

S U S T A

I N A B I

L I T Y

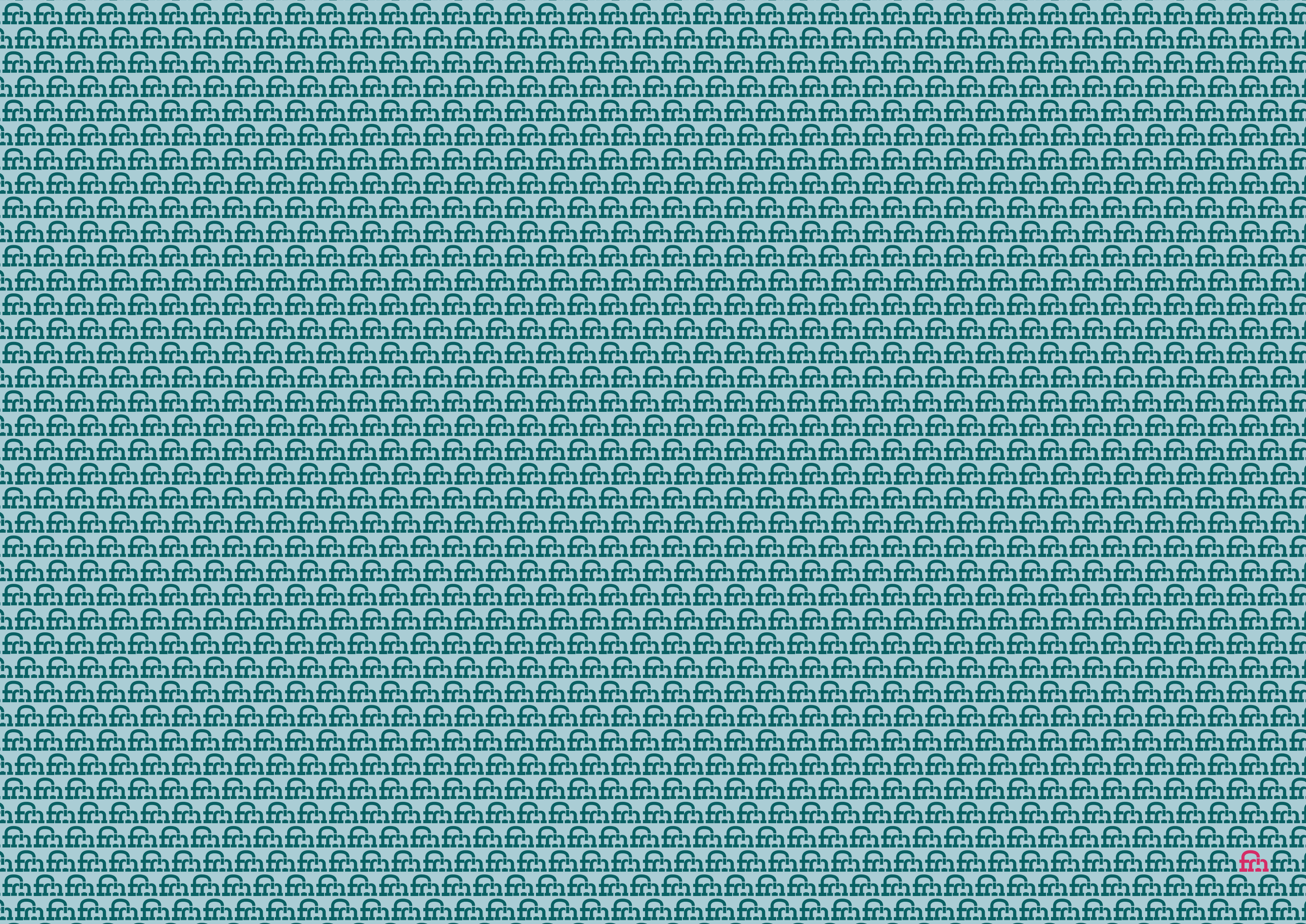
R E

P O R T

2025



**forge
monchieri**





METHODOLOGICAL NOTE

With the third edition of its Sustainability Report, Forge Monchieri reaffirms its commitment to the path it embarked on in 2023, informing stakeholders of its environmental, social and governance performance for the 2025 financial year.

This document has been prepared in accordance with the 'with reference to' option of the GRI (Global Reporting Initiative) Standards, updated to 2023. The methodology adopted in conducting the materiality analysis, however, is aligned with the latest guidelines set out in the European CSRD (Corporate Sustainability Reporting Directive) and the associated ESRS (European Sustainability Reporting Standards).

Therefore, the study carried out to identify the material (i.e., relevant) topics to be addressed in greater detail in this report was not based solely on impact materiality but also took financial materiality into account. In addition to identifying the impacts – both positive and negative, actual and potential – generated by Forge Monchieri, the financial risks and opportunities associated with environmental, social and governance issues to which the company is exposed were also analysed, using a double materiality approach.

The analysis for 2025 has been expanded and adapted, building on what was already identified in previous years; internal and external stakeholders were also involved, through the distribution of ad hoc questionnaires for each category (specifically: the workforce, the Board of Directors and strategic figures, customers, banks, suppliers, trade associations and the community).

The IROs (Impacts, Risks and Opportunities) identified have been examined in detail in the relevant chapters, and, where possible, the associated strategies have been linked to the Sustainable Development Goals (SDGs) set out in the United Nations 2030 Agenda.

The principles adopted in drafting the document are those of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability. The report was prepared in collaboration with and with the support of the consultancy firm Fedabo S.p.A. SB, based in Darfo Boario Terme (BS).

The individual topics are presented with reference to the reporting period from 1 January 2025 to 31 December 2025. Furthermore, to facilitate a better assessment of the company's performance and progress, the document contains information relating to the previous two-year period (2023–2024).

**DETAILS
MAKE
QUALITY AND
QUALITY
IS NOT A
DETAIL**



LETTER TO STAKEHOLDERS

Dear Stakeholders,

2025 was a year characterised by a still-unstable international landscape, marked by ongoing geopolitical tensions, open conflicts and a global energy balance that was constantly being redefined.

In Europe, industry has continued to grapple with energy costs that remain high by historical standards **and with the need to accelerate the transition to more sustainable and resilient production models.**

At the same time, the growing demand for energy – driven in part by technological development and artificial intelligence – **has strengthened the strategic role of the power generation sector**, making it central to global industrial development plans.

In this complex and rapidly changing landscape, Forge Monchieri has demonstrated that adaptability and a long-term vision are the cornerstones of its strength, tackling challenges responsibly and turning them into opportunities for growth.

For us, **the Sustainability Report** is much more than a formal obligation: **it is the tangible expression of a commitment that guides every decision we make**, combining industrial excellence, respect for the environment, and responsibility towards people and the local community.

We have continued to invest in improving our production processes, reducing our environmental impact and reinforcing our decarbonisation journey.

However, the true driving force behind our growth is our people. We believe in the value of skills and, above all, **in the role of young people**: investing in their training and development means laying the foundations today for robust and long-lasting growth.

We foster an inclusive, merit-based environment that is forward-looking.

In this context, we continue to uphold high standards of safety and ethics throughout the supply chain, with the aim of contributing to sustainable and responsible development.

We thank you for your trust and invite you to read this document as a testament to our commitment to growing with integrity and vision.

The Chief Executive Officer and President
Gaia Monchieri

VISION

BEING A HIGHLY DIVERSIFIED AND SUSTAINABLE FORGE



Our **vision** reflects a modern industrial strategy aimed at balancing economic resilience with environmental and social responsibility. Diversification is the company's response to the volatility of global markets. Forge Monchieri does not limit itself to a single sector; instead, it positions itself as a partner for critical applications across various fields, including energy, nuclear power and heavy industry. For Forge Monchieri, sustainability is not only an ethical commitment but also a strategic lever for creating long-term value. In 2025, this vision is supported by a significant generational change, with the appointment of **Gaia Monchieri** as Chair, marking a transition towards a management approach that is increasingly focused on innovation and ESG criteria.

MISSION

EXCELLENCE AND SUSTAINABILITY IN THE FORGING INDUSTRY



Forge Monchieri's mission is a successful blend of industrial performance and corporate responsibility: the company aims to be recognised as an industry leader not only for the quality of its products, but also for its ethical and sustainable approach to business.

In a technical sector such as forging, 'excellence' implies a rigorous commitment to product quality, process innovation and staff expertise, and is also ensured through investment in state-of-the-art machinery and the adoption of globally recognised certifications. The inclusion of 'sustainability' in our mission demonstrates that economic success is not our sole objective. Forge Monchieri is committed to operating in an ethical and responsible manner.

This translates into practices that minimise the environmental impact of production, such as energy efficiency, circular resource management, employee care, occupational safety, and transparency towards stakeholders.



INDEX

1. ABOUT US p. 12

1.1	Forge Monchieri	p. 14
1.2	2025 highlights	p. 16
1.3	The production process	p. 18
1.4	Our history	p. 20
1.5	Corporate identity and ethics	p. 22
1.6	Sustainability action plan: 2025 outlook	p. 24
1.7	Our commitment to the sustainable development goals (SDGs)	p. 28

2. MATERIALITY ANALYSIS AND IMPACT ASSESSMENT p. 30

2.1	The analysis process	p. 32
2.2	Results of the analysis: actual and potential impacts	p. 36
2.3	Results of the analysis: risks and opportunities	p. 40
2.4	Results of the analysis: ESG issues relevant to Forge Monchieri	p. 42

3. ENVIRONMENT SPHERE p. 44

3.1	Climate change	p. 49
3.1.1	Energy and energy efficiency	p. 49
3.1.2	Energy efficiency measures	p. 53
3.1.3	Greenhouse gas emissions	p. 54
3.2	Pollution prevention	p. 58
3.3	Use of resources	p. 60
3.3.1	Materials	p. 60
3.3.2	Waste management	p. 62
3.4	Water resources	p. 67

4. SOCIAL SPHERE p. 70

4.1	Our people	p. 75
4.1.1	Secure employment and personnel management	p. 75
4.1.2	Occupational health and safety	p. 80
4.1.3	Corporate well-being and flexibility	p. 82
4.1.4	Training and skills development	p. 86
4.1.5	Diversity, inclusion and gender equality	p. 91
4.2	Creating value in the community	p. 94

5. GOVERNANCE SPHERE p. 98

5.1	Business conduct	p. 103
5.1.1	Strategic direction and corporate culture	p. 103
5.1.1.1	Ethics and sustainability	p. 108
5.1.1.2	Financial performance	p. 112
5.1.2	Cybersecurity and data protection	p. 116
5.1.3	Supply chain	p. 119

6. GRI CONTENT INDEX p. 122

GRI Content Index	p. 124
Appendix A	p. 132
Appendix B	p. 142
Environment data	p. 142
Social data	p. 144
Governance data	p. 150



ABOUT US

- 1.1 Forge Monchieri
 - 1.2 2025 highlights
 - 1.3 The production process
 - 1.4 Our history
 - 1.5 Corporate identity and ethics
 - 1.6 Sustainability action plan:
2025 outlook
 - 1.7 Our commitment to the
sustainable development
goals (SDGs)
-



■ 1.1

FORGE MONCHIERI

EVOLVING WITH CONTINUITY:
ENHANCING TECHNOLOGICAL
EXPERTISE WHILE RESPECTING
OUR HISTORY



The story of **Forge Monchieri** is a prime example of the evolution of Italian industrial manufacturing, demonstrating how a traditional craft business can be transformed into a global leader in technological excellence.

The connection with **Vallecamonica** is the cornerstone of the company. The company did not spring up out of nowhere, but is rooted in a thousand-year-old tradition of ironworking. This has enabled the company to draw on a unique local 'know-how', transforming a historic industrial district into one of the world's most important forging hubs.

The company journey, which began in the mechanical workshop of **Cavalier Gianfranco Monchieri** in 1970, demonstrates how an individual vision, supported by the continuity of the Monchieri family, has been able to scale the market by focusing on significant investments that have allowed the transition from a local to an international presence.

However, technology alone is not enough; it is the combination of the owners' vision and the skills of the specialised workforce that makes the difference.

Technological innovation and the development of in-house expertise demonstrate that the company is not resting on its laurels, but continues to view tradition as a springboard towards digitalisation and the sustainability of its production processes.

The history of Forge Monchieri is a story of continuity in values (reliability and professionalism) and innovation in technology (the transition to increasingly advanced systems). It is an example of how a family business can become a global player without losing touch with its roots.



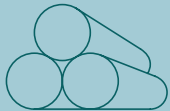
2025 HIGHLIGHTS

OVER

50

years of passion,
professionalism and
unwavering commitment
(1970–2025)

PASSION



OVER

77

million of euros in
revenue

PROFIT



2

photovoltaic systems
with a total capacity
of 1.3 MWp

SYSTEMS



OVER

97%

of employees on
permanent contracts

CONTRACTS



38%

of senior management positions
held by women (top two levels of
the organisational chart, excluding
the Board of Directors)

WOMEN IN THE
TOP MANAGEMENT



6,578

hours of training
provided (an average of
44 hours per employee)

TRAINING



€60,000

in charitable donations

DONATIONS



THE PRODUCTION PROCESS

QUALITY FIRST: THE EFFICIENCY OF A PROCESS FORGED OVER TIME AND PERFECTED THROUGH INNOVATION



Forge Monchieri's production process exemplifies an industrial model in which **large-scale capability** is combined with **surgical precision**. It is not just a matter of forging steel, but of managing a complex technological supply chain for highly demanding markets.

The use of **5,000- and 12,000-tonne** presses is not merely a technical detail, but a strategic positioning move. This capability enables the company to play a leading role in the **open-die forging** sector, producing medium- and large-sized components.

The process described demonstrates a high degree of **operational flexibility**:

The journey from the raw material (ingot) to the finished product is guided by the customer's specifications.

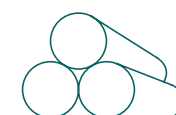
The fact that Forge Monchieri manages not only the forging process but also the **heat treatment** and mechanical machining (milling, turning, boring) ensures complete control over the final quality.

In 'critical' applications (e.g., nuclear, energy), trust is paramount. Rigorous inspections are the true added value. Through non-destructive testing and mechanical and metallographic laboratory tests, we ensure that the product fully complies with the customer's specifications.

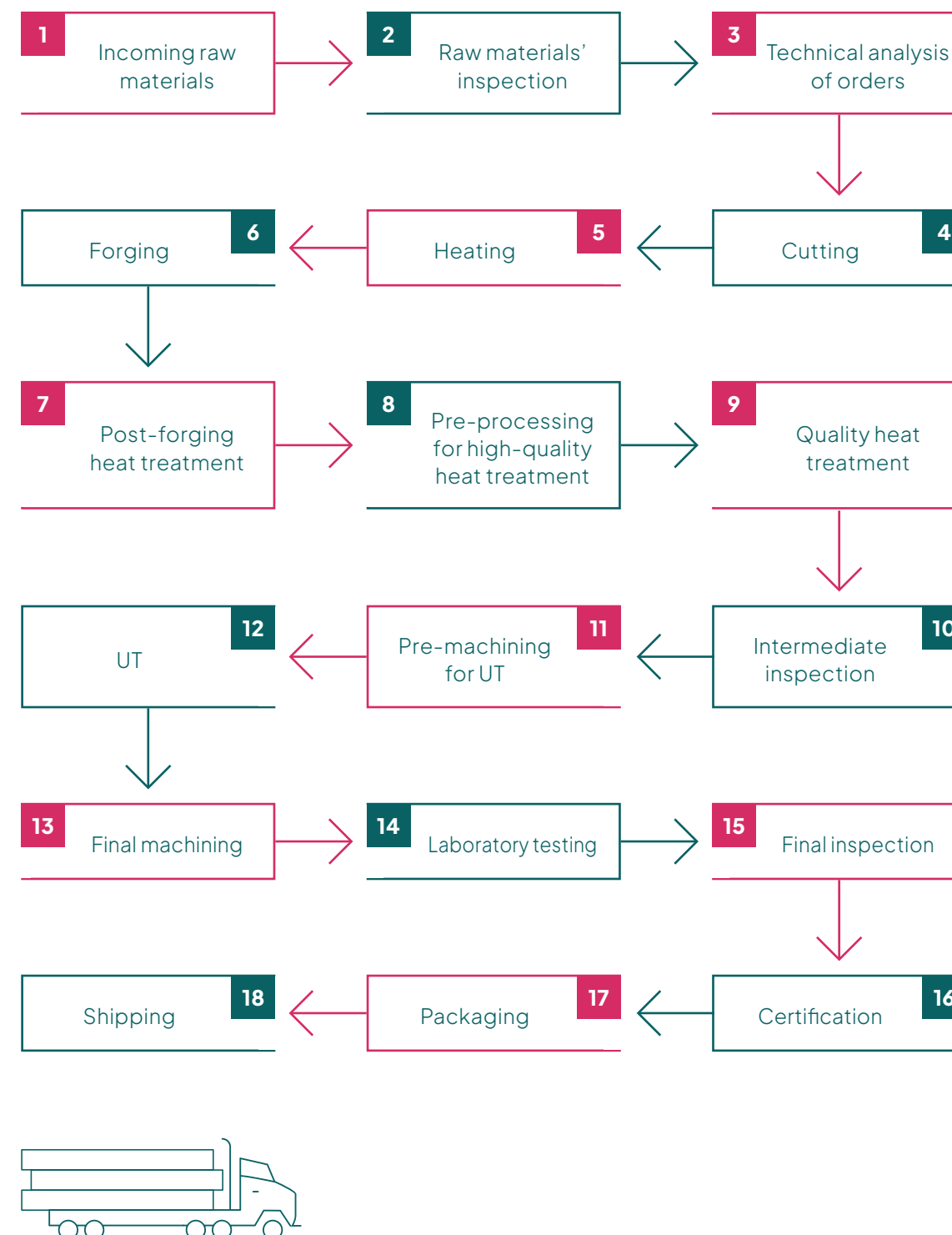
Technological advancements reflect the standards required today, enabling the supply of products that are ready for

installation. By incorporating advanced machining techniques, we are able to meet the challenge of zero tolerance, which is essential for meeting current market demands.

In an industrial world that demands ever more high-performance and safe products, Forge Monchieri responds with a robust production facility that transforms local tradition into world-class precision engineering.



KEY STAGES IN OUR PROCESS



OUR HISTORY

Establishment of Forge Monchieri.

1970

Achievement of UNI EN ISO 9001 certification for quality management systems.

1992

Installation and commissioning of the 12,000-tonne press.

Achievement of initial OHSAS 18001 certification for the health and safety management system (subsequently transitioned to ISO 45001 in 2019).

2009

Transition to a management-led company.

2015

Initiation, development and implementation of ESG projects.

2023

Gaia Monchieri, formerly Chief Executive Officer, also assumes the role of Chair of the company.

2025

1990

Installation and commissioning of the 5,000-tonne press.

2003

Achievement of UNI EN ISO 14001 certification for environmental management systems.

2010

ASME nuclear accreditation.

2020

Celebration of 50 years in business.

2024

Publication of the first Sustainability Report.

■ 1.5

CORPORATE IDENTITY AND ETHICS

**THE CORNERSTONES OF OUR STRATEGY:
COMBINING PRODUCT QUALITY WITH THE
EMPOWERMENT OF PEOPLE**



Forge Monchieri guides its operations through its **Code of Ethics** and its **Policy for Social and Ethical Responsibility**.

