

SUSTAINABILITY
REPORT
2024

ARCOPROFIL®





Sustainability report 2024

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GRI 2-22

Dear Collaborators, Clients, and Stakeholders,

as President and Chief Executive Officer of ARCOPROFIL, I am proud to share with you our company's unwavering commitment to a sustainable development model.

Our mission goes far beyond economic growth: **we aim to create lasting value for people, the environment, and future generations.** Sustainability is now an integral part of our operations, driven by the belief that acting responsibly is not only an ethical choice but also a strategic lever for competitiveness and corporate resilience.

Our journey in sustainability—today framed within the ESG (Environmental, Social, and Governance) framework—has deep roots, beginning when the focus was still on corporate social responsibility. Compliance with ISO certifications and key international regulations was the first step in a path that has since become more structured and consolidated over time. Every action we take is now evaluated through the lens of ESG principles, and this first sustainability report reflects our desire to transparently collect and share everything we have built so far.

Through the publication of this document, we aim to make our commitment visible and to strengthen the bond of trust with all our stakeholders. Looking ahead, our sustainability strategy will evolve along four main pillars:

- **Ethics and Regulatory Compliance:** We will continue to uphold high quality standards in every area - product, process, and now also sustainability - through the maintenance of ISO certifications and the consolidation of newly obtained ones, such as NQC SAQ 5.0 and ECOVADIS. We will promote increasingly responsible corporate conduct, in full compliance with local and international regulations, including those on financial transparency and data privacy

protection.

- **Human Rights and Working Conditions:** We are committed to upholding human rights and ensuring fair working conditions for all our employees. Forced or child labour will never be tolerated, and we will continue to actively promote inclusion, gender equality, and the appreciation of diversity.
- **Health, Safety, and Environment:** We will work to further reduce our environmental impact through targeted initiatives aimed at cutting greenhouse gas emissions, promoting the responsible use of water and energy resources, and enhancing recycling and reuse practices.
- **Responsible Procurement:** We will select our suppliers based on their commitment to sustainability, ensuring that they share and uphold our ethical and environmental values.

We recognize that this journey requires the contribution of everyone. Therefore, we invite each collaborator, partner, and supplier to take an active role in this process.

Only through collective effort can we build a more sustainable future—for ARCOPROFIL and for the world around us. We assure you that we will dedicate all necessary resources to making this commitment tangible and enduring.

Valeria Zenare

Chief Executive Officer, ARCOPROFIL S.r.l.



1.2 Methodological note

GRI 2-2 / 2-3 / 2-4 / 2-5

This document represents the second edition of the Sustainability Report of Arcoprofil Srl and is a Non-Financial Declaration (DNF), which voluntarily covers all the activities of the year 2024 and examines the **reporting period from January 1, 2024, to December 31, 2024.**

Following the approach adopted in the previous year, this document presents a comparative analysis of Arcoprofil's performance in the ESG areas (Environmental, Social, and Governance), providing an overview of 2024 and comparing the results with previous editions of the Report. To facilitate readability and comparability, it was decided again this year to prepare the document in accordance with the international GRI Sustainability Reporting Standards, issued by the Global Reporting Initiative (GRI).

In particular, the qualitative and quantitative information included in this Report has been prepared using the "with reference" option provided by the standard, including the compilation of the "GRI Content Index" (see Appendix, Chapter 8).

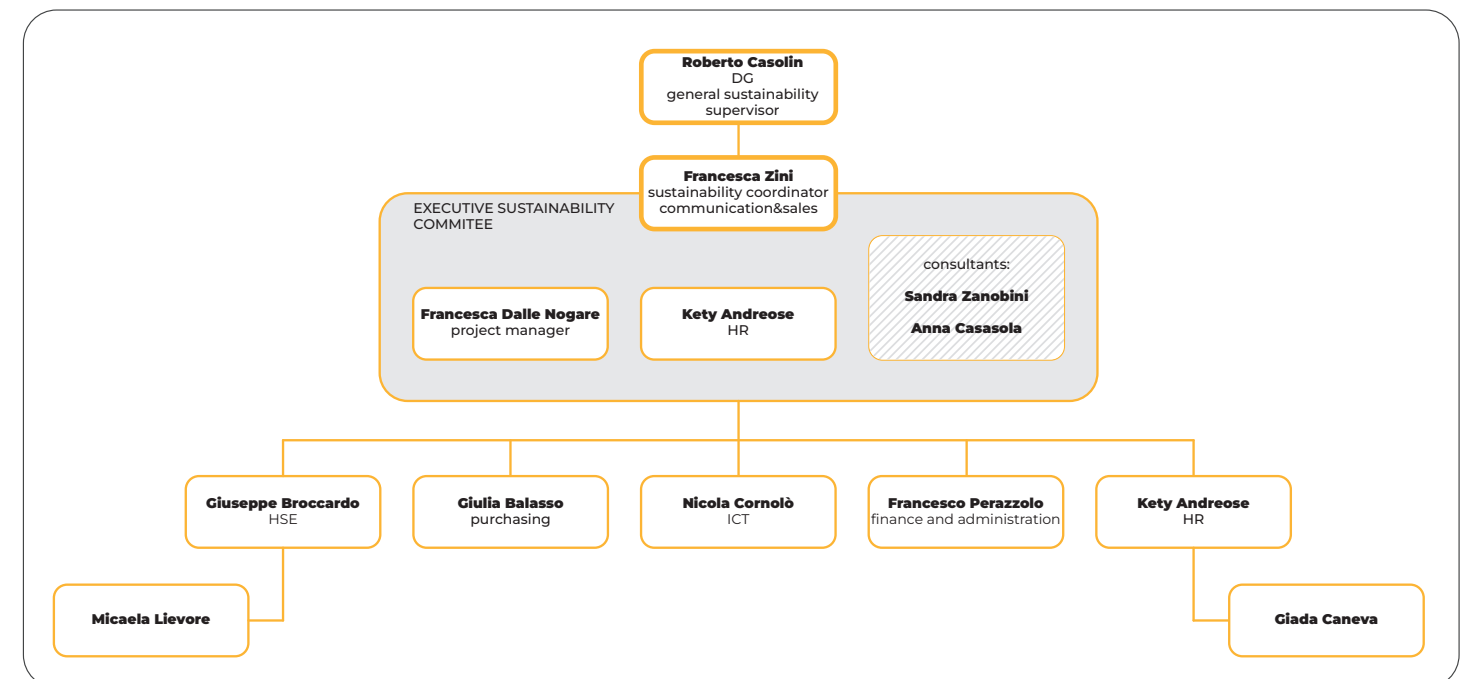
Furthermore, as with previous editions, no **external assurance** has been provided for this Report, as sustainability reporting is not currently mandatory. Arcoprofil has established an internal working group, representing the company's main functions, to coordinate the collection of information required for this report. The structure of the sustainability team is summarized in the organizational chart below.

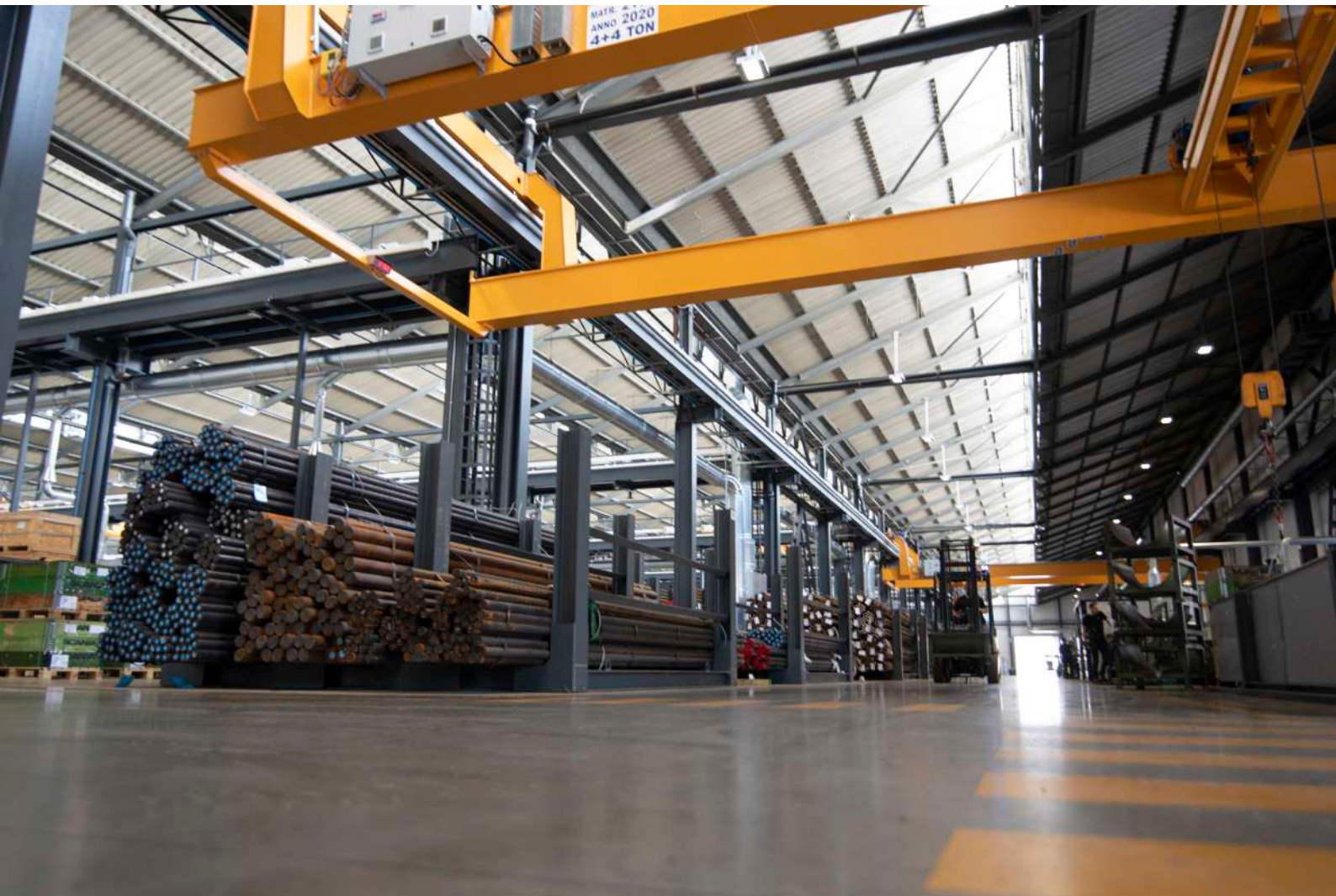
To simplify and digitize the process of data collection and validation, since 2023 the company has been using a dynamic and flexible tool: the ESGeo application, a cloud-based platform for sustainability reporting certified according to GRI Standards.

This enables year-over-year monitoring of information through a process of ESG Digital Governance. Indeed, the increasing complexity of ESG data needs the use of technologies capable of detecting and tracking ESG performance with respect to both internal and external corporate data.

The reporting process involved the following key activities:

1. Identification of material topics and related indicators for monitoring;
2. Definition of the reporting perimeter;
3. Collection of sustainability information;
4. Processing of the data from the collection process and drafting of the content in this report.





For the calculation of greenhouse gas emissions and energy consumption, the following conversion factors were considered:

conversion factors			
variable	conversion unit	factor	source
Gasoline (density)	L t	0,00074734	DEFRA 2023
Gasoline	t GJ	43,184	DEFRA 2023
Gasoline	t tCO ₂ e	2,806659352	DEFRA 2023
Energy	KWh GJ	0,0036	DEFRA 2023
Natural gas (density)	smc t	0,000795	DEFRA 2023
Natural gas	t GJ	45,522	DEFRA 2023
Natural gas TCO ₂	t tCO ₂ e	2,562574411	DEFRA 2023
Diesel (density)	L t	0,0008328	DEFRA 2023
Diesel	t GJ	42,73	DEFRA 2023
Diesel	t tCO ₂ e	3,015654616	DEFRA 2023
GPL (density)	L t	0,0005311	DEFRA 2023
GPL	t GJ	45,956	DEFRA 2023
GPL	t tCO ₂ e	2,939360949	DEFRA 2023
Purchased electric energy - Location Based	Location Based - Total Supplier Mix IT KWh tCO ₂ e	0,00043114	AIB European Residual Mixes (Total Supplier Mix IT) Agg. 01.06.2023
Purchased electric energy - Market Based	Market Based - Residual Mix KWh tCO ₂ e	0,00050057	AIB European Residual Mixes (Residual Mix IT) Agg. 01.06.2023
Termic energy	t tCO ₂ e	0,0007363	Certification ICIM on AVA waste-to-energy plant
Termic energy	KWht Kwh	1,54	Certification ICIM on AVA waste-to-energy plant

2. Organization

GRI 2-1

2.1 Our story, who we are

In 1969, Renato Casolin and his wife Valeria founded Arcotex in Santorso, a company specialised in the maintenance of machinery for the textile industry.

Renato was aware of the challenges the market presented, and thanks to a forward-looking vision, decided to expand business opportunities. He purchased cold-rolling machines from the Swiss company GROB, aiming to enter the mechanical sector, specializing in the production of cold-rolled shafts, under the name Arcoprofil. It was 1976.

Seven years later, in 1983, the company welcomed first Renato's son Roberto, and soon after, his son Giorgio, who joined Renato in the management. With their support, in the early '80s, Arcoprofil expanded its machinery fleet, starting to produce finished shafts, a significant step towards internalizing every production phase.

In the '90s, the company started supplying to ZF in Germany, marking a strategic shift towards European markets and the automotive industry, establishing new commercial relationships with prestigious customers such as Scania, Husqvarna, and Stihl, thus expanding its business to Sweden, the

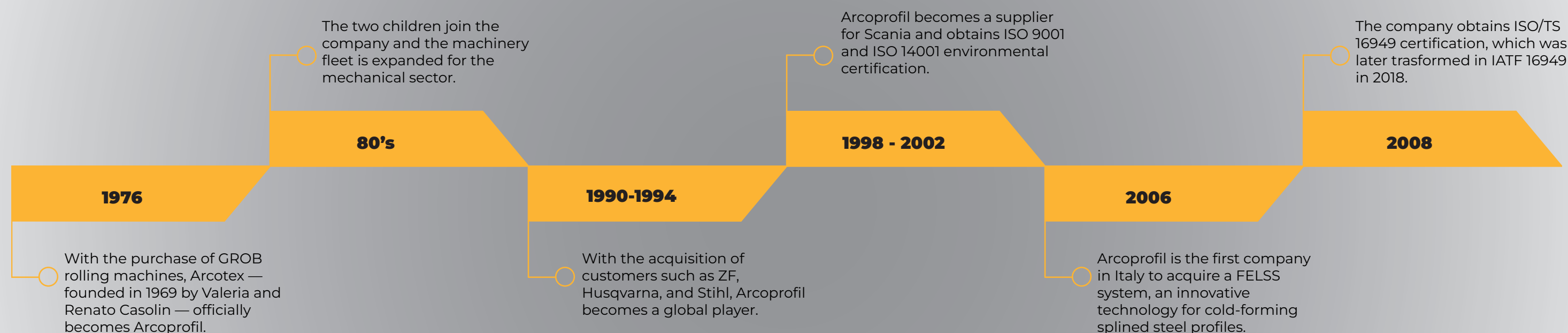
United States, and Brazil.

