

SUSTAINABILITY  
REPORT  
2025

ELECTRICAL SYSTEMS

LIGHTING

**Paalazzo**

***Palazzoli***  
SISTEMI ELETTRICI E LUCE D'AUTORE

*Always a step ahead*

*Let's be inspired*

# Indice

<b>Letter by the President</b>	<b>8</b>
<b>1 About us</b>	<b>11</b>
<b>2 Palazzoli from its origins to today</b>	<b>17</b>
<b>3 Financial statements</b>	<b>21</b>
<b>4 Values and principles</b>	<b>25</b>
<b>5 Corporate Sustainability Strategy</b>	<b>29</b>
The UN 2030 Agenda and the Goals for Sustainable Development	<b>32</b>
<b>6 Materiality analysis and the impacts generated</b>	<b>35</b>
Our priorities: key issues	<b>36</b>
Impacts generated by Palazzoli	<b>38</b>
Actual impacts	<b>39</b>
Potential impacts generated	<b>41</b>
<b>7 Corporate strategy</b>	<b>49</b>
Corporate organisation and governance guidelines	<b>51</b>
Strategic direction	<b>52</b>
Organisational, Management and Control Model	<b>52</b>
Code of Ethics	<b>53</b>
Management system	<b>54</b>
Research & Development and technological innovation	<b>55</b>
Creation of economic and financial value	<b>56</b>
Responsible management of the supply chain	<b>57</b>
Privacy and data protection	<b>58</b>
Customer satisfaction	<b>59</b>
<b>8 Palazzoli for the environment</b>	<b>61</b>
Energy and energy efficiency	<b>62</b>
Environmental impact and emissions reduction	<b>65</b>
Responsible waste management	<b>68</b>
Circular economy materials and initiatives	<b>69</b>
Responsible management of water resources	<b>71</b>
<b>9 Palazzoli for people</b>	<b>73</b>
Employee development and wellbeing	<b>75</b>
Training and professional development for employees	<b>77</b>
Protection of workers' health and safety	<b>79</b>
Diversity, inclusion and the promotion of equal opportunities	<b>80</b>
Creating value for the community	<b>82</b>
Palazzoli in Arte	<b>84</b>
<b>10 Global Reporting Index (GRI) Content Index</b>	<b>86</b>

# Letter by the President

Dear partners and colleagues at the Palazzoli Group,

Never before has the word 'crisis' been so laden with the positive aspects that evolution brings with it when describing the times we are living in.

We are reshaping our energy landscape to use our planet's resources more efficiently and cleanly. We are rethinking buildings, transport and infrastructure because we all want to live, today and tomorrow, in a more comfortable, safe and, above all, sustainable way.

We are testing new technologies and unconventional ways of working together, alongside more efficient solutions for our customers and for all those who believe in life and progress.

In other words, we at the Palazzoli Group, even with our distinct brands, are embracing the ongoing change and the improvements on the horizon.

We have reviewed our investment priorities to improve the efficiency of our operations, eliminate waste and all types of risk. And we are doing so with all our energy.

I am talking about intellectual energy, the only kind that is truly useful for exploring all the new developments we need and for selecting and implementing new techniques that can satisfy the conflicting needs of increased consumption and greater savings.

It is a complex and necessary challenge, and for these two reasons, a worthy and rewarding one.

Some positive results have also been achieved over the past year, and in the report that follows we will give an account of them, with pride in what has been done and with determination for what we still intend to achieve.

The future does not wait for us – it is there to be conceived, developed and conquered by us.

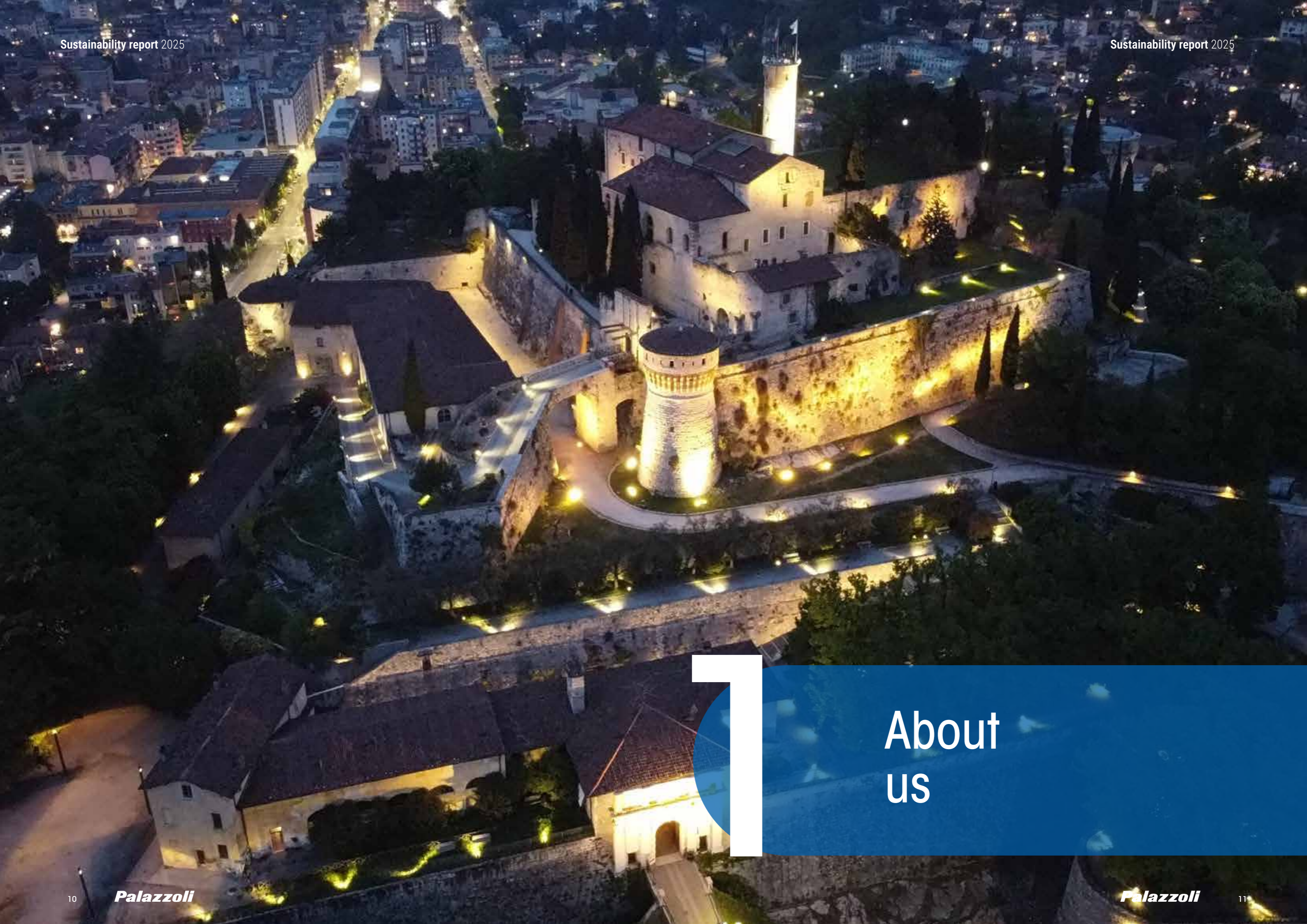
If we are asked when the right time is for this fundamental change, we have only one answer: now.

Best regards and happy reading,

Luigi Moretti  
Presidente




**ORGOGGIO  
BRESCIA**



# 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, the protection and development of its employees, and respect for the local community, Palazzoli has implemented a Quality Management System compliant with the international standard UNI EN ISO 9001:2015 and an Environmental Management System certified to the standard UNI EN ISO 14001:2015. The company also focuses on the health, safety and well-being of people, aspects supported by an Occupational Health and Safety Management System certified in accordance with the ISO 45001:2018 standard. For photometric measurements, the Palazzoli Laboratory is also accredited in accordance with the UNI CEI EN ISO/IEC 17025:2017 standard, guaranteeing the reliability and technical competence of its testing and measurement activities.



# Locations

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

**Palazzoli**  
GROUP





# 2

Palazzoli from  
its origins  
to today

# Palazzoli from its origins to today

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 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.

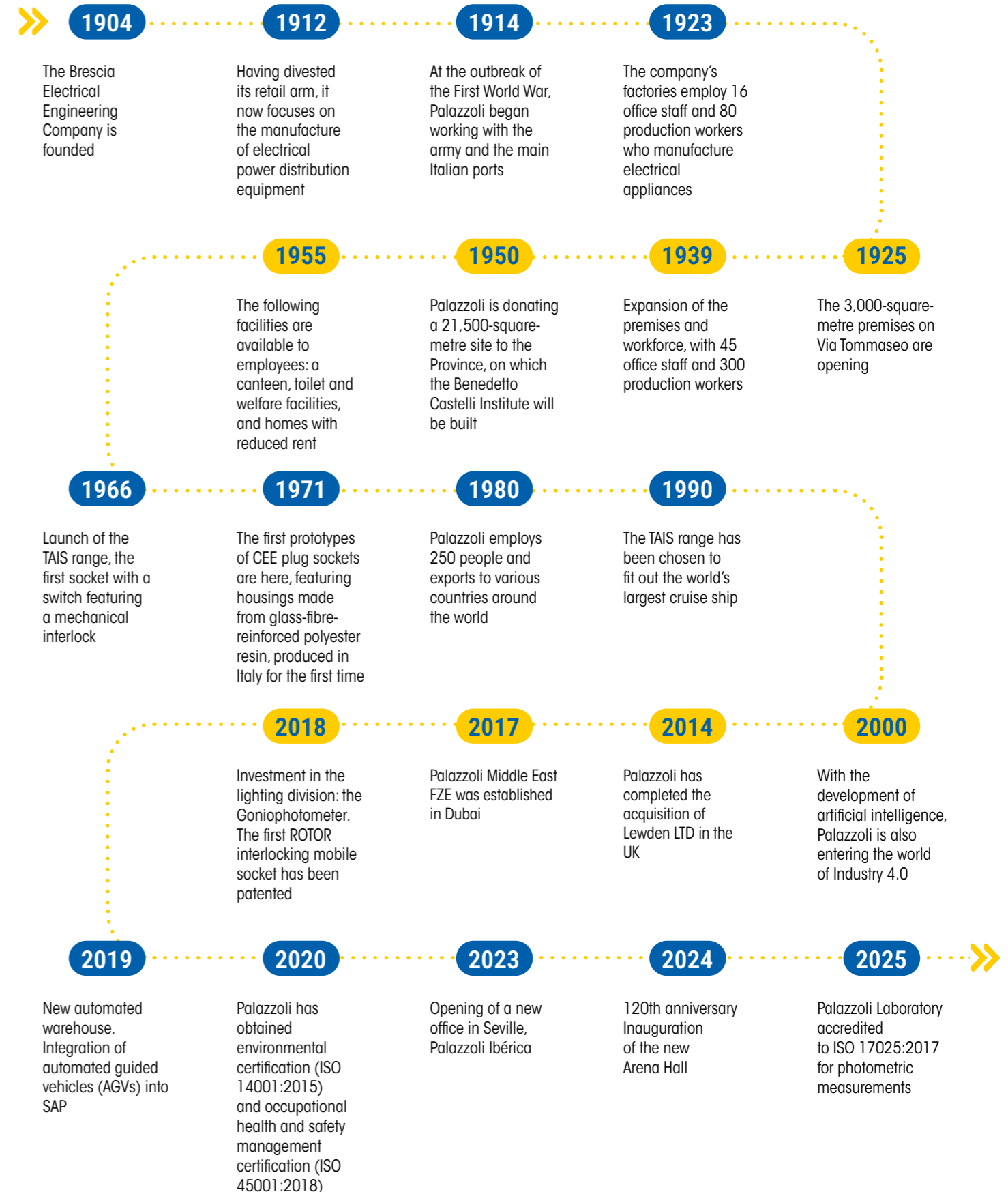
**The company is today one of the major international players in the production of electrical systems and lighting.**



Discover the history of Palazzoli



## Milestones





# 3

## Financial statements

# Financial statements



## 122

Years of experience in the manufacture of electrical systems and lighting



## 96%

Contracts of indefinite duration



## 165

Number of employees (+ 20% compared to 2024)



## 58.000.000 €

Turnover (+ 6% compared to 2024)



## 95%

Aluminium used from recycled sources



## 29

Hours of training per year per employee



## 19.000

Hours spent on Research & Development (+12% compared to 2024)



## 100%

Staff with access to welfare benefits



## + 65.000 €

For donations and sponsorship



During the manufacturing process:

- ✓ HALOGEN-FREE
- ✓ NO CARCINOGENIC COMPONENTS
- ✓ ASBESTOS-FREE
- ✓ ZERO EMISSIONS OF POLLUTING LIQUIDS



 Customer focused operations

 Smart engineering

 Top Manufacture

 Service excellence



# 4 Values and principles

## Values and principles

Palazzoli is guided by the values and ethical principles set out in the Company's Code of Ethics, which forms a cornerstone of the Organisation, Management and Control Model adopted by the company. This Code of Ethics aims to clarify the values and principles that guide the company's activities and its relationships with its employees, business partners, shareholders and other stakeholders. All those to whom the Code applies are required to adhere to specific principles of conduct.

The company's mission is to constantly improve profitability, maximising customer satisfaction in order to preserve and enhance corporate value and the well-being of its internal and external employees.



Palazzoli S.p.A. and all those involved in any capacity in the company's operations are required to uphold the following values and operational principles:

- Legality
- Tradition and ties to the local community
- Economic efficiency
- Development of human resources
- Research and development
- Respect for and protection of the environment
- Fairness and transparency
- Sense of responsibility
- Fairness and integrity in dealings with the Public Administration
- Impartiality



The task of monitoring compliance with the Code of Ethics, promoting its ethical principles and values, and clarifying any doubts regarding its interpretation is entrusted to the Supervisory Body established by the Company in accordance with Legislative Decree 231/2001.

Since 2023, the whistleblowing mechanism provided for by the legislation has been adopted, using the platform made available by Confindustria Brescia.



# 5

## Corporate Sustainability Strategy

# Corporate Sustainability Strategy



Palazzoli places a strong emphasis on 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.

