


# Sustainability Report 2024

EMPOWERING EFFICIENCY AND SUSTAINABILITY WITH TAILORED COMPONENTS





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Empowering efficiency and sustainability  
with tailored components

Report di sostenibilità 2024

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## Brief methodological note

Gnutti Cirillo S.p.A.'s Sustainability Report 2024 aims to **transparently communicate the company's approach to sustainability** and its performance in the areas of environmental, social and economic sustainability.

The reporting period covers 1 January 2024 to 31 December 2024; data from previous years, when available, are provided for comparative purposes.

The contents have been selected based on the outcomes of the **double materiality assessment**, which involved comparing material topics with industry best practices, while loosely following the ESRS framework.

This Sustainability Report represents the **third year of sustainability reporting** by Gnutti Cirillo S.p.A., hereinafter referred to as Gnutti Cirillo. The Gnutti Cirillo Group will hereinafter be referred to as the Gnutti Group.

**We thank all colleagues who contributed to the preparation of this document.**

For further information, clarification or suggestions:  
[esg@gnutticirillo.it](mailto:esg@gnutticirillo.it)

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# Highlights

| Indicator   | 2022   | 2023   | 2024   |
|---|--------|--------|--------|
| Gnutti Cirillo company profile  |        |        |        |
| Turnover [€ million]  | 155.4  | 129.9  | 143.0  |
| Investments [€ million]   | 3.3    | 9.8    | 3.1    |
| Export [% of total]   | 45%    | 47%    | 39%    |
| E – Environment   |        |        |        |
| CO <sub>2</sub> emissions – Scope 1 [tonnes CO <sub>2</sub> e]                          | 1,718  | 1,558  | 1,477  |
| CO <sub>2</sub> emissions – Scope 2 market-based [tonnes CO <sub>2</sub> e]             | 11,781 | 11,309 | 7,756  |
| Energy consumption [MWh]  | 17,549 | 22,097 | 22,580 |
| Green energy self-production [MWh]  | 0      | 0      | 2,052  |
| Waste produced [tonnes]   | 5,428* | 8,260  | 9,163  |
| S - Social  |        |        |        |
| Employees [at year-end]   | 398    | 392    | 398    |
| Permanent contract [%]  | 100%   | 97.8%  | 99%    |
| Hiring rate [% of hires relative to total employees]                                    | 10.4%  | 6.5%   | 8%     |
| Training hours [h]  | 1,571  | 1,577  | 2,201  |
| Training hours per capita [h/employee]  | 3.2    | 5      | 5.6    |
| Injury rate – frequency index<br>[Number of injuries × 1,000,000) / Total hours worked] | 12.1   | 6.3    | 11.9   |

\* Data not comparable with subsequent years as part of the production waste was managed as a by-product

| Indicator   | 2022 | 2023 | 2024 |
|---|------|------|------|
| G - Governance  |      |      |      |
| Reported <a href="#">Whistleblowing</a> cases   | 0    | 0    | 0    |
| Number of Supervisory Body (OdV) audits during the reporting period<br>(Supervisory Body – Model 231) | 2    | 5    | 6    |
| Cybersecurity breaches<br>(Data breaches reported in accordance with GDPR)                            | 0    | 0    | 0    |

| Indicator                        | 2022 | 2023 | 2024 |
|----------------------------------|------|------|------|
| Gnutti Group                     |      |      |      |
| Consolidated Revenue [€ million] | 294  | 288  | 299  |
| Export [% of total]              | 71%  | 70%  | 70%  |
| Group employees [n]              | 662  | 746  | 766  |



# Letter to stakeholders

Dear stakeholders,

For the third consecutive year, Gnutti Cirillo — the industrial holding company of Gnutti Group — voluntarily publishes its Sustainability Report, two years ahead of the requirements set forth by the Corporate Sustainability Reporting Directive (EU Directive 2022/2464 and subsequent amendments introduced by the “Omnibus” Decree).

The Sustainability Report 2024, developed according to the three ESG pillars and broadly inspired by the new European ESRS standards, has been prepared with the objective of ensuring greater transparency towards the market.

This document presents the main results achieved by the company in 2024, highlighting its contribution to the United Nations 2030 Agenda’s Sustainable Development Goals (SDGs), as well as the integration of these goals into the corporate strategy and the analysis of risks and opportunities in accordance with the principle of double materiality.

In 2024, despite a context of marked political and economic instability, the Gnutti Group further consolidated its path towards sustainability, achieving significant results:

- **ESG Governance:** The sustainability governance system has been strengthened with the establishment of a dedicated corporate function responsible for the planning and oversight of ESG matters, ensuring their integration into decision-making and operational processes. Furthermore, in 2024, a governance model was developed, which will be implemented with the establishment of a ‘ESG Strategic Committee’ in the first half of 2025.
- **Environment:** Gnutti Cirillo has obtained ISO 50001 certification for energy management, confirming its commitment to an increasingly efficient and sustainable production model. Furthermore, 2,052 MWh of energy were self-produced from photovoltaic sources, supporting actions to mitigate climate change.
- **Social sphere:** investment in human capital within the Group continues. At Gnutti Cirillo, the training hours delivered to 398 employees increased from 1,557 in 2023 to 2,201 in 2024, accompanied by the launch of initiatives aimed at promoting diversity, inclusion, and attention to organisational well-being. The process for obtaining ISO 45001 certification in occupational health and safety is also underway.

From a financial perspective, during the 2024 financial year, the Group recorded revenues of €298.5 million, representing an increase of 3.8% compared to the previous year. EBITDA stood at €49.6 million. These results confirm the adoption of an approach focused on creating sustainable value, based on the responsible use of resources and a commitment to preserving opportunities for future generations.

The decision to establish a governance structure dedicated to sustainability reflects the Group’s commitment to continual growth, accountability, and improvement, while actively contributing to decarbonisation, energy efficiency, and addressing the most pressing social and environmental challenges.

We are convinced that our commitment can generate a tangible impact only if shared with the entire value chain and all our stakeholders, to jointly address the complexities arising from climate change, social inequalities, and new global balances, with the common objective of building a fairer and more sustainable future.

Lumezzane, 16 June 2025



**Giuliano Gnutti**  
Chairman



We are convinced that our commitment can generate a tangible impact only if shared with the entire value chain and all our stakeholders, to jointly address the complexities arising from climate change, social inequalities, and new global balances, with the common objective of building a fairer and more sustainable future.



# General Information - ESRS 2

## Criteria for preparation

BP-1

General criteria for the preparation of sustainability statements

As also stated in the methodological note, this report has not been prepared in full compliance with the ESRS but is broadly inspired by them.

The ESRS (European Sustainability Reporting Standards) constitute a set of standards developed to guide companies in reporting information related to sustainability. Their introduction has involved a more comprehensive impact analysis process, aimed at enabling greater comparability of the information published on the subject. Specifically, the objective is to establish a common framework that allows for the comparison of sustainability performance across different companies and sectors, thereby facilitating informed decisions by investors and consumers. The principal innovation is the integration of the assessment of ‘inside-out’ impacts (i.e., those generated by companies towards external stakeholders, summarised as Impact Materiality) with the ‘outside-in’ perspective (i.e., the business risks and opportunities faced by companies related to ESG issues, summarised as

Financial Materiality). The addition of this second aspect reinforces the notion that sustainability is already integrated within the business and is capable of influencing value creation, strategy, economic-financial performance, and the Group’s positioning over the short, medium, or long term.

The Sustainability Report has been prepared for Gnutti Cirillo. Its reporting boundary differs from that of the Financial Statements, which are consolidated at the Group level. As a first voluntary exercise, the Double Materiality Assessments have nonetheless been extended to Group level. Therefore, in this report, only the metrics of Gnutti Cirillo are disclosed, although the analyses underpinning the Double Materiality assessment have been conducted at consolidated Group level.

A three-year reporting horizon has been adopted for the data, in derogation of the two-year requirement set out by the ESRS, in order to ensure greater comparative robustness of the information – with the exception of sections where historical data were not available for the entire period considered.

The level of coverage regarding the value chain of Gnutti Cirillo will be detailed in the various sections of this document. The analysis of impacts, risks and opportunities included an in-depth examination of the value chain of Gnutti Cirillo’s main activities, identifying the following areas:

- Design and construction of dies and equipment
- Hot forging and mechanical machining of brass
- Warehouse and logistics







The main activities of the other Group companies were also assessed, in particular:

|  |   |
|--|---|
| Production of plumbing and heating articles, including pipes, chrome-plated taps, and air conditioning systems | Mechanical machining and trade  |
|  | Design, production and marketing of accessories for electrical transformers |
|  | Intragroup warehouse and logistics  |

As a voluntary exercise, Gnutti Cirillo prepares the following Report inspired by the ESRS Standard. In doing so, it has already completed its first Double Materiality assessment, supplementing the evaluation of impact materiality (carried out last year and updated for the current year) with a new assessment of the financial risks and opportunities related to sustainability issues. As noted above, this activity was conducted considering the Group perimeter, rather than that of Gnutti Cirillo alone.

After assessing the final materiality of each identified impact, risk and opportunity (the Standard defines these with the acronym IROs, meaning Impacts, Risks and Opportunities), a materiality threshold was established, beyond which they were considered material for the Gnutti Group. Once the list of material IROs was established, these were associated with the Topics and Sub-Topics set out in the ESRS Standards, thereby becoming the primary driver for reporting.

In this report, no information relating to intellectual property, know-how or innovation outcomes has been omitted, nor any information concerning forthcoming developments or matters under negotiation.

Disclosure in relation to specific circumstances

BP-2  
Information Disclosure Obligation BP-2:  
Information disclosure in relation to specific circumstances

The information contained in this report relates to the period from 1 January 2024 to 31 December 2024. The following time intervals have been adopted, as provided in section 6. Definition of short, medium and long term for reporting purposes:

- short term: reference period of the Annual Financial Report, equal to one year
- medium term: up to five years from the end of the short-term reference period
- long term: beyond five years from the end of the short-term reference period

For information subject to estimates, where present, the assumptions made and the process that led to the data provided, including uncertainties related to these estimates, have been indicated. Quantitative and monetary information contained in this report, when based on estimates, is clearly indicated elsewhere in this chapter or in subsequent chapters.



# 01

## GNUTTI GROUP

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| The history of Gnutti Group | Gnutti Group<br>The Group structure      |
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# The history of Gnutti Group

Gnutti Group is active in the industrial sector of hot forging and machining of semi-finished brass products, in the production of components for the construction of plumbing and heating systems, and in the supply of products and accessories for the manufacture of electrical transformers.



1951

- Foundation of GNUTTI CIRILLO S.p.A. Parent company founded by Cirillo Gnutti



1994

- Acquisition of Tiemme Raccorderie S.p.A.



- Establishment of the new mechanical machining facility in Lumezzane (BS)

1994

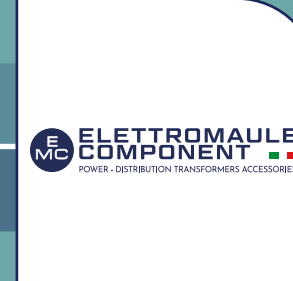


- GNUTTI CIRILLO S.p.A. officially opens the innovative hot forging facility in Odolo (BS)

2000

2007

- Incorporation of Metal Forming Technology Inc, a company based in Michigan (USA) to serve the North American and Canadian markets



- Acquisition of the controlling stake in Elettromaule Component Srl, a power transformer manufacturer

2015

2023

- Acquisition of Valvosanitaria Bugatti Group S.r.l.



- Establishment of Bugatti Valves North America Inc.

2025

TODAY

- Today GNUTTI CIRILLO S.p.A. is a leader in hot forging and machining of brass and non-ferrous metals

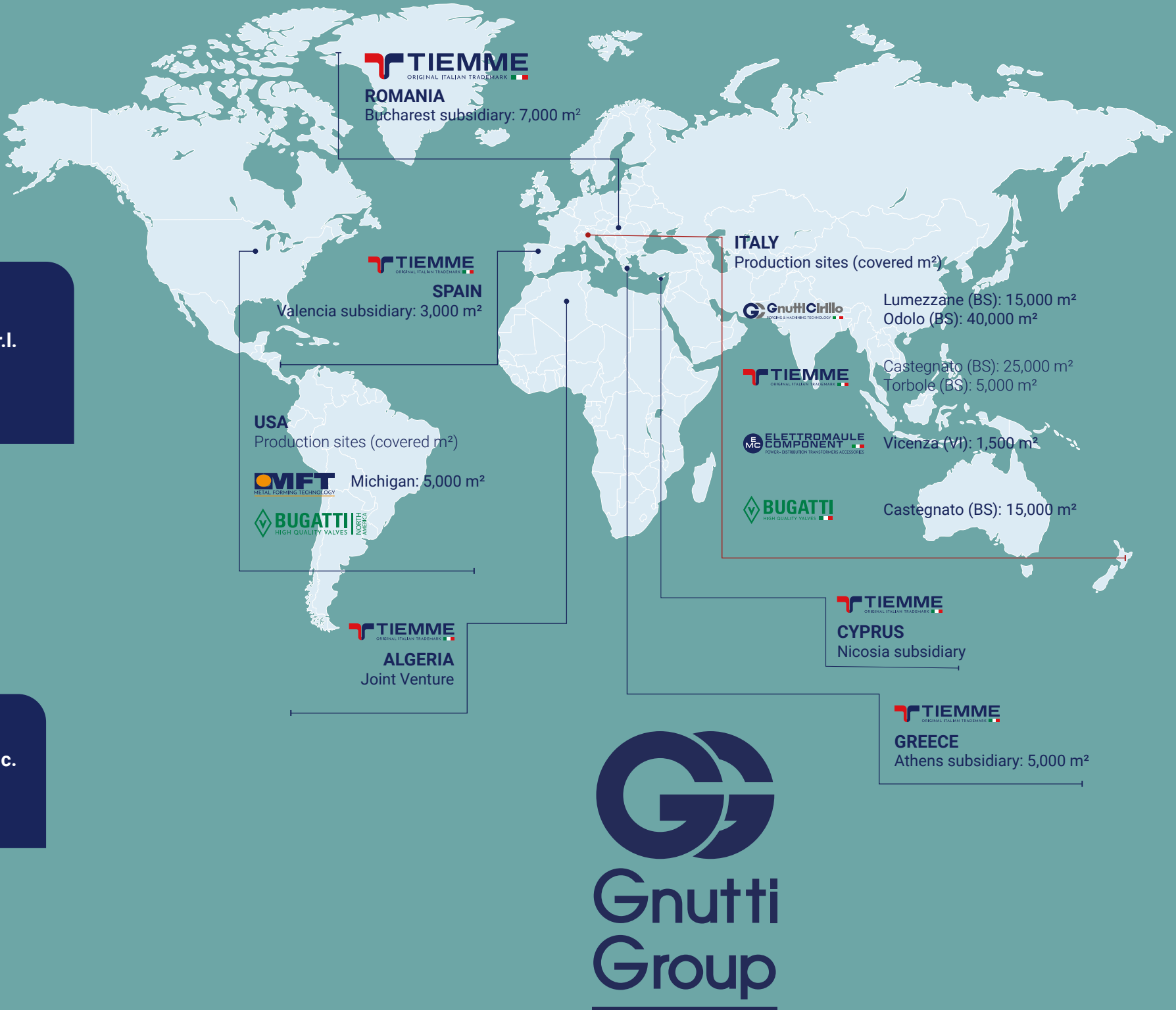
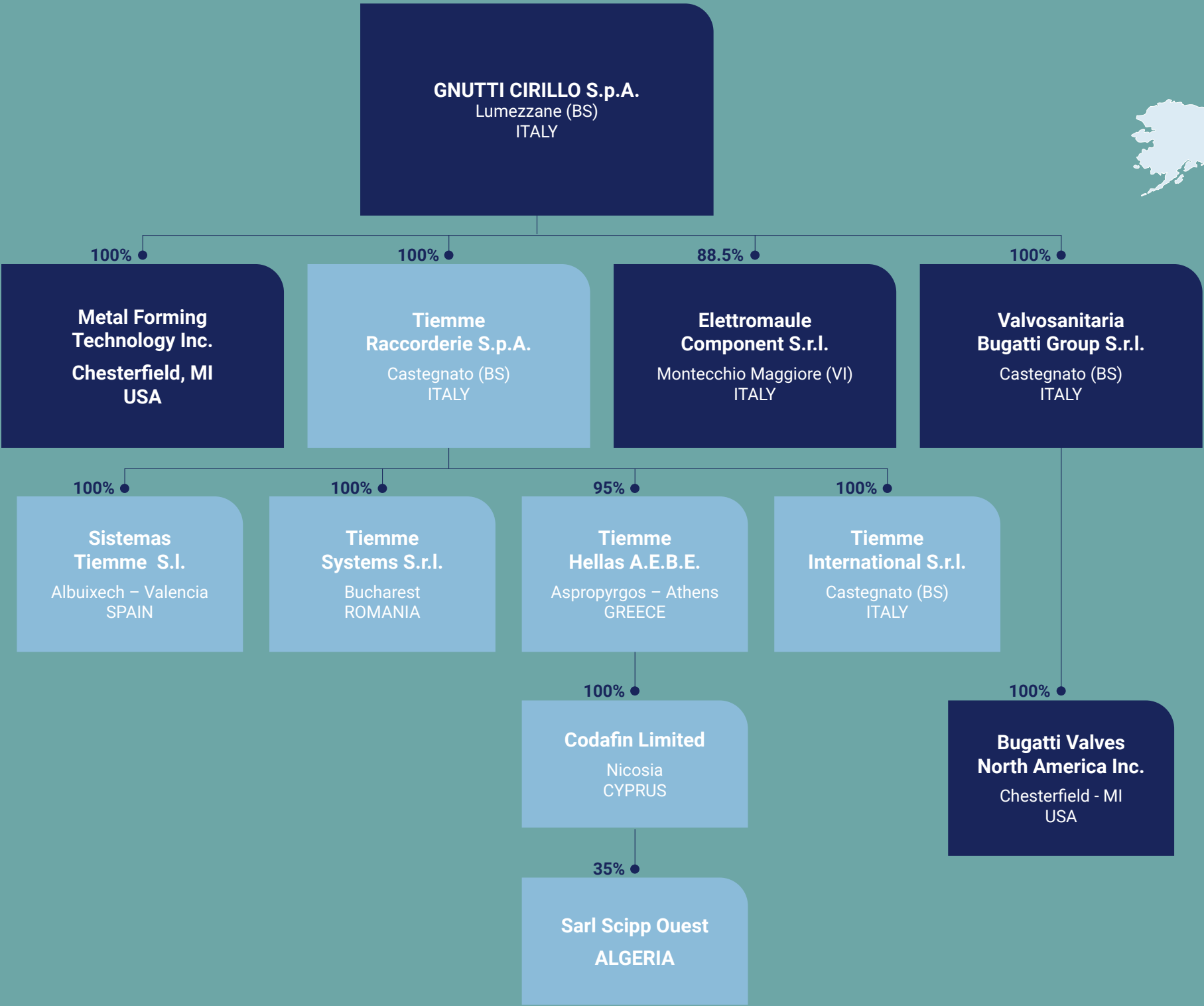




# Gnutti Group: the Group structure

Gnutti Cirillo is the parent company of Gnutti Group, which comprises the following companies:

- Gnutti Cirillo S.p.A.  
(parent company)
- MFT - Metal Forming  
Technology S.r.l.
- Tiemme Raccorderie S.p.A.  
and respective subsidiaries:  
Tiemme Hellas Aebe  
Tiemme System S.r.l.  
Sistemas Tiemme S.L.  
Tiemme International S.r.l.
- Valvosanitaria Bugatti Group S.r.l.  
and subsidiary:  
Bugatti Valves North America Inc.
- Elettromaule Component S.r.l.







## Tiemme Raccorderie S.p.A.

Tiemme Raccorderie, was founded in the 1980s as a company producing and distributing fittings, brass valves and piping. In 1994, the company joined the group and subsequently evolved through the development of integrated systems in the heating sector. In 2012, 'Tiemme Lab', Tiemme's innovative thermotechnical laboratory, was established at the Castegnato (Brescia) site. The subsidiaries aim to meet the demands of an increasingly broad and discerning market by steering the company's focus towards an international outlook.



## Valvosanitaria Bugatti Group S.r.l.

Valvosanitaria Bugatti was founded in 1948 in Lumezzane (BS), focusing its activity on the production of taps. Over time, the company specialised in the production of ball valves and, in 2023, became part of the Gnutti Group. Today, the company is an internationally recognised manufacturer of ball valves for water and gas, fittings, taps, and components for heating systems.



## Gnutti Cirillo S.p.A.

Gnutti Cirillo is the parent company founded in 1951 by Cirillo Gnutti as a mechanical workshop for the construction of equipment and dies. Today, it is a world leader in hot forging and brass machining. Gnutti Cirillo has developed a high level of technical expertise, enabling it to meet market demands thanks to its self-sufficiency across the entire production chain. This includes in-house design, tool and equipment manufacturing, hot brass forging, machining, surface treatments, automatic assembly, and packaging of the finished product – all tailored to the customer's specifications.



## MFT - Metal Forming Technology Inc.

Metal Forming Technology Inc., located in the state of Michigan (USA), was established in 2007 following the Group's internationalisation process. The company has achieved high efficiency standards in the production of hot-forged brass articles, manufactured according to customer specifications. The company also acts as a logistics and customer care centre on behalf of Gnutti Cirillo for the North American and Canadian markets.



## Elettromaule Component S.r.l.

Elettromaule Component S.r.l. is a company established in 2011, specialising in the design, production and marketing of accessories for electrical distribution and power transformers.





We transform brass into reliable solutions serving industry and progress for the well-being of people.

Gnutti Group Purpose





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# Our Purpose – Gnutti Group

Gnutti Cirillo, fully endorsing the Purpose Statement formulated by the Business Roundtable of all companies, **approved a new Group purpose in 2025.**

This decision results from a thorough reflection on the company's role within the current economic, social, and environmental context. The new document sets out a clear and ambitious direction for the future, focusing in particular on the needs, expectations, risks, and opportunities that shape markets, systems, and the stakeholder ecosystem.

Through the following purpose, the company reaffirms its commitment to creating sustainable and shared long-term value, strengthening its identity and responsibility.

## Purpose

We transform brass into reliable solutions serving industry and progress for the well-being of people

## Vision

Leveraging efficiency and sustainability with tailored solutions

## Mission

Supporting our customers by providing high-quality brass components, delivered with punctuality, expertise and responsibility

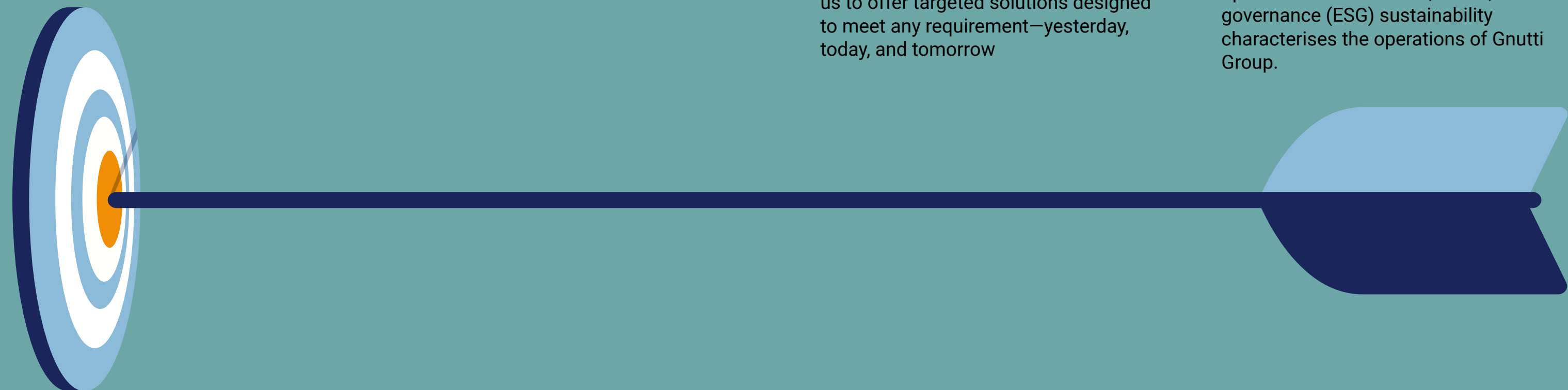
## Values

**People** / Our professionalism is founded on the value of our people, an irreplaceable and precious asset of efficiency. For Gnutti Group, placing people at the centre means caring about their health and safety, valuing diversity and inclusion, and condemning all forms of discrimination

**Ingenuity** / Our 'work culture', carried forward since 1951, stands as a proud marker of identity within the Group. The high technical and commercial expertise developed with ingenuity and passion over many years of experience is synonymous with reliability and enables us to offer targeted solutions designed to meet any requirement—yesterday, today, and tomorrow

**Excellence** / Systematic controls extend from suppliers through the entire production process, ensuring quality and precision in our products through constant inspections, targeted testing, and continuous improvements. Excellence within Gnutti Group is reflected in efficient processes, digital transformation, and advanced technologies to create durable and sustainable products

**Sustainability** / Acting with integrity, honesty, and respect are prerequisites for sustainable development, which must pay attention to the environment, the territory, social aspects, and the local communities in which the Group operates. Environmental, social, and governance (ESG) sustainability characterises the operations of Gnutti Group.