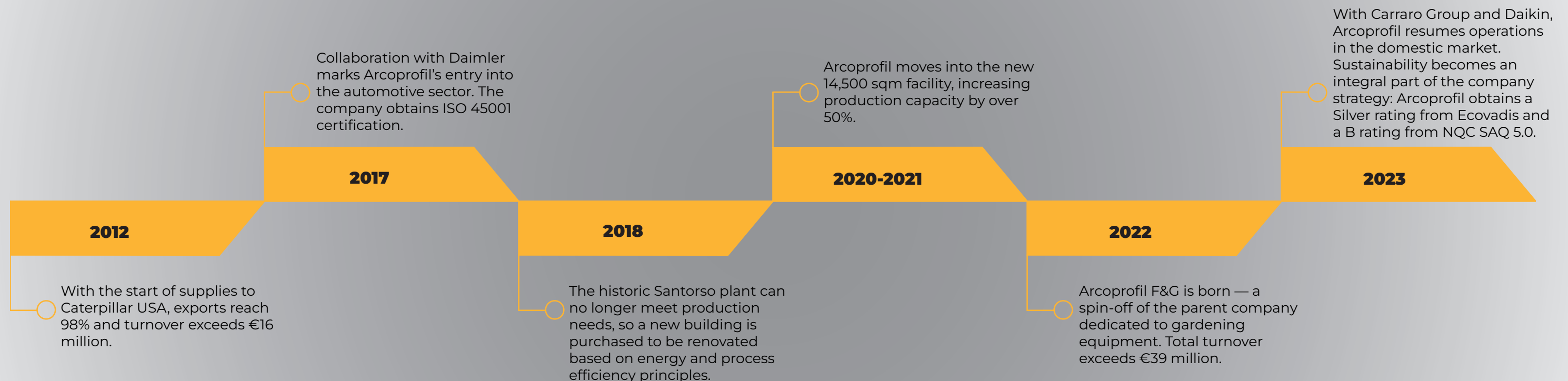
Arcoprofil was now a mature company looking not only at the European market but also at the global market, obtaining ISO 9001 certification in 1998.

In 2002, the company obtained ISO 14001 environmental certification, demonstrating its commitment to environmental protection, a value that was still underappreciated at the time. The following year, Arcoprofil further expanded the client portfolio, starting the production of electric motor shafts for Sauer Danfoss (now Schabmüller),

In 2006, Arcoprofil, as the first company in Italy, invested in an innovative cold forming plant for splined profiles from the German company FELSS, significantly improving efficiency and expanding the product range.

In 2007, the company started supplying Claas and John Deere, the latter becoming one of its most important clients. Growth continued in 2008 with the acquisition of the IATF 16949 certification specific to the automotive sector, the revenue increased up to 10.5 million euros.





In 2012, supplies to Caterpillar in the United States allowed the company to broaden its client base, increasing the export share from 80% to 98%, while revenue reached 16.5 million euros.

Five years later, in 2017, thanks to the collaboration with Daimler, Arcoprofil entered into the automotive sector for SUVs related to the prestigious Mercedes brand.

The company's growth made the expansion of facilities necessary, so the following year, the family purchased a new plant from a historic company nearby and started the renovation process, with the goal of moving all production to a single site in Schio, which was previously scattered across several buildings. The facility was converted with a focus on sustainability, particularly improving the production layout to optimize space and minimize part movement through all stages of processing, resulting in significant improvements in lead time. The company's relocation culminated in the creation of a new brand and logo.

The move to the new 14,500-square-meter facility was completed in 2022, during the global pandemic, while production capacity was increased by over 50%.

In 2022, Arcoprofil established the Arcoprofil F&G division, specialised in the production of gardening components. From then on, the two original product lines—drive shafts for the automotive/agriculture market and shafts for forestry/gardening market were managed by two independent

companies but still linked by the same history, know-how, and founding principles.

In 2023, Arcoprofil resumed its commercial relationships with the national market, starting supplies to the Carraro Group and Daikin, the latter a leader in the air conditioning market, a sector previously unexplored by the company. The year 2023 ended with revenue exceeding 34 million euros.

In the same year, the company began structuring all its environmental, governance, and social activities, starting to publish an impact report that gathers under the sustainability, all the measures previously considered as a result of continuous internal improvement actions.

Thanks to this first voluntary reporting activity, Arcoprofil was eligible to receive important recognitions, obtaining a Silver sustainability rating from Ecovadis and "B" and "A" ratings from NQC SAQ 5.0, along with numerous supplier awards from its longest-standing clients

The year 2024 was marked by a significant contraction in the automotive industry, which also impacted Arcoprofil's business performance. The company closed the year with a turnover of around €30 million euros representing a 16% decrease compared to the previous year. To counteract the negative impact of declining revenues, the company intensified its efforts in enhancing targeted programs and initiatives, focusing on both cost reduction and productivity improvement.

These measures were designed to optimize available resources and maintain competitiveness in a complex economic context. Notably, in terms of energy efficiency, the company has continued and nearly completed an in-depth energy audit of its processes. This initiative aims to identify inefficiencies and improve energy performance, with the ultimate goal of achieving ISO 50001 energy certification in 2026.

Moreover, three significant systems became operational in 2024, reshaping the company's infrastructure:

- The carburizing furnace, which reached full operational capacity in the early months of the year;
- The modified alcohol washing machine, installed mid-year along with a pre-washing tank;
- The connection to the district heating network, which uses cogenerated heat from the waste-to-energy plant of the municipality of Schio.

From a commercial development perspective, the supply relationships initiated in 2023 with Fendt and Krone—leading German manufacturers of agricultural machinery—have been further strengthened.

Arcoprofil continues to maintain the management system and sustainability certifications achieved in previous years, with the aim of consolidating results and ensuring continuous improvement.

Today, nearly 50 years since its foundation, Arcoprofil continues to grow and innovate, always driven by the entrepreneurial vision and passion of the Casolin family.



2.2 Our industry and markets

GRI 2-6

Arcoprofil today is a limited liability company based in Italy but exports its products globally, thanks to a commercial strategy that since the 1990s has aimed to capture key clients in each end-use sector and diversify the markets and product applications.

The acquisition of ZF, a leader in the automotive components sector, marked a big turning point in expanding the business globally, followed by the appointment as a Tier 1 supplier for Scania, another leader in heavy vehicle and bus manufacturing. Currently, **the main target markets include Germany, the United States, Sweden, and Brazil, with sales also in other regions of the world, from the European Union to Central America, and even in the Far East, in countries such as India and China.**

The company is specialized in the **production of drive shafts, primarily splined shafts** with both internal and external profiles, manufactured by different production technologies. These products are mainly used in the mechanical drive components of various types of vehicles, commonly applied in axles (drive shafts and PTOs), gearboxes, and torque converters.

A key product distinction is made based on the material origin: shafts derived from bars or flanged shafts from forged blanks. Shafts from bars make up over 90% of production and represent the company's primary specialization. Shafts from forgings are generally produced in smaller volumes and complement the product range.

Product applications cover a wide range of machinery, including:

- **Tractors, combines, and agricultural machinery** (agriculture sector)
- **Trucks and buses** (heavy transport trucks and buses sector)
- **Earth-moving machines and mining sector** (construction sector)
- **Electric motors for forklifts and hybridization/electrification of vehicles** (AC-DC Motor sector)
- **SUVs** (automotive sector)
- **Refrigeration machines** (air conditioning sector)
- **Special vehicles**

The company has progressively structured itself by integrating all manufacturing processes to ensure maximum independence from external suppliers, internalizing the most critical processes to improve control, flexibility, and continuous innovation.

Shaft processing follows these processes:

- **Cutting and centering**
- **Turning**

- **Splining** - the company's core business (four different technologies: Grob and Felss for cold deformation, hobbing and shaping for material removal)
- **Induction and carburizing heat treatments** in pit furnaces, tempering in chamber furnaces
- **Straightening and crack detection** in process (QASS + UT)
- **Grinding**
- **Packaging and shipping**

Production is characterized by medium-low batches (from 5 to 10,000 pieces), and is highly automated: **over 50% of the machinery is assisted by robots.**

Full traceability of all parts produced is ensured up to delivery to the customer; in some cases, parts are marked with the production lot, ensuring traceability even after assembly.

Arcoprofil manufactures in series based on customer drawings, without carrying out product design but using the most advanced technologies available on the market for several processes. The technical expertise acquired in nearly 50 years of industry experience enables the organization to provide support in **identifying the most efficient solution to produce the finished product.**

The company's supply chain consists of a network of suppliers and strategic partners who support us in material procurement, certain specialized product processes, and representation activities. The most long-standing and important partnership is with our raw material suppliers, steel mills with whom we have established long-term relationships at the senior management level. The steel mills from which we source are also involved in emission reduction initiatives and can provide data for calculating the Carbon Footprint (CFP) upon request.

Our main suppliers for heat treatments that we don't carry out internally (such as nitriding) are long-time collaborators, chosen locally and according to quality standards verified by our clients, who have accredited them as second-tier suppliers.

Our customers are mainly leaders in the markets they operate in, with whom we have long-lasting supply relationships (many lasting over twenty years).

The global presence of our main customers has allowed us to penetrate global markets.

In our industry, acquiring new clients is a lengthy process: from the first contact to the signing of a supply agreement, it can take 2-3 years.

Long-term supply agreements and the long visibility of expected orders allow us to plan procurement, providing medium-term visibility on market trends and enabling us to plan investments with reasonable foresight.

The approach of large automotive and agricultural companies requires us to adhere to delivery schedules, maintain transparency in contractual conditions, proactively communicate, and respond quickly to issues. Additionally, it requires a flexible yet solid structure to manage demand fluctuations and adapt continuously to the regulations and standards that govern the market.

Our sales network is supported by experienced representatives who represent our company in the regions where our major clients operate, handling relationships on our behalf in North America and Europe. In summary, our supply chain is characterized by the reliability of our raw material and service suppliers, as well as the competence of our commercial partners who allow us to meet our clients' needs efficiently and promptly.

2.3 Our mission

Our company has a clear and ambitious mission: to become an international benchmark in the production of splined shafts, thanks to the use of the most advanced technologies, cutting-edge machinery, and specialized knowledge that sets us apart from our competitors.

Our commitment to excellence is the driving force behind every action and investment, enabling us to achieve superior quality standards and respond more precisely to the needs of a continuously evolving global market.

Over the past five years, the strategic investments we have made, combined with those still ongoing, have allowed us to be an excellence within the international landscape, confidently placing us among the key players in global markets.

Our goal is not only to maintain this leadership position but to continue growing, innovating, and addressing future challenges with the same passion that has guided us so far.

The economic results we have achieved are clear evidence of the success of our vision and are align with the ownership's forecasts: this allow us to look to

the future with great confidence.

Our growth path continues to bring tangible benefits not only to the company but also to the local community where we operate, creating new job opportunities and contributing to the economic and social well-being of the area.

2.4 Our values

Arcoprofil is committed to maintaining responsible conduct through a commitment policy based on two key documents: the Model 231 and the Code of Ethics.

All company activities and commitments are carried out in respect of human rights, following the principle of due diligence, and are approved by the Management, which represents the highest governing body in the company.

The integration of the commitments into strategies, policies, and operational procedures is implemented through the Model 231, which also includes periodic reports to the Supervisory Body.

The involvement and updating regarding the commitments undertaken and implemented by the organization are carried out through periodic training on the Model 231.

The protection of stakeholders is fundamental, and any reports related to complaints or violations of responsible business conduct are managed through grievance and whistleblowing mechanisms.

We firmly believe that every decision, every investment, and every project reflects who we are and how we want to grow in the future. Here are the principles that guide us every day:

Technology and innovation

We believe in technology as an ally in human work.

We invest every year in new machinery and process mechanization to ensure ever-higher performance and efficiency.

Safety

People are our wealth.

We protect the health and safety of our employees by having them work in a healthy, clean and less hazardous environment.

Family

We are Italians, family is one of the cornerstones of our life so we try to take great care in creating the right balance between family-work.

Excellence

"Hard work pays off," hard work pays off. Every project deserves all our attention and efforts.

Passion and commitment are our credo.

Reliability

Those who rely on us know that every action will be thought through, every decision will be shared, and a solution will be proposed for every problem.

Flexibility

Versatile approach, adaptability of people and production system ensure agile and timely service. Every customer is of equal importance and deserves our full attention.

Expertise

We believe that to 'do well' you need to be qualified. We invest heavily in the training of each employee.

Only then can we increase skills, reduce inefficiencies and be competitive.

Sustainability

We believe that it is our duty to minimize our impact on the environment.

Our choices are aimed at increasingly integrating the principle of sustainability into our daily business doing.

3. Sustainability

GRI 3-1 / 3-2 / 3-3 / 2-29

3.1 Materiality assessment

To determine the issues that most significantly impact the company's ability to generate value over time, the guidelines provided by the SASB and MSCI materiality matrices were used, combined with the GRI Standards and the UN Sustainable Development Goals (SDGs) of the 2030 Agenda. In particular:

- 1. The SASB (Sustainability Accounting Standards Board) matrix,** created by the Value Reporting Foundation, provides guidelines for companies on how to communicate long-term value creation to investors. SASB standards focus on three main areas: Environment, Social, and Governance (ESG), with specific metrics for 77 sectors, helping investors evaluate corporate performance.
- 2. The MSCI Materiality Map** provides assessments of companies' resilience to ESG issues. The map highlights ESG risks and opportunities specific to each sector, also integrating the characteristics of individual companies.
- 3. The GRI standards,** developed by the Global Reporting Initiative, enable all organizations to measure and report their economic, social, and environmental impacts, providing a common language for companies and their stakeholders, based on the principle of materiality. Organizations can choose to report "In Accordance" or "With Reference" to the GRI standards.

Finally, the material topics were linked to their relevance to the **United Nations Sustainable Development Goals (SDGs)**, adopted in 2015, which encourage all countries and sectors to contribute to a sustainable future.

Arcoprofil involves its stakeholders in the implementation of its sustainability strategy by identifying the stakeholders that may be affected by the organization's activities, products, or services, or whose actions can influence the company's ability to implement its strategies or achieve its objectives.

Stakeholders have been divided into two main categories: internal and external. The former includes employees and managers, while the latter includes customers, strategic suppliers for business activities, and local communities, represented by local schools and credit institutions.

