

**S U S T A**

**I N A B I**

**L I T Y**

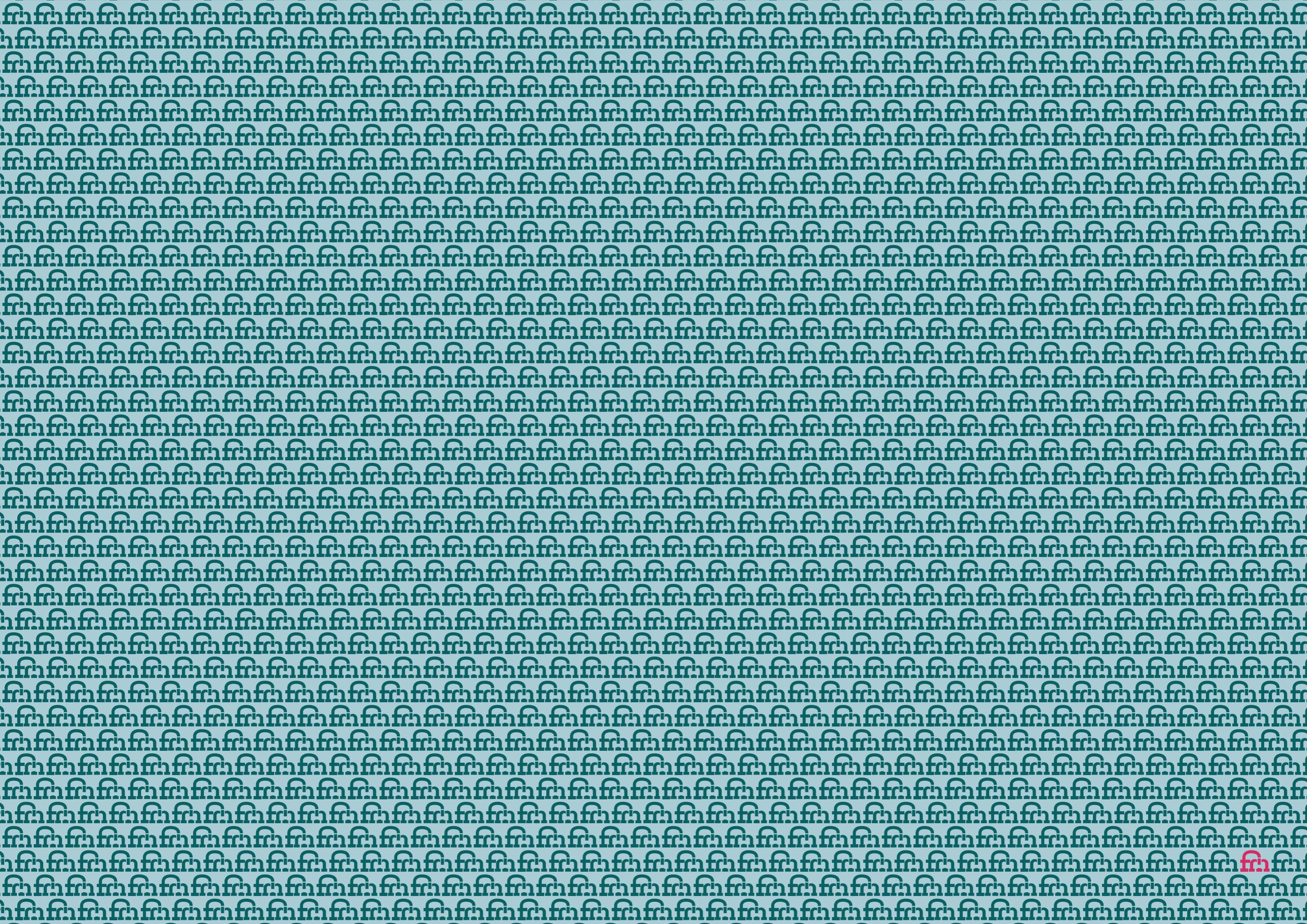
**R E**

**P O R T**

**2024**



**forge  
monchieri**





DETAILS  
MAKE  
QUALITY AND  
QUALITY  
IS NOT A  
DETAIL



## METHODOLOGICAL NOTE

Forge Monchieri's Sustainability Report is an important document that allows transparent and accountable communication of the company's sustainable activities and results.

The Report is prepared according to the Global Reporting Initiative (GRI) Standards, thus ensuring that the information conforms to an internationally recognized framework. The principles adopted in preparing the document aim to ensure that the information is accurate, balanced and clear, making the financial statements comparable and complete.

In addition, the sustainability context is taken into account and ensures the timeliness and verifiability of information. In 2024, the materiality analysis already carried out for the year 2023, which had involved a wide range of stakeholders, including customers, suppliers, banks, and trade associations, was retained (with minor changes). This process had identified material issues for the organization, assessing both positive and negative impacts, and linking them, when relevant, to the Sustainable Development Goals (SDGs).

The company's impacts were assessed in terms of magnitude (for actual ones) or magnitude and likelihood (for potential ones). This approach has enabled us to understand not only the already visible consequences of the company's activities, but also the possible future effects generated or suffered (as risks and opportunities).

The Annual Report covers the period from January 1, 2024, to December 31, 2024, with additional information on the previous two-year period (2022-2023). This allows to assess the company's performance and progress over time. Forge Monchieri's Sustainability Report is a key step to strengthen stakeholder trust and demonstrate the company's commitment to sustainability. Through clear and structured communication, the company not only accounts for its actions, but also presents itself as a responsible actor and proactive in promoting sustainable practices.

# CEO STATEMENT

Dear Shareholders and Stakeholders,

The Sustainability Report covering the year 2024 of Forge Monchieri represents an important step forward in our mission of integrating sustainability principles into the heart of our company. Through targeted strategies and concrete actions, we are committed to reducing the environmental impact of our activities, promoting social well-being, and ensuring transparent and accountable governance.

We understand that the future depends on the choices we make today. With the Sustainability Report, we want to account for our actions, highlight the results achieved and outline future challenges. We are convinced that only through constant and collective efforts can we build a better future for new generations.

In recent years, we have faced an unprecedented environment, however, our ability to adapt and deep sense of responsibility have enabled us to face these difficulties with determination. The current landscape is increasingly characterized by uncertainty and constant change, but today we know that every problem has an impact on us. In this context, our sustainability report highlights the complexity of the moment and the need to address new challenges on a daily basis. It is essential to undertake a profound change, based on a sustainable, responsible and inclusive business idea.

Forge Monchieri has developed an Integrated Management System (quality, environment, safety and energy), certified to ISO 9001, ISO 14001, ISO 45001 and ISO 50001 and recently extended to ISO 19443 for the nuclear sector. The focus on improving these areas, especially safety, is our top priority.

Sustainability has become an integral part of our governance and central to the way we operate. Our ethos and passion for excellence, passed down from my father, Cavalier Gianfranco Monchieri, guides us on this path he started more than 50 years ago. We are proud to share this ever-evolving journey with you.

We have implemented numerous initiatives to improve the well-being of our employees, reduce our environmental impact and strengthen our presence in the territory and community. We support the socioeconomic development of our territory with various projects, promoting gender equality, defending human rights, and valuing inclusion and diversity.

The results achieved so far are extremely positive, but they are not an end point, as it is crucial to constantly integrate sustainability into our daily choices.

We sincerely thank all of you for your continued support and for being an integral part of this meaningful journey toward a sustainable future. Only together can we make a difference!

The Chief Executive Officer  
**Gaia Monchieri**

## VISION

### BEING A HIGHLY DIVERSIFIED AND SUSTAINABLE FORGE



Diversification has become a key strategy for companies in the contemporary world. In addition to responding to the challenges of the market, sustainability also offers unique opportunities to innovate and create long-term value. Companies that adopt sustainable practices often can improve their reputation, attract new customers and reduce operating costs.

## MISSION

### EXCELLENCE AND SUSTAINABILITY IN THE FORGING INDUSTRY



Forge Monchieri's mission is built on a solid foundation of experience and commitment to the forging industry, where excellence is not just a goal, but a true vocation. With more than 50 years in business, we are dedicated not only to meeting the needs of our customers, but also to ensuring the sustainability of our company and the environment in which we operate.



# INDEX

<b>1. WHO WE ARE</b>	p. 12	<b>2. MATERIALITY ASSESSMENT AND IMPACT ANALYSIS</b>	p. 30	<b>3. ENVIRONMENT SPHERE</b>	p. 46	<b>4. SOCIAL SPHERE</b>	p. 72
<hr/>		<hr/>		<hr/>		<hr/>	
<b>1.1</b> Forge Monchieri	p. 14	<b>2.1</b> Material matters and materiality assessment	p. 32	<b>3.1</b> Energy and energy efficiency	p. 51	<b>4.1</b> Occupational health and safety	p. 77
<b>1.2</b> Highlights	p. 16	<b>2.2</b> Generated and suffered impacts	p. 38	<b>3.2</b> GHG emissions	p. 55	<b>4.2</b> Corporate well-being	p. 79
<b>1.3</b> Our production processes	p. 18	<b>2.3</b> Inside-out perspective	p. 39	<b>3.3</b> Waste management	p. 62	<b>4.3</b> Job satisfaction and employee turnover	p. 81
<b>1.4</b> Our history	p. 20	<b>2.4</b> Outside-in perspective	p. 44	<b>3.4</b> Materials	p. 66	<b>4.4</b> Diversity and inclusion	p. 95
<b>1.5</b> Values and principles	p. 22			<b>3.5</b> Water resources	p. 69	<b>4.5</b> Creation of value for the community	p. 98
<b>1.6</b> Sustainability strategy	p. 24						
<b>1.7</b> Sustainable Development Goals	p. 28						
				<b>5. GOVERNANCE SPHERE</b>	p. 102	<b>6. GRI CONTENT INDEX</b>	p. 124
				<hr/>		<hr/>	
				<b>5.1</b> Strategic management	p. 107		
				<b>5.2</b> Economic performance	p. 114		
				<b>5.3</b> Customer Satisfaction	p. 116		
				<b>5.4</b> Cybersecurity and data protection	p. 121		
				<b>5.5</b> Supply chain	p. 122		



# WHO WE ARE

- 1.1 Forge Monchieri
- 1.2 Highlights
- 1.3 Our production processes
- 1.4 Our history
- 1.5 Values and principles
- 1.6 Sustainability strategy
- 1.7 Sustainable Development Goals



1.1

# FORGE MONCHIERI

## THE VALLECAMONICA VALLEY AND ITS TRADITION



**Vallecamonica**, with its rich tradition of ironworking, represents an **important center for forging in Italy**, and Forge Monchieri is one of its leading exponents. Founded in 1970 by Cavalier Gianfranco Monchieri, the company has been able to grow and establish itself in the market thanks to a mix of experience, innovation and quality.

Cavalier Monchieri started his business in a small workshop, creating a company that quickly established itself both at national and international level. Thanks to the entrepreneurship of the Monchieri family and the support of a group of highly qualified employees, Forge Monchieri has managed to expand its offerings, becoming a benchmark in the open die forge industry.

**The company is distinguished by the wide range of steel types used and the adoption of modern technologies in its production processes.**

This approach enables Forge Monchieri to guarantee high quality products, capable of meeting the needs of a

constantly evolving market. Application sectors range from power generation to nuclear power, from oil & gas to plant engineering and mechanical, highlighting the company's adaptability and versatility.

The company continuously invests in **technological innovation** and **skill development** while maintaining a strong customer orientation and a reputation for reliability and seriousness. This ongoing commitment enables it to meet the challenges of the global market with competitiveness and determination.



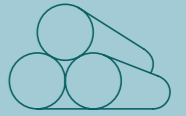
# HIGHLIGHTS

MORE THAN

# 50

years of history passion, competence and commitment (1970–2020)

PASSION



MORE THAN

# 90

million of euros in turnover

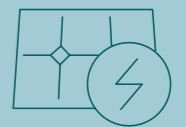
PROFIT



# 2

photovoltaic systems for over 1 MWp of installed power

SYSTEMS



# 95.7%

of permanent contracts

CONTRACTS



# 90%

low gender pay gap for office staff

GENDER PAY



# 75222

training hours in a year (54.1 per employee)

TRAINING



# 65,000

of euros spent in liberal donations

DONATIONS



# 4,927

hours of Research and Development

RESEARCH



## 1.3

# OUR PRODUCTION PROCESSES

A PROCESS DEVELOPED OVER MORE THAN HALF A CENTURY OF HISTORY TO BEST SATISFY ITS CUSTOMERS

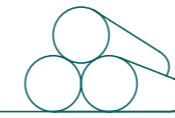


Forge Monchieri follows a **highly structured process** starting from the receipt of raw material to the shipment of the finished product. **Custom-designed based on specific customer needs**, guarantees a **high level of specialization**.

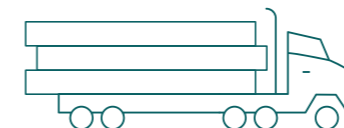
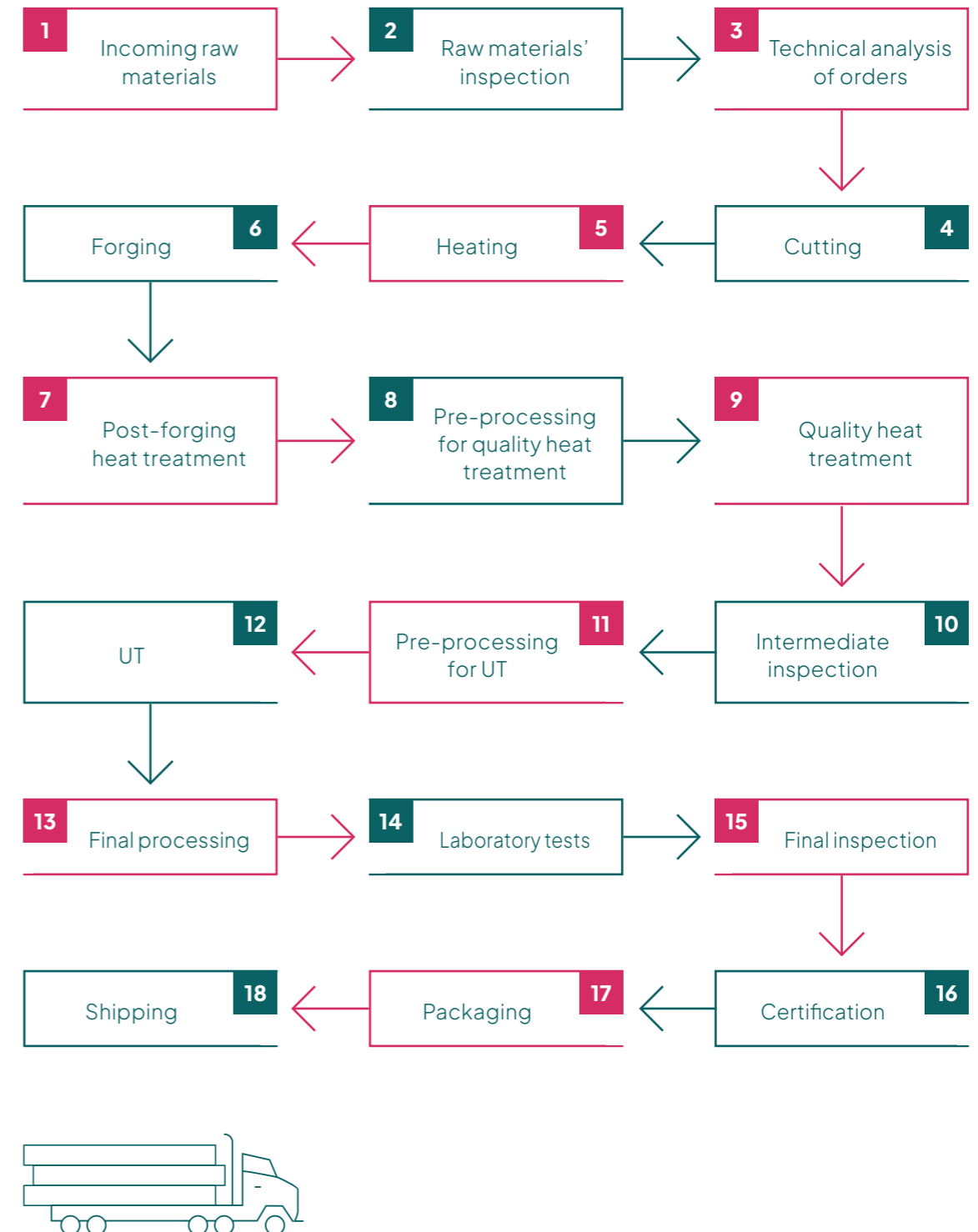
The production cycle begins with the cutting of ingots, which are then heated and subjected to forging using two hydraulic presses, with capacities of 12,000 and 5,000 tons, respectively. This stage is essential to obtain forgings of various shapes and sizes with high levels of material quality capable of meeting diverse market demands. After forging, the products go through heat treatment, carried out with gas furnaces and quenching tanks. If necessary, machining is also carried out, such as boring, milling, turning and drilling, to achieve the degrees of finish required by the customer.

To ensure excellent quality of products, Forge Monchieri implements rigorous testing and inspection. Non-destructive testing include visual, dimensional, ultrasonic, die penetrant and magnetic particle testing. In addition, the destructive tests, such as tensile and impact tests, are performed to ensure that each product meets the required quality standards.

Forge Monchieri stands out for its **attention to detail and commitment to quality**, making the company a reliable partner for the supply of high-performance products intended for critical applications in various industries.



## STEPS OF OUR PROCESS



1.4

# OUR HISTORY

Cavalier Gianfranco Monchieri founded Forge Monchieri.

**1970**

The company obtains the ISO 9001 certification for the quality management system.

**1992**

Installation of the new 12,000 ton press.

**2009**

Transition to management company.

**2015**

Since 2023 development and implementation of ESG projects.

**2023**

**1990**

Installation of the 5,000 ton press.

**2003**

The company obtains the ISO 14001 certification for the environment management system.

**2010**

The company obtains the nuclear ASME accreditation.

**2020**

Celebration of 50 years of activity.

**2024**

Issue of the first sustainability report covering the fiscal year 2023.

■ 1.5

# VALUES AND PRINCIPLES

**PRINCIPLES GUIDE  
BUSINESS DECISIONS AND  
ALSO FOSTER A POSITIVE  
AND PRODUCTIVE WORK  
ENVIRONMENT**



Forge Monchieri's approach to social and ethical responsibility is clearly outlined through the **Code Ethics** and **Social and Ethic Responsibility Policy**, which reflect a deep commitment to core values.

These principles not only guide business decisions, but also foster a **positive and productive work environment** where all stakeholders are involved and valued.

These values not only define our corporate identity, but also serve as guides in day-to-day decisions, especially in times of change. We believe that holding these principles firmly in place will enable us to meet future challenges and continue to grow as a company, remaining a reliable partner for our customers and an example of accountability in the industry.

## FORGE MONCHIERI'S CORE VALUES:



### SPIRIT OF INNOVATION

Forge Monchieri promotes a culture that encourages innovation in all aspects of the company. This is not only limited to the adoption of new technologies but also extends to the development of employee skills and the creation of an environment that fosters continuous improvement and the dissemination of innovative ideas.



### TEAMWORK

Collaboration is seen as a key element in achieving excellent results. The Forge Monchieri team consists of motivated and skilled professionals who work together to overcome challenges and achieve common goals. Sharing knowledge and experience is encouraged to maximize the collective potential.



### SUSTAINABILITY CULTURE

The company recognizes the importance of operating sustainably, not only for profit, but also for the good of the environment and society. Forge Monchieri implements a development plan that results in concrete projects, aimed at reducing environmental impact and promoting a sustainable economy.



### CENTRALITY OF THE CUSTOMER

The customer is at the center of all business activities. Forge Monchieri is committed to understanding not only the business needs of clients, but also the context in which they operate. The goal is to make every customer feel valued and listened to, creating lasting and trusting relationships.

1.6

# SUSTAINABILITY STRATEGY

CREATE ECONOMIC VALUE  
CONTRIBUTING TO A POSITIVE  
IMPACT ON THE ENVIRONMENT  
AND ON SOCIETY



Forge Monchieri has taken a **significant path toward sustainability**, recognizing the importance of integrating sustainable practices into its strategy. The decision to initiate a Carbon Footprint analysis according to ISO 14064-1 standard and to achieve ISO 50001 certification demonstrate a strong commitment to managing greenhouse gas emissions and improving energy performance. Also not to be forgotten is the publication of the first sustainability report in 2024, well in advance of legislative obligations. The company's approach is based on three important pillars: assessing ESG performance, updating the improvement plan, and preparing an annual sustainability report.

These tools not only enable Forge Monchieri to obtain a clear view of its own performance but also **identify areas of strength and opportunities for strategic improvement** and communicate its activities in the ESG area to all stakeholders.





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ESG  
SUSTAINABILITY  
ASSESSMENT



ACTION  
PLAN FOR  
IMPROVEMENT



2024  
SUSTAINABILITY  
REPORT

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Obtaining excellent ratings through **international ESG rating systems** places the company among the best in the industry and is a significant achievement that attests to the effectiveness of the initiatives undertaken.

The actions already underway, such as the use of self-generated electricity through its own photovoltaic system and the exploration of alternative energy sources are indicative of a concrete commitment to reducing emissions.

In addition, **joining the WHP project** demonstrates Forge Monchieri's focus on the health and well-being of its employees.

Finally, the effective communication project aimed at spreading an **environmental and safety culture** is key to engaging all stakeholders and ensuring the success of sustainability initiatives. In this way, Forge Monchieri not only creates economic value, but also contributes to a positive impact on the environment and society.

1.7

# SUSTAINABLE DEVELOPMENT GOALS

## GLOBAL COMMITMENT, GOALS AND OPPORTUNITIES



The **United Nations 2030 Agenda** represents a global commitment to address the most pressing challenges of our time, through the **17 Goals Sustainable Development Goals (SDGs)**. These goals not only provide a framework for public policy and government action, but also offer companies the opportunity

to align their strategies with global sustainability needs.