# Financial performance of Gnutti Group

Gnutti Group's **result for the year 2024 was €25 million**, with Sales Revenues increasing by 10% compared to the previous financial year, rising from €288 million to €299 million.

From a financial standpoint, 2024 confirms the Group's solidity: the strengthening of shareholders' equity and the increase in liquidity reflect a well-balanced structure.

From a profitability standpoint, the EBITDA stood at €50 million, slightly down compared to the €53 million recorded at the end of the 2023 financial year.

## Business outlook

Estimates prepared by the WTO forecast that in 2025 global trade will expand slightly above 3%, consistent with the expected trend of global output. However, the prospects for international trade could be adversely affected not only by the escalation of geopolitical tensions but also by the tightening of US trade policy. In Italy, the tightening of tax incentives for residential renovation projects could negatively impact the revenues the company generates in this specific market segment.



# 02

## GNUTTI CIRILLO

Strategy and business  
model of Gnutti Cirillo

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tion and management  
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Company name  
**Gnutti Cirillo S.p.A.**

Registered office address  
Via Ruca 96 - 25065 Lumezzane (BS)

Chairman: Giuliano Gnutti  
General Manager: Luca Veronesi

**Lumezzane plant**

Via Ruca 96 - 25065 Lumezzane (BS)

Classification of settlement location area  
B5 - Industrial Area

Year of construction1991

Total area: approximately 15,000 m²

Total workforce 257 people

Working hours: continuous over three shifts.

Monday to Friday: 6:00 a.m. - 2:00 p.m.; 2:00 p.m. - 10:00 p.m.; 10:00 p.m.- 6:00 a.m.

**Odolo plant**

Via Brescia n. 7 - 25076 Odolo (BS)

Classification of settlement location area  
B5 - Industrial Area

Year of construction1991

Total area: approximately 40,000 m²

Total workforce 141 people

Working hours: continuous over two shifts.

Monday to Friday: 6:00 a.m. - 2:00 p.m.; 2:00 p.m. - 10:00 p.m.







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# Strategy and business model of Gnutti Cirillo

Gnutti Cirillo operates in the production and distribution of semi-finished products and Original Equipment Manufacturer (O.E.M.) components made from non-ferrous metal alloys, using hot-forging and precision machining processes. The company also provides support services to other companies within the Group.

The company operates as a subcontractor (without using its own brand), with customers purchasing directly based on made-to-order contracts. The technical specifications of the products are defined directly with the customers and vary based on the requested characteristics.

Gnutti Cirillo oversees the entire customer service process, ensuring technical support, design consultancy, and continuous assistance with daily activities, with the objective of providing high-quality, competitive products that fully meet market requirements.

## Products

Gnutti Cirillo operates on a made-to-order basis, manufacturing specific products tailored to customer requirements, with a wide range of items spanning various sectors:

- Fire prevention
- Automotive
- Water and gas meters
- Renewable energy: solar, geothermal, and wind
- HVAC (heating/air conditioning)
- Pressure washers
- Scuba diving
- Transformer insulators
- Coffee machines
- Medical
- Marine
- Pneumatics
- Pumps
- Flow regulation, measurement and control
- Welding
- Beverage dispensers
- Meter brackets, nuts and sleeves
- Plumbing and heating
- Painting



## A cutting-edge production process that prioritises people and the environment.

Following the process flow, the initial activity takes place at the **Odolo site** and mainly consists of hot forging of brass to produce rough parts that are then subjected to subsequent machining operations.

The raw material consists of brass bars of various diameters and sizes, stored in dedicated areas. The bars are then taken to the automatic cutting department, where the brass bars are cut into sections of the required length for the subsequent manufacturing of the component. The sections are placed in metal containers and transported to the graphite coating department, where they are coated using automated systems; the applied graphite acts as a lubricant for the subsequent forging phase.

Forging operations are carried out using hot presses. All presses are enclosed in special protective and soundproof cabins. The forged parts are again collected in metal containers and taken to the cutting department for finishing operations (removal of burrs). Within the department there are both manual and automatic blanking machines.

According to customer requirements, forged and





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deburred parts can be subjected to a sandblasting surface treatment to clean the surface of the part, as well as to give the forged part a special appearance. Blasting can be carried out using grit or brass turning (brass-plating). The customer may in some cases request other surface treatments (e.g. galvanic treatments): in this case the parts are entrusted to subcontractors to carry out the required operations.

The Odolo site also includes a mechanical workshop department, where repairs and modifications are performed on dies and equipment.

The parts are therefore ready to undergo the subsequent mechanical machining and assembly operations carried out at the **Lumezzane site**.

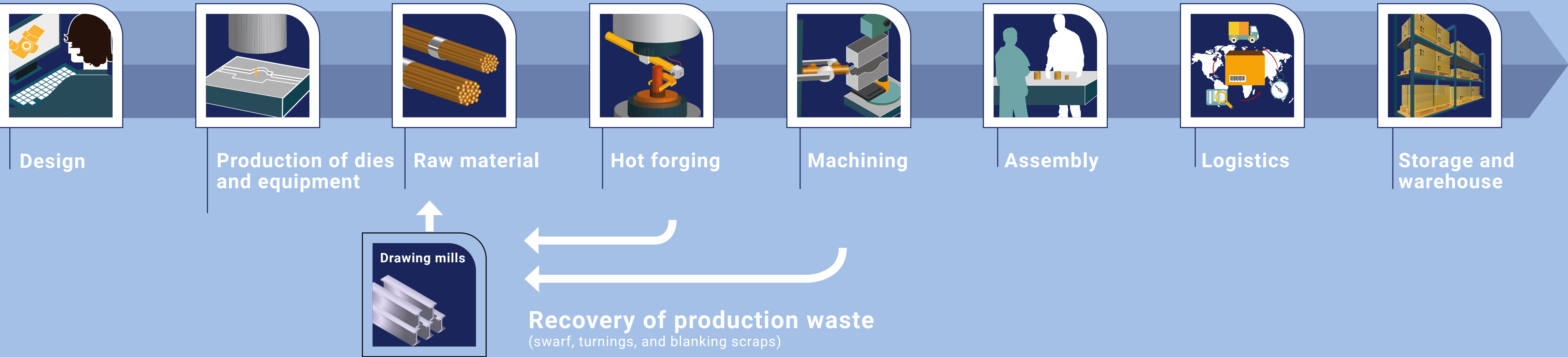
Mechanical machining on semi-finished products is performed using transfer machine tools of

various generations. During machining with chip removal, cutting fluid is used to aid the cooling and lubrication of cutting tools. This fluid is produced within the plant, either by mixing water and oil, or by reusing the suitably purified used emulsion.

Each transfer machine is equipped with an on-board water washer for washing the machined parts. Subsequently, the parts are assembled and mounted automatically using assembly machines (alternatively, they are assembled manually), followed by packaging carried out by automatic packaging machines. In general, the processed and/or assembled parts are packaged and placed on pallets for subsequent shipment.

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 site houses technical offices for design, management and administrative offices (including the IT office), as well as commercial offices.







Customers

Gnutti Cirillo places the customer at the heart of every activity, committing to the effective management of the Quality Management System with the primary goal of fully meeting market needs and expectations. **Continuous quality improvement** is not a standalone action, but a cross-functional commitment involving the entire organisation, thanks to the collaboration of all departments and the enhancement of human capital.

The quality of the products offered is the concrete result of an integrated system that promotes skills, responsibility and awareness, supported by structured training and updating programmes aimed at all corporate levels.

Within its **Quality System**, Gnutti Cirillo has identified and pursued objectives specifically aimed at customer satisfaction, including:

1. Customer satisfaction

- Broad and comprehensive range of items to meet a variety of application needs
- High product availability in stock to ensure rapid turnaround times
- Punctuality and reliability in deliveries
- Effective and transparent management of complaints, with targeted corrective actions

2. Product quality assurance

- Accurate design in compliance with customer requirements
- Accurate execution across all production phases
- Ongoing validation of production processes
- Specific inspections along the production chain to ensure product conformity

3. Efficient management of production facilities

- Continuous investment in the technological renewal of machinery and equipment
- Timely preventive and corrective maintenance activities
- Monitoring production efficiency through measurable indicators
- Implementation of improvement projects aimed at enhancing responsiveness to customer needs

4. Supply chain reliability

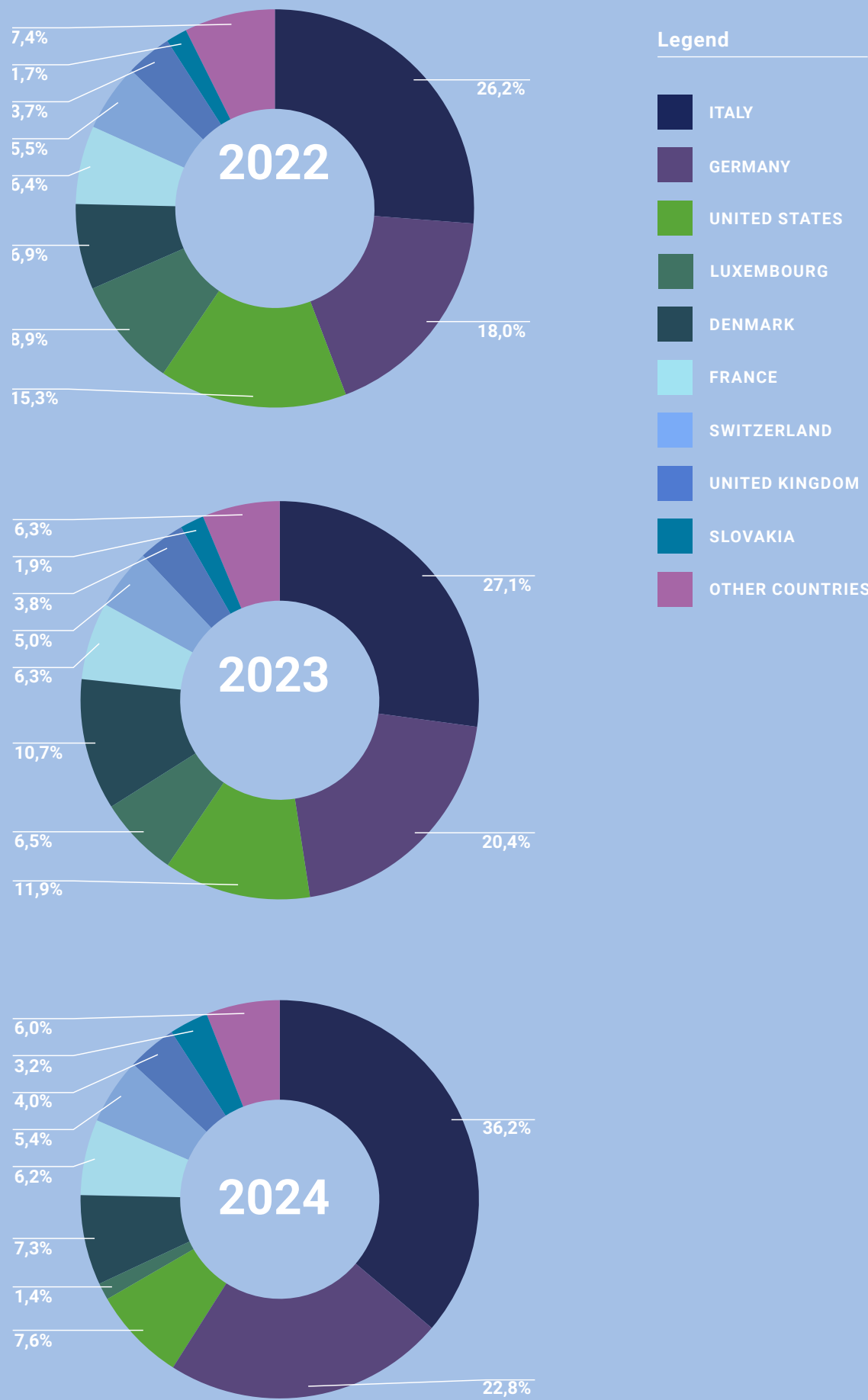
- Continuous selection and engagement of suppliers to ensure alignment with quality standards and customer expectations

5. Care for internal personnel

- Professional development paths to enhance service-oriented and quality-focused skills
- Employee retention strategies to ensure continuity and preserve know-how, directly benefiting the end customer

Through this integrated and customer-oriented approach, Gnutti Cirillo aims not only to meet expectations but to anticipate them, thereby contributing concretely to the creation of shared and lasting value.

Customer evolution







Customer satisfaction

Customer satisfaction is a fundamental pillar of Gnutti Cirillo’s strategy—an essential element in the process of creating value and achieving corporate success.

The Group’s objective is to establish and maintain solid and lasting relationships with its customers over time, positioning itself as a trusted, reliable, and proactive partner, capable of offering a comprehensive service that meets the highest industry standards.

Customer satisfaction questionnaire

|                              | 2022 | 2023 | 2024 |
|------------------------------|------|------|------|
| Number of suppliers          | 100  | 158  | 150  |
| Response rate                | 75%  | 61%  | 67%  |
| Average rating (from 1 to 5) | 3.5  | 4.58 | 4.63 |

Customers, including potential ones, are engaged in business processes through targeted commercial activities, during which products, quality, and distinctive services are presented. Moreover, active customers are invited to complete an annual satisfaction questionnaire, which enables analysis of various aspects related to the quality of products and services provided.

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

- Recording of complaints
- Mitigation actions
- Complaint analysis
- Corrective actions in case of 'unsatisfactory' evaluation
- Sharing with the customer

In addition to questionnaire data, further feedback from customer visits and interviews is gathered and reviewed, and summarised in a dedicated form. Periodically, customers or appointed third parties perform system and process evaluation audits.

Gnutti Cirillo, attentive to the needs of its stakeholders, publishes its Sustainability Report on the company website and promptly responds to questionnaires related to ESG topics. During 2024, the company provided timely responses to 17 questionnaires, 2 of which were from non-EU customers.

To ensure quality standards, Gnutti Cirillo has implemented control procedures for incoming materials (supplier verification) and monitoring procedures for in-house production.

Relationships with Customers

Periodically, the company visits customers to respond more effectively to their needs. In line with its commitment to environmental sustainability, low-emission vehicles and green transport options (e.g. electric cars) are preferred whenever circumstances allow. Their use is continuously monitored and actively encouraged.







# Corporate organisation and management systems of Gnutti Cirillo

Gnutti Cirillo adopts an integrated management system certified according to the international standards UNI EN ISO 9001 (Quality), UNI EN ISO 14001 (Environment), and UNI EN ISO 50001 (Energy), ensuring the consistency and effectiveness of all corporate processes.

| Integrated certification system |                    |
|---------------------------------|--------------------|
| AS IS 2024                      | TO BE 2025         |
| ISO 9001 Quality                | ISO 45001 - Safety |
| ISO 14001 Environment           |                    |
| ISO 50001 Energy                |                    |
| ISO 45001 Safety                |                    |

Gnutti Cirillo is equipped with a structured Business Continuity Plan designed to guarantee operational continuity even in emergency or critical situations, ensuring the resilience of business processes.

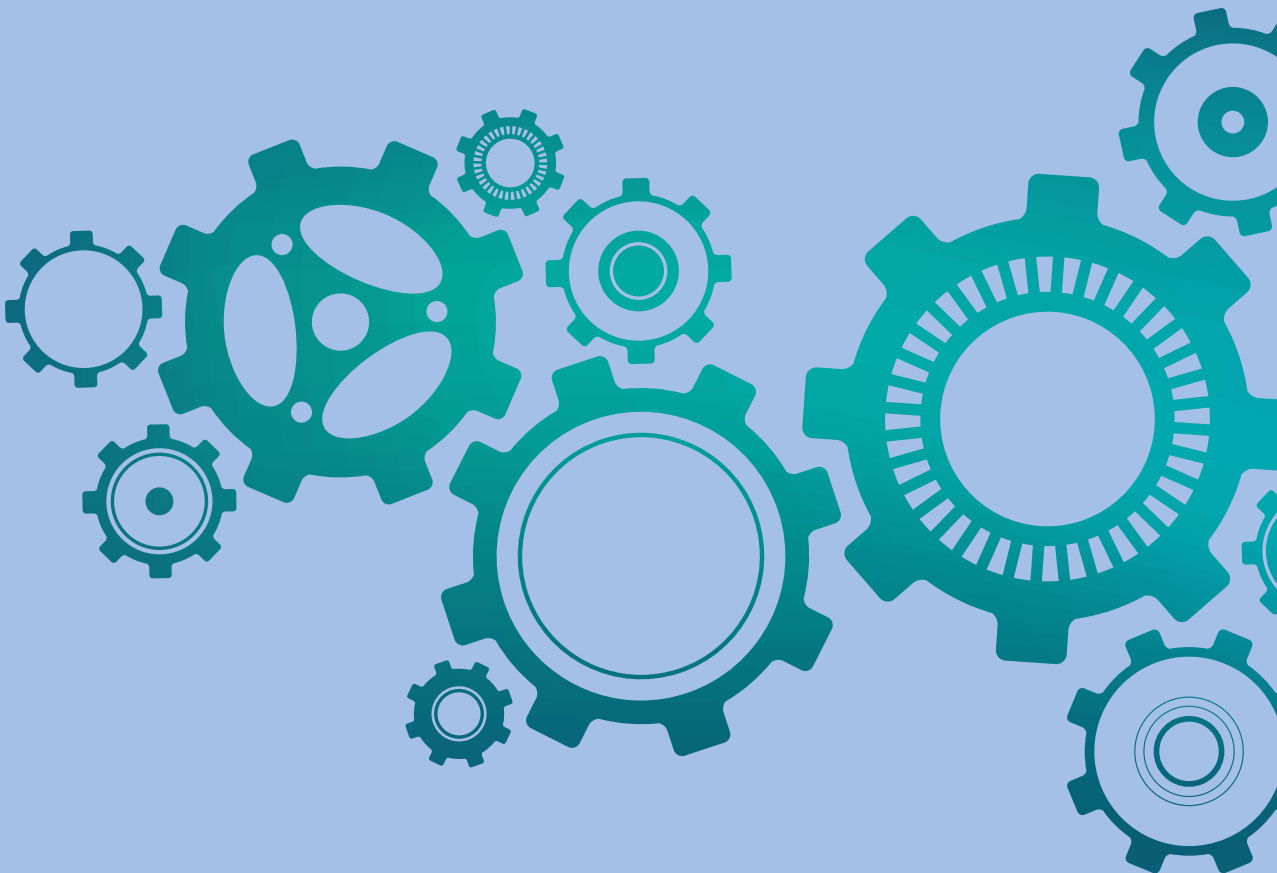
Gnutti Cirillo considers that the effective and efficient achievement of the desired results is strictly linked to the correct and consistent management of both the main process – namely the hot forging of brass components and the subsequent mechanical machining – and the support processes, which include the management of human resources, equipment, documented information, and other fundamental elements for business operations.

- From this perspective, the adoption of a process-based management approach enables to:
- fully understand and continuously satisfy the applicable contractual, regulatory, and legal requirements
  - analyse each business process in terms of the added value generated.
  - pursue the continuous improvement of operational performance
  - ensure the optimisation of processes through the systematic evaluation of objective data and information

- To this end, the Company has clearly defined:
- processes necessary for the effective implementation and application of its Integrated Management System (Quality, Environment and Energy)
  - strategic risks and opportunities, with the aim of consciously guiding corporate planning
  - criteria and methods for monitoring and measuring processes deemed strategic
  - measurable objectives (targets) and related indicators to assess the progress and effectiveness of processes over time

All processes are documented and, where necessary, detailed in operational procedures and specific instructions, accompanied by the required documented information.

Gnutti Cirillo considers it essential to integrate a ‘Risk-Based Thinking’ approach into its Corporate Policy and Vision, aimed at proactively identifying and understanding potential risks and opportunities related to its activities and operating context. This approach constitutes a fundamental pillar for managing strategic objectives, in compliance with the Corporate Management System and its constituent processes.



