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# SUSTAINABILITY REPORT

# 2023



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# LETTER TO STAKEHOLDERS

## Dear Stakeholders,

It is a great pleasure to share with you the first sustainability report of Officine Ambrogio Melesi.

Attention to the environment, to the people, to the local community, and a careful, responsible corporate governance with a long-term vision, have guided our actions enabling Officine Ambrogio Melesi to cross the seventy-year milestone.

At Officine Ambrogio Melesi, we believe that commitment to sustainability is a key, concrete and measurable factor. Our will is to promote greater awareness and responsibility in all ESG areas by embarking on a voluntary and dedicated path to measure our impact. It is a path that brings with it the need for strong changes in the way we operate, a collective path that transversally permeates our approach to work and that of our employees. It is with everyone's contribution that our ambitions are transformed into facts year after year. This commitment has enabled us to produce our first Sustainability Report, which will be updated annually.

We do not merely comply with regulatory obligations, but we aspire to be a real driver of change by ensuring that what is written in sustainability reports is always inspired by a principle of truth and clarity and that words are followed by concrete and coherent actions.

Today, simply reporting numbers is no longer enough; we need to support them with a long-term vision, capable of translating data into concrete and measurable goals.

Our sustainability report aims to do this, offering an overview that launches the company into a medium-term growth perspective, aligned with our values and beliefs. These beliefs have always belonged to us, and have been consolidated in the adoption of the Sustainability Report's own methodology.

Each year we will measure our achievements through timely and transparent reporting, focusing on the main indicators related to the three ESG dimensions: Environment, Social and Governance.

This process will allow us to assess and share the value created, contributing to the evolution and continued growth of our company. The documentation we present, and the activities and commitment it represents, confirm our path toward a unique, extensive, and concrete ESG strategy that will guide us into the future.

**Ambrogio Invernizzi**  
Chairman and CEO



## READING GUIDE

The sustainability report consists of **four chapters** and an appendix.

# 01

The **first chapter** describes in an essential way the organization, its identity, history and its ownership structure.

# 02

The **second chapter** reports the main bodies, principles and procedures that the company has adopted for its proper management.

# 03

The **third chapter** explain how the organization uses productive, economic, human and intellectual resources to generate value, what impacts, risks and opportunities are linked to this process, and what are the strategies that enable the creation of long-lasting shared value.

# 04

The **fourth chapter** delves deeper into the company's objectives and activities, declined in the ESG dimensions (Environmental, Social and Governance).

# 05

The **last part** contains the references used for the preparation of the report, an index reporting the GRI indicators applied, and a glossary for a better understanding of some of the terminologies used.

# OVERVIEW OF THE ORGANIZATION



This chapter provides an essential description of the organization, its identity, history, ownership structure, and the main data representing it.

# VISION

To be recognized as Leaders in our target markets for our ability to:

- Fully meet Customers' needs.
- Ensuring that any product is done right the first time, every time.
- Delivering competitive products in terms of quality and delivery time.
- Guarantee Customers all those services that make products always fit for use in an effective and efficient manner.

# MISSION

To guarantee Customers all those services that make our products safe, reliable, and always fit for use.

Our MISSION is pursued through:

- Active listening to Customers' needs in terms of Quality, Design and Delivery.
- Proactive relationship with Customers globally, through our network of international resources.
- Involvement of all Company Resources to best meet our Customers' expectations in terms of quality and services.

# VALUES

Our Values are the "steel" elements of our history, our present and our future and are based on passion, dedication, respect, practicality, and seriousness. All resources (ownership, managers, employees) have the responsibility to make these values an active part of business processes to ensure the sustainable growth of Officine Ambrogio Melesi:

- Guarantee the centrality of the Customer in all activities.
- Value the know-how assets present in the Company.
- Guarantee the effectiveness of processes in terms of quality, and physical and environmental safety.
- Pursuing the sustainable growth of the activities and the territory by seizing the challenges of the market without affecting the company's solidity and business ethics.
- Pursuing the necessary investments for the technological improvement of processes, the qualitative improvement of products and the expansion of the range of products to be offered to the Market.
- Pursuing differentiation from competitors through the ability to provide Customers with services that make our products suitable for use in an effective and efficient manner.



GRI 2-1 Organizational details  
GRI 2-2 Entities included in the organization's sustainability reporting

# COMPANY STRUCTURE AND EVOLUTION

The history of Officine Ambrogio Melesi began in 1914 in Cortabbio di Primaluna (Lecco). It then moved to Cortenova in 1946. For more than 70 years Officine Ambrogio Melesi has specialized in the design, production and supply of flanges, forged and laminated products, and it is a worldwide market leader in the Oil & Gas markets as the main users of the products developed to date, and, at the same time, it is also increasingly interested in seizing new opportunities in emerging and technologically more advanced industrial fields.

The company ranks among the medium-large companies in the sector, with a number of about 250 employees, and is undergoing a major organizational change with the inclusion of new managerial figures.

This will allow the Ownership to focus on new strategic choices capable of maintaining and increasing the competitiveness and solidity of Officine Ambrogio Melesi & C. S.r.l.

The strengths are:

- Fully automated and industrialized production system, which guarantees the reliability of products characterized by high quality standards.
- Technical consulting, with qualified expertise.
- Flexibility, with respect to every customer need.
- Guaranteed service and products, always suitable for use effectively and efficiently.
- Customer focus in all activities.

For Officine Ambrogio Melesi it is fundamental to:

- Value company know-how.
- Guarantee the effectiveness of processes in terms of quality, health and safety of workers and respect for the environment.
- Pursuing the sustainable growth of activities and the territory by seizing the challenges of the market without undermining corporate solidity and business ethics.

# COMPANY LOCATIONS AND FACILITIES

Officine Ambrogio Melesi covers a total area of more than 160,000 square meters on 5 production sites.

The company, whose headquarters was established and resides in the town of Cortenova in Valsassina in the province of Lecco, has expanded over the years by absorbing other small companies in the sector and beyond, and to date, the production units that make up the group are located along the lower valley.



**HQ and Legal location**  
Largo De' Vecchi, 11 - Cortenova (LC)  
84.000 mq



**PI Division**  
Via A. Modigliani, 7 - Cortenova (LC)  
37.000 mq - 0,5 KM from the HQ



**MFH Division**  
Via Provinciale 125 - Primaluna (LC)  
6.800 mq - 3 KM from the HQ



**ODC Division**  
Via Provinciale 147 - Cortabbio (LC)  
Via Merla 8 - Cortabbio (LC)  
27.000 mq - 2,5 KM from the HQ



**RPI Division**  
Via Vittorio Veneto, 16 - Introbio (LC)  
5.200 mq - 6,5 KM from the HQ

# HISTORY



The two families Melesi and Selva split, and Ambrogio Melesi founded Officine Ambrogio Melesi & C Srl in Cortenova, specializing in the production of agricultural forks and shuttle bits.

1946



Installation of a 20,000 kgm recoil hammer.

1977



In 1993, the 35,000 kgm recoil hammer is installed, completing the range of offerings, enabling penetration into new markets. The quality management system receives ISO 9001 certification.

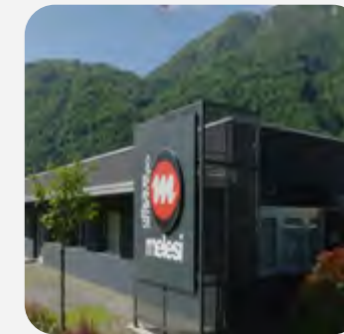
1991-1998



Acquisition of two new production sites in Cortenova with an incremental area of 60,000 sq m (Pigazzi & Benedetti).

First productions of the New PV 630 rocker arm.

2011-2015



Acquisition of Metalforch Srl in Primaluna (7,000 sq. m.) & launch of its own range of Clamp Connectors, registered as  $\alpha$ -LOCK®.

2020-2021



1914

Melesi & Selva Families founded Officine Melesi & Selva in Cortabbio di Primaluna in Valsassina in 1914 from the manufacture of agricultural tools to the production of forged products.



1950-1970

Start Production of the first flanges for the emerging Chemical and Petrochemical Industry.



1980-1990

Introduction of the first CNC lathes, installation of a 2,500-ton stamping press, a 1,200-ton hydraulic press, a horizontal rolling mill, and order management becomes computerized.



2000-2010

Installation of 4 new mechanical and hydraulic presses, 3 new rolling mills, 1 40,000 kgm recoil hammer, 1 milling-boring machine and 1 innovative automatic raw material warehouse.



2016-2019

ISO 14001, ISO 17025 & ISO 45001 certifications.

First productions with New Lasco 8000 kgm Hammer.

Acquisition of new production site in Introbio (5000 sq. m.) for what will become the RPI Division.



2022-2024

Growth of PI Division in Cortenova (37,000 sq. m.) & acquisition of "Officine di Cortabbio Srl" (27,000 sq. m.) for a total of 5 production sites & total extension of 160,000 sq. m.

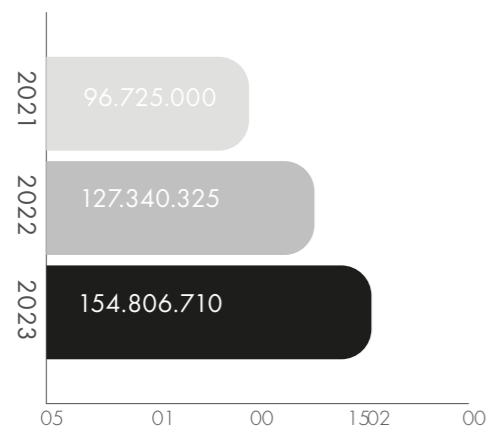




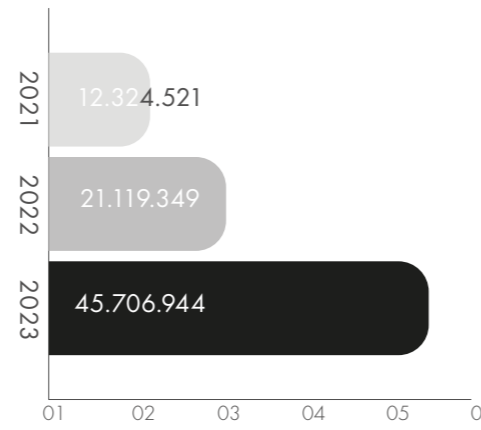
# HIGHLIGHTS



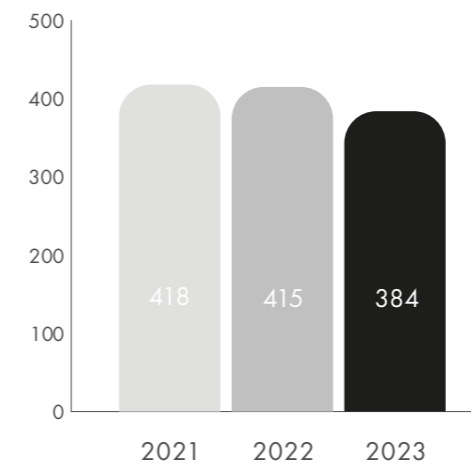
TURNOVER (IN MILLIONS OF EUROS)



EBITDA (IN MILLIONS OF EUROS)



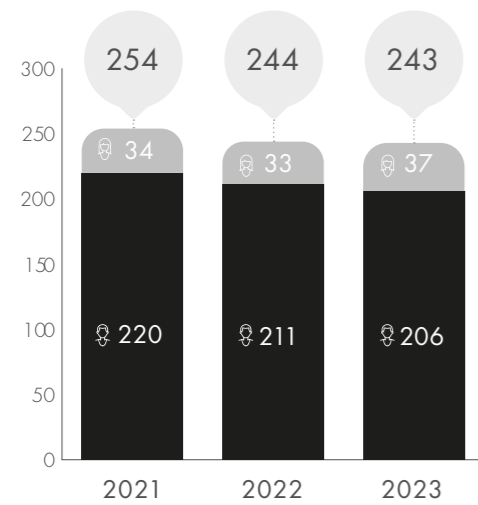
NUMBER OF CLIENTS



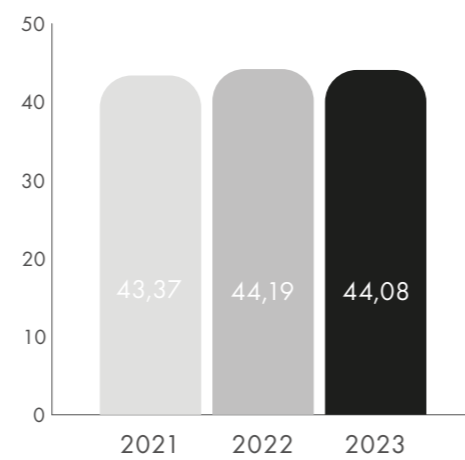
HOURS OF TRAINING IN HEALTH AND SAFETY (2023): **595**



NUMBER OF EMPLOYEES



AVERAGE AGE



**60.000** TONS OF PRODUCTION CAPACITY PER YEAR (2023)



CAPACITY OF **1.000.000** PRODUCEABLE PIECES PER YEAR (2023)

# OFFICINE AMBROGIO MELESI IN THE WORLD

World references	As of 2023
Africa/Middle East	37%
Asia	21%
North America	17%
Rest of Europe	10%
South America	9%
Australia	4%
Italy	2%

[List of references](#)



# 02 CORPORATE GOVERNANCE



This chapter reports on the governing bodies, principles and procedures the company has adopted for its proper management.