In the context of Forge Monchieri, the company has undertaken several initiatives to help achieve these goals. Below are some key points, organized around specific SDGs.

The formalization of a **ESG improvement plan** describing the actions taken by Forge Monchieri to promote sustainability is a great example of how companies can contribute to the achievement of the **United Nations Sustainable Development Goals (SDGs)**. Here is an analysis of the initiatives presented in the context of the relevant SDGs:

The **induction plan for new hires** is an important initiative to ensure that all employees receive appropriate training since the beginning. Specific training on sustainability issues and ESG impacts is crucial to increase employees' awareness and skills on these current issues.

The **WHP (Workplace Health Promotion)** program aims to improve the health and mental and physical well-being of employees, contributing to a healthy work environment. Offering prevention packages at subsidized prices is a way to improve the well-being of employees and promote a positive work environment.

The **use of questionnaires and adherence to the Code of Ethics** are significant steps toward empowering suppliers. The introduction of a supplier selection policy based on ESG requirements and **Code of Conduct** is key to ensuring a sustainable supply chain.

The **implementation of energy efficiency** measures according to the SGE ISO 50001 represents a commitment to the efficient use of energy resources. At the same time, **monitoring of the Carbon Footprint** and improvement actions are

essential to reduce the company's environmental impact. In addition, the evaluation of projects to use alternative energy sources, such as hydrogen and biomethane, is a significant step toward decarbonization.

Added to this is the **support for local initiatives and associations** that demonstrates a commitment to social responsibility and the development of the communities in which the company operates.

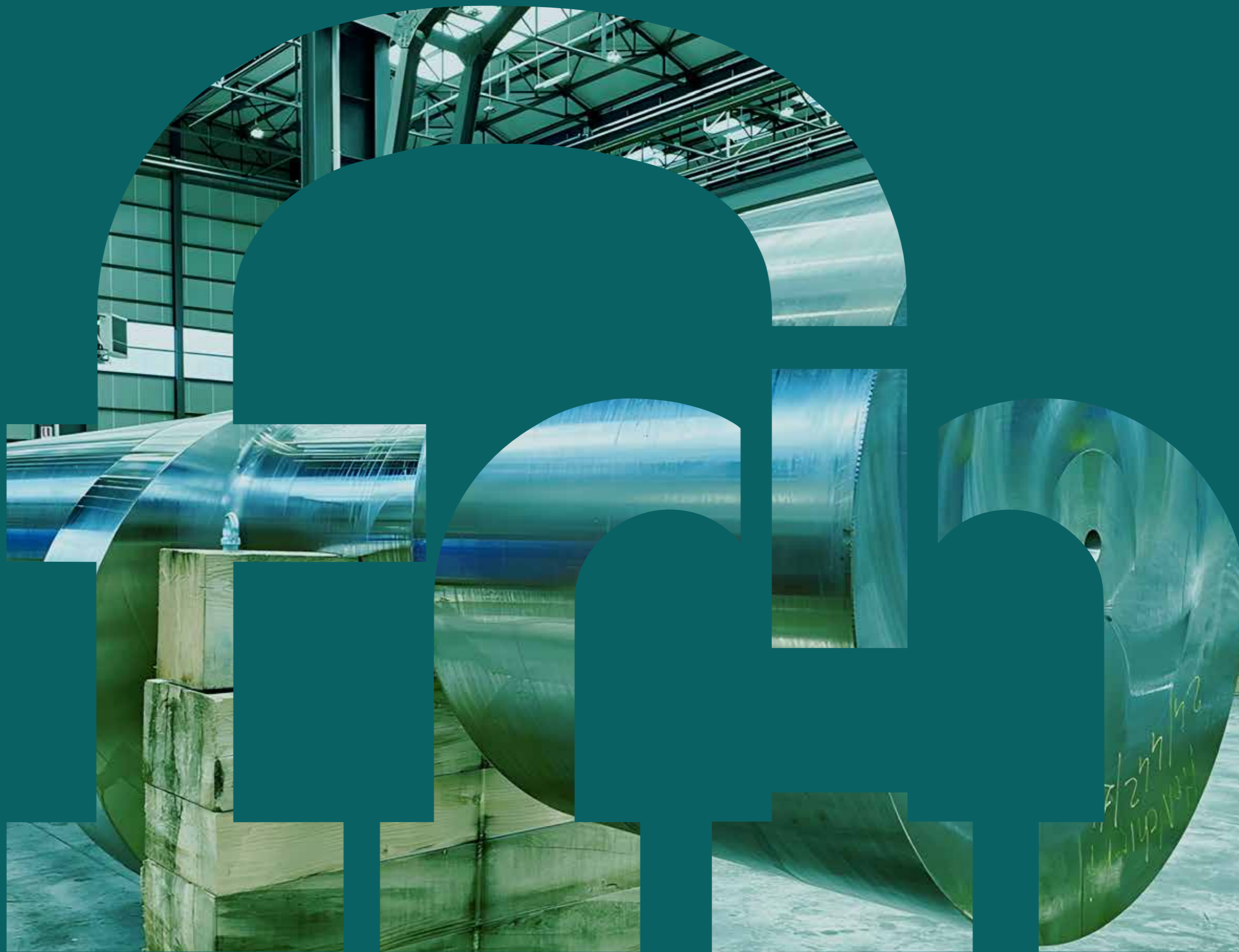
Forge Monchieri's actions not only contribute to improving company performance, but also to achieving global sustainability goals. The integration of practices in this area into the company's strategy represents an important step towards a more sustainable and responsible future. It will continue to be essential to monitor and communicate progress towards these goals to ensure transparency and accountability.





## MATERIALITY ASSESSMENT AND IMPACT ANALYSIS

- 2.1 Material matters and materiality assessment
- 2.2 Generated and suffered impacts
- 2.3 Inside-out perspective
- 2.4 Outside-in perspective



2.1

# MATERIAL MATTERS AND MATERIALITY ASSESSMENT

THE MATERIALITY ANALYSIS REPRESENTS A STEP FUNDAMENTAL FOR COMPANIES THAT WISH TO INTEGRATE SUSTAINABILITY INTO THEIR STRATEGY AND REPORTING



In the case of Forge Monchieri, the adoption of the GRI 2021 standards has made it possible to establish an internationally recognized framework international level to identify and assess the issues most relevant to its own activities and for its stakeholders.

During the analysis process carried out in occasion of the Sustainability Report 2023, Forge Monchieri identified the different material issues, then collected stakeholder opinions in order to ensure that the materiality analysis reflected their concerns and priorities. Through interviews, surveys and workshops, Forge Monchieri was able to obtain valuable feedback, which was then used to assess the importance and level of materiality of each issue. This collaborative approach not only strengthens the credibility of the sustainability report, but also promotes an ongoing dialogue with stakeholders.

The materiality matrix generated, visually represents the positioning of the various themes, allowing Forge Monchieri to identify which areas require more attention and resources. The identification of the materiality topics is not limited to a simple classification but provides a basis for the analysis of the impacts generated and suffered by the company. In the following paragraphs of the Sustainability Report, Forge Monchieri will present a detailed analysis of these impacts, highlighting how the company intends to address the challenges and opportunities related to the issues identified. This approach not only demonstrates a commitment toward sustainability, but also offers transparency and accountability to all stakeholders involved.

IDENTIFICATION OF THE ESG ISSUES THAT WERE POTENTIALLY RELEVANT FOR FORGE MONCHIERI



ASSESSMENT OF THE MATERIALITY LEVELS OF THESE TOPICS BY THE STAKEHOLDERS' ANSWERS TO SURVEYS



CREATION OF THE MATERIALITY MATRIX



IMPACT ANALYSIS OF THE VALIDATED IMPACTS



2.1.1

# STAKEHOLDERS MAPPING

The methodology used, through **questionnaires**, allowed us to collect feedback from both the internal staff and from external stakeholders, such as suppliers, customers, banks, trade associations, and consulting firms.

The assignment of scores by stakeholders on a scale of 1 to 4 has made it possible to measure the strategic nature of each issue. The average of the scores provided a basis for assessing the priorities of the themes identified, thus allowing focus efforts on those considered most relevant.

## INVOLVED STAKEHOLDERS CATEGORIES

### EMPLOYEES AND BOARD OF DIRECTORS



### CUSTOMERS



### SUPPLIERS



### BANKS



### TRADE ASSOCIATIONS



### CONSULTING COMPANIES



2.1.2

# FORGE MONCHIERI'S MATERIAL MATTERS

## ENVIRONMENT

- Energy consumption and energy efficiency
- Materials
- Waste management
- GHG emissions
- Water resources
- Land use

## SOCIAL

- Occupational Health and Safety
- Job Satisfaction and employee turnover
- Diversity and inclusion
- Corporate well-being
- Creation of value for the community

## GOVERNANCE

- Customer satisfaction
- Economic performance
- Cybersecurity and data protection
- Strategic management
- Supply chain

The **materiality matrix** is a tool useful for visualizing and analyzing the issues that are of strategic importance to a company like Forge Monchieri. By positioning the issues according to their relevance to both staff and external stakeholders, the company has been able to identify which topics require the most attention and resources.

The topics placed in the upper right corner of the matrix are considered to be of highest importance. This means that they are crucial to the success of the company and for stakeholder satisfaction.

In contrast, the issues located in the lower left, with a lower degree of relevance, represent issues that, although are not negligible, do not have an immediate or significant impact on the corporate strategy. These issues are nevertheless monitored, but do not require immediate priority actions.

In summary, the materiality matrix helps to visualize priorities and also serves as a **strategic guide** for planning and resource allocation, ensuring Forge Monchieri to address effectively the issues most relevant to its own success and that of its stakeholders.

The materiality matrix shows an interesting divergence in perception between internal and external stakeholders regarding **strategic issues**.

The areas of greatest relevance to both groups, such as **“occupational health and safety workplace,” ‘customer satisfaction,’ and “economic performance,”** indicate a convergence on issues that are fundamental to the business success. However, differences clearly emerge in the social and environmental spheres.

In the social sphere, internal stakeholders tend to value aspects such as **“staff satisfaction and turnover,” ‘corporate welfare,’ and “diversity and inclusion,”** which reflect a broader concern for the working climate and corporate culture. In contrast, external stakeholders seem to focus more on **“value creation at the community”** showing a preference for the company’s broader social impact of the company.

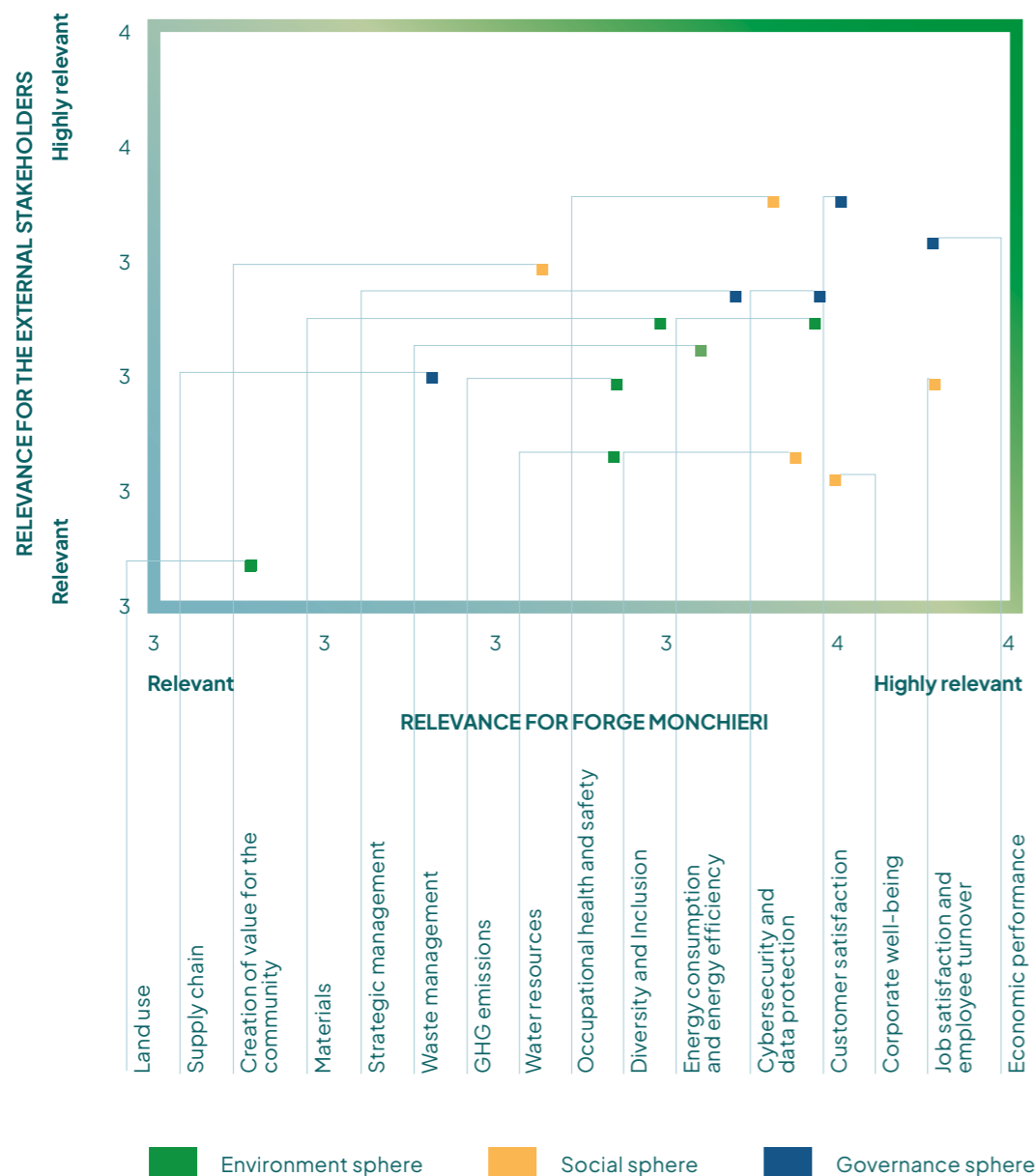
This disparity might suggest that internal staff have a vision that is more internal and related to their own work environment, while external stakeholders are more interested in the impact of the company on the community and the social environment in general. Differences in evaluation might also reflect different priorities and expectations, where insiders focus on aspects that affect their work experience directly.

Although topics such as **“efficiency energy”, ‘materials’ and “management waste”** were considered significant internally, the fact that no environmental themes are considered strategic could imply a lack of urgency or effective communication on these issues, especially toward external stakeholders.

Finally, the consistency found in the sphere of governance, where both groups agree on issues such as **“cybersecurity and data protection” and “strategic direction,”** indicates that concerns related to security and governance business are universal and critical to the success of the organization.

In summary, to face these discrepancies, it is critical for the company to consider communication strategies and engagement that can align perceptions and priorities among groups of stakeholders, particularly with regard social and environmental issues.

### MATERIALITY MATRIX



## ■ 2.2

## GENERATED AND SUFFERED IMPACTS

THE FORGE MONCHIERI REPORT REPRESENTS AN IMPORTANT STEP TOWARD GREATER TRANSPARENCY AND ACCOUNTABILITY IN THE REPORTING ON THE COMPANY IMPACTS, PARTICULARLY IN RELATION TO SUSTAINABILITY



The approach taken, which aligns with GRI standards and anticipates the CSRD<sup>1</sup>, demonstrates a proactive commitment in integrating sustainability practices into the company's business model and also contributes to greater trust from stakeholders, including customers, investors and local communities. Transparency in reporting and the adoption of clear metrics are critical to the long-term success in an business environment that is increasingly focused on sustainability.

Forge Monchieri has identified and analyzed the main impacts related to sustainability in its operations. These impacts are crucial to understanding the company's social and environmental responsibility.

The methodology used for the analysis is detailed in the report's appendix, this provides transparency and allows stakeholders to understand how impacts were identified and assessed. The appendix also provides a tabular summary of the identified impacts, with numerical values quantifying each impact. This helps to measure and compare the company's progress in terms of sustainability. The report will go into more detail on each of the environmental, social and governance impacts in subsequent chapters, providing a more comprehensive view of the company's practices and commitments.

<sup>1</sup> CSRD Corporate Sustainability Reporting Directive (2022/2464)

## ■ 2.3

## INSIDE-OUT PERSPECTIVE



## ■ 2.3.1

### ACTUAL AND POTENTIAL IMPACTS

The analysis of the impacts generated by Forge Monchieri focuses on the effects, both positive and negative, that the company has on the world, its workforce and society at large. This assessment has been expanded from the GRI standards, including considerations related to the value chain, in view of the requirements of the non-financial reporting directive (CSRD) that will come into effect in the next few years.

#### ACTUAL IMPACTS

Actual impacts represent all effects that can be directly attributed to Forge Monchieri's activities. These can include CO<sub>2</sub> emissions, waste management, consumption of natural resources, and again job creation, workforce skills development, initiatives of social responsibility.

#### POTENTIAL IMPACTS

Potential impacts refer to effects that, while not directly caused by the company, are nonetheless relevant to its business and are related to the value chain, both upstream (suppliers) and downstream (customers and communities), such as the economic growth of local communities as a result of investment.

#### GRAPHICAL REPRESENTATION

In the graphical representation of impacts, histograms show actual and potential impacts separately. Each bar is colored to indicate the nature of the impact:

- **Fuchsia** for negative impacts, with a longer length indicating a greater severity.
- **Green** for positive impacts, where a longer length represents a higher benefit.

Numerical values have been transformed into percentage data to facilitate the comparison of the significance of impacts.

Forge Monchieri's analysis of actual and potential impacts highlights the importance of a thorough, integrated assessment that considers not only what the company generates directly, but also how its activities affect the entire value chain. This perspective is crucial to the company's sustainability and social responsibility in the current context.



## ACTUAL IMPACTS

As for the actual impacts, the most critical aspects mainly concern emissions and energy consumption, which are naturally high and difficult to control but are well countered by equally positive impacts in terms of self-production of renewable energy and efficiency interventions.

The number of positive impacts is instead due to the many initiatives in place in the social field: from health and safety, to the psychophysical well-being of employees, to donations to local authorities. It is clear that the company finds itself having to face a dual reality. On the one hand, the negative aspects related to emissions and energy consumption represent a significant challenge, given their high incidence and the difficulty in controlling them. However, it is essential to underline that these negative aspects are balanced by positive impacts, such as the self-production of renewable energy and energy efficiency interventions, which contribute to reducing the company's overall environmental footprint.

In addition, the variety of positive impacts also extends to the social field, where the company has undertaken numerous initiatives to promote the health and safety of employees, their psychological and physical well-being and support for local authorities. These activities increase the company's reputation, strengthen the bond with the community and improve the work environment.

Implementing internal satisfaction monitoring and feedback tools will be essential to enhance employee satisfaction, but also to foster a more collaborative and productive work environment, further contributing to the company's sustainability and social responsibility objectives. Compared to the 2023 analysis, in order to offer an updated view of the impacts generated and suffered, the "industrial land redevelopment" impact has been removed from the actual impacts; in fact, it referred to a specific intervention carried out in 2023, therefore it was deemed no longer relevant for 2024.



## POTENTIAL IMPACTS

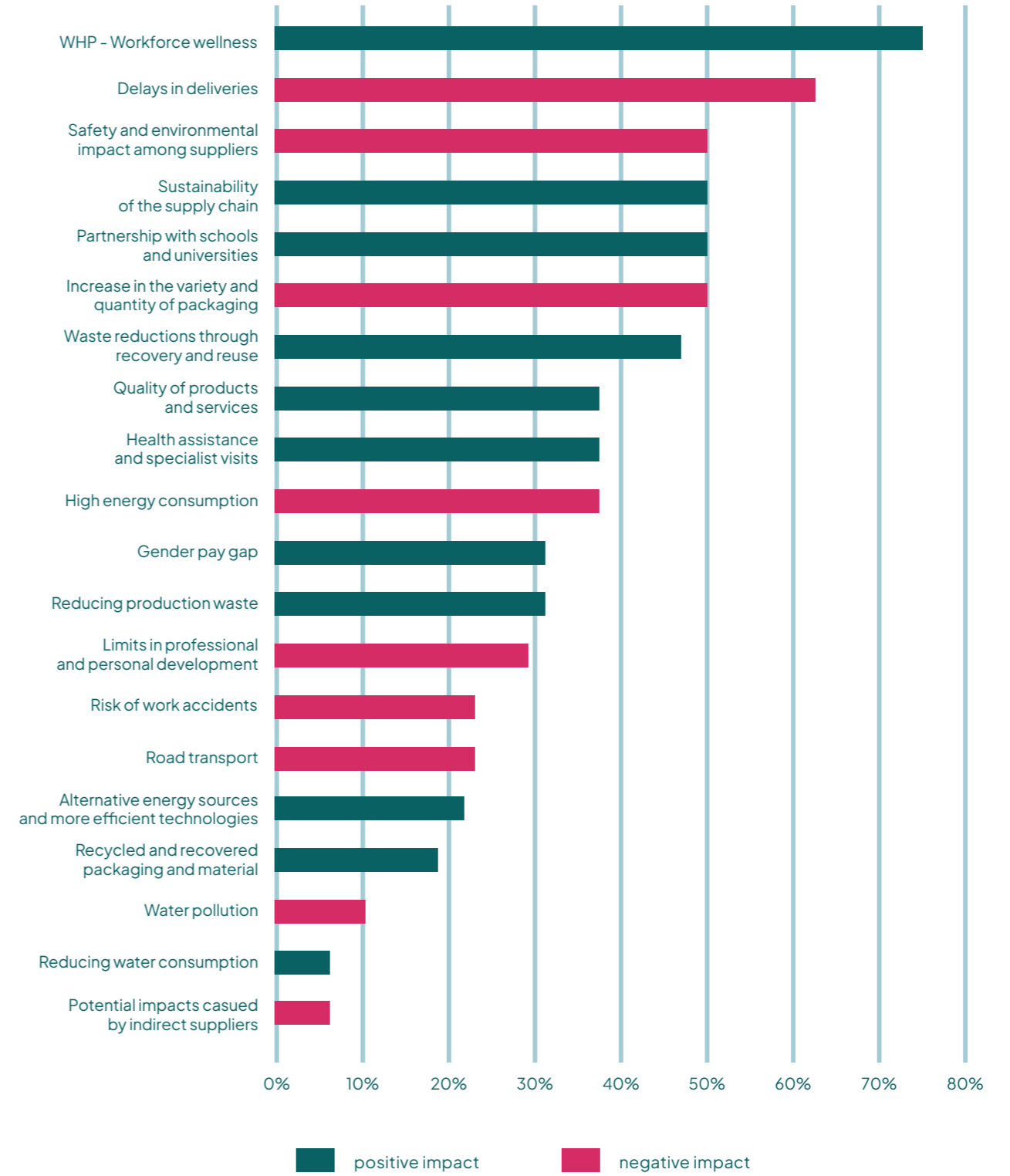
Forge Monchieri is strategically positioned to integrate sustainable and responsible practices into its operations, while addressing challenges related to employee well-being and supply chain management. This approach not only helps to mitigate risks, but also provides opportunities to generate value and improve the company's image. Investing in employee well-being is essential. Programs aimed at mental and physical health, such as physical activities and psychological support, can increase satisfaction and productivity. A healthy and motivating work environment not only reduces absenteeism, but also promotes a positive corporate culture.

