



Sustainability Report

2023



Index

Highlights	3	<u>Planet</u>	
Letter to the Stakeholders	4	Materials	46
Methodological note	5	Energy	48
		Waste	51
		Water resources	52
		Mitigation of Environmental Impacts and Biodiversity	53
		Emissions	54
		<u>Prosperity</u>	
		Market, Products and Processes	56
		Certifications	60
		Sustainable Supply Chain Management	61
		Research and development	64
		Economic Performance	66
		<u>Tables</u>	
		Recap Tables	68

GNUTTI CIRILLO S.p.A.

History	7
Profile	8
Our Purpose	11
Governance	13
Ethics, Integrity and Compliance	14
Risk Management	18
Stakeholders	23
The Materiality Matrix	24
I Sustainable Development Goals	27
Projects for the environment	30

People

Workforce	33
Customers	42
Local communities and territory	44

GNUTTI CIRILLO S.P.A. - Single member company

Registered office:
via Ruca, 96
25065 Lumezzane - (Brescia) - Italy
T +39 030 8928511
Email: esg@gnutticirillo.it

Brescia Register of Companies and Tax Code
no. 03387080173
VAT No. 01951630985

Share Capital EUR 7,000,000 - fully paid-up
Company subject to the management and
coordination by Giuliano Gnutti Holding S.r.l.

Highlights

End-2023 data (v. end-2022 data)



People

400

Employees
(404)

6.5%

Hiring rate
(10.4%)

61

Training hours
delivered per capita
(25)

99.7%

Employees with
open-ended contract
(100%)

2,588

Training hours
delivered
(1,571)



Certifications

UNI EN ISO 9001:2015
Quality Certification

UNI EN ISO 14001
Certification of environmental
management systems



Planet

104,971

GJ Energy consumption
(92,895 GJ)

8,814

tonnes of CO₂ Scope 1
+ Scope 2 Location-based
emissions
(8,058)

12,867

tonnes of CO₂ Scope 1
+ Scope 2 Marker-based
emissions
(13,500)



Prosperity

129.9

Million EUR of revenues
(EUR 155.4 million)

13.3

Million EUR in margin
(EUR 18.7 million)

24,698

Tonnes • Total production
(29,463 tonnes)

Letter to the Stakeholders

Always focused on value creation, GNUTTI CIRILLO S.p.A. continues its preparatory work to address the upcoming new sustainability reporting requirements that will come into effect with the adoption of the Corporate Sustainability Reporting Directive (EU Directive 2022/2464). This directive extends the sustainability reporting obligations for companies beyond the current scope of the Non-Financial Statement as set out in Article 2 of Legislative Decree 2016/254.

The Sustainability Report 2023 was implemented with the aim of being increasingly transparent to the market, adopting the three-pillar structure “People, Planet, Prosperity”. It illustrates the company's main achievements during 2023 and its contribution to the three pillars and the 17 Sustainable Development Goals (SDGs) of the United Nations, through their interconnection with the corporate strategy and the material issues identified.

The “Sales Revenues” achieved in the fiscal year 2023 show a decrease of 16% compared to the result achieved in the previous year. This decrease mainly affected domestic sales (-18%) and sales in non-EU regions (-29%). The actions taken by the Group to generate financial resources through the reduction of inventory levels have led to decreased sales revenues between GNUTTI CIRILLO S.p.A. and its subsidiaries in Italy and the United States.

In fact, it should be noted that sales made by GNUTTI CIRILLO S.p.A. to third-party customers decreased by 2.9%, mainly due to the price effect generated by the trend in the price of the raw material brass.

In terms of margins, GNUTTI CIRILLO S.p.A.'s EBITDA amounted to EUR 13.3 million, down from EUR 18.7 million at the end of 2022. The decision to produce a Sustainability Report confirms GNUTTI CIRILLO S.p.A.'s commitment to continue contributing actively to decarbonisation and energy efficiency, sharing with stakeholders the importance of collective commitment to a sustainable future in the face of risks arising from climate change.

Lumezzane, 21 June 2024



Giuliano Gnutti
(Chairman)

Methodological note

GNUTTI CIRILLO S.p.A.'s Sustainability Report 2023 aims to transparently communicate the company's approach to sustainability and its performance in the areas of environmental, social and economic sustainability.

It reports on the company's activities, performance and impact on environmental, social and personnel issues, the fight against active and passive corruption and respect for human rights.

The reporting period runs from 1 January 2023 to 31 December 2023; data from previous years are reported for comparative purposes.

The contents were selected on the basis of what emerged from

the materiality analysis process, which included a comparison of the material topics with industry best practices and were represented loosely following the scheme of the 'GRI Standards' defined by the Global Reporting Initiative.

This Sustainability Report represents the second year of sustainability reporting for the company GNUTTI CIRILLO S.p.A.

For further information, clarification or suggestions:
esg@gnutticirillo.it





GNUTTI CIRILLO S.p.A.

History >

Profile >

Our Purpose >

Governance >

Ethics, Integrity and Compliance >

Risk Management >

Stakeholders >

The Materiality Matrix >

I Sustainable Development Goals >

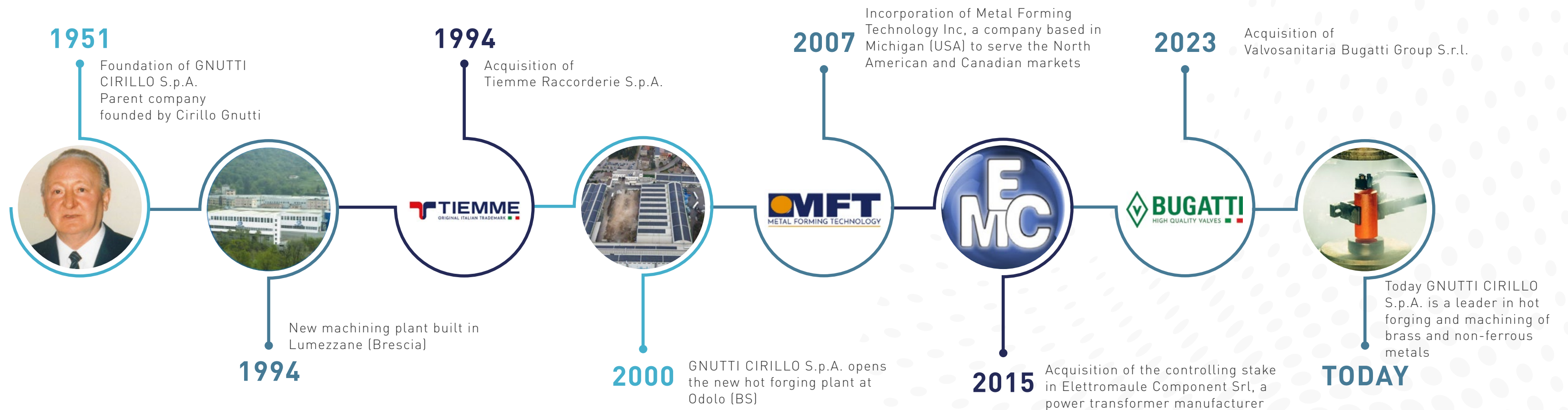
Projects for the environment >

History

GNUTTI CIRILLO S.p.A. is the parent company of the Gnutti Group. Founded in 1951 by Cirillo Gnutti as a mechanical company for the construction of tools and dies, today it is a world leader in the hot forging and mechanical machining of brass and other non-ferrous metals.

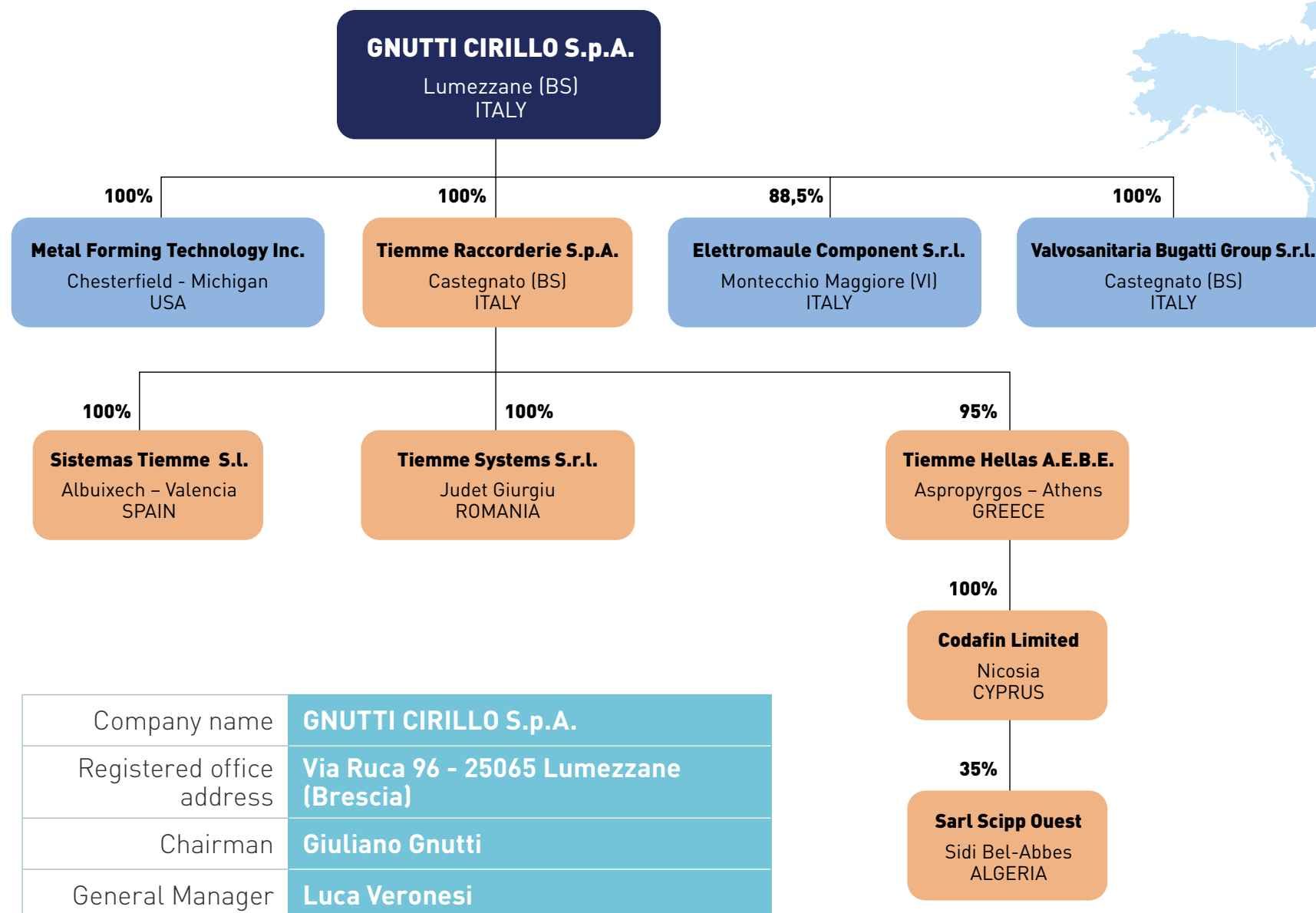
GNUTTI CIRILLO S.p.A. has compiled impressive technical expertise, enabling it to

meet all requirements. The company is self-sufficient throughout its entire production chain, from design to completely in-house construction of tooling and equipment; from hot forging of brass to machining, surface treatments and automatic assembly; through to the packaging of the finished product. Everything is customised to the customer's specifications.

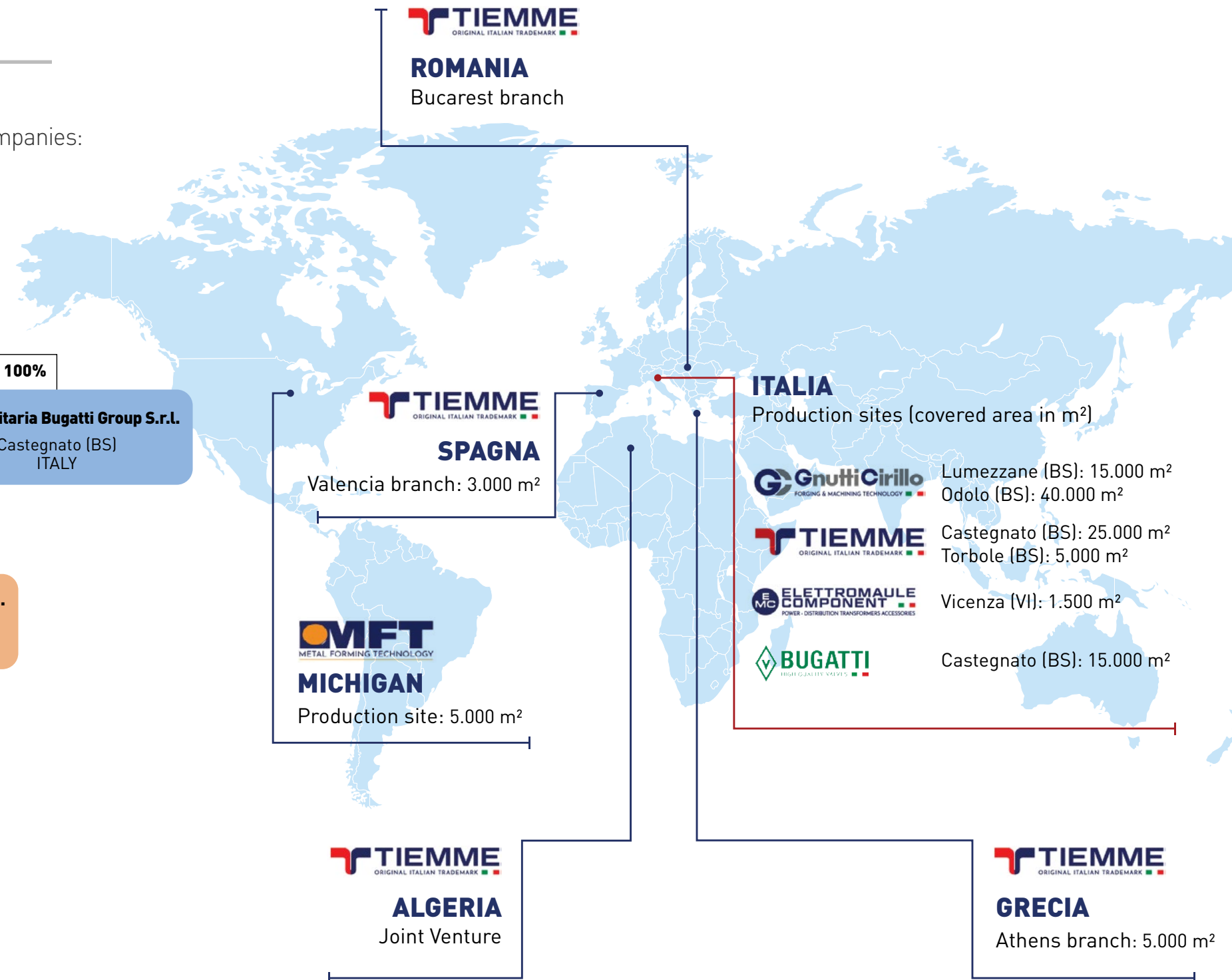


Profile

GNUTTI CIRILLO S.p.A. is the parent company of the Gnutti Group consisting of the following companies:

