

SUSTAINABILITY
REPORT
2024

ELECTRICAL SYSTEMS

LIGHTING

Palalazzo



Let's be inspired

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Letter by the President

I'm pleased to share below the main innovations and improvements that marked the year 2024 compared to 2023. In the absence of direct competitors, we continue to pursue constant evolution, driven by innovation, efficiency, and responsibility.

We have completed the construction of the Palazzoli Arena, our new multifunctional space designed to welcome customers, installers, and designers. The facility is already fully operational and hosts both individual professionals and groups, offering a dedicated environment for training, presenting the Palazzoli offering, and engaging in direct dialogue with potential buyers.

In 2024, we finalized the Rotor range with the introduction of the 125A version, completing a strategic line for safety in high electrical risk environments. The Rotor series has become a benchmark, even at a regulatory level, as it has been recognized as mandatory in public entertainment and performance areas.

In the lighting sector, following the 2023 launch of the Fit 55 series, we further expanded our portfolio

with the new DARWIN, FLIGHT, and YUMA series. These solutions strengthen our offering in technical and urban lighting, focusing on energy efficiency, durability, and visual quality even in the most demanding environmental conditions.

We have also completed the doubling of our existing photovoltaic system, which now covers the entire available surface of our facilities. This is a significant milestone that allows us to substantially increase our self-production of energy from renewable sources, in line with the European "Fit for 55" plan and our commitment to measurable, concrete sustainability.

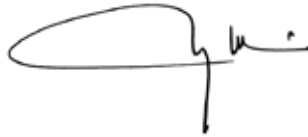
From an organizational perspective, we have enhanced our corporate governance with the introduction of the Chief Commercial Officer role. This step aims to further strengthen our market presence, improve coordination between sales and marketing functions, and boost our growth both in Italy and internationally.

The year 2024 is a special one for Palazzoli: it marks our 120th anniversary. A major milestone that we do not see as a final

destination, but as a new chapter in our journey. This achievement has been made possible thanks to the dedication, expertise, and passion of our entire team. With this shared spirit, we look forward with the ambition to continue growing and improving.

Wishing you all the best

Luigi Moretti
President

A handwritten signature in black ink, appearing to read 'Luigi Moretti', with a stylized flourish at the end.



1

About
us

About us

Palazzoli is a company specialized in the design and production of electrotechnical and lighting solutions for sectors such as industry, infrastructure, ATEX environments and the marine sector. Founded in 1904, it has consolidated its leading position in the electrical and lighting engineering field thanks to over a century of successes.

The headquarters and main production plant are located in Lombardy, in Brescia, and the company operates globally through a network of over 5,000 retailers.

With a catalogue of over 6,000 products, Palazzoli offers specific solutions that meet all the needs of professionals.

For Palazzoli, sustainability is a fundamental value and the company is committed to effectively balancing economic, environmental and social objectives. The company operates in various sectors, including industry, ATEX environments, infrastructure and marine, providing high quality electrical lighting solutions for extreme and critical environments. Its expertise extends to tunnels, galleries, cruise ships, military vessels and offshore platforms. The products are made of high quality materials, corrosion and fire resistant, making them ideal for high-risk environments.





Today, Palazzoli stands out for its in-depth knowledge of materials and for offering a wide range of solutions suitable for various environments, using thermoplastic, thermosetting GRP, aluminium, stainless steel and brass.

To ensure customer satisfaction, protection and respect for employees and the territory, Palazzoli adopts a quality management system in accordance with the international standard UNI EN ISO 9001 and an environmental management system certified, according to the international standard UNI EN ISO 14001. Palazzoli also focuses on the well-being of its employees, supported by a health and safety management system certified ISO 45001.



Locations

The Palazzoli group is present worldwide with more than 5,000 dealers.
The network is constantly expanding.



Palazzoli
GROUP

Palazzoli
SISTEMI ELETTRICI E LUCE D'AUTORE

Palazzoli
GROUP
Ibérica

Palazzoli
GROUP
Middle East



STRAL





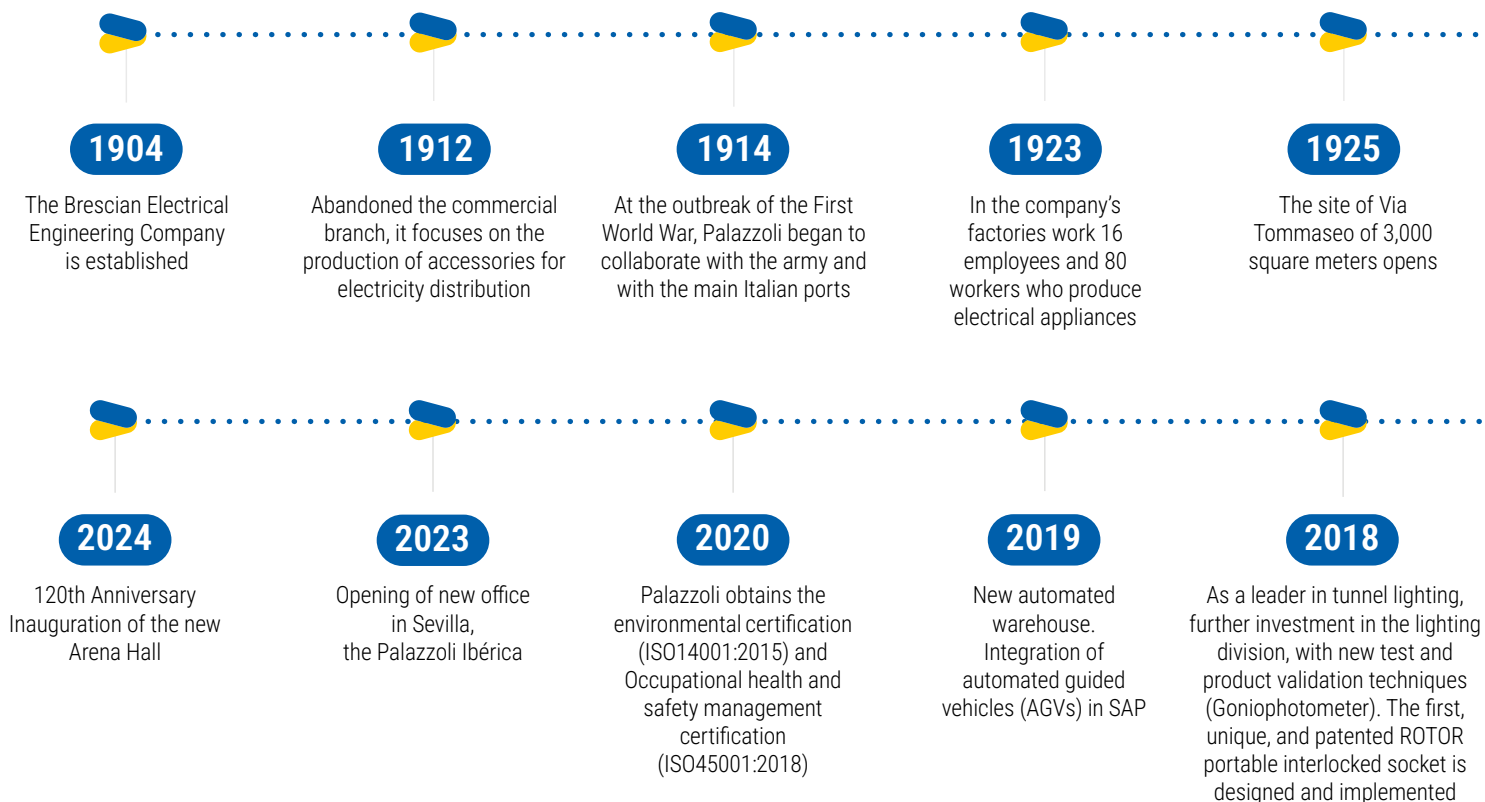
2

Palazzoli from its origins to today

Palazzoli from its origins

Founded in 1904 in a territory with a long industrial tradition, Palazzoli has played a significant role in the development of business for over a century. Facing the changes of society and industry, the company has constantly invested in test and measurement laboratories to ensure the highest quality of its products.

Since the 1950s, Palazzoli has been ahead of its time by establishing an internal laboratory dedicated to testing and measurement, thus ensuring the reliability of its products. Today, it has a photometric laboratory, certified by Oxytech, to also quickly evaluate the performances of its



ARENA



to today

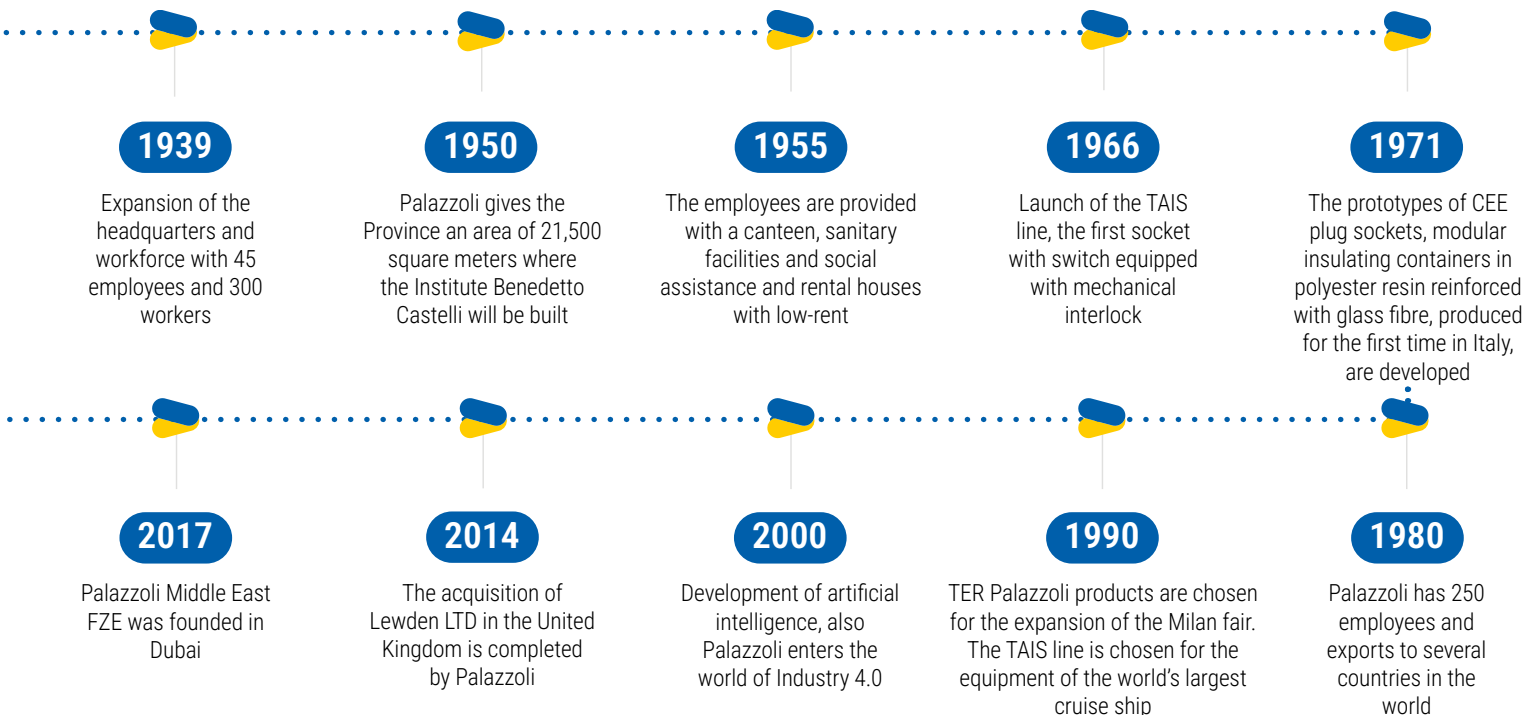
luminaires.

Since the 1990s, Palazzoli has expanded its product range to cover different sectors, upgrading facilities and adopting cutting-edge technologies such as automation and artificial intelligence.

The company is today one of the major international players in the production of electrical systems and lighting.



« Discover the history of Palazzoli





3

Figures

Figures



120

Years of experience in the production of electrical and lighting systems



98%

Permanent contract



135

Number of employees (approximately)



55.000.000 €

Turnover



95%

Aluminium used from recycling



35%

Self-consumed electricity
by the photovoltaic system



17.000

Hours devoted to
Research & Development



41

Training hours/year
per employee



100%

Staff with access
to welfare



+ 100.000 €

For donations and sponsorships



In the process:



ZERO HALOGEN



ZERO CARCINOGENIC COMPOUNDS



ZERO ASBESTOS



ZERO EMISSIONS OF LIQUID POLLUTANTS



 Customer
focused operations

 Smart
engineering



 Top
manufacture

 Service
excellence



4

Values and
principles

Values and principles

Palazzoli is based on the values and ethical principles outlined in the company's Code of Ethics, which constitutes a fundamental pillar of the Organization, Management and Control Model adopted by the Company. This code of ethics aims to clarify the values and principles that guide our activities and relations with our employees, business partners, shareholders and other stakeholders. All those to whom the Code is addressed are required to comply with specific principles of behaviour.

The Company's mission is to constantly improve profitability, by maximizing customer satisfaction to preserve and increase the corporate value and well-being of its internal and external employees.





The company Palazzoli S.p.A. and all those involved in any way in the operation of the company are required to respect the following values and operating principles:

- Legality
- Tradition and connection with the territory
- Economic efficiency
- Development of human resources
- Research and development
- Respect and protection of the environment
- Fairness and transparency
- Sense of responsibility
- Fairness and integrity of relations with the Public Administration
- Impartiality



The task of supervising compliance with the Code of Ethics, disseminating its ethical principles and values and clarifying any interpretative doubts, is assigned to the Supervisory Body established by the Company pursuant to Legislative Decree 231/2001.

In 2023, the instrument provided by the Whistleblowing legislation was adopted using the platform made available by Confindustria Brescia.



5

Corporate Strategy for sustainability

Corporate strategy for sustainability



Palazzoli is committed to sustainability, both social and environmental, through the continuous improvement of production processes and the adoption of advanced technologies to ensure a safe working environment and compliance with the highest international environmental standards.

Since 2023, Palazzoli launched a sustainability program to monitor and improve its performance related to social and environmental responsibility, actively contributing to the achievement of the UN Sustainable Development Goals.

In the same year, the company conducted the first analysis of the Organization and Products' Carbon Footprint, referring to the year 2022, with the objective of reducing emissions into the atmosphere.

These initiatives are part of Palazzoli's broader commitment to sustainability, to align its operations with the goals of the UN 2030 Agenda and European climate targets. This commitment is crucial to address the climate emergency and promote equitable and sustainable social development.

Palazzoli is not limited to carbon footprint management. The company is developing a comprehensive action plan, supported by specialized consultants and internal professionals, to improve performance in all areas of sustainability. This plan includes short, medium, and long-term objectives not only environmental but also social, reflecting the importance that the company attaches to the well-being of people, and governance, defining the strategic direction and future vision of the company.



***The combination of individual
skills leads to better and
innovative results”***



The UN 2030 Agenda and the Sustainable Development Goals

In addition to the standards of the Global Reporting Initiative (GRI), this sustainability report refers to the Sustainable Development Goals (SDGs) which constitute the core of the UN 2030 Agenda.

