

Sustainability Report

Year 2022



Performed by



THE SUSTAINABILITY AWARENESS JOURNEY

Sustainability Report

Year 2022







Organization profile

GRI 2-1 • GRI 2-2 • GRI 2-6

Since its founding in 1937, **Minelli SpA** has built a legacy of crafting high-quality wooden products for diverse industries, spanning sports and leisure, packaging, kitchenware, and more. Throughout its history, Minelli has been driven by an unwavering commitment to excellence, constantly striving to produce exceptional products while maximizing efficiency and minimizing environmental impact.

In recent years **Minelli SpA** embarked on a transformative journey, leveraging its eight decades of experience and expertise to launch two innovative divisions: Minelli Systems and Minelli Materials. These divisions focus on dedicated research and development, pushing the boundaries of what's possible in the realm of wood-based solutions.

Headquartered in **Zogno (BG)**, Italy, **Minelli SpA** operates additional facilities in its home country, including the historic registered office in Ambriola di Costa Serina and the modern production site in Gottolengo. Internationally, wholly-owned subsidiaries extend the company's reach to Preza, Albania, and Hickory, North Carolina, in the United States.

Across all production facilities, **Minelli SpA** implements rigorous processes meticulously designed to achieve environmental sustainability goals.

This report focuses on the company's operations within its three Italian locations: Zogno, Ambriola di Costa Serina, and Gottolengo.



Sustainability Report 2022

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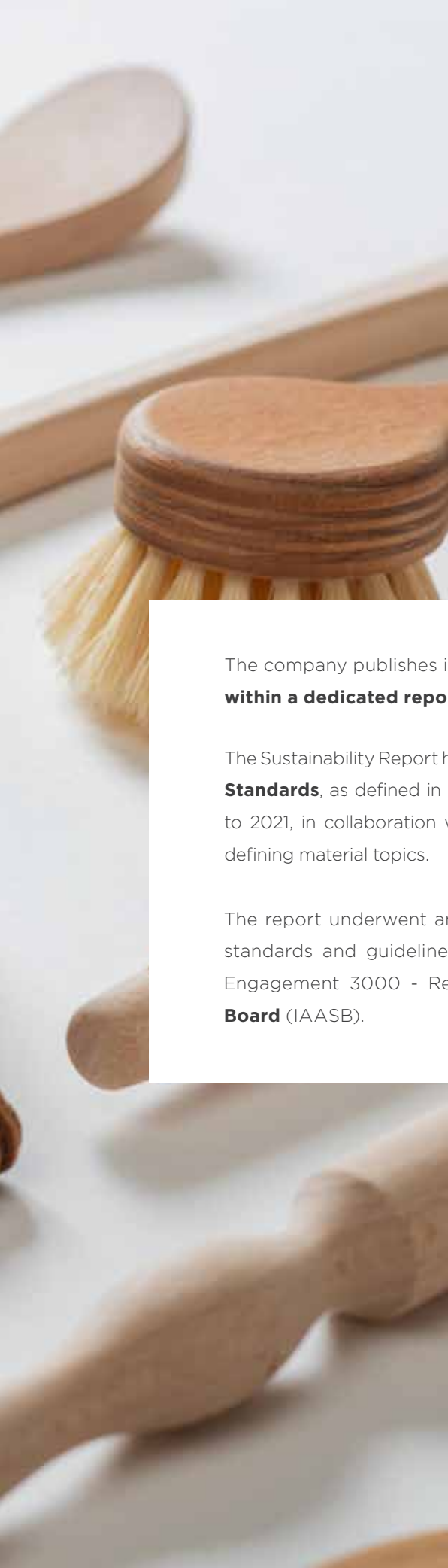




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Reporting Information

GRI 2-3 • GRI 2-4 • GRI 2-5

The company publishes its performance results in **environmental and social sustainability within a dedicated report**, commencing in 2023 and on an annual basis.

The Sustainability Report has been written in accordance with the **GRI Sustainability Reporting Standards**, as defined in 2016 by the Global Reporting Initiative (GRI Standards) and updated to 2021, in collaboration with the **Sustainability Accounting Standards Board (SASB)** for defining material topics.

The report underwent an independent assurance by CRIF/CRIBIS in accordance with the standards and guidelines contained in ISAE3000 (International Standard on Assurance Engagement 3000 - Revised) of the **International Auditing and Assurance Standard Board (IAASB)**.

- ✔ **GRI Sustainability Reporting Standards**
- ✔ **Sustainability Accounting Standards Board (SASB)**
- ✔ **ISAE3000 International Auditing and Assurance Standard Board**

This report, prepared by ESG-VIEW (www.esg-view.com) is available on the Company's website at <https://www.minelligroup.com/> and inquiries can be submitted through <https://wood.minelligroup.com/contacts/>.

The **report** was conducted based on the questionnaire given to Minelli SpA on 04/10/2023 by Synesgy and relates to the period 01/01/2022-31/12/2022.



Why was it important for Minelli SpA to complete the Synesgy questionnaire?

