

**SUSTAINABILITY**  
**REPORT**

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2022



**G.I.V.A. S.P.A.**

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# SUSTAINABILITY REPORT

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# 2022





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**NOTE** Numbers in this report are divided into groups of three and separated with commas on the line. The symbol for the decimal marker is the point on the line.





# LETTER TO STAKEHOLDERS



Dear All,

The last three months proved to be highly demanding from an emotional point of view for all Group employees, managers, directors, shareholders and statutory auditors.

The sudden death of our beloved President left us dismay, deeply saddened and aware of an irremediable sense of missing.

Hereby we wish to assure you all the most commitment of Vienna family and whole Group managers and directors to grant the continuity of every ongoing business activity and the strong aim to carefully feed and properly develop the project conceived and piece to piece cleverly implemented by the Founder Antonio Vienna over 60 years of continuous entrepreneurial career. His proved foresight and work passion let to anyone who had the chance to share with him any of his various business, to develop and spread values, mission and a wide range of teachings strictly connected to his way of living and to mean work.

Under this respect, his undoubted sense of responsibility and sustainability sensibility led us in 2022 to work out and share with GIVA Group stakeholders its first Sustainability Report.

As he proved in a lifetime entrepreneurial career, marked by countless strategic and critical choices, sustainability is in every action made and in each aspect of any activity carried out.

Reduction of environmental footprint, contribution to the fight against climate change, commitment to creating value within its own supply chain and care to share it also with communities in which any activity is conducted are some of his everlasting teachings we are inheriting in order to build GIVA Group's future.

Following the path long since tracked, all of us shall make any effort both to improve successes and performances of GIVA Group and to spread the culture of sustainability, integrate it into business process and make it everyone's heritage.

Therefore, GIVA Group's Board of Directors is pleased to present and share with its shareholders its second Sustainability Report, the first subjected to limited assurance.

We are facing a great challenge, but thanks to everyone support and commitment, we'll make our Founder proud to have chosen each of us to carry on this project. His project.

In faith

**Giovanni Gilardi**

President

A handwritten signature in black ink, appearing to read "Giovanni Gilardi", written over a light blue horizontal line.

# METHODOLOGICAL NOTE



This document represents GIVA Group's (hereinafter also mentioned as "Group" or "GIVA") second Sustainability Report and describes the main results achieved in terms of sustainability in 2022 (January 1st to December 31st) by the Group.

This Sustainability report has been prepared with reference to the "Global Reporting Initiative Reporting Standards" as defined by the Global Reporting Initiative (GRI) ("GRI Standards"), as shown within the table "GRI Content Index". The most recent version of 2021 of the GRI Universal Standards 1 (Foundation) and GRI 2 (General Disclosure) has been adopted.

In particular, the topics reported have been selected based on the results of the materiality analysis updated in 2023, that allowed to identify the sustainability impacts on the economy, on the environment and on the people, including on human rights, of the Group, in its activities and business relationships. Compared to the first year of reporting, a step forward has been taken, by involving the financial community of the Group as external stakeholder during the materiality analysis. The material topics have been then validated by the Top Management of GIVA Group, as described in the "Materiality Analysis" paragraph of the document.

The reporting scope of the economic and social data and information corresponds to that of the Consolidated Financial Statements of GIVA Group as of 31.12.2022. The reporting scope of environmental data and information includes all the relevant companies that must be considered. From the reporting scope have been excluded companies based outside Italy and real estate companies (i.e. Solim srl, Vim srl, GIVA East, GIVA USA Group Inc, RMT USA Inc, GIVA Trading Ltd, GIVA GmbH<sup>1</sup>, RMT Valvomeccanica Pty LTD, RMT Arabia Company), since their environmental impact has been evaluated as not relevant.

Any further limitations concerning the reporting scope are appropriately stated in the text of this document.

It should also be noted that there were no significant changes in the Group's organisational structure, size, ownership structure and supply chain in 2022.

All the reliable data have been used and the use of estimates has been limited as far as possible basing on the best available methodologies and appropriately reported in the text.

To allow the comparability of the data over time, it is reported the comparison with the previous year, except for scope 3 data since the quantification of other indirect GHG emissions was conducted for the first time during the reporting year 2022.

Any restatement of data published in the previous Sustainability Report are also appropriately indicated in this document.

On November 21st, 2023, the Board of Directors of GIVA S.p.A. approved this Sustainability Report.

This Report was subject to an opinion on its conformity by Deloitte & Touche ("limited assurance engagement" according to the criteria indicated by the ISAE 3000 Revised standard). The verification was carried out according to the procedures indicated in the "Independent Auditors' Report" included in this document.

**FOR ADDITIONAL INFORMATION AND SUGGESTIONS REGARDING GIVA GROUP'S SUSTAINABILITY REPORT, PLEASE CONTACT: [esg@givagroup.it](mailto:esg@givagroup.it).**

This document is also available on the Group website.

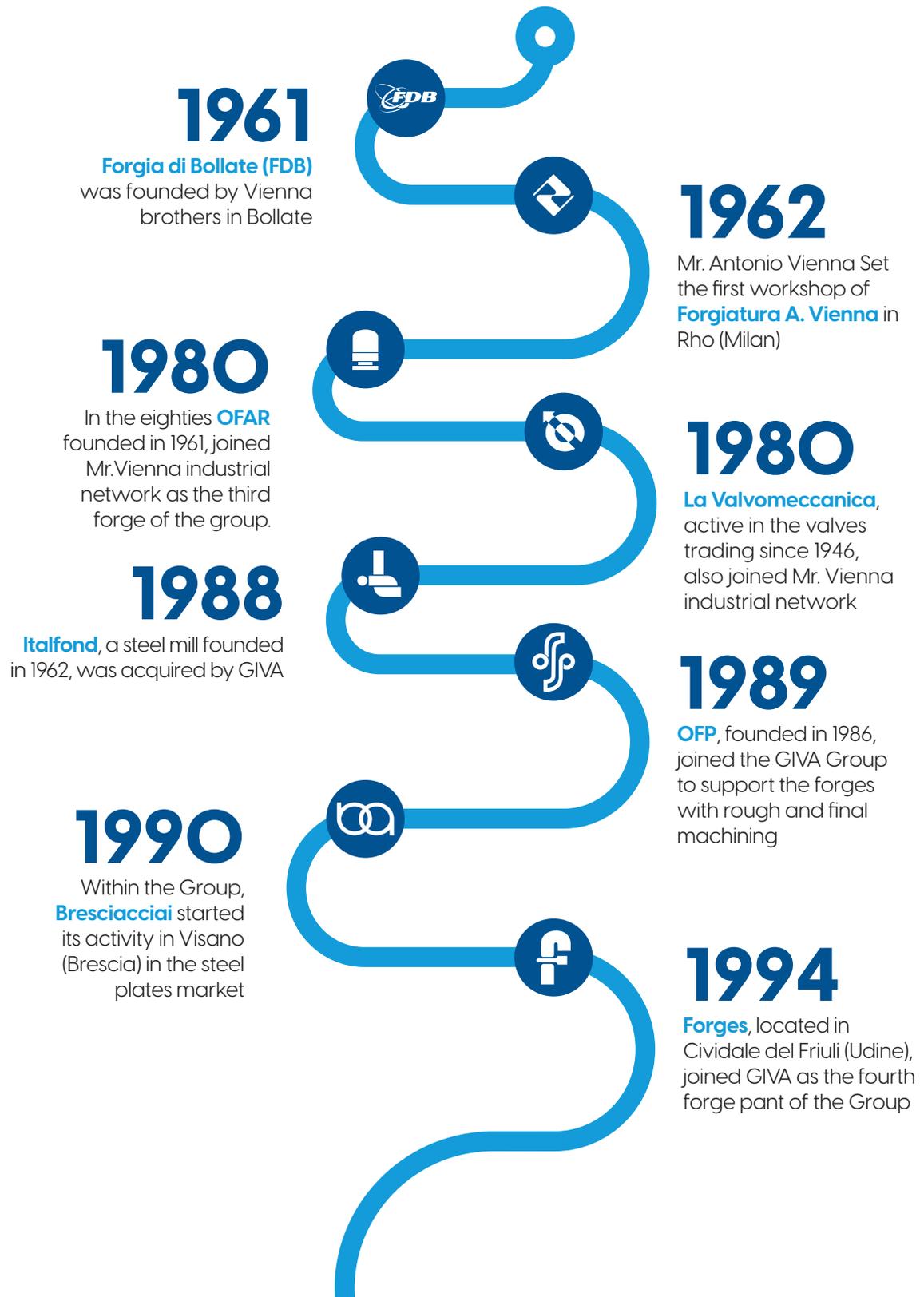
<sup>1</sup> GIVA GmbH is no longer operating and in the process of liquidation.

# 1. GIVA GROUP IDENTITY



# 1.1. HISTORY

GIVA, acronym of Gruppo Industriale Vienna Antonio (Industrial Group Vienna Antonio), is an Italian family-owned business founded and piece to piece implemented by the Founder Antonio Vienna over 60 years of continuous entrepreneurial career.



**1961**

**Forgia di Bollate (FDB)** was founded by Vienna brothers in Bollate

**1962**

Mr. Antonio Vienna Set the first workshop of **Forgiatura A. Vienna** in Rho (Milan)

**1980**

In the eighties **OFAR** founded in 1961, joined Mr. Vienna industrial network as the third forge of the group.

**1980**

**La Valvomeccanica**, active in the valves trading since 1946, also joined Mr. Vienna industrial network

**1988**

**Italfond**, a steel mill founded in 1962, was acquired by GIVA

**1989**

**OFF**, founded in 1986, joined the GIVA Group to support the forges with rough and final machining

**1990**

Within the Group, **Bresciacciai** started its activity in Visano (Brescia) in the steel plates market

**1994**

**Forges**, located in Cividale del Friuli (Udine), joined GIVA as the fourth forge part of the Group

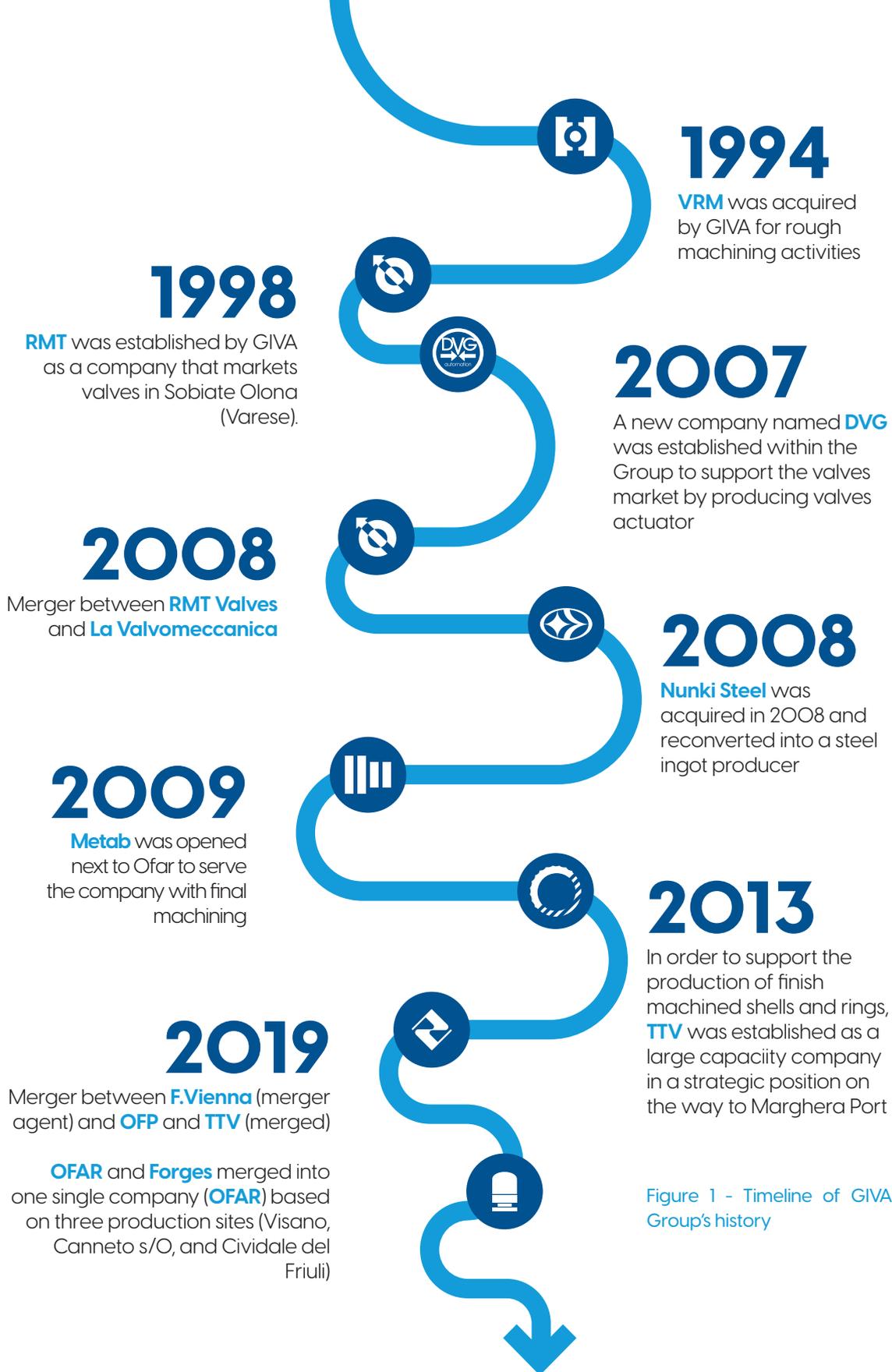


Figure 1 - Timeline of GIVA Group's history

**Ingots, forgings, valves, and actuators are all manufactured by GIVA Group, which makes it a global leader.**

**With a total workforce of 1,110 employees from 20 countries, 15 modern and highly specialized manufacturing plants in northern Italy in 2022, 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, late President and Founder of GIVA Group, said,

**“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, 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 having a clear understand of our process is one of the key steps for the development of a decarbonization path to sustainability.

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

### » DYNAMISM

### » INNOVATION

as a mean of staying ahead of the game both under technological and sustainability point of view

### » INVESTMENT

as a vision and a measure of confidence and trust in future.



Mr. Antonio Vienna - GIVA Group founder

# 1.3. THE GROUP STRUCTURE

As of December 31, 2022, the organizational structure of GIVA Group includes 21 companies and the parent company GIVA Sp.A. with headquarters in Rho (Milan), which globally guarantees operational and strategic coordination. Antonio G. Vienna served as the president and the majority shareholder in the Board of Directors during the reporting year.

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.

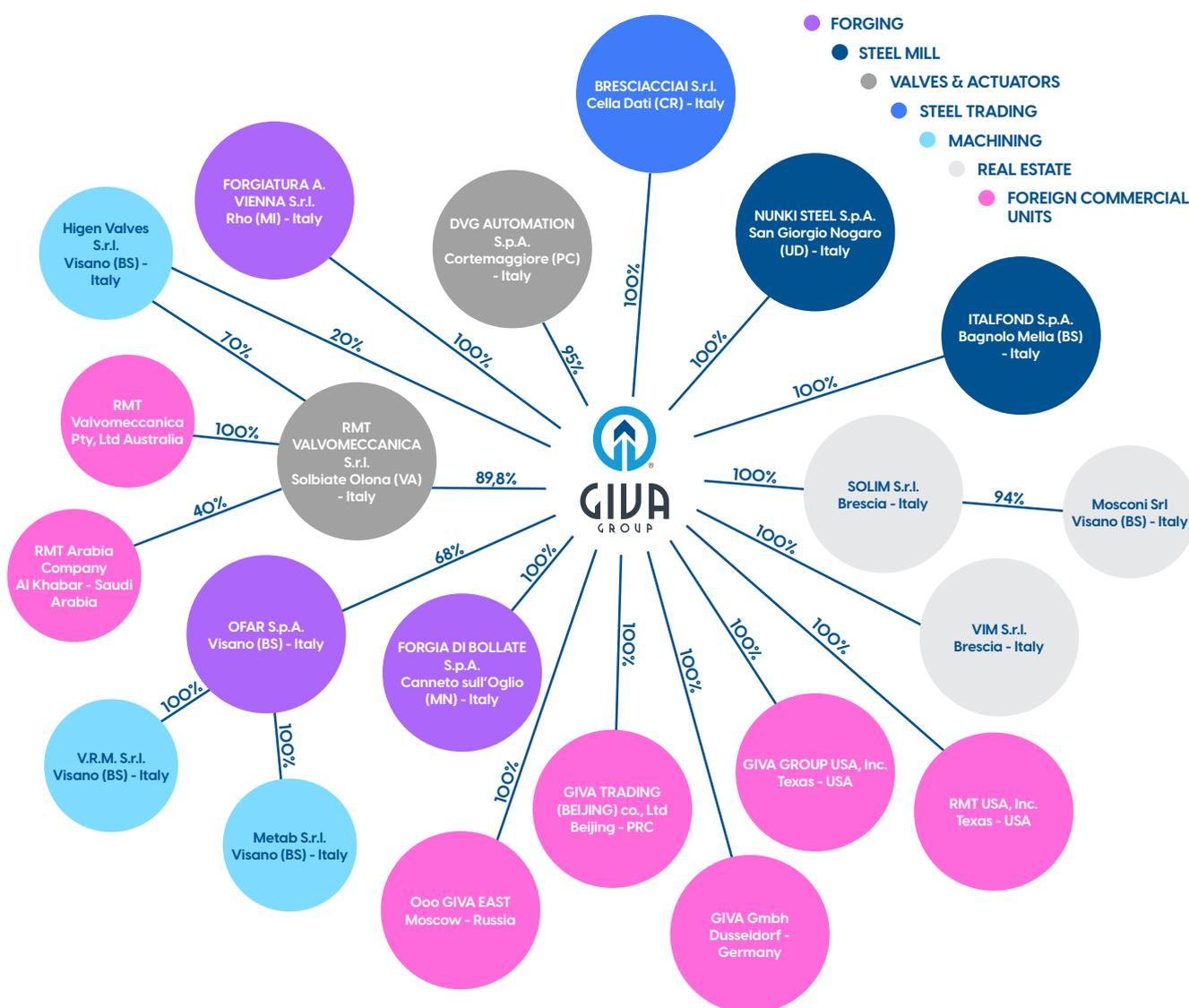


Figure 2 - Corporate structure of the Group as of 31.12.2022

Note: GIVA Gmbh is no longer operating and in the process of liquidation

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 vertically integrated, that can directly manage the entire value 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 and sustainable solutions.