The SDGs represent 17 key objectives for sustainable progress, agreed by the governments of the 193 UN member countries in 2015. Achieving these goals by 2030 requires the commitment of institutions, organizations, companies and individuals.

This sustainability report lists the relevant SDGs for each area covered, highlighting Palazzoli's contribution to the global path towards sustainability.





NO
POVERTY



ZERO
HUNGER



GOOD HEALTH
AND WELL-BEING



QUALITY
EDUCATION



GENDER
EQUALITY



CLEAN WATER
AND SANITATION



AFFORDABLE AND
CLEAN ENERGY



DECENT WORK AND
ECONOMIC GROWTH



INDUSTRY, INNOVATION
AND INFRASTRUCTURE



REDUCED
INEQUALITIES



SUSTAINABLE CITIES
AND COMMUNITIES



RESPONSIBLE
CONSUMPTION
AND PRODUCTION



CLIMATE
ACTION



LIFE
BELOW WATER



LIFE
ON LAND



PEACE, JUSTICE AND
STRONG INSTITUTIONS



PARTNERSHIPS
FOR THE GOALS

*“A better world,
today and tomorrow,
thanks to our dedication
to social sustainability and
environmental protection.”*



6

Materiality and generated impact analysis

Materiality and generated impact analysis

Our priority: material issues

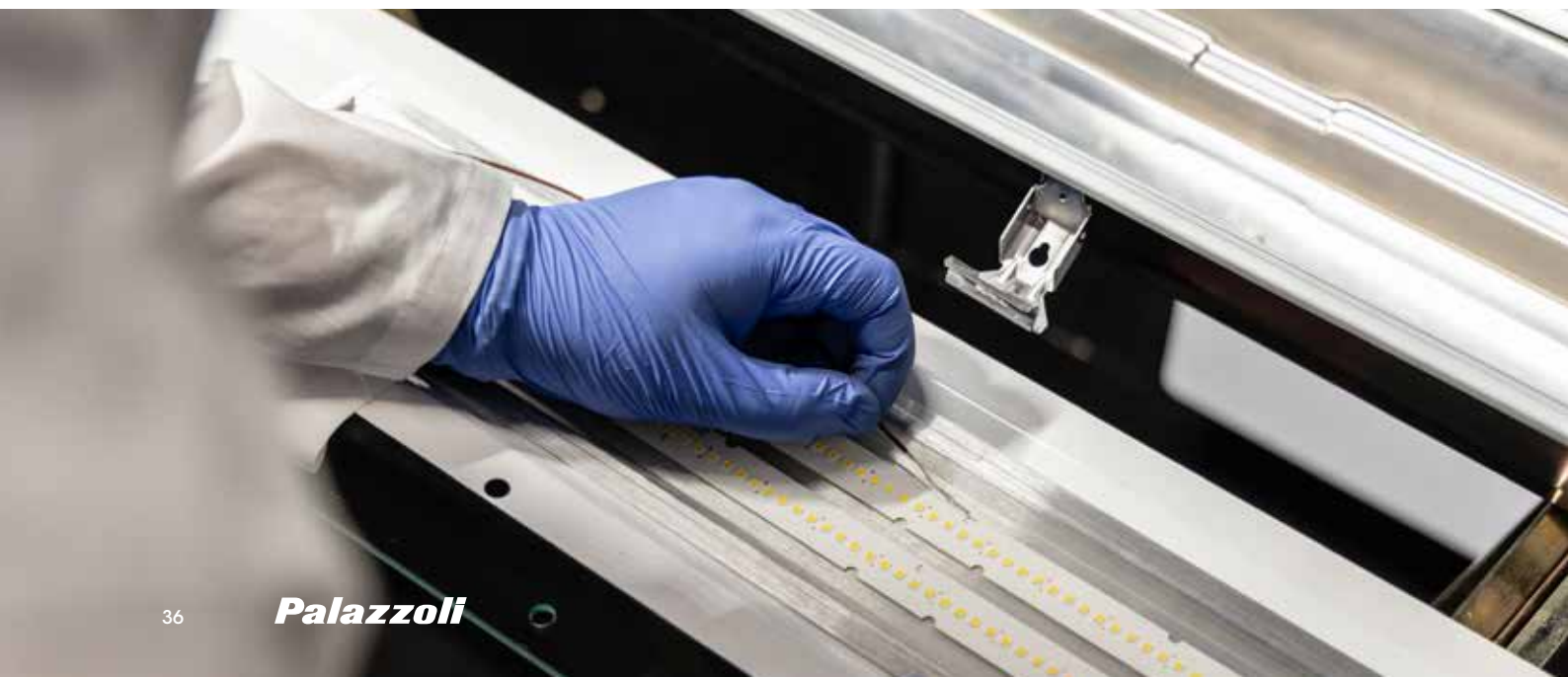
Since 2023, Palazzoli conducted its first materiality analysis to identify key sustainability issues that have a significant impact on business operations, known as “material topics”. These topics reflect the relevant environmental, social and economic impacts both internally and for external stakeholders of the organization.

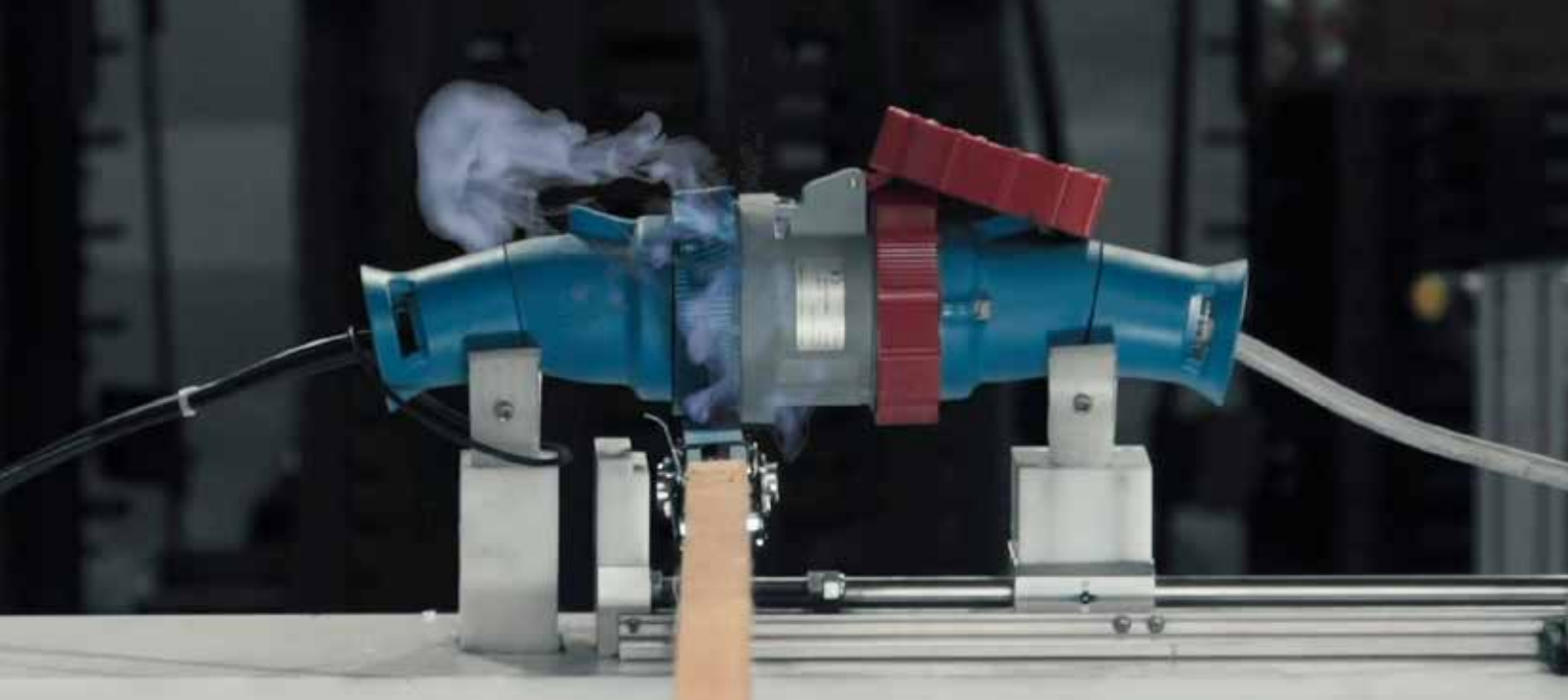
To define the material topics, Palazzoli has followed the updated GRI standards, identifying the impacts associated with each sustainability issue relevant for the business environment. The process involved several stages:

- A preliminary analysis of the context, examining in depth the reference sector and identifying potential significant ESG issues.
- Involvement of the management functions to select and prioritize the material topics in the field of sustainability for the organization.

- Final definition of the material topics and allocation of an internal relevance order between the different issues.

It is important to note that the material topics and the content of this document have been presented and approved by the Board of Directors of the company. To further improve the selection process of the most relevant sustainability issues, Palazzoli plans to directly involve stakeholders through stakeholder engagement initiatives.





The material topics identified during this first materiality analysis are presented below, subdivided by sphere:

PALAZZOLI FOR THE ENVIRONMENT

- Energy and energy efficiency
- Responsible management of waste
- Environmental impact and emission reduction
- Materials and initiatives of circular economy
- Responsible management of water resources



PALAZZOLI FOR PEOPLE

- Diversity, inclusivity and promotion of equal opportunities
- Training and professional development of employees
- Development and well-being of employees
- Health and safety protection for workers
- Value creation in the community



CORPORATE STRATEGY

- Strategic direction
- Economic and financial value creation
- Customer satisfaction
- Privacy and data protection
- Research & Development and technological innovation
- Responsible supply chain management



Once the material issues were defined and in order to assess the so-called impact materiality, Palazzoli assessed the positive and negative impacts (actual and potential) generated by the company for each of these issues.

Impacts generated by Palazzoli

To assess the impacts of the three dimensions of sustainability (Environment, Social and Governance), we conducted interviews with key figures of the company in order to assess their significance.

The impacts have been classified by considering both their severity and probability: for potential impacts, the degree of likelihood of occurrence and the severity of the expected harm or benefit was assessed using a scale from 1 to 4.

In the case of actual impacts, we have examined only the magnitude of the event (both positive and negative) that has already occurred.

For positive impacts, the maximum value (4) represents an optimal impact, while for negative impacts it indicates a significant threat to the organisation.

Also, for potential impacts, we have assigned a score based on the probability of happening: the higher the score (up to 4), the more likely the event will occur.































This study first examines the actual impacts generated by the organisation and then introduces the identified risk and opportunity matrices, focusing on the potential impacts of the organisation that emerged during the project.



























































Actual impacts

The following are the actual impacts generated by the organisation, highlighted in the table below.

This table includes the results of the analysis carried out to identify the main actual impacts, both positive and negative, directly and indirectly generated by the holding in the course of its activities.

SPHERE	MATERIAL TOPIC	IMPACT GENERATED	IMPACT TYPOLOGY	MAGNITUDE
Environment	Energy and energy efficiency	Photovoltaic system to increase self-consumption of electricity from renewable sources		
		Installation of digital meters for precise and widespread monitoring of energy consumption		
		Implementation of an energy diagnosis to investigate possible interventions to increase the energy efficiency of plants		
		Installation of devices to control lighting waste		
		Reduction in the use of natural gas		
	Responsible management of waste	Execution of projects for the external reuse of production waste (by-products)		
		Execution of projects for the internal reuse of production waste (by-products)		
		Greater distribution of dedicated waste collection containers		
		Improvement in the management of all types of waste		
	Environmental impact and emissions reduction	Monitoring and certification of the organization's carbon footprint for the year 2022 according to ISO 14064-1 standard		
		Implementation of product carbon footprint according to ISO 14067 standard		
		Mass grinding of plastic waste to reduce land transport		
		Improvement of the company vehicle fleet with lower-consumption vehicles		
		Mobility initiatives, PSCL (Home-Work Travel Plan)		
		Elimination of 3 natural gas burners, resulting in a reduction of direct emissions		

SPHERE	MATERIAL TOPIC	IMPACT GENERATED	IMPACT TYPOLOGY	MAGNITUDE
Environmental	Materials and initiatives of circular economy	Implementation of recycling and recovery processes for both plastic and brass scraps		
		Focus on developing a production process inspired by circular economy principles		
	Responsible management of water resources	Monitoring of water consumption flow (both for civil and industrial use)		
		Reduction in water consumption thanks to efficiency improvement measures		
	Diversity, inclusion and promotion of equal opportunities	No reports received through the whistleblowing channel		
		Promotion of the Day Against Violence and Harassment in collaboration with Confindustria		
Social	Training and professional development of employees	Training projects aimed at fostering a corporate culture of continuous learning		
		Sharing of key plant indicators (KPIs) via display screens and meetings		
		Regular training with OdV on whistleblowing and Legislative Decree 231		
		The average training hours per employee exceed the national average (24 vs 21 hours)		
	Promotion and well-being of employees	100% of employees have access to welfare benefits		
		Presence of a suggestion system that allows employees to propose ideas and improvements for business activities, with participation in line with expectations		
		Introduction of 8 paid hours for medical visits, included in the second-level labour contract		
		Flexible working hours (where applicable) to support work-life balance for employees		
		Development of a health management system certified according to ISO 45001		
	Health and safety protection for workers	Regular awareness sessions on health and safety at work, including additional training beyond mandatory requirements		
		Donations to medical research institutions and foundations		
	Value creation at the community	Active projects in collaboration with universities and research institutions		

SPHERE	MATERIAL TOPIC	IMPACT GENERATED	IMPACT TYPOLOGY	MAGNITUDE
Governance	Strategic direction	Regular publication of the sustainability report according to the latest international standards		
		Presence of the Organizational Model of Management 231/2016 and related channels of reporting irregularities and systems for managing them		
		Presence of ISO 9001 and ISO 14001 certifications		
	Economic and financial value creation	The company is in a condition of financial stability that allows it to plan investments for development and growth in the medium and long term		
		Increase in market share covered		
	Customer satisfaction	Communication to customers regarding product composition		
	Privacy and data protection	Cybersecurity training		
	Research & Development and technological innovation	Collaboration with research organisations for technological innovation projects		
		Collaboration with schools and universities for specialized training		
		Obtaining patents for new products and projects		

Potential impacts generated

In addition to the actual impacts, we also examined the potential positive and negative impacts generated by Palazzoli during its activities. To this end, the organisation has assessed these impacts considering their severity and likelihood of occurrence as described in the introductory paragraph of this chapter.

