



PIOMBOLEGHE 2021 SUSTAINABILITY REPORT

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1. Piomboghe: sustainable innovation serving tradition

1.1. Committed to protecting and respecting the environment for 50 years

For over 50 years, Piomboghe has been active in the field of recycling spent lead batteries and lead waste for the production of lead alloys and refined lead. The company plays a decisive role in the collection cycle of spent batteries, operating both at the end of the battery's life cycle, and at the start of the production chain of lead which is used for industrial purposes. This business model is therefore an example of a circular economy and the transformation of matter, through which we contribute every day to the benefit of the environment with passion, responsibility and transparency.



Piomboghe looks to the future with responsibility by committing to recovering thousands of tonnes of spent batteries that if dispersed would cause irreparable damage to the environment. We do this by converting a spent product that has become hazardous waste into a valuable material such as lead, which is safe and infinitely recyclable with a high degree of purity, and other components that make up batteries. The company's role in promoting circularity was also recognised at the statutory level in 2021, when it became a Benefit Corporation.

Since 1998, thanks to the constant work, commitment and achievements of its owners and employees, the Piomboghe brand has been recognised and registered with the London Metal Exchange, one of the world's leading non-ferrous metal exchanges, and one of its products is considered to have a high degree of purity equal to 99.97%.

MISSION

Recovering as much metal and as many other components as possible from batteries, while protecting people, the environment and the entire ecosystem and reducing energy consumption.

Implementing a circular business model in order to safeguard and respect the environment, while keeping a watchful eye on future generations.

VISION

The key values underpinning Piomboghe's activities are **sustainability** and **corporate responsibility**, enshrined in the Code of Ethics, which guide its actions both inside and outside the company perimeter. In line with its values, Piomboghe adopts a business model aimed at creating long-term value through objectives that reconcile growth, operational excellence, risk prevention, environmental and community protection, ethics and transparency. The company has always placed industrial research at the centre of its technological development strategy.

The company has its headquarters in the municipality of Brugherio (MB), where its offices and production plant are located. The plant covers an area of over 19,000 square metres and houses two rotary kilns of about 8.000 litres each, six 130-tonnes refining furnaces and a furnace dedicated to the production of anodes for lamination. The entire complex has recently been renovated following the profound transformation implemented some time ago, both at the level of assets and production lines, and, as detailed in the following chapters, at the level of ethical models.

Piomboghe is part of the CP Colombo Group, the Italian leader in the production of lead cakes and sheets. The Group includes two other production companies, Picchi Srl located in Brugherio (MB) and Centro Laminati in Aprilia (LT).



The business of Piomboghe and the Colombo Group is concentrated mainly on the Italian territory.

BENEFIT CORPORATION CENTRO LAMINATI

Centro Laminati S.r.l. SB, directly controlled by Piomboghe, is a company active in the processing of lead for recycling for the production and trade of semi-finished and finished products. It has been active since 2006 at its operating site in Aprilia (Latina). Like Piomboghe, Centro Laminati is to all intents and purposes part of the valuable recycling chain, succeeding, thanks to its know-how, in giving new life to discarded materials that have exhausted their service life. Centro Laminati also shares the policy of focusing on sustainability in its various articulations carried out by Piomboghe. In fact, the policy of the Group, to which Centro Laminati belongs, is based on the centrality of quality and environmental protection in all the phases of its production cycle, succeeding in consolidating a corporate philosophy aimed at the continuous improvement of company performance and reduction of the impact of its activities on the environment.

Corporate social responsibility and the focus on sustainability also prompted Centro Laminati to make its commitment to its stakeholders and the environment clear and defined by adopting the status of a **Benefit Corporation** in its Articles of Association on 4 May 2021.

2021 HIGHLIGHTS



37.476

PURE LEAD DESTINED FOR SALE (TONNES)

+6% compared to 2020



78.921.621

VALUE OF PRODUCTION (EUROS)

+ 28% compared to 2020



2,1

VALUE PER TONNE OF PURE LEAD FOR SALE
(THOUSAND EUROS/TONNE)



44

TOTAL EMPLOYEES



11

DIFFERENT NATIONALITIES



9%

HIRING RATE IN THE 2019-2020 PERIOD



93%

WORKERS WITH OPEN-ENDED CONTRACTS



91%

EMPLOYEES WITH FULL-TIME CONTRACTS



8

HOURS OF TRAINING PER CAPITA



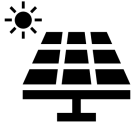
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INJURIES



138.499

**ENERGY CONSUMPTION
OF WHICH 14,893 FROM RENEWABLE SOURCES
(GJ)**



774.598

**kWh PRODUCED BY ON-SITE PHOTOVOLTAIC
SYSTEM**



2.168

COMPENSATED CO_{2EQ} (TONNES) EMISSIONS



6.396

RECYCLING WASTE (TONNES)



79%

**PERCENTAGE OF RECYCLED MATERIALS USED IN
THE PRODUCTION PROCESS**



69%

**NEW SUPPLIERS ASSESSED ACCORDING TO
ENVIRONMENTAL CRITERIA**



50%

**NEW SUPPLIERS ASSESSED ACCORDING TO
SOCIAL CRITERIA**

1.2. Sustainability at Piomboghe: Ensuring today's prosperity without compromising the wellbeing of tomorrow's generations

The promotion of a sustainable development model is a founding principle of Piomboghe's business, which aims to contribute to the wellbeing of today without compromising that of future generations.

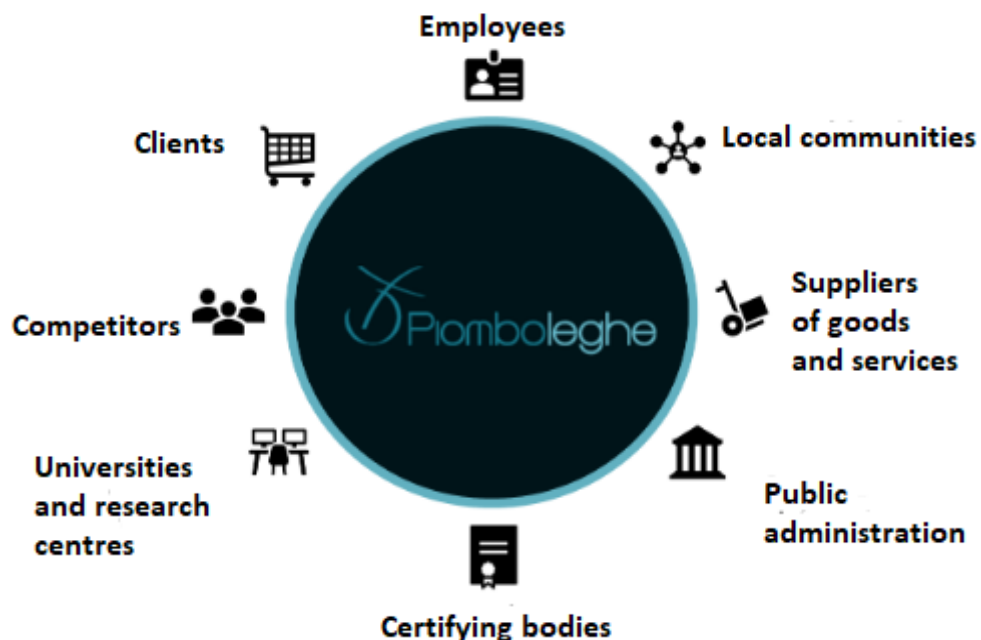
To ensure transparent and comprehensive communication to its stakeholders, in 2021 the company decided to prepare its first Sustainability Report according to the GRI Sustainability Reporting Standards, the latest and most widely used non-financial reporting standards, to share its commitment and corporate attitude towards sustainable business.

Piomboghe's stakeholders

In order to identify the sustainability issues to be covered in the Report, an analysis of the company structure, business activities, value chain and network of relations existing around the company was carried out, which, through the involvement of company management, led to the identification of Piomboghe's main stakeholders.

Stakeholders are entities or individuals significantly influenced by the company's activities, products and services and whose actions influence the company's ability to successfully implement its strategies and achieve its objectives.

Specifically, eight stakeholder categories have been identified and, for each category, the main channels and tools to ensure a transparent and continuous dialogue were established.



STAKEHOLDER CATEGORIES

Employees



Clients



Competitors



Universities and research centres



Certifying bodies



Public administration



Suppliers of goods and services



Local communities



MAIN CHANNELS OF COMMUNICATION

- Company policies
- Code of Ethics
- Welfare initiatives
- Sustainability Report
- Training courses
- Personal relations

- Company website
- Company Profile
- Personal relations
- Research activities
- Code of Ethics
- Sustainability Report
- Company website
- Sustainability Report

- Document exchange
- Research projects
- Sustainability Report

- On-site tours
- Document exchange
- Sustainability Report

- On-site visits
- Document exchange
- Sustainability Report

- Code of Ethics
- Audit activities
- Sustainability Report

- Plant and facilities tour
- Company website
- Sustainability Report

Piomboghe's materiality analysis

Once the stakeholder mapping was completed, the next step was to identify the sustainability issues on which to focus the reporting. In line with the requirements of the GRI Standard, Piomboghe identified the themes addressed in the Sustainability Report through a materiality analysis, which was aimed at identifying the themes defined as relevant (or 'material') insofar as they are able to reflect the economic, environmental and social impact of the company and profoundly influence stakeholders' assessments and decisions. Material issues emerge from an analysis that takes into account both issues that can influence stakeholder decisions and those that reflect the environmental, economic and social impacts of Piomboghe. This activity is specifically composed of the following components:

- a **benchmark** analysis with respect to Italian and international competitors or comparables, and to Piomboghe's customers operating in the same field, which made it possible to identify the sustainability issues most frequently addressed within the available websites and public documents;
- the analysis of **relevance with respect to the media and public opinion**, by surveying the main events that affected Piomboghe in the reference year, screening the main articles in local and international newspapers;

- the analysis of the **pressures in the field of sustainability** for the sector, through the identification of the issues most frequently dealt with in the publications of the main international associations and organisations (S&P Global, SASB, etc.) and specific to the field (Cobat);
- the analysis of **sustainability trends on a global level**, by mapping the issues most considered by major stock exchanges, sustainability rating agencies (DJSI, MSCI, etc.), international organisations (GRI, World Economic Forum, etc.) and governmental institutions (EU, UN, etc.).

The preliminary list of issues that emerged from the context analysis was submitted to the company's top management, who prioritised them through a workshop, classifying the issues according to Piomboghe's point of view and thus determining the internal relevance of sustainability issues, in terms of environmental, social and economic impacts.

The combination of the results of the analyses carried out and the involvement of top management led to the definition of Piomboghe's materiality matrix, in which each issue is placed according to the relevance of the company's environmental, economic and social impacts and its relevance to stakeholders.

The issues that emerged as material are therefore the subject of this document and can be grouped by area. **Environmental** themes include Fighting climate change, Air quality, Promotion and development of the circular model, Management of manufactured waste, Water management. Four themes refer to relationships along the entire **value chain**: Business Ethics and Regulatory Compliance, Research, Development and Innovation, Sustainable Supply Chain Management, and Local Relations. Finally, the remaining ones refer to the **people and communities** of Piomboghe: Worker health and safety, Employee skills development, Employment protection and employee welfare, Diversity and equal opportunities.

PIOMBOGHE'S MATERIAL ISSUES		
E N V I R O N M E N T	Fighting climate change	<i>Limiting energy consumption, promoting energy-efficient solutions and spreading an energy-saving culture inside and outside the company, with the aim of reducing greenhouse gas emissions and decreasing the overall impact on climate change.</i>
	Air quality	<i>Limit emissions of air pollutants by adopting the best available technologies and working in accordance with environmental regulations.</i>
	Promotion and development of the circular model	<i>Promote a production and consumption model that involves reusing and recycling existing materials and products for as long as possible.</i>
	Management of manufactured waste	<i>Extending the life cycle of materials, decreasing the use of virgin material where possible, and minimising waste in production processes; and reducing the percentage of waste sent to landfill.</i>
	Water management	<i>Optimising the consumption and management of water resources, reducing water spills or losses during production processes and encouraging water reuse.</i>
A L O	Business Ethics and Regulatory Compliance	<i>Ensure integrity and ethical conduct and condemn any violation of the Code of Ethics. Also ensure compliance with the laws and</i>

N G T H E V A L U E C H A I N		<i>regulations in force in the countries where the company operates.</i>
	Research, Development and Innovation	<i>Innovate, develop and promote research activities with the aim of meeting the needs of the target market. Continuously develop and innovate business processes and products to exceed customer expectations.</i>
	Sustainable Supply Chain Management	<i>Promoting responsible behaviour along the supply chain, especially during the selection and qualification process of suppliers and in monitoring their performance.</i>
	Local relations	<i>Supporting local communities through sponsoring local initiatives, projects or donations.</i>
P E O P L E A N D C O M M U N I T I E S	Workers health and safety	<i>Ensuring a safe and healthy workplace, promoting structured safety management procedures and programmes and spreading knowledge fostering safety awareness.</i>
	Employee skills development	<i>Promoting and strengthening the competencies of all employees by providing high quality training, performance enhancement and career development.</i>
	Employment protection and employee welfare	<i>Establishing a welcoming, stimulating and positive work environment.</i>
	Diversity and equal opportunities	<i>Ensuring equal professional opportunities for all workers, employees or collaborators, respecting all types of diversity.</i>

1.3. Tools for responsible management

Piomboghe's mission is to carry out its industrial activity in the best possible way: to recover as much metal and all the components that make up batteries as possible, protecting people, the environment and the entire ecosystem and reducing energy consumption.