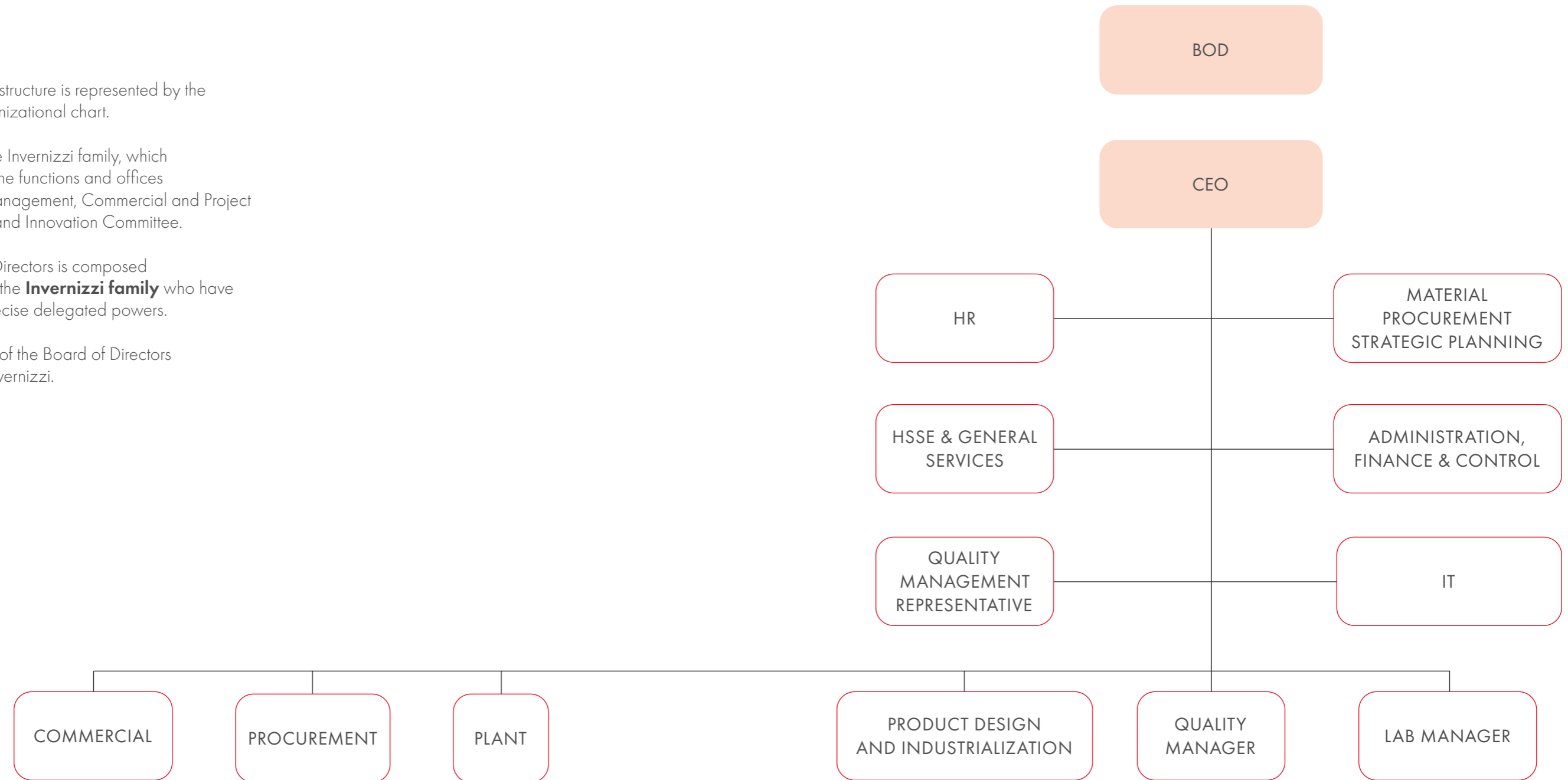
# GOVERNANCE STRUCTURE

The corporate structure is represented by the following organizational chart.

At the top is the Invernizzi family, which presides over the functions and offices of General Management, Commercial and Project Coordination and Innovation Committee.

The Board of Directors is composed of members of the **Invernizzi family** who have been given precise delegated powers.

The Chairman of the Board of Directors is Ambrogio Invernizzi.



## QUALITY POLICY

Ensuring the highest standard of service and product quality represents an indispensable corporate asset for Officine Ambrogio Melesi that derives from the contribution of each and every person working in the production chain.

Officine Ambrogio Melesi & C. S.r.l. firmly believes that only through quality it is possible to maintain and develop its position of excellence in international markets, and therefore it renews its commitment to **satisfy customers' needs and expectations and to comply with mandatory regulatory requirements** and voluntary and/or contractually required product standards as well, and to continuously improve the effectiveness of the Quality Management System.

The maintenance of an effective and efficient Quality Management System is considered by the Management of Officine Ambrogio Melesi as an essential vehicle for the general **growth** of the entire company, for the pursuit of objectives and continuous improvement, aware that the pursuit of quality must be a **daily commitment diffused at every level of the company**, and that the responsibility in the pursuit of Total Quality is ultimately the responsibility of the Company Management.



[Quality policy](#)

## HSE POLICY

The company is **UNI EN ISO 14001** and **UNI ISO 45001** certified.

Through the development of the UNI EN ISO 14001 - UNI ISO 45001 Integrated Management System, Officine Ambrogio Melesi promotes a culture of safety and environment, based on the centrality of the human factor and the protection of the natural heritage.

At the core of the company's [Safety and Environment Policy](#) are elements such as:

- **Knowledge**
- **Involvement**
- **Improvement**

Knowledge of all company processes is a prerequisite for the complete identification of sources of hazards and environmental impacts. The personnel are constantly involved, trained and updated in order to develop qualified skills. On this basis, the company aims to promote continuous improvement in environmental, health and safety performance, ensuring full compliance with laws and regulations.





## CERTIFICATIONS

Officine Ambrogio Melesi has always been attentive to the quality of its products, destined mainly to industrial plant engineering.

Products are manufactured both in accordance with national and international standards and in compliance with Customers' specifications.

Continuous controls are provided during the production processes; mechanical tests conducted at the internal ISO 17025 certified laboratory and NDE controls managed by qualified operators satisfy the most demanding supplies.

Main sectors of use: oil & gas, energy, chemical and pharmaceutical, desalination and water treatment.

The company's Quality System is certified in accordance with ISO 9001 / ISO 29001 standards.

Over the years, the company has obtained a number of additional certifications, such as:

- TUV AD 2000 W0
- 2014/68/EU (Pressure Equipment Directive)
- LLOYD'S REGISTER Manufacturer of steel forgings
- NORSOK – TR 2000
- ABS - Steel forgings and components for marine applications
- BV Marine & Offshore - Flanges and forgings
- RINA - Forgings and hot rolled rings
- DNV - Steel forgings for marine and offshore applications
- NSF61 - Drinking Water System Components

In addition to being approved and registered in the vendor lists of major Companies in the oil & gas industry, the company maintains ISO 14001 and ISO 45001 certifications for Environmental Management System and Occupational Health and Safety Management System, respectively.

## MEMBERSHIP IN ASSOCIATIONS

Officine Ambrogio Melesi is part of **Confindustria Lecco**.

The company has been awarded with the **Bollino per l'Alternanza di Qualità (BAQ)** and the **Bollino Impresa in ITS (BITS)**, which are recognized by Confindustria to enhance the commitment of companies in the training of new generations.

Both awards testify to the commitment of Officine Ambrogio Melesi in enhancing training for new generations, the lifeblood necessary for the continuous improvement and progress of business and society.





## CODE OF ETHICS

Officine Ambrogio Melesi has implemented the following Code of Ethics, which can be consulted in full at the following [LINK](#).

The document clearly outlines the set of business ethics values recognized and shared by Officine Ambrogio Melesi.

The corporate will is to clearly express the principles, values and responsibilities that guide the way of existing and operating in the market, with the territorial communities, with the people who work in the company, and with the stakeholders.

Officine Ambrogio Melesi is committed to ensuring that there is awareness of and compliance with the contents of the Code of Ethics by all those who collaborate with the company, essential factors to ensure efficiency, reliability, excellence and transparency of activities and behaviors.

The company prepares adequate information, prevention and control activities to ensure the implementation of the Code of Ethics and its observance.

For us, the credibility and reputation of our behavior are fundamental elements of our relationship with all our stakeholders and of our company's success.



The general principles encapsulated within the Code of Ethics:

- Compliance with Laws and Regulations
- Fairness and Honesty
- Absence of discrimination
- Health and safety oversight
- Environmental Protection
- Responsibility and Privacy
- Conflict of Interests
- Respect for Property
- Value of human resources

## WHISTLEBLOWING POLICY

**OFFICINE AMBROGIO MELESI** has activated a reporting system as per Legislative Decree 24/2023.

The company provides a legal tool to report any illegal conduct that is detected in the context of its work activity, guaranteeing protection against any possible retaliation related, even indirectly, with reference to the reported facts, ensuring the complete anonymity of each report.

The report made via the platform is received by the identified manager in the company, which has autonomy and independence.

The platform allows dialogue, also in anonymous form, between the reporter and the manager of the report for requests for clarifications, insights, additions, without the need to provide personal contacts, consultable and accessible without any limitation

# 03

## BUSINESS MODEL

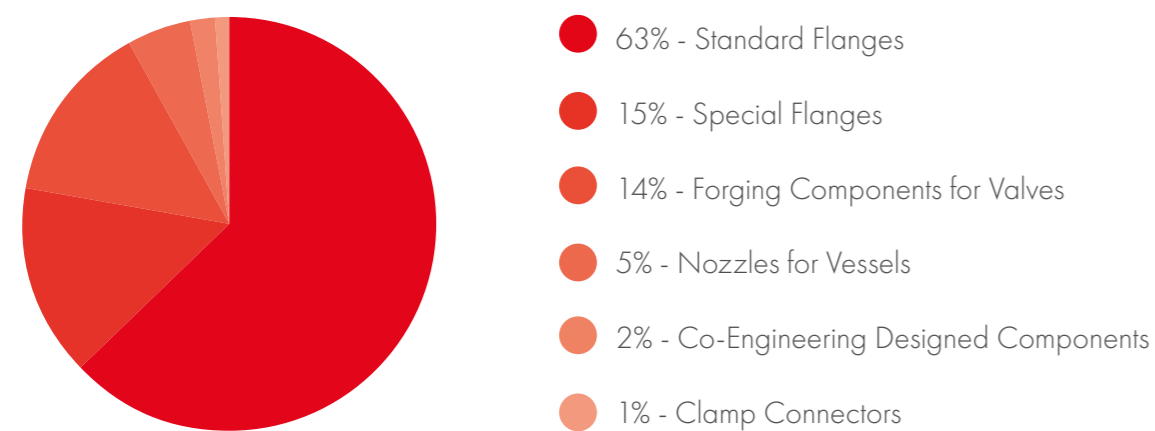


The following chapter details how the organization uses financial and non-financial capitals to generate shared value, what impacts, risks, and opportunities are linked with this process, and what strategies enable long-lasting and shared value creation.