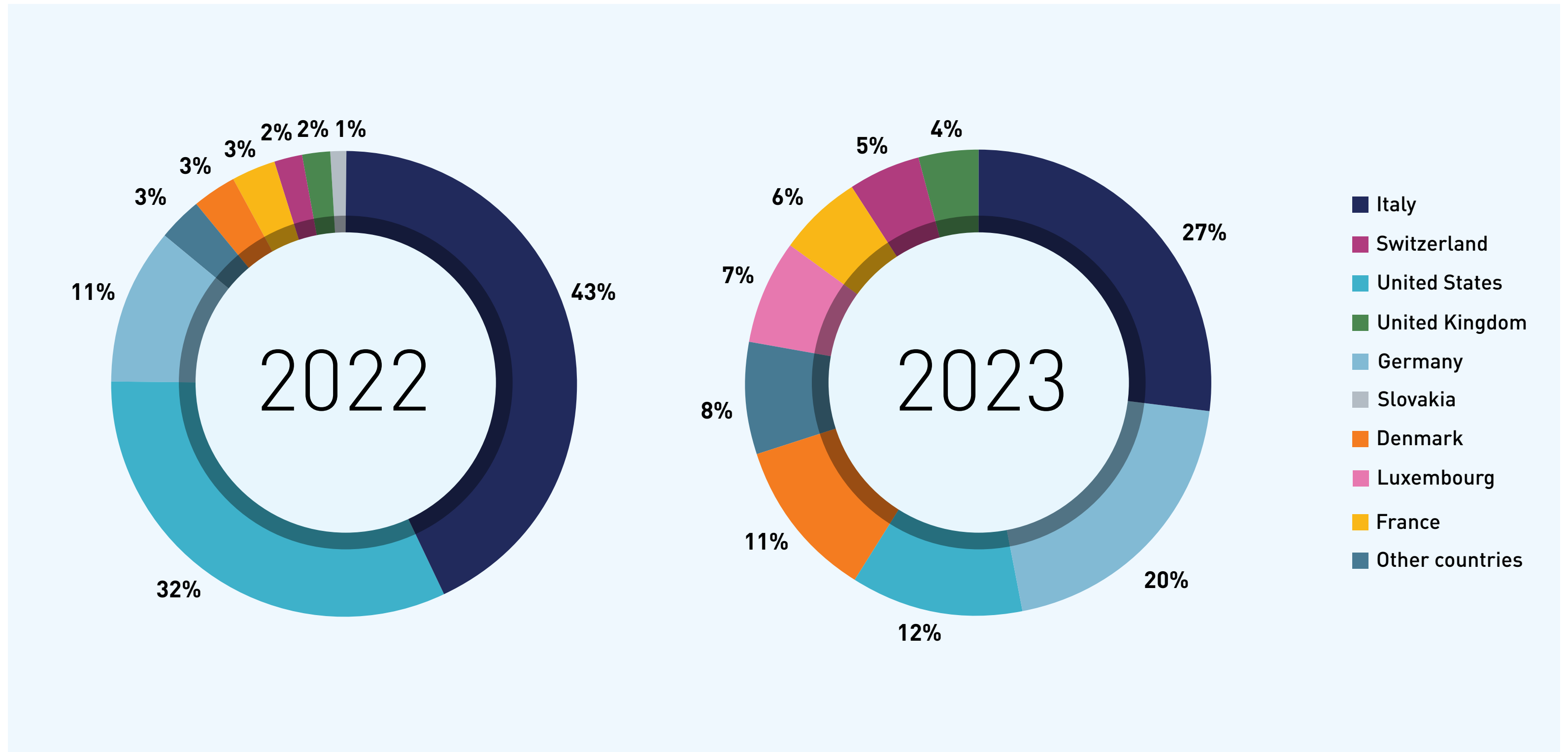


Company name	GNUTTI CIRILLO S.p.A.
Registered office address	Via Ruca 96 - 25065 Lumezzane (Brescia)
Chairman	Giuliano Gnutti
General Manager	Luca Veronesi





Evolution of customers by country from 2022 to 2023



Lumezzane plant

Production site address

Via Ruca 96 - 25065 Lumezzane (BS)

Classification of settlement location area

B5 - Industrial Area

Year of construction

1991

Total surface area

Approximately 15,000 m²

Total workforce

257 people (169 blue-collar workers, 78 white-collar workers, 4 middle managers and 6 top managers)

Working hours:

Continuous working hours in three shifts. Monday to Friday. The shifts are organised as follows: 6.00 - 14.00; 14.00 - 22.00; 22.00 - 6.00.



Odolo plant

Production site address

Via Brescia n. 7 - 25076 Odolo (BS)

Classification of settlement location area

B5 - Industrial Area

Year of construction

1999

Total surface area

40,000 m²

Total workforce

143 people (120 blue-collar workers, 22 white-collar workers, 1 middle manager)

Working hours:

Continuous working hours in two shifts. Monday to Friday. The shifts are organised as follows: 6.00 - 14.00; 14.00 - 22.00.

Our Purpose

GNUTTI CIRILLO S.p.A. endorsed the Purpose Statement formulated by the Business Roundtable in 2019, recognising:

- the vital role of business in creating new jobs, fostering innovation and providing essential goods and services to communities
- the central role that stakeholders should have in the life and strategy of the business
- the importance of making an ongoing commitment to create value for all stakeholders, working towards the long-term sustainable success of the company, the community and the country



Purpose Document

[Download PDF](#)



The Formation of Corporate Purpose

GNUTTI CIRILLO S.p.A. recognises that the company's purpose is directly linked to and influenced by the needs, expectations, risks, and opportunities of the markets, systems, and all stakeholders. With this in mind, GNUTTI CIRILLO S.p.A. intends to continuously review its Purpose taking into account the updated requests, needs and expectations of its stakeholders.



Source: Bain & Company (processing)

In this context, the Sustainability Policy, drafted in 2023, outlines the principles and guidelines on sustainability that the company intends to pursue.

Through it, GNUTTI CIRILLO S.p.A. makes explicit the intentions and strategies it will implement in the coming years to ensure sustainable development and growth.

Governance

GNUTTI CIRILLO S.p.A. entrusts management to a Board of Directors consisting of a Chairman and three Directors. The supervisory functions pursuant to Article 2403 of the Italian Civil Code are carried out by the Board of Statutory Auditors, while the independent audit, as required by Article 2409-bis of the Italian Civil Code, has been assigned to a specifically appointed auditing firm.

The company has adopted a Code of Ethics and its own Organisation Model pursuant to Legislative Decree 231/2001 (hereinafter also referred to as “Model 231”), last updated in 2022. With these tools, the company confirms its desire to orient governance towards fairness, transparency and the highest standards of management quality.

In this regard, GNUTTI CIRILLO S.p.A., although not currently listed, is aligning its corporate governance practices with the recommendations of the new 2020 Corporate Governance Code of Borsa Italiana.

“The impetus came from both the company’s ownership and management, as well as the recommendation of the OECD (currently revising the G20/OECD corporate governance principles) that strengthening corporate governance in unlisted companies can provide a significant boost to productivity growth and support the

formation of more informed strategic decisions.

Finally, the Board of Directors reviews the sustainability policy and its subsequent updates, overseeing the work of the ESG Committee in the implementation of Sustainability projects.



Composition of the Board of Directors

Chairman
and Managing Director
Giuliano Gnutti

Managing Director
Alberto Gnutti

Director
Franco Veronesi

Director
Guido Riccardi

Ethics, Integrity and Compliance

[Disclosure 2-27 Compliance with Laws and Regulations, GRI 205 Anti-Corruption, GRI 206 Anti-Competitive Behaviour]

GNUTTI CIRILLO S.p.A. holds in utmost consideration respect for human dignity in all its forms, care and protection of the health and physical and moral integrity of workers, fairness in business relations with suppliers and customers and transparency in relations with the Public Administration and supervisory bodies in all their forms and expressions.

The reputation that GNUTTI CIRILLO S.p.A. has built, starting from the region in which it operates, is the result of consistent operational and managerial integrity over time and a rigorous approach to compliance, risk management, and control systems. These elements have enabled the company to enhance its value, including in its relationships with stakeholders.

In order to ensure ethical and responsible conduct, the company has implemented various tools, including the Code of Ethics, the Organisation Model pursuant to Legislative Decree 231/01, and a specific whistleblowing procedure, the latter in compliance with Legislative Decree 24/2023.



The image shows the cover of a document titled "WHISTLEBLOWING DOCUMENT". The cover features the Gnutti Cirillo logo at the top left, which includes the text "FORGING & MACHINING TECHNOLOGY" and a small Italian flag. Below the logo is a photograph of a mechanical part. The title "WHISTLEBLOWING DOCUMENT" is written in a bold, sans-serif font. To the right of the document cover is a large QR code. Below the QR code, the text "Whistleblowing Document" is displayed in a bold, dark blue font. At the bottom right of the complex block is a dark blue button with the text "Download PDF" in white.



The image shows the cover of a document titled "CODE OF ETHICS". The cover features the Gnutti Cirillo logo at the top left, which includes the text "FORGING & MACHINING TECHNOLOGY" and a small Italian flag. Below the logo is a photograph of a wooden gavel. The title "CODE OF ETHICS" is written in a bold, sans-serif font. To the right of the document cover is a large QR code. Below the QR code, the text "Code of Ethics Document" is displayed in a bold, dark blue font. At the bottom right of the complex block is a dark blue button with the text "Download PDF" in white.

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

The adoption of the Organisational, Management and Control Model pursuant to Legislative Decree 231/2001, as early as 2014, is a tangible demonstration of the company's willingness to set its governance in accordance with the most advanced compliance standards.

Apart from the specific purposes laid down in Legislative Decree 231/2001, an Organisation Model of this kind fosters greater awareness on the part of human resources with respect to their own spheres of action, also through the constant updating and adjustment of the safeguards put in place to prevent the commission of offences. Nonetheless, with regard to the specific issue of corruption, the Code of Ethics makes precise reference to the need for any activity implemented to be conducted in a responsible, legitimate manner, and consistent with the company's objectives and rules of conduct.

In particular, relations with the Public Administration are the exclusive responsibility of the company functions delegated to them, which are called upon to respect the principles of independence, impartiality, transparency and fairness expressed in the Organisational Models. In accordance with the principles set out above, bribery, whether active or passive, is firmly prohibited by the Company's Code of Ethics, whether towards counterparts within the Public Administration or towards private parties.

GNUTTI CIRILLO S.p.A. aims to be perceived by local communities as a source of resources and opportunities for the territory. In this context, the company therefore places the highest priority on addressing any potential complaints, whether they are related to environmental issues or other impacts on the local area.



Internal Relationships

Employee contracts comply with all applicable regulations.

The selection of profiles is conducted with the aim of addressing the actual needs of the company, avoiding any form of favouritism or preferential treatment.

Senior management is committed to pursuing a policy of merit recognition, in compliance with equal opportunities, and promotes the development of staff skills.

In the event of conduct by third parties that is inconsistent with the Code of Ethics, employees report them to the Supervisory Board, which then takes the necessary measures.

External Relationships

Public Administration

- adherence to the principles of fairness, truthfulness, transparency, efficiency, and collaboration
- relationships managed by individuals with the appropriate delegated authority or power of attorney
- adherence to the rules of the Code of Ethics, such as the prohibition of:
 - offering money to public officials in order to favour the company
 - offering or accepting benefits in order to gain favourable treatment when interacting with the public administration
 - during interactions with public authorities, undertaking actions such as:
 - examining or proposing opportunities that might personally benefit public administration employees
 - soliciting or obtaining confidential information

Interactions with suppliers

Suppliers are selected in order to find the best balance between economic advantage and quality of performance. Principles of transparency, equality, fairness, and free competition are adhered to in dealings with suppliers.

Those responsible for interactions with suppliers are required to:

- establish efficient, transparent and collaborative relations in line with the best business practices
- obtain suppliers' cooperation in constantly ensuring the best combination of quality, cost and delivery times
- demand application of the conditions agreed by contract
- require suppliers to comply with the principles of this Code of Ethics
- operate within the framework of the regulations in force and demand compliance with them (e.g. refusal of gifts and benefits)

Interactions with Political Parties and Trade Unions

The same rules apply as those established for interactions with public authorities.

Permitted forms of strictly institutional collaboration:

- conferences
- seminars
- studies
- research
- others

Interactions with customers

GNUTTI CIRILLO S.p.A.'s approach to customer relations is characterised by availability, transparency, respect, courtesy, and a deep understanding of their needs.

Customers are forbidden to offer gifts or benefits to the Company's employees that may induce them to behave in a way that is contrary to the interests, including moral interests, of the Company.

Continuous improvement of service, monitoring of customer satisfaction, and total quality are some of the main objectives that GNUTTI CIRILLO S.p.A. pursues in its relationship with customers.

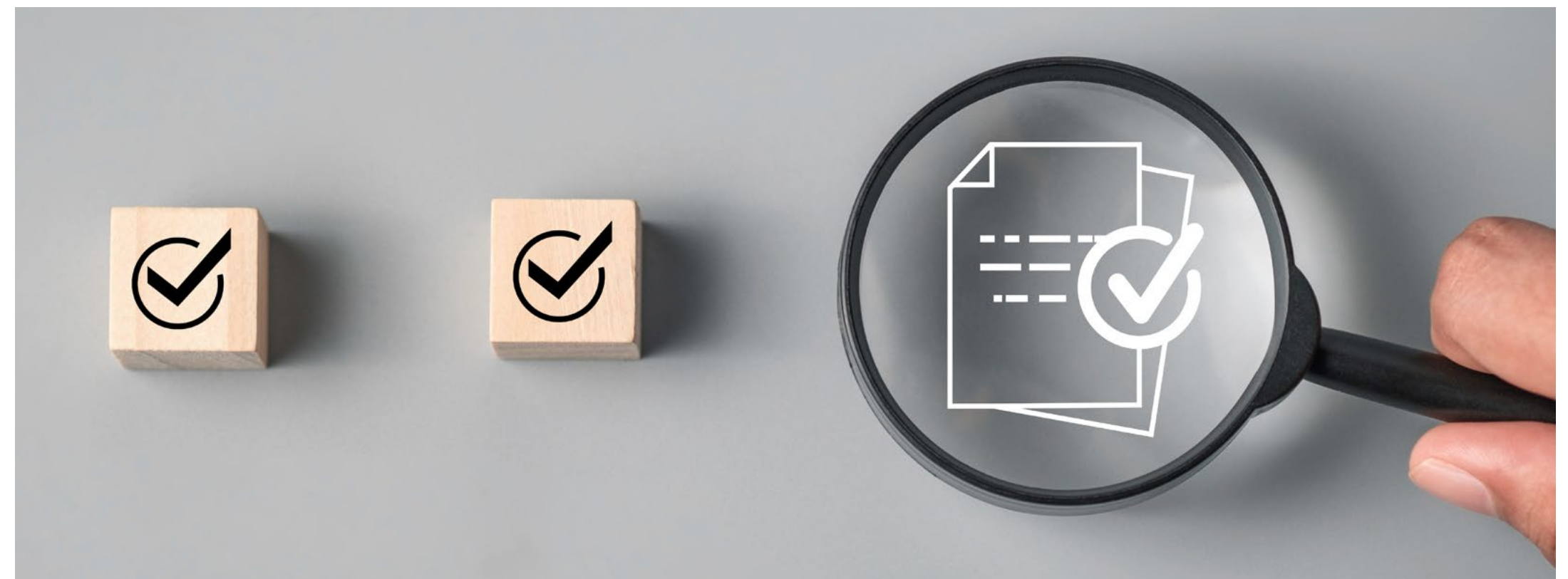
Company Supervisory Board

The Supervisory Board (also "SB") has the task of supervising:

- **the operation of and compliance with the Code of Ethics**
- **the observance, effectiveness, implementation and updating of the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 in its entirety**

The Supervisory Board is endowed with autonomous powers of initiative and control, appointed by the Board of Directors of the Company pursuant to Legislative Decree No. 231/2001, as amended and supplemented.