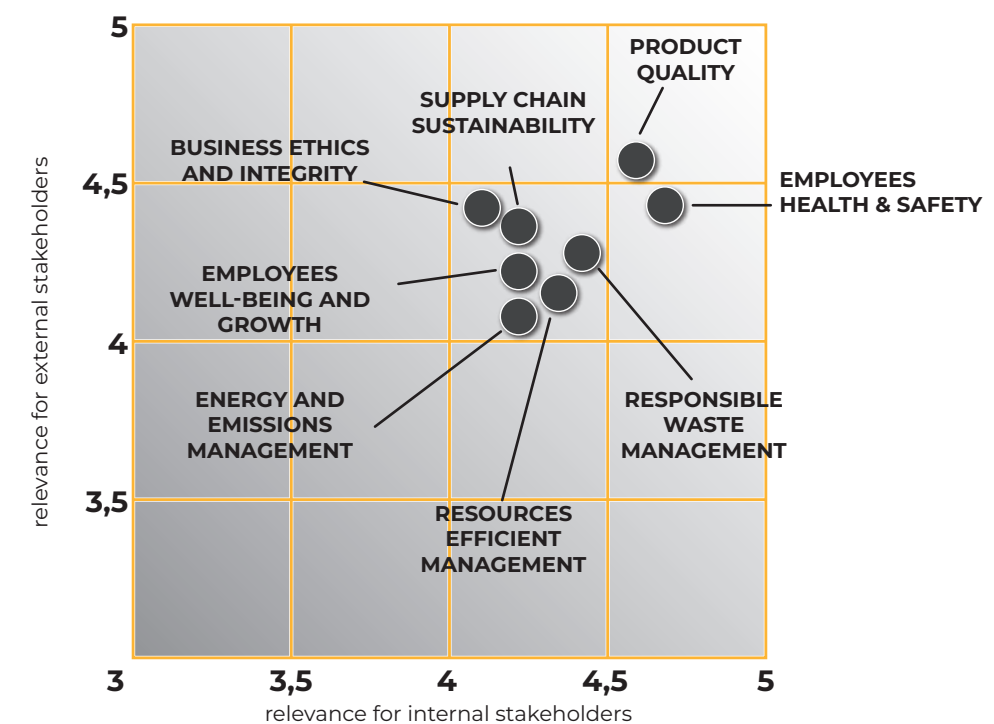
Engagement is essential to understand, identify, and comprehend stakeholders' expectations and perceptions regarding concrete issues, in

order to highlight the most relevant topics for both stakeholders and the company.

Stakeholders were involved in the process of prioritizing the material topics identified through a questionnaire, in which they were asked to assign a score from 1 to 5 to each of the eight material topics examined, based on their perception and sensitivity, in order to highlight the most relevant issues for both stakeholders and the company.

A total of 74 responses were collected at the end of the survey, distributed across the various respondent categories. These responses will remain valid for a period of three years, which is the timeframe required to implement actions and monitor their outcomes. The next questionnaire will be administered in 2026. The results obtained were used to develop the materiality matrix.

The x-axis represents the relevance that Arcoprofil assigns to the eight sustainability topics, while the y-axis shows the level of importance assigned to the same topics by the external stakeholders involved.



By reading the matrix, it is clear that the most significant topics are **“Product Quality”** and **“Employee Health and Safety”**, located in the top-right quadrant. Meanwhile, “Protection, Well-being, and Development of Human Resources” and “Energy and Emissions Management” play a secondary role in stakeholders’ evaluations.

Product quality is a key element for Arcoprofil and is ensured through process innovations with a high level of automation in order to support human activity. The company not only produces the product but also provides support in the pre- and post-production phases, ensuring customers receive a product that meets all the stringent standards required.

Furthermore, the international certifications obtained by Arcoprofil confirm that activities are carried out in full compliance with employee health and safety, which is outlined in the code of ethics and translated into actions promoting welfare and the well-being of individuals.

Below is an analysis of the material topics and related GRI Standard codes aimed at identifying a set of KPIs connected to these material topics. The GRI codes are then interpreted in relation to the United Nations Sustainable Development Goals (SDGs).

Environmental topics

- **Energy and Emissions Management**
This topic concerns the adoption of business practices aimed at optimizing energy use and reducing polluting emissions produced during manufacturing processes. It includes energy efficiency, the use of clean energy sources, and compliance with environmental regulations to promote sustainability.
- **Efficient Resource Management**
This topic focuses on the efficient use of natural resources, particularly water and raw materials, to ensure they remain available for future generations. It involves adopting practices that minimize environmental impact, promote resource regeneration, and prevent their depletion. This approach supports not only environmental sustainability but also the resilience and economic security of communities dependent on these resources.
- **Responsible Waste Management**
This topic focuses on sustainable practices for the collection, treatment, and disposal of waste, with the goal of reducing environmental impact. It also aims to reduce waste generation at the source, encouraging a culture of mindful and responsible consumption, significantly contributing to environmental sustainability.

Social topics

- **Employee Health and Safety**
In a metallurgical company like Arcoprofil, employee health and safety are fundamental priorities. This topic addresses all measures, policies, and practices aimed at ensuring that workers operate in a safe and healthy environment, minimizing risks associated with handling heavy materials, using complex machinery, and exposure to potentially hazardous substances.
- **Protection, Well-being, and Development of Human Resources**
This topic includes concepts such as diversity and non-discrimination, employee well-being, and training. It refers to Arcoprofil’s ability to ensure equal pay and equal professional growth opportunities for all employees, regardless of gender, culture, or religion, and to create a work environment that values differences among employees.

Governance topics

- **Product Quality**
This topic focuses on ensuring that goods and services meet high standards of quality and safety. It includes the implementation of stringent controls, compliance with industry-specific regulations, and the adoption of responsible manufacturing practices. The goal is to reduce health and safety risks while ensuring that products meet customer expectations, contributing to greater business sustainability.
- **Supply Chain Sustainability**
Supply chain sustainability refers to the responsible and sustainable management of resources throughout the entire production chain. For Arcoprofil, this means ensuring that suppliers meet high standards regarding environmental, ethical, and social impacts, contributing to reducing the overall ecological footprint and promoting responsible business practices.
- **Business Ethics and Integrity**
This topic involves the adoption of honest and responsible business practices that respect moral principles and regulations. It implies the company’s commitment to operate with transparency, fairness, and responsibility towards all stakeholders, including customers, employees, and the community. The goal is to support a corporate culture that promotes long-term success through ethically founded decisions and sustainable practices.

3.2 SDGs and 2030 agenda

In 2015, the United Nations (UN) member states adopted the Sustainable Development Goals (SDGs) and the 2030 Agenda as a blueprint for a sustainable future for all. The SDGs define the global sustainability agenda and the targets to be achieved by 2030, urging all sectors of society, including the private sector, to commit to their implementation.

The SDGs are universally applicable, meaning that all countries, economic operators, and individuals must contribute to achieving the goals based on their capacities.

Following the adoption of the SDGs, GRI and its network of partners have played a key role in supporting sector operators to measure and report their impact and contributions to the SDGs.

The document “Linking the SDGs and the GRI Standards” contains a list of the existing relationships between the GRI Standards and the 17 UN Sustainable Development Goals: thanks to this document, Arcoprofil was able to link its sustainability goals to the UN objectives, thus measuring its contribution to their achievement.



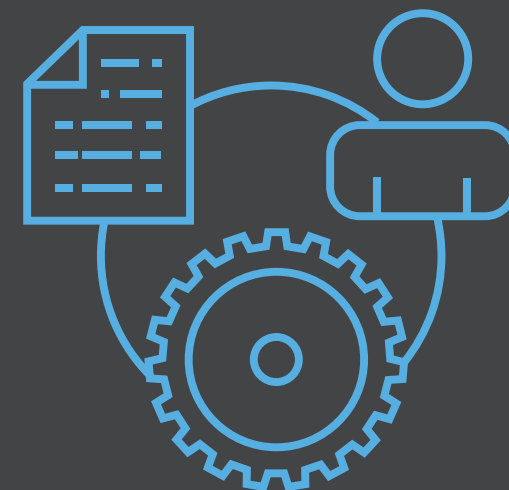
4. Governance

The “G” in ESG stands for Governance and refers to the structural and management control practices within Arcoprofil.

Corporate governance is essential because it influences how strategic decisions are made, how risks are managed, and how transparency is ensured towards all our stakeholders.

Specifically, in our ESG governance, we focus on several key areas:

- Internal structure
- Company policies
- Certifications





4.1 Arcoprofil governance

GRI 2-9a / 2-9b / 205-2a / 205-2b / 2-15 / 2-16 / 2-23

Arcoprofil's governance system is based on principles of fairness, transparency, respect for laws and internal regulations. It aims to ensure the regularity of operations, manage risks, respond to shareholders' expectations, and protect creditors and other stakeholders, while complying with labour and safety legislation.

The governance bodies are the Board of Directors (BoD), composed of 3 members, the Auditor/Reviewer, a single-member control body, and a Supervisory Body, composed of 2 members, as required by the organizational model under Italian 231 Legislative Decree. The BoD, consisting of 3 members - 1 non-executive and 2 executives - is the highest governing body and defines the guidelines on economic, environmental, and social matters.

The proportion of **women on the Board is 33,33%** of the total members. The current members of the BoD have been in charge for one year and will remain in charge until the approval date of the 2024 financial statement. **The entire Board of Directors is fully informed of the procedures and regulations regarding anti-corruption. In 2024, training on this topic was delivered to all employees.**

The same procedures - together with the Code of Ethics, sustainability policies, and supplier conditions- were also shared with the 28 main direct suppliers, who represent approximately 6% of the total active suppliers in 2024.

GRI 205-2a Anticorruption communication and training (Governance body)

	Value
Total number of governance body members who have been informed about the organization's anti-corruption policies and procedures.	6
Percentage of governance body members who have been informed about the organization's anti-corruption policies and procedures.	100,00%
Total number of governance body members who have completed anti-corruption training courses.	0
Percentage of governance body members who have completed anti-corruption training courses.	0,00%
Total number of governance body members	6

GRI 205-2b Anticorruption communication and training (Employees)

	Dirigenti	Quadri	Impiegati	Operai
Employees who have been informed about the organization's anti-corruption policies and procedures.	0	0	31	135
Percentage of employees who have been informed about the organization's anti-corruption policies and procedures.	0,00%	0,00%	100%	100%
Employees who have completed anti-corruption training courses.	0	0	31	135
Percentage of employees who have completed anti-corruption training courses.	0,00%	0,00%	100%	100%
Total number of employees by category	0	0	31	135

GRI 205-2c Anticorruption communication and training (Company's partners)

	Italian	Foreign
Business partners who have been informed about the organization's anti-corruption policies and procedures.	26	2
Direct suppliers	26	2
Indirect suppliers	0	0
Total number of company's partners	444	5
Percentage of Business partners who have been informed about the organization's anti-corruption policies and procedures.	5,86%	40,00%

Activities are being reviewed to develop and spread collective knowledge on economic, environmental, and social aspects concerning anti-corruption.

The Code of Ethics report that in Arcoprofil:
*"All business relationships must be based on integrity and loyalty and must be conducted **without any conflict between business and personal interests**. To achieve this objective, the Company requires that all those who operate within it, such as its directors, managers, and other employees in the performance of their duties, adhere to the highest standards of conduct*



in business, acting with loyalty, seriousness, honesty, competence, and transparency, in compliance with applicable laws and regulations, and safeguarding the reputation of the Company."

A training program on this matter is planned for all staff in 2025.

The process to prevent and mitigate conflicts includes:

1. Ensuring the timely distribution of the Code of Ethics throughout the Company and among all Recipients.
2. Ensuring that all updates and changes are promptly brought to the attention of all Recipients.
3. Providing adequate training and information support, offering assistance in case of doubts regarding the interpretation of the Code of Ethics.
4. Ensuring that anyone who reports violations of the Code of Ethics in good faith is not subject to any form of retaliation.
5. Adopting fair and proportionate sanctions for violations of the Code of Ethics and applying these sanctions consistently to all directors, managers, and other employees (and, where applicable, to third parties), in compliance with the Code of Ethics.
6. Periodically verifying compliance with the Code of Ethics.

To manage grievances, the Company has implemented procedures collectively known as the **"Grievance Mechanism"**, which are based on transparency, impartiality, confidentiality, and accessibility. The details are outlined in the procedure P-002 "Grievance Mechanism and Whistleblowing."

The 231 Model and the Code of Ethics are publicly available and can be accessed on the company's website, where it is specified how the monitoring of proper functioning and compliance with regulations is carried out, with references to the Supervisory Body (OdV).

A contact phone number and email address are also provided, to receive reports of improper or inadequate behavior in relation to the Model, ensuring the protection and confidentiality of the whistleblower.

Communication of issues and reports follow the procedures outlined in the Whistleblowing policy and are managed according to the Grievance Mechanism procedure.

To support the implementation of these procedures, periodic training will be provided to all employees in 2024. During the reporting period, no critical issues or activations of the grievance procedures were recorded.

Commitments in terms of policies

Arcoprofil maintains a responsible conduct in its activities, business relationships, and with all stakeholders, which finds its origins in the ethical code, the organizational Model 231, and other related policies and operational procedures.

In 2024, all areas of Arcoprofil's activities are governed by internal policies and regulations listed below:

- **Ethical Code**
- **Grievance Mechanism and Whistleblowing**
- **Anti-corruption Policy**
- **Sustainability Policy**
- **QHSE Policy**
- **Instruction IS-007**
"DPIA – Data Protection Impact Assessment for the WB"
- **General Terms of Supply**
- **Privacy policy**

Along with these principles, Arcoprofil conducts its activities in compliance with the certifications it has acquired:

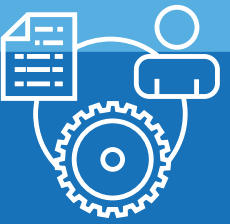
- **UNI EN ISO 9001:** Quality Management System Certification
- **UNI EN ISO 14001:** Environmental Management System Certification
- **UNI EN ISO 45001:** Health and Safety Certification
- **IATF 16949:** Quality System Certification for the Automotive Sector
- **Ecovadis:** ESG Performance Evaluation System
- **NQC SAQ 5.0:** Sustainability and CSR Evaluation System for the Automotive Sector.

All policies and commitments undertaken by Arcoprofil are available to stakeholders through posting on notice boards within the company, publication on the virtual notice board of the "HR People" online platform, in the "Sustainability" section of the company website.

At the corporate level, activities and commitments are made in **full respect of human rights** and by following the principles of precaution, due diligence, and the 231 Model, which defines internal responsibilities in every area of activity.

According to this model, periodic reports are also submitted to the Supervisory Body, which verifies the integration and compliance with the





commitments made at the organizational level in strategies, policies, and operational procedures.

The involvement and updating regarding the commitments made and implemented by the organization are carried out through periodic training on the 231 Model.

The company considers the individual its primary asset and protects it by rejecting any form of discrimination based on gender, sexual orientation, nationality, religious beliefs, ethnicity, personal and political opinions, age, health, and economic conditions.

The company rejects forced and child labour and any type of harassment (physical, verbal, sexual, or psychological), abuse, threats, or intimidation in the workplace, thus ensuring respectful working conditions, including working hours and wage determination.

In **respect of confidentiality and privacy**, the company ensures the protection of information and data, in compliance with current **data protection** regulations.

Arcoprofil adopts the most appropriate security measures for the processing of personal and sensitive data, in accordance with applicable legislation. It is committed to protecting information related to its employees and third parties, acquired or generated during business relationships, preventing any misuse of such information.