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

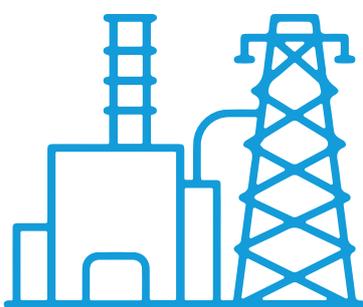
● **STEEL MILLS**, industrial plants for the manufacture of steel. The companies operating in this sector are *Nunki Steel S.p.A.* (hereinafter also mentioned as *Nunki Steel*), that started the production of forging ingots in 2010, following the acquisition of an existing steel mill in operation since 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;

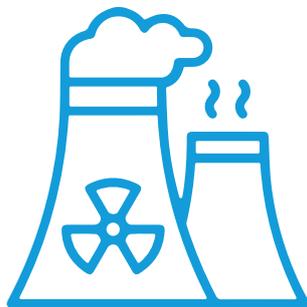
● **STEEL TRADING**, *Bresciacciai S.r.l.* (hereinafter also mentioned as *Bresciacciai*), established in 1990, for special applications in the steel industry, it deals with the supply and cutting service of tool steels and complementary steel grades. The company can meet the demands of its customers by creating customized sales with a high added value thanks to the management and operators experience and expertise;

● **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.

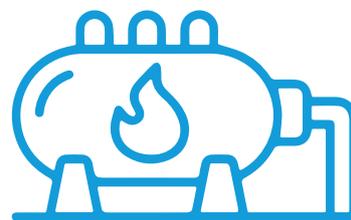
**The steel industry is one of the most important sectors for the growth of any community. In fact, it is the foundation for many sectors that would not have developed without the steel industry. The main industries in which the Group operates are:**



POWER GEN



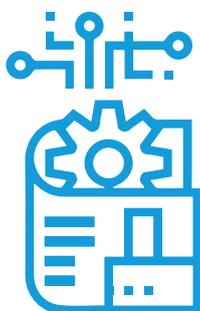
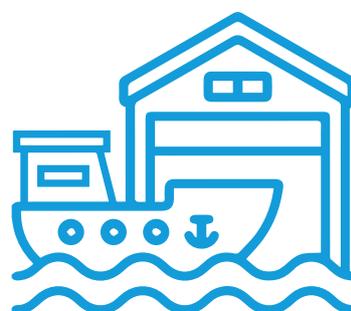
NUCLEAR



OIL &amp; GAS



PETROCHEMICAL

MECHANICAL  
ENGINEERING

SHIPBUILDING

In addition, in 2022 the Group began working on carbon capture and storage projects, while RMT focused on developing valves for hydrogen-handling plants.

GIVA Group has its productive activities in the north of Italy, but being an international player, maintains commercial relationship in all relevant markets around the world, including an onsite presence through representative offices and fully owned sales agencies in China, USA, Australia, and Arabia.

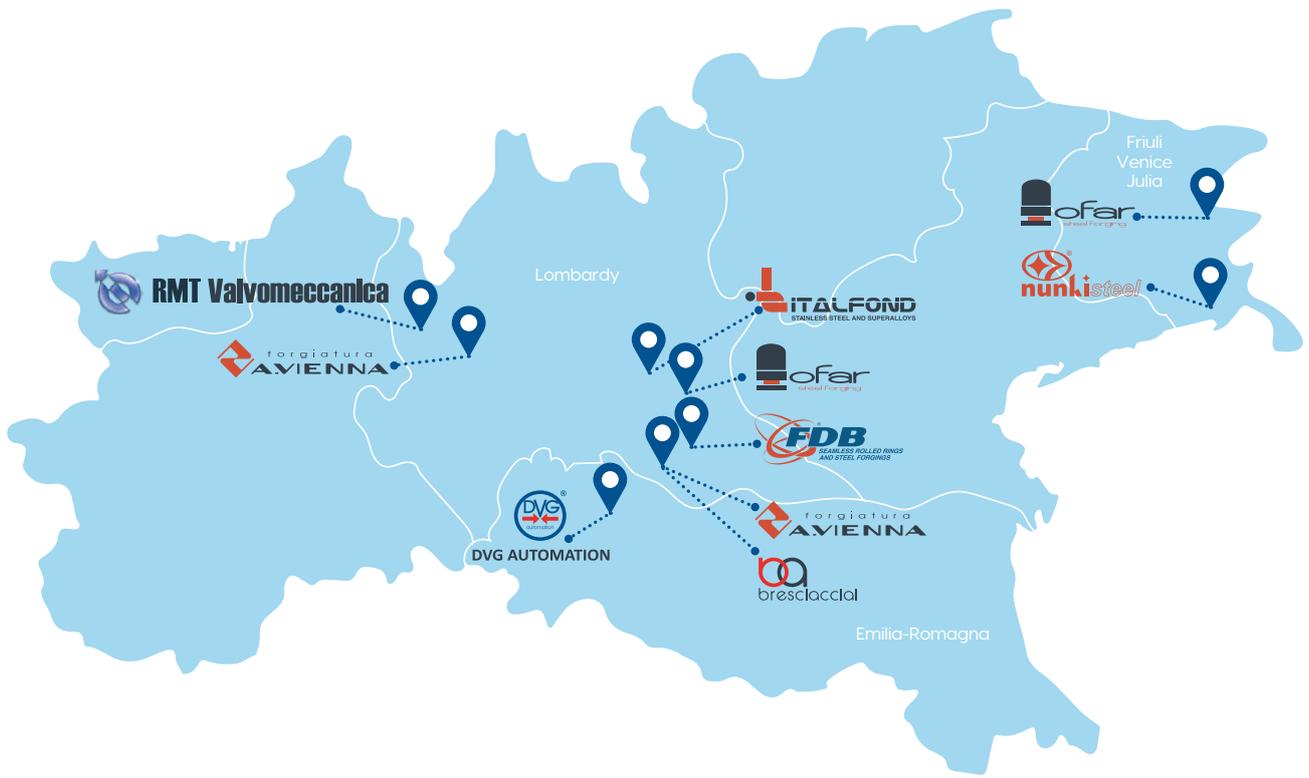


Figure 3 - Geographical distribution of the main companies of the Group





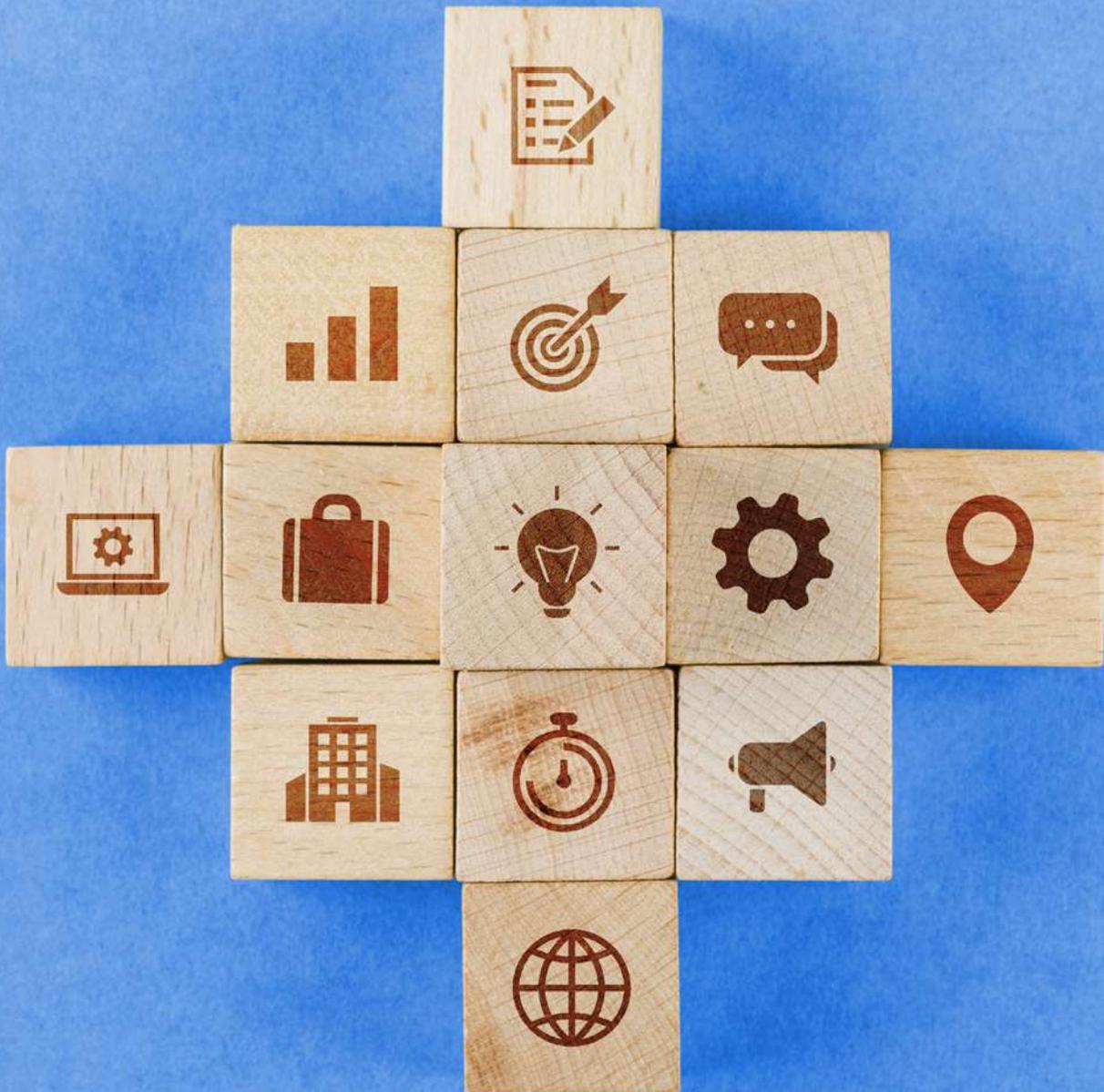
2.

# GIVA GROUP APPROACH TO SUSTAINABILITY



For the Group, the long-term economic sustainability of its offerings begins considering stakeholders' needs and expectations, a critical strategic lever for market positioning. The Group, ever since focused on environmental, social, and governance aspects of its business, is more attentive and inclined to quickly respond to its stakeholders' changing needs, with reference to the regulatory context and the behavioural habits of its customers. As a confirmation of its commitment towards sustainability, since 2021 the Group has drawn up an ESG Masterplan containing ESG objectives to be achieved over the next five years, some of which were pursued during the reporting year, among which the quantification of Scope 3 "other indirect GHG emissions". Moreover, in 2023 GIVA Group committed to fill out the CDP Climate Change questionnaire and to evaluate Group targets to submit to the Science-Based Targets initiative (SBTi) for Scope 1, Scope 2, and Scope 3 emissions.

**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

### PEOPLE



**1,109**

N. OF EMPLOYEES  
(+5% compared to 2021)



**18**

N. OF NON-SEVERE  
WORK-RELATED INJURIES  
(-36% compared to 2021)

### SOCIAL



**0**

CASES OF DISCRIMINATION



**€ 589K**

INVESTED IN DIGITALIZATION  
(+161% compared to 2021)

### FINANCIAL



**€ 611** MILLIONS

OF CONSOLIDATED REVENUES  
(+ 36% compared to 2021)



**61%**

OF PURCHASING  
ON LOCAL SUPPLIERS

### ENVIRONMENTAL



**2,056,256** GJ

ENERGY CONSUMED  
(-11% compared to 2021)



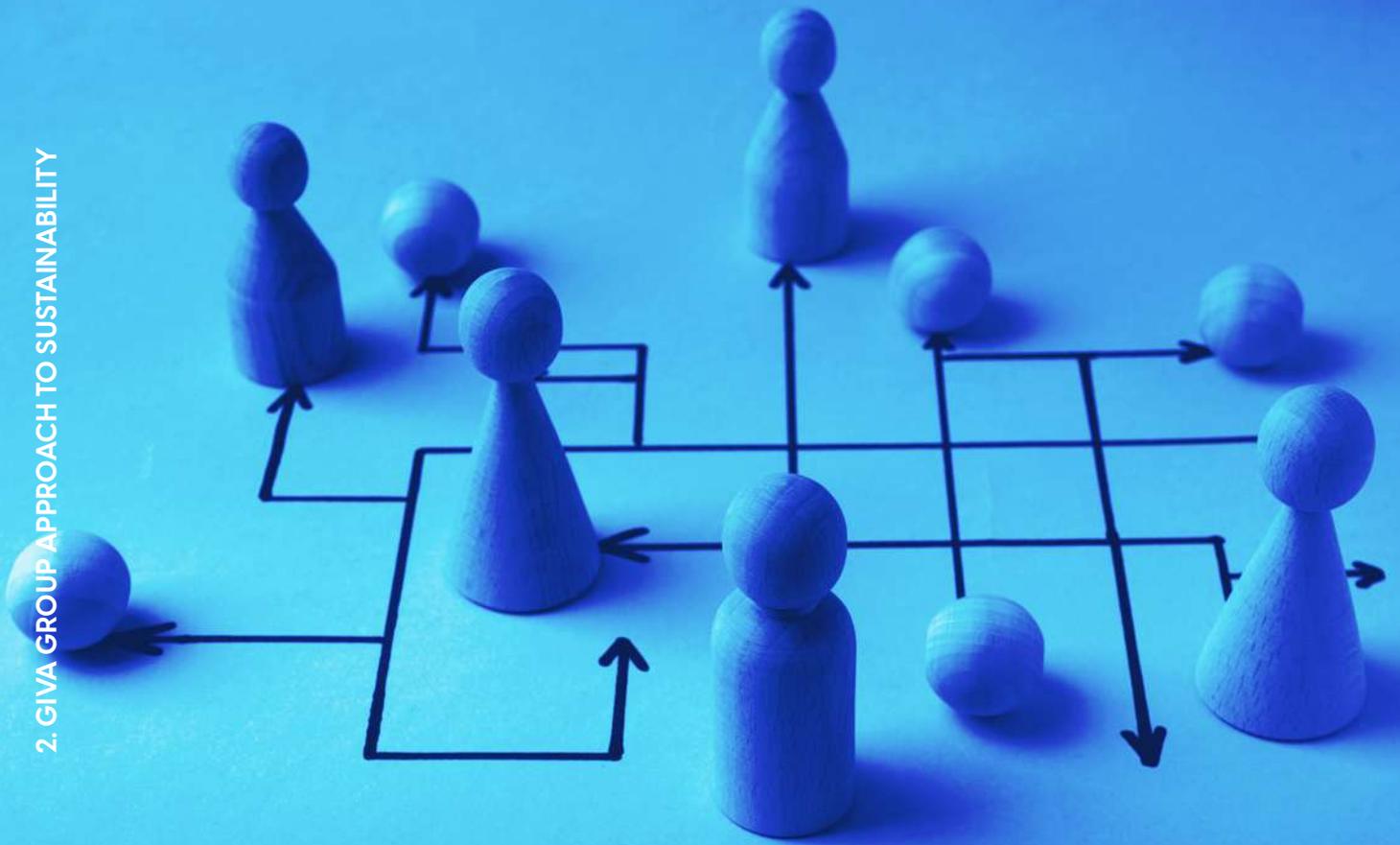
**1.021** tCO<sub>2</sub>eq/T

EMISSIONS INTENSITY  
Scope 1 & Scope 2 Location-Based  
(-7% compared to 2021)



**341,857**

tCO<sub>2</sub>eq  
(Scope 1 & Scope 2  
Location-Based + Scope 3)



## 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, considering the sustainability impacts that the Group activities and business relationships have on the economy, the environment, and people, including human rights. As far as human rights are concerned, it should be noted that the Group concentrates all its manufacturing activities in Italy and about 64% of its suppliers are local, while the rest of its supply chain is spread across several countries. As part of the ESG Masterplan, in order to improve the Group's supervision on human rights' protection effectiveness, a Human Rights Policy is going to be drawn up in the first part of 2024 together with an ESG Policy, which will also include human rights along with the other sustainability commitments relevant to the Group.

The materiality analysis was first conducted in 2022 for the first Sustainability Report 2021 and it was then updated in 2023 to better understand the evolution of stakeholders' expectations and needs, in compliance with the requirements and guidelines of the **GRI Standards 2021**.