The aim is to foster a stimulating and dynamic working environment, based on the active involvement of stakeholders and high ethical standards.

THE FOUR PILLARS OF FORGE MONCHIERI:



1

SPIRIT OF INNOVATION

Our corporate culture places constant evolution at its core. This translates not only into the adoption of cutting-edge technological systems, but also into supporting the development of our team, by encouraging the exchange of ideas and the continuous improvement of skills.



2

TEAMWORK

We believe that collaboration is the answer to the complexities of the global market. We value dialogue between our professionals and the sharing of experiences, as the pooling of talent is the true driving force behind our long-term competitiveness.



3

CULTURE OF SUSTAINABILITY

Our development is inseparable from the respect for the planet. We are committed to reducing the environmental impact of our activities by promoting a business model in which economic profitability goes hand in hand with the protection of the local environment and society.



4

CUSTOMER FOCUS

We build lasting relationships of trust by listening carefully to the needs of our partners. Our commitment is to deliver tailor-made solutions, ensuring the standards of excellence that define everything we supply.

These principles serve as Forge Monchieri's compass: **a strong identity that steers the company confidently towards future challenges.**

■ 1.6

SUSTAINABILITY ACTION PLAN: 2025 OUTLOOK

CREATING LASTING VALUE
THROUGH AN ETHICAL IMPACT
ON THE ECOSYSTEM AND THE
COMMUNITY



24

Forge Monchieri's journey towards responsible management has been consolidated through key milestones: from measuring its carbon footprint (**ISO 14064-1**) to achieving **ISO 50001** certification for energy efficiency, integrating these objectives with its already robust management systems for quality (**ISO 9001**), the environment (**ISO 14001**) and occupational health and safety (**ISO 45001**).

In 2025, the publication of the **third edition of the Sustainability Report** confirms our commitment to transforming these pledges into an integrated and transparent corporate strategy.





The key points of our vision for 2025:

PLANNING AND CONTINUOUS IMPROVEMENT

We do not merely state our intentions; we implement an operational programme that is regularly updated. This plan includes targeted actions to maximise social and environmental benefits, taking prompt action to prevent or mitigate any critical issues.

RIGOROUS PERFORMANCE MONITORING

Ongoing analysis of **ESG (Environmental, Social, Governance)** metrics gives us a clear picture of our performance. Thanks to the data collected in our Sustainability Report, we can accurately identify our successes and the areas that require new investment or optimisation.

CREATING SHARED VALUE

Our strategy combines economic sustainability with ethical responsibility. Our aim is to generate wealth that is not only financial, but also environmental and social, fostering a culture of awareness throughout our supply chain and amongst all our stakeholders.

Today, Forge Monchieri tackles global challenges with the understanding that **sustainability is not a destination, but an unstoppable process of improvement.**

■ 1.7

OUR COMMITMENT TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

SYNERGISTIC ACTION FOR COLLECTIVE GOALS



Forge Monchieri is actively participating in the global challenge to create a more equitable and resource-efficient future, aligning its industrial development with the **17 Sustainable Development Goals (SDGs)**. These goals, set out in the

United Nations 2030 Agenda, are not only a guiding principle for international institutions; they have also become the fundamental benchmark for companies that, like ours, aim to integrate sustainability into their business model.



In 2025, our strategy does not limit itself to adopting these guidelines, but instead transforms them into concrete actions. Below, we examine the key areas in which Forge Monchieri makes a tangible contribution, demonstrating how industrial competitiveness can and must respond to the needs of the planet and global society.

The main measures recently implemented to mitigate the **environmental** impact of the company's activities have included:

- Self-generation and self-consumption of electricity from renewable sources
- Energy efficiency measures implemented within the framework of an ISO 50001-certified system
- Annual monitoring of the carbon footprint (Scope 1 & 2)
- Assessment of projects for the use of alternative energy sources
- ISO 14001-certified environmental management system

With regard to employee well-being and safety, which are key issues in the **social** area, a number of ongoing initiatives are in place:

- Occupational health and safety management system in accordance with ISO 45001
- WHP programme
- Subsidised prevention packages
- Welfare platform and initiatives to support staff work-life balance
- Induction plan for new employees and training, including on cross-cutting topics (in addition to legal requirements)

Finally, with regard to **governance and community support**, Forge Monchieri demonstrates an ongoing commitment to continuously improving its strategies and the management of its partnerships:

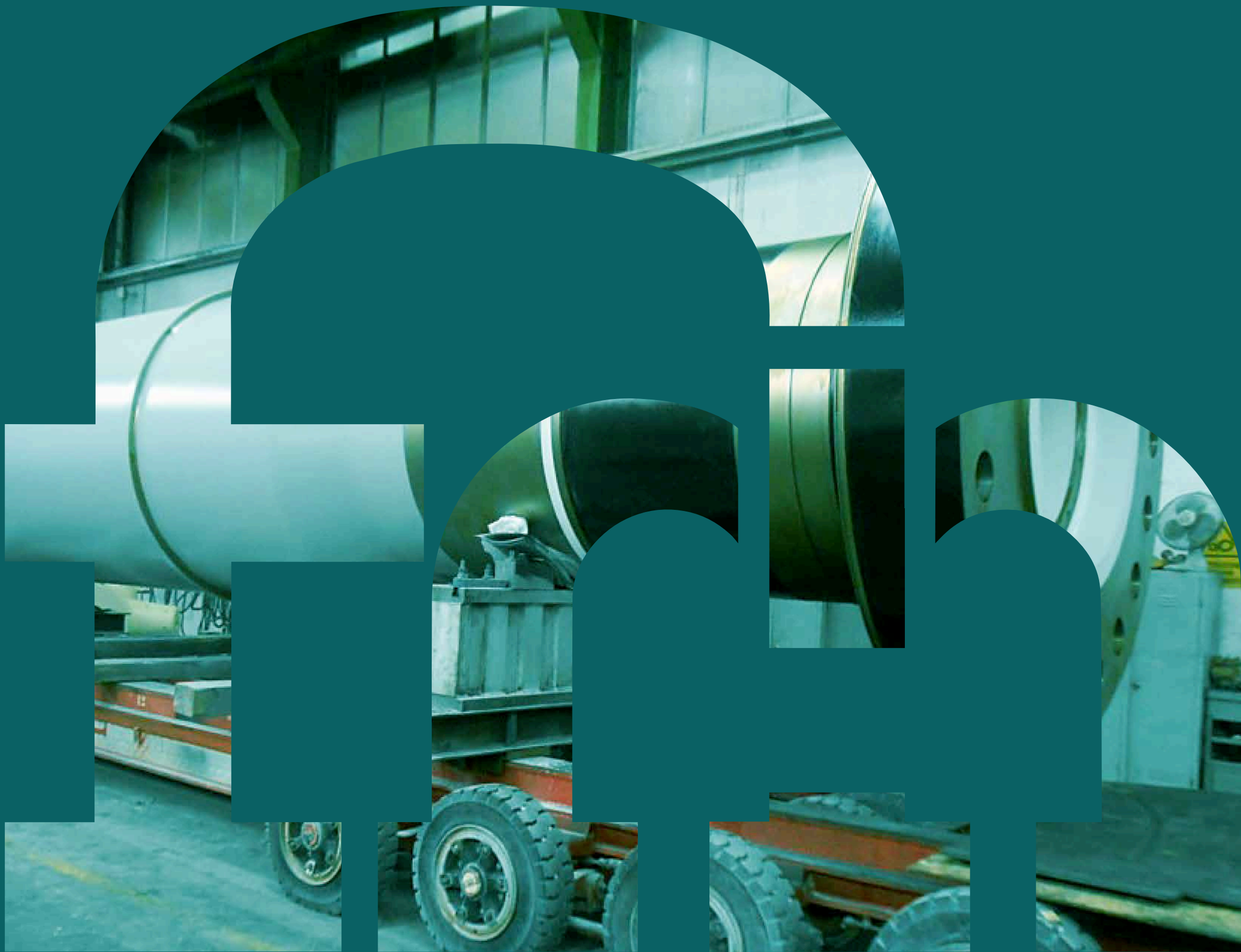
- Distribution of questionnaires to suppliers
- Planned for 2026: a supplier selection policy based on the fulfilment of specific ESG requirements and a Code of Conduct
- Sustainability strategy established over time
- Ongoing innovation and improvement of IT security systems
- Support for local initiatives and associations, and partnerships with local schools and universities

Within the various sections of the chapters, which relate to the relevant SDGs, these actions will be set out in greater detail to illustrate Forge Monchieri's commitment to improving its performance and pursuing shared objectives. In the years to come, monitoring and reporting on results, as well as identifying areas for improvement, will continue to be key aspects of the company's strategy.



MATERIALITY ANALYSIS AND IMPACT ASSESSMENT

- 2.1 The analysis process
 - 2.2 Results of the analysis:
actual and potential
impacts
 - 2.3 Results of the analysis:
risks and opportunities
 - 2.4 Results of the analysis:
ESG issues relevant to
Forge Monchieri
-



■ 2.1

THE ANALYSIS PROCESS

THE MATERIALITY ANALYSIS
SERVED AS THE STARTING
POINT FOR IDENTIFYING THE
ESG ISSUES RELEVANT TO
FORGE MONCHIERI



To identify the **relevant (or material) sustainability issues to be reported** in this document, Forge Monchieri conducted a **double materiality** analysis, according to which an ESG issue is defined as material if

associated impacts, risks or opportunities (IROs) are identified.

Therefore, the study examines two dimensions in depth:

IMPACT MATERIALITY (inside-out perspective)

Positive or negative impacts generated by the company on the world, on employees and/ or on the community (with a particular focus on negative effects, as also emphasised by due diligence or corporate responsibility practices). Impacts may be **actual** (if they have occurred) or **potential** (if there is a possibility that they may occur).

FINANCIAL MATERIALITY (outside-in perspective)

Financial risks or opportunities related to ESG issues, to which the company is exposed either for its own effects (impacts it generates that have a financial impact) or due to external factors (the market, regulations, natural and/or geopolitical events).

Once the relevant **impacts, risks and opportunities** had been identified, a series of assessment phases were launched with the aim of establishing an **order of priority**. Being verified, the actual impacts were assessed internally only, based on the available data and contextual information.

On the other hand, to prioritise potential impacts, risks and opportunities, it was also essential to **involve stakeholders**; ad hoc questionnaires were sent to investigate the issues of interest or relevance to them.

The categories of stakeholders involved were:

BOARD OF DIRECTORS AND KEY
INTERNAL ROLES



EMPLOYEES



CUSTOMERS



SUPPLIERS OF GOODS AND SERVICES



BANKS



TRADE ASSOCIATIONS



COMMUNITY
(PUBLIC BODIES AND INSTITUTIONS, MEDIA,
EDUCATIONAL ESTABLISHMENTS)



■ 2.1

ANALYSIS OF DATA AND DOCUMENTS TO UNDERSTAND THE BUSINESS CONTEXT



IDENTIFICATION OF IMPACTS, RISKS AND OPPORTUNITIES (IROS) AND RELATED ESG ISSUES



ASSESSMENT OF IROS IN ACCORDANCE WITH THE CRITERIA SET OUT IN THE CSRD



STAKEHOLDER ENGAGEMENT THROUGH TAILORED QUESTIONNAIRES FOR EACH CATEGORY



PRIORITISATION OF IROS BASED ON SCORES ASSIGNED INTERNALLY AND BY STAKEHOLDERS



The final output (bar charts) is derived from a **prioritisation of the scores assigned** (internally and by stakeholders) and is intended to provide a visual representation of the relative importance of the various material topics.

Based on the results obtained, Forge Monchieri aims **to maximise positive impacts and opportunities** and **mitigate negative impacts and risks**, also taking into account the established order of priority.

This chapter presents the results of the analysis, while the methodology used, including details of the process steps, is discussed in more detail in the appendix.

The individual IROs presented in the charts will also be referred to in the various thematic chapters (with their titles and classifications preceded by the symbol § in footnotes), alongside the data and strategies relevant to that specific aspect.



RESULTS OF THE ANALYSIS: ACTUAL AND POTENTIAL IMPACTS

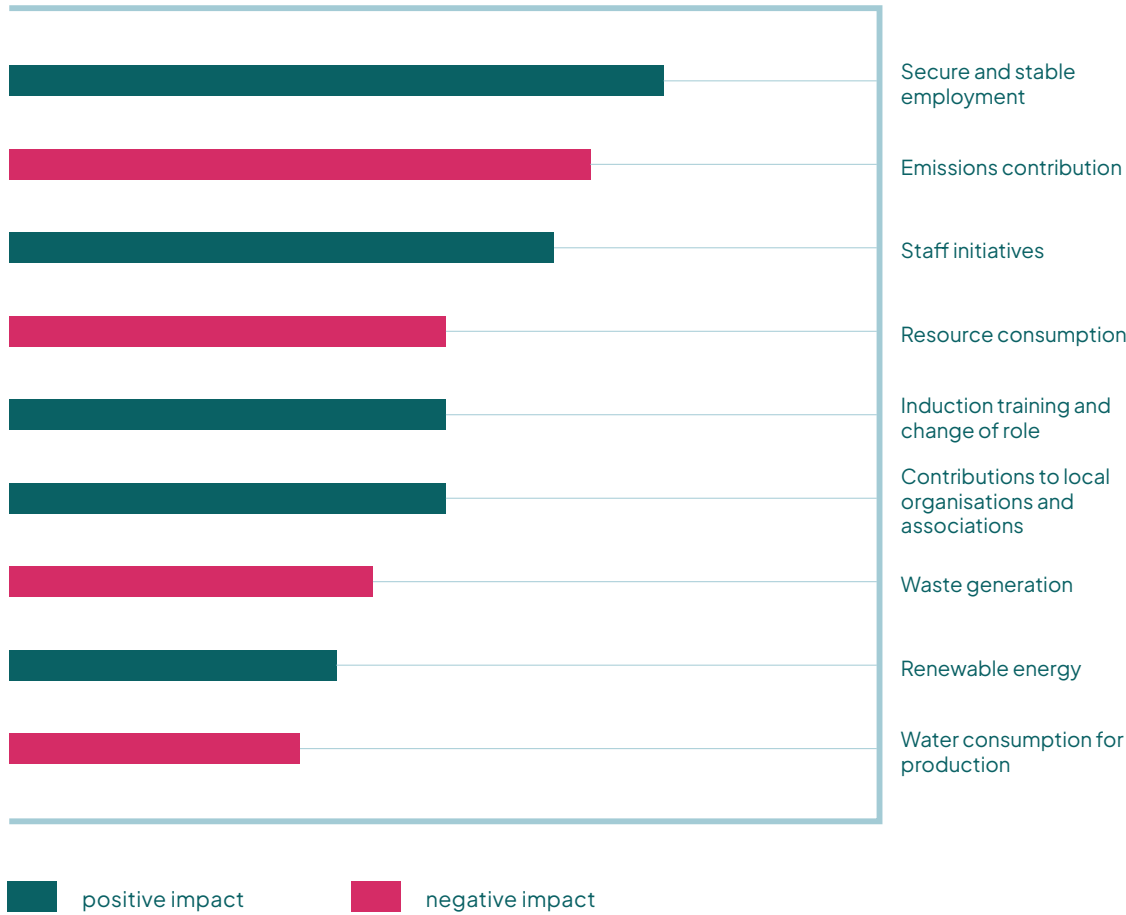


Actual impacts represent the positive or negative effects that Forge Monchieri generates intrinsically and on an ongoing basis, due to the nature of its business and/or the strategies established at the level of company management.

The **negative** impacts include the main **environmental consequences of the company's production activities**: firstly, the generation of greenhouse gas emissions; secondly, the consumption of resources and the generation of waste; and finally, water consumption.

The **positive** impacts, on the other hand, highlight a number of **important initiatives** promoted by Forge Monchieri in recent years: the self-generation and self-consumption of renewable energy at an environmental level, and the empowerment of staff and the community at a social level.

ACTUAL IMPACTS



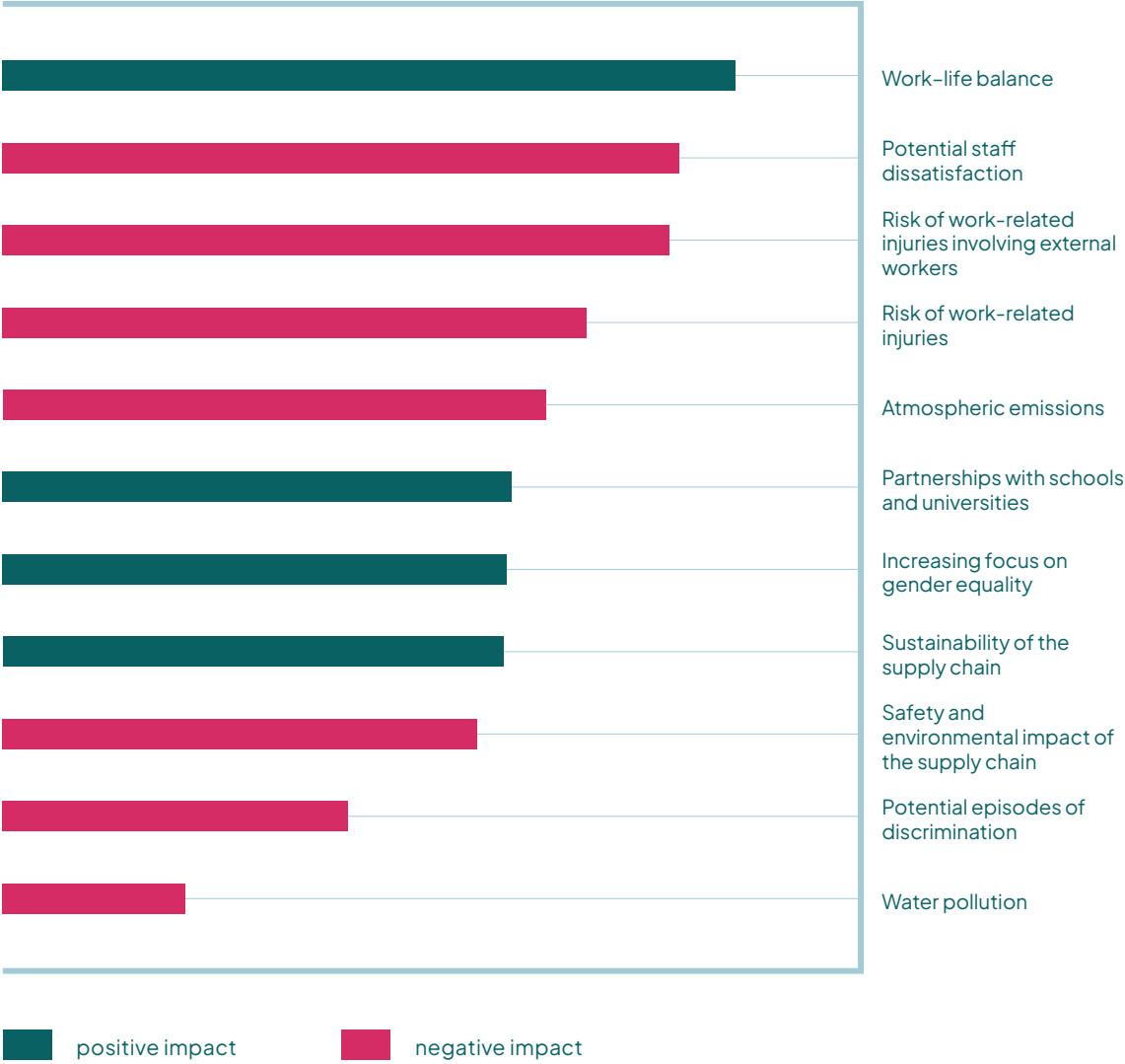
In contrast, the **potential impacts** relate to areas where the company is aware it needs to take preventive action or where it intends to step up its efforts in the coming years.