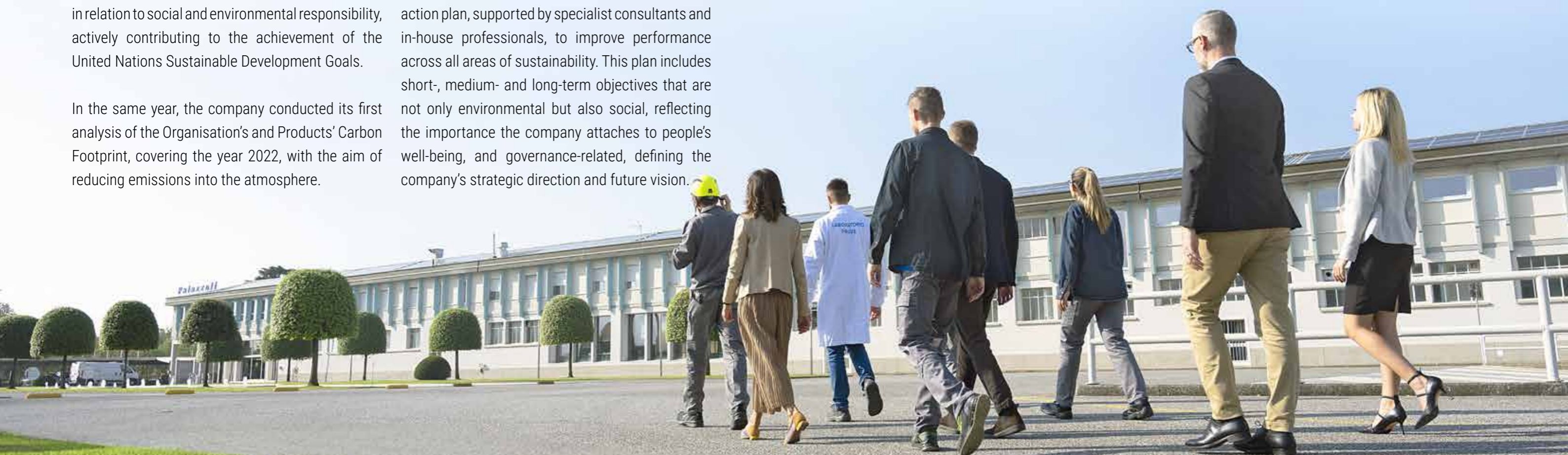
Since 2023, Palazzoli has launched a sustainability programme to monitor and improve its performance in relation to social and environmental responsibility, actively contributing to the achievement of the United Nations Sustainable Development Goals.

In the same year, the company conducted its first analysis of the Organisation's and Products' Carbon Footprint, covering the year 2022, with the aim of reducing emissions into the atmosphere.

These initiatives form part of Palazzoli's broader commitment to sustainability, aimed at aligning its operations with the objectives of the UN's 2030 Agenda and European climate targets. This commitment is essential for tackling the climate emergency and promoting equitable and sustainable social development.

Palazzoli does not limit itself to carbon footprint management, but is developing a comprehensive action plan, supported by specialist consultants and in-house professionals, to improve performance across all areas of sustainability. This plan includes short-, medium- and long-term objectives that are not only environmental but also social, reflecting the importance the company attaches to people's well-being, and governance-related, defining the company's strategic direction and future vision.

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



# The UN 2030 Agenda and the Goals for Sustainable Development

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

The SDGs represent 17 fundamental goals for sustainable progress, agreed upon by the governments of the 193 UN member states in 2015. Achieving these goals by 2030 requires the commitment of institutions, organisations, companies and individuals.

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



*“A better future, today and tomorrow, built on our commitment to social and environmental sustainability”*



# 6

## Materiality analysis and the impacts generated

# Materiality analysis and the impacts generated

## Our priorities: key issues

Since 2023, Palazzoli has been conducting materiality analyses to identify key sustainability issues that have a significant impact on the company's operations, known as 'material issues'. These issues reflect the environmental, social and economic impacts that are relevant both internally and to the organisation's external stakeholders.

To define the material issues, Palazzoli followed the updated GRI standards, identifying the impacts associated with each sustainability issue relevant to the business context. The process involved several stages:

- A preliminary analysis of the context, involving an in-depth examination of the relevant sector

and the identification of potential material ESG issues.

- Involvement of management functions to select and prioritise material sustainability issues for the organisation.
- Final definition of material issues and ranking of their internal importance.

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



The material issues identified during this initial materiality analysis are set out below, broken down by area:

### PALAZZOLI FOR THE ENVIRONMENT

- Energy and energy efficiency
- Responsible waste management
- Environmental impact and emissions reduction
- Circular economy materials and initiatives
- Responsible water management



### PALAZZOLI FOR PEOPLE

- Diversity, inclusion and the promotion of equal opportunities
- Employee training and professional development
- Employee engagement and wellbeing
- Protection of workers' health and safety
- Creating value for the community



### CORPORATE STRATEGY

- Strategic Direction
- Creation of economic and financial value
- Customer satisfaction
- Privacy and data protection
- Research & development and technological innovation
- Responsible supply chain management



Once the material issues had been identified, and in order to assess their materiality, Palazzoli evaluated the positive and negative impacts (both actual and potential) generated by the company in relation to each of these issues.

# Impacts generated by Palazzoli

To assess the impacts arising from the three dimensions of sustainability (Environmental, Social and Governance), we conducted interviews with key company representatives in order to evaluate their significance. The impacts were classified by considering both their severity and probability: for potential impacts, we assessed the likelihood of occurrence and the severity of the expected harm or benefit, using a scale of 1 to 4.

In the case of actual impacts, we examined solely the magnitude of the event (whether positive or negative) that has already occurred.

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

Furthermore, for potential impacts, we assigned a score based on the probability of occurrence: the higher the score (up to 4), the greater the probability that the event will occur.

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



# Actual impacts

The actual impacts generated by the organisation are set out below in the table that follows. This table includes the results of the analysis carried out to identify the main actual impacts, both positive and negative, generated directly and indirectly by the company 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	+	4 leaves
		Installation of digital meters for accurate and comprehensive monitoring of energy consumption	+	4 leaves
		Installation of equipment to control lighting wastage	+	4 leaves
		Reduction in the use of natural gas	+	4 leaves
	Responsible management of waste	Implementation of projects for the external reuse of production waste (by-products)	+	3.5 leaves
		Implementation of projects for the internal reuse of production waste (by-products)	+	4 leaves
		Greater coverage of dedicated containers	+	3.5 leaves
		Improvement of waste management	+	3.5 leaves
	Environmental impact and reduction of emissions	Monitoring and certification of the organisation's carbon footprint for the year 2022 in accordance with ISO 14064-1	+	4 leaves
		Implementation of the product carbon footprint in accordance with the ISO 14067	+	3.5 leaves
		Standard Mass grinding of plastic waste to reduce road transport	+	3.5 leaves
		Improving the efficiency of the company vehicle fleet with lower-consumption vehicles	+	3.5 leaves
		Mobility, PSCL (Home-to-Work Travel Plan)	+	3.5 leaves
		Installation of charging points for electric bicycles and scooters	+	4 leaves
		Removal of 3 natural gas burners, resulting in a reduction in direct emissions	+	3.5 leaves

SPHERE	MATERIAL TOPIC	IMPACT GENERATED	IMPACT TYPOLOGY	MAGNITUDE
Environment	Circular economy materials and initiatives	Implemented the recycling and recovery of both plastic and brass scrap	+	4 leaves
		Focus on developing a production process based on the principles of the circular economy	+	3 leaves
	Responsible water management	Monitoring of water consumption (both domestic and process use)	+	4 leaves
		Reduced water consumption through efficiency measures	+	4 leaves
		Improved management of the treatment plant through technical modifications	+	4 leaves
		Switch from mains water to boreholes where possible	+	3 leaves
Social	Diversity, inclusion and the promotion of equal opportunities	No reports received via the whistleblowing channel	+	4 leaves
		Promotion of the day against violence and harassment in collaboration with Confindustria	+	4 leaves
	Training and professional development for employees	Training projects aimed at creating a corporate culture of continuous learning	+	4 leaves
		Sharing of the plant's key performance indicators (KPIs) via screens and meetings	+	3 leaves
		Regular training with the Supervisory Board regarding whistleblowing and LD 231	+	4 leaves
		The average number of training hours per employee is higher than the national average (24 vs 21)	+	4 leaves
	Empowerment and wellbeing of staff	Corporate Welfare System	+	4 leaves
		100% of employees have access to welfare benefits	+	4 leaves
		Existence of a suggestion scheme, allowing employees to propose ideas and suggestions for improving business operations. Participation in line with expectations	+	3 leaves
		Free advice on managing private electricity and gas supplies	+	4 leaves
Introduction of 8 paid hours for medical appointments included in the second-level collective agreement		+	4 leaves	
Organisation of team-building events		+	4 leaves	
Flexible working hours (for roles where this is feasible) with benefits for employees work-life balance		+	3 leaves	
Protection of workers health and safety	Development of a health management system certified to the ISO 45001 standard	+	4 leaves	
	Regular awareness-raising sessions on occupational health and safety issues and supplementary safety training beyond the mandatory requirements	+	4 leaves	
Creating value for the community	Donations to health research bodies and foundations	+	4 leaves	
	Collaborative projects with universities and research bodies	+	4 leaves	

SPHERE	MATERIAL TOPIC	IMPACT GENERATED	IMPACT TYPOLOGY	MAGNITUDE
Governance	Strategic direction	Regular publication of the sustainability report in accordance with the latest international standards	+	4 leaves
		Implementation of the Organisational Management Model 231/2016 and the associated whistleblowing channels and systems for managing such reports	+	4 leaves
		Holding of ISO 9001, ISO 14001 and ISO 45001 certification	+	4 leaves
	Creation of economic and financial value	The company is in a position of financial stability that enables it to plan investments for development and growth in the medium and long term	+	4 leaves
		Increase in market share	+	4 leaves
	Customer satisfaction	Communication to customers regarding product composition	+	4 leaves
	Privacy and data protection	Training on IT security	+	4 leaves
	Research & Development and technological	Collaboration with research bodies on technological innovation projects	+	4 leaves
		Collaboration with schools and universities for specific training	+	3 leaves
		Obtaining patents for new products and projects	+	4 leaves

## Potential impacts generated

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

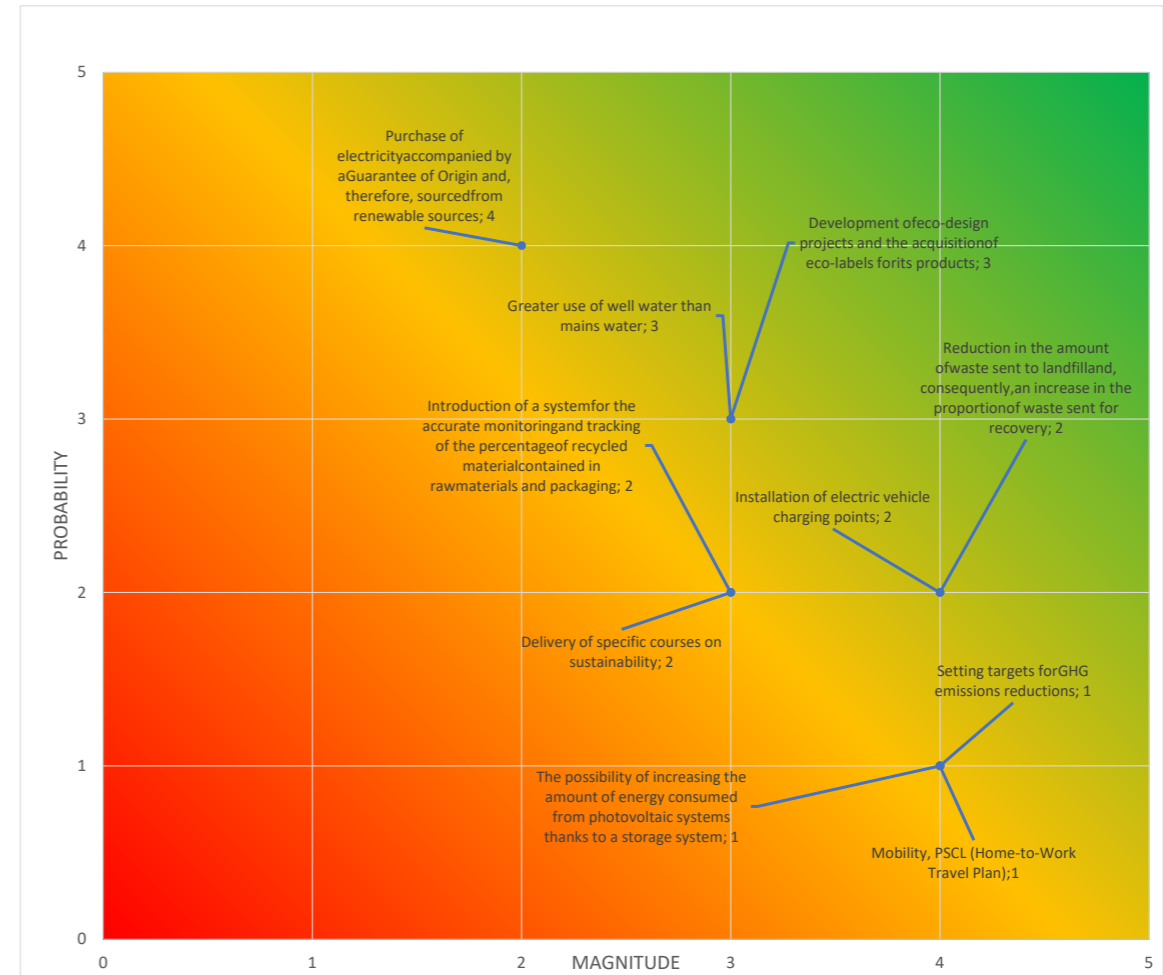
## Potential negative impacts

The table below lists the main potential negative impacts associated with the material issues identified by the organisation, broken down into the categories E (Environment), S (Social) and G (Governance).