Respect for the environment and for occupational health and safety, optimising energy consumption, ethical relations with personnel and the production chain are just as important as the quality of the end product and customer satisfaction, and at Piomboghe they are not interpreted as mere regulatory fulfilments, but as dutiful behaviour to respect people's natural rights.

Through the adoption of an **Integrated Corporate Policy** for quality, environment, safety, energy and ethics systems, Piomboghe guarantees the quality of its products and the correspondence of its service to customer requirements, and at the same time, the reduction of the impact that its production activities have, the effort towards social sustainability, and the prevention and containment of risks for workers and in the workplace.

The Corporate Policy is periodically reviewed by top management to ensure that it remains relevant and appropriate to the organisation's commitments, objectives and targets, and to the changing conditions of the context in terms of opportunities and threats. All members of staff are asked to contribute not only operationally, but also qualitatively and proactively according to their role in the company.



Quality policy	Environmental policy	Ethics policy	Health and safety policy	Energy policy
Quality means product quality and the service corresponding to the requirements set and demanded by customers, meeting the needs of stakeholders.	Environment means reducing the impact of production activities and their management, monitoring and control, as well as meeting the needs of stakeholders.	Ethics means the effort towards social sustainability and attention to the expectations of all stakeholders.	Health and Safety means prevention and containment of risks for workers and in the workplace.	Energy means reducing and rationalising energy use.

The company also has a **Major Accident Prevention Policy** in place, in accordance with Legislative Decree 105/2015 to ensure proper management of safety and the environment. This policy, together with the Integrated Policy, defines the company's primary values to ensure a balance between production operations, the environment and the surrounding population.

In confirmation of Piomboghe's commitment to transparency, honesty, fairness and good faith, the company has adopted its own internal **Code of Ethics**, based on the two cardinal principles of sustainability and corporate responsibility. The Code of Ethics defines the canons of ethics, transparency, fairness and professionalism on which Piomboghe's relations with institutions, associations, local communities, customers and suppliers are based, and the behaviour of Piomboghe's management, employees and collaborators towards internal and external stakeholders.

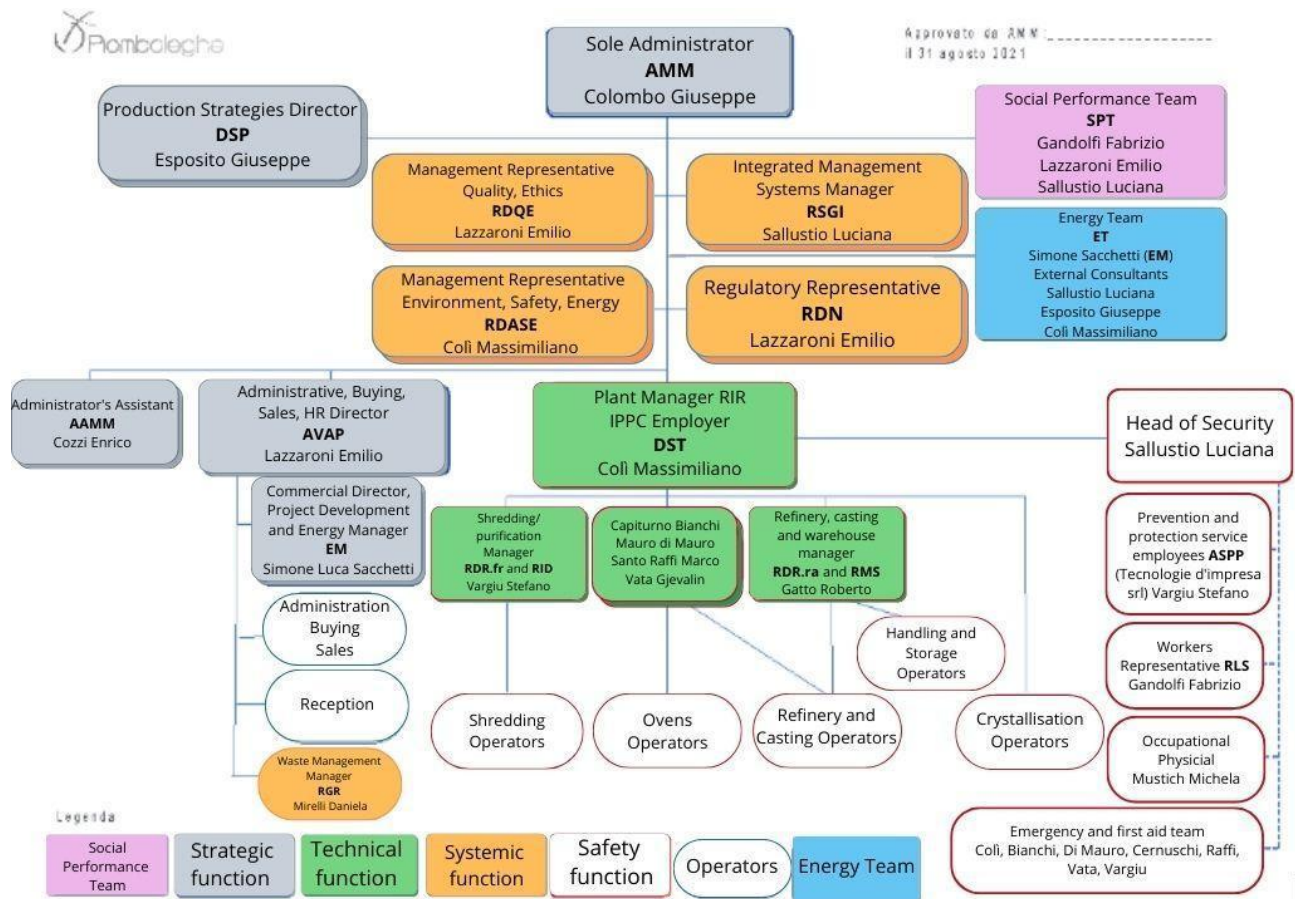
The Code of Ethics is explicitly referred to in the company's **Organisation, Management and Control Model**, of which it is an integral part. In fact, Piomboghe has a preventive control system that complies with the provisions of **Legislative Decree No. 231/2001** on the Discipline of Administrative Responsibility of

Companies. The Model consists of a set of general and operational rules whose observance - in the performance of activities within the processes at risk - makes it possible to prevent unlawful, improper, and irregular conduct..

This Model provides the company with a set of general principles of conduct and procedures that, in compliance with the system of allocation of functions and delegation of powers, as well as internal procedures, meet the purposes and requirements of the Decree and subsequent amendments thereto, both in terms of preventing offences, and in terms of controlling the implementation of the Organisational Model and the possible imposition of sanctions.

The effectiveness of the implemented Model and governance structure contributed to the result of no incidents of non-compliance with social and economic laws and regulations during the reporting period. Similarly, there were no established incidents of corruption or prosecutions for anti-competitive behaviour and violations of antitrust regulations in the three-year reporting period.

The organisational system adopted by the company is described in the company organisational chart, which has been disclosed to all personnel. The organisation chart in force in the reporting year 2021 is shown below.



The Administrative Body is represented by a Sole Administrator, who is entrusted with the representation of the Company, without prejudice to his right to delegate certain powers to other proxies by means of special powers of attorney.

The Heads of Piomboghe's systemic functions (Management Representative - Quality and Ethics; Integrated Management Systems Representative; Management Representative - Environment, Safety and Energy; Regulatory Representative), the Directors of the strategic functions (Production Strategies Director and Administrative, Buying, Sales and HR Director) and two teams set up ad hoc, the Energy Team and the Social Performance Team, report directly to the Sole Administrator.

The technical functions report to a Plant Manager, while the Safety Function, structured according to legal regulations, is headed by an RSPP.

For Piomboghe, the **Integrated Management System** represents the operational strategic tool that guarantees growth and economic development. It complies with **UNI EN ISO 9001** for Quality System Certification, **UNI EN ISO 14001** for the Environmental Management System, **UNI CEI EN ISO 50001** for Energy Management Systems, **ISO 45001** for the Safety Management System, **Legislative Decree no. 105/2015** for the management of relevant accident risk, and the **SA 8000** standard for the Social Responsibility System.

The certifications achieved by its integrated management system testify to the company's daily commitment to responsible behaviour at all levels and to monitoring the economic, environmental and social expectations of all stakeholders. Piomboghe's goal is continuous improvement: through careful monitoring of its activities, the company puts itself on the line by complying with the strict standards governing its field. The certifications obtained are a great source of pride for Piomboghe, because they represent a uniqueness in the field. They are not experienced as a constraint, but rather as an opportunity for constant evolution.

PIOMBOLEGHE AS A BENEFIT CORPORATION

In the exercise of its economic activity, Piomboghe, as of 2021, implements what was introduced in Italy in 2016 with Law 208/2015, which defines **Benefit Corporations**, and intends to pursue, at the same time as its profit-making activity, one or more common-benefit goals, through management aimed at balancing the interest of its shareholders and the interest of those on whom the company's activities may have an impact. According to its definition, the Benefit Corporation operates in a responsible, sustainable and transparent manner towards people, communities, territories and the environment, bodies and associations and other stakeholders, such as workers, customers, suppliers, lenders, creditors, the Public Administration and civil society. As a Benefit Corporation, Piomboghe has identified a Manager who is entrusted with functions and tasks aimed at pursuing the aforementioned purposes. Furthermore, the company draws up an annual report on the pursuit of the common benefit, to be annexed to the company's financial statements.

1.4. Generated and distributed value

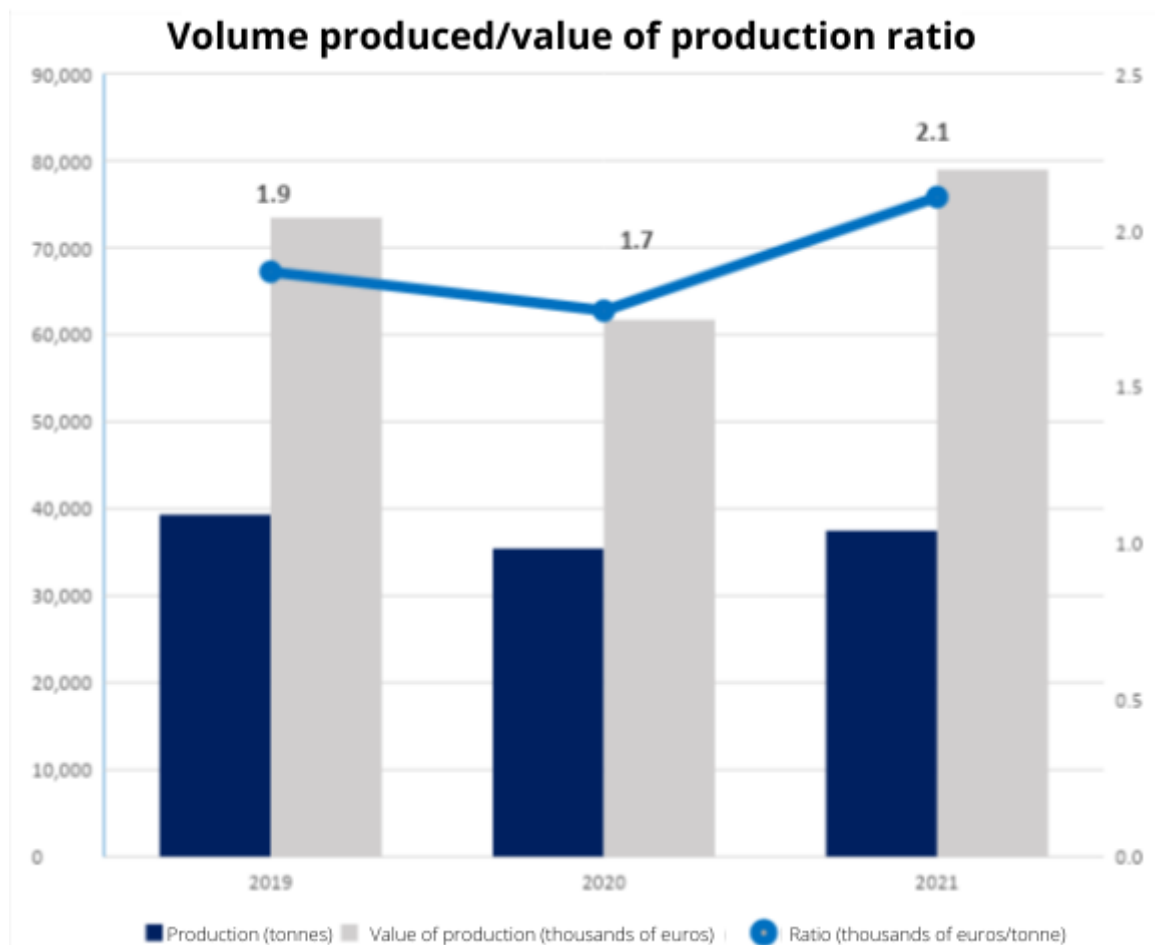
From an economic point of view, the total value generated by Piomboghe in 2021 amounted to **80.1 million euros**, a clear increase compared to the contraction in 2020 due to the difficult pandemic context (61.7 million euros), and also surpassing the 2019 result of 73.5 million euros.