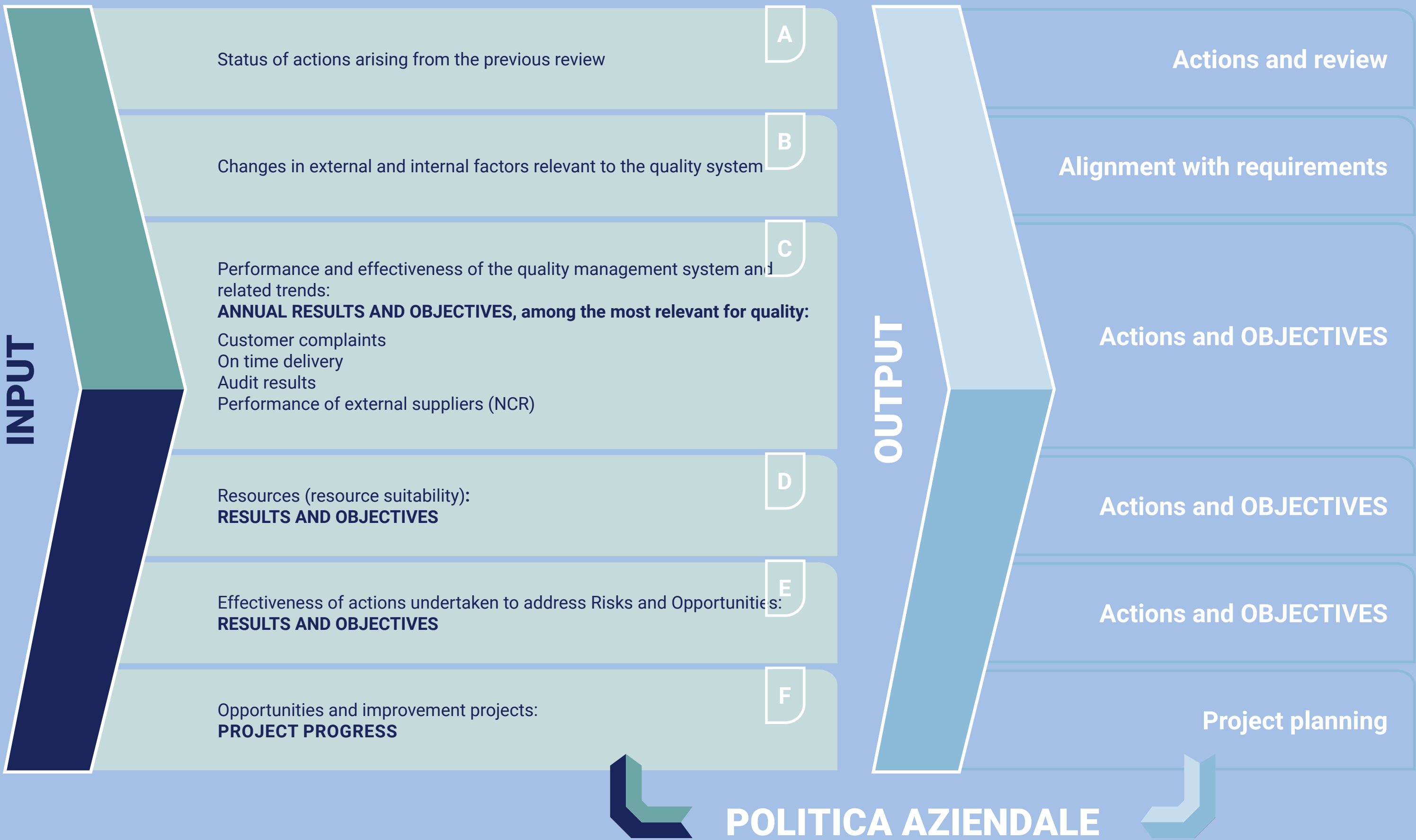




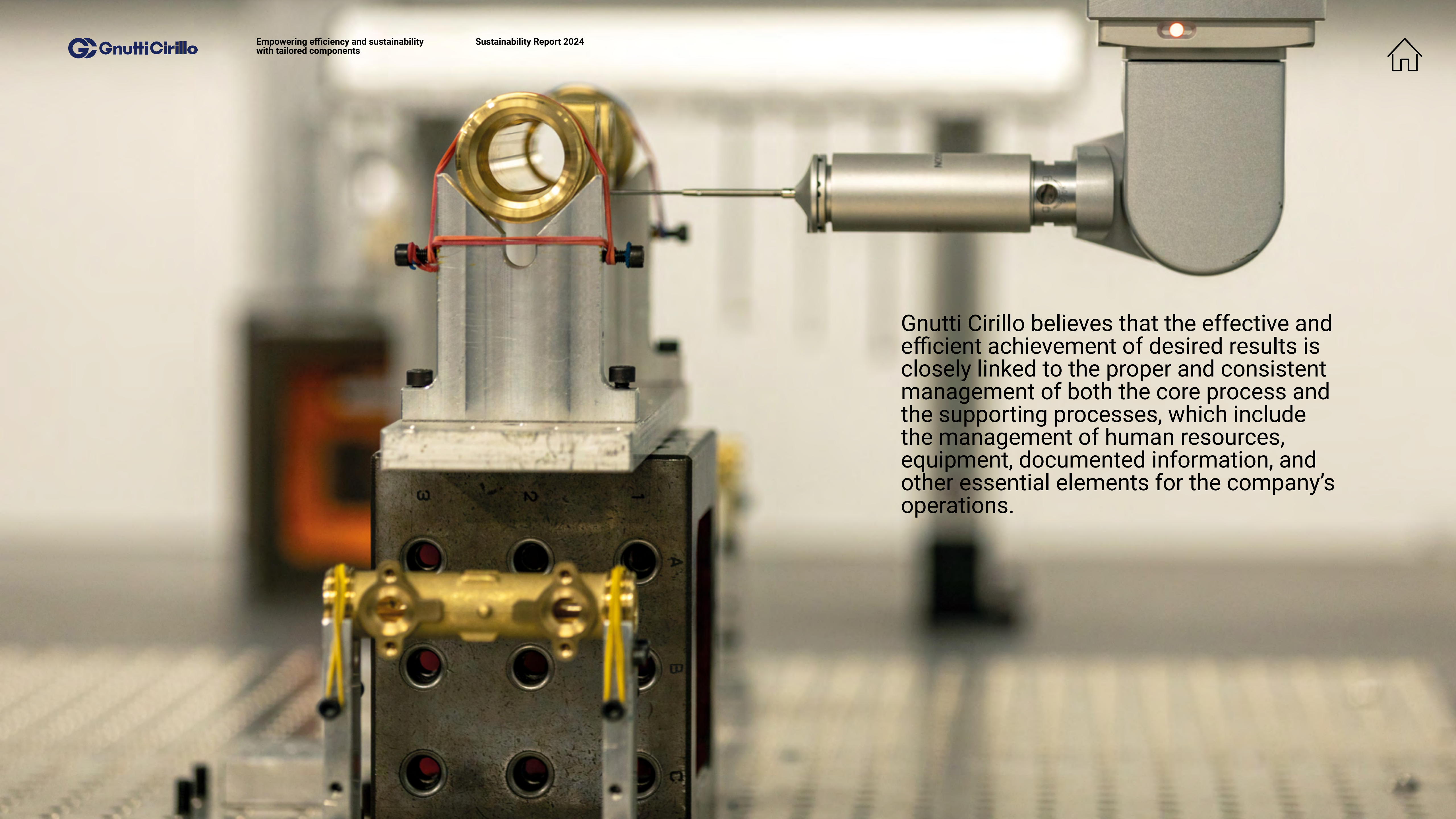
In line with this vision, the company is committed to:

- Satisfying customer needs by offering a wide range of products, stock availability, prompt deliveries, and timely management of complaints
- Ensuring high product quality, precise manufacturing, validation of production processes, and dedicated testing
- Fostering a positive corporate climate based on continuous training, employee welfare, and the promotion of diversity
- Ensuring safe and healthy working environments through rigorous risk assessments and a shared culture of safety
- Integrating ESG principles into corporate strategies, progressively reducing the environmental footprint at every stage of production
- Monitoring and reduce our corporate Carbon Footprint (Scope 1, 2, and 3) in accordance with the GHG Protocol standards and ISO 14067
- Investing in self-generation of energy through photovoltaic systems and adopting efficient technologies, favouring procurement from renewable sources
- Promoting circular economy models and waste reduction

All Gnutti Cirillo employees, at every level, are responsible for upholding the principles contained in the policy by improving both the company’s quality performance and, where possible, its environmental and energy performance. 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.





A detailed photograph of an industrial robotic arm with a silver, cylindrical gripper. The gripper is holding a thin, needle-like tool that is positioned to work on a brass-colored, ring-shaped component. This component is mounted on a vertical aluminum support structure. Below the support, a dark grey metal plate with several circular ports and red internal components is visible. The background is a blurred industrial setting with various machinery and pipes.

Gnutti Cirillo believes that the effective and efficient achievement of desired results is closely linked to the proper and consistent management of both the core process and the supporting processes, which include the management of human resources, equipment, documented information, and other essential elements for the company's operations.





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# Local community and territory of Gnutti Cirillo

## Relationships with the territory and community engagement

Gnutti Cirillo considers it essential to maintain an open, continuous, and constructive dialogue with the local communities and territories where it operates. Attention to compliance with current legislation, combined with clear and consistent guidelines adopted over time, has made it possible to build relationships of trust and collaboration with public bodies, associations, and local authorities.

## Training and partnerships with educational institutions

In line with the principle of reciprocity with local communities, the company actively promotes training initiatives aimed at the new generations. In particular:

- Internship and school-work alternation programmes have been established for high school students in the province
- Collaboration is underway with various universities through both curricular and extracurricular internships, as well as through registration on the Almalaurea platform to identify young talents.
- Several professionals from the Group have taken part as guest lecturers in university master's programmes and classes at the University of Brescia and other institutions nationwide, thereby strengthening the link between academia and industry

## Support for the community: social and cultural initiatives

Gnutti Cirillo actively participates in the social life of the territory, supporting numerous cultural, sports and charitable initiatives. Through donations and contributions, the company supports projects and organisations that operate for the benefit of the community. In 2024, donations and contributions were provided to:

- Foundations and local organisations
- Associations connected to local communities
- Third Sector organisations
- Sports and cultural associations operating within the territory

## Participation in associations

Gnutti Group is a member of Confindustria, ANIMA (Federation of National Associations of the Mechanical and Related Industries), and AVR (Italian Association of Valve and Tap Manufacturers). Furthermore, the Group actively participates in the 'Brescia Alliance for Culture' initiative, reinforcing its commitment to promoting culture as a driver of sustainable and inclusive development.







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# SUSTAINABILITY AS A STRATEGY

Value chain and  
stakeholders

Management of Impacts, Risks  
and Opportunities (IRO).  
Double materiality assessment

Our commitments and  
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# Value chain and stakeholders

For Gnutti Group, adopting a robust sustainability strategy represents a fundamental step towards creating long-term value. At this stage, the focus is on the structured collection of data and the development of clear, measurable, and reliable indicators—essential elements for setting concrete future targets and guiding strategic decisions in an informed and transparent manner.

Gnutti Group Value Chain



LOGISTICS



## PROCUREMENT



Purchase of raw materials



Purchase of auxiliary materials

## PROCESSING



Forging and mechanical machining



Warehouse management and in-  
tra-group transport

## DISTRIBUTION



Distribution to customers



Market distribution



End of life

*Upstream*

*Direct*

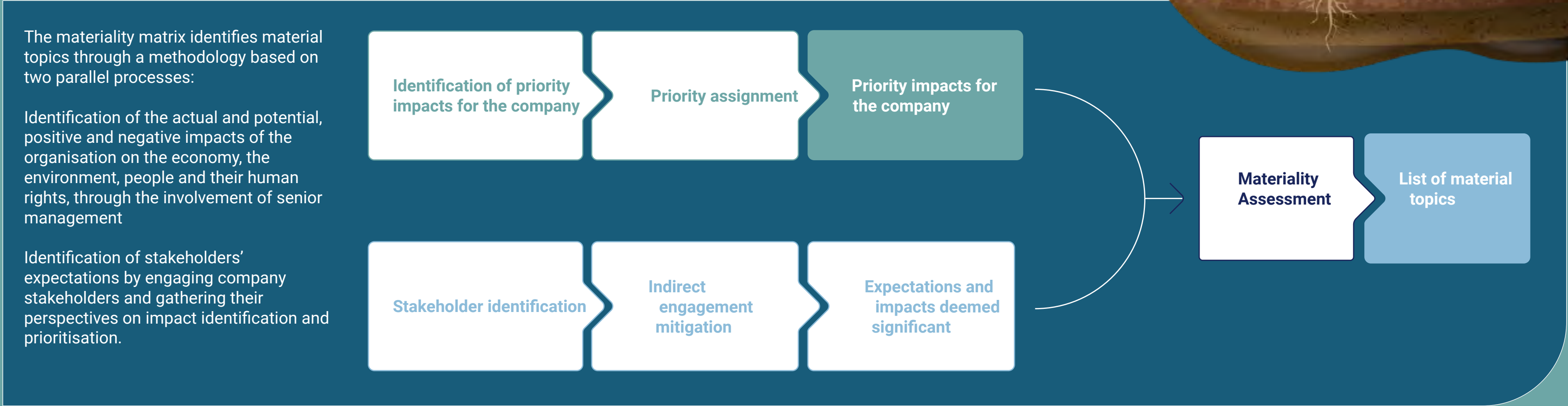
*Downstream*





In continuity with the stakeholder engagement analysis conducted last year, the interests, expectations, and needs previously identified have been considered valid for the Double Materiality assessment. As a complement to the structured process initiated in the previous financial year, the

intention to resume and consolidate this activity in the future is confirmed, in order to ensure its continuous updating and alignment with the evolving context and stakeholder expectations.



| Stakeholder Group  | Engagement methods   | Expectations and needs   |
|--|--|--|
| <ul style="list-style-type: none"><li>■ Customers</li><li>■ Employees</li><li>■ Suppliers</li><li>■ Local community</li><li>■ Institutions and authorities</li><li>■ Investors</li></ul> | Starting in 2022, Gnutti Cirillo launched a proactive communication and listening approach with its stakeholders, actively sharing its commitments in the field of sustainability. The company has published detailed information on its website and sent the Sustainability Report to clients who requested updates on the Company's ESG journey through questionnaires or other means, thereby fostering a transparent and constructive relationship that continued into 2024. | <p>The sustainability expectations of Gnutti Cirillo's stakeholders may include:</p> <ul style="list-style-type: none"><li>■ Customers: high-quality products with reduced environmental impact and traceability throughout the supply chain</li><li>■ Employees: safe working conditions, opportunities for growth, and attention to well-being</li><li>■ Suppliers: stable, transparent relationships oriented towards shared ESG criteria</li><li>■ Local communities: contribution to territorial development, environmental respect, and open dialogue</li><li>■ Institutions and authorities: regulatory compliance, emission reduction, and transparent reporting</li><li>■ Investors: responsible management of ESG risks and commitment to long-term objectives</li></ul> |



# Management of impacts, risks and opportunities (IRO)

## Double materiality assessment

### SBM-3

Material impacts, risks, and opportunities and their interplay with the corporate strategy and business model

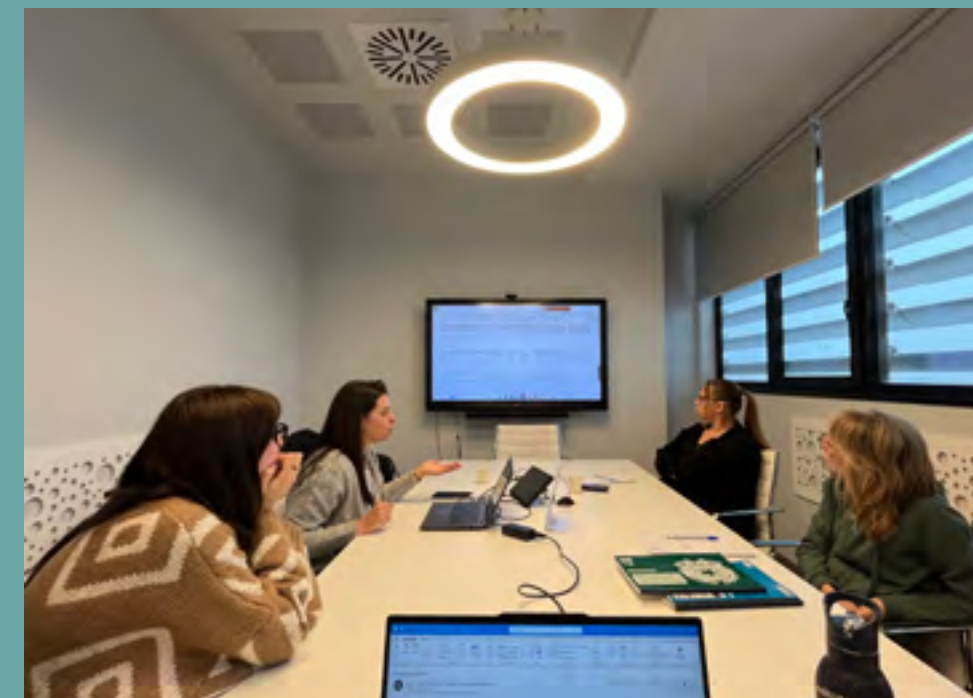
The following tables provide a description of the sustainability impacts, risks, and opportunities deemed material by Gnutti Group following the development of the double materiality assessment on which this Report is based.

For each risk and/or opportunity, the following is specified:

- where they occur along the value chain and within the business model
- Whether the effects are current and/or expected, and how Gnutti Group plans to address them through the actions undertaken

With regard to the impacts:

- it is specified whether they are negative or positive and, in the descriptions, how they affect people or the environment
- the actions identified by the Group to address the related impacts
- the reasonably expected time horizons of the impacts
- whether such impacts occur in the direct activities of Gnutti Cirillo, other companies of the Group, or along the value chain (upstream and downstream) due to its commercial relationships





Impacts generated by Gnutti Group’s direct activities

| Topic                                  | Sub-topic / Sub-sub-topic   | Impact   | Time horizon             |
|--|---|--|--------------------------|
| E1 - Climate Change                    | Climate change mitigation; Energy   | Contribution to climate change due to the generation of GHG emissions from the Group’s direct activities                               | Short-term and Long-term |
| E2 – Pollution                         | Pollution of air  | Emission of pollutants into the air generated by industrial processes related to the Group’s direct activities                         | Medium-term              |
| E3 – Water and Marine Resources        | Water (water consumption and water withdrawals)   | Contribution to water stress through the withdrawal and consumption of water resources   | Medium-term              |
| E5 - Resource Use and Circular Economy | Waste Resource outflows   | Production of waste and packaging  | Medium-term              |
| E5 - Resource Use and Circular Economy | Resource outflows   | Contribution to the recycling and reuse of product materials and packaging   | Medium-term              |
| S1 - Own Workforce                     | Working conditions – Health and Safety  | Serious and minor injuries and occupational illnesses due to inadequate working conditions   | Medium-term              |
| S1 - Own Workforce                     | Equal treatment and opportunities for all – Training and skills development   | Training and skills development of personnel   | Medium-term              |
| S1 - Own Workforce                     | Equal treatment and opportunities for all – Gender equality and equal pay for work of equal value; Measures against violence and harassment in the workplace; Diversity | Incidents of discrimination arising from the absence of Diversity & Inclusion policies, as well as cases of harassment and/or violence | Medium-term              |
| S1 - Own Workforce                     | Working conditions – Working time; Work-life balance  | Negative impact on employee well-being due to lack of work-life balance  | Short term               |
| S1 - Own Workforce                     | Working conditions – Working time; Work-life balance  | Violation of human rights due to inadequate working conditions   | Short term               |
| S3 – Affected communities              | Communities’ economic, social and cultural rights   | Negative social impact on local communities  | Medium-term              |
| S4 - Consumers and end users           | Personal safety of consumers and/or end users   | Harm to end user health and safety in the case of non-compliant products   | Medium-term              |
| G1 – Business Conduct                  | Business Conduct – Management of relationships with suppliers including payment practices   | Critical issues in relations with suppliers  | Medium-term              |
| G1 – Business Conduct                  | Business Conduct – Corruption and Bribery – Incidents   | Loss of sensitive data and violation of privacy  | Medium-term              |
| G1 – Business Conduct                  | Business Conduct – Corruption and Bribery – Incidents   | Potential negative impact on the sector and the economy in general resulting from corrupt practices                                    | Medium-term              |



Impacts generated along the Gnutti Group value chain

| Topic                                  | Sub-topic / Sub-sub-topic   | Impact  | Time horizon             |
|--|---|---|--------------------------|
| E1 - Climate Change                    | Climate change mitigation; Energy                                 | Contribution to climate change due to the generation of indirect GHG emissions associated with suppliers’ activities and, more broadly, along the value chain | Short-term and Long-term |
| E2 - Pollution                         | Pollution of water – Pollution of soil                            | Potential water pollution   | Short-term and Long-term |
| E3 – Water and Marine Resources        | Water (water consumption, water discharge and water withdrawals)  | Negative environmental impact due to water consumption  | Medium-term              |
| E4 – Biodiversity and Ecosystems       | Impacts on the extent and condition of ecosystems                 | Reduction of biodiversity   | Medium-term              |
| E5 - Resource Use and Circular Economy | Waste   | Potential improper waste management   | Medium-term              |
| S2 – Workers in the value chain        | Other work-related rights – Child labour – Forced labour          | Discrimination and human rights violations due to inadequate human capital protection practices   | Medium-term              |
| S2 – Workers in the value chain        | Working conditions – Health and safety                            | Health and safety of workers in the value chain   | Medium-term              |
| S4 - Consumers and end users           | Personal safety of consumers and/or end users – Health and safety | Indirect harm to end user health in the case of non-compliant products  | Medium-term              |
| G1 – Business Conduct                  | Business Conduct – Corruption and Bribery – Incidents             | Negative impact on the economic system caused by unfair business practices  | Medium-term              |



Identified risks and opportunities

| RISK/OPPORTUNITY   | TYPE          | SOURCE   | MATERIALITY     | TOPIC               | SUB-TOPIC / SUB-SUB-TOPIC  | Time horizon          |
|--|---------------|--|-----------------|---------------------|--|-----------------------|
| Strategic and operational opportunity to reduce production costs through continuous brass recycling                              | Opportunities | Impact: Implementation of sustainable practices  | Material        | E1 - Climate change | Climate change mitigation<br>Energy  | Medium- and long-term |
| Physical risk related to extreme events arising from climate change  | Risk          | Dependency: Climate change   | Material        | E1 - Climate change | Climate change adaptation  | Medium- and long-term |
| Operational risk of increased costs due to fluctuations in raw material and energy prices (Direct and Indirect)                  | Risk          | Dependency: Geopolitical context   | Highly material | E1 - Climate change | Energy   | Medium- and long-term |
| Economic and reputational risk arising from workplace injuries or occupational illnesses caused by inadequate working conditions | Risk          | Impact: Serious and minor injuries and occupational illnesses due to inadequate working conditions | Material        | S1 - Own Workforce  | Equal treatment and opportunities for all<br>– Training and skills development | Long-term             |

As the parent company, Gnutti Cirillo believes that no opportunity poses a significant risk of material adjustments in the following financial year.

Gnutti Cirillo has developed a corporate strategy that considers the material impacts and risks of emerging opportunities. Specifically, Gnutti Cirillo has implemented a risk assessment process involving the participation of various Managers and/or Process Owners. For the purpose of identifying business risks, each Manager or Process Owner is responsible for assessing and managing all risks relevant to their area of activity. During the prioritisation phase, the intervention of the Chairman is envisaged.

An analysis of the tables above shows that—currently—no impacts, risks, or opportunities are reported through additional disclosures specific to Gnutti Group.



Management of impacts, risks and opportunities

Disclosure on the materiality assessment process

IRO-1

Description of the processes to identify and assess material impacts, risks and opportunities

The ESRS Standard establishes that a sustainability topic can be material from one or both of the following perspectives:

- impact perspective: a sustainability topic is material when it concerns the company’s impacts—actual or potential, positive or negative—on people or the environment over the short, medium, and long term. Note: Such impacts may arise both from activities carried out under the direct control of the company and along its value chain, upstream and downstream.
- financial perspective: a sustainability topic is material if it causes or may cause significant financial effects for the company, either negative (risks) or positive (opportunities). Note: Such risks and opportunities may arise both from activities carried out under the direct control of the company and along its value chain, upstream and downstream.



In order to identify material sustainability topics, Gnutti Group conducted a double materiality assessment, described in detail below.

## Impact materiality

With regard to material sustainability topics, the Group commenced with the identification and assessment of the impacts it generates on people and the environment. This process was structured into the following phases:

### 1) Understanding the context in which the Group operates, including the activities performed, commercial relationships, and geographical areas.

In defining the material impacts of Gnutti Group on people and the environment, consideration was given to:

- all productive activities carried out, as detailed in the preceding paragraph
- the most significant commercial relationships of Gnutti Group, as detailed in the preceding paragraph
- all the geographies in which the Gnutti Group operates

Stakeholder involvement was conducted through a stakeholder engagement process, primarily during the phase of identifying and assessing negative impacts, both actual and potential, capable of influencing decisions concerning the Group. This process included an in-depth analysis carried out by corporate-level management, during which the long list of impacts was assessed based on criteria such as likelihood, magnitude,

scope, and irremediability. Particular attention was paid to impacts related to specific activities, business relationships, and geographical areas characterised by a higher risk of negative consequences. The process also included consultation with internal stakeholders, with the aim of understanding how they might be affected by the impacts, thereby ensuring that priorities are assigned based on their severity and likelihood, as well as on any relevant positive impacts. External stakeholders have been mapped in preparation for future engagement activities.

### 2) Assessment of the significance of impacts and their prioritisation

Two different evaluation scales were used for the assessment and prioritisation of negative and positive impacts:

| Negative impacts   | Positive impacts  |
|--|---|
| <p>Negative impacts were prioritised based on their likelihood of occurrence and their severity, determined by the combination of:</p> <ul style="list-style-type: none"><li>■ scope</li><li>■ context</li><li>■ irremediability</li></ul> | <p>Negative impacts were prioritised based on their likelihood of occurrence, as well as their scope and the context in which they arise.</p> |

In general, scale denotes the severity of an impact; scope refers to its breadth across the various stages of the value chain; and irremediability denotes how difficult it is to reverse a negative impact.

## Financial materiality

After identifying its material sustainability impacts, Gnutti Group has identified and assessed the sustainability-related risks and opportunities that have, or may have, short-, medium-, and long-term financial effects on Gnutti Group.

These risks and opportunities were correlated with:

- impacts defined as material at the conclusion of the Impact Materiality process
- dependencies, that is, the external factors on which the organisation relies to carry out its activities and achieve its objectives
- actions the company implements to mitigate its negative impacts and/or maximise its positive impacts on sustainability.