Indeed, the **positive** impacts are linked to **actions that have recently been implemented or are currently being planned**: opportunities for greater flexibility in working hours (e.g., through remote working) to improve employees' work-life balance, monitoring of and increased focus on gender equality issues, enhanced partnerships with schools and universities, and projects to assess the supply chain against sustainability criteria.

On the other hand, the **negative** impacts are, partially, beyond Forge Monchieri's control, either because they are inherent to its business activities (risks of accidents involving employees or external workers, potential for spills, air pollution, limited control over certain suppliers in terms of environmental and social sustainability) or because they relate to the management of highly complex issues (potential incidents of discrimination, including among the workforce, and potential staff dissatisfaction). Recognising the possibility that certain impacts may occur, Forge Monchieri **is committed to preventing and addressing them**.

■ 2.2

POTENTIAL IMPACTS



RESULTS OF THE ANALYSIS: RISKS AND OPPORTUNITIES

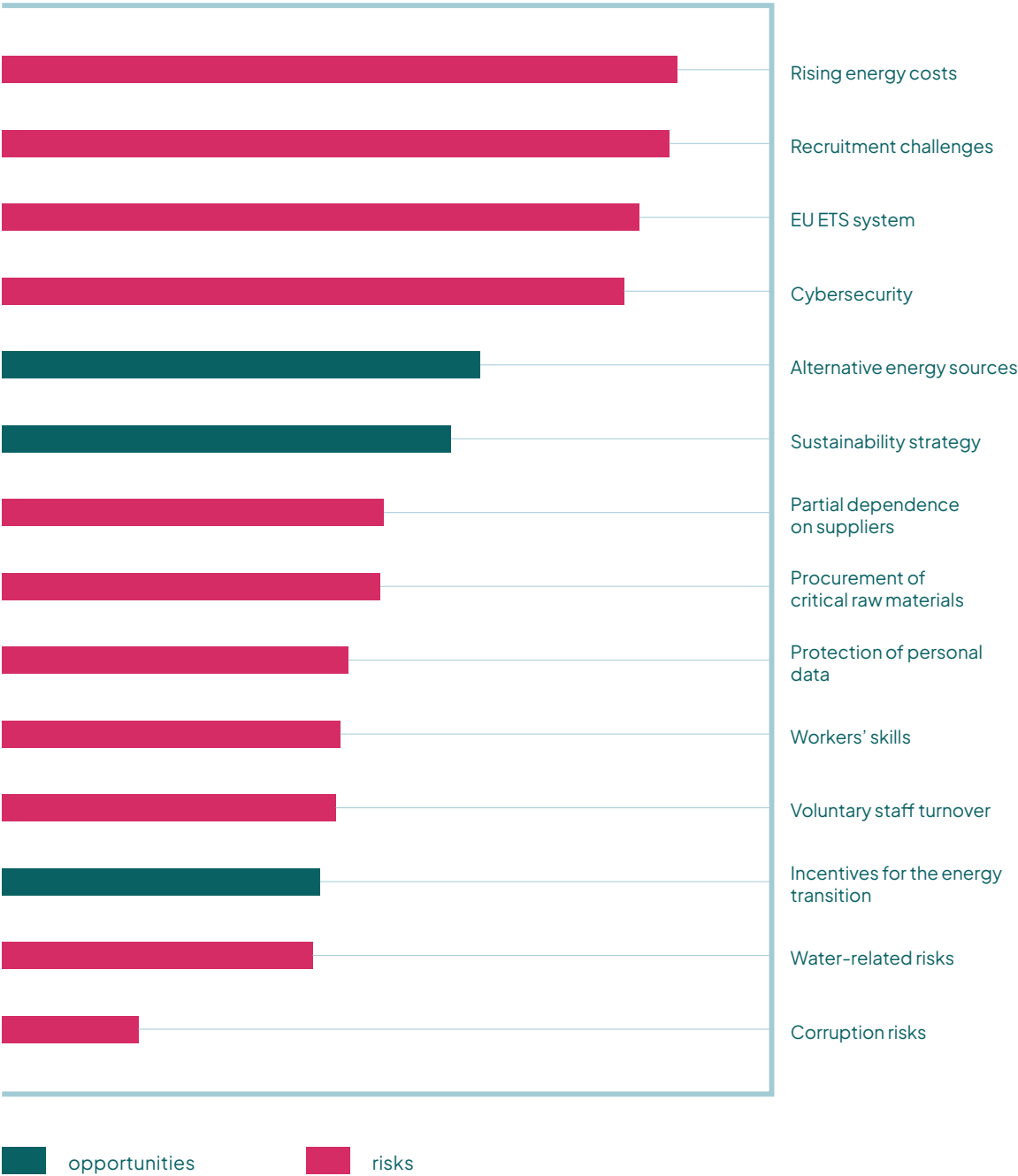


With regard to **financial aspects**, the most significant issues are undoubtedly the potential **additional costs** resulting from fluctuations in the energy market, difficulties in finding suitable and skilled staff (especially for certain specific roles), and the EU ETS system. **Cybersecurity** risks, such as potential attacks or data breaches, are also highly significant. Forge Monchieri's commitment to sustainability, along with its focus on alternative energy

sources, represent two significant opportunities for **competitive advantage**. The other issues are of lesser relevance but are nonetheless monitored by the company, both in terms of procurement and the supply chain, and in terms of internal energy management and environmental risk management, staff skills and turnover, data confidentiality, and the prevention of corruption.



RISKS AND OPPORTUNITIES



■ 2.4

RESULTS OF THE ANALYSIS: ESG ISSUES RELEVANT TO FORGE MONCHIERI



Therefore, based on the identified IROs, the relevant sustainability topics on which the content of this Sustainability Report will focus are as follows (broken down by ESG area):

ENVIRONMENT AREA

- Climate change
- Pollution
- Resource use and the circular economy
- Water resources

SOCIAL AREA

- Own workforce
- Workers in the value chain
- Affected communities

GOVERNANCE AREA

- Business conduct





ENVIRONMENT SPHERE

- 3.1** Climate change
 - 3.1.1** Energy and energy efficiency
 - 3.1.2** Energy efficiency measures
 - 3.1.3** Greenhouse gas emissions
 - 3.2** Pollution prevention
 - 3.3** Use of resources
 - 3.3.1** Materials
 - 3.3.2** Waste management
 - 3.4** Water resources
-



FORGE MONCHIERI IS CONTINUOUSLY COMMITTED TO REDUCING ITS ENVIRONMENTAL IMPACT

THROUGH ONGOING
MONITORING AND
IMPROVEMENT MEASURES



With this in mind, the company pays particular attention not only to energy consumption and greenhouse gas emissions but also to the responsible management of the resources used in its production processes, promoting the efficient and mindful use of water and materials, as well as proper waste management.

Based on an integrated environmental (ISO 14001) and energy (ISO 50001) management system, Forge Monchieri ensures continuous oversight of all environmental aspects related to its production activities; in 2025, in particular, the company promoted and/or initiated numerous initiatives, both to improve energy efficiency and to optimise measures for preventing pollution and spills, segregating waste and mapping purchased materials.



HIGHLIGHTS

15%

of electricity demand sourced from renewable sources



-11.4%

in specific energy consumption per unit of production¹ compared to 2024



>98%

of waste generated sent for recovery



¹ Specific consumption is calculated as the ratio of total energy consumption to production (in tonnes of forged steel). For further details, please refer to the 'Energy and energy efficiency' section of this chapter.

3.1

CLIMATE CHANGE

3.1.1

ENERGY AND ENERGY EFFICIENCY

NATURAL GAS, ELECTRICITY – WITHDRAWN FROM THE GRID AND GENERATED BY A PHOTOVOLTAIC SYSTEM – AND FUELS (DIESEL AND PETROL) ARE THE ENERGY CARRIERS THAT MAKE UP FORGE MONCHIERI'S ENERGY CONSUMPTION ²

”

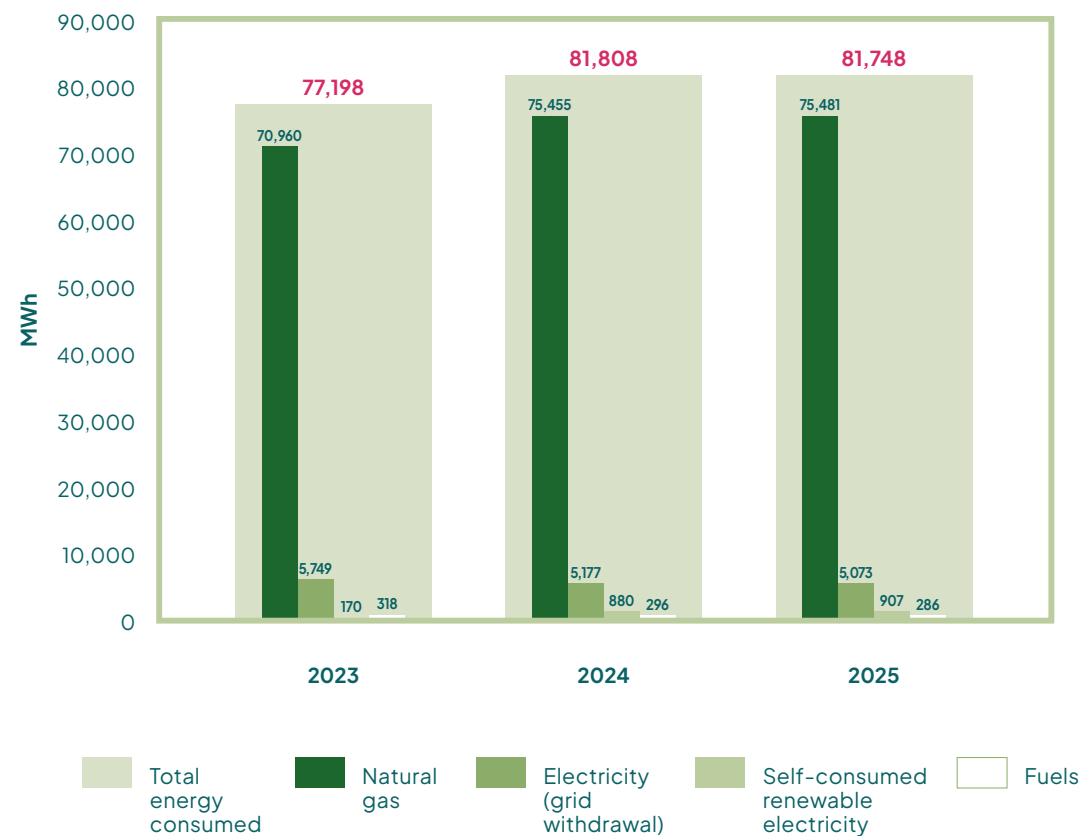
The energy carrier with the greatest impact on overall energy demand is undoubtedly **natural gas** (92.3% of the total), followed by **electricity (7.3% between grid electricity and self-generated electricity from the photovoltaic system)**. **Fuels** account for only 0.4% of total energy consumption, with diesel predominating over petrol.

² To ensure maximum clarity and comparability between factors with different units of measurement, all parameters collected over the three-year period 2023–2025 have been converted into MWh. Any discrepancies with the data reported in previous versions of the Sustainability Report are due to the replacement of the unit of measurement previously used (toe, tonnes of oil equivalent).



3.1.1

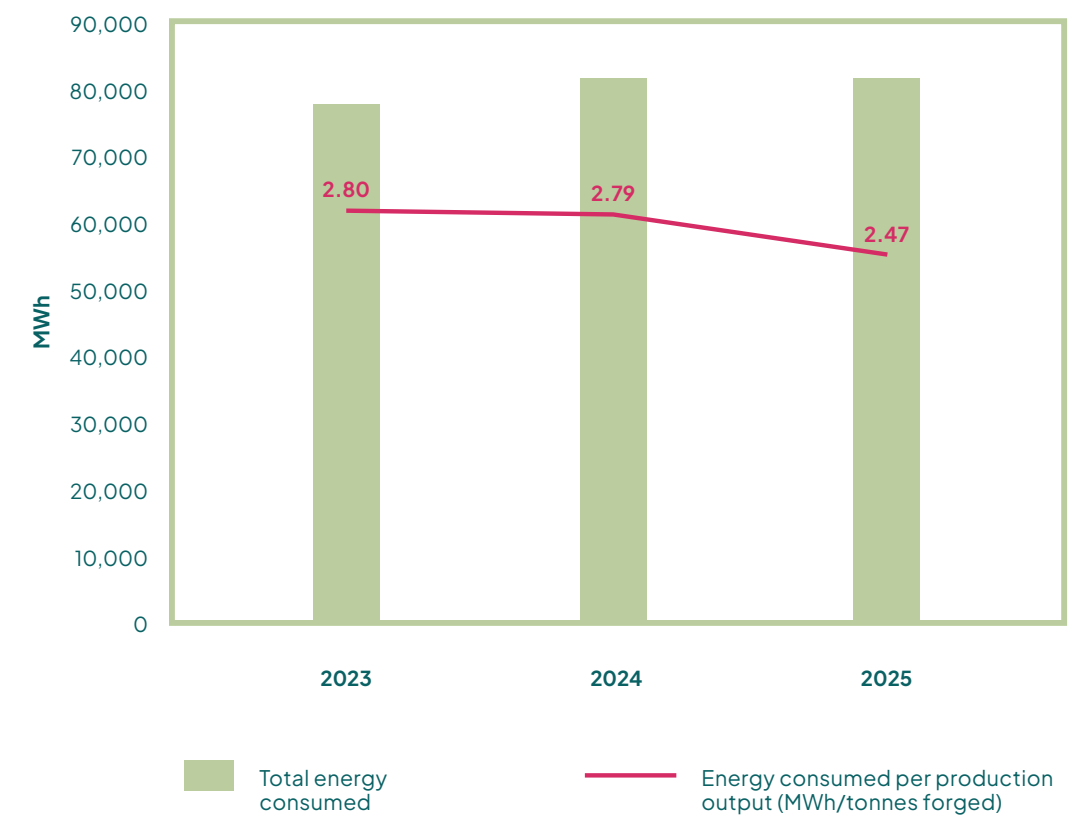
ENERGY CONSUMPTION



In 2025, the company's energy consumption was almost the same as in 2024, remaining slightly higher than in 2023. Electricity consumption remained consistent over the three-year period (between 5,920 and 6,056 MWh), but the increase in self-generation and self-consumption from photovoltaic systems enabled a reduction in grid withdrawals (down 11.8% in 2025 compared to 2023), in favour of a **growing share of electricity from renewable sources**. In contrast, natural gas consumption increased by 6.4% between 2023 and 2025, in line with higher production (33,084 tonnes forged compared to 27,597 tonnes two years earlier).

By relating total energy consumption to production (defined as the number of tonnes of steel forged), we obtain the specific energy consumption for the year in question. In 2025, **specific consumption decreased compared to 2024 (down 11.4%)**; this decrease is due to an increase in production (up 12.8%), which was not matched by a corresponding increase in energy consumption, which instead remained constant. This result highlights the effectiveness of Forge Monchieri's investments in technologies and management solutions aimed at improving energy efficiency, in line with its sustainability objectives and efforts to optimise operational performance.

TOTAL AND SPECIFIC CONSUMPTION (PER PRODUCTION)



■ 3.1.1

Forge Monchieri’s high consumption, particularly of natural gas and electricity, exposes the company to the risks associated with a possible increase in energy costs³, which could be triggered both by regulatory requirements related to the energy transition and by geopolitical upheavals and crises.

In order to mitigate the potential economic impact, the company works with an external consultancy firm to identify the best **energy procurement strategies**, assess optimal contractual terms and proactively manage exposure to price risk. In addition, the company operates an **ISO 50001–certified Energy Management System**, which includes systematic efficiency measures and consumption monitoring, with the aim of improving energy performance. In terms of self-generation of renewable energy, the company has **two photovoltaic systems** with a total capacity of **1.3 MWp**, which enable it to meet approximately 15% of its electricity needs.

These systems, installed in 2023, have not only enabled the company to cover a significant portion of its electricity consumption but have also increased the amount of **renewable energy** produced and fed into the national grid⁴, with 436.4 MWh in 2025 alone (a total of 840.3 MWh over the three-year period). In 2025, **approximately 70% of the self-generated electricity was self-consumed**, while the remaining portion was fed into the grid.

These strategies enable Forge Monchieri to **make its energy consumption more efficient**, thereby also reducing its environmental impact. Following the same logic, the company continuously monitors technological developments, new regulations, and the incentives offered by the market and by national and European legislation, in order to constantly assess **innovative solutions** suitable for its production operations. In particular, the focus on **alternative energy sources** shapes both the upgrading of machinery and the production process and the company’s market positioning, which includes a strong presence in the nuclear sector, for which Forge Monchieri also holds dedicated certifications (ASME III, ISO 19443, HAF604)⁵.

Biomethane is undoubtedly one of the solutions being evaluated for the energy transition; despite the existence of significant decarbonisation incentives for the use of biomethane in production facilities⁶, the product’s limited availability and high price mean that this opportunity remains challenging to pursue.

³ § Risk: Rising energy costs.

⁴ § Actual positive impact: Renewable energy.

⁵ § Opportunity: Alternative energy sources.

⁶ § Opportunity: Incentives for the energy transition.

■ 3.1.2

ENERGY EFFICIENCY MEASURES

As part of its ISO 50001 management system, Forge Monchieri implements numerous energy efficiency measures each year, resulting in savings of around € 360,000 per year on gas and electricity consumption over the last three years.

On a regular basis, the company carries out routine and non-routine maintenance, revamping and replacement of worn components on its plants, in order to ensure maximum **energy efficiency at every stage of the production process**.

In **2025**, the main initiatives undertaken included:

Cable sheaths for the TT10 furnace: by reducing the weight of the sheaths, it was possible to improve the energy efficiency of the furnace, which is one of the largest installed at the company.

Partial opening of FF furnace doors: Where compatible with safety considerations, partially opening the doors helps to minimise the temperature drop caused by opening the furnace.

Installation of IE4 electric motors at the FM1 plant: although the introduction of high-efficiency motors represents an additional cost in the short term, it delivers electricity savings in the long term.

FF9 insulation work: This is one example of a long series of measures taken over the past few years to minimise heat loss by ensuring a perfect seal between the furnace door and the furnace body and by retaining heat in the treatment chamber.

For **2026**, the company plans to install new, more efficient cooling towers at the FM2 plant to replace the existing ones, to install a timer for the automatic switching off of general lighting at the FM1 and FM2 production sites, to revamp the 5,000–tonne press, and to replace the

TT2 furnace with a new, state-of-the-art furnace that is also equipped with hollow-core heating elements to ensure excellent energy performance.