Below, we present the income statement of Piomboghe reclassified into the items that comprise it according to GRI 201-1 disclosure, so as to highlight the value generated, distributed and retained by the company in the years in question.

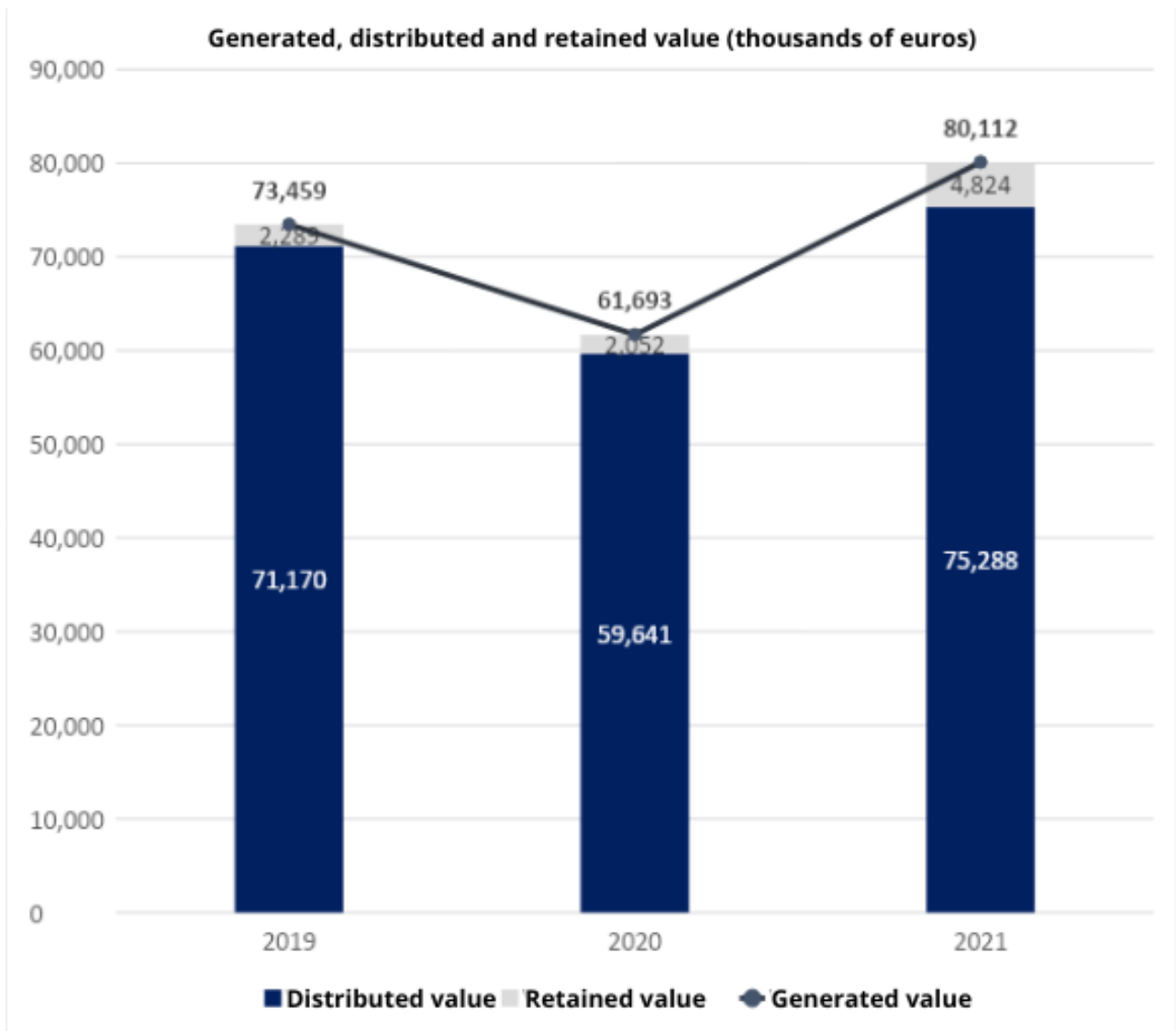
Data in thousands of euros	2019	2020	2021
Generated value			
Production value	73,458,356	61,692,158	78,921,261

Proceeds from investments	817	496	1,191,210
Total generated value	73,459,173	61,692,654	80,112,471
Distributed value			
Value to suppliers	68,128,258	56,545,030	71,128,280
Value to employees	2,859,913	2,685,113	3,179,499
Value to the Public Administration	118,462	275,764	907,634
Value to the capital providers	43,272	114,456	52,457
Value to the community	20,205	20,704	20,245.5
Total distributed value	71,170,110	59,641,067	75,288,115
Retained value			
Operating profit	1,067,368	945,741	3,398,788
Depreciations, provisions and write-downs	1,180,983	1,096,93	1,434,464
Deferred taxes	40,712	8,953	-8,896
Total retained value	2,289,063	2,051,587	4,824,356

The value of production as well as the cost of sales are affected by the trend of the underlying purchase and sales contracts represented by the value of lead quoted on the London Metal Exchange (LME), the fluctuation of which has a decisive impact on the volume of turnover and the volume of the cost of materials purchased for the same quantities produced and sold. Intermediate and final margins are therefore more expressive of business trends.



As shown in the graph above, the volume of turnover is not directly proportional to the level of production, which has remained more or less constant with a positive/negative range of 10% year-on-year.

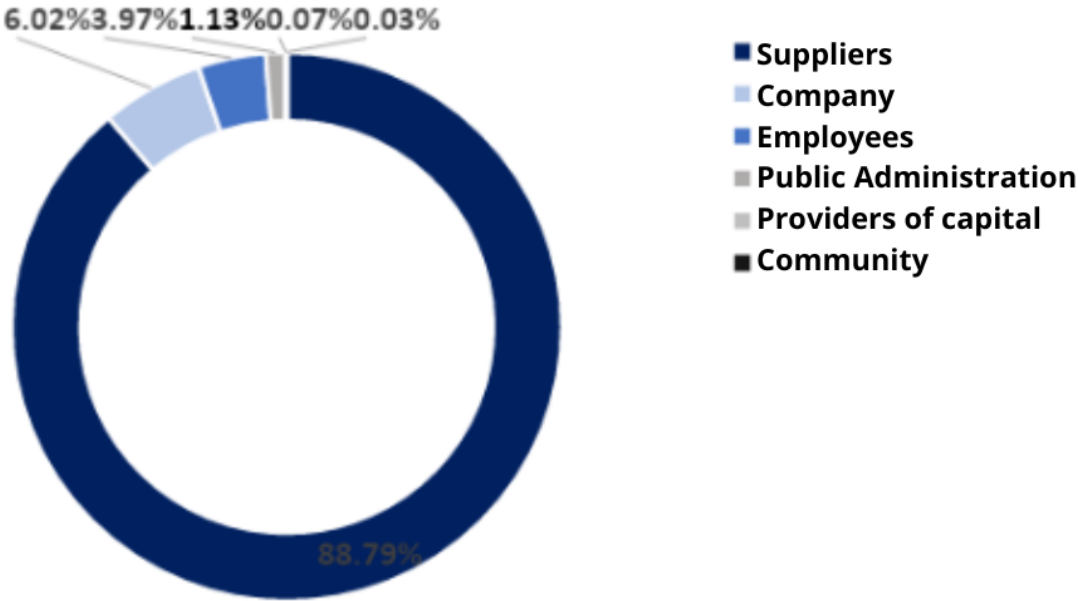


Most (88.8%, or over 71 million) of the value generated was allocated to **suppliers**, primarily for the purchase of raw materials, and partly for services. 6% (EUR 4.8 million) was **retained** in the company, and used to strengthen Piomboghe's assets, increasing them in the form of retained earnings, to repay depreciation and provisions for the year, and through deferred taxes.

4 % (or over 3 million euros) of the value generated was allocated to the **workforce**, which includes remuneration, social security costs and severance pay.

The remaining value was divided between Public **Administration** (1,1%) in the form of taxes paid, the **remuneration of the capital provided**, in the form of interest and other financial charges, and the value transferred to the **community and the territory**, through voluntary contributions and donations.

Generated value distribution (2020)



2. People at the centre

2.1 Our team

People are the central element throughout the entire history and evolution of Piomboghe. The dedication and professionalism of management and employees have always been the determining factors in achieving the company's objectives. Piomboghe manages its employees by paying great attention to their enhancement and complete integration into the corporate culture. The commitment to increasing the value of its workforce through skill development and training activities is also referred to extensively in both the Code of Ethics and the Integrated Company Policy.

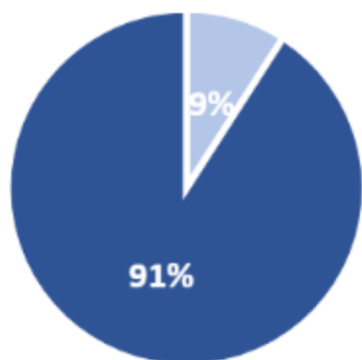
93%

Workers with an open-ended contract.

The 2021 staff of Piomboghe consists of **44 employees**, of whom 7 are women and 37 are men. With respect to the type of contract, out of the total workforce, 93% of employees are employed on a permanent basis, demonstrating Piomboghe's commitment to investing in solid and lasting relationships with its employees. In addition, 9% of employees are employed on a part-time contract, with a view to meeting the personal needs of its workers as much as possible.

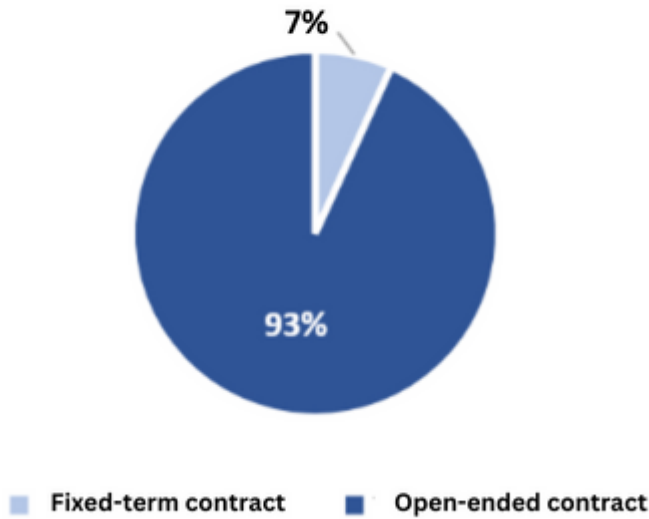
Staff by type of employment

(2021)



■ Part-time ■ Full-time

Staff by type of contract (2021)



Employees		Hires			Turnover			Number of employees		
		2019	2020	2021	2019	2020	2021	2019	2020	2021
Women	< 30 years old	1	0	2	0	0	0	0	0	2
	Between 30 and 50 years old	0	0	0	1	0	1	3	4	3
	> 50 years old	1	0	0	0	0	0	3	2	2
Men	< 30 years old	0	1	0	0	0	0	0	1	1
	Between 30 and 50 years old	1	0	1	2	0	0	11	9	13
	> 50 years old	2	0	0	0	0	0	24	26	23
Total		5	1	3	3	0	1	41	42	44

In the three years between 2019-2021, in spite of the difficulties and uncertainty that characterised the entire period, Piomboghe added 9 new resources to its workforce, recording a workforce growth of 7% and with a recruitment rate of 6.8% for 2021. On the other hand, the relationship of trust and mutual collaboration that the company wants to establish with each of its employees has contributed to keeping the turnover rate at a lower level (2% for 2021), following a single termination of employment that occurred during the year, even compared to references outside the company: in the steel field, comparable by type of employment, for example, the figure is 5%¹.