The process used to identify and prioritize material sustainability impacts and topics consists of different phases:

» **PHASE 1 - GROUP'S KEY STAKEHOLDERS MAPPING:** throughout a benchmark analysis and given the Group's role in the territory and the significant impacts 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:

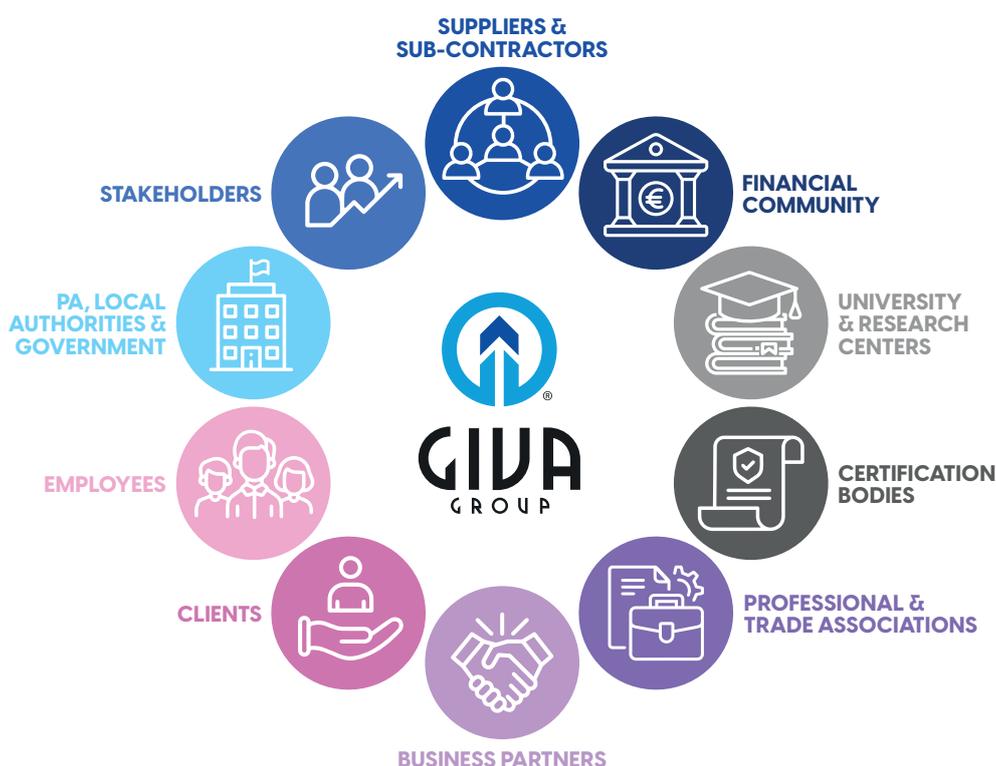


Figure 4 - GIVA Group's key stakeholders

» **PHASE 2 - GROUP'S RELEVANT GENERATED SUSTAINABILITY IMPACTS IDENTIFICATION:** the benchmark analysis was not only aimed at identifying the Group's main stakeholders. By taking into consideration peers, clients' main requests in the field of sustainability, industry studies and sustainability frameworks (such as GRI, SASB and S&P YearBook) together with the current ESG trends emerged in the sectors examined, a preliminary list of ESG impacts and topics was identified, in terms of both negative / positive, actual / potential<sup>2</sup>

<sup>2</sup> Negative impacts are those that cause harm to the economy, the environment and people, and thus undermine sustainable development. On the contrary, positive impacts are those that contribute to sustainable development generating a benefit to the economy, the environment, and people. Potential impacts are those that may occur and have not yet occurred, while actual impacts have already occurred.

Mapping GIVA Group's clients was also a key step in identifying and analysing stakeholders' needs and priorities. Given the Group's multi-business structure, the analysis was carried out by sector, allowing a better understanding of the context and its changes since the previous year.

» **PHASE 3 - ASSESSMENT AND PRIORITIZATION OF THE GENERATED IMPACTS MATERIALITY THROUGH WORKSHOPS:** the list of impacts and related topics resulted from phase 2 were assessed during two materiality workshops. The first workshop was dedicated to the involvement of an external stakeholder category: **the Group's financial community**. It was asked them to evaluate the selection of 32 ESG impacts, in order to include and understand their external point of view. It was the first time that the Group involved external stakeholders in a materiality workshop, in line with the target stated in the Sustainability Report 2021. The second workshop, instead, involved the Group's Top Management and key figures (HSE managers and corporate functions).

» **PHASE 4 - IMPACTS LIST ELABORATION AND VALIDATION:** the quantitative analysis of the results, combined with further qualitative evaluations, allowed the identification of 17 material topics that describe the positive and negative impacts generated by the Group. With respect to the first materiality assessment in 2021 that identified 16 material topics, a new topic has been added to the list, because of a deeper dive into the Group's impact. That list has been validated by the ESG Committee.



**TABLE 1 - GIVA GROUP'S IMPACTS LIST**

<b>MATERIAL TOPICS</b>	<b>IMPACTS GENERATED BY GIVA GROUP</b>	<b>IMPACT NATURE</b>
<b>PRODUCT QUALITY AND CUSTOMER SATISFACTION</b>	Potential dissatisfaction and decrease in customer confidence due to products not meeting required quality standards	<b>NEGATIVE</b>
	Potential increase in the number of complaints related to product quality	<b>NEGATIVE</b>
	Possible incidents and cases of non-compliance	<b>NEGATIVE</b>
<b>ENERGY MANAGEMENT &amp; TRANSITION TOWARDS RENEWABLE SOURCES</b>	Excessive dependence on (non-renewable) energy resources resulting with lower resilience	<b>NEGATIVE</b>
<b>EMPLOYEE HEALTH &amp; SAFETY</b>	Occupational injuries and illnesses due to a lack of attention to health and safety systems/procedures	<b>NEGATIVE</b>
<b>CLIMATE CHANGE, GHG &amp; AIR EMISSIONS</b>	Direct and indirect GHG emissions related to Group operations (Scope 1 and Scope 2)	<b>NEGATIVE</b>
	Contribution to climate change through direct/indirect GHG emissions	<b>NEGATIVE</b>
	Other indirect emissions - Scope 3 (e.g. supply chain-related emissions)	<b>NEGATIVE</b>
<b>RESOURCES AND WASTE MANAGEMENT &amp; CIRCULAR ECONOMY</b>	Use of recyclable and recycled raw materials (steel)	<b>POSITIVE</b>
	Generation of hazardous and non-hazardous waste dents and cases of non-compliance	<b>NEGATIVE</b>
	Impact on the environment due to improper waste management and disposal	<b>NEGATIVE</b>
	Use of non-renewable resources (e.g. plastic, coal, etc.)	<b>NEGATIVE</b>
<b>INNOVATION &amp; PRODUCT ENVIRONMENTAL PERFORMANCE</b>	Reducing environmental impacts through strategic partnerships, new technologies and research and development investments	<b>POSITIVE</b>
<b>ESG GOVERNANCE</b>	Dissemination of an ethical corporate culture, based on ESG values, that can help seize/anticipate opportunities in the ESG area	<b>POSITIVE</b>
<b>WATER MANAGEMENT</b>	Water discharges and possible water pollution	<b>NEGATIVE</b>
	Water withdrawals and consumption and their contribution to the reduction of available water resources	<b>NEGATIVE</b>



TABLE 1 - GIVA GROUP'S IMPACTS LIST

MATERIAL TOPICS	IMPACTS GENERATED BY GIVA GROUP	IMPACT NATURE
EMPLOYEE DEVELOPMENT & TALENT ATTRACTION	Loss of corporate know-how due to inadequate management, retention and attractiveness of resources	NEGATIVE
	Employee skills development and professional growth	POSITIVE
	High levels of reported turnover	NEGATIVE
FINANCIAL STABILITY AND MARKET POSITIONING	Sustainable economic performance, creation of shared value and contribution to industry economic growth	POSITIVE
DATA PROTECTION & CYBER SECURITY	Loss of sensitive data and cyberattacks	NEGATIVE
EMPLOYEE ENGAGEMENT, SATISFACTION & WELL-BEING	Contribution to employee satisfaction and cohesion through engagement initiatives and team-building activities	POSITIVE
	Contribution to the psychological and physical well-being of its employees through welfare and well-being plans and policies implementation	POSITIVE
SUPPORT TO LOCAL COMMUNITIES	Contribution to the creation of new jobs in the region	POSITIVE
	Positive social impact through support and involvement activities on local communities	POSITIVE
SUPPLY CHAIN MANAGEMENT	Negative impacts due to the failure to select, evaluate and monitor suppliers according to ESG criteria	NEGATIVE
ANTICORRUPTION, COMPLIANCE AND BUSINESS ETHICS	Possible unethical/illegal behaviour performed by the Board of Directors, top management and employees and possible cases of corruption and sanctions	NEGATIVE
	Violations and sanctions due to non-compliance with applicable laws and regulations as well as internal procedures and codes	NEGATIVE
DIVERSITY & INCLUSION	Lack of application of diversity principle (e.g. gender balance in management or pay equity)	NEGATIVE
HUMAN RIGHTS	Potential violation of human and labour rights within the Group and along the supply chain	NEGATIVE





# 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 can respond to the demands of large and medium-sized industries, testifying to its consolidated presence in international markets. As in 2021, in 2022 the Group confirmed its presence as a sector leader: despite the uncertain macroeconomic environment related to difficulties in the supply of raw materials, the rising of energy prices and the geopolitical turmoil, the Group achieved a significantly higher amount of consolidated revenues compared to the previous year as well as the overall positive economic results, confirming the growth trend of recent years. Compared to 2021, sales and services revenues have increased by 32% while the production value increased by 42%.

**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 and 2022, shows that GIVA Group distributed in 2022 86% of the value generated (+37% compared to 2021), and the category that benefited most from this distribution was suppliers (84%) followed by employees (12%).



**TABLE 2 - GRI 201-1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED AS OF 31.12**

	2021		2022	
	THOUSANDS OF €	% DISTRIBUTION OF VALUE BY STAKEHOLDER CATEGORY	THOUSANDS OF €	% DISTRIBUTION OF VALUE BY STAKEHOLDER CATEGORY
<b>ECONOMIC VALUE GENERATED</b>	475,909		671,322	
<b>ECONOMIC VALUE DISTRIBUTED</b>	420,950	88%	576,205	86%
Value distributed to suppliers and other operation costs reclassified	343,242	72%	483,160	72%
Employees remuneration	66,380	14%	71,663	11%
Lenders remuneration (Connected companies and banks)	5,001	1%	5,694	1%
Shareholders remuneration	-		-	
Public Administration remuneration	6,298	1%	15,664	2%
Community investments	29	0.01%	24	0.004%
<b>ECONOMIC VALUE RETAINED</b>	54,959	12%	95,117	14%
of which depreciation, provisions, and write-downs	36,316	-	40,826	-
<b>PROFIT</b>	16,306	3%	52,998	8%



## 3.2. CORPORATE GOVERNANCE

The management of GIVA Group in 2022 has been coordinated by the Board of Directors (BoD), composed by the late President Antonio G. Vienna and six board members.

**TABLE 3 - GRI 2-9 BOARD OF DIRECTORS COMPOSITION AND GRI 405-1 DIVERSITY OF GOVERNANCE BODIES AS OF 31.12.2022**

GIVA S.P.A.'S BOARD OF DIRECTORS		
	GENDER	AGE TIER
<b>PRESIDENT AND CEO</b>		
Antonio Giuseppe Vienna		>50
<b>BOARD MEMBERS</b>		
Gabriella Bologna		>50
Angela Vienna		>50
Antonella Vienna		>50
Damir Pitesa		>50
Giovanni Gilardi		>50
Aurelio Menni		>50

The Board was appointed on 28.06.2022 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 loss of the president during 2023 has led to the need for a new Board to be appointed. Mr. Giovanni Gilardi, part of the owning family, has been appointed as the new President and endowed with executive powers matching the ones assigned to Mr. Damir Pitesa, the new Chief Executive Officer.

In 2022 the role and presence of the late President were constant and widespread throughout the Group, with frequent contacts with the managing directors of all the companies. The President is responsible for overseeing the management of impacts daily with regard to technical issues as well as on a higher, more strategical level. In particular, the Board, through the role of the President, has oversight of ESG and climate-related issues.

As a result of the late President's 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."***



GIVA Group is committed to integrating sustainability into every aspect of its business, from governance to strategy development and execution. The performance related to various sustainability aspects is assessed both at the corporate and Board levels, with the aim of embedding climate change mitigation into its business decision-making processes

Within the Group's Board of Directors, there are no internal committees. The only existing committee (which is an external committee) is the ESG Committee composed as follows: a member of GIVA Group's Board of Directors, two Group executives (finance and legal) and the Group Head of Strategic Initiatives. The ESG Committee was established in 2021 and formalized in October 2022; its 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;**
- **the Committee reviews and assesses sustainability policies to ensure long-term value generation for shareholders and all other stakeholders in line with the principles of sustainable development;**
- **the Committee 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 Committee reviews 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 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.

GIVA Group's Governance, 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 and all three of the members are male and in the age group ">50".**

➤ **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' website:  
<https://www.givagroup.it/group/policies.html>



**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.. In line with the target stated in the Sustainability Report 2021, on 15/11/2022 RMT Valvomeccanica completed the implementation and adopted the Organizational Model D.lgs. 231/2001.

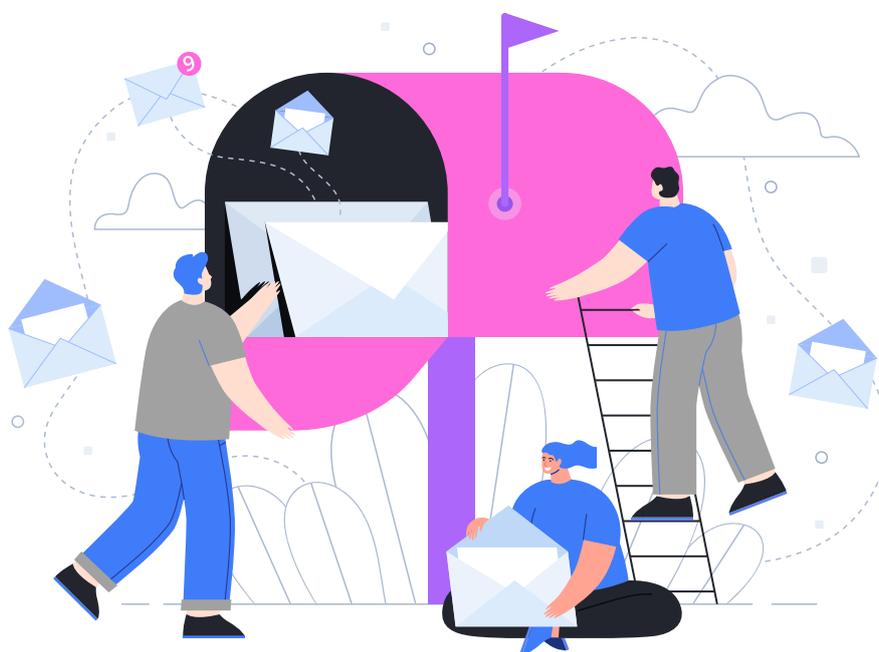
These companies also appointed a Supervisory Board which, operating in complete autonomy and independence, has the main task of supervising the implementation and suitability of the Model to prevent the crimes referred to in Legislative Decree 231/O1 and to propose to the BoD any additions and/or updates 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](mailto: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).

The revisions made to Legislative Decree 231/01 by Law No. 22 on March 9, 2022, have broadened the range of offenses that can lead to administrative liability for organizations. This change requires that the Statutory Boards, subject to the Organizational Model, update the Organization and Management Models for the entities they oversee. Moreover, in response to an update in the whistleblowing procedures, the Group has decided to establish an outsourced IT platform. This platform, under implementation in 2023, enables third parties, or anyone interacting with the Group, to submit reports anonymously.

During 2022, 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 pursuant to D.lgs. 231/01.



## 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.



To achieve emission reduction ambitions, GIVA Group is committed to investing in research and development (R&D) initiatives and energy efficiency projects. These endeavours are aimed at avoiding any further increase in emissions and future costs associated with carbon allowances.

By proactively focusing on R&D and energy efficiency, GIVA aims to not only mitigate its environmental impact but also enhance its operational efficiency and competitiveness in the face of evolving regulations and market dynamics.

Indeed, being at the forefront of innovation, not only improves the efficiency of GIVA Group's organizational processes but also optimizes workflows. With the aim of leveraging existing technologies to advance towards sustainable development, GIVA Group, in collaboration with Snam and RINA, conducted a test at the Forgiatura A. Vienna plant. It was 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, which made Forgiatura Vienna available for the field test. The blend of methane and hydrogen was supplied by Sapiro, 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 CO<sub>2</sub> emissions in the order of 15,000 tons per year, equivalent to 7,500 cars. This would result in CO<sub>2</sub> 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 CO<sub>2</sub> 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.

Moreover, in 2022 Forgiatura A. Vienna signed an agreement with a customer for collaboration in the development of a large hydrogen tank prototype. This project is financed by the European community and will be implemented over a three-year period. During 2022, planning and design studies for the tank were started, while production of the components or parts needed to build the prototype is scheduled to begin between 2023 and 2024.

Nunki Steel keeps working on new solutions to reduce the use of coal with recycled compounds, in order to cut CO<sub>2</sub> emissions. In particular, in continuity with the previous year, it is proceeding with the experimentations on the use of an innovative 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<sup>®</sup> 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 CO<sub>2</sub> emissions by more than 30% with a consequent reduction of ETS compared to the use of coal. The emission reduction evaluation is equal to 675 tCO<sub>2</sub>e and has been calculated considering a substitution ratio between coke and iBLUE<sup>®</sup> (approximately 1:1) and comparing the emissions associated with the use of each ton of coke (3,168 tCO<sub>2</sub>e) with the emissions associated with the use of each ton of iBLUE<sup>®</sup> (1,895 tCO<sub>2</sub>e), given the amount of iBLUE<sup>®</sup> used in 2022 (530 tons). 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.



In 2022 GIVA continued contributing to the management of the organization 22nd International ForgeMasters Meeting 2024, to be held in Milano by AIM (Associazione Italiana di Metallurgia) and Federacciai. Forgiatura A. Vienna's Plant Director, 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 an active member of the following associations:**



**Federacciai (Italian Steel Industry Association):** apolitical and non-profit body whose aim is to promote all initiatives in the economic, financial, technical, and scientific fields in the Italian steel industry.



**Aipe (Italian Association of Pressure Equipment):** a non-profit organization representing the Italian manufacturers operating in the Pressure Equipment sector and its related industries.