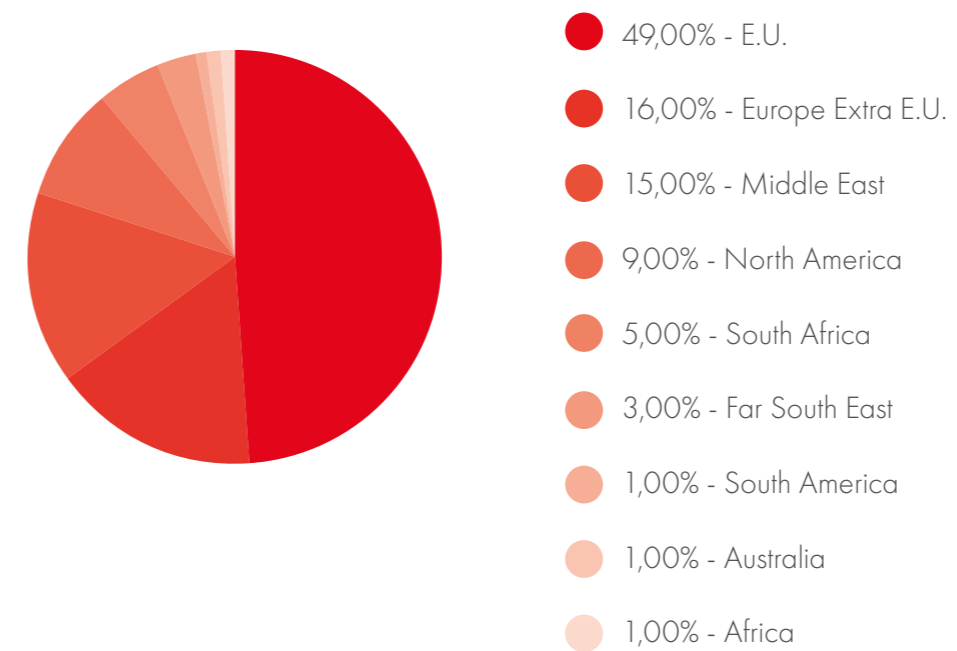


# EXTERNAL CONTEXT

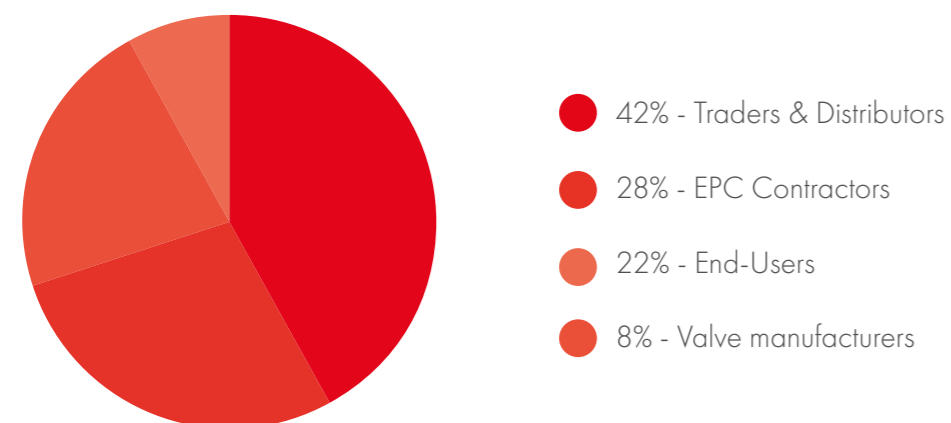
## TYPE OF PRODUCT (REF TURNOVER € 2023)



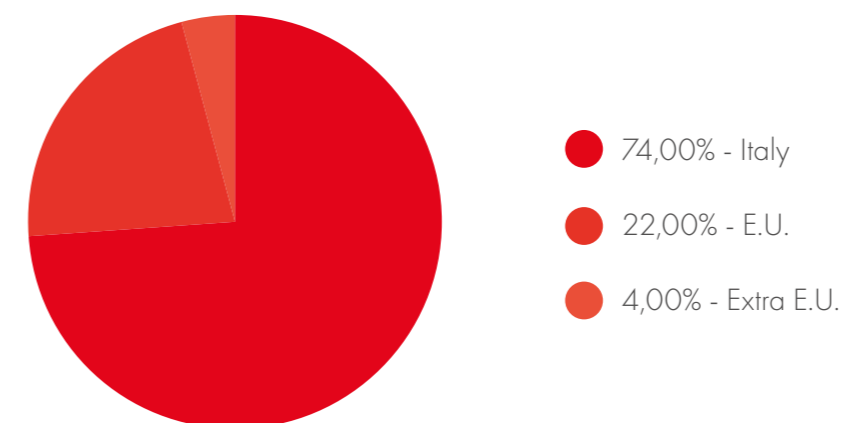
## SALES (REF TURNOVER € 2023)



## CUSTOMER OVERVIEW (REF TURNOVER € 2023)



## PURCHASE (REF TURNOVER € 2023)





# DESCRIPTION OF THE EXTERNAL CONTEXT

Officine Ambrogio Melesi has a long and consolidated experience in the production of flanges, forged and rolled parts of all types. Thanks to continuous investments and the strategic vision of the Ownership and Management, the company has significantly **expanded its range of forging products**, obtaining numerous **awards from some of the most influential companies** worldwide, **operating in the following sectors:**

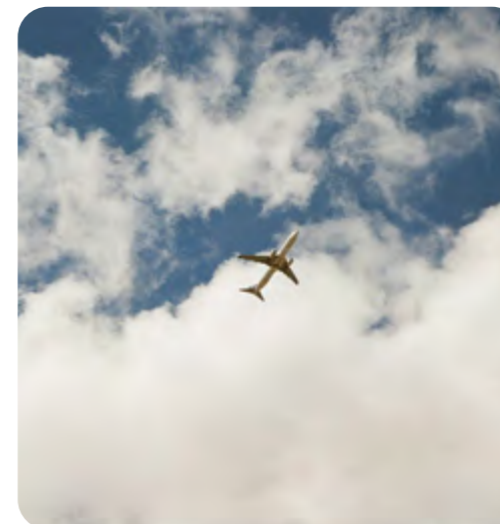
- Oil & Gas
- Chemical and petrochemical
- Aerospace
- Transmission
- Construction and mining
- Power generation
- Wind power
- General mechanics
- Water treatment - Desalination

**Raw material** suppliers are mainly located in the EU. Sourcing involves the following raw materials:

- Steels in accordance with major international standards (e.g., ASTM).
- Carbon Steels
- Low alloyed steels
- High alloyed steels
- Austenitic Stainless Steels
- Martensitic Stainless Steels
- Duplex/Superduplex Stainless Steels
- Austenitic-Ferritic Stainless Steel
- Nickel Alloys
- Copper Alloys
- Aluminum Alloys
- Titanium

**Main materials** used for **anti-corrosion filler welding:**

- ER NiCrMo-3 (inc 625);
- ER 309L Mo + ER 316L Si (F316);
- ER 309L Mo + ER 310 (F310);
- ER NiFeCr-1 (inc 825);
- ER NiCrMo-4 (hast C276);
- ER 2209 (F51);
- ER NiCrMo-13 (alloy 59).



## THE COMPANY'S OFFER

Officine Ambrogio Melesi has a **state-of-the-art technological/ productive apparatus** that enables it to quickly respond to customers' priorities and needs by ensuring excellent service both in terms of assistance, quality and delivery times.

It consists of:

- Numerous Forging & Rolling Lines (mechanical presses, recoil hammers, hydraulic presses, screw presses, horizontal and vertical rolling mills).
- Heat treatment plants
- Numerous fully automated CNC machines
- In-house Testing Laboratory fully equipped to conduct destructive and non-destructive testing to ensure highly qualified products

Thanks to its **high technical standard**, Officine Ambrogio Melesi is able to design, produce and guarantee specially made parts to meet all application needs and scenarios, while also offering highly **qualified and certified specific technical advice** to assist customers and meet all levels of expectation.

**Quality** is the common trait that distinguishes all products and characterizes all Officine Ambrogio Melesi activities.

## PRODUCTION CAPACITIES

We produce special parts up to 5500 kg and 3500 mm in diameter and have

a potential production capacity of 1000,000 parts/year and 60,000 tons/year.

## MAIN DISTRIBUTION CHANNELS

Officine Ambrogio Melesi uses the direct distribution channel to sell its products, which are distributed worldwide directly

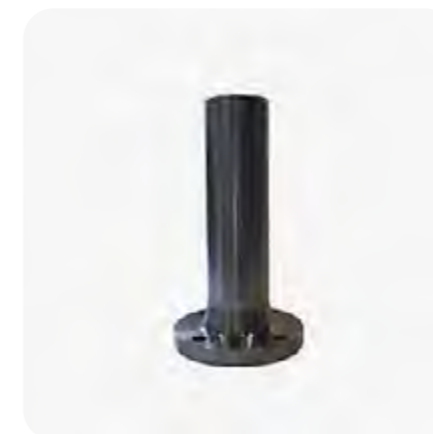
to the customer and end user, sometimes also indirectly through distributors or traders.

## PRODUCTS

### Standard Products (Flanges)

Officine Ambrogio Melesi manufactures flanges in accordance with the main industry standards:

- ASME B16.5
- ASME B16.47 A (MSS SP44)
- ASME B16.47 B (Api 605)
- ASME B16.36
- ASME B16.48
- EN1759-1
- EN1092-1
- API 6A
- API 17D
- NORSOK L-005 (ISO 27509)
- CSA Z245.12
- BS3293
- AWWA C207
- JIS B2220
- GOST 33259/28759.3
- EEMUA 234
- SAE J518 (ISO 6162)



# PRODUCTS

## Own products

### α-LOCK® Clamp Connector

The Clamp Connector is a fully tested alternative to the conventional flanged connection used in the industries of oil, gas, petrochemical, and power generation. Produced in a full range of sizes and materials, they offer versatility, compactness, weight and cost savings in the semi-permanent connection of two industry pipelines/components. The Clamp Connector is designed according to ASME VIII Div1/2 standards to meet the pressure classes provided by ANSI B 16.5/ API6A [up to 10000 psi] and also conform to other recognized international design codes.



### α-LOCK® Joint Description

The α-LOCK® connection is designed to offer maximum reliability even under the most critical operating conditions. The flexibility of the seal ring allows energization of the joint by storing elastic energy during the tightening phase of the tie rods. This makes the joint suitable for use in systems that require high seal integrity under corrosive/erosive conditions and severe cyclic pressure/temperature conditions.

The basic α-LOCK® connector is shown below and consists of:

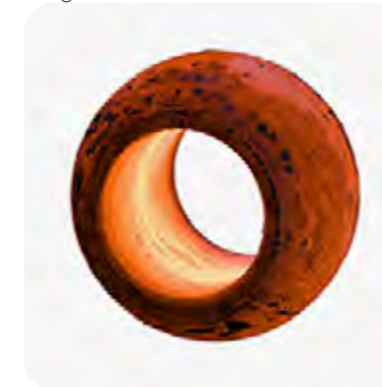
- two hubs
- set of clamps
- one self-energizing sealing ring (gasket)
- four tie rods
- eight spherical nuts



## Forged parts

The company offers Forged parts produced on customer design, with various types of forging processes (close die, open die, ring rolling to shape):

- Valve closure
- Valve end closure
- Ball for valves

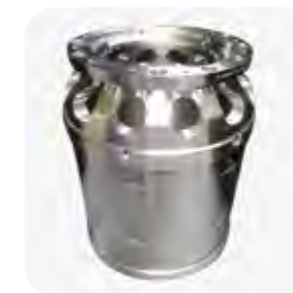
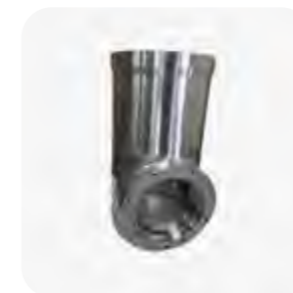
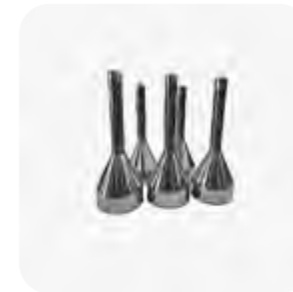


# PRODUCTS

## Tailor made products

The company offers customized components, studied and designed on specific customer's requests:

- Misalignments flanges
- Bulkheads
- Api block
- J-lay collars
- Venturi
- Api flanges
- Long welding neck compact
- Swivel rings
- Cladded flanges weld overlayed flanges
- Drip rings
- Adaptors
- Flanged bosses
- Rings
- Special forgings
- Long welding neck
- Tube sheets
- Special forgings in accordance to client drawing
- Weldolet
- Nozzles
- Sweepolet
- Shell elbow
- Special flanges in accordance to client drawing or designed



# VALUE CREATION



## Environmental

- **E.** Corporate plants and branches
- **E.** Renewable energy
- **E.** Investments on the environment

## Social

- **S.** Employees
- **S.** Investments in training
- **S.** Collaborations with associations and territory
- **S.** Clients
- **S.** Suppliers
- **S.** Partnerships with universities and research labs

## Governance

- **G.** Product and process certifications
- **G.** Equity
- **G.** Debt capital
- **G.** R&D Investments

### Vision

To be recognized as Leaders in our target markets for our ability to:

- Fully meet Customers' needs.
- Ensuring that any product is done right the first time, every time.
- Delivering competitive products in terms of quality and delivery time.
- Guarantee Customers all those services that make products always fit for use in an effective and efficient manner.

### Mission

To guarantee Customers all those services that make our products safe, reliable, and always fit for use.

Our MISSION is pursued through:

- Active listening to Customers' needs in terms of Quality, Design and Delivery.
- Proactive relationship with Customers globally, through our network of international resources.
- Involvement of all Company Resources to best meet our Customers' expectations in terms of quality and services.

### Values

Passion  
Dedication  
Respect  
Concreteness  
Seriousness

### Material themes

- E** Environmental footprint  
Climate change fight and adaptation  
Energy efficiency
- S** Human capital development/wellbeing  
Employees health and safety
- G** Law compliance

### The company's activity

Officine Ambrogio Melesi is specialized in the design, production and supply of flanges, forged and laminated products, and it is a worldwide market Leader in the Oil & Gas markets as the main users of the products developed to date, and, at the same time, it is also increasingly interested in seizing new opportunities in emerging and technologically more advanced industrial fields.