- ✔ It allowed the company to start mutually beneficial relationships with its customers, suppliers and stakeholders
- ✔ It relies on a platform that validates existing data from CRIF ratings, streamlining the reporting process
- ✔ This questionnaire aligns with internationally recognized GRI-SDGS standards, making it compatible with various banking circuits
- ✔ It is constantly updated according to evolving reporting regulations
- ✔ It is possible to assess suppliers' sustainability performance by tracking their supply chain score
- ✔ Data are shared in real time





Stakeholder Engagement

GRI 2-29

The goal of Stakeholder Engagement

Building a sustainable **business model** goes beyond just monitoring and improving environmental and social impacts; it requires continuous **dialogue and collaboration with stakeholders**. Understanding and responding to their needs and expectations are crucial for creating **shared value**, ultimately enhancing the impact, **quality, and efficiency of Minelli SpA's services**, while simultaneously improving the well-being of **stakeholders** directly and indirectly connected to the company.

By actively listening to and engaging with diverse stakeholders and local communities, **Minelli SpA** fosters the development of its **sustainability strategies**, establishing shared goals for mutual benefit. We have identified our key stakeholders and their activities, defining their level of involvement based on designated functions and tools for engagement and dialogue. Our stakeholder engagement system incorporates diverse activities, tools, channels, and methods to accommodate the **specific profiles and needs of each stakeholder** group within the broader institutional context.

Stakeholder	Functions involved	Expectations	Activities	Engagement instruments	Response
Company: Investors and partners	Management, General Affairs, Business Area, Communication & PR	Shared quality standards, service & activity planning, dialogue on impacts & results	Regular meetings throughout the year	Meetings, presentations, communication exchanges, surveys on environmental sustainability	Presentation of projects, plans, reports, budgets
Employees & Union Representatives	Human Resources	Shared values, goals	Meetings & activities, scheduled meetings with union representatives	Meetings, training sessions, dedicated meetings, refreshment areas, dedicated surveys, observatory	Trade Union Agreements
Customers	Commercial Area	Increased understanding of their expectations	Scheduled meetings & activities throughout the year	Customer satisfaction surveys, newsletters, themed environmental sustainability meetings & surveys	Presentation of survey results
Suppliers of Goods & Services	Purchasing	Assurance of broad demand	Regular meetings & communication throughout the year	Selection procedures, document exchange, meetings	Contracts
Institutions	Management	Adherence to laws & regulations, compliance with contracts & regulatory updates	Regular meetings	Meetings & communication exchange, including updates on contractual regulations	Reports, surveys, budgets
Banks & Financiers	Management	Economic, financial & asset solidity & sustainability	Non-regular meetings focused on specific projects	Meetings & communication exchange	Analysis reports, business agreements
Local Communities & Collectivities	Communication & PR	Creation of shared value	Various analysis & comparison activities	Communication & marketing campaigns	Events, open spaces, public initiatives

SDGs: UN Sustainable Development Goals



On **September 25th, 2015**, the governments of **193 UN member nations** signed the **2030 Agenda for Sustainable Development**.

It is an action program approved by the UN General Assembly, which includes 17 specific Sustainable Development Goals, framed within a broader action program that includes a total of 169 targets or Goals.

The 17 Goals commit governments and nations, but also each individual business. ESG principles are the implementation of what companies must do.

Environmental

- ✓ Fossil fuel dependence
- ✓ High water footprint
- ✓ Deforestation
- ✓ Waste disposal

Social

- ✓ Local Community Conflicts
- ✓ Employee Health & Safety
- ✓ Protection of diversity
- ✓ Healthy employee Relations

Governance

- ✓ Executive compensation compared to employee salaries
- ✓ Involvement in corruption-related scandals
- ✓ Taxation: transparency and compliance in every jurisdiction

Minelli SpA and the SDGs

The Synesgy questionnaire has enabled Minelli SpA to map materialities and themes related to sustainability, thus highlighting the most relevant facts achieved in the reporting year and providing its stakeholders with an immediate, but most importantly certified, overview of its activities - as it complies with internationally recognized parameters.

The awareness-raising process initiated has led to the highlighting of a virtuous path by the Company as evidenced by the alignment of its actions with 8 out of the 17 Sustainable Development Goals (SDGs) recognized by the United Nations.



4 - QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



6 - CLEAN WATER AND SANITATION

Ensure availability and sustainable management of water and sanitation for all.



7 - AFFORDABLE AND CLEAN ENERGY

Integrate low-impact solutions into the production cycle through the use of sustainable energy sources.



8 - DECENT WORK AND ECONOMIC GROWTH

Promote full and productive employment, decent work conditions and encourage sustainable economic growth.



9 - INDUSTRY, INNOVATION AND INFRASTRUCTURE

Resilient infrastructure, sustainable industrialization, and innovation.



12 - RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable patterns of production and consumption.



13 - CLIMATE ACTION

Promote actions, at all levels, to fight climate change.



15 - LIFE ON LAND

Protect, restore and promote the sustainable use of earth ecosystems, sustainably manage forests, fight desertification, stop and reverse land degradation and halt biodiversity loss.

The tracking of themes through Synesgy and the 26 materialities, related to ESG areas, based on this emergence, has initiated a real awareness-raising process that involve, through multiple communication channels, all stakeholders.





Environment



Management of environmental impacts

GRI 2-25 • GRI 3-3 • GRI 302-1

Organizations may be involved in impacts either through their own activities or due to their business relationships with other entities. It is crucial, therefore, for the company to identify the impacts it causes, as well as those it contributes to causing that are directly related to its activities, products or services through a business relationship. In this context, a virtuous company is the one that highlights such impacts and identifies strategies to avoid, mitigate, remedy negative effects, or further improve positive ones.

Minelli SpA monitors its sustainability performance on environmental themes using specific quantitative indicators.