All information, knowledge, and data acquired or processed by employees during their work or while performing their corporate duties belong to the organization and cannot be used, communicated, or disclosed without explicit authorization.

To ensure the management and supervision of all privacy-related activities, Arcoprofil has appointed a Data Protection Officer.

The company confirms that in 2024, there were no data or sensitive information breaches, and no complaints were received regarding such issues during the reporting period.

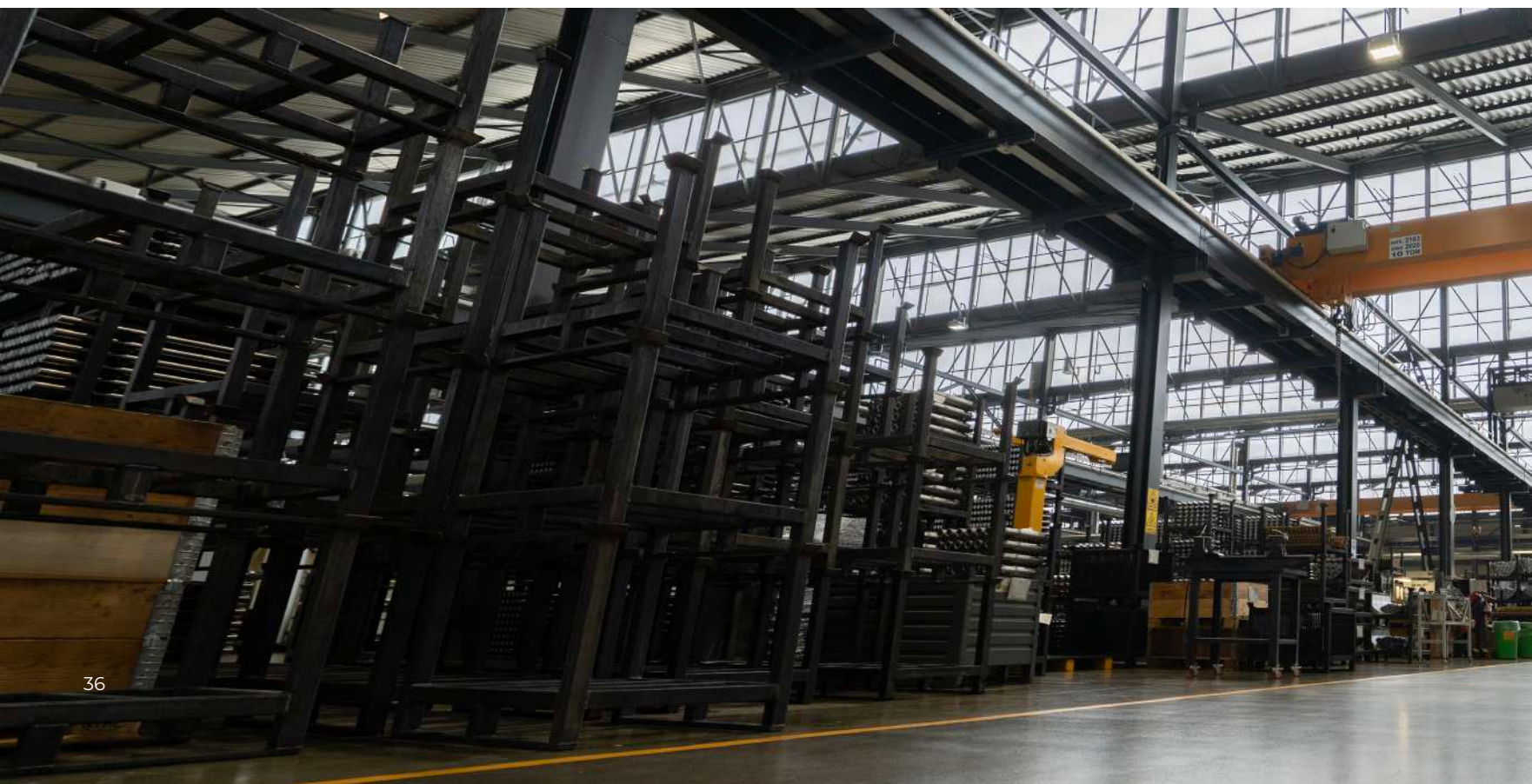
In 2024, no legal actions were recorded for non-compliance or failure to comply with the laws and regulations applicable to the organization.

Risk management

There is no specific role defined for risk management, but analysis and evaluation are carried out according to the procedures defined by the ISO 9001 Quality Management System, a systematic approach used to achieve the several ISO standards acquired by the company.

For example, regarding health and safety, ISO 45001 requires **the company to adopt an approach that prioritizes prevention, combined with continuous and thorough risk assessment**. Every activity is monitored to identify potential risks related to workplace safety, with particular attention to the constant updating of preventive and protective measures. This also includes periodic evaluation of environmental factors that could affect the health of workers, implementing corrective or improvement actions where necessary.

Finally, for environmental management, following ISO 14001 regulation, the approach aims to reduce negative impacts through regular assessment of environmental aspects related to company activities. Preventive measures are adopted to minimize contamination risks, optimize resource consumption, and reduce emissions, ensuring compliance with environmental regulations and contributing to long-term sustainability. In summary, the company's risk management is based on an integrated approach that promotes prevention, using advanced tools and constant attention to the dimensions of risk, in order to protect quality, health and safety of workers, and the environment.





4.2 Material topic: economic performances

GRI 201-1

The materiality analysis revealed that one of the most important aspects for Arcoprofil and its stakeholders is the company's performance in its reference market. The company is committed every day to ensuring excellent economic and financial results, with the goal of protecting and increasing the value of the business. The aim is to enhance the economic sustainability of activities, as well as the value created and distributed. A constant focus on innovation, coupled with the ability to analyze and understand market developments, is essential to promote continuous improvement and support business growth, even in the face of external factors' changes.

In response to a sudden decline in orders recorded between the end of 2023 and the beginning of 2024, the company adopted prompt measures aimed at mitigating the impact on work organization while also safeguarding employee well-being.

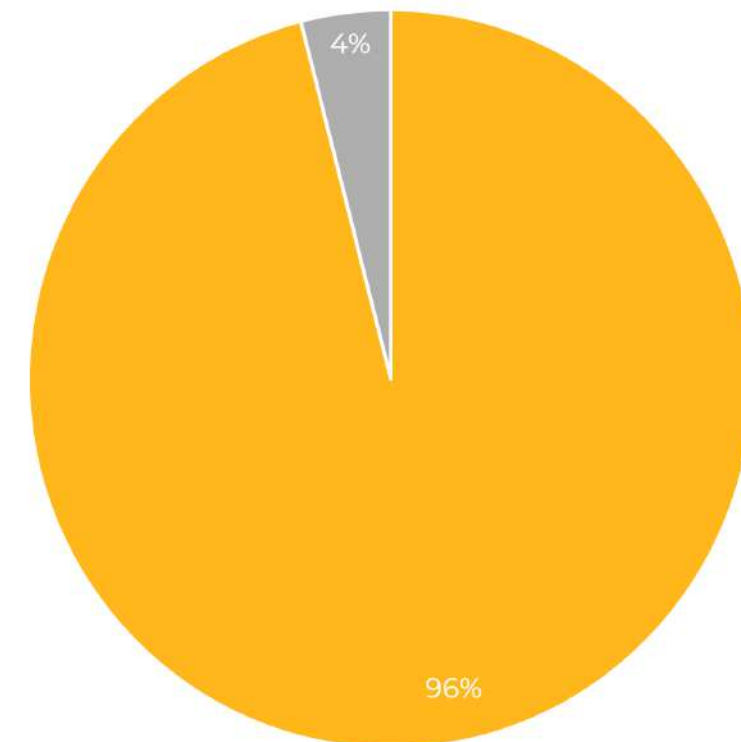
Specifically, a reduction in working hours was implemented by activating the Ordinary Redundancy Fund (CIGO) on Fridays and, where possible, suspending the Thursday night shift. This decision allowed employees to benefit from an improved work-life balance, either through extended weekends or a reduction in night work.

Despite the challenging context, effective management led to a positive outcome in terms of production efficiency: the ratio of personnel costs to processing revenue decreased from 45.44% in 2023 to 45.33% in 2024. While modest, this improvement reflects the company's commitment to optimizing available resources without compromising the social value of its organization.

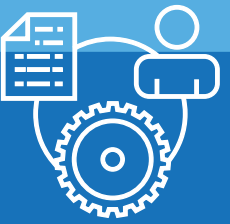
The economic value generated in 2024 amounted to €30.002.995,92 of which 95,52% was distributed to suppliers and 4,48% was retained. Of the total economic value used, 71.57% was allocated to operating costs (i.e., spent on components, plants, or services purchased), while 23.95% was directed to the personnel.

GRI 201-1 - Direct economic value generated and distributed

	Value	%
GENERATED ECONOMIC VALUE	€ 30.002.995,92	100,00%
Income	€ 30.002.995,92	100,00%
DISTRIBUTED ECONOMIC VALUE	€ 28.658.000,00	95,52%
Operating costs	€ 21.472.000,00	71,57%
Employee wages and benefits	€ 7.186.000,00	23,95%
Payments to providers of capital	€ 0,00	0,00%
Pagamenti to governments	€ 0,00	0,00%
Community investments	€ 0,00	0,00%
RETAINED ECONOMIC VALUE	€ 1.344.995,92	4,48%



■ Distributed economic value ■ Retained economic value



4.3 Material topic: Product quality

Quality and reliability are the core mission of Arcoprofil, and through its constant commitment to innovation and continuous improvement, the company offers its clients cutting-edge technical solutions and processes designed for effective cost and waste reduction.

The company obtained numerous international certifications for its production facility, demonstrating its commitment to high-quality standards and optimal management of business processes. Specifically, Arcoprofil adopts the ISO 9001 and IATF 16949 quality management systems (QMS), which allow continuous monitoring and optimization of product quality.

The QMS is based on quality risk analysis (risk-based thinking), a method that helps identify, evaluate, and manage potential business risks. Among the tools used, FMEA (Failure Mode and Effects Analysis) plays a fundamental role in preventing product defects. This tool systematically analyzes each phase of the process, identifying possible defects and determining corrective or improvement actions to avoid their occurrence, ensuring that products comply with quality standards.

In case of non-conformities or quality issues, whether identified internally, reported by the client, or detected during external audits, the 8D procedure is activated. This involves the key process owners and the quality manager in the following activities:

- Analysis of the root causes of the non-conformity (NC)
- Identification and implementation of corrective/preventive actions
- Verification of the effectiveness of the corrective actions
- Verification of the effectiveness of the preventive measures taken and closure of the non-conformity
- Capitalization of the experience through Lesson Learn Cards (LLC)

This approach is also extended to environmental non-conformities (failure to comply with procedures and controls, incidents) **and data protection issues** (data breach).

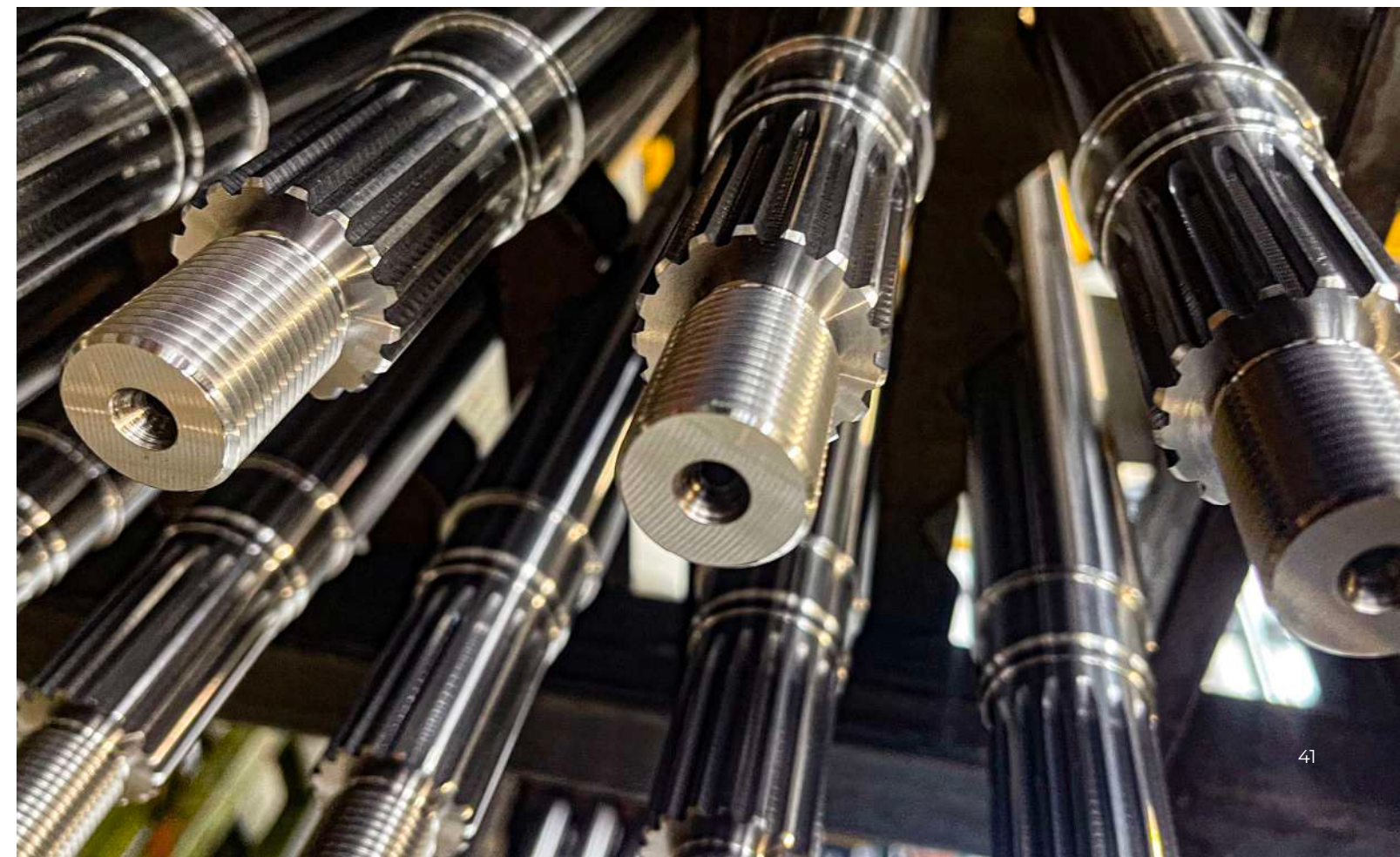
The supply of raw materials is regulated by a procedure that includes a control system, ranging from the careful selection of suppliers to daily checks of all incoming goods, as well as periodic visits to suppliers, following strict evaluation parameters. The quality department also carries out most of the dimensional and metallographic analyses internally.

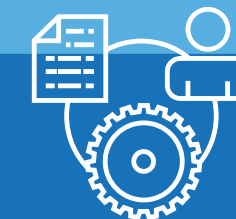
Arcoprofil is distinguished by its careful approach to selecting materials and technologies used, with particular attention to listening to customer needs and offering technical support for new projects.

