virgin, and instead valorising those of secondary origin, which are derived from recovery or recycling processes.

We mainly purchase **raw materials and packaging materials**, as well as **chemical substances** used in production processes.

In 2022, the materials we used amounted to **4,760 tonnes**, a decrease of 6% compared to 2021. Of this, **28%** comes from **recovery**.

In line with our efforts **to ensure maximum process circularity**, we use metals for which it is possible to transfer the processing residues to companies that are then able to recreate the raw material. For example, in the **brass and aluminium** processing stage, a residual part of scrap and turnings is produced, which is treated with centrifugation systems in order to separate it from the coolants, which are then integrated back into the production process,

so that it can be delivered to suitable foundries and become secondary raw material. When designing, we use plastic moulds, techniques that minimise the material loss of products during processing. We also use plastics that allow the reuse, already in the moulding cycle, of residual materials produced.

We also use various types of **steel** in our process, which cannot be handled with centrifugation systems, due both to the impossibility of reaching the legal limits for oil and fat content (< 0.02 %) and to the lack of a recycling loop managed by the raw material producers. These types of production residues must be managed as waste and sent to specialised collection and treatment centres. After these steps, the residues can be sent to the foundries for recycling.

Finally, our raw materials include **plastic**, which is used for moulding technical parts using efficient processes that generate a modest amount of waste, which is less than 4% of the material used.

○
.....
**28% OF THE MATERIALS
USED COMING FROM
RECOVERY AND RECYCLING**
—



Responsible management of packaging

We mainly use paper, cardboard, wood and plastic to package our products. The products are packaged according to the following criteria.

Recycled material

The containers of the individual products are cardboard boxes made from recycled material. The print occupies a small surface area, so that the ink used is minimal, and the boxes are covered in a white paper film.

Polyethylene protection

Some products, whenever it is not possible to use cardboard boxes for reasons of protection or lack of the appropriate format, are protected by polyethylene 'bubble wrap' sheets or polyethylene bags.

Recycled paper inserts

To hold the various boxes and individual products in place, layers of wrinkled, fully recycled and recyclable paper are placed inside the box.

Thanks to these choices, 95% of the packaging material consists of cardboard and, of this, **80% is obtained from recycled paper.**

In addition, we are members of CONAI, **the Italian National Packaging Consortium**, constituted by the producers and users of packaging with the aim of pursuing **the objectives of recovery and recycling of packaging materials** set by the law.

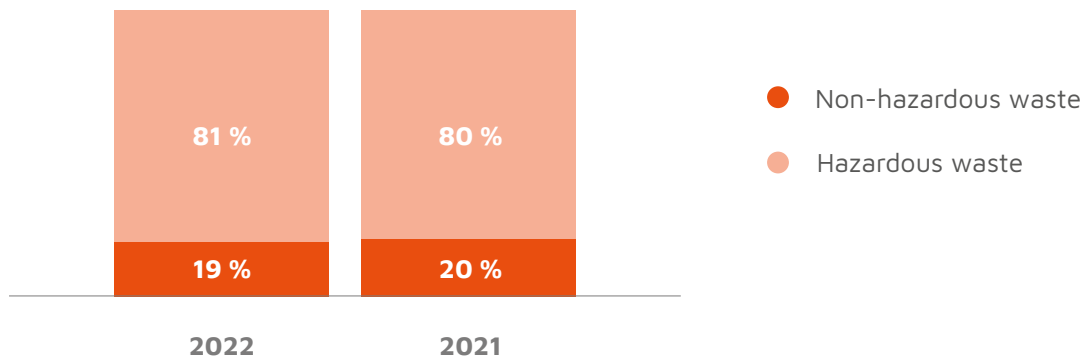


Following the principle of the **circular economy**, in addition to the choice of recyclable raw materials, we are constantly striving for **responsible waste management** in order to minimise our environmental impact and safeguard natural resources, by progressively increasing the share of waste intended for recovery operations.

In 2022, our production processes generated **1,007 tonnes of waste**, a slight increase compared to the **846 tonnes in 2021**. This increase is exclusively related to the different waste management methods. In fact, until 2021, waste was partially delivered to the waste collection service of the municipality of Concesio, on the

basis of a special agreement with the municipality itself; therefore, waste was accounted for net of the deliveries to the municipal service. From 2022, on the other hand, all waste is managed by delivery to an authorised external operator, which takes care of its recovery and disposal, and it is therefore fully accounted for by our company, according to a specific **procedure set out in the Environmental Management System**, in accordance with ISO 14001. Furthermore, since 2007 we have been enrolled in the **National Register of Environmental Managers**, pursuant to Article 212, paragraph 8 of Legislative Decree 152/2006.

Generated waste (t)



Over the years, we have refined our production processes, defining alternative processes for the various production steps in order to **significantly reduce the generation of hazardous waste**⁵. In fact, a few years ago, hazardous waste accounted for about 50% of the total waste produced, whereas in 2022 its percentage was 19%, confirming the trend of constant decrease, even compared to 2021.

We always pay attention to the promotion of circularity in all our processes. For this reason, all the production waste from our processes is treated and then sent to external companies that will then take care of its recovery. Our commitment to circularity is proven by the fact that in 2022 **99% of waste** generated by our production activity was **subject to recovery operations**, with only 12 tonnes of waste that were destined to disposal.

FROM **50%** OF HAZARDOUS WASTE GENERATION, WE ARRIVED AT **19%**, IN 2022

99% OF THE GENERATED WASTE IS RECOVERED OR RECYCLED

5. Some waste is classified as hazardous on a cautionary basis; a hazard analysis will be carried out in 2023 to redefine the classification.



5.3

The containment of air polluting emissions

In our factories we carry out **processes that require suction systems**, such as:

Turning, cutting, grinding and milling activities which, due to the use of cutting oil, produce oily mists and dust, with six emission points in the Via Segni plant and one emission point in the Via Borsellino plant;

Degreasing of metals where VOCs (volatile organic solvents) are emitted

which are non-halogenated, linked to the use of a modified alcohol, with two emission points at the Via Segni plant.