The company complies with current environmental regulations. The company uses applications and technologies that enable data analytics (e.g., analysis of energy consumption data) and diagnostics (e.g., monitoring of machinery functionality).



Minelli SpA is attentive to its environmental management and plans the production and organization of its facilities with a long-term reduction perspective on its impact.

Indeed, there are several investments in both company infrastructure and innovative machinery aimed at enabling the company to achieve energy savings and reduce air pollution, which naturally translates into more sustainable operations.

Among the various ways through which the company strives to reduce the impact of its business there is also the ability to constantly invest in R&D with the aim of exploring new methods, materials, actions that are more sustainable than current ones.

Among the various R&D initiatives, particular emphasis is placed on the creation of the Minelli Materials division, whose mission is to create new business development opportunities through the development of innovative sustainable materials, suitable for industrial applications, all derived from the processing waste of Minelli SpA's traditional activities.

In close connection and interdependence with Minelli Materials, the Minelli Systems division has also been created, whose mission is to offer customers a wide and complex range of services that go beyond traditional solid wood processing. It acts as a catalyst and meeting point for a branched network of local excellences, promoting a process of shortening supply chains and, at the same time, contributing to the consolidation of the socio-economic framework in which Minelli SpA operates on a daily basis.

Minelli SpA is also particularly aware of the environmental impact of its supply chain, actively collaborating with it to achieve high sustainability goals.

Materials

GRI 2-25 • GRI 3-3 • GRI 301-3

Minelli SpA understands the critical role materials play in our environmental impact, not just during production but throughout their entire lifecycle.

Minelli SpA implements a lean manufacturing process that minimizes waste throughout all production phases.

The company recovers some resources in its production process, such as:

- ✓ **unused raw materials,**
- ✓ **semi-finished products,**
- ✓ **processing waste** (e.g. through the production of electric or thermal energy).

As proof of this, Minelli SpA is a virtuous example of raw material management.

Not only the company uses FSC- or PEFC-certified wood, selected from sustainably managed forestry, but it also seeks to maximize its useful life, by using it for other purposes and uses.





Recognizing the versatility of wood, Minelli SpA carefully selects usable scraps from processing larger furniture and construction beams to create smaller components like decorative elements and packaging materials. This closed-loop approach has significantly reduced our wood waste, minimizing environmental impact and maximizing resource utilization.

Furthermore, as more fully highlighted below, the company through investment in state-of-the-art biomass boilers, uses processing scraps to produce heating, currently covering the entire heating needs of the Ambriola di Costa Serina and Zogno complexes and having already planned a similar investment for the Gottolengo production site.

But not only that, Minelli SpA invests significant resources in the study and development of innovative materials that are related to its traditional business. One such material, the mBlack™, which the company conceives as a plastic substitute for plastic applicable to various sectors, starting from, among others, cosmetic packaging, is a biodegradable compound derived from wood waste generated during production activities. MBlack™ is a smart material because it decomposes without releasing microplastics and has negative emissions throughout its lifecycle.

Along its production chain, the company uses packaging selected based on criteria of recyclability of the packaging and maximum volume reduction.

The choice of packaging also occurs based on criteria of durability and reusability of the packaging or its components.



Energy

GRI 302-1 • GRI 302-4

Energy consumption for the company, coupled with forms of optimization, represents a fundamental parameter to describe its impact not only in terms of efficiency, but also in terms of its environmental repercussions. The monitoring system in terms of energy used/distributed/saved allows the company to identify the areas in which it is most needed to act for a better resource rationalization, with a view to continually improving its efficiency strategy.

Minelli SpA had an electricity consumption of 10,413,765 Kwh for the year 2022.

Over the last four years, the company has carried out energy efficiency interventions totaling € 2,200,000.



**The company
has an electricity
consumption of
10,413,765 Kwh.**


In particular, between 2019 and 2022, 3 oil boilers were replaced with biomass boilers. In 2022, furthermore, 6 dryers were replaced with 3 more efficient ones. In the same year, a new consumption monitoring software was implemented. Over the past few years, a relamping of the facilities has also been carried out.

Thanks to the energy efficiency measures, Minelli SpA is able to cover 100% of the company's heating requirements independently. In fact, following the principles of the circular economy, during the winter the company transforms processing waste chips into valuable resources to fuel the heating systems and thermal drying chambers.

By following this practice, the company saves energy and manages to achieve its goal of reducing its impact on the planet.

The analysis and data collection systems used by the company are capable of providing information regarding energy consumption.



 **€ 2,200,000**
Investment in energy efficiency

Going beyond periodic audits, Minelli SpA takes a proactive approach by continuously monitoring our key energy drivers on a daily basis. This real-time data fuels our decision-making, allowing us to prioritize the adoption of high-efficiency systems and technologies, ensuring constant improvement in our environmental impact.

In addition, the company has provided charging stations for hybrid/electric cars, available free of charge for employees as well as customers/suppliers/visitors.

Water and wastewater

GRI 2-25 • GRI 303-2 • GRI 303-3 • GRI 303-5

The sustainable management of water resources is of crucial importance for the organization's environmental impact, considering water as a shared resource to be preserved.

Engaging with stakeholders in this context is essential for the organization, **to sustainably manage water resources as a shared good** and to consider the needs of other watershed users. Together with stakeholders, the organization can define **collective goals for water use**, increase investment in infrastructure, promote policies, develop capacities, and raise awareness.

