

SUSTAINABILITY REPORT 2024

(last updated: July 2025)

Letter to Stakeholders

"Dear Readers,

It is with great pleasure that I inform you of the launch of an important project for our Company, San Grato S.p.A., which represents a significant step toward a more sustainable and responsible future.

Our Company will produce its first Sustainability Report, a crucial document that will reflect our environmental, social and governance commitment and performance, as well as our long-term vision for a sustainable development.

To carry out this project, we have decided to rely on the support of the specialized Company PMC Engineering, which will accompany us on this journey and ensure the quality and transparency of our reporting.

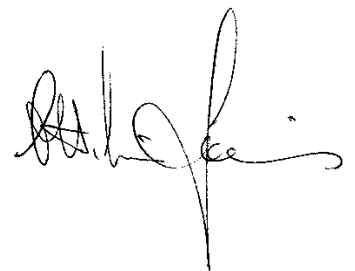
In 2024, we achieved significant milestones, among them:

- Maintaining voluntary certifications according to UNI EN ISO 14001, IATF 16949, UNI EN ISO 9001, TISAX and UNI EN ISO 45001 standards*
- Optimizing energy consumption with the implementation of the guidelines provided by the Energy Diagnosis*
- Involving key stakeholders (employees, Suppliers, Customers) in the Sustainability roadmap*

A key element of this project involves collecting opinions and input from stakeholders, both internal and external. This analysis has allowed us to identify and prioritize the most relevant elements to consider and report on, ensuring that our sustainability initiatives are both impactful and aligned with our stakeholders' expectations.

We remain dedicated to continuous improvement and transparency in our sustainability practices. We believe that, through your valuable input, San Grato S.p.A. will be able to continue its commitment to sustainable and responsible growth in line with the expectations of our stakeholders and community.

Thank you for your constant support."





Methodological note

This document represents San Grato S.p.A.'s first sustainability Report.

ABBREVIATIONS

The Report refers to San Grato S.p.A. as “Company” or ‘Organization’. San Grato S.p.A. holds the Copyrights of this Report.

PURPOSE OF THE REPORT

The Sustainability Report is the tool by which the Company communicates to internal and external Stakeholders the commitments, the strategy, the management methods and the results of the Company's activities, from economic, environmental and social perspectives.

THE COMPANY'S REPORTING PATH

The Report was prepared considering the contents of the International Frameworks by the International Integrated reporting Council and EFRAG (European Financial reporting Advisory Group).

APPROVAL

The Board of Directors of San Grato S.p.A. approved this Report on June 30th, 2025.

YEAR OF REFERENCE

The data and information in this document refer to the fiscal year 2024 (January 1st to December 31st). Where available, the document reports the comparative data referring to previous years in order to present the Company's performance trends over an extended time horizon.

REFERENCE PERIMETER

The economic, social and environmental data in this Report refer to the Company San Grato S.p.A. as a whole, including both plants (San Carlo Canavese and Malonno). There are notes within the Report for any exception to this principle.

REFERENCE STANDARDS

The Report has been prepared in accordance with the European Sustainability reporting Standards (ESRS) as set out in COMMISSION DELEGATED REGULATION (EU) 2023/2772 of July 31, 2023.

DEFINITION OF THE CONTENTS OF THE REPORT

In defining the contents of the Report, the Company followed the principles of materiality, completeness and responsiveness of the ESRS standards and elaborated the three aspects, including economy, society and environment, focusing on the Company's commitment to organizational governance, product responsibility, environmental responsibility and employee care. The data and information for this Report were collected in accordance with the Company's existing workflow. The consulting firm PMC Engineering supported the Company in redacting this Report.

DEFINITION OF THE CONTENTS AND STRUCTURE OF THE REPORT

In the “Statement of Use” section, you can view the details of the information reported according to the disclosures defined by the ESRS Standards.

PERIODICITY IN REPORTING

Annual.

EXTERNAL ASSURANCE

There is no plan of review by external independent professionals for this Report.

CONTACTS

For any information related to the Sustainability Report you may write to the e-mail address: sustainability@sangrato.it



Our history

HISTORICAL NOTES

From the entrepreneurial initiative of Eligio Fresia, the hi-tech forging Company was born in 1961 with ten employees in San Carlo Canavese, Piedmont. Over the years, San Grato has earned a relevant role in the production of forged parts for the automotive industry while also developing a strong interest in more refined and hi-tech solutions, such as those of extrusion, tangential rolling, and finally, high-frequency hammering, an innovative technology for the manufacture of hollow shafts.

A choice that was rewarded by the market, to the point that in the second half of the 1980s, the Company decided to structure itself into two realities: the historical plant in San Carlo Canavese is joined by the new production unit in Val Camonica with about 90 employees in Malonno in the province of Brescia.

PRODUCTION STRUCTURES

In an all-Italian Company, born from a passion for mechanics and driven by the desire of constant challenge to itself in a world of continuous technological evolution, the need arose to dedicate a specific sector to the research and development of new components. A department capable of supporting its partners in their choices regarding materials, heat treatments and structural geometries, actively participating in the design and implementation of innovative solutions.

CO-DESIGN

The Company strengthened thanks to the creation of a special Technical Service for the Customers, aimed at the development of new products. It operates with the following methodology: it provides Technical Support to the Commercial Service, to the General Management and, alongside all other Company Functions, it carries out the activity of design, development and improvement on the processes.

It also supports to the design of the product, defining any changes and/or innovations.

In close cooperation with the Technical/ Design Departments of the Clients, it carries out Element Drawings by performing product development activity with special regard to its Technological Industrialization.

In particular, the Company performs: feasibility checks, calculation of statics, kinematics and dynamics, reduction-optimization of processing overmetals, materials, Heat and Surface Treatments, Mechanical Processing, etc.; all with a focus on continuous improvement and cost reduction.

Our plants

SAN CARLO CANAVESE

- Annual production in tons: 16,000 to 22,000
- Annual production of parts: 5,000,000 to 7,500,000
- Weight of parts produced: from 0.5 kg to 40 kg
- Diameter size of round parts: from 75 to 400 mm
- Size for shaped parts: length = 800 mm max.

MALONNO

- Annual production in tons: 19000 to 26000
- Annual production of parts: 4,000,000 to 6,500,000
- Weight of parts produced: from 1 kg to 28 kg
- Diameter size of round parts: from 100 mm to 250 mm
- Size for shaped parts: length = 880 mm max.

Certifications

Through its own efforts and supported by external consulting companies, the Company has obtained the following certifications:

- ISO 14001 - ENVIRONMENTAL MANAGEMENT SYSTEMS



- ISO 45001 - OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEMS



- IATF 16949, UNI EN ISO 9001 - AUTOMOTIVE QUALITY MANAGEMENT SYSTEMS

During the year 2024, San Grato S.p.A. achieved the EcoVadis Bronze Medal, one of the leading international platforms for assessing corporate sustainability. This recognition attests to the Company ongoing commitment towards responsible environmental, social and ethical practices.

The assessment bases itself on four key pillars:

- Environment
- Labor and human rights
- Ethics
- Sustainable Procurement

The result obtained represents a starting point for continuous improvement of our ESG performance and transparency to our stakeholders.

For San Grato S.p.A., confidentiality, availability and integrity of information are of great value. The Company has adopted extensive measures to protect confidential information, obtaining TISAX (Trusted Information Security Assessment eXchange) certification in accordance with the catalogue of questions on information security developed by the German Association of the Automotive Industry (VDA ISA). A TISAX-accredited audit provider, identified in Bureau Veritas, carried out the assessment. The results of the assessment are available exclusively through the ENX portal.

BP-1 - CRITERIA TO PREPARE THE SUSTAINABILITY REPORT

This section focuses on the structure and governance of our Company, defines our strategy, and presents our approach to risk and opportunity management.

Data used for this Report

This sustainability Report covers the operations of the Company's plants in San Carlo Canavese and Malonno. The descriptive sections of the Report reflect the state of the organization as of December 31, 2024.

Our Value Chain

The Organization manages and controls its value chain through a structured system of Supplier selection, qualification, monitoring and development. The Company applies the Advanced Product Quality Planning (APQP) method to ensure Supplier compliance with technical specifications and quality standards in line with IATF 16949, UNI EN ISO 9001. The management process includes periodic evaluations based on audits, performance analysis (quality, logistics, information security), and corrective action requests in case of non-conformities.

In addition, San Grato adopts a traceability system to ensure control of materials throughout the supply chain and requires compliance with ethical and environmental requirements, giving preference to IATF 16949, UNI EN ISO 9001, ISO 14001 and ISO 45001 certified Suppliers.



BP2 – DISCLOSURE IN RELATION TO SPECIFIC CIRCUMSTANCES

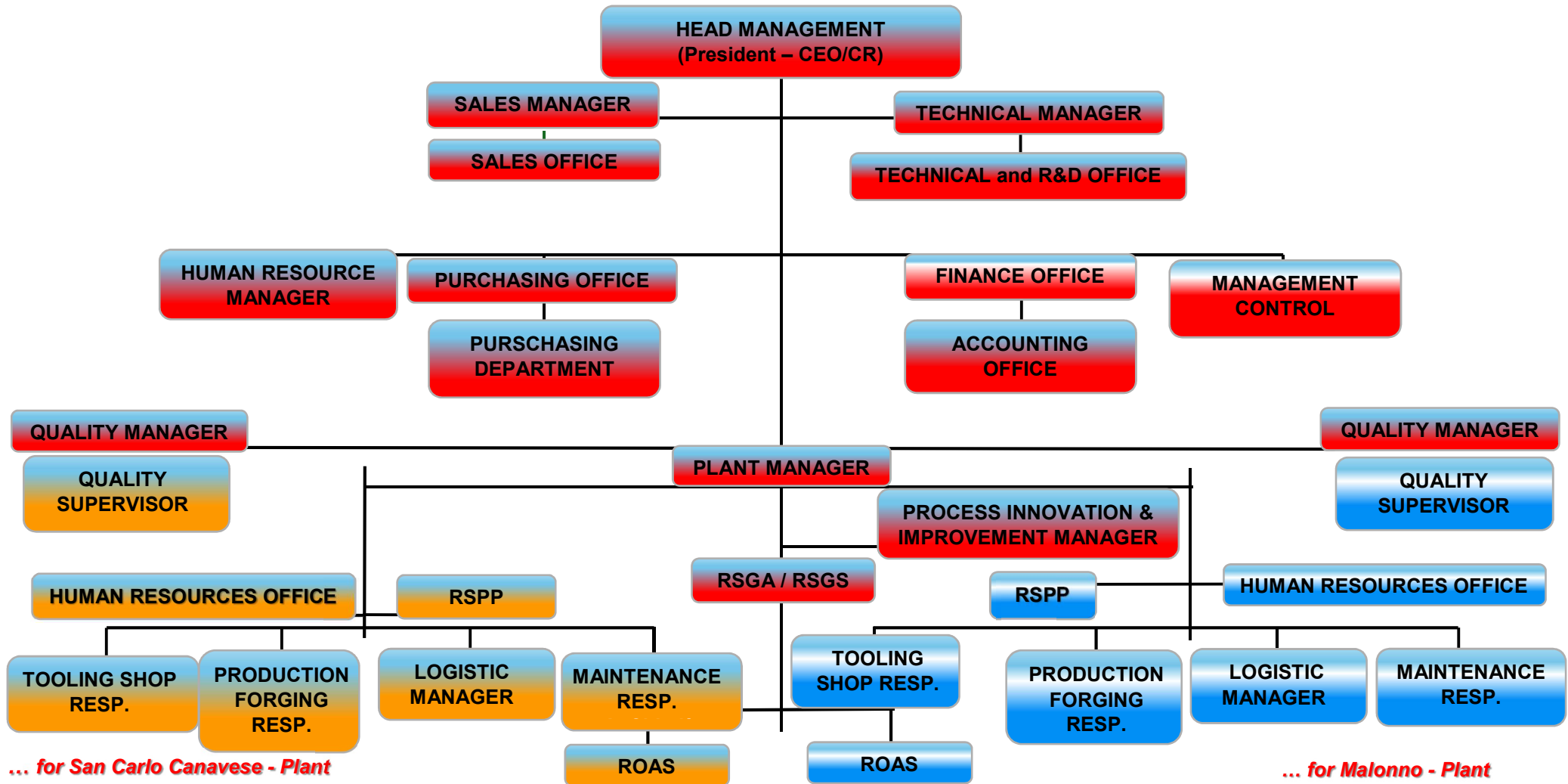
For San Grato S.p.A., the time horizons are:

- Short term: <1 year
- Long-term: >1 year

The definition of time horizons aligns with the fiscal budget, ensuring consistency in reporting.

GOV-1

Role of the administrative, management and control bodies



Internal engagement

To best support the cross-functional sustainability strategy and decision-making processes, leading managers identified for each significant material issue were involved in November 2024.

Following a training and awareness-raising process on introducing sustainability into the corporate vision, the Company identified the following objectives:

- engaging with internal and external stakeholders, being advocates for their requests to ensure that their priorities are heard and integrated into the Company's sustainability priorities;
- reviewing the Company's ESG Risk Matrix annually;
- establishing the Company's medium-term sustainability goals and related targets, based on the dual materiality assessment, stakeholder dialogue and the ESG Risk Matrix;
- serving as a steering committee for particular sustainability-related initiatives, in order to ensure that they are pursued appropriately and that appropriate resources are allocated;
- making recommendations on appropriate training and incentives;
- taking part in an external sustainability conference at least once a year.

GOV-2

Information and sustainability issues addressed by the Company's administrative, management, and supervisory bodies

Managers identified in internal engagement will submit sustainability issues to the CEO/CSR. Currently, the team is briefed on a range of sustainability issues, including Carbon Footprint, HR KPIs: Diversity, Health and Safety, Employee Satisfaction (update at annual survey), and EcoVadis (annual update of results and recommendations for improvement).

GOV-3

Integration of sustainability performance into incentive systems

Incentive systems will integrate with sustainability KPIs and targets for each business function by 2030. However, it is first necessary to understand and integrate our relevant sustainability-related issues and how these do translate into KPIs and targets.

GOV-4

Due diligence statement

In 2024, the Company, alongside the sustainability Report project, engaged its key stakeholders with checklists investigating social, environmental, and economic aspects.

By 2028, it will include assessment through more meaningful internal surveys for at least three key Suppliers such as the Steel Mills. This will enable us to assess risks related to ESG issues and allow us to explore precise risks and specific categories of Suppliers in greater depth. In the future, we will be able to identify high-risk sectors and Suppliers on which to focus physical due diligence for sustainability purposes, in line with the criteria of the EU Directive on corporate due diligence for sustainability purposes.

GOV-5

Risk management and internal controls over sustainability reporting

We are planning risk management and internal control systems for future sustainability reporting.

To ensure relevant and complete reporting with accurate data, we have engaged a number of key stakeholders:

- A sustainability consulting firm to help us develop our sustainability Report;
- An independent external consultant to verify our carbon footprint;
- An external communications and graphic design firm to review all text and images in the Report.