On each machine, we have set up **suitable filtration systems** that allow us to separate the oily part, which is returned to the production cycle, from the mists.

Every two years, we carry out **emission analyses and periodic monitoring**, in compliance with current legislation and, on an annual basis, emission analyses at all **emission chimneys**; these **analyses have never shown that the emission limits set by the law have been exceeded**; in fact, in the worst scenario, our emissions are below ½ of the allowed emissive value.

Furthermore, for some of the emissive areas, we have implemented **air intake and ducting systems**, which suck in air to reduce the risk of workers' exposure to airborne micropollutants.

We have also recently implemented a similar system in the **plastic moulding department**. In particular, an **extraction system** ensures that no polluting fumes can be generated in the working environment and that they are not released outside. In addition to that, the **computerised mould temperature control** ensures that no pollutant gases can develop during the process by keeping the temperature within a certain threshold.

As far as **noise emissions** are concerned, the municipality of Concesio has been carrying out acoustic zoning in its territory since 2002⁶ and since that date our position with regard to legal obligations has been clarified. The phonometric analyses carried out on all sides of the perimeter of the production sites **did not reveal any exceeding of the noise limits** at either absolute or differential level.

6. Acoustic zoning - or acoustic classification - of the territory is the result of the subdivision of the urbanised territory into homogeneous acoustic areas.

5.4

The promotion of an environmental culture

Over the years, we have promoted a number of initiatives, all of which can be found in the “**Green Philosophy**” section of our website, to promote a culture of environmental sustainability among our employees.

The most significant initiatives



Eco-USB made of metal,
to reduce plastic production



Replacement of disposable plastic
for coffee consumption with paper
cups and wooden stirrers



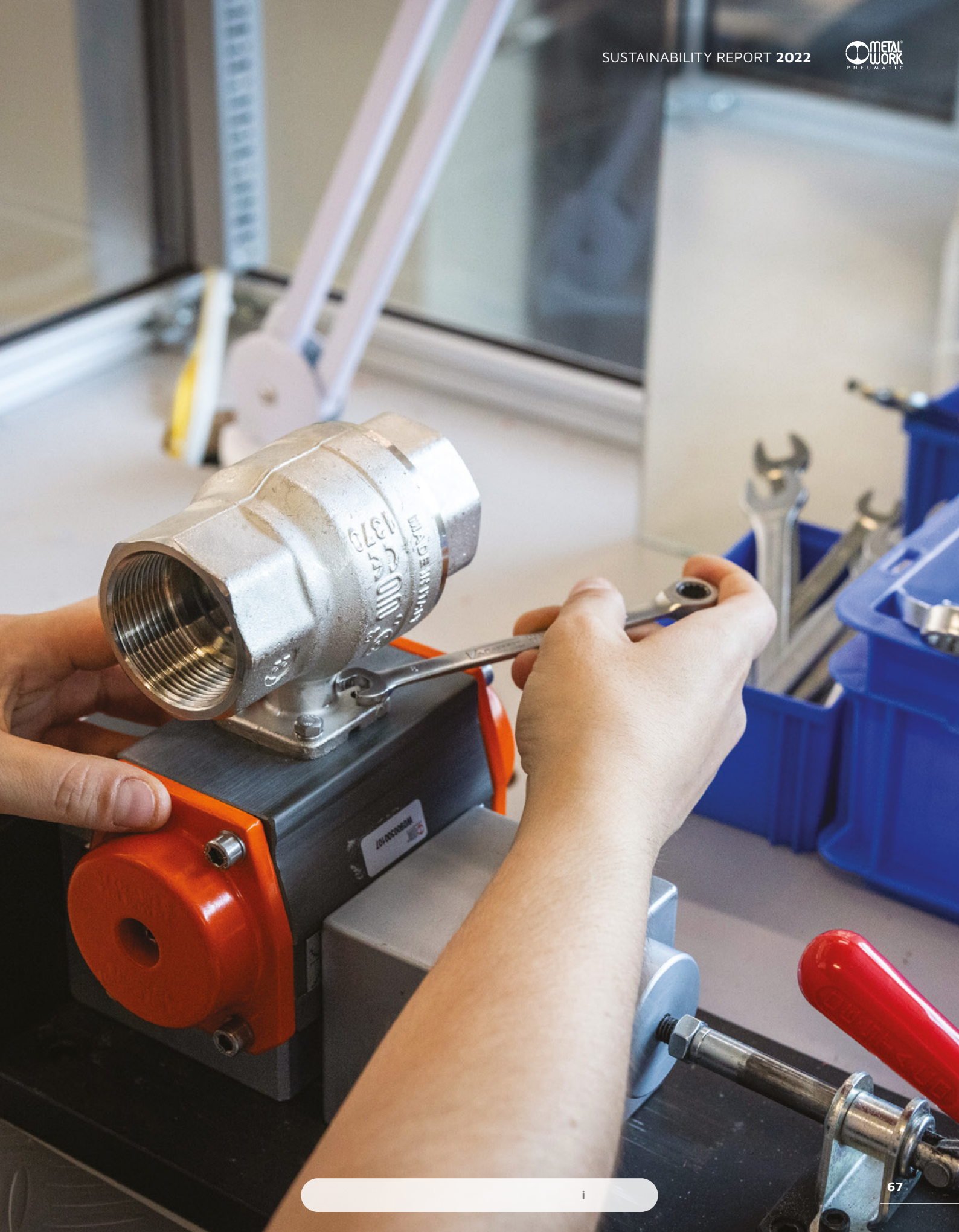
Use of recycled paper
in all its forms and declinations



Installation of water dispensers
to reduce the use of disposable plastic



“Trees for The Future” Initiative
during the Worldwide Metal Work Meeting,
where 100 trees were planted embracing the
Forest Garden Programme of the Trees for the
Future association





06

Giving value to people

Our people are the living heart of our activities. Our employees enable us to achieve the expected business results and to build and promote, both inside and outside the organisation, our corporate culture.