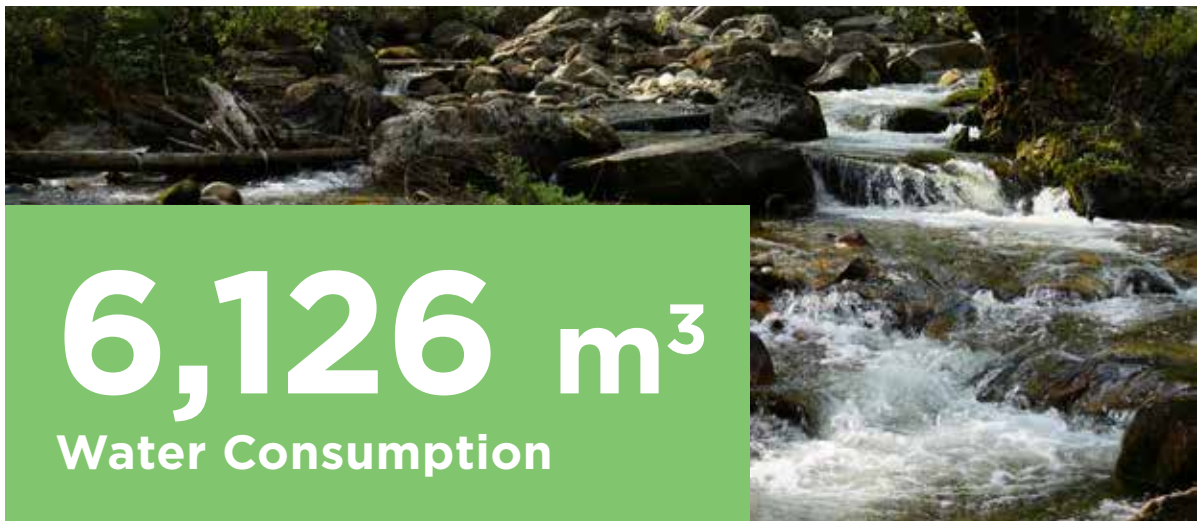
It is therefore important, in this context, to involve stakeholders, starting with those internal and closest to the company - employees, non-employee workers, consultants, suppliers, first and foremost - to **share best practices** in terms of water resource rationalization and better use and exploitation of them.

**The water consumed in one year by all company's offices amounts to 6,126 m³.
The analysis and data collection systems used by the company are capable of providing information regarding the quantity of water consumed and/or reused.**

The company applies practices to reduce water consumption by treating and reusing wastewater within its production processes.

The company draws water resources locally for its operations (e.g. from rivers near the facility).

Minelli SpA carries out specific activities to preserve the water basin.



Emissions

GRI 3-3 • GRI 305-1

Direct or indirect GHG emissions and other ozone-depleting gases and their monitoring, as well as actions aimed at their reduction, confirm the organization's commitment to **minimizing its environmental footprint**. The level of direct emissions is also influenced by **energy sources owned or controlled by the organization**, such as electricity generation, heating, cooling, and steam production, as a result of the combustion of energy sources. Hence, the importance of the **company's monitoring of emissions**, but also, and above all, its contribution to the increasing efficiency of energy resources, which influences emission levels in the air.

Minelli SpA is aware that transportation logistics, i.e. the movement of goods from one place to another, has a significant environmental impact due to pollution caused by vehicle emissions into the atmosphere, soil or water.

One of the company's objectives is to shorten the process by which raw materials reach production in order to reduce the carbon footprint and make logistics more sustainable.



Having production facilities in both Europe and the United States, Minelli SpA seeks, as much as possible, to organize its production in order to minimize the transportation of raw materials.

The company measures its corporate emissions related to air pollution.

One of the sources attributed to this type of atmospheric alteration is the fueling of transportation vehicles.

Minelli SpA's company vehicles include:

- ✓ 18 Diesel vehicles,
- ✓ 1 Petrol vehicle,
- ✓ 4 Hybrid vehicles.



Furthermore, regarding the control and containment of emissions, Minelli SpA is proud to have developed a specific material, called MBlack, based on biochar, that absorbs more carbon from the atmosphere than it releases and has the ability to store it long-term. With this, it is evident that the company is developing innovative methods to manage its environmental impacts, as well as those of its customers, responsibly in the present and over the long term.

The analysis and data collection systems used by the company are capable of providing information on the climate-altering gas emissions produced.

Biodiversity

GRI 304-2

Protecting biological diversity is important to ensure the survival of animal and plant species, genetic diversity and natural ecosystems. Additionally, natural ecosystems provide clean air and water, and contribute to food security and human health. Biodiversity also directly contributes to the livelihoods of local communities, becoming essential for reducing poverty and facilitating sustainable development. This is why it is of fundamental importance for the company to be concerned about the impact of their activities on the ecosystem.

The company contributes to the preservation of biodiversity where raw materials are produced by purchasing FSC and/or PEFC certified timber.



Waste

GRI 306-1 • GRI 306-2

In the context of the GRI Standards, the environmental dimension of sustainability concerns **the impacts of an organization on living and non-living natural systems**, including land, air, water and ecosystems. Within this context, **the issue of waste arises**, which can be generated by the organization's own activities or by upstream and downstream entities in the organization's value chain.

Waste, therefore, can have **significant negative impacts on the environment and human health** if not managed properly.

The total amount of waste generated by the company over the past year is 783 tons.