## Environmental

- **E.** Energy consumed: **57.951,12MWh**
- **E.** Scope 1 and 2 Emissions: **13.196 tCO<sub>2</sub>**
- **E.** Total weight of waste produced: **5.445t**

## Social

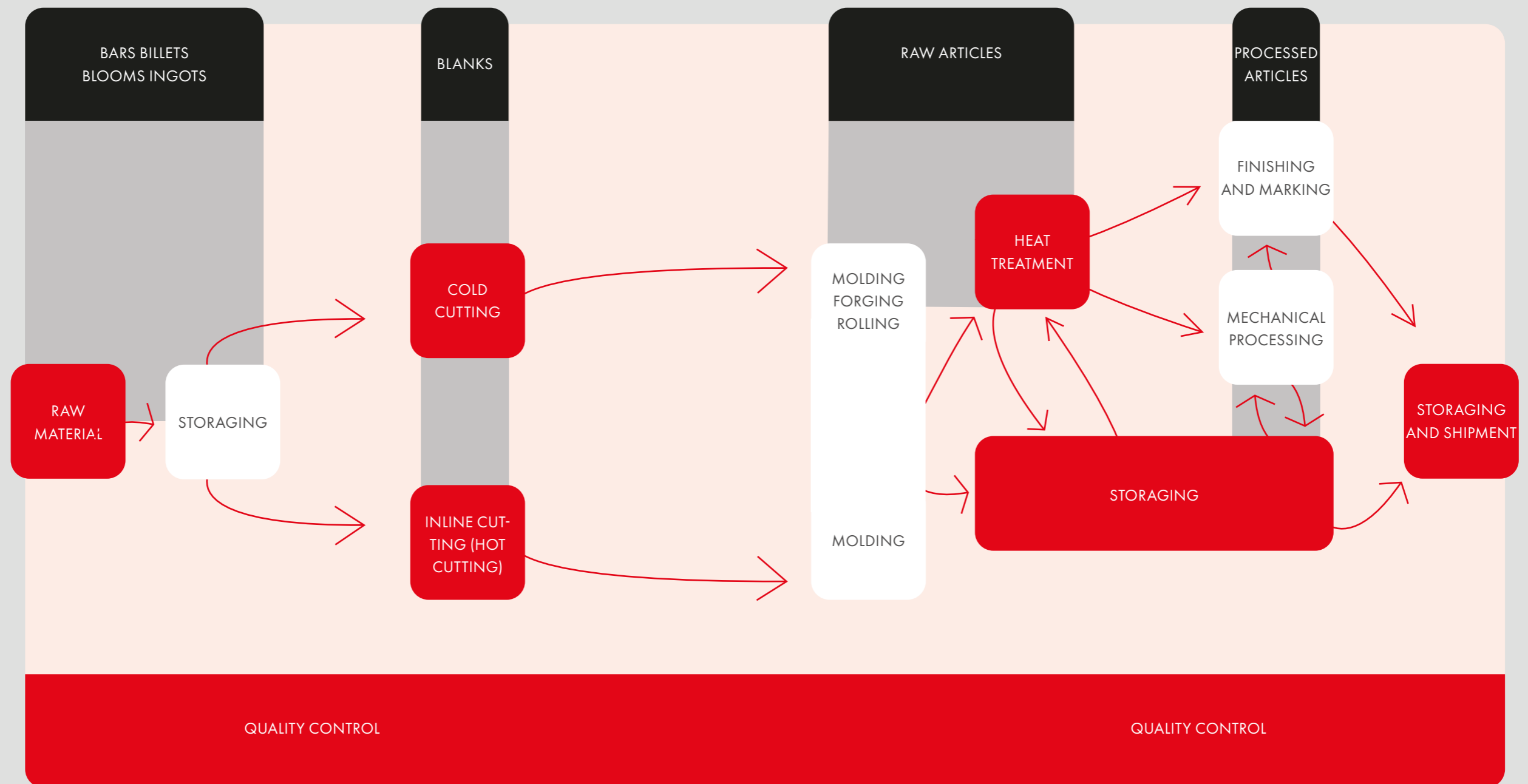
- **S.** Total hours of training provided: **5.554 Hours**
- **S.** **27** New hires
- **S.** **29** Terminated employees
- **S.** **3** Recordable injuries
- **S.** **15 %** employees are Women
- **S.** **85 %** employees are Men

## Governance

- **G.** Revenues: **154.806.710 €**
- **G.** Costs: **121.011.065 €**
- **G.** Number of patents: **1**
- **G.** Production capacity **1.000.000** pieces
- **G.** **73%** of expenses toward local suppliers
- **G.** **0** Cases of non-compliance with law



# OFFICINE AMBROGIO MELESI'S WORK PROCESS



# STAKEHOLDER ENGAGEMENT

The first step in establishing a corporate sustainability ESG strategy was taken through the materiality process. This analysis aims to identify, among the significant issues, those that are actually "material" i.e., relevant to the company, through a **process of listening to its stakeholders**. For the purpose of drawing up the materiality matrix, a number of specific stakeholders in the national and international spheres (**Employees, Customers, Suppliers, Banks, Consultants, Trade Associations, Trade Unions, Schools and the Local Community**) were asked, through a dedicated survey, to express their opinion on a

number of issues of potential impact for the creation of shared value of the company. The engagement process brought out insights and additions that enriched the issues relevant to the company's sustainability, as well as offering reflections of potential mutual engagement on common paths.

Stakeholders were asked to indicate an order of preference among the indicated ESG themes, based on the lesser or greater impact of each theme on **the company's ability to produce value in the medium to long term**.

The table shows the **themes submitted for voting**, with the top-rated themes in bold.

## ENVIRONMENTAL

- Fight and adaptation to climate change**
- Environmental footprint**
- Energy efficiency
- Natural resources and biodiversity

## SOCIAL

- Occupational health and safety**
- Supply chain sustainability**
- Human capital development
- Wellbeing, diversity and inclusion

## GOVERNANCE

- Regulatory compliance**
- Business ethics**
- Integration of ESG concerns in corporate governance



**GRI 3-1**  
Process to determine material topics

**GRI 3-2**  
List of material topics



**GRI 2-29**  
Approach to stakeholder engagement





# THE DOUBLE MATERIALITY ANALYSIS - ESG RISKS AND OPPORTUNITIES

In order to determine our material ESG themes, significant themes were analyzed by applying Double Materiality Analysis.

**Double Materiality** Analysis is an analytical process that helps organizations in identifying and selecting their material ESG themes through a logical and progressive process.

The analysis considers two different perspectives that help the organization identify the ESG themes with the greatest impact (Materials):

- *Inside-Out* Perspective: i.e., how the organization produces impacts outside the organization (on environment and society);
- *Outside-In* Perspective: i.e., how sustainability issues have a financial economic impact within the organization.

In a process of progressive compliance with emerging instances of ESG reporting (i.e., CSRD), we wanted to proceed with a material issues identification exercise specifically in a double materiality logic.

At the operational level, through a dedicated guided

activity and Survey, the Management Team was led along a process of in-depth analysis of each significant theme brought under consideration.

Each theme was presented and divided into elements of relevance.

The results of the stakeholder engagement process were considered as an indication for a more informed process of analysis and evaluation of the significant issues.

The Management Team was guided in reflecting on:

- Identify the likelihood (high-medium-low) of certain dynamics with environmental, social and financial impacts occurring;
- Predict what the impact would be (high-medium-low) should the event occur;
- Identify where the main impact falls on the ecosystem in which the company is located (for example: along the supply chain, the customer, the community or the environment...).

**The diagram below shows the study conducted, and the result obtained by the Management Team.**

Theme	TIER 1	TIER 2	TIER 3
Energy efficiency	●		
Fight and adaptation to climate change	●		
Environmental footprint		●	
Natural resources and biodiversity			●
Occupational health and safety	●		
Human capital development	●		
Wellbeing, diversity and inclusion		●	
Supply chain sustainability		●	
Regulatory compliance	●		
Integration of ESG concerns in corporate governance		●	
Business ethics			●

The **material themes** resulting from this analysis, which are a key part in the design of one's business **sustainability path and plan**, are the following:

- Environmental footprint
- Energy efficiency
- Fight and adaptation to climate change
- Occupational health and safety
- Human capital development and well-being
- Regulatory Compliance



# SUSTAINABILITY STRATEGY

Our ESG Plan (Environmental, Social, and Governance) represents a strategic, long-term commitment to sustainability, with the goal of integrating ethical and environmental principles into business decisions and operational processes. Through this plan, we aim to promote balanced growth that generates shared value for our stakeholders while reducing the impact of our activities on the environment and improving social welfare. The plan does not merely meet regulatory obligations, but it aims to go further by actively contributing to the achievement of broader global sustainability goals in line with the United Nations Sustainable Development Goals (SDGs).

The functioning of the ESG plan is based on structured planning, which identifies material themes for our business, in other words, those issues that have a significant impact on the company and the society in general. Each material theme, from energy efficiency to occupational health and safety, has been associated with specific, measurable, and time-defined goals. Through continuous monitoring and through the implementation of concrete actions, we strive to achieve these goals on time. This approach allows us to continuously improve our environmental and social performance, with a positive impact on all fronts: economic, environmental and social.

## Environmental Footprint

Our commitment to reducing environmental impact is mainly focused on optimizing water consumption and chemicals management. We planned to install water withdrawal detection and recording systems to optimize resource use, and we are implementing actions aimed at reducing water consumption in the cooling circuits of the forges. This includes reinstating heat recovery technologies and upgrading existing systems to minimize resource waste.

In addition, we are conducting a comprehensive census of chemicals used in production processes, with the aim of phasing out hazardous ones, involving suppliers in the search for safer alternatives. Regarding atmospheric emissions, there are plans to modernize furnaces and to adopt advanced technologies aimed at improving energy efficiency and reducing gas emissions.

## Energy Efficiency

To address the challenges of efficient energy use, we are working on replacing electric ovens with high-efficiency solutions, as we have already begun for the P6300 line. Market analysis and feasibility studies will guide us in the installation of new technologies that will provide significant energy savings. In the meantime, we will continue to invest in compressed air system efficiency, a critical area for improving overall energy performance.

## Fighting and Adapting to Climate Change

Recognizing the importance of climate resilience, we have embarked on a climate change vulnerability assessment for each of our operational locations, identifying key risks and potential impacts on operations and logistics. As part of this, we will develop business continuity plans that include climate risk scenarios, and we are evaluating investments in infrastructure to mitigate the effects of climate change, such as improved drainage systems and reinforcement of structures. We have also planned investments in renewable energy and a gradual increase in electrification of our forklift fleet.

## Occupational Health and Safety

For us, health and safety of our employees are top priorities. For this reason, we are investing in technologies and infrastructure improvements that reduce physical hazards and make the work place safer and more comfortable. A major intervention we have carried out is modernizing the equipment and redesigning the interior spaces in order to improve mobility and reduce operational stress. We have, in addition, initiated an innovative safety training program that goes beyond regulatory obligations, with the aim of spreading a culture of safety at all company levels.

## Human Capital Development and Wellbeing

Our ESG plan is also committed to the development of our people. We have provided training paths for employee skill development, with the aim of improving productivity and quality of work. We are implementing a continuous feedback system that allows our employees to state their opinions and receive constructive feedback. In addition to promoting diversity and inclusion within the organization, we are developing a corporate welfare system to support employee well-being and promote work-life balance.

## Regulatory Compliance

We ensure the compliance of our business operations with applicable laws and regulations through regular internal and external audits. We have implemented a continuous monitoring system to detect non-compliance cases in a timely way, reinforced by tools for anonymously reporting violations. To ensure continuous alignment with regulations, we collaborate with legal experts and consultants, and we conduct regular training sessions for employees on compliance issues.

Through this plan, we aim to reinforce our status as a responsible company that carefully looks at safeguarding resources and creating shared value.



