



GIVA
GROUP

Sustainability Report 2021

Methodological Note	4
1. The identity of Giva Group	5
1.1. Our history	5
1.2. Mission & Values	5
1.3. The Group's Structure	6
2. Sustainability in the Group	9
2.1. Sustainability Highlights	9
2.2. Materiality Analysis	10
3. Governance and Economic Performances	13
3.1. The Financial Capital of the Group	13
3.2. Corporate governance	14
3.3. Ethics, Integrity and Anti-Corruption	15
3.4. Innovation, digitalization, and data protection	16
3.5. Product Quality & Customer Satisfaction	20
3.6. Responsible Material Sourcing	21
4. People	23
4.1. Our Resources	23
4.2. Our commitment to Human Rights	27
4.3. Employee Development and Talent Attraction	27
4.4. Welfare & Well-Being	32
4.5. Health & Safety on Workplace	33
5. Environment	36
5.1. The Group's Commitment to the Planet	36
5.2. Energy Consumption and GHG Emission	36
5.3. Resources management & Circular Economy	39
5.4. Waste Management	42
5.5. Water Resources	44
5.6. Acoustic pollution	45
6. Annexes	47
6.1. Material topics	47
6.2. Table of impacts	49
7. GRI Content Index	50



Letter to stakeholders

Dear all,

GIVA Group is pleased to present and share with its stakeholders its first Sustainability Report. This document is not meant to be just an internal achievement, but it means so much more: it means giving disclosure to our stakeholders about the sense of responsibility driving us every day toward a better future.

Sustainability is in each aspect of our activities, in every action we make, every decision we take. We have the need to create long-last benefits to our stakeholders. This document represents the Group's direction and strategic objectives for reducing our environmental footprint, as outlined in the United Nations 2030 Agenda's Sustainable Development Goals, and contributing to the fight against climate change, as envisioned by the European Green New Deal.

You will also discover our continuous commitment to creating values within our strong supply chain as well as in the communities in which we conduct our activities and which we feel part of.

2021, along the line of 2020, has been a year without precedents in our history. We continued to face the ongoing pandemic, and along that, we have faced the urge to change our behaviours and our processes.

In the firm belief that only sharing intentions and actions will lead us to new successes at an international level, we will keep working to spread the culture of sustainability, integrate it into business processes, and make it everyone's heritage.

Aware of the central role that the Group plays among its Stakeholders, in this document and in the following pages, we report our efforts, outcomes and next steps to demonstrate the ability to look forward with a plan and to pose goals to be part of a better future.

Obviously, we are only at the beginning of a journey, and we are aware of how far we still have to go. Not only for us, but for everyone to come.

Antonio Vienna

President

Lettera agli stakeholder

Cari tutti,

Il Gruppo GIVA è lieto di presentare e condividere con i propri stakeholder il suo primo Bilancio di Sostenibilità. Questo documento non si pone solo come un risultato interno, ma significa molto di più: significa rendere noto ai nostri stakeholder il senso di responsabilità che ci spinge ogni giorno verso un futuro migliore.

La sostenibilità è in ogni aspetto delle nostre attività, in ogni azione che compiamo, in ogni decisione che prendiamo. Sentiamo la necessità di creare benefici duraturi per i nostri stakeholder. Questo documento rappresenta la direzione e gli obiettivi strategici del Gruppo per ridurre la nostra impronta ambientale, come indicato negli Obiettivi di Sviluppo Sostenibile dell'Agenda 2030 delle Nazioni Unite, e contribuire alla lotta contro il cambiamento climatico, come previsto dal Green New Deal europeo.

Scoprirete anche il nostro continuo impegno nel creare valori all'interno della nostra solida catena di fornitura e nelle comunità in cui svolgiamo le nostre attività e di cui ci sentiamo parte.

Il 2021, sulla falsariga del 2020, è stato un anno senza precedenti nella nostra storia. Abbiamo continuato ad affrontare la pandemia e, insieme a questa, abbiamo affrontato la necessità di cambiare i nostri comportamenti e i nostri processi.

Nella ferma convinzione che solo la condivisione di intenti e azioni ci porterà a nuovi successi a livello internazionale, continueremo a lavorare per diffondere la cultura della sostenibilità, integrarla nei nostri processi aziendali e renderla patrimonio comune.

Consapevoli del ruolo centrale che il Gruppo ricopre tra i suoi Stakeholder, in questo documento e nelle pagine seguenti riportiamo i nostri sforzi, i risultati e i prossimi passi per dimostrare la capacità di guardare avanti con un piano e di porsi degli obiettivi per essere parte di un futuro migliore.

Ovviamente siamo solo all'inizio di questo percorso e siamo consapevoli di quanta strada abbiamo ancora da fare.

Non solo per noi, ma per tutti quelli che verranno.

Antonio Vienna

Presidente



Methodological Note

This document represents GIVA Group's (hereinafter also mentioned as "*Group*" or "*GIVA*") first Sustainability Report and describes the main results achieved in terms of sustainability in 2021 (January 1st to December 31st) by the Group. This document has been drafted by reporting on a selection of the "Global Reporting Initiative Sustainability Reporting Standards" (hereafter also "GRI Standards") defined by the Global Reporting Initiative (GRI), as outlined in the "GRI Content Index" table, which provides evidence of the coverage of GRI indicators associated with each sustainability issue reported in this document.

GIVA Group has reported the information cited in the GRI content index for the period from 1 January 2021 to 31 December 2021. This Sustainability report has been prepared with reference to the GRI Standards.

In particular, the topics reported were selected based on the results of the first materiality analysis carried out in 2022, that allowed to identify the material aspects for the Group. For this first year of reporting, stakeholders were not involved, however the Group expressed the importance that the material topics would have for its Stakeholder. The material topics were therefore validated by the Top Management of the Group, as described in the "Materiality Analysis" section of the document.

The reporting scope of economic, financial and social data and information corresponds to that of the Consolidated Financial Statements of GIVA Group as of 31.12.2021.

The reporting scope of environmental data and information does not include companies outside of Italy and real estate companies (Solim srl, Vim srl, Mosconi srl, ooo Giva East, Giva Group USA Inc, RMT USA Inc, GIVA Trading Beijing Ltd, GIVA GmbH, RMT Valvomeccanica Pty, RMT Arabia), because their environmental impact is not relevant.

Any further exceptions to the reporting scope are appropriately expressed in the text of this document. In order to ensure the reliability of the data, the use of estimates has been limited as far as possible and, if they exist, they are based on the best available methodologies and appropriately reported in the text.

It should also be noted that there were no significant changes in the Company's organisational structure, size, ownership structure and supply chain in 2021.

On 23/11/2022, the Board of Directors of GIVA Group S.p.A. approved this Sustainability Report, including the materiality matrix shown within it.

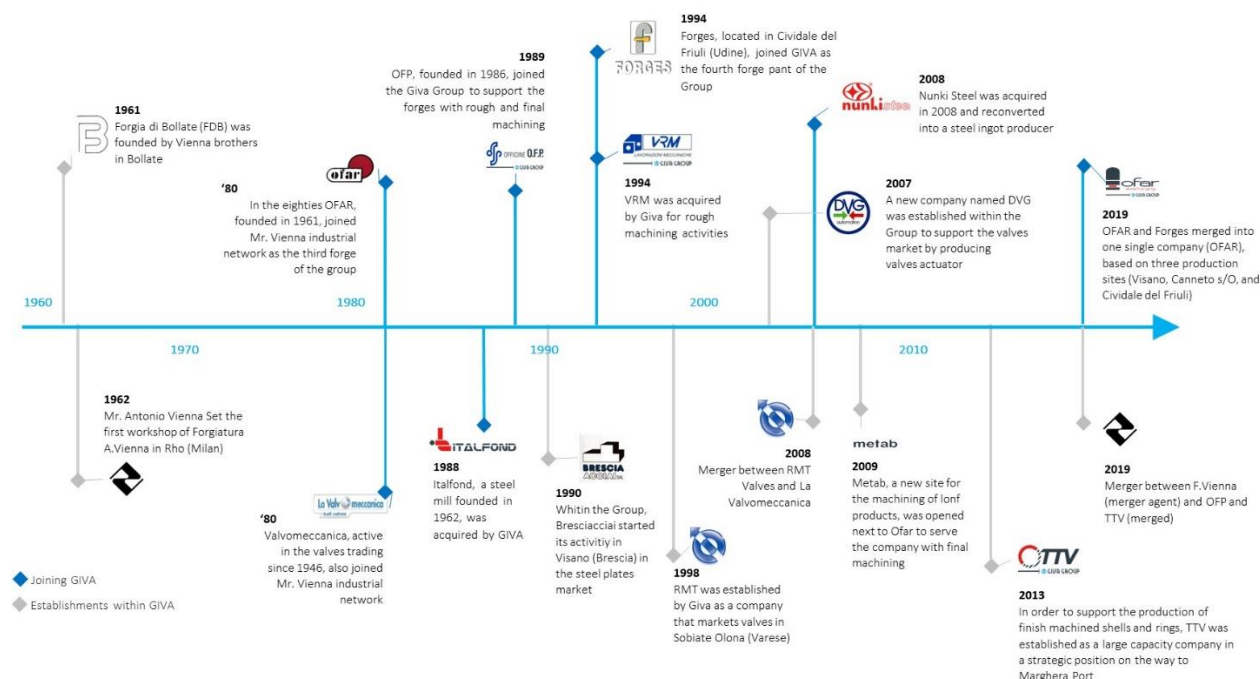
For additional information and suggestions regarding Giva Group's Sustainability Report, please contact: esg@givagroup.it. This document is also available on the Group website.

1. The identity of Giva Group

1.1. Our history

Gruppo Industriale Vienna Antonio, its acronym GIVA, is an Italian family-owned business founded by Mr. Antonio Vienna, a charismatic Italian entrepreneur who is also the majority shareholder. Ingots, forgings, valves, and actuators are all manufactured by the GIVA Group, which makes it a global leader.

Figure 1 Timeline of GIVA Group's history.



With a total workforce of 1,061 employees from 20 countries, 15 modern and highly specialized manufacturing plants in northern Italy in 2021, GIVA Group can now count over 1.500 customers from five continents.

1.2. Mission & Values

GIVA's goal is to be among those supporting the world in its continuous changing and evolving process. Design pragmatism encourages the development of larger-scale projects while also demanding higher levels of efficiency. The supply chain must become more flexible and supportive of design requirements. Mr. Antonio Vienna, president of GIVA, says, "We are obligated to develop today solutions that the market may require in several years." As per his motto "Think big and make it happen". As a result, the robust and consistent industrial growth of GIVA assets has been fuelled by a very intense and strategic investment policy.

Since the installation of the first hammer, presses, and rolling mills, which could produce pieces weighing hundreds of kilograms, the GIVA industrial network has seen a fundamental shift in technology and production processes. Vertical and horizontal integration of fine-tuned technologies gives the Group complete control over the entire production process, from melting to final product, in terms of quality, time, and cost.

It follows that GIVA approaches its business being inspired by three key elements:

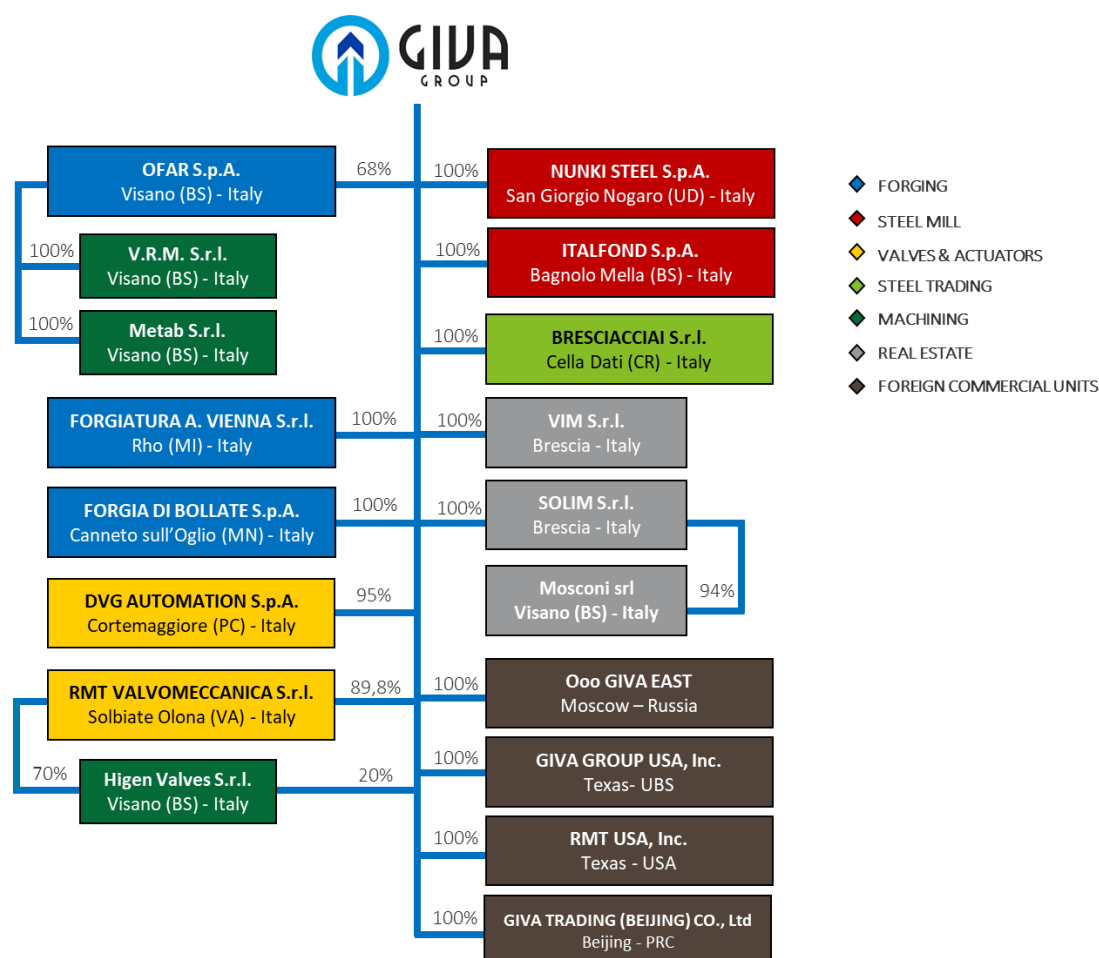
- Dynamism
- Innovation, as a mean of staying ahead of the game
- Investment, as a vision and a measure of confidence and trust in future.