SBM-1

Strategy, business model and value chain

The core business of our Company is the sale of hot-forged parts, following the production cycle: from raw material procurement, to heat treatment, to mechanical processing and surface treatment, the last ones outsourced to partners and associates, packaging and shipping based on the requirements of the Customer's standards, often automotive.

General Information

Products and services offered: hot-forged parts and accessories for light and heavy vehicles.

Markets and Customer Groups: the parts we sell are widely used in the automotive industry; a percentage also sells for tractors and agricultural crews. Our Customers can be large multinational corporations with thousands of operating entities to small to medium-sized enterprises.

Number of employees: the organization employs 176 employees as of December 31, 2024.

Our value chain is based on:

- **our employees:** employed at our headquarters, plants, and in sales and distribution channels;
- **our Customers:** they buy and use our products;
- **our Suppliers and their respective Suppliers:** they supply us with the raw materials and components to build the hot -forged products, as well as additional processing or treatment.

The principles of the UN 2030 Agenda that inspire Us:



By focusing on several key principles, the organization has decided to embrace a sustainable strategy in line with the United Nations Sustainable Development Goals (SDGs).

Principle 3 “Health and Welfare” → The Company is committed to promoting the well-being of its employees through occupational health and safety programs and health support initiatives.

Principle 4 “Quality Education” → We are committed to providing continuous training opportunities for our employees.

Principle 7 “Clean and Accessible Energy” → The Company is committed to using renewable energy sources and improving the energy efficiency of its operations.

Principle 8 “Decent Work” → We aim to maintain a decent and challenging work environment through the creation of quality jobs and the development of sustainable economic growth initiatives.

Principle 9 “Industry, Innovation and Infrastructure” → We invest in innovative technologies and sustainable infrastructure, promoting innovation as an engine of growth.

Principle 10 “Reduce Inequality” → Through donations and actions on local areas, we promote social inclusion and fight poverty.

Principle 13 “Take action for the climate” → We are committed to reducing the environmental impact of our activities, addressing climate change.

ENVIRONMENT
We aim to be a leader in fighting climate change and acting responsibly on other environmental issues.



OUR COMMITMENTS

SOCIAL
We care about the people who work for us, our Customers and our Suppliers.



GOVERNANCE
Ensuring that we have the proper policies and processes in place, as well as an ethical corporate culture throughout our value chain





Sustainability strategy and goals

GOALS	ESRS	TARGET	DEADLINE	RESPONSIBILITY
1. Integrating ESG issues into the Company's core strategy, governance, and risk management processes.	ESRS 2 ESG strategy	Level Ecovadis Silver for San Grato (SC)	2028	CEO/CSR/Direction
		Level Ecovadis Silver for San Grato (MA)	2028	CEO/CSR/Direction
		Strengthening ESG risk assessment policy, related processes and due diligence	2027	CEO/CSR/Direction
		Integrating sustainability performance into incentive systems	2030	CEO/CSR/Direction
2. Mitigating the impact of climate change	E1 Climate change	Strategic climate plan	2030	CEO/CSR/Direction
3. Introducing diversity, equity and inclusion as the foundations of our Organization	S1 Own workforce	Introduction of a DE&I policy	2025	Direction
		New KPI added to monitor discrimination and harassment	2026	HR
4. Training and development			Participation in one sustainability training course per year per employee	2027
5. Ensuring safe and fair working conditions for all workers in the value chain	S2 Workers in the value chain	Evaluate through more meaningful surveys at least 3 Suppliers (Steel mills)	2026	Quality Manager
6. Ensuring that we have correct policies and processes throughout our value chain	G1 Governance	Defining a due diligence process for Suppliers	2026	CEO/CSR/Direction
		Training of all procurement offices in responsible sourcing	2026	Sales Manager

Stakeholder interests and opinions

Internal stakeholder

STAKEHOLDER	TYPE
Eligio Fresia	President
Attilio Fresia	CEO/CSR
Piero Chisari	Plant Manager/Human Resources and Production Manager
Mauro Tamburini	Sales Manager
Luca Ivaldi	Quality Manager
Nicola Fresia	Process Innovation and Improvement Manager
Sergio Bertetto	Technical Manager
Fabio Demontis	Purchasing Office of San Carlo Canavese (TO) Manager
Domenico Frai	Purchasing Office of Malonno (BS) Manager
Elena Vallero	Human Resource Office Manager
Ivano Bonetti	RSU and RLS
Santo Tenuta	SPP
Paola Giacomini	
Pierluigi Moreschi	Ecological Areas Manager

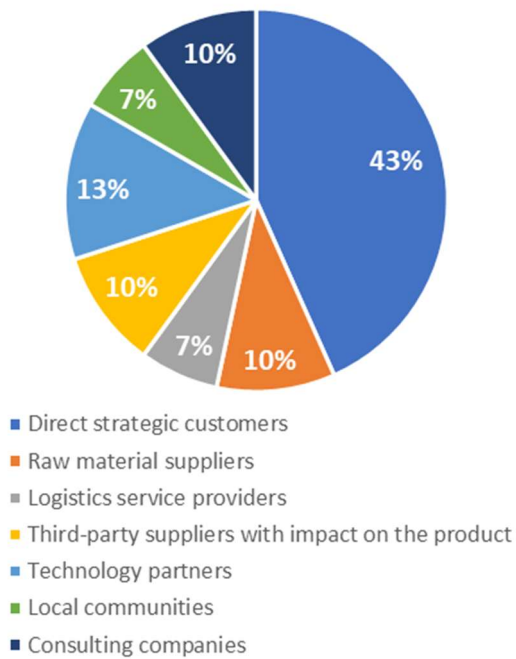
Along with our already thorough supplier selection and monitoring process, in 2024 we decided to start a new type of survey by giving some of our internal stakeholders, listed in the table above, a checklist covering environmental, social, ethical, and safety issues.

The feedback we received was very positive; in fact, 100% of the key stakeholders identified, accepted and provided the information requested.

We then asked the same stakeholders to validate and evaluate the most relevant material issues already identified internally, shown in the next chapter.

External stakeholder

External stakeholder



STAKEHOLDERS	CATEGORY
CAT	Direct strategic customers
DAIMLER	
RENAULT	
STREPARAVA	
SGF	
LINAMAR	
GKN	
CONTINENTAL	
MARELLI	
MAN	
CNH	
CIE	
ZF	
ACCIAIERIE VENETE	Raw material suppliers
ABS	
ORI MARTIN	
MG TRASPORTI	Logistics service providers
E.L. TRANSPORT SRL	
TRAMEC	Third-party suppliers with product impact
MAFALDA	
CHIARINI	
FARINA PRESSE	Technology partners
INDUCTION FORNI	
SISTEMI	
AUTOMATION TECHNOLOGY	
Comune di San Carlo	Local communities
Comune di Malonno	
PMC	Consulting companies
FORMATNET	
STUDIO SAVOLDELLI	

The Organization also had to respond to the changing needs of Clients, increasingly focused on the Company's sustainable vision, this has allowed us to widen our views and undertake new business strategies to demonstrate and improve our Company's sustainable footprint.

SBM-3

Relevant impacts, risks, and opportunities and their interaction with the strategy and business model

San Grato S.p.A., with its sustainability Report, has used materiality analysis as an important tool to identify environmental and social priorities relevant to stakeholders and the industry, consistent with its strategy and business impacts, to identify and manage risks and opportunities, and to define the content of sustainability reporting.

The come into effect of the EU 2022/2464 Corporate Sustainability reporting Directive (CSRD) introduced double materiality analysis and financial materiality. The former concerns about identifying and assessing the impacts that the Company has (or could have) on the environment and people. The latter focuses on the theoretical risks and opportunities arising from environmental, social or governance issues that either may negatively or positively affect the Company's financial position, results of operations, cash flows, access to finance or cost of capital.

Because of this, the Direction, involving the various managers through questionnaires and meetings, has structured its materiality analysis into the following steps, as outlined in the "IG1: Materiality Assessment Implementation Guidance" of the European Financial reporting Advisory Group (EFRAG):

- Understanding the context: this phase involved an in-depth analysis of San Grato S.p.A. activities, its business relationships, the context in which it operates, and relevant stakeholders. The objective was to collect the information necessary to map the phases of the value chain, identify the actors involved in each, assess the positive, negative, actual and potential impacts, and identify risks and opportunities. This joined a comparison with the reference sector, through a benchmark analysis, to identify sustainability issues relevant to companies in the same field and ensure a comprehensive view aligned with best practices.
- Identification of impacts, risks and opportunities: starting with the list of themes and sub-themes provided by the ESRS standard and in accordance with the results of the internal and external context analysis. In the majority of cases, the identified impacts translated into correlated risks and/or opportunities. In the process of identifying and assessing impacts, risks and opportunities, the Company took into consideration the geographical areas affected by its two plants in San Carlo Canavese (TO) and Malonno (BS) in which it operates, as well as the different activities along its value chain.
- Evaluation and determination of theoretical relevant impacts, risks and opportunities. Each Company function then valued the relevant impacts, risks, and opportunities, taking into account several factors. Specifically for the purpose of the assessment, the Company analyzed whether the generation of impacts, risks, or opportunities emerged predominantly in the Company's own activities and/or along its value chain. In case of the latter, the analysis took in consideration both upstream and downstream impacts, risks, and opportunities, as well as taking into account the short - or long - term time horizon in which impacts, risks, or opportunities occurred or could occur. The functions evaluated impacts taking into account significance, using calculations from the internal risk and opportunity analysis. On the other hand, the Company assessed the significance of risks and opportunities through joint meetings and questionnaires. It is important to note that, during this assessment, no mitigation actions nor enhancement actions (for the opportunities) already implemented by San Grato S.p.A. was taken in consideration.



In next year's Report, the Company will seek to incorporate the requirements of the ESRS guidelines into its sustainability Report.

The analysis involved both internal and external stakeholders of San Grato S.p.A.; you may find the list in chapter SBM-2 Stakeholder Interests and Opinions. Relevant sustainability issues constituted a matrix, which incorporates the ESRS with related themes and sub-themes, highlighting with different colors based on the different significance of the material theme.

The materiality threshold, both for impacts and for risks and opportunities, is in the medium-high and high materiality areas. Following validation by individual managers, to the Board of Directors approved the results of the materiality analysis for reporting purposes.

IRO-1

Description of the processes for identifying and assessing relevant impacts, risks and opportunities

In this Report, we have included our materiality matrix, which is the basis for our current sustainability framework, developed in 2024.

The relevant issues included in this Report determine the priorities of our sustainability strategy and the goals covered in the chapter 'Strategy, Business Model and Value Chain.



ENVIRONMENT				SOCIAL				GOVERNANCE							
Sustainability issues covered in thematic ESRs				Sustainability issues covered in thematic ESRs				Sustainability issues covered in thematic ESRs							
Thematic ESRs	Topic	Subtopic	Sub-subtopic	Thematic ESRs	Topic	Subtopic	Sub-subtopic	Thematic ESRs	Topic	Subtopic	Sub-subtopic				
ESRS E1	Climate change	Adapting to climate change	N/D	ESRS S1	Own workforce	Working conditions	Safe employment	ESRS G1	Conduct of businesses	Corporate culture	N/D				
		Mitigation of climate change					Working hours					Protection of whistleblowers			
		Energy					Adequate wages					Animal Welfare			
	Social Dialogue	Political Commitment													
	Freedom of association, existence of works councils and workers' rights to information, consultation and participation	Relationship management with Suppliers, including payment practices													
	Collective bargaining, including the rate of workers covered by collective agreements	Corruption and abuse of office	Prevention and detection, including training												
	Work-life balance	Accidents													
ESRS E2	Pollution	Air pollution	N/D			Equal treatment and opportunities for all					Gender equality and equal pay for work of equal value	<p>Our next dual materiality assessment will likely involve a change in the issues that our Company considers relevant and strategic. This will be communicated in our next sustainability Report. This table does not reflect the dual materiality assessment as required by ESRS and CSRD. We have translated our risk and opportunity analysis matrix with the structure of ESRS to enable the transition from reporting under ESRS. Following the formal dual materiality assessment, which will be published in FY26 at the latest, some relevant issues may be added and others removed.</p> <p>Materiality matrix 2024 translated according to the list of ESRS issues:</p> <ul style="list-style-type: none"> <input type="radio"/> not relevant, not covered in the Report <input checked="" type="radio"/> relevant, covered in the Report <input checked="" type="radio"/> relevant and strategic, covered in more detail 			
		Water pollution									Training and skills development				
		Ground pollution									Employment and inclusion of people with disabilities				
		Pollution of living organisms and food resources									Measures against violence and harassment in the workplace				
		Potentially hazardous substances									Diversity				
		Extremely substances of concern		Child labor											
		Microplastics		Forced labor											
ESRS E3	Waters and resources marine	Water	Water consumption	Other work-related rights			Adequate accommodations								
		Marine resources	Water withdrawal				Privacy								
			Water discharges				Safe employment								
			Discharges of water into the oceans				Working hours								
			Extraction and use of marine resources				Adequate wages								
ESRS E4	Biodiversity and ecosystems	Direct impact factors on biodiversity loss	Climate change	ESRS S2	Workers in the value chain	Working conditions	Social Dialogue	Freedom of association, including the existence of committees Company							
			Land use change, freshwater use change and sea use change				Freedom of association, including the existence of committees Company								
			Direct exploitation												
			Invasive exotic species												
			Pollution												
			Other												



ENVIRONMENT				SOCIAL			
Sustainability issues covered in thematic ESRs				Sustainability issues covered in thematic ESRs			
Thematic ESRs	Topic	Subtopic	Sub-subtopic	Thematic ESRs	Topic	Subtopic	Sub-subtopic
ESRS E 4	Biodiversity and ecosystems	Impacts on the status of the species	Examples: Population size of a species Global extinction risk of a species	ESRS S2	Workers in the value chain	Working conditions	Collective bargaining
		Impacts on the extent and condition of ecosystems	Examples: Land degradation Desertification Soil sealing				Work-life balance
		Impacts and dependencies in terms of ecosystem services					Health and Safety
ESRS E5	Circular Economy	Resource inflows, including the use of resources	N/D	ESRS S2	Workers in the value chain	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value
		Resource outflows related to products and services	N/D				Training and skills development
		Waste	N/D				Employment and inclusion of people with disabilities
			Measures against violence and harassment in the workplace				
			Diversity				
			Child labor				
			Forced labor				
			Adequate accommodations				
			Privacy				
			Adequate accommodations				
			Adequate feeding				
			Water and sanitation				
			Land-related impacts				
			Safety-related impacts				
			Civil and political rights of communities				
			Freedom of expression				
			Freedom of association				
			Impacts on human rights defenders				
			Rights of indigenous peoples				
			Free, prior and informed consent				
			Self-determination				
			Cultural rights				
			ESRS S4	Consumers and end users	Information-related impacts for consumers and/or end users	Confidentiality	
						Freedom of expression	
						Access to information (of quality)	
					Personal safety of consumers and/or end users	Health and Safety	
						Security of the person	
						Child protection	
					Inclusion sociale dei consumatori e/o degli utilizzatori finali	Non-discrimination	
						Access to products and services	
						Responsible business practices	



ESRS ENVIRONMENT

ESRS E1 – CLIMATE CHANGE

E1 GOV-3 INTEGRATION OF SUSTAINABILITY PERFORMANCE INTO INCENTIVE SYSTEMS

As reported in chapter GOV-3 (page 7), once understood the targets and KPIs relevant to the Company's sustainability, sustainability performance will be integrated into the incentive system by 2030.