Business activities are focused on achieving maximum customer satisfaction, with continuous efforts to improve product and process quality through checks, self-audits, or speed-audits for internal self-assessment.

Arcoprofil aims to combine technical excellence with a sustainable approach, creating solutions that not only meet market needs but are also aligned with the highest international standards.

All products provided by the company do not come from conflict zones (Conflict-Free Minerals Declaration) and are compliant with the RoHS directive, which restricts the use of hazardous substances (for electronic products, which we do not supply), and adheres to the REACH regulation, ensuring that materials provided are free from harmful or hazardous chemicals to health and the environment.





4.4 Material topic: Supply chain management

GRI 204-1 / 308-1 / 308-2 / 414-1 / 414-2

Supply chain management plays a central role in the operations: the selection of raw material suppliers and subcontracting suppliers are fundamental activities for the company.

Direct suppliers, i.e., those directly linked to the production process, such as steel mills and subcontractors, are selected with attention, based on criteria such as company history, references, and market information, as well as the availability of environmental and quality system certifications.

The list of qualified suppliers is updated annually, with a scoring system considering the following parameters:

- **Certifications (ISO)**
- **Product quality level**
- **Service level (punctuality, timeliness, precision)**

From 2024, the supply conditions are including indications on how suppliers should address sustainability issues, in addition to the evaluation criteria already included in previous versions.

Suppliers are required to comply with these standards and to communicate them throughout their supply chain, with the goal of ensuring customer satisfaction and contributing to the company's stability and growth.

Given the growing importance of this issue, in 2024 Arcoprofil revised the evaluation and selection form for both direct and indirect suppliers (limited to those deemed strategic), introducing sustainability as a criterion in the overall performance assessment.

The level of maturity in this topic is assessed through the distribution of a sustainability questionnaire, which evaluates each supplier's adherence to ESG topics and assigns a final score that contributes to their overall performance rating. However, the distribution of this questionnaire will be completed during 2025, when the first results of the assessment will be available.

The procurement of strategic goods and services is managed by involving multiple alternative suppliers to ensure diversification, security, and continuity in the supply chain.

With regard to the geographical distribution of suppliers, although geographic proximity is not a formal selection criterion, preference is given to local suppliers operating within 200 km from the company's headquarters. In fact, 92% of total purchases were allocated to these suppliers.

GRI 204-1 Proportion of spending on local suppliers

	Valore
Portion of the procurement budget used for significant business locations that is spent on local suppliers in relation to those activities	15.489.077,80
Procurement budget used for significant business locations that is spent on suppliers	16.897.018,36
Percentage of the procurement budget used for significant business locations that is spent on local suppliers in relation to those activities	91,67%

In 2024, the company did not evaluate new suppliers based on environmental criteria, although ISO 14001 certification is considered a desirable requirement for initiating a supply relationship.

Likewise, social criteria are not currently used as selection parameters, as most supplies originate from European countries where workers' rights are generally protected, and where there are no significant risks related to child labor, forced or compulsory labor, or violations of freedom of association or collective bargaining rights.



Environmental sustainability

The “E” in ESG refers to how we manage our environmental impact.

This includes factors such as carbon emissions, energy efficiency, waste management, and water usage.

Arcoprofil is committed to taking responsibility for reducing its environmental footprint, aligning itself with global sustainability regulations and objectives. For us, integrating environmental practices not only reduces risks but also offers opportunities for innovation, cost savings, and long-term resilience.





5. Environmental responsibility

Arcoprofil considers environmental protection and the reduction of environmental impacts among its top priorities. The company adopts a responsible approach aimed at improving environmental performance, pursuing this goal across all its operational areas.

This includes the sustainable management of resources, the sourcing of raw materials required for production, the monitoring of energy and water consumption, the management of processing waste, and the reduction of emissions during the production cycle and in the overall management of the organization.

Achieving ISO 14001 certification, along with the environmental policy, laid the foundations for efficient management of this issue as early as the 2000s, many years before sustainability became a common topic.

5.1 Material topic: Responsible energy management and reduction of emissions

GRI 302-3 / 302-4 / 305-4 / 305-5

Arcoprofil's activities involve the production of mechanical components, a heavy industry activity that results in significant energy consumption, considering that all processing stages take place within the plant, including heat treatments, which are known for their high energy consumption.

Arcoprofil has been reporting of its energy consumption since long time and it is constantly monitored on an overall basis for the entire site, although not yet divided by business unit or department. An analysis aiming to to further segment energy consumption based on production phases, has been started through the installation of meters within the electrical network.





This initiative is part of the process to achieve ISO 50001 energy certification, scheduled for 2026.

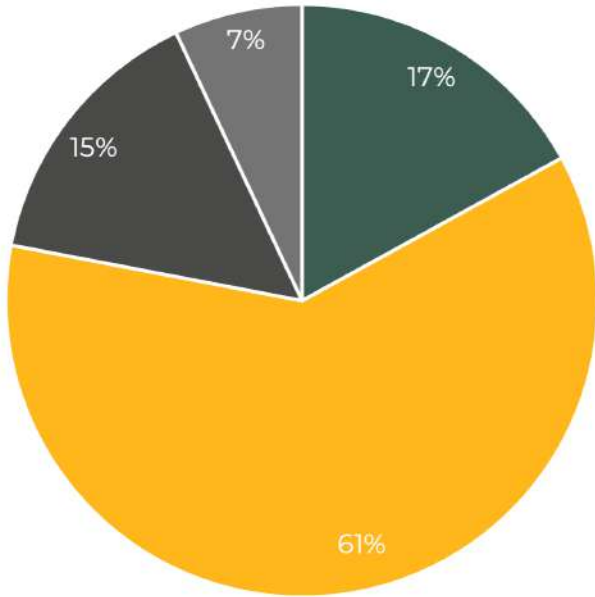
In total, during the year 2024, the organization’s overall energy consumption reached 23,171.58 GJ. Considering the amount of product generated by Arcoprofil during the reporting period, 2.25 GJ of energy were consumed per ton produced (with a total of 10,276 tons of raw material processed).

GRI 302-1 Energy consumption within the organization

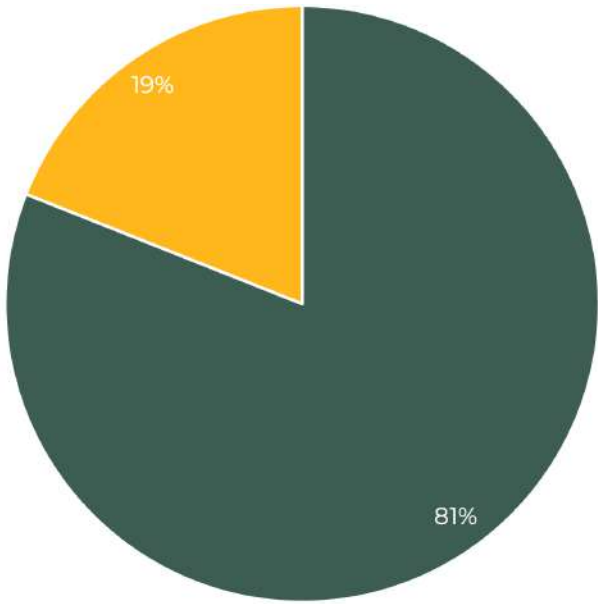
Energy consumption	GJ
Fuel from non-renewable sources	3.857,21
Fuel from non-renewable sources for vehicles	122,36
Purchased electric energy	14.167,57
Self-generated and consumed electricity from renewable sources	3.423,80
Purchased electric energy for waste-to-energy plant	1.600,63
Total energy consumption	23.171,58

Breaking down energy consumption, it is noted that:

- **17% of consumption came from non-renewable sources**, mainly natural gas for heating, gasoline and diesel consumption by company vehicles;
- **61% was used for electricity supply to power machinery and lighting;**
- **7% from energy purchased from district waste-to-energy plant**, a system activated in 2024
- **15% came from self-generated electricity consumed by the 1416 kWp photovoltaic system** (5,753.09 GJ). Of the total electricity consumed, the self-generated green electricity represents the 19%.



- Fuel from non-renewable sources
- Purchased electric energy
- Self-generated and consumed electricity from renewable sources
- Purchased electric energy for waste-to-energy plant



- Purchased electric energy
- Self-generated and consumed electricity from renewable sources



GRI 302-1 Energy consumption within the organization

	TOTAL	
A - TOTAL CONSUMPTION OF FUEL FROM NON-RENEWABLE SOURCES		3.979,58 GJ
Gasoline	0,00 L	0,00 GJ
For company fleet (vehicles for company use)	0,00 L	0,00 GJ
For company fleet (vehicles for mixed-use)	0,00 L	0,00 GJ
For other purposes (specify in notes)	0,00 L	0,00 GJ
Natural gas	106.582,29 smc	3.857,21 GJ
For heating	106.582,29 smc	3.857,21 GJ
For other purposes (specify in notes)	0,00 smc	0,00 GJ
Diesel	3.438,59 L	122,36 GJ
For company fleet (vehicles for company use)	1.867,84 L	66,47 GJ
For company fleet (vehicles for mixed-use)	1.570,75 L	55,90 GJ
For other purposes (specify in notes)	0,00 L	0,00 GJ
B - ELECTRIC ENERGY CONSUMPTIONS	4.886.492,94 Kwh	17.591,37 GJ
Electric energy purchase	3.935.436,00 Kwh	14.167,57 GJ
of which certified renewable electricity – From third parties	0,00 Kwh	0,00 GJ
of which not certified renewable electricity – From third parties	3.935.436,00 Kwh	14.167,57 GJ
Self-generation of electricity (no combustion)	1.454.875,80 Kwh	5.237,55 GJ
of which produced by photovoltaic solar systems	1.454.875,80 Kwh	5.237,55 GJ
Sale of electricity	503.818,86 Kwh	1.813,75 GJ
Electricity sold – To third parties	503.818,86 Kwh	1.813,75 GJ
C - ENERGY CONSUMPTION FOR DISTRICT HEATING	444.619,24 Kwh	1.600,63 GJ
Purchase of energy for district heating	288.713,79 Kwht	1.600,63 GJ
TOTAL ENERGY CONSUMPTION		23.171,58 GJ

ENERGY CONSUMPTION COMPARISON	2024	2023	Variation
A - Total consumption of fuel from non-renewable sources	3.979,58 GJ	6.449,34 GJ	-2.469,77 GJ
B - Electric energy consumptions	17.591,37 GJ	13.818,43 GJ	3.772,94 GJ
C - Energy consumption for district heating	1.600,63 GJ	0,00 GJ	1.600,63GJ
Total energy consumption	23.171,58 GJ	20.267,78 GJ	2.903,80 GJ

When compared to 2023, used as the baseline year, **total energy consumption increased by 2.903,80 GJ, corresponding to a +12.53% rise.**

In relation to the main energy consumption areas, the following trends were observed:

- Electricity: There was an increase in both consumption and procurement, primarily due to the installation of a modified alcohol washing machine and the carburizing furnace reaching full operational capacity.
- Self-produced green energy: A slight decrease in energy production from the photovoltaic system was noted, accompanied by a slight increase in self-consumption.
- Fuel consumption: Natural gas consumption decreased by 38.93%, thanks to the connection to the district heating network.
- Diesel and gasoline: There was a notable reduction in diesel and gasoline usage.
- District heating energy consumption: Energy consumption from district heating increased following the activation of the line in September 2024.

To calculate the equivalence between thermal energy (from district heating) and electrical energy, a conversion factor of 1.54—provided by the energy provider—was used. This factor reflects a general efficiency significantly lower than the national average for waste-to-energy plants in Italy.

To contextualize the organization's level of energy efficiency, the energy intensity index was used, comparing energy consumption to total revenues. **This analysis resulted in an energy intensity index of 0.00072.**

The company's energy consumption, as analyzed, results in the generation of various categories of greenhouse gas (GHG) emissions:

- Direct emissions (Scope 1): Generated directly by the company as a result of its activities and assets.
- Indirect emissions (Scope 2): Arising, for example, from the consumption of energy produced by third parties.



For the calculation of greenhouse gas (GHG) emissions, conversion factors from authoritative and updated sources were used (see methodological note). For both direct (Scope 1) and indirect emissions (Scope 2), the conversion factors “DEFRA Fuel Properties - Petrol (average biofuel blend)” and “AIB European Residual Mixes (Total Supplier Mix IT)” were applied (see table in the appendix).

Moreover, for the calculation of emissions from purchased electricity (Scope 2), both the location-based method and the market-based method were applied. This method measures emissions based on both the typical energy mix of the local electricity grid and the energy mix of the company’s supply contract with the energy provider.

By selecting both criteria, we are able to obtain a more comprehensive and accurate view of emissions, offering both a realistic overview of the carbon intensity of the local grid (location-based) and insight into the positive and voluntary actions taken to reduce emissions through the purchase of green energy (market-based).

For purchased thermal energy, a specific emission factor was provided by Alto Vicentino Ambiente Srl, the service provider. This factor was certified by ICIM Spa and developed based on real, contextualized data that take into account the actual energy mix used (biomass, gas, waste), the efficiency of the distribution network, and other technical variables.

Since there are currently no standardized or widely recognized international emission factors for calculating Scope 2 emissions from thermal energy using the location-based method, it was decided to apply the same emission factor for both the location-based and market-based approaches. This methodology aligns with the GHG Protocol, which allows the use of specific emission factors when they are representative of operational reality and transparently documented.

During the reporting period, a total of 1,857.15 tons of CO₂ equivalent were emitted according to the location-based approach, and 2,352.23 tCO₂e according to the market-based approach.

Scope 1 emissions, referring to direct emissions (225.77 t CO₂e), represent 12.15% under the location-based method and 9.6% under the market-based approach.

Relating the total emissions generated to the company’s production, it is determined that for each ton of finished product produced, 0.181 tons of CO₂ equivalent (location-based) and 0.229 tons of CO₂e (market based) were emitted. (Total finished products in 2024 10,276 tons).

Compared to 2023, a significant reduction in direct Scope 1 emissions can be observed (-38.14%), while indirect Scope 2 market-based emissions increased substantially (+58.85%).