The company is also committed to promoting behaviour consistent with the principles of equal opportunities at work enshrined in its Code of Ethics. Despite the prevalence of men, typical of the field of production to which it belongs, the company adopts an approach of firm rejection of any discrimination. In fact, Piomboghe is committed to offering, in full compliance with the relevant legal and contractual regulations, all workers the same work opportunities, guaranteeing fair regulatory and salary treatment based exclusively on criteria of merit and competence, without any discrimination. Thanks also to this approach, and to the company culture characterised by a high degree of diversity, especially with regard to

¹ Federacciai, Rapporto di sostenibilità 2021

the nationality of employees, no episodes of discrimination occurred during the reporting period. On the contrary, the company is proud to be able to represent the different cultures of origin of its members: at the end of the reporting period, there were 11 different nationalities in the organisation, and workers of foreign origin (although some with Italian citizenship) made up 39% of the total staff.

The percentage of women at the end of 2021 is 16% of the company's population, with a particularly high incidence among staff employed in the administrative department. As far as the corporate governing body is concerned, it consists of a sole director.

Employees by category and gender	2019		2020		2021	
	Wom en	Men	Wom en	Men	Wom en	Men
Executives	0	1	0	1	0	1
Clerks	6	5	6	6	7	6
Workers	0	29	0	29	0	30
Total	6	35	6	36	7	37

In addition to the composition described above, there is a staff member with a managerial role for the entire three-year period.

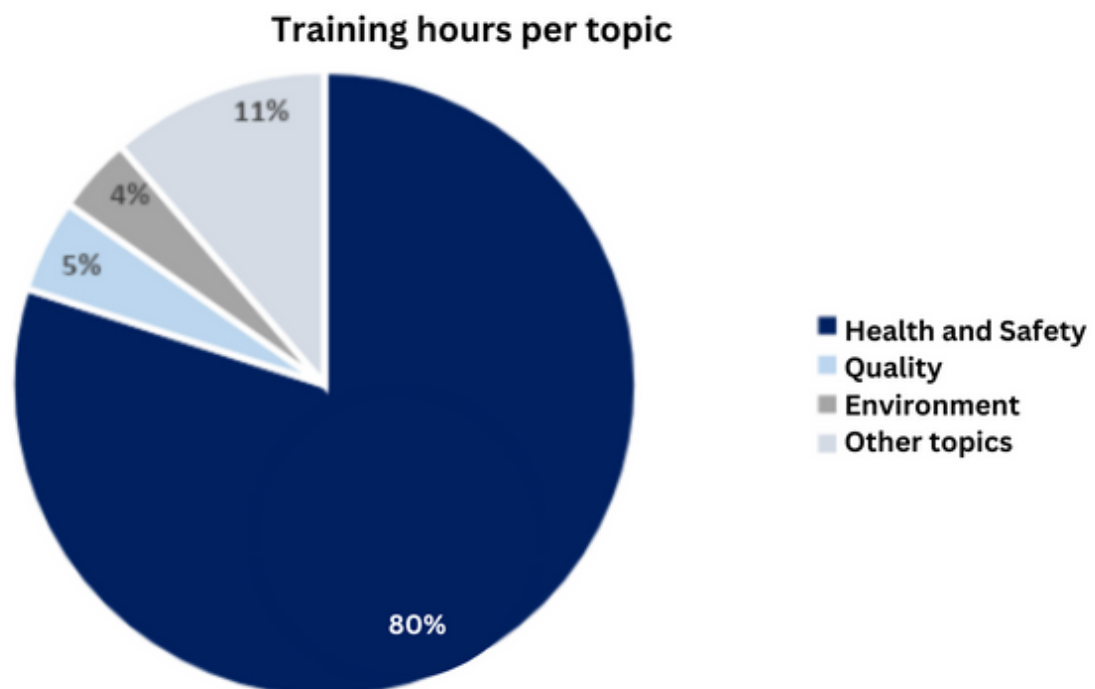
Based on the agreements in place, a minimum of one week's notice is required for notifying employees and their representatives of significant operational changes within the company organisation that could have a considerable effect on workers. This notice varies greatly, however, and may be greater, depending on the contingency of the moment or the level of expertise of the persons and roles involved. As regards labour relations, the percentage of employees covered by a national collective bargaining agreement is 16%, and varies according to the tasks performed by employees and their classification.

2.2 The professional growth path

"Piomboghe is committed to developing the skills and competences of management and employees, so that, within the scope of work performance, the energy and creativity of individuals finds full expression for the realisation of their potential, and to safeguarding working conditions both in terms of protecting the psycho-physical integrity of the workers and respecting their dignity."

From the Piomboghe Code of Ethics

Training and continuous growth are the essential factors that enable Piomboghe to guard, update and constantly strengthen the professionalism and technical skills of its staff, a fundamental ingredient in guaranteeing the standard of quality that distinguishes the company's products. Training is mainly focused on Health and Safety, but topics also cover Quality and the Environment and are highly dependent on annual requirements with respect to plant innovations, or regulations, such as changes in authorisations. Each year, the Head of the Prevention and Protection Service (RSPP) draws up the training plan in order to, on the one hand, ensure compliance with regulatory requirements, and on the other hand, to respond to the training needs arising from the annual management, area managers and employees review. The training plan, which is reviewed every quarter, so that any changes such as new hirings can be dealt with promptly, is not limited to compulsory courses on safety, environment, quality and ethics, but also covers topics related to the Management System such as the objectives defined by the Management and the Company Policy guidelines aimed at employee involvement.



Health and Safety training is of fundamental importance for the company, as it is a key element for the correct and responsible management of work-related risks. Looking ahead, the implementation of the Energy Management System certification according to the ISO 50001 standard will entail additional training for Piomboghe's employees on issues related to the energy management of the plant, a crucial element of every single production cycle.

Training is one of the company's systemic processes and the hours allocated to it, which vary according to levels and tasks, are constantly monitored. Due to the pandemic during 2021, training hours were reduced (354 in total, down 31% compared to 2019, when they amounted to 512), mainly due to the impossibility of guaranteeing the safety of employees in face-to-face courses, and in parallel, the difficulty of remotely delivering the courses planned at the beginning of the year due to the topics covered. In terms of average hours per employee, this went from 12.5 in 2019 to 8 in 2021. However, it should be emphasised that the number of training hours is also strongly influenced by the compulsory nature of the periodic refresher courses in place under Legislative Decree 81/2008, and intended for an adequate number of workers.

Average training hours received by:	2019	2020	2021
Executives	1	0	8
Managers	53	93	42
Clerks	106	52	76
Workers	352	214	228
Total	512	359	354



Professional development also passes through recognition and bonus policies: for this reason, it is a well-established practice to pay bonuses linked to monitored attendance and the achievement of specific production targets. Rewards are defined on the basis of formalised criteria to which is added, for administrative staff, an internal comparison in which the contribution of each employee is commented on.

2.3 Protecting health and wellbeing

The health and safety of its employees and collaborators is a top priority for Piomboghe, and it is managed through the **OHSAS 18001 certified management system since 2018, which migrated to UNI ISO 45001 in May 2021**, and with a commitment to continuous improvement in behaviour and the growth of the company's H&S culture.

The management system covers the entirety of Piomboghe's work, both the 44 employees and the external personnel performing certain tasks within the plant.

Also in the area of health and safety, the fundamental principles are collected in the **Integrated Company Policy**, which sanctions the company's commitment to prevent and contain risks for workers and in the workplace, constantly improving the relative indices, in an integrated manner with the quality of the processes implemented, respect for the environment and the ecosystem.

PIOMBOLEGHE'S SECURITY POLICY PRINCIPLES	
1	Complying with laws and regulations, specific requirements, and technical standards on health and safety at work.
2	Adopting the best methods of prevention, surveillance, protection, processes and technologies to reduce risks for operators and promote the prevention of accidents, near accidents, injuries and occupational diseases, with a view to continuous improvement.
3	Pursuing the improvement of the effectiveness of processes and activities, of the management of machines, plants and workplaces, to improve their performance and the control of possible effects on workers in terms of health and safety at work.
4	Taking care of communication towards interested parties, providing, when requested, information on company performance and accepting their requests and, in the case of workers, guaranteeing their involvement and consultation with regard to health and safety, also through the Workers' Safety Representative (RLS).
5	Involving, in an increasingly significant manner, all its employees and the personnel of external firms operating within the organisation, so that they become increasingly aware of the importance of their role in the correct management of production processes and the simultaneous improvement of environmental and working conditions.
6	Ensuring the correct training and information of workers on the health and safety risks of the company, in compliance with the laws in force.

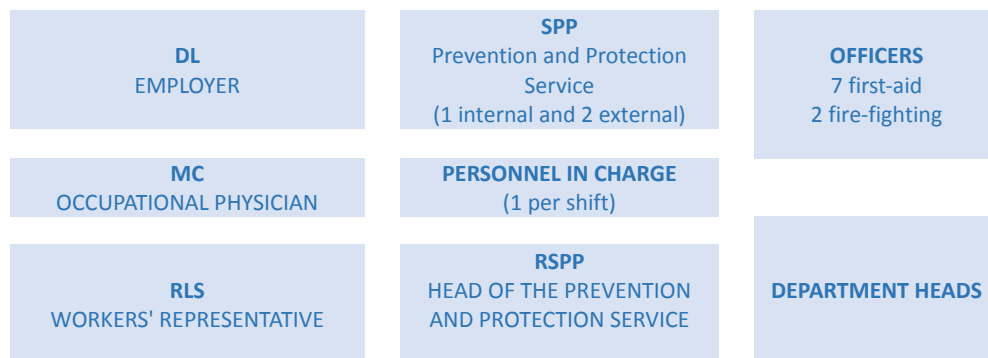
With regard to health and safety in the workplace, Piomboghe operates in all its environments in compliance with the provisions of Italian legislation and in particular the requirements of Legislative Decree 81/2008. The company has therefore drawn up a **Risk Assessment Document (DVR)** in which it has defined specific procedures for analysing and classifying risks and identified prevention and protection measures to limit and manage them. The main risks to which Piomboghe's employees are exposed are related to prolonged exposure to the plant's microclimate, lead and noise, as well as to the use of equipment and machinery for the production process, the handling of lead by means of the overhead crane, and the presence of personnel on foot and in internal vehicles.

Given these risks, the mandatory use of specific personal protective equipment (PPE), such as hearing protection and respiratory masks, is in place. In addition, detailed procedures are implemented, such as the regular washing of the forecourt, the periodic suction of dust by means of motorised sweepers and the use of filtration equipment with several suction hoods. Furthermore, to limit the impact of noise, insulated control cabins and soundproofing systems have been installed in noisy plants.

In order to ensure that the DVR is complete and up-to-date, during the annual safety meeting in place pursuant to Legislative Decree 81/08, the document is reviewed in the presence of a workers'

representative. The review and updating of the DVR, aimed at eliminating dangers and gradually reducing the risks identified, proceeds with the analysis of 'near accidents' or any accidents that are constantly monitored.

MAIN PLAYERS INVOLVED IN THE MANAGEMENT OF THE PIOMBOLEGHE SSL (OCCUPATIONAL HEALTH AND SAFETY)



There were no accidents or cases of occupational disease in 2020, while the accidents that occurred in the previous two years were related to episodes of crushing of feet or hands, and bruises due to stumbling. It should be noted that the decrease in the number of hours worked reported in 2020 (-6% compared to 2019) is due to the suspension of operations that Piomboghe decided voluntarily and preventively to protect its workforce, as a measure to contain Covid-19 contagions, despite the fact that the activity, as considered essential, was not subject to any restrictions.

0

Accidents recorded in 2021

The approach adopted by Piomboghe, and the constant focus on health and safety behaviour and procedures, have contributed to achieving the result of total absence of accidents during 2021².

Accidents and illnesses at work (employees)

	2019	2020	2021
Hours worked	76,556	71,884	78,814
Total number of accidents	2	2	0
Of which with serious consequences ³	0	0	0
Accident rate	26.1	27.8	0
Accidents with serious consequences rate	0	0	0
Occupational disease cases	0	0	0

² The accident rate is calculated as the number of accidents occurring during the year over the number of total hours worked, multiplied by 1,000,000

³ A serious accident is defined as an accident resulting in more than 180 days of absence

Accidents and illnesses at work (non-employees)

	2019	2020	2021
Hours worked	17,952	14,432	14,520
Total number of accidents	0	0	0
Accident rate	0	0	0
Occupational disease cases	0	0	0

Among prevention and awareness activities, two fundamental aspects are training and the promotion of employee well-being. From the training point of view, the company complies with the obligations set out by Legislative Decree 81/2008 for employees and collaborators in terms of courses held every year and managed by the RSPP on safety, emergency management, and relevant accident risk. With respect to the promotion of welfare, Piomboleghe is convinced that the overall well-being of employees also affects activities and habits outside the workplace. This is why it has progressively adopted a company welfare system extended to insurance coverage also for off-work activities, in addition to periodic visits by the competent doctor (3 times a year, one more than the legal obligation).