SPHERE	MATERIAL TOPIC	IMPACT GENERATED	MAGNITUDE	PROBABILITY
Environment	Rules and Regulations	Potential non-compliance with regulations due to their rapid evolution and increasing complexity	4 leaves	4 hourglasses
		Economic and competitive disadvantage compared to non-EU countries due to the high costs of complying with increasingly stringent environmental regulations	3 leaves	4 hourglasses
Social	Employee development and well-being	Potential rise in staff turnover and consequent difficulty in recruiting key personnel on the market	4 leaves	4 hourglasses
Governance	Customer satisfaction	Increase in complaints both in absolute terms and as a proportion of turnover. The resolution rate of these complaints, currently low, should be monitored	4 leaves	4 hourglasses
		Increase in delays in terms of turnover and time	4 leaves	4 hourglasses
	Privacy and data protection	Cyberattacks and consequent data loss or financial damage linked to inadequate cybersecurity training or other shortcomings in IT systems	4 leaves	4 hourglasses
		Rising costs for infrastructure and secure hardware and software systems, and for increasingly intensive staff training	3 leaves	4 hourglasses
	Research & Development and technological innovation	Delays in technological innovation and in the transition towards the use of more sustainable materials	3 leaves	4 hourglasses
		Loss of reputation and market share due to rapid changes in customer needs and expectations	3 leaves	4 hourglasses
	Responsible supply chain management	Lack of attention to the sustainability performance of suppliers and difficulties in supply chain traceability	3 leaves	4 hourglasses

The matrix below illustrates the main potential negative impacts identified in the table, assessed on the basis of their significance by combining magnitude and probability for each impact. The further an issue is located in the top-right corner of the matrix, the greater the significance of the impacts associated with that issue for the organisation.

### POTENTIAL NEGATIVE IMPACTS



As shown in the matrix, all potential negative impacts associated with the various sustainability issues identified as material have a low probability of occurrence. This reflects the organisation's commitment to implementing a range of initiatives to mitigate and prevent such impacts.

With regard to the magnitude of potential impacts, the matrix highlights significant values for certain issues, namely: Environmental Rules and Regulations, Employee Wellbeing, Customer Satisfaction, and Privacy and Data Protection. However, the likelihood of any of these risks occurring is low, as Palazzoli pays close attention to the issues outlined above.

Furthermore, risks linked to a lack of technological innovation (such as 'Research & Development and Technological Innovation') and a failure to update supplier selection criteria (such as 'Responsible Supply Chain Management') may be significant.

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

# Potential positive impacts

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

SPHERE	MATERIAL TOPIC	IMPACT GENERATED	IMPACT TYPOLOGY	MAGNITUDE	
Environment	Energy and energy efficiency	Implementation of an energy audit to identify potential measures to improve the energy efficiency of the facilities	4 green leaves	4 green hourglasses	
	Responsible waste management	Reduction in the amount of waste sent to landfill and, consequently, an increase in the proportion of waste sent for recovery	3 green leaves, 1 grey leaf	2 green, 2 grey hourglasses	
	Environmental impact and reduction of emissions	Purchase of electricity accompanied by a Guarantee of Origin and, therefore, sourced from renewable sources.	2 green leaves, 2 grey leaves	2 green, 2 grey hourglasses	
		Setting targets for reducing GHG emissions	4 green leaves	4 green hourglasses	
		Opportunity to increase the proportion of energy consumed from photovoltaic systems thanks to a storage system	3 green leaves, 1 grey leaf	2 green, 2 grey hourglasses	
	Circular economy materials and initiatives	Mobility, PSCL (Home-to-Work Travel Plan)	2 green leaves, 2 grey leaves	2 green, 2 grey hourglasses	
		Introduction of a system for accurate monitoring and tracking of the percentage of recycled material contained in raw materials and packaging	3 green leaves, 1 grey leaf	2 green, 2 grey hourglasses	
	Social	Training and professional development for employees	Development of eco-design projects and obtaining eco-labels for its products	3 green leaves, 1 grey leaf	2 green, 2 grey hourglasses
			Delivery of specific courses on sustainability	4 green leaves	4 green hourglasses
		Empowerment and wellbeing of staff employees	Conducting an indoor climate analysis	4 green leaves	4 green hourglasses
Organisation of team-building events			3 green leaves, 1 grey leaf	2 green, 2 grey hourglasses	
Introduction of support services for parents and/or employees who are carers			3 green leaves, 1 grey leaf	2 green, 2 grey hourglasses	
	Second-level collective bargaining	4 green leaves	4 green hourglasses		

SPHERE	MATERIAL TOPIC	IMPACT GENERATED	IMPACT TYPOLOGY	MAGNITUDE
Governance	Protection of the health and safety of workers	Participation in the WHP programme (Workplace Health Promotion)	3 green leaves, 2 grey leaves	2 green, 2 grey hourglasses
	Creating value for the community	Increased employee engagement in community-focused activities (donations, corporate volunteering)	3 green leaves, 1 grey leaf	2 green, 2 grey hourglasses
	Customer satisfaction	Development of a system to assess customer satisfaction through their involvement	3 green leaves, 1 grey leaf	2 green, 2 grey hourglasses
	Privacy and data protection	Achievement of the corporate legality rating	3 green leaves, 1 grey leaf	2 green, 2 grey hourglasses
	Responsible management of the supply chain	Adoption of a written responsible procurement policy, prioritising local suppliers with strong ESG performance	3 green leaves, 1 grey leaf	2 green, 2 grey hourglasses

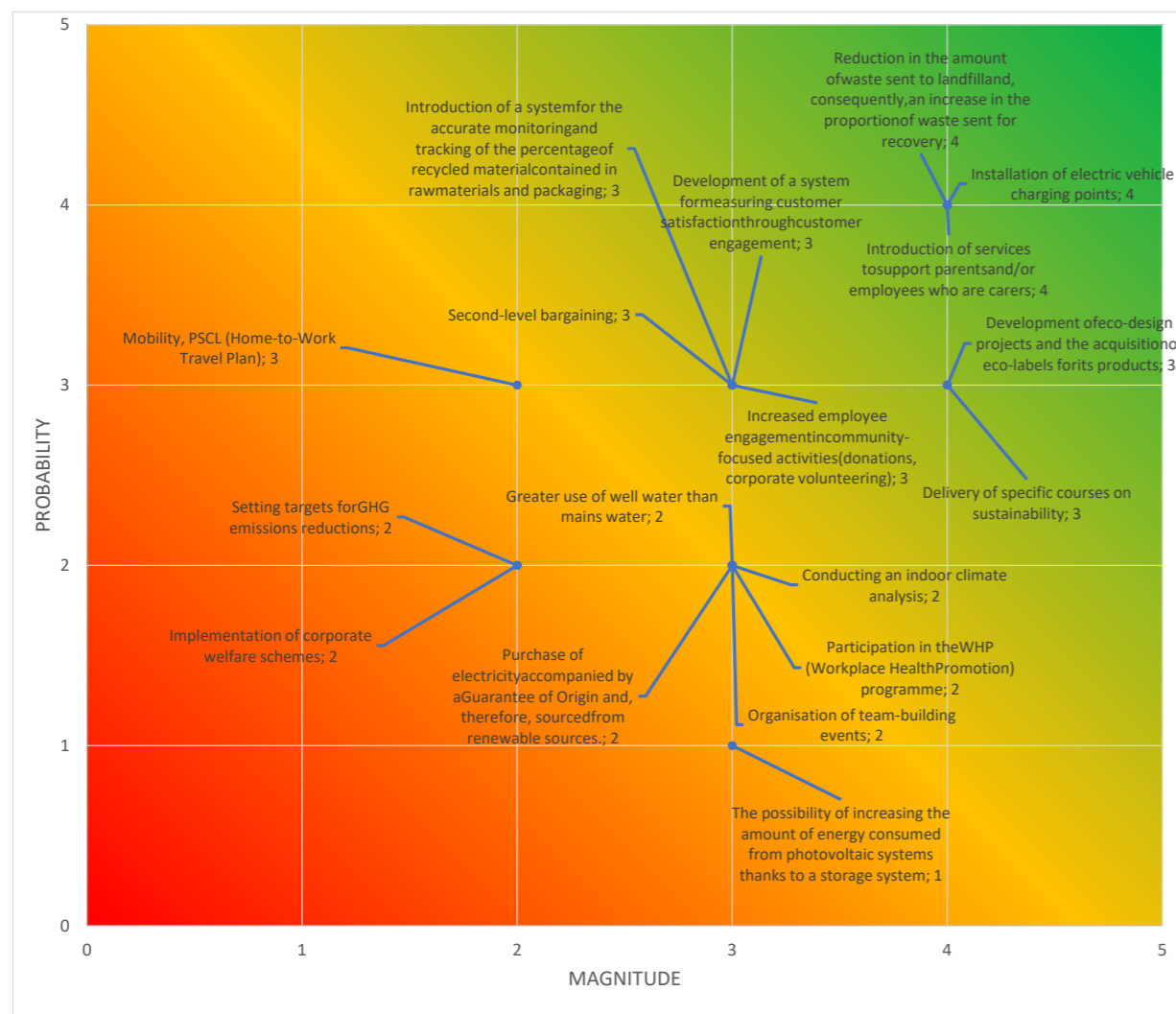


In this context too, each material issue has been linked to its corresponding potential positive impact, assessed in terms of likelihood of occurrence and magnitude.

The table below shows the potential positive impacts relating to Palazzoli's material issues.

The higher up and to the right an issue is in the table, the greater the significance of the potential positive impact (opportunity) associated with that issue.

### POTENTIAL POSITIVE IMPACTS



In the matrix presented, the company identifies several issues as significant opportunities, characterised by high impact and likelihood. Particular attention is paid to "Second-level collective bargaining", "Employee training and professional development" and "Employee recognition and wellbeing".

Equally relevant, with high magnitude but varying probabilities of realisation, are the opportunities linked to the organisation's other material issues. The probability is high for issues such as "Creating value for the community", "Privacy and data protection" and "Environmental impact and emissions reduction".

Palazzoli intends to step up its commitment to the community with new initiatives to create social value. In the field of data protection, cybersecurity activities are underway. As regards emissions reduction, the organisation has already begun monitoring its carbon footprint and is developing targets to further reduce greenhouse gas emissions. Furthermore, the installation of electric vehicle charging points for internal staff is planned.

In the context of "Circular economy materials and initiatives", Palazzoli is continuing to develop eco-design projects and to obtain eco-certifications for its products.

Finally, opportunities relating to workplace safety, responsible supply chain management, waste management and customer satisfaction have been assessed as having a 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 the well-being of its employees.

With regard to waste management, the company is developing projects to reduce waste sent to landfill and further increase recycling.

Finally, Palazzoli is considering involving customers more closely in improving its customer satisfaction assessment system and is expanding the collection of information on the ESG performance of its supply chain.





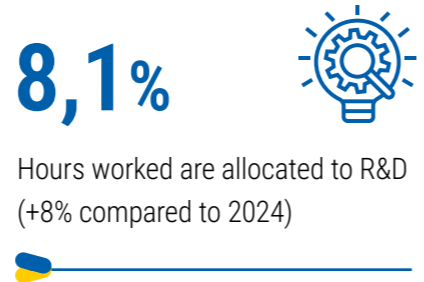
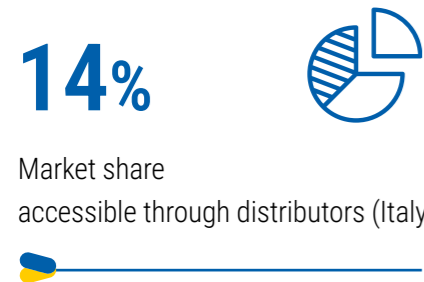
# 7

## Corporate strategy

# Corporate strategy

Sound governance, a strong focus on innovation and an ongoing commitment to creating a working environment based on respect, fairness and collaboration are the cornerstones of Palazzoli's business model. The company's code of ethics, its quality, safety and environmental management systems, the Organisation, Management and Control model in accordance with Legislative Decree 231/2001, and the hours dedicated to Research & Development constitute the operational tools for translating this philosophy into concrete actions, a distinctive feature of the company.

## HIGHLIGHTS GOVERNANCE



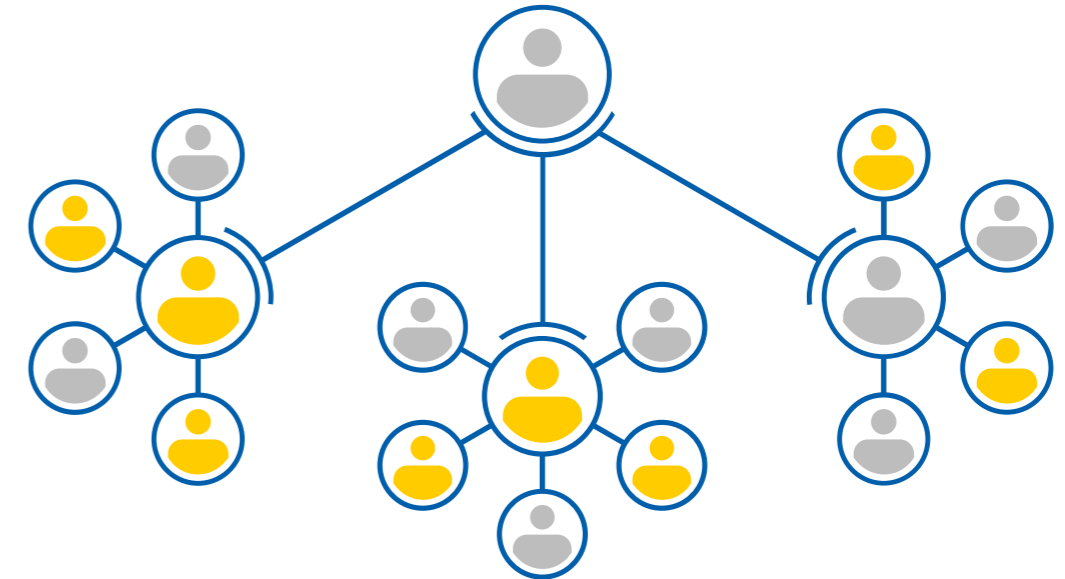
# Corporate organisation and governance guidelines

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

The appointment of members is based on appropriate professional competence and integrity in both personal and professional conduct.

The Board of Directors, vested with the broadest powers for day-to-day and extraordinary management, comprises seven members (six aged over 50 and one aged between 30 and 50 – all men), including the chairman, chief executive and directors.

The management oversight function is carried out by a management oversight committee, elected by the board of directors, which conducts four audits a year. The audit function is entrusted to an external audit firm. The Supervisory Body (OdV), provided for by the Organisational Model 231 (MOG 231) and composed of one internal and one external member, is responsible for preventing fraudulent conduct within the organisation.