The significance of risks and opportunities was assessed and prioritised based on a combination of likelihood of occurrence and the potential magnitude of financial effects, using risk assessment tools that enable the classification of risks according to their severity and the definition of appropriate management strategies.

### Definition of material sustainability topics

Finally, the results of the two analyses – Impact Materiality and Financial Materiality – were combined: material impacts, risks, and opportunities were grouped into material sustainability topics.

Gnutti Cirillo engaged various stakeholders – including top management and members of the Board of Directors – in the process of assessing the relevance of material sustainability topics.

The preparation of the report is coordinated by the Parent Company’s ESG Committee, in close collaboration with the involved corporate

functions, to ensure thorough data collection and analysis. The document, being voluntary, was published after the Annual Financial Report, with prior approval by the Board of Directors.

For each impact, the relevant control measures implemented by the Group have also been identified, in order to support the Board of Directors in adopting informed decision-making processes and in effectively managing critical risks to achieve strategic objectives.

As reflected in this section, the process of defining material impacts took into account all production activities carried out by the Gnutti Group. As for the assumptions used in preparing this disclosure, as indicated in the previous section, there are no metrics subject to estimation.

As Gnutti Cirillo’s Sustainability Report 2024 was prepared based on a different standard from that used in the previous reporting year, the two materiality assessment processes are not considered comparable due to the change in framework.



Gnutti Group has developed a corporate strategy that considers the material impacts and risks related to emerging opportunities.





# IRO-2

Disclosure obligations of the  
ESRS covered by the company’s  
sustainability statement

At the conclusion of the double materiality  
assessment, the disclosure requirements listed  
in the following table were identified as relevant.  
The table also indicates the pages where these  
disclosures are included.

| ESRS                                       | Material topic  | Page  |
|--|---|-------|
| E1 – Climate change                        | Energy and climate change                                 | p. 41 |
| E2 – Pollution                             | Pollution of air  | p. 47 |
|  | Pollution of water  |       |
| E3 – Water and marine resources            | Water   | p. 50 |
| E4 – Biodiversity and ecosystems           | Factors of direct impact on biodiversity loss             | p. 52 |
| E5 – Use of resources and circular economy | Waste, resource outflows related to products and services | p. 55 |
| S1 – Own workforce                         | Working conditions  | p. 59 |
|  | Equal treatment and opportunity for all                   |       |
|  | Other labour-related rights                               |       |
| S2 - Workers in the value chain            | Working conditions  | p. 67 |
|  | Other labour-related rights                               |       |
| S4 - Consumers and end users               | Consumer personal safety                                  | p. 68 |
| G1 - Business conduct                      | Corporate culture   | p. 70 |

Gnutti Cirillo has classified its impacts, risks and opportunities  
into three levels of materiality:  
not material, material, and highly material.

The level of materiality (material or highly material) of impacts, risks, and  
opportunities is detailed in the preceding paragraph

“SBM-3 disclosure requirement: Material impacts, risks and opportunities and  
their interaction with strategy and business model”







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# Our commitments and the 2030 Agenda

## SBM-1

Gnutti Cirillo's Sustainability strategy is summarised in the Transition Policy.

The following tables present the list of planned actions, the activities and actions achieved in 2024, the 2025 targets, and the reference to the sustainable development pillars to which each action aims to contribute.

Gnutti Cirillo has long adopted a responsible approach to business management that goes beyond mere regulatory compliance and the reduction of negative externalities. The company actively promotes a corporate culture focused on creating lasting value for all its stakeholders.

Productive activities are conducted with particular attention to the sustainable and responsible use of resources, supporting the socioeconomic development of the territories in which it operates, enhancing human capital, adopting voluntary [certifications](#), applying the principles of the circular economy, and pursuing a sustainable growth model.

**The company's sustainability strategy is founded on the values and principles set out in the [Code of Ethics](#),** draws inspiration from key international initiatives such as the United Nations Global Compact, and actively contributes to the achievement of several Sustainable Development Goals (SDGs) of the 2030 Agenda. From this perspective, Gnutti Cirillo sets clear commitments and performance indicators to monitor its contribution to sustainable development within its production and social context.

Despite the context of marked political and economic instability, 2024 saw Gnutti Cirillo further consolidate its sustainability journey, achieving significant results:

- ESG Governance: the sustainability governance system has been strengthened, with the establishment of a corporate function dedicated to

the planning and oversight of ESG matters, ensuring their integration into decision-making and operational processes.

- Environment: Gnutti Cirillo has obtained ISO 50001 certification for energy management, confirming its commitment to an increasingly efficient and sustainable production model. Furthermore, 2,052 kWh of energy were self-produced from photovoltaic sources, supporting actions to mitigate climate change.
- Social sphere: investment in human capital continues, with over 750 active employees within the Group. At Gnutti Cirillo, the number of training hours increased from 1,557 in 2023 to 2,201 in 2024, accompanied by the launch of programmes aimed at promoting diversity, inclusion, and organisational well-being. The process to obtain ISO 45001 certification for occupational health and safety is currently underway.

The company is committed to implementing:

- A Group [Code of Ethics](#) and a human rights policy by the end of 2025
- A Sustainability Plan with specific KPIs by the end of 2026

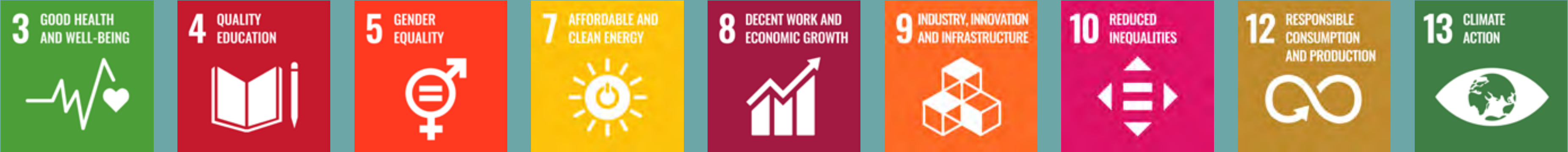
Below are the results achieved related to the 'Transition Policy' adopted in 2024 by the Board of Directors.

## Matrix of strategic alignment with the SDGs of the 2030 Agenda

The following table presents the organisation's macro-objectives, their alignment with the Sustainable Development Goals (SDGs) of the 2030 Agenda, and the details of the targets and indicators identified in 2023. The progress status as at 2024 (AS IS) is also presented, together with the planning of future activities (TO BE) across two time horizons: 2025 and 2030.



The 9 priority SDGs for the company’s commitment:



| Macro Objective  | Reference SDG   | Target (identified in 2023)   | Indicators – KPIs (identified in 2023)  | AS IS – Activities completed in 2024  | TO BE – Activities planned for 2025  | Objectives for 2030  |
|--|---|---|---|---|--|--|
| 1. Promote employee health and well-being                            | <div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div></div>  | Ensure universal access to essential health services and safe, affordable medicines | Coverage of essential health services through corporate welfare measures        | <div>■ Extension of corporate welfare through a new service card</div> <div>■ Free flu vaccination for employees</div>  | <div>■ Participation in the WHP (Workplace Health Promotion) programme of ATS Lombardia (Lombardy Health Protection Agency)</div> <div>■ Health promotion (e.g. nutritional consultations)</div> <div>■ Free health screenings</div> | <div>■ Develop a widespread and accessible welfare system across all sites</div> <div>■ Enhance access to healthcare services through structured initiatives</div> |
| 2. Promote an ESG and sustainability culture                         | <div><div>4</div><div>QUALITY EDUCATION</div></div>           | Ensure knowledge and skills for sustainable development by 2030                     | ESG training activities and internal and external awareness raising initiatives | <div>■ Collaborations with universities and research institutions, and the creation of an ESG strategic committee</div> <div>■ Use of university platforms for recruitment</div> <div>■ Launch of the ESG training plan</div> | <div>■ Strengthening of the corporate ESG plan</div> <div>■ Internal awareness campaigns</div> <div>■ Engagement of schools and universities</div>   | <div>■ Continuous ESG training programme for all employees</div> <div>■ Integration of sustainable culture into corporate processes</div>                          |
| 3. Ensure equal opportunity and female leadership                    | <div><div>5</div><div>GENDER EQUALITY</div></div>             | Promote female participation and leadership at all decision-making levels           | Female hiring rate and monitoring of pay equity                                 | <div>■ Careful monitoring of gender balance in recruitment</div>  | <div>■ Launch of the gender gap analysis process</div> <div>■ Verification of alignment of gross annual salary for pay equity</div>  | <div>■ Adoption of inclusive selection procedures</div> <div>■ Guarantee of equal career opportunities</div>   |
| 4. Improve energy efficiency and the use of renewable energy sources | <div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div></div> | Increase the share of renewable energy and energy efficiency by 2030                | % renewable energy of total consumption<br>Primary energy intensity             | <div>■ ISO 50001 certification</div> <div>■ Increase in self-production of energy from renewable sources</div>  | <div>■ Participation in the Energy Release 2.0 programme</div> <div>■ Maintenance of ISO 50001</div> <div>■ Further increase in photovoltaic production</div>  | <div>■ Structured policies for the continuous improvement of energy efficiency</div> <div>■ Doubling the share of energy from renewable sources</div>              |



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| Macro Objective  | Reference SDG | Target (identified in 2023)  | Indicators – KPIs (identified in 2023)  | AS IS – Activities completed in 2024  | TO BE – Activities planned for 2025   | Objectives for 2030  |
|--|---------------|--|---|---|---|--|
| 5. Protect health, safety and well-being in the workplace  |               | Progressively improve resource use efficiency, protect the right to work, and ensure healthy and safe working environments | <ul style="list-style-type: none"><li>■ Injury frequency rate (fatal and non-fatal)</li><li>■ Adoption and updating of internal regulatory measures (e.g. Organisation, Management and Control Model [231 Model], <a href="#">Code of Ethics</a>, <a href="#">Whistleblowing</a>)</li></ul> | <ul style="list-style-type: none"><li>■ Continuous oversight of occupational health and safety matters</li><li>■ Periodic audits by the Supervisory Body concerning the Organisation, Management and Control Model (231 Model)</li><li>■ Update of the corporate <a href="#">whistleblowing</a> procedure</li></ul> | <ul style="list-style-type: none"><li>■ Obtaining ISO 45001 certification</li><li>■ Promotion of internal cultural initiatives for employee well-being</li><li>■ Dissemination and updating of the Group's <a href="#">Code of Ethics</a></li></ul> | <ul style="list-style-type: none"><li>■ Achieve a high standard of occupational health and safety at all company locations</li><li>■ Ensure full compliance with all applicable regulations</li><li>■ Implement a structured action plan to improve working conditions and organisational well-being</li></ul> |
| 6. Sustainable innovation and responsible infrastructure   |               | Reconfigure industrial processes in a sustainable and more efficient manner  | Investments in efficient technologies and customer satisfaction   | <ul style="list-style-type: none"><li>■ Replacement of machinery with high-performance models</li><li>■ Focus on customer satisfaction</li><li>■ Update of the Unified Environmental Authorisation (AUA) – Odolo site</li></ul>   | <ul style="list-style-type: none"><li>■ Continuous renewal of machinery</li><li>■ ESG integration in the supply chain (supplier questionnaire)</li></ul>  | <ul style="list-style-type: none"><li>■ Responsible investment policies for the production supply chain</li><li>■ Greater industrial and environmental efficiency</li></ul>  |
| 7. Promote social inclusion and equal opportunities        |               | Guarantee equal opportunities for all individuals, irrespective of age, gender, background, or personal circumstances      | Compliance with labour rights (ILO) and equal treatment   | <ul style="list-style-type: none"><li>■ Launch of collaboration with social cooperatives</li></ul>  | <ul style="list-style-type: none"><li>■ Adoption of a human rights policy</li><li>■ New corporate regulations</li><li>■ Training programme on inclusion</li></ul>   | <ul style="list-style-type: none"><li>■ Structured corporate policies for economic, social, and political inclusion</li><li>■ Support for inclusion initiatives in the territories in which the company operates</li></ul>   |
| 8. Reduce the environmental impact of production processes |               | Enhance efficiency in the use of resources and minimise waste generation   | Material footprint, resource consumption, recycling rate  | <ul style="list-style-type: none"><li>■ Improvement of the Sustainability Report</li><li>■ Appointment of ADR consultant for hazardous waste management</li><li>■ Promoting internal awareness and waste sorting</li></ul>  | <ul style="list-style-type: none"><li>■ Optimisation of waste collection and recycling</li><li>■ Improvement of ISO 14001 performance</li></ul>   | <ul style="list-style-type: none"><li>■ Waste reduction through recycling and reuse</li><li>■ Adoption of circular economy models</li></ul>  |
| 9. Contribute to the fight against climate change          |               | Incorporate climate-related measures into corporate strategies and cut emissions   | CO <sub>2</sub> emissions (Scope 1, 2, 3) and Carbon Footprint  | <ul style="list-style-type: none"><li>■ Extension of Scope 3 calculation</li><li>■ Update of Scope 1 and 2</li><li>■ Incentive for the use of electric vehicles</li><li>■ Analysis of raw materials</li></ul>   | <ul style="list-style-type: none"><li>■ Calculation of product Carbon Footprint</li></ul>   | <ul style="list-style-type: none"><li>■ Adoption of a Sustainability Plan with decarbonisation targets</li><li>■ Promotion of sustainable mobility</li><li>■ Reduction of direct and indirect emissions</li></ul>  |





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|                      |                                      |                                 |
|----------------------|--------------------------------------|---------------------------------|
| E1 - Climate change  | E2 - Atmospheric emissions and noise |                                 |
| E3 - Water resources | E4 - Biodiversity and ecosystems     | E5 - Circular economy and waste |





# Climate Change E1

## E1-1 Transition plan for climate change mitigation

At present, Gnutti Cirillo has not yet adopted a climate transition plan to ensure that its business strategy and model are aligned with the goal of limiting global warming in line with the Paris Agreement (1.5°C). However, Gnutti Cirillo has initiated preliminary analyses aimed at identifying the most appropriate approach to this issue, and in 2024 expanded the calculation of its indirect Scope 3 emissions.

For Gnutti Cirillo’s targets regarding both GHG emissions reduction and decarbonisation, aimed at mitigating climate change, please refer to paragraphs E1-3 ‘Actions and resources related to climate change policies’ and E1-4 ‘Objectives for climate change mitigation and adaptation’.

It should finally be noted that there are no locked-in GHG emissions resulting from the company’s key products and assets.

## ERS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Gnutti Cirillo has identified a risk related to climate change of a physical nature (physical risk linked to extreme events deriving from climate change) and a transition risk (operational risk of increased costs linked to fluctuations in raw material and energy prices).



## Management of impacts, risks and opportunities







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## ESRS 2 IRO-1

### Description of the processes to identify and assess relevant climate-related impacts, risks and opportunities

The process followed for the identification, assessment and prioritisation of impacts, risks and opportunities is detailed in chapter 03.

From the Double Materiality assessment conducted by Gnutti Cirillo, the following impacts on climate change were identified as material:

- Contribution to climate change due to the generation of GHG emissions from the Group's direct activities.
- Contribution to climate change due to the generation of indirect GHG (Greenhouse Gas) emissions associated with supplier activities and, more broadly, across the value chain

Regarding risks and opportunities related to climate change, the following physical risk was identified as material:

- Physical risk associated with extreme events resulting from climate change

As outlined in the section dedicated to the methodology used for the Double Materiality Assessment, risks were evaluated over short-, medium-, and long-term time horizons, taking into account both direct activities and those along Gnutti Group's value chain. The risk was identified based on the high-emissions climate scenario SSP5-8.5, published by the Intergovernmental Panel on Climate Change (IPCC) in its Sixth Assessment Report (AR6). The increasing occurrence of extreme weather events could potentially cause varying degrees of damage to Gnutti Group's assets, resulting in higher operational costs for repair and prevention. The following transition risks and opportunities were also identified:

- Operational risk of increased costs due to fluctuations in raw material and energy prices
- Strategic and operational opportunity to reduce production costs through the continuous recycling of brass

In this case as well, the identified risk and opportunity have been considered with regard to short-, medium- and long-term time horizons. In the case of climate-related transition risks or opportunities, reference was made to the International Energy Agency's Net-zero Emissions (NZE) scenario, which envisages net zero

emissions by 2050. The use of the listed scenarios proved valuable for identifying and assessing risks and opportunities over the defined time horizons, as it enabled the analysis to be grounded in scientific data, such as potential trends in energy consumption and global temperature changes.

The SSP5-8.5 scenario indicates not only a global increase in the use of fossil fuels, accompanied by a drastic rise in global temperatures over the course of this century, but also projects an approximate 4.4°C increase in Earth's temperature. This would lead to more frequent extreme weather events, which could cause severe damage to the Group's assets and operations. Conversely, the Net-zero Emissions by 2050 (NZE) scenario delineates the pathway to achieving net zero CO<sub>2</sub> emissions in the energy sector by 2050. With the objective of limiting global warming to 1.5°C above pre-industrial levels, as established by the Paris Agreement, a rapid transformation in energy production and consumption is required, encouraging the increasing use of renewable energy sources.

## E1-2

### Policies on climate change mitigation and adaptation

The ESG Strategic Committee plans and steers the company's climate-related policies. To this end, Gnutti Cirillo has implemented and continues to maintain a Quality, Energy, and Environmental Management System in line with the requirements of the international standards UNI EN ISO 9001, UNI EN ISO 50001, and UNI EN ISO 14001. Energy efficiency has long been a focus of investment for Gnutti Cirillo. In 2024, the Company adopted an Energy Management System certified to ISO 50001, complementing the ISO 14001 Environmental Management System already in place. These tools enable the monitoring of consumption, the improvement of environmental performance, and the setting of continuous improvement targets.

Gnutti Group is committed to contributing to the United Nations 2030 Agenda Sustainable Development Goals (SDGs), with a particular focus on the following objectives:



- Goal 7: Affordable and Clean Energy
- Goal 12: Responsible Consumption and Production
- Goal 13: Climate Action

The ESG Quality, Environment, and Energy Corporate Policy is committed to the proper management of the Integrated System, with the goal of full customer satisfaction through improvements that involve the entire company and the assessment of the expectations of all relevant stakeholders. Product quality, environmental protection, continuous commitment to improving energy performance, and healthy and safe working conditions result from the dedication of all departments and are founded on the enhancement of human resources through systematic training programmes involving all levels of the company.

This approach forms part of a long-term vision, in which commitment to climate is an integral element of the sustainability strategy.

The increase in production volumes and the expansion of business activities inevitably entail a risk of increased emissions. Awareness of these impacts has led the company to accelerate its transition pathway. In the short term, Gnutti Cirillo intends to consolidate its commitment through a series of operational initiatives, including the continuous improvement of its ISO 50001 energy management system, the extension of the photovoltaic plant, the further rollout of high-efficiency LED lighting systems, and participation in the national Energy Release 2.0 scheme.

Looking ahead, the company has set a clear direction for the medium to long term. In the coming years, the company plans to adopt a policy for monitoring and improving energy efficiency, increase the proportion of energy from renewable sources, and formalise a Sustainability Plan that explicitly includes decarbonisation targets. This

will be complemented by initiatives dedicated to promoting sustainable mobility, also through the active involvement of employees, customers, and suppliers.

The entire process will be supported by an increasingly robust monitoring system, capable of providing a reliable information base to guide strategic decisions, measure results, and transparently report progress made.

Gnutti Cirillo will continue to monitor its impacts, improve measurement tools, and evolve its strategy, with the aim of making a tangible contribution to the climate transition.

In this regard, dialogue with suppliers will also be central, aiming to progressively improve the availability of environmental information on purchased products and to jointly identify actions to reduce impact along the value chain.



## E1-3

### Actions related to policies on climate change

With regard to climate protection, the aforementioned policy seeks to address both mitigation and adaptation to climate change, alongside energy efficiency and increased utilisation of renewable energy.

The implementation measures of the aforementioned policy include, as far as technically and economically feasible, adopting all available solutions to reduce climate impact through the decarbonisation of production processes. To this end, the following actions are being prioritised:

- adopt procedures to monitor energy consumption and systematically reduce waste
- install systems for the production of energy from renewable sources
- purchase energy from renewable sources
- invest in projects to improve the energy efficiency of machinery, plants, and processes
- engage suppliers by encouraging them to adopt initiatives to decarbonise their production processes



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# E 1-4

## Objectives

Gnutti Cirillo is committed to reducing its GHG emissions by at least 20% by the end of 2025 compared to the 2022 baseline, specifically regarding scope 1 and 2 emissions:

| Gnutti Cirillo Target [tonnes CO <sub>2</sub> e] | Baseline 2022 | Target 2025 |
|--|---------------|-------------|
| GHG Emissions Scope 1+2 MB                       | 13,499        | -20%        |

Furthermore, an energy-related target is the production of at least 2,000 MWh of self-produced green energy.



In recent years, climate change has become a priority in the environmental management of Gnutti Cirillo. The company has progressively developed its approach to emissions calculation, strengthening internal tools, measurements, and concrete actions, in line with the evolving regulatory framework and growing attention from the market and stakeholders.

Since 2022, the company has systematically calculated Scope 1 and Scope 2 greenhouse gas emissions. In 2024, this process was expanded to include, for the first time, Scope 3 emissions, providing a comprehensive view of the company's carbon footprint. The calculation was carried out in accordance with the GHG Protocol, the international reference standard for emissions reporting.

A project has also been initiated to measure the product carbon footprint through a life cycle assessment (LCA) compliant with the UNI EN ISO 14067 standard. The objective is to assess and reduce emissions not only within internal processes but throughout the entire supply chain.

To date, the Group has not yet defined a specific GHG emissions reduction target but has commenced a process to calculate total emissions by December 2026. The definition of Group objectives can only take place after identifying the concrete actions to be undertaken and subsequently assessing the resources required for their implementation.

# E 1-5

## Energy consumption and energy mix

Gnutti Cirillo calculated its energy mix for the year 2024 based solely on data available for that same year. The energy mix used for the supply of electricity is determined by analysing the declarations made by Gnutti Cirillo's electricity provider in 2024, in accordance

with the provisions of the Ministerial Decree of 31 July 2009. The methodology involves a preliminary calculation of the residual energy mix, based solely on nationally certified production data from 2023. This is subsequently adjusted using the European Attribute Mix (EAM), calculated by the Association of Issuing Bodies (AIB), taking into account electricity import and export balances, and finalised by GSE (Gestore dei Servizi Energetici), the Italian state-owned energy services operator, through the calculation of the final residual mix.

|   | Energy Consumption and Energy Mix [MWh] 2024  | 2024   |
|---|---|--------|
| 1 | Fuel consumption from coal and coal products  | 2,092  |
| 2 | Consumption of fuel from crude oil and petroleum products   | 161    |
| 3 | Consumption of fuel from natural gas  | 6,759  |
| 4 | Consumption of fuels from other non-renewable sources   | 804    |
| 5 | Consumption of electricity, heat, steam, and cooling from fossil sources, purchased or acquired   | -      |
|   | Total consumption of energy from fossil sources (SUM 1-5)   | 9,816  |
|   | Share of fossil sources in total energy consumption (%)   | 43.5%  |
| 6 | Total consumption from nuclear sources  | 322    |
|   | Share of nuclear sources in total energy consumption (%)  | 1.4%   |
| 7 | Consumption of fuels for renewable sources, including biomass                                     | -      |
| 8 | Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired | 10,954 |
| 9 | Consumption of self-produced renewable energy without the use of fuels                            | 1,488  |
|   | Total consumption of energy from renewable sources (SUM 7-9)                                      | 12,422 |
|   | Share of renewable sources in total energy consumption (%)  | 55.1%  |
|   | TOTAL ENERGY CONSUMPTION  | 22,580 |

In 2024, renewable energy (self-produced and covered by guarantees of origin) accounted for 31.2% of total electricity consumption, up from 30.6% in 2023, with a significant increase in actual self-produced energy. Grid consumption amounted to 22,580 MWh, distributed between the two main production sites.