Potential negative impacts

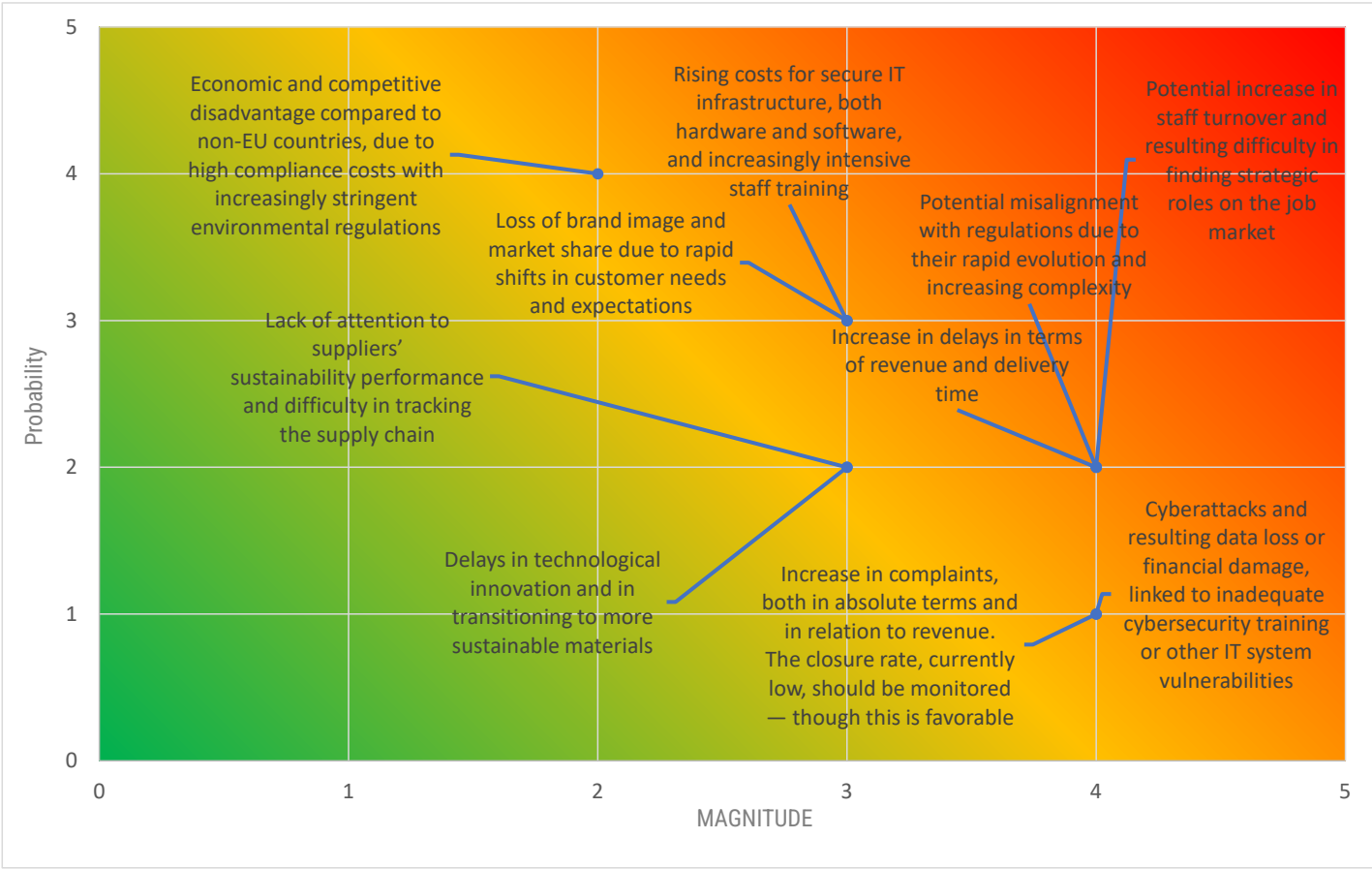
The following is a table listing the main potential negative impacts associated with the material topics: The EU has a number of key organizational elements, identified by the organisation as being divided into categories E (Environment), S (Social) and G (Governance).

SPHERE	MATERIAL TOPIC	IMPACT GENERATED	MAGNITUDE	PROBABILITY
Environment	Laws and Standards	Potential misalignment with regulations due to their rapid evolution and increasing complexity		
		Economic and competitive disadvantage compared to non-EU countries, due to high compliance costs with increasingly stringent environmental regulations		
Social	Development and well-being of employees	Potential increase in staff turnover and resulting difficulty in finding strategic roles on the job market		
Governance	Customer satisfaction	Increase in complaints, both in absolute terms and in relation to revenue. The closure rate, currently low, should be monitored – though this is favorable		
		Increase in delays in terms of revenue and delivery time		
	Privacy and data protection	Cyberattacks and resulting data loss or financial damage, linked to inadequate cybersecurity training or other IT system vulnerabilities		
		Rising costs for secure IT infrastructure, both hardware and software, and increasingly intensive staff training		
	Research & Development and technological innovation	Delays in technological innovation and in transitioning to more sustainable materials		
		Loss of brand image and market share due to rapid shifts in customer needs and expectations		
	Responsible management of the supply chain	Lack of attention to suppliers' sustainability performance and difficulty in tracking the supply chain		

The following matrix illustrates the main potential negative impacts identified in the table, assessed based on their significance by combining the magnitude and probability of each impact.

The closer a topic is positioned to the top-right corner of the matrix, the greater the relevance of the associated impacts for the organization.

POTENTIAL NEGATIVE IMPACTS



As highlighted in the matrix, all potential negative impacts associated with the various sustainability topics identified as material show a low probability of occurrence. This reflects the organization’s commitment to implementing a range of initiatives to mitigate and prevent such impacts.

Regarding the magnitude of the potential impacts, the matrix highlights significant values for some topics, including: Environmental Rules and Regulations, Employee Well-being Enhancement, Customer Satisfaction, and Data Privacy and Protection. However, the likelihood of these risks materializing is low, as Palazzoli places great attention on the above-mentioned issues.











Additionally, risks related to lack of technological innovation (such as “Research & Development and Technological Innovation”) and failure to update supplier selection criteria (such as “Responsible Supply Chain Management”) could be significant.

To prevent possible negative impacts in these areas, Palazzoli has allocated specific resources to research and development and has begun collecting qualitative information regarding ESG aspects within its supply chain.

Positive potential impacts

As already mentioned, the methodology and the analysis process also include the identification and management of the positive potential impacts generated by Palazzoli, these are shown in the table below.

SPHERE	MATERIAL TOPIC	IMPACT GENERATED	IMPACT TYPOLOGY	MAGNITUDE
Environment	Responsible management of waste	Reduction of the amount of waste generated sent to landfills and, consequently, increase in the percentage of waste sent to recovery		
	Environmental impact and emission reduction	Purchase of electricity with a guarantee of origin and, therefore, from renewable sources		
		Setting GHG emission reduction targets		
		Possibility to increase photovoltaic energy consumption through a storage system		
		Installation of electric vehicle charging stations		
		Mobility initiatives, PSCL (Home-Work Travel Plan)		
	Responsible management of water resources	Increased use of well water compared to municipal water		
	Materials and initiatives of circular economy	Introduction of a system for precise monitoring and tracking of the percentage of recycled material in raw materials and packaging		
		Development of eco-design projects and obtaining eco-label certifications for products		
Social	Training and professional development of employees	Conducting specific sustainability training courses		
	Development and well-being of employees	Carrying out internal climate surveys		
		Organizing team-building events		
		Introduction of services supporting parenthood and/or employee caregivers		
		Implementation of corporate welfare programs		
		Second-level collective bargaining agreements		

SPHERE	MATERIAL TOPIC	IMPACT GENERATED	IMPACT TYPOLOGY	MAGNITUDE
	Health and safety protection for workers	Adherence to the WHP (Workplace Health Promotion) program		
	Value creation in the community	Increased employee engagement in community activities (donations, corporate volunteering)		
Governance	Customer satisfaction	Development of a system for assessing customer satisfaction through customer involvement		
	Privacy and data protection	Obtaining the business legality rating		
	Responsible management of the supply chain	Adoption of a written policy for responsible sourcing, which favours local suppliers with good ESG performance		

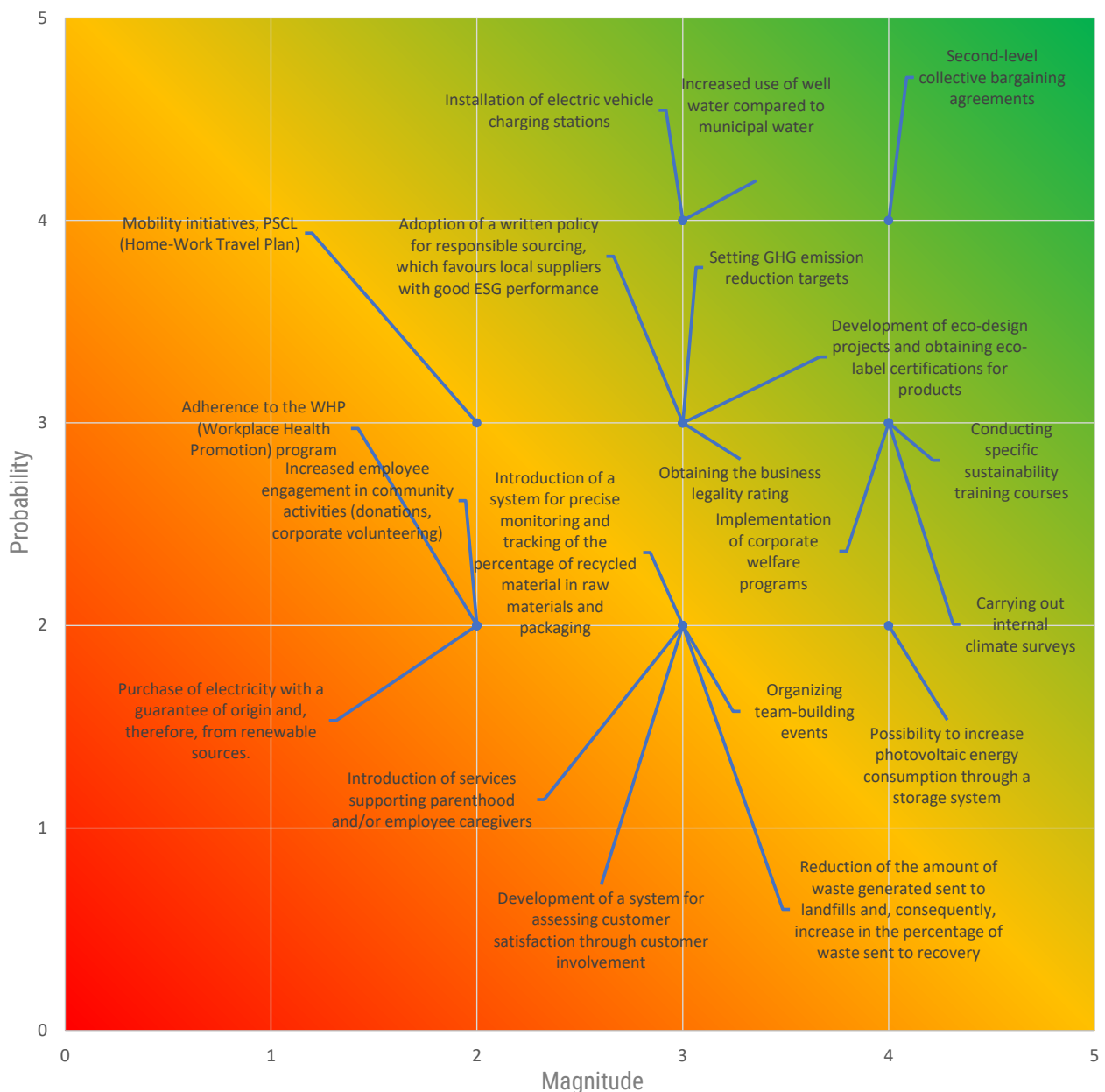


In this context, the corresponding positive potential impact was also associated with each material topic and assessed in terms of likelihood of achievement and magnitude.

The matrix of potential positive impacts related to the material topics of Palazzoli is given below.

The higher the topic is in the top right-hand corner of the matrix, the greater the potential positive impact (opportunity) associated with that topic.

POSITIVE POTENTIAL IMPACTS



In the presented matrix, the company identifies several significant opportunities characterized by high magnitude and probability. Particular attention is given to "Second-level Collective Bargaining," "Employee Training and Professional Development," and "Employee Empowerment and Well-being." Equally relevant, with high magnitude but varying likelihoods of occurrence, are the opportunities related to other material topics for the organization. The probability is high for themes such as "Creating Value for the Community," "Data Privacy and Protection," and "Environmental Impact and Emission Reduction." Palazzoli intends to intensify its commitment to the community with new initiatives aimed at creating social value. In the field of data protection, cybersecurity activities are underway. Regarding emission reduction, the organization has already started monitoring its carbon footprint and is studying targets to further reduce greenhouse gas emissions. Moreover, the installation of electric vehicle charging stations for internal staff is planned. Within the context of "Materials and Circular Economy Initiatives," Palazzoli continues to develop eco-design projects and pursue eco-label certifications for its products. Finally, opportunities related to occupational health and safety, responsible supply chain management, waste management, and customer satisfaction have been assessed with lower probability but significant magnitude. Employee health and safety remains a priority for Palazzoli, which is implementing various initiatives to prevent workplace accidents and improve employee well-being.

Regarding waste management, the company is developing projects to reduce landfill waste and further increase recycling efforts. Lastly, Palazzoli is considering greater customer involvement to improve the satisfaction assessment system and is expanding the collection of information on ESG performance within its supply chain.





7

Corporate strategy

Corporate strategy

Strong governance, a strong focus on innovation and a constant commitment to creating a working environment based on respect, fairness and collaboration are the fundamental pillars of Palazzoli's business model. The company code of ethics, quality management, safety and environment systems, the model of Organization, Management and Control according to Legislative Decree 231/2001 and the hours dedicated to Research & Development are the operational tools to translate this philosophy into concrete actions, a distinctive feature of the Company.

GOVERNANCE HIGHLIGHTS


55.000.000 €

Economic value generated




39%

Expenditure to suppliers allocated to local suppliers




15%

Distributors channel accessible market share (Italy)



7,5%

Hours worked are for R&D



0

Data loss



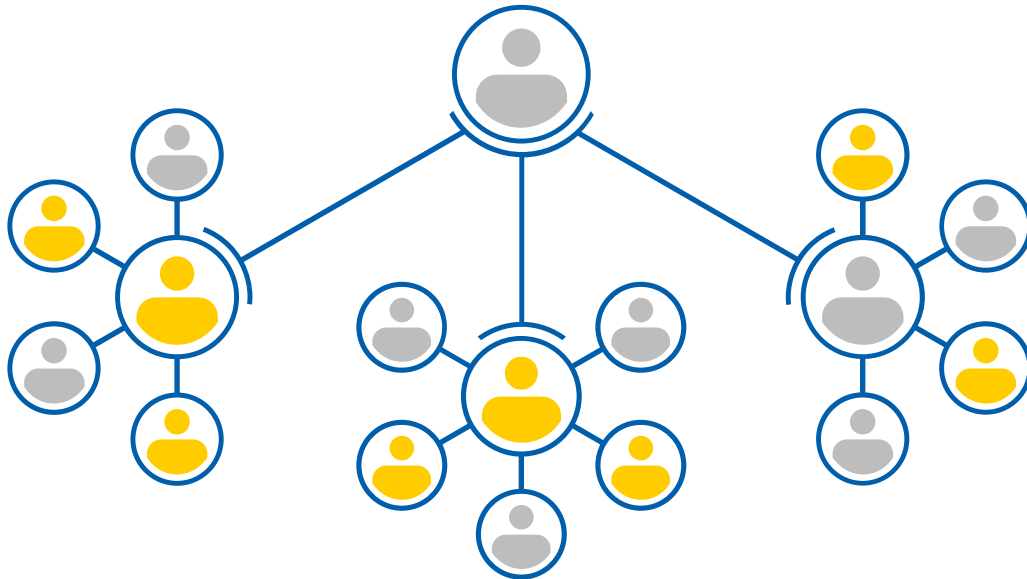

Company organization and guidelines for governance

To ensure the ethical and transparent governance of its activities, Palazzoli has a solid governance structure supported by specific tools. The company, a S.p.A., is managed according to a one-tier management model.