3.1.3

GREENHOUSE GAS EMISSIONS



FORGE MONCHIERI CLOSELY MONITORS ITS GREENHOUSE GAS (GHG) EMISSIONS RESULTING FROM ITS ENERGY CONSUMPTION



Due to the nature of its production activities, the company generates a significant amount of greenhouse gas (GHG) emissions each year⁷; in 2025, Scope 1 and Scope 2 emissions totalled **17,054 tCO₂eq** (a slight increase compared to 2024⁸). Over 90% of the total emissions are direct Scope 1 emissions (15,468 tCO₂eq), generated largely by the consumption of natural gas and to a lesser extent by fuels (diesel and petrol). Over the three-year period 2023–2025, **no leaks of F-gases**, which would fall into this category, were recorded⁹. The remaining portion, on the other hand, consists of Scope 2 emissions, which are associated with imported electricity (grid withdrawal)¹⁰.

Consumption trends directly determine the trend in Scope 1 and Scope 2 emissions; for this reason, **natural gas** consumption also has a significant impact on total emissions. In 2025, this source accounted for **90.3% of total emissions and almost all Scope 1 emissions**.



Specific emissions per unit of production **decreased over** the three-year period; in 2025, approximately **0.52 tCO₂eq** were generated per tonne forged, i.e., 10% less than in the previous year and 11.6% less than in 2023. The result reflects the trend in specific consumption: despite a rise in production of almost 20% between 2023

and 2025, the lower impact of specific consumption and emissions demonstrates the efficiency of the company’s production processes, underpinned by ongoing improvements and an effective management system.

⁷ § Actual negative impact: Emissions contribution.

⁸ The value of the total Scope 1 & 2 emissions for 2024 differs from that reported in the previous version of the report due to an update of the emission factors (specifically, the emission factor for natural gas).

⁹ F-gases are fluorinated gases used in refrigeration and air-conditioning systems, including heat pumps, both in the domestic and industrial sectors. Any leaks, which are periodically mapped in accordance with legal requirements, have a particularly significant impact in terms of emissions.

¹⁰ The Scope 2 calculation was performed using the location-based scenario, which takes into account the national energy mix to determine the emission factor to be applied to electricity consumption. It should be noted that the emission factor for 2025 (taken from the Ecoinvent database) is significantly worse than in previous years, which is why Scope 2 emissions have increased despite the decrease in electricity consumption.

3.1.3

SPECIFIC EMISSION INTENSITY
(PER UNIT OF PRODUCTION)



Forge Monchieri is subject to the **EU ETS** (*European Union Emissions Trading System*¹¹) for the annual offsetting of Scope 1 GHG emissions. In this context, Forge Monchieri is required to purchase CO₂ allowances in excess of those allocated free of charge, incurring a significant financial outlay that tends to increase each year as a result of the gradual reduction in **free allowances**¹². In 2025, the CO₂

allowances allocated were more than 1,000 tCO₂eq lower than in 2024; from 2026, an even more significant reduction is expected, due to the revision of the benchmarks and the entry into force of the CBAM mechanism, which introduced a tax on imports of carbon-intensive goods¹³.

¹¹ The ETS (Emission Trading System) is a mechanism adopted by the European Union to achieve CO₂ reduction targets in key industrial sectors. The EU ETS is described as a cap-and-trade system because it sets a maximum limit (cap) on the overall level of emissions permitted for all obligated entities, but allows participants to buy and sell CO₂ emission rights (allowances) on the market (trade) according to their needs, within the established limit.

¹² § Risk: EU ETS system.

¹³ The CBAM (Carbon Border Adjustment Mechanism) is a carbon border adjustment mechanism in the European Union, the final phase of which has been in force since January 2026. Its main objective is to prevent the risk of industrial production being relocated to non-EU countries with less stringent regulations on greenhouse gas emissions, thereby undermining the EU's efforts to reduce emissions (such as the EU ETS).

Therefore, mitigating energy consumption and the associated emissions is crucial for Forge Monchieri, not only with a view to improving performance and reducing its environmental impact, but also with a view to containing the associated costs and thereby enhancing its competitiveness. Among the options being considered to optimise the management of these issues is the purchase of **biomethane** certified by a Guarantee of Origin as an alternative to fossil fuels, which could both limit the costs associated with the EU ETS (as it is an energy carrier excluded from the calculation of emissions to be offset) and reduce the environmental impact of the company's operations. Indeed, this approach would increase the share of renewable energy consumed by the company, in addition to self-consumption from photovoltaic panels.

With a view to monitoring its emissions impact and identifying potential areas for improvement, over the next few years, Forge Monchieri intends to repeat the **Organisation Carbon Footprint** calculation in accordance with the ISO 14064-1 standard, which was carried out in 2023 for the year 2022. Indeed, this analysis revealed that the materials used (in terms of purchased goods and subcontracted processing) accounted for over 50% of the total emissions generated by the company.

CLIMATE CHANGE	
AS IS	TO BE
ISO 50001 energy management system with ongoing energy efficiency measures	Maintain the ISO 50001 energy management system and energy efficiency measures. Update the Energy Audits due to expire at the end of 2026.
Photovoltaic systems with a capacity of 1.3 MWp	Assessment of potential PPAs for the purchase of electricity from renewable sources
Annual update of the Scope 1 and Scope 2 carbon footprint Calculation of the organisation's carbon footprint for the year 2022	Maintain the annual update of the Scope 1 and Scope 2 carbon footprint Assessment of the updated comprehensive Carbon Footprint to measure the trend of the company's indirect emissions
Compliance with the requirements and stipulations of the EU ETS system	Cost mitigation through specific strategies (e.g., purchase of GO certificates)

3.2

POLLUTION PREVENTION

MITIGATION AND PREVENTION ARE ESSENTIAL TO ENSURE THAT MANUFACTURING ACTIVITIES HAVE A MINIMAL IMPACT ON THE ENVIRONMENT



Forge Monchieri is subject to a **Single Environmental Authorisation (AUA)** for all its production facilities. This authorisation requires the company to periodically monitor its emissions of pollutants at the identified emission points in order to verify compliance with the legally permitted limits.

Thanks to the use of cutting-edge technologies, Forge Monchieri’s production activities minimise the **pollutants** that are unavoidably released into the atmosphere and that could have a significant impact on the environment¹⁴. In particular, the company monitors the concentrations of substances such as nitrogen oxides (NOx) and sulphur oxides (SOx), carbon monoxide (CO), total organic carbon (TOC), total particulate matter and, at very low concentrations, metals (lead, manganese, copper, chromium, vanadium and tin).

In the 2025 sampling, NOx and TOC concentrations, as well as the total metal value, decreased compared to 2024, while SOx and total particulate matter emissions increased slightly,

with fluctuations that were nevertheless in line with the three-year trend. Over the three-year period 2023–2025, all **recorded values remained below the threshold**.

As for **water discharges**, however, the water from the quenching tanks (the main industrial use of water within the production process) is analysed and, if necessary, treated before discharge, in order to prevent any environmental impact.

In addition, the company implements measures to **prevent spills** of harmful substances that could contaminate the soil and the groundwater aquifer, as well as the river located near the company’s sites (the Oglio River)¹⁵. In 2025, one of the most significant measures initiated in this regard was the installation of **new channels to collect** the coolant-lubricant emulsion around the FM1 and FM2 saws, in order to prevent potential spills of the cutting fluid.

In addition, another measure promoted from 2025 onwards and due for completion in 2026 is the installation of a **new extraction system** in FM3 for activities involving liquid penetrants, in order to continue ensuring a healthy working environment and to further reduce the potential release of pollutants.

Finally, all these environmental aspects are continuously monitored and managed through the **ISO 14001-certified Environmental Management System**. This tool, along with the numerous measures implemented over the years, demonstrates Forge Monchieri’s commitment to preventing and mitigating its environmental impact.



POLLUTION PREVENTION	
AS IS	TO BE
Ongoing monitoring of pollutant emissions within the framework of the Single Environmental Authorisation (AUA)	Maintenance of values below the legal limit
Monitoring of water discharges and facilities in accordance with spill prevention measures	Improvement measures aimed at preventing spills

¹⁴ § Potential negative impact: Atmospheric emissions.
¹⁵ § Potential negative impact: Water pollution.

■ 3.3

USE OF RESOURCES

■ 3.3.1

MATERIALS

IMPROVING THE TRACKING OF THE SUSTAINABILITY CHARACTERISTICS OF MATERIALS IS ONE OF THE COMPANY'S MAIN FUTURE OBJECTIVES



The main raw material used by Forge Monchieri to manufacture the finished product falls into three distinct categories of **steel ingots**: carbon steel, stainless steel and alloy steel¹⁶. Of these categories, alloy steel is the most widely used (in 2025, it accounted for approximately 60% of the total steel purchased), followed by carbon steel (34%) and stainless steel (6%).

In 2025, the procurement of steel ingots **increased significantly** compared to the previous two years (up 36% compared to 2024 and up 28% compared to 2023), totalling almost 32,000 tonnes (whereas the quantities purchased in the previous

two years ranged from 23,000 to 25,000 tonnes). This increase is due to higher purchases of alloy steel (up 47% compared to 2024, over 6,000 tonnes) and carbon steel (up 30%, 2,500 tonnes). The upward trend between 2024 and 2025 is linked to an **increase in production**, which in turn led to a higher demand for raw materials.

¹⁶ § Actual negative impact: Resource consumption.

PROCUREMENT OF RAW MATERIALS (STEEL INGOTS)



To mitigate the environmental impact of the materials it purchases, Forge Monchieri is committed to optimising its processes in order **to reduce the generation of production waste**. In addition, in 2025, the company initiated a process to **assess and analyse the origin of the packaging** it uses (primarily plastic and wood), in order to determine the percentage of recycled material contained in the plastic purchased and the existence of any certifications attesting to its origin from sustainable supply chains.

With regard to the sourcing of raw materials, Forge Monchieri **gives preference to suppliers based in Europe**, operating within a regulatory framework characterised by environmental and social

¹⁷ § Risk: Procurement of critical raw materials.

standards set by the European Union, with which the company is fully aligned. The use of certain critical raw materials and sourcing from non-EU countries along the steel production chain could pose a risk: any changes in availability or the introduction of more stringent regulations by the European Union may affect the costs incurred by direct suppliers, with potential repercussions on Forge Monchieri's procurement prices¹⁷. In light of these dynamics, Forge Monchieri is progressively **strengthening its criteria for the qualification and monitoring of the supply chain**, with the aim of improving the management of potential risks related to the availability and cost of raw materials.

■ 3.3.2

WASTE
MANAGEMENT



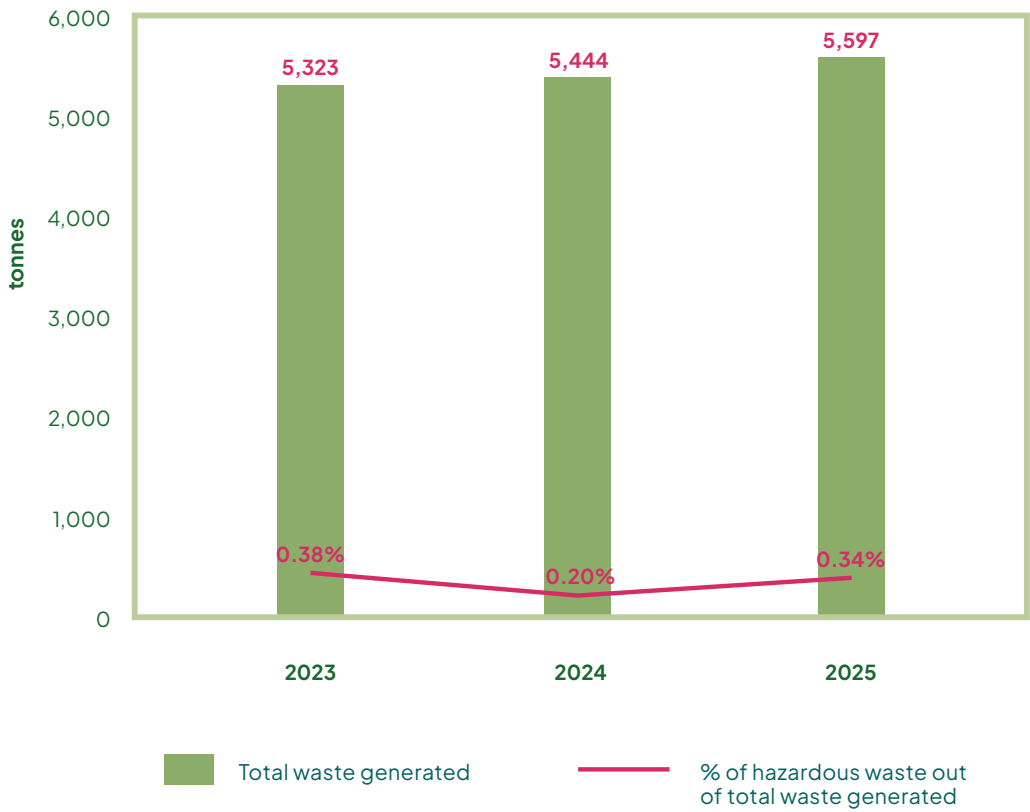
THE NATURAL CIRCULARITY OF THE SUPPLY CHAIN AND EFFECTIVE WASTE MANAGEMENT (WITH HIGH RECYCLING RATES) ARE KEY STRENGTHS IN TERMS OF ENVIRONMENTAL SUSTAINABILITY



By its very nature, Forge Monchieri's production activities are geared towards the **circularity of materials**: the majority of production waste is reintroduced into the production cycle, either as scrap sold on the market or as a by-product returned to steel mills, which remelt the material into new steel ingots. However, as part of its production process, the company does generate waste, the majority of which (97% in 2025) consists of scrap from the heads and bottoms of forging ingots, swarf from the cutting of ingots and forgings, and, finally, other ferrous waste from heating and heat treatment processes¹⁸.

In 2025, the company generated approximately **5,600 tonnes of waste**, a figure that is fully in line with the previous two-year period (5,400 tonnes in 2024 and 5,300 tonnes in 2023)¹⁹; of this waste, almost all is classified as **non-hazardous** (with the percentage of hazardous waste below 0.5% since 2020), and an equally significant proportion is sent for **recovery** (over 98% in the last three years).

HAZARDOUS WASTE AS A PERCENTAGE OF TOTAL WASTE GENERATED



Over the years, in order to maintain stable levels in the percentage of non-hazardous waste and waste sent for recovery, Forge Monchieri has implemented various **initiatives aimed at the proper management of all waste materials** produced by the company. In particular, in 2024, the storage areas were reorganised to ensure optimal management of the hazardous substances used in the various stages of the production process.

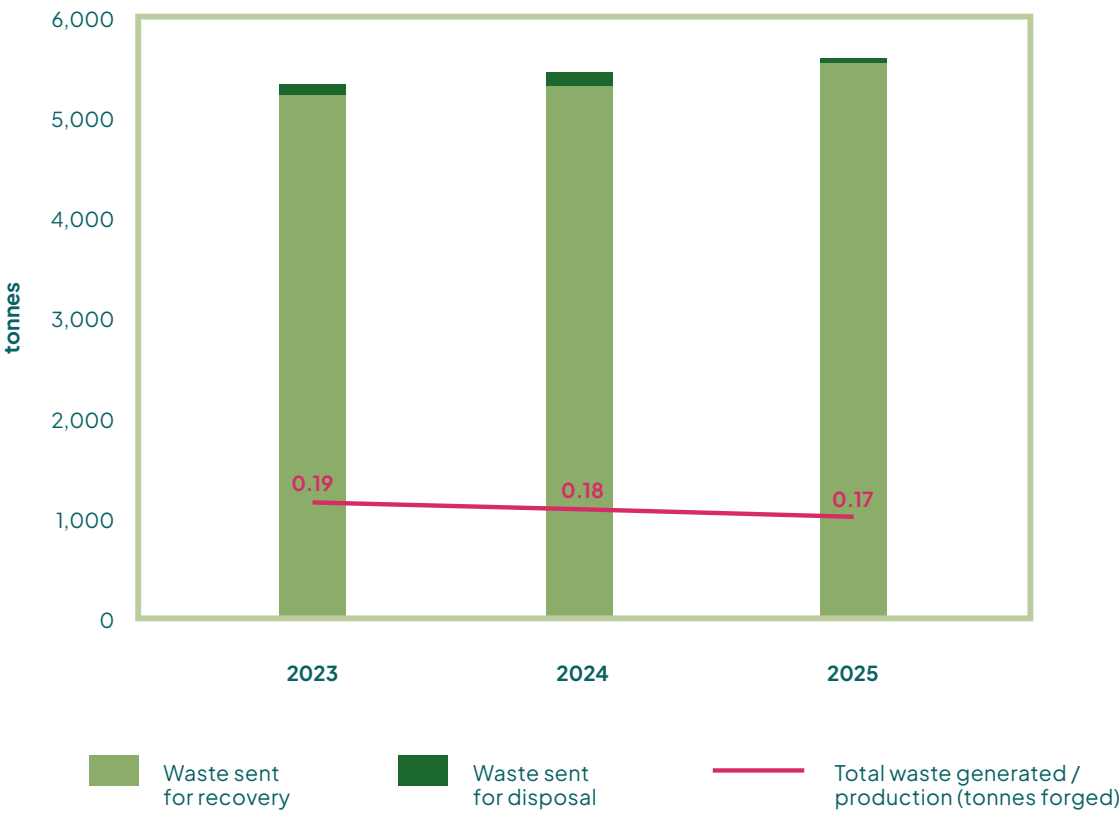
In addition, between 2024 and 2025, the company implemented a programme to **effectively communicate** waste disposal practices to employees, including through the use of slogans, visual content and digital notice boards to promote understanding and awareness among staff.

¹⁸ § Actual negative impact: Waste generation.

¹⁹ The 2024 figure for the weight of hazardous waste has been corrected compared to the previous version of the Sustainability Report: the corrected quantity is 10,922 kg, slightly lower (approximately 2 tonnes) than the figure previously reported. Consequently, the percentage of hazardous waste out of the total has also changed.

3.3.2

WASTE TRENDS AND DISPOSAL



In proportion to the increase in production, the total quantity of waste generated annually has risen slightly (up 4% compared to 2024 and up 4% compared to 2023); however, when the quantity generated is compared to the tonnes forged, a consistent reduction over time can be observed. In 2025, approximately 170 kg of waste was generated for each tonne of forged steel.

The initiatives implemented by Forge Monchieri to improve waste management constitute a key component of the company's environmental strategy.



USE OF RESOURCES	
AS IS	TO BE
Improvement of waste management through targeted measures	Monitoring of waste management processes and implementation of improvement measures
Strengthening of the 'Effective Communication' programme and dissemination through internal information channels	Ongoing promotion of staff awareness on the subject
Lack of traceability of the proportion of recycled material in purchased raw materials and packaging	Introduction of monitoring systems aimed at increasing the proportion of recycled materials and improving the traceability of material flows



■ 3.4

WATER RESOURCES



FORGE MONCHIERI MAXIMISES THE USE OF WATER RESOURCES THROUGH WATER REUSE SYSTEMS AND DISCHARGE CONTROL MEASURES



As mentioned above, the company uses a certain amount of water for the hardening process, the stage of the production cycle during which the processed materials undergo heat treatment²⁰. **The company's water supply** comes mainly from a **well** (96% in 2025) and, to a lesser extent, from the municipal water supply (the remaining 4%).