E1 SBM-3 SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH THE BUSINESS STRATEGY AND MODEL; [E1 IRO-1] DESCRIPTION OF PROCESSES FOR IDENTIFYING AND ASSESSING SIGNIFICANT CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES

During the process of identifying significant material issues, San Grato S.p.A. identified and assessed impacts, risks and opportunities related to climate change.

To assess the impacts generated, the Organisation used data and information collected over the years to calculate and monitor energy consumption and greenhouse gas emissions along the entire value chain, in accordance with the Greenhouse Gas Protocol guidelines. The results highlighted the most significant impacts generated by processes and activities in relation to the following types of emissions and consumption:

- **direct emissions (scope 1)**, generated by the two Company plants;
- **indirect emissions** related to the consumption of purchased electricity (scope 2), generated by the two Company plants;
- **emissions along the value chain (scope 3)**, including upstream and downstream activities.

To assess the risks and opportunities associated with climate change, San Grato not only relies on its own analysis of the context, it also shared questionnaires internally and externally with key stakeholders to better evaluate the main material issues and obtain consistent results. This methodology, which will be further developed and implemented in the coming years, helps to identify and monitor over time the business areas that require greater attention in view of a transition towards sustainability and has been the basis for setting the future objectives reported in section SBM-1 (see page 12).

E1-1 TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

San Grato S.p.A. is committed to addressing climate change by reducing its carbon footprint and mitigating the risks and opportunities arising from the effects of climate change on its business. The Company has set itself the goal of adopting a transition plan for climate change mitigation by 2030, setting targets for reducing emissions in areas 1, 2 and 3. The CEO/CSR and the managers involved in the main issues will review and approve the plan. This strategy will reduce environmental impact throughout the value chain, from the procurement of raw materials to the transport of the product to the customer.

San Grato will review the strategy on an annual basis.

Within the climate strategy, the adoption of energy from renewable sources, the improvement of operational efficiency and the use of materials from controlled suppliers are among the main drivers for reducing greenhouse gas (GHG) emissions, in line with the principles identified in the United Nations 2030 Agenda for Sustainable Development (Sustainable Development Goals – SDGs). The details of the actions and initiatives set out in the climate strategy are described in the section 'E1-3 ACTIONS AND RESOURCES RELATED TO CLIMATE CHANGE POLICIES'.

E1-2 POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

San Grato S.p.A.'s Single Policy, in line with the values and principles described in the Code of Ethics, confirms its commitment to improving its environmental performance by prevent or minimize current and potential negative impacts on natural resources and people along the entire value chain through an approach based on risk assessment and the setting of objectives.

In particular, the Organisation's ambitions include environmental protection, climate change mitigation and adaptation, biodiversity protection, water and waste management, supply chain control and the promotion of a culture of sustainability.

The Organisation extends its Policies throughout the value chain and encourages their adoption. San Grato S.p.A. requires its Suppliers and Customers compliance with all applicable environmental regulations in the countries in which they operate and be committed to protecting the environment, as stated in the Code of Ethics.

In the process of selecting potential partners with whom to collaborate, San Grato S.p.A. manages and controls its value chain through a structured system of supplier qualification, monitoring and development. The Company applies the APQP (Advanced Product Quality Planning) method to ensure that suppliers comply with technical specifications and quality standards in line with the IATF 16949, UNI EN ISO 9001 standard. The management process includes periodic assessments based on audits, performance analyses (quality, logistics, information security), and requests for corrective actions in the event of non-compliance. In addition, San Grato adopts a traceability system to ensure the control of materials throughout the supply chain and requires compliance with ethical and environmental requirements, giving preference to IATF 16949, UNI EN ISO 9001, ISO 14001 and ISO 45001 certified suppliers.

The CEO/CSR approved the Environmental Policy in 2024, adopting it at Group level. The process of defining and updating the Policy involves the relevant Company functions, to ensure that the Company always aligns with international best practices and updates during the Annual Review.

The document is available in Italian and English, both on the Company intranet and on the Organisation's website (www.sangrato.it).

E1-3 ACTIONS AND RESOURCES RELATED TO CLIMATE CHANGE POLICIES

This section describes the actions and resources implemented by San Grato S.p.A. to maintain an effective environmental management system at its directly managed sites and to reduce Scope 1, 2 and 3 greenhouse gas (GHG) emissions and, therefore, the impact along its value chain. These actions represent a concrete commitment that will be consolidated, maintained and implemented in the future, highlighting the path of implementation of the climate strategy.

Initiatives to reduce consumption and emissions scope 1 and 2

For several years now, San Grato S.p.A. has been implementing certified environmental management systems at its two plants, which require careful monitoring of specific indicators (KPIs) and continuous improvement plans. In 2024, San Grato maintained the Environmental Management System certification, according to the ISO 14001 standard, both in San Carlo Canavese and Malonno plants.

In order to reduce energy consumption and GHG emissions, San Grato S.p.A. undertook and maintained the following activities:

- Use of electricity from renewable sources

The use of electricity from renewable sources is a key tool in **the decarbonisation of San Grato S.p.A.'s direct activities**.

The Company maintains this result and objective through:

- **purchasing electricity from renewable sources:** The Company supplies steel components obtained through hot stamping and forging, activities that involve high energy consumption, particularly with regard to the electricity needed to power industrial induction oven. Due to these productive characteristics, the Company is included in the national list of energy-intensive



companies; this status implies access to specific measures, such as incentives on system charges and participation in Energy Release mechanisms, aimed at ensuring stable energy supplies at competitive prices, subject to compliance with certain environmental criteria. In this context, the Company commits to meeting Green Conditionalities, ensuring that the energy incentives received translate into concrete actions in terms of energy efficiency, CO₂ emissions reduction and the use of renewable sources. In line with the commitments made and under current legislation (Ministerial Decree 256/2024), in 2024, San Grato S.p.A. purchased 30% of its electricity needs (i.e. all energy drawn from the grid plus all self-consumed energy) from renewable sources with Guarantee of Origin (GO) certification from the GSE.

- Installing of photovoltaic panels: both plants in San Carlo Canavese (TO) and Malonno (BS) are equipped with photovoltaic systems. During 2024, both sites contributed to the generation of 384.8 MWh of energy, which corresponds to 1.4% of the total electricity imported.

- Energy efficiency initiatives

With regard to energy efficiency, San Grato S.p.A. continued to install low-energy lighting systems and optimise heating and air conditioning systems in 2024.

To date, both the San Carlo Canavese (TO) and Malonno (BS) plants are equipped with LED systems.

Another important initiative from an energy perspective is the installation of moulding lines equipped with presses with energy recovery systems (KERS).

Key areas for Scope 3 emissions mitigation

Due to the nature of its business model, in which the processing of raw materials is mainly outsourced to suppliers, the Organisation's most significant environmental impacts are indirect (scope 3), accounting for more than 80% of the Group's total emissions. In order to limit the indirect impact associated with the manufacture and distribution of its products, and within the limits of its influence, San Grato S.p.A. distributes its Code of Ethics, encouraging sustainability practices among its suppliers, recognising that the main suppliers of raw materials, steel mills, are particularly environmentally conscious and report through publicly shared Sustainability Reports.

San Grato S.p.A. manages and controls its value chain in order to promote the application of good environmental practices:

- Quality and safety of materials

The Company applies the APQP (Advanced Product Quality Planning) method to ensure that suppliers comply with technical specifications and quality standards in line with the IATF 16949, UNI EN ISO 9001 standard. The management process includes periodic assessments based on audits, performance analyses (quality, logistics, information security), and requests for corrective action in the event of non-compliance. In addition, San Grato adopts a tracking system to ensure the control of materials throughout the supply chain and requires compliance with ethical and environmental requirements, prioritising suppliers certified to IATF 16949, UNI EN ISO 9001, ISO 14001 and ISO 45001.

- The logistics system

San Grato S.p.A. has implemented various initiatives to reduce environmental impact and logistics costs, including:

- rationalisation of transport frequencies in raw material supply flows, to minimise travel and optimise flows;
- promotion of the use of means of transport with lower environmental impact, with the definition of minimum sustainability requirements (Sustainability Minimum Requirement);

Environmental sustainability training

In 2024, the Organisation kicked off a programme to raise awareness and spread environmental culture among its staff. This process involved the main managers for each area identified as significant for San Grato S.p.A., preliminarily analysing the general framework of sustainability at European level and then going into detail on the significant aspects and the real and potential positive and negative impacts of the Company, illustrating the strategic path adopted.

E1-4 OBJECTIVES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

LEGEND	
➤	Ongoing objective
✓	Objective achieved

OBJECTIVES	RESULTS 2024
Reducing CO₂ emissions [SDG 7:13]	
2030 Defining a Strategic Climate Plan	➤ Purchase of 30% green energy with GO (Guarantee of Origin) certification
Ongoing Analysis and education along the supply chain on environmental and sustainability issues	✓ 14 suppliers involved through checklists on social issues, with a 100% response rate

⁰ 2023 is the year identified as the reference year.

E1-5 ENERGY CONSUMPTION AND ENERGY MIX

Energy consumption at the two San Grato S.p.A. plants mainly links to the moulding activities carried out at the two sites, in addition to the heating, air conditioning, lighting of the facilities and the operation of IT equipment in the office workspaces.

In 2024, the Company recorded energy consumption at its sites of approximately 29,314 MWh: an approximate 6% decrease due to a drop in productivity, resulting nevertheless, in a decrease in total Scope 1 and 2 emissions.

DIRECT ENERGY CONSUMPTION (MWh)	2023	2024
Consumption of electricity, heat, steam and cooling purchased or acquired from fossil fuel sources	27 515,65	26 043,14
DIRECT ENERGY CONSUMPTION (m ³)		
Natural gas fuel consumption ¹	340 477,00	327 161,00
DIRECT ENERGY CONSUMPTION (ton)		
Consumption of fuel from crude oil and petroleum products (diesel) ²	61,96	60,4
Total energy consumption from renewable sources	454,32	8 184,86 ³
Consumption of electricity, heat, steam and cooling purchased or acquired from fossil fuel sources	454,32	8 184,86
of whom consume self-produced energy without relying on fuels ⁴		384,86
Renewable energy production	486,26	448,21

¹ The data includes total energy consumption calculated on the basis of information collected from electricity bills.

² The data includes consumption and related emissions from the vehicle fleet and are aggregated data for the two plants.

³ The data includes green energy certified through Energy Attribution Certificates (EAC), including Guarantee of Origin (GO).

⁴ The data includes electricity consumption from photovoltaic systems installed.

E1-6 GROSS GHG EMISSIONS FROM SCOPE 1, 2 AND 3

In 2024, total Scope 1, 2 and 3 emissions amounted to 46,318 tonnes of CO₂, representing an absolute reduction of 7.5% compared to 2023.

EMISSIONS FROM SCOPE 1, 2 AND 3 (TONNES OF CO ₂ eq)	2023	2024
Total emissions from scope 1, 2 (location-based) and 3 ⁵	49 850,2	46 567,95

Total emissions from scopes 1, 2 (market-based) and 3 ⁶	48 526,2	44 564,3
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⁵ The calculations are based on emission factors published by ISPRA 2023.

⁶ The calculations are based on emission factors included in electricity contracts signed in 2023 and 2024, respectively. Except for 2022, which coincides with the location-based factor.

The standard methodology used to calculate San Grato S.p.A.'s GHG emissions is consistent with the principles and guidelines of the Greenhouse Gas Protocol Initiative (GHG Protocol). GHG emissions are reported in CO₂ equivalent (CO₂eq), a metric that allows comparing different greenhouse gases basing on their global warming potential (GWP).

In future years, the Carbon Footprint will be implemented using FRED software.

The reference period considered for the calculation of emissions for 2024 corresponds to the fiscal year 01.01.2024 – 31.12.2024.

Scope 1 and 2 CO₂ emissions

In 2024, the Company's Scope 1 and 2 emissions amounted to 8,472.45 tonnes of CO₂, representing a reduction of approximately 5.5% compared to 2023.

Scope 1 and 2 CO ₂ emissions (tonCO ₂ eq)	2023	2024
Direct emissions (Scope 1)	870,9	834,2
Natural gas ¹	677	645,2
Diesel (truck fleet) ²	193,9	189
Direct emissions (Scope 2)	2023	2024
Location - based	8 070,3	7 638,45
Market - based	6 746,3	5 634,77
Total emissions (Scope 1 and 2) (tonCO₂eq)	2023	2024
Location based	8 941,2	8 472,65
Market - based	7 617,2	6 468,97

With regard to the percentage of Scope 1 emissions from regulated emissions trading systems: San Grato currently operates outside the regulated Emission Trading System (ETS) market, as it does not belong to the sectors or activities subject to the monitoring and trading obligations under the European emissions trading system.

INTENIT SCOPE 1 E 2	UoM	2023	2024
Location-based Scope 1 and 2 intensity per kg of steel processed	kgCO ₂ eq/kg steel processed	0,248	0,251
Market-based Scope 1 and 2 intensity per kg of steel processed	kgCO ₂ eq/kg steel processed	0,211	0,191

CO₂eq emissions in Scope 3

With regard to GHG emissions generated along the value chain, in 2024 San Grato S.p.A.'s Scope 3 emissions, calculated for all significant categories except mechanical processing suppliers, amounted to approximately 37,848 tonnes of CO₂eq, down by approximately 8% in absolute terms compared to the previous year.

GHG emissions generated by the production of steel parts account for approximately 92% of Scope 3 emissions. In 2024, San Grato improved the accuracy of the data integrated into its emissions calculations thanks to information collected through the traceability process and in-depth data collection on suppliers' energy consumption.

Emissions related to San Grato S.p.A.'s logistics in 2024 amounted to approximately 585 tonnes of CO₂, which is not very different from the previous year. The coming year will be monitored to see if there are any significant improvements, otherwise new mitigation solutions will be adopted in addition to those already in place.

SCOPE 3 EMISSIONS (tonCO ₂ eq)	2023	2024
CO ₂ eq from steelmills ⁷	37 901,8	35 412,5

CO ₂ eq from heat treatments ⁷	2 429,4	2 096,8
Transports and distribution	2023	2024
Transport from steelmills ⁸	302,80	287,7
Transport to Subcontractors ⁸	158,00	176,2
Transport from Subcontractors ⁸	117	122,1

⁷ The data was requested from suppliers. Suppliers of mechanical processing and surface treatments are not included in the Scope 3 analysis due to a lack of source data.