455

Employees
of which 39% women



99,8%

permanent
contracts



10.684

Training
hours



For us, **giving value to people** means always listening to the needs of those we are in contact with, whether they are identified in the form of employees or the communities living in the territory we operate in.

In fact, **the culture of care for our employees** is expressed in creating and fostering healthy

working environments **that give value to the diversity and talents of each individual** and which can offer opportunities for personal and professional growth and development. With regard to communities, this is expressed in the support and promotion of initiatives that can create a connection between the community and its territory and promote its characteristics as well.

6.1

Metal Work people – who we are

In 2022, we relied on the cooperation of 455 employees, an increase of 11% compared to the 411 employees in 2021, together with 22 temporary workers and 4 interns.

99,8% PERMANENT
CONTRACTS

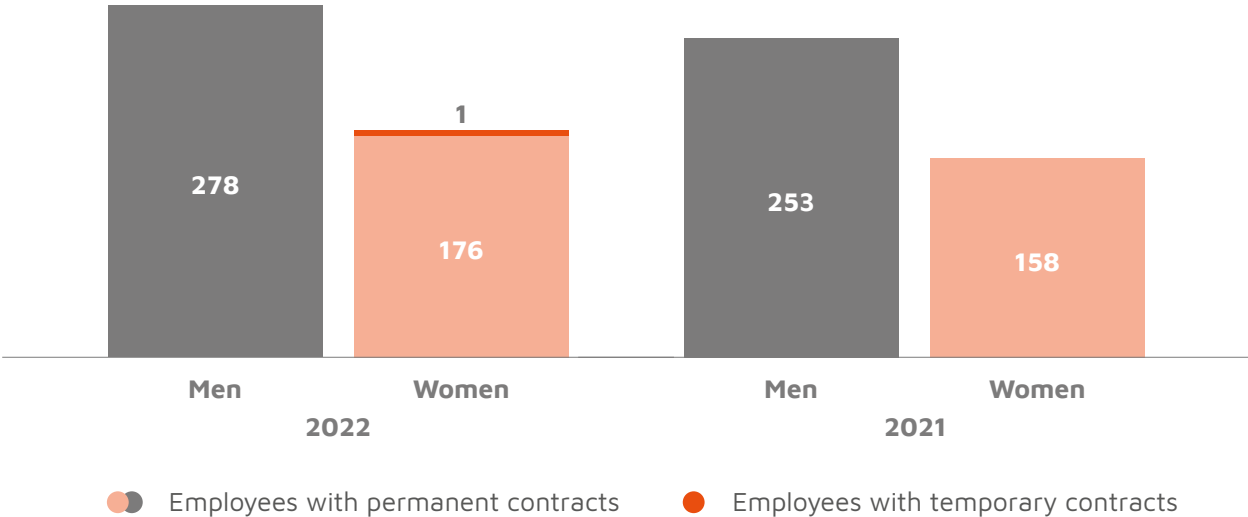
86% FULL-TIME JOBS, WITH A
REMAINING 14% OF PART-TIME JOBS
FOR EMPLOYEE NEEDS

39%
WOMEN EMPLOYEES

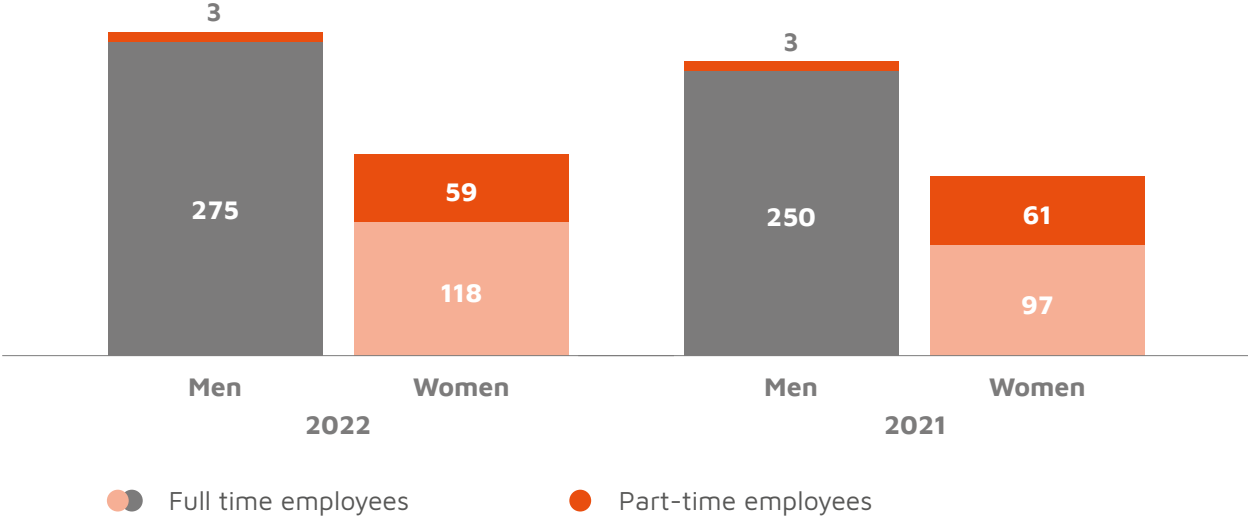
43 YEARS OLD
AVERAGE AGE OF OUR EMPLOYEES



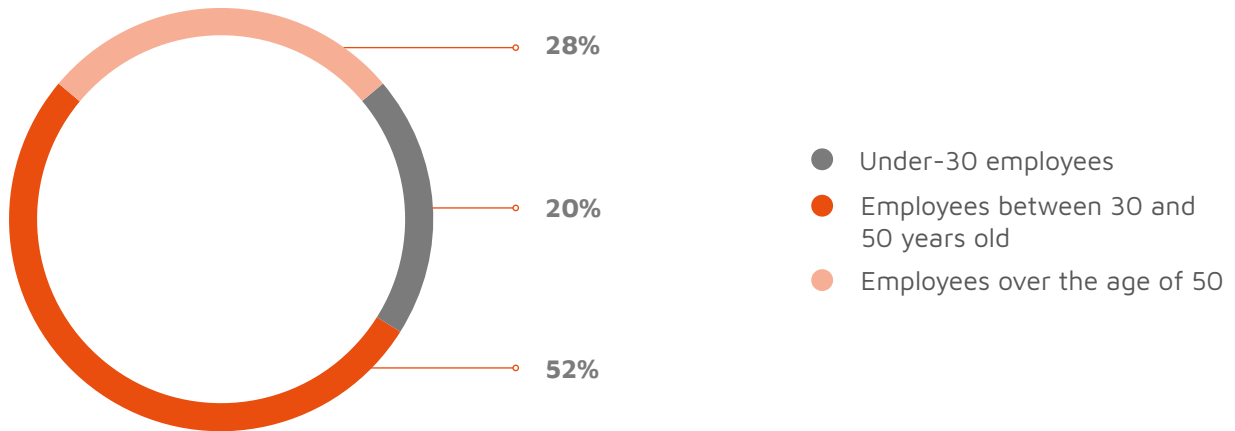
Employees by contract type



Employees by employment type



Employees by age group



In 2022, we hired a total of **66 employees**, more than twice as many as in 2021 and with a recruitment rate of 14% for men and 15% for women; furthermore, 65% of new employees

are under the age of 30. In the same year, there were 22 terminations, with a turnover rate of 5% for men and 4% for women.

6.2

Giving value to our people

"The difference between a company that performs well and one that performs badly is the human relationship"

We firmly believe that devoting the utmost attention to our people is a crucial aspect in order to be able to guarantee high performance standards at all times. For this reason, at Metal Work we promote an inclusive working environment that can foster both collaboration between work teams and the success of each resource.

Attention and **care for the relations with our employees** and collaborators cannot be separated from **respect for human rights**. In our **Code of Ethics and Conduct**, we forbid any form of violation of fundamental rights and any form of discrimination in the workplace.

Respect in Metal Work is, in fact, a really wide

and heartfelt topic within the corporate culture, as it touches the individual in their personal and private sphere, and in their professional sphere as well. 'Respect' for us means both protecting and safeguarding the physical and moral integrity of our staff and enhancing the talents of each individual, as key assets at the basis of competitiveness and success of our company.

We are committed to protecting the **physical integrity and moral dignity** of everyone, in all aspects of working life. This approach translates into the application of hierarchical and organisational authority with balance and without abuse, and the promotion of an occupational safety culture based on risk awareness and prevention, ensuring decent workplaces that respect everyone’s dignity and diversity.

Our company is committed to **avoiding any discrimination** on the basis of age, gender, sexuality, health status, origin, nationality, political opinions and religious beliefs of its interlocutors. In particular, behaviour of systematic discrimination, psychological violence or isolation against co-workers or colleagues, no matter the reasons, is not allowed, as it is harmful to human dignity. Therefore, in order to ensure that employees are always treated with **respect and fairness** in all phases of their working life, all staff management