With the aim of ensuring transparent, efficient and effective management, Palazzoli has adopted a number of tools, including:

- Organisational, Management and Control Model pursuant to Legislative Decree 231/2001 and Whistleblowing platform
- Code of Ethics
- Management Systems (Quality, Health and Safety, and Environment).



# Strategic direction



DECENT WORK AND ECONOMIC GROWTH



RESPONSIBLE CONSUMPTION AND PRODUCTION

## Organisational, Management and Control Model

As previously mentioned, Palazzoli has adopted an Organisation, Management and Control Model with the aim of implementing an internal organisation and control system in accordance with the provisions of Legislative Decree 231/2001. This system is primarily designed to promote sound corporate governance principles, focusing on honesty, legality and transparency. Responsibility for ensuring compliance with and the correct application of the model, with particular regard to the requirements of independence,

professionalism and continuity of action, lies with the Supervisory Body (SB). This body carries out checks, offers suggestions and guidance, and collects any reports from company staff through a structured whistleblowing procedure.

The SB is also required to report promptly to the Board of Directors any violations, breaches and non-compliant conduct identified, proposing the necessary revisions, amendments and/or additions to prevent such occurrences.

# Code of Ethics

In 2021, Palazzoli updated its Code of Ethics, the document that sets out the organisation's guiding principles and values, as well as the guidelines to be followed by all those who interact with the company and have dealings with it in various capacities. This Code of Ethics is closely linked to the Organisation, Management and Control Model, complementing it with the definition of the values and rules of conduct that Palazzoli intends to adopt in its relations with its stakeholders.

### OUR VALUES

The core values set out in the Code of Ethics, which are intended to guide the conduct of business and corporate activities, as well as the management of people and information, are:

- Legality
- Tradition and ties to the local area
- Economic efficiency
- Development of human resources
- Research and development
- Respect for and protection of the environment
- Fairness and transparency
- Sense of responsibility
- Fairness and integrity in dealings with the public sector
- Impartiality

It is primarily the responsibility of the governing bodies to put the values and principles of the code of ethics into practice, by assuming responsibility both internally and externally and by strengthening trust, cohesion and team spirit within the organisation.

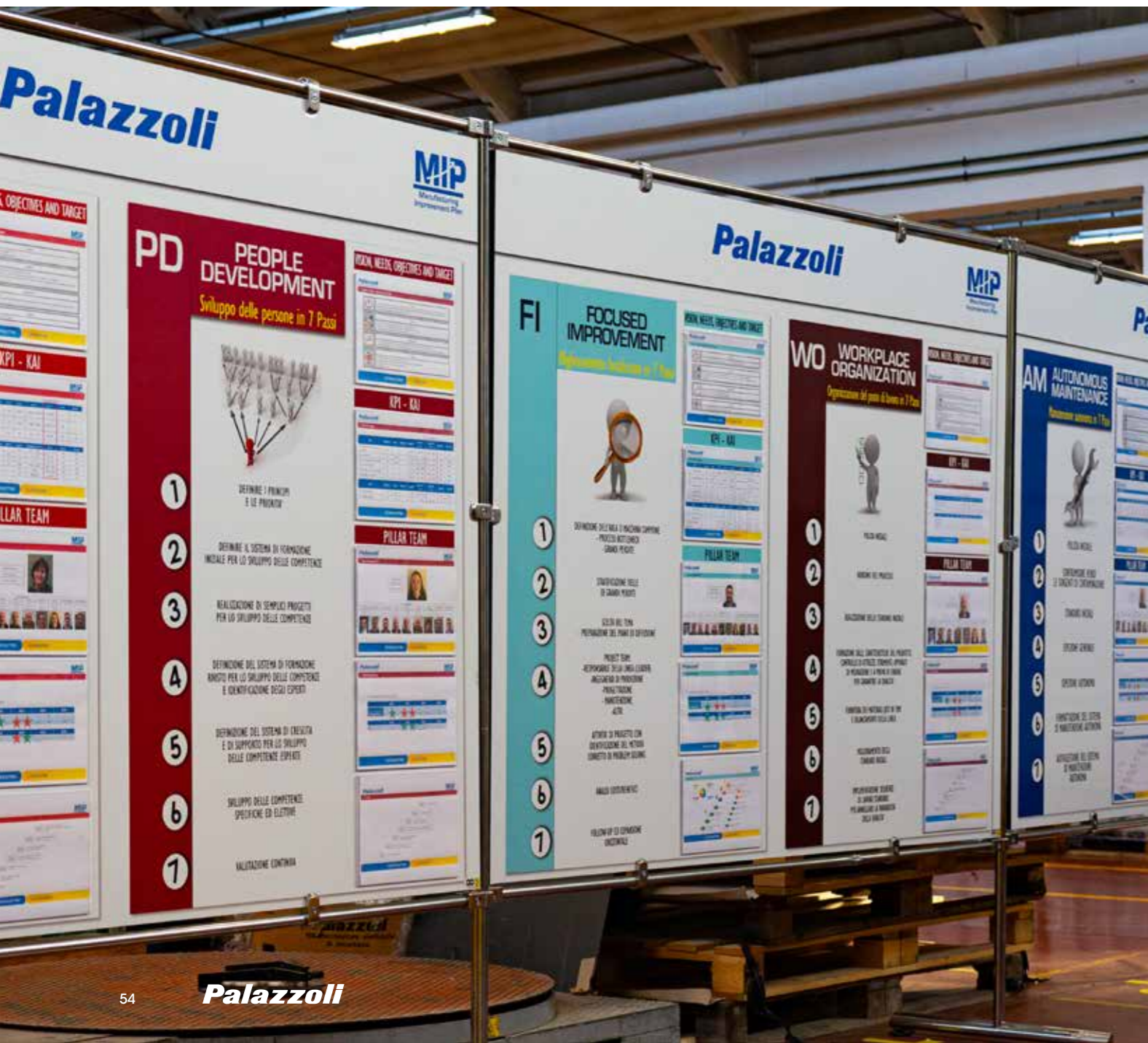


# Management systems

Palazzoli is constantly committed to maintaining and expanding its management systems in relation to certain priority areas of its business. Palazzoli's main priorities are health and safety at work, the environment, and the quality of the products it offers.

These areas are managed respectively through ISO 45001, ISO 14001 and ISO 9001 certification.

In line with these management models, the organisation has implemented a process for assessing and managing short-, medium- and long-term business risks, with particular attention to the issues mentioned. This includes an assessment of the potential and actual negative impacts of the company's activities, with a focus on local communities.



# Research & Development and technological innovation



DECENT WORK AND ECONOMIC GROWTH

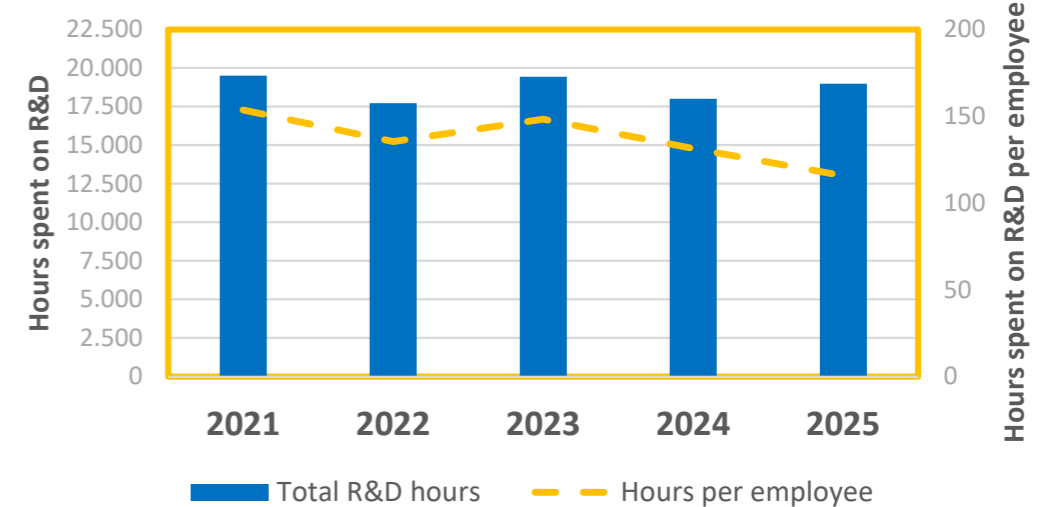


INDUSTRY, INNOVATION AND INFRASTRUCTURE

Given the importance of innovation to the company's operations, in 2025 Palazzoli devoted around 19,000 hours to research and development, averaging 116 hours per employee.

The company employs over 10 staff members a year on R&D projects, with the aim of minimising the environmental impact of its products and ensuring they increasingly meet the needs and requirements of its customers.

HOURS SPENT ON RESEARCH AND DEVELOPMENT



Thanks to the activities and projects it has undertaken, the company has filed and been granted eight patents for industrial inventions over the past two years in various markets (Italy, Brazil, Israel, Africa and India).

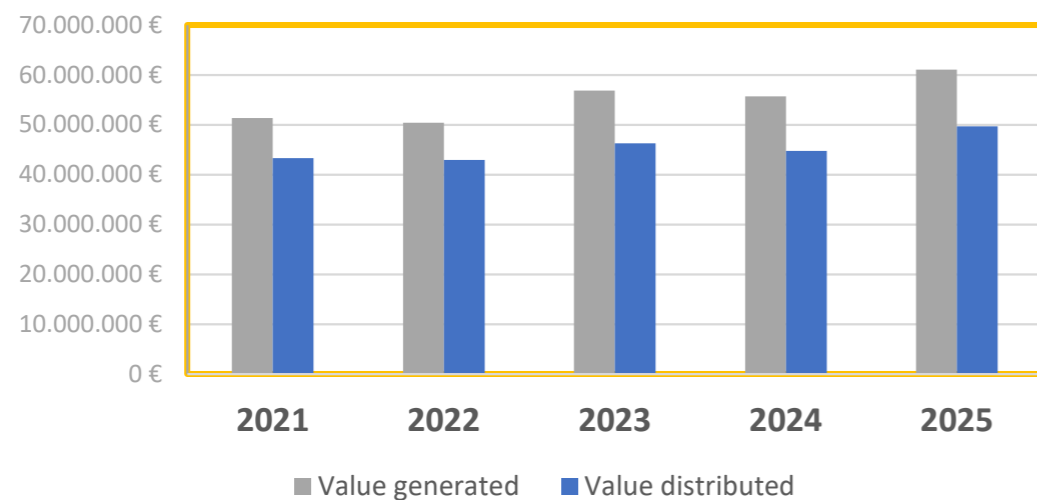
# Creation of economic and financial value



Palazzoli recognises that ethics and profit must go hand in hand, as long-term economic development cannot be separated from environmental and social development. For this reason, in its sustainability report, the company has decided to map the wealth generated for itself and its stakeholders, measured in terms of the 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’ by the company refers to revenues, such as net sales plus income from financial investments and the sale of assets.
- ‘Distributed economic value’, on the other hand, comprises the following components: operating costs, employee wages and benefits, payments to capital providers, interest expense on loans and other forms of debt, payments to the public sector, and community investments.

VALUE CREATED AND DISTRIBUTED



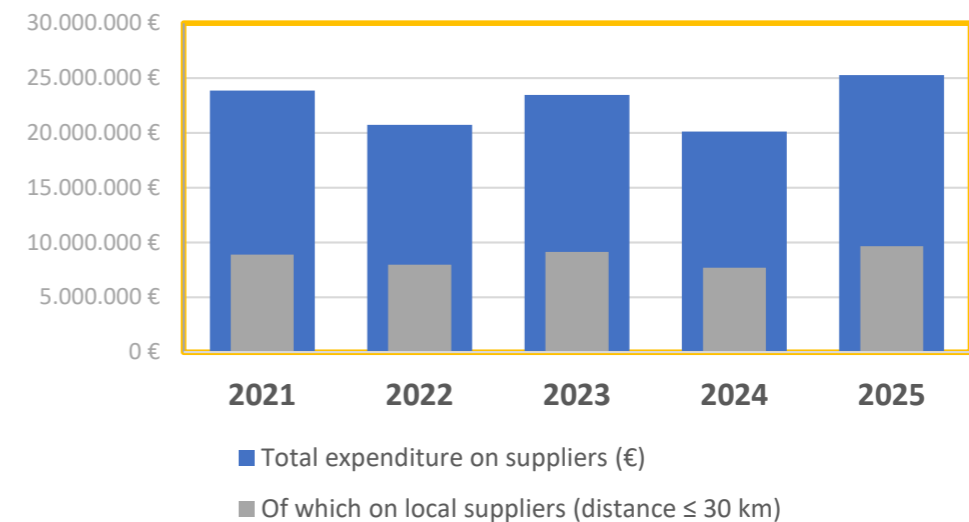
In 2025, the economic value generated by Palazzoli amounted to approximately €61 million; of this, 81.4% was redistributed amongst suppliers (57% of the value generated), employees (20.3%), public bodies (4%) and the community (0.1%).

# Responsible management of the supply chain



The company places particular emphasis on assessing the quality and reliability of all parties within its supply chain. 39% of total expenditure on suppliers was allocated to businesses located within a 30 km radius of the company’s headquarters.

SPENDING ON LOCAL SUPPLIERS



In general, it is important to emphasise that, where possible and provided that technical, product-related and economic requirements are met, the company tends to give preference to suppliers located in the areas surrounding its plant. This demonstrates its commitment to supporting employment and creating wealth for the local economy.

With regard to the supplier selection process, Palazzoli has sent evaluation questionnaires to its suppliers. These questionnaires also take into account social and environmental aspects (HSE, certifications, etc.), with the aim of gathering information on the sustainability of its supply chain. To date, the main suppliers have taken part in the questionnaire; to be precise, 91 completed questionnaires have been returned out of a total of 243 sent out.

# Privacy and data protection



INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



SUSTAINABLE CITIES  
AND COMMUNITIES

Palazzoli has adopted a strict access control policy and regularly organises cybersecurity awareness training for all staff, with the aim of preventing phishing incidents and data loss. The IT security systems have been updated with the most advanced technological solutions available on the market.

During 2025, no IT security incidents or data loss events were reported.

The company's Code of Ethics emphasises the importance of protecting information assets and digital data, assigning each employee an active responsibility for system security.

Finally, in 2025, no reports were received from regulatory bodies or external parties regarding privacy breaches, nor were any transactions identified as being at risk of corruption.