⁸ Data on transport were obtained using the following calculation: Total emissions = (total quantity produced / road transport capacity) x distance x specific consumption x specific emissions (source: ISPRA 2023)

E1-7 GHG ABSORPTION AND GHG EMISSION MITIGATION PROJECTS FINANCED WITH CARBON CREDITS

Over the next few years, San Grato S.p.A. will evaluate potential projects in which to invest in order to mitigate further GHG emissions, especially those involved in Scope 3.

ESRS E2 – POLLUTION

E2 IRO-1 DESCRIPTION OF PROCESSES TO IDENTIFY AND ASSESS SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES RELATED TO POLLUTION

Analysis of the context of San Grato S.p.A. identified the risk of legislative non-compliance, i.e. the absence of measures to combat environmental pollution of water, air and soil along the value chain (the assessment did not take into account the mitigation actions implemented by the Company). Currently, the risk is under control thanks to the following activities carried out by the Organisation:

- periodic testing reports on its water discharges carried out by certified labs, which provide results for various parameters such as pH, suspended materials and solids, metals, and tensioactives;
- periodic monitoring of the risk of Legionella in the water supplied to offices;
- declaration, through an IEA (Integrated Environmental Authorisation), of its compliance with atmospheric emissions and water discharges resulting from its activities;
- treatment of industrial wastewater through purification plants.

San Grato S.p.A. is also committed to raising awareness among its suppliers regarding safety in its supply chain, receiving self-declarations of compliance with REACH Regulation 1907/2006.

E2-1 POLICIES RELATED TO POLLUTION

As set out in San Grato S.p.A.'s Code of Ethics and Environmental Policy, the Organisation undertakes to comply with the applicable regulations and to promote high environmental standards, both for its direct activities and throughout the supply chain, with the aim of preventing pollution and potential impacts on the environment and local communities. The Company requires its Suppliers to comply with the same policies.

In addition, the Company verifies the compliance of materials with environmental directives and therefore with the regulations in force REACH, ROHS III, PFOA, PFOS, PFAS.

E2-2 ACTIONS AND RESOURCES RELATED TO POLLUTION

The Organisation, recognising the importance of monitoring the chemicals used during the production processes, verifies the application of its principles throughout the supply chain with the aim of preventing possible contamination of water, sludge, materials and products.

In particular, the regulations in force (REACH, ROHS III, PFOA, PFOS, PFAS) define both the substances that Suppliers and sub-Suppliers must monitor in the various production phases and in



products/materials, and the relevant reference parameters to be complied with in order to prevent and/or mitigate the risk of any critical issues.

Suppliers are encouraged to develop proactively a chemical management system to monitor and test, including through qualified third parties, chemicals, wastewater and sludge, as well as, materials, components, products and treatments. This control happens during inspections of Suppliers or the sharing of specific checklists. In addition, product suppliers should focus into adopting rigorous practices for the management, storage, transport and disposal of chemicals in order to prevent pollution caused by accidental spills, leaks or improper discharges.

Suppliers are required to verify that their products comply with legal requirements or, if more restrictive, with the Company's requirements, and, in the event of problems, to investigate the causes and apply appropriate corrective actions, always in compliance with the regulations applicable in the specific country/state of sale.

In addition to these checks, as part of its environmental audits, the Organisation pays particular attention to the environmental compliance of its Suppliers. During these checks, San Grato S.p.A. verifies that Suppliers comply with applicable regulations and that any management systems adopted are adequate, and that they have adequate environmental management systems in place. A key element of the audit concerns the presence of an environmental emergency management plan, compliance with regulations relating to wastewater discharges, monitoring of air emissions and waste, as well as the presence of environmental awareness among employees.

E2-3 POLLUTION-RELATED OBJECTIVES

San Grato S.p.A. aims to continue with the mitigation activities described above in the coming years, strengthening its commitment to monitoring and managing chemicals, maintaining a proactive approach to identifying and progressively replacing and regulating potentially hazardous chemicals.

ESRS E3 – WATER

E3 IRO-1 DESCRIPTION OF PROCESSES FOR IDENTIFYING AND ASSESSING SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES RELATED TO WATER

Aware that water is a critical resource that must be protected, San Grato S.p.A. works to monitor periodically its consumption and, consequently, its impact on water resources.

The results of this monitoring to date have shown that the total consumption, and therefore the potential negative impact on aquifers due to excessive water withdrawal and the consequent effect on the ecological balance of water bodies, is kept under control and does not present values that require further mitigation measures.

In 2024, the Company assessed water stress and risk more accurately in the areas where its plants are located, San Carlo Canavese (TO) and Malonno (BS). The analysis was conducted using the World Resources Institute's public Aqueduct Water Risk Atlas tool, which identifies areas of high-water stress, i.e. those where the ratio of annual water withdrawal to available water exceeds 40%.

This analysis showed that the two San Grato S.p.A. plants are located in areas at medium risk of water stress. With a view to continuous improvement, the Company is committed to continuing and expanding the detailed analysis carried out, raising staff awareness of responsible consumption.

E3-1 WATER-RELATED POLICIES

San Grato S.p.A., as described in the Code of Ethics and the Single Policy, promotes the efficient use of natural resources, including water resources, regularly assesses water consumption at its plants and identifies potential risks associated with scarcity and quality. The Organisation is committed to verifying compliance with applicable environmental laws through audits conducted by independent third parties, as certified by ISO 14001, as well as identifying opportunities for innovation and programmes to reduce water consumption.

E3-2 ACTIONS AND RESOURCES RELATED TO WATER; E3-4 WATER CONSUMPTION

With regard to direct consumption, San Grato S.p.A. has adopted an Environmental Management System in accordance with the ISO 14001 standard at its two plants in San Carlo Canavese (Turin) and Malonno (Brescia), whose objectives include the efficient use of water resources.

According to direct consumption, aqueducts represent the main source of water supply for the Company. This consumption mainly relates to sanitary facilities and cooling water used during the moulding processes. Some wastewater is similar to that from households and therefore it flows into the sewer system, while, on the other hand, plant wastewater flows through specific depuration processes and discharged into surface water bodies.

Consumption in 2024 amounted to 40,056 m3.

DIRECT WATER CONSUMPTION ¹ (m ³)	2024
Total withdrawal	49 002
Total discharge	8 946
Total consumption (Withdrawal - Discharge)	40 056

¹ Direct water consumption data was obtained from primary utility data.

E3-3 WATER-RELATED TARGETS

San Grato S.p.A. aims to evaluate and/or continue with the mitigation activities described above in the coming years, strengthening its commitment to monitoring and managing water resources.

ESRS E4 – BIODIVERSITY AND ECOSYSTEMS

The ESRS E4 material issue currently is not strategic for San Grato S.p.A., as neither of its two plants are located in protected areas.

ESRS E5 – USE OF RESOURCES AND CIRCULAR ECONOMY

E5 IRO-1 DESCRIPTION OF PROCESSES FOR IDENTIFYING AND ASSESSING SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES RELATED TO RESOURCE USE AND THE CIRCULAR ECONOMY

With the current business climate, the circular economy is a chance. San Grato S.p.A. is working hard to figure out ways to make its business model more circular along its value chain, boosting its competitive edge by showing it cares about environmental and social issues.

In order to implement a circular economy model, it is necessary to integrate fully the environmental considerations into processes by acting on various aspects. These can be integrated into the product supply phase, for example by giving preference to products made from recycled raw materials, initiatives to extend the use and useful life of the product, such as dedicated repair services and the use of packaging that involves processes or materials capable of ensuring a lower environmental impact. These are all aspects that require investment and close collaboration with key suppliers.



Although these activities may also require initial investment and the redevelopment of certain processes, this transition is an opportunity to increase stakeholder engagement, which will lead to positive effects for both business and the environment.

E5-1 POLICIES RELATING TO THE USE OF RESOURCES AND THE CIRCULAR ECONOMY

San Grato S.p.A., as defined in its Single Policy and Code of Ethics, is committed to:

- paying attention to the quality and safety of its products;
- maintain its Quality Management System, certified by a third party according to the IATF 16949, UNI EN ISO 9001 standard;
- focus its research, development and marketing activities towards high quality standards for its services and products;
- conduct an annual assessment of the environmental impact of certain materials and components through Life Cycle Assessment (LCA) analysis in line with ISO standards in order to identify and make appropriate changes in the design or material selection phases;
- begin to introduce progressively a percentage of certified raw materials with a lower environmental impact into its products.

San Grato S.p.A. is committed to managing hazardous substances, monitoring lists of prohibited and hazardous materials through its Quality Management System and welcoming inspections by its customers. The Quality Manual provides an overview of the general characteristics of the main raw materials used and the design standards applied.

In the area of **waste management**, as described in the Environmental Policy and Code of Ethics, the Company is committed to:

- minimising waste generation at its plants by monitoring the volumes of waste produced;
- managing waste correctly, in particular by correctly separating hazardous from non-hazardous waste, labelling it clearly and raising staff awareness of correct management;
- establishing ongoing dialogue with stakeholders on the circular economy and identifying new solutions for using the waste generated;

E5-2 ACTIONS AND RESOURCES RELATED TO THE USE OF RESOURCES AND THE CIRCULAR ECONOMY

Reviewing the different phase of the product life cycle from a circular economy perspective is increasingly becoming focus of attention in order to minimise the resources used, extend product durability and promote material recycling.

PRODUCT

Product Design and Sustainability Standards

In the context of its sustainability strategy, the Company has developed - and applies - rigorous design standards that guide every phase of the product development cycle. Technical instructions about design Standards is a key document in ensuring that technical design activities are carried out with criteria of efficiency, quality and waste minimisation, supporting the following phases:

- Optimisation of the Moulding Process

During the design phase of plastic deformation equipment, technical parameters aim at:

- maximising the precision of the finished product;
- optimising the use of materials;
- reducing processing waste through advanced simulations and functional design of inserts and equipment;
- Reduction of Waste and Scrap

The Company pays particular attention to the sizing of the scrap material (waste material from the moulding processes), calculating it in proportion to the thickness and geometry of the burr, with the aim



of limiting the quantity and reducing non-reusable material. Numerical simulations also allow to test and correct any critical issues during the design phase, avoiding waste in actual production.

- Modularity and Durability of Equipment

The moulding equipment is designed according to modular criteria, allowing for the partial replacement of components and extending their service life. The use of split inserts (in 2 or 3 parts) allows for effective management of internal pressures during the process and limits material damage.

- Efficiency and Operational Safety

Visual references and positioning guides are provided to facilitate subsequent manual operations (such as deburring and coining), improving workplace ergonomics and operator safety. Moreover, the optimized design of the central extractor ensures the piece ejection without damage, improving the efficiency of the production cycle.

- Circular Approach to Design

In line with the principles of the circular economy, the standardisation of equipment and the use of reusable solutions help to minimise the environmental impact of the entire development phase, promoting the responsible use of technical and material resources.

WASTE

Responsible Waste Management

Proper waste management is a fundamental part of San Grato's environmental strategy and a priority area for ensuring regulatory compliance and reducing environmental impact. The Company adopts a rigorous approach, governed by procedure of Waste Management, updated in accordance with the latest regulations (Legislative Decree 152/2006 and UNI EN ISO 14001:2015). The methods for responsible waste management are described in the following principles:

- Compliant management and traceability

All waste generated at the plant is managed according to defined and traceable criteria:

- Classification according to physical characteristics and hazardousness;
- Temporary storage separated by type in dedicated, secure areas;
- Exclusive delivery to authorised transporters and facilities, subject to annual document verification.

Waste management relies on official loading and unloading records and identification forms that guarantee the complete traceability of every move.

- Hazardous and non-hazardous waste

San Grato S.p.A. applies different methods for waste management:

- **Hazardous waste** is collected and sent for disposal according to time intervals (at least quarterly) or volume (over 10 m³), with weekly checks;
- **Non-hazardous waste** is managed in the same way, but with different thresholds (maximum 20 m³ and monthly checks).

All materials have a label, a package and workers handle them in accordance with ADR regulations, where applicable.

- Records and documentation

The Loading and Unloading Record is completed within 10 days of production or delivery, indicating:

- origin and quantity of waste;
- physical state;
- EWC codes;
- hazardous characteristics (for hazardous waste);
- mode of transport and final destination.

This documentation is kept for at least 5 years, in accordance with current regulations.

- Forms and checks

Each shipment is accompanied by a four-copy identification form. Failure to return the countersigned fourth copy within 90 days shall be reported to the appropriate authorities.

During each stage of transportation, the Environmental Operations Officer (ROA) verifies:

- the validity of the transporters' permits;
- the suitability of the vehicles used;
- the consistency between the declared and actual characteristics of the waste.
- Characterization and safety

Wastes are characterized according to:

- physical state and organoleptic characteristics;
- potential hazard (HP classifications);
- mode of packaging;
- presence of safety data sheets and certified analyses.

This practice ensures consistent management even in the case of new wastes generated by changes in production processes.

E5-3 GOALS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Up to now, San Grato S.p.A. has not defined future strategic goals on resource use and circular economy as current management meets market requirements.

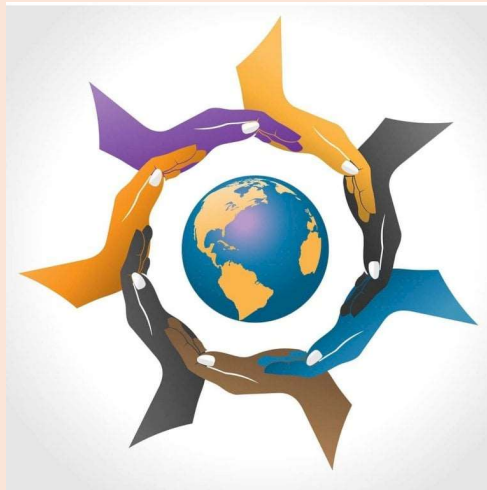
E5-5 RESOURCE OUTFLOWS

OUTFLOWS RESOURCES BY TYPE ¹ (tonnes)	2022	2023	2024
Non-Hazardous waste	6 574,53	7 255,94	6 461,12
Hazardous waste	471,03	291,42	292,33

OUTFLOWS RESOURCES BY DESTINATION ¹ (tonnes)	2022	2023	2024
Non-Hazardous waste	6 574,53	7 255,94	6 452,98
Setting aside to identify specific treatment	6 574,53	7 255,07	6 452,98
Hazardous waste	471,03	291,42	292,33
Setting aside to identify specific treatment	7,77	13,89	15,13
Biological treatment	457,4	267,71	270,97
Physical-chemical treatment			
Preliminary deposit before recovery	5,86	9,82	6,23

¹Amount in tons represents the aggregate data of the two plants.

As shown in the tables above, there has been a reduction in overall waste production. The decrease concerns both hazardous and non-hazardous waste. If this trend will be confirmed in 2025, it will validate all the actions taken by San Grato Spa with regard to: waste reduction; reduction of processing waste; optimisation of waste collection and sorting; optimisation of plants/machinery and related maintenance.