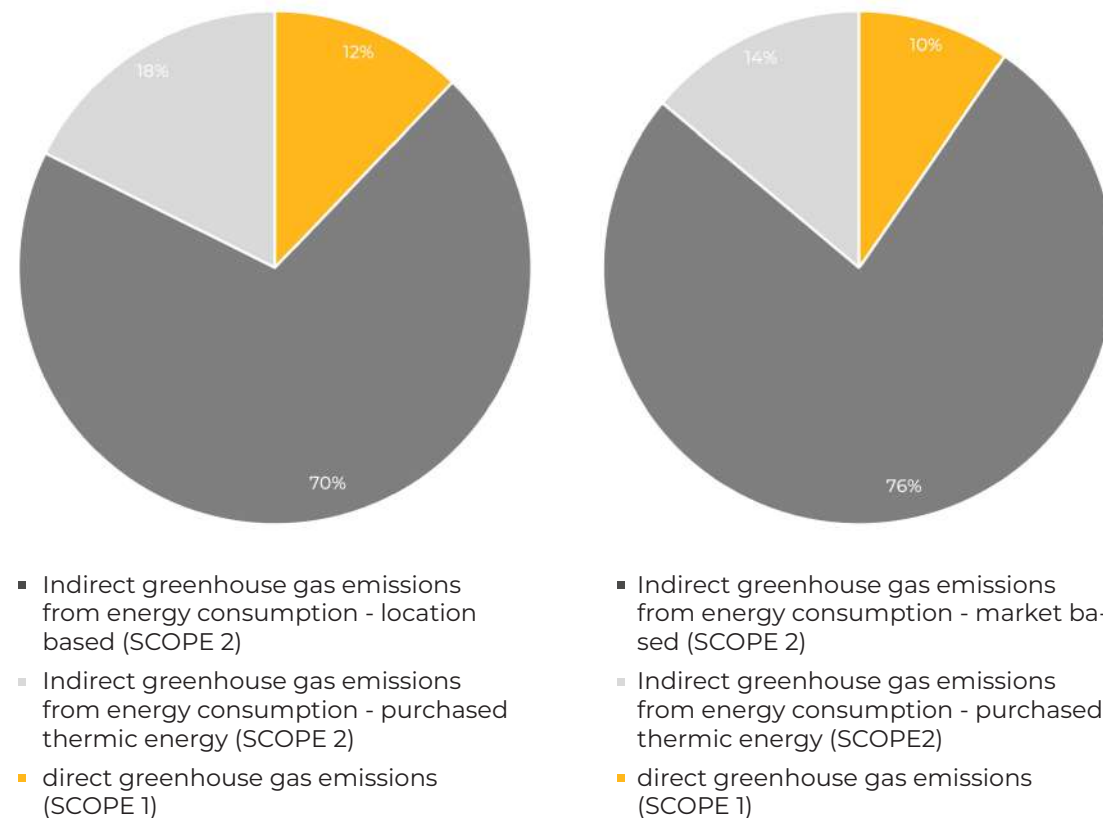
This rise is primarily linked to higher electricity consumption and, more notably, to the high emission factor associated with district heating. The emission value reported by AVA is considerably higher than the average emissions typically recorded for this type of facility.

GRI 305-1a - direct greenhouse gas emissions - SCOPE 1

	tCO ₂ e
Emissions from fuel from non-renewable sources	225,77
Emissions from fuel from non-renewable sources – of-fices and facilities	217,13
of which gasoline	0,00
of which natural gas	217,13
of which diesel	0,00
Emissions from fuel from non-renewable sources – company fleet	8,64
of which gasoline	0,00
of which diesel	8,64
Fugitive emissions	0,00
HFC emissions from air conditioning and refrigeration systems	0,00
Other fugitive emissions	0,00
Total SCOPE 1	225,77

GRI 305-2 - Indirect greenhouse gas emissions from energy consumption – SCOPE 2

	tCO ₂ e location based	tCO ₂ e market based
Purchased electric energy	1.304,01	1.799,08
Purchased thermic energy	327,37	327,37
Totali	1.631,38	2.126,45



5.2 Material topic: Responsible management of waste and used materials

GRI 301-1 / 301-2 / 301-3

The main special waste produced by the company comes from the typical activities of steel processing. Steel is inherently an alloy with infinite recyclability, meaning it can be recycled endlessly without losing its properties and through an energy-efficient process. In addition, modern technologies for steel production, such as the use of Electric Arc Furnaces (EAF), are making the process more efficient and less polluting compared to traditional methods.

Almost all of the material processed at Arcoprofil is produced from scraps, which is part of the circular economy, achieved by recycling and reintroducing ferrous waste back into the raw material production process.

The waste produced by the company occurs during these production phases:

- **Processing phase:** During this phase, ferrous scrap and shavings are generated as a result of excess material removal, or waste from product non-conformity.
- **Packaging phase:** Waste from packaging used to protect or store the main product, consisting of paper, cardboard, plastics, wood, oils, and mixed materials. A large amount of this waste is avoided thanks to good practices, such as using returnable packaging owned by customers and studying eco-friendly packaging solutions.
- **Maintenance activities** on plants and machinery from which waste oils, emulsions, and sludges are generated.

Waste is collected in separate containers, identified according to various categories, classified using the EWC (European Waste Catalogue) code, and measured by weight. Transport and disposal are entrusted to companies with proven technical and professional expertise.

In 2024, targeted initiatives continued to promote the reduction of waste generated—particularly plastic—and to encourage the recovery of scrap materials over disposal.

A waste weighing system (excluding municipal waste) was introduced in preparation for the company's registration with RENTRI (National Electronic Waste Traceability Register), scheduled for 2025.

In the year 2024, no analyses were carried out on the percentage of recycled or recovered content in packaging materials (among purchased consumables, certified recycled material is limited to paper).

However, inquiries were made to steel mills to identify the percentage of recycled content in the raw materials purchased. Our two main raw material suppliers, ACV and ABS, respectively, reported that 75% and 93%, of the material supplied to Arcoprofil derives from recycled scrap.

Given that steel is the primary input material, it can be estimated that approximately **83% of the materials used in production come from recycled sources** (based on a weighted average: 84% of total steel input of 10,738.86 t, plus 0.34 t of paper over a total of 10,924.97 t).

The table below provides a detailed list of the incoming materials used for the production, processing, and packaging stages.



GRI 301-1 - Materials used by weight and volume

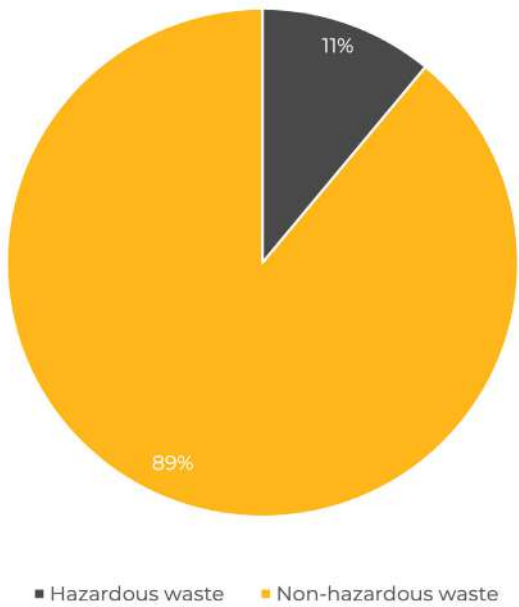
	Total t
Total renewable materials	10.807,42
Steel bar	9.799,32
Forged steel	939,54
Wooden boxes	39,80
Wooden crates	28,42
Paper	0,34
Total non-renewable materials	117,55
PACKAGING CATEGORY	
Tubular netting	5,00
VCI (including rolls, envelopes, covers, paper)	2,20
Corrugated cardboard roll	0,99
Stretch film roll	0,30
Regenerated neutral nylon film	12,17
Strapping	0,66
Black and yellow bags	0,64
Brown packing tape	0,11
EPS foam sponge	0,43
CHEMICAL PRODUCTS CATEGORY	
Protective fluids	8,40
Cutting and gear-cutting fluids	12,37
Oils for molding and deformation	3,30
Lubricants	18,80
Coolants (for grinding)	2,08
Anti-rust	1,59
Detergents	7,20
Nitrogen	33,09
Methanol	8,23
Total materials used for production	10.924,97



In 2024, a total of 3,050.38 tons of waste were produced, which, when compared to the company's production (10275.83 tons of finished product), results in the generation of 0.297 tons of waste per ton of finished product.

As mentioned in the introduction, the majority of our waste consists of scrap and shavings, highly recyclable materials that are reintroduced into the production cycle (total waste 2,684.58 tons in 2024).

The total waste sent to non-recoverable landfill in 2024 amounted to 316.4 tons (10.36%), while recovery operations were initiated for 2,734.34 tons of waste, accounting for 89.67% of the waste produced. Those percentages are similar to the year 2023.



GRI 306-3 - Generated waste

	Total t
Total hazardous waste	347,78
120109* - emulsions	310,49
120116* - grit sand	2,75
120118* - grinding sludge	13,99
130205* - waste oil	5,70
150110* - packaging contaminated with residues of hazardous substances (tanks)	3,16
150202* - mixed contaminated materials	11,34
170903* - rock wool insulated panels	0,05
Total non-hazardous waste	0,31
120101 - metal shavings	2.702,60
120199 - scrap metal	2.112,48
120121 - used grinding wheels	572,10
150101 - paper	0,71
150103 - wood	2,08
150106 - mixed packaging materials	7,70
160214 - Electronic waste	4,75
160214 - materiale elettronico	0,64
160604 - batterie alcaline	0,04
160605 - altre batterie	0,02
200303 - residui della pulizia stradale	2,09

GRI 306-4 - Waste not disposed of in landfill

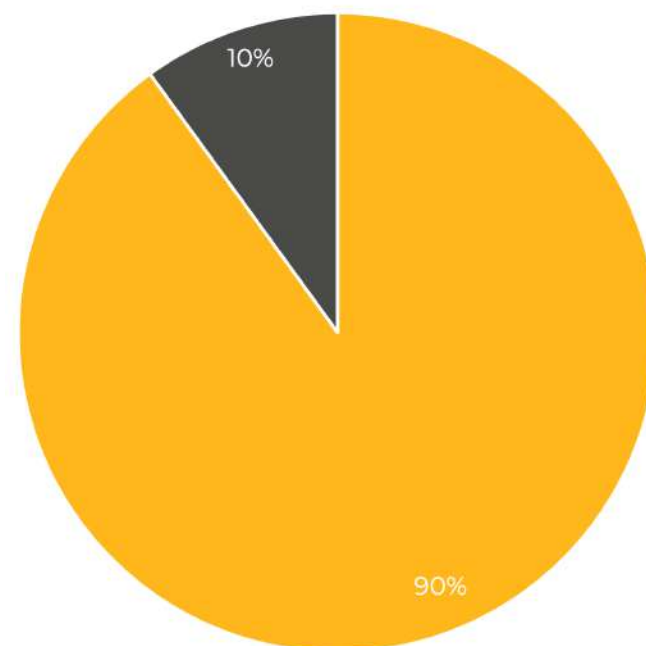
	Total t	
	inside our site	outside our site
Hazardous waste total weight	0,00	34,54
Preparation for reuse	0,00	0,00
Recycling	0,00	34,54
Other recovery operations	0,00	0,00
Non-hazardous waste total weight	0,00	2.699,80
Preparation for reuse	0,00	0,00
Recycling	0,00	2.699,80
Other recovery operations	0,00	0,00



GRI 306-5 - Waste disposed of in landfill

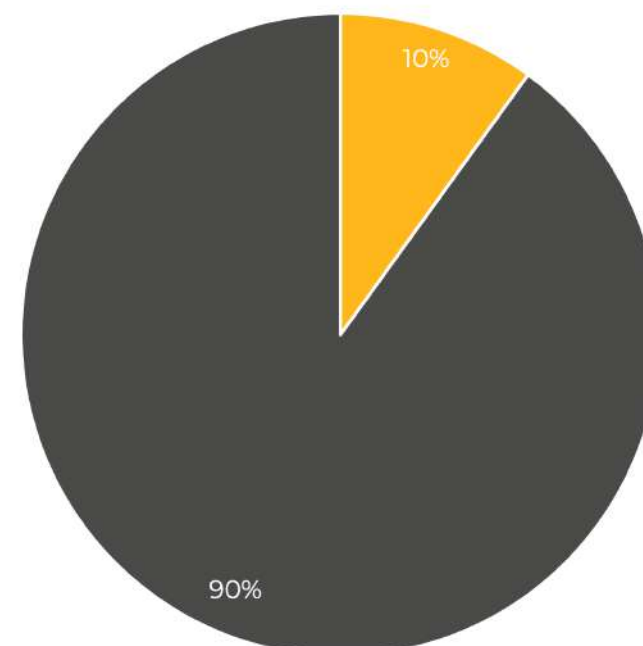
	Total t	
	inside our site	outside our site
Hazardous waste total weight	0,00	313,24
Incineration (with energy recovery)	0,00	0,00
Incineration (without energy recovery)	0,00	0,00
Landfill disposal	0,00	313,24
Other disposal operations	0,00	0,00
Non-hazardous waste total weight	0,00	2,80
Incineration (with energy recovery)	0,00	0,00
Incineration (without energy recovery)	0,00	0,00
Landfill disposal	0,00	2,80
Other disposal operations	0,00	0,00

Total recovered/non-recovered waste



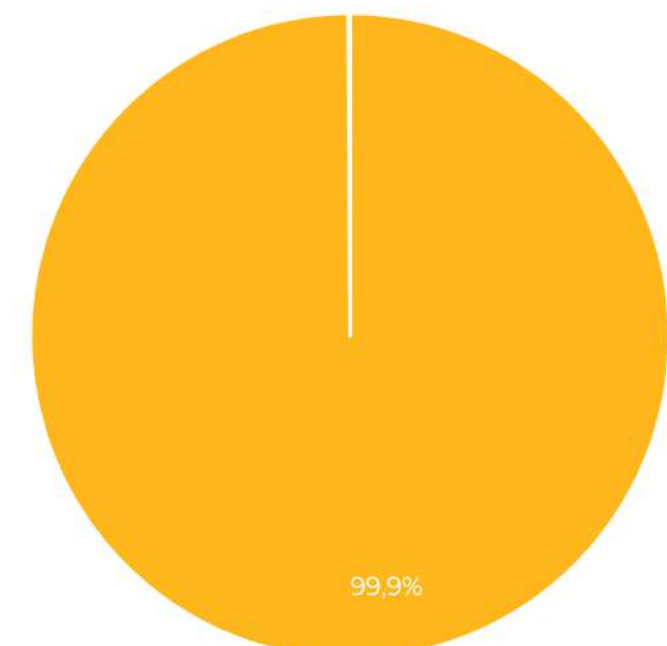
■ Recovered waste ■ Non-recovered waste

Total recovered/non-recovered hazardous waste



■ Recovered hazardous waste ■ Non-recovered hazardous waste

Total recovered/non-recovered non-hazardous waste



■ Recovered non-hazardous waste ■ Non-recovered non-hazardous waste



5.3 Material Topic:
Water resource management

GRI 303-1 / 303-3 / 303-4 / 303-5

The supply of water used in the company’s production activities is primarily sourced from the public water system and is used in production processes along with oils, as well as for sanitary purposes. The water consumption is reported through invoices from the water service provider, which are considered to match the volumes extracted from the public water network, as there are no other sources of supply and no industrial-type water discharges, only discharge into the sewage system.

The following data relates to water withdrawals and consumption, expressed in Megaliters. The data on water consumption does not account for the volume corresponding to discharges, as these are unknown; therefore, the water consumption coincides with the water withdrawal from third parties.

During the reporting period, the total water withdrawal amounted to 3.5 ML, and it appears that the entire volume of water withdrawn is consumed by production processes and washing, while the remaining portion is used for sanitary purposes in the offices.

When adjusting water consumption relative to the amount of finished product in 2024, it is calculated that for every ton produced (10,275.83 tons

of finished product), approximately 340 liters of water were used. (3.5 ML = 3,520,000 liters).