# Customer satisfaction

Customer satisfaction is a crucial factor in a company's success.

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

One example of a quantitative indicator monitored is the percentage of defective items relative to the total number of items shipped during the year. In 2025, a defect rate of 0.52% was recorded on the number of items shipped.

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





# 8

## Palazzoli for the environment


# Palazzoli for the environment

Palazzoli is committed to ensuring respect for and protection of the environment, in accordance with its UNI EN ISO 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 matters relating to environmental management.


In 2022, Palazzoli began monitoring greenhouse gas emissions within its operational footprint, including direct and indirect emissions resulting from imported energy. Furthermore, targeted measures have been introduced to promote the efficient use of resources, and a sustainability project has been launched to improve environmental performance in the short, medium and long term.


## ENVIRONMENTAL HIGHLIGHTS

**55%**  
Electricity demand met by the solar power system




**50%**  
Treated water returned to the environment from water abstracted






**72%**  
Waste sent for recovery



**200.000 €**  
Invest in environmental protection (+54% compared to 2024)



## Energy and energy efficiency



**AFFORDABLE AND CLEAN ENERGY**



**SUSTAINABLE CITIES AND COMMUNITIES**

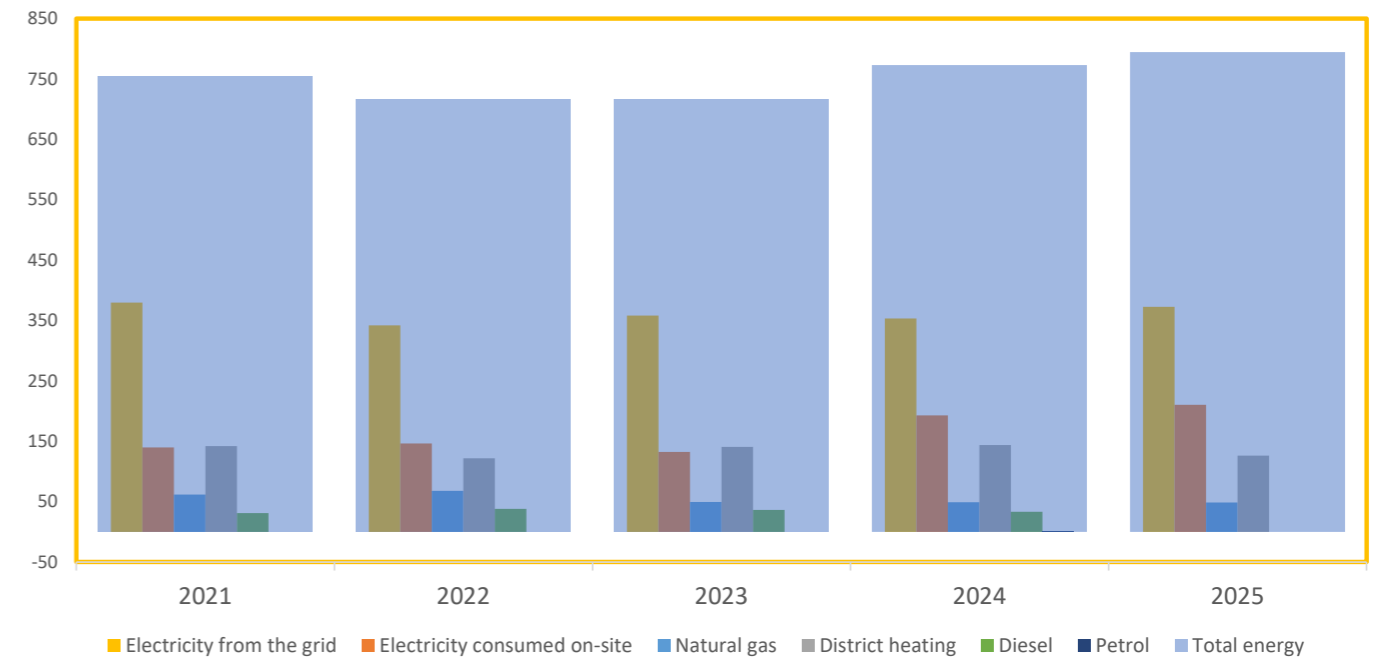


**CLIMATE ACTION**

The energy required for Palazzoli's operations is supplied by various energy sources: primarily electricity, around 55% of which is generated by the photovoltaic system, followed by thermal energy for district heating, natural gas and, finally, diesel.

As shown in the chart below, the various figures have been converted into toe (tonnes of oil equivalent) so that they can be compared with one another.

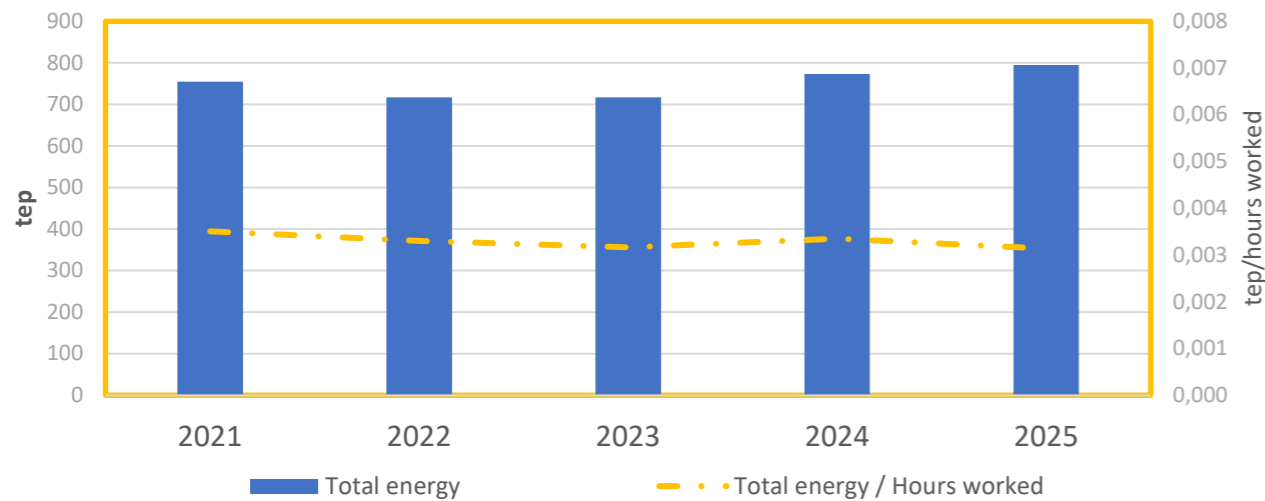
## ENERGY CONSUMPTION



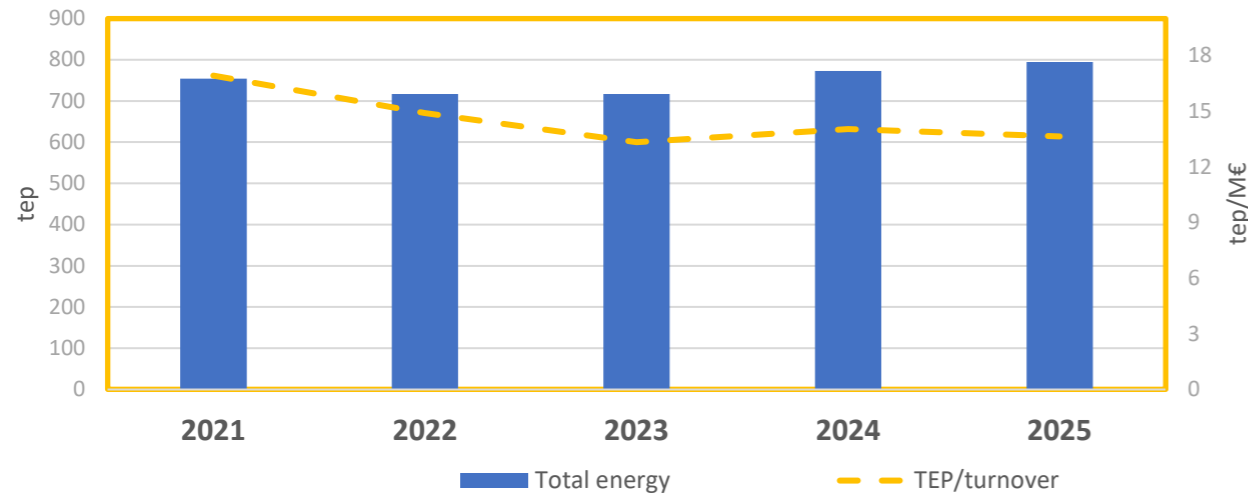
According to the graph above, total energy consumption in 2025 is in line with that of 2024, with a 3% increase recorded in 2025, driven by a rise in the use of green energy. Electricity, sourced from both the national grid and self-consumption, accounts for the lion's share of total consumption in both years (73%). Of this, approximately 55% is generated by the photovoltaic system, of which 36% is for self-consumption. The thermal energy required for space heating accounts for 16% of total consumption and is supplied by the district heating system, produced by a waste-to-energy plant.

Natural gas consumption stands at 6% of the total. This consumption is due to a process change specifically aimed at reducing energy consumption and related atmospheric emissions. Diesel consumption has also remained stable at 4.5% of total consumption in 2025.

### TOTAL AND SPECIFIC CONSUMPTION (BASED ON HOURS WORKED)

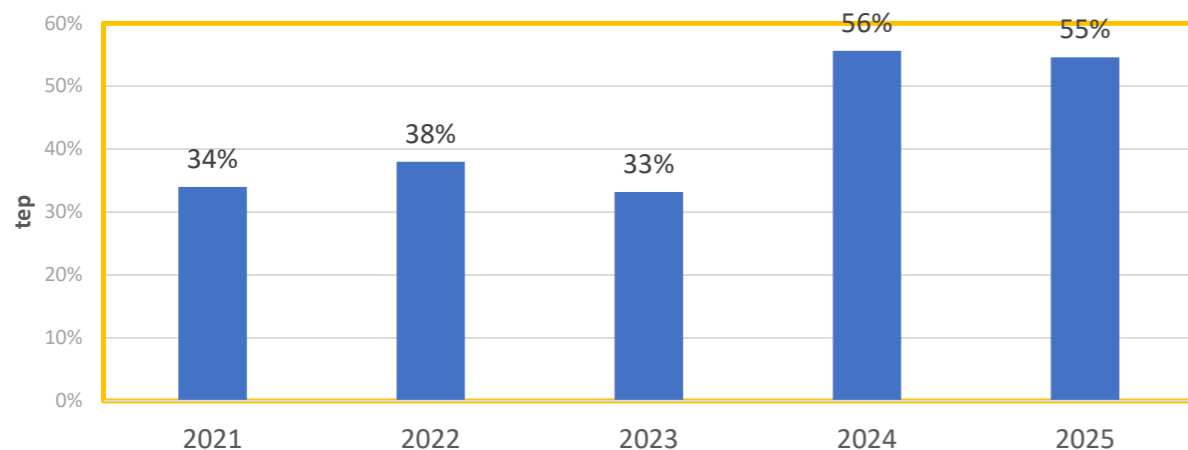


### TOTAL AND SPECIFIC EXPENDITURE (AS A PERCENTAGE OF TURNOVER)



Towards the end of 2023, with commissioning scheduled for the first quarter of 2024, efforts have been made to expand the photovoltaic system in order to increase the proportion of renewable energy consumed on-site; this is a photovoltaic system with a nominal capacity of approximately 825 kWp. In addition to this, an initiative is underway to switch from manual meters to digital meters to further improve the monitoring of energy consumption. The expansion of the photovoltaic system now covers 55% of the total energy requirement.

### PHOTOVOLTAIC GENERATION VS. ENERGY CONSUMPTION IN PALAZZOLI



## Environmental impact and emissions reduction



Palazzoli demonstrates its commitment to prioritising the monitoring of greenhouse gas (GHG) emissions through the initiatives included in its corporate sustainability strategy. In 2023,

Palazzoli completed an organisational carbon footprint study, analysing the greenhouse gas emissions generated by and attributable to its activities in accordance with the UNI EN ISO 14064-1:2018 standard, with reference to the year 2022. This analysis revealed that the organisation's total GHG emissions amounted to 7,374.1 tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>eq). The emissions have been catalogued in a GHG inventory divided into six categories.

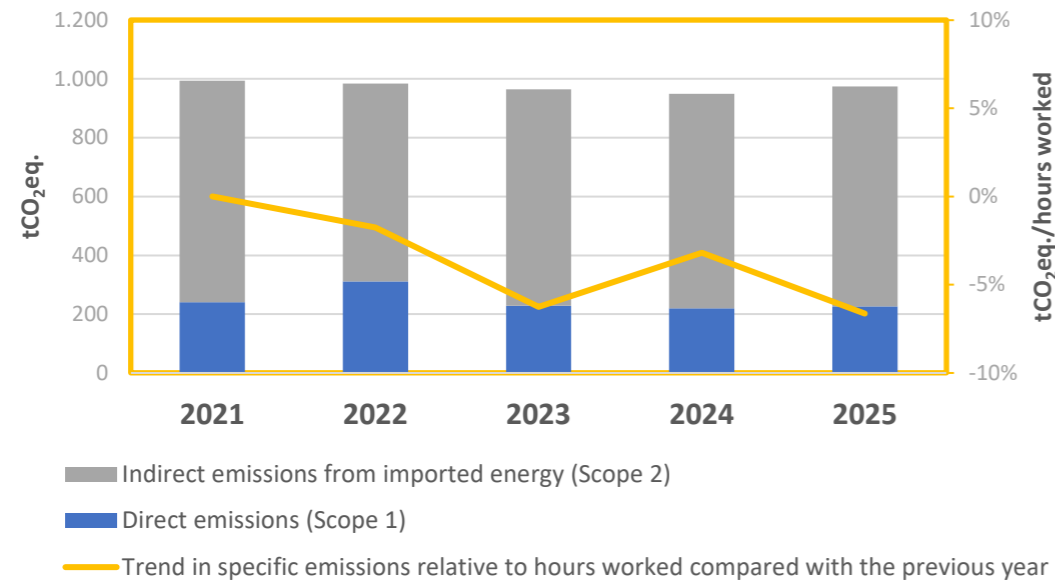
The first category includes direct emissions, mainly from fuel used in company cars and from the consumption of natural gas at the plant, representing a small percentage of the total (4%).