The Board of Directors, endowed with the most extensive powers for the ordinary and extraordinary management, is composed by 7 members (6 over 50 and one member between 30 and 50 years - all men), including Chairman, CEO and Board members.

The appointment of members shall be based on professionalism and fairness in personal and professional conduct.

The management audit function is carried out by a management audit committee, elected by the Board of Directors, which carries out four audits per year. The audit is carried out by an auditing firm. The Supervisory Body (SB), provided for by the Organizational Model 231 (MOG 231) and composed of an internal and an external member, shall be responsible for preventing fraudulent conduct within the organisation.



With the aim of ensuring transparent, efficient and effective management, Palazzoli has been equipped with several tools, including the following:

- Model of Organization, Management and Control ex Legislative Decree 231/2001 and platform Whistleblowing
- Code of ethics
- Management Systems (Quality, Safety and Environment).

Strategic direction



DECENT WORK AND
ECONOMIC GROWTH



RESPONSIBLE
CONSUMPTION
AND PRODUCTION

Organization, Management and Control Model

As already mentioned, Palazzoli has adopted an Organizational, Management and Control Model with the aim of implementing an internal organization and control system in accordance with the provisions of Legislative Decree 231/2001. This system aims primarily to promote principles of sound business management, focusing on honesty, legality and transparency. Responsibility for ensuring compliance with and proper application of the model, including requirements of independence, professionalism and continuity of the measures

envisaged is entrusted to the Supervisory Body (SB). This body carries out audits, offers suggestions and advice, and collects any reports from company staff through a structured whistleblowing procedure.

The SB also has the obligation to report promptly to the Board of Directors the violations, infringements and non-conforming behaviour found, proposing revisions, modifications and/or additions necessary to prevent such phenomena.



Ethical code

In 2021, Palazzoli updated its code of ethics, the document that defines the principles and guiding values of the organization and the guidelines to be followed by all those who interact with the company and have relations with it in various ways. This code of ethics is closely linked to the Model of Organization, Management and Control, integrating it with the definition of values and rules of conduct that Palazzoli intends to adopt in relations with its stakeholders.

THE VALUES

The main values indicated in the code of ethics, which aim to inspire the conduct of business and activities as well as the management of people and information, are:

- Legality
- Tradition and connection with the territory
- Cost-effectiveness
- Exploitation of human resources
- Research and development
- Respect and protection of the environment
- Fairness and transparency
- Sense of responsibility
- Fairness and integrity of relations with the Public Administration
- Impartiality

It is primarily the responsibility of the governing bodies to give concrete form to the values and principles of the code of ethics, assuming both internal and external responsibilities and strengthening trust, cohesion and team spirit within the organisation.



Management system

Palazzoli is constantly engaged in maintaining and expanding management systems for some priority areas of the company's activities. The main priorities of Palazzoli are health and safety at work, the environment and the quality of the products offered.

These themes are managed by the ISO 45001, ISO 14001 and ISO 9001 certifications.

In line with these management models, the organization has implemented a process of assessment and management of short-term, medium-term and long-term business risks, with a focus on the issues mentioned. This includes an assessment of the negative impacts, potential and actual, of business activities, with a focus on local communities.



Research & Development and technological innovation



DECENT WORK AND
ECONOMIC GROWTH

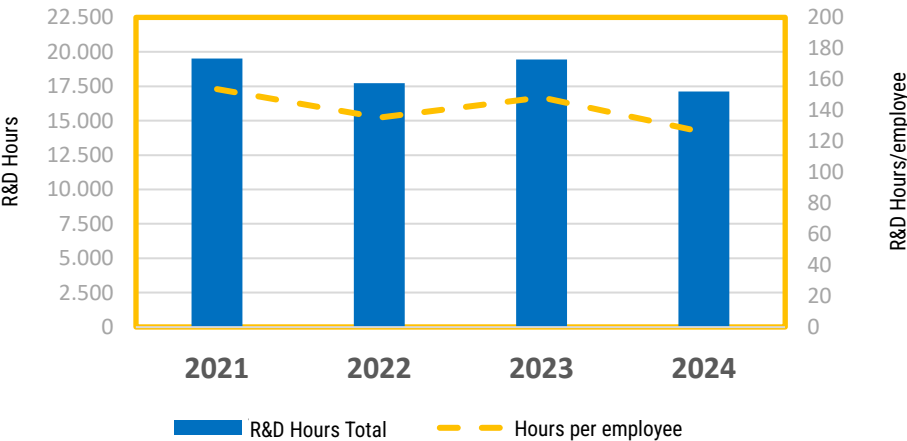


INDUSTRY, INNOVATION
AND INFRASTRUCTURE

Given the importance of innovation for the company's business, in 2024 Palazzoli dedicated approximately 17,000 hours in Research and Development, with an average of 126 hours per employee.

The company employs more than 10 resources per year in R&D projects, with the aim of minimizing the environmental impact of products and making them more and more in line with customer requirements.

HOURS DEVOTED TO RESEARCH AND DEVELOPMENT



Thanks to the activities and projects carried out, the company has filed and obtained 8 industrial invention patents over the past two years in various markets (Italy, Brazil, Israel, Africa, India).

Economic and financial value creation



DECENT WORK AND
ECONOMIC GROWTH



INDUSTRY, INNOVATION
AND INFRASTRUCTURE

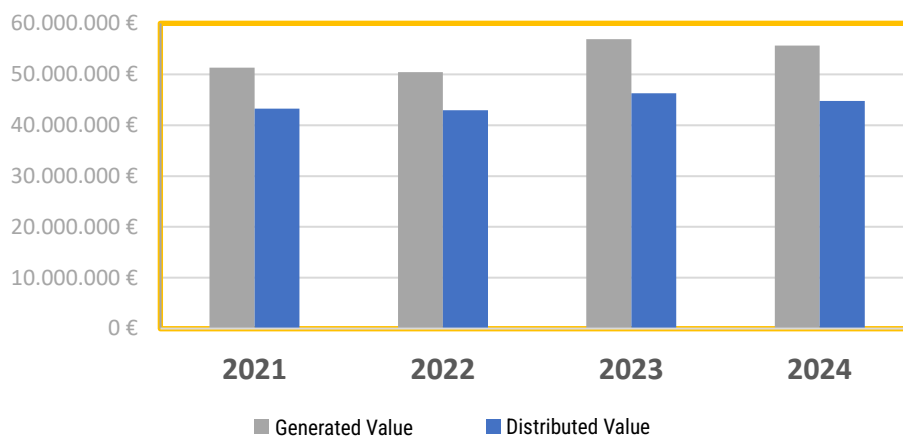


SUSTAINABLE CITIES
AND COMMUNITIES

Palazzoli is aware that ethics and profit must go hand in hand, since long-term economic development cannot be separated from environmental and social development. For this reason, in the sustainability report, the company decided to map the wealth generated for itself and its stakeholders, measured in terms of economic value directly created and distributed. This calculation is based on the main non-financial reporting standards (GRI Standards), which define the two concepts as follows:

- “Directly generated economic value” means the revenues, such as net sales plus income from financial investments and sales of assets.
- The “distributed economic value” includes the following components: operating costs, wages and employee benefits, payments to capital providers, interest payments on loans and other forms of debt, payments to the Public Administration and investments in the community.

VALUE GENERATED AND DISTRIBUTED



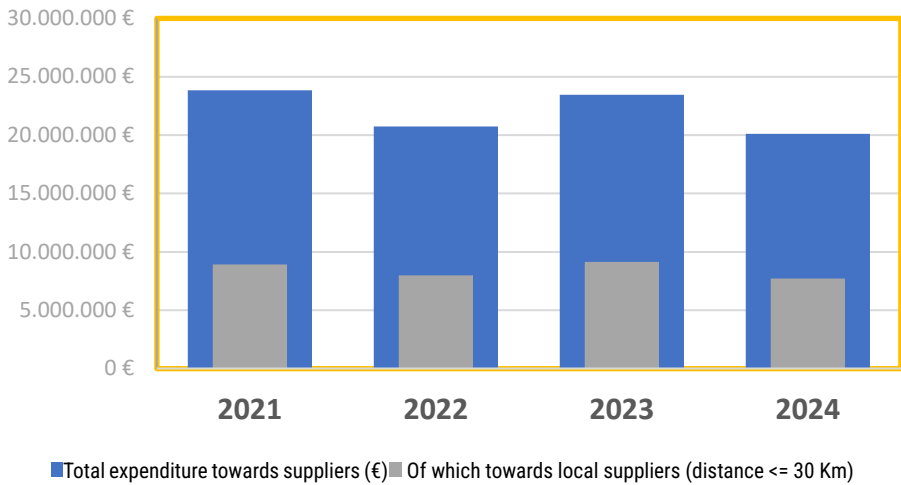
In 2024, the economic value generated by Palazzoli amounted to approximately 55 million euros, of this, 80% was redistributed among suppliers (56% of the value generated), employees (21%), public bodies (2.9%) and communities (0.1%).

Responsible management of the supply chain



The Company pays particular attention to the evaluation of the quality and reliability of all actors in the supply chain. In 2024, there was a decrease in spending on suppliers, due to more efficient warehouse management and stock level optimization. 38% of total supplier spending was directed to vendors located within a 30 km radius of the company headquarters.

EXPENDITURE TOWARDS LOCAL SUPPLIERS



In general, it is important to stress that where possible, with the same technical, product and economic requirements, the Company tends to favour suppliers located in areas close to its own plant. This demonstrates its commitment to supporting employment and creating wealth for the local economy. Regarding the supplier selection procedure, in 2023- 2024 Palazzoli sent evaluation questionnaires to its suppliers. These questionnaires also consider social and environmental aspects (HSE, certifications, etc.) in order to gather information on the sustainability of their supply chain. To date, the main suppliers have participated in the questionnaire; to be precise, 72 questionnaires were completed out of a total of 128 sent.

Privacy and data protection



INDUSTRY, INNOVATION
AND INFRASTRUCTURE



SUSTAINABLE CITIES
AND COMMUNITIES

Palazzoli has adopted a strict access control policy and regularly organizes cybersecurity awareness courses for all staff, with the aim of preventing phishing attempts and data loss. The company's IT security systems have been updated with the most advanced technologies available on the market. In 2024, no anomalies related to cybersecurity or data loss incidents were detected. The company's Code of Ethics emphasizes the importance of protecting information assets and digital data, assigning each employee an active role in maintaining system security. Lastly, in 2024, no reports were received from regulatory bodies or external parties regarding privacy violations, and no operations at risk of corruption were identified.



Customer satisfaction

Customer satisfaction is a crucial element for business success.

Palazzoli is constantly committed to the continuous improvement of quality, product efficiency and respect for delivery times.

Monitoring and improving customer satisfaction is a fundamental pillar for Palazzoli. To collect information on the quality of service and products offered, the company uses both qualitative data and specific indicators for quantitative analysis.

An example of a monitored quantitative indicator is the percentage of defective parts in relation to the total number of parts shipped during the year. In this sense, there was an improvement between 2022 and 2023 with a decrease of 15% of complaints per thousand pieces.

Another quantitative data monitored concerns customer complaints: Palazzoli analyses the proportion of complaints opened by the end of the year.

In 2023, this proportion was slightly lower than the previous year with a 10% improvement.

A man with dark hair, wearing a blue polo shirt, is smiling and pointing his right index finger upwards. He is wearing a black watch on his left wrist and a black ring on his right ring finger. The background is a plain, light grey.

Palazzoli

Palazzoli



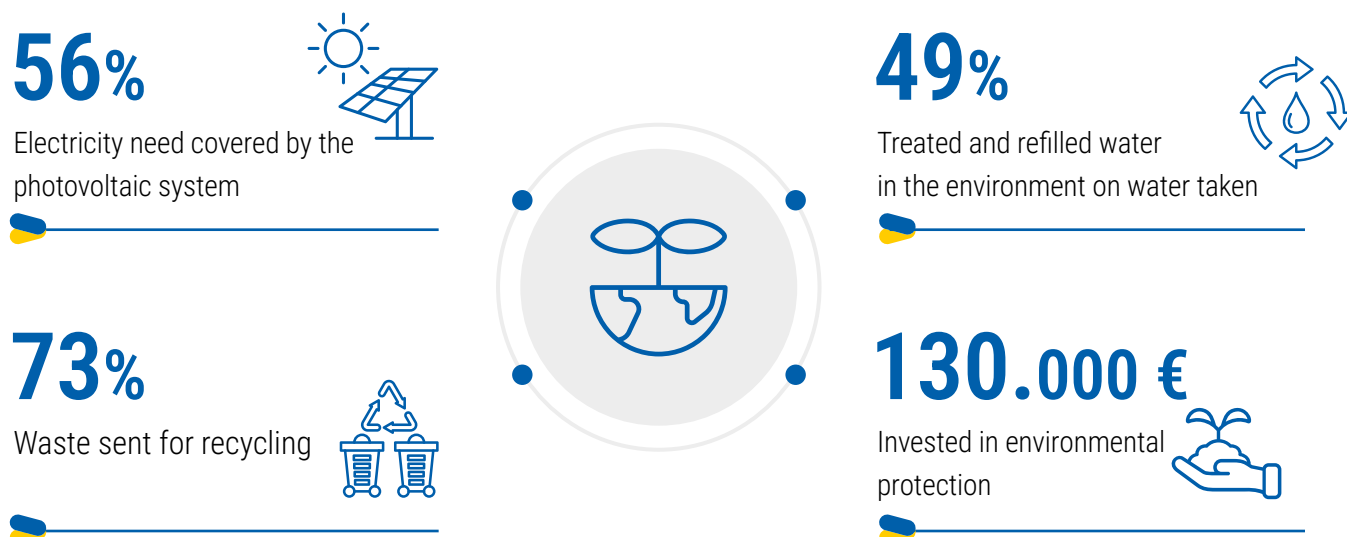
8

Palazzoli for the environment

Palazzoli for the environment

Palazzoli is committed to ensuring respect and protection of the environment, in accordance with its UNI ENISO 14001 certified environmental management system. The company aims to ensure compliance with environmental laws and regulations and to adopt the most sustainable choices possible on all issues related to environmental management. In 2022, Palazzoli began monitoring greenhouse gas emissions from its corporate perimeter, including direct and indirect emissions from imported energy. In addition, targeted interventions for resource efficiency have been introduced and a sustainability project has been launched to improve environmental performance in the short-, medium- and long-term.