In 2024, overall water consumption decreased by approximately 6% compared to the previous year, although this reduction is not directly proportional to the number of units produced.

GRI 303-3 - Water consumption

	Total MegaL
Surface water (total)	0,00
Water table (total)	3,50
Drinkable water (≤1,000 mg/L total dissolved solids)	3,50
Other water sources (≤1,000 mg/L total dissolved solids)	0,00
Sea water (total)	0,00
Produced water (total)	0,00
Water from third parties (total)	0,00
Total water consumption	3,50

(consumption detected from invoices)



Social sustainability

The “S” in ESG stands for Social sustainability and refers to how a company manages relationships with the people and communities it interacts with.

This includes factors such as health and safety at work, equality and inclusion, employee rights, community involvement and the general well-being of people.

Arcoprofil is committed to promoting a fair, safe and stimulating working environment, ensuring that all stakeholders, from employees to partners, are treated with respect and transparency.

For us, investing in social well-being not only builds trust and reputation, but also fosters sustainable growth, improving the quality of life of people and the long-term success of the company.



6. Social responsibility

GRI 2-7 / 2-8 / 2-30 / 2-19 / 2-20 / 2-21

6.1 Our people

Human resources are a fundamental and essential ingredient for Arcoprofil and its activities. Arcoprofil promotes and ensures respect for the physical, moral, and cultural integrity of individuals.

The company also guarantees working conditions that respect individual dignity and provides safe working environments, where trust and respect are the key pillars for achieving shared results.

The knowledge and adherence to the Ethical Code by all individuals who, in any capacity, operate or work at Arcoprofil are fundamental and essential conditions to ensure the company's transparency and reputation.

Arcoprofil recognizes the importance of ethical-social responsibility in conducting business and corporate activities and, therefore, is committed to achieving its objectives while balancing the interests involved.

All activities carried out by Arcoprofil are managed with full awareness of the moral and social responsibility the company holds towards its shareholders, employees, consultants, business partners, public authorities, and, more generally, all those who engage in collaboration with the company.

As part of its sustainability journey, one of Arcoprofil's priorities concerns the social dimension. This ESG aspect is embodied in the commitment to ensure that everyone has the best conditions to express their full potential, offering individuals an environment where they can grow, develop their skills, and feel protected, with equal opportunities for all.

The company's growth objective goes hand in hand with the increase in the number of employees and the enhancement of the resources already available within the company.

Arcoprofil is committed to ensuring dignified working conditions, promoting corporate welfare, and supporting the work-life balance of its employees.

At the same time, the company is committed to ensuring full compliance with health and safety regulations and a solid management of critical issues to ensure continuous improvement in this important area of growth.





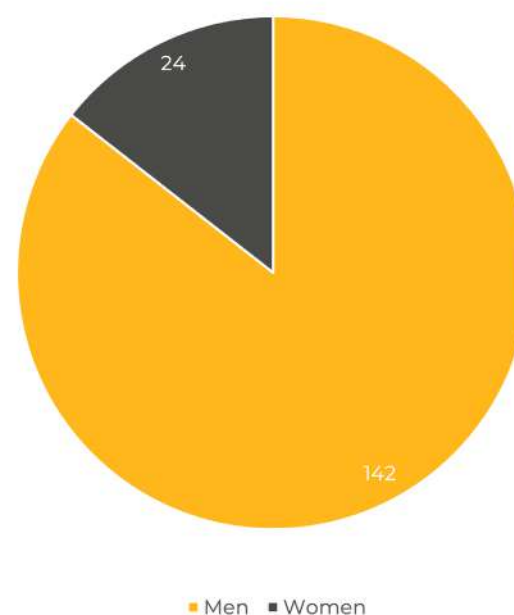
In 2024 Arcoprofil counts 166 employees, 98,8% of whom have permanent contracts, and 92,2% work full-time. Women make up 15,66%, while men account for the remaining 84,33%.

The presence of women in production departments has been further consolidated, following the 2023 Academy project.

GRI 2-7 - Gender of employees

	Women	Men	Total
Employees total number	26	140	166
Permanent job	25	139	164
Temporary job	1	1	2
I work non-guaranteed hours (i.e. occasional work)	0	0	0
Full time + part time employees total number	26	140	166
Full time employees	21	132	153
Part-time employees	3	10	13

The table reports figures based on the total number of employees during the entire reporting period. The number of employees is not an average, but rather the total number of individuals employed between January 1, 2024, and December 31, 2024.



GRI 2-8

The total number of non-employee workers is 21. These are workers whose work is under the company's control, hired indirectly through recruitment agencies. They are mainly involved in production, working as machine operators. The number is not an average but refers to the total number of non-employees workers employed between January 1, 2024 and December 31, 2024.

100% of employees are covered by collective bargaining agreements based on national contracts. To define the salary for each employee, the company applies the Federmeccanica metalworking collective bargaining agreement (CCNL) dated 05.02.21. For the determination of the minimum starting salary, the company considers the minimum contractual salary, skills, and years of experience during individual negotiations between the company and the candidate. Compensation for the highest management bodies is determined by the ownership.

There are no specific policies for engagement bonuses, severance pay (TFR), pension benefits, or specific incentive systems for employee performance. At the end of the year, performance evaluations are conducted, which may lead to specific salary adjustments based on the budget allocated for wages. In 2023, to promote productivity growth, a result-based bonus was established through a union agreement, with a variable amount tied to increases in productivity, profitability, quality, and efficiency.

Annual compensation is calculated based on the theoretical gross value of each employee with the parameters set by the metalworking CCNL, and in particular, the monthly salary is used for 13 months.

In 2024, the ratio between the total annual remuneration of the highest-paid individual and the median annual total remuneration of all employees (excluding the highest-paid employee) is 2,7 to 1.

GRI 2-21 - Annual total compensation ratio

	Description
Total annual wage of the person receiving the highest salary	€ 86.000,00
Average annual total compensation of all employees in the organization, excluding the aforementioned person.	€ 31.507,00
Ratio between the total annual compensation of the highest-paid person and the average total annual compensation of all employees (excluding the aforementioned person).	272,96%



6.2 Material topic: Employees well-being and growth

GRI 404-3 / 401-3

Regarding the workforce, **the overall hiring rate is 6,63% with 11 new hires, and the turnover rate is 10,84% with 18 terminations.** Among the categories, **the highest hiring and turnover rates are observed in the group under 30 age group.**

Women recorded the highest hiring rate at 11.54%, although this figure was halved compared to 2023 (3 women hired in 2024). Male hires totaled 16, two fewer than the number of male terminations.

GRI 401-1 - New employee hires and employees turnover

	<30 y/o			30-50 y/o			> 50 y/o			Total		
	Uomini	Donne	Totale	Uomini	Donne	Totale	Uomini	Donne	Totale	Uomini	Donne	Totale
New hires	4	2	6	2	1	3	2	0	2	8	3	11
New resigns	7	1	8	1	1	2	8	0	8	16	2	18
Hiring factor	11,43%	40,00%	15,00%	3,13%	5,56%	3,66%	4,65%	0,00%	4,55%	5,63%	12,50%	6,63%
Turnover factor	20,00%	20,00%	20,00%	1,56%	5,56%	2,44%	18,60%	0,00%	18,18%	11,27%	8,33%	10,84%

Arcoprofil's growth is also supported by the importance of training, a key element for its development in recent years. These principles are essential for promoting technological updates through the introduction of increasingly advanced machinery and for enhancing awareness of individual skills and roles.

Arcoprofil offers numerous training opportunities, including seminars, courses, and conferences, thus promoting the development of new ideas and career advancement.

GRI 404-1a - Training hours on employee

	Men	Women	Total Hours
Executives	0,00	0,00	0,00
Managers	0,00	0,00	0,00
Employees	558,50	1.071,00	1.629,50
Workers	3.025,75	87,00	3.112,75
Total	3.584,25	1.158,00	4.742,25

In 2024, Arcoprofil provided a total of 4.742,25 hours of training, organized into lessons or educational paths covering various topics, in addition to the

mandatory training required by law.

The courses, aimed at both workers and employees (with an **average of 28,57 hours per year**), were designed for updating, developing, and consolidating technical skills, offering highly specialized training. They also addressed general interest topics such as sustainability.

In this area, **employees were trained and informed about all the sustainability activities carried out by the company**, summarized in a company program called "PlanetArco," created to structure all the sustainability actions the company has undertaken so far and to monitor their results.

Furthermore, **employees were trained on the main tools available to them for recording and reporting critical issues or violations.** The aim is to promote a sustainable culture across all functions and involve all employees to identify areas for improvement and actions to be implemented with their participation.



GRI 404-1b - Average training hours on employee

	Men	Women	Average total hours
Executives	0,00	0,00	0,00
Managers	0,00	0,00	0,00
Employees	42,96	59,50	52,56
Workers	23,46	14,50	23,06
Total	25,24	48,25	28,57

The training programs offered were planned based on skill development needs identified according to each employee's role and existing knowledge.

GRI 404-2 - Employee upskilling and transition assistance programmes

Training topic	Total hours
training for job change	160
forklift use courses	42
onboarding training	1.248
foreign languages courses	12
sustainability training	8
quality management courses	67
RLS courses	157,25
robot courses	8
safety courses	72
technical skills improvement courses	940
formazione su tecniche specifiche	620

Arcoprofil has adopted an **annual evaluation system for each employee**, which is used to map the competencies currently present within the company and to define a plan to address any training gaps.

Regarding employee access to parental leave, please refer to the table below, which includes both parental leave and paternity leave. **Six employees in the table took paternity leave, while no mothers requested parental leave in 2024.**

The return-to-work rate after leave is 100%. The retention rate further expands this report by considering employees who returned to work after parental leave in 2023 and were still employed by Arcoprofil 12 months later (in 2024).

	Men	Women	Total
Employees who were entitled to parental leave	6	0	6
Employees who have taken parental leave	6	0	6
Employees who returned to work during the reporting period after parental leave ended	6	0	6
Employees who returned to work after completing parental leave and who were still employed by the organisation 12 months after returning to work	0	3	3
Employees returning from parental leave in previous reporting periods	0	3	3
Return to work rate	0%	100%	100%
Loyalty rate	0%	100%	100%

6.3 Diversity, inclusion and equal opportunities

GRI 405-1 / 405-2

Arcoprofil emphasizes the importance of the individual, highlighting that company decisions regarding personnel are based solely on the skills and professional performance demonstrated during task execution. In 2024, the workforce composition is predominantly male both among employees and management, as detailed in Chapter 6.1.

The percentage distribution by job category is shown in the following tables: the entire organization is composed of 19% white-collar workers (of which approximately 11% are women) and 81% blue-collar workers (of which 5% are women).

GRI 405-1a - Diversity on the governance bodies

	<30 y/o	30-50 y/o	> 50 y/o	Total
	Number			
Men	0	0	5	5
Women	0	0	1	1
Total	0	0	6	6
	%			
Men	0,00%	0,00%	83,33%	83,33%
Women	0,00%	0,00%	16,67%	16,67%
Total	0,00%	0,00%	100,00%	100,00%



GRI 405-1b / 405-1c - Diversity on employees

	<30 y/o			30-50 y/o			> 50 y/o			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	0	0	0	0	0	0	0	0	0	0	0	0
Managers	0	0	0	0	0	0	0	0	0	0	0	0
Employees	2	4	6	8	13	21	3	1	4	13	18	31
Workers	33	1	34	54	7	61	40	0	40	127	8	135
Total	35	5	40	62	20	82	43	1	44	140	28	166

Executives	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
Managers	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
Employees	1,20%	2,41%	3,61%	4,82%	7,83%	12,65%	1,81%	0,60%	2,41%	7,83%	10,84%	18,67%
Workers	19,88%	0,60%	20,48%	32,53%	4,22%	36,75%	24,10%	0,00%	24,10%	76,51%	4,82%	81,33%
Total	21,08%	3,01%	24,10%	37,35%	12,05%	49,40%	25,90%	0,60%	26,51%	84,34%	15,66%	100,00%

GRI 405-1d - Diversity on employees (disabled)

	Protected categories	Disability	Total
-	Number		
Executives	0	0	0
Managers	0	0	0
Employees	2	0	2
Workers	7	0	7
Total	9	0	9
-	%		
Executives	0,00%	0,00%	0,00%
Managers	0,00%	0,00%	0,00%
Employees	22,22%	0,00%	22,22%
Workers	77,78%	0,00%	77,78%
Total	100,00%	0,00%	100,00%

protected categories coincide with disabled people

As previously mentioned, salaries are determined based on the collective bargaining agreement and individual competencies. Regarding the gender pay gap, no specific policies have been implemented.

Currently, the pay gap between women and men is slightly unbalanced due to the lower representation of women in technical roles, see the table below:

405-2 - Ratio of basic wage between women and men

		Men	Women	Women/ men ratio
Basic wage	Executives	0	0	0
	Managers	0	0	0
	Employees	€ 2.118,84	€ 1.942,73	0,92
	Workers	€ 1.829,66	€ 1.720,16	0,94
Average wage	Executives	0	0	0
	Managers	0	0	0
	Employees	€ 3.279,09	€ 2.521,39	0,77
	Workers	€ 2.365,46	€ 1.943,52	0,82

Basic wages are intended on the current law



6.4 Material topic: health and safety

GRI 403-1 / 403-2 / 403-5 / 403-6 / 403-8 / 403-9

Arcoprofil considers the safety and health of its employees as its highest priority. The company complies with the highest standards aimed at ensuring the protection of health and the safe execution of activities.

The activities carried out by Arcoprofil are managed in accordance with current legislation to protect working conditions, and the company is committed to ensuring an appropriate working environment in terms of safety and health for its employees, adopting all necessary measures to contribute to the development and well-being of the communities in which it operates.

The testimony of the commitment and effectiveness of the health and safety management system is the **ISO 45001 certification that Arcoprofil obtained in 2017.**

Employees, each within the scope of their duties, participate in the process of identifying and preventing risks, safeguarding the environment, and protecting the health and safety of themselves, their colleagues, and third parties.

The approach adopted for workplace health and safety procedures involves evaluating risks starting from the identification of hazards, considering the probability of occurrence, the number of workers involved, and the potential damage that the event may cause.

Risk analysis is conducted numerically, producing a value that, when compared with a reference matrix, determines the risk level.

The processes used for identifying hazards are:

- Identification of all laws and regulations applicable to Arcoprofil's structures, machines, equipment, and activities, followed by verification of compliance with these standards;
- Analysis of the work environment and company layout;
- Analysis of near miss reports and the causes that led to them;
- Analysis of injuries and the causes that led to them.

To ensure continuous monitoring of potential hazards in line with current regulations, particularly Article 50 of Legislative Decree 81/08 and subsequent amendments, the company's internal Safety Representative (RLS in Italian language) conducts periodic inspections to identify any critical issues, gather reports from workers, and report findings to the Head of the Prevention and Protection Service (RSPP in Italian language).

Workers are properly informed during general and specific training and are instructed to leave the workplace in the event of danger or serious situations, promptly notifying the supervisor (according to State-Region Agreement of 21/12/2011).