The second category (8%) comprises indirect emissions from imported energy, such as electricity from the grid and district heating (in the localisation-based scenario). Indirect emissions from transport constitute the third category (11%), influenced by the movement of incoming and outgoing goods, employee commuting and business travel. Category four (77% of the total) includes indirect emissions from products used, such as the upstream production of materials for the manufacturing process and their downstream disposal, including waste.

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

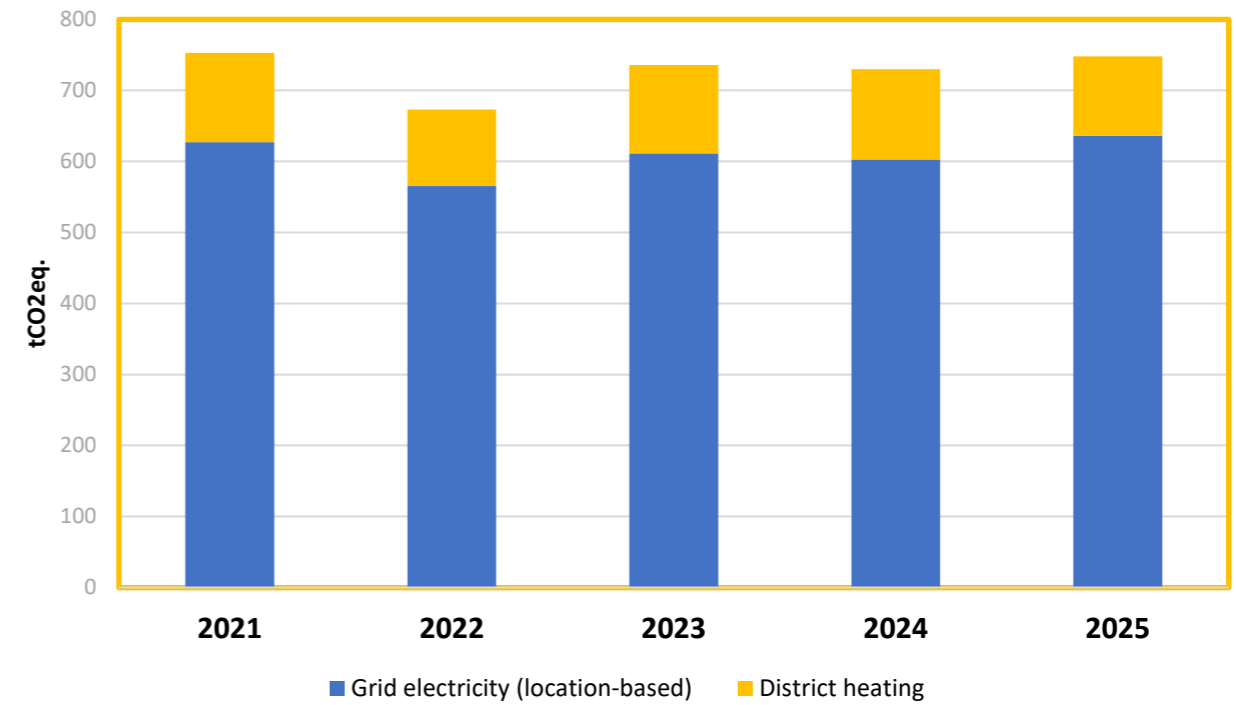


### GHG EMISSIONS

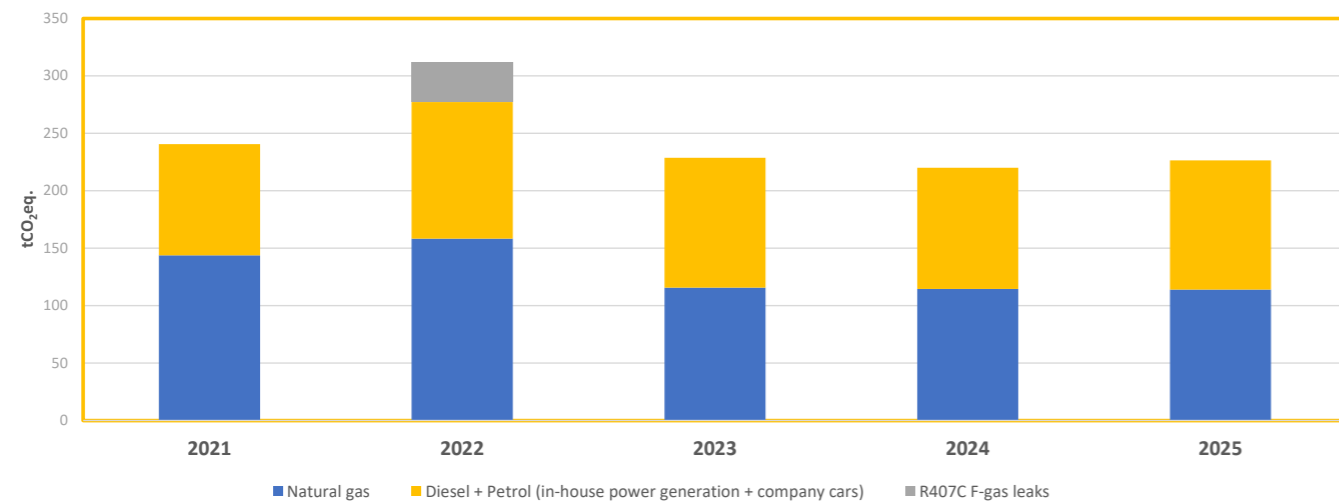


An analysis of the graph shows that, in 2025 too, there is a balance compared with 2024 and a substantial reduction in greenhouse gas (GHG) emissions relative to hours worked (-7%).

### INDIRECT EMISSIONS FROM IMPORTED ENERGY (CATEGORY 2)



### DIRECT EMISSIONS (CATEGORY 1)



With regard to Category 2, data relating to electricity drawn from the national grid and thermal energy for district heating were taken into account. To calculate the indirect emissions associated with electricity from the national grid, the 'location-based' scenario was adopted. The emission factor value was obtained



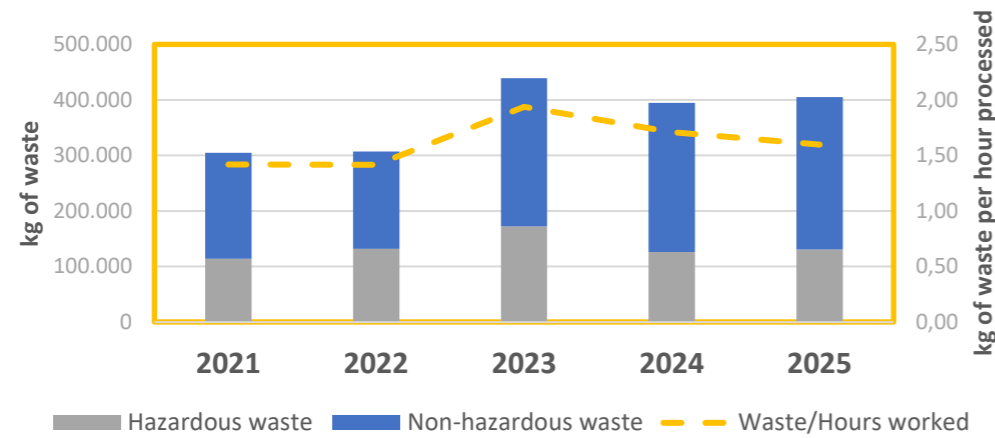
# Responsible waste management



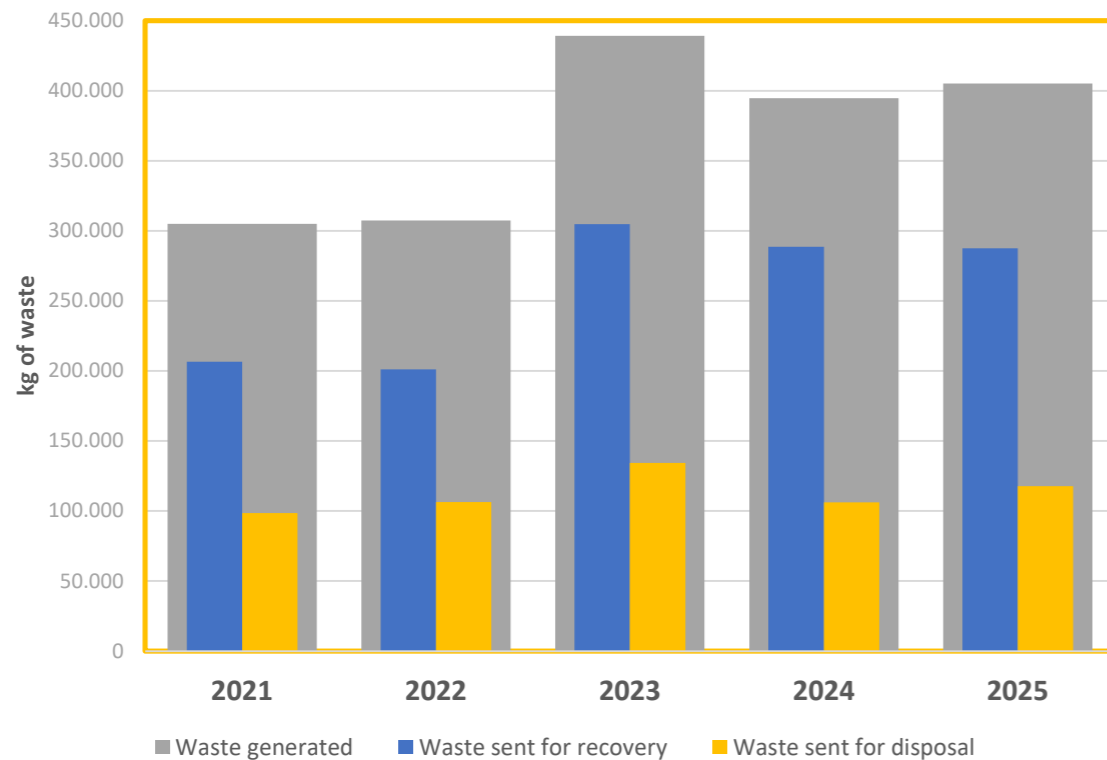
RESPONSIBLE CONSUMPTION AND PRODUCTION

In 2025, 72% of the waste produced by Palazzoli was sent for recycling. The total amount of waste remained stable compared with the 2024 figure, at around 400,000 kg.

## TRENDS IN WASTE GENERATION



## TOTAL WASTE GENERATION



It should be noted that plans are currently being drawn up to reduce the amount of waste produced, and initiatives are also being launched to make internal use of production waste.

# Circular economy materials and initiatives



RESPONSIBLE CONSUMPTION AND PRODUCTION



INDUSTRY, INNOVATION AND INFRASTRUCTURE

The manufacturing processes at Palazzoli involve the use of various types of components and materials.

To make the complex production process easier to understand, the main categories of materials used to produce the finished product are outlined below:

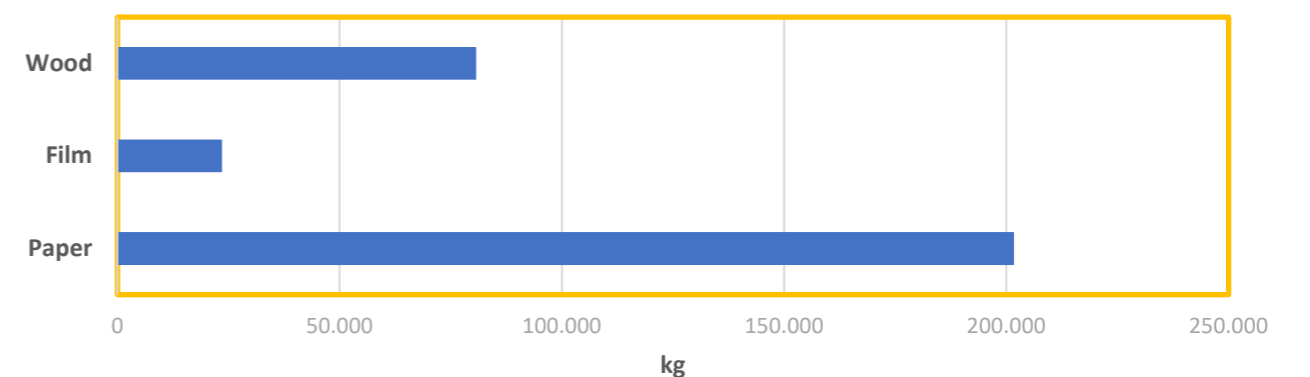
- Thermoplastic materials, made from masterbatches and plastic raw materials
- Metal ingots and raw materials, mainly aluminium
- Thermosetting raw materials
- Stranded electrical cables, made of copper
- Gaskets and sealing rings, mainly made of rubber

- Gaskets and sealing rings, mainly made of rubber
- Sheets, strips and plates, composed mainly of iron, with other materials present in marginal quantities, such as brass and copper

Among these materials, the main components in 2025 were plastic raw materials (447,613 kg), thermosetting raw materials (104,049 kg), aluminium ingots (233,531 kg) and rubber (222,355 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 packaging, as shown in the chart above. In 2025, over 66% of the packaging used for the finished product consisted of paper and cardboard packaging. The quantities of wooden pallets and polyethylene film were also significant. With regard to packaging, since 2023 Palazzoli has been conducting a study aimed at reducing the amount of plastic used in packaging.