The choice of suppliers is another crucial element. It is essential to implement rigorous selection policies and establish a clear code of conduct that encourages suppliers to follow ESG principles. In addition to improving the sustainability of the supply chain, this can also lead to

stronger and longer-lasting relationships with business partners.

Initiatives that actively involve staff, such as training programs, internships and collaborations with educational institutions, can have a lasting impact on the local community and on the company's image. These efforts not only foster a sense of belonging among employees, but can also attract new talents, helping to build a motivated and committed team.

Managing waste, packaging and the consumption of resources such as water and energy is essential to reducing environmental impact. Implementing sustainable practices, such as recycling, reducing waste and using renewable energy sources, is not only an ethical imperative, but can also lead to significant economic savings in the long term and consequently improve profitability.



2.4

# OUTSIDE-IN PERSPECTIVE



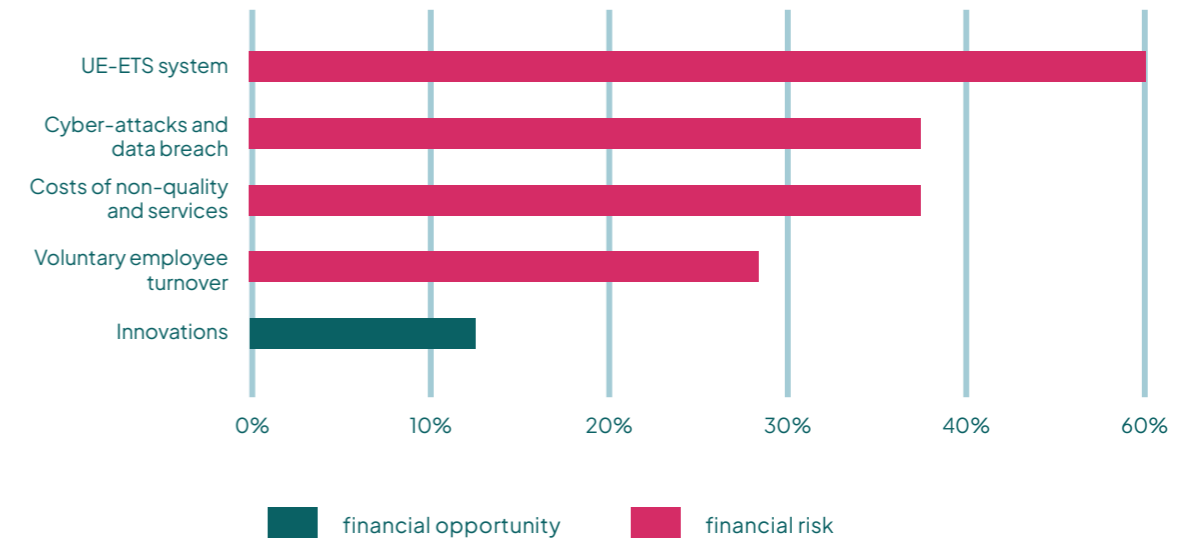
2.4.1

## FINANCIAL RISKS AND OPPORTUNITIES

In the context of preparing for the Corporate Sustainability Reporting Directive (CSRD), it is essential to adopt an “outside-in” perspective to analyze not only the impacts generated by Forge Monchieri’s activity, but also those suffered by the company due to external factors. This perspective helps to identify financial risks and opportunities related to sustainability issues.

Forge Monchieri operates in a complex context, influenced by external events over which the company has no direct control. Such events can translate into significant risks for economic performance. Some of the main risks identified include the tightening of environmental and social regulations that may require significant investments to comply with them, negatively impacting operating costs and climate risks, extreme weather events in fact can damage infrastructure or interrupt the supply chain, leading to direct financial losses.

On the other hand, Forge Monchieri’s proactive focus on technological innovation represents an important opportunity. Investing in sustainable technologies can not only reduce operating costs in the long term, but also position the company as a leader in the industry, attract new customers and improve its reputation. Developing and implementing innovative solutions can lead to more sustainable products, increasing competitiveness in the market. Assessing risks and opportunities through the lens of sustainability is essential for Forge Monchieri. The company is committed to constantly monitoring and analyzing these aspects, preparing for the definition of “double materiality” required by the CSRD. By continuing in this direction, Forge Monchieri is not only preparing to meet regulatory requirements, but also improving its resilience and ability to adapt in a rapidly changing economic context.





# ENVIRONMENT SPHERE

- 3.1 Energy and energy efficiency
- 3.2 GHG emissions
- 3.3 Waste management
- 3.4 Materials
- 3.5 Water resources



# FORGE MONCHIERI IS COMMITTED TO PROTECT THE ENVIRONMENT

IN 2023, FORGE MONCHIERI TOOK A FURTHER STEP IN ITS ENVIRONMENTAL STRATEGY BY CONDUCTING A DETAILED ANALYSIS OF GREENHOUSE GAS (GHG) EMISSIONS THROUGH THE CALCULATION OF THE CARBON FOOTPRINT FOR THE YEAR 2022 IN ACCORDANCE WITH THE ISO 14064-1 STANDARD



This process has provided a clear view of its own emissions and has led to the definition of concrete actions to reduce them over the years, contributing to a more sustainable future.

Additionally, the company obtained ISO 50001 certification in 2023, demonstrating its commitment to energy efficiency. This voluntary standard involves implementing strategies to improve energy management and reduce consumption through consistent and targeted interventions.

Forge Monchieri continues to work on integrating sustainable practices into its operations, thereby promoting a responsible development model that respects the environment.



# HIGHLIGHTS

2

Full operation of the two photovoltaic systems installed at the end of 2023, **self-consuming 81% of the energy produced** and thus **able to meet 15% of its own needs** with renewable electric energy.



-15.3%

of specific electricity consumption compared to 2023



>97%

of waste sent for recovery



3.1

## ENERGY AND ENERGY EFFICIENCY



### A DETAILED ANALYSIS OF FORGE MONCHIERI'S ENERGY CONSUMPTION PRIMARILY HIGHLIGHTING THE USE OF NATURAL GAS AND ELECTRIC ENERGY<sup>1</sup>



Natural gas accounts for nearly the entire energy needs of the company, covering 84.6% of the total. Electricity, while important, contributes only 15%, whereas diesel and gasoline for company vehicles make up a minimal share of 0.4%<sup>2</sup>. In 2024, compared to 2023, the energy consumption of the two main vectors has slightly increased: +6% for natural gas and +2% for electricity. Consequently, overall energy consumption (which also includes fuel use, decreased by 7% compared to 2023) has risen by 6% from the previous year.

However, it is important to highlight that the increase in consumption in 2024 is reflected in a corresponding rise in production by 6% in terms of tons produced. Moreover, compared to 2022, 2024 consumption is 9.2% lower,

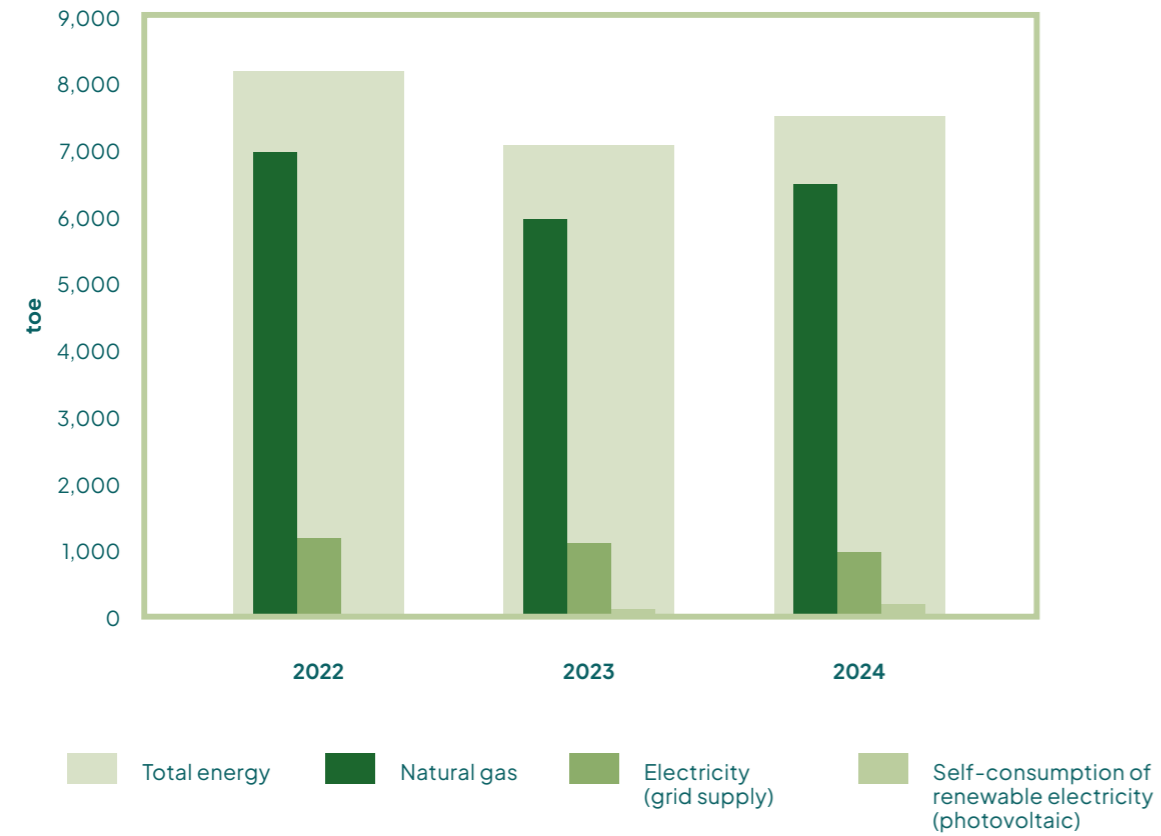
despite a 9.8% increase in production. In fact, specific consumption (related to production) is significantly lower than in 2022 (-17.3%) and in line with 2023.

A similar result (higher production but lower consumption), also achieved in 2023, is attributable to the energy efficiency measures implemented by the company. This suggests that Forge Monchieri has invested in technologies and practices that improve resource use efficiency.

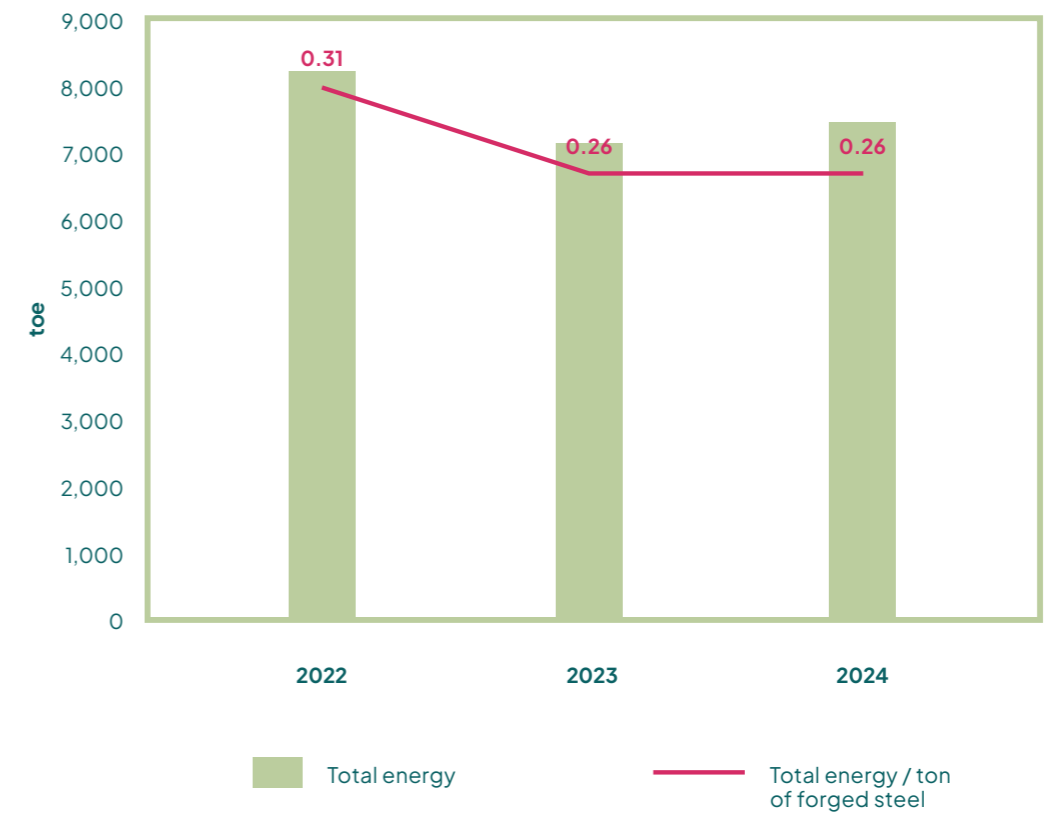
<sup>1</sup> The energy sources will be expressed using the unit of measurement known as toe (tonnes of oil equivalent); through specific conversion factors, converting to toe allows for comparable values.

<sup>2</sup> Given the very small quantities compared to other energy carriers, fuels do not appear as a separate item within the chart. The exact quantities in liters and in toe are shown in the tables in the appendix.

### ENERGY CONSUMPTION



### TOTAL AND SPECIFIC ENERGY CONSUMPTION (ON PRODUCTION)



In summary, Forge Monchieri has implemented significant measures to reduce its energy consumption, primarily through more efficient use of natural gas

and electricity, thereby contributing to a lower environmental impact and more sustainable resource management.



3.1.1

## MEASURES FOR ENERGY EFFICIENCY OF CONSUMPTION

In 2023, Forge Monchieri undertook significant initiatives to improve its energy performance by installing two photovoltaic systems that became fully operational in 2024. The first system, with an installed capacity of 1,127 MWp, supports the energy needs of one of the company's four production plants, while the second, with a capacity of 201 kWp, supplies energy to another site. Overall, in 2024, these systems generated 1,089,377 kWh, of which 81% was consumed internally by Forge Monchieri, corresponding to 879,822 kWh.

The company, which has been operating in the market for over fifty years, owns a wide range of equipment, which are regularly subjected to revamping, replacements, and extraordinary maintenance to improve their energy efficiency. In addition to these

activities, Forge Monchieri has launched an energy efficiency plan supported by an energy diagnosis carried out in 2022, which identified the main interventions to be implemented.

Among the most significant measures carried out in 2024 are the installation of two new high-efficiency heat treatment furnaces (TT9 and TT11). These efforts demonstrate Forge Monchieri's commitment to more sustainable production and more efficient use of energy resources.

3.2

## GHG EMISSIONS



### FORGE MONCHIERI IS ACTIVELY COMMITTED TO REDUCING ITS GREENHOUSE GAS EMISSIONS AND IMPROVING ENVIRONMENTAL SUSTAINABILITY



Thanks to the implementation of an environmental management system in accordance with the UNI EN ISO 14001 standards, the company continuously monitors its emissions and adopts effective measures to minimize its carbon footprint.

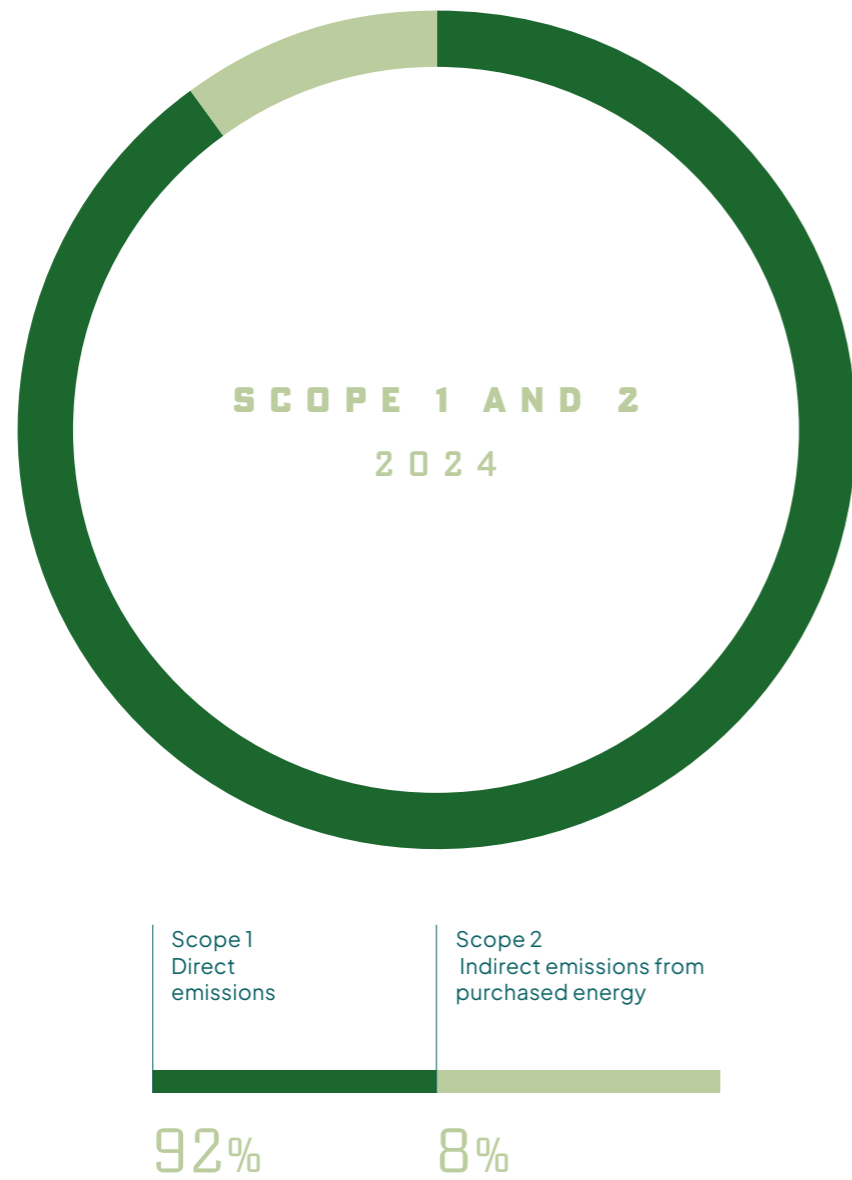
In 2024, the company's direct **emissions (Scope 1)** amount to approximately 15,772 tCO<sub>2</sub>eq, with the majority of these (99.5%) resulting from natural gas use. Only a small fraction (0.5%) is attributable to fuels used by company vehicles. It is important to note that, for the years considered, no F-gas leaks have been recorded.

Regarding **indirect emissions (Scope 2)**, which relate to **purchased electricity**,

Forge Monchieri recorded a total consumption of 5,176,642 kWh, equivalent to 1,371 tCO<sub>2</sub>eq. This figure is calculated using the location-based scenario, which considers the national energy mix.

In summary, the company's total emissions, combining Scope 1 and Scope 2, reach 17,143 tCO<sub>2</sub>eq, with direct emissions accounting for a significant percentage of the total (92%). This focus on emission monitoring highlights Forge Monchieri's commitment to becoming an increasingly responsible environmental actor, in a context of growing awareness of global climate challenges.

ENERGY AND ENERGY EFFICIENCY	
AS IS	TO BE
Management of two photovoltaic systems	Evaluation of possible extension of installed PV power. Evaluation of power purchase with guarantee of origin or through PPA contracts.
Numerous energy efficiency measures	Implement additional efficiency actions according to the Energy Diagnosis plan.



In line with consumption data (which determines scope 1 and 2 GHG emissions), total emissions in 2024 increased by approximately 6%, as a result of a corresponding increase in production. However, when considering specific emissions per unit of production (furnace tons), the value remains constant compared to 2023 and shows a significant decrease compared to 2022 (-17%). Total emissions are also lower compared to

2022 (-8%). Therefore, energy efficiency measures have had positive effects on reducing these categories of emissions as well as consumption.

The advantage associated with these interventions appears particularly significant in the category of direct scope 2 emissions, thanks to the launch of the photovoltaic system at the end of 2023.

Indeed, although in 2023 the indirect emissions from imported energy had already decreased compared to the previous year, in 2024 there was an additional reduction of 14%. Over two years (from 2022 to 2024), the overall decrease amounted to 25%. Regarding scope 1 (direct emissions, in this case related only to the use of natural gas and fuels), the increase compared to 2023 (+9%) still

resulted in a value 6.7% lower than that of 2022. Therefore, over two years, the total emissions of scope 1 and 2 have **been reduced by 1,130 tons of CO<sub>2</sub> equivalent**; this result demonstrates the effectiveness of the adopted strategies and represents an important step toward the company's sustainability goals and reduction of environmental impact.