ESRS SOCIAL

ESRS S1 – OWN WORKFORCE

S1-SBM3 IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT AND THEIR INTERACTION WITH THE STRATEGY AND THE BUSINESS MODEL OF THE COMPANY

The workforce is a key element in creating long-term value within San Grato S.p.A.. It is thanks to its staff that the Company can successfully face market challenges. According to this, it is essential to identify and effectively manage the impacts, risks, opportunities related to the workforce, ensuring that, through policies, programs, and initiatives that promote well-being and career development, the people feel supported and valued.

The actual positive impacts on the workforce of San Grato S.p.A., identified through context and materiality analysis, are related to the Company's strategy and business model and concern the promotion of employee well-being and satisfaction through dedicated benefits such as flexible working hours, competitive remuneration packages, and stimulating career paths, supported by training and skills development programs. These initiatives help to strengthen the Organization's market position as an attractive and responsible employer.

Among the negative impacts it is possible to identify risks that may arise from systemic situations or individual events (such as accidents, particularly in areas most exposed to risk such as manufacturing departments, occupational diseases, and incidents of discrimination). San Grato S.p.A. has adopted targeted mitigation measures that include the continuous improvement of working conditions, the promotion of safety culture, the implementation of policies to ensure fairness and inclusiveness, and the provision of competitive remuneration packages. Among these measures, the Safety Management System, which complies with ISO 45001, stands out and upholds the above-mentioned principles.

Among the possible opportunities identified, we highlight the strengthening of skills and expertise through greater collaboration and training sessions among staff, including those in different roles.

The organization of the different roles and responsibilities involves five macro-categories:

- **Head Management**, who represents the top level of corporate functions or business units and is responsible for defining corporate or functional strategies, with a direct impact on the overall performance of the organization;
- **Supervisor**, who are responsible for the implementation of operating activities and processes and often manage teams. This category also includes **managers**, who guide corporate strategies by coordinating resources.
- **Leaders**: they are professional equipped with technical skills who manage activities or processes relevant to the Company, and they sometimes coordinate teams of technicians.
- **Employees**, who perform specific operational tasks or duties, defines by their respective managers; while the Workers operate in work environments strictly related to manufacturing and logistic processes.

In addition to these categories, there are also non-employees who, although they are not formally part of the workforce, contribute to the achievement of Company objectives. The main categories include interns, consultants, and temporary workers.

S1-1 POLICIES RELATED TO OWN WORKFORCE

The values that underpin the management and protection of people within the Company are set out in the Business Ethics and in the Unique Political, and they are explained in detail in the internal procedure: they are inspired by the highest ethical and social standards and comply with current legislation and collective labor agreements, where applicable.

These documents face with different key areas, including: the recruitment, selection, and hiring of personnel; methods for conducting training and education activities; skills assessment; employee growth and development; compensation; and parental leave.

SEARCH, SELECTION AND RECRUITMENT

The Human Resources (HR) Department manages the selection of new staff. HR strictly collaborates with the managers in the various Departments, according to the organizational needs and in line with the duties set out in the Company job descriptions.

The selection processes based on different criteria, such as transparency, impartiality, and skills assessment. The HR Department conducts individual interviews with candidates, analyzing their resumes, previous experiences and the suitability for the position. The interview may help to assess the suitability of the candidate's profile in terms of consistency with Company values and the transversal skills required.

If the role requires specific professional qualifications, candidates shall submit appropriate documentation certifying these requirements (e.g., professional certificates, certifications, licenses).

This approach aims to ensure equal opportunities, to promote an inclusive work environment, and to attract qualified resources, contributing to the achievement of the organization's social sustainability goals.

DEVELOPMENT AND TRAINING

San Grato S.p.A. gives high priority to continuous formation and training of the staff, believing that they are fundamental tools to ensure competence, operational safety, service quality, and professional growth. The structured process of identifying and planning training activities follows principles of prevention, human resource development, and continuous improvement.

Identification of training needs

The Company identifies training needs through constant monitoring, based on a variety of sources and tools, especially:

- Training gap analysis using the **Skill Matrix**;
- Consultation of the **Staff versatility matrix**;
- Check of the specific requirements for tasks which may affect quality;
- Evaluation of the impact of the applicable regulations concerning **Health, Safety and Environment**, according to different factors such as number of workers, language skills, specific risks, introduction of new technologies and organizational changes.
- Outcomes of the **risk evaluation** of the information in Health, Safety, Environment and Quality
- Analysis of the **prevention and protection measures program**.
- **Reports of the occupational doctor** and observations deriving from incidents, injuries or potentially harmful behavior.
- **Changes in the legislation** relevant for safety, environment and quality.
- Customer complaints and other specific needs that arose during the year.

For courses subject to periodic deadlines, the HR Office monitors deadlines on a monthly basis using a training management software and submits update proposals to the HR Manager for approval.

Training planning

Within March of every year, according to the proposals collected by PER and the contact people of each department, the Personnel Office defines the **annual plan for training and formation**. This strategic document contains detailed information such as:

- functions and duties involved;
- type and content of the courses;
- delivery method (theoretical training, practical training, mentoring, etc.);
- location and period of conduction;
- teachers or experts involved;
- number of participants and their names;
- baseline costs;
- effectiveness of the educational tools;
- update of the Skill Matrix and relevant notes.

Methods of conducting training and education activities

The training and qualification activities are carried out through:



- Training through shadowing more experienced staff for a certain period of time;
- participation in external seminars and courses aimed to acquiring knowledge of technologies, aspects, and methodologies of a general or specific area;
- training through internal meetings, with or without the support of external consultants, to facilitate understanding of specific topics or issues relating to Safety, Environment, and Quality;
- qualification resulting from participation in internal and/or external specialist courses.

COMPENSATION

San Grato S.p.A. bases employee remuneration on the 2021 National Collective Labor Agreement for the Metalworking Industry.

The Company offers starting salaries equal to or higher than the minimum contractual levels, without gender differences, with regard to overtime and benefits. Remuneration takes into account the cost of living and essential needs to ensure a decent standard of living (living wage) for the workers and their families, and the payment terms set out in the contract are respected.

PARENTAL LEAVE

Likewise, the Company also bases the parental leave management on the 2021 National Collective Labor Agreement for the Metalworking Industry.

HEALTH AND SAFETY

One of the initiatives developed by San Grato S.p.A. for the protection and promotion of health and safety in the workplace is the implementation of an effective management system that complies with the highest standards in terms of Health and Safety. The Company's commitment is detailed in the Integrated Policy, which is reviewed and approved by the CEO/CSR and distributed to all employees. The document reaffirms San Grato S.p.A.'s commitment to protecting employees, customers, and suppliers, setting out the principles and guidelines implemented in all areas of activity.

These principles include:

- a dynamic and preventive assessment of activities (DVR) that allows risks to be eliminated at source and, where not possible, reduced in accordance with best available practices;
- the development of knowledge, skills, and awareness among all employees through targeted education and training.

S1-SBM-2 INTERESTS AND OPINIONS OF THE STAKEHOLDERS; S1-2 PROCESSES FOR ENGAGING WITH OWN WORKFORXE AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

At San Grato S.p.A., the active and conscious involvement of employees is considered a strategic element for continuous improvement and the achievement of quality, productivity, and technological innovation objectives. The Company promotes an organizational culture oriented toward participation, transparency, and the enhancement of individual contributions through structured training, information, and motivation programs. In this context, different tools have been developed to investigate and promote employee engagement.

INTERNAL SURVEY INTERNE AND OTHER ENGAGEMENT TOOLS

In order to reinforce the staff's awareness about the importance of their role, San Grato S.p.A. organizes training and information sessions that promote corporate values and the Single Policy. These sessions include:

- initial training for the new employees;
- periodic publication of performance data on Company notice boards;
- departmental meetings to discuss defects, new methodologies, and technical updates;
- dedicated training and education sessions;
- Briefings following internal audits or external inspections;
- other means of communication chosen by the Entity's Managers.



The level of corporate awareness is monitored periodically through the administration of the “Motivation and Awareness Questionnaire.” The data collected is processed by the Human Resources Department, which shares the results with the Quality Management and Strategic Management departments, in order to define any improvement objectives or corrective actions to be shared with the departments involved.

All the training and the on-the-job training courses are designed to provide workers with the knowledge necessary to understand the impact of their activities on product quality, customer satisfaction, and the risks associated with non-compliance.

Staff involvement is part of a broader motivation process aligned with long-term corporate strategies. This process includes:

- Annual assessment of the corporate climate, indicators, and context, in order to plan targeted events and interventions;
- Training and continuous professional development programs;
- team working activities and meetings between employees and owners;
- direct involvement in continuous improvement and problem-solving processes, including the collection of suggestions and incentive programs;
- periodic administration of satisfaction questionnaires, analyzed by the Personnel Office in collaboration with Management;
- collection of ideas through the appropriate form for continuous improvement.

The effectiveness of these actions is monitored using specific internal indicators, which allow us to measure the level of motivation and engagement and to take any necessary corrective action promptly.

Incentive tools

To reward the commitment and contribution of its staff, San Grato S.p.A. provides financial incentives linked to the achievement of objectives:

- Performance Bonus, awarded annually based on the achievement of general performance indicators;
- Sickness Bonus, linked to attendance at work, based on the number of days of absence due to illness.

Through these initiatives, San Grato S.p.A. is committed to building a motivating, collaborative work environment focused on the personal and professional growth of its employees. In 2022, several surveys launched, in order to gather employees’ feedback, allowing the Company to better understand their needs and target its policies and actions accordingly.

INTERNAL CLIMATE ANALYSIS	2022
Involved employees (n°)	90
Total response rate (%)	43%

All the items contained in the questionnaire recorded a satisfaction rating of over 75%. The Company will taken the surveys in 2025.

S1-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS

The employees are informed through the Unique Policy, the Code of Ethics, and eventually thanks to communications via email of the possibility of making Reports either anonymously or not. In this regard, on the San Grato S.p.A. website at the following link: <https://wbportal.cloud/sangratospa/> it is possible to find the Whistleblowing channel through which employees can make Reports. Once received, Reports are handled by the Company MBL Informatica.

S1-4 TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MANAGING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS



The main foundation of San Grato S.p.A.'s sustainability strategy bases itself on the enhancement and motivation of people within the organization. Below are the areas that the Company analyzed for relevant information.

RESEARCH, SELECTION AND RECRUITMENT

The current scenario, which is constantly changing and evolving, requires new skills, professionalism, and adaptability. At the same time, it is essential for a Company to know how to attract and develop talent in order to face present and future challenges. San Grato S.p.A. is committed to creating a work environment characterized by deep and unique skills, where the sharing of ideas and experiences stimulates creativity and innovation. In this context, the recruitment, selection, and hiring processes play a key role.

Collaborations with vocational schools and universities play an important role in market research, through which the Company offers internships for students and recent graduates. These internship opportunities give young people the chance to learn about the Company and gain valuable training experience.

TRAINING

Training and development are essential strategic resources for promoting both individual and collective growth. Investing in human capital means, on the one hand, enhancing employee skills and promoting continuous improvement and, on the other, ensuring constant alignment with the evolving needs of the organization. This commitment not only helps reduce the risk of layoffs by creating a stable and constantly evolving work environment but also strengthens employee unity in facing future challenges.

DEVELOPMENT

The enhancement of human capital is a strategic pillar for the sustainability and competitiveness of the Organization. To this end, San Grato S.p.A. adopts a structured system for mapping and monitoring skills through the skill matrix and the multi-skilling matrix—an operational tool that allows for the assessment of the adequacy of staff professional skills in relation to the tasks assigned.

The matrix considers three main elements:

- Specific education related to the operational role;
- Experience gained, both within the Company and elsewhere, in similar roles;
- Specialized training received, either internally or through accredited external institutions.

This approach allows us to identify the level of versatility and multifunctionality of resources and to target training, qualification, and professional development activities. The matrix contains an assessment of the effectiveness of training, education, or qualification programs, conducted by the Department Manager, and recorded only in the event of a positive outcome.

Thanks to this system, the Company guarantees not only compliance with safety and quality regulations, but also effective skills management with a view to continuous development, internal mobility, and the enhancement of human potential.

COMPENSATION

San Grato S.p.A. is committed to ensuring that starting salaries, without distinction between men and women, are equal to or higher than the minimum provided for in the collective bargaining agreement under which employees are hired.

The remuneration of the Company's employees consists of two parts:

- **Base salary:** represents the remuneration deriving from the classification referred to in the National Collective Labor Agreement for the Metalworking Industry;
- **Compensation:** including any allowances, Company car allowance, MBO (Management By Objective) and performance bonuses.

The **MBO system and performance bonuses**, in particular, base themselves on annual objectives that are mainly quantitative, of an economic and financial nature, and on qualitative objectives of significant strategic and operational importance for the department to which they belong.



For each beneficiary, these are **collective** objectives linked to the organization's production performance.

Upon achieving the objectives set out in the Sustainability Report, the Company shall evaluate the inclusion of a variable within the remuneration system, including these targets in each manager responsibilities.

BENEFIT

The Company offers various benefits through its remuneration package.

Among them, there are:

- parental leave;
- superannuation;
- Company car;
- agreements promoting physical well-being (e.g., gym membership)

The above benefits link to the professional category to which the employee belongs, regardless of the type of contract (fixed-term/permanent) and follow internationally applied guidelines.

HEALTH, SAFETY AND WELLNESS

San Grato S.p.A., thanks to the adoption of a Safety Management System compliant with the ISO 45001 standard, guarantees compliance with high safety and health standards for its employees, with an approach aimed at continuous improvement. The system provides specific procedures for investigating accidents, occupational diseases, illnesses, or incidents at work in order to identify the circumstances and possible causes and, if necessary, plan and prioritize actions and interventions to prevent their recurrence in the future.

Each employee plays a fundamental role. Promoting a **culture of safety** and individual responsibility and raising awareness of risks are key factors in continuing to provide a safe working environment.

The Company also ensures strict control over its contractors, i.e. workers who carry out work activities within the San Carlo Canavese and Malonno plants. At the national level, every commercial relationship with contractors requires the signing of a document certifying the assessment of risks associated with carrying out activities within the Company (interference risks) and the application of maximum prevention in activities characterized by risks.

Prevention through control and monitoring

San Grato S.p.A. believes in the importance of prevention in order to reduce the occurrence of accidents as much as possible. Workplaces are subject to careful health and safety risk assessments, through targeted inspections carried out with the support of specialist consultants. The Company then carries out periodic compliance checks on any equipment and systems used in the plants, which are reported in any inspection Reports.

If necessary, the management produces an improvement plan, prioritizing measures to address the risks identified and integrating action plans with quantified objectives. San Grato periodically assess the progress in mitigating and preventing the health and safety issues and risks identified in relation to the objectives of the improvement plan and reports internally.