Without prejudice to compliance with all safeguards provided for by the regulations or collective labour agreements in force and without prejudice to legal obligations, the



Supervisory Board is entitled to receive requests for clarifications, as well as reports of potential or actual breaches of this Code. The Supervisory Board is obliged to work in conditions of the greatest confidentiality, with impartiality, authority, continuity, professionalism and autonomy. The Supervisory Board also operates with wide discretionary powers and with the full support of the Company's top management, with which it cooperates in complete independence.

Risk Management

Main risks to be faced

GNUTTI CIRILLO S.p.A. considers it essential to integrate and apply a “Risk-based Thinking” approach to its Corporate Policy and Vision in order to understand what the risks (and opportunities) of its business are. The main risks monitored by the company are:

Risks linked to the general condition of the economy

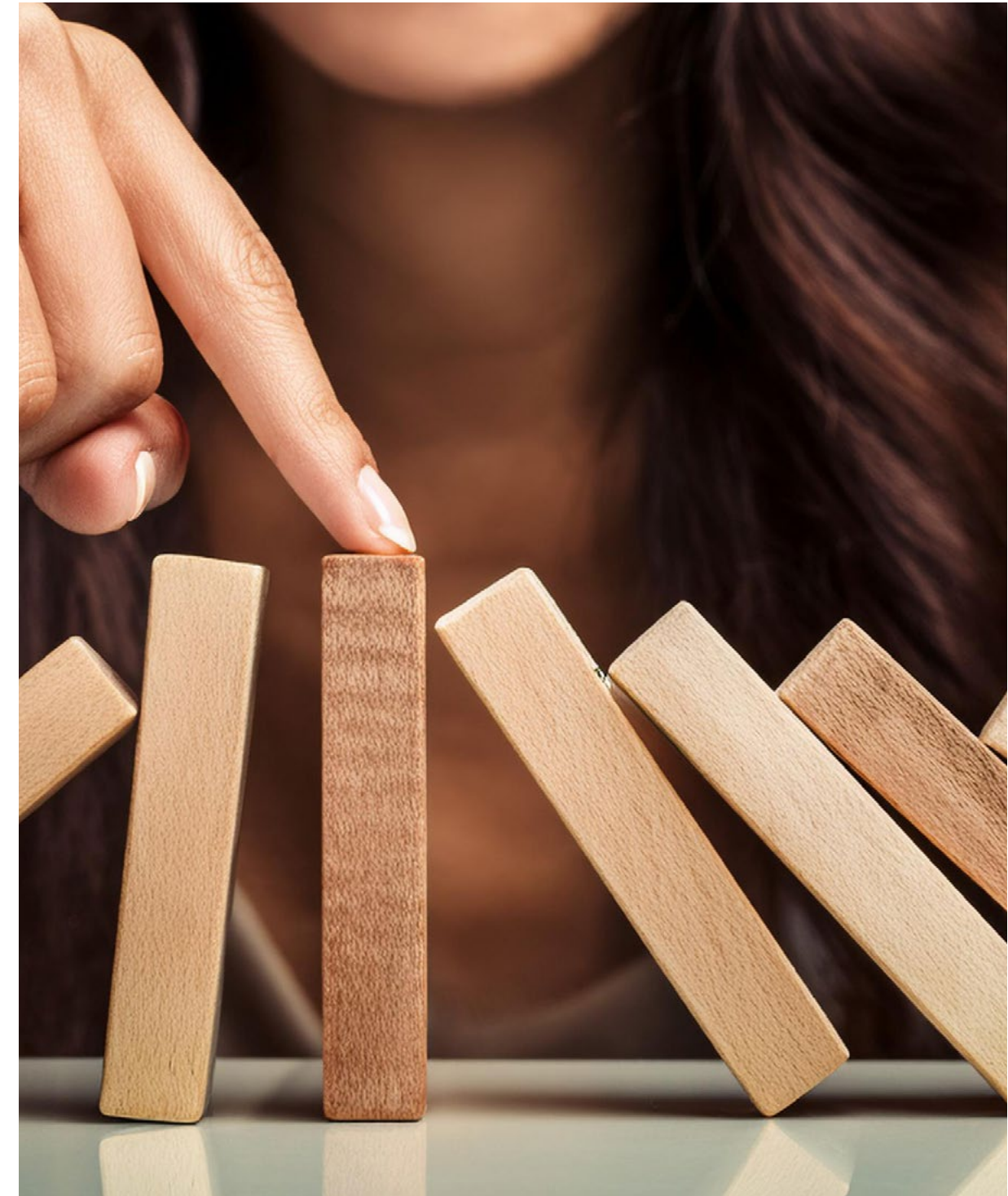
Risks associated with the market in which the company operates

Credit risk

Liquidity risk

Market risk

Environmental and personnel-related risks



Risk Management System

GNUTTI CIRILLO S.p.A. manages strategic objectives in compliance with its Quality, Environment, Health, and Safety Management System, as well as the processes that constitute it.

For this reason, the company decided to:

- **produce proof that the risks have been identified and that actions proportional to their consequences have been taken**
- **perform reviews of these actions**

GNUTTI CIRILLO S.p.A. approaches risk management according to the principles of the UNI ISO 31000:2018 standard, in the awareness that risk management:

- **creates and protects value**
- **is an integral part of all the organisation's processes**
- **is part of the decision-making process**
- **deals explicitly with uncertainty**
- **is systematic, structured and timely**

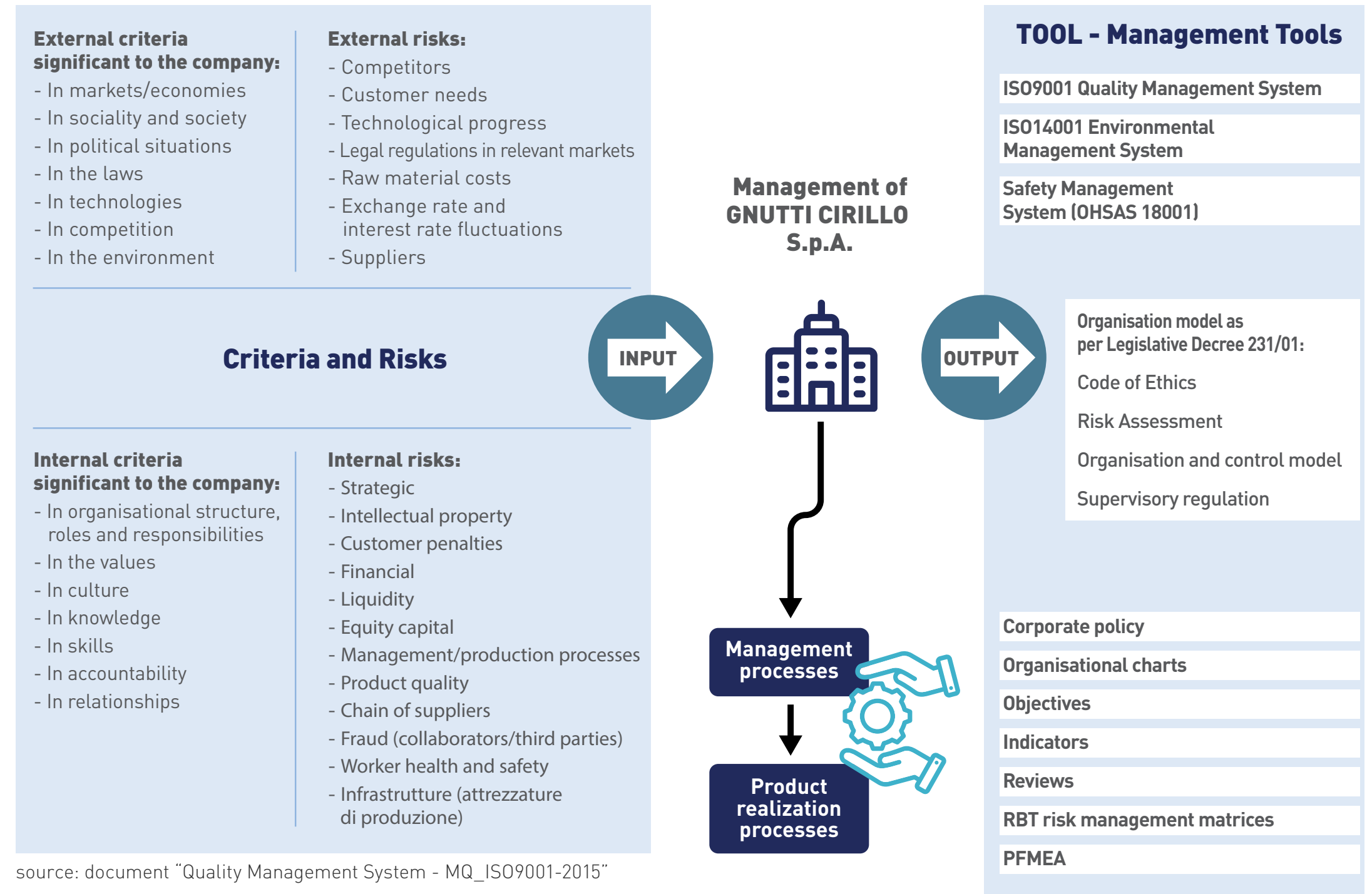
To this end, GNUTTI CIRILLO S.p.A. has implemented and maintains a Quality and Environment Management System in accordance with the requirements of the UNI EN ISO 9001:2015 and UNI EN ISO 14001:2015 international standards.



Risk Analysis Process

The company's risk management is based on the principle of accountability according to which the risk itself is managed by the person responsible for the corporate process directly involved.

Criteria and Risk identification process – “Risk-based Thinking”



source: document “Quality Management System - MQ_ISO9001-2015”

Major risks are reported and discussed at the company management level in order to create the prerequisites for their management, coverage, insurance and residual risk assessment.

Risks are also monitored through a set of systems with associated procedures, including:

- **ISO9001 Quality Management System**
- **ISO14001 Environmental Management System**
- **OHSAS 18001 Occupational Health and Safety Management System**
- **Organisation model as per Legislative Decree 231/2001**
- **RBT Risk management matrices**
- **FMEA process (analyses each process step)**

Quality Risks

GNUTTI CIRILLO S.p.A. is committed to proper management of the Quality System with the aim of full customer satisfaction through improvements involving the entire company.

Product quality is the result of the commitment of all departments and is based on the appropriate use and development of human resources, with the aid of systematic training programmes which involve all levels within the company.

The following objectives have been set in relation to the Quality Management System:

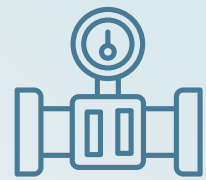
- **Meet the needs of in-house staff, through:**
 - growth programmes
 - promotion of staff loyalty
- **Meet customer needs, through:**
 - a comprehensive range of products
 - product availability in stock
 - prompt delivery
 - proper handling of complaints

- **Guarantee the quality of the products supplied, through:**
 - proper design
 - accurate manufacturing
 - validation of production processes
 - dedicated testing of production processes
- **Ensure the proper management of facilities, through:**
 - renewal of machinery
 - proper maintenance of machinery
 - measurement and control of process efficiency
 - improvement projects
- **Ensure reliable suppliers, through**
 - constant involvement

Environmental risk

GNUTTI CIRILLO S.p.A. is fully aware of the importance which must be given to environmental protection and the prevention of pollution, and it is therefore committed to making these values an integral part of the organisation's culture, in order to involve all staff in actions intended to safeguard the environment.

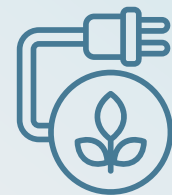
List of environmental risks



Monitoring of water consumption



Active pollution reduction



Use of sustainable technologies



Transparency in external communication



Promotion of a culture of responsibility and sustainability among employees



Dissemination of best HR practices



Engagement of the supply chain on environmental issues

Occupational safety risks

GNUTTI CIRILLO S.p.A. has also defined internal procedures, in compliance with the UNI EN ISO 45001:2018 international standard, in order to protect the health and safety of workers.

All employees of the company, at all levels, are responsible for this by improving the company's quality and environmental performance wherever possible.

In particular, the management is responsible for its distribution, for motivation and above all for monitoring of the level of awareness within its areas of responsibility.

Stakeholders

GNUTTI CIRILLO S.p.A. aims to build, develop and maintain over time a relationship of trust and transparent dialogue with its stakeholders, individuals, groups, entities and organisations whose contribution is necessary to achieve the company's mission, taking into account their needs, expectations and requirements with the aim of creating value in a sustainable manner.

Below are the main stakeholders mapped by the company:

- **Environment (integrated with respect to the materiality matrix)**
- **Customers**
- **Competitors**
- **Local community and territory**
- **Suppliers, partners, supply chain companies**
- **Workers and collaborators of the company**
- **Financial market**
- **Public Administration and Institutions**
- **Shareholders (integrated with respect to the materiality matrix)**

In 2023, GNUTTI CIRILLO S.p.A. began actively communicating its sustainability position to stakeholders, through advertising on its website and by sending the Sustainability Report 2022 to customers who requested updates on the company's ESG progress via questionnaires or other means of communication.



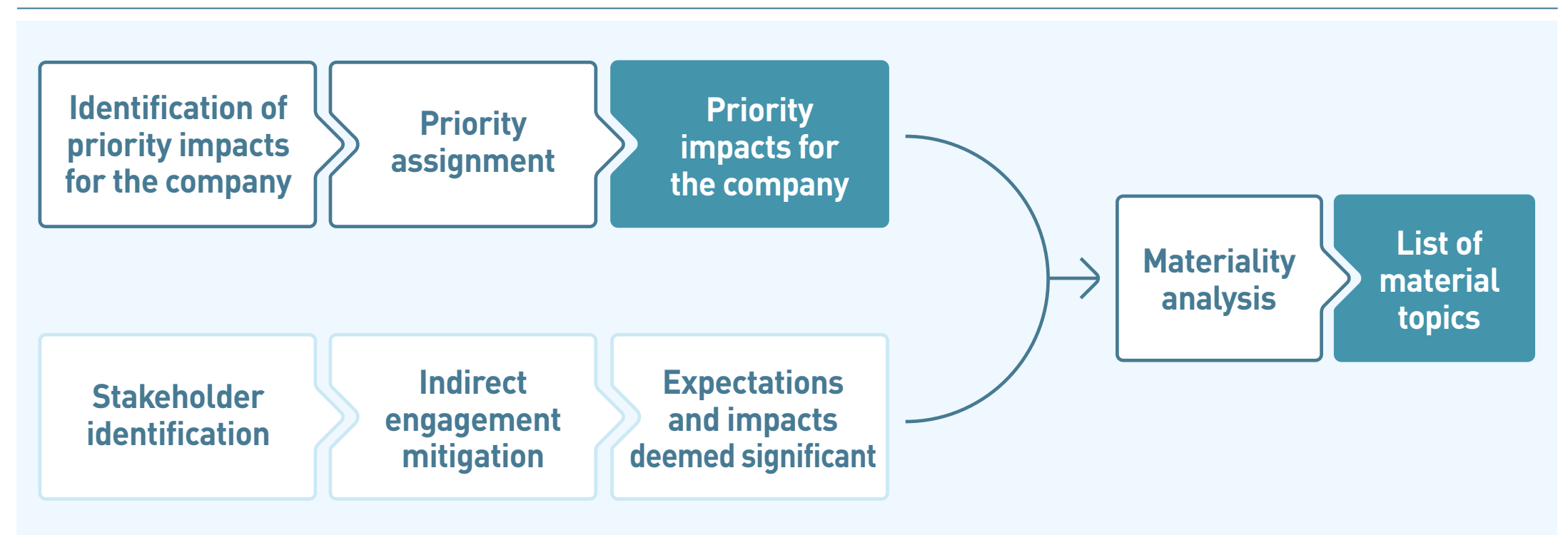
The Materiality Matrix

GNUTTI CIRILLO S.p.A. has identified “material aspects” in line with the GRI (Global Reporting Initiative) Standards. Material aspects are defined as those issues that have a high economic, social and environmental relevance and have an influence on the assessments and decisions of both the company and its stakeholders.