The company separates and recycles:

- ✔ paper,
- ✔ plastic,
- ✔ glass,
- ✔ electronic equipment,
- ✔ and other materials, such as iron and steel, waste paints and varnishes, and sawdust.

The company evaluates waste production at every stage of the production process in order to be able to implement solutions aimed at reducing it.

The solutions adopted for the reduction of waste production include recycling of waste and reusing packaging.

Minelli SpA can boast an established and virtuous mechanism of circular economy. The raw material used within the various production processes, in fact, is always revalued either in the form of energy or in the form of secondary raw material.

So, thanks to these mechanisms, the waste generated along the production process is not disposed of in landfills but is reused for much more honorable purposes.



ImPacking

FOCUS BEYOND PLASTIC

The project

Minelli SpA, through the establishment of the Minelli Materials division, aims to develop highly sustainable innovative materials characterized by a strong connection with its traditional raw material, wood.

MBlack™ is a proprietary material made from biochar derived from wood waste generated during Minelli SpA's production activities. Biochar is a so-called Carbon Sink because it retains CO₂ from the atmosphere in a stable form for an extended period. This biochar is mixed with a biopolymer to generate MBlack™, which is biodegradable and does not leave microplastics at the end of its lifecycle.

It is a versatile and eco-friendly material, whose performance is comparable to some types of plastics, which can be processed with standard injection molding technologies and can be decorated like traditional plastics.

Thanks to these characteristics, MBlack™ represents sustainable alternative to plastic that can be applied in various sectors of the market.

The MPacking project aims at the application of MBlack™ specifically in the cosmetic packaging sector.

Traditional plastic used in cosmetic packaging significantly affects the environment, polluting oceans and landfills, taking hundreds of years to degrade. By switching to eco-friendly alternatives, we can reduce plastic waste, protect nature and have a positive impact on our planet, while still offering customers high-quality products. MPacking's goal is to make a positive impact on the cosmetics industry by replacing traditional plastic with an innovative solution. Our black packaging not only preserves aesthetics but also aligns with our commitment to sustainability. This eco-friendly alternative is specifically designed for cosmetic products, making it the ideal choice for a greener future in the industry without compromising style or performance.

The company aims to achieve significant goals regarding these issues, such as:

- 1) Replacing plastic while maintaining performance and aesthetics.
- 2) Creating an innovative and eco-friendly alternative to traditional industrial packaging.
- 3) Contributing to decarbonizing the cosmetics industry and the planet.
- 4) Enabling the Brands in the sector to have a lasting positive environmental impact.

SDGs of the project

The Project is in line with 4 of the 17 SDGs (Sustainable Development Goals) parameters recognized by the United Nations under the 2030 Agenda.





SASB and GRI Standards

The environmental impacts defined by the Taxonomy Regulations indicate the eco-sustainability of investments. SASB materialities allow for the identification, management, and reporting of ESG impacts of activities.

The GRI Standard provides parameters for reporting such impacts.

Environmental Goals (formerly Reg. Taxonomy)
1) Mitigation of climate change
5) Prevention and reduction of pollution
6) Protection and restoration of biodiversity and ecosystems

 SASB project materiality	 GRI
Materials	2-25, 301-3
Professional ethics	2-25, 307

FOCUS Minelli SpA's compliance

The project

All activities of the Minelli Group follow strict compliance standards with current regulations and certifications. In fact, the sourcing of raw material, planned following rigorous guidelines for environmental and forest protection, is only the first of several steps oriented toward preserving the natural ecosystem.

Minelli SpA was one of the first companies to be certified by the Forest Stewardship Council®, which ensures that raw material comes from responsibly managed forests and its collection does not harm local communities in social and economic terms. This maintains the biodiversity, productivity, and ecological processes of forests. Minelli SpA has recently added the PEFC certification alongside the FSC certification.



The company does not stop there, but also claims compliance with the EUTR 995 regulation and the Lacey Act, which aim to prevent the illegal trade of timber and ensure that it comes from non-risk areas.

Minelli SpA's raw materials are traced according to the Customs Code defined by the Revenue Agency. Therefore, each imported piece is tracked, ensuring sustainability compliance at every step of the value chain for each member involved. The company also meets the standards required by the EU REACH Regulation, which aims to protect human health and the environment from potential risks posed by certain chemicals.

The company, in relation to these issues, has achieved significant objectives, such as:

- 1) Pursuing an ethically responsible production model.
- 2) Ensuring the end customer the use of selected wood from certified forests.
- 3) Guaranteeing the end customer the adoption of strict risk management policies to identify and control possible hazards related to the chemicals used.

SDGs of the project



The Project aligns with 4 of the 17 SDGs (Sustainable Development Goals) parameters recognized by the United Nations as part of the 2030 Agenda.



SASB standards ad GRI

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Environmental Goals (former Reg. Taxonomy)	
1) Mitigation of climate change	
5) Prevention and reduction of pollution	
6) Protection and restoration of biodiversity and ecosystems	
 SASB project materiality	
External Assurance	2-5





People



Employment

**GRI 2-7 • GRI 2-25 • GRI 2-30 • GRI 3-3 • GRI 401-2 • GRI 403-1 • GRI 403-9
GRI 405-1 • GRI 405-2 • GRI 408-1 • GRI 409-1 • GRI 412-1**

It is essential to understand the **organization's approach** to employment and job creation, recruitment, selection and employee retention, as well as related practices, including the working conditions it offers.