criteria are adopted and made transparently available to those concerned. Thanks to this approach, no episodes of discrimination occurred in 2021 and 2022.

We respect **the right to form representations that workers have**, recognising the role of the most representative trade union organisations. Furthermore, we are always open to discussing the main issues of mutual interest, in order to find suitable solutions to the problems identified each and every time, by favouring the highest level of **employee participation and involvement** as well.

Finally, the personal contribution of our employees is an essential success factor. Therefore, **we value our human resources** by providing everyone, in a clear and accessible manner, with the information and training necessary to perform their work and to increase their knowledge and skills.

All these themes are developed around the following points:



The attention to our employees' welfare

We promote the creation of an attractive working environment that is aware of the physical and mental health of all workers.

Our Corporate Welfare programme is defined in accordance with the relevant National Collective Labour Agreements (CCNL in Italy). According to these, all our employees are entitled to **statutory pension contributions, health care and parental leave**, as it is set by the law. Furthermore, for our managers, there is a **life insurance policy** and for full-time employees there is an **insurance**

protection in the event of disability and invalidity.

In addition to this, each year we pay out a **performance bonus based on the gross operating margin**, which is determined according to the employee's classification level.

Welfare Initiatives



Employee loans
with 0 interest rates



Free canteen



Severance pay advances
without any regulatory limitations



Pay integration
or illness and health problems



Agreement
with local pharmacies



Non-application of the protected period
in the event of serious illnesses



Screening for breast cancer prevention for employees
under 50 in cooperation with the ESA association in Brescia



Tax services
e.g. 730
(employees' tax form)
free of charge

In addition, in October 2022, in order to cope with the substantial growth in the cost of living dictated by external contingencies, we decided to pay an additional EUR 400 in welfare vouchers to each employee, bringing the total value of per capita payments in 2022 to EUR 900. At Metal Work we are aware that the well-being of employees largely depends on their mental health. Therefore, in 2019 we carried out an analysis to assess the conditions of our employees regarding the risk of work-related stress occurrence.

Specifically, a sample of employees was selected to represent the company population, and they were given a questionnaire on work-related stress, after some training on the subject. This questionnaire was filled in both collectively by employees in groups and individually in anonymous form.

The questionnaire made it possible to collect objective data on the risk of work-related stress, such as:

Warning events

Accident rates, sick leave, turnover, etc.

Work content factors

Equipment, working environment, workloads and work rhythms, working hours, shifts, etc.

Work context factors

Role within the organisation, decision-making autonomy and control, interpersonal conflicts, career development, etc.

Finalised improvement measures in 2022

1. Creation and adoption of a Code of Ethics and Conduct;
2. Preparation and promotion of the company organisation chart;
3. Adoption of an assessment system for managers and supervisors in relation to the proper management of subordinate staff;
4. Adoption of a system to verify safety objectives within the Safety Management System.