The materiality matrix identifies relevant issues through a methodology involving two parallel approaches:

- Identification of the actual and potential, positive and negative impacts of the organisation on the economy, the environment, people and their human rights, through the involvement of senior management
- Identification of stakeholders’ expectations by engaging with the company’s stakeholders, gathering their views on identifying impacts and prioritising them

Methodological approach to the formation of the materiality matrix

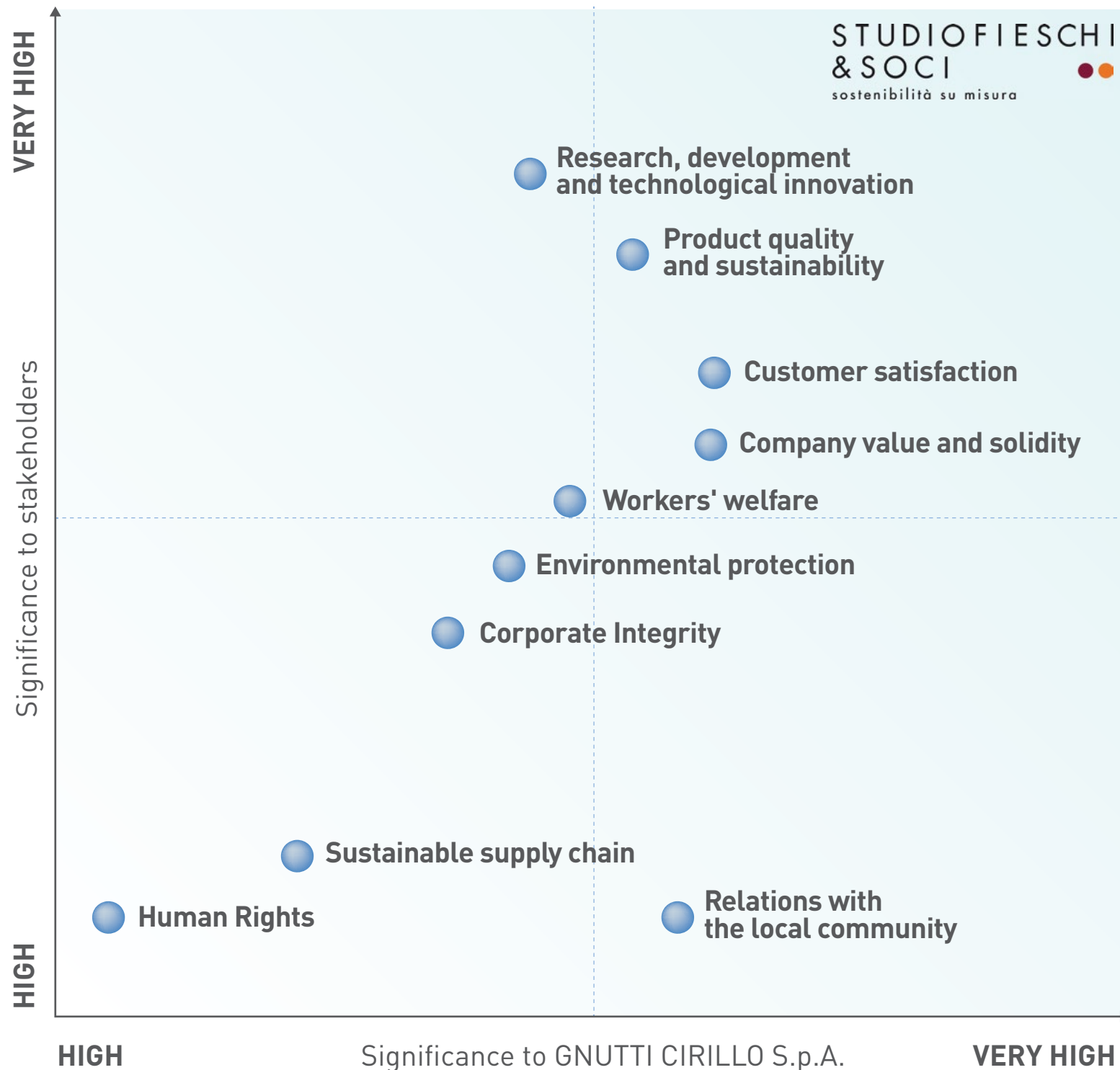


The result of this analysis was the formation of a list of material topics reflecting those issues whose impacts are relevant to the organisation and on which to focus action and reporting commitments.

List of material topics for GNUTTI CIRILLO S.p.A.

PRIORITY TOPIC	DEFINITION
Company value and solidity	The ability to generate value in order to redistribute it within and outside the company boundaries, also thanks to commercial expertise
Corporate Integrity	Act with transparency and accountability in full compliance with international, national and corporate standards, regulations and policies
Product quality and sustainability	Meeting customers' expectations by supplying products that meet the highest quality standards, while also taking care of sustainability aspects
Research, development and technological innovation	Research and innovation as strategic elements to increase a company's competitiveness and market positioning
Environmental protection	Correctly manage the implementation of company activities while trying to reduce, as far as possible, impacts on the environment and resources
Sustainable supply chain	Respect for ethical principles and environmental and social sustainability within its value chain
Workers' welfare	Protecting the health and safety of employees and promoting their satisfaction through the valorisation of competences and skills
Human Rights	No tolerance for child, forced or compulsory labour and implementation of practices to assess compliance with these rights
Customer satisfaction	Ensuring that customers receive quality products, through continuous listening to their needs and transparent communication
Relations with the local community	Maintaining close ties with the local territory, fostering the development and growth of the local community

Materiality Matrix of GNUTTI CIRILLO S.p.A.



Regarding this list, feedback from the company's management was collected first, followed by input from stakeholders, in terms of relevance. This process formed the materiality matrix (see adjacent diagram).

Using the above-described methodology of dual involvement of management and stakeholders, GNUTTI CIRILLO S.p.A. will periodically update the materiality matrix by submitting to the attention of management and stakeholders additional ideas and issues that, if deemed relevant, will be integrated into the materiality matrix.

The following are non-exhaustive examples:

- Governance
- Circular economy and renewable raw materials
- Data Protection
- Energy and emissions
- Waste and scrap
- Compliance
- Safety at work
- Training
- Economic Performance
- Diversity and equal opportunities

Sustainable Development Goals

For some time now, GNUTTI CIRILLO S.p.A. has been committed to responsible business management, which is not limited to regulatory compliance and the containment of negative externalities, but focuses on the promotion of a corporate culture oriented towards the creation of lasting value for its stakeholders.





The company carries out its production activities according to an approach based on the responsible and sustainable use of resources, promoting the socio-economic development of the territory in which it operates, the valorisation of its human resources, the adoption of voluntary certifications, adopting the principles of the circular economy and pursuing a sustainable development.



The sustainability strategy of GNUTTI CIRILLO S.p.A. is based on the values and principles outlined in the Code of Ethics, takes into account the most relevant international initiatives, such as the Global Compact, and contributes to achieving several of the 17 United Nations Sustainable Development Goals (UNSDGs). It promotes sustainable development through its operations and production context, identifying commitments and performance indicators for each goal.




To the right are the UNSDGs that the company is committed to:



Targets, indicators and actions identified by GNUTTI CIRILLO S.p.A.

SELECTED GOALS	IDENTIFIED TARGETS	RELEVANT INDICATORS	CONTRIBUTIONS AND ACTIONS
	<p>Achieve universal health coverage, including protection from financial risks, access to quality essential health services and access to safe, effective, quality and affordable essential medicines and vaccines for all</p>	<p>Coverage of essential health services</p>	<p>Develop corporate welfare that facilitates employees' and collaborators' access to essential health services</p> <p>Promote and support initiatives that favour access to services located in different locations for the benefit of different employee locations</p>
	<p>By 2030, ensure that everyone acquires the necessary knowledge and skills to promote sustainable development, including, inter alia, education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, citizenship and appreciation of cultural diversity and the contribution of culture to sustainable development</p>	<p>The extent to which global citizenship education and sustainable development education, including gender equality and human rights, are integrated at all levels into: (a) national education policies, (b) curricula (c) teacher training and (d) student assessment</p>	<p>Continuous training plans for all staff on ESG issues</p>
	<p>Ensure full and effective female participation and equal leadership opportunities at every decision-making level in politics, business and public life</p>	<p>Percentage of women in managerial / leadership positions</p>	<p>Staff selection procedures ensuring equal opportunities for all</p> <p>Gross annual salary alignment plans</p>
	<p>Substantially increase the share of renewable energy in total energy consumption by 2030</p> <p>Double the global rate of energy efficiency improvement by 2030</p>	<p>Share of renewable energy in total final energy consumption</p> <p>Energy intensity measured in terms of primary energy and GDP</p>	<p>Adopt a policy of controlling and improving energy efficiency within the company's operating properties and work spaces</p> <p>Increase the share of energy from renewable sources</p> <p>Enhance company's operating properties by planning and carrying out the necessary interventions aimed at energy saving, consumption reduction and energy efficiency improvement</p> <p>Work to reduce direct and indirect emissions</p>

SELECTED GOALS	IDENTIFIED TARGETS	RELEVANT INDICATORS	CONTRIBUTIONS AND ACTIONS
	<p>Progressively improve global efficiency in resource consumption and production by 2030 and attempt to decouple economic growth from environmental degradation, in accordance with the 10-year Framework of Programmes on Sustainable Consumption and Production, with the most developed countries leading the way</p> <p>Protect the right to work and promote a healthy and safe working environment for all workers, including immigrants, especially women, and precarious workers</p>	<p>Material footprint, material footprint per capita and material footprint per GDP</p> <p>Internal material consumption, internal material consumption per capita and internal material consumption per GDP</p> <p>Frequency rates of fatal and non-fatal occupational accidents by gender and migrant status</p> <p>Increased national compliance with labour rights (freedom of association and collective bargaining) based on International Labour Organisation (ILO) textual sources and national legislation, by gender and migrant status</p>	<p>Promote responsible consumption, adopt and promote circular economy and re-use policies and mechanisms</p> <p>Increase safety at work, and improve conditions for employees and the community</p> <p>Ensure full compliance with legal obligations concerning work and safety in the workplace</p> <p>Adopt an action plan to improve working conditions, as required by meetings with employees</p>
	<p>Improve infrastructure and sustainably reconfigure industries by 2030, increasing resource efficiency and adopting cleaner and more environmentally sound technologies and industrial processes, with all states taking action in relation to their respective capabilities</p>	<p>CO₂ emissions per unit of added value</p>	<p>Enhance the managed real estates by planning and carrying out the necessary energy-saving, energy-consumption reduction and energy-efficiency improvement measures</p> <p>Work to reduce direct and indirect emissions</p> <p>Adopt responsible investment policies also based on exclusion criteria</p> <p>Promote projects aimed at creating sustainable mobility, encouraging remote meetings and the use of less polluting means among employees (electric vehicles, bicycles, public transport, car sharing, etc.)</p> <p>Develop a transition plan to decarbonise assets</p>

SELECTED GOALS	IDENTIFIED TARGETS	RELEVANT INDICATORS	CONTRIBUTIONS AND ACTIONS
	<p>By 2030, enhance and promote the social, economic and political inclusion of all, regardless of age, gender, disability, race, ethnicity, origin, religion or economic or other status</p> <p>Ensure equal opportunities and reduce inequalities in outcomes, including by eliminating discriminatory laws, policies and practices and promoting appropriate laws, policies and actions in this regard</p>	<p>Percentage of people living below 50% of the average income, by gender, age and persons with disabilities</p> <p>Percentage of population who reported feeling personally discriminated against or harassed in the previous 12 months on the grounds of discrimination reasons prohibited under international human rights law</p>	<p>Develop company policies that foster the social, economic and political inclusion of all employees and collaborators</p> <p>Promote and support initiatives that foster the social, economic and political inclusion of all in favour of local communities</p>
	<p>By 2030, achieve sustainable management and efficient use of natural resources</p> <p>By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p> <p>Encourage companies, especially large multinational corporations, to adopt sustainable practices and integrate sustainability information into their annual reports</p>	<p>Material footprint, material footprint per capita and material footprint per GDP</p> <p>Internal material consumption, internal material consumption per capita and internal material consumption per GDP</p> <p>National recycling rate, tonnes of material recycled</p> <p>Number of companies publishing a Sustainability Report</p>	<p>Promote responsible consumption, adopt and promote circular economy and re-use policies and mechanisms</p> <p>Adopt separate waste collection and management policies aimed at causing minimum harm to the community and increasing the recycling rate</p>
	<p>Strengthen resilience and adaptation to climate-related risks and natural disasters in all countries</p> <p>Integrate climate change measures into national policies, strategies and planning</p>	<p>Number of deaths, missing persons and persons affected by disasters (per 100,000 people)</p> <p>Number of countries with national and local disaster risk reduction strategies</p> <p>Percentage of local governments adopting and implementing territorial disaster risk reduction strategies in line with national disaster risk reduction strategies</p> <p>Number of countries that have reported the establishment or implementation of an integrated policy/strategy/plan that increases their capacity to adapt to the adverse impacts of climate change and promotes climate resilience and low greenhouse gas emission development in a way that does not threaten the production cycle (including a national adaptation plan, a nationally determined contribution, a national communication, a biennial update report or other)</p>	<p>Promote a policy of consumption reduction and control and sustainable energy management within the company's operating properties and work spaces</p> <p>Increase the share of energy from renewable sources</p> <p>Enhance properties with energy-saving and consumption reduction measures</p> <p>Mitigate and offset emissions from business activities wherever possible</p> <p>Promote projects aimed at creating sustainable mobility</p> <p>Encourage the use of sustainable mobility among company employees</p>