# SUSTAINABILITY STRATEGY

## THEME

## GOALS

## ACTIONS

## 2024 2025 2026



## ENVIRONMENTAL FOOTPRINT

- Reduction in the consumption of water used for the forge and the TT cooling circuits

- Progressive elimination of hazardous/highly hazardous substances

- Reduction of wastewater from aqueous washing solutions sent for disposal

- Reduction of wastewater from aqueous washing solutions used for nondestructive testing

Installation of well water withdrawal detection and recording system for forge and TT cooling	●	○	○
Define specific water consumption indices (KPIs) per ton treated, parameterized to production mix	●	●	○
Market analysis for technological solutions that optimize water savings, such as heat recovery from the forge to preheat the water of thermal power plants	○	●	○
Implementation of systems to reduce water withdrawal	○	○	●
Updating facilities and equipment to include technologies that reduce water consumption	○	●	○
Conducting a comprehensive chemical substance census with verification of substances on SVHC lists (REACH) and creation of computerized database	●	○	○
Define high-priority chemical substitution interventions based on hazardousness, quantities, and usage patterns	○	●	○
Update procurement policies to exclude hazardous substances and prioritize the purchase of safer materials	●	●	●
Conduct a study on the management of emulsion tanks in machines and define a control KPI (emulsions disposed/ton turnery..)	●	○	○
Give charge for management of tanks with periodic checks	●	○	○
Assessment of emulsion oils with lower environmental impact + emulsion tank filtration and cleaning systems	○	●	●
Evaluation for grouping and centralizing LP plants in order to realize a single network for washing water	●	○	○
Assessment of the installation of centralized purification plant with a feasibility study, and definition of the KPI "water disposed x Ton processed"	○	●	○
Installation of centralized plant and verification of the effectiveness of the intervention	○	○	●

● YES ○ NO





# SUSTAINABILITY STRATEGY

## THEME

## GOALS

## ACTIONS

## 2024 2025 2026



### ENERGY EFFICIENCY

- Replacement of electric furnace for the P6300 line
- Compressed air system efficiency

	2024	2025	2026
Market analysis and feasibility study of new high-efficiency furnace	●	○	○
Installation of a new furnace	○	●	○
Verification of results and evaluation of the possibility of extending new technology on two other induction furnaces	○	○	●
Energy analysis of compressor rooms + air leak detection	●	○	○
Plant upgrades for energy savings	●	●	○



### FIGHT AND ADAPTATION TO CLIMATE CHANGE

- Climate change adaptation
- Climate change mitigation

	2024	2025	2026
Climate change vulnerability assessment for each location, identifying specific risks and potential impacts on operations and logistics	○	●	○
Development and implementation of business continuity plans that include climate risk scenarios	○	○	●
Consideration of investment possibilities in infrastructure upgrades to strengthen resiliency to extreme weather conditions (installation of improved drainage systems, reinforcement of structures, and efficient cooling systems)	○	○	●
Consideration of improvements in the energy efficiency of buildings and facilities	○	●	○
Investments in renewable energy installations	○	○	●
Increased electrification of the forklift fleet	●	●	●
CF calculation (Scope 1,2, and 3) and evaluation of carbon offset projects (reforestation or other decarbonization initiatives)	○	●	●

● YES ○ NO

# ENVIRONMENT

# SUSTAINABILITY STRATEGY

## THEME

## GOALS

## ACTIONS

## 2024 2025 2026



### OCCUPATIONAL HEALTH AND SAFETY

- Occupational health and safety

Invest in safer technologies and infrastructure improvements that reduce physical dangers

● ○ ○

Redefine internal layouts of selected departments where more critical situations arise due to employee mobility, less stress due to occupancy in divisions

○ ● ○

Develop and implement an innovative health and safety training program that exceeds legal obligations

● ● ●



### HUMAN CAPITAL DEVELOPMENT

- Increasing employee skills and training
- Promoting diversity and inclusion
- Empowering people through initiatives related to well-being and work-life balance

Consider training paths to develop advanced skills and improve productivity and quality

○ ● ●

Implement a continuous feedback system to improve dialogue, engagement and relationships with management

○ ● ●

Raise awareness on diversity, equity and inclusion issues among managers, and organize workshops to raise awareness among all employees as well

○ ● ●

Implement recruitment policies that encourage diversity

○ ○ ●

Strengthen services to support wellbeing and work-life balance initiatives by developing a corporate welfare system

○ ● ●

● YES ○ NO

# SUSTAINABILITY STRATEGY

## THEME

## GOALS

## ACTIONS

## 2024 2025 2026



### REGULATORY COMPLIANCE

• Ensure compliance of business operations with current laws and regulations

• Promoting a compliance-oriented corporate culture

Conduct regular internal and external audits to verify compliance with regulations	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Use continuous monitoring tools to detect and correct noncompliance cases in a timely way	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Establish an anonymous system for reporting regulatory compliance violations	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Work with legal experts and consultants to stay updated on new regulations and ensure continuous compliance	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Hold regular training sessions for employees on regulatory compliance topics	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Work with legal experts and consultants to stay updated on new regulations and ensure continuous compliance	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>

● YES ○ NO

# GOVERNANCE

# 04 THE ESG DIMENSIONS



This chapter describes the results of the reporting period and the objectives of the sustainability plan broken down into environmental, social and economic (ESG) dimensions. For each dimension, results and targets are measured through GRI standards and associated with the United Nations Development Goals (SDGs).

# ENVIRONMENTAL DIMENSION

**Officine Ambrogio Melesi & C. srl** has adopted a proactive and systematic approach to managing its environmental performance, integrating environmental protection and occupational safety within its **Integrated Management System** that complies with international standards **UNI EN ISO 14001 and UNI ISO 45001**. The company management, recognizing the centrality of the human factor and the importance of collective responsibility, has emphasized three fundamental principles that guide its environmental policy: **knowledge, involvement and continuous improvement**. In-depth knowledge of business processes is considered the starting point for identifying and minimizing sources of environmental impact. Through the active involvement of all personnel and continuous skill development, the company is committed to reducing the impacts of its production activities on the environment by promoting responsible use of resources and adopting the best available technologies to prevent pollution and waste.

In this context, the company has introduced several initiatives aimed at improving the quality of the work environment and reducing environmental impact, such as the installation of water dispensers and the distribution of water bottles, which have made it possible to limit the use of single-use plastic bottles. The replacement of vending machines has also led to the adoption of biodegradable coffee cups and coffee paddles, encouraging a more responsible waste management. Each workstation has been equipped with paper recycling bins to promote proper disposal in the office as well. This environmental management philosophy is not limited to compliance with current regulations, but aspires to create a corporate culture that places shared responsibility toward the environment at the center,

promoting open dialogue with all stakeholders, including Authorities, Associations and the local community. Constant review of production processes and commitment to communication with customers and suppliers are further pillars of the continuous improvement path undertaken by the company.

In this chapter, in order to monitor and show environmental impacts, the main performance indicators produced by Officine Ambrogio Melesi & C. srl in this area will be published.


## MATERIAL THEMES

- Fight and adaptation to climate change
- Environmental footprint
- Energy efficiency







# ENVIRONMENTAL DIMENSION

 GRI 302-1 Energy consumption within the organization	2021	2022	2023
a. Total energy consumption from <b>non-renewable</b> sources ( <b>fossil fuels</b> ), in MWh*	<b>44.282,59</b>	<b>44.200,16</b>	<b>42.393,12</b>
of which generated from <b>natural gas</b> , in MWh	43.447,92	43.484,82	41.694,14
of which generated from <b>diesel</b> , in MWh	785,59	666,26	666,26
of which generated from <b>forge coking coal</b> , in MWh	49,08	49,08	32,72
b. <b>Total energy</b> (electricity, heating, cooling and steaming) <b>purchased</b> by the organization, in MWh	<b>16.317</b>	<b>15.543</b>	<b>15.558</b>
<b>Total energy consumption within the organization (a+b)</b> , in MWh	<b>60.599,59</b>	<b>59.743,16</b>	<b>57.951,12</b>

\*Conversion factors taken from "Table of national standard parameters for greenhouse gas monitoring and reporting," 2021 (ISPRA, Min. Ecological Transition).

 GRI 302-3 Energy intensity	2021	2022	2023
Energy intensity of the organization: (total energy consumption / Net sales)	627	469,16	374,34
Parameter used to calculate energy intensity: Net Revenues (MLN of euros)	97	127	155

# ENVIRONMENTAL DIMENSION


 GRI 305-1 Direct (Scope 1) GHG Emissions	2021	2022	2023
Direct GHG emissions (Scope 1) in gross tons of CO <sub>2</sub> equivalent*	<b>9.039</b>	<b>9.075</b>	<b>8.642</b>
of which generated by <b>natural gas</b> in tCO <sub>2</sub>	8.799	8.806	8.443
of which generated by <b>diesel</b> in tCO <sub>2</sub>	209	177	177
of which generated by <b>forge coking coal</b> in tCO <sub>2</sub>	19	19	13
of which generated by <b>pasteography forged release</b> in tCO <sub>2</sub>	7	7	8
of which generated by <b>refrigerant gas</b> emission in tCO <sub>2</sub> **	5	66	6

\*Conversion factors taken from "Table of national standard parameters for greenhouse gas monitoring and reporting," 2021 (ISPRA, Min. Ecological Transition).

\*\*Refrigerant gases: R-32 and R-134a in 2021; R-134a, R-407C, R-410A in 2022; R-134a and R410A in 2023.

 GRI 305-2 Energy indirect (Scope 2) GHG emissions	2021	2022	2023
<b>Location-based</b> gross indirect GHG emissions from energy consumption (Scope 2) in tons of CO <sub>2</sub> equivalent*	<b>4.527</b>	<b>4.781</b>	<b>4.554</b>

\*Source: conversion factors from ISPRA report 386 (2023), tab 1.13

 GRI 305-4 GHG emissions intensity	2021	2022	2023
Rate of the organization's GHG emission intensity (Total location-based emissions/net revenues)	140	109	85
Parameter used to calculate GHG emission intensity: Net Revenues (MLN of euros)	97	127	155
<b>Total emissions</b> calculated in tons of CO <sub>2</sub> eq (location based)	<b>13.566</b>	<b>13.856</b>	<b>13.196</b>

# ENVIRONMENTAL DIMENSION

## GRI 303-1 Interactions with water as a resource

Water for industrial use in OAM is drawn from the water table by means of wells and is used for:

- Plant cooling (presses and furnaces) and cooling for heat treatment semi-finished products, the water in the industrial circuit, passing in heat exchangers where in counterflow flows the cold well water, gives up part of the heat to the latter and is cooled down, the well water never comes into contact with the industrial water and, at the outlet, is fed into the primary reticulum (Stream) as it is; -Washing of parts subjected to painting and NDT, the water is used until it is concentrated in the groundwater;
- Washing parts subjected to painting and NDT, the washing water is used until it concentrates of pollutant and is exhausted and it must

be disposed of through authorized companies;

- Oily emulsions for machining, emulsions in the machines consisting of 4-5% water and oil periodically need to be replaced, the effluent is disposed of through licensed companies.

There are six radiant tube systems for heating the yards against frost connected to industrial water circuits that save the use of well water.

For civil uses, the factories are connected to the potable water network which is then fed back into the public sewage system; potable water consumption is negligible compared to well water consumption.

## GRI 303-3 Water withdrawal

	2021	2022	2023
Total water withdrawal in ML*	1.180	1.171	663

\*Well only, not considered domestic uses due to low relevance

## GRI 303-4 Water discharges

	2021	2022	2023
Total water discharges to surface water in ML*	1.041	1.034	585
Total water discharges intended for recovery from third-party companies in ML**	0,66	0,37	0,38


\* % evaporation 11,7%


\*\* estimated density equal to 1

## GRI 303-5 Water consumption


	2021	2022	2023
Total water consumption in ML (Consumption = Withdrawal - Discharge - Disposal)	138	137	78

# ENVIRONMENTAL DIMENSION

 GRI 306-3 Waste generated	2021	2022	2023
Decommissioned equipment and facilities	3,0	0,8	1,4
Exhausted emulsions and wash waters	663,0	374,6	375,8
Absorbent materials for cleaning and filtration	157,6	159,0	95,4
Exhausted oils and greases	20,2	18,0	23,3
Special waste from maintenance	0,3	0,2	1,6
Paint cycle scraps	2,3	1,5	13,6
Recoverable processing scraps	6.745,7	5.315,2	4.933,5
<b>Total weight in tons of waste generated and breakdown of total weight by waste composition</b>	<b>7.592</b>	<b>5.869</b>	<b>5.445</b>

 GRI 306-4 Waste diverted from disposal	2021	2022	2023
Total <b>HAZARDOUS</b> waste directed to recovery	27,3	12,7	14,4
Total <b>NON-HAZARDOUS</b> waste directed to recovery	6.722,6	5.106,5	4.549,7
<b>Total weight in tons of waste diverted from disposal</b>	<b>6.750</b>	<b>5.119</b>	<b>4.564</b>

 GRI 306-5 Waste directed to disposal	2021	2022	2023
Total <b>HAZARDOUS</b> waste directed to disposal	744,6	750,2	852,7
Total <b>NON-HAZARDOUS</b> waste directed to disposal	97,5		27,9
<b>Total weight in tons of waste directed to disposal</b>	<b>842</b>	<b>750</b>	<b>881</b>

# SOCIAL DIMENSION

**Officine Ambrogio Melesi & C. srl** places the empowerment of people at the core of its strategy, promoting a culture of safety and well-being that involves all levels of the company. Through the implementation of an **Integrated Management System** that complies with international UNI ISO 45001 standards, the company is actively committed to the protection of workers' health and safety, strengthening collective awareness and sense of responsibility.

The company's social policy is based on three basic pillars: **prevention, participation and continuous growth**. The prevention of work accidents and work-related illnesses is a priority, pursued through the strict adoption of safety practices and the adoption of the best available technologies. The company encourages the active participation of workers, promoting open dialogue and involving them in key decisions related to safety and well-being in the workplace.