1.3. The Group's Structure

As of December 31, 2021, the organizational structure of GIVA Group includes 18 companies and the parent company Giva S.p.A. with headquarters in Rho (Milan), which globally guarantees operational and strategic coordination. Antonio G. Vienna is the president and the majority shareholder in the Board of Directors.

Since its foundation, the Group has expanded integrating new business units, however, the guidance of President Vienna assured not just continuity, but also a coherent direction of growth and the transmission and conservation of the Group's core values.

Figure 2 Corporate structure of the Group at 31.12.2021.



The success of GIVA Group is due to the synergies and interconnection created among its companies, in fact, it's one of the few steel industry organizations in the world that can directly manage the entire chain,

from scrap melting to finished products. This remarkable advantage assures constant raw material availability, quick purchase, starting material quality, shared know-how, and tireless metallurgical research for the creation of innovative solutions.

The diversity of which, has led to the development of four industrial activities, briefly described below:

- **Steel Mills**, industrial plants for the manufacture of steel. The companies operating in this sector are *Nunki Steel S.p.A.* (hereinafter also mentioned as Nunki Steel), that started the production of forging ingots in 2010, following the acquisition of an existing steel mill in operation since the early '80s, and *Italfond S.p.A.* (hereinafter also mentioned as Italfond), a leading manufacturer of forged bars and ingots in stainless steels and super alloys intended for market distribution, open-die and close-die forging, and pipe and section bar extrusion; the business was founded in the early '60s and was acquired by the GIVA Group in 1988, which upgraded the plants and on 1993 transformed it into a steel mill with a focus on the production of super alloys and stainless steels;
- **Forging**, involving the use of concentrated compressive forces to shape metal, in which the strikes are made with a die or a hammer (often a power hammer). Operating in this area Forgiatura A. Vienna S.r.l. (hereinafter also mentioned as Forgiatura A. Vienna), founded in 1962, being the founder company of the Group, is leader in the international and national markets for the supply of heavy forgings, most of the company's products are exported all over the world; Ofar S.p.A. (hereinafter also mentioned as Ofar), founded in 1961, is the leader in the supply of products for Oil & Gas, mechanical, heavy engineering, naval, petrochemical and power generation industries. Ofar controls VRM S.r.l and Metab S.r.l. (hereinafter also mentioned as VRM and Metab) and is assisted by them in the machining processes; lastly Forgia di Bollate S.p.A. (hereinafter also mentioned as Forgia di Bollate) has a long-lasting tradition in open-die forging and heat treatment of steels, with special regards to the production of square section and shaped rings of steel and non-ferrous alloys;
- **Steel Trading**, Bresciacciai S.r.l. (hereinafter also mentioned as Bresciacciai), established in 1990, for special applications in the steel industry, it deals with the supply and cutting service of tool steels and complementary steel grades. The company can meet the demands of its customers by creating customized sales with a high added value thanks to the experience and expertise of the management and operators;
- **Valves And Actuators**, developing and building mechanisms for opening and closing valves, active in the operation, RMT Valvomeccanica S.r.l. (hereinafter also mentioned as RMT Valvomeccanica), resulted from a merger, which took place in 2008, involving the oldest company within the Group, founded in 1950 and plays a central role being a globally recognized leader in the engineering and manufacturing of high quality and special design on-off ball valves and control valves; RMT Valvomeccanica controls the subsidiary Higen Valves S.r.l. ((hereinafter also mentioned as Higen Valves), who takes care of machining processes. DVG Automation S.p.A. (hereinafter also mentioned as DVG Automation), is a manufacturer of pneumatic, hydraulic, electrohydraulic, gas operated piston type actuators and related control systems, suitable to motorize quarter turn and linear valves in the flow control process automation (production, transportation and distribution) with a specific focus to the most severe industrial application and specifically in the Oil & Gas industry.

The steel industry is one of the most important sectors for the growth of any community. In fact, it is the foundation for many sectors that would not have developed without the steel industry. The main industries in which the Group operates are:

- Power Gen
- Nuclear
- Oil & Gas
- Petrochemical
- Mechanical Engineering
- Shipbuilding

GIVA Group has its productive activities in the north of Italy, but being an international player, maintains commercial relationship in also in China, USA, Russia, Australia, and Arabia.

Figure 3 Geographical distribution of the main Companies of the Group.

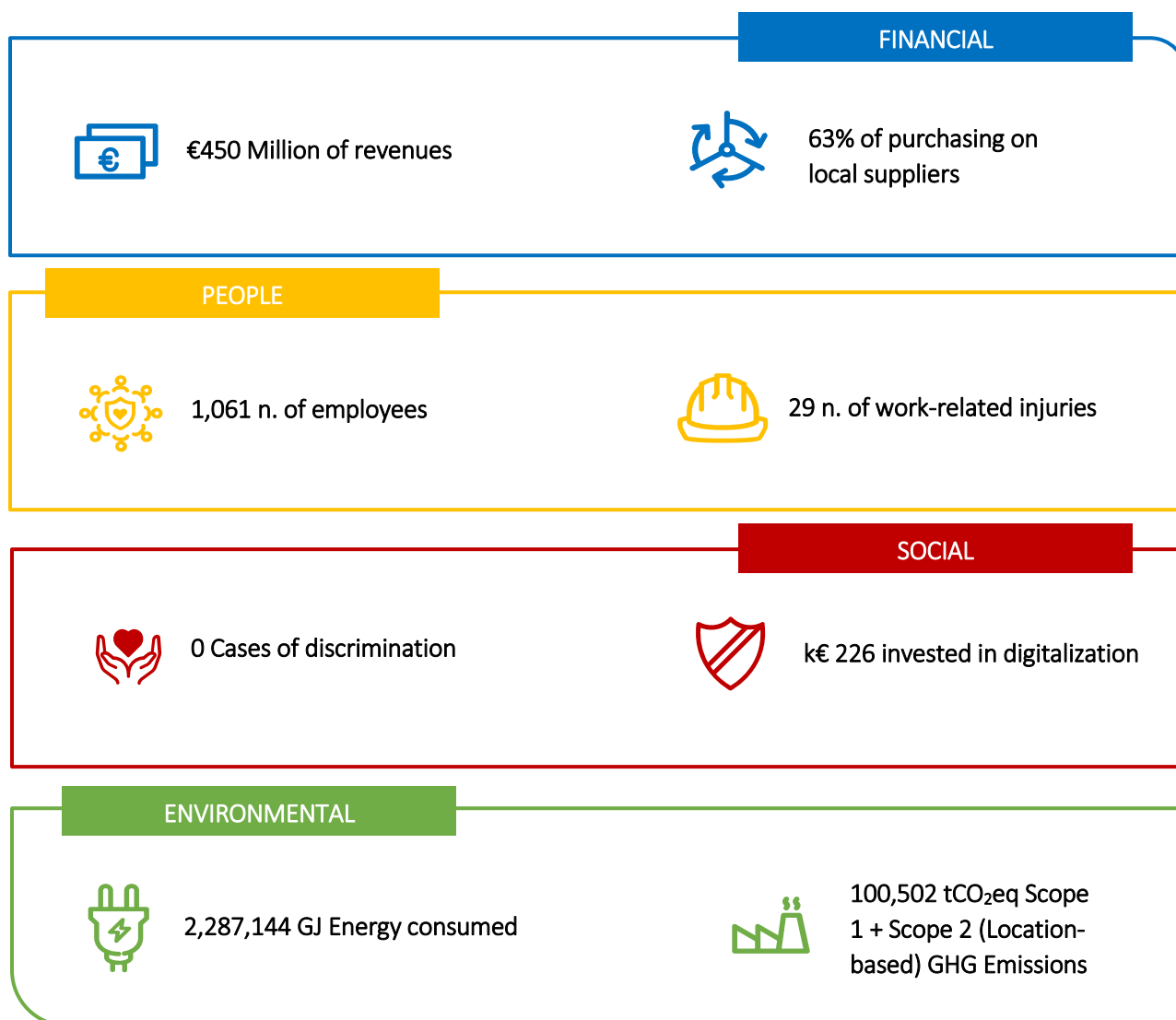


2. Sustainability in the Group

For the Group, the long-term economic sustainability of its offerings begins with a consideration of the needs and expectations of its stakeholders, and it is a critical strategic lever for market positioning. The Group is more attentive and inclined to respond quickly to the changing needs of its stakeholders, with reference to the legislative context and the behavioural habits of its customers, because of its constant attention to the environmental, social, and governance aspects of its business. As a confirmation of its commitment towards sustainability, the Group has drawn up an ESG Masterplan containing ESG objectives to be achieved over the next five years.

As a result, the Group has adopted a structured approach to addressing sustainability issues, based on industry analyses and a structured survey of the areas of greatest interest to its stakeholders.

2.1. Sustainability Highlights



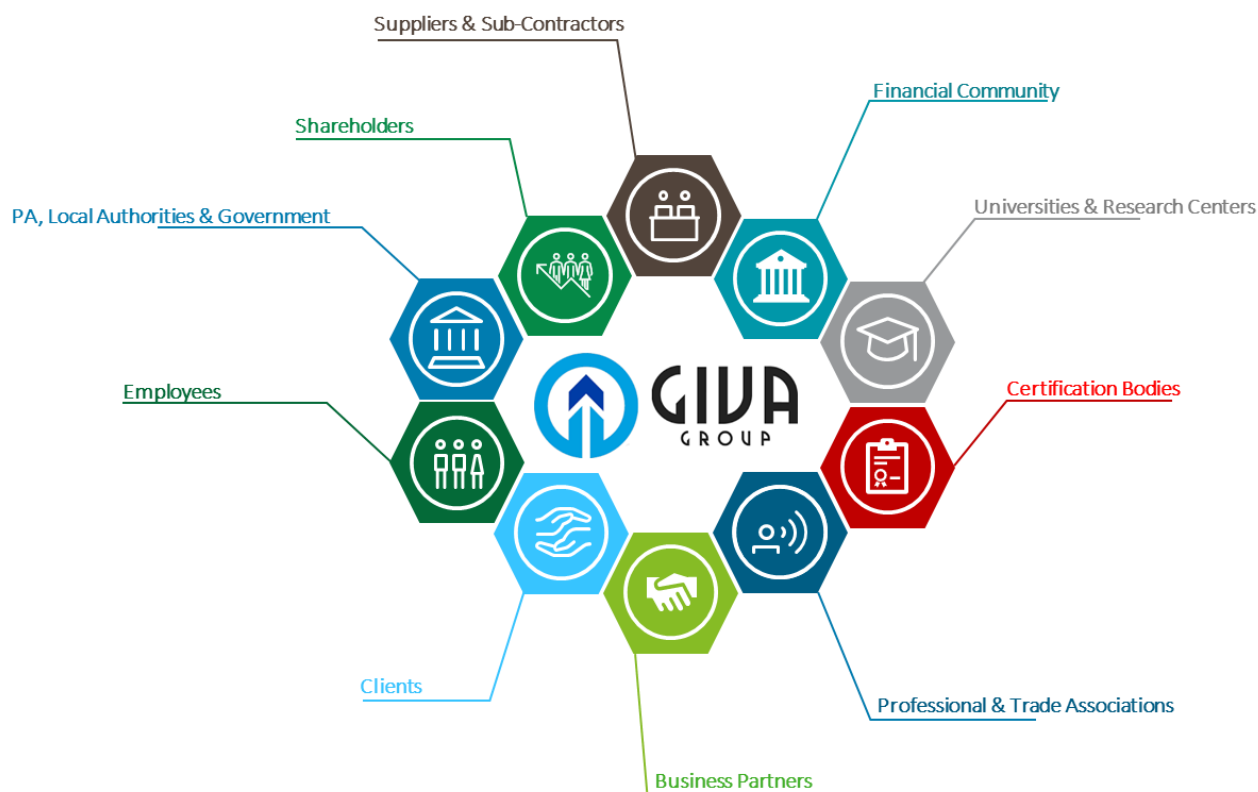
2.2. Materiality Analysis

The purpose of the materiality analysis is to identify and assess the most relevant topics for the Group from the perspective of its governance and stakeholders, that reflect the most significant impacts on economy, environment, and people. All levels of the Group's value chain, and the most relevant impacts associated with them, including implications on human rights, are considered in the materiality analysis. As far as human rights are concerned, it should be noted that the Group concentrates all its manufacturing activities in Italy and that more than 60% of its suppliers are local, although the rest of its supply chain is spread across several countries. As part of the ESG Masterplan, several initiatives are being implemented to improve the effectiveness of the Group's supervision on human rights' protection.