Safety in the workplace

At Metal Work, we have made safety a representative element: we have always distinguished ourselves not only by offering safe products to our customers, but also by promoting safety towards everyone in our company.

The efforts we undertook led us towards the definition of an Integrated Safety-Environment-Quality Management System (IMS), in compliance with the relevant national standards: we first obtained a certification in compliance with the BS OHSAS 18001 standard, which was later replaced by the certification in compliance with the UNI EN ISO 45001 standard.

The IMS defines:

Our strategic orientations on the subject, such as compliance with laws and regulations and with other requirements that may have been stipulated;

The continuous effort to reduce all negative phenomena

related to the health and safety of workers, by reducing risks and eliminating hazards;

Constant evaluation of safety aspects

and of workers' health, and the continuous search for perspectives for their improvement. Furthermore, in the context of the COVID-19 pandemic, we decided to set up an internal protocol for emergency management, which is still active today.

The company's Prevention and Protection Service (PPS) has been organised, with formalised appointments, and its meetings may be attended by all individuals, internal and/or external to the company, who, due to their competence, experience and professionalism, can contribute to the analysis of the topics on the agenda.

We carry out an annual **analysis and assessment of all risks** concerning the safety and health of workers, including those affecting groups exposed to particular hazards and those relating to situations that, although outside the routine, have a reasonable degree of predictability, in relation to the activities carried out in the workplace and their characteristics. Inspections are carried out in the departments in order to identify hazards, and the tasks and related activities are defined, together with the way the available equipment and chemicals are used.

Workers are involved in the process of identifying hazards, through interviews carried out during inspections, in order to gather information on the dangers encountered in the performance of their duties. **Workers' Safety Representatives** are involved in the risk assessment process through special consultation meetings.

Within the framework of the **Risk Assessment Document (RAD)** written by the organisation, a chapter is specifically dedicated to the results of the aforementioned **Work-Related Stress Analysis**.

We keep track of all occupational accidents using a special register, for all the professional categories in the company. In addition, we compare the results of occupational accidents and illnesses with a benchmark on a local and historical basis. As far as the local basis is concerned, the comparison with our accident frequency index and the one provided by AIB⁷ and relative to companies belonging to the same sector shows an approximation to the provincial average.

In **2021** we recorded only 1 accident among our employees. In **2022**, on the other hand, the total number of recorded occupational accidents was **12**, of which 11 at work and 1 on the way to the workplace. We also recorded 1 injury of a non-employee in 2021 and 2 in 2022. The accidents are all minor ones, and their cause is not attributable to procedural or Management System failures. In fact, the analysis results of these work accidents and their causes show that the increase in the number of cases between 2021 and 2022 is not directly linked to work-related problems.

By keeping track of the occupational accidents that have occurred, we also carry out an analysis of the **frequency rate of recordable occupational accidents**⁸, obtained from the quotient between the number of occupational accidents that occurred and the total hours worked by employees during a financial year: for **2021**, the frequency rate was **1.55** for employees and 35.22 for temporary workers, while in **2022** the rates were respectively **17.27** and **15.50**⁹.

7. AIB is a Foundation managed by Confindustria Brescia that also monitors local occupational health and safety issues in the workplace.

8. There were no work-related deaths or accidents with serious consequences; therefore, these rates are equal to 0%.

9. The calculation of the 'Recordable Occupational Accident Rate' is based on 1,000,000 hours worked, according to the following calculation:
(Total Recordable Occupational Accidents / Hours worked) * 1,000,000.

In addition to this, we also monitor 'near miss' accidents, i.e. work-related accidents in which no injury or illness occurs, but there was the potential for them to actually occur.

In 2021, 5 near-miss accidents were recorded - and they were managed as per the IMS internal procedure.

Of these, 2 involved women, 1 involved a man, while the remaining 2 involved areas (a fire that was immediately extinguished and a short circuit), so it is not possible to identify exactly how many people might have been involved. In 2022, near-miss accidents involved a total of 4 people, all men.

12
RECORDED
ACCIDENTS
IN 2022

1
ACCIDENT OF
A NON-EMPLOYEE
IN 2022

4
NEAR MISS
ACCIDENTS
IN 2022

In 2021 and 2022 there were no cases of occupational diseases, and Health Surveillance activities were regularly carried out by the Company Doctor.

In 2021 we provided a total of 1,309 hours of health and safety training to 287 employees, with an increase in 2022, arriving at 2,106 hours provided to 375 employees.



Developing and training talent

Our people and their skills are the fundamental pillar for our business development.

Strengthening skills and knowledge and **enhancing talent** are primary levers for the development of people, as well as an enabling factor towards the fortification and sharing of corporate culture.

The attention towards people in Metal Work starts from the **selection process** itself. Each employee is provided with clear and accurate information on the function and duties to be performed, on the regulatory and remuneration treatment, and on the rules and procedures to be adopted in order to prevent and avoid personal risks associated with the work activity. All decisions made in the human resources management are based on considerations of professionalism, skills and abilities demonstrated by employees and on considerations of merit, so as to **promote, incentivise and reward employees' commitment** to achieving company results.

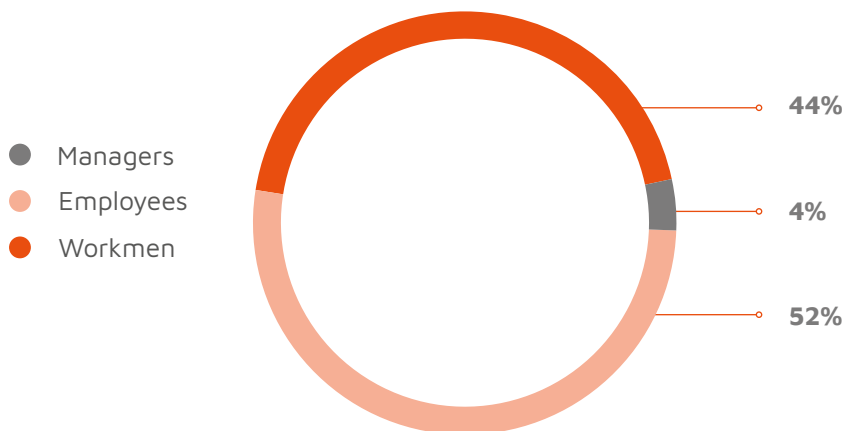
It is essential for us that these activities are always carried out by stimulating and **listening to the views of employees**, with respect to work programmes and function objectives, so that employees feel involved and so that they can contribute to enriching the corporate culture.