**Aist (Association for Iron & Steel Technology):** a global organization that provides education, research and networking for the iron and steel industry.



**Assolombarda – Confindustria:** Italy's leading employers' organisation, with an overall membership of almost 150,000 businesses. The interests of its members are represented mainly through a network of local and sectorial associations.

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 be aligned with technological developments and market best practices and standards in order to guarantee the safeguard of both customers 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 Group level, adding a Cyber Security Director. In addition, more resources have been integrated in 2022. The effort in the IT and cyber security area is part of a process of progressive consolidation of the Group, especially with a view to integration between the Group companies.

The Group's management has defined 3-year and 5-year plan for the centralization of IT management, starting with the unification of the group. The first step of this path consisted in the design of the technological cycles scenarios: set the layout of the plant structure, defining backup strategies, implementing IT governance systems and setting up ticketing and monitoring systems.

The main target carried out during the reporting year was to create a single and common domain throughout the Group: the project started in June 2022 and was finalized in January 2023.

Moreover, the digitalization investment plan also includes the installation of new hardware and software. In 2022, all perimeter firewalls were changed and all new plant's architectures (hyperconverged) were ordered and partially installed.

Numerous actions are also planned for 2023, including the replacement of desktop PCs with laptops (which will contribute to a reduction of the environmental impacts generated by the Group's IT system, since laptops are not constantly powered like desktop PCs).



Additionally, the Group will launch a phishing campaign aimed at raising awareness on cybersecurity and data protection.

Given the strategic importance of digitalization and data protection for the Group and in order to monitor the implementation of the IT plans in the various phases, a continuous evaluation process is in place with quarterly meetings that bring together the IT Manager, the Managing Directors and the managers of the various companies within the Group.

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

**The majority of GIVA Group's products are custom-made to 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.

STANDARD	NR. OF COMPANY CERTIFIED
 <p data-bbox="443 1496 512 1516">9001</p>	<p data-bbox="1086 1339 1129 1400">8</p>

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 2022, 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 addition, Italfond obtained the certification according to ISO 9100:2016 that standardizes quality management system requirements for organizations in the aerospace and defence sector. In accordance with ISO 9001:2015, the companies developed specific Quality Management Systems and procedures to manage

assessments, data analysis and continuous 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 and 2022 there were no incidents of non-compliance concerning the health and safety impacts of products and services.



At Italfond, shared procedures have been implemented with the health & safety area, such as for the handling of complaints and non-conformities, according to the ISO 9001:2015 and 9100:2016 management systems. Moreover, the company optimized the system to improve product on-time delivery, through the review and reformulation of KPIs.

Although the company is not certified in accordance with the Nuclear Energy Quality Management System Regulation 19443, in 2021 it made the necessary changes to comply with this regulation. In addition, Italfond conducted an awareness campaign, distributing leaflets and holding courses in July 2022 for all head of divisions. The topics covered during these courses were counterfeiting and suspicion of counterfeiting and the handling of fraudulent articles.

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

Forgiatura A. Vienna went 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 does Italfond and Ofar.



### PRODUCT QUALITY CONTROL IN PRODUCTION PROCESS

Customer's orders and requirements are taken into account from the beginning to the end of the production process. Non-conformities that occur during the production and labelling process are tracked in the management system, and the company takes corrective and preventive action to address them and improve the overall quality of the products.

In detail, each phase of the production process in Nunki is carefully tracked and monitored by the management system from which the charge is set, by means of a casting identification number that is used until the final product is delivered. First, incoming scrap, each with its own fact sheet, is carefully checked through an audiometric portal and subjected to visual inspection and classifier analysis for homogeneity check. If there are doubts about conformity, samples are sent to the laboratory for testing, otherwise the check is made with a spectrometer.

The production process consists of several stages, which include melting the scrap, refining, and degassing the steel to purify it of pollutants. Each stage has specific procedures, chemical analyses and controls that are fully managed and monitored by the system, where the requirements of each step are uploaded to ensure the quality of the final product and that it meets the requirements of the client's order. If the controls of each step are successful, the next step can be carried on. After completion of the production process, the steel is cast into numbered pits and allowed to cool. Once ready, it undergoes final inspection and is marked with a metal label bearing the casting number. The ingot is then subjected to final inspection and if any problems are found, it is thrown back into the furnace or internal conditioning depending on the case.



## 3.6. RESPONSIBLE MATERIAL SOURCING

During 2022, and in 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", while materials traded internally in the Group are excluded from the count.

About 61% (+31% compared to 2021 data<sup>3</sup>) 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.

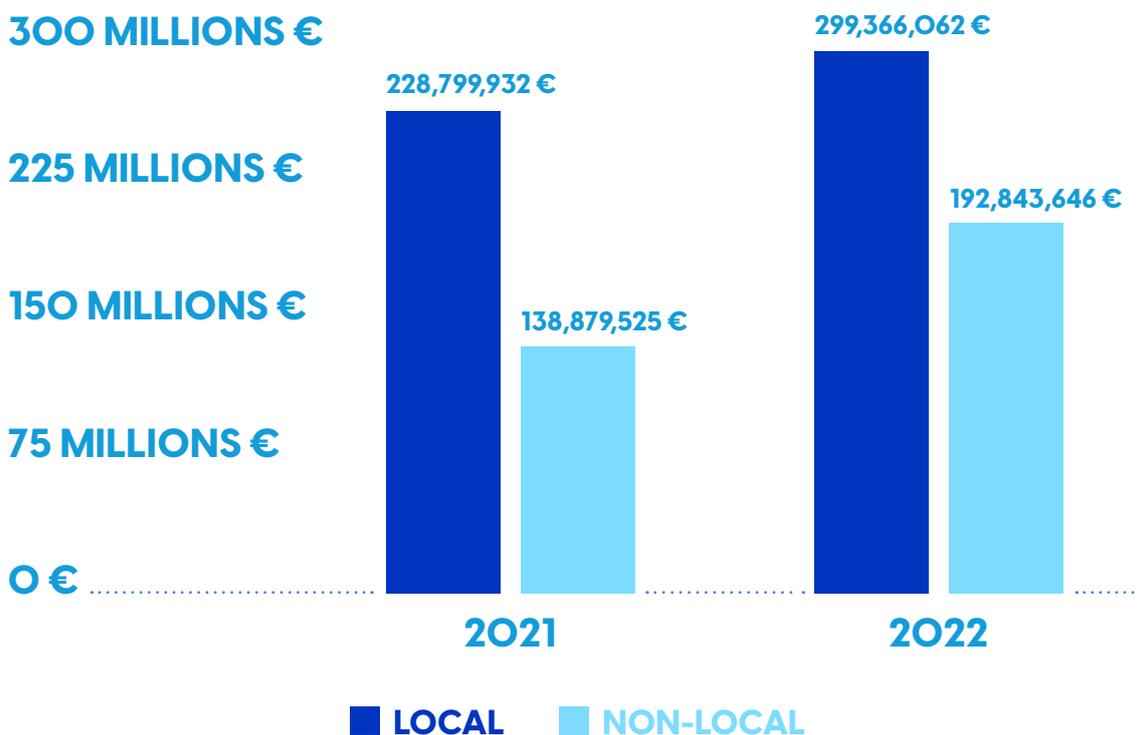
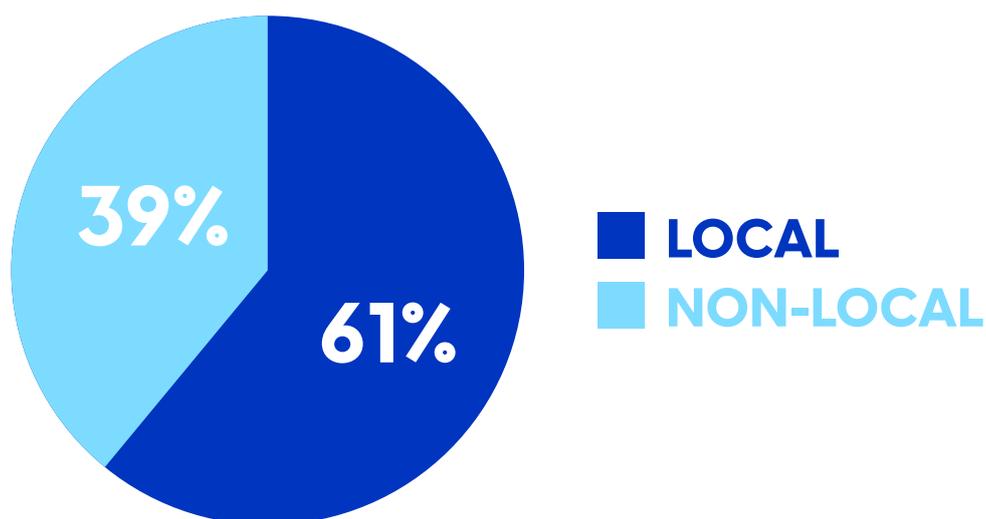


Figure 5 - Proportion of expenditure to local and non-local suppliers in 2021 and 2022 (€)

<sup>3</sup> Following a continuous improvement process, 2021 data have been restated; for the previously published data please refer to 2021 Sustainability Report, available on the website <https://www.givagroup.it/>.

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) 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.



**Figure 6** - Proportion of expenditure to local and non-local suppliers in 2022 (%)

The main markets supplying ferroalloys are mainly located outside the European borders. GIVA Group suppliers are usually importers who are based in Europe and fulfil all EU legislative obligations.

**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**

All Group companies with a certified 9001 ISO Quality Management System, implemented a structured supplier selection and management processes. Following, some examples:



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.



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. By promoting sustainable practices and a responsible behavior, Forgia di Bollate aims to create a more sustainable and responsible supply chain overall. For this reason, the company requests its strategic 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. Feedback on the scoring obtained is then sent back to the supplier on an annual basis. With a feedback ratio of 46.5%, covering 35.6% of total expense for procurement occurred in 2022, Forgia di Bollate sets a virtuous example for other companies of the Group.



#### DVG AUTOMATION

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

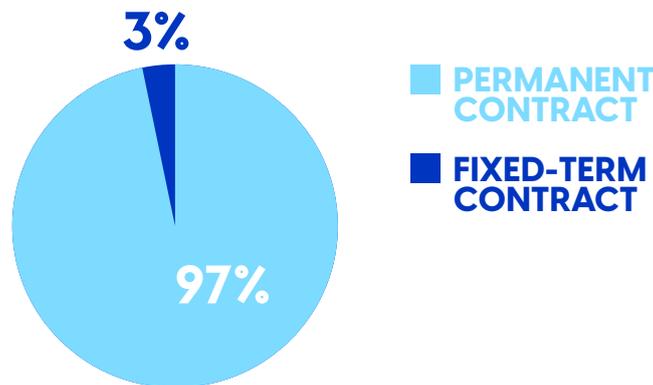


## 4.1. HUMAN RESOURCES

**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.



**Figure 7 - Employees by contract type as of 31.12.2022**

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<sup>4</sup>.

One of the company's main goals is to centralize the management of all aspects of human resources at the corporate level.

As of December 31, 2022, the composition of the company's workforce in terms of headcount was 1,109 workers (+5% compared to 2021), 1,073 of whom were employed on permanent contracts and 36 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%.

<sup>4</sup> A climate survey was conducted in Higen Valves during 2022. For further details please refer to the box in the paragraph Welfare & Well-Being.

**TABLE 4 - GRI 2-7 TOTAL NUMBER OF GROUP EMPLOYEES AND BREAKDOWN CONTRACT TYPE AND GENDER AS OF 31.12**

TOTAL NUMBER OF EMPLOYEES BY TYPE OF CONTRACT AND GENDER						
CONTRACT TYPE	AS OF 31.12.2021 <sup>5</sup>			AS OF 31.12.2022		
			TOTAL			TOTAL
PERMANENT	878	143	1,021	925	148	1,073
FIXED TERM	36	4	40	30	6	36
<b>TOTAL</b>	<b>914</b>	<b>147</b>	<b>1,061</b>	<b>955</b>	<b>154</b>	<b>1,109</b>
FULL-TIME	909	131	1,040	947	138	1,084
PART-TIME	5	16	21	9	16	25
<b>TOTAL</b>	<b>914</b>	<b>147</b>	<b>1,061</b>	<b>955</b>	<b>154</b>	<b>1,109</b>

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.

<sup>5</sup> Following a continuous improvement process, 2021 data have been restated; for the previously published data please refer to 2021 Sustainability Report, available on the website <https://www.givagroup.it/>.

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 5 - GRI 2-8 TOTAL NUMBER OF THE GROUP’S WORKERS WHO ARE NOT EMPLOYEES, AND BREAKDOWN BY GENDER AND TYPE AS OF 31.12**

WORKERS WHO ARE NOT EMPLOYEES						
CONTRACT TYPE	AS OF 31.12.2021			AS OF 31.12.2022		
			TOTAL			TOTAL
AGENCY WORKERS	8	-	8	3	-	3
INTERNS	1	2	3	2	4	6
TOTAL	9	2	11	5	4	9

In 2022, as in 2021, GIVA Group has not appealed 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, 2022, the Group totalled 955 male employees against 154 female employees.

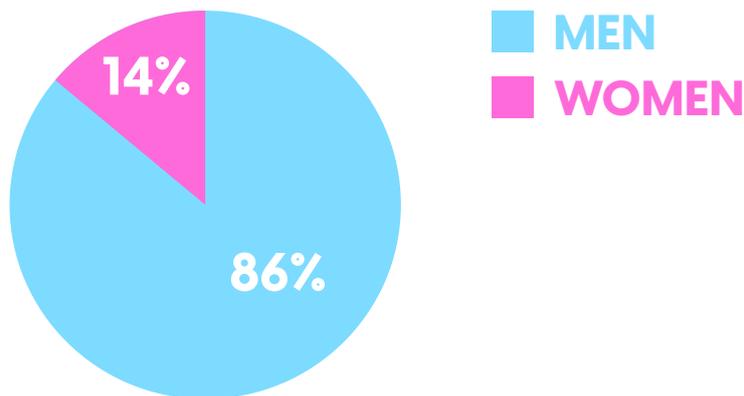


Figure 8 - Employees by gender as of 31.12.2022



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 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 2022 most employees (62%) belonged to the 30-50 age group (+3% compared to 2021), followed by the >50 age group (representing 25% of the total). The <30 age group accounted 13% of the total workforce.

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

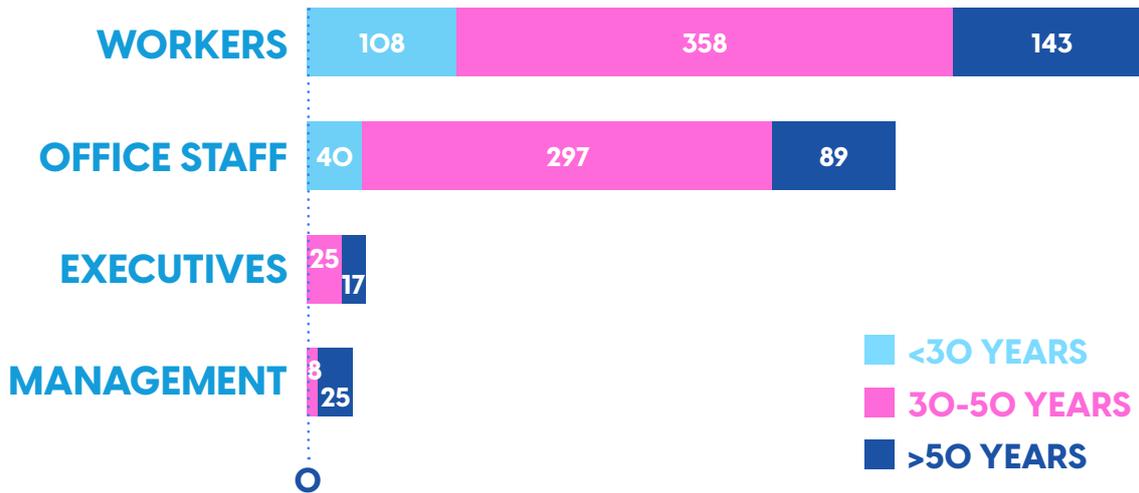


Figure 9 - Total number of employees by employee category and age group as of 31.12.2022

**TABLE 6 - GRI 405-1 TOTAL NUMBER OF EMPLOYEES BY EMPLOYEE CATEGORY AND AGE GROUP AS OF 31.12**

TOTAL NUMBER OF EMPLOYEES BY EMPLOYEE CATEGORY AND AGE								
EMPLOYEE CATEGORY	AS OF 31.12.2021 <sup>6</sup>				AS OF 31.12.2022			
	<30 YEARS	35-50 YEARS	>50 YEARS	TOTAL	<30 YEARS	35-50 YEARS	>50 YEARS	TOTAL
MANAGEMENT	-	1%	2%	3%	-	1%	2%	3%
EXECUTIVES	-	2%	1%	3%	-	2%	2%	4%
OFFICE STAFF	5%	27%	7%	39%	4%	27%	8%	38%
WORKERS	10%	33%	12%	55%	10%	32%	13%	55%
<b>TOTAL</b>	<b>15%</b>	<b>63%</b>	<b>22%</b>	<b>100%</b>	<b>13%</b>	<b>62%</b>	<b>25%</b>	<b>100%</b>

<sup>6</sup> Following a continuous improvement process, 2021 data have been restated; for the previously published data please refer to 2021 Sustainability Report, available on the website <https://www.givagroup.it/>.