As the hardening phase uses a system of tanks that enables **water to be reused**, the overall water withdrawal is typically significant but remains below 25,000 m³. However, in years when **routine maintenance of the storage tanks** is scheduled (which involves completely emptying the system), the volume of water withdrawn **increases significantly** in order to refill the tanks at the end of the maintenance procedure. For this reason, in 2025, water withdrawal increased significantly compared to the previous two

years (+175% compared to 2024 and +96% compared to 2023). The majority of the water used was drawn from wells, thereby ensuring a limited impact on the use of drinking water from the municipal water supply.

²⁰ § Actual negative impact: Water consumption for production.

WATER WITHDRAWAL AND TREATMENT



The water used in the production process **does not require any specific treatment** before being returned to the environment; however, Forge Monchieri monitors its water discharges (which consist entirely of industrial water) in order to analyse the water quality, treat it (if necessary) and then discharge it into the environment. In 2025, the emptying of the storage

tanks for maintenance work resulted in a consequent **increase in water discharges** to 21,768 m³ (more than double the 10,100 m³ discharged in 2023 and almost triple the 7,299 m³ discharged in 2024).

As reported by the Aqueduct Water Risk Atlas²¹, the geographical area in which Forge Monchieri operates is characterised by a medium-high risk of drought and high water stress, defined as the ratio between the total demand for water and the quantity of available renewable water resources, both surface and groundwater²². Taking this context into account, the company adopts a **responsible approach** aimed at promoting

the **efficient management of water resources**, with the goal of reducing consumption by modernising production machinery and prioritising water withdrawal from wells in order to optimise the use of available resources.

WATER	
AS IS	TO BE
2025: 96% of water sourced from wells	2026: >95% of water sourced from a well
Regular maintenance of production machinery that uses water	Modernisation of production machinery to reduce water consumption

²¹ The Aqueduct Water Risk Atlas is a tool that provides up-to-date information on water-related risks and their geographical significance. It forms part of the Aqueduct data platform, managed by the environmental research organisation World Resource Institute (WRI), with the aim of providing businesses, institutions and the public with a range of tools to understand and manage water risks. For further details, please refer to the source (which was consulted for this analysis in September 2025).

²² § Risk: Water-related risks.



SOCIAL SPHERE

- 4.1 Our people
 - 4.1.1 Secure employment and personnel management
 - 4.1.2 Occupational health and safety
 - 4.1.3 Corporate well-being and flexibility
 - 4.1.4 Training and skills development
 - 4.1.5 Diversity, inclusion and gender equality
 - 4.2 Creating value in the community
-



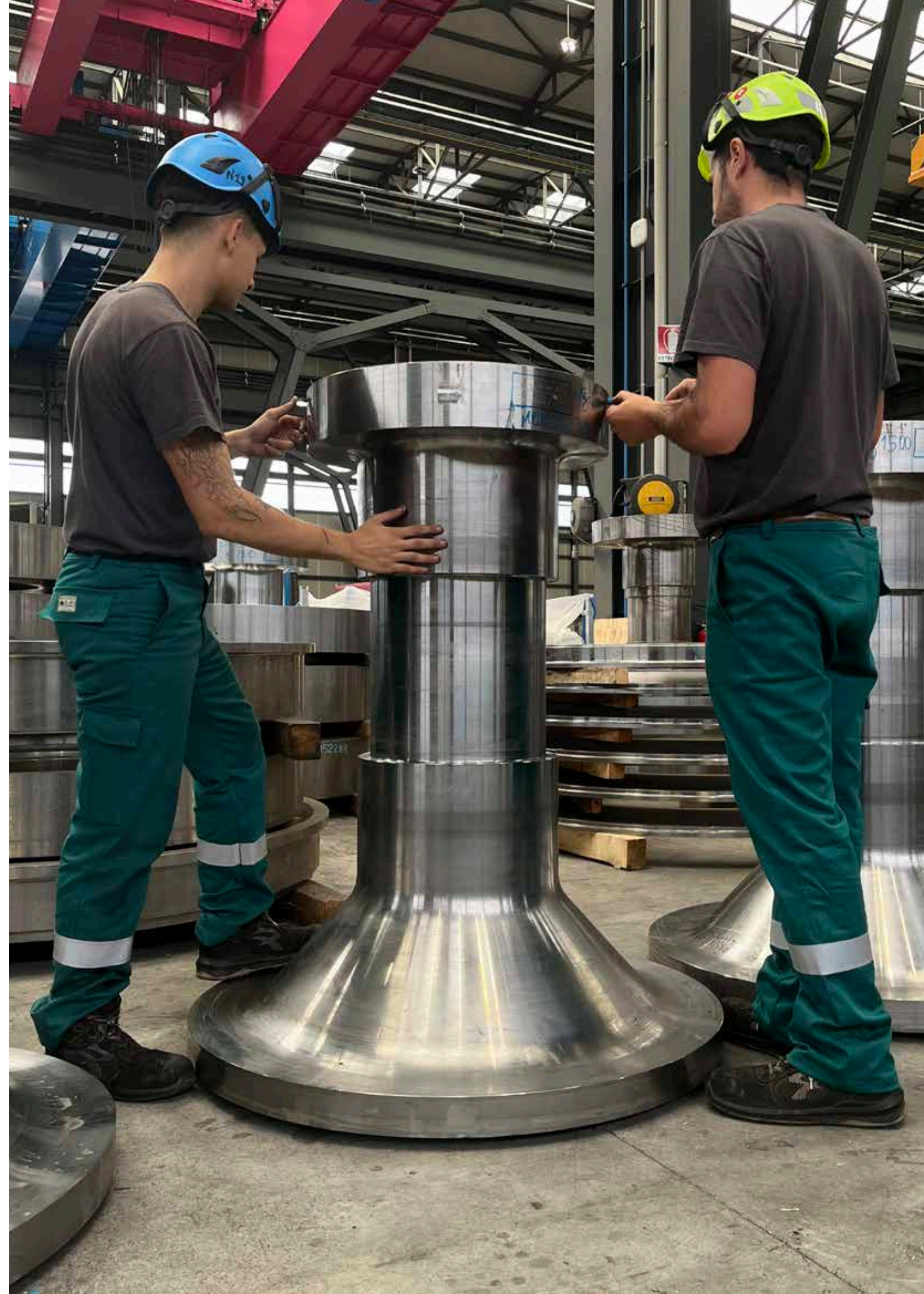
FORGE MONCHIERI'S SUCCESS IS BUILT ON A SKILLED

SPECIALISED WORKFORCE
ALIGNED WITH THE COMPANY'S
VALUES OF COMMITMENT TO
CUSTOMERS AND QUALITY



The company is committed to providing a **safe, inclusive and fulfilling working environment** for all employees. In addition to its wide-ranging strategies to ensure the protection of health and safety at work, organised within **an ISO 45001-certified management system**, Forge Monchieri supports the well-being of its staff through dedicated initiatives and services (supplementary health care, WHP programme, welfare schemes) and **ongoing training**.

Our commitment to social responsibility is reflected not only in fostering the development and well-being of our employees, but also in **supporting the local community** through donations and partnerships.



HIGHLIGHTS

44

average hours of training per employee during the year



0

reports via the whistleblowing channel



100%

access to company welfare benefits



WHP²³ PROGRAMME

vaccination campaigns, psychological support service and promotion of healthy lifestyles



PERFORMANCE BONUS

14th monthly salary payment²⁴



²³ The 'Workplaces that Promote Health - WHP Lombardy Network' programme is based on the model promoted by the WHO and has as its primary objective the promotion of organisational changes in workplaces in order to make them environments conducive to the informed adoption and dissemination of healthy lifestyles.

²⁴ At Forge Monchieri, the 14th monthly salary payment was originally introduced as a production or performance bonus, but it has now been made a permanent benefit, i.e., it has become a fixed payment that is more favourable than the National Collective Labour Agreement for the Metalworking and Mechanical Engineering Industry, which provides for 13 monthly salary payments.

4.1

OUR PEOPLE

4.1.1

SECURE EMPLOYMENT AND PERSONNEL MANAGEMENT

RECOGNISING THE FUNDAMENTAL
VALUE OF ITS PEOPLE, FORGE
MONCHIERI PROVIDES JOB SECURITY
FOR 148 EMPLOYEES²⁵

”

The majority of the workforce is employed on **permanent contracts (97%)**; at the end of 2025, only 4 people (2 men and 2 women) were on fixed-term contracts. This figure, combined with the **company's economic stability** and its international presence in diverse markets, provides a clear picture of the employment opportunities offered by Forge Monchieri, which guarantees **job security** for a large number of workers in the local area²⁶.

The workforce is predominantly male (118 in 2025), with **women accounting for approximately 20% of the total**. This percentage is in line with the most recent ATECO C25 sector benchmark

(manufacture of metal products) for the year 2023 (17.9%)²⁷; the low proportion of women is therefore closely linked to the type of production activities carried out.

In contrast, **the total number of employees under the age of 30 almost doubled** over the three-year period 2023–2025 (from 21 to 37 employees). In the reference year (2025), a quarter of the workforce was under 30 (a proportion comparable to that of employees over 50), while the largest age group continued to be workers aged between 30 and 50 (49% of the total).



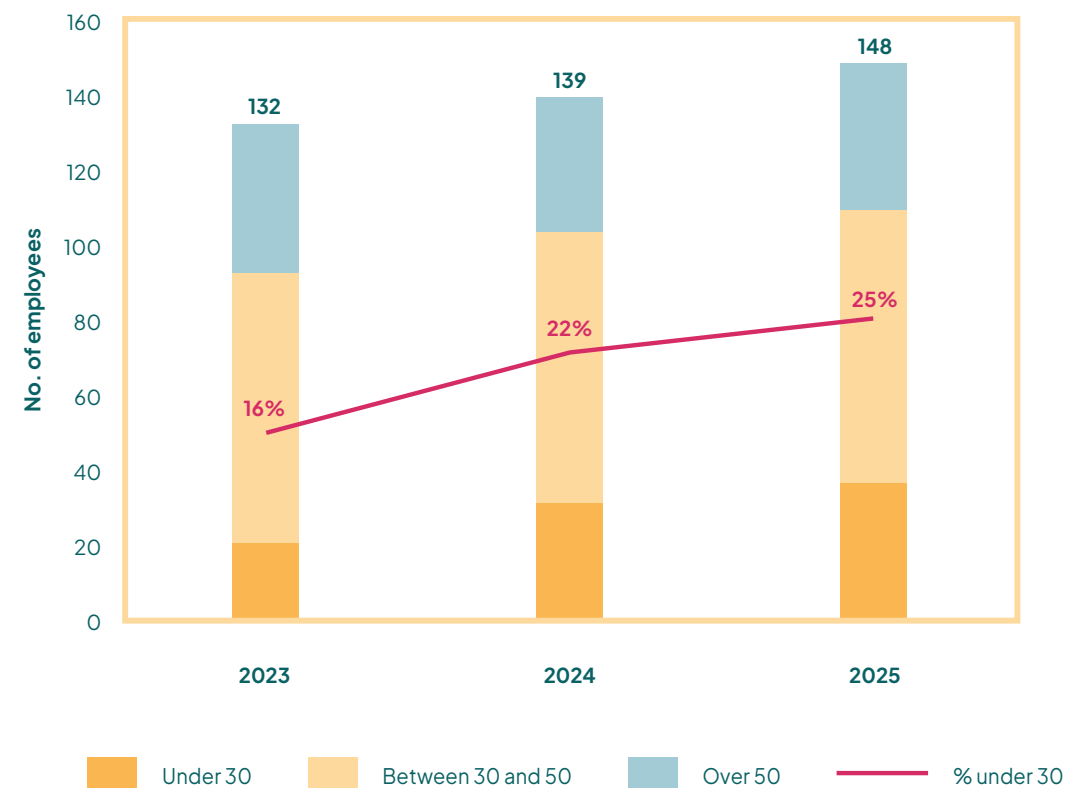
²⁵ All data on the breakdown of employees were collected as at 31 December of the year in question.

²⁶ § Actual positive impact: Secure and stable employment.

²⁷ The most recent benchmark available for Italy relates to the year 2023 and is provided by ISTAT.

4.1.1

EMPLOYEES BY AGE GROUP



The increase in the number of young people is also reflected in **new hires**: in 2025, 10 out of 15 new hires were workers under the age of 30 (67%). Therefore, in a context of continuous staff growth, with an overall growth rate consistently exceeding 3% over the three-year period, the company's ability to attract younger workers represents a significant strength²⁸.

In 2025, although the overall number of new hires decreased, the number of new

hires aged under 30 remained unchanged compared to the previous year. The **rate of new hires fell slightly** over the three-year period (11% in 2025), remaining in line with the national industrial sector benchmark (12% according to the latest Confindustria survey data²⁹). When considering only the workforce under 30, however, the rate of new hires stands at 32%³⁰.

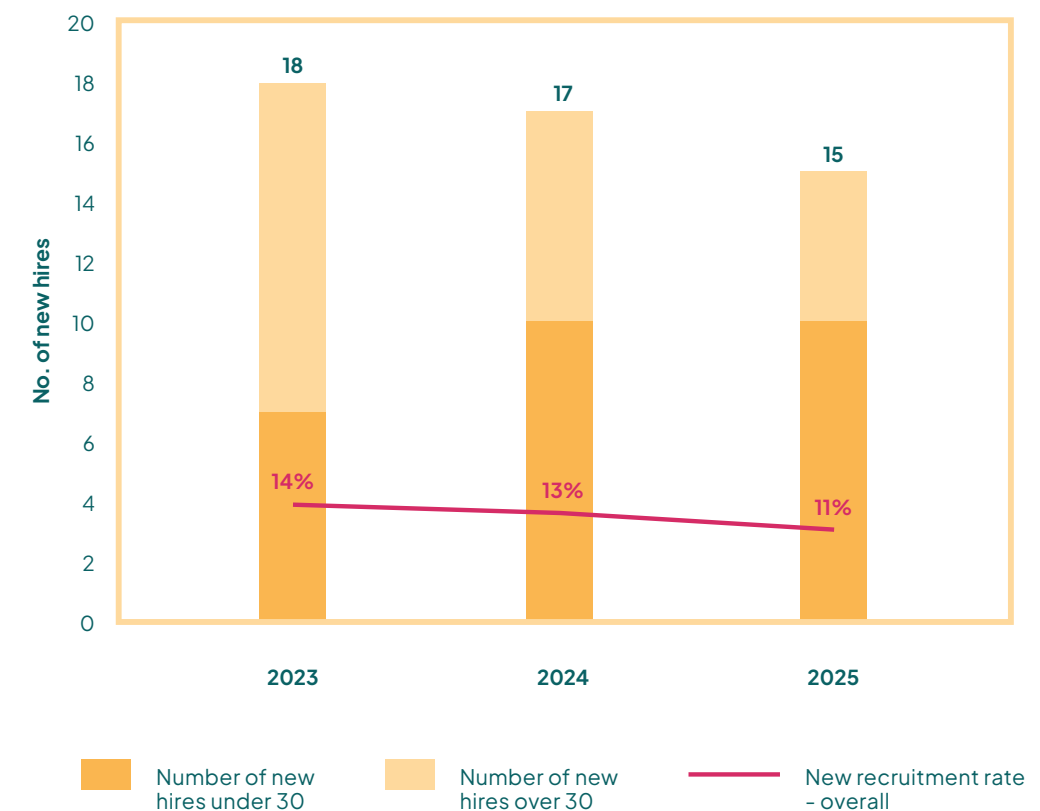
²⁸ The growth rate is calculated as: the difference between joiners and leavers / total number of employees as at 31 December of the previous year.

²⁹ The benchmark used for all turnover rates (including those presented below) is provided by the Confindustria Labour Survey. The most recent survey dates from July 2025 and is based on data from 2024.

³⁰ The new hire rate is calculated as the ratio of the total number of new hires in the year to the number of employees as at 31 December of the previous year. For the under-30 rate, only data relating to employees under the age of 30 are taken into account, both in the denominator and in the numerator.

Like most Italian manufacturing companies in recent years, Forge Monchieri is also experiencing difficulties in finding **suitably qualified and trained personnel**, particularly for certain specific roles in production and technical areas³¹. To address this challenge, the company uses

a variety of channels to raise awareness of its business and job vacancies; in addition to working with recruitment agencies, it places great emphasis on direct recruitment and promotion, including through social media and participation in trade fairs.

NEW HIRES AND
NEW RECRUITMENT RATES

In 2025, a total of **10 departures** were recorded, 5 of which involved employees under the age of 30. Half of the departures (including 4 employees under the age of

30) were due to voluntary resignation; the remainder were due to dismissal, expiry of contract or retirement.

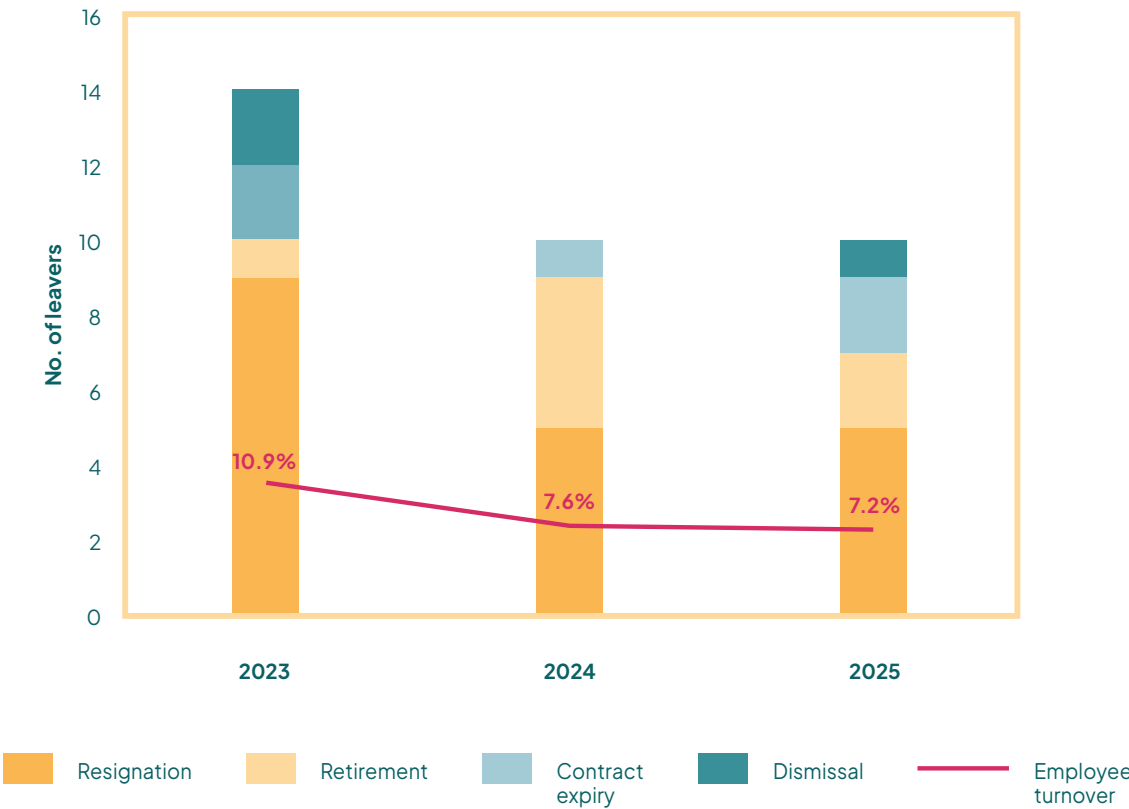
³¹ § Risk: Recruitment challenges.