The training we provide at Metal Work is intended for groups or individual employees on the basis of **specific professional development objectives**, within the framework of the company's needs for organisational change, renewal of knowledge, maintenance and development of specific skills, and retraining of staff.

Following the almost complete suspension of voluntary training due to the COVID-19 pandemic, in recent years we have wanted to give continuity to the training investment and therefore prepare various initiatives through an **increasingly inclusive approach**, in favour of a **transversal enrichment** and in favour of a greater collaboration between our people as well.

For this reason, the **total training hours provided in 2022 were almost five times as many** as in 2021, going from 1,899 to 10,684. The average training hours provided amount to **more than 23 hours per employee**, approximately 21.8 for men and 26.1 for women. On the other hand, the most trained professional category is **office workers**, with an average of **more than 27 hours of training per capita**.

Average training hours by professional category



+8.785 TRAINING HOURS PROVIDED IN 2022

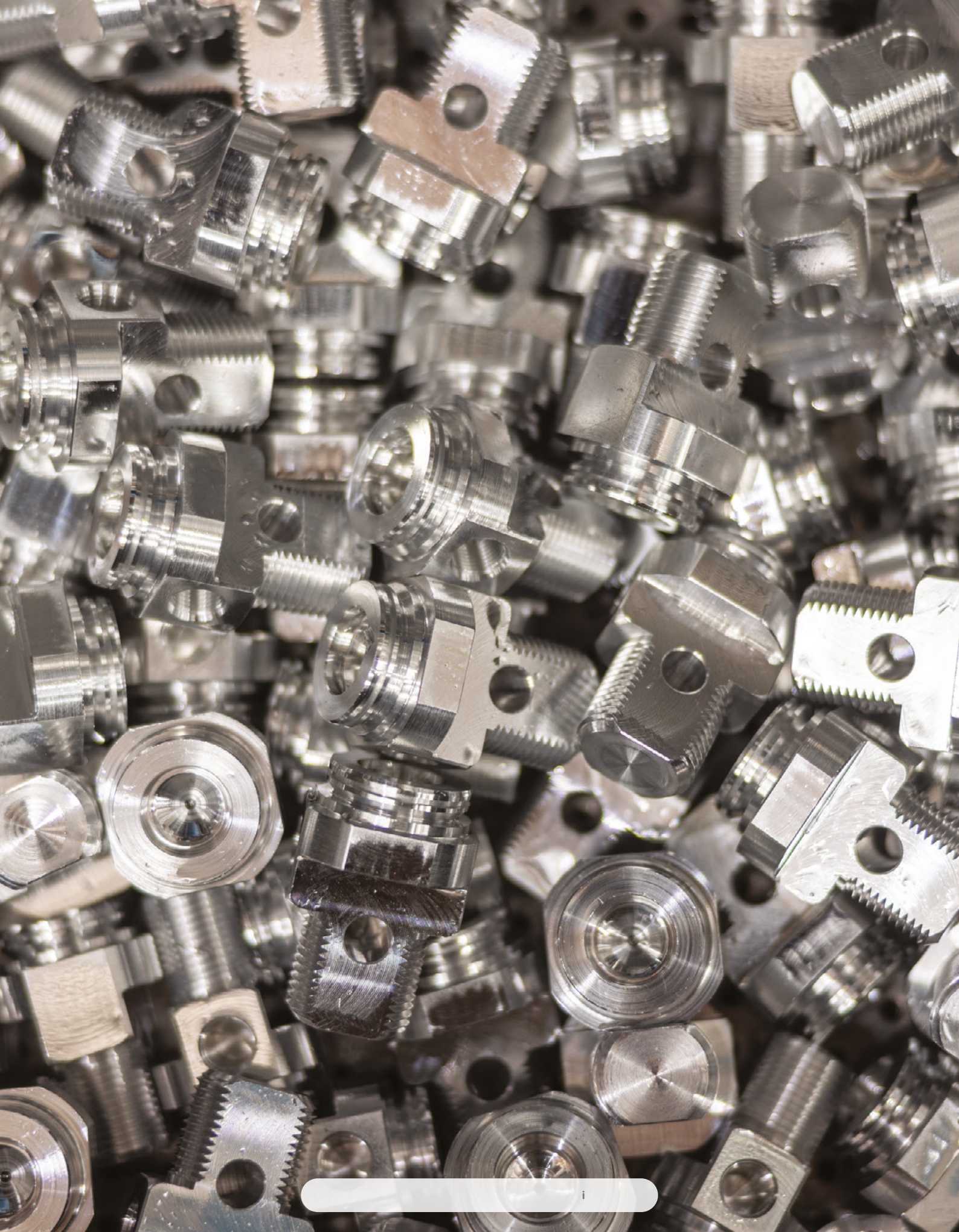
Scheduled **non-compulsory training** measures concerned **technical training**, especially in relation to newly introduced machines, technical-specific courses and training on operational aspects. On the other hand, compulsory training covered areas such as occupational health and

safety, English courses, and courses on the Kaizen philosophy. Another area in which we have invested significantly is **training for new recruits**, which has developed mainly through courses on teamwork and leadership.