To better understand the evolutions of stakeholders' expectations and needs, the Group produced its first materiality matrix in 2022. In line with the reporting standards adopted, the process used to identify and prioritize material sustainability topics consists of different phases:

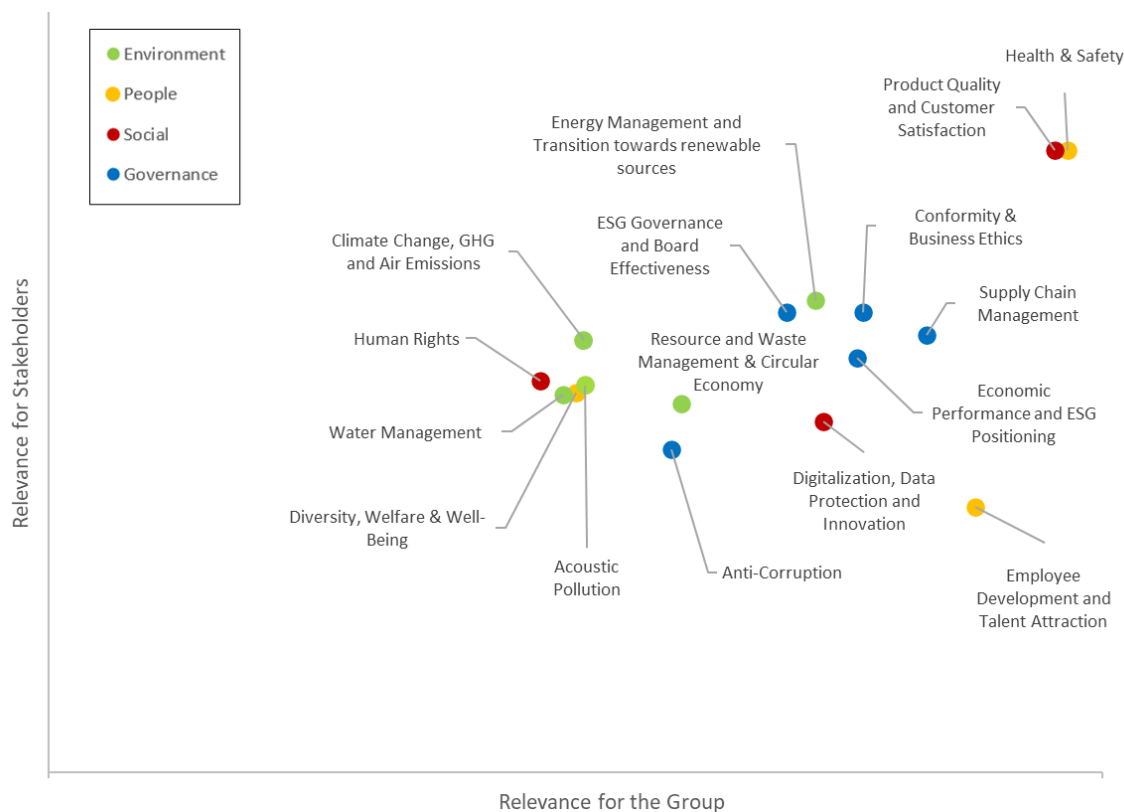
- **Phase 1 – the Group's key stakeholders mapping:** throughout a benchmark analysis and given the Group's role in the territory and the significant impact of its business activities on the community in which it operates, Giva Group deemed it appropriate to map the main stakeholders who are directly and indirectly affected by its business, and who may influence the Group's activities. As a result of this process, the Group has identified ten key stakeholder categories, as shown below:

Figure 4 GIVA Group's key stakeholders



- **Phase 2 – the identification of the Group’s relevant sustainability impacts:** the benchmark analysis was not only aimed at identifying the Group’s main stakeholders. By taking into consideration peers (comparable & competitors), clients, industry studies and sustainability frameworks (such as SASB and S&P YearBook) together with the current trends that have emerged in the sectors examined, it also provided an overview of the Group’s relevant topics, which reflect the Group’s most significant impacts on the economy, the environment, and people, including impacts on human rights.
Mapping the clients of GIVA Group was also a fundamental step in identifying and analysing stakeholders’ needs and priorities.
Moreover, the analysis was carried out by sector, given the Groups multi-business structure. This allowed a better understanding of the context and a deeper insight into the impacts of the Group’s business activities and relationships.
- **Phase 3 – the materiality workshop:** the results of the benchmark analysis were taken as the subject of a materiality workshop, which involved Top Management and key figures of the Group, who were asked to evaluate the selection of topics related to 4 different areas (Environmental, People, Social and Governance) as emerged from the analysis. Since this was the first year of reporting, external stakeholders were not involved in the identification of the material topics. However, it is important to note, that the Top Management and the key functions have identified the relevant topics from both the Group and the Stakeholder’s perspectives. As part of the development of Sustainability strategies, the engagement of the external stakeholders will be improved within fiscal year 2022 (Sustainability report published in 2023).
- **Phase 4 – the materiality matrix elaboration:** the outcome of the materiality workshop led to results that were examined and as shown below, generated the Group’s first Materiality Matrix.

Figure 5 GIVA Group's Materiality Matrix



These topics were approved by the Top Management during the materiality workshop and by the ESG Committee. Their description can be found in the Annex.

3. Governance and Economic Performances

3.1. The Financial Capital of the Group

3.1.1. Economic Performances

Thanks to the versatility and vertical integration of its structure, GIVA Group is capable of responding to the demands of large and medium-sized industries, testifying to its consolidated presence in international markets. In 2021, the Group confirmed its presence as a sector leader: despite the uncertain macroeconomic environment related to the consequences of the health emergency, difficulties in the supply of raw materials, rising energy prices and geopolitical turmoil, the Group achieved a significantly higher amount of consolidated revenues compared to the previous year and overall positive economic results.

GIVA Group is committed to promoting and adopting a model of sustainable and inclusive development that ensures the creation of a long-lasting shared value with its Stakeholders. Therefore, disclosing the economic value generated and distributed allows the Group to highlight how the value generated is distributed to key stakeholders and/or reinvested in order to foster and pursue sustainable business growth.

The data in the table below, obtained by reclassifying the items underlying the Consolidated Income Statement as of December 31, 2021, shows that GIVA Group distributes 88% of the value generated, and the category that benefits most from this distribution is Remuneration of Supplier (82%) followed by Employees' remuneration (16%).

Table 1 - GRI 201-1 Direct economic value generated and distributed at 31.12.2021

	2021 (thousands of €)	% Distribution of value by stakeholder category
Economic value generated	475,909	
Economic value distributed	420,950	88%
Value distributed to suppliers and other operation costs reclassified	343,242	72%
Employees remuneration	66,380	14%
Lenders remuneration (Connected companies and banks)	5,001	1%
Shareholders remuneration	-	
Public Administration remuneration	6,298	1%
Community investments	29	0,01%
Economic value retained	54,959	12%
of which depreciation, provisions, and write-downs	36,316	
Profit	16,306	3%

3.2. Corporate governance

The management of GIVA Group is coordinated by the Board of Directors (BoD), composed by the President Antonio G. Vienna and six board members.

Table 2 - GRI 2-9 GIVA Group's Board of Directors composition at 31.12.2021

GIVA Group's Board of Directors		
	Gender	Age tier
President and CEO		
Antonio Giuseppe Vienna	Male	>50
Board members		
Gabriella Bologna	Female	>50
Angela Vienna	Female	>50
Antonella Vienna	Female	30-50
Damir Pitesa	Male	>50
Giovanni Gilardi	Male	>50
Aurelio Menni	Male	>50

The board was appointed on 18.06.2019 for a three-year term of office. Representative powers are vested in the President, to whom the Board conferred the powers of ordinary administration on the same date. As far as the composition of the Board is concerned, the President (who is also Chief Executive Officer) is the only executive member and there is only one independent Board member (not related to the owner family and employees of the organization).

The role and presence of the President are constant and widespread throughout the Group, with daily contacts with the managing directors of all the companies. The President is responsible for overseeing the management of impacts on a daily basis with regard to technical issues as well as on a higher, more strategical level. As a result of his long-term vision and management, in March 2022 a "Letter to the Directors" was sent to corporate functions, regarding the path taken by GIVA Group and future directions. The document is a statement of the Group's commitment towards sustainability goals and their achievement, as highlighted in the letter: *"the measure of GIVA Group's success in this challenging process will be documented from year to year in our Group's sustainability report, in which we will state the many objectives we set ourselves, explain the procedures to be activated and the steps to be taken to pursue them, and measure deviations from their full achievement."*

Within the Group's Board of Directors, there are no internal committees, however there is an external committee established in 2021 and formalized in October 2022, in charge of monitoring the impacts on the stakeholders and ensuring stakeholder engagement. The ESG Committee consists of a member of GIVA Group Board of Directors, two Group executives (finance and legal) and the Group Head of Strategic Initiatives.

The ESG Committee functions are listed below:

- in order to oversee the Company's and the Group's commitment to sustainable development along the value chain and the pursuit of sustainable success, the Committee undertakes instructive, propositional, and advisory tasks towards the Board of Directors on sustainability-related topics;
- reviews and assesses sustainability policies to ensure the generation of long-term value for shareholders and all other stakeholders in line with the principles of sustainable development;
- monitors, on a periodic basis, sustainability plans, objectives and related processes to ensure proper disclosure of non-financial information to be reported within the sustainability report;
- the Company's adherence to national, European, and global sustainability initiatives and regulations with the aim of enhancing the Group's sustainable success and corporate reputation on a global scale.

Furthermore, the ESG Committee is responsible for defining the Group's material topics, taking into consideration internal and external stakeholders' point of view, and identifying current and potential negative impacts in which the organization is involved or could be involved.

The ESG Committee meets as often as necessary to carry out its functions and, in any case, when a meeting is necessary or appropriate.

GIVA's Board of Directors is responsible for approving the information reported in the Sustainability Report, while ESG Committee is responsible for reviewing and monitoring it.

The governance of GIVA Group, in addition to the Board of Directors, also includes the supervisory and control bodies, namely:

- the Board of Statutory Auditors, which supervises the proper application of laws and bylaws and the proper administration and management of the company. The Board of Statutory Auditors of GIVA Group is composed by a President and two Statutory Auditors;
- the Auditing Company, as an independent body.

3.3. Ethics, Integrity and Anti-Corruption

All the companies of the Group have adopted the GIVA's Code of Ethics, which sets out the fundamental principles guiding all GIVA Group activities. The Code of Ethics can be downloaded from the following section of the Group's website: www.givagroup.it/group/policies.

231 ORGANIZATIONAL
MODEL
PURSUANT 231/2001
LEGISLATIVE DECREE

The Model of Organization, Management and Control in accordance with the Italian Legislative Decree 231/2001 (i.e., Organizational Model) was adopted by the main companies of GIVA, with the aim of describing the management tools and possible sanctions related to the violation of the protection measures adopted by the Group in relation to the applicable crime risks. At the end of 2021, the Organizational Model D.Lgs 231/2001 was adopted by the following companies: Italfond S.p.A., Nunki Steel S.p.A., Forgiatura A. Vienna S.r.l., Ofar S.p.A., Forgia di Bollate S.p.A., DVG Automation spa and Bresciacciai S.r.l.. It should be noted that RMT Valvomeccanica has started the process of implementing the Organizational Model, which is expected to be completed by the end of 2022.

These companies also appointed a Supervisory Board which, operating in complete autonomy and independence, has the main task of supervising the implementation and suitability of the Model to prevent the crimes referred to in Legislative Decree 231/01 and to propose to the BoD any additions and/or updates to be made to it.

The Supervisory Board, in coordination with the competent corporate functions, may initiate and conduct internal investigations aimed at identifying possible violations of the Model and/or the Code of Ethics and request targeted audits. Any significant issues arising from the verification activities are promptly reported to the Board of Directors so that appropriate measures can be taken.

The Supervisory Board meets periodically and reports annually to the BoD and the Board of Statutory Auditors (if present) on the results of the activities it has performed and on the guidelines of the activities it intends to carry out. A joint annual meeting of the supervisory bodies of the group companies (Supervisory Board, Board of Statutory Auditors and auditing firm) is also scheduled to coordinate the activities carried out and any critical issues that emerge. All the aforementioned meetings are regularly recorded in the special book endorsed by the Supervisory Board.

The main reporting channels established in the Group are:

- Electronic mailbox of the Supervisory Board pursuant to Legislative Decree 231/01: the Group companies that adopted the Organizational Model 231, have made available an electronic mailbox dedicated to the members of the Supervisory Board and Internal Audit through which it is possible to report anomalous behaviour within the organization and/or violations of the Organizational Model. In accordance with the regulations of the Supervisory Board, for each report, the utmost confidentiality of the information acquired must be guaranteed and the reporting party must be protected against any form of discrimination, retaliation and penalization.
- Mailbox privacy@givagroup.it for matters relating to the protection of personal data: the Group has set up a dedicated channel for anyone who needs to report any possible violations of personal data processing. A procedure was also established for handling processing violations (that involves privacy officers and the IT division).

During 2021, there were no prosecutions for anti-competitive behaviour and/or violations of anti-fraud and monopoly legislation, nor were there any cases of proven corruption. Furthermore, there were no cases of non-compliance with environmental and socioeconomic laws and regulations.

3.4. Innovation, digitalization, and data protection

Innovation

The GIVA Group operates with a forward-thinking approach, leading the market with an intensive investment plan aimed at adopting resource-efficient technologies and solutions. This mindset has resulted in cutting-edge technical facilities for steel manufacture, forging, and ring rolling, which enables both operational excellence and monitoring of environmental impacts.

Indeed, being at the forefront of innovation enhances the efficiency of organizational processes and optimizes workflows of GIVA Group, leading to reduced energy usage, water consumption and lower carbon emissions.

With the aim of harnessing existing technologies to progress towards sustainable development, the GIVA Group, in collaboration with Snam and RINA, conducted in Forgiatura A. Vienna plant the world's first test with a 30% mixture of natural gas and Hydrogen blend to fuel a reheating furnace.

When it comes to reducing the steel industry's carbon dioxide footprint and expanding the market for valves and actuators, hydrogen can be a key element for the Group and the entire industry.



SNAM, RINA AND THE GIVA GROUP: THE WORLD'S FIRST TEST WITH A 30% NATURAL GAS AND HYDROGEN BLEND IN STEEL FORGING

In 2021 Forgiatura A. Vienna hosted a trial that consisted in using a 30% natural gas/hydrogen blend to heat the furnaces. The use of this mixture in forging processes for industrial steel production was the world's first test and was successfully carried out after a series of studies and laboratory assessments lasting about a year.

The trial involved world leading companies such as Snam, as project developer and promoter, RINA, a multinational inspection, certification, and engineering consultancy, which handled the engineering analyses and laboratory phase, and GIVA Group, a global leader in steel industry, which made Forgiatura Vienna available for the field test. The blend of methane and hydrogen was supplied by Sapio, an Italian company specialising in the production and marketing of industrial and medical gases.