The **stability of its workforce** from a contractual point of view, linked to internal welfare policies, constitute a foundational element for the organization **to ensure high productivity performance**. An appropriate work environment that encourages social inclusion and work-life balance for employees, values diversity and provides equal opportunities, accompanied by welfare tools, enhances the company's performance and strengthens the organization's ability to adapt to extraordinary events.

The company monitors its sustainability performance with specific quantitative indicators: monitors performance related to social management (including employee management).

EMPLOYEES	Number of Women	Number of Men
Executives	0	5
Managers	0	2
Office workers	8	37
Laborers	20	137
Interns/Trainees	0	1
Average salary	€27,300	€29,799

The percentage difference in annual base salary by most represented occupational category between men and women is 8%. This differentiation can be explained by the fact that within the same professional category the tasks assigned to each employee may vary, some of which are accompanied by specific additional remuneration elements. Given the same category and duties actually performed, there are no cases of salary misalignment, much less attributable to gender disparities.

The average age of employees is 41 years old.

The percentage of employees with fixed-term contracts of the total workforce is 3%.
The percentage of employees with part-time contracts out of the total workforce is 7 %.
The percentage of interns/trainees out of the total workforce activated in the last year is 1%.
The company has hired, out of the total workforce, 7 % of employees belonging to the protected categories ex 68/99 or disadvantaged persons ex L.381/91.

Accidents occurred in the current year amount to 1.

Accidents occurred last year amount to 1.

Accidents occurred 2 years ago amount to 1.

The total number of days lost in the current year due to accidents resulting in temporary incapacity for work was 12.

The total number of days lost last year due to accidents resulting in temporary incapacity for work was 9.

The total number of days lost 2 years ago due to accidents resulting in temporary incapacity for work was 122.

The average total number of hours worked over the last year was 371,499. The company applies the Collective Labor Agreement (CCNL) for the Wood and Furniture Industry - 2023.

The company, in terms of welfare, provides its staff with:

- ✔ Productivity bonuses,
- ✔ Life/accident insurance policies,
- ✔ Flexible working hours /smart working arrangements

In addition, every year the company provides free flu vaccinations to all its employees who wish to join the initiative.

The company has internal policies on human rights management.

Minelli SpA applies additional internal policies and/or procedures, supplementing the Standard Protocols, to ensure health and safety in the workplace.

The mentioned policies and/or procedures, also have a significance for ensuring safety protection throughout the entire supply chain.

Training

GRI 403-5 • GRI 404-1 • GRI 404-2

The development and **maintenance of professionalism and skills** are conditions that enable companies to be able to pursue their **strategic goals** of creating value to the organization.

The number of hours devoted to training courses over the past year is 2626.

During the year, among the main topics covered by the training provided were:

- ✔ **The theme of workplace health and safety.**
- ✔ **The theme of the technical, linguistic, IT and managerial skills development.**



The company invests in the development and enhancement of technical skills to implement research processes and sustainable technologies.





PROJECT UNI ISO 45001

The Project

Minelli SpA has successfully prepared the Gottolengo (BS) plant to be certified ISO 45001 compliant.

The project, which will be completed in the next few years, will see the plant compliant with the UNI ISO 45001: 2018 standard “Occupational health and safety management systems - Requirements and guidance for use,” which is the first international standard to define minimum good practice standards for the protection of workers worldwide.

This standard in question establishes a framework for improving safety, reducing risks in the workplace, and improving the health and well-being of workers, thereby allowing organizations that choose to certify their management systems under accreditation to improve their health and safety performance.

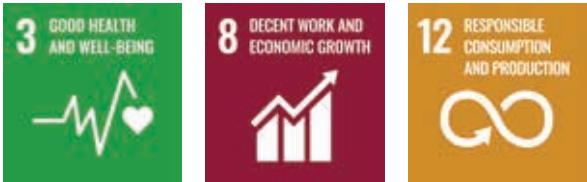
Minelli SpA will proceed in the coming years to extend the same approach to its other company plants.

The company, regarding these issues, has achieved significant objectives, such as:

- 1) Ensuring full compliance with legislation and pursuing continuous performance improvement in this area.**
- 2) Meeting the needs and expectations of its workers and other stakeholders.**
- 3) Updating all personnel responsible for managing and mitigating health and safety risks.**
- 4) Better assessing risks and improving its performance in managing health and safety at work.**

SDGs of the project

The Project aligns with 3 of the 17 SDGs (Sustainable Development Goals) parameters recognized by the United Nations as part of the 2030 Agenda.







Network and Territory



Customer relations

GRI 416-1 • GRI 418

In terms of customer relations, it is of great importance how the company considers the impacts on the health and safety of its customers, starting from the products and services it manufactures, and how these impacts are measured in the different stages of the lifecycle of its business, from the product concept development to the research and development phase, and eventual subsequent certification.

The same impact is to be sought in the implementation phases, including manufacturing and production, as well as in marketing, through supply, use and the attention the company subsequently provides, including of post-sales support phase up to the end-of-lifecycle of the product or service. In this logic, the initiatives undertaken by the organization to address the issue of safety throughout the lifecycle of a product or service become relevant, as well as the assessments related to this issue, including the increasingly important privacy and data security.

The company has a policy on data privacy and security. Regarding the sustainability of products during the use phase, the company is committed to creating products that are easily recyclable and highly durable, with the aim of encouraging reuse by users.