In addition to ensuring compliance with current regulations, **Officine Ambrogio Melesi & C. srl** aspires to promote a culture of safety based on values and behaviors that go beyond compliance with formal rules. The company has developed training and awareness programs to strengthen the skills of its employees and reduce the risk of human error, a crucial element in accident prevention.

In this chapter, useful information and indicators for understanding the current state of the company's social structure will be presented.

## MATERIAL THEMES

- Occupational health and safety
- Human capital development and wellbeing



# SOCIAL DIMENSION

## Training courses

Strengthened by its values and history, Officine Ambrogio Melesi has always placed human resources at the heart of every business process, creating value through individual talents. It is for this reason that continuous training is at the center of our goals, to have qualified and competent personnel, to be able to face every demand from economic, social, cultural and labor world evolutions.

During the year 2023, 5,554 hours were spent in the following training activities:

- Environment & Safety 595 hours
- Quality and Laboratory 1,660 hours
- Production, Processes and Design 1,195 hours
- New Hires and Apprentices 2,104 hours

## Corporate welfare

- The company applies contract welfare, that is, solutions that are provided to employees by making available welfare goods and services;
- Purchase vouchers are also made available.

During 2023 Officine Ambrogio Melesi hosted 9 students for Alternanza Scuola - Lavoro paths and professional internships promoted by High Technical Institutes.

This is a valuable opportunity that the company offers to young students, to experience firsthand the typical activities of a given task and bring into practice theoretical concepts acquired from school training hours.

## Support to local communities and territory through donations

In 2023 Officine Ambrogio Melesi supported the local area in a concrete way, supporting social and sports initiatives at the local level.

The company supports the amateur sports club **Pallavolo Lecco Alberto Picco**. In 2023, the company reconfirmed itself among the club's top sponsors.

In 2023, a new 9-seater Volkswagen Caravelle 4x4 vehicle was donated by Officine Ambrogio Melesi & C srl to **Soccorso Alpino Valsassina-Valvarrone of the XIX Delegazione Lariana** as a thank-you to the association and its volunteers for their work in the area serving the community.

Officine Ambrogio Melesi supports the **Ernesto Pellegrini ONLUS Foundation**, whose commitment is to help those in economic and social difficulties. The company stands by the foundation, supporting the activities of welcoming, supporting and actively listening to less fortunate people, contributing to their reintegration into society.

In 2023, the company supported scientific cancer research, supporting the activities of the **AIRC Foundation** for Cancer Research.

In 2023 Officine Ambrogio Melesi contributed to the renovation of the **Church of St. Andrew in Pasturo** (LC). The renovation activities allowed the re-roofing.

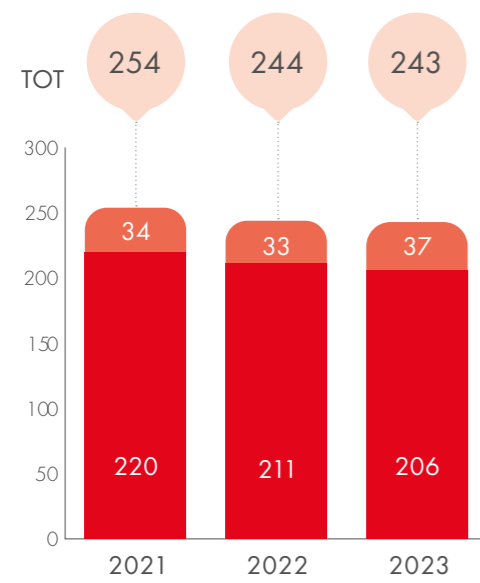
During the Christmas season, the company adheres with voluntary donation to **Save the Children's** activities, supporting the campaigns and activities promoted by the organization.

# SOCIAL DIMENSION

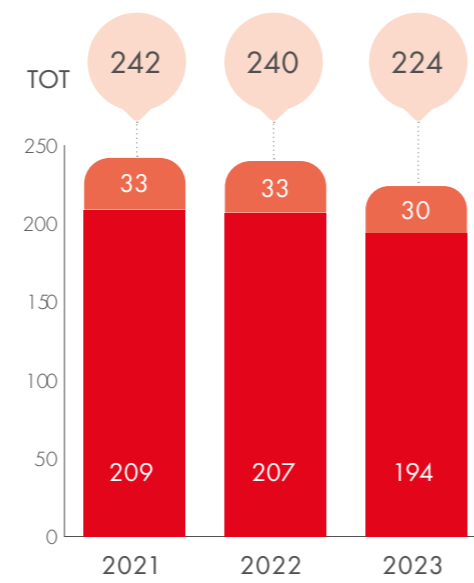
**GRI 2-7 Employees**

● Men ● Women

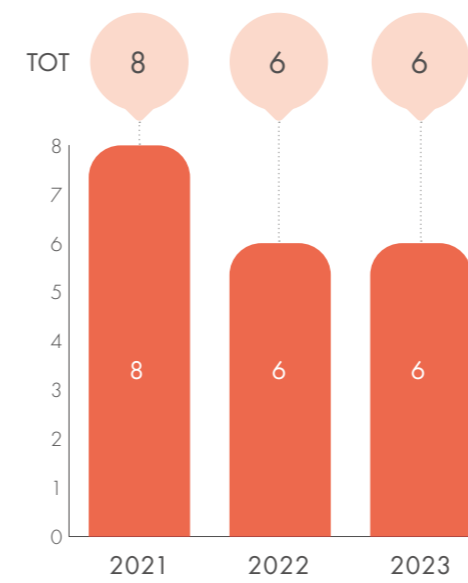
**Total number of employees**



**Total number of permanent employees**



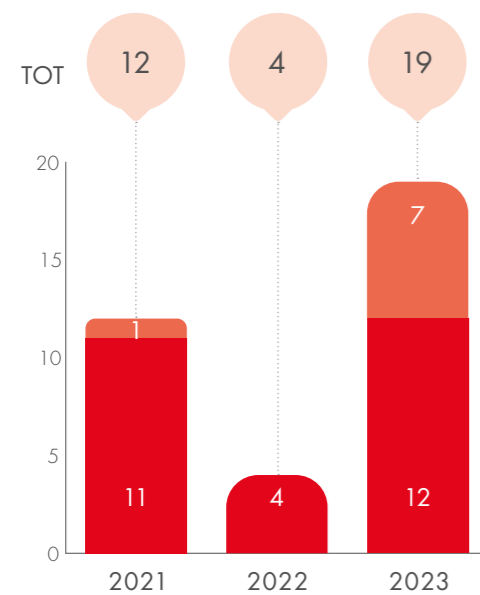
**Total number of part-time employees**



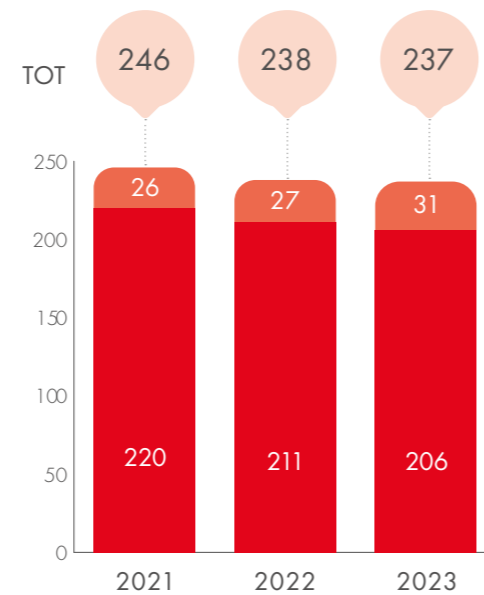
**Total number of employees with non-guaranteed hours**

In the three years of reporting, no employees with non-guaranteed hours were recorded.

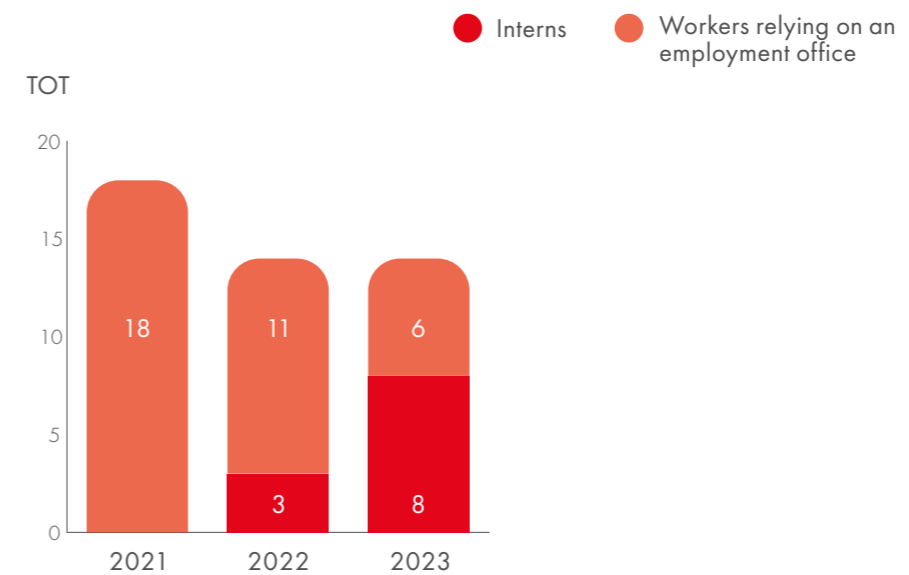
**Total number of fixed-term employees**



**Total number of full-time employees**

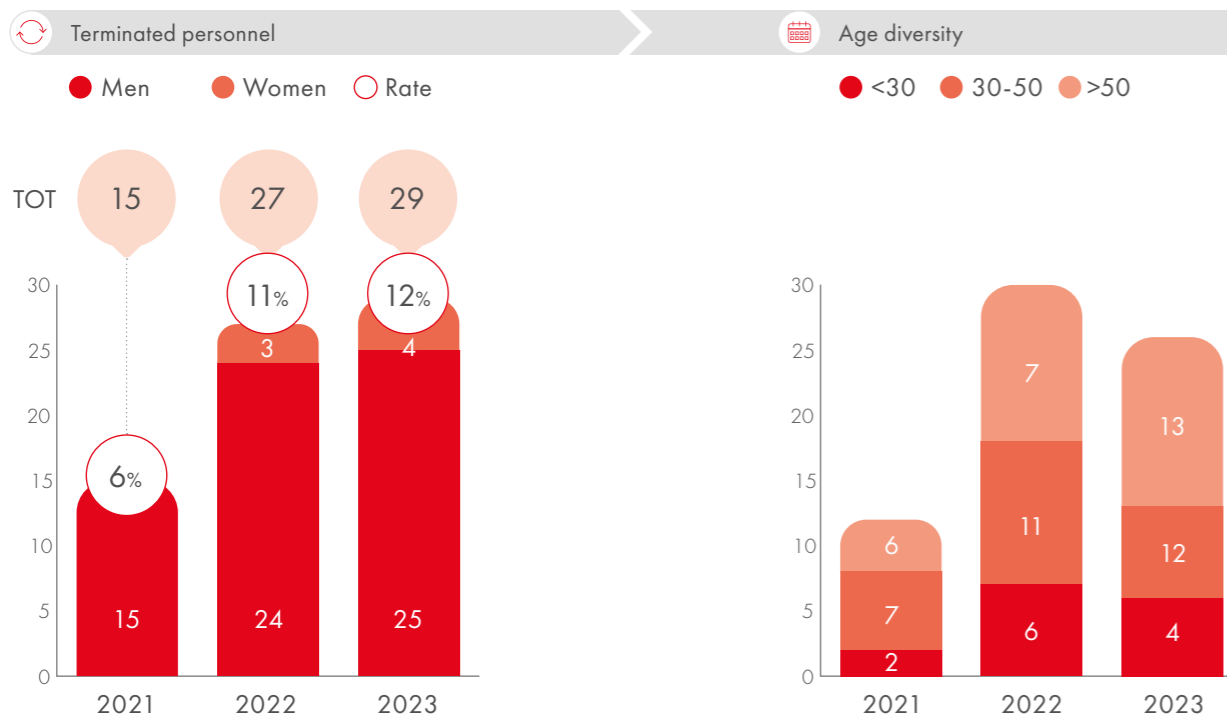
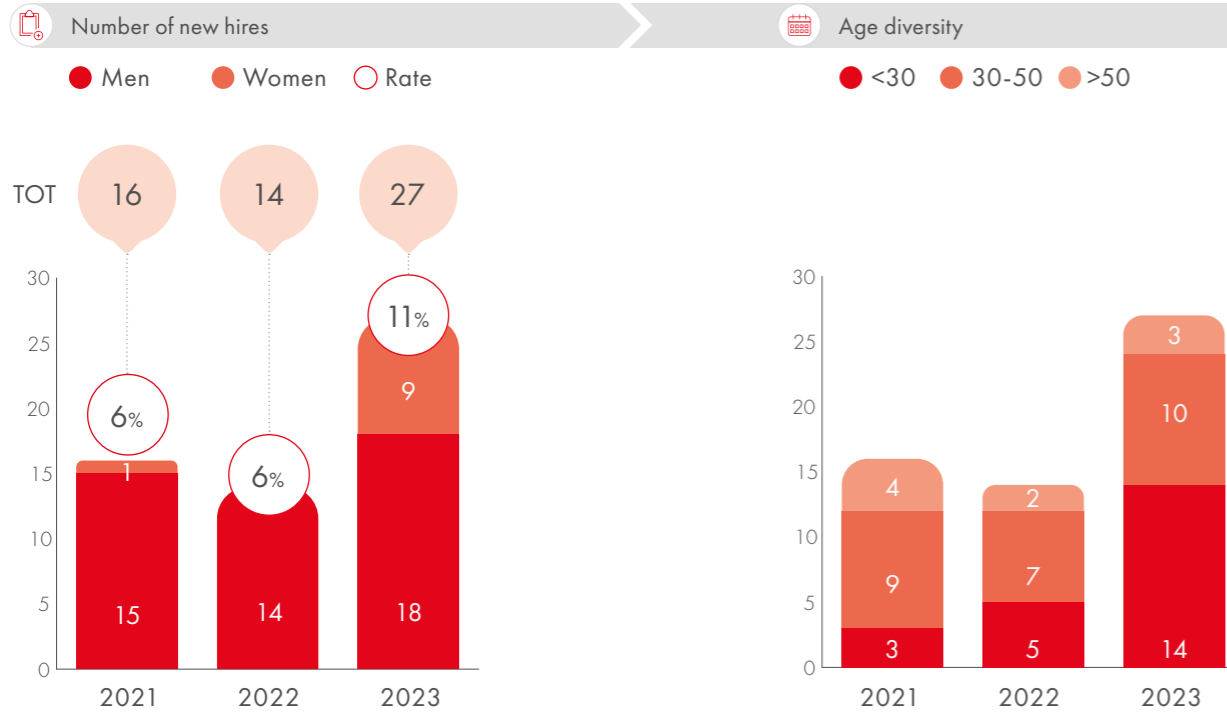