The use of the hydrogen and natural gas blend did not require any plant modifications and had no impact either on the equipment used (industrial burners) or on the characteristics of the final heat-treated product.

The project's potential in terms of environmental sustainability and economic competitiveness is significant. It is estimated that the permanent use of a 30% green hydrogen blend, fuelled by renewables, on the total gas consumed by the GIVA Group's three steel forging plants for its industrial processes would lead to a significant reduction in CO₂ emissions in the order of 15,000 tonnes per year, equivalent to 7,500 cars. This would result in CO₂ emissions savings of approximately 800,000 euros per year (calculated on the current purchase of certificates), while ensuring the value and integrity of the steel forging manufacturing process and its long-term environmental sustainability.

Steel is also the material used to make the pipes, which will play a key role in transporting the hydrogen to the end customers.

The use of hydrogen in hard-to-abate industrial applications, such as steel industry, will play a key role in achieving the climate neutrality targets set by the European Commission for 2025. The increasingly stringent measures of CO₂ emissions along with the Group's willingness to reduce the environmental impact of its production processes, led Forgiatura A. Vienna to develop further studies and research on hydrogen, with the collaboration of the universities of Politecnico di Milano e Padova.

Nunki Steel is also working on new solutions to reduce the use of coal with recycled compounds, in order to reduce CO₂ emissions.

In particular, Nunki Steel is conducting experimentations on the use of a new material: iBLUE® and is also conducting trials to retrain slag (through chemical processing): some of it would be used instead of lime in furnaces to isolate other slag.



INNOVATIVE MATERIALS AND PROCESSES

Nunki Steel stands out as an innovation-driven company for its use of alternative materials and advanced processes.

As far as innovative materials are concerned, iBLUE® was introduced into the production process of Nunki Steel as a substitute for carbon with the function of reducing agent in the electric furnace. In addition to being a fully recycled product, allowing for the increased recycling of post-consumed plastics of the COREPLA circuit, it also results in the reduction of CO₂ emissions by more than 30% with a consequent reduction of ETS compared to the use of coal. More generally, it is a particularly advantageous solution for steel mills in terms of environmental performance.

Moreover, a new process was introduced, that concerns white slag. White slag originates from the steel refining process in ladle furnaces. This slag has a chemical composition that would allow it to be reused in EAF furnaces as a substitute for magnesium lime. However, this possibility is severely compromised by the physical nature of these slags, which are extremely powdery due to the high amount of Larnite formed during natural cooling. Through a finely controlled manipulation of the cooling of the white slag it has been observed that the formation of this phase can be avoided, resulting in a product with both sustainable chemical and physical characteristics to make it a substitute for Lime in the EAF kiln. This results in a virtuous circular process that reduces both waste generation and consumption of natural resources.

MEMBERSHIP ASSOCIATIONS

The GIVA Group, being a world leader in the production of large dimension forgings, recognises the importance of trade association in representing the industry's instances to public institutions and in handling emerging issues in the sector.



GIVA contributes to the management of the 22nd International ForgeMasters Meeting 2024, to be held in Milano by AIM (Associazione Italiana di Metallurgia) and Federacciai. In particular, the Group is involved in its management through the role of Forgiatura A. Vienna's Plant Director, who is a representative of the AIM steering committee, in the role of President of Forges Technical committee.

At IFM 2024, the most important and current issues affecting the sector will be discussed. Experts in the fields of greatest interest will be attending and addressing these issues.

Moreover, Forgiatura A. Vienna is shareholder in the following associations:

- Federacciai
- Aipe
- Aist
- Assolombarda – Confindustria

Italfond, in addition, is a partner of Consorzio Ramet, a consortium of Confindustria Brescia that carries out studies and other initiatives in the environmental field. The company contributes to the consortium by providing data, including meteorological data.

Digitalization & data protection

As a worldwide leader in manufacturing of steel products, the GIVA Group is improving its approach to digital technology towards a more responsible strategy to protect itself and its clients from data loss and online threats.


In particular, the Group is focusing on digitization by strengthening its data protection and information system structures. The aim of the investment is to align with the customer's IT systems, to comply with their standards and to safeguard both external and internal know-how.

In order to address potential problems or security threats in data processing, the Group also drafted a guideline on the use of computer systems, which regulates how the GIVA's computer and network services are accessed and provided, both from inside and outside the workplace. More specifically, the guideline addresses the following topics: the use of personal computers and the corporate network, assignment and management of authentication credentials, the access to internet and e-mail box, the transportation of data via mobile devices (e.g., USB pens), the antivirus system, the use of telephone and fax, the access to data processed by the user and compliance with the provisions on the protection of personal data.

Substantial investments were made to centralize and expand the IT team on a corporate level, adding a Cyber Security Director. In addition, more resources will be integrated in 2022. Moreover, the digitalization investment plan also includes the installation of new hardware and software.

It should be noted that there were no substantiated complaints concerning breaches of customer privacy and losses of customer data.

3.5. Product Quality & Customer Satisfaction

Standard	Nr. of company certified
	8

The majority of GIVA Group's products are custom-made on order. For this reason, simulation-based technology support is essential for planning and forecasting, while reducing discard rate and related cost.

The sector in which the Group operates is peculiar: working on made-to-order products, with a very high degree of craftsmanship, means that delivery times and non-conformity rates deviate from other industries' standards. However, GIVA's incomparable expertise, know-how, technologies and constant monitoring of customer satisfaction ultimately led to outstanding results.

For the GIVA Group, Customer Satisfaction is a key business driver. Its business model is based on Integrated Responsibility, which requires full control over the quality, timing, and cost of the entire value chain. The Group is committed to providing each customer with the most efficient solution through continuous process improvement.

A certified ISO 9001:2015 Quality Management System has been established in eight companies of the Group (Italfond S.p.A., Nunki Steel S.p.A., Forgiatura A. Vienna S.r.l., Forgia di Bollate S.p.A., Ofar S.p.A., Bresciacciai S.r.l., DVG Automation S.p.A., RMT Valvomeccanica S.r.l.) as of December 2021, ensuring that the production process is driven by the customer's quality expectations and that production processes are aligned with the industry's best practices, guaranteeing manufacture of high-quality products. In accordance with ISO 9001:2015, the companies developed specific Quality Management Systems and procedures to manage assessments, data analysis and continual improvement. The procedures describe the planning and implementation of monitoring processes, measurement, analysis and continuous improvement necessary to:

- ensure and demonstrate compliance with product requirements;
- continuously improve the effectiveness of the quality management system itself.

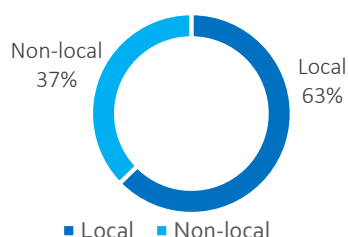
To ensure adherence to the relevant standards, specifications, and quality requirements in defining process parameters and procedures, trained personnel with specific skills and expertise are employed in the continuous monitoring of the activities and during product inspections. It should be noted that in 2021 there were no incidents of non-compliance concerning the health and safety impacts of products and services.

Some of the companies of the Group, in particular Forgiatura A. Vienna and RMT, in order to certify full compliance with customer's requests, allow first-hand supervision of processes by clients' representatives or external quality delegates, up to 100% of the manufacture processes.

Forgiatura A. Vienna goes one step further by administering surveys to customers to assess their satisfaction. The questions concern the level of satisfaction in terms of specific aspects (eg. conformity of the product to order quality requirements and response concerning production times and foreseen delivery times) and how much customers consider them important for supplier evaluation. Forgia di Bollate also submits surveys to its clients (but dividing the questions by area, to understand which of those need improvements) and so do Italfond, Forgia di Bollate and Ofar.

3.6. Responsible Material Sourcing

Figure 6 Proportion of expenditure to local suppliers in 2021



During 2021, GIVA Group had business relationships with suppliers mainly operating in the north of Italy in the three regions where the companies are located: Lombardia, Emilia Romagna and Friuli Venezia Giulia. These regions are considered as “Local” in this analysis, while materials traded internally in the Group are excluded from the count.

About 63% of the total supply expenditure was destined to local suppliers, while the remaining part was destined to suppliers outside the local regions, or to foreign suppliers.

While steel scraps and other components are more likely to be supplied locally, ferroalloys, on the other hand, are purchased mainly abroad. Therefore, Italfond and Nunki (the Group’s steel mills) and Bresciacciai (the Group’s steel trading company) have a lower ratio of local expenditure. In fact, ferroalloys weight less than steel scraps, but the monetary value is higher and therefore affects the total more.

The main markets for purchasing ferroalloys are: South America, Russia, Ukraine and suppliers are usually importers who are based in Europe and fulfil all EU legislative obligations. Indeed, there are also some specific materials that must be sourced outside Europe, for example Nickel (sourced in Canada, New Caledonia, Russia, South Africa) and Ferrochrome (sourced in Kazakhstan, Russia, Turkey, South Africa), directly or indirectly through agents.

Besides geographical location, there are additional criteria in the supplier selection process. Generally, all companies of the Group also take into consideration:

- quality;
- price;
- historical relationship with the supplier;
- suppliers certifications.

Italfond, Ofar, DVG and Bresciacciai implemented structured supplier selection and management processes.



Italfond has in place an annual monitoring of certifications of key suppliers (for example raw materials and refractories suppliers) and conducts a survey on ESG topics. In particular, among other questions, the survey enquires on training activities, H&S standards, environmental requirements, impacts and strategies.



Ofar administers quality questionnaires to qualify suppliers, however external suppliers involved in mechanical processing are managed separately. These suppliers are usually unstructured family-run workshops (in the Valcamonica district) which are subjected to constant surveillance with weekly visits to check production progress, quality audits and non-conformity management.



Forgia di Bollate has a collaborative relationship with its suppliers, acknowledging that it is a relation characterized by interdependence, and that the creation of a mutual benefit enhances the ability to create value for both parties. For this reason, the company requests its suppliers to fill out a survey, evaluating financial and qualitative factors, but also environmental and health and safety information. After a supplier is selected, it is also constantly evaluated on its ability to maintain quality and punctuality in the supply delivery. A feedback on the scoring obtained is then sent back to the supplier on an annual basis.



DVG Automation selects suppliers through a questionnaire (on quality standards and HSE topics) and by placing an initial order. If a supplier qualifies, the quality control function inspects 100% of the first three batches of products ordered. Then a score is assigned, and the supplier is officially admitted in the suppliers' register. If deemed critical on environmental or safety issues, suppliers are also subjected to in-person audits. Every year, the scores are re-evaluated (on the basis of on time delivery criteria, non-conformities, and a rating assigned by the purchasing department), and if the minimum score is not reached, appropriate measure are taken.



Bresciacciai has developed and put in place a system to evaluate the so called "*historical suppliers*". The suppliers evaluated are raw materials suppliers, machining, heat treatments, mechanical tests, and chemical analyses. It assesses the relevance of each supplier based on three different quality criteria, defining the relation the company should keep with it.

4. People

4.1. Our Resources

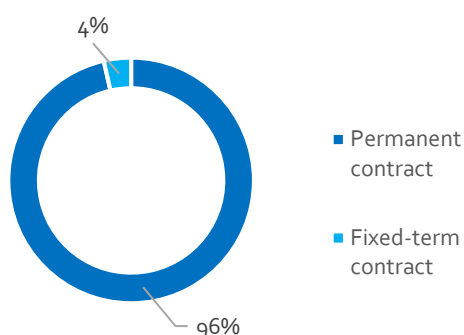
Despite the Group's diversity, GIVA's people are driven by a common spirit: a sense of belonging, enthusiasm, and passion for their work.

The Group firmly believes that the development of its human resources is the key for its competitiveness, that is why one of its strategic goals is ensuring effective and efficient management of its people.

By offering a healthy working environment and work-life balance policies, the Group guarantees a positive working environment. In addition, with the aim of maximizing the potential of each employee, investment in training and the talent development is crucial.

In line with the Group's goals and mission, the GIVA Group promotes a continuous analysis of Human Capital, to enhance all aspects of it through the most appropriate selection, training, development, wage policy and climate survey.

Figure 7 Employees by contract type at 31.12.2021



As of December 31, 2021, the composition of the company's workforce in terms of headcount was 1,061 workers, 1,023 of whom were employed on permanent contracts and 38 on fixed-term contracts.

The Group generally favours a long-term contract type, both for the sake of the employees and to maintain internal know-how.

Part-time workers account for 2% of the total workforce, while full-time contract workers represent the vast majority: 98%.

Table 3 - GRI 2-7 Total number of Group employees, and breakdown by gender and contract type at 31.12.2021

Total number of employees by type of contract and gender at 31.12.2021			
Contract Type			
	Men	Women	Total
Permanent	880	143	1,023
Fixed term	34	4	38
Total	914	147	1,061
Full-time	909	131	1,040
Part-time	5	16	21
Total	914	147	1,061

Workers who are not employees (interns and agency workers) are rarely employed in the GIVA Group, given the complexity of the products and processes and the difficulty of finding qualified personnel in the industry. Recruitment is usually focused on highly skilled workers in the fields of forging, machining and quality control with non-destructive methods (highly specialized roles that requiring years of experience in the field and related certifications). For this reason, fixed term and/or permanent contract are preferred to retain talents.

There have been cases, however, where agency workers have been employed, mainly for junior figures or for reasons related to training projects carried out with temporary agencies. Usually, these workers were hired after a certain period.

Table 4 – GRI 2-8 Total number of the Group's workers who are not employees, and breakdown by gender and type at 31.12.2021

Workers who are not employees at 31.12.2021			
Contract type	Men	Women	Total
Agency workers	8	-	8
Interns	1	2	3
Total	9	2	11

In 2021, GIVA Group has not resorted to non-guaranteed hours employees.