# E 1-6

## GHG emissions measurement scope 1-2-3

The trend in direct emissions (Scope 1) and energy-related indirect emissions (Scope 2) shows a positive trajectory.

| Emissions     | 2022   | 2023   | 2024  |
|---------------|--------|--------|-------|
| SCOPE 1       | 1,718  | 1,558  | 1,477 |
| SCOPE 2 (MB)* | 11,781 | 11,309 | 7,756 |
| Total 1+2     | 13,499 | 12,867 | 9,233 |

Over three years, Scope 1 and 2 emissions have decreased by 31%, confirming the effectiveness of the actions undertaken in the field of energy

\* In accordance with the GHG Protocol, the calculation of Scope 2 emissions was performed using both the location-based (LB) and market-based (MB) approaches. For the overall reporting, the market-based value was chosen as it more accurately reflects the company's procurement policies and highlights its commitment to progressively increasing the share of energy purchased from renewable sources through contracts and Guarantees of Origin.

| Emissions     | 2022  | 2023   | 2024  |
|---------------|-------|--------|-------|
| SCOPE 1       | 1,718 | 1,558  | 1,477 |
| SCOPE 2 (LB)* | 8,058 | 8,814  | 6,036 |
| Total 1+2     | 9,775 | 10,372 | 7,513 |

In 2024, the Company committed to calculating SCOPE 3; the total GHG emissions of Gnutti Cirillo amount to 85,799 tonnes CO<sub>2</sub>e, distributed as follows:

| Emission scope 2024    | tonnes CO <sub>2</sub> e | %   |
|------------------------|--------------------------|-----|
| Scope 1                | 1,477                    | 2%  |
| Scope 2 (market-based) | 7,756                    | 8%  |
| Scope 3                | 85,799                   | 90% |
| TOTAL                  | 95,032                   |     |

The main Scope 3 categories for the year 2024 are:

| Category   | Data [tonnes CO <sub>2</sub> e] | % of total SCOPE 3 |
|--|---------------------------------|--------------------|
| Purchased goods and services                                       | 75,110                          | 88%                |
| Production of energy and fuels used by the organisation (upstream) | 3,790                           | 4%                 |
| Employee commuting to and from work                                | 705                             | 1%                 |
| Inbound/outbound goods transport                                   | 6,056                           | 7%                 |



# E 1-7

## GHG emissions mitigation

The main actions undertaken by the company in 2024 to mitigate emissions are outlined below:

- Installation of a 2.2 MW photovoltaic system at the Odolo site, which produced 2,052 MWh in 2024, covering 9.1% of the company's electricity demand (and 13.5% for the Odolo site)
- Purchase of 5,000 MWh of renewable energy through Guarantees of Origin (GO)
- Completion of relamping in production departments with low-consumption LED systems, resulting in a saving of 68 tonnes of oil equivalent (toe) in 2024
- Implementation of an integrated energy monitoring system aligned with accounting control activities
- Reporting and monitoring of company vehicle leases by the sales team, including indication of electric car usage
- In 2024, Gnutti Cirillo appointed a dedicated 'Fleet Manager' to oversee the company's vehicle fleet, with the aim of promoting more efficient operations and reducing environmental impact.



Gnutti Cirillo is committed to reducing its  
greenhouse gas emissions by at least 20%  
by the end of 2025.





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# Atmospheric emissions and noise

## E2

### IRO-1

Following the Double Materiality process conducted by Gnutti Group, direct environmental impacts related to the emission of air pollutants and noise associated with production sites were identified as significant. Regarding impacts along the value chain—particularly concerning suppliers—air pollutant emissions were assessed as highly significant, with potential water pollution also considered significant.

### E 2-1

#### Policies related to pollution

The [Corporate Policy](#) of the Group places great importance on the prevention and reduction of environmental pollution. In this context, various methods for monitoring and managing environmental data have been implemented:

- Planning targeted investments using the best available technologies to replace filters or implement noise mitigation measures
- During the financial year, preventive maintenance activities on the plants increased significantly; this led to improved efficiency, fewer downtimes, and consequently lower consumption and reduced environmental emissions
- Continuous monitoring of the use of chemical substances in each production department
- Annual analyses to verify atmospheric emissions and compliance with regulatory limits, supported by periodic inspections to ensure proper plant operation
- Periodic inspections of plant integrity in compliance with environmental standards

### E 2-2

#### Mitigation actions

To limit environmental pollution, Gnutti Cirillo adopts an approach based on constant monitoring and regular maintenance of its facilities—particularly filters and exhaust stacks. Monitoring and maintenance activities follow rigorous procedures, subject to periodic inspections and updates as necessary. The personnel involved are specifically trained and informed on the correct management of these procedures.

Plant compliance is ensured through the Environmental Management System, which includes scheduled monitoring of emissions, carried out also with the support of specialised environmental consultants. Furthermore, the continuous renewal of production lines enables the prevention of risks related to obsolescence and machinery malfunction. Since 2022, the following interventions have been implemented:

- Replacement of a methane furnace with an electric furnace
- Installation of new extraction and abatement systems at the forging presses
- Extraction systems for certain machinery in the mechanical department
- Extraction systems for die sandblasters

### E 2-3

#### The objectives

Within its ISO 14001-compliant Environmental Management System, Gnutti Cirillo tracks its environmental performance through the implementation of specific KPIs. Gnutti Cirillo also monitors pollutant emissions to ensure compliance with legal limits.





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## E 2-4 Pollutant emissions

The environmental impact from atmospheric emissions concerns pollutants resulting from the use of chemical substances in the production cycle and the combustion of methane gas.

Chemical substances containing an oil concentration are used in the production cycle. These, when exposed to high temperatures, evaporate and generate various by-products (oil emulsions, PAHs, etc.).

Natural gas is used at the Lumezzane site for space heating and to operate the hardening furnaces. At the Odolo site, natural gas is used for heating the premises and for certain furnaces. In recent years, there has been a progressive replacement of methane-fired furnaces with electric ones.

The environmental impact from the use of methane gas is linked to its combustion and the production of all combustion by-products (CO<sub>2</sub>, CO, NOx, SOx, etc.). Within the Lumezzane site, heat production systems are present and used both for air conditioning of the premises and for production purposes. All installed systems are powered by natural gas.

In particular:

### Lumezzane

The company holds an authorisation in accordance with the general permit for atmospheric emissions (Art. 272, paragraph 2 of Legislative Decree 152/2006). At the Lumezzane site, no carcinogenic, teratogenic, or mutagenic substances are employed in the plants that generate atmospheric emissions.

### Odolo

The company holds a Single Environmental Authorisation, updated in 2025, covering multiple emission points. The following pollutants are continuously monitored and comply with limits, thanks to abatement systems employing coalescence with fibreglass candles and dry dust collectors with filter media:

- Particulate matter (dust)
- Graphite
- PAHs
- VOCs, including aldehydes
- Furfuryl alcohol
- Ammonia
- Benzene
- Oil mists

The most significant values from a representative stack of the forging line (stack 'E6') are reported below, based on monitoring conducted in accordance with the AUA (Unified Environmental Authorisation) requirements, test report dated 17 February 2025 (No. 25AR00086):

| PARAMETER   | VALUE<br>[mg/Nm³] | LIMIT<br>[mg/Nm³] |
|---|-------------------|-------------------|
| Total particulate matter (dust)<br>UNI EN 13284-1:2017  | 0.5               | 10                |
| Graphite<br>UNI EN 13284-1:2017   | < 0.5             | 5                 |
| PAHs Class 1 (Legislative<br>Decree No. 152 of 3 April<br>2006, and subsequent<br>amendments) | 0.000153          | 0.01              |
| Volatile organic carbon<br>(V.O.C.)<br>according to UNI CEN/TS<br>13649:2015                  | 0.6               | 20                |

As with the Lumezzane site, the company also carries out all maintenance on the abatement systems at Odolo in accordance with the requirements set out in the authorisation and the operating procedures in force under the Integrated Management System. In particular, extraordinary maintenance activities are entrusted to highly qualified external suppliers.

Atmospheric emissions monitoring is conducted according to the deadlines established in the authorisation and is performed by accredited external laboratories. These allow verification of full compliance with the limits imposed by applicable regulations. At the Odolo site, no carcinogenic, teratogenic, or mutagenic substances are used in the plants that generate atmospheric emissions.







# Noise

Gnutti Cirillo acknowledges that its production activities may impact the surrounding environment, particularly the local community, including through noise emissions. The acoustic impact, encompassing all noise emissions from production processes, must comply with the limits set by the municipal acoustic zoning plan. Therefore, the monitoring and management of noise pollution constitute a material issue for the company. The company also uses acoustic simulation software featuring 3D implementation models, followed by sound level measurements.

Accordingly, Gnutti Cirillo periodically conducts sound level surveys at sensitive locations, particularly at the Odolo site, performs maintenance on the systems, and implements ongoing mitigation measures, such as installing sound-absorbing barriers on the systems with the greatest noise impact. In addition to routine inspections, extraordinary analyses are conducted in the event of significant changes to activities.

The following table presents the current noise immission and emission levels for the year 2024 at the reference locations, compared with the daytime limits established by the respective acoustic classification of the area.

| Calculated emission (average of sampling points) | Absolute noise immission limits | Notes                     |
|--|---------------------------------|---------------------------|
| 54.5 dB(A)                                       | Class IV – 65 dB(A)             | Below limit by -9.5 dB(A) |
| 64 dB(A)   | Class V – 70 dB(A)              | Below limit by -6 dB(A)   |

During 2024, the following activities were also implemented to mitigate noise:

- installation of inverter on delivery pumps
- detection and repair of compressed air leaks
- adoption of blow-off systems with noise-reducing nozzles







# Water resources E3

## IRO-1

Based on the Double Materiality assessment conducted by Gnutti Cirillo, the following direct impact has been identified as significant: contribution to water stress through the withdrawal and consumption of water resources in industrial and civil processes. Along the value chain, the negative environmental impact caused by water consumption—particularly in areas already subject to water stress—has been assessed as highly significant.

The identification of this specific impact was carried out through a mapping of Gnutti Group’s sites using the World Resources Institute’s Aqueduct tool (<https://www.wri.org/aqueduct>), which highlighted that, among the sites for which data was collected, those in Lumezzane and Odolo fall within areas classified as experiencing “High” water stress.

## E 3-1

### Water-related policies

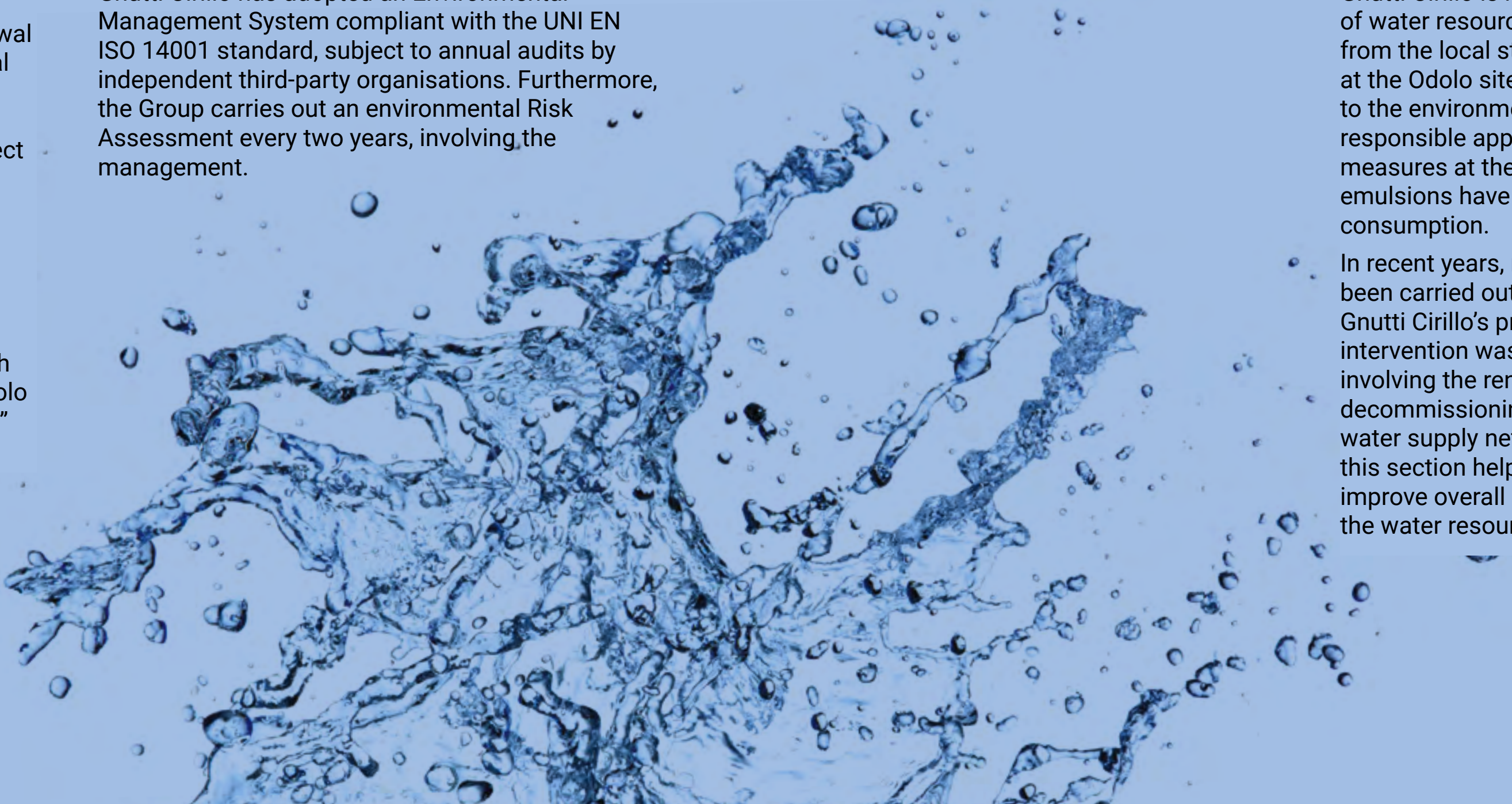
Gnutti Cirillo has adopted an Environmental Management System compliant with the UNI EN ISO 14001 standard, subject to annual audits by independent third-party organisations. Furthermore, the Group carries out an environmental Risk Assessment every two years, involving the management.

## E 3-2

### Actions

Gnutti Cirillo is highly committed to the protection of water resources. The decision to use water from the local stream for the cooling towers at the Odolo site – with full return of the water to the environment – reflects a conscious and responsible approach to this issue. Similarly, recent measures at the Lumezzane site to recover coolant emulsions have been implemented to reduce water consumption.

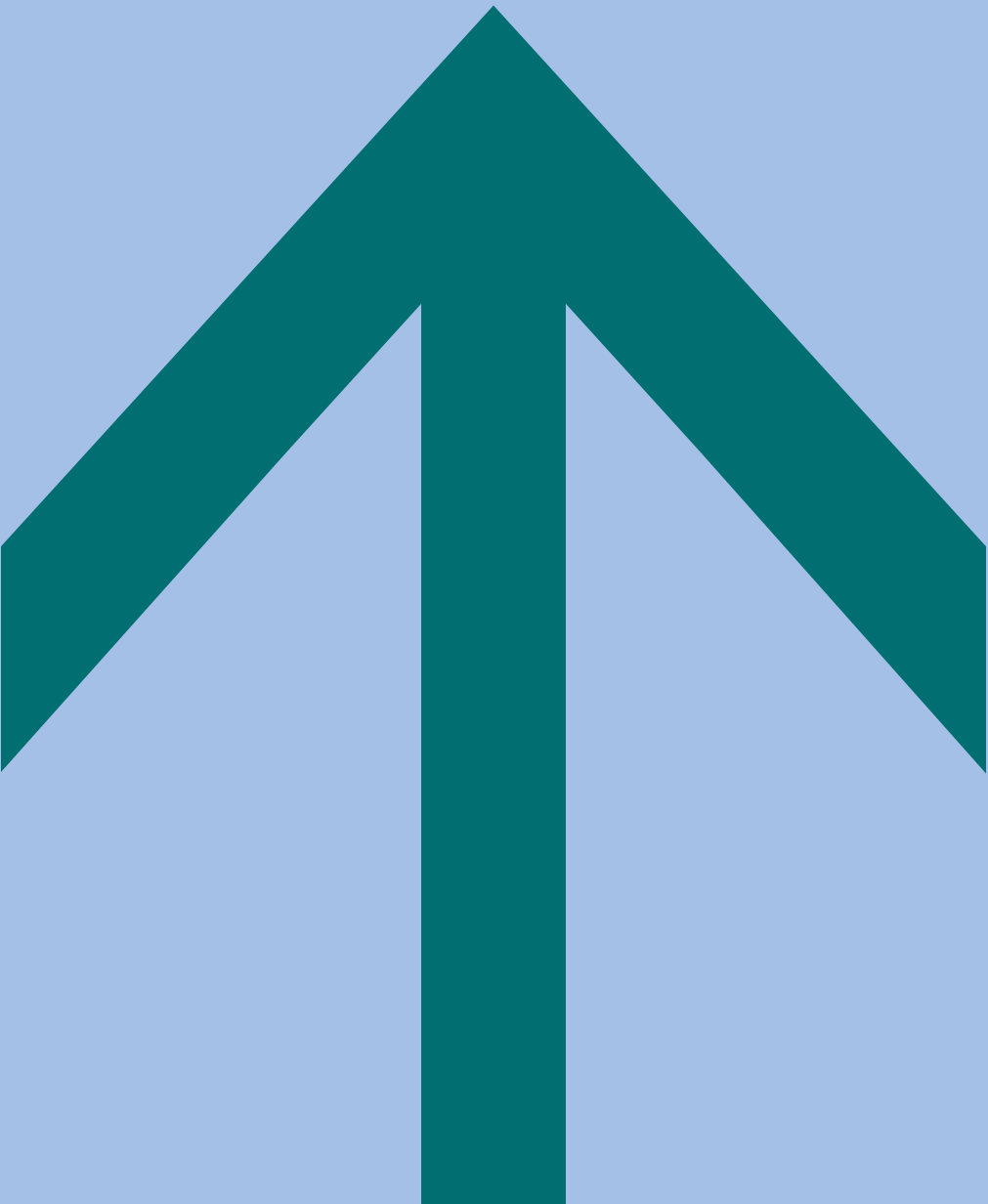
In recent years, numerous interventions have been carried out to optimise the water systems at Gnutti Cirillo’s production sites. In 2024, a major intervention was carried out at the Lumezzane site, involving the renewal of internal pipelines and the decommissioning of a section of the company’s water supply network due to leakage. Removing this section helped reduce water consumption and improve overall efficiency in the management of the water resource.





E 3-3  
Objectives

Through its System, Gnutti Cirillo monitors its water management performance using specific internal KPIs, including monthly monitoring with the objective of withdrawing a maximum of 50,000 m³ of water. The 2025 target for water consumption at Gnutti Cirillo is to use less than 50,000 m³ of water.



E 3-4  
Metrics

**Withdrawals – Water consumption**

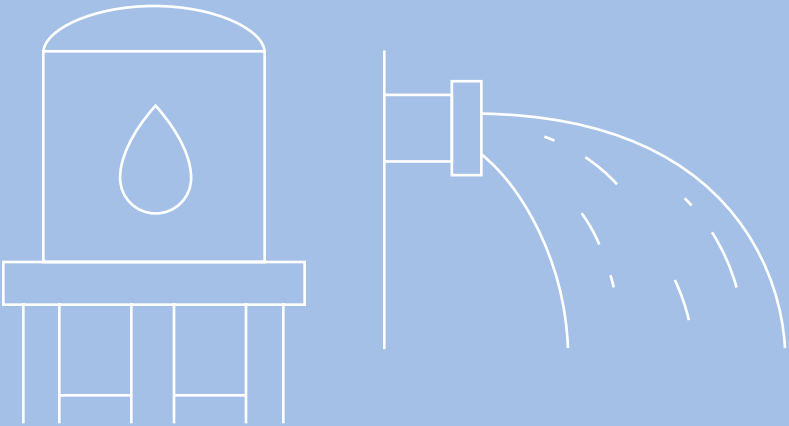
At Gnutti Cirillo, water resources are used for production purposes as well as for hygiene and sanitary reasons.

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 network and diversion from the VRENDÀ stream
- Lumezzane: public water supply network

The following table reports water consumption in cubic metres with reference to the two sites:



| Water consumption [m³] | 2023   | 2024   | Notes                                       |
|------------------------|--------|--------|---|
| Water supply network   | 6,883  | 7,617  | Consumption related to increased production |
| Surface water body     | 27,522 | 23,963 | 100% returned to the environment            |
| TOTAL                  | 41,288 | 39,197 |   |



Water discharges

In a circular approach to water resource management, water discharges are continuously monitored in terms of consumption, with chemical-physical analyses conducted more frequently than required by regulations.

At Odolo:

- to the sewer system: domestic-equivalent discharges and first rainwater
- to the surface water body: wastewater from the evaporative towers and secondary rainwater

At Lumezzane:

- to the sewer system: domestic-equivalent discharges
- to the surface water body: stormwater runoff

At the Odolo site, process wastewater is analysed annually and the DAPHNIA MAGNA acute toxicity test is performed. At the Lumezzane site, no specific authorisation is required, as there are no industrial discharges—only discharge classified as equivalent to domestic and rainwater.



Gnutti Cirillo recognises  
the strategic importance of  
biodiversity as a key factor for  
environmental sustainability,  
industrial resilience, and long-  
term value creation







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# Biodiversity and ecosystems E4

## IRO-1

Following the double materiality assessment carried out by Gnutti Cirillo, it emerged that biodiversity loss can generate significant impacts along the value chain, particularly at the supplier level.

Biodiversity has emerged as a material issue within the company's supply chain. However, in light of the growing importance of this area and the relevant European regulations, the company intends to initiate its own path to enhance biodiversity and the ecosystem services associated with its sites. With the adoption of the EU Biodiversity Strategy for 2030 and the Nature Restoration Regulation, binding targets have been established requiring companies to measure and report their impact on biodiversity.

## E 4-1

### Policies

Gnutti Cirillo recognises the strategic importance of biodiversity as a key factor for environmental sustainability, industrial resilience, and long-term value creation. Biodiversity is not solely an ecological matter but has direct impacts on economic and social stability. The concept of natural capital—which includes living organisms, air, soil, water, and genetic resources—is fundamental to ensuring the continuity of ecosystem services on which all economic activities depend, either directly or indirectly.

These services include water regulation, pollination, soil fertility, climate stabilisation, and protection against extreme events. Manufacturing sectors such as that of Gnutti Cirillo can also benefit from healthy and resilient ecosystems. For this reason, we consider the adoption of sustainability-oriented practices to be an important lever for creating shared value along the value chain.

## E 4-2

### The path towards biodiversity: management and development perspectives

Biodiversity currently represents an evolving area in corporate sustainability management. Gnutti Cirillo has chosen to undertake a progressive and realistic path on this matter, aiming to gradually establish a vision and an approach consistent with its industrial identity, the environmental context, and the regulatory framework.

At this stage, the Company is committed to deepening its understanding of interactions with local ecosystems and aims to protect the plant species near its sites, as a step towards a more conscious and strategic management of its natural capital. Furthermore, the progressive integration of biodiversity into decision-making processes and environmental management systems is envisaged, along with the development of policies dedicated to territorial protection.

The company also considers mapping and monitoring the relationships between production activities and natural capital along the value chain to be relevant, as well as engaging in dialogue with scientific bodies, local stakeholders, and

public authorities to promote good practices and voluntary measures. It will also evaluate the possibility of accessing public support instruments, such as Rural Development Programmes (RDP) and Payments for Ecosystem Services (PES), where applicable.

Gnutti Cirillo will continue to invest in local and community-based projects and initiatives, including through sponsorships and local partnerships, with the goal of strengthening its connection to the local area and exploring ways to contribute to the enhancement of the environmental heritage linked to biodiversity.