Each plant has a specific and detailed emergency response plan with actions for preparing for and responding to emergencies, in terms of both health and safety and the environment. Regular safety meetings are held annually, attended by the following individuals: the employer or their representatives, the occupational physician, the head of the prevention and protection service (RSPP), and the workers' safety representatives (RLS). During these meetings, analyses and results are shared regarding risk assessment, accident trends, training, and personal protective equipment used. All indicators relating to accident rates are constantly monitored and evaluated. (see chapter *S1-14 HEALTH AND SAFETY METRICS*).

To prepare the Risk Assessment Document (DVR), various specific risks were taken into consideration, including the most significant ones:

- **Ergonomics:** relating to workstations, necessary to define improvement plans in order to reduce staff fatigue and maximize productivity. To improve working conditions for employees, new LED

lighting systems have also been installed, which, in addition to being more eco-efficient, also contribute to improving working conditions.

- **Noise:** resulting from work carried out near certain machines, which could cause a range of health problems for workers. This assessment is carried out periodically, in accordance with legal requirements, and ensures that exposure levels are monitored and kept below the permitted limits for each area.
- **Lighting:** adequate lighting is guaranteed for the type of work carried out, in both offices and production departments.
- **Microclimate:** to monitor temperature and humidity levels appropriate to the required working conditions;
- **Work-related stress:** although the assessment reported a 'low' level of risk, the Company will continue to maintain and, where necessary, implement any organizational measures to avoid or minimize damage to the health of its employees resulting from stress risk.

Health and safety training and information, and health and wellness programs

Staff training is part of the mitigation measures promoted by San Grato S.p.A. During 2024, **approximately 844 hours of health and safety training**, considering both plants, were provided, with specific training courses tailored to different professional profiles and risk levels, in order to transfer knowledge and skills and promote a culture of safety.

In accordance with the provisions of the law, most employees received general training on workplace safety. For those who perform supervisory activities, additional training specific to supervisors was provided in order to encourage workers to monitor and comply with behavior in line with legal and Company provisions on health and safety.

The Company is committed to promoting and ensuring the well-being of its employees beyond the boundaries of business activities and occupational risks, guaranteeing flexible working hours, work-life balance, procedures for reporting discrimination/violations, and regular update meetings.

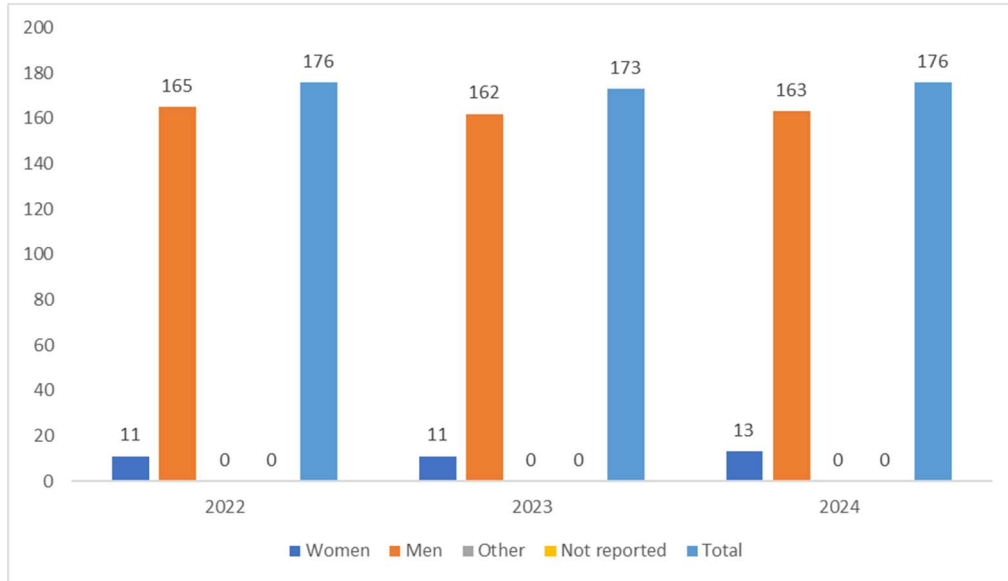
S1-5 TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

LEGEND	
➤	Ongoing goal
✓	Achieved goal

OBJECTIVES	RESULTS2024
<i>Promoting an inclusive culture through training [SDG 4]</i>	
2026 100% of employees involved in an awareness campaign on diversity, equity, and inclusion issues	
<i>Creating a system of procedures and policies to support Diversity, Equity & Inclusion (DE&I)</i>	
2026 Strengthening and analysis of employee protection systems	<ul style="list-style-type: none"> ➤ <i>Introduction of a DE&I politic</i> ➤ <i>Addition of a new KPI to monitor discrimination and harassment</i>
<i>Valuing people [SDG 3]</i>	
Ongoing <i>Biennial repetition of internal climate analysis</i>	<ul style="list-style-type: none"> ➤ <i>Three-yearly repeat (2025) of internal climate analysis</i>
2027 <i>100% of employees involved in a sustainability course per year</i>	

S1-6 CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES; S1-9 DIVERSITY METRICS

As of December 31st, 2024, the total number of employees at San Grato S.p.A. was 176¹, increased if compared to 2023 (approximately +2%, equivalent to 3 more people).



GENDER	2022	2023	2024
Women	11	11	13
Men	165	162	163
Other	n. d.	n. d.	n. d.
Not reported	n. d.	n. d.	n. d.
Total	176	173	176

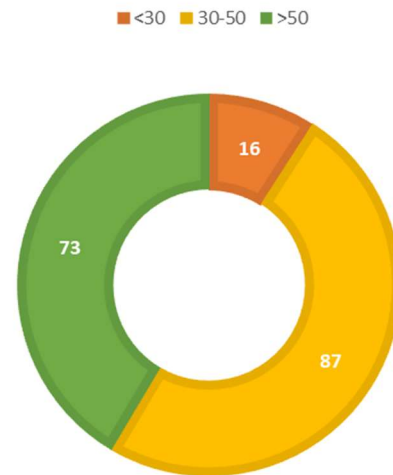
¹The values in this chapter are reported based on the actual number of people as of December 31st, 2024. This method represents the total number of employees, regardless of contract type or work commitment (full-time, part-time, temporary, etc.), providing a clear and immediate overview of the workforce.

The professional category with the highest number of employees is the one of manual workers, who represent 75% of the workforce, highlighting the Company's core business. The age group most represented among employees is between 30 and 50 years old, highlighting the stability of the workforce and low turnover.

EMPLOYEES BY PROFESSIONAL CATEGORY



EMPLOYEES BY AGE GROUP



In 2024, 99% of contracts are permanent, and of these, 96% are full-time. Fixed-term contracts account for approximately 1% of the total and are mainly related to staff on probation.

	Women			Men			Other	Not reported	Total		
	2022	2023	2024	2022	2023	2024			2022	2023	2024
Number of employees	11	11	13	165	162	162	-	-	176	173	176
Number of permanent employees	10	11	13	165	162	162	-	-	175	173	175
Number of fixed-term employees	1	0	0	0	0	1	-	-	1	0	1
Number of employees on variable hours	-	-	-	-	-	-	-	-	-	-	-
Number of full-time employees	7	7	7	164	161	162	-	-	171	168	169
Number of part-time employees	4	4	6	1	1	1	-	-	5	5	7

	Women			Men			Other	Not reported	Total		
	2022	2023	2024	2022	2023	2024			2022	2023	2024
Managers and executives	0	0	0	3	3	3	-	-	176	173	176
Employees	8	8	10	31	31	30	-	-			
Workers	3	3	3	131	128	130	-	-			

As can be seen from the table, there is a greater discrepancy between men and women in the category of manual labourers, as the job requires considerable physical strength and is traditionally occupied by men.

In 2024, San Grato S.p.A.'s negative turnover was 5%², a positive indicator that the Company is implementing the right business strategies and promoting a stable and welcoming working environment for its employees. During the year, approximately 9 people were hired on permanent or fixed-term contracts.



² Negative turnover is calculated by comparing the number of fixed-term and permanent employees who left the Company in 2024 on a voluntary basis or due to dismissal, retirement, or death (9) with the total workforce (176) as of December 31st, 2024.

S1-7 CHARACTERISTICS OF NON-EMPLOYEES IN THE UNDERTAKING’S OWN WORKFORCE

At the end of 2024, other forms of collaboration (internships, temporary workers, etc.), in compliance with legal provisions and in relation to business needs, involved 15 people. All of these were interns/trainees, considered an important source of future talent. The reduction in the number of workers on temporary contracts happened thanks to the gradual stabilization of the workforce.

	2022	2023	2024
Total number of non-employees in own workforce	11	26	15
Total number of non-employees in the workforce – temporary/agency workers	11	24	15
Total number of non-employees in own workforce – interns/trainees	0	2	0

S1-8 COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

All employees are covered by the National Collective Labor Agreement for the Metalworking Industry and have a representative within the workplace, namely the workers' representative (RLS). The RLS participates in regular annual meetings and, where difficulties arise, supports and promotes strategies to adapt working conditions to the needs of the workforce.

S1-10 ADEQUATE WAGES

All employees of San Grato S.p.A., regardless of gender, receive starting salaries that are equal to or higher than the minimum wage established by collective bargaining agreements.

S1-11 SOCIAL PROTECTION

The levels of social protection offered by San Grato S.p.A. to its employees comply with national legal standards and, in some cases, exceed them thanks to the adoption of specific policies, such as the guarantee of a fair selection process, free from discrimination based on gender, marital status, or sexual orientation.

Regarding illness, unemployment (from the start of employment), accidents at work, acquired disability, and retirement, the Company complies with local regulations to ensure coverage for these events for its employees.

S1-12 PEOPLE WITH DISABILITIES

San Grato S.p.A. complies with the rules and practices laid down by applicable national laws for the employment of people with disabilities. Each recruitment is assessed with respect for and consideration of the needs and abilities of each individual, providing the appropriate workstations and, where necessary, adjusting working hours. In this way, people feel protected and placed in a position to give their best effort.

S1-13 TRAINING AND SKILLS DEVELOPMENT METRICS

DEVELOPMENT

San Grato S.p.A. uses a system for assessing, mapping, and monitoring skills through the skill matrix and the multi-skilling matrix—an operational tool that lets them evaluate how well their staff's professional skills match up with their assigned tasks.

Through this system, the Company identifies the skill levels of each resource in order to guide them correctly towards development or improvement, depending on their needs. The matrix is updated following training interventions carried out by the Function Manager (RDF).

TRAINING

In 2024, approximately **3,061 hours of training** were provided to 176 employees.

The average number of hours per employee spent on training is approximately 17.4 hours. In 2024, the most common type of training was technical and professional training, which accounted for 73% of the courses provided, while health and safety training accounted for 27% of the total hours. Finally, approximately 104 hours of training were provided on the subject of human rights.

S1-14 HEALTH AND SAFETY METRICS

All employees and suppliers of San Grato S.p.A. who perform services within the San Carlo Canavese and Malonno plants are covered by the Company's health and safety management system according to the ISO 45001 standard, which provides for audits carried out by internal departments and external bodies.

In 2024, there were 5 employee accidents, a slight increase compared to 2023 (1). No fatal accidents were recorded during the year, either among employees or among service providers working at the Company's two plants.

With regard to occupational diseases (e.g., diseases caused by a gradual and progressive harmful effect on the worker's body), these are monitored by San Grato S.p.A.

In 2024, the Company recorded no cases of work-related illness.

	Employed workers	
	2023	2024
Percentage of workforce covered by the health and safety management system based on legal requirements or recognized guidelines and standards	100%	100%
Number of deaths due to work-related injuries and illnesses	-	-
Number of deaths due to work-related injuries	-	-
Number of deaths due to work-related diseases	-	-
Number of recordable workplace injuries	1	5
Recordable workplace injury rate	10,42 ³	27,09 ³
Number of recordable cases of work-related illnesses	-	-
Number of days lost due to work-related injuries and deaths resulting from work-related injuries and diseases and deaths resulting from diseases	29	280

³ Data reported in line with ESRS standards requirements.

	Non-employee workers	
	2023	2024
Number of deaths due to work-related injuries and illnesses of other workers operating on the Company's sites	-	-
Number of deaths due to work-related injuries of other workers operating on the Company's sites	-	-
Number of deaths due to work-related diseases of other workers operating on the Company's sites	-	-

In 2024, the workplace severity index⁴ was 0.97 (0.09 in 2023) and the workplace frequency index⁵ was 21.10 (2.97 in 2023).

⁴ Severity index: (number of days lost due to workplace accidents/total number of hours worked) x 1,000.

⁵ Frequency index: (number of accidents/total number of hours worked) x 1,000,000.

S1-15 WORK-LIFE BALANCE METRICS

During 2024, all employees, regardless of gender, were entitled to all types of leave for family reasons, including maternity, paternity, parental, and caregiver leave. Of these, 22 people actually took advantage of such leave, equal to 12% of those eligible, with a distribution of 4.5% among female employees and



94.5% among male employees. All of them returned to work after their leave and all of them are still employed by the Organization after 12 months.

S1-16 REMUNERATION METRICS (PAY GAP AND TOTAL REMUNERATION)

In 2024, the average gender pay gap in San Grato S.p.A., calculated by considering the average pay difference between men and women for each job level and weighted by the distribution of the workforce across professional categories, is 13%.

To calculate the average pay gap, both the base salary, individual monthly base pay, and remuneration, base pay + thirteenth month bonus + fourteenth month bonus/supplementary allowance proportionate to months of attendance in the case of employment relationships <one year + overtime (1/12th) were taken into account.

S1-17 INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

In 2024, no Reports were received regarding violations of the Code of Ethics, which can be made through the Whistleblowing channel, managed externally. No serious incidents relating to human rights occurred during the year.

ESRS S2 – WORKERS IN THE VALUE CHAIN

S2 SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

The value chain of San Grato S.p.A. consists, upstream, of the workers of supplier companies (including steelworks for the production and supply of raw materials, suppliers of mechanical processing, heat treatment, and surface treatment) and, downstream, the workers of commercial partners.

The San Grato S.p.A. value chain characterizes by a network of suppliers with whom the Company has direct contractual relationships. Raw material suppliers mainly provide steel components and are all located in Italy, alongside suppliers of mechanical processing, heat treatment, and surface treatment. Indirect suppliers, on the other hand, are partners who provide goods and services not directly related to product manufacturing, including construction companies, security services, cleaning, portage and maintenance, logistics and consulting.

Among the diverse range of direct and indirect suppliers, potential negative impacts on workers in the supply chain can be identified in relation to issues such as inadequate working conditions (contract and schedule management, wages, occupational health and safety systems, etc.) and job stability. These impacts could translate into potential reputational risks for the Company. To investigate these impacts and identify possible solutions, San Grato S.p.A. has been monitoring and evaluating the main players in its value chain for years, using its own resources to promote the traceability and mapping of its suppliers.

S2-1 POLICIES RELATED TO VALUE CHAIN WORKERS

San Grato S.p.A. defines guidelines for promoting a responsible value chain and managing or mitigating potential negative impacts through its Unique Policy and Ethic Code.