ENVIRONMENTAL HIGHLIGHT

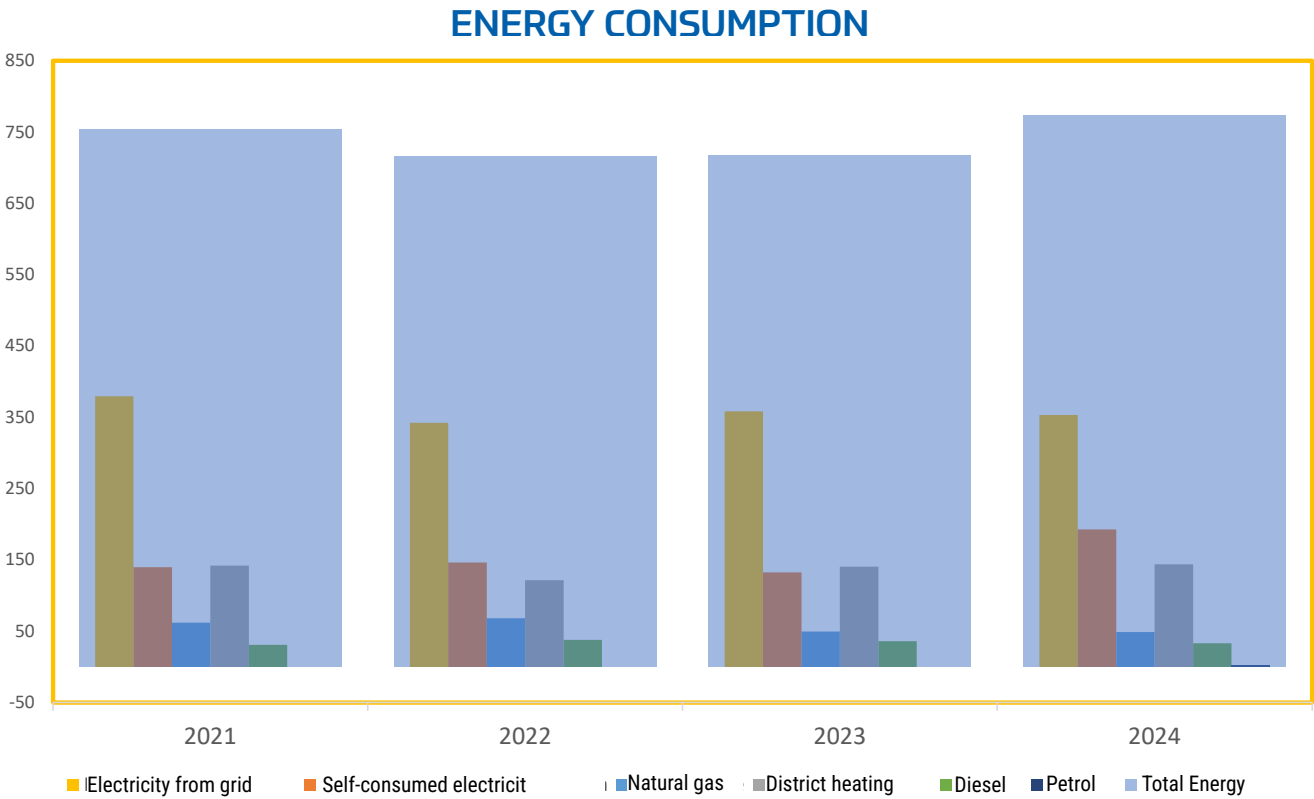


Energy and energy efficiency



The energy required for the activities of Palazzoli is supplied by different energy carriers: first of all, by electricity, whose needs are covered, 26% of the energy used is solar, followed by thermal energy for district heating, natural gas and diesel.

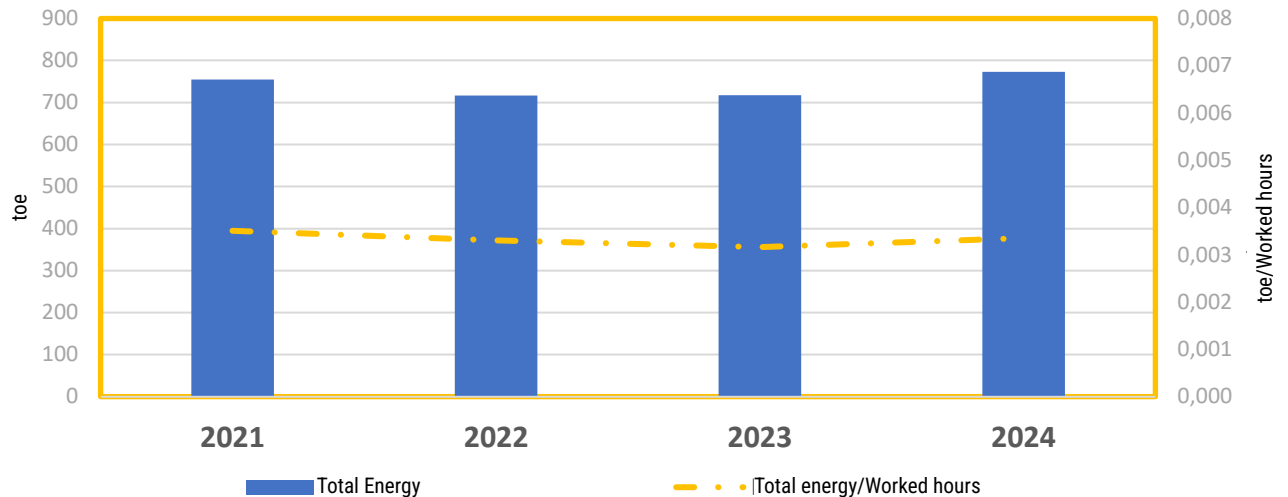
As shown in the graph below, the different quantities have been converted into toe (tonnes of oil equivalent) so that they can be compared.



According to the graph above, overall energy consumption in 2024 is in line with 2023, showing a 7% increase, along with a rise in the use of green energy. Electricity—sourced both from the national grid and self-generated—remains the dominant component of total energy consumption in both years (71%). Of this, approximately 34% is generated by the photovoltaic system. Thermal energy used for space heating accounts for 19% of total consumption and is supplied by the city’s district heating system, which is powered by a waste-to-energy plant.

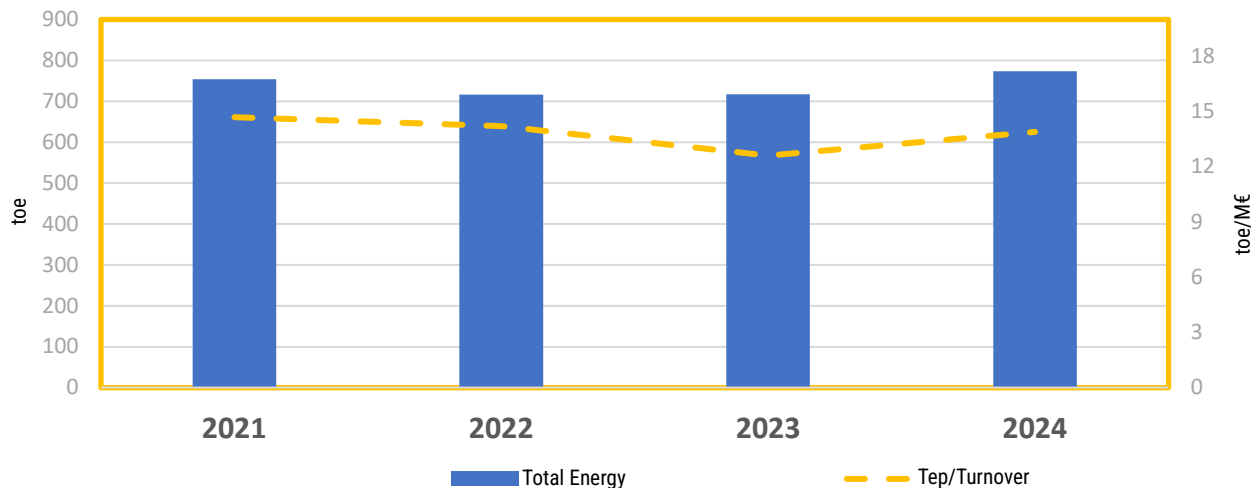
Natural gas consumption—used exclusively in the painting process—decreased significantly in 2023 compared to 2022, with a reduction of 28%, and in 2024 represents 6% of total consumption. This reduction is the result of a process change aimed specifically at lowering energy use and related atmospheric emissions. Diesel consumption also decreased by 4.5% compared to 2023.

TOTAL AND SPECIFIC CONSUMPTION (IN RELATION TO HOURS WORKED)



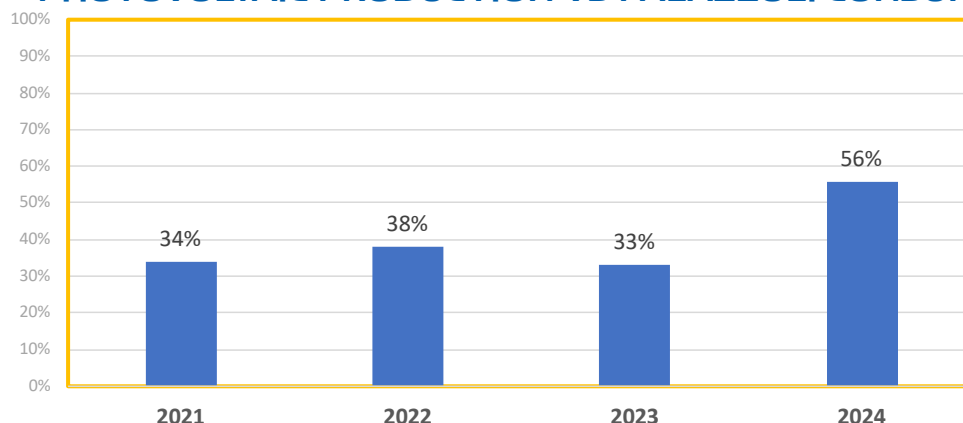
In contrast, when comparing energy consumption with revenue, the trend shows a slight decrease, with a 5% reduction compared to 2022.

TOTAL AND SPECIFIC CONSUMPTION (IN RELATION TO TURNOVER)



Towards the end of 2023, with activation in the first quarter of 2024, efforts were made to expand the photovoltaic system to increase the share of self-consumed renewable energy. This photovoltaic system has a nominal power of approximately 825 kWp. In addition, an initiative was launched to replace manual meters with digital meters to further improve energy consumption monitoring. The expansion of the photovoltaic system now covers 56% of the total energy demand.

PHOTOVOLTAIC PRODUCTION VS PALAZZOLI CONSUMPTION



Environmental impact and reduction of emissions



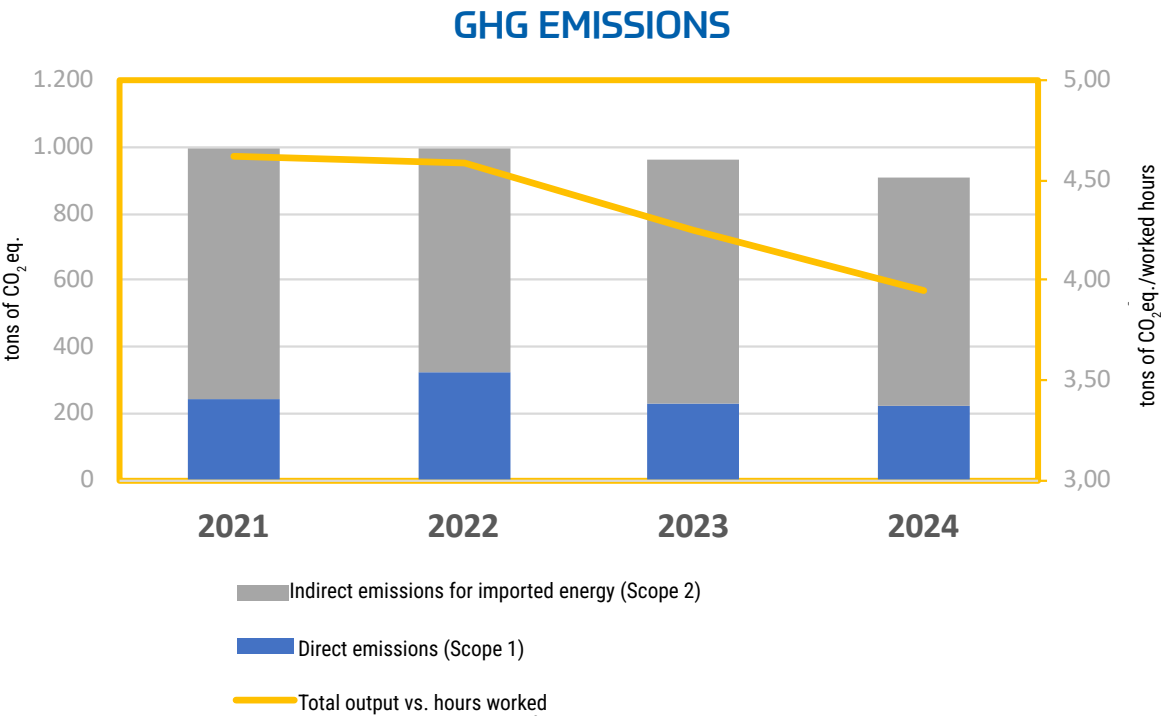
Palazzoli demonstrates its priority focus on monitoring greenhouse gas (GHG) emissions through the initiatives included in its corporate sustainability strategy. In 2023, Palazzoli completed a study of the Organization's Carbon Footprint, analysing the greenhouse gas emissions generated by its activities and related to them according to UNI EN ISO 140641:2018, with reference to the year 2022. This analysis showed that the total GHG emissions of the organisation amount to 7,374.1 tonnes of CO₂ equivalent (tCO₂eq). Emissions were listed in a GHG inventory divided into six categories. The first category includes direct emissions, mainly from fuels used in company cars and from natural gas consumption at the plant, the proportion of them in the total is small (4%).

The second category (8%) includes indirect emissions for imported energy, such as electricity from the grid and district heating (in the location-based scenario). Indirect emissions from transport are the third category (11%), influenced by incoming and outgoing goods movements, employee travel and work trips.

Category four (77% of the total) includes indirect emissions for products used, such as upstream production of materials for the production process and their disposal downstream, including waste.

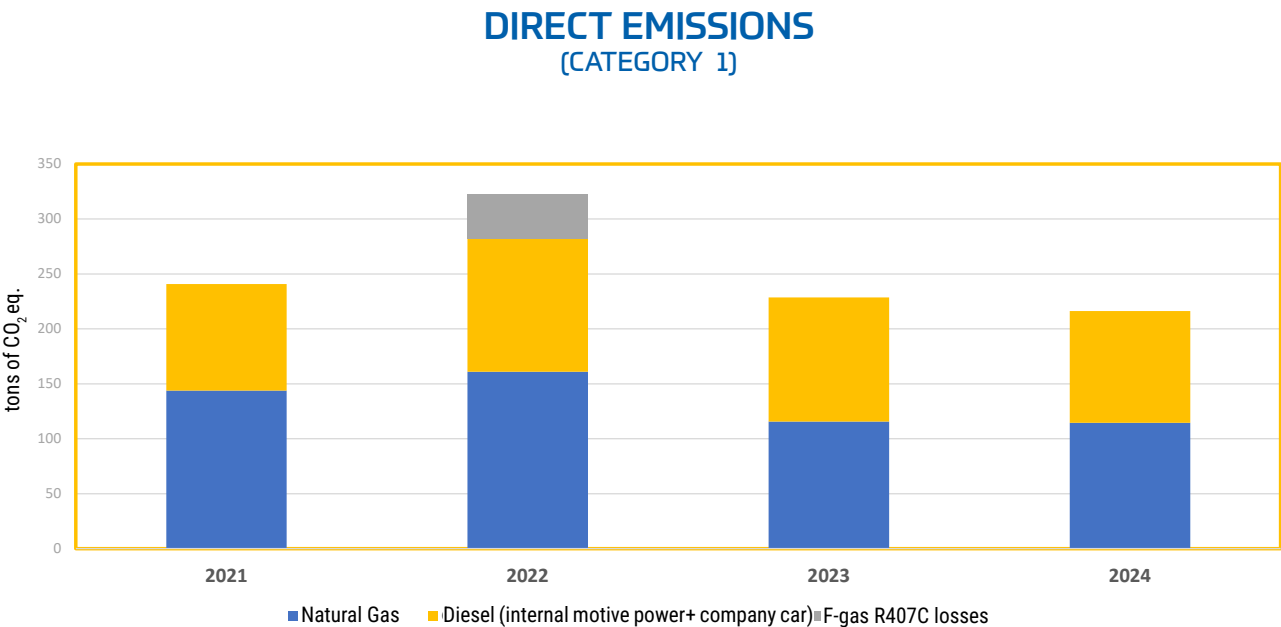
To compare data from 2021 to the present, Palazzoli focuses on calculating GHG emissions in Scope 1 (direct emissions) and Scope 2 (indirect emissions from imported energy).