4.1.1

Employee turnover, particularly voluntary departures, undoubtedly represents a risk that Forge Monchieri, like any other company, needs to monitor, as it could result in additional and unforeseen costs³². However, the low figures from recent years demonstrate the currently limited significance of this issue for the company:

in 2025, the employee turnover rate (7.2%) was slightly **lower than the benchmark for the Italian manufacturing sector** (10.9%). Furthermore, both the overall rate and the rate for voluntary resignations appear to have decreased over the three-year period³³.

EXITS BY TYPE AND
EMPLOYEE TURNOVER



As a result of the decline in new hires and exits, **overall staff turnover fell in 2025** compared with the previous two years, both in absolute terms—at a rate lower

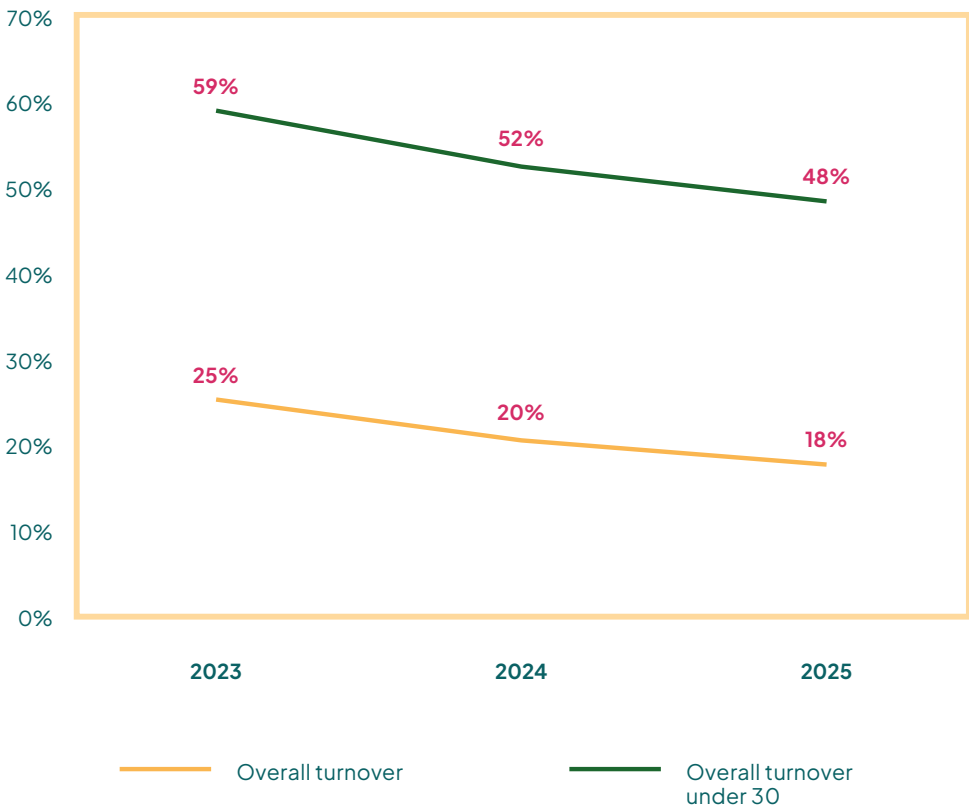
than the Italian industrial sector average (22.9%)—and among the under-30 age group³⁴.

³² § Risk: Voluntary staff turnover.

³³ The employee turnover rate is calculated as the ratio of the total number of exits to the number of employees as at 31 December of the previous year. The voluntary turnover rate refers solely to voluntary resignations (in the numerator).

³⁴ Overall turnover is calculated as: total joiners and leavers / number of employees as at 31 December of the previous year. For the under-30 rate, only data relating to employees under the age of 30 are taken into account, both in the denominator and in the numerator.

OVERALL TURNOVER RATES



The increase in the workforce, particularly among young employees, demonstrates the effectiveness of the recruitment strategies implemented by Forge Monchieri: in addition to contractual stability and the company's international standing, initiatives to improve **employee**

well-being and **work flexibility** are highly relevant and valued by younger generations. Monitoring staff turnover and committing to meeting staff needs are now established tools for proactive human resources management.

SECURE EMPLOYMENT AND PERSONNEL MANAGEMENT

AS IS

TO BE

97% of contracts are permanent

Maintain the percentage of permanent contracts at >95%

Employee turnover rate: 7.2%

Employee turnover rate < 8.2%

■ 4.1.2

OCCUPATIONAL
HEALTH AND
SAFETY

OCCUPATIONAL HEALTH AND
SAFETY IS A CORNERSTONE
OF FORGE MONCHIERI’S
CORPORATE CULTURE



The company is committed to continuous improvement in this area, implementing effective safety practices, clearly defined procedures and ongoing staff training. Indeed, establishing a **safety culture** based on the awareness and responsibility of each team member is a key factor in ensuring the success of prevention practices and minimising the risk of work-related injuries³⁵.

The company’s **ISO 45001–certified** (formerly OHSAS 18001) health and safety **management system** is further evidence of its unwavering commitment in this area, going beyond its regulatory obligations.

Our prevention strategies enabled us to achieve an ambitious result in **2025: 0 work-related injuries and 0 confirmed occupational illnesses** throughout the

year. Over the previous two years, the frequency and severity of injuries were also relatively low (1 with an 11-day prognosis in 2023 and 3 totalling 76 days in 2024). These figures demonstrate the effectiveness of the company’s approach to safeguarding occupational safety³⁶.

The practices adopted for the workforce are **also extended to external workers operating on the company’s premises**, primarily for maintenance or machinery installation³⁷. To prevent work-related injuries in these settings, which could occur particularly during periods of production downtime, Forge Monchieri maps out interference risks and collaborates with suppliers to ensure optimal safety conditions for all workers.



OCCUPATIONAL HEALTH AND SAFETY	
AS IS	TO BE
0 work-related injuries in 2025	Keep the number of work-related injuries to a minimum, with a frequency index of ≤ 15 and a severity index of ≤ 1

³⁵ § Potential negative impact: Risk of work-related injuries.

³⁶ All data reported on accidents relate exclusively to accidents at work (excluding commuting accidents, which occur on the journey between home and work), as required by GRI Standard 403–9. For the sake of transparency, it is hereby reported that, over the three-year period 2023–2025, 0 commuting accidents (as in accordance with national regulations) were recorded.

³⁷ § Potential negative impact: Risk of work-related injuries involving external workers.

■ 4.1.3

CORPORATE
WELL-BEING AND
FLEXIBILITY

OUR COMMITMENT TO CONTINUOUSLY PROMOTING THE WELL-BEING OF OUR STAFF IS MANIFESTED IN ADDITIONAL WELFARE BENEFITS, HEALTH PROMOTION INITIATIVES AND FLEXIBLE WORKING ARRANGEMENTS



Forge Monchieri has implemented numerous measures to support **well-being in the workplace**. Recognising the risks associated with potential employee dissatisfaction, the company is committed to continuous improvement in these areas, enhancing existing initiatives and introducing new opportunities³⁸.

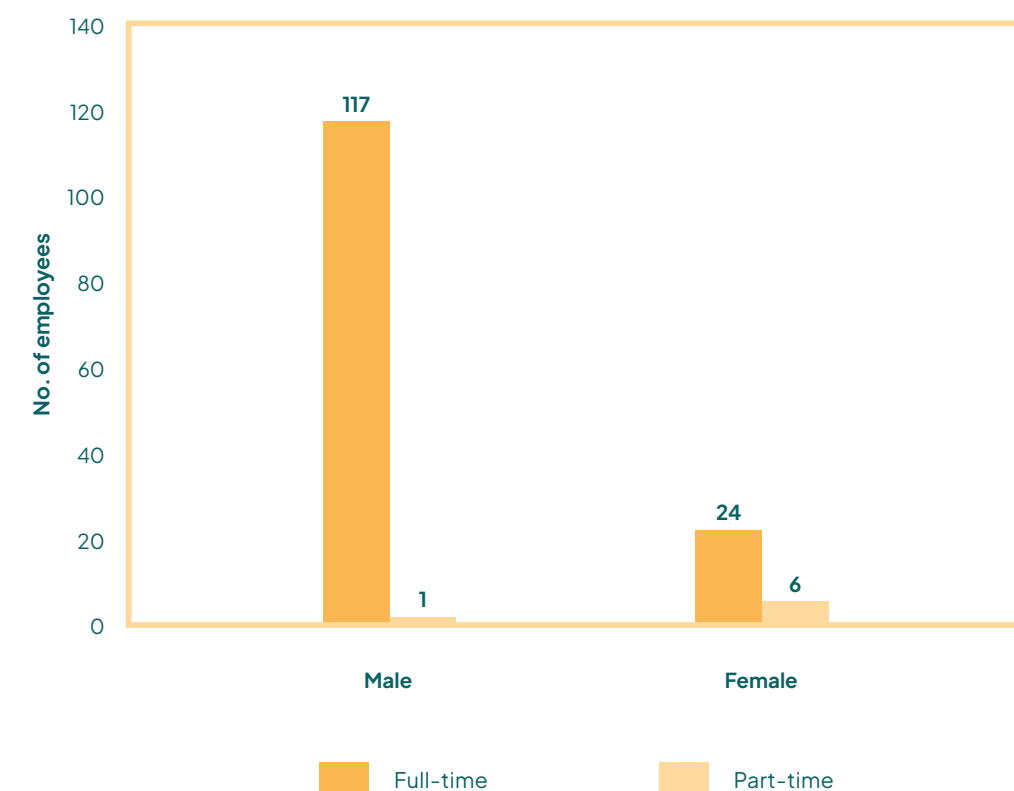
The commitment to promoting the mental and physical well-being of employees is reflected in a wide range of initiatives, many of which are repeated year after year. Participation in the Region of Lombardy's **WHP (Workplace Health Promotion) programme** provides the framework for the numerous initiatives supporting healthy lifestyles: awareness-raising on addiction, incentives for physical activity, and annually renewed vaccination campaigns.

Between 2024 and 2025, significant initiatives were promoted in this regard: the establishment of a **psychological support service**, the conclusion of **agreements for diagnostic tests** at specialised centres in the area, and the development of a long-term project to become a **smoke-free company**, starting with an awareness-raising campaign on smoking addiction. In addition, a voluntary course on sleep hygiene was organised to provide a further opportunity to assess and improve certain lifestyle habits. These initiatives demonstrate our commitment to **providing ongoing, long-term support for the health and well-being of our staff**; indeed, the projects that have been launched will continue in the coming years³⁹.

100% of the workforce has access to the company's welfare schemes, as required by the Metalworking and Mechanical Engineering Industry National Collective Labour Agreement, i.e. the relevant national collective agreement. In addition to the **mandatory contribution** of € 200 per person, Forge Monchieri provides a **significant additional amount**; in 2025, the total expenditure on employee welfare exceeded € 68,000. When the amount invested in supplementary **health insurance, meal vouchers and canteen fees** is added, the total expenditure reaches € 166,337, a significant figure that demonstrates the company's financial commitment to the well-being of its staff.

For roles that can be adapted to flexible working arrangements, access to **flexible working hours** is also guaranteed, with the aim of promoting a work-life balance. All employees can benefit from flexible working hours and, upon request based on specific needs, from a number of days of remote working⁴⁰.

One of the options for managing work-life balance is **part-time** work, which was taken up by approximately 5% of the workforce over the three-year period reported on. This option is more common among female employees: around a quarter of all female employees worked part-time in 2025.

FULL-TIME AND PART-TIME EMPLOYEES
BY GENDER - 2025

³⁸ § Potential negative impact: Potential staff dissatisfaction.

³⁹ § Actual positive impact: Staff initiatives.

⁴⁰ § Potential positive impact: Work-life balance.

■ 4.1.3

The initiatives in place also provide a **support** system for **personal and family needs**, complementing the statutory leave entitlements. In 2025, the two male employees who took paternity leave and the female employee who took maternity leave returned to work. In addition, two new mothers requested optional leave (one was still on leave as at 31 December), and 10 employees (2 women and 8 men) took family care leave.

The flexibility opportunities and the 100% return-to-work rate following leave demonstrate Forge Monchieri's commitment to meeting the requests and needs of its staff, including in terms of managing personal and family commitments.

CORPORATE WELL-BEING	
AS IS	TO BE
Participation in the WHP programme and related initiatives	Maintain participation in the WHP programme and continue to promote initiatives
Vaccination campaign and psychological support service, partnerships with specialist diagnostic centres	Renew partnerships and services to support mental and physical health
Existence of a welfare plan covering all employees	Expansion of specific welfare services
Raise awareness of smoking addiction	Objective of becoming a smoke-free company (increasing restrictions and limits in the coming years, following an assessment of the potential impact on employees)



■ 4.1.4

TRAINING
AND SKILLS
DEVELOPMENT



CONTINUING PROFESSIONAL
DEVELOPMENT AND SKILLS
ENHANCEMENT ARE CRUCIAL TO
ENSURING QUALITY AND INNOVATION



A **skilled and up-to-date workforce** is able to perform its duties to the best of its ability and to add value to its day-to-day work, thereby minimising errors and inefficiencies⁴¹. Furthermore, the opportunity to undertake training and develop professional and personal skills is a key driver of job satisfaction.

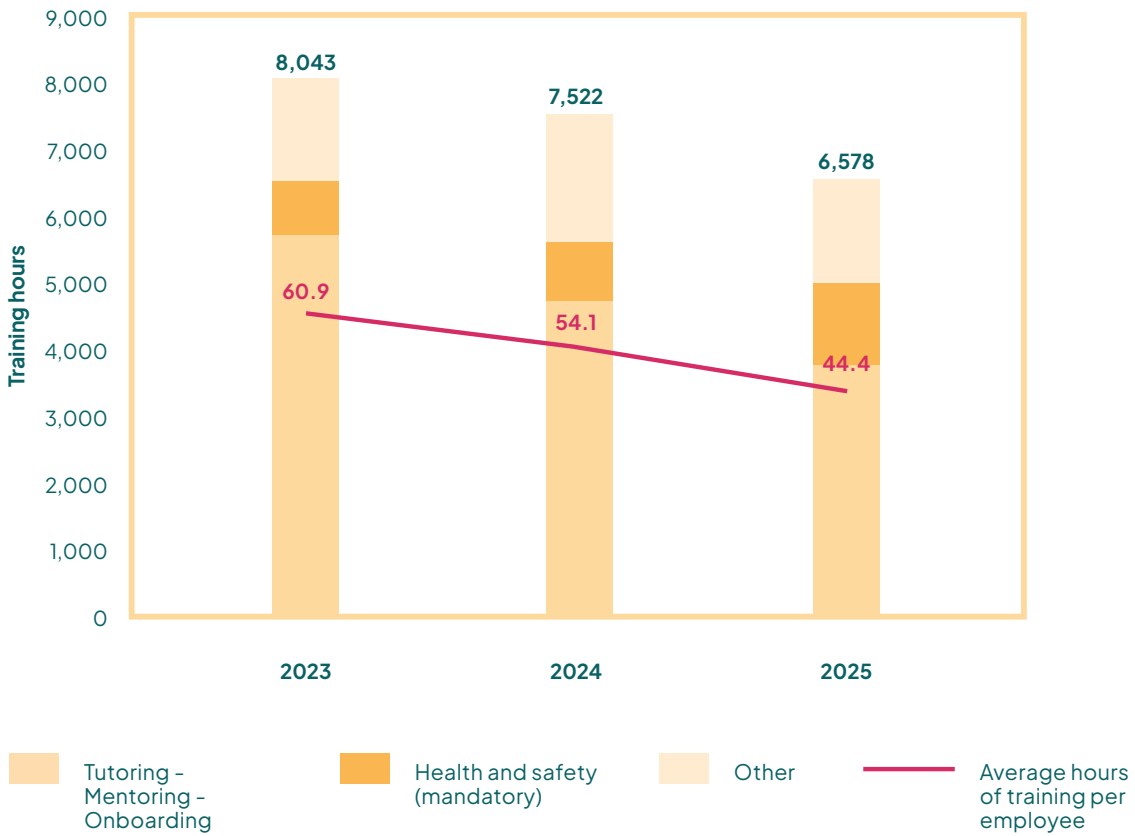
Forge Monchieri has **structured training plans**, particularly for the onboarding phase (**induction plan**) or when **employees change roles**, in order to ensure that they are fully prepared and capable of carrying out their assigned tasks and integrating into the company workforce and/or the department to which they are assigned⁴².

Around **60% of total training hours** are in fact spent on mentoring, tutoring and onboarding; the decline in these courses over the three-year period (which depends on unforeseeable factors such as the

number of new hires and job transfers) has therefore had a significant impact on the total number of training hours, which is lower than in the previous two-year period.

In 2025, **6,578 hours of training were delivered, equivalent to 44.4 hours per employee**. In addition to mentoring programmes and compulsory health and safety training (over 1,200 hours), Forge Monchieri also promotes training that includes role-specific updates, as well as cross-functional courses for skills development, such as the Cyber Security course.

TRAINING HOURS BY TOPIC



Training is provided at all levels, tailored to the **specific needs** of each role. Typically, the categories with the highest average number of training hours per employee are **white-collar** and **blue-collar** workers (each of which accounts for approximately 45% of the workforce, making up 90% of the total staff).