**GRI 2-8 Workers who are not employees**



# SOCIAL DIMENSION

## GRI 401-1 New employee hires and employee turnover







## Percentage of employees covered by a health and safety management system





# SOCIAL DIMENSION

GRI 403-9 Work-related injuries		2021	2022	2023
Deaths as a result of work-related accidents		0	0	0
Work-related accidents with serious consequences (excluding deaths)		1	1	0
Number of recordable injuries		6	4	3
Rate of recordable work-related injuries*		13,0	8,6	6,5
Main types of work-related injuries		crushes, contusion, cut wounds, sprain	crushes, cut wounds	crushes, fracture, injury
Total hours worked		461.895	464.045	463.371

\*Calculated on a 1,000,000 basis

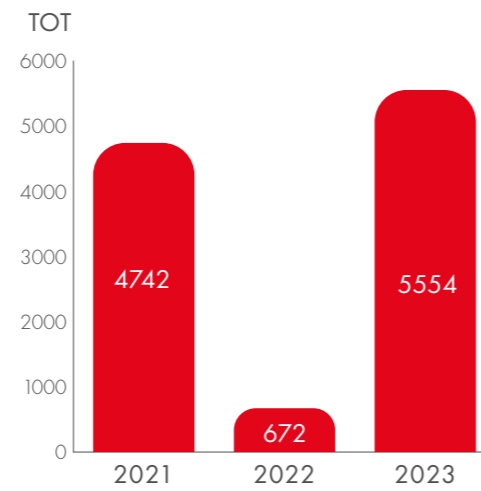
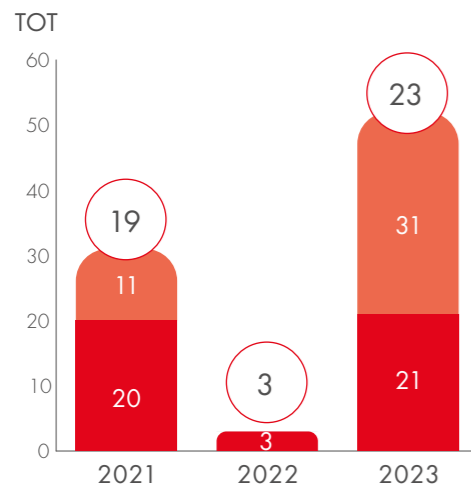
GRI 403-10 Work-related ill health		2021	2022	2023
Deaths due to work-related illness		0	0	0
Recordable cases of work-related disease		0	0	0
Lost working days		2021	2022	2023
Number of working days lost due to work-related injury or illness		202	164	107

# SOCIAL DIMENSION

## GRI 404-1 Average hours of training per year

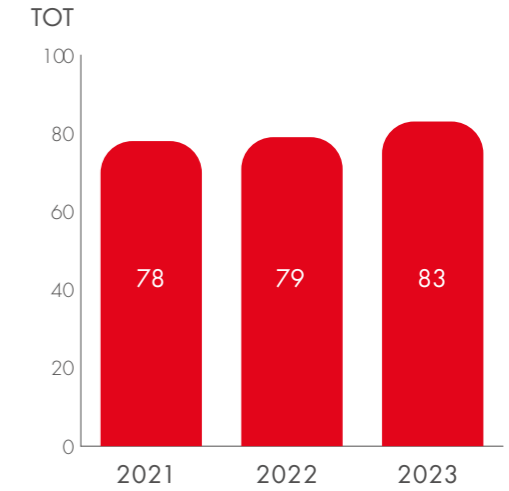
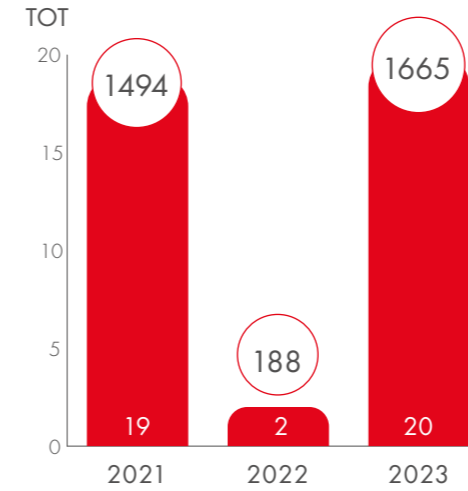
Average training hours provided to employees Training hours provided

● Men ● Women ○ Average number of hours



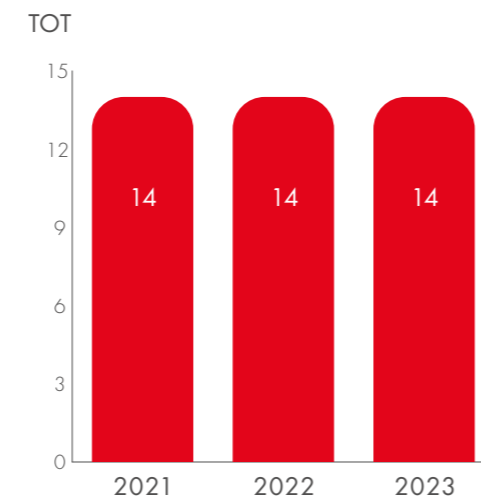
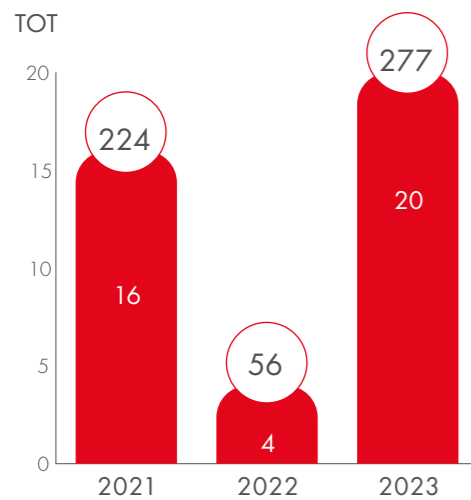
Average training hours provided to office workers Number of office workers

○ Total number of hours



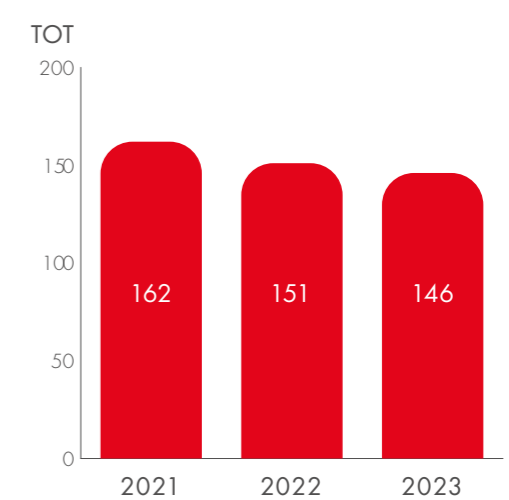
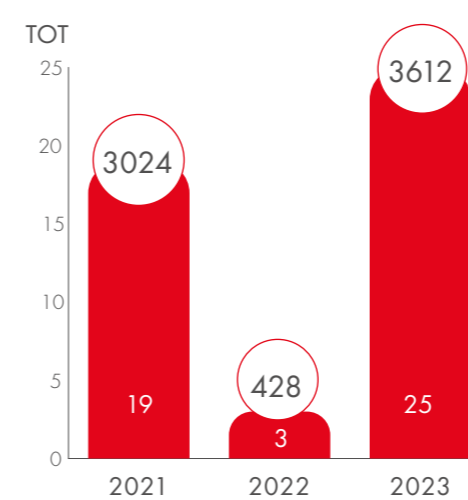
Average training hours provided to managers and executives Number of managers and executives