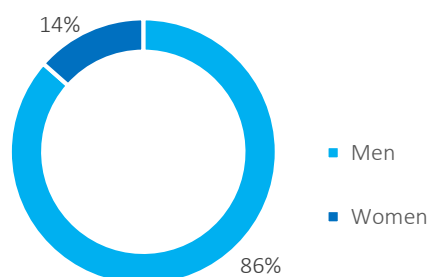
Historically, the industry in which GIVA Group operates, has always had a strong male presence, especially in the manufacturing unit. As of December 31, 2021, the Group totalled 914 male employees against 147 female employees.

However, being GIVA a highly innovative Group compared to other organizations in the same industry, many initiatives were put in place to foster diversity, in the attempt to narrow the gender gap. The Group believes that when there is a consistent gender balance, business, and the working environment in general benefit in a meaningful way. Efforts are made to include women in highly specialized positions and strategical roles, but also to promote equity policies in terms of compensation and maternity facilitation.

It must be highlighted that the entire Corporate Human Resources Division, including HR Director, is composed entirely of women, and there have been further attempts to rebalance the gender distribution of the workforce: at DVG the Supply Chain/Production Manager is a woman and at the Forgia di Bollate there is a woman in charge of the Quotation Division. Moreover, in almost all Group companies, the female presence is quite high within corporate functions such as Quality and Certification Division, HSE Division, Commercial, Administration and Technical Division, proving to be an excellent contribution in terms of processes and efficiency.

Finally in 2021, a new Division was developed at Ofar, called "Process Engineering," which is composed only of women, with degrees in Mechanical or Materials Engineering. This Division is of considerable importance

Figure 8 Employees by gender at 31.12.2021



within the Company as it is closely connected to the production strategies and therefore also involved in decisions that support the Corporate Management.

As far as age diversity is concerned, in 2021 most employees (61%) belonged to the 30-50 age group, followed by the >50 age group (representing 22% of the total). The <30 age group accounted 17% of the total workforce.

The total number of employees, broken down by employee category, is distributed as follows:

Figure 9 Total number of employees by employee category and age group at 31.12.2021

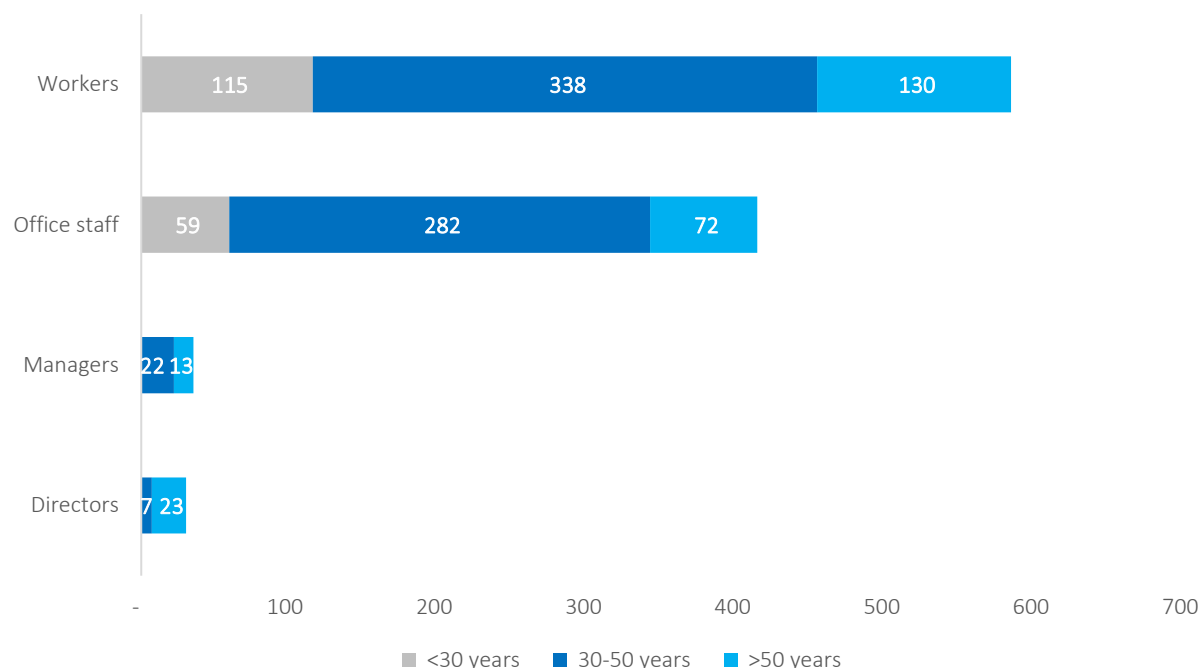


Table 5 – GRI 405-1 Total number of employees by employee category and age group at 31.12.2021

Total number of employees by employee category and age at 31.12.2021				
Employee category				
	<30 years	30-50 years	>50 years	Total
Management	-	7	23	30
Executives	-	22	13	35
Office staff	59	282	72	413
Workers	115	338	130	583
Total	174	649	238	1,061

Table 6 – GRI 405-1 Total number of employees by employee category and gender at 31.12.2021

Diversity of employees at 31.12.2021			
Employee category			
	Men	Women	Total
Management	29	1	30
Executives	28	7	35
Office staff	274	139	413
Workers	583	-	583
Total	914	147	1,061

The Group is strongly committed to creating a fair, diverse, and inclusive workplace where everyone's contribution is important, regardless of age, disability, gender, sexual orientation, gender identity, race, colour, nationality, ethnic or national origin, religion or belief, socio-economic context, or other status. The inclusion of diversity is considered enriching and contributes to the achievement of strategic objectives, which is why there is a significant presence of workers with a diverse ethnic origin, education and social background.

As part of HR management processes, the selection phase is based on an impartial analysis of profiles and on merit considerations that include, where possible, employees belonging to protected categories. Access to roles and positions is established in consideration of personal skills and abilities.

Table 7 - GRI 405-1 Number of employees belonging to vulnerable groups, by employee category and gender at 31.12.2021

Employees belonging to vulnerable categories at 31.12.2021			
Employee category			
	Men	Women	Total
Management	-	-	-
Executives	-	-	-
Office staff	12	2	14
Workers	16	-	16
Total	28	2	30

The inclusion of protected categories in GIVA's sector is challenging due to the nature of the business and the peculiarity of the work activities that require maximum attention in terms of safety. In spite of this, the Group implements and puts into practice all the necessary actions to encourage the inclusion of protected categories within the workforce, in various company functions and departments, including production if compatible with the disability of the worker.

Consistently with the general efficiency of the workflow, flexible working hours are guaranteed to facilitate the management of maternity periods and childcare in general.

Moreover, to guarantee greater equality, within the Group there is no difference between benefits provided to full-time employees and benefits provided to temporary or part-time employees.

4.2. Our commitment to Human Rights

The GIVA Group recognises that respect of human rights is of fundamental importance in the transaction towards sustainable development. For this reason, the Group is committed to drafting a Human Rights Policy in the second half of 2023 in order to identify and further monitor any risks and opportunities related to this topic.

The Group values human resources and rejects any form of discrimination in terms of age, gender, nationality, sexuality, health status, marital status, race, political opinions, religious beliefs, etc., and any form of forced, irregular and exploitative child labour. It should be noted that in 2021, no episodes of discrimination were detected or reported through the appropriate channels in Group companies.

In the event that a discrimination episode occurs, Corporate Departments, in consultation with the Corporate Human Resources Division, put in place disciplinary procedures to formalize it and take the necessary actions (in accordance with the provisions of the applicable collective bargaining agreement). Moments of confrontation are also planned with the stakeholders affected by that event, to discuss it constructively and lay the foundations so that it does not happen again.

In addition, the Group's Code of Business Ethics—which establishes standards of conduct and behaviour within the Organization and effectively prohibits attitudes that are discriminatory and against human rights—is handed out to each new employee when they are hired.

The topic of human rights can also be connected to the context of the business relations along GIVA's value chain. In order to avoid cases of violation of human rights as far as possible, the GIVA Group, for particular supplies and services, defined in its Code of Ethics, among the fundamental ethical principles of reference, also requirements of social relevance (e.g., measures that guarantee the respect of workers' fundamental rights, the principles of equal treatment and non-discrimination, the prohibition of child labour).

4.3. Employee Development and Talent Attraction

The GIVA Group, through its Human Resources strategy, aims to achieve two important goals: on the one hand, to attract, retain, and develop the skills and competencies of internal resources, on the other hand, to offer all employees a working environment capable of enhancing their human and professional potential, while guaranteeing a high quality of life and valid instruments of family-work balance.

The workforce of GIVA Group as at 31.12.2021 accounts for 1,061 people, with 126 entries and 112 exits. The average turnover rate (exits on total headcount) is 11%, and is distributed by age as follows:

Table 8 – GRI 401-1 Total number and rate of new employee hires during in 2021, by age group and gender

Number and rate ¹ of new hires in 2021				
2021				
	<30 years	30-50 years	>50 years	Total
Men	48	51	12	111
Women	5	9	1	15
Total	53	60	13	126
	<30 years	30-50 years	>50 years	Rate
Men	31%	9%	6%	12%
Women	26%	9%	4%	10%
Rate	30%	9%	5%	12%

Figure 10 Turnover rate by age in 2021

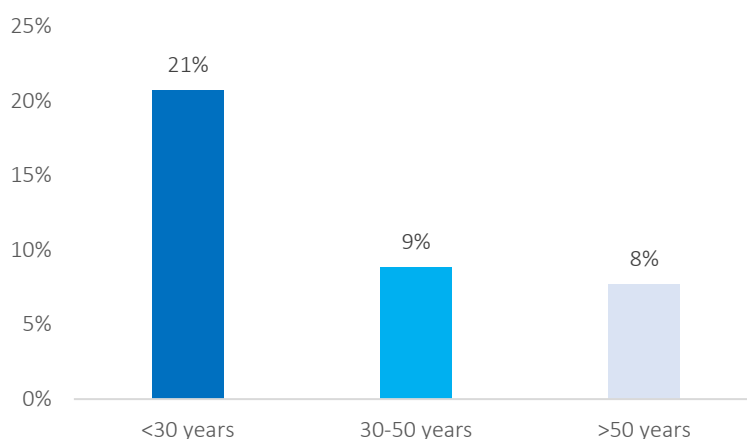


Table 9 – GRI 401-1 Total number and rate of employee turnover in 2021, by age group and gender

Number and rate ² of terminations in 2021				
2021				
	<30 years	30-50 years	>50 years	Total
Men	36	52	15	103
Women	0	5	4	9
Total	36	57	19	112
	<30 years	30-50 years	>50 years	Rate
Men	23%	10%	7%	11%
Women	0%	5%	15%	6%

¹ The rate of new hires is calculated as hires/number employees in age group.

² The rate of terminations is calculated as terminations/number employees in age group.

Rate	21%	9%	8%	11%
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The Group constantly invests in the development of its human resources and on the continuous enhancement of skills and competencies, which have a direct impact on the company's performance. Training, together with the capacity to retain resources through employee loyalty, plays a crucial role in this regard.

Training

For all Group Companies, training is fundamental not only to motivate and retain resources within the organization, but also, and above all, to enhance their hard and soft skills. Moreover, training allows for greater efficiency in all processes, improves communication flows, enhances corporate reputation both internally and externally and contributes and contributes to teamwork and building a sense of belonging.

Therefore, as part of the Group's strategy, training plans are updated annually, based on:

- Mandatory training by law;
- Specialized training programs aimed at achieving specific goals;
- Cross training.

As far as compulsory training is concerned, the Safety & Environment Functions of each Group Company work in synergy with the Corporate HR Division to facilitate the organization of training, communication to the employee but also to find the most appropriate solutions in terms of financing the training itself. This allows to reduce, where possible, the impact of the cost of training on the Corporate Income Statement.

Technical training, in most Group Companies, is coordinated by the Safety & Environment Functions, Quality Functions in collaboration with the Corporate HR Division not only to draw on any available funding (e.g., Fondimpresa), but also to better arrange the training plan throughout the year. This minimizes the impact of the training on the efficiency of organizational activities and allows employees to learn serenely and effectively.

Technical training mainly concerns the licenses and certifications needed to perform certain tasks and to fill specialized roles (e.g., non-destructive testing and inspection operators, lathe operators, maintenance technicians, etc.), but is also generally related to obtaining hard skills.



An example of a particularly virtuous training path that was introduced in some Group companies in 2021 is Metaluniversity, which is a training path organized by three entities:

- AQM, a non-profit corporation founded in 1982 that operates with national and international metal and manufacturing companies;
- ISFOR - AIB Foundation, founded in 1989, which has operated as the Education Division of the AIB since 2014.

- Riconversider, a training and consulting organization of Federacciai (Federation of Italian Steel Enterprises) that supports companies in the management Human Resources by preparing and enhancing them for the development of corporate competitiveness.

The course consists of training modules that allows to obtain the formal qualification of Technologist in Metallurgy 4.0. It consists of a total of 750 hours of training divided into three years (250 hours/year), and aims to provide specific tools to increase knowledge in the following areas: technological innovation (that enable a deeper understanding of the dynamics and functioning of Industry 4.0); technical and professional skills (focused on the knowledge and processing of materials used in the metallurgical sector); management and process skills (which allows for the development of the skills necessary for the effective management of employees).

The training modules, taught by university professors from leading Italian faculties, qualified experts in metallurgy, specialists and industry professionals, provide an understanding of the main metal alloys and related control techniques, and offer an in-depth look at production technologies, processing, treatment processing and finishing of metallic materials in industrial settings.

The key aspect of Metaluniversity is that increases both knowledge and skills that enable day-to-day development and improvement projects.

The importance of cross training has recently increased; thus, the various Group Companies have decided to invest in growth opportunities for employees, aimed at increasing "soft skills" and abilities to support work and business operations.

For example, in some Group companies (e.g., Ofar) it was decided to invest in the language skills of certain groups of employees who, due to their roles, need to have a higher command of English. In particular, this initiative involved the Commercial Division, the Engineering Division of the Process and the Technical Division. In other companies in the Group (e.g., DVG), individual growth paths were designed to enhance a team's leadership and management skills. These paths are generally highly appreciated by employees.