**TOTAL AND SPECIFIC GHG EMISSIONS  
(ON PRODUCTION)**



Forge Monchieri is taking measures to reduce its greenhouse gas (GHG) emissions by expanding the use of renewable energy sources. The implementation of a photovoltaic system is already a significant step toward sustainability; in the future, Forge Monchieri will evaluate taking further

actions in this direction, considering solutions with various benefits such as purchasing electricity with Guarantees of Origin or signing a PPA (Power Purchase Agreement). Indeed, both of these options would allow the company to significantly increase the share of renewable energy used.

3.2.1

# ORGANIZATIONAL CARBON FOOTPRINT (YEAR 2022)

The Carbon Footprint of Forge Monchieri for the year 2022 revealed significant information regarding the organization’s greenhouse gas (GHG) emissions, following the ISO 14064–1 standard. Below are the details:

**Total Carbon Footprint: 62,062 tCO<sub>2</sub>eq.**

Scope 1: direct emissions, part of the total emissions.

Scope 2: indirect emissions from imported energy

Main sources of emissions:

- Upstream electricity and fuel energy (77% of category 3).
- Transport of inbound materials and outbound products (23% of category 3).
- Employee commuting from home to work: 123.8 tCO<sub>2</sub>eq.

Category 4 (Materials used): constitutes the most significant portion, accounting for 53% of the carbon footprint.

Main sources of emissions:

- Steel ingots (48% of total GHG emissions).
- Processing by third-party suppliers (5%).

Other categories:

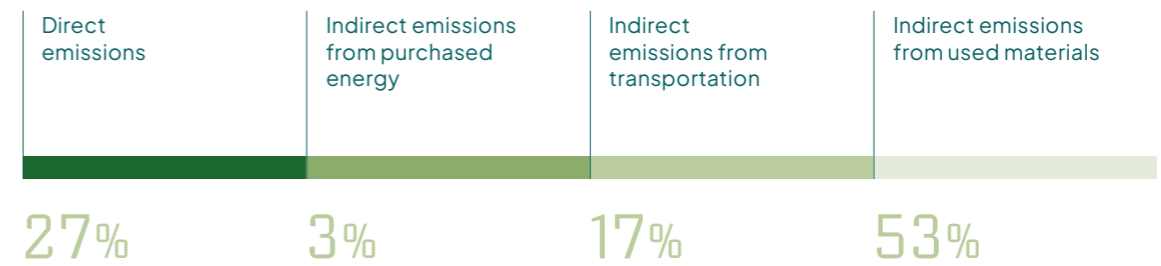
Category 5 (Emissions associated with product use) and Category 6 (Emissions from other sources) are not applicable to the monitoring.

Category 4, related to materials used, is the most impactful, indicating that sourcing and use of steel are key factors to consider in the company’s sustainability strategy.

Managing emissions in category 3, particularly regarding transportation and energy, is crucial for further reducing the carbon footprint.

The decision to include Scope 3 emissions in the calculation represents a significant step toward a more comprehensive and responsible view of the company’s environmental sustainability.

This integrated approach will not only help reduce Forge Monchieri’s overall carbon footprint but also enhance its reputation as a responsible and sustainable company.



Forge Monchieri demonstrates a strong commitment to environmental sustainability through careful monitoring of its pollutant emissions. In 2024, the company recorded nitrogen oxides (NOx) emissions of 206.9 mg/Nm<sup>3</sup>, distributed between two plants, with values of 140 mg/Nm<sup>3</sup> and 66.9 mg/Nm<sup>3</sup>. These emissions are well below the limits set by current regulations. Additionally, particulate

matter emissions, monitored during the same period, were 6.01 mg/Nm<sup>3</sup>, also significantly below legal thresholds.

A positive aspect is the reduction in NOx and particulate emissions compared to 2023, highlighting the effectiveness of the measures implemented for continuous improvement.



Regarding greenhouse gas (GHG) emissions of scope 1 and 2, Forge Monchieri is required to annually offset part of its CO<sub>2</sub> emissions through the ETS system. In 2024, the allocated CO<sub>2</sub> allowances were more than 1,000 tCO<sub>2</sub>eq lower than in 2022, with a total of 10,470 tCO<sub>2</sub>eq compared to 11,713 tCO<sub>2</sub>eq in 2022. This trend is consistent with the data from 2023, indicating a steady commitment to reducing environmental impact.

These results not only demonstrate compliance with regulations but also reflect a proactive strategy in emission management, contributing to a more sustainable future.

The progressive reduction of free allowances available to the company and the consequent increase in related financial expenditure represent the main environmental-related financial risk. For this reason, the company is strongly committed to continuous improvement in its performance in this area.

GHG EMISSIONS	
AS IS	TO BE
Calculation of the Carbon Footprint in 2022	Repeat the Carbon Footprint analysis to monitor indirect emissions
Compliance with the ETS regulation <sup>3</sup>	Strategy to reduce GHG emissions, establishing specific targets

<sup>3</sup> The ETS (Emission Trading System) is a tool adopted by the European Union to achieve CO<sub>2</sub> reduction targets in key industrial sectors. The EU ETS is defined as a cap & trade system because it sets a maximum limit (cap) on the total allowable emissions for all regulated entities, but it allows participants to buy and sell (trade) allowances to emit CO<sub>2</sub> (quotas) according to their needs, within the established limit.

3.3

# WASTE MANAGEMENT



**FORGE MONCHIERI HAS DEMONSTRATED A SIGNIFICANT COMMITMENT TO WASTE MANAGEMENT AND THE PROMOTION OF SUSTAINABLE PRACTICES, WITH A WASTE RECOVERY RATE OF 97.3% IN 2024**



The focus on waste reduction and recovery of scraps is also reflected in the return of metallic by-products to the producing steelworks; in this way, processing scraps are directly recovered instead of becoming waste, helping to minimize the environmental impact of materials within a circular economy framework in the supply chain. Maintaining waste production at stable

levels in 2024 compared to 2023, and a reduction compared to 2022, highlights the effectiveness of the measures adopted by the company. The management of hazardous waste is particularly significant, remaining below 0.5% since 2020 and experiencing a substantial decrease in 2024, with a reduction of 7,189 kg compared to the previous year.

To support these results, Forge Monchieri has undertaken several actions, including:

### REORGANIZATION OF STORAGE AREAS

This initiative was carried out in conjunction with the opening of the new site FM4, dedicated to maintenance activities, to ensure safer handling of hazardous substances.

### EFFECTIVE COMMUNICATION PROGRAM

The company implemented a program aimed at spreading environmental awareness among employees, using slogans and graphic content to increase awareness regarding waste management.

### REDUCTION OF PAPER CONSUMPTION

Through new reserved printing methods with personal badges, Forge Monchieri has sought to limit paper use, thereby contributing to environmental sustainability.

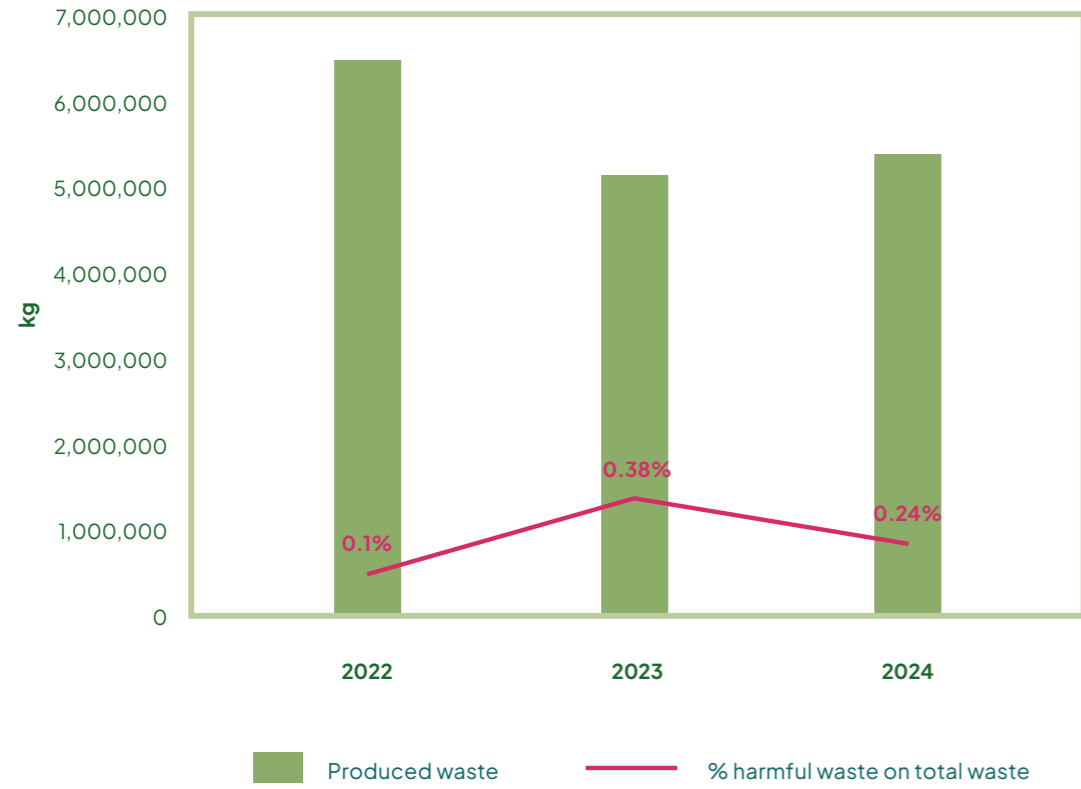
Actions to improve waste management and continuous attention to reducing dispersion risks are an essential part of the company's strategy. Ongoing monitoring and the implementation of an effective communication program through various channels, such as digital notice boards, are planned to ensure continuous improvement in this area.

In summary, Forge Monchieri demonstrates a proactive and responsible approach to waste management, committed to enhancing resource use and minimizing environmental impact, with a perspective rooted in circular economy principles.

## TREND OF PRODUCTION AND WASTE DISPOSAL

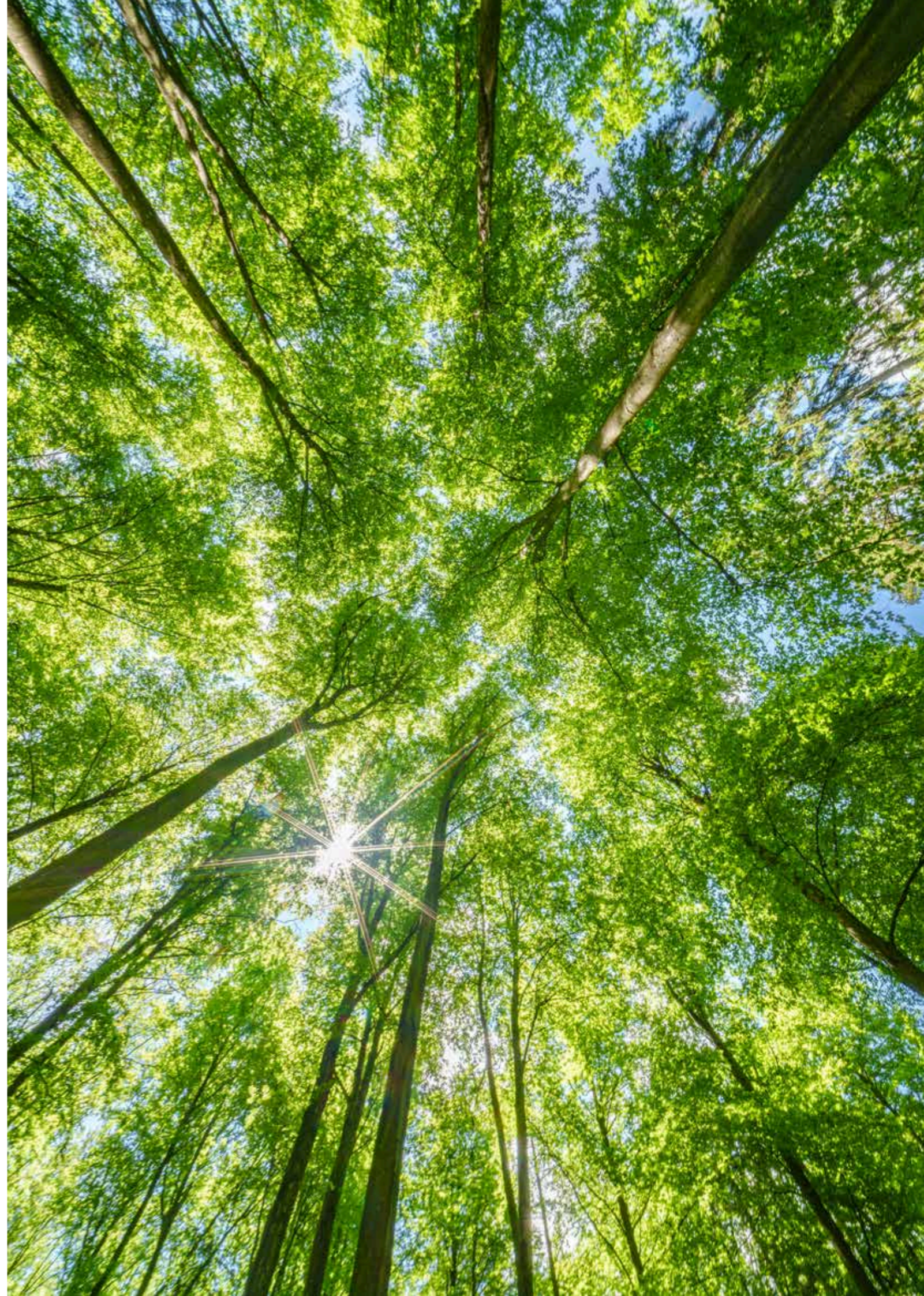


### HARMFUL WASTE ON TOTAL WASTE



Thanks to these investments, the management and treatment of the waste produced have improved.

WASTE MANAGEMENT	
AS IS	TO BE
Improvement actions for waste management and reduction of dispersion risks	Continuous monitoring and improvement in waste management
Implementation of the "Effective Communication" Program	Dissemination of the effective communication program through various channels (e.g., digital boards)



3.4

# MATERIALS

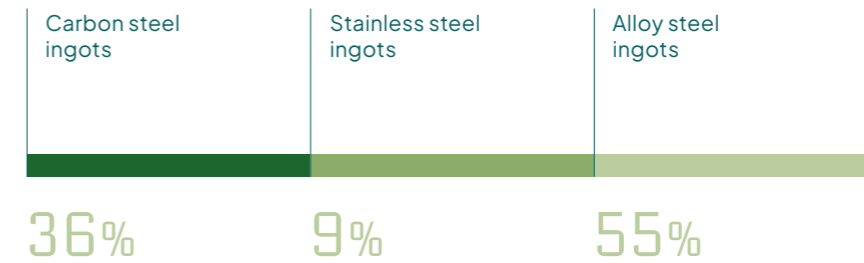
THE SUPPLY OF MATERIALS FOR FORGE MONCHIERI IS PRIMARILY FOCUSED ON THREE CATEGORIES: STEEL INGOTS, STEEL BLADES, AND WOODEN PACKAGING



Among these, ingots represent the most significant expenditure item, accounting for 98.5% of the total. These ingots are further divided into three types: carbon steel, stainless steel, and alloy steel. Alloy steel is the most used, constituting over 50% of the expenditure, with an increase to 55% in 2024. Carbon steel follows with 36%, and stainless steel, although remaining the least represented category, shows a growth trend, rising from 6% in 2022 to 9% in 2024.

Regarding procurement, Forge Monchieri relies exclusively on European suppliers, ensuring compliance with the European Union’s sustainability standards. However, raw materials sourced indirectly, such as scrap metal and ferroalloys, may come from countries with less stringent regulations, raising environmental concerns. Therefore, the company is improving its supplier selection policies to mitigate these risks.

From a sustainability perspective, Forge Monchieri intends to increase the percentage of recycled and recovered materials, both for the manufacturing process and packaging. The company is also exploring solutions to optimize production processes, reducing waste simultaneously. Additionally, it is considering adopting more sustainable packaging for finished products, either by selecting alternative materials or reducing the amount of packaging used. These efforts demonstrate a growing commitment to more responsible and sustainable practices within the manufacturing sector.



MATERIALS	
ASIS	TO BE
Failure to track the portion of material recovered from raw materials and purchased packaging	Monitoring and increasing the percentage of recovered material
Overly complex packaging of finished products	Reduction of the amount of material used for packaging without compromising transportation/movement safety and product quality



■ 3.5

# WATER RESOURCES



THE COMPANY IS ACTIVELY COMMITTED TO THE EFFICIENT MANAGEMENT OF WATER RESOURCES AND PREVENTION PRACTICES AGAINST SPILLS, ADOPTING TECHNOLOGICAL INNOVATIONS AND SAFETY MEASURES TO PROTECT THE LOCAL ENVIRONMENT



Origin of Water: 92% of the company's water needs come from a well, while the remaining 8% is supplied by the municipal water supply.

Reintroduction into the Environment: All used water is discharged back into the environment without the need for specific treatments.

Consumption in 2024: Water consumption decreased by 29% compared to 2023, with an equivalent reduction from both sources (well and municipal supply).

Environmental Risks: The company is aware that any spills onto the soil could contaminate the surrounding environment and surface water bodies, such as the Oglio River.

Prevention Measures:

## RENEWAL OF THE SAWING MACHINES STOCK WITH MODERN MACHINES

to reduce the risk of spills of harmful substances.

## ONGOING IMPROVEMENT PROJECTS TO ENHANCE THE MANAGEMENT

of cutting fluid drainage.

## TESTING OF BIODEGRADABLE CUTTING FLUIDS ON A NEW SAWING MACHINES

to minimize environmental impact in case of accidental spills.

The company actively commits to the efficient management of water resources and spill prevention practices adopting technological innovations and safety measures to protect the local environment.

### WATER CONSUMPTION



### WATER RESOURCES

AS IS	TO BE
<p><b>2024:</b> 92% of water sourced from a well</p>	<p><b>2025:</b> &gt; 90% of water sourced from wells</p>
<p>Sawing machines with the potential risk of spilling cutting fluid</p>	<p>Replacement of obsolete sawing machines. Implementation of interventions for managing the runoff of cutting fluid on existing sawing machines. Introduction of biodegradable cutting fluid</p>



## SOCIAL SPHERE

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- 4.1 Occupational health and safety
  - 4.2 Corporate well-being
  - 4.3 Job satisfaction and employee turnover
  - 4.4 Diversity and inclusion
  - 4.5 Creation of value for the community
- 



# EMPLOYEES ARE THE BEATING HEART OF FORGE MONCHIERI'S SUCCESS

FORGE MONCHIERI COMMITS ITSELF TO MAKING THE MOST OF ITS HUMAN RESOURCES AND TO ENSURE THEIR WELL-BEING AND GROWTH



The context paints a very positive picture of Forge Monchieri, highlighting the importance the company places on its employees and their well-being.

Forge Monchieri considers its employees as the cornerstone of its success, investing in their growth and well-being. The company's priority is to ensure **high safety standards**, with a focus on accident prevention and **continuous staff training**.

It is committed to creating a work environment where employees feel valued and involved, recognizing that internal satisfaction contributes to a cohesive and productive work group and offers a well-structured training plan and various **services** for employee well-being, such as **supplementary healthcare** and a **welfare system**.

Performance is good in terms of **equal pay between men and women** and the company has always demonstrated a strong commitment to **supporting the local community** through donations and collaborations.

Forge Monchieri presents itself as a company that not only cares about productivity, but also about the well-being and growth of its employees, with a strong commitment to **social responsibility** and aware of areas where it is possible to improve, such as professional growth and monitoring of internal satisfaction.



## SOME NUMBERS IN SOCIAL MATTERS

# 54

hours on average of  
training per employee  
every year



# 0

reports on the  
whistleblowing canal



# 100%

access to  
corporate welfare



## ADHERENCE AND ACTIONS

to the WHP<sup>1</sup>  
programme



## BONUS

of performance  
(14th month's salary)<sup>2</sup>

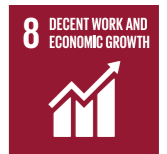


<sup>1</sup> The "Health-Promoting Workplaces - WHP Lombardy Network" Program is based on the model promoted by the WHO and has as its primary objective to promote organizational changes in the workplace in order to make them favorable environments for the conscious adoption and diffusion of healthy lifestyles. The companies that join the program commit to building, through a participatory process and with a view to social responsibility, a context that favors the adoption of positive behaviors and choices for health.

<sup>2</sup> The 14th month's salary at Forge Monchieri was born as a production or result bonus, which has been stabilized, becoming a fixed emolument of better favor than the Metalworking Industry CCNL, which would provide for 13 months' salary. It is an important economic advantage.

### 4.1

## OCCUPATIONAL HEALTH AND SAFETY



### A KEY PRIORITY FOR FORGE MONCHIERI

”

Occupational health and safety is a top priority for Forge Monchieri, a manufacturing company that has made accident prevention an integral part of its corporate culture. Despite the occurrence of some injuries in 2024, such as a temporary worker's hand injury, a minor facial injury and a slip during maintenance operations, the company remains committed to implementing **effective safety practices**.

It has achieved important certifications over the years, moving from **OHSAS 18001:2007** to the most recent **ISO 45001:2018**, demonstrating its dedication to high standards in health and safety. This management system not only complies with current regulations, but exceeds them, creating a safer work environment for all employees.