Projects for the environment

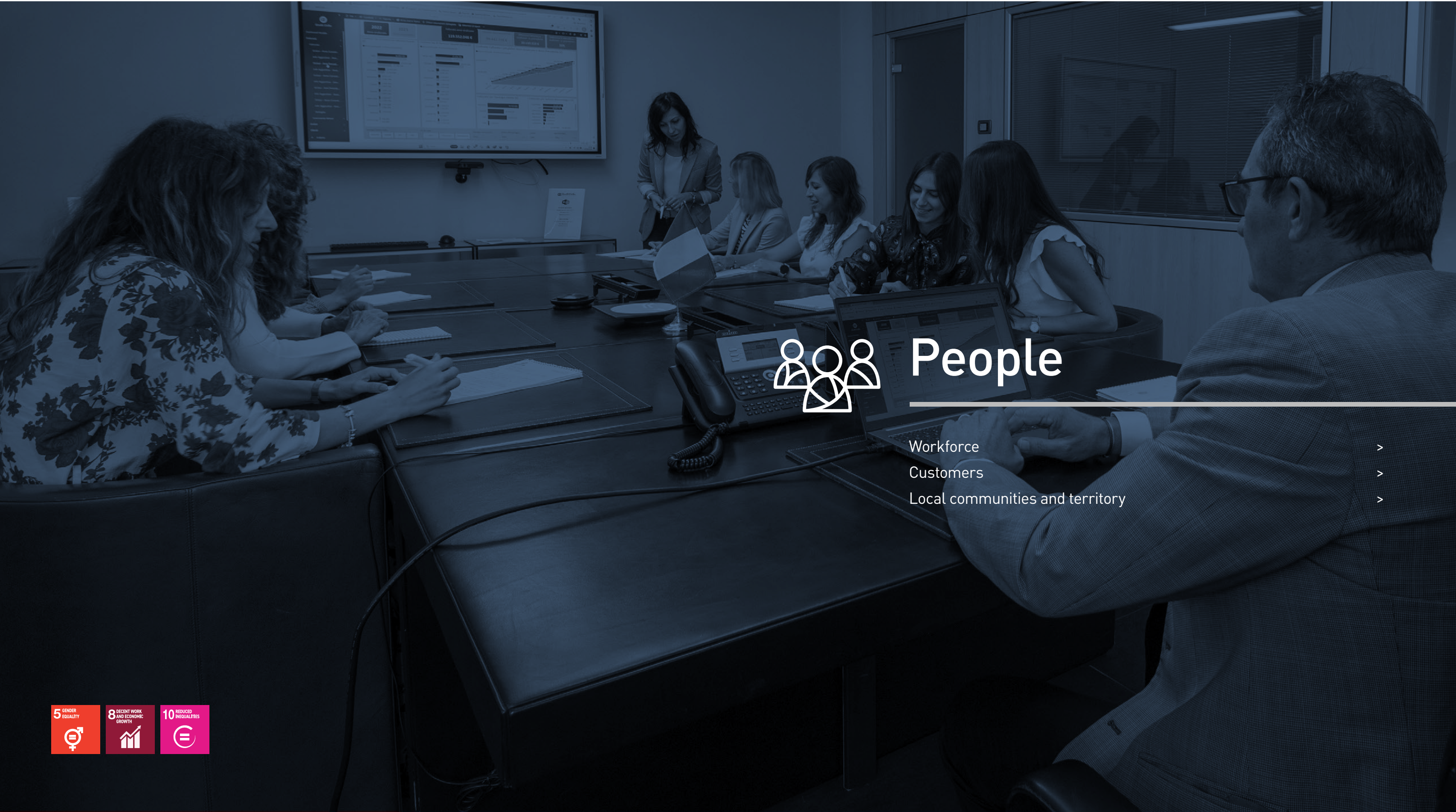
GNUTTI CIRILLO S.p.A.'s strategy also aims to create value through the integration of Environmental, Social and Governance (ESG) factors.

In 2023, the company made progress in its efforts to improve its environmental footprint through energy efficiency initiatives and CO₂ emissions reduction actions, such as:

- **project for the implementation of the ISO 50001 Standard (energy efficiency)**
- **project aimed at balancing the fumes produced internally by machinery and emissions into the atmosphere**
- **start of the installation of a 2.2 MW photovoltaic system at the Odolo plant**
- **lighting upgrade project at the Lumezzane plant, estimated to achieve an annual saving of 42,236 kWh**
- **purchasing of certified green energy**
- **re-roofing of the Lumezzane plant, resulting in an energy efficiency upgrade**

In 2024 and beyond, the company will continue to implement other projects with the aim of progressively increasing its contribution to the 17 UN Sustainable Development Goals. Among these, the company aims to enhance its commitment to waste separation.





People

- Workforce >
- Customers >
- Local communities and territory >



Workforce

Management and numbers

[GRI 401 Employment, GRI 405 Diversity and equal opportunity, GRI 406 Non-discrimination]

GNUTTI CIRILLO S.p.A. strongly believes that human resources are an indispensable and fundamental asset: people's experience and skills are distinctive elements and make a decisive contribution to building a competitive advantage, even more so in the international context in which the company operates.

As at 31 December 2023, the company's employees amounted to 396 (compared to 404 as at 31 December 2022). The following table shows the average figures over the two years:

Workforce by professional category and gender as at 31/12

Professional category	2023			2022		
	Men	Women	Total	Men	Women	Total
Employees	331	69	400	335	69	404
Top managers	6	0	6	7	0	7
Middle managers	5	0	5	4	0	4
White-collar workers	52	48	100	55	47	102
Blue-collar workers	268	21	289	269	22	291
External collaborators	10	7	17	12	2	14
Temporary workers	10	7	17	12	2	14
Total workforce	341	76	417	347	71	418

At a factory level, the distribution of the workforce is as shown in the adjacent table (excluding external collaborators and temporary staff).

With a view to the sustainable development of local communities, it is interesting to note that 99.4% of GNUTTI CIRILLO S.p.A. employees are residents of the Province of Brescia.

In the management of employees, the company is obliged to comply with the applicable regulations and the relevant National Collective Labour Agreement, and to make use of the guidelines set out in the Code of Ethics, as well as to refer to internal rules and regulations on safety and health protection of workers. GNUTTI CIRILLO S.p.A. has adopted a procedure for selecting, hiring and managing personnel and has always maintained a constructive relationship and dialogue with trade union representatives, pursuing the objective of balancing the needs of human resources with company objectives. As at 31 December 2023, 22.5% (18.32% as at 31 December 2022) of employees were members of trade unions, while the percentage of employees covered by collective bargaining agreements was 100% (100% as at 31 December 2022).

Employees by plant, contract type and geographical area as at 31/12

	2023			2022		
	Men	Women	Total	Men	Women	Total
Lumezzane (BS)	190	67	257	190	67	257
Top managers	6	0	6	6	0	6
Middle managers	4	0	4	3	0	3
White-collar workers	32	46	78	36	45	81
Blue-collar workers	148	21	169	145	22	167
Odolo (BS)	141	2	143	145	2	147
Top managers	0	0	0	1	0	1
Middle managers	1	0	1	1	0	1
White-collar workers	20	2	22	19	2	21
Blue-collar workers	120	0	120	124	0	124
Total	331	69	400	335	69	404

The company evaluates the personnel to be recruited respecting equal opportunities for persons concerned. Below are two summary tables of the annual average hiring and turnover rates by age group:

Hiring rate by age group

	2023 (%)				2022 (%)			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Open-ended contract	2.00	2.25	1.50	5.75	4.00	5.20	1.00	10.20
Fixed-term contract	0.75	0.00	0.00	0.75	0.20	0.00	0.00	0.20
Total	2.75	2.25	1.50	6.50	4.20	5.20	1.00	10.40

Turnover rate by age group

	2023 (%)				2022 (%)			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Open-ended contract	0.50	3.25	3.75	7.50	1.20	5.40	3.00	9.60
Fixed-term contract	0.50	0.00	0.00	0.50	0.20	0.00	0.00	0.20
Total	1.00	3.25	3.75	8.00	1.40	5.40	3.00	9.80

Turnover is calculated as the ratio of departing employees to the total number of employees at year-end

Employees by plant, contract type and gender as at 31/12

	2023			2022		
	Men	Women	Total	Men	Women	Total
Lumezzane (BS)	188	69	257	190	67	257
fixed-term contract	0	1	1	0	0	0
open-ended contract	188	68	256	190	67	257
Odolo (BS)	141	2	143	145	2	147
fixed-term contract	0	0	0	0	0	0
open-ended contract	141	2	143	145	2	147
Total	329	71	400	335	69	404
fixed-term contract	0	1	1	0	0	0
open-ended contract	329	70	399	335	69	404

Employee welfare

Remuneration of all employees above the minimum of the relevant National Collective Labour Agreement

(SUPPLEMENTARY AGREEMENT – SECOND-LEVEL AGREEMENT)

Mandatory, general, and specialised training

(Excel courses, languages, technical skills, cybersecurity, etc.)

Canteen service

Company benefits for some employees

(company car)

Welfare for employees exposed to mobility risks

(occupational risk insurance cover)

In the event of travel and trips, company coverage and reimbursement of expenses incurred

Collective holiday management in agreement with trade unions

Simplified management of employee relations

Targeted team building initiatives

Zero Accident Project



Diversity and equal opportunities

GNUTTI CIRILLO S.p.A. considers diversity an element of corporate wealth, a theme that underlies the principles expressed in the company's Code of Ethics. As at 31 December 2023, the proportion of the male workforce was 73.1% at the Lumezzane facility and 98.6% at the Odolo facility (compared to 73.9% at the Lumezzane facility and 98.6% at the Odolo facility as at 31 December 2022).

The company's commitment to maintaining a work environment based on fairness and the protection of diversity was formalised in the Code of Ethics approved in 2022. This policy is in line with the principles expressed in the UN Universal Declaration of Human Rights.

Initiatives to protect diversity and inclusion at GNUTTI CIRILLO S.p.A. are, for example, in the area of recruitment and selection policies, compensation and benefits, professional development and training, promotions, transfers, dismissals and terminations of employment.

Workforce by professional category and gender as at 31/12

	2023			2022		
	Men	Women	Total	Men	Women	Total
Top managers	6	0	6	7	0	7
Middle managers	5	0	5	4	0	4
White-collar workers	52	48	100	55	47	102
Blue-collar workers	268	21	289	269	22	291
Total	331	69	400	335	69	404
%	82.8%	17.2%	100.0%	82.9%	17.1%	100.0%

Number of employees by professional category and age group as at 31/12

	2023				2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Top managers	0	1	5	6	0	1	6	7
Middle managers	0	2	3	5	0	2	2	4
White-collar workers	12	57	31	100	11	65	26	102
Blue-collar workers	55	148	86	289	72	137	82	291
Total	67	208	125	400	83	205	116	404
%	16.8%	52.0%	31.2%	100.0%	20.6%	50.7%	28.7%	100.0%

As set out in the Code of Ethics, GNUTTI CIRILLO S.p.A. takes the utmost care to avoid any form of discrimination against its employees and collaborators, ensuring that everyone enjoys fair and equal treatment, regardless of gender, age, nationality, religion, ethnicity when selecting personnel or, subsequently, in their professional growth within the company. Access to roles and positions is determined based on the skills and abilities that the company is committed to promoting.

The company facilitates the inclusion of persons with disabilities in its business activities in accordance with the provisions of Law 68/99 and subsequent amendments. The number of persons belonging to protected categories of workers as at 31 December 2023 was 8, of which 0 were managers, 2 white-collar workers and 6 blue-collar workers.

The Company has an average employee tenure of 13 years as of 31 December 2023 (average tenure was 12.9 years as of 31 December 2022).

It should be noted that no incidents of discrimination have ever been recorded in the history of the company.

Personnel selection

The resource is employed with the company after various selection phases, which are different depending on whether it is a direct or temporary position, and on the type of profile.

For senior or managerial profiles, employment takes place after at least 3 selection interviews. Specialised recruitment companies are used in the selection process.

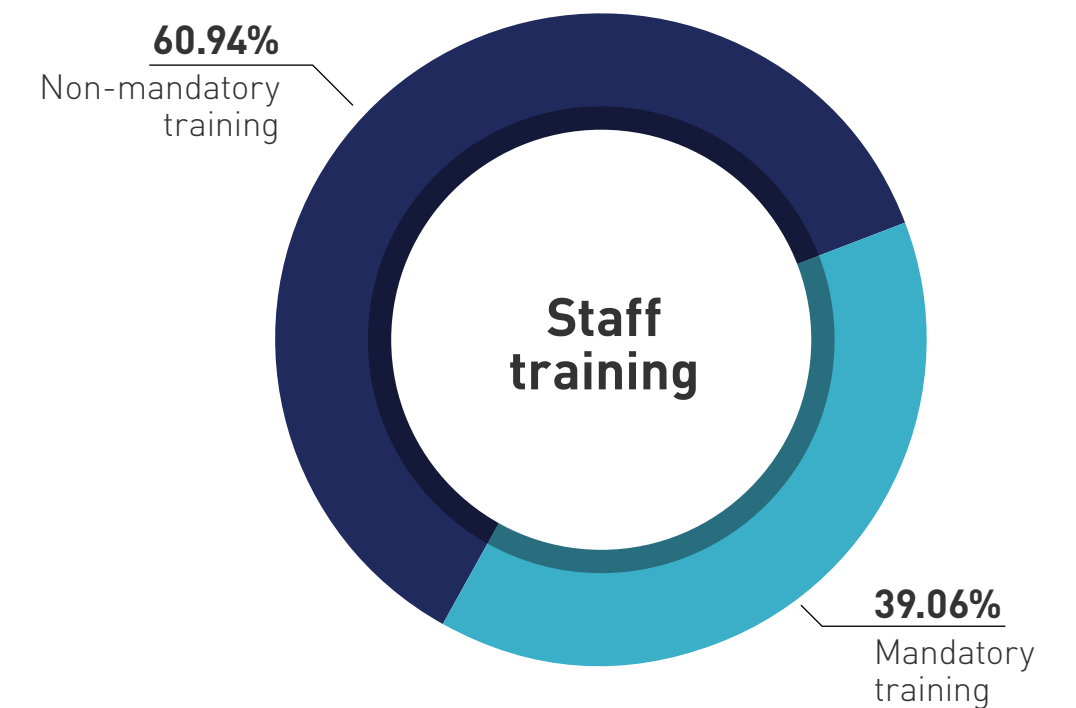


Staff training

[GRI 404 Training and Education]

By their very nature, all training activities involve the achievement of objectives aimed at consolidating and implementing professional knowledge acquired for the improvement of the company performance.

The company provides the necessary resources to use external collaborations and consultancies, purchase/rent the necessary equipment, involve internal functions for possible teaching activities.



GNUTTI CIRILLO S.p.A. pays particular attention to the continuous improvement of the organisation's efficiency by processing and analysing absenteeism, sickness and accident data submitted to the management for review and from which strategies are designed to achieve the objectives of optimal personnel management.

During 2023, training for employees intensified: in addition to the provision of legally mandatory training, employees took part in professional training courses on initiative of the company or on their own request. In addition to the training courses related to occupational health and safety issues required by law, which accounted for 39.06% (1,011 hours) of the total training provided, in 2023 the company organised technical training courses, to offer its employees the opportunity to increase their skills also in relation to phases and projects of reorganisation and implementation of production and technological processes.

In 2023, the company provided a total of 2,588 hours of training (1,571 hours in 2022), significantly increasing its focus on internal skills development.