Another virtuous example of cross-training that has been organized over the time concerns time management, improving communication within business functions, paths to increase IT skills, etc.

Finally, bottom-up requests are greatly valued by the Management of the Companies, and where possible (and where the training path is relevant to the role and the growth path of the person envisaged in the company) these requests are usually fulfilled. It often happens that employees themselves suggest training paths to undertake, because they are aware that they have certain gaps.

During 2021, the number of training hours reached a total of 12,546 hours, with an average of almost 12 hours per employee. The training data below include mandatory training by law (D. Lgs. 81/08) and transversal / technical training.

Table 10 - GRI 404-1 Average hours of training that the Group's employees have undertaken per employee category in 2021

Average of training hours per employee ³			
Employee category	2021		
	Men	Women	Total
Management	7.1	-	7.1
Executives	16.6	10.9	15.4
Office staff	14.6	13.2	14.2
Workers	13.2	-	13.2
Total	13.5	13.1	13.5

It must be highlighted that a system for collecting and recording all the training courses of each Group company is planned to be implemented in 2022-2023. For this reason, the data provided for 2021 may not be perfectly exhaustive and representative of the real situation. The actual training hours may be potentially greater than those presented, therefore some discrepancies might arise prospectively.

To address the impending shortage of specialists GIVA Group also started collaborations with universities and specialized schools offering opportunities to young professional to learn and be trained in the Companies of the Group through internship programs and giving support for thesis and research.

This way, the Group also pledges to support future talents throughout the educational pipeline, contributing to its local community.

Remuneration policies

Employee remuneration is one of the main tools used to attract, retain, enhance, and motivate talents within the Group. Remuneration practices are a critical lever for the GIVA, as one of their primary goals is to rationalize staff salary, both internally and in terms of market benchmarking. For this reason, compensation data of the key organizational functions are thoroughly assessed.

Starting from the recruitment stage, growth paths are established in terms of role and remuneration, depending on the achievement of certain shared goals. Indeed, all Group Companies adopt compensation policies that are particularly careful not to destabilize the remuneration balances present within each function/department.

In all Group Companies, towards the end of each year, the Company Management and each Function/Department Head, with the support of the Corporate Human Resources Division, analyses the performance of each employee throughout the year.

This qualitative and quantitative analysis results in the recognition of a one-time bonus to the employee or in a remuneration review. This process is aimed at retaining and motivating talents to build lasting working

³). The scope of the data does not include the following companies: Solim srl, Vim srl, Mosconi srl, ooo Giva East, Giva Group USA Inc, RMT USA Inc, GIVA Trading Beijing Ltd, GIVA GmbH, RMT Valvomeccanica Pty, RMT Arabia.

relationships, business continuity and personal and professional growth paths for employees. This process of performance review, although not monitored and mapped on a Group level, is formalized through a letter that is delivered to the employee, accompanied by feedback from the Company Management and each Function/Department Head.

A system of MBO (Management by Objectives) is going to be introduced. Management By Objectives will prove to be a useful tool for decentralizing responsibilities and authority with the goal of obtaining the maximum participation of human resources in the achievement of corporate strategic goals. These corporate goals will be then translated into sector operational goals, declined into action plans, and finally converted into individual objectives. In 2023-2024, the Group intends to equip itself with a performance review tool to create remuneration policies based on even more measurable and objective data, while maintaining the enhancement of qualitative information.

The Group's annual total compensation ratio is 4.95. This represents the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual).

Collective bargaining agreements

GIVA Group operates primarily in the steel/metallurgical industry and applies the following National Collective Labor Agreements: CCNL Metalmeccanico Industria e Installazione Impianti, CCNL Commercio, CCNL Confapi (National Confederation of Italian Small and Medium Private Industry) covering 100% of the Group's employees related to the companies established in Italy.

Some of the Group Companies have a particularly relevant history of industrial relations, consolidated over the years, which resulted in advanced second-level bargaining achieved through continuous labour relations both between Trade Unions and the Company and also with territorial organizations. Efforts were aimed at fostering a collaborative relationship and building synergies between the parties, while at the same time trying to maintain a positive working environment and a good balance between the demands made by the Unions (as workers' representatives) and business as well as production needs. Therefore, most Group Companies implemented second-level bargaining to supplement existing collective bargaining.

Despite the fact that during extraordinary operations, such as mergers and sale of business units, the dialogue between parties has been intense, people were always put at the centre in order to find together a solution that could protect employees and, at the same time, allow a development towards a sustainable business.

4.4. Welfare & Well-Being

The GIVA Group has historically been particularly attentive to the well-being of its employees and is oriented towards a "Total Reward" approach, which covers both professional and personal aspects of the employee's life: training, health, and well-being.

Some of these aspects are listed below:

- presence of the company canteen in most companies, made available to employees either totally free of charge or with the contribution of a small fee upon usage;
- provision of paid leave for personal medical examinations;

- flexible hours in case of special personal situations;
- welfare portal dedicated to all employees.

The first objective of corporate welfare is to provide employees with coverage against social risks, but it also aims to increase the employees' well-being.

Since companies are very diverse, both in terms of sector and age, the standardisation of welfare policies and procedures cannot disregard subjective situations. A questionnaire was addressed to employees to identify needs at the group level, then a training session has been organized to explain the expected benefits. The needs were varied since the population is very heterogeneous, therefore the bonuses granted covered multiple aspects. Examples of corporate welfare provided are reimbursement of health expenses incurred by employees or agreements with private structures and specialists, vouchers for tuition fees, textbooks, summer camps and school trips, but also subscriptions for gyms, travel and cultural events or allocation of the welfare account to social security contributions for the pension fund.

To make the process of taking advantage of welfare opportunities more accessible an online portal was activated, and almost all employees have joined.

4.5. Health & Safety on Workplace

The health and safety of employees has long been a top priority for the GIVA Group. The Group's health and safety measures are an integrated part of its business foundation and corporate culture, which value human capital and respect for human rights as top priority.

All plants, in accordance with the law, list within the DVR (Risk Assessment Document) all hazards related to work activities that present a risk of serious injury at work.

Moreover, the occupational health physicians of the Group's companies have drawn up health protocols to carry out an annual health surveillance for all the workers. The complete health monitoring activity is carried out during working hours.

Periodically, health and safety plans are created to report planned investments for the continuous improvement in health and safety. In each company, the occupational health physician, with the qualification of an authorized physician, reports annually on health surveillance during the periodic meeting in the presence of the RSPP, the RLS, and the employer or his delegate, in order to possibly adopt any additional prevention and protection measures aimed at reducing risks in the workplace.

Standard	Nr. of company certified
	7

The ISO 45001:2018 certification (Occupational Health and Safety management systems) confirms the Group's good management and control of occupational health and safety issues, proving the willingness of improving H&S performances. Seven companies of the Group have a certified health and safety management system as of December 2021: Italfond

S.p.A, Nunki Steel S.p.A., Forgiatura A. Vienna S.r.l., Forgia di Bollate S.p.A., Ofar S.p.A., Bresciacciai S.r.l., DVG Automation S.p.A.. As part of GIVA's ESG Masterplan the certification is going to be gradually extended to the other GIVA subsidiaries in the future, in particular RMT Valvomeccanica planned to obtain it in 2022.

In 2021, the Group carried out many initiatives with the goal of preserving and improving employee health and reducing occupational accidents. An increasingly accurate analysis of the causes of accidents, injuries or near misses is performed, to quickly take preventive and corrective measures.

The plants of Nunki Steel, Ofar, DVG, Forgia di Bollate, VRM, Higen Valves and Metab are working to spread awareness about near-misses reporting. A comprehensive analysis of accidents and, particularly, near misses, is a fundamental tool for prevention and the identification of measures and actions for their continuous reduction.

The cultural change implemented to highlight an increasing number of near misses' cases involves periodic meetings with supervisors, written warnings in case of violation and specific training before and after injuries occur.

Some of the companies of the Group, like Nunki Steel, aspire to achieve a Zero Harm target. Another H&S related initiative pursued by Ofar and RMT Valvomeccanica was to invest in automatic external defibrillators (AED) and provide training for their usage.

During 2021, 28 injuries occurred among GIVA Group employees, 1 among workers who are not employees.

As far as employees are concerned, the injury rate is 15, and the rate of injuries with serious consequences is 2.2. The most common types of injuries during 2021 were cases of fractures of the upper limb, burns, contusions, fingers crushing and cuts.

These indices were zero for outside workers and therefore were not reported in the tables below.

Table 11 - GRI 403-9 Number, rate of work-related injuries and hours worked by employees in 2021

Number and rate of work-related injuries (employees) ⁴	Number	Rate
Recordable work-related injuries ⁵	28	15
High-consequence work-related injuries	4	2.2
Fatalities	0	0
Hours worked	1,864,574 ⁶	

⁴ Injury rates are calculated by multiplying the ratio of the number of injuries to hours worked by 1,000,000.

⁵ Work-related injury or ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness. It excludes commuting injuries.

⁶ The data included the estimated hours worked related to employees of the Companies outside Italy, which amount to approximately 17,000h (0,9% of the total hours worked).

Table 12 - GRI 403-9 Number, rate of work-related injuries and hours worked by workers who are not employees in 2021

Number and rate of work-related injuries (workers who are not employees) ⁷	Number	Rate
Recordable work-related injuries ⁸	1	39
High-consequence work-related injuries	0	0
Fatalities	0	0
Hours worked	25,349	

No work-related ill health case has been recorded in 2021 for employees and workers that are not employees.

⁷ Please refer to footnote 4.

⁸ Please refer to footnote 5.

5. Environment

5.1. The Group's Commitment to the Planet

GIVA Group recognizes its responsibility to include sustainable development concerns into its operations, particularly in relation to climate change, and it's committed to it to avoid putting business at risk, from a regulatory point of view and with respect to its clients.

The Group is pushing change across the board, from procuring more environmentally friendly materials to structuring more energy-efficient operations and buildings, as well as teaching and training its people towards a sustainable development mindset.

Standard	Nr. of company certified
	5

As part of the commitment that drives the everyday activities of the Group, five of Giva's companies have obtained the international environmental standard ISO 14001:2015 (Italfond S.p.A., Nunki Steel S.p.A., Forgia di Bollate S.p.A., Ofar S.p.A., DVG Automation S.p.A.) with the purpose of analysing and improving the environmental performance of their activities beyond mere compliance with national and international regulation. The plan is to extend the certification to all the Group's companies in the future, in particular RMT Valvomeccanica planned to obtain it in 2022.

The general approach towards environment is one of continuous improvement.

5.2. Energy Consumption and GHG Emission

GIVA Group believes that attention to environmental factors is an important aspect of creating sustainable development plan. To track effort and inform decisions on environmental sustainability, the Group regularly collects and reviews data from its subsidiaries on energy consumption and GHG emissions.

The industry of steel processing is crucial for many sectors, however, highly involves energy-intensive activities. Nonetheless, the group has always been very dynamic in researching energy efficiency measures, which are constantly evaluated in particular for steel mill and forge production processes, mostly in partnership with leading suppliers (e.g., Snam Group, Renovit Group, Rina and Gewiss).

The group since 2014 has been subject to the energy diagnosis requirement of Legislative Decree 102/2014, in accordance with which energy audits are carried out every four years in steel mills and forges plants and the resulting diagnoses are transmitted to ENEA - *Agenzia Nazionale per le Nuove Tecnologie, l'Energia e lo Sviluppo Economico Sostenibile* (National Agency for New Technologies, Energy and Sustainable Economic Development) a public law entity aimed at research, technological innovation and the provision of advanced services to business, government and citizens in the fields of energy, the environment and sustainable economic development. Among the purposes stated by the legislature in establishing this mandatory compliance for energy-intensive companies are the improvement of environmental sustainability and the upgrading of the energy system, to be pursued through various measures, including the recovery of dispersed energy, the identification of energy-saving technologies and the self-production of part of the energy consumed.

Regarding the Group's energy consumption:

Table 13 - GRI 302-1 Energy consumption within the organization

Energy consumption (GJ) 2021	
Fuel consumption	
Natural gas	1,588,944
LPG (Liquefied Petroleum Gas)	6
Diesel (for heating or production process)	9,651
Diesel (for company vehicle – owned or long-term leasing)	14,650
Petrol (for company vehicle – owned or long-term leasing)	958
Total	1,614,209
Electricity consumption	
Electricity purchased from the national grid	672,935
Total energy consumption	2,287,144

The GIVA Group does not sell self-generated electricity and the total electricity consumed by the Group does not include renewable energy. However, to cope with the rising cost of electricity and gas, but also for the sake of environmental protection, in 2021 the Group's companies activated several projects and initiatives:



Ofar spa, has been commissioned to carry out a feasibility study regarding the installation of photovoltaic panels on the roof top at the Visano site, with the intention of extending this analysis to the other plants. The initial findings have proven to be encouraging.



Forgia di Bollate has initiated a major furnace load efficiency project seeking to maximize furnace loads, minimizing gas consumption and shutting down the systems if loads are not optimal. In addition, the company has installed a single meter for each furnace and through the Manufacturing Execution System monitors weekly KPIs related to gas consumption

It must be highlighted that in 2021 mobility was limited but in the future the consumption of petrol and diesel attributable to the corporate fleet is expected to increase, also because the workforce is growing.

Energy intensity is a normalized environmental impact data and expresses the energy required related to an organization-specific metric. In GIVA's case it has taken into consideration the consolidated value of production, which represents in a more comprehensive way, the Group's output value.

Table 14 - GRI 302-3 Energy intensity in 2021

Energy intensity	
Energy consumption	2,287,144 GJ
Energy intensity	4,890 GJ/Mil €

Direct greenhouse gas emissions related to combustion constitute the predominant emission category for the Group. As mentioned, the steel industry is particularly energy intensive, even though subsidiaries have implemented various energy-saving activities to make processes more efficient.