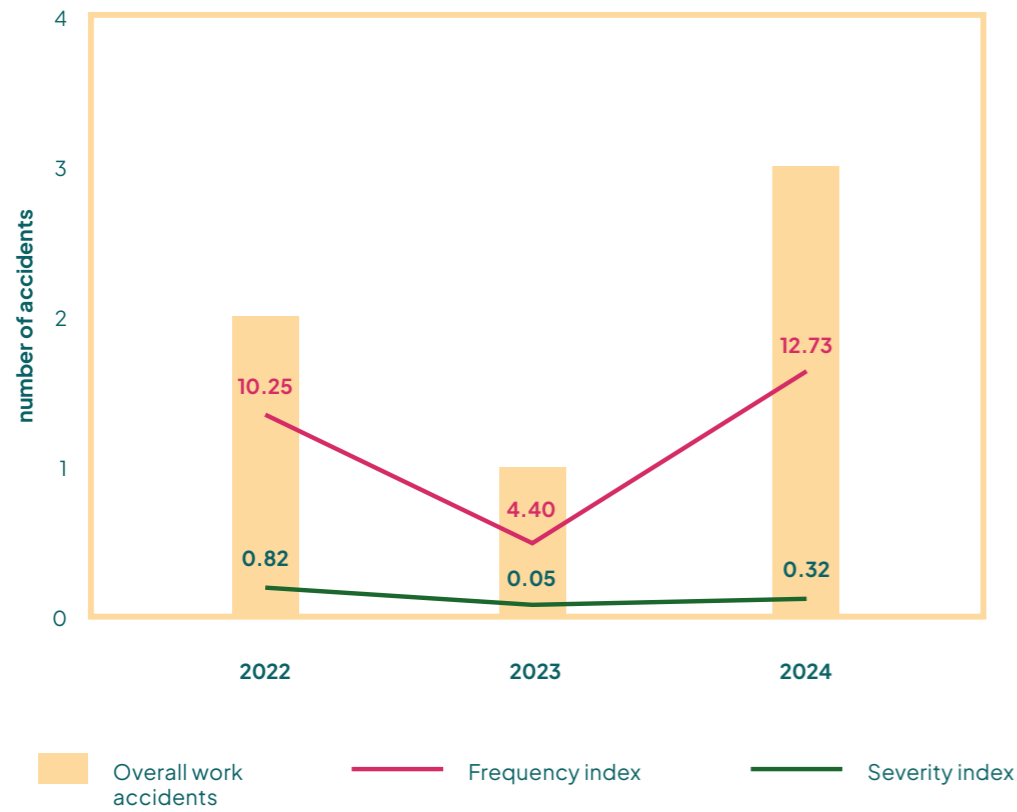
The company not only guarantees tools and procedures for the prevention of accidents, but also invests in the **continuous training of its staff**, promoting constant awareness of risks and the importance of safe behaviors. The creation

of a culture of safety, in which each member of the team feels responsible and an active part of the process, is a key element of Forge Monchieri's mission.

Although the **frequency and severity indices** of accidents have shown an increase compared to the previous two years, it is important to underline that the values still remain below the industry average<sup>3</sup>. This result highlights the effectiveness of the company's proactive approach and the continuous search for improvement in safety practices. Forge Monchieri is committed to examining each incident carefully, to identify any areas of improvement and prevent future similar events, with the aim of guaranteeing an increasingly safe and protected work environment.

<sup>3</sup> Comparing the data to the INAIL benchmark, the sector indices (ATECO code C25) are:  
-18.01 frequency - source: Oracle Analytics Interactive Dashboards - Risk\_Frequency\_Frequency\_Indices  
-1.84 severity - source: Oracle Analytics Interactive Dashboards - Risk\_Severity\_Severity\_Indices

WORK ACCIDENTS



4.2

CORPORATE WELL-BEING



FORGE MONCHIERI STAND OUT NOT ONLY FOR THE HEALTH AND SAFETY OF ITS EMPLOYEES, BUT ALSO FOR THEIR PSYCHOPHYSICAL WELL-BEING, THROUGH A SERIES OF TARGETED INITIATIVES AND SERVICES



Joining the **Workplace Health Promotion (WHP)** program of the Lombardy Region is a significant step in this direction. This program, in line with European and global objectives, promotes healthy lifestyles through organizational changes in the workplace.

To support the promotion of virtuous habits, the company has created an informative video on **smoking** and a signage project dedicated to workplace safety. These materials, available on the company YouTube channel, demonstrate Forge Monchieri's commitment to 360-degree well-being, not only of its employees, but also of the surrounding community.

In 2024, Forge Monchieri expanded its initiatives, introducing a new site for the **canteen service** and reconfirming incentives for **sports activities**. These interventions are not isolated efforts, but part of a continuous and long-lasting commitment.

OCCUPATIONAL HEALTH AND SAFETY

AS IS

TO BE

Frequency index: 12,73

Keep the frequency index <= 15

Severity index: 0,32

Keep the severity index < =1

During 2024, the vaccination campaign also continued, highlighting the company's dedication to collective health, in addition to accessibility to **smart working**. Forge Monchieri has set ambitious goals for the future, including the introduction of a supplementary medical care service with prevention packages at discounted prices. Further measures for flexible working hours are being planned, with the aim of improving the balance between work and personal life.

Finally, **parental leave** data reveals the company's strong commitment to supporting new parents: all six employees who took leave in 2024 have already returned to work, highlighting an environment of support and understanding in managing family needs.

Scan the QR codes to see the following videos:



Smoking



Gambling addiction

CORPORATE WELFARE	
AS IS	TO BE
Joining the WHP program with related initiatives	Keep participating in the WHP programme with new and continuous initiatives
Vaccination campaign as medical assistance to support employees	Implement a more extensive integrated medical care service (agreements and prevention packages for specialist visits)
Welfare platform extended to all employees	Expansion of specific welfare services

4.3

# JOB SATISFACTION AND EMPLOYEE TURNOVER

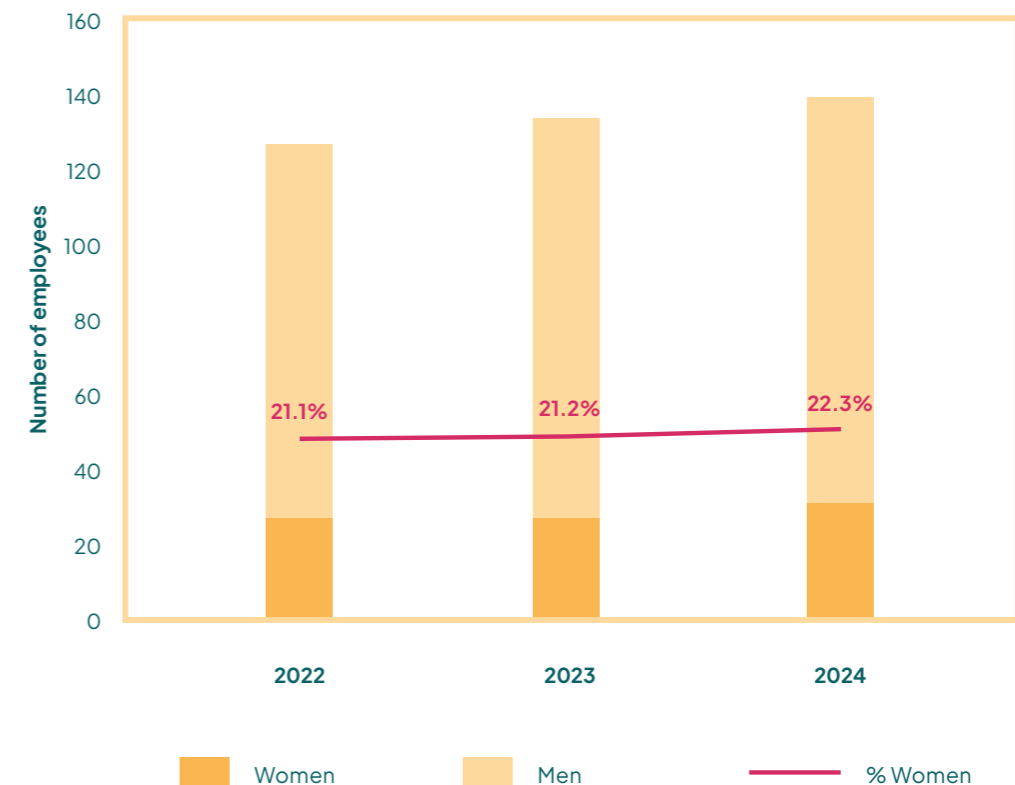


AS OF DECEMBER 31<sup>ST</sup>, 2024, FORGE MONCHIERI WORKFORCE WAS AT 139 PEOPLE

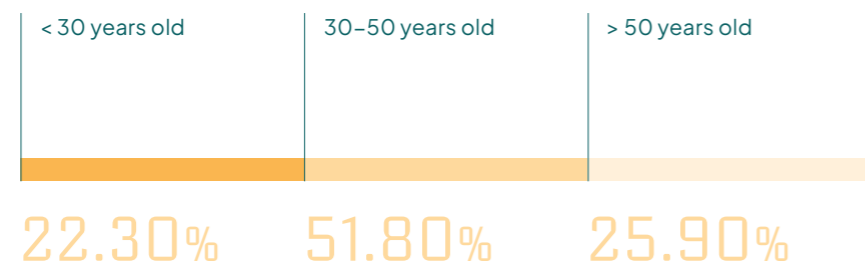


The Forge Monchieri workforce report as of December 31, 2024, provides a detailed and positive overview of the current situation of the company, highlighting several key aspects regarding the composition, dynamics and commitment to staff. The total number of **employees was 139** (31 women and 108 men), the **workforce increased** by 7 total units (4 men and 3 women). The **percentage of women (22.30%) is increasing** thanks to the hiring of 3 new women.

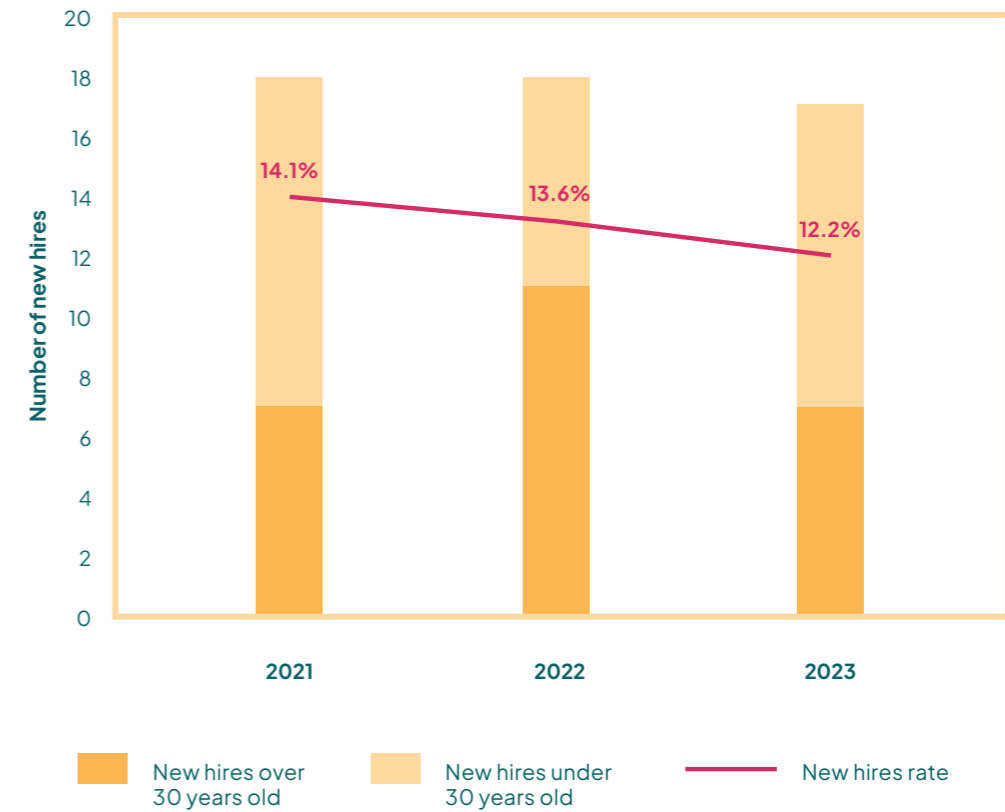
## EMPLOYEES BY GENDER



In 2024, 77.7% of the workforce is over 30 years old, with an average age of about 41; the percentage of employees under 30 has grown by more than 6% compared to 2023, with 10 new hires in this age group.



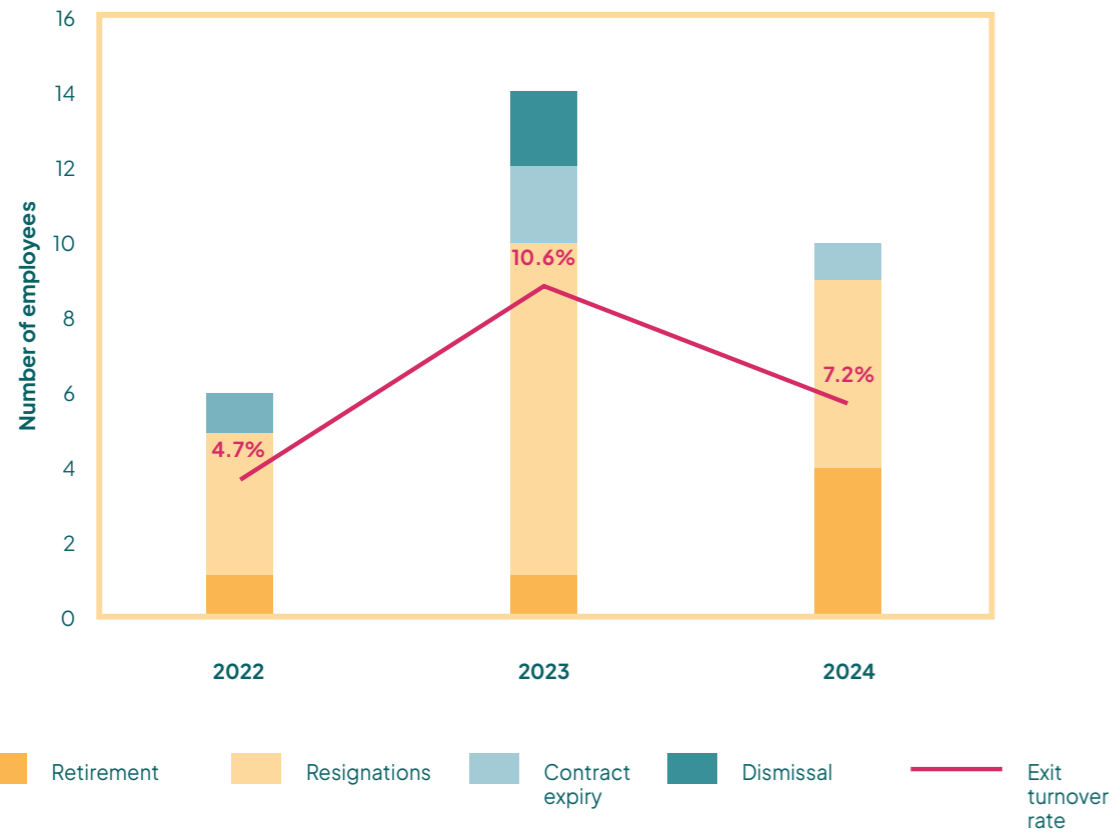
### NEW HIRES



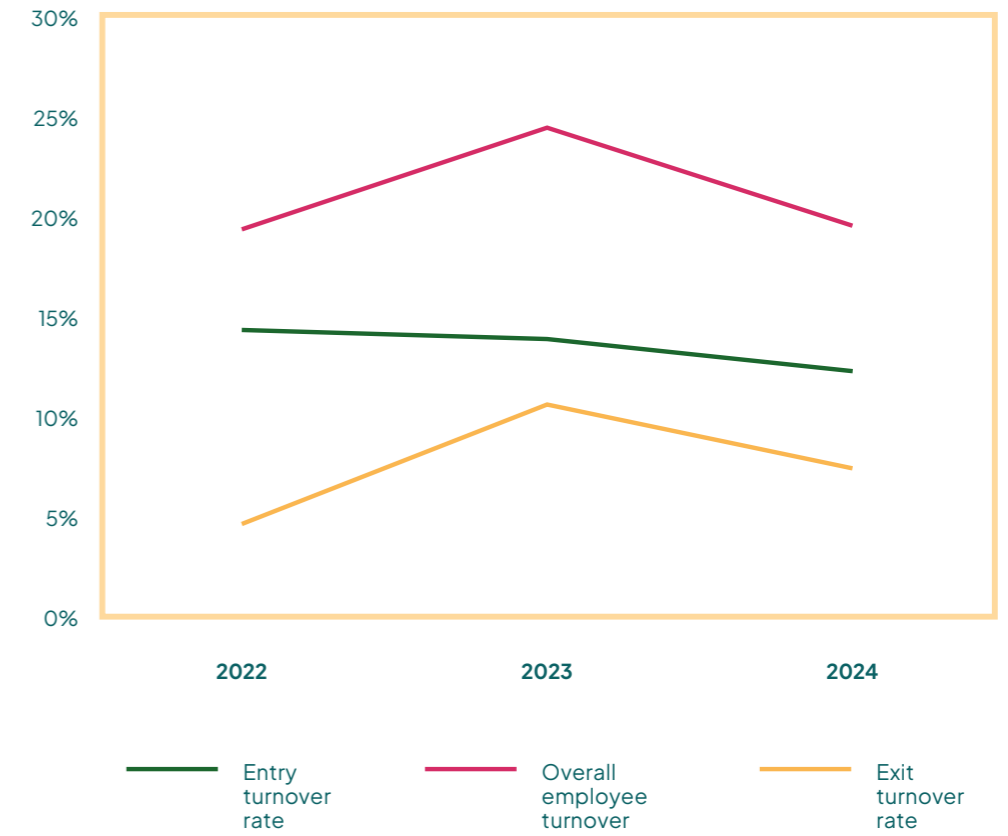
In 2024, there were 17 total hires, corresponding to a new hire rate of 12.23%, while there were 10 total exits, including 4 retirements, up from a single retirement in 2023. The exit turnover rate fell to 7.2%, compared to 10.6% in 2023<sup>4</sup>.

<sup>4</sup> The rates were calculated as follows. New hire rate: number of new hires/employees at December 31st. Outgoing turnover rate: number of exits/employees at December 31st. Overall turnover rate: (new hires+exits)/number of employees at December 31st.

### EXITS BY TYPE

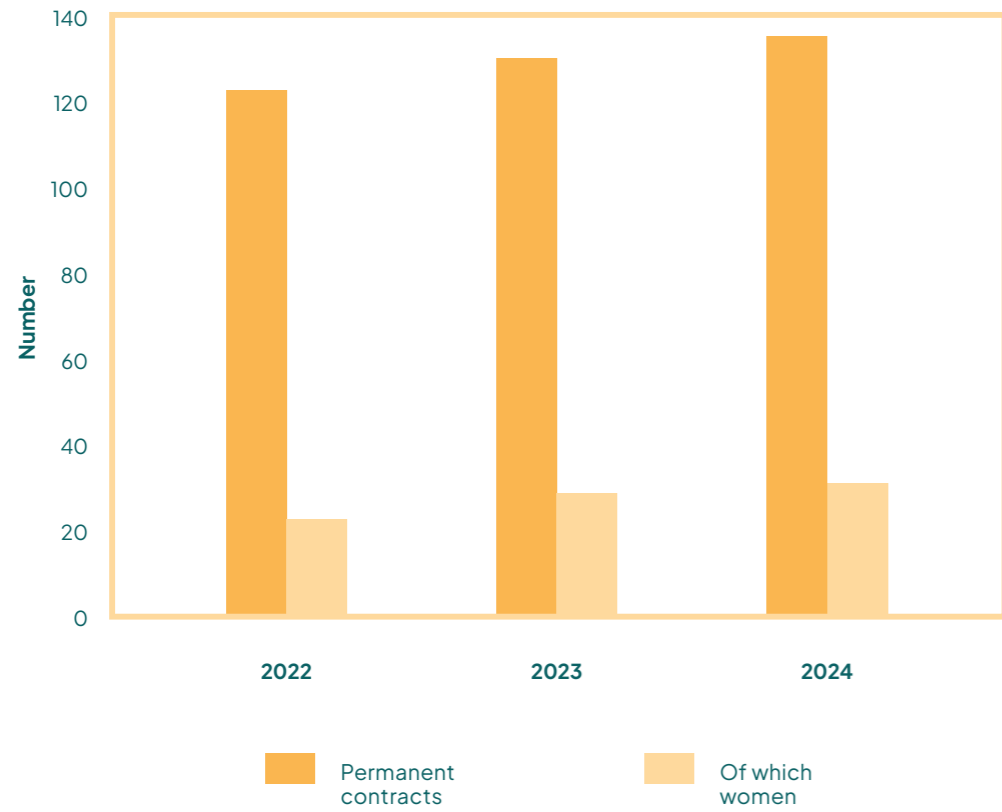


### EMPLOYEE TURNOVER RATES



Total turnover (income and expenditure) was 19.4%, a slight decrease compared to the previous year.

PERMANENT CONTRACTS



The average seniority has dropped below 11 years, but still confirms high employee loyalty. Contractual stability is also confirmed for 2024 with 133 permanent contracts out of 139 employees. 30 women out of 31 have a permanent contract and 6 work part-time. As regards the valorization and well-being of its employees, Forge Monchieri is always aimed at improvement policies by monitoring turnover and internal satisfaction.

In summary, despite an increase in retirements and a decrease in average seniority, Forge Monchieri has recorded an increase in the number of employees, particularly among young people, and maintains a contractual stability that indicates a positive working environment. The focus on employee satisfaction and a targeted recruitment strategy highlight a proactive approach to human resources management.