3. Protecting the environment

Piomboghe actively contributes in the appropriate fora to the promotion of scientific and technological development aimed at safeguarding resources and the environment. Operational management must refer to advanced criteria of environmental protection and energy efficiency, pursuing the continuous improvement of health and safety conditions at work and environmental protection.

From Piomboghe's Code of Ethics

The principles of environmental management are set out in the **Integrated Policy** whose cornerstone is the reduction of impact generated by production activities and their management, monitoring and control, with a view to satisfying stakeholders' needs. The areas of greatest attention from the point of view of environmental management are the use of raw materials and semi-finished products used in the production process, waste production, energy consumption and related greenhouse gas emissions ("GHG emissions").

In order to guarantee the application of the Policy, Piomboghe's environmental management system has been certified since 2002 according to the **UNI EN ISO 14001** standard, which in the course of 2021 was renewed until 2024. Also during 2021, the process for the certification of energy management according to the UNI CEI EN ISO 50001 standard was started, which is expected to be completed by 2022.

According to the provisions of the Integrated Policy and Management System, a Management Review is prepared annually, which provides a description of performance, analyses the current situation and environmental risks associated with the company's activities and, based on these, regularly defines and monitors improvement objectives and the definition and development of environmental programmes. Lastly, from a regulatory point of view, the activities are subject to the **Integrated Environmental Authorisation** (AIA) procedure and to the obligations concerning exposure to the risk of a major accident (RIR) pursuant to Legislative Decree 105/15.

3.1. Responsible management of resources

Circularity and recovery are the cornerstones of the Piomboghe production model, whose activity consists in the production of ingots of lead and its alloys starting from waste material from other sectors, in particular the lead residues of spent batteries. Overall, the recycled material used in the plant's production process amounts to 79% of the total materials used, and mainly consists of spent lead accumulators (the main raw material, with over 45.2 thousand tonnes used in 2021) and other lead-based residues from customers or suppliers, and PASTELLO DI PIOMBO (over 9.7 thousand tonnes).

Among the other materials, all of which consist of resources that cannot be regenerated in a short period of time, the main ones are raw lead blocks and other ferrous metals as well as auxiliaries and reactants, such as chemical elements (first and foremost, dense sodium carbonate used in the desulphurisation process) and coal, in the melting phase, which ensures the oxide reduction of the metal compound.

Input materials for production processes (tonnes)

	2019	2020	2021
Spent batteries	45,015	38,724	45,232
Waste from third-party production waste	10,463	7,831	9,776
Unrefined lead and lead blocks	5,867	6,022	4,476
Ferrous metals	3,780	3,338	4,381
Chemicals	3,490	2,911	2,519
Charcoal anthracite	1,892	1,616	1,979
Other materials that cannot be regenerated in short periods of time	815	1,220	1,274
Total	71,322	61,662	69,637

Finally, the more than 4.1 million cubic metres of oxygen in a refrigerated liquid state for the smelting and refining stages are part of the production elements.

THE CIRCULARITY MODEL OF MATERIALS

Within the plant, the incoming material is transformed into lead ingots through a number of production macro-steps, in which the by-products themselves are valorised as much as possible, in order to reduce the generation of material to be disposed of as much as possible and optimise the yield. First, the material received, on which a radiometric check is carried out to exclude the presence of radioactive elements, is unloaded in the yard and classified. This is followed by the shredding and separation of the spent battery constituents. The polypropylene component is recovered and sold, the polythene component is instead disposed of according to its characteristics and then, for the most part from 2021, constitutes a material for energy production through waste-to-energy at foreign plants. In this phase, lead carbonate is obtained by means of special components, which enables the sulphur content to be considerably reduced, by means of a modern and complex procedure that allows, with the attached crystallisation plant, compliance with the SO_x limit for chimney emissions, together with a reduction of more than 50 per cent of the sterile waste sent to authorised landfill sites. The excess carbonate generates sodium sulphate, which, deposited in a special plant, is concentrated and sold on the market as a solvent mainly used for bathrooms and detergents.

The lead-based materials are then sent to smelting furnaces from which the molten raw metal, destined for refining, is produced. Finally, once the required parameters have been verified, the lead, still in a liquid state, is cast into planes and slabs, which are then cooled and stored in an automated plant before being sent to the customer.



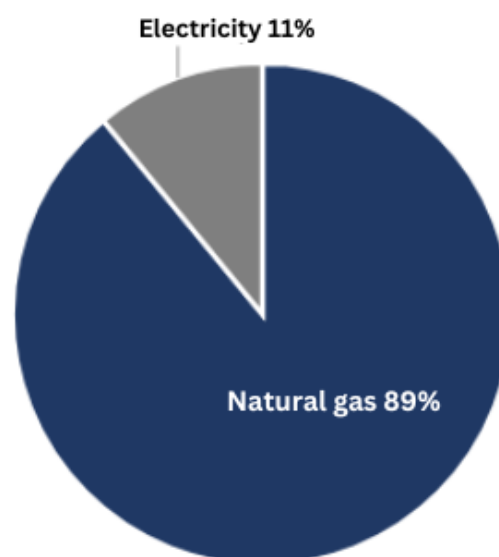


It is through these production phases, carried out on a daily basis, that Piomboghe realises its concept of circular economy day after day, contributing to the transition from a traditional model of development, and its complex phases of transformation, use and finally disposal of material, to a model based on limiting the use of raw materials, **reusing and extreme recycling** of otherwise non-recoverable spent material.

This aspect makes the circular economy, dealt with in this document in the chapter dedicated to the company's environmental performance, a transversal topic in sustainable development strategies, and one that also takes on a strong economic and social connotation.

In addition to the consumption of materials, a significant impact of the plant's activity is related to direct energy consumption, i.e. the **methane** used, together with oxygen as an oxidiser, to power the furnaces (which accounts for 87% of consumption in 2021) and the consumption of **electricity** purchased from the national grid (11%) and self-produced. Gas and electricity are also used, to a lesser extent, for office use and heating. Lastly, gas is used, on a subsidiary basis, for the three generator sets present in the plant to guarantee the continuity of power supply to the plants, in the event of suspension of the electricity supply from the grid.

Energy consumed per source (2021)



In addition to the consumption shown in the table, the company also purchased diesel to power its in-house fleet, totalling 3,019 GJ in 2021 (2,832 GJ in 2020 and 3,445 GJ in 2019).

Much of the energy consumed therefore comes from natural gas (for a total of 123,606 GJ in 2021, equal to 87% of total consumption). As described in more detail in the next section, as far as emissions from gas consumption are concerned, Piomboghe offsets them with the purchase of carbon credits, thus becoming 'carbon neutral'. As far as electricity is concerned, in 2020 Piomboghe decided to procure only from renewable sources with guarantee of origin certificates. In addition, the purchased electrical energy is supplemented by that produced internally by the photovoltaic plant installed on the roof of the factory. The plant, which has been in place since 2011 with a capacity of about 600 kWp, was expanded precisely during 2021 by about 175 kWp, allowing production to increase, in the nine months it has been in operation, to a total of 774,598 kWh (+26% compared to 2020), of which about 15% was sold externally. This plant has made it possible to cover 15.8% of the plant's electricity needs in 2021, with a clear reduction of CO₂ released into the atmosphere. Thanks to the contribution of the photovoltaic plant and the purchase of energy from certified renewable sources, Piomboghe has in fact been able to avoid the emission into the atmosphere of a further 942 tonnes of CO₂eq in the three-year reporting period⁴.

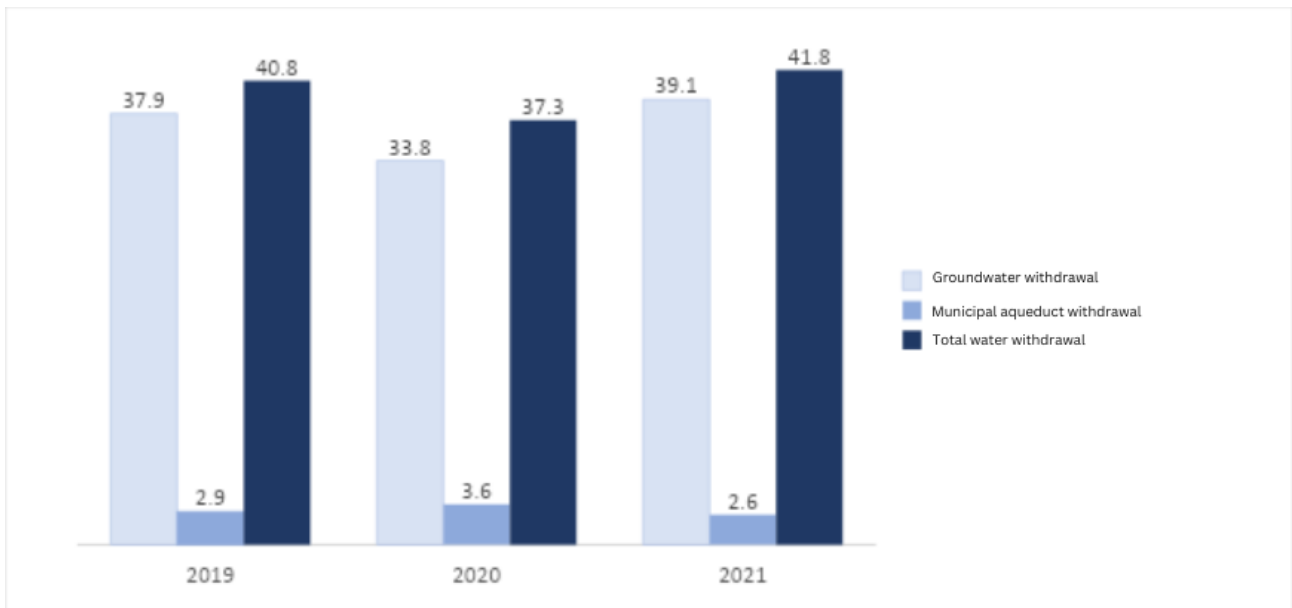
Energy consumed within the organisation (GJ)			
	2019	2020	2021
Natural gas	123,912	108,059	120,587
Electricity (bought and self-produced)	15,689	14,260	14,893
Total consumption	139,601	122,319	135,480

The 11% growth in energy consumption in 2021 compared to the previous year is largely attributable to the resumption of operations following the difficulties in 2020, when operations were also temporarily suspended as a precautionary measure.

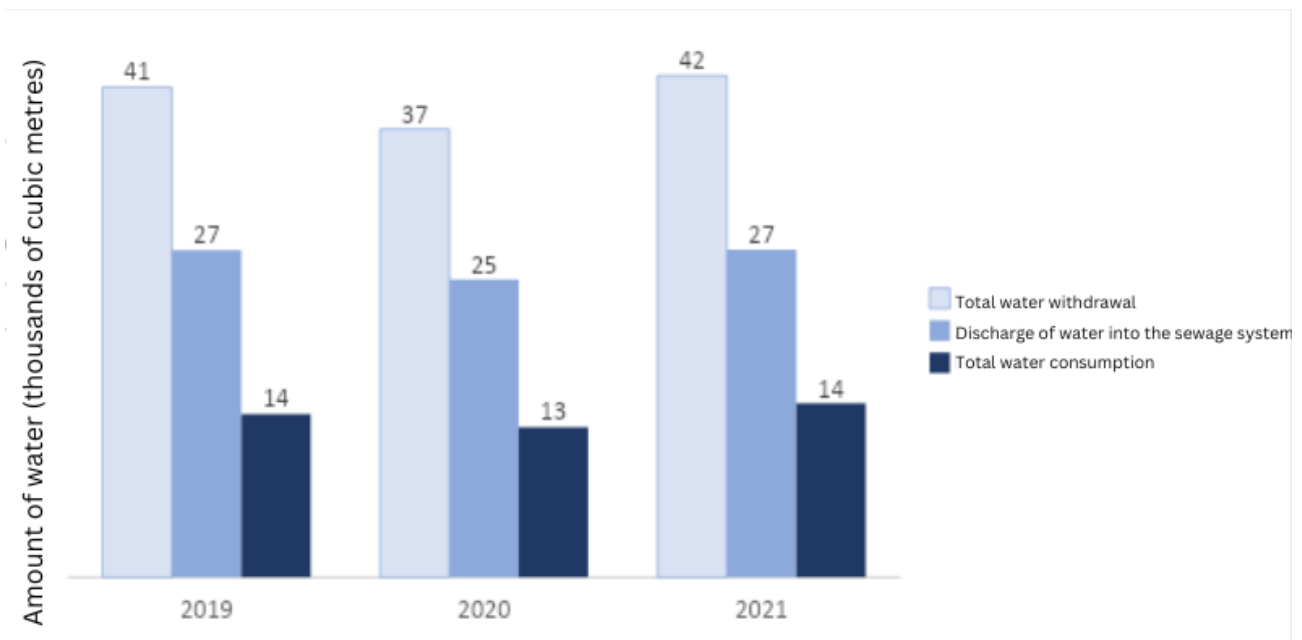
Another key aspect for Piomboghe is the management of water resources, mainly used within the production cycle during the cooling phases of the casting moulds and for make-up water and, to a lesser extent, for civil use in the offices. The water consumed comes from two main sources: a large part (about 94% of the total withdrawn in 2021) is water drawn from the water table below the plant, which is drawn from an internal well and used for production processes. The remainder, destined for sanitary and office use, is taken from the aqueduct in the municipality of Brugherio.