While currently considering its direct exposure to biodiversity-related financial risks limited, the organisation is committed to actively monitoring the evolution of the regulatory and scientific framework, preparing to progressively integrate environmental performance indicators related to natural capital.

In this way, Gnutti Cirillo intends to strengthen its active role in protecting biodiversity, contributing to the vision of a regenerative and resilient economy, in which the conservation of natural capital becomes an integral part of business competitiveness.



# E 4-5

## Territory and natural capital

The production sites are located in Lumezzane and Odolo, in the province of Brescia, Lombardy. The territorial analysis based on available data from the Natura 2000 Network and protected natural areas shows that these sites are not located in the immediate vicinity of zones classified as sensitive (SCI, SAC, SPA sites or protected parks). Gnutti Cirillo operates within the Alpine biogeographical region of Lombardy, an area recognised as a priority under the Natura 2000 Network and regional environmental planning. The guidelines of the Lombardy Priority Action Framework (PAF) 2021–2027 promote the

ecological enhancement of areas beyond the official boundaries of protected sites, with a focus on ecological connectivity, pollution prevention, and landscape restoration. In this context, Gnutti Cirillo has already undertaken actions consistent with the objectives of the Natura 2000 Network. Starting in 2004, the remediation of the area was initiated, in coordination with the competent authorities, including the securing of the so-called ‘bordering escarpment’. The area subject to environmental characterisation is particularly significant due to its location adjacent to the site and close to the Vrenda stream, a watercourse

historically linked to local industrial development and currently undergoing care and maintenance by the company. Near the Odolo site, there is a company-owned green area, internally known as ‘the pinewood’. It is a wooded area with potential for environmental and landscape enhancement. The area was planted in the 1990s, also with the direct contribution of the steelworks employees, during a period when solutions were sought to ensure employment continuity.

In Lumezzane, the territory is covered by a Municipal Ecological Network Plan, which identifies areas of high natural value, ecological corridors, and buffer zones. According to the municipal Territorial Government Plan, the forest landscape hosts formations of downy oak, chestnut, beech, maple, alpine spruce, and mountain pine, with associated fauna including squirrels, roe deer, birds of prey, various birds, and amphibians. The Faidana stream, which flows near the plant, represents an additional water resource to be preserved, in a context already characterised by the presence of natural habitats and municipal ecological networks.



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Circular economy: 94.9%  
of the brass used by Gnut-  
ti Cirillo in 2024 originates  
from recycled material







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# Circular economy and waste E5

## IRO 1

Gnutti Cirillo adopts the Ellen MacArthur Foundation approach as a guiding principle to integrate market needs with responsibility towards future generations. This orientation results in production and organisational choices aimed at reducing environmental impact and promoting circular economy models.

The company's production is based almost exclusively on the use of brass bar as raw material. During the technical qualification of suppliers, the Procurement Department always requests samples, which undergo document review ([certifications](#)) and dimensional inspection by the Incoming Quality Control team, in collaboration with the Technical Office and the relevant departments.

Based on the Double Materiality Assessment conducted by Gnutti Cirillo, the direct impact related to the production of waste and packaging was identified as significant, while the contribution to the recycling and reuse of products and packaging in industrial processes was recognised as an opportunity. Along the value chain, the negative impact related to the potential mismanagement of waste was assessed as highly significant.

The circular economy is  
an economy designed to  
regenerate itself.

Ellen MacArthur Foundation





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## E 5-1 Policies

The company has initiated a progressive transition towards a circular economy model, focusing on the use of renewable raw materials where possible, and the reuse of waste generated throughout the entire production and distribution cycle. The use of renewable raw materials mainly concerns packaging, while brass processing generates highly recyclable waste. The company recognises the importance and potential of adopting a resource procurement approach that reduces environmental impact on the ecosystem. Gnutti Cirillo's production process is primarily circular: the company purchases brass rods or non-ferrous materials sourced from scrap or recycling, processes them, and returns the waste to the wire-drawing mills for remelting—thus continuing the cycle, limiting the consumption of natural raw materials, and thereby preventing the dispersion of waste into the environment. The company has developed a focus on waste generated, primarily addressing the following areas:

- Planning and prevention / prior assessment of recycling, reuse, or rental options in the selection of certain products and services
- Digitalisation / use of specific software
- Training and monitoring / providing training to numerous people, including in the departments, with immediate monitoring
- Cleaning and information / providing correct instructions and ensuring proper cleaning

Regarding packaging, the company has initiated a process:

- Start of a dialogue with suppliers to identify solutions based on reusable packaging
- Optimisation and reduction of packaging used for the shipment of products

## E 5-2 Actions

The company has implemented an Operational Waste Management Procedure to ensure the proper handling of waste within production departments and external areas. The chart on the side shows the procedure that defines the rules and methods for waste management. The list of waste generated by the company is continuously monitored, including its hazardous properties and any ADR classification. Moreover, the specific characteristics are also entered into software used to compile the digital registers for waste loading and unloading.

To ensure compliance with applicable waste regulations, the company has implemented several dedicated procedures and trained personnel on proper handling methods. Regarding the control of supplier authorisations (transporters, recovery operators, and disposers), the company uses specific software to verify the validity of authorisations and also checks the licence plates of vehicles collecting the waste. The company completed its registration with RENTRI (Italy's National Electronic Register for Waste Traceability) by the 13 February 2025 deadline for both company sites. The register is filled in and maintained using interoperable software. In 2024, given the growing relevance of ADR (European Agreement concerning the International Carriage of Dangerous Goods by Road) regulations with regard to lead-containing mixtures — and the resulting possibility of classifying metal chips as ADR-regulated material — Gnutti Cirillo decided to appoint an in-house ADR advisor. The ADR advisor also prepared the annual report and provided training to all operators involved in the management of ADR matters.

The company is authorised as an intermediary by the Environmental Managers Register (registration MI55510). Periodically, the technical manager conducts documentary audits at the Gnutti Cirillo's premises.

### Waste Management

01

Identification of waste produced, associated EWC [European Waste Catalogue] code, and operational management methods

02

Identification of temporary waste storage areas and departmental substations

03

provision, for each department, of a binder containing:  
■ list of departmental waste  
■ identification sheets of waste produced  
■ identification labels for hazardous waste (where required)

04

identification of all containers used for the collection of waste produced using the identification cards available and affixing the necessary labels

05

definition of rules for waste handling by employees:  
■ obligation to use the prescribed PPE  
■ prohibition of illegal waste dumping  
■ prohibition of mixing different types of waste  
■ prohibition of storing liquid waste in areas not equipped with containment basins

06

Periodic collection of waste from department substations and placement within the temporary storage area

07

Checking the amount of waste in the temporary storage area to ensure that it does not exceed the maximum values defined in the waste list

08

Periodic inspections to verify the correct storage of waste both in temporary storage areas and in department substations

09

Upon reaching the specified quantities, request for collection of waste by authorised suppliers

10

Periodic analysis of waste produced, conducted by qualified laboratories

11

Management of waste produced not previously classified



## E 5-3 Objectives

For the year 2025, Gnutti Cirillo has set the following objectives related to the circular economy:

- Recycled waste > 85%
- Reduction of mixed waste by at least 5% compared to 2023

## E 5-4 Incoming resource flows

During 2024, the company conducted an analysis of the resources used in its activities, aiming to identify areas for potential improvement. Among the main insights gathered, the importance of increasingly precise selection of the quality of incoming rods was emphasised, accompanied by thorough checks with suppliers, as these represent the primary input product in the production process.

94.9% of the brass used in 2024 originates from recycled material

Gnutti Cirillo has also placed particular emphasis on sustainability in the procurement of everyday products, choosing eco-friendly toilet paper and cleaning products to reduce waste and minimise the environmental impact of its operations.

## E 5-5 Outgoing resource flows

The following table presents data on waste produced by Gnutti Cirillo in 2024 and 2023. Data for 2022 is not included as most non-hazardous waste was considered a by-product. The data included in the table are based on precise measurements of the quantities of waste delivered, as declared in the Environmental Declaration Form (MUD).

| Type                           | Description  | 2023  | 2024  | NOTE                                    |
|--------------------------------|--|-------|-------|---|
| Non-hazardous                  | Brass and ferrous metal shavings, chips, and offcuts | 7,784 | 8,551 | Intended for recovery and 100% recycled |
|                                | Packaging – paper, plastic, wood and others          | 98    | 103   | Intended for recovery                   |
|                                | Others (processing scraps, from plants, cables)      | 16    | 46    |   |
| Total non-hazardous            |  | 7,898 | 8,700 |   |
| Hazardous                      | Emulsions and oils                                   | 319   | 412   |   |
|                                | Solid residues (absorbent materials or residues)     | 43    | 51    |   |
| Total hazardous                |  | 361   | 463   |   |
| TOTAL                          |  | 8,260 | 9,163 |   |
| Of which intended for recovery |  | 95.4% | 94.4% |   |
| Of which recycled              |  | 94.2% | 93.3% |   |

It should be noted that no radioactive waste is present, and in 2024, 93.3% of the waste generated was recycled.







Non-hazardous waste

Non-hazardous waste generated by Gnutti Cirillo mainly originates from cutting and forging processes, as well as mechanical machining operations aimed at producing OEM products. Specifically, 93.3% of this waste consists of brass scrap, including

- EER 120103 Brass, aluminium and copper scrap
- EER 170401 Copper, bronze, brass

Such waste is recycled 100% through a melting process.

Approximately 1.2% of non-hazardous waste, on the other hand, comes from packaging—mainly originating from discarded packaging used for material deliveries and from office waste.

| Technical and biological products (packaging) – DATA [tonnes] | 2022 | 2023 | 2024 |
|---|------|------|------|
| Packaging – plastic   | -    | -    | 2    |
| Packaging – paper   | 32.3 | 40.5 | 25.8 |
| Packaging – wood  | 11   | 8.8  | 18.1 |
| Mixed packaging – other                                       | 53.1 | 48.7 | 57.4 |
| TOTAL   | 96.4 | 98   | 103  |

The remaining 0.5% comprises various types of waste with lower incidence (e.g. ceramics, cables).

Hazardous waste

Hazardous waste generated by Gnutti Cirillo, approximately 5.1% of the total, mainly originates from mechanical machining processes and washing operations.

In particular, approximately 88.9% of this hazardous waste is attributable to machining processes and consists of emulsions in waste classified as EER 120109\*.

The remaining % consists of waste classified as EER 150202 ‘Absorbents, filter materials, and rags’, generated from the production process.



The recovery of emulsions: an example of circular economy

In our production process, we employ a circular system for managing the emulsion used in mechanical machining, aiming to reduce waste and optimise resource consumption. The cycle is structured as follows:

1. Preparation of the new emulsion  
The lubricating coolant emulsion is created by mixing mains water and oil in suitable proportions.
2. Use in the production cycle  
The new emulsion is used in the production cycle for machining processes, where it serves cooling and lubrication functions
3. Collection of used emulsion  
Once used, the emulsion is collected as spent emulsion, which contains oily residues and impurities
4. Osmosis treatment  
The spent emulsion is regenerated through an osmosis process and reintroduced into the system, a method that separates the used oil from the emulsion
5. Recovery and reuse
  - The used oil is collected in dedicated 200-litre drums for proper disposal or recovery in accordance with regulations
  - The recovered emulsion, stripped of excess oil, is reintegrated into the production cycle as new emulsion, thereby reducing the demand for new emulsion

This process makes it possible to reduce oily waste, optimise the use of raw materials, and limit environmental impact, in line with our circular economy and industrial sustainability goals.





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# SOCIAL INFORMATION

|                         |                            |
|-------------------------|----------------------------|
| Own Workforce           | Workers in the value chain |
| Consumers and end users |                            |



# Own workforce S1

Gnutti Cirillo 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.

The Company stands out for its strong commitment to social responsibility, placing its employees at the centre, recognising the value of their skills, and promoting their development through training and growth opportunities. Health and safety are priorities, alongside valuing gender diversity and the overall well-being of employees. Mindful of the territory, the company stands out for its commitment to supporting initiatives and associations, contributing to the progress and betterment of the local community.

## Impact assessment

- Following the Double Materiality process conducted by Gnutti Cirillo, the following direct and value chain-related social impacts have been identified as relevant:
- Training and skills development of personnel
  - Episodes of discrimination due to the absence of D&I policies, harassment and/or violence
  - Serious and minor injuries and occupational illnesses due to inadequate working conditions
  - Violations of human rights due to inadequate working conditions

- Furthermore, the following is identified as relevant in financial materiality:
- Economic and reputational risk arising from workplace injuries or occupational illnesses caused by inadequate working conditions

No evidence has emerged of activities with a high risk of forced or child labour. The [Code of Ethics](#) of Gnutti Cirillo confirms the commitment to reject all forms of child and forced labour throughout the entire value chain. The Company adopts various mitigation strategies to safeguard its operations from the adverse effects of such impacts, through policies and commitments described in this chapter.





## S 1-5 Objectives

- Gnutti Cirillo has established the following workforce-related objectives for the year 2025:
- 100% welfare coverage for employees (excluding executives)

- At least 1 free health screening offered to all employees
- At least 2 corporate ESG campaigns targeting all employees to increase awareness of sustainability issues
- At least 170 hours of ESG training
- At least 2 university presentations related to sustainability topics
- Hiring of at least 3 female employees among the white-collar workers
- Injury frequency rate < 15
- At least 1 vulnerable person to be integrated into the company

## Metrics

As of 31 December 2024, the company's workforce totals 398 employees; the following table presents data as at 31 December for the past three years:

| Employees as at 31 December 2024 | Gender  | 2022 | 2023 | 2024 |
|----------------------------------|---|------|------|------|
| Employees [n]                    |  Men   | 333  | 325  | 327  |
|                                  |  Women | 68   | 68   | 71   |
|                                  |   | 398  | 392  | 398  |





The management of workload peaks, as well as the internal procedure for onboarding new personnel, involves collaboration with temporary employment agencies. Presented here are the average data from the past three years regarding the presence of temporary employees.

| Average temporary workers during the year |  | 2022 | 2023 | 2024 |
|---|--|------|------|------|
| Temporary workers [n]                     |  | 14   | 17   | 17   |

The table below illustrates the average trend over the three-year period, broken down by the main categories of workers:

|                      | 2022 |       |       | 2023 |       |       | 2024 |       |       |
|----------------------|------|-------|-------|------|-------|-------|------|-------|-------|
|                      | Men  | Women | Total | Men  | Women | Total | Men  | Women | Total |
| Top managers         | 7    | 0     | 7     | 6    | 0     | 6     | 5    | 0     | 5     |
| Mid-level managers   | 4    | 0     | 4     | 5    | 0     | 5     | 5    | 0     | 5     |
| White-collar workers | 55   | 47    | 102   | 52   | 48    | 100   | 52   | 48    | 100   |
| Blue-collar workers  | 269  | 22    | 291   | 268  | 21    | 289   | 262  | 21    | 283   |
| Total                | 335  | 69    | 404   | 331  | 69    | 400   | 324  | 69    | 393   |

From the perspective of sustainable development of local communities, it is noteworthy that 99.8% of Gnutti Cirillo employees are domiciled in 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 Group’s policy aims to foster open dialogue by strengthening employees’ sense of belonging and engagement, promoting a collaborative work environment.

Gnutti Cirillo 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.

Gnutti Cirillo maintains a positive dialogue with trade unions, respecting contractual agreements, safeguarding employee rights, and engaging with worker representatives. This is reflected in the

drafting of the supplementary contract and in all initiatives involving company personnel.

As at 31 December 2024, 24% of employees were members of trade unions, while 100% of employment contracts were covered by collective bargaining agreements.

A key strength of Gnutti Cirillo lies in its firm belief in employee motivation, which it supports by

| Employees [%]                               | 2022 | 2023 | 2024 |
|---|------|------|------|
| Covered by collective bargaining agreements | 100% | 100% | 100% |

The company evaluates prospective employees with respect for equal opportunities for all candidates







offering permanent contracts to nearly all employees. The data for the last three years are presented below:

| Employees by contract type [annual average] | Gender | 2022 | 2023 | 2024 |
|---|--------|------|------|------|
| Permanent employees                         | Men    | 335  | 329  | 323  |
|   | Women  | 69   | 70   | 69   |
| Fixed-term employees                        | Men    | 0    | 0    | 1    |
|   | Women  | 0    | 1    | 1    |
| Total                                       |        | 404  | 400  | 394  |

The use of part-time contracts aligns with the principle of reconciling the needs of the company with those of its employees. Gnuttì Cirillo’s objective is to promote, to the greatest extent possible, a balance between family and work life by ensuring flexibility and supporting the management of family-related responsibilities.

| Employees [annual average] | Gender | 2022 | 2023 | 2024 |
|----------------------------|--------|------|------|------|
| Full-time                  | Men    | 335  | 330  | 324  |
|                            | Women  | 30   | 32   | 34   |
| Part-time                  | Men    | 0    | 0    | 0    |
|                            | Women  | 39   | 38   | 35   |
| Total                      |        | 404  | 400  | 393  |

Below are the details of female and male hiring rates as a proportion of the total workforce over the three-year period (calculated as the number of hires during the period over the workforce at the start of the period).

| Employee inflow [annual average headcount] | 2022 | 2023 | 2024 |
|--|------|------|------|
| Men  | 12%  | 6%   | 8%   |
| Women                                      | 5%   | 9%   | 6%   |
| Total average                              | 11%  | 7%   | 8%   |



Gnuttì Cirillo  
conducts annual  
surveys on work-  
related stress, in  
compliance with  
current legislation,  
to monitor  
organisational  
well-being and  
implement  
any necessary  
preventive  
or corrective  
measures.

## Employee well-being

To preserve and promote the well-being of its employees, Gnuttì Cirillo has implemented a range of services and initiatives aimed at balancing daily life needs with work commitments.

This includes consideration of the family sphere, the promotion of health in the workplace, prevention through the scheduling of health screenings, and the organisation of leisure activities, as well as initiatives of an artistic and cultural nature.

All initiatives and campaigns are documented in specific internal records, which are periodically shared via corporate communication channels.

Gnuttì Cirillo conducts annual surveys on work-related stress, in compliance with current legislation, to monitor organisational well-being and implement any necessary preventive or corrective measures. The initiatives for employee well-being initiated or continued in 2024 and planned for 2025 are presented in the table below

| AS IS   | TO BE  |
|---|--|
| Implementation of welfare benefits for employees with the new TUNDR card, effective from 2025 | Pathway for WHP certification (healthy workplaces) from ATS (Health Protection Agency) |
| Occupational health and safety certification project ISO 45001                                | Cultural initiatives (e.g. guided museum visits)                                       |
| Personalised training plan  | Free health screenings for employees   |
| Corporate ESG campaigns focused on employees  | Social policies focused on employee well-being   |
| Simplified management of employee relationships through platform                              | Well-being training activities (e.g. presence of a nutritionist on site)               |





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Within the framework of employees’ work–life balance, data on the management of family leave – disaggregated by gender – are also presented

|   | Gender | 2022      |            | 2023      |            | 2024      |            |
|---|--------|-----------|------------|-----------|------------|-----------|------------|
|   |        | Workforce | percentage | Workforce | percentage | Workforce | percentage |
| Employees entitled to family leave                                | Total  | 404       | 100%       | 400       | 100%       | 394       | 100%       |
| Employees entitled to family leave who took such leave, by gender | Men    | 13        | 4%         | 17        | 25%        | 16        | 5%         |
|   | Women  | 15        | 22%        | 16        | 23%        | 24        | 34%        |
| Total   |        | 28        | 7%         | 33        | 24%        | 40        | 10%        |

| Employees by contract type [annual average] | Gender | 2022 | 2023 | 2024 |
|---|--------|------|------|------|
| Permanent employees                         | Men    | 335  | 329  | 324  |
|   | Women  | 69   | 71   | 70   |
| Total                                       |        | 404  | 400  | 394  |

Diversity and equal opportunities

Gnutti Cirillo regards diversity as a corporate asset, a principle underpinning the values expressed in the company’s [Code of Ethics](#). The breakdown of white-collar personnel by gender is provided below:

Access to roles and responsibilities is determined

| Employees (excluding blue-collar workers) | 2022  | 2023  | 2024  |
|---|-------|-------|-------|
| Total number                              | 113   | 111   | 110   |
| Men (%)                                   | 58.4% | 56.8% | 56.4% |
| Women (%)                                 | 41.6% | 43.2% | 43.6% |

Pay gap analysis

The company conducts an in-depth analysis of remuneration with particular attention to gender differences, and for 2026, it plans to develop a dedicated project aimed at analysing the gender pay gap.

An analysis of the three-year period under review shows that the gender pay gap has been reduced by 5.7% since 2022.



Through the [Code of Ethics](#), published both on the company’s website and on a platform accessible to all employees, the Company aims to create and maintain a working environment grounded in the protection of human and fundamental rights (including fair and equal treatment regardless of gender, age, nationality, religion, or ethnicity), including the assurance of privacy protection for all staff members.

The document is inspired by internationally recognised instruments such as the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

To reinforce this commitment, the Group defines its relationship with employees through company policies founded on respect, trust, and the recognition of skills.



based on competencies 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 2024 was 10, of which 0 were executives, 3 white-collar workers and 7 blue-collar workers.

|  | 2022 | 2023 | 2024 |
|--|------|------|------|
| Number of persons belonging to protected categories of workers | 9    | 8    | 10   |

Particular emphasis is also placed on employee loyalty to the company, with a focus on fostering a sense of belonging, as reflected in the average length of service indicated below.

|                                       | 2022 | 2023 | 2024 |
|---------------------------------------|------|------|------|
| Average tenure in the company (years) | 12.9 | 13   | 13   |

Gnutti Cirillo informs stakeholders about its [whistleblowing](#) system through the company portal (for internal stakeholders) and its website (for external stakeholders). In this way, employees can report alleged unlawful conduct.

Reports are handled with respect for the privacy and anonymity of the persons involved.

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. In the selection process, specialised firms are sometimes consulted, primarily during the initial phase of presenting the shortlist of candidates.

## Staff training

Gnutti Cirillo is committed to providing its employees with comprehensive and tailored training, both regarding their specific duties and company protocols (or in the event of role changes), as well as with a view to personal development. The company provides the necessary resources to use external collaborations and consultancies, purchase/rent the necessary equipment, involve internal functions for possible teaching activities. The trend in training activities over the three-year period is shown in the table below. In 2024, training activities were organised in a more targeted manner. This was achieved both by consolidating corporate roles requiring specific expertise and by intensifying activities directed at employees. In addition to the in-depth exploration of technical and regulatory topics, initiatives have been launched to support the professional development of key personnel (such as courses in team management and leadership), as well as the personal growth of employees through language

training. There has also been a focus on raising employee awareness and accountability in the area of Cyber Security, through the introduction of a dedicated platform, the delivery of informative snippets, and short activities that directly involve staff with access to company data. In particular, in 2024, total training hours amounted to 2,201, of which 1,426 were mandatory. Male workers in the blue-collar category accounted for a significant share, mainly due to safety refresher courses, supervisor updates, and fire prevention training. In the coming years, the Company aims to continue enhancing its workforce by improving the technical skills and soft skills of key personnel, while also focusing on motivating technical and production staff (including the promotion of language courses for quality department operators in Lumezzane, with plans to extend this initiative to other departments). Training activities are managed and monitored by the company through dedicated software provided by a leading partner specialising in human resources services.

|  | Employee category | gender     | 2022 | 2023 | 2024 |
|--|-------------------|------------|------|------|------|
| Number of training hours by employee gender [h] and per capita | All employees     | Men        | 1392 | 1242 | 1904 |
|  |                   | Per capita | 4.2  | 3.8  | 5.9  |
|  |                   | Women      | 179  | 335  | 297  |
|  |                   | Per capita | 2.6  | 4.8  | 4.3  |
|  |                   | Total      | 1571 | 1577 | 2201 |
|  |                   | Per capita | 3.9  | 3.9  | 5.6  |





## Health and Safety

Gnutti Cirillo places the health and safety of its workers at the core of its activities, encouraging employees to pay the utmost attention to their own health and well-being. To this end, the Company promotes compliance with internal policies and legal provisions regarding occupational health and safety, as well as with the sector’s National Collective Labour Agreement.