The supervisor is trained to ensure that work does not resume if the dangerous situation persists (according to training for supervisors, State-Region Agreement of 21/12/2011). The evacuation policies are also included in the Emergency Plan, which prohibits returning to normal activities if hazardous conditions persist.

Supervisors have a form to fill out in the event of an accident, near miss, or injury, which helps analyze the causes, propose solutions to prevent recurrence, and define corrective actions. This form is shared with the RSPP and management.

The occupational doctor, responsible for occupational health services, conducts an annual inspection to assess the workplace environment and activities, collaborating with the employer and the RSPP in hazard identification and risk assessment.

Health surveillance plays a key role in addressing workers' reports regarding potential health risks. During the issuance of health assessments, the occupational doctor also communicates any health-related prescriptions to be considered based on the employee's role and work activity.

Periodic meetings between the RSPP, the occupational doctor, the employer, and the RLS ensure the review of the Prevention and Protection Service activities (review of the DVR document, PPE suitability, risk information/training programs; injury trend analysis).

The company annually sends all employees subject to health surveillance and schedules the occupational doctor's inspections. Employees may request additional visits if their health or work conditions change.

According to Decree 81/08 and the State-Region Agreement, every worker receives appropriate general and specific training based on their assigned tasks.

In 2024, 1.352 hours of training on health and safety were provided.

Employees operating machinery (e.g., forklifts, overhead cranes), emergency services (e.g., first aid, BLSD, fire safety), and those in specific roles (e.g., working at height) are adequately trained and instructed.



To ensure continuous updates for new employees, a practice is in place to provide general and specific training for all new hires.

The applicable collective labour agreement is the metalworking sector agreement, which includes a health assistance fund – Metasalute – allowing employees access to healthcare coverage, which extends to employees dependent family members.

GRI 403-8 - Workers covered by a system of management of health and safety at work

	Occupational health and safety management system			
Employees and non-employee workers whose work and/or workplace is controlled by the organization:	Employees (n)	Employees (%)	Non-employed workers (n)	Non-employed workers (%)
covered by the system	139	83,73%	0	0,00%
covered by the system and checked by an internal audit	0	0,00%	0	0,00%
covered by the system and checked by an external audit	0	0,00%	0	0,00%

An additional level of well-being monitoring is reported through the analysis of the number of prescriptions issued during annual medical visits, and the ratio of prescriptions to employees provides an indicative **health index of the company workforce**.

GRI 901-1 - Health index

	Value
Number of medical visits prescriptions	80
Total employees	166
Health index	0,482

As shown by the results in the reporting year, Arcoprofil's facility recorded a **total of 4 injuries without serious consequences among the employees. The corresponding frequency rate, i.e., the number of injuries per total employees, is 2,41%, while the number of injuries compared to the total hours worked is 17,45%.**

The severity index, calculated based on the total number of days absent for each employee, is 31,93%. The main causes of less severe work-related injuries are the incorrect or improper use of PPE, while the major risk factors that could lead to more serious injuries are associated with the improper use of machinery for material handling and the explosion and fire hazards in areas where heat treatments are performed. **In 2024, no serious injuries or fatalities occurred as a result of workplace accidents while 4 cases of Near-miss** were reported and managed by the respective department heads with the support of the Health and Safety Officer.

GRI 901-2 - Frequency and severity index

	Value
Injuries	4
Total employees	166
Frequency index	2,41
Days of absence	53
Total employees	166
Severity index	31,93

GRI 403-9 - Accidents at work

	EMPLOYEES		
-	Men	Women	Total
Number of deaths due to accident at work	0	0	0
Number of accidents at work with serious consequences (excluding deaths)	0	0	0
Number of accidents at work	3	1	4
Total working hour	194.397,50 h	34.893,25 h	229.290,75 h
Percentage of deaths due to accident at work	0,00	0,00	0,00
Percentage of accidents at work with serious consequences (excluding deaths)	0,00	0,00	0,00
Percentage of accidents at work	15,43	28,66	17,45

-	NOT EMPLOYED WORKERS		
-	Men	Women	Total
Number of deaths due to accident at work	0	0	0
Number of accidents at work with serious consequences (excluding deaths)	0	0	0
Number of accidents at work	0	0	0
Total working hour	2.372,25 h	4.881,00 h	7.253,25 h
Percentage of deaths due to accident at work	0,00	0,00	0,00
Percentage of accidents at work with serious consequences (excluding deaths)	0,00	0,00	0,00
Percentage of accidents at work	0,00	0,00	0,00

The concept of health for Arcoprofil goes beyond workplace well-being and embraces all aspects of employees' lives. For this reason, the following initiatives have been launched:

- Research activities to identify **vending machine suppliers who guarantee healthy products**, low-fat and low-sugar foods, or vegan options to promote healthy eating even during work breaks.
- Promotion of an **anti-smoking policy** to raise awareness among smokers about the health risks associated with smoking and offering them the opportunity to undertake company-sponsored programs to quit smoking.
- Agreements and discounts reserved for employees with **medical clinics**.
- Agreements and discounts reserved for Arcoprofil employees with **gyms, sports centers, and sports medicine clinics** to promote a culture of health through physical activity.

Furthermore, Arcoprofil has developed actions over time to support workers in maintaining a proper balance between **work and private life**. Specifically:

- Distribution of an **annual climate survey** to identify potential areas for improvement.
- Activation of **remote work** (smart working)
- Organization or participation in **recreational events outside working hours** (company parties at Christmas and before the summer break, participation as the Arcoprofil team in local sports events).
- Definition of an **annual vacation plan** to enable everyone to better manage their holiday periods.



6.5 Territory and local community sustainable development promotion



GRI 413-1 / 413-2

Sustainability for Arcoprofil means focusing on people, supporting local communities, and safeguarding the environment. The mission is to generate value not only through quality but also through social and environmental responsibility.

Investments are made in a sustainable manner, respecting local communities and supporting cultural and social initiatives, with no significant negative impacts on the communities.

Depending on the purpose and content of the initiative, Arcoprofil's projects can be categorized as follows:

- **Territory Promotion**
- **Solidarity**
- **Culture/ Technical-Scientific Promotion**

Territory Promotion

Within the context of promoting a culture of health and well-being as well as enhancing the local territory and its unique features, Arcoprofil has chosen to purchase local food products from small suppliers, such as Apicoltura Summano, which provided organic jams and honey produced locally.

Solidarity/Scientific Research

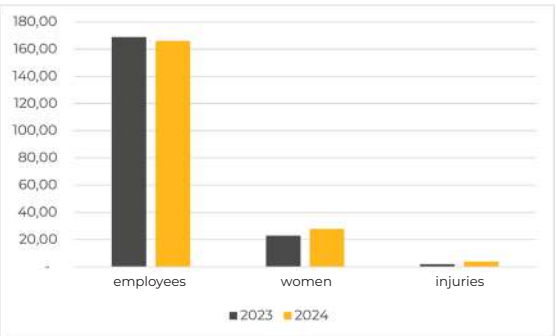
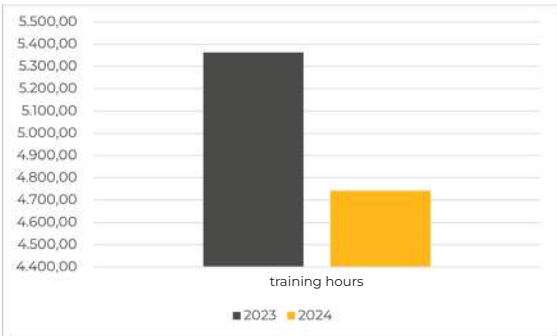
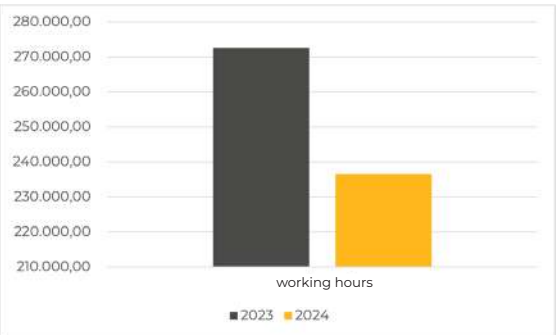
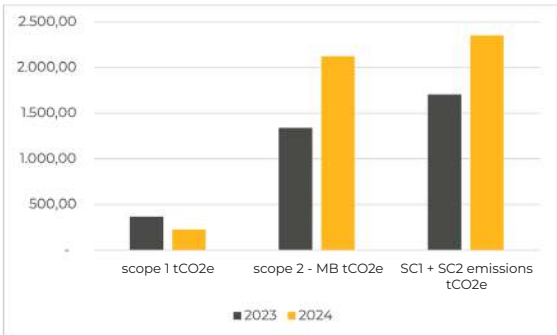
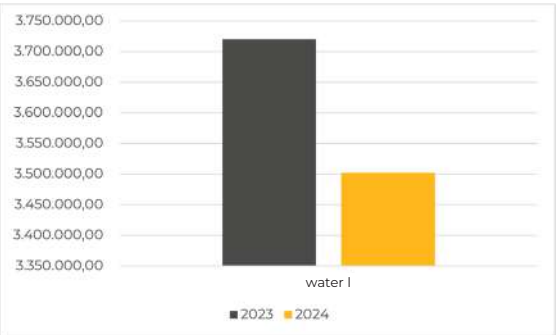
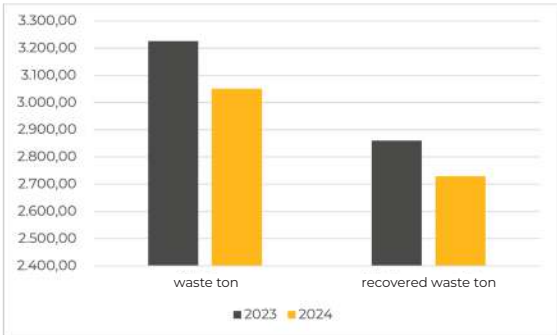
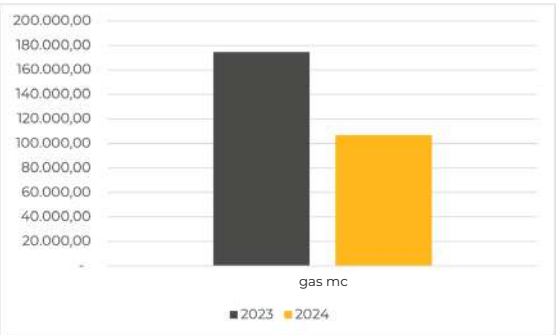
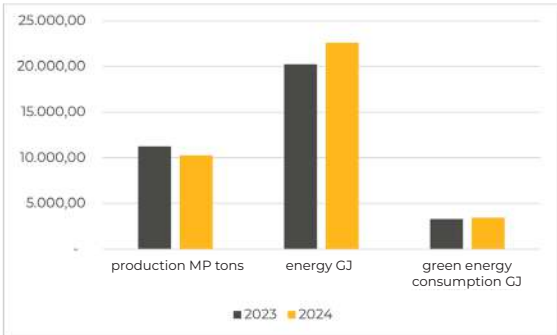
- Purchase of food products for Christmas gift packages for employees from the **Cogita Cooperative in Schio**, in collaboration with the **Verlata Cooperative in Villaverla**, which is engaged in projects for the integration of people with disabilities into the workforce.
- Support for **Satyagraha Onlus** in the creation of a protected village in southern India where girls are safeguarded from organ trafficking, prostitution, and child marriage, and where they can study and grow up safely.

Culture/Technical-Scientific Promotion

- Participation in **MAV, the Handicraft Exhibition of Marano Vicentino**, to promote the spread of technical and scientific training for middle and high school students through seminars and workshops.
- Sponsorship of the **FESAV Science Festival**, dedicated to scientific and technological knowledge, dissemination, and sustainable development.
- Collaboration with **local technical institutes** (ITIS Schio and Valdagno, IPSIA Schio, Don Bosco Vocational Training Institute Schio) to promote mechanical and mechatronics training through the organization of workshops and guided tours for students.
- Activation of **dual apprenticeships for 3 students**. In collaboration with local schools, 8 students participated in the school-work alternation program in the production departments.
- Sponsorship of the **Rabbit Team from I.T.I.S. De Pretto in Schio, which placed second in the national finals of F1 in Schools**, an international competition aimed at changing the perception of science, technology, engineering, and mathematics by framing them in an exciting challenge involving engineering, Formula 1, marketing, and technology.
- Active collaboration with the **Schio Employment Center and Informagiovani** for career and school orientation for young people in the area.
- Organization at the Arcoprofil headquarters of a **Stäubli course on robot programming**, open to professionals from other metalworking companies in the area.

Data comparison 2023/2024

	2023	2024	delta	%
production MP tons	11.243,53	10.275,83	-967,70	-8,61%
energy GJ	20.267,77	23.171,58	2.903,80	12,53%
green energy consumption GJ	3.276,80	3.423,80	147,00	4,49%
gas mc3	174.528,76	106.582,29	-67.946,47	-38,93%
waste ton	3.225,68	3.050,34	-175,34	-5,44%
% recovered waste/ tot	88,67%	89,46%		0,79%
water l	3.720.000,00	3.502.500,00	-217.500,00	-5,85%
scope 1	364,99	225,77	-139,22	-38,14%
scope 2 - MB	1.338,64	2.126,46	787,82	58,85%
emissions SC1 + SC2	1.703,63	2.352,23	648,60	38,07%
working hours	272.504,00	236.544,00	-35.960,00	-13,20%
employees	169,00	166,00	-3,00	-1,78%
training h	5.362,25	4.742,25	-620,00	-11,56%
% women	13,60	15,66	2,06	15,15%
Injuries	2,00	4,00	2,00	100,00%



7. ESG Digital Governance

In 2023, Arcoprofil embarked on a digitalization process for collecting ESG (Environmental, Social, and Governance) data by adopting a new technology designed to facilitate the monitoring, management, and traceability of non-financial data. These metrics play an increasingly important role within business processes, and the adoption of a digital approach enables the optimization of the production of high-quality ESG information, leading to better sharing of the company's value with stakeholders through the subsequent preparation of the Sustainability Report.

In particular, the project aims to:

- Establish a structured and digitalized business process that provides a clear view of the sustainability data collection flow.
- Effectively track all stages of the process.
- Ensure compliance with the standards used for the Sustainability Report.
- Provide a tool for constant and effective monitoring and evaluation of ESG performance.
- Ensure the reliability and consistency of the information.
- Facilitate engagement with all stakeholders.

The digital and technological tool chosen by Arcoprofil to achieve these objectives is the ESGeo platform. The implementation of the ESG tool has simplified and automated the collection of sustainability information.

The user-friendly interface of ESGeo and the platform's configuration for gathering data required by the GRI standards reporting framework has made data collection clearer and more structured, allowing for step-by-step monitoring of the data flow.

With the tool's capabilities to attach supporting documents for data entry, analyze material topics, extract data in Excel format, and track the data entry process on the platform, Arcoprofil is now able to manage accurate reporting that improves the understanding of the company's social, environmental, and governance impacts.

The adoption of the ESGeo tool will also enable Arcoprofil to monitor ESG performance annually in the future, promoting transparency and effectiveness in the management of corporate sustainability.

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