4.3.1

# TRAINING

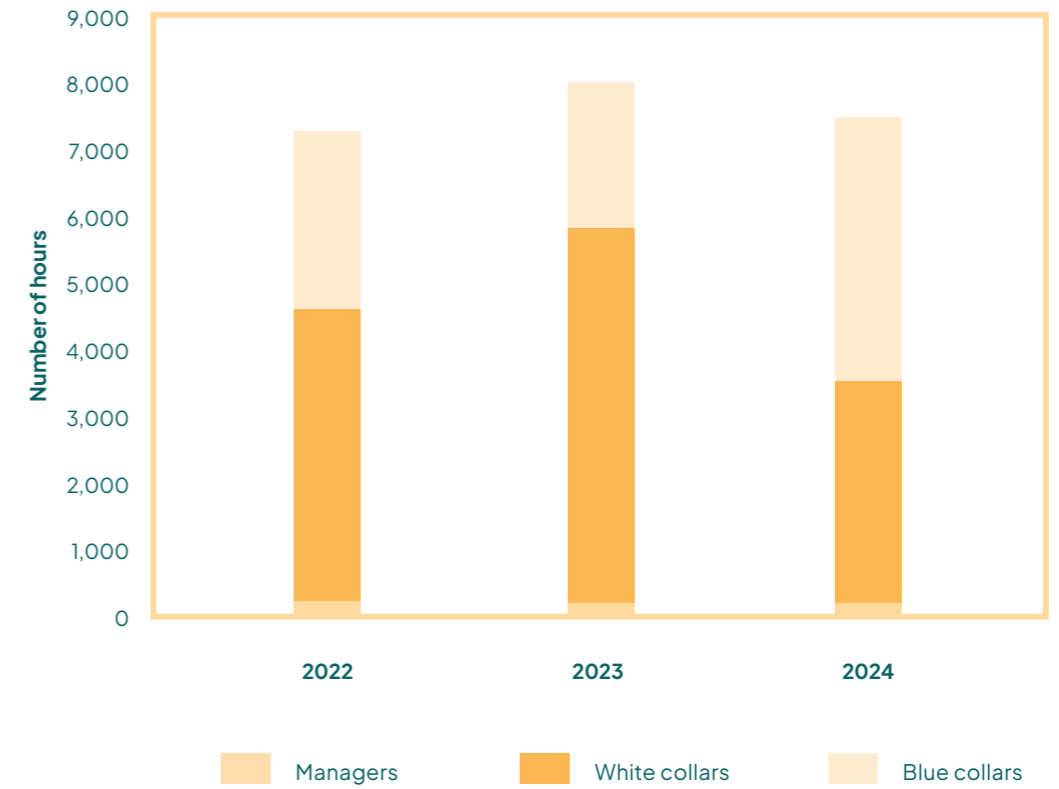


Employee training is a crucial element for Forge Monchieri, as the company recognizes the importance of a competent workforce to maintain high quality standards in its products

and services. In 2024, the company's commitment in this area has remained constant, with training hours remaining in line with previous years, signaling a continued focus on this theme.



## HOURS OF TRAINING BY JOB POSITION



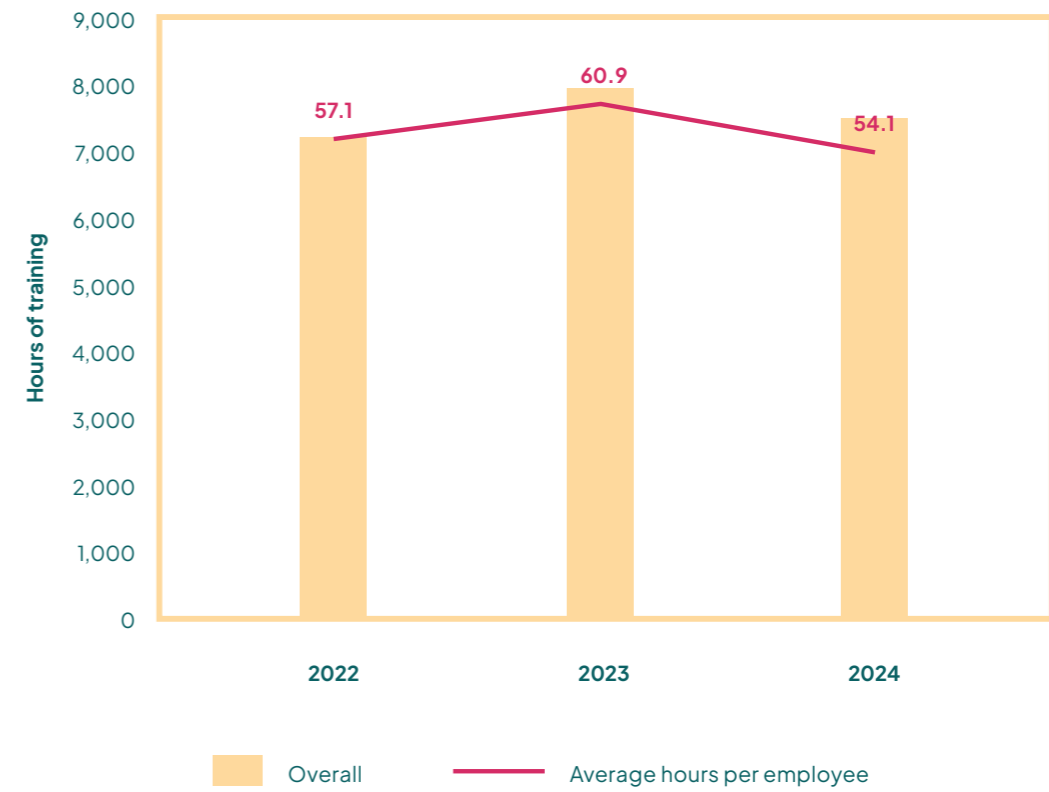
The distribution of training hours between blue-collar and white-collar workers shows a significant balance, with a slight prevalence of hours dedicated to blue-collar workers, which can be attributed to the nature of the activities performed.

However, there is an increase of 18.5% in training hours dedicated to executives and managers compared to the previous year, highlighting a strategic investment in corporate leadership.



Despite the overall focus on training, total hours and average hours per employee declined slightly from 2023, down 7%.

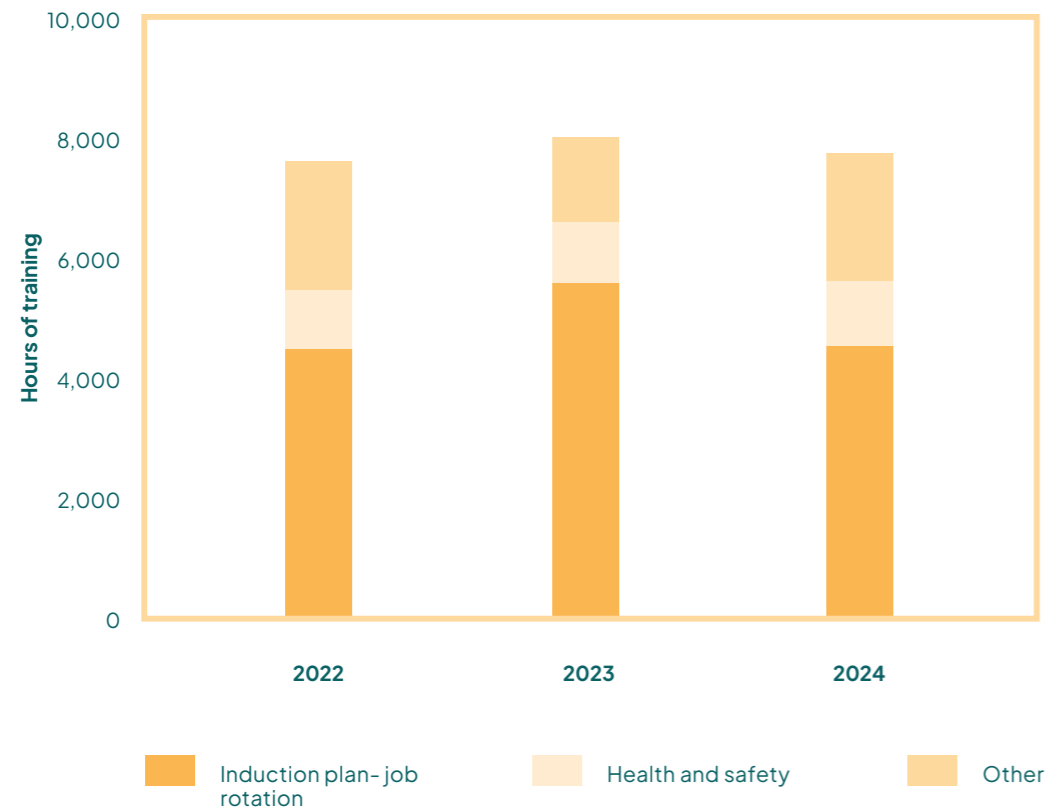
### AVERAGE HOURS OF TRAINING PER EMPLOYEE



A key aspect of training at Forge Monchieri is the onboarding plan for new hires, which aims to integrate new employees into the company culture and provide them with the skills needed for their roles. In addition, attention to health and safety at

work remains a pillar of training, with over 900 hours dedicated to this topic and an **increase of 13.6%** compared to the previous year.

### TRAINING HOURS BY TOPIC



Although there are no specific training programs on **sustainability** yet, the company has started **awareness** initiatives, creating **informative videos** on relevant topics such as Carbon Footprint, Water Consumption, Gambling Addiction and Smoking. These initiatives represent an important step towards integrating sustainability into the corporate culture, demonstrating Forge Monchieri's intention to also address these crucial issues for the future.

In summary, training continues to be a priority for Forge Monchieri, and the company seems committed to constantly improving its practices to ensure that employees are well-prepared to face future challenges.



**ENVIRONMENTAL SUSTAINABILITY**  
Carbon Footprint



**ENVIRONMENTAL SUSTAINABILITY**  
Water Consumption



Smoking



Gambling addiction

### JOB SATISFACTION AND EMPLOYEE TURNOVER

#### ASIS

#### TO BE

Few opportunities for employee engagement	Collect ideas and suggestions for improvement on specific topics via email, message to all employees or Forms
Video to raise awareness on sustainability issues	Specific courses for staff on ESG sustainability and sustainable development issues. Issuance of the sustainability report that will be distributed to all employees.
95.7% of permanent contracts	Keep the % of permanent contracts > 95%
Exit employee turnover ratio: 7.2%	Exit employee turnover ratio < 10%
Average hours of training per employee per year: 54	Keep the average hours of training per employee per year > 50



■ 4.4

## DIVERSITY AND INCLUSION



THE CREATION OF AN INCLUSIVE AND RESPECTFUL ENVIRONMENT IS A CARDINAL PRINCIPLE IN THE MANAGEMENT OF RELATIONSHIPS WITH EMPLOYEES



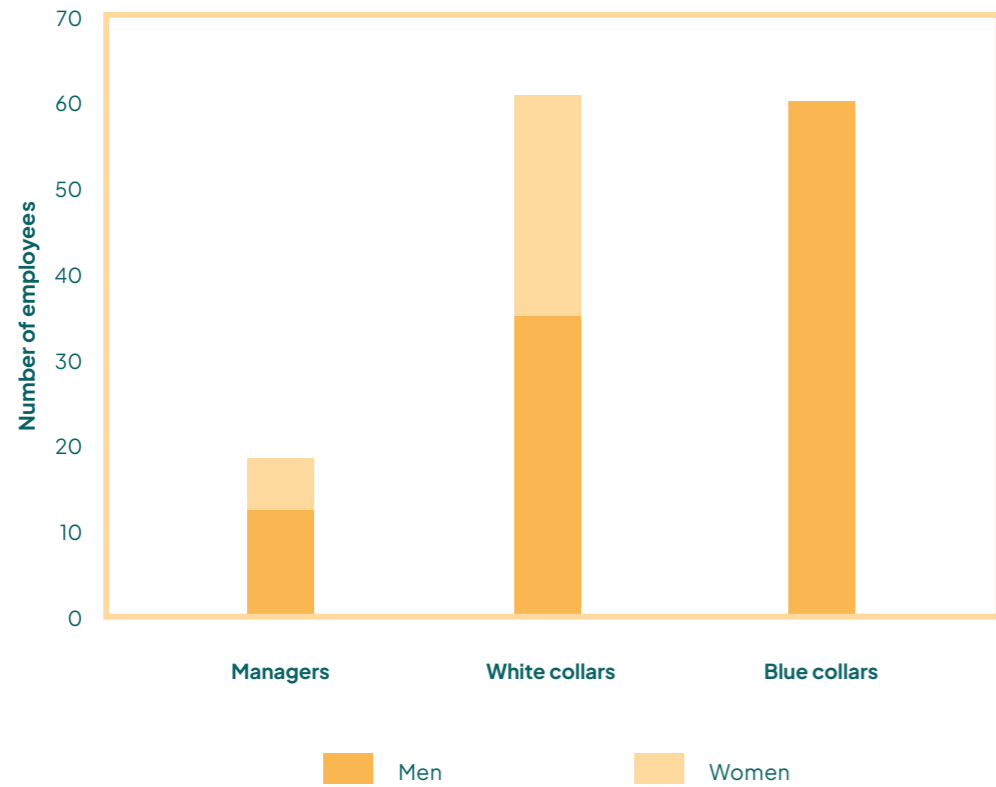
Forge Monchieri's Code of Ethics places a strong emphasis on creating an inclusive and respectful work environment, highlighting its commitment to preventing discrimination and promoting respect for the fundamental rights of all employees. **The absence of reports of discrimination incidents** in 2024 is a clear indicator of the success of the company's policies in this area, contributing to a safe and rewarding work environment.

The company, mainly composed of employees of Italian nationality and coming from Valle Camonica area and the province of Brescia, stands out for its attention to gender equality.

Forge Monchieri works to ensure that men and women receive fair treatment and have equal opportunities for advancement and skill development.

Although there are no women in the blue-collar category, this situation is in line with the characteristics of the sector at a national level.

### DISTRIBUTION OF STAFF MEMBERS



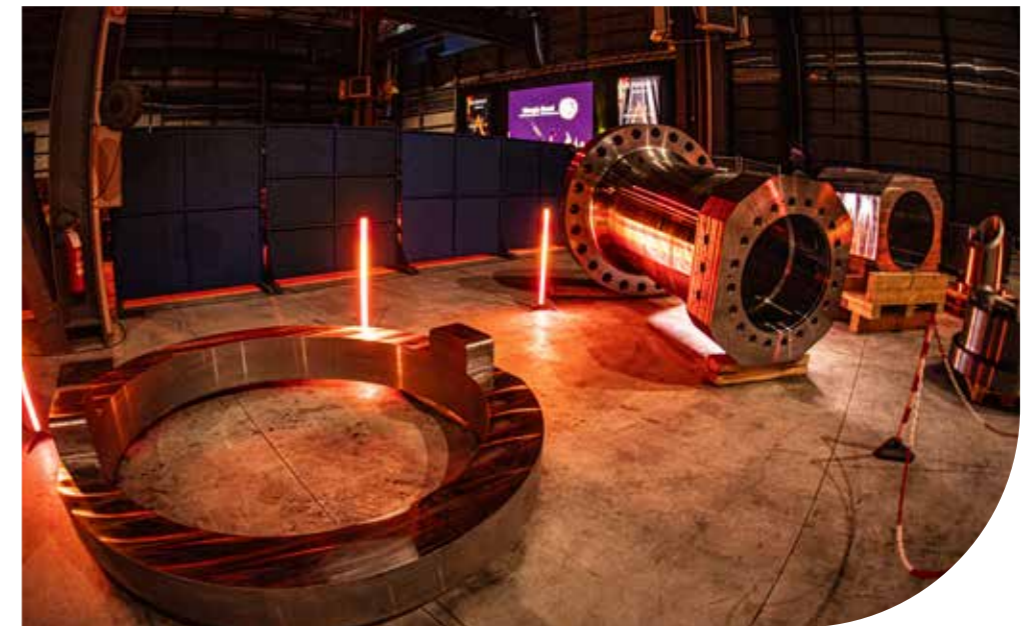
The company has made significant progress in reducing the **Gender Pay Gap**, committing to ensuring fair and non-discriminatory pay. The data collected on equal pay in recent years are very promising: in some managerial categories, the average pay of women is higher than that of men. The white-collar category, however, still has room for improvement (10% gender pay gap in 2024), although

it is lower than the private sector average (30%)<sup>8</sup>. Furthermore, the data relating to the weighted average (excluding blue-collar workers who are only men) shows an absence of a pay gap.

<sup>8</sup> Calculated with data from the "Observatory on Private Sector Employees" by the Statistical Observatory of the Italian National Social Security Institute (INPS), dated November 2023. Source: <https://servizi2.inps.it/servizi/osservatoristatistici/api/getAllegato/?idAllegato=1043> (page 3).

In the future, Forge Monchieri is committed to continuing to develop policies and tools to ensure **fair gender treatment**, emphasizing the **importance of valuing employees based on their experience and expertise**.

This strategy not only promotes a fairer working environment, but also contributes to creating a more inclusive and respectful corporate culture, promoting the well-being and satisfaction of all team members. Forge Monchieri demonstrates a concrete commitment to protecting gender differences and promoting a working environment without discrimination, with the aim of continuing to improve and guarantee equal opportunities for all.



#### DIVERSITY & INCLUSION

AS IS

TO BE

Great results on Gender Pay Gap, with a slight gap only on the category of white collars (6%)

Maintaining the current situation

4.5

# CREATION OF VALUE FOR THE COMMUNITY

2024 MARKS A FURTHER STEP FORWARD FOR FORGE MONCHIERI IN ITS COMMITMENT TO EDUCATION AND SOCIAL RESPONSIBILITY



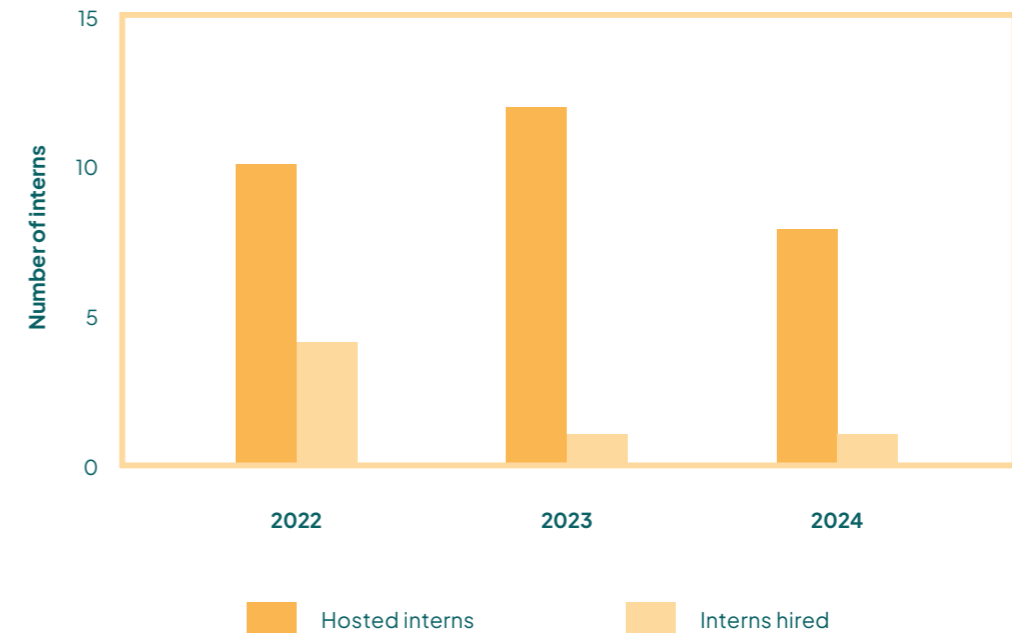
Collaborations with schools and universities have allowed eight students to have an important work experience, contributing to their professional training in a dynamic and forward-looking context. This year, the **focus on school-work** alternation has seen a significant increase in interns from secondary schools (5 out of a total of 8 hosted).

The company does not limit itself to training young talents, but also recognizes its role within the local community. Each year, a portion of the turnover is donated to solidarity works, demonstrating a strong social commitment. In 2024, Forge Monchieri **invested over €65,000 in donations and sponsorships**, supporting significant projects such as the creation of a bilingual school in Pisogne, donations to the Vallecamonica Hospitals and

Health Fund, and support for various local associations, including RicerChiAmo and the Cooperativa Sociale Arcobaleno. Through these efforts, Forge Monchieri not only enriches the educational path of students, but actively contributes to the well-being of the community, reflecting a responsible and future-oriented business model.

The desire to continue on this path underlines the importance of investing in young people and the community, creating a virtuous circle of growth and innovation.

## INTERNSHIPS





VALUE CREATION FOR THE COMMUNITY

AS IS

TO BE

Partnerships with schools and universities to start internships and thesis projects

Widen the partnership with schools and universities

Donations to the local community (associations, sports centres and multi-sports clubs for disabled people)

Keep supporting initiatives and associations already sustained and identify new initiatives and associations to support.



## GOVERNANCE SPHERE

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- 5.1 Strategic management
  - 5.2 Economic performance
  - 5.3 Customer Satisfaction
  - 5.4 Cybersecurity and data protection
  - 5.5 Supply chain
- 



# FORGE MONCHIERI HAS DEMONSTRATED A CONSISTENT COMMITMENT OVER TIME

TOWARDS SOLID AND RESPONSIBLE  
BUSINESS MANAGEMENT,  
INTEGRATING FUNDAMENTAL VALUES  
SUCH AS INNOVATION, SHARING,  
PROFESSIONALISM AND QUALITY



Its strong presence in the territory translates into a particular focus on people's well-being and environmental protection.

To ensure operations at the highest levels of efficiency, the company has adopted and certified various **Management Systems**, covering key areas: Quality (ISO 9001), Health and Safety (ISO 45001), Environment (ISO 14001), Energy (ISO 50001), and the Nuclear sector (ASME III and ISO 19443). These certifications demonstrate Forge Monchieri's commitment to maintaining high standards and continuously improving its processes.

In line with Italian regulations, the company has also implemented an Organizational Model in accordance with Legislative Decree 231/2001 (**MOG231**), which includes a **whistleblowing** channel to promote the reporting of non-compliant behaviors and the creation of a Supervisory Body dedicated to ensuring compliance.