**TABLE 7 - GRI 405-1 TOTAL NUMBER OF EMPLOYEES BY EMPLOYEE CATEGORY AND GENDER AS OF 31.12**

DIVERSITY OF EMPLOYEES						
EMPLOYEE CATEGORY	AS OF 31.12.2021 <sup>7</sup>			AS OF 31.12.2022		
			TOTAL			TOTAL
MANAGEMENT	3%	0.1%	3%	3%	0.1%	3%
EXECUTIVES	3%	1%	3%	3%	1%	4%
OFFICE STAFF	26%	13%	39%	25%	13%	38%
WORKERS	55%	-	55%	55%	-	55%
<b>TOTAL</b>	<b>86%</b>	<b>14%</b>	<b>100%</b>	<b>86%</b>	<b>14%</b>	<b>100%</b>

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.

<sup>7</sup> Following a continuous improvement process, 2021 data have been restated; for the previously published data please refer to 2021 Sustainability Report, available on the website <https://www.givagroup.it/>.

**TABLE 8 - GRI 405-1 NUMBER OF EMPLOYEES BELONGING TO VULNERABLE GROUPS, BY EMPLOYEE CATEGORY AND GENDER AS OF 31.12**

EMPLOYEES BELONGING TO VULNERABLE CATEGORIES						
EMPLOYEE CATEGORY	AS OF 31.12.2021 <sup>8</sup>			AS OF 31.12.2022		
			TOTAL			TOTAL
MANAGEMENT	-	-	-	-	-	-
EXECUTIVES	-	-	-	4%	-	4%
OFFICE STAFF	33%	13%	46%	26%	15%	41%
WORKERS	54%	-	54%	56%	-	56%
<b>TOTAL</b>	<b>87%</b>	<b>13%</b>	<b>100%</b>	<b>85%</b>	<b>15%</b>	<b>100%</b>

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.

<sup>8</sup> Following a continuous improvement process, 2021 data have been restated; for the previously published data please refer to 2021 Sustainability Report, available on the website <https://www.givagroup.it/>.

## 4.2. GIVA GROUP'S COMMITMENT TO HUMAN RIGHTS

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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 first quarter of 2024 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, including the reporting system under the Model of Organization, Management and Control in accordance with the Italian Legislative Decree 231/2001.

If 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).

The Group is also working for developing a whistleblowing system at a Group level through which it will be possible to structure and formalize a single reporting system for all Group Companies.

In addition, the Group's Code of 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 is relevant also when referred to business relations along GIVA's value chain. Actually, in order to avoid cases of violation of human rights as far as possible, GIVA Group, for specific supplies and services, defined in its Code of Ethics, among its fundamental ethical principles, 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

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.



GIVA is constantly striving to attract competent and highly skilled resources, not only through its website, but also through specialized recruitment partners the Group relies on. This is the reason why the number of people working in the Group is continuously growing (+5% than in 2021).

The personnel selection process is one of the practices that is now uniform among the companies and for which, therefore, GIVA has set the goal of defining a specific written procedure at the Group level. The process follows the same logic: interviews are conducted at a very early stage by a member of the HR function, and then passed on to a representative of the relevant business function or directly to the director.

Instead, one of the procedures the Group has started working on as early as 2022 concerns onboarding, aiming at sharing documents related to the values, rules and best practices of the Organization.

The workforce of GIVA Group as of 31.12.2022 accounts for 1,110 people, with 154 new entries (+23% compared to 2021) and 106 exits (-4% compared to 2021). The average turnover rate (exits on total headcount) is 10%, and is distributed by age as follows:

**TABLE 9 - GRI 401-1 TOTAL NUMBER AND RATE OF NEW EMPLOYEE HIRES DURING IN 2021 AND 2022, BY AGE GROUP AND GENDER**

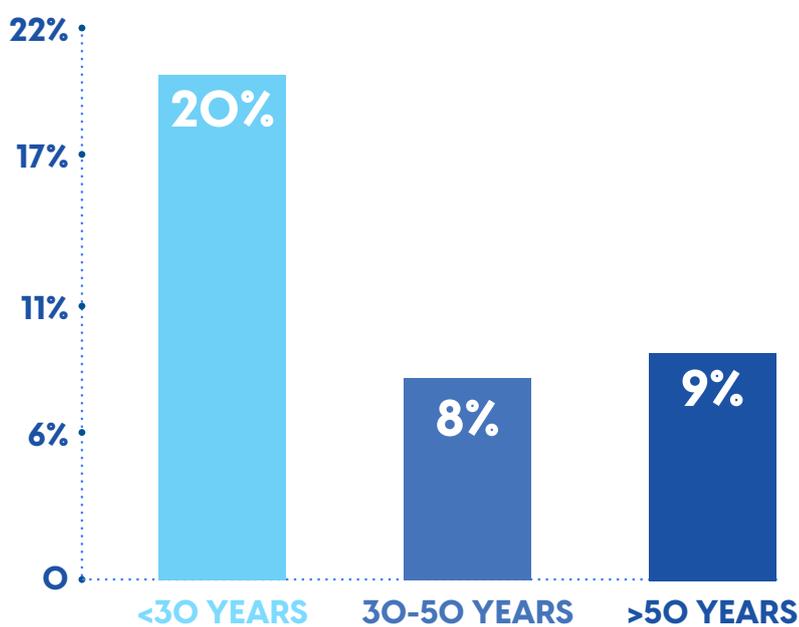
NUMBER AND RATE <sup>9</sup> OF NEW EMPLOYEE HIRES								
	2021 <sup>10</sup>				2022			
	<30 YEARS	35-50 YEARS	>50 YEARS	TOTAL	<30 YEARS	35-50 YEARS	>50 YEARS	TOTAL
	48	52	11	111	47	73	16	136
	6	8	0	14	4	11	3	18
<b>TOTAL</b>	<b>54</b>	<b>60</b>	<b>11</b>	<b>125</b>	<b>51</b>	<b>84</b>	<b>19</b>	<b>154</b>
	<30 YEARS	35-50 YEARS	>50 YEARS	RATE	<30 YEARS	35-50 YEARS	>50 YEARS	RATE
	35%	9%	5%	12%	35%	13%	7%	14%
	35%	8%	0%	10%	31%	11%	9%	12%
<b>RATE</b>	<b>35%</b>	<b>9%</b>	<b>5%</b>	<b>12%</b>	<b>34%</b>	<b>12%</b>	<b>7%</b>	<b>14%</b>

<sup>9</sup> The rate of new employee hires is calculated as the number of new employee hires in age group and gender / number of employees in that age group and gender.

<sup>10</sup> Following a continuous improvement process, 2021 data have been restated; for the previously published data please refer to 2021 Sustainability Report, available on the website <https://www.givagroup.it/>.

**TABLE 10 - GRI 401-1 TOTAL NUMBER AND RATE OF EMPLOYEE TURNOVER IN 2021 AND 2022, BY AGE GROUP AND GENDER**

NUMBER AND RATE <sup>11</sup> OF EMPLOYEE TURNOVER								
	2021 <sup>12</sup>				2022			
	<30 YEARS	35-50 YEARS	>50 YEARS	TOTAL	<30 YEARS	35-50 YEARS	>50 YEARS	TOTAL
	36	51	14	101	28	46	21	95
	0	5	4	9	2	6	3	11
<b>TOTAL</b>	<b>36</b>	<b>56</b>	<b>18</b>	<b>110</b>	<b>30</b>	<b>52</b>	<b>24</b>	<b>106</b>
	<30 YEARS	35-50 YEARS	>50 YEARS	RATE	<30 YEARS	35-50 YEARS	>50 YEARS	RATE
	26%	9%	7%	11%	21%	8%	9%	10%
	0%	5%	15%	6%	15%	6%	9%	7%
<b>RATE</b>	<b>23%</b>	<b>8%</b>	<b>8%</b>	<b>10%</b>	<b>20%</b>	<b>8%</b>	<b>9%</b>	<b>10%</b>



**Figure 10 - Turnover rate by age in 2022**

<sup>11</sup> The rate of turnover is calculated as total number of employee turnover in age group and gender/total number of employees in age group and gender.

<sup>12</sup> Following a continuous improvement process, 2021 data have been restated; for the previously published data please refer to 2021 Sustainability Report, available on the website <https://www.givagroup.it/>.

To date, dedicated interviews are organized in GIVA for people leaving the organization. Nonetheless, a goal for the coming years is to provide them with a questionnaire for the purpose of delving into the reasons for their resignation.

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 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.

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 and that has gone on throughout 2022 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, an entity founded in 1989 promoted by Confindustria Brescia to boost all activities concerning education and training. It operates as the Education Division of the AIB since 2014, promoting and managing numerous qualified higher education pathways.



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.

#### HERE IS A SUMMARY OF THE TRAINING HOURS ATTENDED AT THE COMPANIES WITHIN THE GROUP:



In 2022, a total of 376 training hours were provided, covering managerial, metallurgical, and cross-functional areas. In particular, the following was recorded:

- **288 HOURS** of training focused on Change Management and resistance to change (primarily aimed at leadership roles). It was directed towards enhancing the skills of department heads and team leaders, especially in team management.
- **28 HOURS** of training focused on improving metallurgical skills.
- **60 HOURS** of training focused on developing problem-solving skills, both in the context of specific work projects and daily operations, including resource management.



In 2022, a total of 180 training hours were provided, covering managerial, metallurgical, and cross-functional areas. In particular, the following was recorded:

- **24 HOURS** of training focused on developing problem-solving skills, both in the context of specific work projects and daily operations, including resource management.
- **56 HOURS** of training focused on improving metallurgical skills.
- **100 HOURS** of training focused on enhancing sales techniques and negotiation skills in the commercial area.

It should be noted that additional planned training hours that were not conducted in 2022 (due to insufficient participation or due to personal or work-related reasons of the employees) were rescheduled in 2023.

Cross training provided always originates from a need that emerges mainly from company directors or function managers and sometimes even directly from employees. For example, during 2022, language and computer courses were required. 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. 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, team building, improving communication within business functions, paths to increase IT skills, onboarding process 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.

In 2022, moreover, other important projects were activated to strengthen staff training and development. For example, a collaboration with a dedicated partner was activated in Ofar to strengthen team building within the Company.

The Group has also worked hard on inter- and intra-company communication always starting from 2022. The result, in 2023, has been very positive, mainly in terms of production efficiency. With the intention of developing a sense of belonging to the Group, the goal for the coming years is to organize inter-company courses to ensure an effective communication between the Group companies, as well as among the employees within companies.

Another goal is to organize leadership pathways for managers in order to enable them to optimally manage their resources and develop a top-down feedback system as a basis for implementing a structured performance evaluation system.

During 2022, the number of training hours reached a total of 17,791 hours, with an average of almost 16.2 hours per employee, fairly higher than 2021 index value (13.5 hours/employee). The training data below include mandatory training by law (D. Lgs. 81/08) and transversal / technical training.

**TABLE 11 - GRI 404-1 AVERAGE HOURS OF TRAINING THAT THE GROUP'S EMPLOYEES HAVE UNDERTAKEN PER EMPLOYEE CATEGORY IN 2021 AND 2022**

AVERAGE OF TRAINING HOURS PER EMPLOYEE <sup>13</sup>						
EMPLOYEE CATEGORY	2021			2022		
			TOTAL			TOTAL
MANAGEMENT	7.1	-	7.1	8.3	-	8.3
EXECUTIVES	16.6	10.9	15.4	20.3	25.2	21.3
OFFICE STAFF	14.5	13.3	14.2	14.7	19.4	16.3
WORKERS	13.2	-	13.2	16.2	-	16.2
TOTAL	13.5	13.2	13.5	15.6	19.8	16.2

It must be highlighted that a system for collecting and recording all the training courses of each Group company is planned to be implemented starting from 2023-2024.

<sup>13</sup> The scope of the data does not include the following companies: Solim srl, Vim srl, Mosconi srl, Giva East, Giva USA Group Inc, RMT USA Inc, GIVA Trading Ltd, GIVA GmbH, RMT Valvomeccanica Pty LTD, RMT Arabia Company.

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.

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

Unlike employee selection process, specific training corporate procedures have not yet been defined due to the diversity of business and organizational structure that characterizes each company. The aim for the coming years is to formalize a specific training procedure, as well as other procedures related to human resources.

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



A system of MBO (Management by Objectives) is going to be introduced, starting from the corporate IT Department. 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 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 has launched in 2023 a pilot project aimed initially only at Italfond, in order to set up in 2024 a system valid for all the Group's realities.

**THE GROUP'S ANNUAL TOTAL COMPENSATION RATIO<sup>14</sup> OF 2022 IS 5.74, IN LINE WITH 2021 (5.27)<sup>15</sup>.**

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).

On the other side, the ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) is 3.87.

<sup>14</sup> Annual total compensation includes salary, bonus, overtime remuneration, supplementary pension, and meal tickets.

<sup>15</sup> Following a continuous improvement process, 2021 data have been restated; for the previously published data please refer to 2021 Sustainability Report, available on the website <https://www.givagroup.it/>. Regarding workforce remuneration, if people entered during the year, the annual remuneration was estimated as full year considering the remuneration of previous month of employment as average for the year.



## 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 with territorial organizations too. 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.

Even though 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

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Historically, GIVA Group has been particularly attentive to the well-being of its employees and it 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 a corporate 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<sup>16</sup> 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.

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<sup>16</sup> Starting from 2023, the Group will allow its employees to recover health care expenses from the previous year as well.

Mr. Antonio Vienna granted a special bonus of 1,000 euro (usable from January 2023 for a wide range of services and benefits) to each employee regardless their professional category. The bonus was noticed to each employee by mean of a material letter signed from the late President, sealed, and hand delivered by HR Corporate Director.

Dicembre 2022

*Carissime e Carissimi,*

*Viviamo un periodo storico purtroppo segnato da eventi critici. Eventi che hanno portato difficoltà economiche note a tutti e che hanno scosso il mercato globale, il sistema socio-economico e il mondo del lavoro.*

*Il contesto di crisi ci mette tutti a dura prova, ma a fare la differenza in questi momenti difficili è proprio il modo in cui li si affronta. E noi li affronteremo come abbiamo sempre fatto: restando uniti, confrontandoci, condividendo forze e competenze.*

*Siamo parte di un **Gruppo** che si è dimostrato solido e compatto, unito e determinato, che è stato in grado di garantire continuità produttiva, commerciale, di innovazione e di assistenza tecnica. Un Gruppo la cui grandezza si misura non solo dalla qualità dei prodotti, ma soprattutto dalla **professionalità** dei propri Dipendenti.*

*Voi tutti rappresentate infatti i **valori** che contraddistinguono la nostra realtà e che quotidianamente guidano il nostro lavoro.*

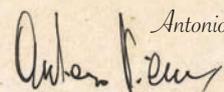
*Grazie alle Vostre competenze professionali e al Vostro impegno abbiamo raggiunto ottimi **risultati**. La Vostra capacità di adattamento ai continui cambiamenti e la volontà di dare sempre il meglio sono esattamente ciò di cui abbiamo bisogno. Sono infatti convinto che se ci si crede fortemente, è possibile realizzare qualsiasi progetto!*

*Sono molto orgoglioso di tutti Voi ed è per questa ragione che ho deciso di riconoscerVi un **Premio** in segno della mia gratitudine.*

*Il Premio del valore di euro mille, riproporzionato per gli assunti nel corso dell'anno 2022, verrà erogato a titolo di Welfare, per l'acquisto di beni e servizi per Voi e per le Vostre famiglie. Il valore corrispondente sarà caricato sulla piattaforma aziendale a partire dal mese di gennaio 2023.*

*Spero che questo gesto possa essere motivo ulteriore per continuare con la stessa energia di sempre, con l'entusiasmo e con la determinazione che Ci contraddistinguono.*

*Augurando a Voi e alle Vostre famiglie un Sereno Natale,  
Vi ringrazio.*

*Antonio Vienna*  


### CLIMATE SURVEY IN HIGEN VALVES

A climate survey was conducted in Higen Valves during 2022. Indeed, because of an above average turnover level, the company acted through direct interviews organized with each employee in order to investigate business climate. The main aim was to understand employees' feelings working within the company identifying any reasons for disappointment, in order to maintain a peaceful and pleasant internal climate.



## 4.5. HEALTH & SAFETY ON WORKPLACE

**Employees health and safety has always been a top priority for 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 Italian safety Regulation, list within a Risk Assessment Document all hazards related to work activities that present a health or safety risk for workers. The DVR is constantly monitored and updated following changes in operational process production or activities, near miss or incident root cause analysis results, as well as health and safety regulatory updates requirements.

Moreover, the occupational health physicians appointed throughout all the Group's companies, have drawn up health protocols through which they perform health surveillance of employees. It is important to note that the health monitoring activity is carried out during employees' working hours.

Periodically, health and safety plans are created to report planned investments for the continuous improvement in health and safety. As required by law, 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 Head of the Prevention and Protection Service (RSPP), the Workers' Health and Safety Representative (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



45001:2018

NR. OF COMPANY CERTIFIED

8

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. Eight companies of the Group have a certified health and safety management system: 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. and RMT Valvomeccanica S.r.l. As part of GIVA's ESG Masterplan the certification is going to be gradually extended to the other GIVA subsidiaries in the future. RMT Valvomeccanica obtained it in 2022.



In 2021 and 2022, 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.

Group plants 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 has involved periodic meetings with supervisors, written warnings in case of violation and specific training after the event occurs.

The companies of the Group 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.



### HEALTH AND SAFETY INITIATIVES

During 2022, Ofar has launched several initiatives to make employees proactive in managing aspects related to safety in the workplace, focusing on prevention and employee awareness to reduce injuries. Awareness-raising and training activities on near miss reporting and injury prevention have been organized. Ofar's HSE managers have implemented a near-miss monitoring system and share monthly with all department heads a report on health and safety trends with a focus on the actions implemented to mitigate the risks tracked through to the near-miss reporting process. The report assesses the progress through a scissor chart that lays down the relation between injuries and near-miss reporting: the more near misses are reported, the more the number of injuries decrease.