○ Total number of hours



Average training hours provided to workmen Number of workmen

○ Total number of hours

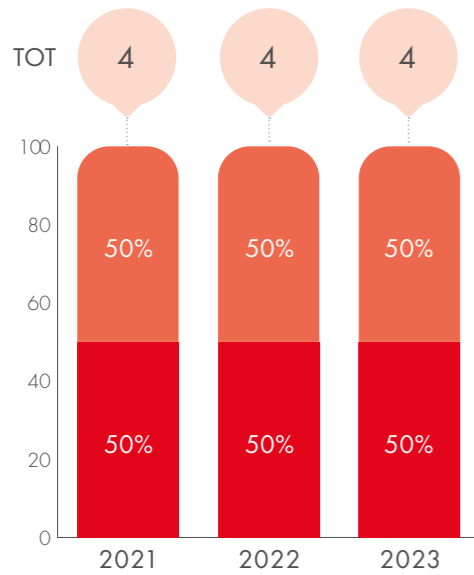


# SOCIAL DIMENSION

## GRI 405-1 Diversity of governance bodies and employees

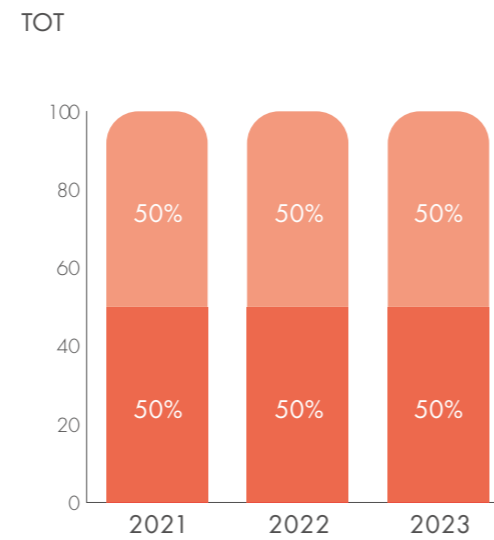
### Total number of BoD members

● Men ● Women



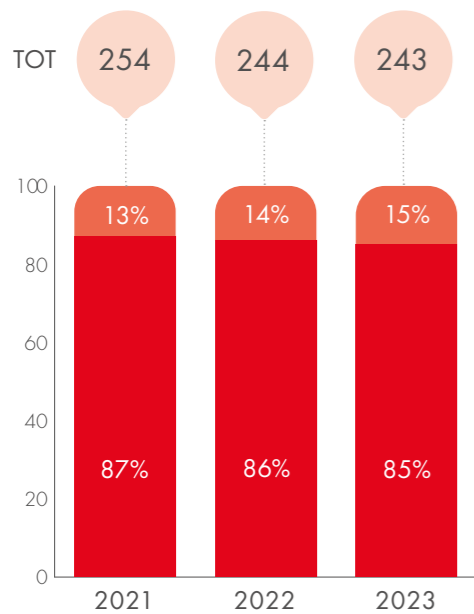
### Age diversity

● <30 ● 30-50 ● >50



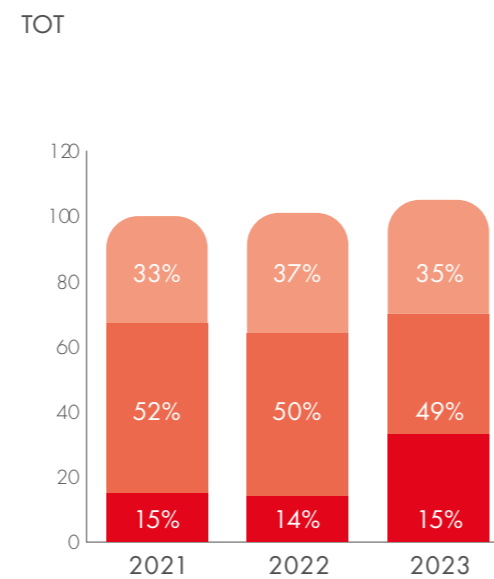
### Total number of employees

● Men ● Women



### Age diversity

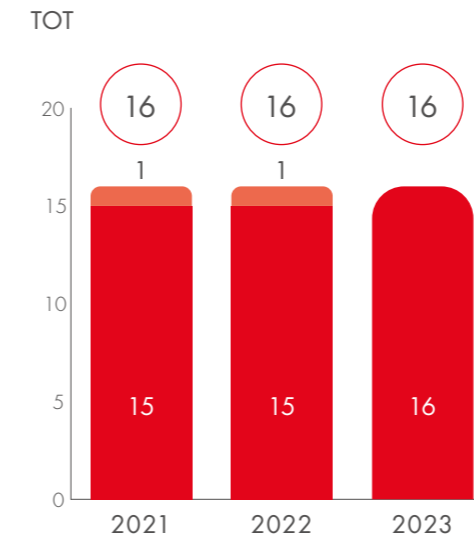
● <30 ● 30-50 ● >50



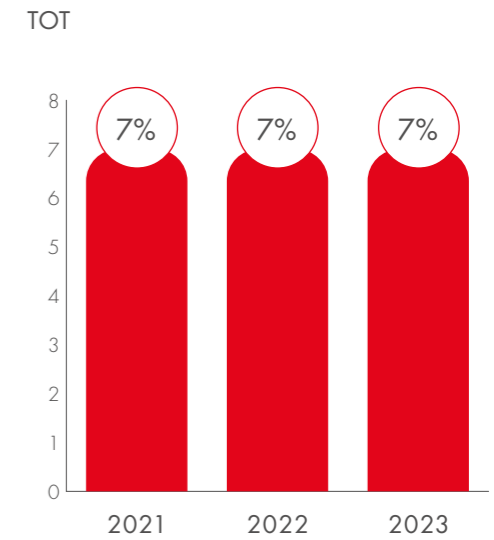
## Disabled employees

### Number of disabled employees


● Men ● Women ● Total



### Percentage of disabled employees



# SOCIAL DIMENSION

 <b>GRI 405-2</b> Ratio of basic salary and remuneration of women to men (gender pay gap)	2021	2022	2023
Level 1	NA	NA	NA
Level 2	1,01	1,01	1,01
Level 3	0,98	0,99	0,98
Level 4	0,98	0,96	0,97
Level 5	1,02	0,97	0,96
Level 5S	0,96	0,96	0,95
Level 6	1,09	1,20	1,22
Level 7	NA	NA	NA
Level 8Q	NA	NA	NA

 <b>GRI 406-1</b> Incidents of discrimination and corrective actions taken	2021	2022	2023
Total number of discrimination incidents	0	0	0

 Claims and complaints related to other work-related rights	2021	2022	2023
Number of complaints submitted through operational-level complaint mechanisms	0	0	0

 <b>GRI 2-30</b> Collective bargaining agreements	2021	2022	2023
Total percentage of employees covered by collective bargaining agreements out of total	<div style="background-color: #e91e63; color: white; border-radius: 10px; padding: 5px 20px; display: inline-block;">100%</div>		

# GOVERNANCE DIMENSION

**Governance** in **Officine Ambrogio Melesi & C. srl** is based on sound ethical principles that guide every aspect of the company's activity. The company's Code of Ethics defines the essential guidelines so that all people, internal and external, working for the company will respect the values of transparency, fairness and responsibility. These principles are the basis on which to build a relationship of trust with customers, employees, suppliers and all other stakeholders. Failure to adhere to these values risks seriously undermining trust and cooperation between parties, potentially causing significant damage.

Among the fundamental principles of **Officine Ambrogio Melesi's** governance is **compliance with laws and regulations**, both nationally and internationally. The company is committed to comply with all regulations in force in the countries in which it operates, ensuring responsible and legally compliant management. Likewise, **loyalty and honesty** are the basis of professional relationships, which must be marked by fairness and respect, avoiding any form of prejudice or discrimination.

In addition, respect for **confidentiality and privacy** is an essential value. Officine Ambrogio Melesi ensures careful handling of sensitive information, avoiding the disclosure of confidential data and always operating in compliance with privacy regulations.

In this chapter, various data and information pertaining to the company's economic and legal sphere are reported.

**Officine Ambrogio Melesi** continues on its path of growth in sustainability, adopting the **Open-es** and **SUPPLHI** platforms to monitor and improve ESG performance, responding to the increasing demands for transparency and commitment from customers and supply chain partners.

Joining the Carbon Disclosure Project (**CDP**) program is another step toward a more comprehensive reporting of environmental impact and emissions reduction, reinforcing **Officine Ambrogio Melesi's** commitment to a more sustainable future.

Connect with us on these ESG platforms to find out what scores of sustainability we have achieved.



## MATERIAL THEMES

- Regulatory compliance



# GOVERNANCE DIMENSION

€ GRI 201-1 Direct economic value generated and distributed (in €)		2021	2022	2023
A	<b>DIRECT ECONOMIC VALUE GENERATED</b>	<b>96.724.656,00</b>	<b>127.340.325,00</b>	<b>154.806.710,00</b>
B	<b>ECONOMIC VALUE DISTRIBUTED</b>	<b>57.866.048,00</b>	<b>124.354.267,00</b>	<b>121.011.065,92</b>
B1	Operating costs	43.618.668,00	107.565.755,00	95.853.142,00
B2	Employee wages and benefits	13.673.572,00	14.052.831,00	14.090.408,00
B3	Payments to capital providers	0	0	0
B4	Payments to governments	543.108,00	2.711.437,00	10.948.998,92
B5	Community investments	30.700,00	24.244,00	118.517,00
A-B	<b>ECONOMIC VALUE RETAINED</b>	<b>38.858.608,00</b>	<b>2.986.058,00</b>	<b>33.795.644,08</b>

\* data in this table do not take into account changes in inventories

€ GRI 201-4 Financial assistance received from government	2021	2022	2023
Total monetary value of financial assistance received from public administration during the reporting period	<b>6.042.377,00</b>	<b>8.763.304,00</b>	<b>5.995.146,00</b>
Tax reliefs and deductions	1.241.080,00	1.516.360,00	766.854,00
Grants	75.285,00	2.770.181,00	957.036,00
Investment, research and development grants and other relevant forms of contributions	4.726.012,00	4.476.763,00	4.271.256,00

GRI 204-1 Proportion of spending on local suppliers	2021	2022	2023
Percentage of purchasing budget that is spent on local suppliers*	94%	79%	73%
Geographical definition of "local" for the organization (e.g., Italy or Lombardy or Como Province, etc...)	Italy		

\*In 2022 and 2023 there was an increase in raw material purchases as a result of higher inventory consumption in 2021

# GOVERNANCE DIMENSION

€ <b>GRI 417-2</b> Incidents of non-compliance concerning product and service information and labeling	2021	2022	2023
Total number of cases of non-compliance with regulations and/or self-regulatory codes regarding information and labelling of products and services	0	0	0

€ <b>GRI 417-3</b> Incidents of non-compliance concerning marketing communications	2021	2022	2023
Total number of cases of non-compliance with regulations and/or self-regulatory codes concerning marketing communications, including advertising, promotion and sponsoring	0	0	0

€ <b>GRI 418-1</b> Substantiated complaints concerning breaches of customer privacy and losses of customer data	2021	2022	2023
Total number of substantiated complaints concerning breaches of customer privacy	0	0	0
Total number of detected leaks, thefts or losses of customer data	0	0	0

€ <b>GRI 2-27</b> Compliance with laws and regulations	2021	2022	2023
Total number of significant cases of non-compliance with laws and regulations in which the company had to pay fines	0	0	0

# 05

## DRAFTING METHOD



This chapter provides reporting principles and boundaries, a table of the GRI indicators used, and a glossary on sustainability-related terminologies.



## THE BOUNDARIES OF THE SUSTAINABILITY REPORT

The Sustainability Report 2023 of Officine Ambrogio Melesi & C. S.r.l. represents the result of the first reporting cycle that the company has implemented to effectively inform stakeholders about its sustainability performance.

This document is intended to provide information on the management model, the policies practiced, and the main risks, opportunities and effects related to ESG issues identified as material.

The ultimate purpose is to provide evidence of the actions taken with respect to sustainability objectives by providing feedback to the legitimate expectations of all stakeholders of Officine Ambrogio Melesi & C. S.r.l.

## THE DRAFTING PRINCIPLES

The preparation of this sustainability report was guided by the principles of the Global Reporting Initiative (GRI), specifically following the GRI-Referenced option. This approach guides the reporting of our environmental, social and governance activities and impacts in line with internationally recognized standards on transparency and accountability.

- **The Global Reporting Initiative** (GRI, GRI-Referenced option) for reporting sustainability disclosures.
- The **UN Sustainable Development Goals** (SDGs) with reference to the implications of material issues on the Sustainable Development Goals.

# GRI DISCLOSURES

**STATEMENT OF USE:** Officine Ambrogio Melesi & C S.r.l. has reported the information mentioned in this GRI content index for the period from January 1, 2023 to December 31, 2023 with reference to the GRI Standards.  
**GRI 1 USE:** GRI 1 - Fundamental Principles - version 2021

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GRI 2: General Disclosures 2021	2-2 Entities included in the organization's sustainability reporting	13
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	17, 33, 35
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GRI 2: General Disclosures 2021	2-23 Commitment in terms of policy	29
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GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	91

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GRI 302: Energy 2016	302-3 Energy intensity	65
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a resource	68
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	68
GRI 303: Water and Effluents 2018	303-4 Water discharges	69
GRI 303: Water and Effluents 2018	303-5 Water consumption	69
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG Emissions	66
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	67
GRI 305: Emissions 2016	305-4 GHG emissions intensity	67
GRI 306: Wastewater and waste 2016	306-3 Waste generated	70
GRI 306: Wastewater and waste 2016	306-4 Waste diverted from disposal	71
GRI 306: Wastewater and waste 2016	306-5 Waste directed to disposal	71
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	78
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	80
GRI 403: Occupational Health and Safety 2018	403-10 Work-related ill health	81
GRI 404: Training and Education 2016	404-1 Average hours of training per year	82
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GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	87
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	92
GRI 417: Marketing and Labeling 2016	417-3 Incidents of non-compliance concerning marketing communications	92
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	93

# GLOSSARY

**Agenda 2030 for Sustainable Development:** is the Programme of Action for People, Planet and Prosperity signed in September 2015 by the governments of the 193 member countries of the UN. The Agenda incorporates the 17 Development Goals, referred to as the SDGs (see next item).

**Sustainability Report:** is a concise communication tool that illustrates how the company is committed to sustainability issues and measures its performance.

**Carbon Footprint:** expresses in CO<sub>2</sub> equivalent the total greenhouse gas emissions associated directly or indirectly with a product, organization or service. This index is used to measure the sustainability of companies.

**ESG (Environmental, Social, Governance):** indicates the dimensions of sustainability by which an organization's activities are evaluated, not only from an economic and governance perspective, but also from an environmental and social perspective.

**Circular Economy:** a model of production and consumption that involves sharing, reuse, repair, reconditioning and recycling of materials and products.

**Global Reporting Initiative (GRI):** an international nonprofit body established for the purpose of defining sustainability performance reporting standards for organizations.

**Governance:** The persons or bodies (e.g., the board of directors or a corporate trustee) with responsibility for overseeing the strategic direction of an organization and its accountability and stewardship obligations.

**Greenwashing:** the activity of communicating one's sustainability in a fraudulent manner.

**SDGs (Sustainable Development Goals):** 17 United Nations goals to be achieved by 2030. These goals serve as a guideline to contribute to global development, promote human well-being and protect the environment.

**Stakeholders:** entities, organizations or individuals who can be affected by the organization's activities, products and services or who have the ability to influence the organization's decisions.

**Shared Value:** a business model in which a company's pursuit of financial economic success and competitive advantage includes environmental and social decisions and strategies.

**Double Materiality Analysis:** The concept of "double materiality" was first formally proposed by the European Commission in the Non-Financial Reporting Guidelines. Following the DM principles, a company judges materiality from two perspectives: 1) "the extent necessary to understand the company's development, performance and position" and "in the broad sense of influencing the value of the company"; 2) environmental and social impact of the company's activities on a wide range of stakeholders. The concept also implies the need to assess the interconnection between the two perspectives.

**Source:** <https://www.globalreporting.org/media/jrbntbyv/griwhitepaper-publications.pdf>



Report drafted  
in collaboration with

**whatmatters**  
Led by purpose





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the sustainability report: [esg@melesi.it](mailto:esg@melesi.it)

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