In the coming years, the company will focus on the need to enhance the technical skills and soft skills of certain strategic roles, including executives and middle management, in order to better manage risks and seize new opportunities in the global context.

Hours of training by professional category and gender as at 31/12/2023

	Men		Women		Total	
	Hours	Average per capita	Hours	Average per capita	Hours	Average per capita
Top managers	110	18	0	0	110	18
Middle managers	46	9	0	0	46	9
White-collar workers	804	16	463	10	1,267	26
Blue-collar workers	1,079	4	86	4	1,165	8
Total	2,039	47	549	14	2,588	61

2,588

Training hours provided by GNUTTI CIRILLO S.p.A. to its employees in 2023

Training is managed and monitored by the company using special software provided by a leading partner in the provision of human resources services (Zucchetti, JOB 81 - only for mandatory training).

Health and safety

[GRI 403 Occupational Health and Safety]

GNUTTI CIRILLO S.p.A. places the health and safety of workers at the centre of its activities, encouraging its employees to pay the utmost attention to their own health and safety.

To this end, GNUTTI CIRILLO S.p.A. promotes compliance with company regulations and legal requirements regarding health and safety at work, as well as the provisions outlined in the sector's National Collective Labour Agreement. For example, without this being an exhaustive list, in 2023 there was an upgrade at the Lumezzane plant, updating and improving the set of fire safety devices provided.

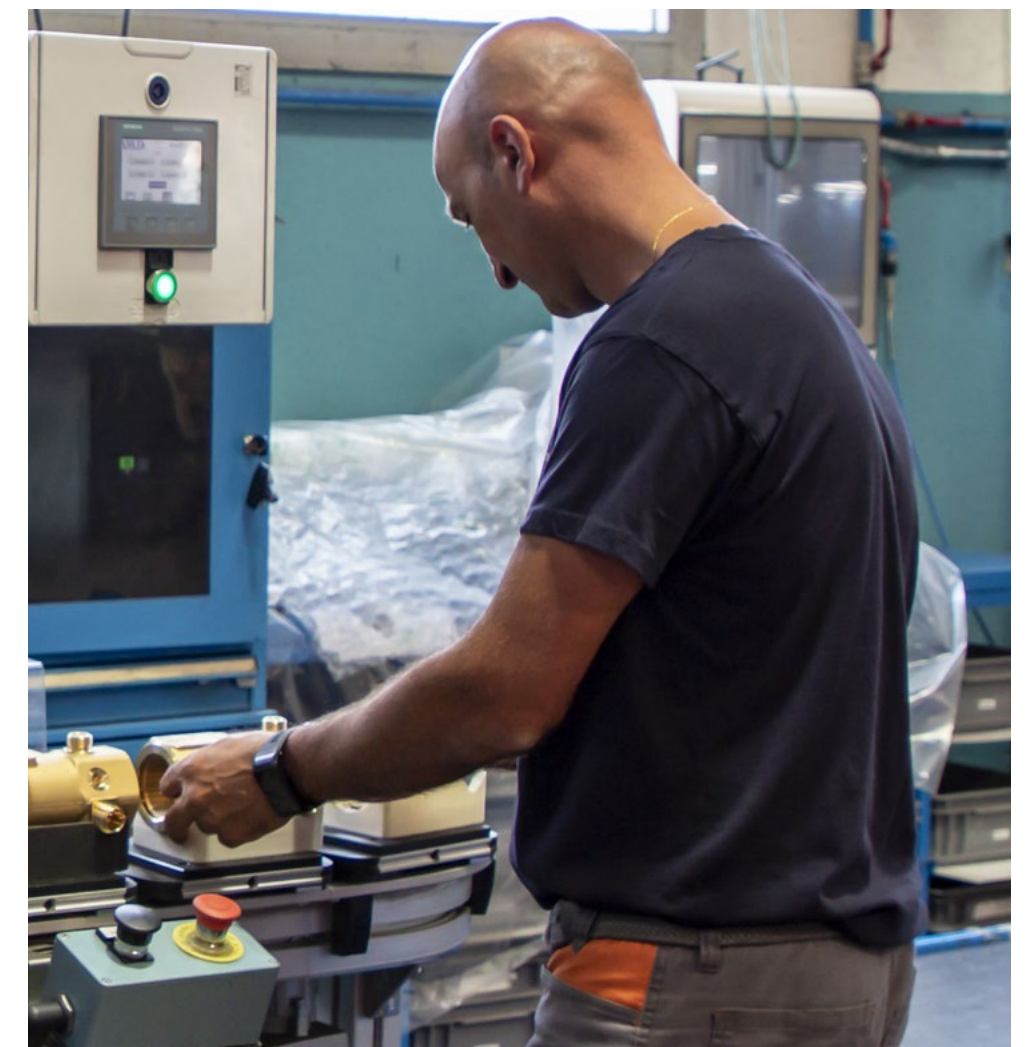
In 2023, three new extraction filters were installed at the Odolo plant to remove high-boiling VOC mists, aiming to improve air quality in the workplace. The total capacity of the filters is 135,000 m³/hour

Injuries occurred in 2023

In 2023, the total number of recordable work-related injuries amounts to 4, all of which are minor and involve employees within the workforce.

Occupational accidents (employees and collaborators)

Number of accidents	2023	2022
Total fatalities due to occupational accidents	0	0
Total number of serious occupational accidents (excluding fatalities)	0	0
Total number of recordable occupational accidents	4	8
Total	4	8



Customers

[GRI 416 Customer Health and Safety, GRI 417 Marketing and Labelling, GRI 418 Customer Privacy]

Customer satisfaction is a central element of GNUTTI CIRILLO S.p.A.'s strategy, an indispensable component in the process of creating value and the company's success. The company intends to establish and maintain consolidated relations with its customers over time, positioning itself as a reference, reliable and proactive partner, providing a complete service that meets the best standards in the sector.

Customer satisfaction

Customers are involved in the company's processes through commercial actions through which the products, quality and distinctive services are illustrated. An annual satisfaction survey, which examines various aspects related to product and service quality, is administered to the most important customers.

In 2023, the questionnaire was administered to 158 customers (100 in 2022) and had a response rate of 62% (75% in 2022). The average rating was 4.58 on a scale of 1 to 5 (3.5 out of 4 in 2022).





To ensure customer satisfaction, the company has also implemented a dedicated customer complaint management process, which includes:

- **Registration**
- **Containment actions**
- **Complaint analysis**
- **Corrective actions**
- **Sharing with the customer**

To ensure quality levels, GNUTTI CIRILLO S.p.A. has established procedures for incoming material control (supplier verification) and procedures for monitoring in-house production.

Customer Satisfaction Data Analysis

Strategic customers are assessed on the basis of their answers in the questionnaire according to the dedicated procedure. The processed data are presented during management review for analysis. In the case of “Unsatisfied” ratings, the customer should be contacted in order to identify possible actions to be taken.

Feedback & Soft Facts

All other “feedback information” collected during customer visits by means of interviews and integrated into a summary form is also evaluated and reviewed. As needed and/or periodically, Customers or Third-Party Entities appointed by them conduct audits to assess the system and process.

Privacy and data management

GNUTTI CIRILLO S.p.A. has implemented adequate security measures to ensure the protection of personal data and the rights and fundamental freedoms of the data subjects. All relevant information is handled in full compliance with the company's adopted personal data protection regulations and in accordance with applicable laws, particularly Articles 13 and 14 of Regulation (EU) 2016/679 on the Protection of Personal Data. There have been no reported complaints regarding privacy breaches and/or loss of customer data.

Local Communities and Territory

[GRI 413 Local Communities]

GNUTTI CIRILLO S.p.A. considers it essential to always be open to dialogue and engagement with the communities and areas in which it operates.

The correct and regular management of all regulatory aspects related to the activities, together with the guidelines adopted over time, have made it possible to establish collaborative discussions with local organisations, associations and authorities.

Training in the territory

In line with the principle of maintaining good relations with the local community, the company has established internship programmes aimed at high school students in the area.

Donations to the community and social and cultural initiatives

Through donations and contributions, GNUTTI CIRILLO S.p.A. actively participates in the life of the local community, supporting social and cultural initiatives.

Below are the main initiatives promoted or participated in by the company for the year 2023:

- **associations (A.N.M.I.L., Fire Brigade, A.N.M.I., Alpini Group, Civil Protection)**
- **various Non-Profit Organisation of Social Utility**
- **various sports associations in the area**



Planet

- Materials >
- Energy >
- Waste >
- Water resources >
- Mitigation of Environmental Impacts and Biodiversity >
- Emissions >

Materials

[GRI 301 Materials].

GNUTTI CIRILLO S.p.A. considers the MacArthur Foundation's approach as a guiding principle in its efforts to simultaneously address market needs without compromising the needs of future generations.

Product designation and control

For its own production, Gnutti Cirillo S.p.A. uses almost entirely brass bars as raw material.

When assessing the technical capabilities of the raw material supplier, the Procurement Department always requests a sample. Sampling control, including documentation (certificates) and dimensional checks, is carried out by the Acceptance Quality Control Department in collaboration with the Technical Office and any relevant departments.



The circular economy is "an economy designed to regenerate itself".

Ellen MacArthur Foundation

Sustainability and circular economy

[GRI 302 Energy, GRI 305 Emissions].

The company has embarked on a process of gradually approaching the logic of the circular economy in the use of renewable raw materials and the reuse of waste throughout the entire production and distribution cycle.

GNUTTI CIRILLO S.p.A. sees a marginal use of renewable materials, primarily used for packaging, while benefiting from nearly total recyclability of production scraps, which pertain to various stages of brass processing.

The international GRI (Global Reporting Initiative) defines renewable raw materials as anything derived from abundant resources that are rapidly replenished through ecological cycles or agricultural processes; whereas non-renewable raw materials are resources that do not regenerate in short periods of time such as gases, metals, minerals, petroleum.

The table shows the use of renewable and non-renewable raw materials in the last two years.

Use of renewable and non-renewable raw materials

	UoM	2023	2022
Renewable raw materials	Kg	262,578	329,033
Non-renewable raw materials	Kg	13,371,450	12,494,037
Total	Kg	13,634,028	12,823,070

95-97% Recyclability of brass in the productions of GNUTTI CIRILLO S.p.A.

Energy

[GRI 302 Energy, GRI 305 Emissions].

GNUTTI CIRILLO S.p.A., aware that the increase in the concentration of greenhouse gases in the atmosphere is one of the main factors in the rise in the average temperature of our planet, aims to make production processes more efficient and improve them in order to reduce the impacts generated on the environment. In this regard, it is worth mentioning that 1 GWh of certified green energy was purchased in 2023.

Pursuant to current legislation, GNUTTI CIRILLO S.p.A. is obliged to apply for and obtain permits and authorisations to carry out its activities. GNUTTI CIRILLO S.p.A. has equipped itself with a 2.2 MW photovoltaic plant that allows the company to be 10% self-sufficient in electricity and heat (15% for the Odolo plant alone).

With the aim of further reducing its emissions, the company has initiated discussions with several key suppliers to explore a collaboration or partnership for developing joint projects aimed at fully offsetting CO₂ emissions, even on a phased basis over the 2023-2025 period.



In 2023, GNUTTI CIRILLO S.p.A.'s energy consumption amounted to 104,970.69 GJ (compared to 92,895.00 GJ in 2022), with 77% coming from non-renewable sources (data on renewable energy was not mapped in 2022).

GNUTTI CIRILLO S.p.A., at its Lumezzane plant, uses a system to recover heat from the compressors, which allows for the heating of the premises, partially reducing the consumption of methane gas required for boiler ignition.

The issue of emissions is linked to that of transportation and logistics. The company pays the utmost attention to the choice of suppliers for this service.

GNUTTI CIRILLO S.p.A. also takes into account the environmental impacts of transport by optimising transport wherever possible by compacting loads and considering destinations, in order to achieve ever higher levels of efficiency.

23.2%

Share of energy from renewable sources used by GNUTTI CIRILLO S.p.A. in 2023

Breakdown of energy consumption

Type of consumption	UoM	2023	2022
Renewable energy	GJ	24,344.82	Not mapped
Non-renewable energy	GJ	80,625.87	92,895.00
% of non-renewable energy on total	%	76.8%	100.0%
Total	GJ	104,970.69	92,895.00

Details of energy consumption from non-renewable sources

Type of consumption	UoM	2023		2022	
		Total	Total GJ	Total	Total GJ
NON-RENEWABLE FUELS					
Natural gas	Sm ³	550,841.69	21,581.43	673,033.00	26,368.76
Automotive diesel fuel	L	104,165.28	3,840.66	90,866.91	3,350.33
for exclusive use	L	49,227.24	1,815.05	42,942.59	1,583.33
for mixed use	L	54,938.35	2,025.62	47,924.59	1,767.02
ELECTRICITY	KW/h	22,096,836.00	79,548.61	17,548,861.81	63,175.90
of which from renewable sources	KW/h	6,762,450.00	24,344.82	not mapped	
of which from non-renewable sources	KW/h	15,334,386.00	55,203.79	17,548,861.81	63,175.90

In 2023 the company's direct emissions (Scope 1) amounted to 1,558 tonnes of CO₂ (1,718 in 2022) from the consumption of natural gas and diesel fuel for production and vehicle operation. Among GNUTTI CIRILLO S.p.A.'s objectives is the progressive neutralisation of Scope 1 emissions produced in the business through initiatives to reduce energy consumption and mitigate and offset emissions.

Indirect emissions from purchased electricity (Scope 2) amounted to 7,255 tonnes of CO₂ based on the Location-based method (6,340 tonnes in 2022) and 11,308 tonnes of CO₂ calculated using the Market-based method (11,781 tonnes in 2022). The total Scope 1 and Scope 2 emissions, Location-based, were 8,814 tonnes of CO₂ (8,058 tonnes in 2022), while the total Scope 1 and Scope 2 emissions, Market-based, were 12,867 tonnes of CO₂ (13,500 tonnes in 2022).

SCOPE 1: greenhouse gas emissions from sources owned or controlled by the organisation

SCOPE 2: greenhouse gas emissions resulting from the generation of electricity purchased or otherwise acquired, and from heating, cooling and steam consumed by the organisation

SCOPE 3: indirect greenhouse gas emissions not included in indirect greenhouse gas emissions from energy consumption of Scope 2, which occur outside the organisation, including upstream and downstream emissions. (Measurement of the latter not carried out by GNUTTI CIRILLO S.p.A. for the Sustainability Report 2023)



Direct and indirect greenhouse gas (GHG) emissions

Type of emission	UoM	2023	2022
TOTAL EMISSIONS (SCOPE 1 + SCOPE 2 - Location-based)	t CO ₂	8,814.0	8,058.4
TOTAL EMISSIONS (SCOPE 1 + SCOPE 2 - Market-based)	t CO ₂	12,867.2	13,499.8

Waste

[GRI 306 Waste]

The company has an Operational Waste Management Procedure through which it ensures the correct handling of waste within the production departments and outside areas. The list on this page shows the procedure defining rules and methods for waste management.