Table 15 - GRI 305-1,2 Total direct greenhouse gas emissions (Scope 1), indirect greenhouse gas emissions from energy consumption (Scope 2) of the Group in tonnes of CO₂ equivalent (tCO₂ eq)

GHG Emissions 2021		
GHG Emissions	Units of measurement	2021
Scope 1	tCO ₂ eq	100,454
Scope 2 - Location-based	tCO ₂	49
Scope 2 - Market-based	tCO ₂	86
Total Scope I & Scope II (Location-Based)⁹	tCO₂eq	100,502
Total Scope I & Scope II (Market-Based)	tCO₂eq	100,540

Table 16 - GRI 305-4 GHG emissions intensity in 2021

GHG Emissions intensity	
Emissions intensity (Scope 1 + Scope 2 Location Based)	215 tCO ₂ eq/Mil €
Emissions intensity (Scope 1 + Scope 2 Market Based)	215 tCO ₂ eq/Mil €

For the calculation of the GHG Emissions intensity ratio, it was used the consolidated value of production, same as for the energy intensity disclosure. GHG emissions intensity, being a normalized environmental impact data, expresses the amount of GHG emissions per Mil € of production value.

Table 17 - Conversion and emission factors used for the calculation of Group energy consumptions and GHG emissions of 2021

Conversion factors			
1 m3 Natural Gas	GJ	0.0353	Source: Ministero dell'ambiente tabella dei parametri standard 2021
1 l LPG	GJ	0.0459	Source: Ministero dell'ambiente tabella dei parametri standard 2021
1 l Diesel (average biofuel blend)	GJ	0.0428	Source: Ministero dell'ambiente tabella dei parametri standard 2021
1 kWh	GJ	0.0036	Constant
Petrol	GJ	0.0428	Source: Ministero dell'ambiente tabella dei parametri standard 2021

⁹ The GRI Sustainability Reporting Standards provide two methodologies for calculating Scope 2 emissions, the "Location-based method" and the "Market-based method". For the calculation of Scope 2 emissions, in line with the GRI Sustainability Reporting Standards, both calculation methodologies were used. The Market-based is based on CO₂ emissions emitted by energy suppliers from whom the Group purchases, through an electricity contract and can be calculated by considering, energy Guarantee of Origin certificates and direct contracts with suppliers, supplier-specific emission factors, emission factors related to the "residual mix," i.e., energy and emissions that are not monitored or not. The Location-based method is based on average emission factors related to energy generation for well-defined geographic boundaries, including local, subnational or national boundaries. Scope 2 emissions are expressed in tons of CO₂, however, the percentage of methane and nitrous oxide has a negligible effect on total GHG emissions (CO₂ equivalents) as inferred from the relevant technical literature.

Emission factors			
1 m3 Natural Gas	kg CO ₂ e	1.98	Source: DEFRA 2021
1 l LPG	kg CO ₂ e	1.69	Source: DEFRA 2021
1 l Diesel (average biofuel blend)	kg CO ₂ e	2.65	Source: DEFRA 2021
Electricity (location based)	g CO ₂ /kWh	260	Source: ISPRA
Electricity (market based)	g CO ₂ /kWh	459	AIB Residual Mix (Europe)



Forgiatura A. Vienna represents a virtuous example of CO₂ emissions monitoring, having drawn up a Management System Procedure for the provisions contained in the EU Emission Trading Scheme (ETS). The EU ETS is a cornerstone of the EU's policy to combat climate change and its key tool for reducing greenhouse gas emissions cost-effectively.

Specifically, the purpose of the procedure is to: identify responsibilities for monitoring and reporting of emissions produced by the facility, managing their assignments; describing the methods used to evaluate the adequacy of the monitoring plan and possible sources of improvement, including the methods used to ensure quality assurance of measuring equipment and computer equipment; describe the methods used for processes carried out externally; and describing the procedures used to ensure periodic internal reviews, data validation, and management of corrections and corrective actions.

5.3. Resources management & Circular Economy

Steel is one of the main resources handled by GIVA, since the Group controls two steel mills, Nunki and Italfond. Steel is a highly valued and strategic material in the supply chain; the industries that use steel in production processes are numerous, including Power Gen, Nuclear, Oil & Gas, Petrochemical, Mechanical Engineering and Shipbuilding.

Steel ingots and bars have a potentially unlimited life cycle since they can be reused in the production cycle of new steel. Steel recycling enables the steel industry to become more environmentally friendly by minimizing its effects on the level of Greenhouse Gases in the atmosphere. On the other hand, it also has financial benefits, since it allows the Group to give new life and reintroduce in the process the scraps of the production processes of the plants of the Group itself.

THE CIRCULARITY OF STEEL FORGING IN GIVA GROUP

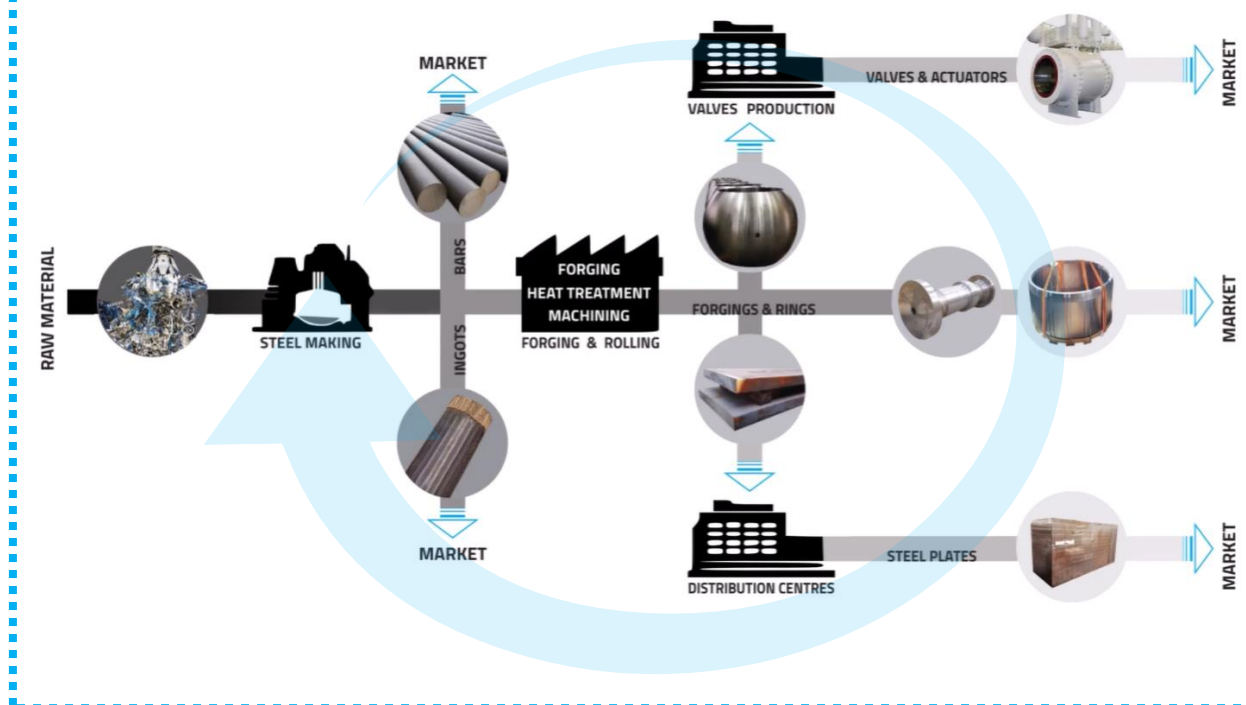
Steel is one of the most sustainable materials on a circularity point of view: its extraordinary physical features allow a recyclability near to 100% and is the most recycled material in the world. Since it does not lose its mechanical properties upon recycling, steel produced from recycled material is indistinguishable from steel of new production.

Moreover, steel has a central role in the ecological transition since it is an essential material in the renewables world, more specifically in the power generation industry.

Inside GIVA Group's operations the importance of the circularity of steel is particularly evident: the vertical integration allows an internal circulation of material and components that optimize the production cycle and reduce waste in a logic of constant re-integration of steel scraps as a raw material.

The production process starts with raw materials and scraps that enter the steel making process. Then a part of ingots and bars produced go to forging and rolling and end up as forging and rings. The final products are valves & actuators, steel plates or other custom-made orders.

During all the processes of production steel scraps created can be re-integrated as raw material so the process can start all over again, driving waste reduction and circularity inside the Group.



Forgings are pieces of steel of various shapes whose metallurgical characteristics and composition do not alter with use or with the passage of time. Normally incorporated in more complex assets/plants, they can be discarded either by breakage or by decommissioning of the plant/component in which they are incorporated, in which case they can be reused as scrap for the production of new steel.

Valves are composed of the assembly of a few dozen components, most of them made of steel (thus subject to the same life cycle as forgings), others are composed of materials potentially subject to wear and deterioration (e.g., gaskets), which must be disposed, once they are replaced during on-site maintenance activities.

Instead, actuators (the motors that regulate the opening/closing of the valve), can be installed on most of the valves produced by RMT (manufactured in-house by the group or sourced from third-party suppliers) or separately produced and sold by DVG Automation. These are products made up of hundreds of components, represented by a mechanical assembly (for which the considerations made for steel goods may apply) and parts of various kinds (including electronic ones, such as control units) whose dispersion

into the environment is not controllable by the manufacturer, but depends on the user who, with the goods, receives, upon completion of the supply, manuals for proper maintenance of the motors and their responsible partial/total disposal.

Indeed, many materials other than steel are used in the Group's production processed:

Table 18 - GRI 301-1 Materials used by the Group, by weight (tons) in 2021

Materials used by weight (tons)	
Material	Weight
2021	
Renewables	
Wood	1,364
Other ¹⁰	1.2
Non-renewables	
Steel ¹¹	298,812
Ferroalloys	12,594
Auxiliary material (lubricants, anthracite, liquid protectors)	6,636
Coal ¹²	2,928
Aluminum	463
I-BLUE/Coal mix	200
Other ¹³	24

Regarding recycled input materials used, steel is the main one, as part of the circularity.

Table 19 - GRI 301-2 Recycled input materials used by the Group by weight (tons) in 2021

Materials used that come from recycling			
2021			
Material	Material used by weight (ton)	Material recycled by weight (ton)	% Material recycled
Steel	298,812	230,561	77%

¹⁰ Including paper, cardboard, biopolyethylene

¹¹ In RMT the weight of the valves is almost completely due to the steel component, therefore it has been assumed that the weight of the steel purchased is equal to the weight of the material sold.

¹² Coal is used in Nunki Steel as a reducing agent in the EAF electric furnace for steel production.

¹³ Including plastic, copper, bronze, stationery.

5.4. Waste Management

The Group companies manage waste collection, sorting and disposal through third parties in accordance with current regulations.

Data regarding the waste produced is monitored by the companies of GIVA Group on an annual basis in order to comply with current regulations as well as for the compilation of MUD (*Modello Unico di Dichiarazione ambientale* – an Environmental Declaration Form issued in order to comply with the Italian legislation). These values are then analysed through company KPIs by the HSE manager of each plant.

In 2021, the Group's total waste generation reached almost 82 thousand tons, of which about 95% non-hazardous waste.

Table 20 - GRI 306-3 Waste generated, GRI 306-4 Waste diverted from disposal, GRI 306-5 Waste directed to disposal in 2021¹⁴

Waste type	2021			
	Units of measurement	Produced	Recovered	Disposed
Hazardous	tons	3,735	806	2,929
Non- Hazardous	tons	78,193	28,829	49,693
TOTAL	tons	81,928	29,635	52,622

The most relevant types of waste in the Group are non-hazardous waste, in particular untreated slag and ferrous metal filings and shavings.

On the other side the most preponderant hazardous waste type is solid waste from flue gas treatment, containing hazardous substances.

Table 21 - GRI 306-4 Waste diverted from disposal in 2021

Waste diverted from disposal by recovery operations (tons)			
	2021		
	Onsite	Offsite	Total
Hazardous waste			
Preparation for reuse	-	0.77	0.77
Recycle	-	738.44	738.44
Storage	-	66.73	66.73
Total	-	806	806
Non-hazardous waste			
Preparation for reuse	7,346.59	2,554.20	9,900.79
Recycle	1,938.99	14,765.40	16,704.39

¹⁴ The difference between the waste generated and the sum of the waste disposed and recovered is attributable to the stocks stored on the company's premises.

Storage	-	2,224.09	2,224.09
Total	9,285.58	19,543.69	28,829.27
Total waste diverted	9,285.58	20,349.63	29,635

Table 22 - GRI 306-5 Waste directed to disposal in 2021¹⁵

Waste directed to disposal, by disposal operations (tons)			
	2021		
	Onsite	Offsite	Total
Hazardous waste			
Incineration (with energy recovery)	-	-	-
Incineration (without energy recovery)	-	109	109
Landfilling	-	1,156	1,156
Preliminary storage	-	1,429	1,429
Total	-	2,695	2,695
Non-hazardous waste			
Incineration (with energy recovery)	-	11	11
Incineration (without energy recovery)	-	-	-
Landfilling	-	46,313	46,313
Preliminary storage	-	3	3
Total	-	46,327	46,327
Total waste disposed	-	49,021	49,021

One of the most impactful materials in terms of waste employed by the Group companies are emulsions and solutions for machineries. A noteworthy initiative to reduce them, was enacted by Bresciacciai.



WASTE REDUCTION INITIATIVE

¹⁵ Since the disposal of waste is handled by third-party companies, details of the method of disposal are not always available. The data in the table refer only to the following companies: Italfond S.p.A., Nunki Steel S.p.A., Forgia di Bollate S.p.A., Forgiatura A. Vienna S.r.l., Brescia Acciai S.r.l., Giva S.p.A.. For the purpose of continuous improvement, the Group is committed to retrieving this information for the entire perimeter in future reporting years.

Since 2018, Bresciacciai has installed a vacuum cleaner to be connected to the chip container. This equipment was designed and built to vacuum metal residues along with oils or coolants produced from metal processing. Solid substances are retained in the chip container while liquid substances flow out of the chip container into the liquid tank, and the vacuumed air is filtered back into the environment from the exhaust port.