From the analysis of the presented graph, a substantial reduction in greenhouse gas (GHG) emissions is observed in 2024 as well—both in absolute terms (-7%) and relative to hours worked (-7%).

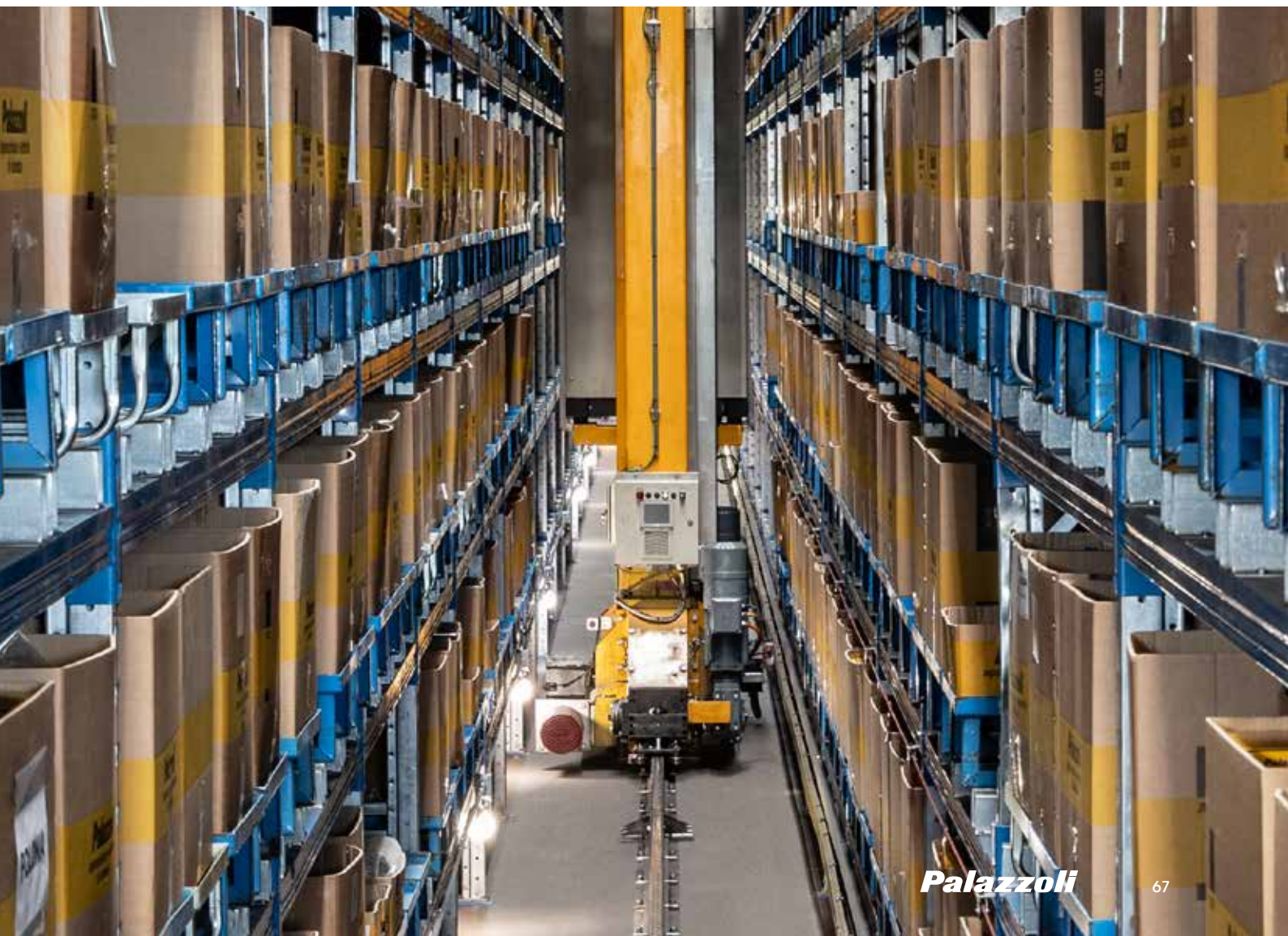
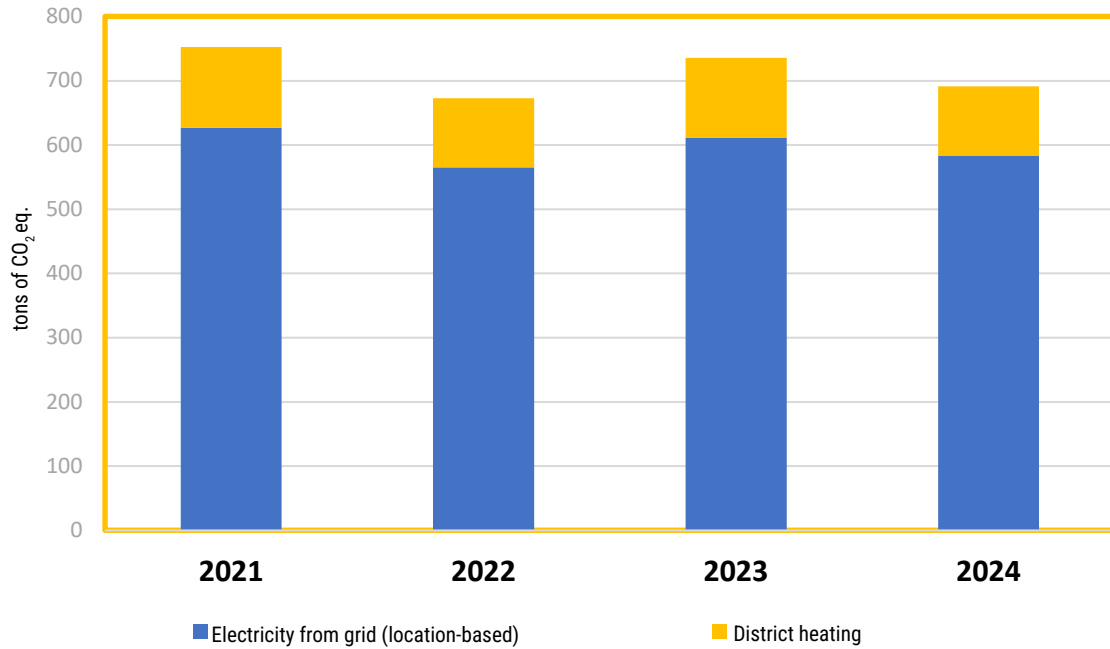
With regard to direct emissions, an improvement of 5.2% compared to the previous year is recorded.



For category 2, data on electricity from the national grid and thermal energy for district heating have been taken into account. To calculate the indirect emissions associated with electricity from the national grid, the “location-based” the scenario was used.

The value of the emission factor was obtained from the report "Efficiency and decarbonization indicators in Italy and in the biggest European Countries. Edition 2024" published by ISPRA.

INDIRECT EMISSIONS FOR IMPORTED ENERGY

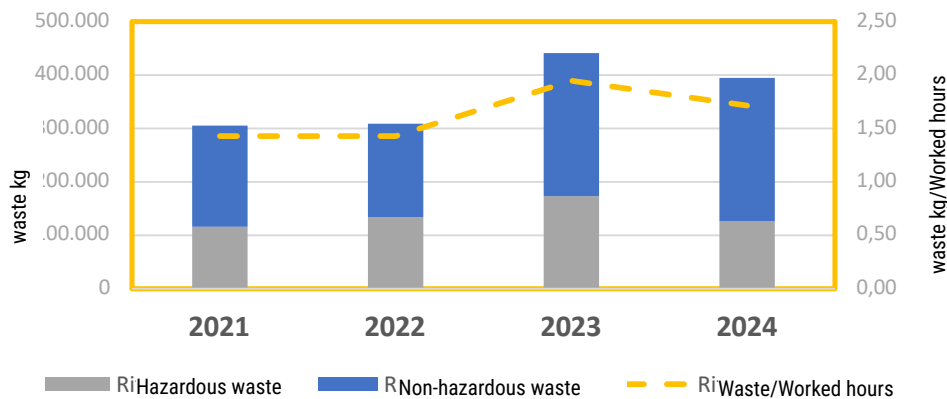


Responsible management of waste

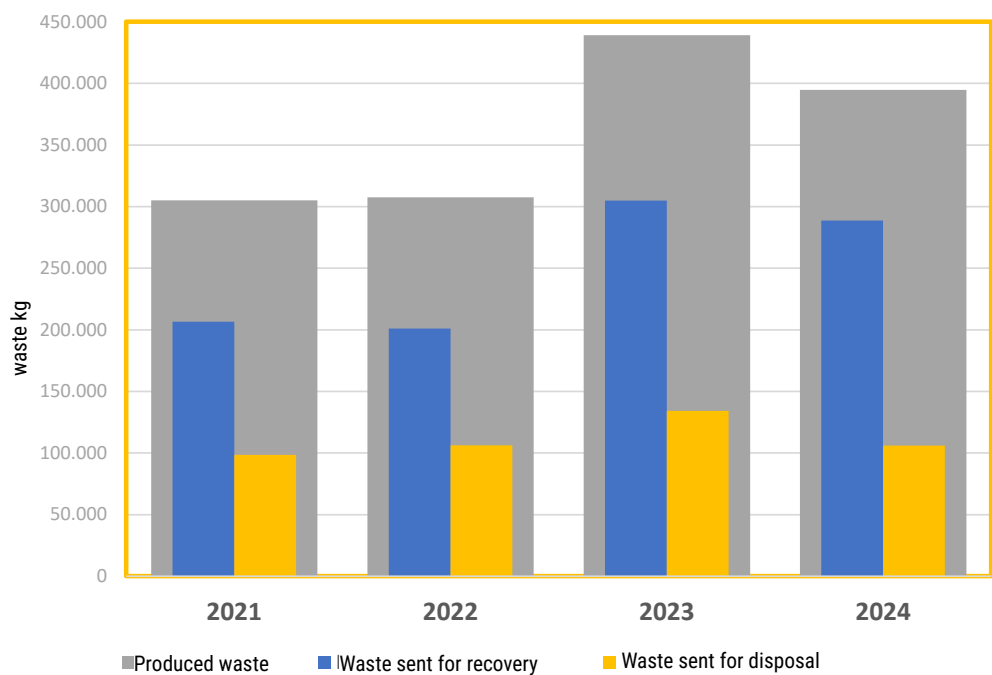


In 2024, 73% of the waste produced by Palazzoli was recycled. The total amount of waste decreased (395,739 kg in 2024 compared to 441,134 kg in 2023).

TRENDS IN WASTE PRODUCTION



TOTAL WASTE PRODUCTION



It is worth noting that projects are being studied to reduce the waste produced and, in addition, initiatives are being taken to internally exploit production waste.

Materials and initiatives of circular economy



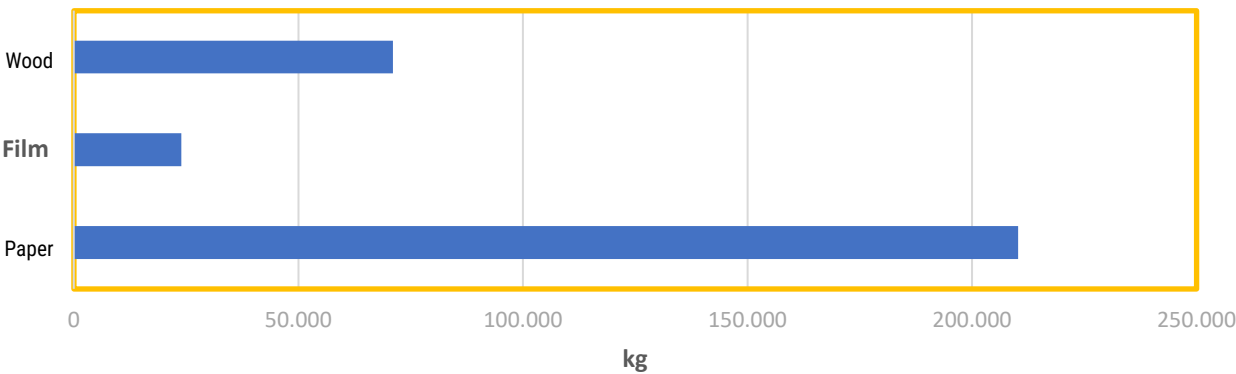
The manufacturing processes at Palazzoli involve the use of different types of parts and materials. To make the complex production process more understandable, the main macro-categories of materials used for the manufacture of the finished product are presented below:

- Thermoplastic materials, composed of master and plastic raw materials
- Metal, mainly aluminium, raw materials and ingots
- Heat-resistant raw materials
- Electrical wires in a skein, the material of which is copper
- Seals and sealing rings, mainly of rubber

- Drawing for lathes, mainly of iron and brass
- Sheets, strips and plates, mainly of iron, with other materials added in marginal quantities such as brass and copper

Among these materials, the main components in 2024 were plastic raw materials (404,110 kg), thermosetting raw materials (93,719 kg), aluminum billets (188,492 kg), and rubber (168,480 kg). Palazzoli estimates that 5% of the raw materials used come from recovered or reused materials.

OUTGOING PACKAGES



Palazzoli closely monitors the quantities of its outgoing packages, as shown in the previous chart. In 2024, over 50% of the packaging used for the finished product consisted of paper and cardboard packaging. Also significant are the quantities of wooden pallets and polyethylene film. As regards packaging, since 2023 Palazzoli has launched a study aimed at reducing plastic in packaging.

In line with the principles of the circular economy, the company has always been committed to ensuring the quality of its products, promoting extended life cycles for the entire range of products, with usage expectations that exceed the market benchmark.