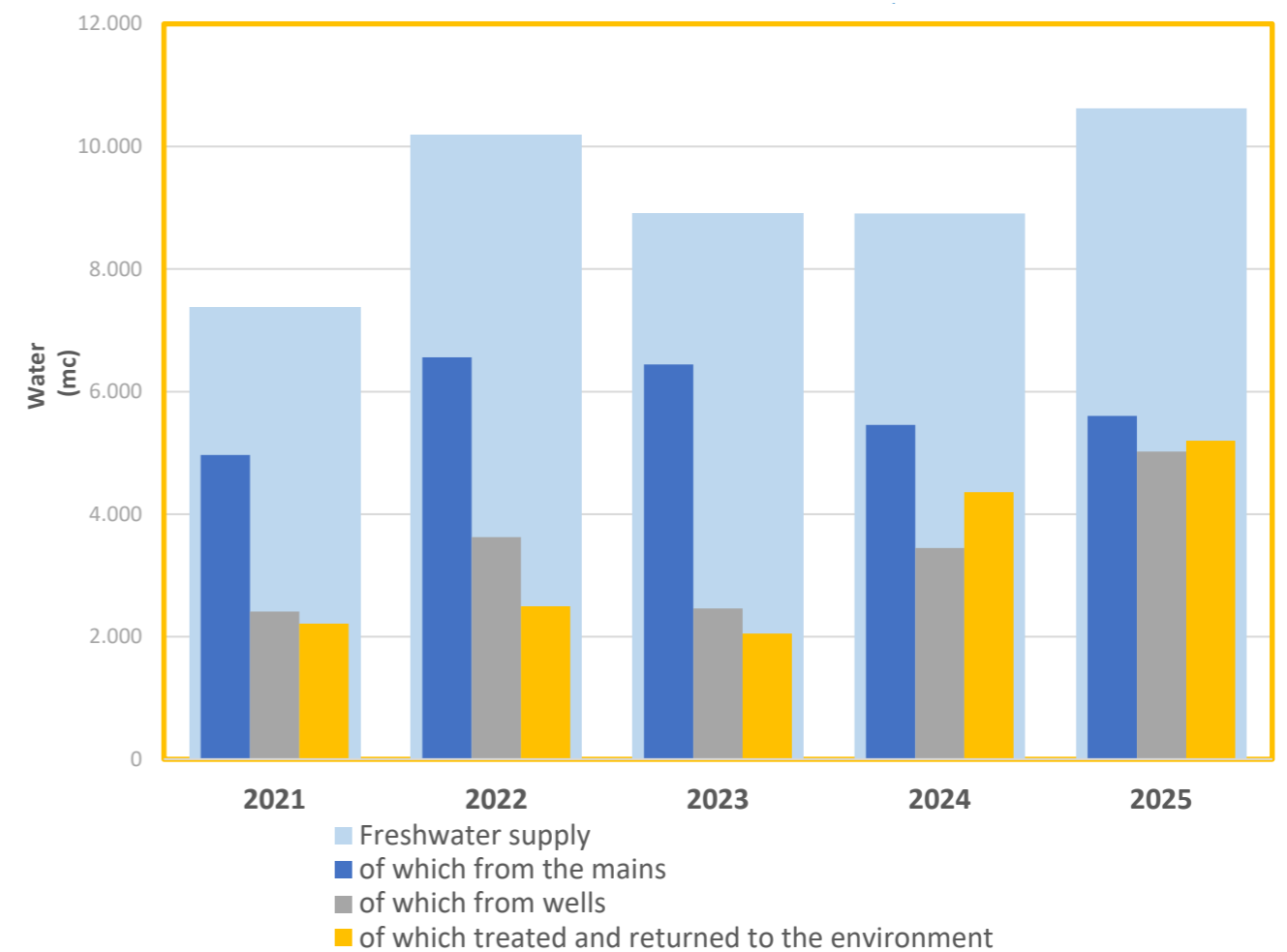
In line with the principles of the circular economy, the company has always been committed to ensuring the quality of its products, promoting extended life cycles for its entire product range, with expected usage exceeding the market benchmark.

## Responsible management of water resources



Palazzoli uses water for both production processes and domestic purposes, mainly from the mains supply (around 53% compared to 61% in 2024), whilst the remainder comes from a well for industrial use. As shown in the graph, around 50% of fresh water is treated and returned to the environment via a water treatment plant (twice the amount compared to 2023).

### WATER ABSTRACTION AND TREATMENT





# 9

Palazzoli  
for people

# Palazzoli for people

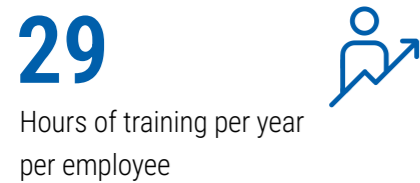
Palazzoli recognises that corporate sustainability extends beyond environmental considerations to include human capital and the creation of value both within and outside the organisation. It also integrates aspects of social sustainability into its strategy, making them an essential part of the business.

As emphasised in the company's code of ethics, people are at the heart of the organisation. Palazzoli is committed to developing the skills of every employee, providing an environment that fosters the creativity and expertise of each team member.

Palazzoli upholds the principle of meritocracy and ensures equal opportunities for professional growth for all staff. It promotes an environment where everyone is treated fairly, free from discrimination.

Furthermore, Palazzoli attaches great importance to creating value within the community and promoting initiatives with a significant social impact. The company is deeply rooted in the local area and is constantly involved in projects that contribute to the progress and development of the local community.

## SOCIAL MEDIA HIGHLIGHTS



# Employee development and wellbeing



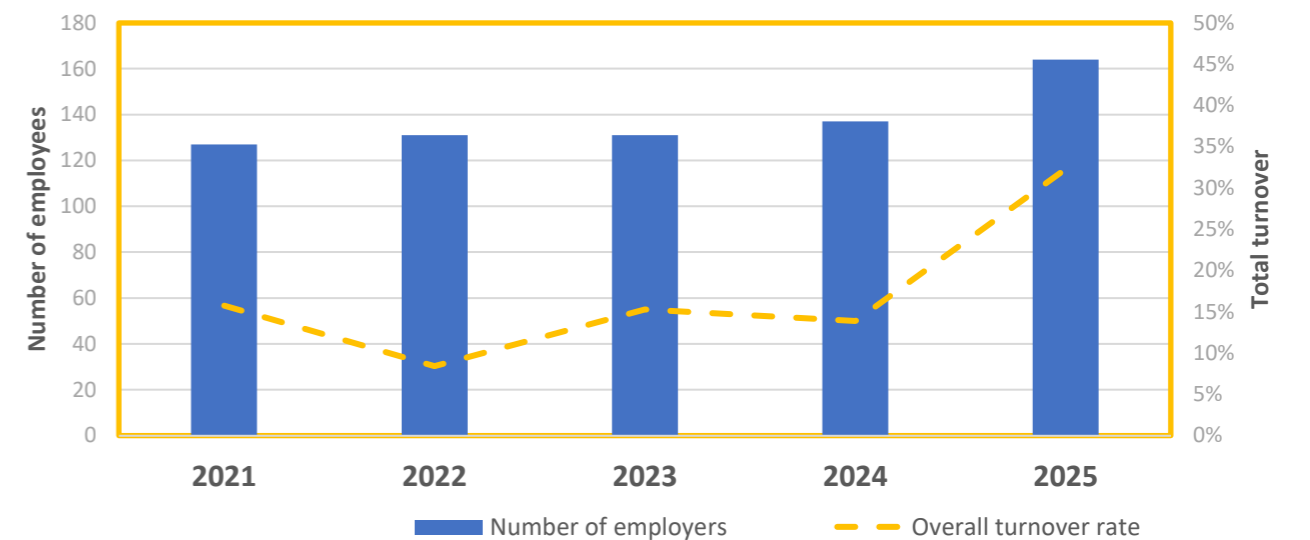
Human capital is of paramount importance to Palazzoli, which is constantly committed to valuing its people and fostering their ongoing development, both professionally and personally.

As at 31 December 2025, Palazzoli had a total of 164 employees.

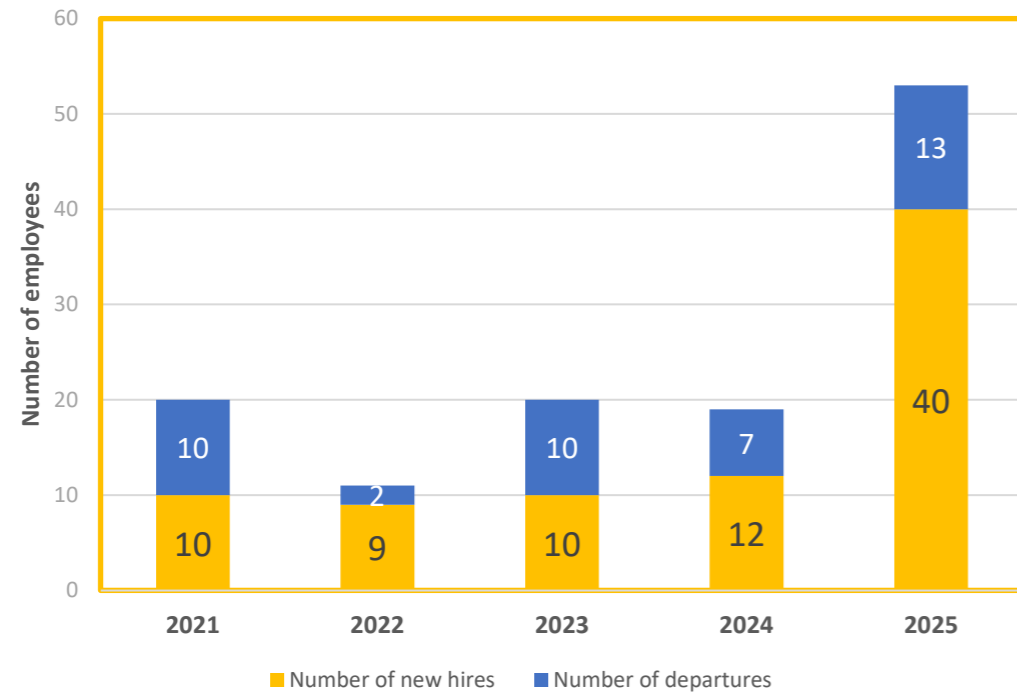
A total of 40 new staff members were recruited during 2025. The overall staff turnover rate, calculated as the ratio of new hires to departures during the reporting period relative to the total workforce at the end of the same period, was 32.3%, of which 24% was turnover from new hires.

It is worth noting that 96% of staff were employed on permanent contracts in 2025.

## DIPENDENTI E TURNOVER DEL PERSONALE



### STAFF HIRING AND DEPARTURES



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

To this end, the organisation provides 8 hours of paid leave each year for personal medical appointments. In addition, the company offers all employees access to corporate welfare schemes. In 2025, €148,000 was allocated to corporate welfare schemes. On top of this, benefits worth approximately €53,000 were provided.

## FOCUS - recommendation system

To improve staff engagement, particularly among operational staff, a suggestion scheme has been introduced on the company portal.

Staff can propose solutions and report issues in various areas, such as the production process, the workplace, health and safety, and environmental protection.

Each suggestion is assessed by a committee of specialists. If the suggestion receives a positive assessment, it is implemented and the team or employee who proposed the improvement receives recognition. If not, the committee provides detailed feedback and explains the reasons for the decision not to implement the suggestion.

Since the Suggestion Scheme was introduced in 2023, 53 employees have been rewarded, with a total of approximately €28,300 awarded in various forms.

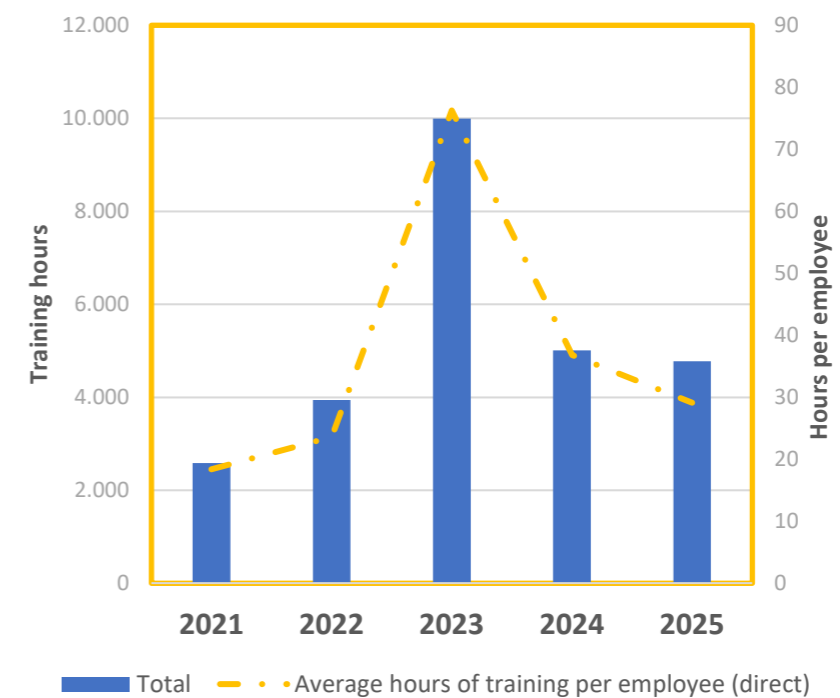
## Training and professional development for employees



Palazzoli is committed to promoting the continuous development of every employee's skills and competencies, with the aim of constantly improving professionalism and the quality of the work carried out.

During 2025, the company provided a total of more than 4,800 hours of training. This highlights the central importance attached to training within Palazzoli. In 2025, the average number of training hours per employee was 29. This figure is significantly higher than the national average.

### TRAINING HOURS



Palazzoli places great importance on the professional development of its employees. In 2024, the company is once again using the MbO (Management by Objectives) approach to assess the performance and professional development of around a quarter of its staff. This methodology aims to improve efficiency in achieving the company's objectives and to provide the staff involved with an effective tool for their professional growth.



# Protection of workers' health and safety

## FOCUS – MIP (Manufacturing Improvement Plan)

MIP is a methodology developed specifically for our company, launched in 2022 with the aim of systematically improving the performance of the production system through an integrated and inclusive approach.

The main areas of focus were:

- Quantifying costs arising from waste and losses, with the definition of a structured plan to reduce them.
- Improving operational processes.
- Increasing the speed of response to customer needs.
- Actively involving staff at all levels of the company.
- Enhancing skills at every level.

The MIP covered all areas of the company, from production departments to logistics, from quality to maintenance, right through to human resources management and product development.

For each area, short-, medium- and long-term action plans were defined, monitored constantly through internal assessments and key performance indicators (KPIs) and key activity indicators (KAIs), which were always accessible. To support the programme's implementation, standard tools were designed and rolled out, initially trialled in pilot areas with a select group of staff. These staff then transferred the skills they had acquired to other departments, fostering widespread knowledge sharing and a shared cultural shift. A distinctive feature of the MIP is the introduction of a pillar dedicated to Energy and the Environment, with the aim of ensuring sustainable development, striking a balance between production needs and environmental responsibility. This team has worked on the continuous improvement of the environmental management system, helping to reduce the impact of our activities on the environment.

The MIP project officially concluded in 2024 with the achievement of its set objective: the award of the Bronze Medal, a significant recognition of the improvement journey undertaken by the entire company. In 2025, all MIP activities were simplified, streamlined and integrated into company procedures and operations.