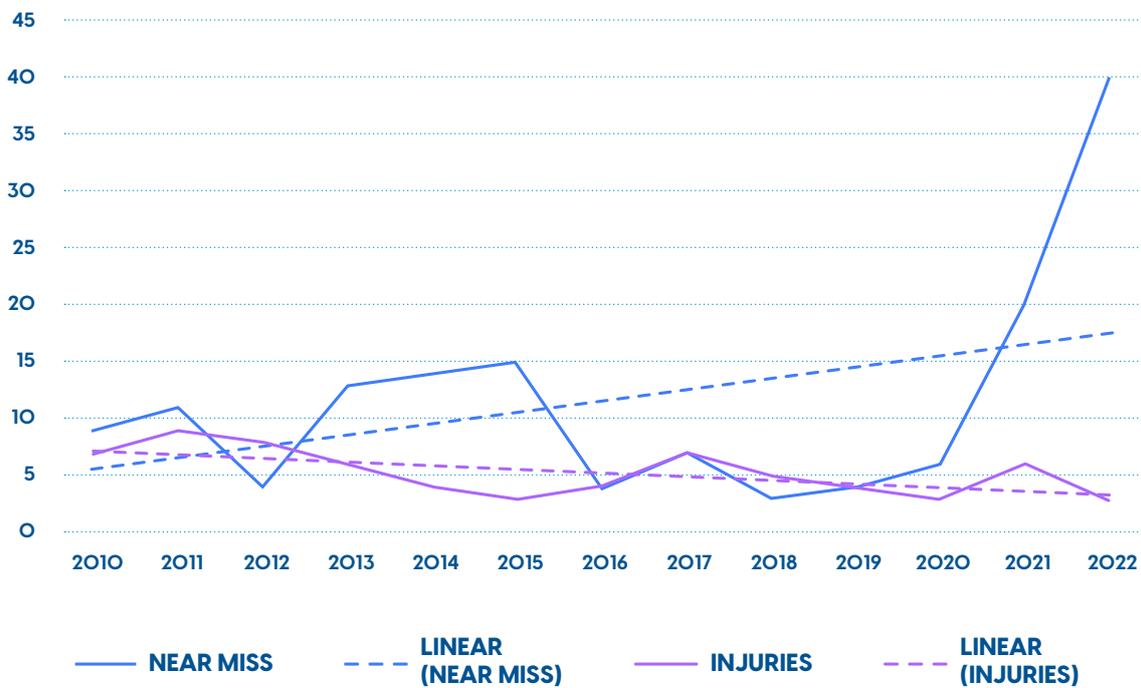


Figure 11 - Injuries and near-miss reporting relation

In GIVA, training is considered essential to prevent and mitigate risks related to health and safety. For example, in **Nunki Steel**, annually, training activities are scheduled through a dedicated software, in which, through an identification code for each employee, it is possible to monitor any deadline and schedule specific courses based on the organizational function.



**Forgiatura A.Vienna** has introduced in 2022 a dedicated platform for monitoring and managing cases of non-compliance, injuries and near misses and where to gather all procedures related to health and safety. Through this structured monitoring system, reports are produced twice a year containing information, KPIs and corrective actions feeding into the management review report. In Forgiatura A. Vienna there has been a gradual decline in injuries thanks to a more consistent presence of health and safety staff and awareness raising initiatives and training to employees.

Some companies (among which Forgiatura A. Vienna and Italfond) introduced automatic dispensers of personal protective Equipment. In addition, starting from 2023, Forgiatura A. Vienna provides free graduated safety glasses when the employee submits a medical prescription.



During 2022, 18 incidents occurred among GIVA Group employees (-36% compared to 2021), 0 high-consequence work-related injuries and 2 incidents among external workers (1 in 2021).

As far as employees are concerned, the injury rate in 2022 was 9. The most common types of injuries during 2022 were cases of lower limb sprains, contusions, fingers crushing and cuts.



**TABLE 12 - GRI 403-9 NUMBER, RATE OF WORK-RELATED INJURIES AND HOURS WORKED BY EMPLOYEES IN 2021 AND 2022**

NUMBER AND RATE OF WORK-RELATED INJURIES (employees) <sup>17</sup>	2021		2022	
	NUMBER	RATE	NUMBER	RATE
<b>RECORDABLE WORK-RELATED INJURIES<sup>18</sup></b>	28	15	18	9
<b>HIGH-CONSEQUENCE WORK-RELATED INJURIES</b>	2	1	0	0
<b>FATALITIES</b>	0	0	0	0
<b>HOURS WORKED<sup>19</sup></b>	<b>1,864,868</b>		<b>1,927,720</b>	

<sup>17</sup> Injury rates are calculated by multiplying the ratio of the number of injuries to hours worked by 1,000,000.

<sup>18</sup> 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.

<sup>19</sup> Both 2021 and 2022 data include 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). In addition, it is important to point out that the number of hours worked in 2021 by employees has changed from the one reported in the Sustainability Report 2021 because now it also includes hours worked in 2021 by Mosconi srl employees.

**TABLE 13 - GRI 403-9 NUMBER, RATE OF WORK-RELATED INJURIES AND HOURS WORKED BY WORKERS WHO ARE NOT EMPLOYEES IN 2021 AND 2022**

NUMBER AND RATE OF WORK-RELATED INJURIES (workers who are not employees) <sup>20</sup>	2021		2022	
	NUMBER	RATE	NUMBER	RATE
<b>RECORDABLE WORK-RELATED INJURIES<sup>21</sup></b>	1	5 <sup>22</sup>	2	11
<b>HIGH-CONSEQUENCE WORK-RELATED INJURIES</b>	0	0	0	0
<b>FATALITIES</b>	0	0	0	0
<b>HOURS WORKED<sup>23</sup></b>	<b>196,907</b>		<b>183,916</b>	

**As for 2021, no work-related ill health case has been recorded in 2022 both for employees and external workers.**

<sup>20</sup> Injury rates are calculated by multiplying the ratio of the number of injuries to hours worked by 1,000,000.

<sup>21</sup> 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.

<sup>22</sup> Following a continuous improvement process, 2021 data have been restated: the rate of recordable work-related injuries has changed because the number of hours worked has been revised (see note n.21). For the previously published data please refer to 2021 Sustainability Report, available on the website <https://www.givagroup.it/>.

<sup>23</sup> 2021 hours worked by workers who are not employees, only including hours worked by the category of agency workers in the previous version of the Report, have been revised. Actually, now, 2021 as 2022 data consider agency workers and interns for all the companies of the Group, and external workers (mainly from subcontracting companies) only for the following ones: Forgiatura A. Vienna, Forgiatura di Bollate, Giva, Higen, Nunki Steel, RMT Valvomeccanica and Italfond. For the previously published data please refer to 2021 Sustainability Report, available on the website <https://www.givagroup.it/>.

# 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
 <p data-bbox="408 1256 544 1281">14001:2015</p>	<p data-bbox="1086 1099 1129 1160">6</p>

As stated in GIVA Group's Sustainability Report 2021 and as part of the commitment that drives the everyday activities of the Group, RMT Valvomeccanica obtained the international environmental standard ISO 14001:2015 in 2022. Therefore as of now, six of GIVA's companies are certified according to this standard (Italfond S.p.A., Nunki Steel S.p.A., Forgia di Bollate S.p.A., Ofar S.p.A., DVG Automation S.p.A. and RMT Valvomeccanica) 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 gradually extend the certification to all the Group's companies.

In addition, Ofar S.p.A. has adopted the Energy Management System certified ISO 50001:2018 since 2015 for the plants of Visano and Canneto, to enhance energy efficiency and reduce its carbon footprint. In 2022 Cividale plant has obtained the certification as well.

The main strategy for addressing environmental issues involves an ongoing commitment to improvement and progress. For this reason, in 2023 GIVA Group took a step forward in its sustainability path by filling in the CDP questionnaire.



The CDP (formerly the Carbon Disclosure Project) is a non-profit organization that provides companies and countries with a system to measure, track, manage and share climate change information globally. Supported by more than 746 institutional investors with assets of \$136 trillion, the CDP holds the largest database of greenhouse gas emissions and data related to climate change, water management and deforestation, collected through questionnaires (CDP Climate Change, Water Security, Forestry and Supply Chain) in which thousands of organizations are invited to participate each year.

The aim is to transform the way companies tackle climate change and the degradation of natural resources. Indeed, CDP's primary mission is to encourage transparency and accountability in environmental reporting, particularly in the context of climate change, water security, and deforestation. By collecting and assessing data from thousands of organizations worldwide, CDP provides investors, businesses, and policymakers with valuable insights into corporate sustainability efforts, risk management, and the potential for positive environmental impact. CDP's annual disclosure process allows companies to showcase their commitment to environmental sustainability while helping stakeholders make informed decisions about their investments and partnerships, ultimately driving the transition towards a more sustainable and resilient global economy.

Companies participating in the CDP program can demonstrate to their investors, customers and stakeholders:

- **LEADERSHIP** in identifying and understanding the risks of climate change, deforestation and scarcity of natural resources.
- **TRANSPARENCY & ACCOUNTABILITY** towards climate change issues.
- **AWARENESS** of its environmental impacts and commitment to reducing them.
- **ADAPTATION** to new global climate targets and regulatory and policy changes towards a low carbon economy.

In 2023, the GIVA Group voluntarily filled out the full version of the Climate Change questionnaire, reporting Group data, considering the sites belonging to Steel Mill, Forging, Machining, Steel Trading, Valves & Actuators and Internal Service. In December 2023, the Group will receive the CDP Score Report with the results of the submitted questionnaire.



## SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Moreover In 2023, GIVA Group formally started its journey towards decarbonisation by defining a strategic and operational plan, which will be completed during 2024. The ESG committee has already taken the initiative to plan an ambitious GHG emissions target thanks to a transition plan at Group level according to the Science-Based Targets initiative (SBTi).

The Science Based Targets initiative (SBTi) is a collaboration between the CDP (was Carbon Disclosure Project), the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) with the aim of providing companies with a clearly-defined path to reduce emissions in line with the Paris Agreement goals

This step is crucial as it will align GIVA Group's sustainability efforts with scientific recommendations and international best practices, ensuring that the actions undertaken are consistent with the targets and in line with global sustainability standards and the Paris Agreement.



## 5.2. ENERGY CONSUMPTION AND GHG EMISSION

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**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 proactive in researching energy efficiency measures, which are constantly evaluated for steel mill and forge production processes, mostly in partnership with leading suppliers (e.g., Snam Group, Renovit Group, Rina and Gewiss).

### 5.2.1. ENERGY CONSUMPTION

Since 2014, the Group 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 14 - GRI 302-1 ENERGY CONSUMPTION WITHIN THE ORGANIZATION**

ENERGY CONSUMPTION (GJ) <sup>24</sup>		
ENERGY CONSUMPTION (GJ)	2021	2022
Natural gas	1,618,972	1,399,038
LPG (Liquified Petroleum Gas)	4	12
Diesel (for heating or production process)	10,566	11,020
Diesel (for company vehicle – owned or long-term leasing)	7,347	9,084
Petrol (for company vehicle – owned or long-term leasing)	607	677
<b>TOTAL</b>	<b>1,637,496</b>	<b>1,419,832</b>
<b>ELECTRICITY CONSUMPTION</b>		
Electricity purchased from the national grid	672,805	636,424
<b>TOTAL ENERGY CONSUMPTION</b>	<b>2,310,301</b>	<b>2,056,256</b>

The 15% reduction in natural gas consumption, compared to 2021, is due to several internal and external factors. The various initiatives put in place in 2022, as described below, aimed at reducing energy consumption for the production processes, granted such result for the Group.

Concerning diesel and petrol consumption for company vehicles, it must be highlighted that 2021 was still affected by the restrictions due to Covid-19 pandemic: both customer trips and home-work trips were carried out to a reduced extent. Therefore, in 2022 the fuel consumption attributable to the corporate fleet increased, as well as because the workforce was growing.

<sup>24</sup> Following a continuous improvement process, 2021 data have been restated. Specifically:

- the energy consumption in GJ was recalculated with conversion factors as shown in table 17;
- regarding the mixed-use on road vehicle, only 70% of the fuel consumption (diesel and petrol) was accounted to the organization;

- natural gas and electricity consumption of Giva S.p.A. are not owned directly by the company since are included in its overall facility rental cost. Therefore, the associated consumption is not disclosed in GRI 302-1 and related emissions have been accounted in Scope 3 Upstream Leased Assets emissions, for both 2021 and 2022.

For the previously published data please refer to 2021 Sustainability Report, available on the website <https://www.givagroup.it/.well>.

The GIVA Group does not sell electricity and the total electricity consumed by the Group does not include renewable energy. However, in order to mitigate greenhouse gas emissions, and cope with the rising prices of electricity, investments in low-carbon technology innovations, for example, latest generation photovoltaic systems are planned to be installed. In particular, photovoltaic panels are going to be installed in the Cella Dati plant of Forgiatura A. Vienna and are expected to be fully operational by December 2023. Moreover, GIVA Group commissioned Ofar S.p.A. to carry out a feasibility study regarding the installation of a photovoltaic park at the Visano site. The initial findings have proven to be encouraging.

In addition, due to the strategic importance of natural gas and the greater impact of its usage compared to the other fuels in terms of quantity supplied, the Group has implemented an effective monitoring system on a corporate level under the management of the Group Head of Strategic Initiatives. This system allows to track the use of this resource on a weekly basis and site by site and to plan and optimize natural gas procurement also to cope with the rising prices.

Moreover, in 2022 the Group's companies activated several projects and initiatives, described below, pursuing the path started in 2021.





Within the Group, Ofar is the company that has undertaken the most energy efficiency projects:

- **Introduction, at the Visano site, of a management software for electrically powered pumps and presses. The software makes it possible to regulate the operation of the pumps according to the power demand of the machine, switching some of them on and off or calibrating their power.**
- **Programming the water temperature set-point so that the fans are activated at the appropriate time, thus preventing the water used for cooling the parts from evaporating. The actual benefit of automatic management as an alternative to manual fan management is currently being evaluated. However, data reporting on these improvements is not yet available.**
- **Replacement of a treatment furnace at the Visano site, which made monthly consumption more efficient by 40%.**
- **Optimization of the use of the heating furnaces, resulting in a reduction of energy consumption of about -7%. The optimization involves controlled and alternate ignition of the forging furnaces, ensuring a decreased use of natural gas. Moreover, within the framework of ISO 50001, Cividale plant has started a plan to monitor the charge of each forge.**

In addition, Ofar is consulting several companies to evaluate the use of technologies that recover haze heat, but trials conducted so far have been unsuccessful due to the low temperature (<300°) of the haze produced, which does not allow the use of recovery systems via turbines.



Forgia di Bollate has initiated a major heating furnace load efficiency project seeking to optimize heating furnace loads, minimizing gas consumption. In addition, the company has installed a single meter for each heating furnace and through the Manufacturing Execution System monitors weekly KPIs related to gas consumption.



Due to the nature of its production activities, for Forgiatura A. Vienna it is difficult to take specific efficiency initiatives. However, regarding warehouse lighting, a significant effort has been made to adopt LED technology, which currently constitutes 80% of the lighting system.



## HOME-WORK TRAVEL PLAN

In December 2022 Forgiatura A. Vienna started an ambitious project to promote sustainable mobility among its 148 employees. This initiative involves the Mobility Manager, role that, established by law in 1998, was significantly strengthened in 2020. Within the normative context, Forgiatura A. Vienna undertook an assessment of the home-work mobility of the 148 employees, to identify potential areas for action to reduce pollutants emission, traffic congestion and employee commuting costs.



The analysis involved several key aspects, including the accessibility of the site, the structural conditions of the premises (such as pedestrian entrances and parking lots for motorbikes, bicycles, and cars), accessibility by different means of transport (private, public transport, bicycles) and the mapping of shared mobility services, such as bike sharing and car sharing. Also, a set of variables was considered, including the composition of the workforce, availability of car-sharing company cars, remote working, type of contract (part-time or full-time) and working hours, including shifts. The geo-localization of employees was a key element in understanding their travel habits.

A questionnaire was submitted to employees, with a significant participation rate of 68%, offering a representative picture of mobility preferences and prospects for change.

Following the questionnaire, an analysis of pollutant emissions was conducted. The data collected from the questionnaire made it possible to calculate that home-work trips made by private car generate a total of **208.55 tons of CO<sub>2</sub>** emissions per year, corresponding to a wooded area of about 52.55 hectares needed to compensate for these emissions, equivalent to about 73.06 football pitches. On average, each employee emits about **1.41 tons of CO<sub>2</sub>** per year for home-work journeys. It should be noted that this figure is not influenced by remote working, which is currently not a practice within the company.

The final aim of this initiative was the definition of a structured action plan, consistent with the analysis carried out and aimed at promoting sustainable mobility, thus reducing pollution and road congestion.

To this end, four areas of action were identified, each with specific activities, target population, expected pollution benefits (where measurable) and required budget:

## 1.

### **ENCOURAGING THE USE OF LOCAL PUBLIC TRANSPORT (LPT):**

through communication initiatives to raise employee awareness of the use of public transport and the improvement of existing lines, by requesting the municipal administration to redesign stops to make them closer to the company headquarters.

## 2.

### **DISCOURAGING THE USE OF PRIVATE CARS:**

by promoting carpooling with the introduction of symbolic rewards to acknowledge virtuous examples of home-work trip sharing between colleagues and through an eco-drive course to educate employees on a more sustainable driving style.

## 3.

### **ENCOURAGING CYCLING:**

by implementing cycle routes to the company headquarters, with the aim of reducing CO<sub>2</sub> emissions and the use of company cars. It has been estimated a saving of 21 tons of CO<sub>2</sub>, assuming a 10% reduction in the employees who use the company car.

## 4.

### **REDUCING THE MOBILITY NEED:**

by introducing the possibility of working remotely for one day a week for non-shift employees, in order to contribute to a significant reduction in emissions for the home-work journey. It would allow an estimated saving of pollutants amounting to 41.60 tons of CO<sub>2</sub>.