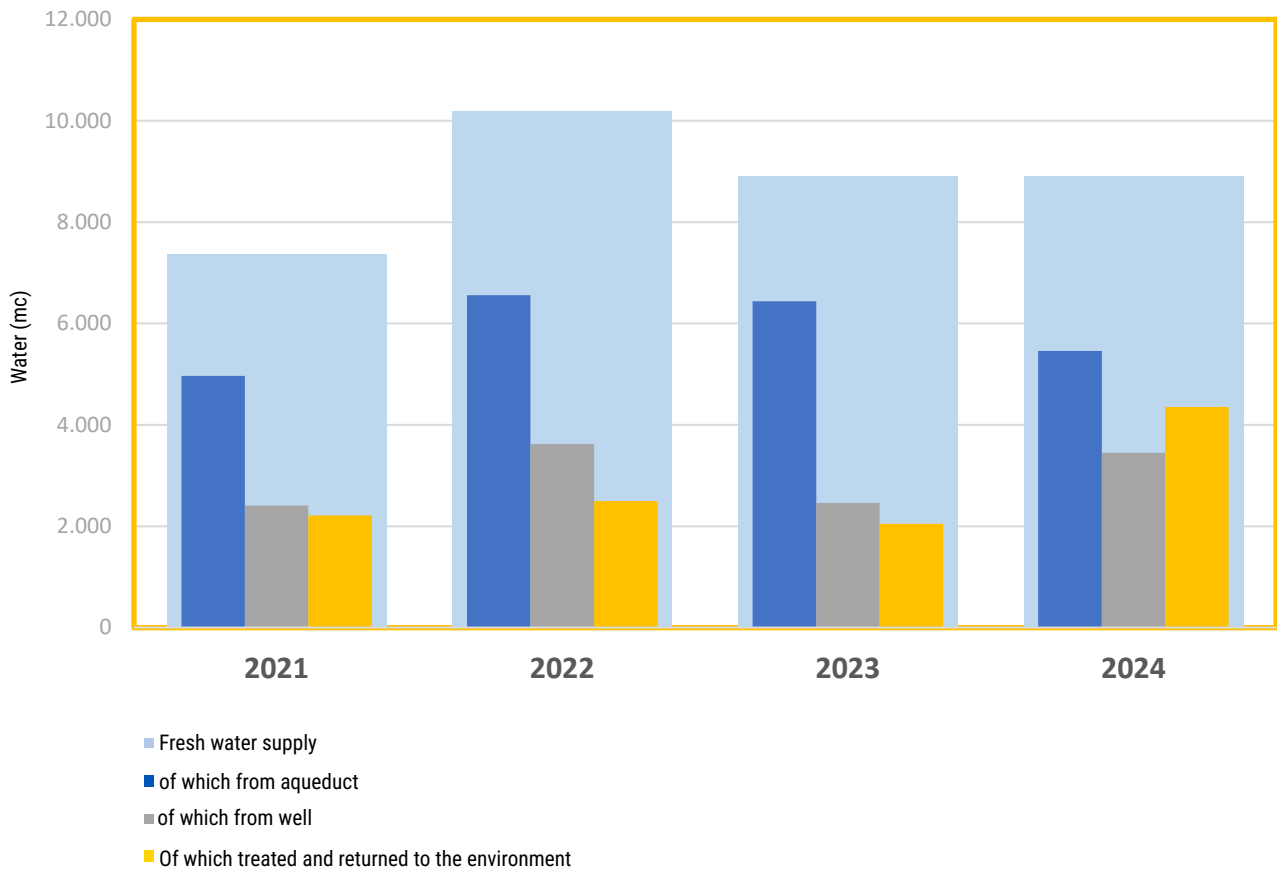


Responsible management of water resources



Palazzoli uses water both for production processes and civil purposes, mainly from the municipal water supply (around 61% vs. 72% in 2023), while the remaining portion comes from a well for industrial use. In 2024, total water consumption remained stable compared to 2023, amounting to 8,907 cubic meters. According to the data shown in the graph, approximately 50% of the freshwater used (23% in 2023) is treated and returned to the environment through a water treatment plant.

WATER COLLECTION AND TREATMENT





9

Palazzoli
for people

Palazzoli for people

Palazzoli understands that corporate sustainability goes beyond the environmental sphere and includes human capital and value creation both inside and outside the organization. It also integrates social sustainability aspects into its strategy, making them an essential part of the business.

As emphasized in the company's code of ethics, people are at the centre of the organization. Palazzoli is committed to developing the skills of each employee, offering an environment conducive to the exploitation of creativity and skills of each employee.

Palazzoli supports the principle of meritocracy and ensures equal opportunities for professional growth to all staff. It promotes an environment in which everyone receives fair treatment, free from discrimination.

In addition, Palazzoli attaches great importance to the creation of value in the community and to the promotion of initiatives with a high social impact. The company is rooted in the local territory and is constantly engaged in projects that contribute to the progress and development of the local community.

SOCIAL HIGHLIGHT

98%

Employees hired indefinitely



100%

Staff (employees and temporary staff) with access to welfare



41

Training hours/year per employee



0

Serious accidents in 2024



0

Discrimination reports



Development and well-being of employees



GOOD HEALTH
AND WELL-BEING



DECENT WORK AND
ECONOMIC GROWTH



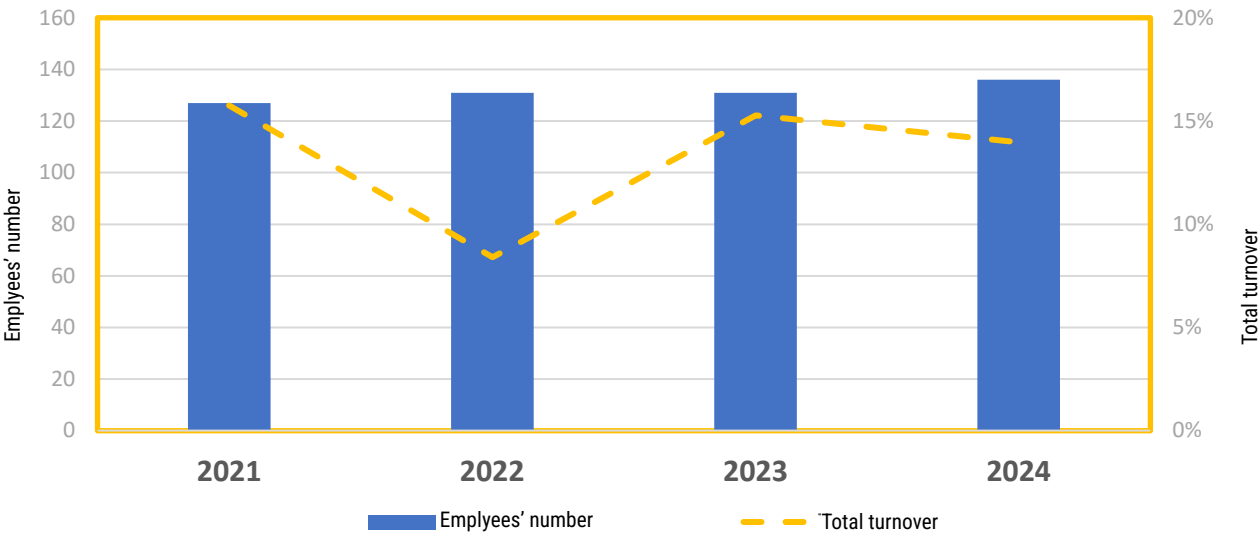
REDUCED
INEQUALITIES

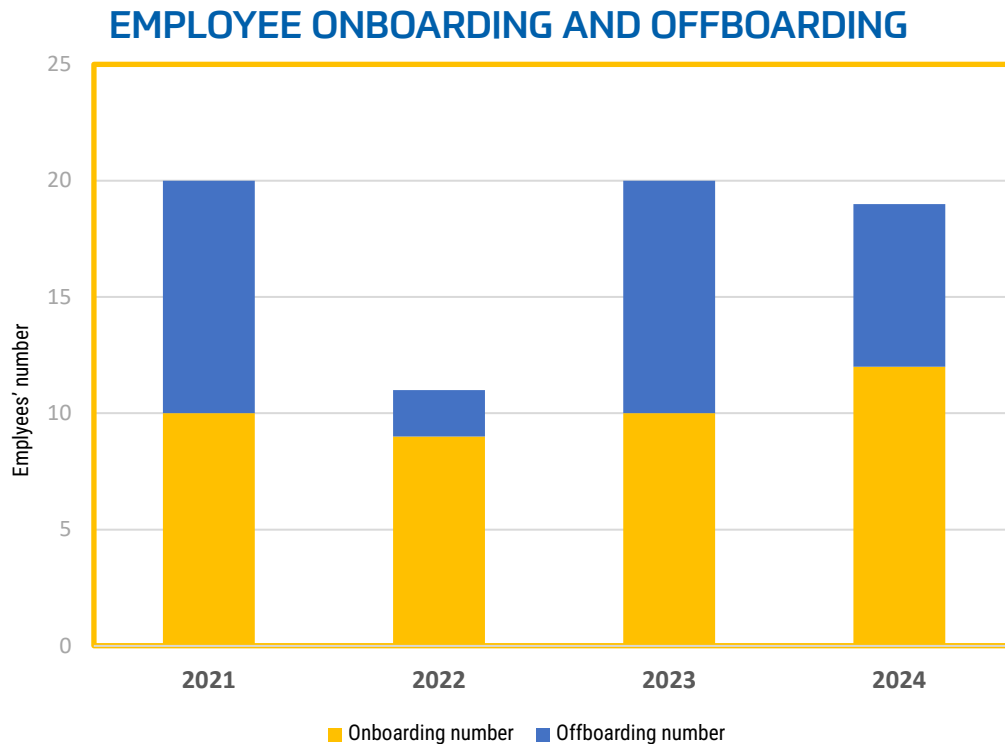
Human capital is an essential asset for Palazzoli, which is firmly committed to valuing its people and supporting their continuous development—both professionally and personally.

As of December 31, 2024, Palazzoli employed a total of 136 people. During 2024, 12 new employees were hired. The overall staff turnover rate—calculated as the ratio of new hires and departures over the total workforce at the end of the same period—stood at 13.9%, down from 15.2% in 2023.

Notably, 98% of the workforce held permanent contracts in 2024, corresponding to 134 employees, compared to 128 in 2023.

EMPLOYEES AND TURNOVER OF STAFF





Palazzoli is committed to the well-being of its employees.

To this end, the organization grants 8 hours of paid leave each year for personal medical appointments. Additionally, the company offers all employees access to corporate welfare services. In 2024, €238,000 were allocated to corporate welfare, representing a 34% increase compared to 2023 and a threefold increase compared to 2021. On top of this, additional benefits were provided with an estimated value of €58,000.

FOCUS - system of suggestions

To improve the involvement of the resources, especially operational resources, a suggestion system was introduced within the company portal.

The resources have the possibility of proposing solutions and reporting problems in various areas, such as the production process, work and labour, health and safety, and environmental protection.

Each suggestion is evaluated by a committee of experts. If the suggestion receives a positive assessment, it is implemented and the team or resource that promoted the proposal is recognised. If not, the committee shall provide detailed feedback and justify its decision not to implement the suggestion.

Since the Suggestion System was introduced in 2023, 47 employees have been rewarded, with a total of approximately €20,000 granted in various forms of recognition.

Training and professional development of employees



Palazzoli is committed to promoting the continuous development of each employee's skills and competencies, with the aim of constantly improving professionalism and the quality of work performed. In 2024, the company delivered over 5,000 hours of training, highlighting the central importance that training holds within Palazzoli. In 2024, the average number of training hours per employee was 41.4%, a figure significantly higher than the national average.



Palazzoli attaches great importance to the professional development of its employees. Also in 2024, the company continued to use the MbO (Management by Objectives) approach to assess the performance and professional development path of approximately 33% of its workforce. This methodology aims to improve efficiency in achieving business objectives and provide the resources involved with an effective tool for their professional growth.



FOCUS – MIP (Manufacturing Improvement Plan)

The MIP is a methodology specifically developed for our company, launched in 2022 with the goal of structurally improving the performance of the production system through an integrated and engaging approach.

The main areas of intervention have included:

- Quantification of costs arising from waste and losses, with the definition of a structured plan for reduce them.
- Improvement of operational processes.
- Increased speed of response to customer needs.
- Active involvement of resources at all levels of the company.
- Upgrading skills at all levels.

This programme operates in all areas of the company's organisation, including production sectors (capital intensive and labour intensive), logistics, quality, personnel management, product development and maintenance. For each of these areas, medium-long term and short-term plans are defined, monitored through periodic internal assessments and Key Performance Indicators (KPIs) and Key Activity Indicators (KAI) are always available.

To achieve the objectives set, dedicated standard tools were developed, initially tested on pilot areas involving a selected group of resources, who then transferred their skills to other areas of the company. This process has facilitated the dissemination of knowledge within the company.

In addition, a specific pillar for Energy and the Environment has been integrated, whose objective is to ensure sustainable business development, harmonizing production needs with respect for the environment. The vision of this team focuses on improving the environmental management system to minimize impacts on the environment.

The MIP project officially concluded in 2024 with the achievement of its set goal: the awarding of the Bronze Medal, an important recognition of the improvement journey undertaken by the entire company.

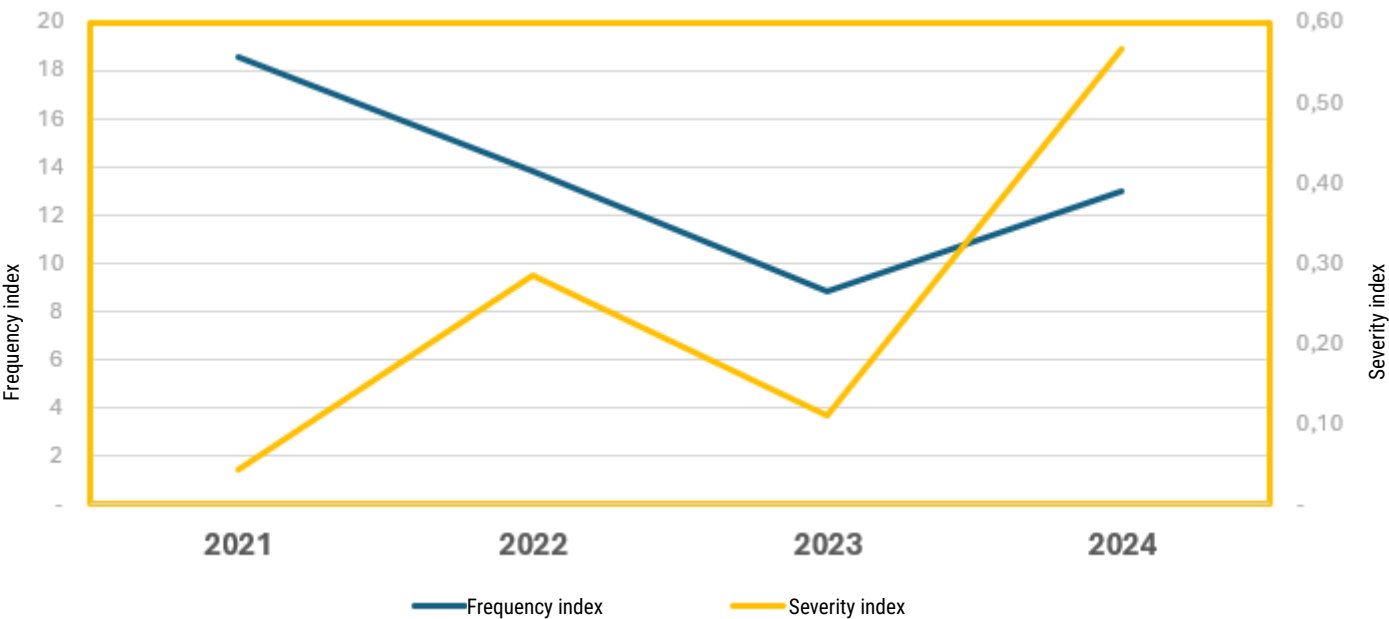
Health and safety protection for workers

The safety and health of all those directly and indirectly involved in work activities are a fundamental pillar for Palazzoli.

The company confirms its highest priority for health and safety, managing all its business activities through management systems certified according to UNI ISO 45001 "Management systems for health and safety at work".