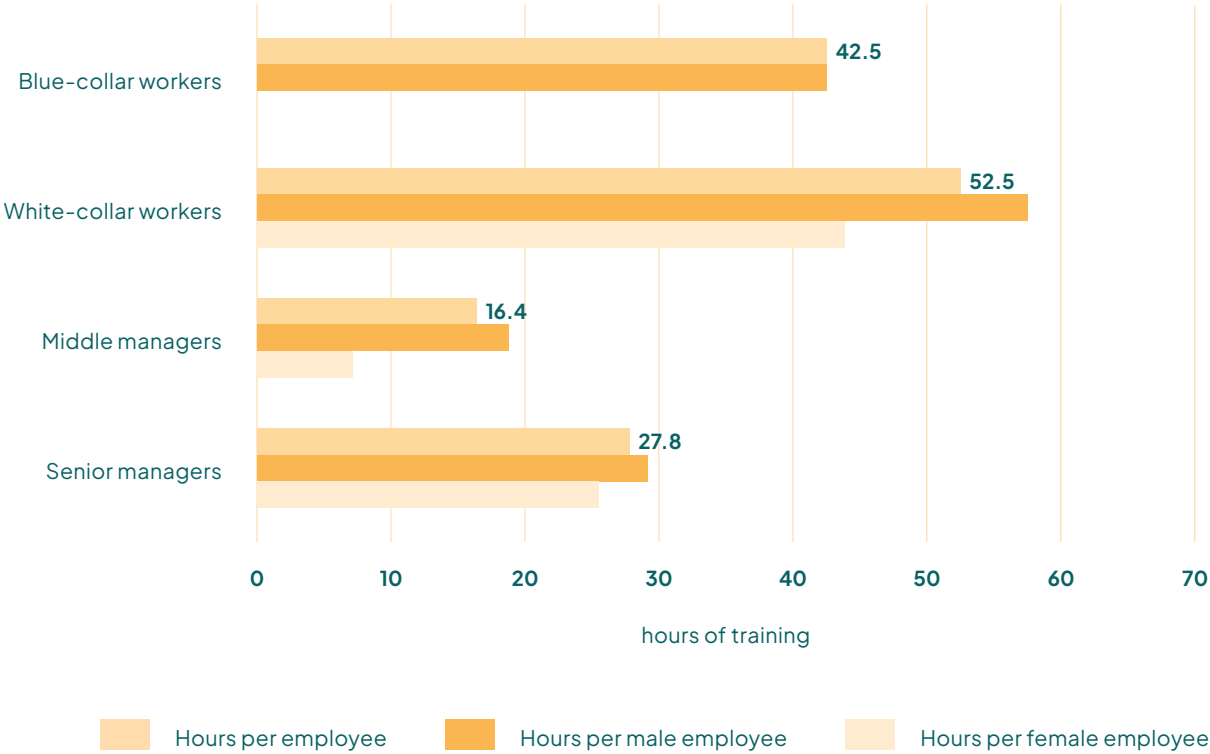
In 2025, white-collar and blue-collar workers completed an average of 52.5 and 42.5 hours of training, respectively, while the figures for senior managers and middle managers were lower, but still significant.

⁴¹ § Risk: Workers' skills.

⁴² § Actual positive impact: Induction training and change of role.

■ 4.1.4

HOURS OF TRAINING PER EMPLOYEE
BY JOB CATEGORY - 2025



In all relevant categories (i.e. excluding blue-collar workers, where there are no female employees), the average number of training hours for female employees appears to be lower than that for their male colleagues. In addition to being linked to the ad hoc needs of individual employees, this variation may also be related to the type of role. Indeed, some roles require more frequent updates or **more specific training programmes** due to the nature of the work performed.

In particular, the majority of training hours were provided to **production and maintenance staff** (3,038) or to the **technical and research and development department** (1,004), in order to meet the

specific needs of those roles. The technical department recorded a very high average number of hours, at **77 hours per employee**, reflecting the investment in training for technical roles. The predominance of male employees in these roles undoubtedly affects the average results by gender.

In addition to training, Forge Monchieri also places emphasis on **raising staff awareness** of issues that may affect their daily lives. In recent years, informative videos have been produced and distributed on various topics, covering both **healthy lifestyles and habits** (gambling addiction and smoking) and **sustainability issues** (carbon footprint and water consumption).

The creation of a **corporate culture that is environmentally and socially responsible**, as well as professional, is an important strategic objective, through which the company aims to support its employees in becoming more mindful and aware not only as workers, but also as citizens. The journey to becoming a smoke-free company fits perfectly into this context.

Frame the QR codes to watch the following videos:



ENVIRONMENTAL
SUSTAINABILITY
Carbon
Footprint



ENVIRONMENTAL
SUSTAINABILITY
Water
Consumption



Smoking



Gambling
addiction



Healthy
lifestyles

TRAINING AND SKILLS DEVELOPMENT	
AS IS	TO BE
Short videos to raise awareness and provide training on sustainability issues and healthy habits	Dedicated staff training courses on ESG sustainability and sustainable development topics
Average hours of training per employee per year: 44	Maintain the average number of training hours per employee per year at >45



■ 4.1.5

DIVERSITY, INCLUSION AND GENDER EQUALITY

THE CREATION OF A POSITIVE
WORKING ENVIRONMENT GOES HAND
IN HAND WITH THE PROMOTION OF
DIVERSITY AND GENDER EQUALITY,
AND A SHARED CULTURE OF MUTUAL
RESPECT AND INCLUSION



Forge Monchieri is committed to **safeguarding diversity** by monitoring and preventing the risk of discrimination. Although the company does not have dedicated tools or policies, it does have a whistleblowing channel (as part of the MOG231) through which reports of potential discrimination can be made⁴³. In 2025, as in the previous two-year period, no cases of discrimination or harassment were reported, either formally or informally.

In particular, **gender** represents the most significant category of diversity within Forge Monchieri. Of the 30 women in the workforce, over 80% hold white-collar

roles, while the remainder hold managerial or senior management positions.

Specifically, the percentage of **women in top management** (i.e., in the first two levels of the organisational chart below the Board of Directors) stands at **37.5%**, which is significantly higher than the manufacturing sector benchmark (for 2023) of 14.6%⁴⁴.

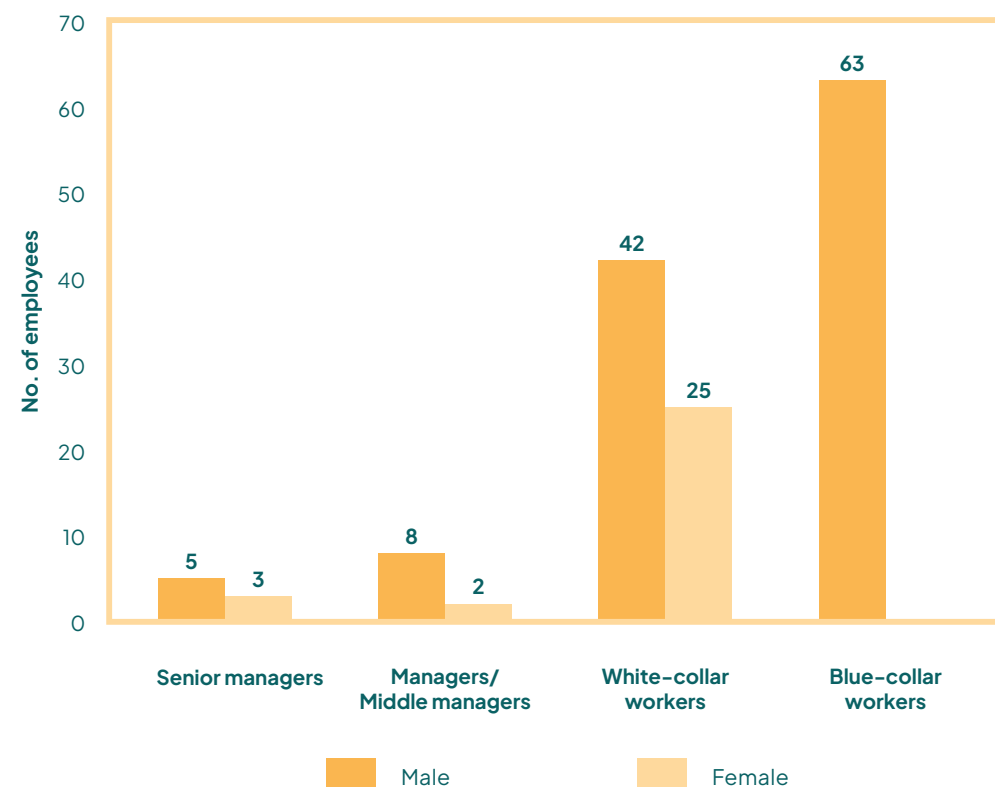


⁴³ § Potential negative impact: Potential episodes of discrimination.

⁴⁴ The most recent benchmark available for Italy relates to the year 2023 and is provided by ISTAT.

■ 4.1.5

GENDER BREAKDOWN BY JOB CATEGORY - 2025



Partly as a result of this breakdown, the analysis of the **Gender Pay Gap** shows that, for 2025, the average gross hourly pay is higher for women (a positive gap of 16%). This percentage does not take into account differences in role, responsibilities, age and length of service; the **higher concentration of women in higher-paid roles** and of men in manual positions (which are typically characterised by lower average pay than that of white-collar workers and managers) undoubtedly influences the result.

Indeed, when analysing the individual categories, the only job grade for which a pay gap in favour of women is confirmed is that of senior managers. For middle managers and white-collar workers, on the other hand, the figures are 86% and 81% respectively, with the variable component (bonuses, allowances and incentives) having a significant impact, compared to a comparable basic salary for men and women.

The significant number of women in senior roles and the ongoing monitoring of the gender pay gap demonstrate Forge Monchieri's tangible commitment to promoting a **fair and non-discriminatory working environment**⁴⁵. Over the next few years, the company aims to continue developing policies and tools to promote

gender equality and raise awareness of the issue among the workforce, thereby creating an even more inclusive and respectful company culture focused on the well-being of every team member.



DIVERSITY AND INCLUSION	
AS IS	TO BE
Significant number of women in senior roles and good performance in terms of the <i>gender pay gap</i> , which is monitored annually	Maintain and improve the current situation through dedicated initiatives

⁴⁵ § Potential positive impact: Increasing focus on gender equality.

■ 4.2

CREATING VALUE IN THE COMMUNITY

DEVOTING TIME AND RESOURCES
TO THE COMMUNITY AND
YOUNGER GENERATIONS IS AN
INVESTMENT IN THE FUTURE



Indeed, supporting the community is a key priority for Forge Monchieri and is primarily delivered through work placements and donations to local associations and organisations.

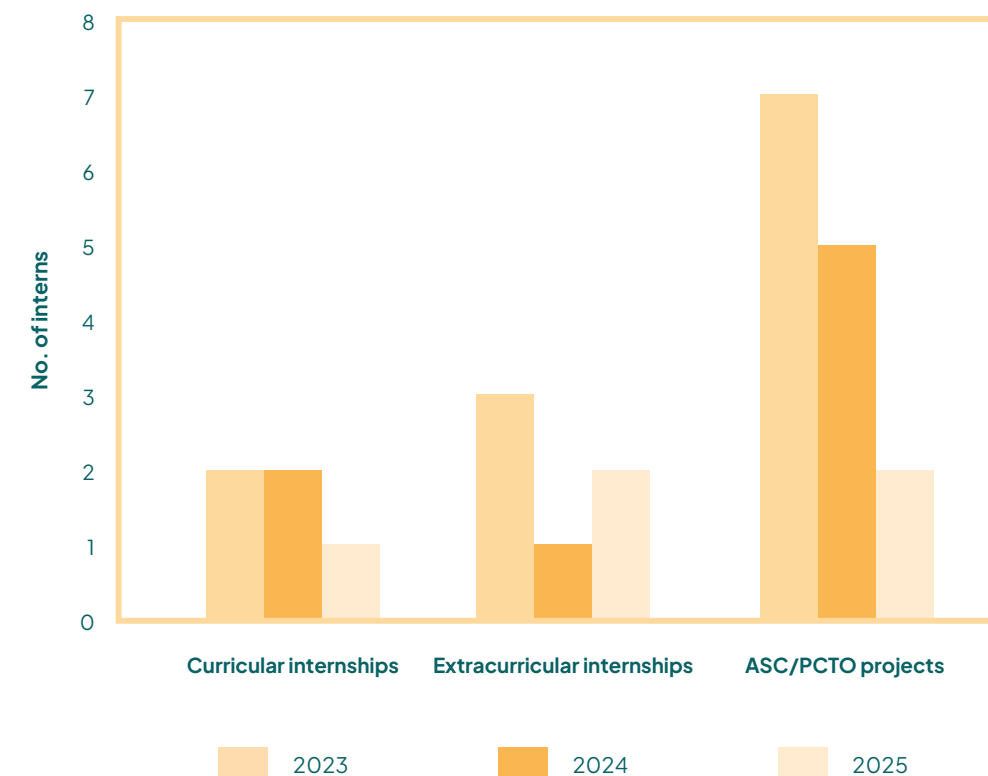
Over the three-year period 2023–2025, Forge Monchieri sponsored numerous **internship programmes**, which in some cases led to recruitment (1 person per year)⁴⁶. In 2025, the total number of interns amounted to five, less than in the previous two-year period; however, the company's consistent commitment to offering internships demonstrates its desire to provide **opportunities for young students in the local area**.

In addition, Forge Monchieri supports organisations and associations each

year through **donations**; in 2025, approximately €60,000 was invested for social engagement purposes. Many of these donations are made again each year, thereby ensuring **ongoing support for the local area**: this is the case for the 'bilingualism' project promoted at the Pisogne school and for the donations made to the local organisations Associazione SOL.CO (contributing to the 'Valle dei segni Wine Trail per tutti' initiative), Cooperativa Sociale Arcobaleno, RicerChiAmo and the Vallecamonica Hospital and Healthcare Fund. In addition to these, there are donations for specific purposes based on requests and needs, such as the donation made to support the Gaslini Hospital in Genoa in 2025⁴⁷.



INTERNSHIP PROGRAMMES



⁴⁶ § Potential positive impact: Partnerships with schools and universities.

⁴⁷ § Actual positive impact: Contributions to local organisations and associations.



CREATING VALUE IN THE COMMUNITY

AS IS

TO BE

Partnerships with schools and universities to launch in-company work placements and dissertation projects

Expand partnerships and initiatives in the social sphere

Donations to the local community (social, sports and multi-sports associations for people with disabilities)

Continue to support existing initiatives/ associations and identify new initiatives/ associations to support



GOVERNANCE SPHERE

- 5.1 Business conduct
 - 5.1.1 Strategic direction and corporate culture
 - 5.1.1.1 Ethics and sustainability
 - 5.1.1.2 Financial performance
 - 5.1.1.2 Cybersecurity and data protection
 - 5.1.3 Supply chain
-



OUR COMMITMENT TO QUALITY, INNOVATION AND ENVIRONMENTAL AND SOCIAL SUSTAINABILITY

IS UNDERPINNED BY SOLID AND
RESPONSIBLE GOVERNANCE



Stable corporate governance is a key factor in ensuring sustainable and long-term development. Forge Monchieri stands out in today's industrial landscape thanks to its ability to operate in a structured, responsible manner focused on continuous improvement, incorporating key values such as **innovation, collaboration, professionalism and quality**.

The adoption of **certified Management Systems** in strategic areas, such as quality, health and safety, the environment, energy, aerospace and defence, is an essential tool for ensuring high operational standards and efficient process management. At the same time, the implementation of an **Organisational Model** in accordance with national legislation (Organisational Model pursuant to Italian Legislative Decree 231/2001) and the associated whistleblowing channel and supervisory board enhance corporate **transparency**, while **the incorporation of ethical principles and social responsibility** into the company's guidelines reinforces the company's role as a reliable and conscientious player, capable of creating not only economic value but also social and environmental value for all stakeholders.



HIGHLIGHTS

2 OUT OF 5

members of the Board of Directors are women (including the Chief Executive Officer and Chair of the company)



OVER 77M

of euros in revenue



6 CERTIFIED MANAGEMENT SYSTEMS

Quality (9001:2015), Environment (14001:2015), Occupational Health and Safety (45001:2018), Energy (50001:2018), Nuclear Safety (19443:2022) and, from 2025, Aerospace and Defence (EN9100:2018)



5.1

BUSINESS CONDUCT

5.1.1

STRATEGIC DIRECTION AND CORPORATE CULTURE

FORGE MONCHIERI'S BOARD OF DIRECTORS IS SETTING THE COMPANY'S DIRECTION TOWARDS INCREASED FOCUS ON ENVIRONMENTAL AND SOCIAL SUSTAINABILITY



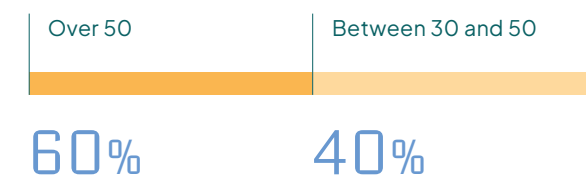
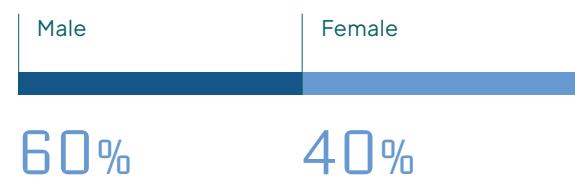
Forge Monchieri's governance structure boasts significant female representation, with Gaia Monchieri serving as Chief Executive Officer and, from 2025, Chair of the company, and a **Board of Directors** comprising 40% women (2 out of a total of 5 members).

The importance of experience in holding directorship positions, with established expertise, a strategic vision and decision-making skills developed over time, is reflected in a governing body composed of individuals **aged over 50 or between**

30 and 50. The management of significant environmental, health and safety impacts is the direct responsibility of the HSE, following delegation by the Board of Directors.



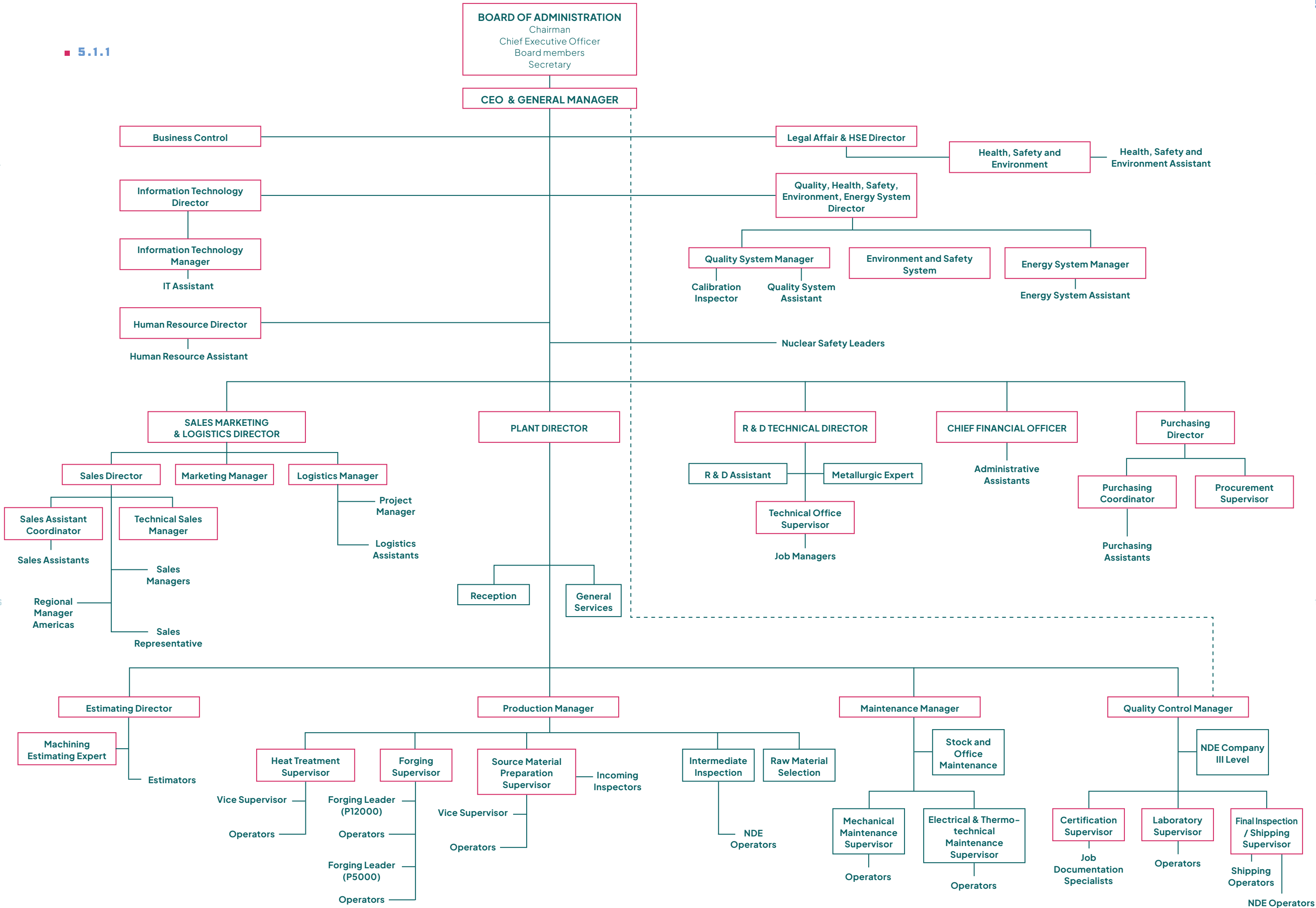
■ 5.1.1



As part of the Organisation, Management and Control Model (MOG231) adopted by the company, a **Supervisory Body** has also been established, comprising one internal member and two **independent external members**, which oversees the company's activities and takes action

in the event of reports. The existence of this body provides a further guarantee of the **fairness and transparency** of the company's operations.