In 2022, Forge Monchieri further strengthened its ethical and social commitment through the development of a **Code of Ethics** and a Social and **Ethical Responsibility Policy**, emphasizing its intention to operate transparently and responsibly toward all stakeholders.



# HIGHLIGHTS OF THE GOVERNANCE

**40%**

of women on the Board of Directors, including the CEO



ABOUT

**90M**

of euros of turnover



**5** ISO CERTIFIED MANAGEMENT SYSTEMS

9001:2015, 14001:2015, 45001:2018, 50001:2018, 19443:2022



5.1

## STRATEGIC MANAGEMENT

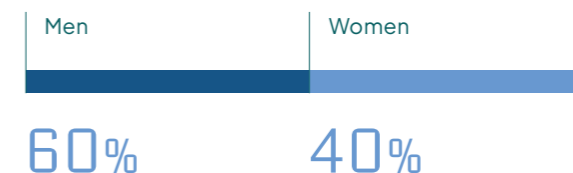
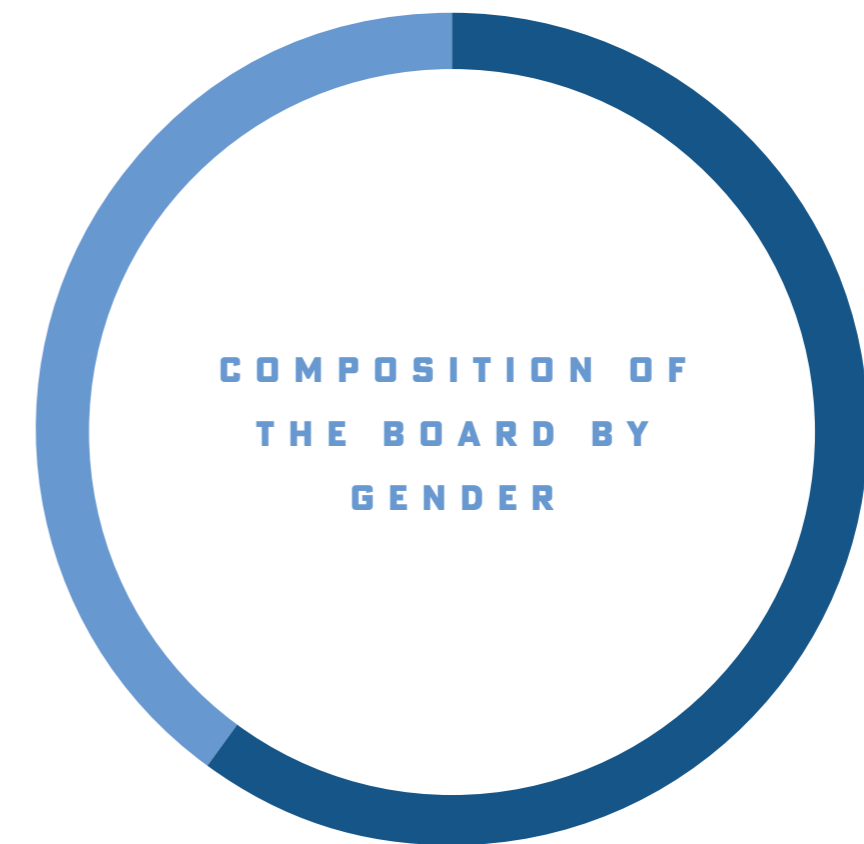


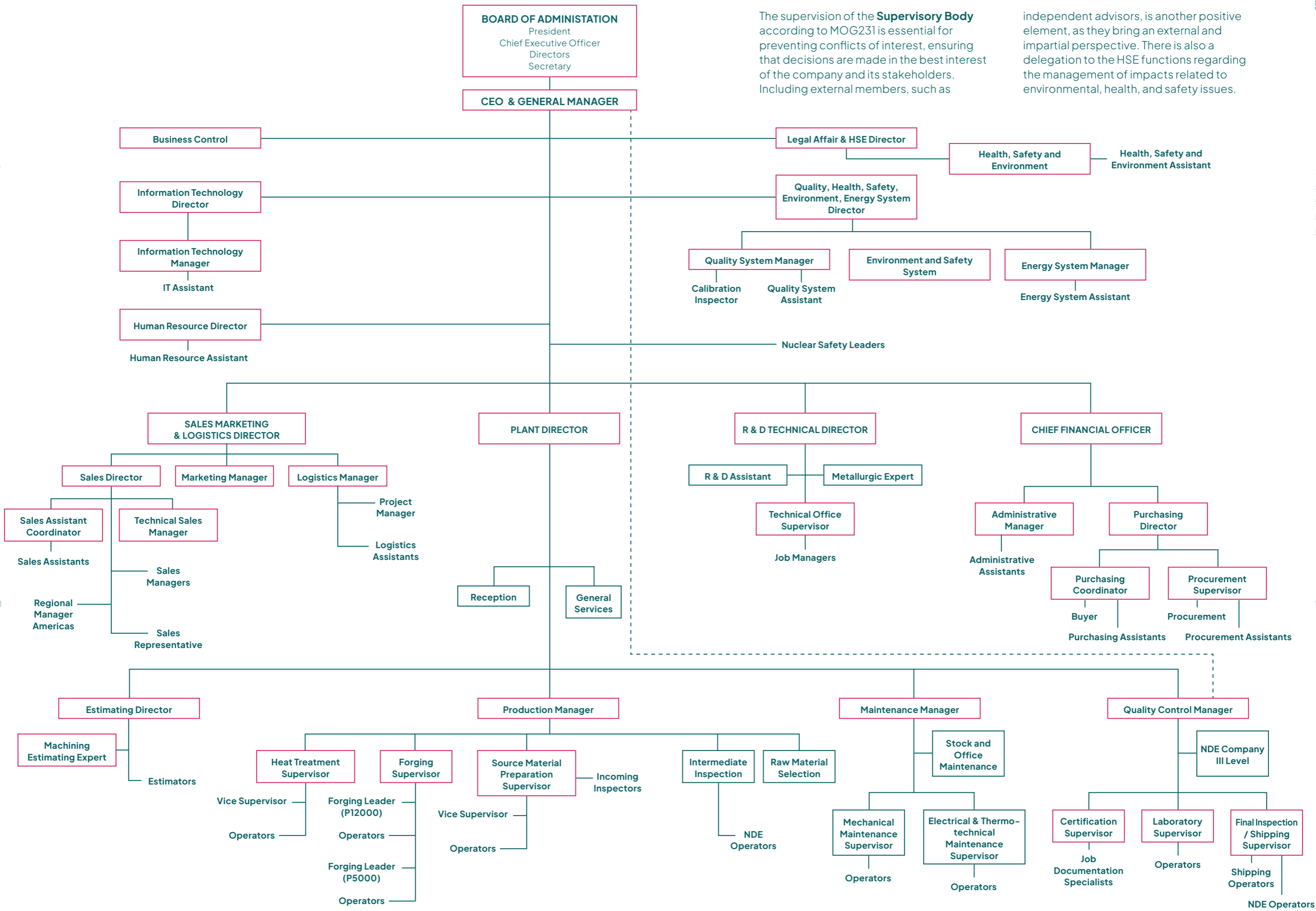
THE BOARD OF DIRECTORS OF FORGE MONCHIERI, COMPOSED OF A TOTAL OF FIVE MEMBERS, REFLECTS A COMMITMENT TO GENDER DIVERSITY AND INCLUSION



Among the five members, there are two women, including the CEO, Gaia Monchieri. This is a significant step in a corporate governance context, especially in a sector where female representation is often limited.

The age distribution of the Board members shows a predominance of more experienced individuals: 40% of the members are between 30 and 50 years old, while 60% are over 51 years old.





The supervision of the **Supervisory Body** according to MOG231 is essential for preventing conflicts of interest, ensuring that decisions are made in the best interest of the company and its stakeholders. Including external members, such as

independent advisors, is another positive element, as they bring an external and impartial perspective. There is also a delegation to the HSE functions regarding the management of impacts related to environmental, health, and safety issues.

**The sustainability journey** undertaken by Forge Monchieri, strongly supported by the ownership, demonstrates a clear commitment to integrating sustainable practices into the corporate strategy. Awareness campaigns directed at staff, such as video snippets on topics like sustainability, gambling addiction, and smoking, are an effective way to promote a conscious and responsible corporate culture.

Furthermore, the adoption of management systems certified according to ISO standards and participation in

initiatives such as the WHP (Workplace Health Promotion) program highlight Forge Monchieri's commitment to high standards in governance, health and safety, and environmental sustainability. The Ethical Code and the Organization, Management and Control Model (MOG231) are additional key tools to ensure responsible and transparent corporate practices.

Forge Monchieri is making significant steps toward sustainable and responsible governance, with a strong focus on ethics, diversity, and ESG issues.

### ■ 5.1.1

## CODE OF ETHICS

The drafting of the Ethical Code and the Social and Ethical Responsibility Policy by Forge Monchieri represents a significant step toward building a sustainable and responsible business model. These documents not only establish the company's core values but also outline specific behaviors and ethical practices expected from all involved parties, thereby creating a clear framework for internal and external interactions.

In the first section of the Ethical Code, the general principles serve as a guide for daily decisions and actions. These principles may include values such as integrity, transparency, respect, and responsibility,

which are essential for building trust-based relationships with stakeholders.

The second section details the expected behaviours in relationships with various stakeholder categories, while the third section focuses on the implementation and monitoring of the Ethical Code. The Supervisory Body plays a crucial role in ensuring that the principles are upheld and that necessary corrective measures are taken in case of violations. Additionally, disseminating the document is vital to ensure that all employees and collaborators are aware of the company's values and behavioural expectations.

## POLICY OF SOCIAL RESPONSIBILITY AND ETHICS

In synergy with the Code of Ethics, the Social and Ethical Responsibility Policy emphasizes the importance of responsible economic management, which not only aims for profit but also considers the well-being of people and environmental sustainability. This policy reflects the company's commitment to operating ethically, balancing business objectives with social and environmental needs.

The creation of a Code of Ethics and a Social and Ethical Responsibility Policy is not only a regulatory requirement but also an opportunity for Forge Monchieri to establish itself as a responsible and sustainable market leader. Through the implementation of these principles, the company can build a better future for itself and the community in which it operates.

Frame the QR codes to view the following topics:



[Policy for Social and Ethical Responsibility](#)



[Code of Ethics](#)

### ■ 5.1.2

## TRADE ASSOCIATIONS

**CONFINDUSTRIA BRESCIA:** Among the most ancient industrial associations in Italy, it represents and safeguards entrepreneurs and enterprises from the territory of Brescia, offering an integrated system of relations with local stakeholders.



**FEDERACCIAI:** Federation of Italian Iron and Steel Enterprises, its main goal is to promote all the economic, financial, technical, and scientific initiatives that might benefit the Italian iron and steel industry.



**ASSOCAMUNA:** Association of Representation of the Enterprises in the Camonica Valley, it represents local entrepreneurial world, contributing to the economic and social development of the territory through the growth of the different companies and the several services offered.



**ASSOCIAZIONI ITALIANA METALLURGIA (AIM):** Cultural organisation aimed at the dissemination of science and technology of metallic materials and other engineering materials and at the promotion of meetings between manufacturers, users, and researchers.



**ASSOCIAZIONE ITALIANA PRESSURE EQUIPMENT (AIPE):** Entrepreneurial association representing Italian manufacturers operating in the Pressure Equipment industry and its satellite activities.



**ASSOCIAZIONE ITALIANA NUCLEARE (AIN):** Technical-scientific association that represents all the competence centres existing in Italy in the field of nuclear energy and technologies.





5.1.3

MOGC 231

The adoption of the **Organization, Management, and Control Model (MOGC)** by Forge Monchieri represents a significant step toward regulatory compliance and the promotion of an ethical and responsible corporate culture. Legislative Decree 231/2001, in fact, introduces a regime of administrative liability for legal entities for crimes committed in their interest or to their advantage, making the implementation of adequate preventive measures essential. The main elements of the MOGC adopted by Forge Monchieri include: mapping of company risks, guidelines and operational procedures aimed at preventing

misconduct, and the appointment of an Organizational, Management, and Control Body (OdV) to ensure that the MOGC is implemented and adhered to. The whistleblowing system, where employees can report misconduct anonymously and securely, is another important measure to guarantee transparency and accountability within the company. The proper implementation of the MOGC and the effective functioning of the OdV are fundamental for Forge Monchieri not only to avoid legal sanctions but also to build and maintain a solid and trustworthy corporate reputation.

5.1.4

CERTIFICATIONS

Forge Monchieri stands out for its adoption of a systematic approach to managing business processes, focusing on key aspects such as Worker Health and Safety and the protection of the environment.



The certifications obtained by the company attest to its commitment to excellence standards and continuous improvement. In particular, these certifications include:

ISO 9001:2015

Quality Management System

ISO 14001:2015

Environmental Management System

ISO 45001:2018

Occupational Health and safety Management System

ISO 50001:2018

Energy Management System

ISO 19443:2022

Nuclear Safety Management System

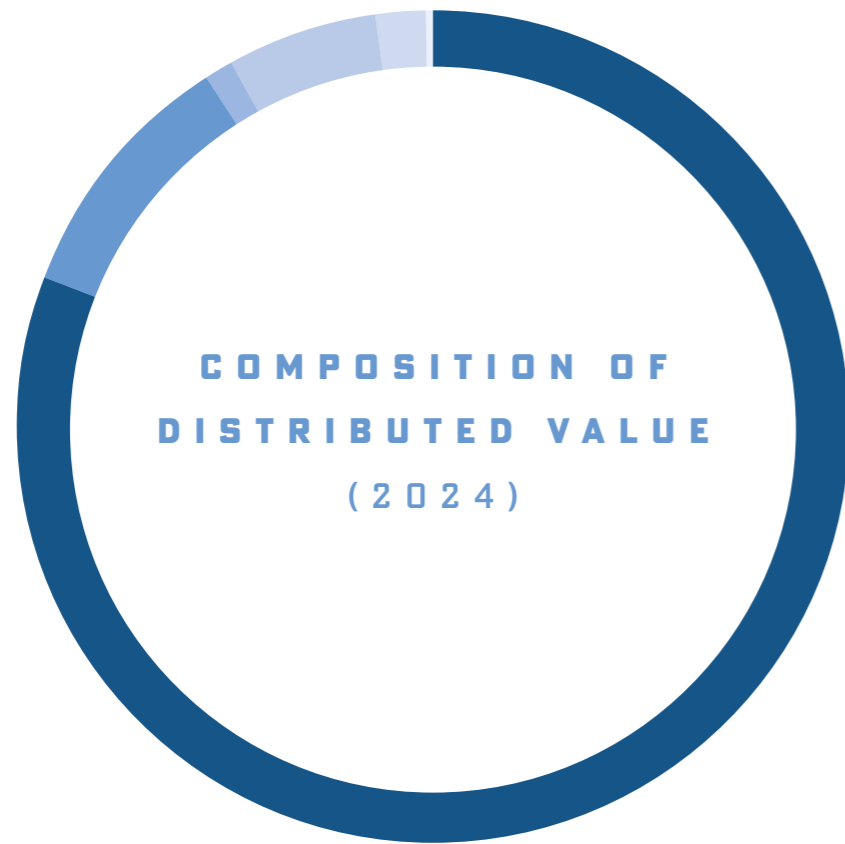
STRATEGIC MANAGEMENT	
ASIS	TO BE
Integration of sustainability into corporate strategies, initiation of sustainability initiatives, and employee awareness campaigns	Continue the initiated path through improvement actions, continuous monitoring, and communication.

5.2

# ECONOMIC PERFORMANCE



IN 2024, FORGE MONCHIERI GENERATED A TOTAL VALUE OF ABOUT €87,000,000 (ABOUT +3% COMPARED TO 2023), WITH A REDISTRIBUTION OF 94%, AMOUNTING TO ABOUT € 82,000,000



Operating costs	Employee wages and benefits	Interests on loans and other forms of debt	Return on capital	Payments to P.A.	Investments for the community
80.88%	10.05%	1.17%	5.70%	2.14%	0.05%

During a particularly challenging market period, characterized by an unstable and constantly evolving external environment, Forge Monchieri demonstrated great resilience. Thanks to careful management and targeted strategies, the company was able to maintain the stability of its generated value, with a particular focus on controlling operational costs. This approach allowed the company to effectively face market challenges, preserving its solidity and competitiveness even in times of great uncertainty.

The retained value by the company increased compared to the previous year, thanks to a reduction in operational costs.

Among the distributed value, the most significant component (80.88%) is represented by operational costs, which include purchases of materials, packaging, and energy carriers. Employee compensation (10.05%) also plays an important role, representing another portion of the distributed value. The other components have a lesser impact.

Regarding investments in the community, Forge Monchieri donated a total of approximately €65,000, confirming a longstanding social commitment over the years.

ECONOMIC PERFORMANCE	
ASIS	TO BE
Approximately 82 million in distributed economic value	More than 80 million in distributed economic value
More than 65,000 € investments in the community	Maintaining a consistent and lasting social commitment over time

5.3

# CUSTOMER SATISFACTION

FORGE MONCHIERI STANDS OUT FOR ITS STRONG FOCUS ON CUSTOMER SATISFACTION, WHICH REPRESENTS ITS MAIN STAKEHOLDER



The company's vision emphasizes the need to maintain relationships characterized by professionalism and competence. This commitment is reflected in the adoption of a management system certified according to ISO 9001:2015, which allows for constant monitoring and continuous improvement of the quality of products and services offered.

Thanks to a well-structured sales network, the company is able to cover key hubs of international markets, ensuring high levels of service both before and after sales. Key figures in the commercial team, such as project managers, key account managers,

global key account managers, and local sales representatives, are fundamental in effectively managing relationships with clients and business. Furthermore, Forge Monchieri is committed to maintaining high standards of on-time delivery, aware that even minimal delays can cause significant inconvenience to customers.

This commitment has led to a significant reduction in complaints over time. In 2024, the complaint rate decreased to 1.3%, compared to 1.6% in 2023 and 1.8% in 2022, highlighting a positive trend in the absolute value of substantiated complaints.

In addition to monitoring the quality of service, the company is committed to assessing customer perception through evaluation questionnaires, which lead to the Customer Satisfaction Index. From 2021 to today, the level of customer satisfaction has always been above 87%,

reaching a peak of 90.8% in 2022 and a value of 87.8% in 2024. These results attest to Forge Monchieri's dedication to providing a high-quality customer experience and its ongoing pursuit of improvement.

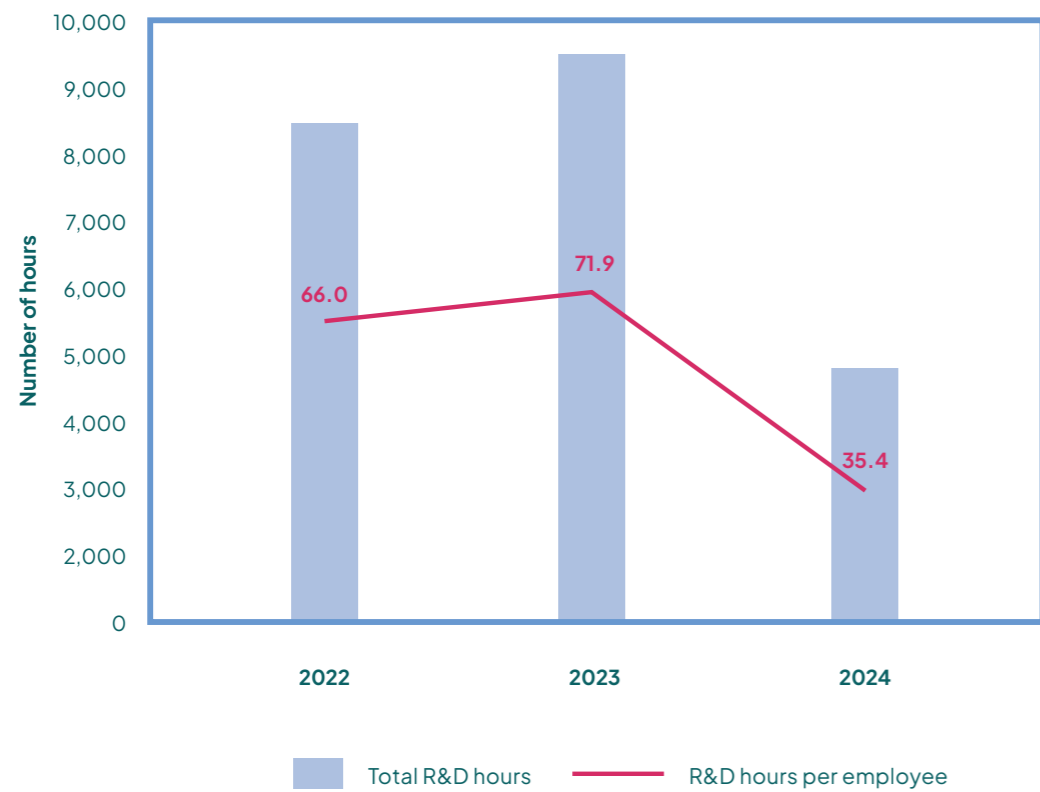
5.3.1

## RESEARCH AND DEVELOPMENT

Forge Monchieri has significantly invested in its Research and Development department, demonstrating a consistent commitment to innovation and product improvement. In 2024, the company dedicated 4,927 hours to these activities,

which amounts to nearly 36 hours per employee. Although this figure is lower than in previous years, it remains meaningful, reflecting the ongoing need for innovation in the markets where the company operates.

HOURS SPENT FOR RESEARCH AND DEVELOPMENT (R&D)



It is important to emphasize that, although the calculation of hours is based on the total number of employees as of December 31<sup>st</sup>, only a portion of the workforce is actually involved in research and development projects. In 2024, 14 employees, or 10% of the total workforce,

actively participated in these activities. This data highlights the specialization and importance of the resources dedicated to innovation, which are essential for maintaining competitiveness and meeting customer needs.