From a water stress point of view, understood as an area's ability to meet human and ecological water demand, the area surrounding the plant is classified as low water risk by the World Resources Institute's Water Risk Atlas. The overall water risk measures all water-related risks, aggregating all indicators selected from the Physical Quantity, Quality and Regulatory and Reputational Risk categories.

⁴ Estimated emissions that would have been generated by electricity production from thermoelectric plants, according to the Market-based calculation, as defined in footnote 10 and methodological note.



To confirm Piomboghe's commitment to the responsible and conscious use of water resources, the company has a water purifier inside the factory, which allows the treatment and reuse of water consumed during the production cycle, as well as the recovery of rainwater. The collected water is treated through neutralisation, flocculation and filtration processes that allow the reduction of acidity and metal concentrations, as well as the removal of residues in the waste water. The treated water is then used for activities for which no specific quality requirements are necessary, e.g. washing of the yard, and is subsequently sent to the sewer, together with the excess water beyond the maximum capacity of the treated water collection tank. Before being discharged into the sewerage system, the wastewater undergoes further specific purification treatment with selective resins to remove heavy metals.



In the three-year period from 2019 to 2021, the data on water withdrawal, discharge and consequent water consumption in Piomboghe remained more or less constant with the exception of a slight reduction in 2020, following a drop in production due to the COVID-19 pandemic.

3.2. Reducing environmental impact

Among the main impacts generated by the plant's activities are GHG emissions related to the direct and indirect energy consumption of the plant and production processes. Energy consumption is in fact associated with GHG emissions, both direct (*Scope 1*), i.e. deriving from emission sources owned or under the direct control of the company, and indirect (*Scope 2*), due to electricity consumption.

In this context, Piomboghe's constant commitment to combating climate change has led to the adoption of various initiatives. As mentioned above, already since 2011 part of the electricity consumed has been generated internally by the photovoltaic plant present in the factory, and from 2020 the remaining portion of electricity will also come solely from renewable sources with guarantee of origin certificates. These choices have made it possible to eliminate Scope 2 emissions, calculated using the *Market based*⁵ method, which amounted to 1,841 tonnes of CO_{2e} in 2019.

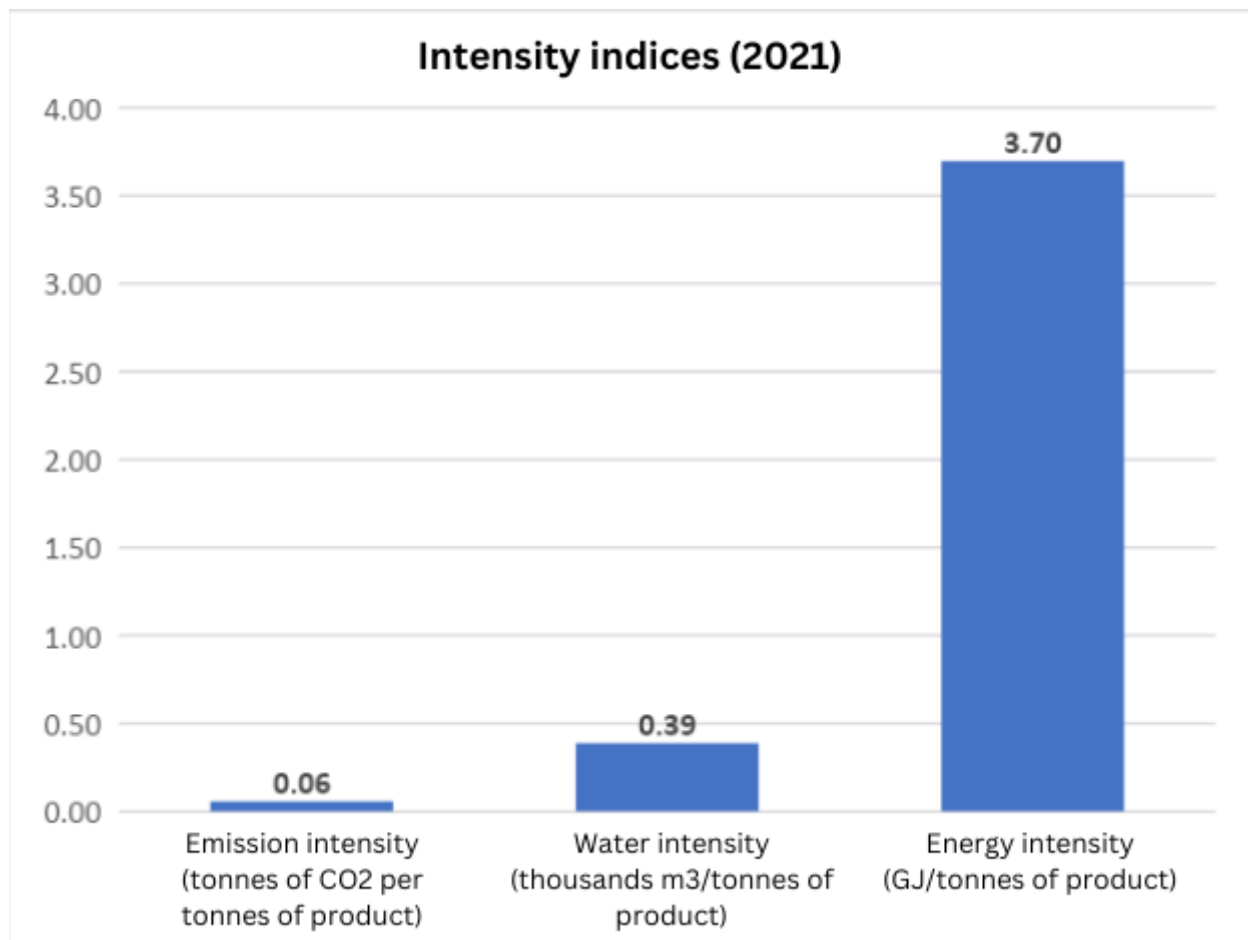
As far as Scope 1 direct emissions are concerned, these derive mainly from the combustion of natural gas (1,179 tCO_{2e} in 2021), from coal - used as an auxiliary material necessary in the smelting process - (778), and to a residual extent, from diesel used as motive power for forklifts (211). In this case, not being able to replace these sources of supply to date, Piomboghe has decided to offset the direct emissions generated, through the purchase of carbon credits, and thus become 'carbon neutral'.

Greenhouse gas emissions (tCO_{2e})

	2019	2020	2021
GHG direct emissions (Scope 1)			
Natural gas	924	803	1,179
Carbon	699	619	778
Diesel	249	201	211
Total direct emissions	1,872	1,623	2,168
GHG indirect emissions (Scope 2)			
Electricity – Market Based	1,841	-	-
Electricity – Location Based	1,200	1,083	1,096
Total for Scope 1 and Scope 2 - Location based	3,072	2,706	3,264
Total for Scope 1 and Scope 2 - Market based	3,713	1,623	2,168

Compared to the production recorded in 2021, the consumption of lead is translated into intensity indicators reflecting the impacts generated by the production volumes of 37,476 tonnes of lead in the year.

⁵ *Scope 2* emissions can be calculated according to the *Location based* method, which uses national average emission factors related to each country's energy mix for electricity production, or according to the *Market based* method, which applies emission factors associated exclusively with the production of energy from thermoelectric power plants, while taking into account any shares of certified electricity from renewable sources.



A further impact is related to pollutant emissions and air quality. The main pollutant emissions produced by the company are total dust, lead, sulphur dioxide, carbon monoxide and nitrogen monoxide, which are constantly monitored at the plant.

In addition, emission abatement systems have been installed in the main chimneys, with optical and acoustic alarm systems. With regard to SO_x, present in the fumes of the smelting process, emissions are controlled through the integration of the desulphurisation process of the pastel, the material loaded to the furnaces. This process, which consists of the transformation of sulphated pastel into desulphurised pastel, by means of a reaction with sodium carbonate, generates a material destined for the furnaces with a low quantity of sulphur and a solution rich in sodium sulphate sent to the crystallisation plant, from which a by-product destined for third parties is produced. Adopting this process to limit SO_x emissions not only reduces the impact on the air, but by reducing the sulphur content in the material destined for the furnaces, it also considerably reduces the amount of sterile slag produced by the oxy-reduction reaction in the rotary kilns.

The table below shows the emissions of nitrogen oxides (NO_x) and sulphur oxides (SO_x) from Piomboghe's foundry activity, as well as other significant emissions.

Main pollutant emissions (t/y)

Emission category	2019	2020	2021
Sulphur Oxide (So _x)	248.91	248.91	287
Nitrous oxide (No _x)	55.92	43.87	39.7
Pb	0.215	0.242	0.316
PTS	0.954	1.125	0.709
H ₂ SO ₄	0.0094	0.0171	0.0115
CO	0.027	0.018	0.028

Piomboghe attributes to the correct management of resources a fundamental role within its policies, as witnessed by the prominence given to the principles of environmental management in the **Integrated Policy**. The management of waste produced, in particular, is first of all monitored by securing all the areas of the plant where waste storage, recovery and treatment operations take place, which have construction characteristics that prevent soil and groundwater contamination, as well as minimising diffuse emissions due to handling or the action of meteoric agents.

The main raw material used by Piomboghe is itself a special and hazardous waste that requires treatment. From the processing of this waste, which consists largely of spent batteries, other waste categories are produced, some of which are destined for external disposal or incineration, while others - such as polypropylene - are destined for external reuse.

In total, Piomboghe produces about 18,000 tonnes of waste per year (18,599 in 2021), of which about 18.6 per cent (3,464 tonnes in 2021) is **non-hazardous waste**, while the remaining 81.4 per cent (15,135) tonnes in 2021) is **hazardous waste**.⁶

The non-hazardous waste produced - mainly packaging and polypropylene scrap - is entirely destined for recycling. For hazardous waste, on the other hand, about 19% is sent for recycling - in particular, mineral oils and used oil filters, electrolytes from batteries and accumulators, and polythene loaded with traces of lead compounds are recovered.

Of the remaining 80 % (12,203 tonnes of waste in 2021), most of the slag from primary and secondary production is sent to landfill (10,785 tonnes in 2021), while some of the polythene loaded with lead compounds is sent for incineration, with energy recovery.

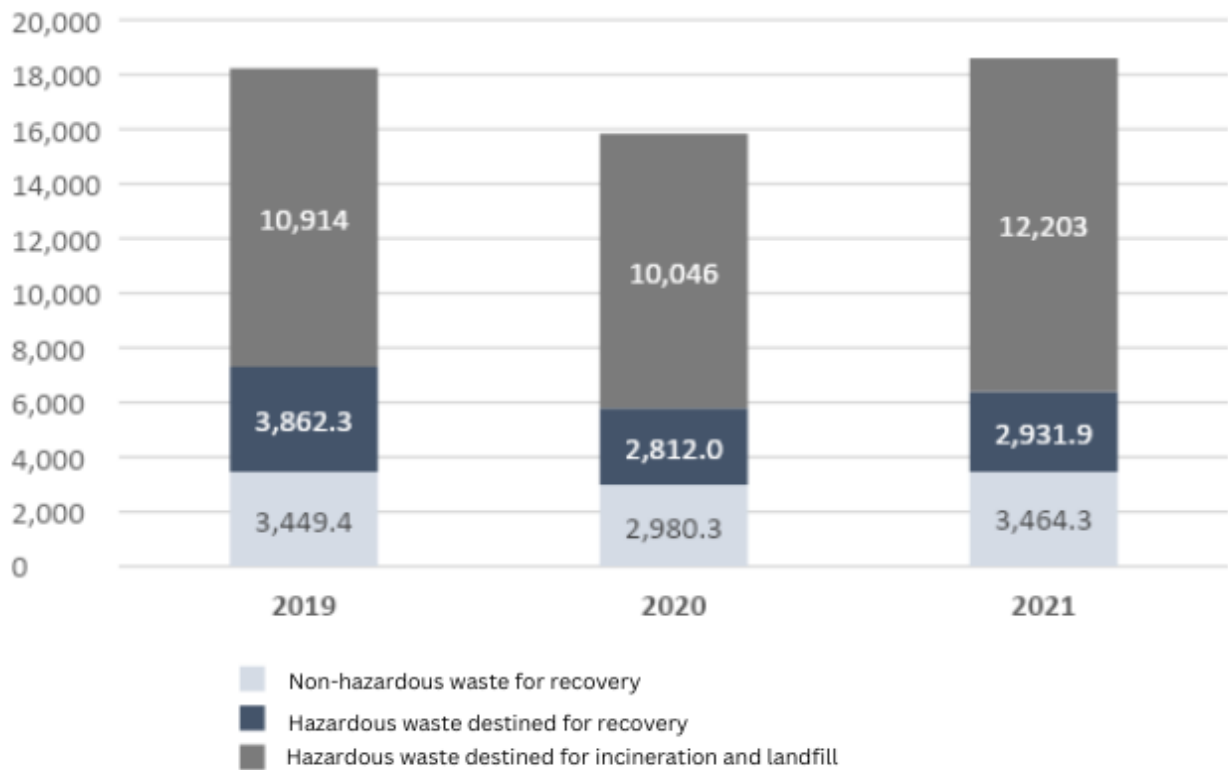
In 2021, the quantities of waste produced are in line with previous years. The increase in the share of waste going to incineration is due to the inclusion of a new disposal service provider in the supplier pool, which sends the waste - polythene loaded with traces of lead compounds - directly abroad for incineration.