The extensive plan, with details of the interventions, estimated costs and benefits, represents an important step towards greater sustainability in corporate mobility, reducing environmental impact and promoting a culture of conscious mobility among the employees of Forgiatura Vienna S.r.l.

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 volume<sup>25</sup> of production, which represents in a more comprehensive way, the Group's output value.

**TABLE 15 - GRI 302-3 ENERGY INTENSITY IN 2021 AND 2022**

ENERGY INTENSITY		
	2021	2022
ENERGY CONSUMPTION	2,310,301 GJ	2,056,256 GJ
ENERGY INTENSITY	16.45 GJ/T	14.86 GJ/T

**It is worth noting the 11% reduction in total energy consumption, mainly because of the implementation of the above mentioned targeted initiatives. This result is clear evidence of the effectiveness of the actions taken by the Group to improve energy efficiency, even though as mentioned, the steel industry is particularly energy intensive.**

<sup>25</sup> With respect to 2021 Sustainability Report, energy intensity has been calculated on production volume (ton) instead of revenues (Mil €), as it is considered a more appropriate metric for the Group's business.



## 5.2.2. GHG EMISSIONS

**The Group has been dedicated to controlling and reducing atmospheric emissions since it embarked on its road to sustainability. This commitment is substantiated by thorough monitoring of both direct and indirect emissions from the Group's companies. The motivation also stems from a desire to address the evolving expectations of stakeholders and comply with legislative mandates.**



The European Union Emission Trading System is a cornerstone of the EU's policy to combat climate change and its key tool for reducing greenhouse gas emissions cost-effectively. The following companies of the Group fall under the Emission Trading System (EU ETS): Italfond, Nunki, Forgia di Bollate, Forgiatura A. Vienna, Ofar, consequently, their plants are annually obligated to undergo emission assessments through third-party verification.

The EU ETS works on the "cap and trade" principle. A cap is a limit set on the total amount of greenhouse gases that can be emitted by the installations and energy intensive facilities covered by the system. The cap is reduced annually in line with the EU's climate target, ensuring that emissions decrease overtime. Since 2005, the EU ETS has helped bring down emissions from power and industry plants by 37%<sup>26</sup>.

The companies active in the sectors covered by the EU Emission Trading System must offset their actual emissions (verified by an independent third party) with a corresponding number of allowances on an annual basis.

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<sup>26</sup> Source: European Commission website

[https://climate.ec.europa.eu/eu-action/eu-emissions-trading-system-eu-ets/what-eu-ets\\_en](https://climate.ec.europa.eu/eu-action/eu-emissions-trading-system-eu-ets/what-eu-ets_en)

Specifically, the purpose of the procedure is the following: 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.

In line with its commitment to the environment, in 2022 the Group has decided to calculate Other indirect (Scope 3) GHG emissions, in addition to Direct (Scope 1) GHG emissions and Energy indirect (Scope 2) GHG emissions. The quantification of GIVA Group's GHG emissions is based on international regulations and standards, the GHG Protocol and the GRI Sustainability Reporting Standards.

## CARBON FOOTPRINT OF ORGANIZATION

**SCOPE 1:** Direct emissions from owned and controlled assets, e.g. facilities and company vehicles, as well as fugitive emissions;

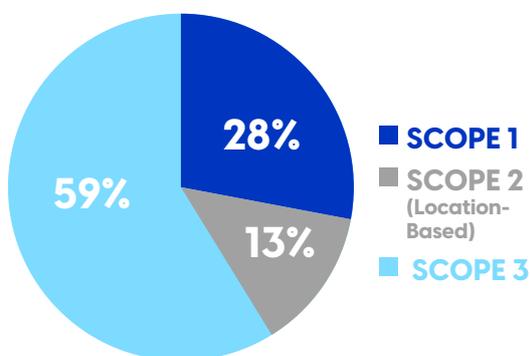
**SCOPE 2:** Indirect emissions from the purchase of electricity, steam, heating or cooling;

**SCOPE 3:** Indirect emissions from the rest of a company's production chain, which occur before (upstream) or after (downstream) its activities. The GHG Protocol divides these emissions into 15 separate subcategories.



**TABLE 16 - GRI 305-1,2,3 TOTAL DIRECT GREENHOUSE GAS EMISSIONS (SCOPE 1), INDIRECT GREENHOUSE GAS EMISSIONS FROM ENERGY CONSUMPTION (SCOPE 2), OTHER INDIRECT (SCOPE 3) GHG EMISSIONS OF THE GROUP**

GHG EMISSIONS			
GHG EMISSIONS	UNIT OF MEASUREMENT	2021 <sup>27</sup>	2022 <sup>28</sup>
SCOPE 1	tCO <sub>2</sub> eq	105,689	95,393
SCOPE 2 - LOCATION-BASED	tCO <sub>2</sub>	48,554	45,929
SCOPE 2 - MARKET-BASED	tCO <sub>2</sub>	85,783	80,791
<b>TOTAL SCOPE 1 &amp; SCOPE 2 (Location-Based)<sup>29</sup></b>	<b>tCO<sub>2</sub>eq</b>	<b>154,243</b>	<b>141,322</b>
<b>TOTAL SCOPE 1 &amp; SCOPE 2 (Market-Based)<sup>30</sup></b>	<b>tCO<sub>2</sub>eq</b>	<b>191,472</b>	<b>176,183</b>
SCOPE 3	tCO <sub>2</sub> eq	-	200,535
<b>TOTAL SCOPE 1, SCOPE 2 (Location-Based), SCOPE 3</b>	<b>tCO<sub>2</sub>eq</b>	<b>-</b>	<b>341,857</b>
<b>TOTAL SCOPE 1, SCOPE 2 (Market-Based), SCOPE 3</b>	<b>tCO<sub>2</sub>eq</b>	<b>-</b>	<b>376,718</b>



**Figure 12 - GHG emissions distribution as of 31.12.2022**

The Scope 3 category is the most significant among the three emission categories, with predominance of emissions from purchased goods and services (category 1), fuel and energy related activities (category 3) and upstream transportation and distribution (category 4). Then follows Scope 1 (direct emissions from owned and controlled assets, e.g. facilities and company vehicles, as well as fugitive emissions) and, in the end, Scope 2 (indirect emissions from the purchase of electricity).

<sup>27</sup> Following a continuous improvement process, 2021 data have been restated. Specifically:

- GHG emissions in tCO<sub>2</sub>eq were recalculated with emission factors as shown in table 18;  
 - Regarding the Scope 1 emissions reported and third-party certified under the ETS Scheme as per Directive 'Emission Trading' (Directive 2003/87/EC), the values stated during the certification phase have been taken into consideration as declared. For the previously published data please refer to 2021 Sustainability Report, available on the website <https://www.givagroup.it/>.

<sup>28</sup> As for 2021, for companies that fall under the ETS, data on natural gas and diesel (for heating or production process) consumption correspond to data reported on the ETS 2022 declaration.

<sup>29</sup> Please refer to "Direct (Scope 1) GHG emissions and Energy indirect (Scope 2) GHG emissions quantification" Section on calculation method.

<sup>30</sup> Please refer to "Direct (Scope 1) GHG emissions and Energy indirect (Scope 2) GHG emissions quantification" Section on calculation method.

## DIRECT (SCOPE 1) GHG EMISSIONS AND ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS QUANTIFICATION

To calculate Scope 1 emissions, direct emissions from combustion sources, including stationary, mobile, from process and fugitive sources, were considered. The emission factors used for the calculation are those published by ISPRA-National Inventory Report and UK Government GHG Conversion Factors for Company Reporting-DEFRA. Regarding the Scope 1 emissions reported and third-party certified under the ETS Scheme as per Directive 'Emission Trading' (Directive 2003/87/EC), the values stated during the certification phase have been taken into consideration as declared.

For the calculation of Scope 2 emissions, emissions from energy consumption have been considered. The reporting standard used (GHG Protocol) provides two different approaches to calculating Scope 2 emissions: "Location-based" and "Market-based".

The "Location-based" method is based on average emission factors related to power generation for well-defined geographical boundaries, including local, sub-national or national boundaries (Source: ISPRA)

The "Market-based" approach involves the use of emission factors defined on a contractual basis with the electricity supplier. In the absence of specific contractual agreements between the portfolio companies and the electricity supplier (e.g. purchase of Guarantees of Origin), the emission factor relative to the national "residual mix" is used for the "market-based" approach.

For this report, the "Market-based approach" applied to not-renewable electricity is calculated with the emission factor relating to the national "residual mix" (Source: AIB-European Residual Mixes).



**TABLE 17 - CONVERSION FACTORS USED FOR THE CALCULATION OF GROUP ENERGY CONSUMPTIONS OF 2021 AND 2022**

CONVERSION FACTORS				
	UNIT OF MEASUREMENT	2021	2022	SOURCE
1 SM3 NATURAL GAS	GJ	0.0353	0.0343	Ispra – NIR 2021, 2022 Ministry of the Environment standard parameter table 2021, 2022 DEFRA 2021, 2022
1 L LPG	GJ	0.0257	0.0257	
1 L GAS OIL	GJ	0.0360	0.0360	
1 L DIESEL (average biofuel blend)	GJ	0.0359	0.0360	
PETROL	GJ	0.0317	0.0319	
1 KWh	GJ	0.0036	0.0036	CONSTANT

**TABLE 18- EMISSION FACTORS USED FOR THE CALCULATION OF GROUP GHG EMISSIONS OF 2021 AND 2022**

EMISSION FACTORS				
	UNIT OF MEASUREMENT	2021	2022	SOURCE
1 SM3 NATURAL GAS	kg CO <sub>2</sub> e	1.98	1.99	Ispra – NIR 2021, 2022 Ministry of the Environment standard parameter table 2021, 2022 DEFRA 2021, 2022
1 L LPG	kg CO <sub>2</sub> e	1.69	1.69	
1 L GAS OIL	kg CO <sub>2</sub> e	2.66	2.66	
1 L DIESEL (average biofuel blend)	kg CO <sub>2</sub> e	2.65	2.66	
PETROL	kg CO <sub>2</sub> e	2.33	2.33	
ELECTRICITY (Location Based)	kg CO <sub>2</sub> KWh	0.260	0.260	ISPRA
ELECTRICITY (Market Based)	kg CO <sub>2</sub> KWh	0.459	0.457	AIB Residual Mix (Europe)



## OTHER INDIRECT (SCOPE 3) GHG EMISSIONS QUANTIFICATION

Understanding the sources of greenhouse gas (GHG) emissions in depth is critical for developing an effective plan for GIVA Group's transition toward a low-carbon development. While the initial step for any company involves comprehending emissions under Scopes 1 and 2 of the GHG Protocol, GIVA Group recognizes the importance of managing GHG-related risks and opportunities along its value chain.

In 2023, GIVA Group completed a meticulous assessment of Scope 3 indirect emissions for the years 2022. This assessment adhered to the methodologies outlined in the GHG Protocol Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Standard, encompassing all the fifteen emission categories considered by the international framework.

GIVA Group conducted this assessment for the relevant emission categories, which were identified through an initial mapping phase, with the choice of best applicable methodologies derived by the availability of input data within the organization. As a result of mapping activities and processes upstream and downstream of GIVA Group, certain emission categories, namely category 10) Processing of sold products; category 11) Use of sold products; category 14) Franchises; and category 15) Investments, were determined to be not applicable.

The calculation methodology that was used is based on multiplying the "activity data," representative of the activity considered, by the corresponding "emission factor." Primary data were always used where available, otherwise the calculation was based on secondary data.

In the context of the Group's operations, the significant emissions can be attributed to category 1) Purchased goods and services, accounting for 34% of the organization's total greenhouse gas emissions, and category 3) Fuel- and Energy-related activities, contributing for 10% of the total emissions. Specifically, emissions in category 1) are mainly associated with the procurement of raw materials necessary for the Steel Mill plants, while category 2) emissions are linked to the intensive energy consumption carried out by Forging plants and, to a lesser extent, by Steel Mill plants. Also including the category 4) and 9) related to the upstream and downstream transportation and distributions emissions, these categories account more than half of the overall Group GHG emissions inventory.



Below the quantification for each Scope 3 category:

**TABLE 19 - QUANTIFICATION OF SCOPE 3 EMISSIONS BY CATEGORY IN 2022**

CATEGORIES	tCO <sub>2</sub> EMISSIONS	% IMPACT on total emissions
<b>TOTAL SCOPE 3</b>	<b>200,535</b>	
<b>CATEGORY 1: Purchased Goods and Services</b> Extraction, production, and transportation of goods and services purchased or acquired	115,322	34%
<b>CATEGORY 2: Capital Goods</b> Extraction, production, and transportation of capital goods purchased or acquired	11,474	3%
<b>CATEGORY 3: Fuel- and Energy related activities</b> Extraction, production, and transportation of fuels and energy purchased or acquired by the reporting company in the reporting year, not already accounted for in scope 1 or scope 2	33,210	10%
<b>CATEGORY 4: Upstream transportation and distribution</b> Transportation and distribution: products purchased between a company's tier 1 suppliers and its own operations; services including inbound logistics, outbound logistics and transportation and distribution between a company's own facilities	21,665	6%
<b>CATEGORY 5: Waste generated in operations</b> Disposal and treatment of waste	2,492	1%
<b>CATEGORY 6: Business travel</b> Transportation of employees for business-related activities	191	0%
<b>CATEGORY 7: Employee Commuting</b> Transportation of employees between their homes and their worksites	1,737	1%
<b>CATEGORY 8: Upstream leased assets</b> Operation of assets leased by the reporting company (lessee)	157	0%
<b>CATEGORY 9: Downstream transportation &amp; distribution</b> Transportation and distribution of products sold to the end consumer (if not paid for by the reporting company), including retail and storage	10,433	3%
<b>CATEGORY 12: END OF LIFE TREATMENT OF SOLD PRODUCTS</b> Processing of intermediate products sold in the reporting year	703	0%
<b>CATEGORY 13: DOWNSTREAM LEASED ASSETS</b> End use of goods and services sold	3,151	1%

TABLE 20 - GRI 305-4 GHG EMISSIONS INTENSITY IN 2021 AND 2022

GHG EMISSIONS INTENSITY		
	2021	2022
<b>EMISSIONS INTENSITY (Scope 1 + Scope 2 Location Based)</b>	1.098 tCO <sub>2</sub> eq/T	1.021 tCO <sub>2</sub> eq/T
<b>EMISSIONS INTENSITY (Scope 1 + Scope 2 Market Based)</b>	1.363 tCO <sub>2</sub> eq/T	1.273 tCO <sub>2</sub> eq/T
<b>EMISSIONS INTENSITY (Scope 1 + Scope 2 Location Based + Scope 3)</b>	-	2.471 tCO <sub>2</sub> eq/T
<b>EMISSIONS INTENSITY (Scope 1 + Scope 2 Market Based + Scope 3)</b>	-	2.722 tCO <sub>2</sub> eq/T

For the calculation of the GHG Emissions intensity ratio, it was used the consolidated volume<sup>31</sup> 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 ton of production value.

<sup>31</sup> With respect to 2021 Sustainability Report, GHG emission intensity has been calculated on production volume (ton) instead of revenues (Mil €), as it is considered a more appropriate metric for the Group's business.

## 5.3. RESOURCES MANAGEMENT & CIRCULAR ECONOMY

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**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.



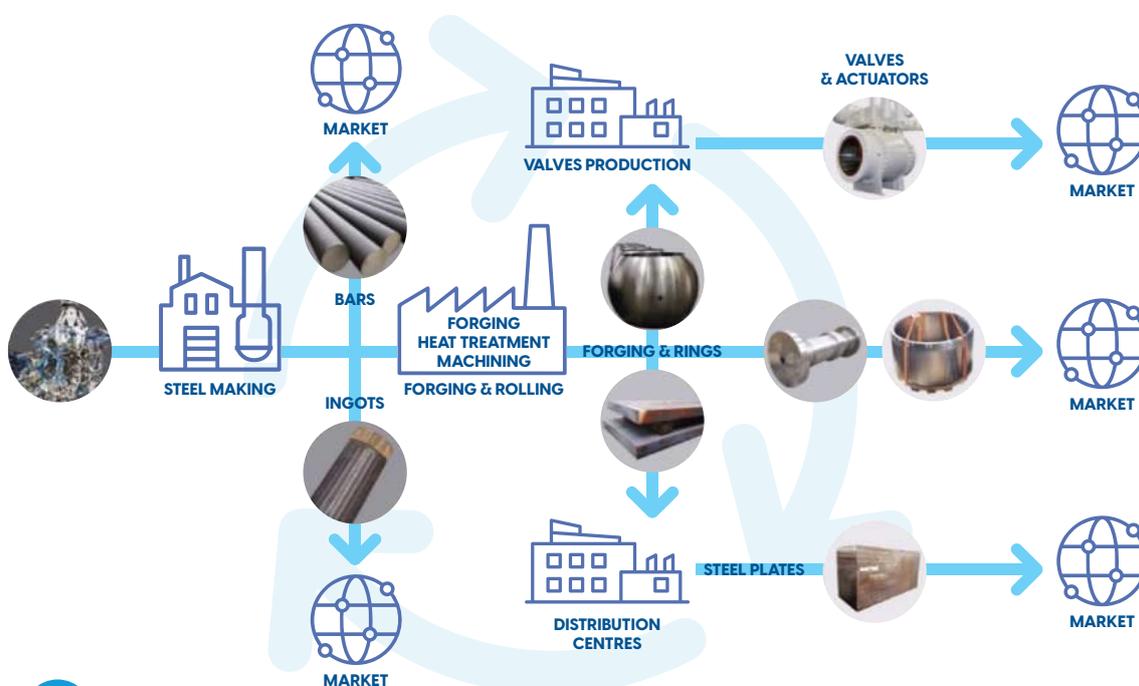
## THE CIRCULARITY OF STEEL FORGING IN GIVA GROUP

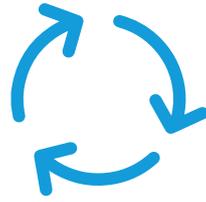
Steel is one of the most sustainable materials on a circularity point of view: its extraordinary physical features allow a recyclability near to 100% and is the most recycled material in the world. Since it does not lose its mechanical properties upon recycling, steel produced from recycled material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





Indeed, the two steel mills, Nunki and Italfond, use steel scrap as part of their production process. Ferrous materials may arrive at the steel mill as:

- **SCRAP-WASTE FROM THE GROUP**, mainly filings and shavings, also called by-product. This waste material of the production processes arrives to the mills from the other Group companies according to a contract that is periodically renewed. Most of it consists of ingot endings that are processed by the forges.
- **SCRAP-WASTE FROM EXTERNAL SUPPLIERS**, i.e. material collection and sorting centres that supply mainly ferrous materials.
- **END-OF-WASTE MATERIAL**, so defined when scrap is processed and qualified by authorized suppliers. Every supply must come from qualified and authorized suppliers with a specific licence (EU End of Waste Regulation 333/2011) and must be accompanied by a declaration of conformity, eventual analyses and all necessary documentation.