A continuous process of updating and improving the fire prevention equipment is in place, along with the installation of new extractor filters to reduce mist emissions, with the aim of improving air quality in the workplace.

With a view to continuous improvement and growth in organisational maturity, the company has set itself the goal of obtaining ISO 45001 certification by 2025. This certification aims to prevent injuries and occupational illnesses by promoting safer workplaces and aligning company standards with best international practices.

Regarding staff training, the onboarding process for new hires has been structured and formalised through a defined procedure for initiating task-specific training. This pathway, integrated within the corporate context, is tracked through dedicated documentation until the completion of the training.

The coverage of key safety roles is constantly monitored, and the training of key personnel is updated in accordance with legal requirements.

Preventive reporting of ‘near misses’ has also been introduced, with the aim of strengthening workplace accident prevention. This initiative has been integrated and highlighted within the company’s health and safety management portal, reinforcing the company’s commitment to achieving zero workplace injuries.

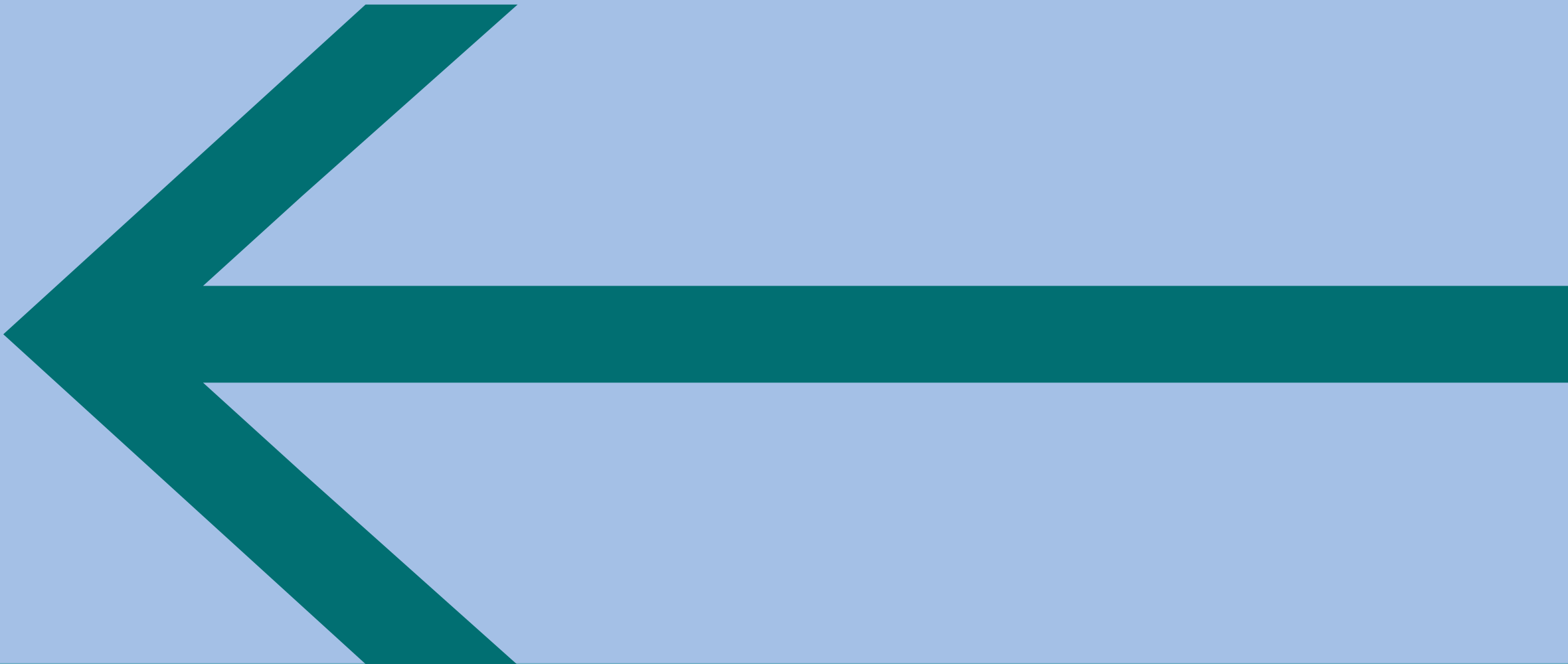
The following table presents the monitored metrics related to injuries over the three-year period.

| Indicator/year   | 2022    | 2023    | 2024    |
|--|---------|---------|---------|
| Number of injuries   | 8       | 4       | 8       |
| Hours worked   | 660,293 | 634,888 | 673,495 |
| Days of absence  | 117     | 35      | 163     |
| Days of permanent disability                                       | 0       | 0       | 0       |
| Injury frequency rate (number of injuries per M hours worked)      | 12.1    | 6.3     | 11.9    |
| Severity rate (d of absence and disability per 1,000 hours worked) | 0.17    | 0.05    | 0.24    |

d = days, M = million

Workers employed in production are more exposed than administrative staff due to direct contact with machinery, tools, or process materials.

Health  
and Safety





Gnutti Cirillo places the health and safety of its workers at the heart of its operations, encouraging its employees to pay the utmost attention to their own health and well-being.





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# Workers in the value chain S2

## SBM 2 - SBM 3

Gnutti Cirillo's strategy and business model, along with the resulting activities, can have a significant impact on workers throughout the entire value chain, potentially contributing to the generation, exacerbation, or mitigation of these effects.

For this reason, in defining its strategic and operational approach, Gnutti Cirillo has adopted a supplier qualification and evaluation process, paying close attention to listening to their needs and increasingly focusing on the protection of human rights and workers' rights. In 2025, an initial ESG self-assessment was launched, which also includes requirements related to the working conditions provided to employees.

In addition, workers in the value chain are indirectly involved through supplier engagement activities, which represent a key channel for dialogue and continuous improvement.

Potential significant negative impacts on workers' health and safety, related to workplace accidents, as well as possible human rights violations stemming from unfair labour practices, have been identified in chapter 03.

Both categories of impact concern workers along the value chain, particularly those involved in the processing or machining of the raw materials used. Such impacts can be significant, as events such as workplace accidents or situations involving forced, child, or discriminatory labour can have serious – and sometimes irreversible – consequences on the quality of life of the workers affected.

## S 2-1 Policies

In this context, the strategy and business model of Gnutti Cirillo are focused on careful monitoring of these aspects, prioritising collaborations with suppliers who adopt robust policies and commitments to the protection of human rights.

Gnutti Cirillo's [Code of Ethics](#), approved by the Board of Directors and available on the company website, expresses a firm commitment to actively promote and protect universally recognised human rights, combating all forms of discrimination. The document, which applies to all those who work for or are associated with the Group, sets out a zero-tolerance stance on child and forced labour, prohibiting any business relationship with organisations that engage in such forms of exploitation or with companies operating in areas where human rights are not adequately respected. Furthermore, the Group does not tolerate any form of discrimination or unfair treatment based on sex, race, disability, ethnic or cultural origin, religion, personal beliefs, age, or sexual orientation.

Through the [Code of Ethics](#), that guides the activities of Gnutti Cirillo, suppliers undertake to respect these principles. Moreover, Gnutti

Cirillo commits to complying with the "Conflict Minerals Rules", with the objective of preventing the purchase and use of minerals whose trade may finance or support armed groups or illegal activities.

In 2024, no cases of non-compliance were identified among the Group's suppliers regarding provisions related to human rights, as established by the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, the International Labour Organization (ILO) Conventions, or the International Chamber of Commerce (ICC) Charter for Sustainable Development.

The following chapter focuses on selected policies, commitments, and key figures concerning Gnutti Cirillo's relationships along the upstream (suppliers) and downstream (customers) value chain.





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# Consumers and end users S4

Among the external stakeholders identified by Gnutti Cirillo, consumers and end users represent a key group, although they are not directly involved with the company's products. Within the Group framework, particularly for the companies Tiemme Raccorderie and Valvosanitaria Bugatti, which produce components under their own brand, ongoing dialogue is promoted with these entities to understand their needs and expectations.

## Impacts, risks and opportunities

The double materiality assessment conducted by Gnutti Cirillo highlighted potentially material impacts on consumers and end users. In particular, a risk related to impact materiality has emerged:

- potential harm to the health and safety of end users in the event of non-conforming products

This risk, viewed from a medium- to long-term perspective, is influenced by customers. There is a close connection with the company strategy: inadequate quality controls or production errors can lead to defective products, compromising customer health and generating reputational and legal costs, as well as reducing customer loyalty.

No categories of particularly vulnerable consumers have been identified, nor relevant opportunities related to the company's strategy.

## S 4-1

### Policies for consumers and end users

To effectively manage risks and impacts, Gnutti Cirillo relies on its [Corporate Policy](#), under the responsibility of Management. This policy guides the company's commitment to product quality and the protection of health and safety, involving all personnel through training and risk analysis.

The ISO 9001-compliant Corporate Management System is a key tool for driving continuous improvement, enhancing customer satisfaction, and optimising processes.

Safety is a pillar of the Gnutti Cirillo model, which is committed to ensuring quality products that comply with regulations (e.g., REACH, RoHS) and are safe from the design phase onwards, through:

- checks on ergonomics, usability and safety
- compliance with regulations
- continuous monitoring of the Management System through audits and training

To monitor customer satisfaction, an annual Management Review is conducted, evaluating complaints, non-conformities and corrective

actions undertaken. The complaint management process includes:

- raising a non-conformity
- technical analysis of the problem
- definition and implementation of corrective actions
- involvement of Management and relevant departments

In the case of recurring issues, specific meetings are held to identify causes and define improvements. KPIs and targets are established to measure satisfaction and loyalty.

In 2024, no non-compliances were detected concerning regulations on products, services, or labelling; therefore, no specific corrective actions were necessary.



# 06

## GOVERNANCE AND BUSINESS CONDUCT

|  |                                  |
|--|----------------------------------|
| Governance                             | Supplier relationship management |
| Integrity and ethical business conduct |                                  |



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# Governance

## GOV-1

### Role of the governing, management, and control bodies

Gnutti Cirillo entrusts management to a Board of Directors composed of a Chairman and three Directors; supervisory functions pursuant to Article 2403 of the Italian Civil Code are carried out by the Board of Statutory Auditors, while the statutory audit under Article 2409-bis of the Italian Civil Code has been entrusted to a specifically appointed auditing firm.

In this regard, Gnutti Cirillo, 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 both from the company's ownership and management, as well as from the OECD's guidance—currently engaged in revising the corporate governance principles for the G20/OECD—which states that strengthening the corporate governance of non-listed companies can significantly boost productivity growth and support the formation of better-informed strategic decisions.

Gnutti Cirillo, aware of the importance of respect for the environment and pollution prevention, commits to ensuring that these values become an integral part of the organisation's culture, in order to engage all personnel in actions aimed at environmental protection.

It has therefore decided to focus the efforts of all company staff, both employees and contractors, on the careful management of environmental factors, undertaking to:

- maintain conformity with all current laws and regulations applicable to environmental matters
- pursue continual improvement intended to prevent and reduce actual and potential environmental impacts related to its operations

To this end, the Board of Directors has established a governance framework that fully integrates the environmental dimension into corporate strategies, recognising the importance of responsible and sustainable management of production activities.

In this context, it has decided to grant full delegation to the plant managers (Lumezzane and Odolo), assigning them direct responsibility for overseeing and implementing environmental policies at the local level.

This governance model enables more effective and timely management of environmental issues, as



plant managers, owing to their in-depth knowledge of operations and local specificities, can implement targeted solutions to reduce ecological impact, improve energy efficiency, and ensure compliance with current regulations.

This approach promotes greater decision-making autonomy, encouraging the adoption of innovative and sustainable practices, as well as collaboration with local authorities, institutions, and communities to advance environmental protection initiatives. In this way, Gnutti Cirillo strengthens its commitment to sustainability, making environmental governance a strategic element of its growth and competitiveness.

Gnutti Cirillo's commitments and policies are periodically reviewed by the Board of Directors to enhance effectiveness in achieving strategic objectives, monitor and improve the management of sustainability impacts and issues, involving relevant stakeholders as well as the ESG Strategic Committee established in 2025.





# GOV-2

## Information provided to administration, management and control bodies

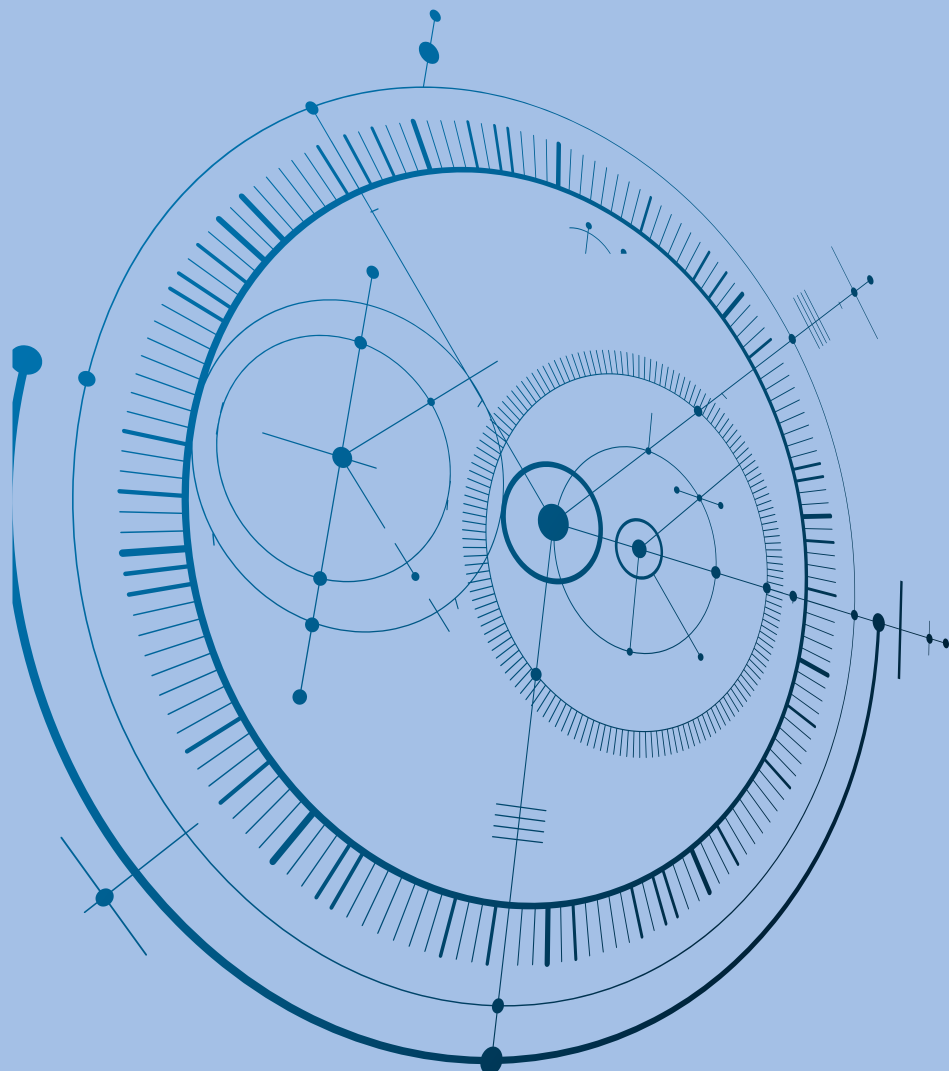
The approval procedure for the double materiality assessment by the Board of Directors was initiated in 2024, to ensure that strategic decisions are based on accurate and relevant information for stakeholders. Within the sustainability governance processes, the Board of Directors oversees the Sustainability Disclosure and approves the material topics identified during the impact assessment and prioritisation phases.

In 2024, the Company initiated a structured sustainability pathway by establishing the role of ESG Manager and, in 2025, it established a ESG Strategic Committee that oversees all sustainability processes and decisions, convening periodically.

Gnutti Cirillo places the utmost importance on respecting human dignity in all its forms, caring for and safeguarding the health and physical and moral integrity of workers, maintaining fairness in commercial relationships with suppliers and customers, and ensuring transparency in dealings with Public Authorities and regulatory bodies in all their forms and expressions.

| Composition of the Board of Directors |                 |
|---------------------------------------|-----------------|
| Chairman and Managing Director:       | Giuliano Gnutti |
| Managing Director:                    | Alberto Gnutti  |
| Director:                             | Franco Veronesi |
| Director:                             | Guido Riccardi  |

| Composition of the Board of Directors by gender and age |     |       |
|---|-----|-------|
| Age   | Men | Women |
| 30 to 50  | 1   | 0     |
| over 50   | 3   | 0     |
| Total   | 4   | 0     |



## Board of Statutory Auditors

The Board of Statutory Auditors oversees proper administration and the adequacy of the organisational, administrative, and accounting framework; it is composed of three full members and two independent alternate members, appointed by the Shareholders’ Meeting.

To ensure ethical and responsible conduct, the company has adopted numerous tools, including the [Code of Ethics](#), the Organisational Model pursuant to Legislative Decree 231/01, and a specific [whistleblowing](#) procedure, the latter in compliance with Legislative Decree 24/2023.

With these tools, the company confirms its desire to orient governance towards fairness, transparency and the highest standards of management quality.

# G 1-1

## Policies on corporate culture

### Code of Ethics

Gnutti Cirillo has long adopted a [Code of Ethics](#) with the clear intent of guiding governance towards fairness, transparency, and the highest standards of management quality.

The Company's production activities are managed in accordance with the relevant environmental regulations. The Company monitors all applicable environmental legal requirements relevant to its various production sites and strives to ensure full compliance with them, including through the engagement and awareness-raising of personnel directly involved in managing the environmental impacts generated.

In this area, the Company has adopted and maintains the environmental impact management procedures required by the international standard of reference for environmental management systems, UNI UN ISO 14001.

The [Code of Ethics](#) emphasises the importance of carrying out all activities responsibly, in compliance with the law, and in alignment with the company’s objectives and the behavioural standards established by the organisation.





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

The adoption of the Organisation, 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.

In particular, relationships 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 Codes of Ethics, whether towards counterparts within the Public Administration or towards private parties. Finally, Gnutti Cirillo personnel took part in dedicated training on the 231 Model and the [Code of Ethics](#), receiving appropriate information on the Group's policies regarding anti-corruption matters.

Gnutti Cirillo aims to be recognised by local communities as a source of resources and opportunities for the territory. In this context, the company places utmost attention on any complaints, whether 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 behaviour by third parties external to the Company that is incompatible with the [Code of Ethics](#), employees report it to the Supervisory Body, which takes the necessary measures.

External Relationships

Public Authorities

- adherence to the principles of fairness, truthfulness, transparency, efficiency, and collaboration
- are handled by individuals with the appropriate delegation or power of attorney
- comply with the rules of the [Code of Ethics](#), including, by way of example, the prohibition of: offering money to public officials in order to benefit the company; offering or accepting benefits in order to obtain favourable treatment in dealings with public authorities; and, during interactions with public authorities, undertaking actions such as reviewing or proposing opportunities that could personally benefit public officials, or 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 transparent and collaborative relationships, in line with best commercial practices
  - ensure suppliers' ongoing collaboration to maintain the most favourable balance between 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](#)
  - act in accordance with applicable regulations and require their strict observance (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. Forms of collaboration of a strictly institutional nature are permitted: conferences, seminars, studies, research, and others.

Interactions with customers

Gnutti Cirillo's approach to customer relationships is based on availability, clarity, respect, courtesy, and a deep understanding of their needs.

Customers are prohibited from offering gifts or advantages to Company employees that could influence behaviour in a manner contrary to the Company's interests, whether material or ethical.

Continuous service improvement, monitoring Customer Satisfaction, and Total Quality are some of the main objectives that Gnutti Cirillo pursues in its relationships with customers.



Company Supervisory Body

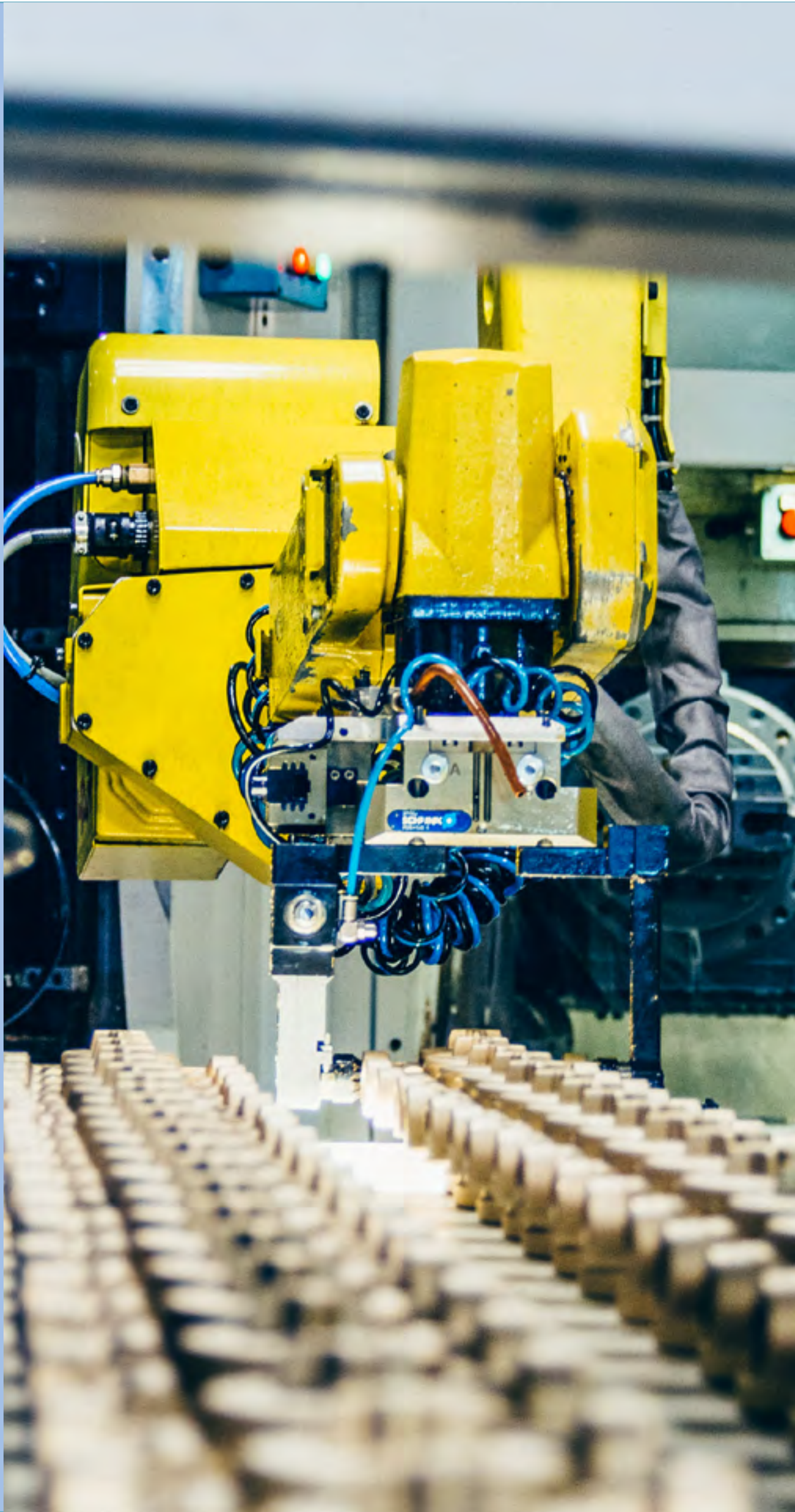
The Supervisory Body (also ‘SB’) is responsible for overseeing:

- 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 Body 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 Body is entitled to receive requests for clarifications, as well as reports of potential or actual breaches of this Code.