Infrastructure investments and financed services

GRI 203-1

The economic dimension of sustainability concerns the impacts of an organization on the economic conditions of its stakeholders. It also pertains the impacts of an organization on economic systems at local, national and global levels. Economic impact can be defined as a change in the productive potential of the economy, which has an influence on the well-being of a community or stakeholders, as well as on long-term development prospects.

When we talk about indirect economic impacts, we refer to the consequences of financial transactions and the flow of money between an organization and its stakeholders. These impacts are particularly important when evaluated in relation to the improvement of stakeholders' conditions, not only directly related to the company's activities, but also connected to the further impacts they may have. The investments made by the company align with national and international objectives in sustainable development. Investment, innovation, technology development and pursuit of quality are key elements for economic strategies, since they create a real multiplier effect benefiting a wide range of entities.

Donations, sponsorships, and contributions benefiting the community in the area where the company operates have been made. The donations/investments made in favor of the community in the last year amount to €50,000.



The company cooperates regularly with various local educational institutions to carry out Pathway for Transversal Skills and Orientation (PCTO) and curricular internships. The company's staff also give lectures on specific topics. Among various initiatives, a curricular internship on sustainability topics was conducted by a doctoral student from the University of Bergamo in 2022.

Minelli SpA is also proud to have chosen, through the initiative called “Give Back” established since 2022, to allocate a portion of the profits earned each year to support initiatives of strong social relevance in the territories where the group operates (the provinces of Bergamo and Brescia).

Since its origins, the Minelli Group has developed a deep, almost visceral bond with the territories and communities in which it operates, fully aware of the inestimable contribution that comes from those territories and communities. The primordial, implicit (but no less noble) form of gratitude on the part of Minelli SpA has been to preserve this bond over the years, without ever giving in to the logic of pure profit, which instead would perhaps have dictated a move to areas that are certainly easier, but just as certainly less “heroic.”

In this multi-decade tradition, the Give Back initiative stands as another form of giving back to territories and communities by sharing a part of the company's achievements with them.





Business Model and Innovation



Suppliers and procurement practices

**GRI 2-22 • GRI 2-25 • GRI 2-8 • GRI 203-1 • GRI 204-1 • GRI 307 • GRI 308-1
GRI 308-2 • GRI 403-1 • GRI 403-7 • GRI 414-1 • GRI 416-1**

Within the framework of the relationships that the organization maintains with its suppliers, an extremely important chapter concerns their environmental evaluation, meaning the commitments that suppliers undertake in terms of sustainability and behaviors consistent with these themes.

With a constant aim of improving impacts and mitigating negative ones, the organization increasingly evaluates suppliers' compliant behaviors in terms of social, economic and environmental impacts since these impacts directly and indirectly affect the company's value chain. On one hand, the organization monitors suppliers' behavior, and on the other hand, it defines strategies and actions to limit the scope of those with negative impacts.

The company adopts a system for evaluating suppliers:

Supplier evaluation system	Percentage of the total
Suppliers evaluated for holding environmental certifications	60%

Innovation

GRI 2-22 • GRI 3-3 • GRI 203-1 • GRI 403-1

The company invests in Research and Development with a focus on sustainability.

In fact, the company's research and development department is constantly working, for example, on developing new water-based paints that are environmentally friendly and safer to use.

In recent years, significant funds have indeed been allocated to initiate research and automation processes aimed not only at increasing production efficiency, but also at significantly reducing the most physically and ecologically impactful processing steps.

As of today, 90% of production processes in Minelli SpA are automated, using advanced technologies and sophisticated robotic solutions.

These innovative processes can ensure extremely high precision and consistent quality.

For example, patented software development has made it possible to handle the most complicated machining processes using highly accurate machining systems and robots to improve efficiency and maintain Minelli's traditional quality.



Investments in Research and Development are therefore aimed primarily at implementing:

- ✓ Systems to reduce the environmental impacts of their business activities.
- ✓ Systems to foster circular economy along the value chain.
- ✓ Systems to collect data and evaluate performance by machinery.

In relation to the sustainability of products in the use phase, the company is committed to activate second-life projects for products along the supply chain.





Leadership and Governance



Governance

GRI 2-5 • GRI 2-9 • GRI 2-28

The organization's governance structure, composition, knowledge and roles are important in understanding how the management of the organization's impacts on the economy, the environment and people, including the impact on their human rights, is **integrated into the organization's strategy and operations**, also emphasizing how well the company itself is "equipped" to oversee the management of impacts.

The corporate governance body is represented by a Board of Directors.
The governance body consists of 6 people.
The BoD has 1 independent member.
The average age of the governing body is 45 years.

There is one auditing company, Lance Audit srl (consolidated auditing firm for the parent company Minelli Group SpA's).

The company is a member of trade associations, particularly Confindustria.



Professional Ethics

GRI 2-22 • GRI 2-23 • GRI 2-25 • GRI 307 • GRI 419

The organization's commitments must be directed towards **responsible business conduct**, including a commitment to **respect human rights**. These commitments constitute the company's values, principles and norms of behavior and the mission integrated with the economic objectives.

Human rights enshrined in national and international norms, coupled with the **organization's actions to prevent or mitigate potential negative impacts** for each material topic form the framework through which the company's activities must transit, considering political engagement as an integral part of corporate strategy.

It is therefore appropriate for the company to **identify its risk factors** and provide itself with strategic tools to address them.

Minelli SpA has a system for managing risk, including environmental and social risks.