We offer 4 courses dedicated to the technical knowledge of our products (these courses are customisable):

- Basic pneumatics
- Sizing of installations and plants
- Plant and installation maintenance
- Advanced courses





07

GRI Indicator
Tables

GRI 201-1: Directly generated and distributed economic value

Economic value (euros)	2022	2021
Directly generated economic value	135.069.161	126.946.085
Value distributed to suppliers	86.632.117	77.426.932
Value distributed to employees	28.734.990	27.078.137
Value distributed to partners/shareholders and investors	5.673.196	5.397.661
Value distributed to the Public Administration	- 118.732	754.667
Value distributed to the community	206.266	267.411
Distributed economic value	121.127.838	110.924.808
Retained economic value	13.941.323	16.021.277

GRI 2-7 Employees

Employees by employment type	2022			2021		
	Men	Women	Total	Men	Women	Total
Total	278	177	455	253	158	411
Full time employees	275	118	393	250	97	347
Part-time employees	3	59	62	3	61	64

GRI 2-7 Employees

Employees by contract type	2022			2021		
	Men	Women	Total	Men	Women	Total
Total	278	177	455	253	158	411
Employees on a permanent contract	278	176	454	253	158	411
Employees on a temporary contract	0	1	1	0	0	0
Employees with non-guaranteed hours (on-call)	0	0	0	0	0	0

GRI 2-8: Non-employees

Non-employees	2022	2021
Total	26	55
Temporary workers	22	53
Interns	4	2

GRI 401-1: New recruitments and turnover

Total number of new recruits	2022			2021		
	Men	Women	Total	Men	Women	Total
Total	39	27	66	16	13	29
Under 30	28	15	43	9	7	16
Between 30 and 50 years old	8	11	19	7	6	13
Over 50 years old	3	1	4	0	0	0

GRI 401-1: New recruitments and turnover

Employee recruitment rate (%) ¹⁰	2022			2021		
	Men	Women	Total	Men	Women	Total
Metal Work S.p.A.	14	15	14	6	8	7

GRI 401-1: New recruitments and turnover

Employees who left the company	2022			2021		
	Men	Women	Total	Men	Women	Total
Total	14	8	22	8	5	13
Under 30	3	0	3	0	0	0
Between 30 and 50 years old	3	0	3	4	0	4
Over 50 years old	8	8	16	4	5	9

GRI 401-1: New recruitments and turnover

Employee turnover (%) ¹¹	2022			2021		
	Men	Women	Total	Men	Women	Total
Metal Work S.p.A.	5	4	5	3	3	3

10. Rate calculated as the ratio of new recruits over total employees.

11. Ratio of terminations during the year compared to the number of employees.

GRI 403-9: Occupational Accidents¹²

Recordable occupational accidents (n) – Employees	2022			2021		
	Men	Women	Total	Men	Women	Total
In the workplace	9	2	11	1	0	1
Going to the workplace	0	1	1	0	0	0
Total	9	3	12	1	0	1
Worked hours (h)	448.740	246.240	694.980	427.735	217.572	645.307
Occupational accident rate	20,06	12,18	17,27	2,34	0	1,55

Recordable occupational	2022			2021		
	Men	Women	Total	Men	Women	Total
In the workplace	0	0	0	2	0	2
Going to the workplace	1	0	1	0	0	0
Total	1	0	1	2	0	2
Worked hours (h)	42.734	21.783	64.517	56.783	0	56.783
Occupational accident rate	23,40	0,00	15,50	35,22	0	35,22

GRI 404-1: Average annual training hours per employee¹³

Average training hours by gender and professional level (h/n)	2022			2021		
	Men	Women	Total	Men	Women	Total
Employees	27	28	27	5	1	4
Workmen and manual workers	21	26	23	4	7	5
Average training hours	22	26	23	4	5	5

GRI 405-1: Diversity in governing structures and among employees

Members of governing structures	2022				2021			
	Man	Woman	Total	%	Man	Woman	Total	%
<30	0	0	0	0%	0	0	0	0%
between 30 and 50	0	0	0	0%	0	0	0	0%
> 50	5	1	6	100%	5	1	6	100%
Total	5	1	6		5	1	6	
%	83%	17%			83%	17%		

12. The calculation of the 'Recordable Occupational Accident Rate' is based on 1,000,000 hours worked, according to the following calculation: (Total Recordable Occupational Accidents/ Hours worked) * 1,000,000.

13. Ratio of training hours provided to employees over total number of employees.

GRI 405-1: Diversity in governing structures and among employees

Employees by category and by age group	2022				2021			
	Man	Woman	Total	%	Man	Woman	Total	%
Managers	8	0	8		8	0	8	
< 30	0	0	0	0%	0	0	0	0%
between 30 and 50	1	0	1	0%	1	0	1	0%
> 50	7	0	7	2%	7	0	7	2%
Employees¹⁴	76	38	114		69	37	106	
< 30	14	8	22	5%	9	7	16	4%
between 30 and 50	44	17	61	13%	42	15	57	14%
> 50	18	13	31	7%	18	15	33	8%
Of which other (e.g. minorities or vulnerable groups)	2	2	4	1%	2	3	5	1%
Workmen and manual workers	194	139	333		176	121	297	
< 30	46	24	70	15%	29	13	42	10%
between 30 and 50	107	68	175	38%	110	62	172	42%
> 50	41	47	88	19%	37	46	83	20%
Of which other (e.g. minorities or vulnerable groups)	7	13	20	4%	7	14	21	5%
Total (n.)	278	177	455		253	158	411	
%	61%	39%			62%	38%		

GRI 302-1: Energy consumed within the organization

Energy consumption (GJ)	2022	2021
Direct energy consumption	13.755	17.834
From non-renewable sources	8.092	12.247
Natural gas	8.092	12.247
Car fuel consumption	2.581	2.529
Diesel cars	2.289	2.318
Petrol cars	292	211
Self-generated solar energy	3.184	3.183
of which self-consumed	3.082	3.058
of which transferred to the network	102	125
Indirect energy consumption	32.860	35.741
From non-renewable sources	19.956	23.614
From renewable sources	12.904	12.127
Total energy consumption	46.615	53.575