The health and safety of everyone involved, directly or indirectly, in the company's operations is a fundamental priority for Palazzoli.

The company reaffirms that health and safety is its top priority, managing all its business activities through management systems certified to the UNI ISO 45001 standard, "Occupational health and safety management systems".

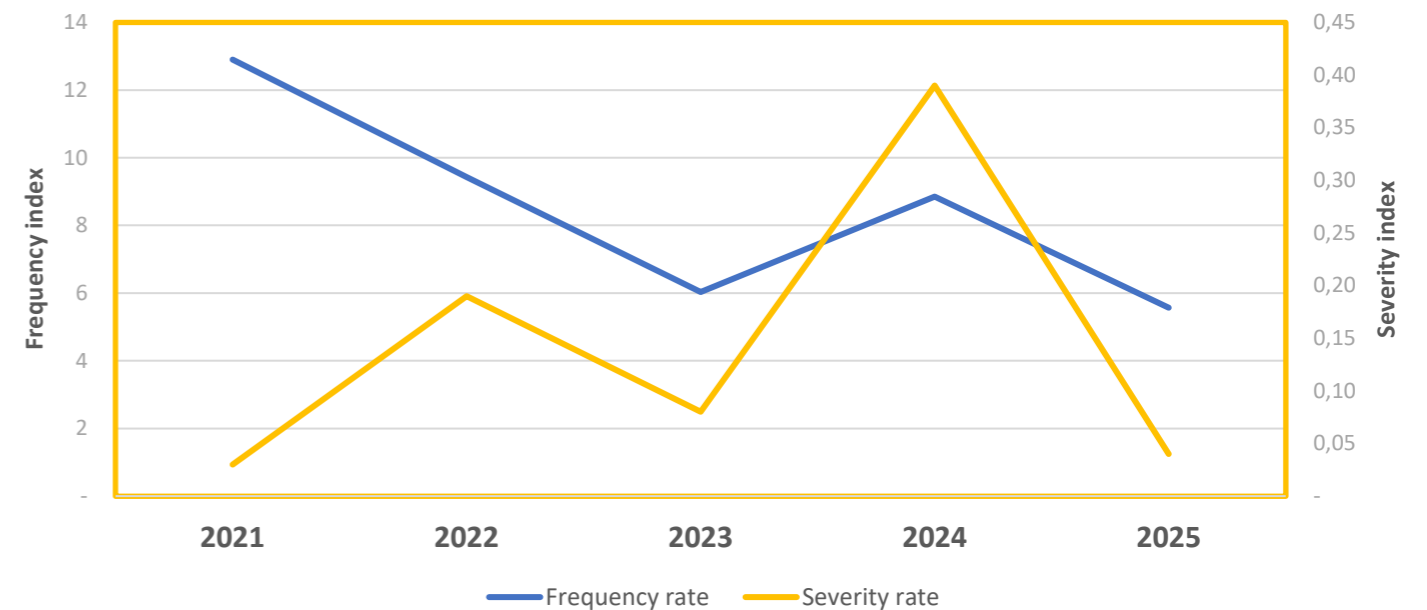
This commitment translates into compliance with the highest standards, strict adherence to current legislation and the ongoing implementation of he-

alth and safety training programmes, going beyond legal requirements to ensure a safe and healthy working environment.

In 2025, there were 2 accidents (compared to 3 in 2024).

Towards the end of 2024, a project was launched to re-inspect and re-check all the plant's equipment.

FREQUENCY AND SEVERITY INDEX

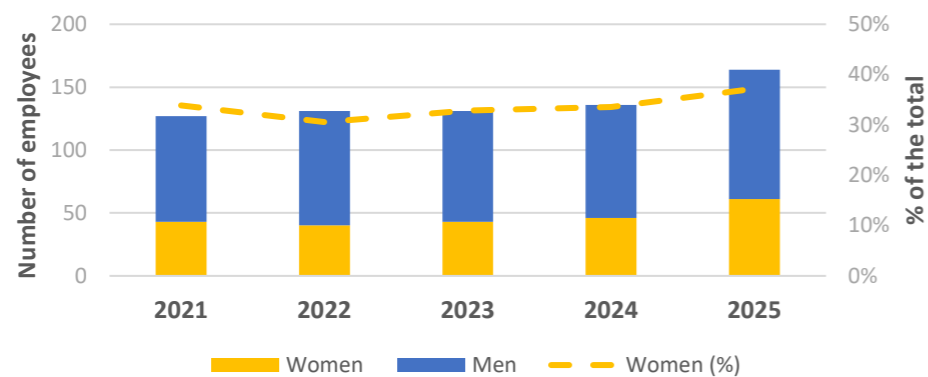


# Diversity, inclusion and the promotion of equal opportunities



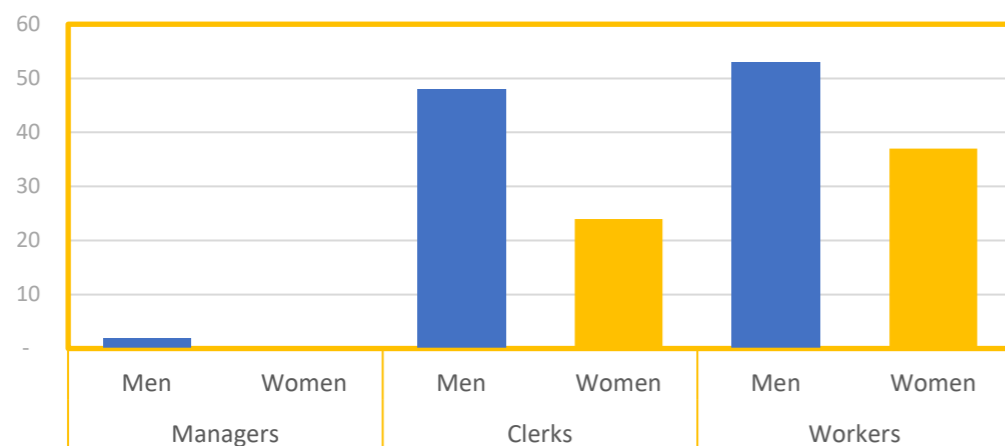
The proportion of women in the company is lower than that of men, with women accounting for around 37% of the workforce (+9% compared to 2024), an increase on the previous year, as shown in the graph below. This figure is positive as it exceeds the benchmark for metalworking companies, a sector to which Palazzoli belongs. According to a FIM CISL study published in August 2023, the proportion of women in these companies stands at around 21%.

**EMPLOYEES BY GENDER**



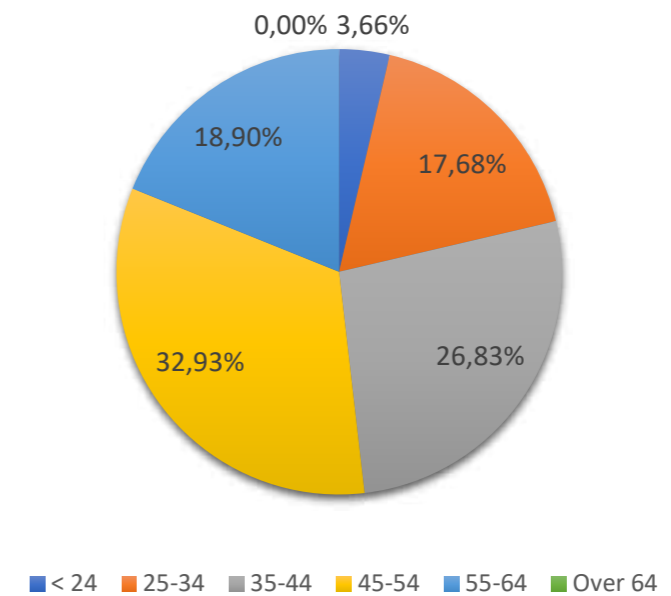
In 2025, the breakdown of staff by role showed that 55% of employees (90 people) were manual workers, 44% were office staff (72 people) and the remaining 1% (2 people) held managerial positions.

**EMPLOYEES BY JOB ROLE AND GENDER**



As regards the breakdown of the workforce by age group, by the end of 2025 the majority of the workforce (78%) will be aged between 35 and 55; those under 35 account for 21%. Those aged over 55, on the other hand, make up around 19% of the workforce.

**EMPLOYEES BY AGE GROUP**



In 2025, Palazzoli took on three students for work-study placements and offered three extracurricular internships, which are still ongoing. The company is firmly committed, as set out in 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 Organisation, Management and Control Model (MOG 231), which will be

described below, Palazzoli has an internal channel for reporting discriminatory behaviour. During 2025, as in previous years, no such reports were received. Furthermore, Palazzoli is committed to using inclusive language in the drafting of its job advertisements and in its marketing campaigns, both externally and within the company, in order to attract talent without distinction.

# Creating value for the community



Palazzoli is deeply rooted in the local area where it operates and carries out its activities. With the aim of supporting the local community, Palazzoli makes annual financial contributions in the form of grants and donations to social initiatives. In 2025, donations totalling €23,000 were made to the following organisations:

- Fondazione della Comunità Bresciana, with particular reference to the Maria Rosa Moretti Fund

- Ambra Onlus
- Fondazione Spedali Civili di Brescia
- Castelli Foundation
- Parish of San Bartolomeo (BS)

Sponsorships to:

- Fondazione Brescia Musei for cultural initiatives.
- Associazione Amici Palazzo Martinengo.
- Vincenzo Foppa soc. cop. Onlus (Accademia Belle Arti).

## MARIA ROSA MORETTI FUND

The Fund, established at the behest of Mr Luigi Moretti in memory of his sister Maria Rosa Moretti, is dedicated to supporting charitable, social and cultural initiatives, with a particular focus on those aimed at young people and addressing their physical, intellectual and moral needs.



## CONFINDUSTRIA BRESCIA

The spirit of collaboration has always been a hallmark of our corporate policy, and indeed we have been members of Confindustria for over a century.



## AIRC – AIRC Foundation for Cancer Research

Since 1965, the AIRC Foundation has consistently supported advances in cancer research through fundraising, and has been working to provide accurate information on research findings, prevention and treatment options.

In January 2020, the company launched the “SHINING A LIGHT ON RESEARCH” initiative in support of the AIRC Foundation for cancer research. Thanks to this project, the lighting range helps to support the breast cancer research project led by Giampaolo Bianchini, Head of Breast Oncology at San Raffaele Hospital and an AIRC researcher at the San Raffaele Centre Foundation in Milan. In 2024, upon completion of the project, Palazzoli continued its support for AIRC’s research in a general capacity, with total contributions amounting to €17,500.



## CASTELLI FOUNDATION

The foundation aims to:

- launch projects designed to improve the efficiency and enhance the technical facilities of technical colleges.
- promote and manage initiatives aimed at engaging teachers and students, with the aim of improving the effectiveness of teaching and adding value to the learning experience.
- demonstrate the importance of education, to encourage commitment and recognise excellence among students.
- engage businesses in an increasingly close and ongoing collaboration with the world of education.
- facilitate the entry of recent graduates into the world of work, by promoting the provision of work placements and training opportunities.

## Palazzoli in Arte

The Palazzoli in Arte project was launched in 2023 as a cultural initiative aimed at fostering dialogue between contemporary art and industry, showcasing the creativity of the younger generation and strengthening ties with the local community. For the 2024–2025 academic year, Palazzoli renewed its partnership with the SantaGiulia Academy of Fine Arts in Brescia, involving students in an art competition dedicated to the theme ‘Electrical systems and designer lighting’.

The jury, comprising industry experts and company representatives, assessed the works according to criteria of originality, relevance to the theme and technical feasibility. The winning project was “Look at the stars and see yourself running with them”, created by Daniele Piemontese, a student on the Contemporary Visual Arts course.

The work draws inspiration from the digital panels used for road signage and reinterprets the theme of light as a tool for reflection and awareness. Designed to be viewed from the ring road, the installation captures the attention through a message initially presented in Morse code and subsequently translated into Italian, creating an alternation between text and light animation.

The structure, supported by two steel poles, holds a digital display with a minimalist, urban aesthetic, whilst the blue illuminated lettering recalls the sky and the imagery of stars evoked by the title.

The chosen message, attributed to Marcus Aurelius, invites us to look beyond the everyday and to recognise ourselves as part of a broader, more harmonious order. The light installation thus becomes a discreet yet significant presence, capable of interacting with the surrounding landscape and transforming a place of passage into an opportunity for contemplation and reflection.

On 12 December 2025, to mark the company’s 121st anniversary, the winning entry was awarded at Palazzoli’s headquarters in Brescia. During the event, Chief Executive Officer Andrea Moretti highlighted the value of initiatives such as this, which strengthen the bond between business, the local area and the community, whilst promoting culture and contemporary art.

The success of the first two editions of the competition has led Palazzoli to confirm its collaboration with the SantaGiulia Academy of Fine Arts for the 2025–2026 academic year as well.

The new theme, “Intelligences in Connection”, invites reflection on the role of artificial intelligence and new forms of dialogue between humans and machines. An emerging language that generates unprecedented synergies and models of collaboration capable of uniting expertise, creativity and technology in the service of the future.





# 10

Global Reporting Index

# Global Reporting Index (GRI) Content Index

For each individual material topic identified, the correlation with the main international sustainability reporting standards, the GRI (Global Reporting Initiative), is set out below. There are no GRI sector-specific standards relevant to Palazzoli's activities.

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

GRI 2 GENERAL INFORMATION 2021		
GRI STANDARD	DISCLOSURE	REFERENCE PARAGRAPH
<b>THE ORGANISATION AND ITS REPORTING PRACTICES</b>		
	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
<b>ACTIVITIES AND WORKERS</b>		
	2-7 Employees	Development and well-being of employees
	2-8 Non-employee workers	Development and well-being of employees
<b>GOVERNANCE</b>		
	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
<b>STRATEGIES, POLICIES AND PRACTICES</b>		
	2-25 Processes to remedy adverse impacts	Potential negative impacts
	2-27 Compliance with laws and regulations	Strategic direction
<b>INVOLVEMENT OF STAKEHOLDERS</b>		
	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
<b>STANDARD TOPIC - ECONOMIC SCOPE</b>	
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
<b>STANDARD TOPIC - ENVIRONMENTAL SCOPE</b>	
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
<b>STANDARD TOPIC - SOCIAL SCOPE</b>	
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 2025

***Palazzoli***  
SISTEMI ELETTRICI E LUCE D'AUTORE



Customer focused operations

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