The company implements sustainability initiatives and/or has a formalized sustainability mission and/or strategy to manage the economic, social, and environmental impacts from its activities. In particular, its mission takes into account environmental and social factors that are also considered in its long-term strategy.

Regulatory Compliance

GRI 2-25 • GRI 307 • GRI 419

An organization's compliance indicates the ability of its management to ensure that operations comply with certain performance parameters or universally recognized standards. In this context, obtaining certifications attesting to the high level of compliance of the company's activity, sector or business procedure becomes a guarantee in the eyes of stakeholders and those directly or indirectly involved in the company's value chain. This is with the aim of reducing or mitigating negative impacts on specific sustainability-related issues, whether social, environmental, or economic.

Minelli SpA holds third-party certifications recognized at national or international levels such as:

 **ISO 28000,**  **FSC,**  **PEFC**

The company has obtained these certifications recognized at national and/or international levels for its products or processes.

The company has internal controls in place, particularly of a compliance function.





Action Plan

Synesgy's recommended actions



Business and corporate governance

- Prepare a report containing the company's results regarding environmental and social sustainability.
- Adopt one or more management systems on key issues for the company (environment, energy, safety and health of its employees, corruption prevention, supply chain management) in order to effectively manage its processes and activities..
- Increase the women's representation in corporate governance bodies.



Water, energy and waste

- Prefer electricity suppliers that predominantly produce from renewable sources.
- Consider implementing facilities for energy production from renewable sources.
- Calculate the carbon footprint of a core product/service in order to understand its environmental impact and identify appropriate improvement actions.
- Develop a system for estimating the reduction in consumption compared to the previous year.
- Use tools to monitor water supply based on actual water needs.

Environmental Certifications

- Adopt ISO 14001 certification for environmental management.
- Adopt ISO 50001 certification for energy management systems.
- Adopt environmental impact assessment tools, such as Life Cycle Assessment, Carbon Footprint, Water Footprint, Environmental Product Declaration, EcoLabel, EMAS Registration.



Staff management, Certifications and Standards

- Adopt OHSAS 18001 or UNI EN ISO 45001 certifications regarding worker occupational health and safety management.
- Publish on the company's website its corporate policy regarding Equality, Diversity and Inclusion.
- Implement a policy aimed at gender pay equality.



Relationship with Stakeholders and the Territory

- Carry out projects in schools or the community on sustainability issues.
- When searching for and selecting suppliers, evaluate and reward their adherence to circular economy principles.
- Evaluate your supply chain from both environmental and social perspectives.



Regulatory certifications

- Adopt ISO 9001 certification for quality management system.
- Implement an ethical code that includes references to sustainability topics.
- Appoint a sustainability officer within the company.

GRI Index

Statement of Use

Minelli SpA has reported in accordance with the GRI Standards for the period from 1/1/2022 to 31/12/2022.

GRI Standard	GRI Title	Chapter/ paragraph	Page
GRI 1	Foundation		
GRI 2	General disclosures 2021		
	2-1	Organization details	Organization profile 3
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	2-3	Reporting period, frequency and contact information	Reporting information 7
	2-4	Restatement of information	Reporting information 7
	2-5	External Assurance	Reporting Information Governance 7 48
	2-6	Activities, value chain and other business relationships	Organization Profile 3
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	2-23	Political Commitments	Professional ethics	49
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	2-25	Processes to address to negative impacts	Employment	32
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	2-28	Membership associations	Governance	48
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GRI 301: Materials 2016	301-3	Recovered or regenerated products and related packaging materials	Materials	17
GRI 302: Energy 2016	302-1	Energy consumed within the organization	Management of environmental impacts	16
			Energy	19
	302-4	Reduction in energy consumption	Energy	19

GRI 303: Water and wastewater 2018	303-2	Management of impacts related to water discharge	Water and wastewater	21
	303-3	Water withdrawal	Water and wastewater	21
	303-5	Water consumption	Water and wastewater	21
GRI 305: Emissions 2016	305-1	Direct GHG emissions	Emissions	22
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste	24
	306-2	Management of significant waste-related impacts	Waste	24
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GRI 308: Environmental evaluation of suppliers 2016	308-2	Negative environmental impacts in the supply chain and actions taken	Suppliers and procurement practices	44
GRI 401: Employment 2016	401-2	New hires and turnover	Employment	32
GRI 403: Workplace health and safety 2018	403-1	Workplace health and safety management system	Employment	32
			Suppliers and procurement practices	44
	403-5	Employee training on workplace health and safety	Innovation	45
	403-9	Workplace -related accidents	Training	34
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GRI 404: Training and Education 2016	404-1	Average hours of annual training per employee	Training	34
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GRI 405: Diversity and equal opportunity 2016	405-1	Diversity in governance bodies and among employees	Employment	32
	405-2	" Report on Base salary and pay ratio of women compared to men "	Employment	32
GRI 408: Child Labor 2016	408-1	Activities and suppliers at significant risk of child labor incidents	Employment	32
GRI 409: Forced or compulsory labor 2016	409-1	Activities and suppliers at significant risk of forced or compulsory labor incidents	Employment	32
GRI 412: Human rights assessment 2016	412-1	Activities subject to human rights compliance audits or impact assessments	Employment	32
GRI 416: Customer health and safety 2016	416-1	Evaluation of health and safety impacts by product and service categories.	Customer relations	40
GRI 418: Customer Privacy 2016			Customer relations	40
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