Nunki Steel obtained a licence according to the EU End of Waste Regulation 333/2011 for the treatment and qualification of end-of-waste material, an unusual licence for a steel mill. This allows the mill to receive and handle certain types of scrap, which must undergo specific analyses on entry in order to become end-of-waste material.



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 to produce 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 21 - GRI 301-1 MATERIALS USED BY THE GROUP,  
BY WEIGHT (TONS) IN 2021 AND 2022**

MATERIALS USED BY WEIGHT (TONS)			
MATERIAL	WEIGHT		CHANGE
	2021	2022	2022/2021
<b>RENEWABLES</b>			
WOOD	1,364	1,003	-26%
OTHER <sup>32</sup>	1.2	1.4	+17%
<b>NON-RENEWABLES</b>			
STEEL <sup>33</sup>	298,812	290,121	-3%
FERROALLOYS	12,594	12,052	-4%
AUXILIARY MATERIAL (LUBRICANTS, ANTHRACITE, LIQUID PROTECTORS)	6,636	6,876	+4%
COAL <sup>34</sup>	2,928	2,112	-28%
ALUMINUM	463	389	-16%
I-BLUE / COAL MIX	200	530	+165%
OTHER <sup>35</sup>	24	28	+18%

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

**TABLE 22 - GRI 301-2 RECYCLED INPUT MATERIALS  
USED BY THE GROUP BY WEIGHT (TONS) IN 2021 AND 2022**

MATERIALS USED THAT COME FROM RECYCLING						
MATERIAL	2021			2022		
	Material used by weight (ton)	Material recycled by weight (ton) <sup>36</sup>	% Material recycled	Material used by weight (ton)	Material recycled by weight (ton)	% Material recycled
STEEL	298,812	218,819	73%	290,121	217,708	75%

<sup>32</sup> Including paper, cardboard, biopolyethylene.

<sup>33</sup> 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.

<sup>34</sup> Coal is used in Nunki Steel as a reducing agent in the EAF electric furnace for steel production.

<sup>35</sup> Including plastic, copper, bronze, stationery.

<sup>36</sup> With a view towards continuous improvement, 2021 data have been reworked and refined because of further measurement activities carried out. Therefore, data for 2021 have been restated with the new values.

## 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 Regulation). These values are then analysed through company KPIs by the HSE manager of each plant.

In 2022, the Group's total waste generation reached almost 96 thousand tons, of which about 97% non-hazardous waste. The increase of waste produced in 2022 (+15%) is mainly due to all waste related to the construction activities of the new dedicated office building in Italfond.

**TABLE 23 - GRI 306-3 WASTE GENERATED, GRI 306-4 WASTE DIVERTED FROM DISPOSAL, GRI 306-5 WASTE DIRECTED TO DISPOSAL IN 2021 AND 2022<sup>37</sup>**

WASTE TYPE	UNIT OF MEASUREMENT	2021 <sup>38</sup>			2022		
		PRODUCED	RECOVERED	DISPOSED	PRODUCED	RECOVERED	DISPOSED
HAZARDOUS	TONS	3,475	1,026	2,709	3,176	1,019	2,345
NON-HAZARDOUS	TONS	79,589	32,995	46,663	92,612	43,092	49,211
<b>TOTAL</b>	<b>TONS</b>	<b>83,064</b>	<b>34,021</b>	<b>49,372</b>	<b>95,788</b>	<b>44,111</b>	<b>51,556</b>

<sup>37</sup> The difference between the waste generated and the sum of the waste disposed and recovered both in 2021 and 2022 is attributable to the stocks stored on the company's premises.

<sup>38</sup> 2021 data have been revised by some companies of the Group in terms of quantity and categorization (hazardous and non-hazardous). Therefore, data for 2021 have been restated with the new values. For the previously published data please refer to 2021 Sustainability Report, available on the website <https://www.givagroup.it/>.

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 substance.

**TABLE 24 - GRI 306-4 WASTE DIVERTED FROM DISPOSAL IN 2021 AND 2022**

WASTE DIVERTED FROM DISPOSAL BY RECOVERY OPERATIONS (TONS)						
	2021 <sup>39</sup>			2022		
	ONSITE	OFFSITE	TOTAL	ONSITE	OFFSITE	TOTAL
<b>HAZARDOUS WASTE</b>						
PREPARATION FOR REUSE	-	-	-	-	-	-
RECYCLE	-	1,026	1,026	-	1,019	1,019
STORAGE	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>1,026</b>	<b>1,026</b>	<b>-</b>	<b>1,019</b>	<b>1,019</b>
<b>NON-HAZARDOUS WASTE</b>						
PREPARATION FOR REUSE	-	878	878	810	-	810
RECYCLE	3,604	28,512	32,116	658	41,624	42,282
STORAGE	-	-	-	-	-	-
<b>TOTAL</b>	<b>3,604</b>	<b>29,390</b>	<b>32,994</b>	<b>1,468</b>	<b>41,624</b>	<b>43,092</b>
<b>TOTAL</b>	<b>3,604</b>	<b>30,416</b>	<b>34,020</b>	<b>1,468</b>	<b>42,643</b>	<b>44,111</b>

<sup>39</sup> 2021 data have been revised by some companies of the Group in terms of quantity, categorization (hazardous and non-hazardous) and destination (disposal or recovery). Therefore, data for 2021 have been restated with the new values. For the previously published data please refer to 2021 Sustainability Report, available on the website <https://www.givagroup.it/>.

**TABLE 25 - GRI 306-5 WASTE DIRECTED TO DISPOSAL IN 2021<sup>40</sup> AND 2022**

WASTE DIRECTED TO DISPOSAL, BY DISPOSAL OPERATIONS (TONS)						
2021 <sup>41</sup>			2022			
	ONSITE	OFFSITE	TOTAL	ONSITE	OFFSITE	TOTAL
<b>HAZARDOUS WASTE</b>						
INCINERATION (with energy recovery)	-	-	-	-	-	-
INCINERATION (without energy recovery)	-	-	-	-	-	-
LANDFILLING	-	1,228	1,228	-	2,222	2,222
PRELIMINARY STORAGE	-	1,408	1,408	-	123	123
<b>TOTAL</b>	<b>-</b>	<b>2,636</b>	<b>2,636</b>	<b>-</b>	<b>2,345</b>	<b>2,345</b>
<b>NON-HAZARDOUS WASTE</b>						
INCINERATION (with energy recovery)	-	11	11	-	11	11
INCINERATION (without energy recovery)	-	-	-	-	-	-
LANDFILLING	-	46,621	46,621	-	49,157	49,157
PRELIMINARY STORAGE	-	-	-	-	42	42
<b>TOTAL</b>	<b>-</b>	<b>46,632</b>	<b>46,632</b>	<b>-</b>	<b>49,210</b>	<b>49,210</b>
<b>TOTAL WASTE DISPOSED</b>	<b>-</b>	<b>49,268</b>	<b>49,268</b>	<b>-</b>	<b>51,555</b>	<b>51,555</b>

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

<sup>40</sup> The data in the table for 2021 refer to all the companies except for Higen Valves S.r.l., Metab S.r.l., VRM S.r.l. and Giva S.p.A. (this last company only with reference to non-hazardous waste).

<sup>41</sup> With a view towards continuous improvement, 2021 data have been reworked and refined because of further measurement activities carried out. Therefore, data for 2021 have been restated with the new values.



## WASTE REDUCTION AND PROPER DISPOSAL INITIATIVES

- Since 2018, **BRESCIACCI** 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.
- During 2022 **FORGIATURA A. VIENNA** launched an initiative to raise awareness among employees to understand and properly manage the disposal of waste produced within the Company. In fact, posters have been prepared with descriptions and pictures that can help people understand how to dispose waste correctly.
- Another noteworthy initiative was carried out by **ITALFOND**, with the motto "The revolution starts with good habits". In 2022 the company has started a sustainable project consisting in the installation of a dispenser from which employees can draw microfiltered water and distributed steel bottles in order to cut down on plastic bottles. As part of a series of initiatives that embrace the broader concept of sustainability, this is intended to be an initiative aimed at reducing plastic waste, which inevitably brings with it a series of high-impact consequences.
- With reference to **OFAR**, disposable plates and cups used in the company canteen have been eliminated during 2022 with the aim of cutting waste and reducing the impact of plastic disposal. Ofar is the first company of the Group that has implemented a plastic-free canteen.

**With reference to packaging, the Group produced a total of 676.37 tons of waste (-11% compared to 2021), in particular paper and cardboard packaging, plastic packaging and wooden packaging. One of the main problems related to packaging concerns the packaging waste produced in-house by packaging supplier companies.**



## 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.

In 2022 GIVA Group recorded a decrease in comparison with 2021 in the volume of water withdrawn, from 376 ML to 352 ML (-6%).

**TABLE 26 - GRI 303-3 TOTAL WATER WITHDRAWAL OF THE GROUP IN 2021 AND 2022 (ML), WITH INDICATION OF THE SOURCE OF THE WITHDRAWAL AND THE AMOUNT RELATING TO AREAS OF WATER STRESS**

WATER WITHDRAWAL (ML)						
WATER WITHDRAWAL SOURCES <sup>42</sup>	2021 <sup>43</sup>			2022		
	NO WATER STRESS AREAS	AREA WITH WATER STRESS	ALL AREAS	NO WATER STRESS AREAS	AREA WITH WATER STRESS	ALL AREAS
GROUNDWATER	163.9	192.5	356.4	162.8	170.8	333.6
THIRD-PARTY WATER	9.9	9.7	19.6	11.3	7.3	18.6
<b>TOTAL</b>	<b>173.8</b>	<b>202.2</b>	<b>376.0</b>	<b>174.1</b>	<b>178.1</b>	<b>352.2</b>

The volume of water withdrawal from areas with water stress<sup>44</sup> 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.

<sup>42</sup> All water withdrawals refer to fresh water (1,000 mg/l total dissolved solids).

<sup>43</sup> Following a continuous improvement process, 2021 data have been restated; for the previously published data please refer to 2021 Sustainability Report, available on the website <https://www.givagroup.it/>.

<sup>44</sup> 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.

In GIVA Group water discharge is mainly related to water withdrawn for civil use (either from groundwater or from third-party water resources) which flows into the municipal sewer system. In 2022 the volume of water discharged was 62.2 ML (-17% compared to 2021).

**TABLE 27 - GRI 303-4 TOTAL WATER DISCHARGE OF THE GROUP IN 2021 AND 2022 (ML), WITH INDICATION OF THE SOURCE OF THE DISCHARGE AND THE AMOUNT RELATING TO AREAS OF WATER STRESS**

WATER DISCHARGE (ML)						
WATER DISCHARGE SOURCES	2021			2022		
	NO WATER STRESS AREAS	AREA WITH WATER STRESS	ALL AREAS	NO WATER STRESS AREAS	AREA WITH WATER STRESS	ALL AREAS
THIRD-PARTY WATER	65.2	9.7	74.9	54.9	7.3	62.2
<b>TOTAL</b>	<b>65.2</b>	<b>9.7</b>	<b>74.9</b>	<b>54.9</b>	<b>7.3</b>	<b>62.2</b>

The Group's water consumption, instead, is mainly related to the change and refills of water tanks due to depletion or evaporation. As for water discharge, in 2022 the Group consumed less water than 2021 (-4%).

**TABLE 28 - GRI 303-5 TOTAL WATER CONSUMPTION OF THE GROUP IN 2021 AND 2022 (ML), WITH INDICATION OF THE CHANGE IN WATER STORAGE AND THE AMOUNT RELATING TO AREAS OF WATER STRESS**

WATER CONSUMPTION (ML)						
WATER CONSUMPTION SOURCES	2021 <sup>45</sup>			2022		
	NO WATER STRESS AREAS	AREA WITH WATER STRESS	ALL AREAS	NO WATER STRESS AREAS	AREA WITH WATER STRESS	ALL AREAS
WATER CONSUMPTION	108.6	192.5	301.1	119.2	170.8	290.0
CHANGE IN WATER STORAGE	4.7	-	4.7	1.2	3.9	5.1

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.

<sup>45</sup> 2021 water consumption data have been revised. Actually, having included GRI 303-4, data related to the volume of water consumed in 2021 have been reworked in order to respect the following equivalence provided by GRI Standard 303: water withdrawn is equal to the sum of water discharged and consumed. For the previously published data please refer to 2021 Sustainability Report, available on the website <https://www.givagroup.it/>.

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.

The Environmental Management System (EMS) supports the Group's companies to:

- **Manage environmental aspects (interaction between business activities and the surrounding environment);**
- **Fulfil compliance obligations (legal obligations that an organisation must fulfil and other requirements that an organisation must or has chosen to fulfil);**
- **Address risks and opportunities (potential negative or positive effects related to the environment).**

Steel mill and forging plants are 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 and in reducing the weight of related waste.

In **Italfond**, moreover, water for industrial use is mainly used in cooling plants which are all closed cycle.

Water taken from wells for industrial use is not discharged, but always sent for recirculation. The need for replenishment is due to the amount lost through evaporation.

Furthermore, in some areas of the site, in order to reduce the withdrawal of water resources, rainwater is reused in wet slag treatment tanks.



# 6. GRI CONTENT INDEX



GRI STANDARD	DISCLOSURE	PAGE NUMBER AND NOTES
<b>STATEMENT OF USE</b>	GIVA Group has reported the information cited in this GRI content index for the period 1/01/2022 – 31/12/2022 with reference to the GRI Standards.	
<b>GRI 1 USED</b>	GRI 1: Foundation 2021	

GRI INDICATOR		PAGES	NOTE
<b>GRI 2: GENERAL DISCLOSURES (2021)</b>			
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<b>GRI 2-6</b>	Activities, value chain and other business relationships	13-16 46-48	
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<b>GRI 204-1</b>	Proportion of spending on local suppliers	46-47
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# 7.

# INDEPENDENT AUDITOR'S REPORT

## ON THE SUSTAINABILITY REPORT



## INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

To the Board of Directors of  
G.I.V.A. S.p.A.

We have carried out a limited assurance engagement on the Sustainability Report of the G.I.V.A. Group (hereinafter also "Group") as of December 31, 2022.

### Responsibility of the Directors for the Sustainability Report

The Directors of G.I.V.A. S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" established by GRI - Global Reporting Initiative (hereinafter "GRI Standards"), with reference to the selection of GRI Standards, as stated in the paragraph "Methodological note" of the Sustainability Report.

The Directors are also responsible, for such internal control as they determine is necessary to enable the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the definition of the G.I.V.A. Group's objectives in relation to the sustainability performance, for the identification of the stakeholders and the significant aspects to report.

### Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our auditing firm applies *International Standard on Quality Control 1 (ISQC Italia 1)* and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Sustainability Report with the GRI Standards, with reference to the selection of GRI Standards, as stated in the paragraph "Methodological note" of the Sustainability Report.

We conducted our work in accordance with the criteria established in the “*International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information*” (hereinafter “*ISAE 3000 Revised*”), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement.

Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised (“*reasonable assurance engagement*”), and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report are based on our professional judgement and included inquiries, primarily with Company personnel responsible for the preparation of information included in the Sustainability Report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

- 1) analysis of the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;
- 2) comparison between the economic and financial data and information included in the paragraph “*Economic Performances*” of the Sustainability Report with those included in the consolidated financial statements of the Group;
- 3) understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the Sustainability Report.

In particular, we carried out interviews and discussions with the management of G.I.V.A. S.p.A. and with the personnel of Italfond S.p.A., Ofar S.p.A., Nunki Steel S.p.A., Forgiatura A. Vienna S.r.l. and we carried out limited documentary verifications, in order to gather information about the processes and procedures, which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the Sustainability Report.

In addition, for material information, taking into consideration the Group’s activities and characteristics:

- at the parent company’s and subsidiaries’ level:
  - a) with regards to qualitative information included in the Sustainability Report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
  - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data;

- for the following companies, G.I.V.A. S.p.A., Italfond S.p.A., Ofar S.p.A., Nunki Steel S.p.A. and Forgiatura A. Vienna S.r.l., which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits, during which we have met the management and have gathered supporting documentation on a sample basis with reference to the correct application of procedures and calculation methods used for the indicators.

### Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the G.I.V.A. Group as of December 31, 2022 is not prepared, in all material aspects, in accordance with the GRI Standards, with reference to the selection of GRI Standards, as stated in the paragraph “Methodological note” of the Sustainability Report.

### Other Matter

The data for the year ended December 31, 2021 presented for comparative purposes in the Sustainability Report have not been subject to a limited assurance engagement.

DELOITTE & TOUCHE S.p.A.



**Franco Amelio**  
Partner

Milan, Italy  
December 1, 2023