The Supervisory Body is obliged to work in conditions of the greatest confidentiality, with impartiality, authority, continuity, professionalism and autonomy. The Supervisory Body also operates with wide discretionary powers and with the full support of the company's top management, with which it cooperates in complete independence.

| Supervisory Body Audit     | 2022 | 2023 | 2024 |
|----------------------------|------|------|------|
| Number of in-depth reviews | 2    | 5    | 6    |



Whistleblowing

In accordance with Legislative Decree No. 24 of 10 March 2023, from 15 July 2023, Gnuttì Cirillo has established dedicated channels for the receipt and management of reports within the [whistleblowing](#) system, ensuring a secure and effective mechanism for safeguarding legality and corporate transparency.

To this end, the Company has adopted an internal [whistleblowing](#) policy aimed at protecting the confidentiality of the reporting persons and ensuring the proper management of reports relating to violations of European Union law and national regulations. This policy sets out the procedures to be followed for the submission and handling of reports, ensuring compliance with regulatory requirements. The management of reports is entrusted to an external company to ensure the confidentiality of whistleblowers and professionalism in handling.

To ensure maximum transparency, the Company has published, in the 'Quality and Governance' section of its institutional website, the documents and information required by current regulations. This enables employees and stakeholders to access the corporate provisions regarding [whistleblowing](#) and to understand the procedures for managing reports.

As of the date of publication of this document, no reports have been received through the channels provided by the Company, in accordance with applicable regulations.

However, the Company will continue to ensure the full operability of the system and to monitor the effectiveness of the measures adopted to promote an ethical working environment in compliance with the applicable regulations.



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Gnutti Cirillo has long adopted a Code of Ethics with the clear intention of guiding governance towards integrity, transparency, and the highest standards of management quality.







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# Supplier relationship management

## G 1-2

### Supplier selection and management

For Gnutti Cirillo, the selection of suppliers represents a strategic and decisive factor for the company's overall performance. The identification and selection process is carried out with particular care, aiming to balance the various needs related to raw material procurement, the provision of technical services, and the management of production waste.

The company is committed to establishing a collaborative relationship with each supplier, based on the sharing of quantitative and qualitative objectives aimed at the continuous improvement of product and service quality.

For Gnutti Cirillo, suppliers' compliance with applicable laws and regulations is a fundamental and non-negotiable requirement for establishing and maintaining business relationships. Procurement activities are based on pre-contractual and contractual behaviours characterised by fairness, transparency and mutual collaboration.



Suppliers are required to ensure dignified working conditions for their employees, fully respecting fundamental human rights, intellectual and industrial property laws, consumer protection regulations, fair competition rules, and legislation on anti-money laundering and the fight against organised crime, as set out in the Company's [Code of Ethics](#).

For the year 2025, Gnutti Cirillo has set the objective of sending an ESG questionnaire to at least 7 of its main suppliers.

#### Supplier qualification and selection process

Supplier qualification begins with a preliminary assessment of their organisational and production structure. The Procurement Department, based on specific technical-quality, economic, or new product-related requirements, identifies an initial group of potential suppliers to whom a request for quotation is sent.

Following the analysis of the received quotations, the most suitable supplier is selected. This process also applies to existing suppliers, particularly during the implementation of the Quality System. Periodically, the Procurement Department, in collaboration with the Quality Assurance Service, evaluates the performance of the entire supplier base.

#### Qualification and periodic evaluation

Supplier evaluation commences with the initial supply of goods or services. The Procurement Department defines the expected quality level and, for suppliers deemed critical or strategic (based on turnover or type of supply), communicates annually the quality level assessed according to predefined criteria.

The periodic evaluation of production material suppliers is carried out by the Quality Assurance Service, with the results recorded using dedicated software that enables statistical data analysis. Key suppliers are classified according to their level of criticality and business relevance, and are evaluated annually through a form designed to foster loyalty and continuous improvement.

#### Supplier audits

Supplier audits are conducted at least every two years, or whenever deemed necessary, particularly for:

- critical or strategic suppliers
- new potential partners
- suppliers with unsatisfactory performance

The audit results are shared with the supplier, accompanied by any required corrective or





improvement actions. The related document, together with the verification of the effectiveness of the actions implemented, is managed by the Quality Department in collaboration with the Procurement Department.

Requirements for raw material suppliers (bar)

For raw material suppliers (bar), possession of ISO 9001 quality system certification and compliance with the following requirements are mandatory:

- Supply of materials compliant with applicable regulations
- Submission, with each delivery, of the certification documentation required by the purchase order
- Annual evaluation of supplier performance

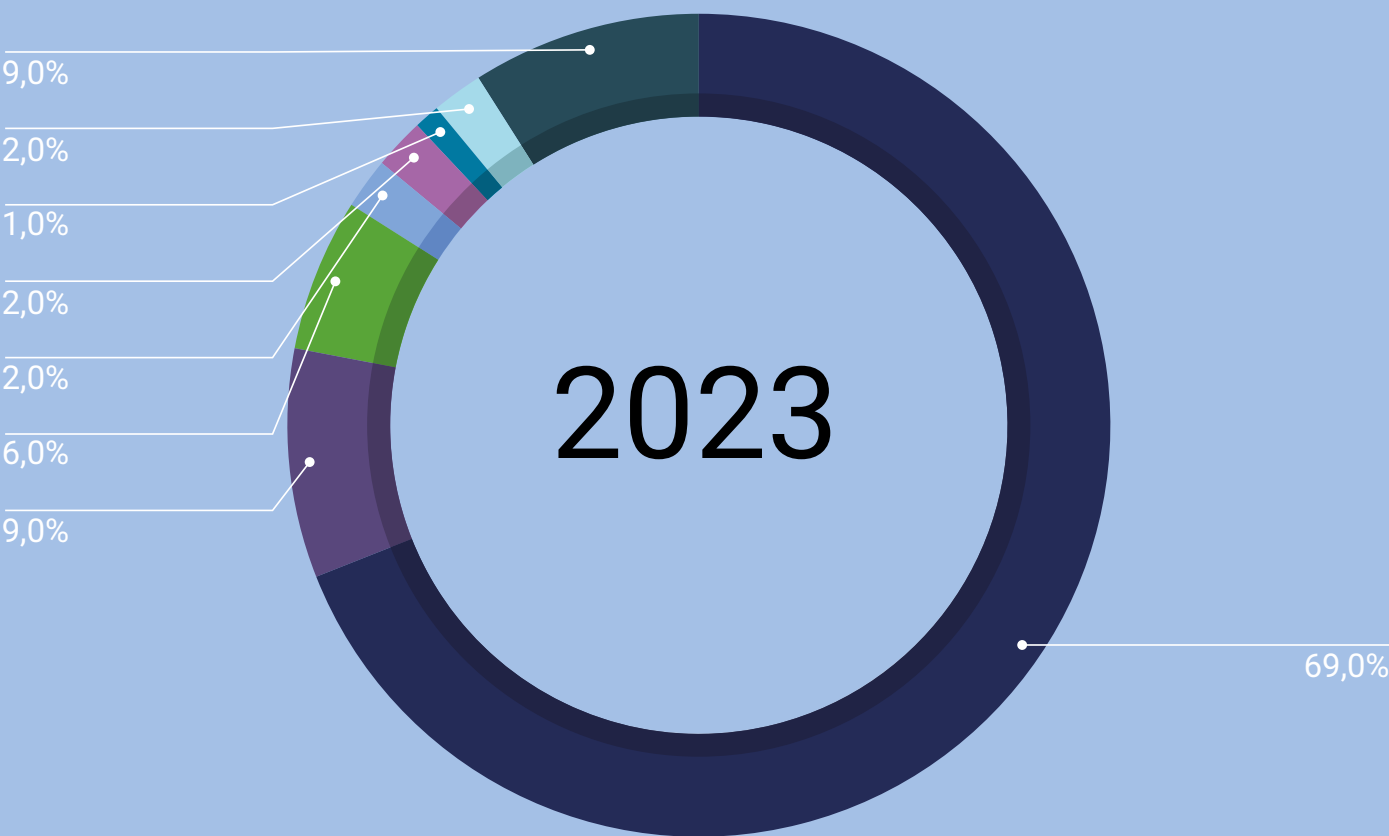
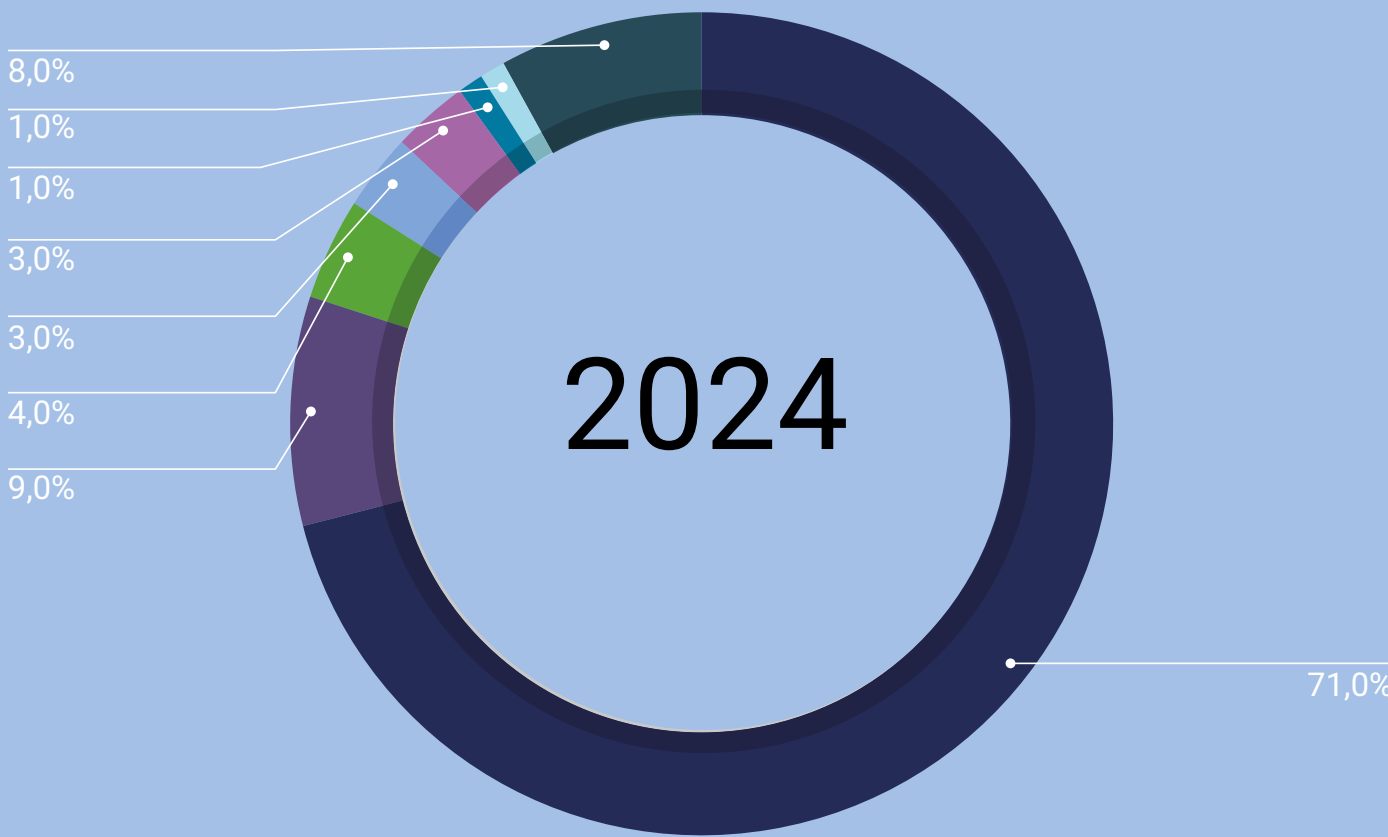
Random samples are taken every three months and sent to an external laboratory for validation and confirmation of the alloy.

Metrics

Overall, the supply chain involves more than 50 main suppliers, including raw materials, auxiliary products, and services. They account for about 80% of the annual purchase value. While Gnuttì Cirillo engages both national and international suppliers, it gives preference—wherever possible and appropriate—to local ones when selecting the most suitable partner.

Since 2023, with a view to strengthening supplier reliability oversight, Gnuttì Cirillo has been using the Know Your Partner (KYP) digital assessment platform.

Raw materials and services



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

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





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# Integrity and ethical business conduct

## G 1-3

### Prevention and detection of active and passive corruption

To ensure corporate conduct based on principles of ethics, responsibility, and transparency, the Company has implemented a comprehensive system of tools and procedures aimed at promoting operational management in compliance with current regulations and corporate values.

Among the main initiatives adopted, particular attention has been devoted to combating corruption, with the adjustment and evolution of control measures, ensuring the rigorous application of anti-corruption regulations.

The company promotes awareness of these issues through training programmes and internal reporting systems, enabling the timely and effective identification and management of any potential critical issues.

These initiatives contribute to strengthening the climate of trust and corporate integrity, safeguarding the Company's reputation and ensuring transparent operations in compliance with legal requirements.

All members of governance, as well as the entire workforce of Gnutti Cirillo, are fully informed about the anti-corruption policies and procedures adopted by the organisation.

The company is firmly committed to promoting a corporate culture based on transparency, integrity, and regulatory compliance, ensuring that all personnel are fully aware of the responsibilities arising from applicable regulations.



## G 1-4

### Cases of active or passive corruption

No instances of corruption involving the directors or employees of Gnutti Cirillo have been reported, nor are there any ongoing criminal proceedings or investigations by the Judicial Authority. Moreover, Gnutti Cirillo's adoption of the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 provides employees, suppliers and other stakeholders with the opportunity to report instances of corruption.

#### Respect for competition

To date, no legal actions have been brought against Gnutti Cirillo in relation to unfair competition, breaches of antitrust regulations, or monopolistic practices. Nor have any rulings been issued regarding past disputes in these areas, or sanctions of any kind imposed for non-compliance with social or economic laws and regulations.





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# Research and development

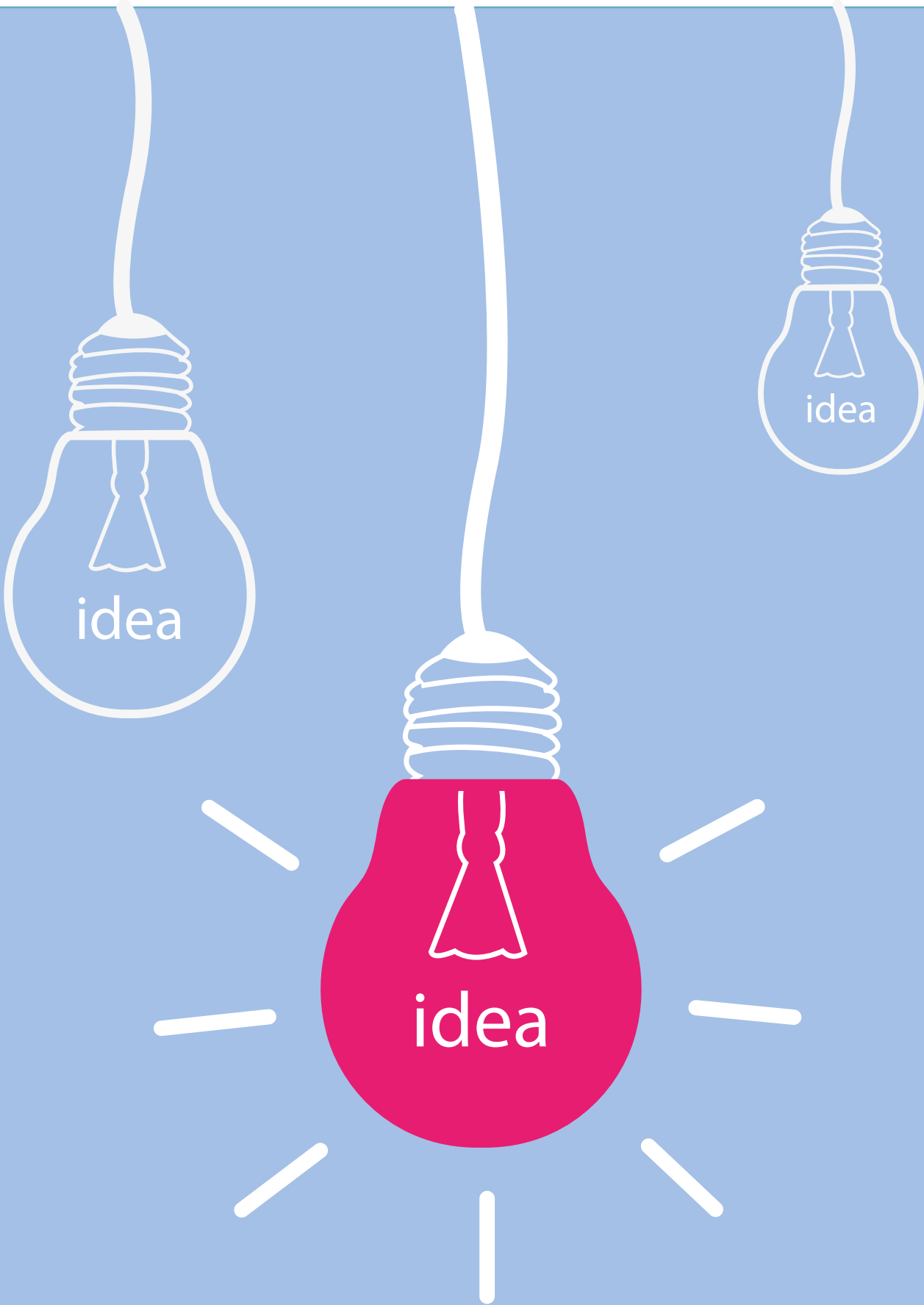
Gnutti Cirillo and its subsidiaries continuously carry out research and development activities, focusing their efforts particularly on projects considered highly innovative. Below are some details of the projects:

Project 1:  
Technological innovation activities;

Project 2:  
Technological innovation and Industry 4.0 digitalisation activities

For the development of the above-mentioned projects, the company incurred costs totalling €1,002 thousand, for which it intends to apply for the benefits provided under the Tax Credit for research, development, technological innovation, design, and aesthetic conception activities, pursuant to Article 1, paragraphs 198–209 of Law No. 160 of 27 December 2019.

|                       |   |
|-----------------------|---|
| Main investments 2024 | Plant and machinery<br>€1,398,737                 |
|                       | Industrial and commercial equipment<br>€1,401,717 |
|                       | Software<br>€327,202                              |







01

GNUTTI GROUP

02

GNUTTI CIRILLO

03

SUSTAINABILITY AS A  
STRATEGY

04

ENVIRONMENTAL  
INFORMATION

05

SOCIAL INFORMATION

06

GOVERNANCE AND  
BUSINESS CONDUCT

07

A LOOK TO THE FU-  
TURE

## Innovation:

To address the increase in production volumes and the growing market complexity, Gnutti Cirillo has implemented a new solution for integrated production planning and management. The project aims to improve coordination between sites, reduce planning work time by 40%, and increase delivery punctuality. Thanks to improved resource utilisation, a 20% reduction in inventory levels and a decrease in machine downtime are expected, optimising the use of equipment. The new system will enable faster responses to customers and support business growth without increasing the planning staff.

In implementing the project, a key focus was on achieving a paper-free environment, with the capability to access all necessary information on screen.

Similarly, with the introduction of business intelligence tools, many printed reports, or those that could have been printed from PDF reports automatically sent by email, have been eliminated in favour of always online and updated access via the cloud.

Gnutti Cirillo is embarking on a technological innovation journey through the implementation of solutions based on artificial intelligence (AI). The objective is to enhance operational efficiency and support faster, more accurate decision-making processes. The adoption of AI represents a strategic step towards increasingly digital and competitive management.

Gnutti Cirillo is investing in research and development for the processing of new lead-free brass alloys, in response to international regulations and increasing sustainability demands. The objective is to offer innovative and environmentally safe solutions for the end user, marking a step forward towards more responsible

production in line with future directives. By managing the entire production process in-house, the company has developed advanced know-how and is upgrading its machinery to tackle the challenges related to processing these lead-free alloys.

## Digitalisation

The Digital Transformation Team is responsible for leading the Group's digital transition by collecting the needs of various functions, identifying the most suitable tools, coordinating implementation projects in collaboration with suppliers, and delivering the final solutions.

The team works closely with the heads of company departments, analysing workflows and identifying solutions—both in terms of processes and technology—to improve the efficiency and effectiveness of the organisation.

## Cybersecurity

In a constantly evolving global landscape, where cyber threats are becoming increasingly sophisticated and regulatory requirements are multiplying, cybersecurity is no longer just a technical necessity but a fundamental pillar for the resilience and survival of organisations. The integration of cybersecurity into business processes now constitutes an essential prerequisite to ensure operational continuity, safeguard business value, and effectively meet the growing expectations in the environmental, social and governance (ESG) responsibility domain.

In this context, the company has initiated a structured process to strengthen its cybersecurity measures. This approach is based on a systemic method that includes the following key areas:

- Risk analysis: introduction of a formal methodology for identifying, assessing, and managing cybersecurity risks, aimed at reducing exposure to events that could compromise the confidentiality, integrity, and availability of information.
- Operational continuity management: implementation of business continuity and disaster recovery processes to ensure the organisation's ability to respond promptly to critical events and restore operations within acceptable timeframes.
- Access control and information protection: strengthening policies for logical and physical access, as well as improving technical and organisational measures to safeguard data
- Incident monitoring and management: development of an internal framework for the timely detection, analysis, and response to security incidents, including through the formalisation of specific procedures.
- Awareness and training: an awareness plan to enhance the security culture among all company personnel
- Technological evolution: a comprehensive review of systems and solutions in use, aimed at adapting them to new threats and strengthening the organisation's overall defensive posture

In parallel, initiatives have also been launched in response to the expectations of our customers subject to the NIS2 Directive, by incorporating its principles and adapting our organisational and operational model to ensure coherent alignment with the expected requirements.





Leveraging efficiency and sustainability  
with tailored solutions





Glossary

| Term  | Brief description   |
|---|---|
| BP (Business Processes)                             | Operational activities and processes that constitute the functioning of an organisation.                                    |
| Carbon footprint                                    | Total GHG emissions associated with a product, service or organisation.   |
| CO <sub>2</sub> e (CO <sub>2</sub> equivalent)      | Unit measuring the impact of various GHGs in terms of CO <sub>2</sub> equivalents.  |
| CSRD (Corporate Sustainability Reporting Directive) | EU Directive requiring companies to report detailed and standardised ESG information.                                       |
| DR (Disclosure Requirement)                         | Duty to disclose relevant information, such as emissions and ESG risks.   |
| ESRS (European Sustainability Reporting Standards)  | European sustainability reporting standards pursuant to the CSRD.   |
| GOV (Governance)                                    | Management, control and accountability structure within the company, including climate risk management.                     |
| GHG (Greenhouse Gases)                              | Gases responsible for global warming (CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, SF <sub>6</sub> , HFCs, PFCs).  |
| GHG Inventory                                       | Systematic and quantified collection of an organisation's GHG emissions.  |
| IROs (Impacts, risks and opportunities)             | Effects, risks and opportunities arising from climate change and sustainability.  |
| Location-based                                      | Scope 2 calculation method based on the average energy mix of the local grid.   |
| Market-based  | Scope 2 calculation method based on energy contracts/certificates (e.g. Guarantees of Origin).                              |
| Net Zero  | Balancing emissions with equivalent removals (offsets).   |
| SBM (Strategy and Business Model)                   | Plan and method by which an organisation creates, delivers and captures value, including sustainability.                    |
| Scope 1   | Direct emissions from owned or controlled sources (e.g. internal combustion).   |
| Scope 2   | Indirect emissions from purchased energy (e.g. electricity), calculated using two methods: location-based and market-based. |
| Scope 3   | Other indirect emissions along the value chain (e.g. suppliers, transport, product use).                                    |



**Gnutti Cirillo S.p.A. - Single member company**

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Brescia Register of Companies and Tax Code  
No. 03387080173  
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ATECO (Italian economic activity  
classification code) 24.54.00

Share capital: €7,000,000 – fully paid-up  
Company subject to management and  
coordination activities  
by Giuliano Gnutti Holding S.r.l.





**Empowering efficiency and sustainability  
with tailored components**