Employees and collaborators are required to act with honesty and integrity and to build relationships with stakeholders based on mutual trust, so that growth is guided by the principle of shared value. In particular, through its Ethic Code, the Company requires its Partners to make the same commitment and to comply with the same ethical standards (e.g., not knowingly engage, either directly or indirectly, in any relationship with parties that violate in any way the rules on adequate working standards). Although not exclusive, the Company gives a particular focus to the fight against child labor and forced labor, as well as the protection of health and safety.

The Organization's Ethic Code defines the principles underlying its commitment to respect and promote fundamental human rights and to prevent or mitigate any negative impact of its activities through an



approach based on risk assessment criteria at all levels of its value chain. These documents take inspiration from the main laws, regulations, and national and international standards on corporate social responsibility, corporate governance, human rights, and environmental protection.

The Ethic Code and Unique Policy are updated periodically to respond to the needs and expectations of stakeholders, to ensure alignment with international best practices, and to integrate them in light of emerging sustainability issues. The documents are published in Italian and English on the sangrato.it website and can be downloaded at the bottom of the main page.

All Suppliers are required to sign the Ethic Code and related Policies during the contract phase, thereby guaranteeing their commitment to comply with the principles set out in the documents.

S2-2 PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS

San Grato S.p.A. emphasizes the importance of dialogue and sharing best practices with its suppliers, both in technical areas for the benefit of business activities and in social and environmental areas, to promote responsible behavior. The Company will consider integrating interviews with employees into the ethical and social audits conducted at suppliers, in order to explore key issues such as working conditions, respect for human rights and employee well-being. Compliance from a labor-law perspective in relation to applicable rules and standards, knowledge and understanding of the reporting mechanisms made available, freedom of association, and compliance with health and safety regulations shall also be part of the assessment.

In addition, the Organization provides a whistleblowing channel on its website for reporting human rights violations and inadequate working conditions.

SBM-2 S2 INTERESTS AND VIEWS OF STAKEHOLDERS; S2-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS; S2-4 TAKING ACTION ON MATERIAL IMPACTS ON VALUE CHAIN WORKERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO VALUE CHAIN WORKERS, AND EFFECTIVENESS OF THOSE ACTIONS

To ensure the proper and responsible management of workers throughout the value chain, San Grato S.p.A. has adopted a number of strategies aimed at mapping key suppliers and assessing their impact. This strategy includes sharing guidelines and principles through the signing of the Organization's Single Policy and Code of Ethics, risk analysis processes, mitigation actions, on-site inspections, and the provision of reporting and complaint platforms.

The supplier control process ensures respect for all human rights, condemning any form of forced labor, child labor, discrimination, and human trafficking, guaranteeing freedom of association, the right to collective bargaining, the promotion of fair remuneration and working hours, and the protection of health and safety at work. This respect also extends to environmental issues such as climate change mitigation, biodiversity conservation, and water consumption monitoring.

The process supplements itself with a whistleblowing system that allows collecting and managing reports of illegal behavior or behavior that does not comply with the required standards. This system, which guarantees the anonymity of the whistleblower, can be used not only by Company employees but also by workers belonging to the value chain.

Ethical, social, and environmental self-assessments are carried out both on potential suppliers to assess their suitability to enter into a business relationship with San Grato S.p.A. and on existing suppliers to verify their ongoing compliance with applicable laws and the principles contained in the Ethic Code. For the latter, violation of the requirements set by the Company constitutes a breach of contract, with the risk of immediate termination of the existing contract in the event of serious non-compliance or, in less serious cases, a timely adjustment plan.

Audits regarding social aspects focus on verifying compliance with fundamental human and workers' rights, with particular attention to issues of forced labor, child labor, freedom of association, working hours, guaranteed minimum wage, and, last but not least, health and safety.



The Group's checklist, used to carry out self-assessments, is regularly updated to take into account changes in reference standards and local and international regulations.

In 2024, 14 self-assessments were prepared on key suppliers, which received 100% of responses and 0 non-conformities were found.

The main suppliers audited were as follows:

SUPPLIER	TYPE	% ANSWER to the checklist
ABS	Raw material suppliers	100%
Alghisi	Service suppliers – surface treatments	
BTT	Service suppliers – heat treatments	
Chiarini	Service suppliers - mechanical processing	
Endurance	Service suppliers - mechanical processing	
Mafalda	Service suppliers - mechanical processing	
Nepote	Service suppliers - mechanical processing	
OMAC	Service suppliers - mechanical processing	
Ori Martin	Raw material suppliers	
Riva Acciaio	Raw material suppliers	
Tecnozinc	Service suppliers – surface treatments	
Tramec	Service suppliers - mechanical processing	
VTM	Service suppliers – surface treatments	
Zinco Plating	Service suppliers – surface treatments	

A due diligence process will be implemented, which will also involve sharing possible improvement measures with suppliers who are less organized in terms of gender equality in the workplace.

Regarding the qualification of suppliers in order to comply with the principles and strict requirements of the IATF 16949, UNI EN ISO 9001 standard, San Grato S.p.A. adopts a structured and meticulous process for the qualification of its suppliers. This process is not limited to a mere commercial selection, but represents a process of verification and consolidation of the partners' ability to meet the high quality, safety, and service standards required by the automotive sector.

The process begins during the initial supplier selection phase, during which the Company carefully assesses technical, organizational, and quality capabilities through preliminary audits, which may be carried out with the support of external bodies. Suppliers are required to share the Company's values from the outset by signing the Code of Ethics and demonstrating their intention to comply not only with IATF requirements but also with the specific requirements of the end customer (CSR), where applicable.

Once identified as potentially suitable, the supplier is involved in a structured APQP (Advanced Product Quality Planning) process. This is the core of the qualification process, divided into several stages that aim to ensure that each new product is developed in accordance with specifications and ready for mass production.

In summary, supplier qualification for San Grato S.p.A. is not a bureaucratic act, but an integrated, rigorous, and collaborative process aimed at building a robust, responsible supply chain that fully complies with the most demanding international standards, in full accordance with the zero defects and zero accidents philosophy of the automotive world. In this way, the Company monitors and manages any negative impacts arising from the value chain.

S2-5 TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

LEGEND	
➤	Ongoing goal
✓	Achieved goal

OBJECTIVES	RESULTS 2024
<i>Promote safe and equitable workplaces [SDG 8]</i>	
2028 Evaluate at least 3 Suppliers (Steel Mills) through more significant investigations Ongoing Raising awareness about health, safety and environmental certifications	<ul style="list-style-type: none"> ✓ 14 suppliers, including steel mills, were involved in the survey through self-assessment on ethical and social issues, obtaining a 100% response. ➤ Investigation through checklists to evaluate the status of certified suppliers

ESRS S3 – AFFECTED COMMUNITIES

S3 SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL; S3-1 POLICIES RELATED TO AFFECTED COMMUNITIES

San Grato S.p.A. outlines its relationship with the communities involved and the local area in its Unique Policy and Ethic Code.

The commitment to social responsibility of San Grato S.p.A. represents a strategic opportunity to generate positive impacts from both a socio-economic and relational point of view. Contributions to initiatives in favor of education, healthcare, and community development demonstrate a clear desire to support collective well-being while strengthening ties with the territory.

This context opens up interesting opportunities, which include the possibility of establishing strategic partnerships with local communities, collaborating with local organizations, industry associations, and professional groups to create sustainable, high-impact programs. Such an approach also strengthens the Company's presence and positioning in its target territories, promoting inclusive initiatives in support of the most vulnerable segments of the population. Another valuable element is the implementation of corporate volunteer programs, which directly involve employees in projects that contribute concretely to the well-being of communities. This translates into a twofold benefit: on the one hand, concrete support for local associations and initiatives; on the other, the enhancement of the organization's internal human capital.

Support for communities is based on the strong link between cultural and economic investment, sustainability, and social inclusion, fostering a sense of belonging.

S3-2 – PROCESSES FOR ENGAGING WITH AFFECTED COMMUNITIES ABOUT IMPACTS

The Company demonstrates its strong roots in the local community through donations to charities and organizations dedicated to supporting vulnerable groups. These donations represent a clear commitment to social cohesion, supporting organizations that work in the fields of assistance, solidarity, and care for people in difficult situations. Including these actions in the sustainability Report means recognizing the importance of the active role that the Company can play in improving social conditions and promoting a more equitable, inclusive, and supportive community. Support for these structures also helps to strengthen collective trust in San Grato S.p.A. as a responsible entity that contributes to collective well-being.

- **Promotion of local traditions and rural heritage**

Through its financial participation in events such as livestock fairs and agricultural shows, the Company contributes to the promotion of local agricultural and livestock activities, which constitute a cultural, economic, and environmental heritage essential to the sustainability of rural areas. These events represent opportunities for generations and professionals in the sector to come together and exchange ideas, contributing to the transmission of traditional knowledge, the strengthening of local identities, and the promotion of sustainable development models linked to the territory. Supporting these initiatives is not just an act of sponsorship, but a real choice to preserve the cultural and environmental capital of local communities.

- **Promotion of sport and collective well-being**

Donations to the local sports union and sponsorships to the Vespa Club testify to the Company's commitment to promoting sport, an active lifestyle, and intergenerational socialization. Sports activities not only contribute to individual health but also promote integration, discipline, teamwork, and a sense of belonging to a community. From a social sustainability perspective, supporting these initiatives means investing in the human and relational capital of the local area, promoting people's mental and physical well-being, preventive healthcare, and the creation of positive spaces for sharing, especially for young people. Furthermore, sponsoring cultural and motor clubs and associations is a form of active participation in the cultural life of the local area.

Thanks to these various forms of contribution, the Company strengthens its role as a responsible social actor, promoting values of fairness, solidarity, territorial identity, and collective well-being. The inclusion of these activities in the sustainability Report not only makes the Company's commitment to the community transparent, but also allows it to measure and communicate the social value generated, consolidating a positive reputation among stakeholders, institutions, and citizens.

S3-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNEL FOR AFFECTED COMMUNITIES TO RAISE CONCERNS

As part of its commitment to transparency, lawfulness and social responsibility, San Grato S.p.A. has adopted a formalised whistleblowing procedure, which represents a structured channel through which employees, collaborators, suppliers and other stakeholders can freely and confidentially express any concerns they may have regarding unlawful conduct, irregularities or violations of internal procedures and regulations.

The procedure regulates in detail all the stages of the process - from the transmission and receipt of the Report, to its analysis and management, up to the proper archiving and deletion of the information collected - guaranteeing full respect for the confidentiality of the reporter and protection against any retaliation. These measures are fully consistent with the provisions of Legislative Decree 24/2023, which transposes the relevant European Directive. The adoption of this tool is part of the broader corporate commitment to creating an ethical, inclusive and transparent environment, where the contribution and Reports of stakeholders - internal and external - represent an essential resource for continuous improvement. Even though it excludes certain types of whistleblowing (e.g. strictly personal matters or matters not relevant to the regulatory context of reference), the whistleblowing system is a concrete response to the principle of accountability and a strategic lever of sustainable governance.

Through this channel, San Grato S.p.A. offers the communities concerned an active instrument of participation and vigilance, helping to strengthen stakeholder trust, prevent reputational risks and promote a corporate culture based on integrity and respect for the rules.

S3-4 – TAKING ACTION ON MATERIAL IMPACTS ON AFFECTED COMMUNITIES, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO AFFECTED COMMUNITIES, AND EFFECTIVENESS OF THOSE ACTIONS

San Grato S.p.A. recognises its active role in the sustainable development of the territories in which it operates and acts in a concrete manner to enhance the social, human and cultural capital of local communities, through a plurality of targeted interventions consistent with ESG principles.

Among the most significant initiatives are donations and sponsorships, organised along strategic lines of action; support for the social and welfare fabric, through free donations to organisations operating in the health, education or inclusion sectors; the enhancement of traditions and the rural economy, with



contributions to livestock fairs and local food events. Moreover, the Company facilitates collective wellbeing and sociality by supporting sport and cultural associations active in the area. These interventions generate measurable positive impacts in terms of social cohesion, sense of belonging and community resilience.

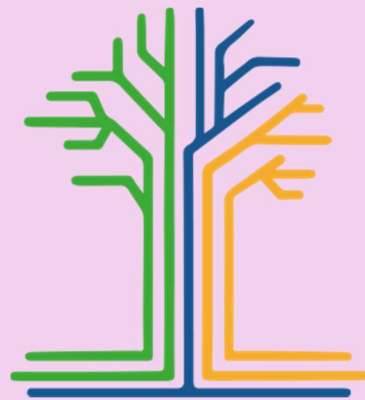
These initiatives are integrated by the adoption of a structured whistleblowing channel, which allows employees, collaborators and external stakeholders to safely and confidentially Report any irregularities or unethical behaviour. This tool represents a safeguard of transparent and inclusive governance, and helps to prevent reputational and legal risks, strengthening the trust and active participation of internal and external communities.

San Grato S.p.A. also promotes interventions geared towards the development of human capital, offering internship opportunities in both its plants through agreements with local schools. This strategic choice, in addition to creating a bridge between schools and the world of work, favours the professional growth of young people, combating youth unemployment and disseminating technical skills consistent with the local industrial fabric.

As a whole, the Company's approach to managing community-relevant impacts and opportunities is based on active listening, transparency and responsible action, and is regularly monitored to assess its effectiveness. The experience gained and the consolidated relationship with stakeholders shows that these interventions not only respond to the real needs of the territories, but also generate shared value in the long term.

S3-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

To date, San Grato S.p.A. has not identified any further strategic objectives for the relevant material topic.



ESRS GOVERNANCE

ESRS G1 – CONDUCT OF BUSINESS

This section, in accordance with the provisions of the European Sustainability reporting Standards (ESRS) on business conduct (ESRS G1), describes the Company's corporate culture, values, as well as its Codes and policies that regulate the business management. There is a particular focus to issues that emerged as significant in the dual materiality analysis, such as relations with Suppliers and anti-corruption.

G1-1 POLICIES AND PRACTICES ON CORPORATE CULTURE AND BUSINESS CONDUCT; G1-3 PREVENTION AND DETECTION OF BRIBERY AND CORRUPTION; G1-4 PROVED INCIDENTS OF BRIBERY AND CORRUPTION

CODE OF ETHICS

The Code of Ethics and the Single Policy are one of the pillars of the corporate governance system of San Grato S.p.A. and regulate the way the Company operates its employees, partners and Customers.

The Code of Ethics contains the set of values that the Organization recognizes, shares and promotes, recognizing that conduct inspired by the principles of diligence, fairness and loyalty is an important driver of economic and social development. Employees and collaborators are required to act with honesty, passion and integrity and to build relationships with stakeholders based on reciprocal trust, so that growth is guided by the principle of shared value. The addressees are meant to follow clear rules of conduct about various aspects (including relations with Employees, Suppliers, Customers and Authorities). Respect of human rights, protection of industrial and intellectual property, confidential information and privacy; respect of fair competition; proper administrative and financial management; attention to the environment; fighting corruption and money recycling; as well as the responsible use of corporate assets and the management of conflicts of interest, contributions and sponsorships.