14. The management category is included within the employee qualification.

GRI 305-1: GHG Direct emissions (Scope 1), 305-2: GHG Indirect emissions (Scope 2)

Direct and indirect CO₂ emissions* (t CO₂ e)	2022	2021
Direct emissions (Scope 1)	588	795
From non-renewable sources (natural gas, diesel)	407	616
From cars (petrol and diesel)	181	179
Indirect emissions (Scope 2) – market based	4.167	4.553
Indirect emissions (Scope 2) – location based	2.597	2.594

GRI 303-3: Water withdrawal, 303-4: Water discharge, 303-5: Water consumption

Water withdrawals, discharges and consumption (MI)	2022	2021
Total water withdrawals ¹⁵	21	16
Total water discharges	0	0
Total water consumption	21	16

GRI 301-1: Materials used by weight and volume

Materials used (t)	2022	2021
Non-renewable materials used	4.428	4.713
Raw materials	4.232	4.554
Related process materials	156	136
Packaging materials	39	23
Renewable materials used	333	327
Packaging materials	333	327
Total	4.760	5.040

GRI 301-2: Materials used that come from recycling

Recycled input materials (t)	2022	2021
Total inputs used	4.760	5.040
Total recovered input materials used	1.349	1.647
Percentage of recycled input materials (%)	28	33

15. All the water withdrawn is fresh water and it does not come from water-stressed areas. The reference for the assessment of water-stressed areas is the World Resources Institute (WRI) 'Aqueduct Water Risk Atlas'.

GRI 306-3: Generated waste

Generated waste (t)	2022	2021
Hazardous waste	191	165
Waste from processing and physical and mechanical surface treatment of metals and plastics	178	155
Packaging waste, absorbents, rags, filter materials and protective clothing	12	9
Urban waste (household and comparable waste from commercial and industrial activities as well as from institutions) including waste collected for recycling	0,06	0,11
Other types of waste	0,17	0,09
Non-hazardous waste	817	681
Waste from processing and physical and mechanical surface treatment of metals and plastics	375	347
Packaging waste, absorbents, rags, filter materials and protective clothing	105	97
Urban waste (household and comparable waste from commercial and industrial activities as well as from institutions) including waste collected for recycling	56	0
Waste from construction and demolition operations	268	207
Other types of waste	14	30
Total generated waste	1.007	846

GRI 306-4: Waste not for disposal

Waste destined for recovery at third parties (t)	2022	2021
Hazardous waste	191	164
Other recovery operations	191	164
Non-hazardous waste	804	652
Other recovery operations	804	652
Total waste	995	816

GRI 306-5: Waste for Disposal

Waste destined for disposal at third parties (t)	2022	2021
Hazardous waste	0	1
Other disposal operations	0	1
Non-hazardous waste	12	29
Other disposal operations	12	29
Total waste	12	30

GRI Content Index

Declaration of use	Metal Work S.p.A. has reported the information mentioned in this GRI content index for the period 01/01/2022 - 31/12/2022 with reference to GRI Standards	
GRI 1 used	GRI 1: GRI Foundation 2021	
GRI Standard	Guidelines	Paragraph reference
2-1	Organisation details	1.1.
2-2	Entities included in the Sustainability Report of the Organisation	Note on methodology
2-3	Reporting period, frequency and contacts	Note on methodology
2-4	Processing of information	Not applicable as this is the first Sustainability Report of Metal Work S.p.A.
2-5	External certification	The Sustainability Report is not subject to external audit
2-6	Activities, value chain and other business relationships	1.1., 4.3.
2-7	Employees	6.1., 7.
2-8	Non-employees	6.1., 7.
2-9	Structure and composition of Governance	3.1.
2-22	Sustainable development strategy Statement	Letter to the stakeholders
2-27	Compliance with laws and regulations	During 2022, there were no episodes of non-compliance with laws and regulations.
2-29	Approach to stakeholder involvement	2.1.
3-1	Process to determine material themes	2.2.
3-2	List of material themes	2.2.
3-3	Management of material themes	3.1., 4.1., 4.3., 5.1., 5.2., 6.2., 3.3.
201-1	Direct economic value - generated and distributed	4.1., 7.
205-3	Identified corruption episodes and actions taken	During 2022 there were no episodes of corruption.
301-1	Materials used by weight or volume	5.2., 7.
301-2	Materials used that come from recycling	5.2., 7.

GRI Standard	Guidelines	Paragraph reference
302-1	Energy consumed within the organisation divided by renewable and non-renewable sources	5.1., 7.
303-1	Interacting with water as a shared resource	5.2.
303-2	Management of impacts related to water discharge	5.2.
303-3	Water withdrawal	7.
303-4	Water discharge	7.
303-5	Water consumption	5.2., 7.
305-1	GHG direct emissions (Scope 1)	5.1., 7.
305-2	GHG indirect emissions from energy consumption (Scope 2)	5.1., 7.
306-1	Waste generation and significant waste-related impacts	5.2.
306-2	Management of significant waste-related impacts	5.2.
306-3	Generated waste	5.2., 7.
306-4	Waste not for disposal	5.2., 7.
306-5	Waste for disposal	5.2., 7.
401-1	New recruitments and turnover	
401-2	Benefits for full time employees, but not for part-time or fixed-term employees	6.2.
403-1	Health and safety in the workplace management system	6.2.
403-2	Hazard identification, risk assessment and accident investigation	6.2.
403-4	Worker participation and consultation, and health and safety communication	6.2.
403-5	Health and safety training	6.2.
403-6	Promoting the health of workers	6.2.
403-7	Prevention and mitigation of health and safety impacts within business relationships	6.2.
403-9	Occupational accidents	6.2., 7.
403-10	Occupational illnesses	6.2.
404-1	Average training hours by employee category	6.2., 7.
405-1	Diversity among employees and in governing structures	3.1., 6.1., 7.
406-1	Discrimination episodes	No episodes of discrimination were recorded in 2022.

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