The collaboration with universities, research centers, and specialized consultants, along with the use of simulation software, highlights Forge Monchieri's proactive approach in creating cutting-edge solutions and strengthening its technical partnerships. These initiatives not only support the development of new products but also help to consolidate the company's reputation as a leader in its industry.



CUSTOMER SATISFACTION	
AS IS	TO BE
Complaints index: 1.3%	Maintain the complaints index below 1%
Customer Satisfaction Index: 87.8%	Customer Satisfaction Index > 90%
Hours dedicated to R&D per employee: 35.4.	Hours dedicated to R&D per employee greater than 70



■ 5.4

# CYBERSECURITY AND DATA PROTECTION



FORGE MONCHIERI IS UNDERTAKING AN IMPORTANT INITIATIVE TO STRENGTHEN ITS CYBERSECURITY, DESPITE NOT HAVING ENCOUNTERED ANY SIGNIFICANT ISSUES IN THE PAST



The company recognizes the risks associated with cyberattacks and data loss, and for this reason, has decided to address two main risk factors: the obsolescence of security systems and user vulnerability.

Throughout 2024, several strategic measures have been implemented to enhance the security of the internal network. Among the actions taken, **network mapping** stands out, which has allowed the identification and replacement of some devices. IT technicians have also redesigned the company's VLANs to ensure better segregation of areas, thus reducing system vulnerability.

Additional measures include the implementation of a next-generation antivirus and the creation of two new backup systems:

one located in the server room, isolated from the network to prevent unauthorized access, and the other in a different geographic location to provide extra protection in case of catastrophic events.

Alongside these technical improvements, Forge Monchieri is investing in **ongoing training and raising user awareness** regarding cybersecurity issues, promoting a culture of "cyber awareness" within the organization. This integrated approach aims to create a safer and more resilient environment in the face of cyber threats.

CYBER SECURITY AND DATA PROTECTION	
AS IS	TO BE
New antivirus and new backups, segregation of company VLANs	Activation of the platform for "Cyber Awareness."

5.5

# SUPPLY CHAIN



**FORGE MONCHIERI IS DEMONSTRATING A STRONG COMMITMENT TO SUSTAINABILITY NOT ONLY WITHIN ITS OWN ORGANIZATION BUT ALSO ALONG THE ENTIRE SUPPLY CHAIN**



This awareness is fundamental in a global context where companies are increasingly called upon to address environmental and social challenges.

The fact that the company is currently working to develop a Supplier Code of Conduct is a significant step. Making this code binding through the signing by suppliers will help ensure that business practices align with Forge Monchieri's values of sustainability and social responsibility. Sending out a **questionnaire** to suppliers in 2024 represents a further step toward

transparency and accountability in the supply chain. This tool not only allows the company to collect useful information to evaluate suppliers' sustainability policies but also provides an opportunity to start a constructive dialogue on how to improve existing practices. Monitoring key indicators such as employee turnover and carbon footprint will help Forge Monchieri to better understand the social and environmental impact of its suppliers.

The implementation of a Supplier Evaluation Policy with ESG (Environmental, Social, and Governance) criteria by 2025 is another strategic step. This policy will not only establish clear standards for procurement but also help create a more sustainable and responsible ecosystem, where suppliers are encouraged to continually improve their practices.

In summary, the initiatives undertaken by Forge Monchieri represent a proactive and strategic approach to integrating sustainability into their supply chain, promoting a positive impact both environmentally and socially.



SUPPLY CHAIN	
AS IS	TO BE
ESG Questionnaires for Suppliers	Supplier Code of Conduct Supplier ESG Evaluation Policy



GRI  
CONTENT  
INDEX

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For each material topic identified, the correlation with the main international reference standards for sustainability reporting, the so-called GRI (*Global Reporting Initiative*), is presented below.

There are no GRI sector standards relevant to Forge Monchieri's activity.

<b>STATEMENT OF USE</b>	Forge Monchieri S.p.A. has reported the information cited in this GRI content index for the period 01.01.2024 - 31.12.2024 with reference to the GRI Standards
<b>GRI USED</b>	GRI1 - Foundation - 2021 version

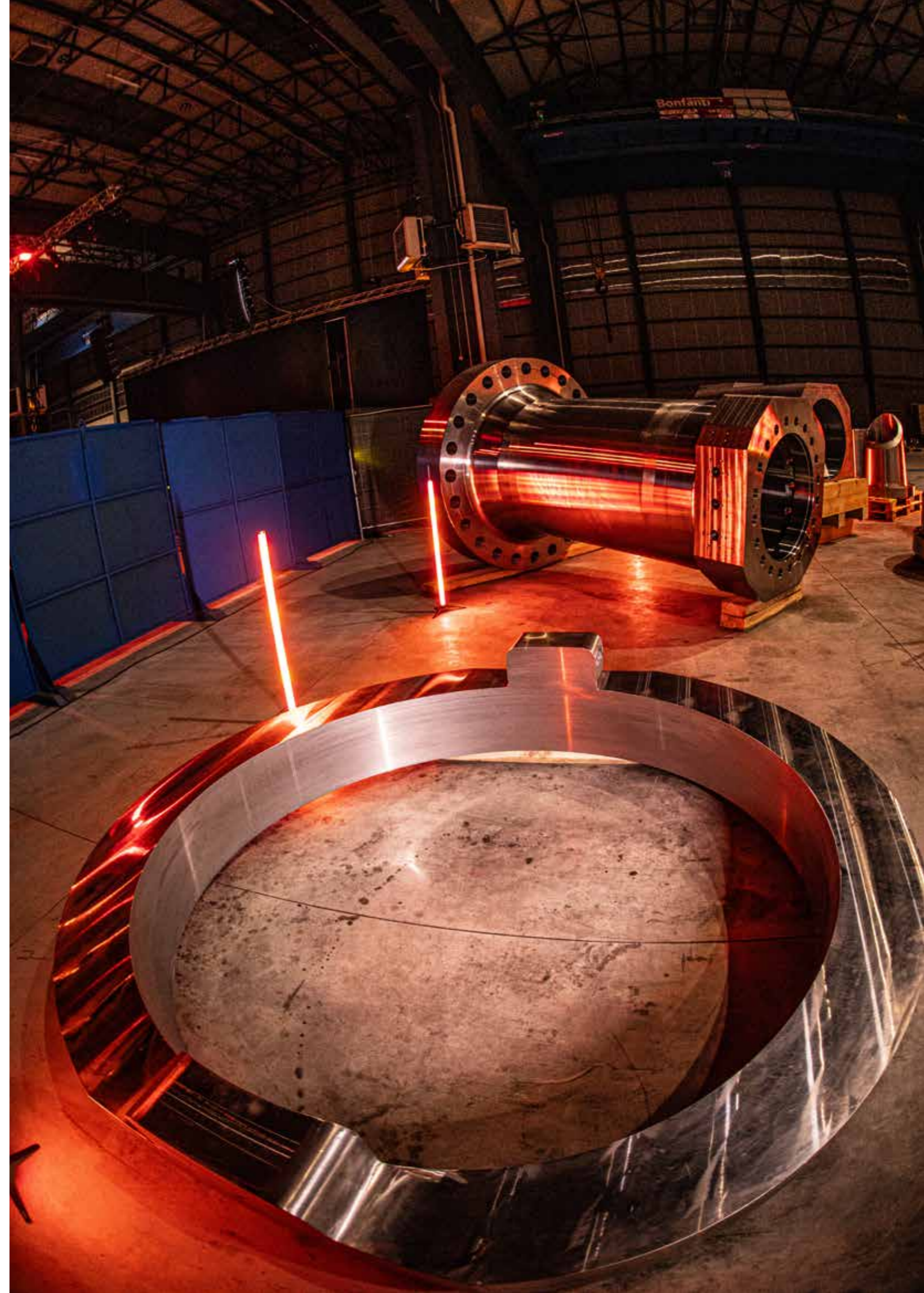
<b>GRI 2 - GENERAL DISCLOSURES 2021</b>		
<b>GRI STANDARDS</b>	<b>DISCLOSURE</b>	<b>REFERENCE PARAGRAPH</b>
<b>The organization and its reporting practices</b>		
	2-1 Organizational details	Methodological note
	2-2 Entities included in the organization's sustainability reporting	Methodological note
	2-3 Reporting period, frequency and contact point	Methodological note
	2-4 Restatements of information	Any variations are indicated in the text
	2-5 External assurance	-
<b>Activities and employees</b>		
	2-6 Activities, value chain and other business relationships	Forge Monchieri

	2-7 Employees	Job satisfaction and employee turnover
	2-8 Workers who are not employees	Job satisfaction and employee turnover
<b>Governance</b>		
	2-9 Governance structure and composition	Strategic management
	2-10 Nomination and selection of the highest governance body	Strategic management
	2-11 Chair of the highest governance body	Chief Executive Officer's statement
	2-13 Delegation of responsibility for managing impacts	Strategic management
	2-14 Role of the highest governance body in sustainability reporting	Strategic management
<b>Strategies, policies and practices</b>		
	2-22 Statement on sustainable development strategy	Chief Executive Officer's statement / Sustainability strategy
	2-25 Processes to remediate negative impacts	Generated and suffered impacts
<b>Stakeholder engagement</b>		
	2-29 Approach to stakeholder engagement	Material matters and materiality assessment
<b>GRI 3 - MATERIAL TOPICS - 2021 VERSION</b>		
GRI 3 - Material Topics - 2021 version	3-1 Process to determine material topics	Material matters and materiality assessment
	3-2 List of material topics	Material matters and materiality assessment
	3-3 Management of material topics	Material matters and materiality assessment

Disclosure	Reference paragraph
<b>TOPIC STANDARD – ECONOMIC PERFORMANCE</b>	
201-1 Direct economic value generated and distributed	Economic performance
205-1 Operation assessed for risks related to corruption	Strategic management
205-2 Communication and training about anticorruption policies and procedures	Job satisfaction and employee turnover
205-3 Confirmed incidents of corruption and actions taken	No episode was registered
206-1 Legal actions for anti-competitive behavior, antitrust, and monopoly practices	No legal action was registered
<b>TOPIC STANDARD – ENVIRONMENTAL PERFORMANCE</b>	
301-1 Materials used by weight or volume	Materials
301-2 Recycled input materials used	Materials
301-3 Reclaimed products and their packaging materials	Materials
302-1 Energy consumption within the organization	Energy and energy efficiency
302-2 Energy consumption outside of the organization	Energy and energy efficiency
302-3 Energy intensity	Energy and energy efficiency
302-4 Reduction of energy consumption	Energy and energy efficiency
302-5 Reduction in energy requirements of products and services	Energy and energy efficiency
303-2 Management of water discharge-related impacts	Water resources

303-3 Water withdrawal	Water resources
303-5 Water consumption	Water resources
305-1 Direct (Scope 1) GHG emissions	GHG emissions
305-2 Energy indirect (Scope 2) GHG emissions	GHG emissions
305-3 Other indirect (Scope 3) GHG emissions	GHG emissions
305-4 GHG emissions intensity	GHG emissions
305-5 Reduction of GHG emissions	GHG emissions
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	GHG emissions
306-1 Waste generation and significant waste-related impacts	Waste management
306-2 Management of significant waste-related impacts	Waste management
306-3 Waste generated	Waste management
306-4 Waste diverted from disposal	Waste management
306-5 Waste directed to disposal	Waste management
307-1 Non-compliance with environmental laws and regulations	No episode of non-compliance was registered
<b>TOPIC STANDARD – SOCIAL PERFORMANCE</b>	
401-1 New employee hires and employee turnover	Job satisfaction and employee turnover
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Corporate well-being
401-3 Parental leave	Corporate well-being
403-1 Occupational health and safety management system	Occupational health and safety

403-2 Hazard identification, risk assessment, and incident investigation	Occupational health and safety
403-5 Worker training on occupational health and safety	Job satisfaction and employee turnover
403-6 Promotion of worker health	Corporate well-being
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational health and safety
403-8 Workers covered by an occupational health and safety management system	Occupational health and safety
403-9 Work-related injuries	Occupational health and safety
404-1 Average hours of training per year per employee	Job satisfaction and employee turnover
405-1 Diversity of governance bodies and employees	Diversity and inclusion / Strategic management
405-2 Ratio of basic salary and remuneration of women to men	Diversity and inclusion
406-1 Incidents of discrimination and corrective actions taken	Diversity and inclusion
413-1 Operations with local community engagement, impact assessments, and development programs	Creation of value for the community
413-2 Operations with significant actual and potential negative impacts on local communities	Creation of value for the community
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cybersecurity e data protection



# APPENDIX

## IMPACT ANALYSIS

Hereafter it is explained the methodology used for the analysis and evaluation of the generated and suffered impacts, that were presented in the second chapter of this Sustainability Report.

At first, Forge Monchieri studied its **generated impacts**, dividing them into **actual** and **potential, positive** and **negative**. As required by the CSRD, the level of causality was also analysed: although most of the described effects were **directly caused** by the company, some of the identified impacts were **“contributed to cause”** (when Forge Monchieri is not the only responsible entity) or **“business-related”** (when they happened along the upstream or downstream value chain but were not due to the company’s business).

To evaluate the significance of each impact, Forge Monchieri assigned numerical values on a 1-to-4 scale to the criteria required by the Directive. Therefore, **actual** impacts were only assessed by their **severity**, which is the average of three different variables: **scope** (i.e. the seriousness of the damage or the relevance of the benefit), **scale** (i.e. the extent of the impact) and, for the negative ones, **irremediable character** (i.e. the possibility of restoring the previous situation). **Potential** impacts, instead, resulted from the product of **severity** (always calculated from the three criteria just mentioned) and **likelihood** of the event.

In addition, **suffered impacts** were also analysed, identifying those financial risks

and opportunities that are not necessarily under the company’s control or influence and that Forge Monchieri might be exposed to during its business. These aspects are evaluated by their **potential magnitude** (which is a single numerical value, not divided in the factors of scale, scope and irremediability) and by their **likelihood**. Here too, a 1-to-4 scale was used.

The numerical values were then normalized in order to effectively compare the relevance of each impact on Forge Monchieri’s business. In fact, the conversion into percentages allowed to present the result through bar charts, which are in the second chapter of the Report.

The following tables show, for each impact (correlated to the relevant material topic), the values attributed to the CSRD criteria. Through the steps just described, the impacts were then prioritized according to these values (as shown by the bar charts in the relevant chapter).

ACTUAL NEGATIVE IMPACTS					
Topic	Impact	Causality	SEVERITY		
			Scope	Scale	Irremediable Character
GHG emissions	Contribution to emissions	Directly caused	3	1	1
Energy efficiency	Lower energy efficiency	Directly caused	4	3	3
Job satisfaction and employee turnover	Lack of job satisfaction monitoring	Directly caused	3	2	2

POTENTIAL NEGATIVE IMPACTS						
Topic	Impact	Causality	SEVERITY			Likelihood
			Scope	Scale	Irremediable Character	
GHG emissions	Road transport	Contributed to cause	4	3	4	1
Materials	Increase in the variety and quantity of packaging	Directly caused	3	3	2	3
Materiali	Potential impacts caused by indirect suppliers	Business-related	1	1	1	1
Energy efficiency	High energy consumption	Contributed to cause	3	2	4	2
Water Resources	Water pollution	Directly caused	1	1	3	1
Occupational Health and Safety	Risk of work accidents	Directly caused	4	4	3	1

Job satisfaction and employee turnover	Limits in professional and personal development	Directly caused	2	2	3	2
Customer satisfaction	Delays in deliveries	Contributed to cause	4	3	3	3
Supply chain	Safety and environmental impact among suppliers	Business-related	3	2	3	3

ACTUAL POSITIVE IMPACTS					
Topic	Impact	Causality	SEVERITY		Likelihood
			Scope	Scale	
GHG emissions	Self-production of renewable energy	Directly caused	2	2	
Energy efficiency	Energy efficiency measures	Directly caused	4	3	
Land consumption	Upgrading of industrial land	Directly caused	4	2	
Occupational Health and Safety	Spreading awareness on health and safety	Directly caused	3	1	
Corporate well-being	Welfare platform	Directly caused	2	2	
Corporate well-being	Work-life balance	Directly caused	2	3	
Job satisfaction and employee turnover	Induction plan for new recruits	Directly caused	2	2	

Creation of value for the community	Donations to local organizations and associations	Directly caused	3	3	
Strategic management	Sustainability strategy	Directly caused	2	2	

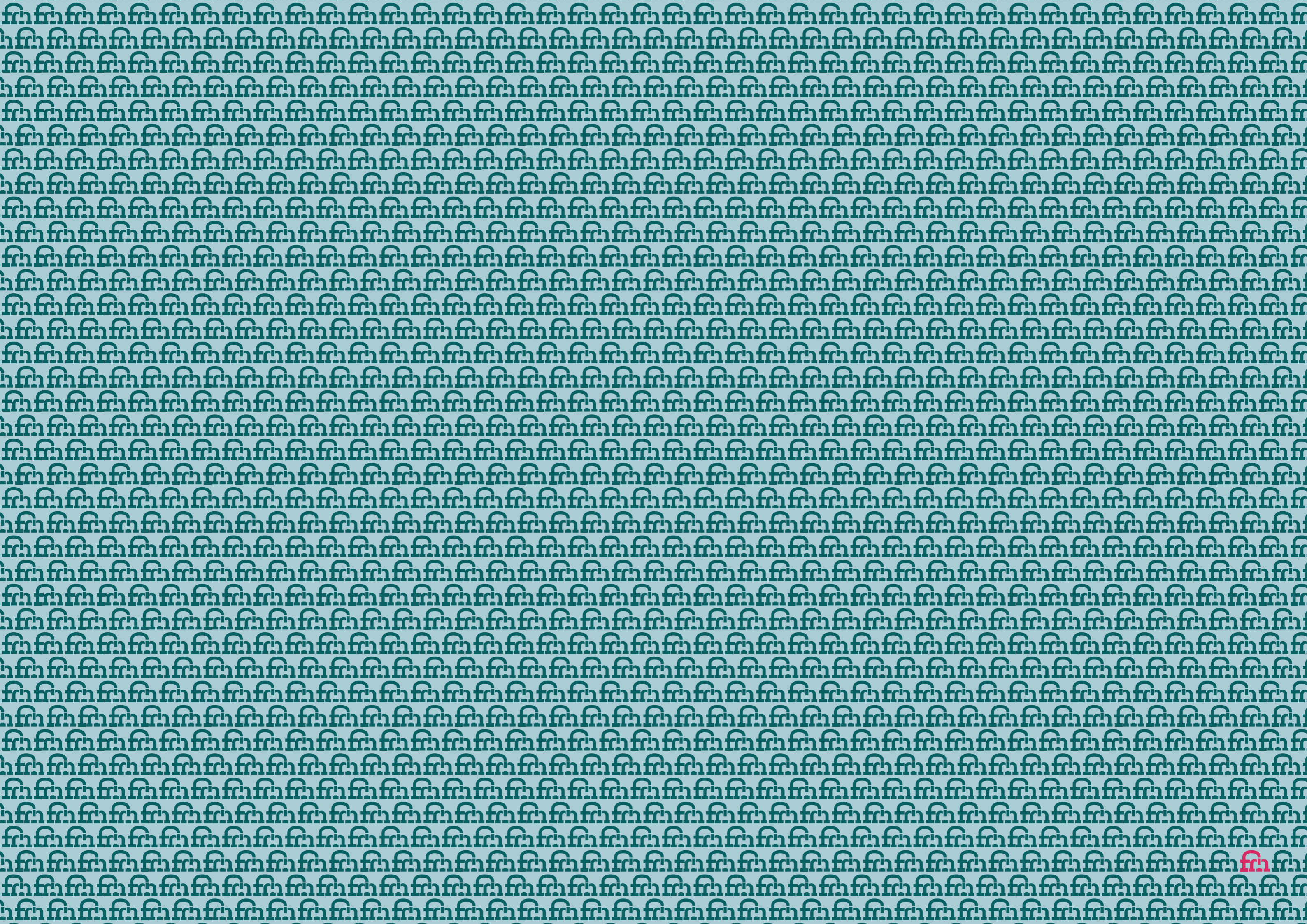
POTENTIAL POSITIVE IMPACTS					
Topic	Impact	Causality	SEVERITY		Likelihood
			Scope	Scale	
GHG emissions	Alternative energy sources and more efficient technologies	Directly caused	3	4	1
Materials	Recycled or recovered packaging and material	Directly caused	3	3	1
Materials	Reducing production waste	Directly caused	3	2	2
Waste management	Waste reduction through recovery and reuse	Directly caused	3	2	3
Water Resources	Reducing water consumption	Directly caused	1	1	1
Corporate well-being	Health assistance and specialist visits	Directly caused	2	2	3
Corporate well-being	WHP - workforce wellness	Directly caused	3	3	4

Diversity and inclusion	Gender pay gap	Directly caused	3	2	2
Creation of value for the community	Partnerships with schools and universities	Directly caused	2	2	4
Customer satisfaction	Quality of products and services	Directly caused	3	3	2
Supply chain	Sustainability of the supply chain	Contributed to cause	2	2	4

**FINANCIAL RISKS AND OPPORTUNITIES**

Topic	Subject	Risk/ Opportunity	Potential magnitude	Likelihood
GHG emissions	EU-ETS system	R	4	4
Job satisfaction and employee turnover	Voluntary employee turnover	R	3	3
Economic performance	Costs of quality and services	R	4	3
Sustainability of raw materials and products	Innovations	O	2	2
Cybersecurity and data protection	Cyber-attacks and data breach	R	4	3





**Forge Monchieri S.p.A.**

Via Industriale, 3

25040 Cividate Camuno (Brescia) – Italy

Phone: + 39 0364 236111

Fax: + 39 0364 340902

E-mail: [info@monchieri.it](mailto:info@monchieri.it)

[monchieri.it](http://monchieri.it)