⁶ For European countries, hazardous waste is identified with an asterisk in the European Waste Catalogue (EWC)

Produced waste (tonnes)

	2019	2020	2021
TOTAL NON-HAZARDOUS WASTE	3.449	2.980	3.464
Of which to be recycled	3.449	2.980	3.464
TOTAL HAZARDOUS WASTE	14.776	12.858	15.135
Of which to be recycled	3.862	2.812	2.932
Of which destined for incineration (with energy recovery)	-	336	1.020
Of which to landfill	9.357	8.680	10.785
Other disposal operations	1.557	1.030	398
TOTAL PRODUCED WASTE	18.225	15.838	18.599

Generated waste purpose (tonnes)



Type of waste	2019	2020	2021
NON-HAZARDOUS WASTE			
TOTAL NON-HAZARDOUS WASTE	3,449.4	2,980.3	3,464.3
Of which to be recycled	3,449.4	2,980.3	3,464.3
Various packaging materials	1,600.8	1,283.0	1,598.2
Scrap polypropylene	1,848.7	1,697.3	1,807.2
Iron and steel from equipment	-	-	59
TOTAL BEING RECOVERED	3,449.4	2,980.3	3,464.3
HAZARDOUS WASTE			
TOTAL HAZARDOUS WASTE	14,776.3	12,858.0	15,134.9
Of which to be recycled	3,862.3	2,812.0	2,931.9
Used mineral oils and oil filters	0.3	0.2	0.2
Electrolytes from batteries and accumulators	3,645.3	2,785.7	2,769.2
Polythene loaded with traces of lead compounds (separators)	216.7	26.1	162.5
Total being recovered	3,862.3	2,812.0	2,931.9
Of which to be incinerated (with energy recovery)	-	336.1	1,019.9
Polythene loaded with traces of lead compounds (separators)	-	336.1	1,019.9
Taken to landfill	9,357	8,680	10,785
Slags from primary and secondary production	9,357	8,680	10,785
Other disposal operations	1,557	1,029.9	398.1
Polythene loaded with traces of lead compounds (separators)	1,557	1,029.9	398.1
TOTAL TO INCINERATION AND LANDFILL	10,914	10,046	12,203

4. Relations with the community

Well aware that it is not an organisation in its own right, but instead it operates within a complex economic and social community, Piomboghe devotes the same attention as it does internally to the defence of its own safety, environmental protection and ethical standards, also to its relations along the supply chain, both upstream and downstream from the value chain.

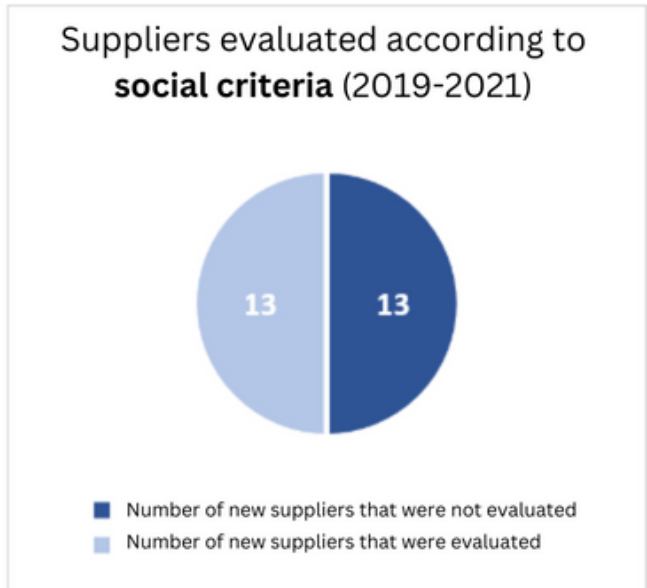
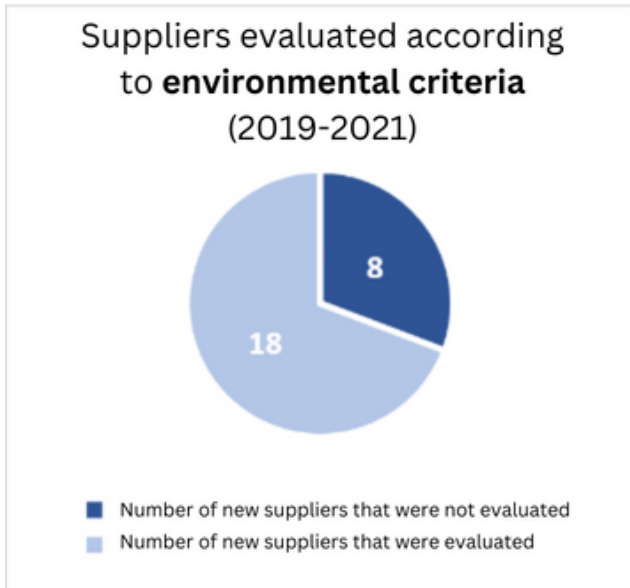
With all parties in the supply chain, the company bases its relations on the principles of fairness, professionalism and reliability. There are about 100 suppliers, mostly established in Italy, and they are divided into two main macro categories: suppliers of raw materials (spent batteries) and suppliers of equipment and services. Downstream on the chain of supply, on the other hand, Piomboghe addresses a portfolio of about 20 customers active in Italy, mostly in the battery market and, to a lesser extent, in the processing of lead laminates and ammunition for sport hunting and clay pigeon shooting. Part of the product is also sold on the London Metal Exchange (LME), whose identifying mark 'P. Colombo' has been registered since 1998 and is internationally recognised. In its dealings with customers, Piomboghe bases its relationship on listening and understanding their wishes, and periodically opens its factory for audits of its processes and products.

With regard to suppliers, Piomboghe has established a meticulous qualification and monitoring procedure in order to ensure compliance with regulatory requirements and maintain the expected quality standards. The procedure is based on Piomboghe's Integrated Management System and involves the evaluation, for each potential new supplier, of quality parameters and environmental and social compliance, in addition to the traditional economic criteria of price and delivery times. These procedures define the tools and conditions that determine the selection of a potential supplier and its maintenance in the register of qualified suppliers. In fact, this procedure does not only apply to potential new suppliers, but also to all those for whom criticalities were found during the previous year.

As far as new suppliers are concerned, the evaluation procedure is carried out after the supplier has been in service for one year. During the selection phase, the potential new supplier undergoes an initial screening aimed at assessing the quality of the supply downstream of which the main element considered is the monitoring of regulatory non-compliance with regard to environmental compliance aspects, with particular reference to waste management. Furthermore, among the social aspects, great importance is given to the issue of human rights and worker safety, in accordance with the SA8000 standard, on the basis of which the evaluation parameters adopted were determined. Furthermore, in some cases, Piomboghe carries out second-party audits at the supplier's production sites, performed jointly with the Quality Manager, following a series of criteria defined on the basis of the SA8000 certified Management System, contained in the Code of Ethics, and collected in a special check-list.

Upon completion of the evaluation process, Piomboghe shares a report with the supplier to point out the criticalities encountered and the main points for improvement: the supply relationship may then continue or be interrupted depending on the response and implementation of the requests by the evaluated supplier.

Over the entire reporting period, the percentages of new suppliers assessed according to social and environmental criteria are 50% and 69%, respectively.



Finally, the constant growth that Piomboghe has experienced over the years cannot be separated from the context and social fabric in which it has taken place. Indeed, the company represents a deep-rooted and recognised economic entity that has always been committed to the shared and common growth of the entire community.

Once again, it is the Integrated Policy that indicates the principles of Piomboghe's social action, inspired by social sustainability and attention to the expectations of all stakeholders, from its own staff, to supply chain actors, local institutions and the local community. As far as the ethics component is concerned, the Policy has been certified according to the SA8000 standard for corporate social responsibility since 2008.

The relationship with the local community is first and foremost one of absolute transparency with the reference bodies for the required authorisations. Compared to other operators in the sector, Piomboghe participates in the exchanges and updates of Assomet (Associazione Nazionale Industrie Metalli non Ferrosi), the main association representing Italian producers and processors of non-ferrous metals, and Assolombarda.

Finally, the company has established a long-lasting relationship with a number of solidarity associations, allocating part of its revenues to Amico Charly, an organisation active in Milan in support of young people and their families, and the Fondazione Rava, in support of childhood, with a direct commitment to hospitals in Haiti.

Methodology Note

This document constitutes the first Sustainability Report of Piomboghe S.r.l. Benefit Corporation, also referred to in the text as 'Piomboghe' or 'company', and it is drawn up on a voluntary basis with the aim of communicating its performance, strategies and commitments in the areas of sustainability that are significant for the company in a transparent manner to its stakeholders. The process that led to the preparation of the Report saw the involvement of the company management and the main functions coordinated by them.

The Report covers the fiscal year 2021 (1 January to 31 December) and the data are compared with the results for 2020 and 2019.

The document, which will be published annually, has been prepared in accordance with the *GRI Sustainability Reporting Standards* (hereafter *GRI Standards*), published in 2016 by the GRI - Global Reporting Initiative and its updates, according to the *Core* option.

The reporting scope includes the plant in Brugherio (MB).

The document was prepared in line with the principles of definition and quality of content expressed by the GRI Standards: stakeholder inclusiveness, sustainability context, materiality, completeness, accuracy, balance, clarity, comparability, reliability and timeliness.

With reference to the materiality principle, this Report reports Piomboghe's results and performance with reference to the issues that emerged as material from the materiality analysis, i.e. having a strong influence on stakeholders' assessments and decisions and a high relevance in terms of economic, social and environmental impacts. For further details, see chapter "1.2 - Sustainability at Piomboghe".

Scope of the Impacts of Material Aspects

MATERIAL THEME	GRI DISCLOSURE	SCOPE		REPORTING LIMITATIONS
		INTERNAL	EXTERNAL	
Fight against climate change	302: Energy 305: Emissions	Piomboghe	-	-
Air quality	305: Emissions	Piomboghe	-	-
Promotion and development of the circular model	301: Materials	Piomboghe	-	-
Waste management	306: Waste	Piomboghe	-	-
Water management	303: Water and effluents	Piomboghe	-	-
Business ethics and regulatory compliance	205: Anti-corruption 206: Anti-competitive behaviour 307: Environmental compliance 419: Socioeconomic compliance	Piomboghe	-	-

Research, development and innovation	-	Piomboghe	-	-
Sustainable management of the supply chain	308: Supplier Environmental Assessment 414: Supplier Social Assessment	Piomboghe	Suppliers	-
Relations with the region	-	Piomboghe	-	-
Workers' health and safety	403: Occupational Health and Safety	Piomboghe	Contract staff	-
Developing employees' skills	404: Training and Education	Piomboghe	-	-
Employment protection and employee welfare	401: Occupazione	Piomboghe	-	-
Diversity and equal opportunity	405: Diversity and Equal Opportunity; 406: Non-discrimination	Piomboghe	-	-

Main criteria for calculation

The calculation methods for some of the indicators in the various sections of the Report are shown below. For environmental data, a conservative approach has been adopted in the assumptions made.

Energy consumption

The energy consumption of Piomboghe, derived from methane, electricity and diesel, was calculated in terms of Giga Joules (GJ). In order to standardise the different energy vectors, conversion factors from the "UK Government GHG Conversion Factors for Company Reporting - Fuel properties" table from the UK Department for Environment, Food & Rural Affairs (DEFRA) were used for each reporting year. For methane conversion only, conversion factors from the Ministry of Ecological Transition's (MATM) "National Standard Parameter Table", updated to 2021, were used.

Direct (Scope 1) and indirect (Scope 2) emissions

Greenhouse gas emissions were calculated based on the principles included in the "GHG Protocol Corporate Accounting and Reporting Standard", the standard published by The Greenhouse Gas Protocol Initiative in terms of CO₂ equivalent and determined as shown in the table.