This commitment translates into compliance with the highest standards, in compliance with the current legislation and the continuous implementation of training activities on health and safety, going beyond the legal requirements to ensure a safe and healthy working environment. In 2024, there were 3 recorded workplace injuries (compared to 2 in 2023, 3 in 2022, and 4 in 2021). Toward the end of 2024, a project was launched to inspect and check all equipment within the facility.

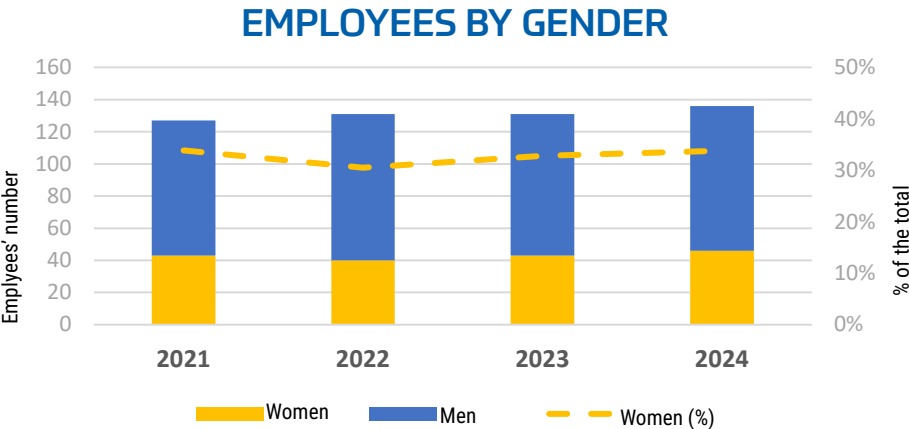
FREQUENCY AND SEVERITY INDEX



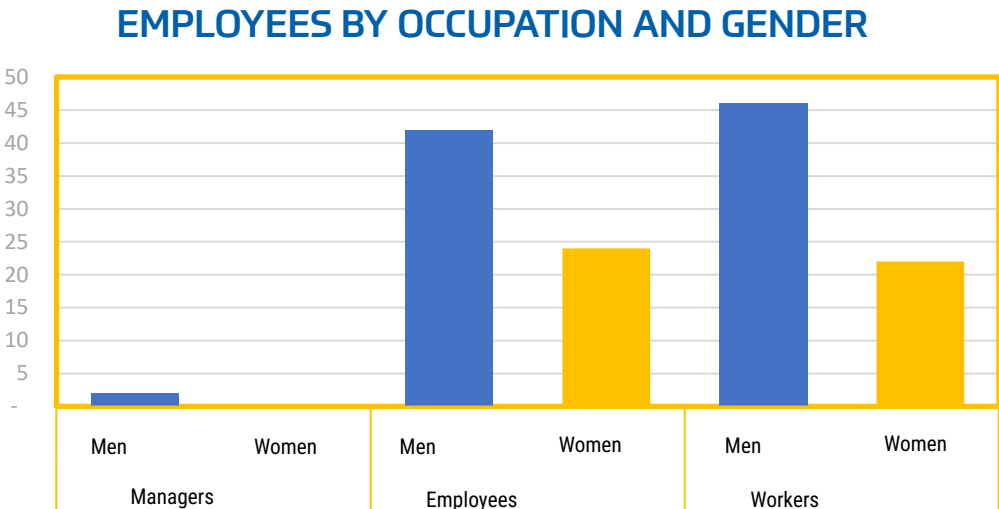
Diversity, inclusion and promotion of equal opportunities



The presence of female employees in the company is lower than that of male employees, with women accounting for approximately 34% of the workforce, showing growth compared to the previous year, as highlighted in the following graph. This is a positive indicator as it exceeds the benchmark for metalworking companies, of which Palazzoli is a part. According to a FIM CISL study published in August 2023, the percentage of women in these companies is around 21%.

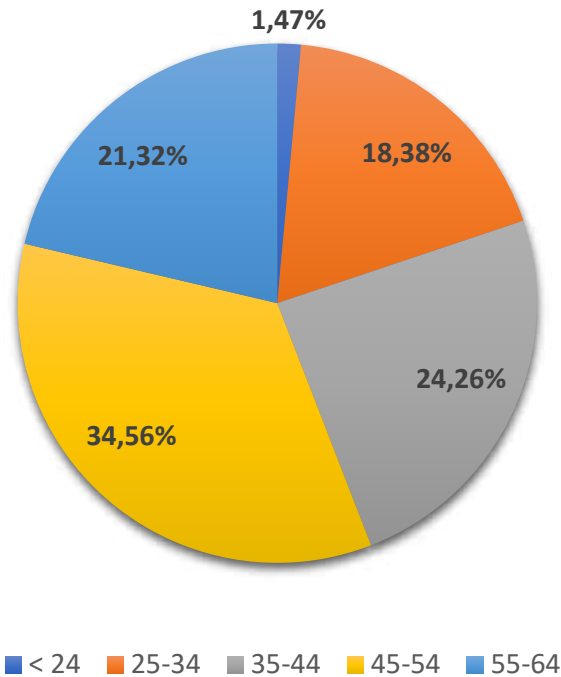


During 2024, the distribution of personnel by job role showed that 50% of employees (68 people) held worker positions, 48.5% (66 people) were employees, and the remaining 1.5% (2 people) occupied managerial roles. These figures remained substantially in line with those recorded in the previous year.



In terms of the distribution of the workforce by age group, the majority of employees at the end of 2024 (59%) will be between 35 and 55 years old; those under 35 will represent 20%. The over-55s will represent 21% of the workforce.

EMPLOYEES BY AGE GROUP



In 2024, Palazzoli welcomed six students for a period of school-work alternation and offered an extra-curricular internship to a candidate who was subsequently hired.

The company is firmly committed, as required by its code of ethics, to promoting an inclusive working environment based on collaboration and mutual respect for fundamental values, without tolerating any form of discrimination.

In accordance with the Organization, Management

and Control Model (MOG 231), which will be described below, Palazzoli has an internal channel for reporting discriminatory behaviour.

During 2024, as in previous years, no such notification was received. Furthermore, Palazzoli is committed to using an inclusive language in the drafting of its job postings and marketing campaigns, both externally and internally, in order to attract talent without any distinction.

Value creation in the community



Palazzoli identifies with the territory where it operates and develops its activities. Having as its objective the development of the local community, in fact, Palazzoli gives annually in the form of donations and gifts sums of money destined to social initiatives.

In 2024, donations worth €47,000 were made to the following entities:

- Foundation of the Community of Brescia, with particular reference to the Maria Rosa Moretti Fund
- AIRC - Foundation for Cancer Research
- Castelli Foundation
- Parish of San Bartolomeo (BS)

MARIA ROSA MORETTI FUND

The Fund established by the will of Eng. Luigi Moretti, in memory of his sister Maria Rosa Moretti, is aimed at supporting charitable, social and cultural initiatives, with a special focus on those actions aimed at young people in all their physical, intellectual and moral needs.

The Fund shows a particular support in Favor of the Clinical Pedagogical and Biomedical Research Laboratory, Ambra Onlus, operating at the San Rocchino Children's Hospital.



CONFINDUSTRIA BRESCIA

The spirit of association has always characterised our company policy and in fact we have been a member of Confindustria for over a century.



AIRC - AIRC Foundation for Cancer Research

Since 1965 the AIRC foundation has been continuously supporting, through fundraising, the progress of cancer research and disseminating accurate information on the results obtained, on prevention and on therapeutic perspectives.

Since January 2020, the company has launched the project "DIAMO LUCE ALLA RICERCA" ("LET'S GIVE LIGHT TO RESEARCH") in support of the AIRC Foundation for cancer research. Thanks to this project, the products of the lighting line contribute to support the breast cancer research project of Giampaolo Bianchini, responsible for breast cancer pathology at the San Raffaele Hospital and AIRC researcher at the Fondazione Centro San Raffaele in Milan. In 2024, at the end of the project, Palazzoli continued to support AIRC research in a generic form with total contributions of €17,500.



CASTELLI FOUNDATION

The foundation aims to:

- Initiate projects aimed at the efficiency and enhancement of technical equipment in technical institutes.
 - Promote and manage initiatives aimed at engaging teachers and students, with the aim of improving the effectiveness of teaching, and adding value to learning.
 - Demonstrate the importance of training, to stimulate commitment and enhance excellence among students.
 - Involve companies in an increasingly close and ongoing collaboration with the world of schools.
 - Facilitate the integration of new graduates into the world of work, encouraging the activation of internships and training experiences.
-

Palazzoli in Arte

The Palazzoli in Arte project was launched in 2023 as a cultural initiative aimed at promoting dialogue between contemporary art and industry, enhancing the creativity of new generations and strengthening the connection with the local territory.

At the start of the 2023 academic year, Palazzoli decided to initiate a collaboration with the Santa Giulia Academy of Fine Arts in Brescia. The goal was to engage students in an art contest reflecting on the theme “From 1904 to 2024 – Everything Flows.”

This theme invited participants to explore the concept of time as an unstoppable force that shapes history, encouraging deep reflection on continuity and change.

The contest involved students from the two-year program in Contemporary Visual Arts and the three-year program in New Art Technologies. The jury, composed of industry experts and company representatives, evaluated the works based on originality, thematic coherence, and technical feasibility.


The winning project, titled “Time Is Not,” was created by Emma Castellani, a second-year student in the two-year Contemporary Visual Arts program. The artwork consists of six stainless steel mirrored totems that reflect on the relationship between humans and time, inviting viewers to a personal and immediate reflection.

troppo rapido
per coloro che temono





On December 13, 2024, on the occasion of the company's 120th anniversary celebration, the winning artwork was officially inaugurated at Palazzoli's headquarters in Brescia. During the event, President Luigi Moretti emphasized the importance of initiatives like this, which strengthen the bond between the company and the local community while promoting contemporary culture and art.

The Palazzoli in Arte project pursued several strategic objectives:

 Enhancement of youthful creativity: offering students a concrete opportunity to express their art and see their work displayed in a professional setting.

 Promotion of dialogue between art and industry: creating a meeting point between academia and industry, encouraging cultural and professional exchanges.

 Strengthening corporate identity: associating Palazzoli's image with values of innovation, culture, and social commitment.

 Enrichment of the company's cultural heritage: integrating a contemporary artwork within the company's premises, enriching the work environment and offering visitors an aesthetic and reflective experience.

The success of the first edition of the contest led Palazzoli to confirm the collaboration with the Santa Giulia Academy of Fine Arts for the 2024-2025 academic year.

The theme chosen for the new academic year is "Electrical Systems and Signature Lights," aiming to encourage students to consider the transformative power of light and electrical systems in our work, guiding us toward a more conscious and responsible future.







10 Global Reporting Index (GRI) Content Index

Global Reporting Index (GRI)

Content Index

For each individual material topic identified, the correlation with the main international reference standards for sustainability reporting, the GRI is presented below (Global Reporting Index).

There are no GRI industry standards relevant to the business of Palazzoli.

Declaration of use	Palazzoli S.p.A. has submitted a report “with reference to” regarding the GRI Standards for the period 01/01/2022 - 31/12/2022.
Used GRI 1	GRI 1 - Fundamental Principles - 2021 version

GRI 2 GENERAL INFORMATION 2021		
GRI Standard	Disclosure	Reference paragraph
THE ORGANISATION AND ITS REPORTING PRACTICES		
	2-1 Organisational details	Methodological note
	2-2 Entities included in the organisation's sustainability report	Methodological note
	2-3 Reporting period, frequency and contact	Methodological note
ACTIVITIES AND WORKERS		
	2-7 Employees	Development and well-being of employees
	2-8 Non-employee workers	Development and well-being of employees
GOVERNANCE		
	2-9 Structure of governance	Company organization and guidelines for governance
	2-10 Appointment and selection of the highest governing body	Company organization and guidelines for governance
	2-11 President of the highest governing body	Letter to stakeholders

	2-12 Role of the highest governing body in monitoring impact management	Company organization and guidelines for governance
	2-13 Delegation of responsibility for managing impacts	Company organization and guidelines for governance
	2-14 Role of the highest governing body in sustainability reporting	Company organization and guidelines for governance
	2-17 Collective knowledge of the highest level of government	Company organization and guidelines for governance
	2-18 Assessment of the performance of the highest governing body	Company organization and guidelines for governance
STRATEGIES, POLICIES AND PRACTICES		
	2-25 Processes to remedy adverse impacts	Potential negative impacts
	2-27 Compliance with laws and regulations	Strategic direction
INVOLVEMENT OF STAKEHOLDERS		
	2-29 Approach to stakeholders' engagement	Our priority: the material topics
GRI 3 - Material topics - 2021 version	3-1 Process for determining material topics	Our priority: the material topics
	3-2 List of material topics	Our priority: the material topics
	3-3 Management of material topics	Our priority: the material topics

INFORMATIVE	REFERENCE PARAGRAPH
Standard topic - economic scope	
201-1 Directly generated and distributed economic value	Economic and financial value creation
203-1 Infrastructure investments and services financed	Energy and energy efficiency
204-1 Proportion of expenditure towards local suppliers	Responsible management of the supply chain
Standard topic - environmental scope	
301-1 Materials used by weight or volume	Materials and initiatives of circular economy
301-3 Recycled or regenerated products and their packaging material	Materials and initiatives of circular economy
302-1 Energy consumed within the organisation	Energy and energy efficiency
302-3 Energy intensity	Energy and energy efficiency
302-4 Reduction of energy consumption	Energy and energy efficiency
303-3 Water sampling	Responsible management of water resources
303-4 Water discharges	Responsible management of water resources
303-5 Water consumption	Responsible management of water resources
305-1 Direct GHG emissions (Scope 1)	Environmental impact and emission reduction
305-2 Indirect GHG emissions from energy consumption (Scope 2)	Environmental impact and emission reduction
305-3 Other indirect greenhouse gas (GHG) emissions (Scope 3)	Environmental impact and emission reduction
305-4 Intensity of GHG emissions	Environmental impact and emission reduction
305-5 Reduction of GHG emissions	Environmental impact and emission reduction
306-1 Waste generation and significant waste-related impacts	Responsible waste management

306-2 Management of significant impacts related to waste	Responsible waste management
306-3 Waste produced	Responsible waste management
306-4 Waste not intended for disposal	Responsible waste management
306-5 Waste destined for disposal	Responsible waste management
307-1 Non-compliance with environmental laws and regulations	Our priority: material topics
Standard topic - social scope	
401-1 New hires and turnover	Development and well-being of employees
401-2 Benefits for full-time employees but not for part-time or fixed-term employees	Development and well-being of employees
403-1 Occupational health and safety management system	Health and safety protection for workers
403-2 Hazard identification, risk assessment and accident investigation	Health and safety protection for workers
403-5 Training of workers in occupational health and safety	Health and safety protection for workers
403-6 Promotion of workers' health	Health and safety protection for workers
403-9 Occupational accidents	Health and safety protection for workers
404-1 Average annual training hours per employee	Training and professional development of employees
405-1 Diversity in governing bodies and among employees	Diversity, inclusion and promotion of equal opportunities Company organization and guidelines for governance
406-1 Discrimination incidents and corrective measures taken	Strategic direction
413-1 Operations with local community involvement, impact assessments and development programmes	Value creation in the community
413-2 Operations with significant actual and potential impacts on local communities	Value creation in the community

Sustainability Report 2024





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