Waste Management

- 1 Identification of waste produced, relevant EWC code (European Waste Code), and management operational methods
- 2 identification of temporary waste storage areas and departmental substations
- 3 provision for each department of a binder containing:
 - list of departmental waste
 - identification sheets of waste produced
 - warning labels for hazardous waste (where required)
- 4 identification of all containers used for the collection of waste produced using the identification cards available and affixing the necessary labels
- 5 definition of rules for waste handling by employees:
 - obligation to use the prescribed PPE
 - prohibition of waste abandonment
 - prohibition of mixing different types of waste
 - prohibition of storing liquid waste in areas not equipped with containment basins
- 6 periodic removal of waste from departmental substations and placement in temporary storage
- 7 checking the amount of waste in the temporary storage facility to ensure that it does not exceed the maximum values defined in the waste list
- 8 periodic checks in order to verify the correct storage of waste both in temporary storage areas and in department substations
- 9 upon reaching the specified quantities, request for collection of waste by authorised suppliers
- 10 periodic analysis of the waste produced performed by qualified laboratories
- 11 management of waste produced not previously classified

Water resources

[GRI 303 Water and Effluents]

The use of water resources at GNUTTI CIRILLO S.p.A. is planned for production purposes, as well as for hygiene and sanitary reasons.

In Lumezzane, water is used in the production process for creating lubricating and cooling emulsions, while in Odolo, it is also used for cooling systems.

The water supply takes place in:

- **Odolo: public water supply and diversion from the VRENDA stream**
- **Lumezzane: public water supply**

Water discharges occur:

- **In Odolo: into sewers, when similar to domestic waste, and into surface water body for discharge water from evaporative towers and second rain.**
- **In Lumezzane: into sewers, when similar to domestic waste**

At the Odolo plant, the process wastewater is analysed annually, and the DAPHNIA MAGNA test—an acute toxicity assay—is conducted. At the Lumezzane plant, this is not necessary because there is no wastewater discharge, only rainwater.

The following table shows the water consumption in terms of cubic metres per kg of production, within the two plants.

Water consumption

Water intensity	UoM	2023	2022
Lumezzane water intensity	m ³ /kg	0.0013	0.0017
Odolo water intensity	m ³ /kg	0.0015	0.0019
Company water intensity	m ³ /kg	0.0028	0.0036



Mitigation of Environmental Impacts and Biodiversity

[GRI 304 Biodiversity, Disclosure 2-27]

GNUTTI CIRILLO S.p.A. is aware that its production activities have specific impacts on the surrounding environment. Managing these impacts requires the definition of specific short-, medium- and long-term objectives and programmes. To date, GNUTTI CIRILLO S.p.A. has a certified environmental management system through which the main direct and indirect environmental aspects are managed.

The Lumezzane and Odolo plants are located in areas not subject to environmental protection. The area can be defined as predominantly industrial.

Upon completion of the analysis of the context, stakeholder needs, and applicable legal requirements, the company identified the environmental aspects, both direct and indirect, in both normal and emergency conditions. It also initiated the impact assessment using a framework derived from the UNI EN ISO 14001:2015 certification it has acquired. The operating procedures are set out in the Identification of Environmental Aspects and Evaluation of Environmental Aspects

procedures.

As far as life cycle analysis is concerned, the company focuses on the following elements:

- **UPSTREAM: selection of suppliers compliant with environmental regulations**
- **CORESTREAM: making the production process more efficient with a view to saving energy and reducing environmental impacts**
- **DOWNSTREAM: providing customers with all the information they need for proper end-of-life product management**

For compliance obligations, the operating procedures are set out in the “Management of Environmental Requirements” procedure. For the definition of objectives, the operational methods are identified in the “Policy, Objectives and Indicators” procedure.

At the Odolo plant, Operational Safety Measures were put into place during the acquisition from the previous ownership (steelworks) to ensure environmental safety conditions.

Emissions

[GRI 305 Emissions]

The company has implemented an Air Emissions Management Procedure to monitor emission levels and ensure the proper maintenance of the installed abatement systems.

The procedure defines rules and procedures for managing emissions as follows:



Identify

emission points and monitor compliance with the limits of emitted pollutants



Prepare

applications to request authorisation for the installation of new chimneys



Maintain

fume abatement systems and monitor solvent usage

In addition to the aforementioned procedure, GNUTTI CIRILLO S.p.A. has also adopted two other procedures:

- **Refrigerant Gas Appliances Management Procedure:** aimed at ensuring the monitoring and control of appliances containing refrigerant gas
- **Thermal System Management Procedure:** through which to define responsibilities and ensure the proper management of thermal systems at the factory



Prosperity

- Market, Products and Processes >
- Certifications >
- Sustainable Supply Chain Management >
- Research and development >
- Economic Performance >



Market, Products and Processes

[GRI 202 Market presence]

Market

The company GNUTTI CIRILLO S.p.A., the holding company of the GNUTTI CIRILLO Industrial Group, is active in the production and marketing of semi-finished products, O.E.M. - Original Equipment Manufacturer, in non-ferrous metal alloys, through hot forging and machining processes; it also provides service activities on behalf of Group companies.

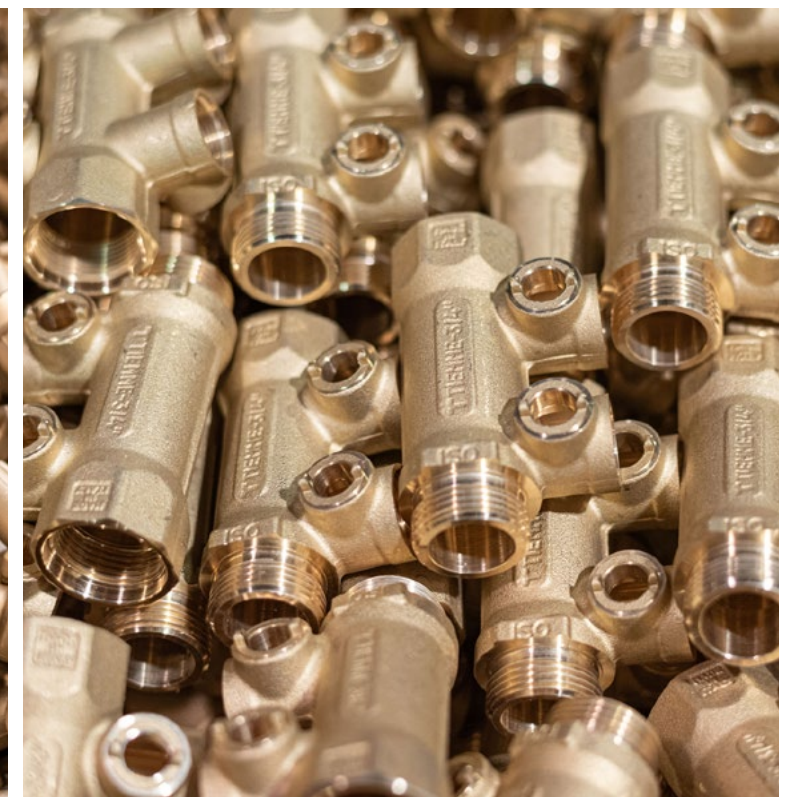
GNUTTI CIRILLO S.p.A. performs productions for third parties (without using its own brand name). Customers purchase directly from GNUTTI CIRILLO S.p.A. with orders relevant to main contracts. The technical specifications of the products are agreed directly between customers and GNUTTI CIRILLO S.p.A., and vary according to the characteristics of the individual order.



Products

GNUTTI CIRILLO S.p.A. operates on a job order basis, producing specific products tailored to customer needs, and offers a wide range of items and services across various sectors

- Fire-fighting
- Automotive
- Water and gas meters
- Renewable energy: solar, geothermal, and wind
- HVAC (heating, ventilation and air conditioning)
- Water jet cleaners
- Scuba diving
- Transformer isolators
- Coffee machines
- Medical
- Shipbuilding
- Pneumatics
- Pumps
- Flow regulation, metering and control
- Welding
- Beverage dispenser taps
- Meter brackets, nuts and sleeves
- Plumbing and heating
- Painting

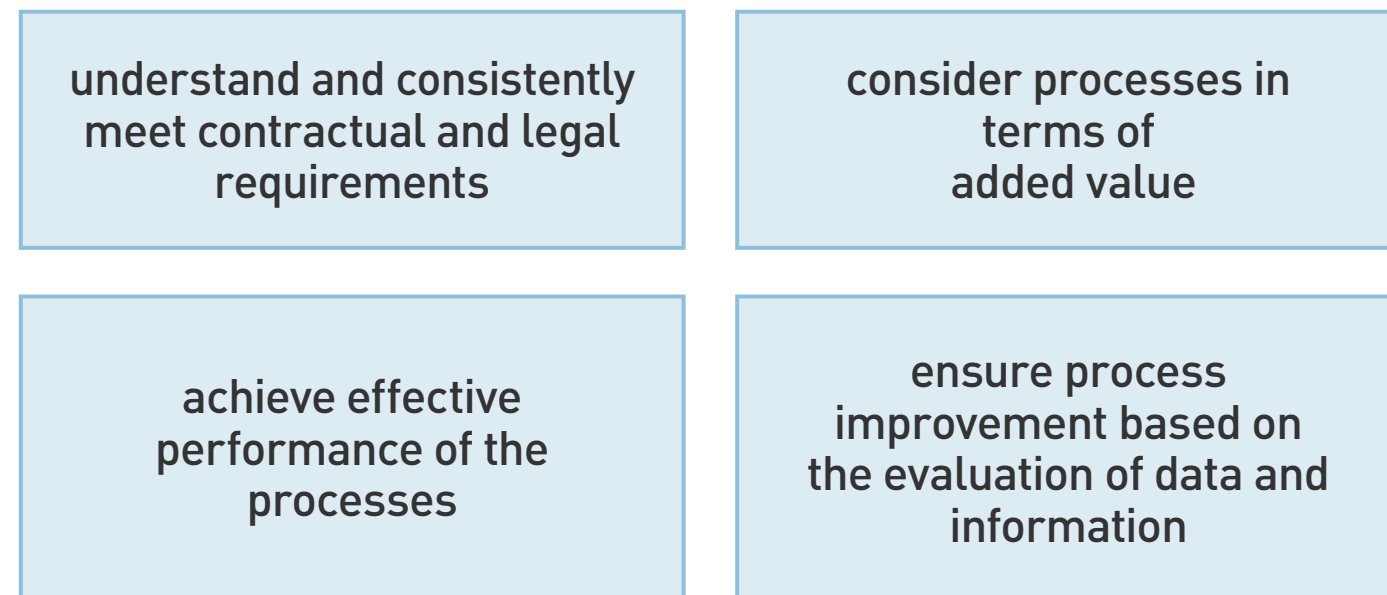




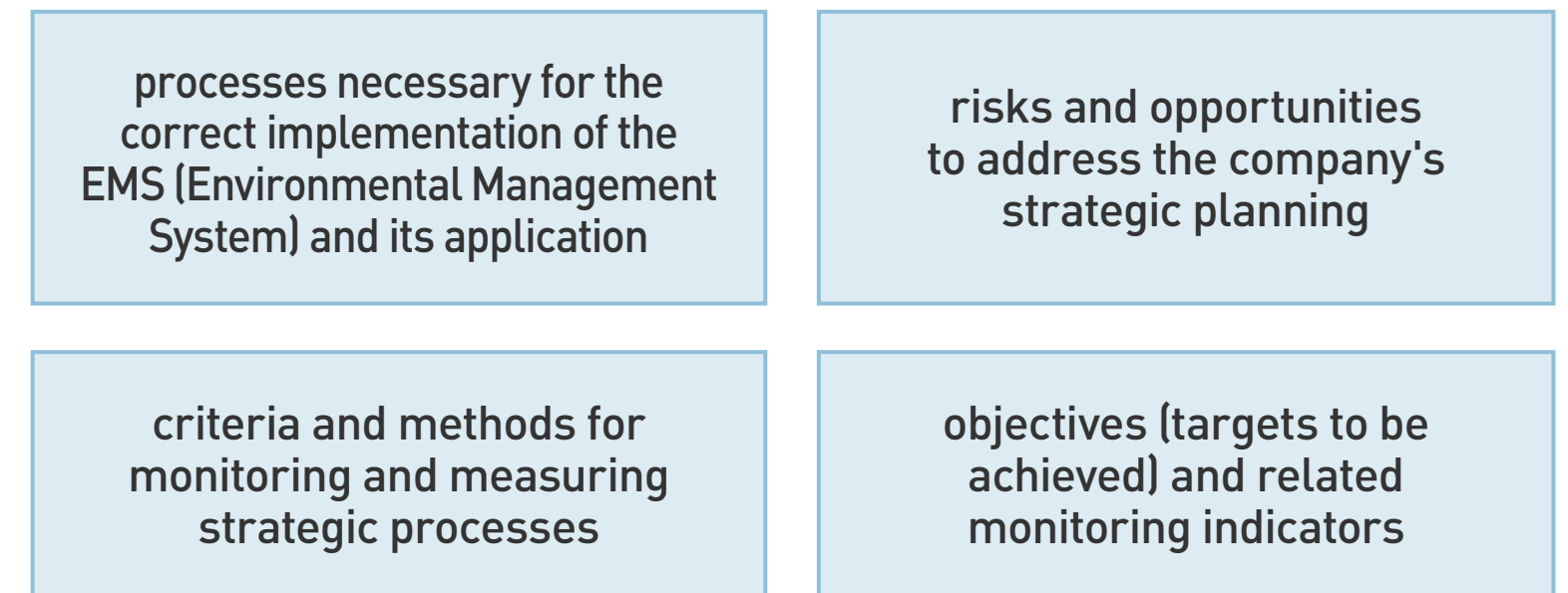
Processes and activities

The Company believes that desired results are achieved effectively and efficiently through the proper management of both the processes related to hot forging of brass components and subsequent mechanical machining (main process), as well as the supporting processes, such as the management of human resources, equipment, documented information, etc.

Therefore, process management makes it possible to:



The Company has defined:



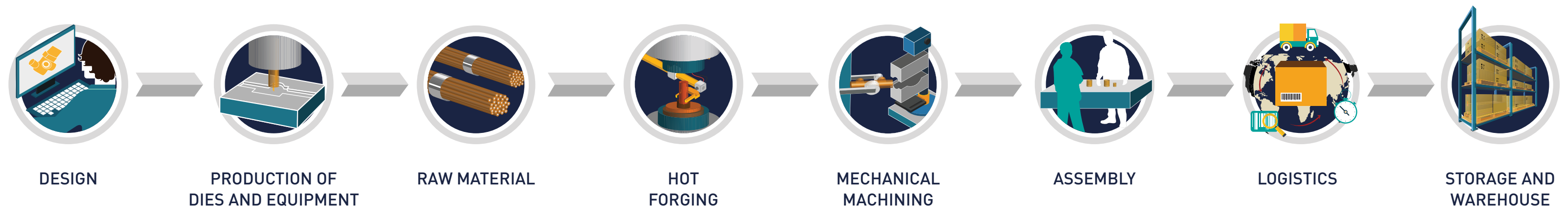
The processes are described in the individual operating procedures/instructions (if any) and related documented information.

Production process

The production cycle includes design, die production, machining processes, and assembly, but its core is the hot forging process of brass. In particular, the Odolo plant is primarily dedicated to forging activities, while the Lumezzane plant focuses on machining.

In addition to the departments described below, the Lumezzane facility also includes a mechanical department where production equipment and dies are constructed, modified, and maintained.

A department for performing heat treatments on dies is also present. Finally, the plant houses technical offices for design, as well as administrative and commercial offices.



The Odolo plant features a mechanical workshop where repairs and modifications are carried out on dies and equipment.