In case of non-compliance with what is stated in the Code of Ethics, disciplinary measures and/or sanctions may be applied and in the worst case the termination of the existing employment contract or business relationship.

The CEO/CSR deliberates on the adoption, and subsequent amendments, of the Code of Ethics, as well as being involved in the management of any ethical issues of particular importance. The Code of Ethics is periodically updated in order to align it with best practices and integrate it more closely with emerging sustainability and business conduct issues; currently the main existing national laws and regulations on corporate social responsibility, corporate governance, human rights and the environment inspire it. The Code of Ethics is shared with Suppliers for a subscription and sharing of principles. Company policies, including the Integrated Policy and the Anti-Corruption & Anti-Bribery Policy are integral parts of the Code of Ethics.

The Code of Ethics is available to all employees in Italian and English. The documents are freely available for download from the Company's intranet and internet sites.

WHISTLEBLOWING SYSTEM

San Grato S.p.A. has adopted a whistleblowing system, with the aim of accurately managing and rapidly verifying notifications of any unlawful behaviour and non-compliance with the rules, regulations, internal procedures and principles of values, and responding appropriately while guaranteeing the anonymity of the informant. Any person of interest, internal or external to the Company who, in good faith, reports abnormal behaviour, presumed or actual violations of the Code of Ethics, is protected in this way against any form of harassment, discrimination or penalisation.

Once the notification has been completed, the Whistleblower is issued with a KEY CODE, a unique code needed to monitor the status of the notification and maintain anonymity; without this code, it will not be possible to subsequently access communication with Managers or receive updates.

The Portal automatically records and securely archives all the notifications received, constituting the single, traceable archive of notifications. Managers are obliged to delete permanently and irreversibly any non-relevant data to the purposes of the investigation, using the functions provided by the system. The management of the notification requires prompt acknowledgement of receipt by the Managers, who must provide confirmation of receipt within 7 days and substantial feedback within 3 months,

guaranteeing at all stages the confidentiality of the identity of the Whistleblower, of the persons involved and of the attached documentation. The entire process is carried out in compliance with current legislation on the protection of personal data (GDPR and Legislative Decree 24/2023). San Grato S.p.A. relies on an external Company to manage the Whistleblowing reporting system; this Company is called MBL Informatica srl.

At the end of the year 2023, the whistleblowing system was structured and in January 2024, training was distributed and implemented and employees were informed by means of an attachment to their pay slip of the presence of the whistleblowing system and the relevant updated procedure made available on the Company intranet. Management and Human Resources were made aware of the importance of whistleblowing and how to whistleblow.

ANTICORRUPTION

San Grato S.p.A. adopts a zero-tolerance policy towards all forms of corruption and unethical conduct, committing itself to operate with integrity, fairness and transparency in all corporate activities and in its relations with public and private stakeholders. Consistent with its values and the principles of good corporate governance, the Company has implemented a structured anti-corruption compliance system, which consists of:

- **Dedicated corporate policies**, which explicitly prohibit practices such as facilitation payments, undue gifts, political donations and sponsorships used for illegal purposes;
- **Ongoing training** for internal staff and awareness-raising of external partners on corruption risks;
- **Risk analysis** and regular updating of control procedures;
- **Anonymous whistleblowing channels**, accessible to both employees and external partners, to facilitate the notification of non-compliant behaviour in a context of protection and confidentiality;
- **Constant monitoring and review of the measures adopted**, with the active involvement of Company management.

The Company requires its suppliers, consultants and business partners to comply with equivalent ethical standards. Any violations involve sanctions up to and including termination of the contractual relationship, as well as the possibility of being reported to the competent authorities.

San Grato S.p.A. considers the prevention of corruption a strategic priority, not only to fulfil regulatory obligations, but also to strengthen its reputation, create long-term sustainable value and contribute to a fairer and more transparent economic and institutional environment.

During 2024, there were no cases of corruption, active or passive, in line with 2023.

Also in 2024, the Company did not contribute to political parties, lobbying activities or any other activities other than those with associative purposes. Any political commitment on the part of San Grato S.p.A. employees, as well as the making of contributions by them, are intended as personal and voluntary.

COMPLIANCE

San Grato S.p.A., as described above, operates by drawing inspiration from the highest ethical principles of transparency, fairness and loyalty, formalised by the Code of Ethics and the Company Policies, in full compliance with national laws and placing at the centre of its efforts the creation of a relationship of trust with its stakeholders.

Confirming this commitment, during 2024 San Grato S.p.A. was not subject to any definitive measures in any of the following areas: unfair competition and antitrust; product health and safety; marketing, including advertising, promotion and sponsorship; disputes with an impact on the community; the environment; intellectual property.

G1-2 SUPPLIER RELATIONSHIP MANAGEMENT

San Grato S.p.A. recognises the importance of building solid partnerships with its Suppliers based on trust and shared values. It requires its Suppliers to respect the principles of the Code of Ethics.

With reference to the selection and qualification process, it is required to verify and monitor the ethical, legal, economic and financial reliability of potential Suppliers, as well as their technical, organisational and management capabilities. In addition, with different tools depending on the type of supplier (see also chapter 'S2-3' and 'S2-4') San Grato verified compliance with the requirements on the environment, health and safety, workers' rights and other aspects set out in the Code of Ethics, shared with Suppliers. While managing the Suppliers, there is a commitment to respect deliveries in the quantities and times requested: San Grato S.p.A. undertakes to comply with the payment terms stipulated, thus promoting a cooperative and efficient relationship. The Company also commits to build lasting relationships with its Suppliers and to behave responsibly in the event of any break in relations.

San Grato S.p.A. adopts a structured and integrated system for the periodic evaluation of Suppliers, with the aim of ensuring continuity, quality and sustainability in its supply chain. The Company collects and monitors data through digital tools such as the JGalileo management system, the QLIK system for the Level of Service (LdS), databases dedicated to the management of Non-Compliance and the Excel modules. The assessment, carried out every six months, considers a series of **risks** (Quality, Environment and Safety certifications, financial soundness, supply alternatives, NDA, information security) and **performance indicators**. Parameters analysed include:

- **Quality:** waste (ppm), number of complaints, "0 km" guarantees, supply discontinuities, safety incidents and CSLs;
- **Logistics:** level of service (LoS), punctuality and adherence to deliveries.

A Report collects the results and shares them with the Suppliers. In the event of sub-standard performance, short-term corrective actions are defined, such as intensifying controls, audits, revoking 'free pass' status, requesting improvement plans or initiating the search for alternative suppliers. In the long term, San Grato S.p.A. develops growth and partnership strategies based on the analysis of risk and performance trends. Monitoring is constant, with bi-annual meetings with the Purchasing, Logistics and Quality Management departments. In addition, San Grato S.p.A. promotes the development of suppliers towards compliance with IATF 16949, requiring UNI EN ISO 9001 certification as a minimum prerequisite. Moreover, the Company assesses performance in the area of sustainability. This approach enables the Company to ensure responsible, transparent and resilient management of its Suppliers throughout the supply chain.

G1-6 PAYMENT PRACTICE

San Grato S.p.A. pays invoices according to the agreed contractual terms and in accordance with market standards.

To be noted that there are no legal proceedings currently pending due to late payment.

IRO-2 - DISCLOSURE OBLIGATIONS OF THE ESRS COVERED BY THE COMPANY'S SUSTAINABILITY REPORTING

Standard ESRS	Disclosure	Page	Notes
ESRS 2 – General Information	BP-1 Criteria to prepare the sustainability Report	4	
	BP-2 Disclosure in relation to specific circumstances	5	
	GOV-1 Role of the administrative, management and control bodies	6-7	
	GOV-2 Information and sustainability issues addressed by the Company's administrative, management, and supervisory bodies	7	
	GOV-3 Integration of sustainability performance into incentive systems	7	
	GOV-4 Due diligence statement	7	
	GOV-5 Risk management and internal controls over sustainability reporting	8	
	SBM-1 Strategy, business model and value chain	8-11	For the fiscal year 2024, which corresponds to the first year of preparation of the Sustainability Report in accordance with the ESRS, with regard to paragraph 40 (b, c) there is a phase-in option in relation to disclosure.
	SBM-2 Stakeholder interests and opinions	12-14	
	SBM-3 Relevant impacts, risks, and opportunities and their interaction with the strategy and business model	14-17	
	ESRS E1 – Climate change	IRO-1 Description of the processes for identifying and assessing relevant impacts, risks and opportunities	14-17
IRO-2 Disclosure obligations of ESRSs covered by the corporate sustainability Report		53-57	
GOV-3 E1 Integration of sustainability performance into incentive systems		19	
SBM-3 E1 Significant impacts, risks, and opportunities and their interaction with the business strategy and model		19	
E1 IRO-1 Description of processes for identifying and assessing significant climate-related impacts, risks and opportunities		19	
E1-1 Transition Plan for Climate Change Mitigation		19	
E1-2 Policies related to climate change mitigation and adaptation		20	
E1-3 Actions and resources related to climate change policies		20-21	
E1-4 Objectives related to climate change mitigation and adaptation		22	
E1-5 Energy consumption and energy mix		22	
E1-6 Gross GHG emissions from Scope 1, 2, and 3		22-24	
E1-7 GHG absorption and GHG emission mitigation projects financed with carbon credits		24	

	E1-8 Fixed internal price of carbon	-	Not relevant as the Company is not involved in activities related to those indicated.
	E1-9 Expected financial impacts of physical and transition risks and potential climate-related opportunities	-	For fiscal year 2024, which corresponds to the first year of preparation of the Sustainability Report in accordance with the ESRS, San Grato S.p.A. has decided to avail of the phase-in option regarding the disclosure of the expected financial effects of material physical and transition risks. It is the Company's responsibility to organize itself to provide the required information and data in a timely manner compatible with their mandatory disclosure.
ESRS E2 - Pollution	IRO-1 E2 Description of processes to identify and assess significant impacts, risks and opportunities related to pollution	24	
	E2-1 Policies related to pollution	24	
	E2-2 Actions and resources related to pollution	24-25	
	E2-3 Pollution-related objectives	25	
	E2-4 Air, water, and soil pollution	-	Not relevant as the Company is not involved in activities related to those indicated.
	E2-5 Substances of concern and substances of extremely concern	-	Not relevant as the Company is not involved in activities related to those indicated.
	E2-6 Expected financial effects of impacts, risks, and opportunities related to pollution	-	For fiscal year 2024, which corresponds to the first year of preparation of the Sustainability Report in accordance with the ESRS, San Grato S.p.A. has decided to avail of the phase-in option regarding the disclosure of the expected financial effects of material physical and transition risks. It is the Company's responsibility to organize itself to provide the required information and data in a timely manner compatible with their mandatory disclosure.
ESRS E3 – Water and marine resources	IRO-1 E3 Description of processes for identifying and assessing significant impacts, risks and opportunities related to water	25	
	E3-1 Water-related policies	26	
	E3-2 Actions and resources related to water	26	
	E3-3 Water-related targets	26	
	E3-4 Water consumption	26	
	E3-5 Expected financial effects from impacts, risks, and opportunities related to water and marine resources	-	Not relevant as it emerged as not relevant from the 2024 materiality analysis.

ESRS E4 – Biodiversity and ecosystems		-	Not relevant as it emerged as not relevant from the 2024 materiality analysis
ESRS E5 – Circular Economy	IRO-1 E5 Description of processes for identifying and assessing significant impacts, risks and opportunities related to resource use and the circular economy	26-27	
	E5-1 Policies relating to the use of resources and the circular economy	27	
	E5-2 Actions and resources related to the use of resources and the circular economy	27-29	
	E5-3 Goals related to resource use and circular economy	29	
	E5-4 Inflow resources		Not relevant as it emerged as not relevant from the 2024 materiality analysis
	E5-5 Resources outflows	29-30	
	E5-6 Expected financial effects from impacts, risks, and opportunities related to resource use and the circular economy	-	For fiscal year 2024, which corresponds to the first year of preparation of the Sustainability Report in accordance with the ESRS, San Grato S.p.A. has decided to avail of the phase-in option regarding the disclosure of the expected financial effects of material physical and transition risks. It is the Company's responsibility to organize itself to provide the required information and data in a timely manner compatible with their mandatory disclosure.
ESRS S1- Own workforce	SBM-2 S1 Interests and opinions of stakeholders	34-35	
	SBM-3 S1 Impacts, risks and opportunities management and their interaction with the strategy and the business model of the Company	32	
	S1-1 Policies related to own workforce	32-34	
	S1-2 Processes for engaging with own workforce and workers' representatives about impacts	34-35	
	S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns	35	
	S1-4 Taking action on material impacts on own workforce, and approaches to managing material opportunities related to own workforce, and effectiveness of those actions	36-38	
	S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	38-39	
	S1-6 Characteristics of the undertaking's employees	39-40	
	S1-7 Characteristics of non-employees in the undertaking's own workforce	41	
	S1-8 Collective bargaining coverage and social dialogue	41	

	S1-9 Diversity Metrics	39-40	
	S1-10 Adequate wages	41	
	S1-11 Social protection	41	
	S1-12 People with disabilities	41	
	S1-13 Training and Skills Development Metrics	41-42	
	S1-14 Health and safety metrics	42	
	S1-15 Work-Life Balance Metrics	42	
	S1-16 Remuneration metrics (pay gap and total remuneration)	43	
	S1-17 Incidents, complaints, and serious human rights impacts	43	
ESRS S2 – Workers in the value chain	SBM-2 S2 Interests and views of stakeholders	44-45	
	SBM-3 S2 Material impacts, risks and opportunities and their interaction with strategy and business model	43	
	S2-1 Policies related to value chain workers	43-44	
	S2-2 Processes for engaging with value chain workers about impacts	44	
	S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	44-45	
	S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	44-45	
	S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	46	
ESRS S3 – Affected communities	S3 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	46	
	S3-1 Policies related to affected communities	46	
	S3-2 Processes for engaging with affected communities about impacts	46-47	
	S3-3 Processes to remediate negative impacts and channel for affected communities to raise concerns	47	
	S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	47-48	
	S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	48	
ESRS S4 – Consumers and end users			Not relevant as it emerged as not relevant from the 2024 materiality analysis
ESRS G1 – Business conduct	GOV-1 G1 Role of the administrative, management, and control bodies	6-7	
	IRO-1 G1 Description of the processes for identifying and assessing relevant impacts, risks and opportunities	14-17	
	G1-1 Policies and practices on corporate culture and business conduct	50-51	
	G1-2 Supplier relationship management	52	
	G1-3 Prevention and detection of bribery and corruption	50-51	



	G1-4 Proved incidents of bribery and corruption	<i>50-51</i>	
	G1-5 Political influence and lobbying activities		Not relevant as it emerged as not relevant from the 2024 materiality analysis
	G1-6 Payment practice	<i>52</i>	