DIRECT GHG EMISSIONS (SCOPE 1)				
SOURCE	ACTIVITY		EMISSION FACTOR	GWP
Natural gas and diesel	Fuel consumption		DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2021, 2020 and 2019	Only CO ₂ emissions were considered
Losses from refrigerant gas	Losses		-	The Global Warming Potentials (GWPs) taken into

conditioning systems				consideration derive from DEFRA, Conversion factors database (2021, 2020 and 2019).
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INDIRECT GHG EMISSIONS (SCOPE 2)			
SOURCE	ACTIVITY	EMISSION FACTOR	GWP
Electricity purchased from the national grid – according to the location-based method	Electricity consumption	Terna, Confronti Internazionali, 2019 (Total gross production)	Only CO ₂ emissions were considered
Electricity purchased from the national grid – according to the market-based method	Electricity consumption	AIB - European Residual Mixes, 2018, 2019, and 2020	Only CO ₂ emissions were considered

Health and Safety

The accident frequency index is calculated as the ratio between the total number of recordable accidents, excluding commuting accidents, and the number of hours worked in the same period, multiplied by 1,000,000.

The serious accident frequency index is calculated as the ratio between the total number of accidents involving more than 180 days of absence and the number of hours worked in the same period, multiplied by 1,000,000.

Employees

Employee figures are represented as headcount as of 31 December of the reference periods and not as FTE (full-time equivalent) figures.

Generated and Distributed Economic Value

The data reported in section 1.4 "Generated and distributed value" are derived from the annual financial statements as of 31 December 2021 of Piomboghe S.r.l. Benefit Society.

Information and contacts

For information and further details on Piomboghe's sustainability strategy and the contents of this Sustainability Report, please contact the following address: Info@piomboghe.it

GRI Content Index

GRI STANDARD	DISCLOSURE	DESCRIPTION	SECTION OF THE DOCUMENT	NOTES & OMISSIONS
GENERAL DISCLOSURES				
GRI 102: General disclosures 2016	ORGANISATIONAL PROFILE			
	102-1	Name of the organisation	Methodology note;	
	102-2	Activities, brands, products, and services	1.1 Committed to protecting and respecting the environment for 50 years	
	102-3	Location of headquarters	1.1 Committed to protecting and respecting the environment for 50 years	
	102-4	Location of operations	1.1 Committed to protecting and respecting the environment for 50 years	
	102-5	Ownership and legal form	1.3 Tools for responsible management	
	102-6	Markets served	4.1 The value chain	
	102-7	Scale of the organisation	2.1 Our team	
	102-8	Information on employees and other workers	2.1 Our team	
	102-9	Supply chain	4.1 The value chain	
	102-10	Significant changes to the organisation and its supply chain	Not applicable, first Report according to GRI Standards	
	102-11	Precautionary Principle or approach	Methodology note	
	102-12	External initiatives	4.2 Sustainable growth with the region	
	102-13	Membership of associations	4.1 The value chain	
STRATEGY				
102-14	Statement from senior decision-maker	Letter to Stakeholder		
ETHICS AND INTEGRITY				
102-16	Values, principles, standards and norms of behaviour	1.1 Committed to protecting and respecting the environment for 50 years		
GOVERNANCE				

	102-18	Governance structure	1.3 Tools for responsible management
	STAKEHOLDER ENGAGEMENT		
	102-40	List of stakeholder groups	1.2 Sustainability at Piomboghe
	102-41	Collective bargaining agreements	2.1 Our team
	102-42	Identifying and selecting stakeholders	1.2 Sustainability at Piomboghe
	102-43	Approach to stakeholder engagement	1.2 Sustainability at Piomboghe
	102-44	Key topics and concerns raised	1.2 Sustainability at Piomboghe
	REPORTING PRACTICE		
	102-45	Entities included in the consolidated financial statements	Methodology note
	102-46	Defining report content and topic Boundaries	Methodology note
	102-47	List of material topics	1.2 Sustainability at Piomboghe
	102-48	Revision of information	Not applicable, first Report according to GRI Standards
	102-49	Changes in reporting	Not applicable, first Report according to GRI Standards
	102-50	Reporting period	Methodology note
	102-51	Date of most recent report	This document is the first Report redacted according to GRI Standards
	102-52	Reporting cycle	Piomboghe intends to publish the Sustainability Report annually
	102-53	Contact point for questions regarding the report	Methodology note
	102-54	Statement on reporting in accordance with GRI Standards	Methodology note
	102-55	GRI content index	GRI Content Index
	102-56	External assurance	This document is not subject to external assurance.
GRI 200 ECONOMIC STANDARDS			
GRI 103: Management approach 2016	ECONOMIC PERFORMANCE		
	103-1	Explanation of the material topic and its Boundary	1.2 Sustainability at Piomboghe; Methodology note
	103-2	The management approach and its components	1.3: Tools for responsible management

GRI 201: Economic performance 2016	103-3	Evaluation of the management approach	1.3: Tools for responsible management
	201-1	Direct economic value generated and distributed	1.4 Generated and distributed value
	ANTICORRUZIONE		
GRI 103: Management approach 2016	103-3	Evaluation of the management approach	1.2 Sustainability at Piomboghe; Methodology note
	103-2	The management approach and its components	1.3: Tools for responsible management
	103-3	Evaluation of the management approach	1.3: Tools for responsible management
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	1.3: Tools for responsible management
	ANTI-COMPETITIVE BEHAVIOUR		
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	1.2 Sustainability at Piomboghe; Methodology note
	103-2	The management approach and its components	1.3: Tools for responsible management
	103-3	Evaluation of the management approach	1.3: Tools for responsible management
GRI 206: Anti-competitive behaviour 2016	206-1	Legal actions for anticompetitive behaviour, antitrust, and monopoly practices	1.3: Tools for responsible management
GRI 300 ENVIRONMENTAL STANDARDS			
MATERIALS			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	1.2 Sustainability at Piomboghe; Methodology note
	103-2	The management approach and its components	3. Protecting the environment 3.1 Responsible management of resources
	103-3	Evaluation of the management approach	3. Protecting the environment 3.1 Responsible management of resources
GRI 301: Materials 2016	301-1	Materials used by weight or volume	3. Protecting the environment 3.1 Responsible management of resources
	301-2	Recycled input materials used	3. Protecting the environment 3.1 Responsible management of resources
ENERGY			

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	1.2 Sustainability at Piomboghe; Methodology note
	103-2	The management approach and its components	3. Protecting the environment 3.1 Responsible management of resources
	103-3	Evaluation of the management approach	3. Protecting the environment 3.1 Responsible management of resources
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	3.1 Responsible management of resources
	302-3	Energy intensity	3.1 Responsible management of resources
WATER AND EFFLUENTS			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	1.2 Sustainability at Piomboghe; Methodology note
	103-2	The management approach and its components	3. Protecting the environment 3.2 Reducing environmental impact
	103-3	Evaluation of the management approach	3. Protecting the environment 3.2 Reducing environmental impact
GRI 303: Water and effluents 2018	303-1	Interactions with water as a shared resource	3.2 Reducing environmental impact
	303-2	Management of water discharge-related impacts	3.2 Reducing environmental impact
	303-3	Water withdrawal	3.2 Reducing environmental impact
	303-4	Water discharge	3.2 Reducing environmental impact
	303-5	Water consumption	3.2 Reducing environmental impact
EMISSIONS			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	1.2 Sustainability at Piomboghe; Methodology note
	103-2	The management approach and its components	3. Protecting the environment 3.2 Reducing environmental impact
	103-3	Evaluation of the management approach	3. Protecting the environment 3.2 Reducing environmental impact
GRI 305: Emissions 2016	305-1	Direct (Scope 1) Greenhouse Gas (GHG) emissions	3.2 Reducing environmental impact
	305-2	Energy indirect (Scope 2) GHG emissions	3.2 Reducing environmental impact
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other	3.2 Reducing environmental impact
WASTE			

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	1.2 Sustainability at Piomboghe; Methodology note	
	103-2	The management approach and its components	3. Protecting the environment 3.2 Reducing environmental impact	
	103-3	Evaluation of the management approach	3. Protecting the environment 3.2 Reducing environmental impact	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	3.2 Reducing environmental impact	
	306-2	Management of significant waste-related impacts	3.2 Reducing environmental impact	
	306-3	Waste generated	3.2 Reducing environmental impact	
	306-4	Waste diverted from disposal	3.2 Reducing environmental impact	
	306-5	Waste directed to disposal	3.2 Reducing environmental impact	
ENVIRONMENTAL COMPLIANCE				
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	1.2 Sustainability at Piomboghe; Methodology note	
	103-2	The management approach and its components	1.3 Tools for responsible management 3. Protecting the environment	
	103-3	Evaluation of the management approach	1.3 Tools for responsible management 3. Protecting the environment	
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	1.3 Tools for responsible management	Please note that a fine of 8,667€ was imposed in 2021 for exceeding the sulphate limit in water effluents
SUPPLIER ENVIRONMENTAL ASSESSMENT				
GRI 308: supplier environmental assessment 2016	103-1	Explanation of the material topic and its Boundary	1.2 Sustainability at Piomboghe; Methodology note	
	103-2	The management approach and its components	4.1 The value chain	
	103-3	Evaluation of the management approach	4.1 The value chain	
	308-1	New suppliers that were screened using environmental criteria	4.1 The value chain	
GRI 400 SOCIAL STANDARDS				
EMPLOYMENT				

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	1.2 Sustainability at Piomboghe; Methodology note
	103-2	The management approach and its components	2.1 Our team
	103-3	Evaluation of the management approach	2.1 Our team
GRI 401: Employment 2016	401-1	Nuove assunzioni e turnover	2.1 Our team
	LABOUR/MANAGEMENT RELATIONS		
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	1.2 Sustainability at Piomboghe; Methodology note
	103-2	The management approach and its components	2.1 Our team
	103-3	Evaluation of the management approach	2.1 Our team
Gri 402: Labour/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	2.1 Our team
	OCCUPATIONAL HEALTH AND SAFETY		
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	1.2 Sustainability at Piomboghe; Methodology note
	103-2	The management approach and its components	2.3 Protecting health and wellbeing
	103-3	Evaluation of the management approach	2.3 Protecting health and wellbeing
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	2.3 Protecting health and wellbeing
	403-2	Hazard identification, risk assessment, and incident investigation	2.3 Protecting health and wellbeing
	403-3	Occupational health services	2.3 Protecting health and wellbeing
	403-4	Worker participation, consultation, and communication on occupational health and safety	2.3 Protecting health and wellbeing
	403-5	Worker training on occupational health and safety	2.3 Protecting health and wellbeing
	403-6	Promotion of worker health	2.3 Protecting health and wellbeing
	403-7	Prevention and mitigation of occupational health and safety implications directly related to business relationships	2.3 Protecting health and wellbeing
	403-8	Workers covered by an occupational health and safety management system	2.3 Protecting health and wellbeing
	403-9	Work-related injuries	2.3 Protecting health and wellbeing

	403-10	Work-related ill health	2.3 Protecting health and wellbeing
	TRAINING AND EDUCATION		
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	1.2 Sustainability at Piomboghe; Methodology note
	103-2	The management approach and its components	2.2 The professional growth path
	103-3	Evaluation of the management approach	2.2 The professional growth path
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	2.2 The professional growth path
	DIVERSITY AND EQUAL OPPORTUNITY		
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	1.2 Sustainability at Piomboghe; Methodology note
	103-2	The management approach and its components	2.1 Our team
	103-3	Evaluation of the management approach	2.1 Our team
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	2.1 Our team
	NON-DISCRIMINATION		
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	1.2 Sustainability at Piomboghe; Methodology note
	103-2	The management approach and its components	2.1 Our team
	103-3	Evaluation of the management approach	2.1 Our team
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	2.1 Our team
	SUPPLIER SOCIAL ASSESSMENT		
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	1.2 Sustainability at Piomboghe; Methodology note
	103-2	The management approach and its components	4.1 The value chain
	103-3	Evaluation of the management approach	4.1 The value chain
GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	4.1 The value chain
	SOCIOECONOMIC COMPLIANCE		

GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	1.2 Sustainability at Piomboghe; Methodology note
	103-2	The management approach and its components	1.3 Tools for responsible management
	103-3	Evaluation of the management approach	1.3 Tools for responsible management
GRI 419: Socioeconomic compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	1.3 Tools for responsible management
ADDITIONAL DISCLOSURES			
RESEARCH, DEVELOPMENT, AND INNOVATION			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	1.2 Sustainability at Piomboghe; Methodology note
	103-2	The management approach and its components	1.2 Sustainability at Piomboghe; 3.1 Responsible management of resources
	103-3	Evaluation of the management approach	1.2 Sustainability at Piomboghe; 3.1 Responsible management of resources
RELATIONS WITH THE REGION			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	1.2 Sustainability at Piomboghe; Methodology note
	103-2	The management approach and its components	4.2 Sustainable growth with the region
	103-3	Evaluation of the management approach	4.2 Sustainable growth with the region