An office building is present for future projects.

Certifications

GNUTTI CIRILLO S.p.A. has implemented an Environmental Management System in compliance with the requirements of the international reference standard, UNI EN ISO 14001:2015 Environmental Management System (see diagram).

Both production sites at Lumezzane and Odolo have implemented UNI EN ISO 14001 certified environmental management systems.

The company has also adopted a quality management system compliant with ISO 9001:2015.





Sustainable Supply Chain Management

[GRI 204 Procurement Practices, GRI 308 Supplier Environmental Assessment, GRI 414 Supplier Social Assessment]

For GNUTTI CIRILLO S.p.A., the selection of suppliers is an essential factor contributing to business performance. Particular care is taken in the identification and selection of suppliers, trying to balance the different needs related to the procurement of raw materials, technical support services and the disposal of production waste.

The company aims to establish a relationship of mutual collaboration with each supplier, sharing quantitative and qualitative objectives to continuously improve product quality.

For GNUTTI CIRILLO S.p.A., it is essential that each supplier complies with the relevant laws and standards: this is the starting point and the essential prerequisite for developing a profitable business relationship based on trust.

are based on pre-contractual and contractual conduct consistent with necessary mutual loyalty, transparency, and collaboration.

Suppliers must ensure that their employees are provided with working conditions that respect fundamental human rights, fully comply with laws protecting industrial and intellectual property, consumer rights, free competition and the market, and laws combating money laundering and organised crime, as outlined in the Code of Ethics.

The procurement processes for goods and services



Search, identification and qualification of the supplier

The supplier qualification and selection process consists of an initial check of its organisational and production structure.

The Procurement Department, on the basis of technical, qualitative and economic requirements, new items, etc., identifies a shortlist of suppliers to whom it sends a request for an offer.

From there, after evaluating the offer, the potential supplier is identified. The initial qualification is also updated for historical suppliers during the start-up phase of the Quality System. Periodically, the Procurement Department, together with the Quality Assurance Service, evaluates the performance of the company's suppliers.

Periodic qualification of suppliers

The evaluation of the supplier begins with the first provision of services. The Procurement Department specifies the expected level of service quality. Subsequently, once a year, the supplier is informed of their service quality level (this applies only to critical-strategic suppliers on the 'top list' based on turnover or type of supply – identified in a specific list).

Periodic evaluation of suppliers of production materials is conducted by the Quality Assurance Service and recorded by the Quality Control team in a dedicated software for statistical data analysis.

The main suppliers are classified by criticality and business category, and are evaluated annually using a specific form that facilitates loyalty and continuous improvement.

Audits of suppliers

At least once every two years, and whenever deemed appropriate, periodic audits are conducted on critical-strategic suppliers, potential new suppliers, and unsatisfactory suppliers.

The result of the audit is shared with the supplier and recorded with the required corrective or improvement measures. The document, with the related verification of the effectiveness of corrective actions, is managed by the Quality Assurance Service in cooperation with the Procurement Department.

Suppliers of raw material (bar) are necessarily required to have an ISO 9001 certified Quality System in place and:

- **provide material that complies with the relevant regulations**
- **provide, with each delivery, certificates that meet the requirements stated on the purchase order**

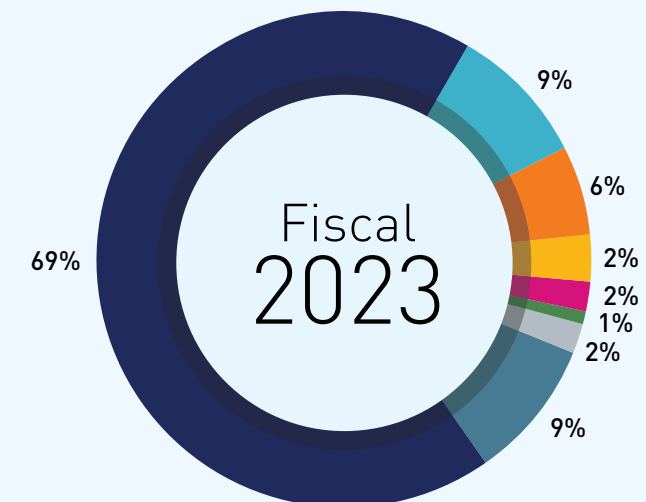
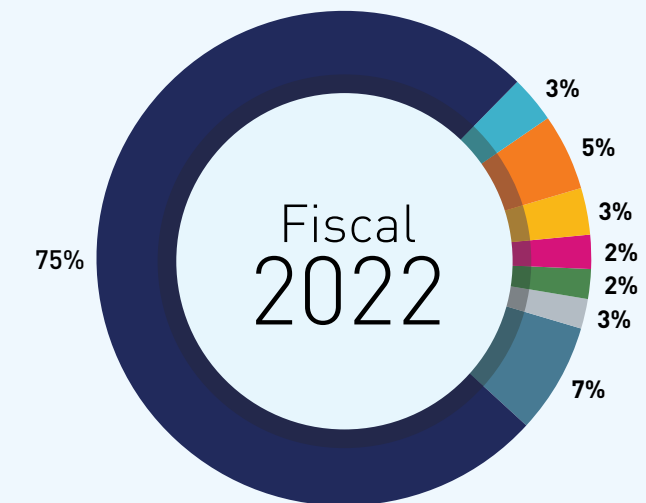
Samples are taken randomly every 3 months. The samples are sent to an external laboratory for validation/confirmation of the alloy.

Overall, the supply chain involves about 50 main suppliers, including raw materials, auxiliary products and services. They account for about 80% of the annual purchase value.

While addressing both national and international suppliers, in the selection and choice of the most suitable supplier, GNUTTI CIRILLO S.p.A. gives preference, wherever possible and appropriate, to local suppliers.

Raw materials and services

Since 2023, with a view to greater control of supplier reliability, Gnutti Cirillo has been using the KYP (Know Your Partner) evaluation service.



- Purchase of raw materials and processing services
- Purchase of goods and packaging
- Purchase of electricity and gas
- Processing services for products
- Plant and machinery maintenance services
- Freight transport services
- Leasing and rentals
- Other services

Research and development

GNUTTI CIRILLO S.p.A. and its subsidiaries continuously carry out research and development, directing their efforts particularly towards projects deemed particularly innovative.

Below are some details of the projects:

Project 1

Technological innovation activities related to the overhaul of hot forging processes for non-ferrous materials (completed in 2022).

Project 2

Technological innovation activities related to Digitisation 4.0 (currently underway).

The projects were carried out at the Lumezzane and Odolo plants.

For the development of the aforementioned projects, the Company incurred costs for a total value of EUR 949,000 on which it intends to access the benefits provided by the Tax Credit for research, development, technological innovation and design pursuant to Art. 1, paragraphs 198 – 209 of Law no. 160 of 27 December 2019.

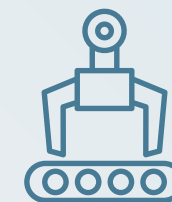
Investments



Land and buildings

Realisation of a photovoltaic plant with a nominal power of 2.2 MW at the Odolo plant, amounting to **EUR 1,835,637**.

Extraordinary maintenance activities amounting to **EUR 196,772** at the Lumezzane plant.



Plant and machinery

Purchases of 3 fume treatment systems, 2 forging lines, one mechanical machining line amounting to a total of **EUR 6,453,449**.

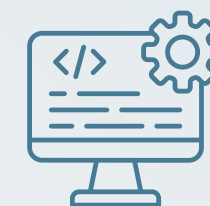
Improvements to plant and machinery in the amount of **EUR 143,915**.



Other tangible assets

Purchase and in-house construction of dies, moulds, and equipment for mechanical processing, totalling **EUR 1,293,526**.

Purchase of electronic office machines amounting to **EUR 54,801**.



Software

The new management software for the Company required a total investment of **EUR 82,865**.

Economic Performance

[GRI 201 "Economic Performance"]

GNUTTI CIRILLO S.p.A.'s result for the year 2023 amounted to a profit of EUR 29 million, down by 6% from the previous year's result (EUR 30.8 million in 2022).

The "Sales Revenues" achieved in the fiscal year 2023 show a decrease of 16% compared to the result achieved in the previous year. This decrease mainly affected domestic sales (-18%) and sales in non-EU regions (-29%). The actions taken by the Group to generate financial resources through the reduction of inventory levels have led to decreased sales revenues between GNUTTI CIRILLO S.p.A. and its subsidiaries in Italy and the United States.

In fact, it should be noted that sales made by GNUTTI CIRILLO S.p.A. to third-party customers decreased by 2.9%, mainly due to the price effect generated by the trend in the price of the raw material brass.

From a profitability perspective, GNUTTI CIRILLO S.p.A.'s EBITDA amounted to EUR 13.3 million, down from EUR 18.7 million at the end of 2022.



13.3

EBITDA in
millions of euro

Business outlook

The most recent OECD estimates foresee a slowdown of global GDP to 2.7 per cent in 2024, due to restrictive monetary policies and worsening consumer and business confidence. In addition, there remain high downside risks stemming from international political tensions, particularly in the Middle East.

In February 2023, the company's Board of Directors approved the budget for the fiscal year 2024. The document forecasts a slight increase in sales revenues compared to the results achieved during the 2023 fiscal year, along with a proportional rise in operating margins..

From a financial perspective, the forecasts indicate that the company will have the necessary resources to meet its obligations in a timely manner.



Workforce by professional category and gender as at 31/12

Professional category	2023			2022		
	Men	Women	Total	Men	Women	Total
Employees	331	69	400	335	69	404
Top managers	6	0	6	7	0	7
Middle managers	5	0	5	4	0	4
White-collar workers	52	48	100	55	47	102
Blue-collar workers	268	21	289	269	22	291
External collaborators	10	7	17	12	2	14
Temporary workers	10	7	17	12	2	14
Total workforce	341	76	417	347	71	418

Hiring rate by age group

	2023 (%)				2022 (%)			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Open-ended contract	2.00	2.25	1.50	5.75	4.00	5.20	1.00	10.20
Fixed-term contract	0.75	0.00	0.00	0.75	0.20	0.00	0.00	0.20
Total	2.75	2.25	1.50	6.50	4.20	5.20	1.00	10.40

Employees by plant, contract type and geographical area as at 31/12

	2023			2022		
	Men	Women	Total	Men	Women	Total
Lumezzane (BS)	190	67	257	190	67	257
Top managers	6	0	6	6	0	6
Middle managers	4	0	4	3	0	3
White-collar workers	32	46	78	36	45	81
Blue-collar workers	148	21	169	145	22	167
Odolo (BS)	141	2	143	145	2	147
Top managers	0	0	0	1	0	1
Middle managers	1	0	1	1	0	1
White-collar workers	20	2	22	19	2	21
Blue-collar workers	120	0	120	124	0	124
Total	331	69	400	335	69	404



Read more in the report

Click on the icon to reach the relevant section.

Turnover rate by age group

	2023 (%)				2022 (%)			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Open-ended contract	0.50	3.25	3.75	7.50	1.20	5.40	3.00	9.60
Fixed-term contract	0.50	0.00	0.00	0.50	0.20	0.00	0.00	0.20
Total	1.00	3.25	3.75	8.00	1.40	5.40	3.00	9.80

Workforce by professional category and gender as at 31/12

	2023			2022		
	Men	Women	Total	Men	Women	Total
Top managers	6	0	6	7	0	7
Middle managers	5	0	5	4	0	4
White-collar workers	52	48	100	55	47	102
Blue-collar workers	268	21	289	269	22	291
Total	331	69	400	335	69	404
%	82.8%	17.2%	100.0%	82.9%	17.1%	100.0%

Employees by plant, contract type and gender as at 31/12

	2023			2022		
	Men	Women	Total	Men	Women	Total
Lumezzane (BS)	188	69	257	190	67	257
fixed-term contract	0	1	1	0	0	0
open-ended contract	188	68	256	190	67	257
Odolo (BS)	141	2	143	145	2	147
fixed-term contract	0	0	0	0	0	0
open-ended contract	141	2	143	145	2	147
Total	329	71	400	335	69	404
fixed-term contract	0	1	1	0	0	0
open-ended contract	329	70	399	335	69	404



Read more in the report

Click on the icon to reach the relevant section.

Number of employees by professional category and age group as at 31/12

	2023				2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Top managers	0	1	5	6	0	1	6	7
Middle managers	0	2	3	5	0	2	2	4
White-collar workers	12	57	31	100	11	65	26	102
Blue-collar workers	55	148	86	289	72	137	82	291
Total	67	208	125	400	83	205	116	404
%	16.8%	52.0%	31.2%	100.0%	20.6%	50.7%	28.7%	100.0%

Hours of training by professional category and gender as at 31/12/2023

	Men		Women		Total	
	Hours	Average per capita	Hours	Average per capita	Hours	Average per capita
Top managers	110	18	0	0	110	18
Middle managers	46	9	0	0	46	9
White-collar workers	804	16	463	10	1,267	26
Blue-collar workers	1,079	4	86	4	1,165	8
Total	2,039	47	549	14	2,588	61


Read more in the report

Click on the icon to reach the relevant section.

Occupational accidents (employees and collaborators)

Number of accidents	2023	2022
Total fatalities due to occupational accidents	0	0
Total number of serious occupational accidents (excluding fatalities)	0	0
Total number of recordable occupational accidents	4	8
Total	4	8

Details of energy consumption from non-renewable sources

Type of consumption	UoM	2023		2022	
		Total	Total GJ	Total	Total GJ
NON-RENEWABLE FUELS					
Natural gas	Sm ³	550,841.69	21,581.43	673,033.00	26,368.76
Automotive diesel fuel	L	104,165.28	3,840.66	90,866.91	3,350.33
for exclusive use	L	49,227.24	1,815.05	42,942.59	1,583.33
for mixed use	L	54,938.35	2,025.62	47,924.59	1,767.02
ELECTRICITY	kW/h	22,096,836.00	79,548.61	17,548,861.81	63,175.90
of which from renewable sources	kW/h	6,762,450.00	24,344.82	Not mapped	
of which from non-renewable sources	kW/h	15,334,386.00	55,203.79	17,548,861.81	63,175.90

Use of renewable and non-renewable raw materials

	UoM	2023	2022
Renewable raw materials	Kg	262,578	329,033
Non-renewable raw materials	Kg	13,371,450	12,494,037
Total	Kg	13,634,028	12,823,070

Water consumption

Water intensity	UoM	2023	2022
Lumezzane water intensity	m ³ /kg	0.0013	0.0017
Odolo water intensity	m ³ /kg	0.0015	0.0019
Company water intensity	m ³ /kg	0.0028	0.0036

Direct and indirect greenhouse gas (GHG) emissions

Type of emission	UoM	2023	2022
TOTAL EMISSIONS (SCOPE 1 + SCOPE 2 - Location-based)	t CO ₂	8,814.0	8,058.4
TOTAL EMISSIONS (SCOPE 1 + SCOPE 2 - Market-based)	t CO ₂	12,867.2	13,499.8

Breakdown of energy consumption

Type of consumption	UoM	2023	2022
Renewable energy	GJ	24,344.82	Not mapped
Non-renewable energy	GJ	80,625.87	92,895.00
% of non-renewable energy on total	%	76.8%	100.0%
Total	GJ	104,970.69	92,895.00



Read more in the report

Click on the icon to reach the relevant section.