This vacuum cleaner made it possible to reduce the emulsified oil disposal of the years 2018 and 2019 to about 3,000 litres/year, while no further disposal of emulsified oils has been made from 2020 to date.

5.5. Water Resources

The UN Sustainable Development Goals (SDGs) addresses with Goal 6 “Clean water and sanitation” the need to ensure availability and sustainable management of water and sanitation for all, stating that water resources are at the core of sustainable development. Since water is a strategic asset in the steel industry, its management inside the Group is carefully monitored.

Water is mainly employed for industrial processes, in particular for cooling and heat treatment of steel. The water supply takes place through wells (categorized as groundwater) for industrial use and fire protection and the aqueduct (categorized as third-party water) for civil use. Third-party water includes water supplied by municipal water networks or other organizations.

Table 23 - GRI 303-3 Total water withdrawal of the Group in 2021 (ML), with indication of the source of the withdrawal and the amount relating to areas of water stress

Water withdrawal (ML)			
Water withdrawal sources ¹⁶	No water stress areas	Area with water stress	All areas
Groundwater	190.61	191.90	382.51
Third-party water	10.49	9.70	20.19
Total	201.10	201.60	402.70

The volume of water withdrawal from areas with water stress¹⁷ can indicate an organization’s impacts in sensitive locations. The companies located in areas with water stress are: Italfond S.p.A., Ofar S.p.A. (Visano and Canneto sites), Forgia di Bollate S.p.A., VRM S.r.l., Higen Valves S.r.l., Metab S.r.l.

The Group's water consumption is mainly related to the change and refills of water tanks due to depletion or evaporation.

Table 24 - GRI 303-5 Total water consumption of the Group in 2021 (ML), with indication of the change in water storage and the amount relating to areas of water stress

Water consumption (ML)

¹⁶ All water withdrawals refer to fresh water (1,000 mg/l total dissolved solids).

¹⁷ Water stress areas are areas where the ratio of total annual water withdrawal to total available annual renewable water supply (baseline water stress) is high (40-80%) or extremely high (>80%) according to data from the World Resources Institute's Aqueduct Water Risk Atlas.

Water consumption sources	No water stress areas	Area with water stress	All areas
Water consumption	146.78	199.64	346.42
Change in water storage	4.65	-	4.64

GIVA Group is aware of the direct impacts it can have and therefore commits to reduce its water consumption, paying close attention to the amount withdrawn and consumed and to the quality of its discharges.

The Group continuously works for the reduction of the overall usage of water. Part of the effort is demonstrated by the companies certified ISO 14001:2015 in 2021. This standard provides a guideline for the implementation of an Environmental Management System (EMS) which also includes the sustainable management of water, and it is based on the organizational context, needs and expectations of the Group.

Ofar and Italfond are a virtuous example of efficient water management since the water used in the processes is all closed cycle. Moreover, in Ofar slag water is processed and partially recovered and reused.



WATER EFFICIENCY INITIATIVES

Nunki Steel enacted several initiatives with the aim of reducing water usage and minimize water waste. In particular two initiatives are worth mentioning: the installation of a filter press and the implementation of a process for the recovery of condensation water.

The filter press, planned in 2020 and installed in 2021, allows water filtration and reinsertion into the industrial process to be reused as cooling water. The water obtained from the sludge backwashing is filterpressed and further recovered to minimize disposal.

The process for the recovery of condensation water deriving from the compressed air system, on the other side, allows demineralization of water with separation of oil residues. This process resulted in saving about 95,050 cubic litres of condensate water.

5.6. Acoustic pollution

GIVA Group's industry presents potential problems related to noise pollution. The Group Companies are committed to examine acoustical emissions of the plants and take appropriate measures (including the delivery of appropriate PPE).

The assessment of employee's exposure to noise in the workplace has been carried out by the Group companies pursuant to art. 190 of Legislative Decree 81/08, through specific phonometric surveys, where

applicable. The assessment is then repeated at maximum intervals of four years according to the requirements of Legislative Decree 81/08 or in the event of significant changes.

When required, specific training of workers on the risks associated with exposure to noise and training of workers in the use of PPE (more specifically hearing protectors) has been carried out.

6. Annexes

6.1. Material topics

Environmental	Energy Management and Transition towards renewable sources	Efficient energy management , through ad hoc policies, actions and programs . Reducing energy consumption from fossil fuels , increasing energy supply from renewable sources and progressively improving the efficiency of particularly energy-intensive activities.
	Climate Change, GHG and Air Emissions	Adoption of policies and procedures to cope with climate change with the constant calculation and monitoring of emissions to obtain a correct picture of company consumption and the most critical areas/processes.
	Resource and Waste Management & Circular Economy	Responsible use of materials , to reduce environmental impacts. Responsible and conscious waste management , favouring reuse and recycling and contributing to the transition towards a Circular Economy model for greater environmental protection .
	Acoustic Pollution	To ensure a safe and accessible workplace with reduced noise pollution , not only to direct workers, but also to communities and environments surrounding the Group's activities.
	Water Management	Sustainable management of water resources, wastewater and ecosystems , and acknowledging the importance of an enabling environment and ensure safe drinking water and sanitation for all.
People	Health & Safety	Promotion of the highest standards in the field of health and safety at work and quality of life, compliance with regulatory requirements and agreements signed on safety, prevention, hygiene and health in the workplace.
	Diversity, Welfare & Well-Being	Develop appropriate policies, practices and working conditions within the Group to ensure and promote equal opportunity, respect for diversity and inclusion . Implementation of welfare programs to support both the employee's work life and private life
	Employee Development & Talent Attraction	Encouragement of productivity and continuous involvement of the Group's human resources by disseminating policies aimed at enhancing the value of employees . Support for the training and introduction into the world of work of young talents .
Social	Human Rights	Dissemination of policies and practices for the respect of human rights at all operational levels of the Group and also in collaborations with suppliers located in areas at risk of violation of human rights and workers' rights .
	Product Quality & Customer Satisfaction	Commitment to the design and manufacture of products with high quality standards throughout the value chain . Activities aimed at placing customers at the center of the company's strategic and operational decisions in order to understand and

		anticipate their needs, present and future, and to respond promptly.
	Digitalization, Data Protection & Innovation	Integration of digital and innovative technology into business strategy and production processes in order to increase performance and ensure sustainable development of the company. Constant implementation of state-of-the-art information systems, including constant monitoring of potential risks, ensuring protection of information.
Governance	Anti-corruption	Promotion of the fight against active and passive corruption , both towards Giva Group's internal and external Stakeholders.
	Conformity & Business Ethics	Ensuring full transparency of its actions by operating in a fair and impartial manner by promoting effective and timely internal and external communication. Promotion and dissemination of a corporate culture based on virtuous behavior , in compliance with the environmental, economic and social laws and regulations in force in the countries where the Group operates.
	ESG Governance & Board Effectiveness	Definition of a governance apparatus that guarantees the correct application of ESG principles in relation to strategies, objectives and communication of results , which operates according to criteria of effectiveness through its management functions, in terms of structure and composition of the Board, diversity and continuity of action over time.
	Economic Performance & ESG Positioning	Creation and promotion of value through long-term environmental, social and governance objectives. Definition of strategies and procedures to ensure business continuity and crisis management. Development of initiatives that enable the Group to strengthen its positioning and image in the market in which it operates , through the enhancement of ESG positioning initiatives and internationally recognized rankings.
	Supply Chain Management	Responsible management of procurement processes throughout the supply chain. Evaluation and screening of suppliers also on the basis of environmental, social and governance criteria and promotion of virtuous behaviors.

6.2. Table of impacts

Material topic	Scope of the impacts	Involvement of the Group
Energy Management and Transition towards renewable sources	GIVA Group, Suppliers	Caused by the Group and directly connected through a business relationship
Climate Change, GHG and Air Emissions	GIVA Group, Suppliers	Caused by the Group and directly connected through a business relationship
Resource and Waste Management & Circular Economy	GIVA Group, Suppliers	Caused by the Group and directly connected through a business relationship
Acoustic Pollution	GIVA Group	Caused by the Group
Water Management	GIVA Group	Caused by the Group
Health & Safety	Employees of GIVA Group	Caused by the Group
Diversity, Welfare & Well-Being	GIVA Group	Caused by the Group
Employee Development & Talent Attraction	GIVA Group	Caused by the Group
Human Rights	GIVA Group, Suppliers	Caused by the Group
Product Quality & Customer Satisfaction	GIVA Group	Caused by the Group
Digitalization, Data Protection & Innovation	GIVA Group	Caused by the Group
Anti-corruption	GIVA Group	Caused by the Group
Conformity & Business Ethics	GIVA Group	Caused by the Group
ESG Governance & Board Effectiveness	GIVA Group	Caused by the Group
Economic Performance & ESG Positioning	GIVA Group	Caused by the Group
Supply Chain Management	GIVA Group	Caused by the Group

7. GRI Content Index

GRI Standard	Disclosure	Page number and notes
Statement of use	GIVA Group has reported the information cited in this GRI content index for the period 1/01/2021 – 31/12/2021 with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	

GRI Indicator		Pages	Note
GRI 2: GENERAL DISCLOSURES (2021)			
The organization and its reporting practices			
GRI 2-1	Organizational details	5-8	
GRI 2-2	Entities included in the organization's sustainability reporting	4	
GRI 2-3	Reporting period, frequency and contact point	4	
GRI 2-4	Restatements of information	This document represents the Group's first Sustainability Report.	
GRI 2-5	External assurance	This report has not been subject to an external assurance	
Activities and workers			
GRI 2-6	Activities, value chain and other business relationships	6-8, 21-22	
GRI 2-7	Employees	23	
GRI 2-8	Workers who are not employees	24	
Governance			
GRI 2-9	Governance structure and composition	14	
GRI 2-11	Chair of the highest governance body	14	

GRI 2-13	Delegation of responsibility for managing impacts	14-15	
GRI 2-14	Role of the highest governance body in sustainability reporting	14	
GRI 2-16	Communication of critical concerns	16	
GRI 2-17	Collective knowledge of the highest governance body	14	
GRI 2-21	Annual total compensation ratio	32	
Strategy, policies and practices			
GRI 2-22	Statement on sustainable development strategy	2-3	
GRI 2-26	Mechanisms for seeking advice and raising concerns	16	
GRI 2-27	Compliance with laws and regulations	16	
GRI 2-28	Membership associations	18-19	
Stakeholder engagement			
GRI 2-30	Collective Bargaining Agreement	32	
Material topics			
GRI 3: MATERIAL TOPICS (2021)			
GRI 3-1	Process to determine material topics	10-12	
GRI 3-2	List of material topics	12, 47-48	
Economic Performance & ESG Positioning			
GRI 3-3	Management of material topics	13	
GRI 201: Economic performance (2016)			
GRI 201-1	Direct economic value generated and distributed	13	
ESG Governance & Board Effectiveness			

GRI 3-3	Management of material topics	25-26	
GRI 405: Diversity and Equal Opportunity (2016)			
GRI 405-1	Diversity of governance bodies and employees	25-26	
Supply Chain Management			
GRI 3-3	Management of material topics	21-22	
GRI 204: Procurement practices (2016)			
GRI 204-1	Proportion of spending on local suppliers	21	
Anti-corruption			
GRI 3-3	Management of material topics	15-16	
GRI 205: Anti-corruption (2016)			
GRI 205-3	Confirmed incidents of corruption and actions taken	16	
Conformity & Business Ethics			
GRI 206: Anti-competitive Behaviour (2016)			
GRI 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	16	
Resources and Waste Management & Circular Economy			
GRI 3-3	Management of material topics	39-41	
GRI 301: Materials (2016)			
GRI 301-1	Materials used by weight or volume	41	
GRI 301-2	Recycled input materials used	41	
GRI 306: Waste (2020)			
GRI 306-3	Waste generated	42	
GRI 306-4	Waste diverted from disposal	42-43	
GRI 306-5	Waste directed to disposal	42-43	
Energy management and Transition towards Renewable Sources			
GRI 3-3	Management of material topics	36-37	

GRI 302: Energy (2016)			
GRI 302-1	Energy consumption within the organization	37	
GRI 302-3	Energy intensity	37	
Water management			
GRI 3-3	Management of material topics	44-45	
GRI 303: Water and Effluents (2018)			
GRI 303-3	Water withdrawal	44	
GRI 303-5	Water consumption	45	
Climate Change, GHG and Air Emissions			
GRI 3-3	Management of material topics		
GRI 305: Emissions (2016)			
GRI 305-1	Direct (Scope 1) GHG emissions	38	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	38	
GRI 305-4	GHG emissions intensity	38	
Employee Development & Talent Attraction			
GRI 3-3	Management of material topics	27-32	
GRI 401: Employment (2016)			
GRI 401-1	New employee hires and employee turnover	28-29	
GRI 404: Training and Education (2016)			
GRI 404-1	Average hours of training per year per employee	31	
Diversity, Welfare & Well-Being			
GRI 3-3	Management of material topics	26-27	
GRI 401: Employment (2016)			
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	27	

GRI 405: Diversity and Equal Opportunity (2016)			
GRI 405-1	Diversity of governance bodies and employees	26	
Health & Safety			
GRI 3-3	Management of material topics	33-35	
GRI 403: Occupational Health and Safety (2018)			
GRI 403-1	Occupational health and safety management system	33	
GRI 403-2	Hazard identification, risk assessment, and incident investigation	33-34	
GRI 403-3	Occupational health services	33-34	
GRI 403-9	Work-related injuries	34	
GRI 403-10	Work-related ill health	35	
Human Rights			
GRI 3-3	Management of material topics	10, 27	
GRI 406: Non-discrimination (2016)			
GRI 406-1	Incidents of discrimination and corrective actions taken	27	
Product quality and Customer satisfaction			
GRI 3-3	Management of material topics	19-20	
Customer Health and Safety (2016)			
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	20	
Customer Privacy (2016)			
GRI 418-1	Substantiated complaints concerning breaches of customer privacy	19	

	and losses of customer data		
Digitalization, data protection & Innovation			
GRI 3-3	Management of material topics	16-19	