5.1.1



■ 5.1.1.1

ETHICS AND SUSTAINABILITY

INTEGRATING SUSTAINABLE AND ETHICAL PRACTICES INTO BUSINESS STRATEGY IS BECOMING A CRUCIAL ISSUE FOR ENSURING LONG-TERM SUCCESS



Today, integrating **sustainability into a company's strategy** is essential not only from an ethical and social responsibility perspective, but also as a driver of competitiveness and economic development⁴⁸. Like many companies in the market, Forge Monchieri has received various enquiries from customers and business partners regarding its ESG performance, including through questionnaires and dedicated assessment platforms such as EcoVadis and Open-es. In this context, **monitoring ESG indicators and implementing improvement tools and initiatives** can have a positive impact on both the company's image and its ability to retain or secure new market opportunities.

Over the past few years, Forge Monchieri has embarked on a structured journey, which is reflected in a key document: the **Sustainability Report**, now in its third edition. The report is a key tool for communicating the company's economic, social and environmental performance to stakeholders in a clear and transparent manner. At the same time, the company keeps its **improvement plan** up to date in order to define and monitor its

performance against the set objectives, thereby making its journey towards sustainable development more dynamic and in line with changes in the business and regulatory environment.

Robust and ethical corporate governance has been a key component of Forge Monchieri's strategy for a long time, well before the recent focus on sustainability.



For several years now, the company has had an **integrated management system** in place that enables it to monitor, supervise and improve its key business processes in a rigorous and structured manner. Certifications include:

ISO 9001:2015

Quality management system

ISO 14001:2015

Environmental management system

ISO 45001:2018

Occupational health and safety management system

ISO 50001:2018

Energy management system

ISO 19443:2022

Nuclear safety management system

EN 9100:2018

Management systems for aerospace and defence

⁴⁸ § Opportunity: Sustainability strategy.

5.1.1.1

In addition to these certified systems, the Company operates an **Organisation, Management and Control Model** in accordance with Italian Legislative Decree No. 231/2001, which establishes a structured set of measures aimed at preventing the risk of criminal offences being committed, through the mapping of sensitive areas, the definition of operating procedures and the supervision of a **Supervisory Body**. Also forming part of this framework is the **whistleblowing** channel, which enables both employees and external parties to anonymously report any non-compliant conduct.

These tools enable the company to prevent any **risks of corruption**⁴⁹ or other wrongdoing, supported by the associated training on the subject (set out in the MOG231 currently being implemented, as well as any subsequent updates) and the promotion of awareness and consistent conduct through internal tools and policies.

Indeed, fostering a **corporate culture** focused on fairness and transparency is a key aspect of establishing ethical business management; for this reason, it was crucial to define values and behavioural guidelines through the **Code of Ethics** and the **Policy for Social and**

Ethical Responsibility. The Code of Ethics sets out the company's **guiding principles** and translates these values into **expected conduct** of all stakeholders, establishing implementation and monitoring mechanisms entrusted to the Supervisory Body. The Policy for Social and Ethical Responsibility, on the other hand, expands on this vision by emphasising the importance of **balanced corporate management** that is capable of combining economic performance with a focus on social and environmental impact. Taken together, these tools are not merely a formal requirement, but a strategic lever for strengthening the company's reputation and promoting a **responsible corporate culture**.

Frame the QR codes to view the following topics:



[Policy for Social and Ethical Responsibility](#)



[Code of Ethics](#)

In addition to these internal strategies, Forge Monchieri strengthens its governance through **partnerships with various trade associations**:

CONFINDUSTRIA BRESCIA: A long-established industrial association that represents and protects local businesses, fostering dialogue with stakeholders and supporting the development of the local production system.



FEDERACCIAI: The Federation of Italian Steel Companies, which is committed to promoting economic, technical and scientific initiatives to support the sector's competitiveness.



ASSOCAMUNA: An association that represents businesses in the Camonica Valley, contributing to the area's economic and social growth by providing services and support to local businesses.



ASSOCIAZIONE ITALIANA METALLURGIA (AIM): A cultural organisation that promotes the dissemination of knowledge about metallic materials and fosters dialogue between industry, research and users.



ASSOCIAZIONE ITALIANA PRESSURE EQUIPMENT (AIPE): An organisation that represents Italian manufacturers of pressure equipment and related industries, supporting the development of the sector.



ASSOCIAZIONE ITALIANA NUCLEARE (AIN): A technical and scientific association that brings together the main national players in the field of nuclear energy and technology.



STRATEGIC DIRECTION

AS IS

TO BE

Integration of sustainability into the company strategy

Continue along the path we have embarked upon through continuous improvement, constant monitoring and transparent communication

⁴⁹ § Risk: Corruption risks.

■ 5.1.1.2

FINANCIAL PERFORMANCE

AMIDST A COMPLEX ECONOMIC ENVIRONMENT CHARACTERISED BY CONSTANT CHANGE AND INSTABILITY, FORGE MONCHIERI HAS MAINTAINED ROBUST FINANCIAL PERFORMANCE



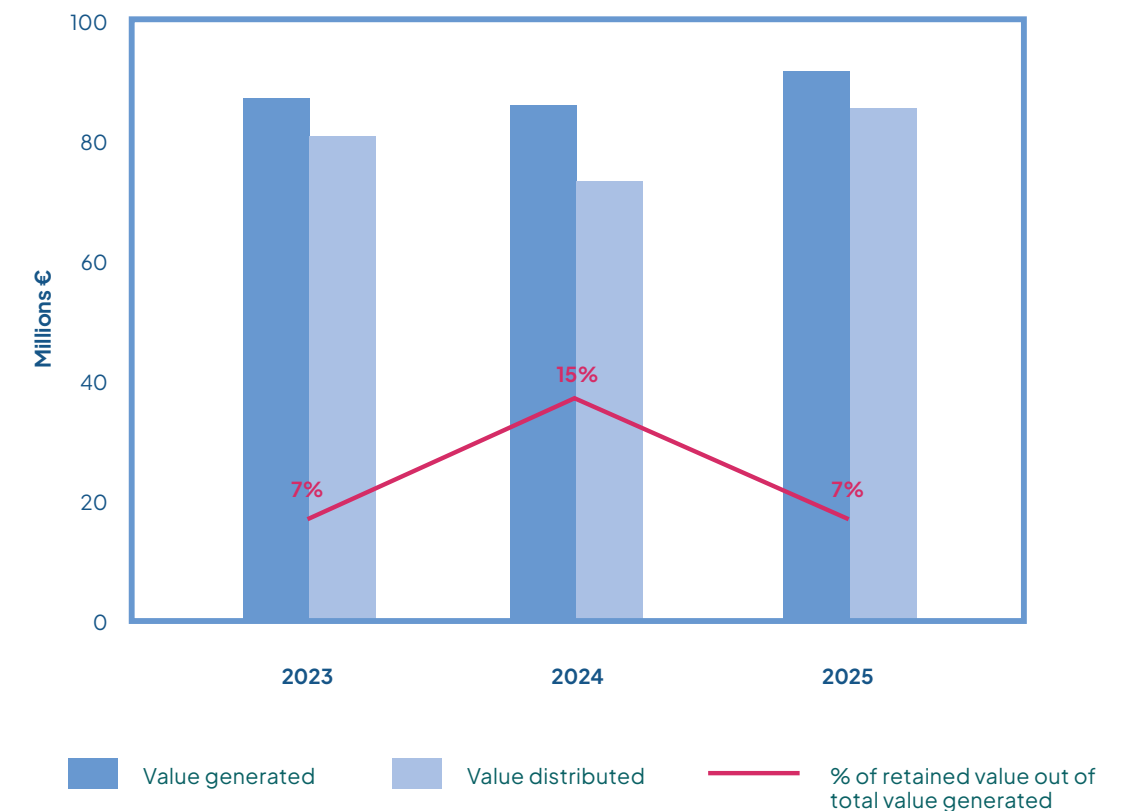
The **value generated** in 2025 (defined as the sum of the **value of production** and income from financial investments) amounted to over € 91 million, of which nearly € 78 million was net turnover. In the case of Forge Monchieri, considering net turnover alone instead of the value of production would yield a misleading result with regard to the company's actual performance, as it would not take into account the changes in semi-finished products required to meet market needs⁵⁰.

93% of the generated value calculated in this way is **redistributed to stakeholders**, broken down into the following items:

operating costs, employee wages and benefits, remuneration of capital providers, community investments, and taxes and payments to governments. The difference between the value generated and the value distributed provides a measure of the **value retained**.

⁵⁰ If only net turnover were used to calculate the value generated (without taking into account the actual value of production), the economic value retained would appear negative (€-6.9 million). However, this figure does not reflect the company's actual situation and does not consider that part of the costs and the value distributed are also attributable to the production of semi-finished products. It is therefore important to include semi-finished products in the value generated: although not sold and invoiced in the current year, they nevertheless represent value created by the company. For the sake of transparency and to ensure full alignment with the GRI 201-1 standard, the tables in the appendix show all the figures for the three-year period, thereby making it possible to compare the change with previous versions of the Sustainability Report as well.

VALUE GENERATED, DISTRIBUTED AND RETAINED

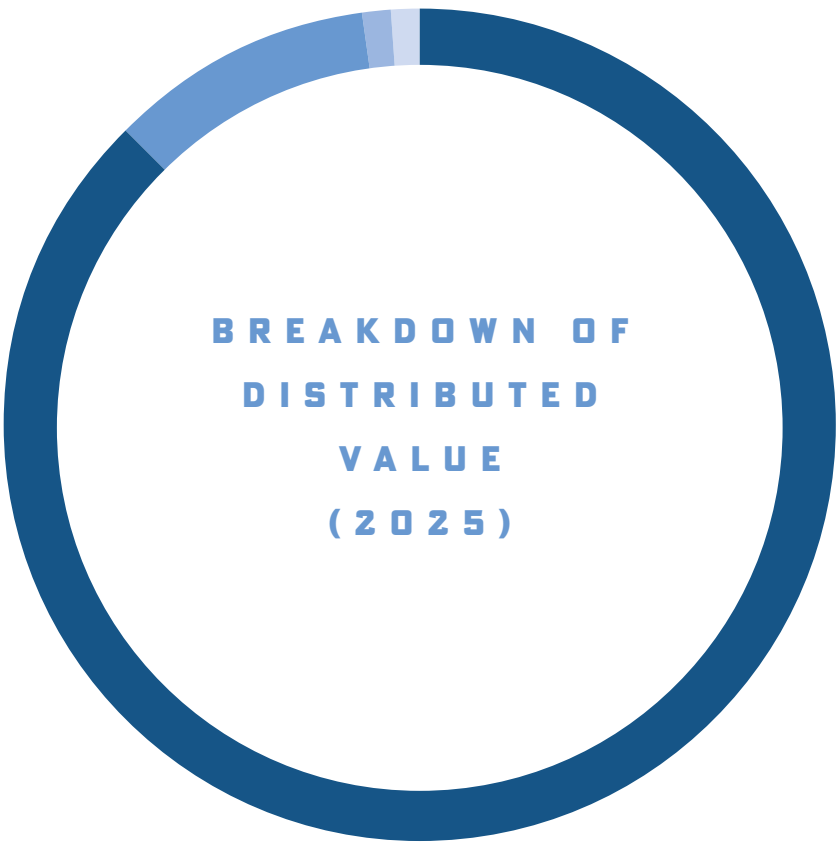


The most significant cost item in the context of distributed value is undoubtedly **operating costs**, which include the expenses necessary for the company's operations, in particular the purchase of materials and energy carriers. Next, **employee remuneration** accounts

for a significant portion, representing 10% of the total. Investments in the community remain a consistent commitment over the years, with a total value in 2025 of approximately €60,000⁵¹.

⁵¹ For further details on the projects undertaken to support the community, please refer to the relevant section of the Social chapter.

5.1.1.2



Operating costs	Employee wages and benefits	Payments to capital providers	Payments to governments	Investments in the community
87.5%	10.4%	1.0%	1.1%	0.1%

CUSTOMER SATISFACTION

Forge Monchieri is characterised by a strong **commitment to its customers**, which, combined with professionalism and expertise, ensures a solid market position and opportunities for long-term success and economic growth.

In this context, it is essential to adopt an **ISO 9001:2015–certified Management System**, which ensures ongoing monitoring, continuous improvement in the quality of products and services, and high standards of on-time delivery. In addition, through a **well-structured sales network**, the company covers the main international markets, ensuring an optimal service throughout the entire sales cycle; sales professionals such as project managers, key account managers, global key managers and local sales managers help to manage relationships with the company’s partners, thereby supporting business development.

Our commitment in this area is reflected in a low complaint rate and a Customer Satisfaction Index of close to 90% in recent years, demonstrating the company’s dedication to understanding and meeting customers’ needs to the best of our ability.

At the same time, Forge Monchieri continuously invests in research and development, recognising its strategic role in driving product innovation and enhancing competitiveness in the market.

The highly specialised staff in the **Research and Development** department also collaborate with universities, research centres and consultants, making use of advanced tools such as simulation software. This approach supports both the development of innovative solutions and the consolidation of Forge Monchieri’s position within its sector.

FINANCIAL PERFORMANCE	
AS IS	TO BE
Over €91 million in economic value generated (based on the value of production)	> €80 million in economic value generated
Approximately €60,000 invested in the community	Maintain an ongoing and long-term social commitment over time
High level of customer satisfaction and hours dedicated to R&D projects	Maintaining and enhancing the development of R&D projects and customer loyalty

■ 5.1.2

CYBERSECURITY AND DATA PROTECTION



FORGE MONCHIERI USES IT SYSTEMS AND INFRASTRUCTURE THAT ENSURE THE HIGHEST LEVEL OF DATA PROTECTION AND CONFIDENTIALITY



In today's economic and technological landscape, cybersecurity is essential for ensuring business continuity, data protection and the safeguarding of a company's reputation. The increasing digitalisation of processes and the interconnection of systems expose organisations to ever more sophisticated threats, making a **structured and proactive approach** to cybersecurity – with secure infrastructure, appropriate processes and widespread user awareness – essential.

In this context, the risk of **cyberattacks** and data theft remains high, and it is therefore crucial to keep IT systems up to date and to train staff in order to foster a culture of awareness and prevention⁵². At the technical level, extensive **system modernisation initiatives** were undertaken between 2024 and 2025. Network mapping, which led to the identification and replacement of certain devices, and the redesign of the company's VLANs to improve the segregation of areas have reduced the vulnerability of the systems.

In addition, **the systems for protection**

against external threats have been supplemented and upgraded, with the implementation of advanced perimeter protection using a Fortinet Next-Generation Firewall and state-of-the-art antivirus systems, such as SentinelOne XDR endpoint protection. This structure is supported by **immutable backup** systems, with one copy isolated from the network to prevent unauthorised access and a further copy stored in a different geographical location to ensure resilience even in the event of critical incidents.

In terms of **raising user awareness** and promoting responsible use of IT devices, in 2025, office staff (who have direct access to the internet and email in the performance of their duties) undertook '**cyber awareness**' training' courses via a dedicated platform, receiving instruction on cybersecurity topics and taking tailored tests to assess the knowledge they had acquired.



⁵² § Risk: Cybersecurity.

5.1.2



Preventing and protecting against cyberattacks is also important from the perspective of **personal data protection**⁵³. Indeed, Forge Monchieri manages a significant amount of data, including both the personal information of its workforce and data of a technical or strategic nature in terms of company know-how and the exchange of sensitive data with customers and suppliers. Therefore, any dissemination of data resulting from data breaches or from

errors and shortcomings in data management practices, particularly with the increasing adoption of artificial intelligence technologies, could lead to financial and reputational damage. Through **dedicated training and behavioural guidelines**, which are also set out in the Code of Ethics, Forge Monchieri ensures that it complies with the latest regulatory requirements and protects the information in its possession.

CYBERSECURITY AND DATA PROTECTION	
AS IS	TO BE
Interventions on IT systems (mapping, VLAN segregation, backups, state-of-the-art antivirus software and firewalls)	Maintain and continuously update IT security systems
Staff training via a cyber awareness platform	Continue to promote staff awareness and training on cybersecurity

⁵³ § Risk: Protection of personal data.

5.1.3

SUPPLY CHAIN



FORGE MONCHIERI ASSESSES THE ENVIRONMENTAL AND SOCIAL SUSTAINABILITY OF ITS SUPPLY CHAIN



Supply chain management is a key strategic element for any company, as it affects not only the quality and continuity of production processes, but also the organisation's overall environmental and social impact. Indeed, a responsible supply chain enables the company to oversee crucial aspects such as compliance with safety and environmental regulations, the protection of workers' rights, the reduction of emissions, and the sustainable use of resources. However, the complexity and diversity of suppliers can expose the company to the risk that some partners are not fully **aligned with the highest environmental, social and ethical standards**⁵⁴, with potential reputational and operational repercussions.

In this context, Forge Monchieri considered it essential to adopt a structured and proactive approach to supply chain management, and therefore promoted a **supplier performance assessment in 2024**⁵⁵. Through the distribution of dedicated questionnaires,

the company assessed the existence of policies and initiatives for staff (training, diversity and inclusion, well-being), the monitoring of specific indicators (such as staff turnover and GHG emissions), the setting of targets to reduce environmental impact, and the development of sustainability strategies (certifications, sustainability reports, ESG management officers).

Through this analysis, the company gained an **overall picture of the ESG performance** of its supply chain, while also raising awareness of these issues among its business partners. Furthermore, in 2025, **ESG criteria were incorporated into the company's purchasing terms and conditions and its Supplier Assessment Policy**, in order to favour suppliers that adopt responsible practices and to encourage the entire supply chain to monitor and improve its performance.

⁵⁴ § Potential negative impact: Safety and environmental impact of the supply chain.

⁵⁵ § Potential positive impact: Sustainability of the supply chain.

5.1.3

Over the next few years, the company intends to consolidate this approach by developing and formalising a **Code of Conduct** for suppliers, which will be made binding upon signature, with the aim of ensuring ever-closer alignment with the principles of sustainability and social responsibility promoted by Forge Monchieri.

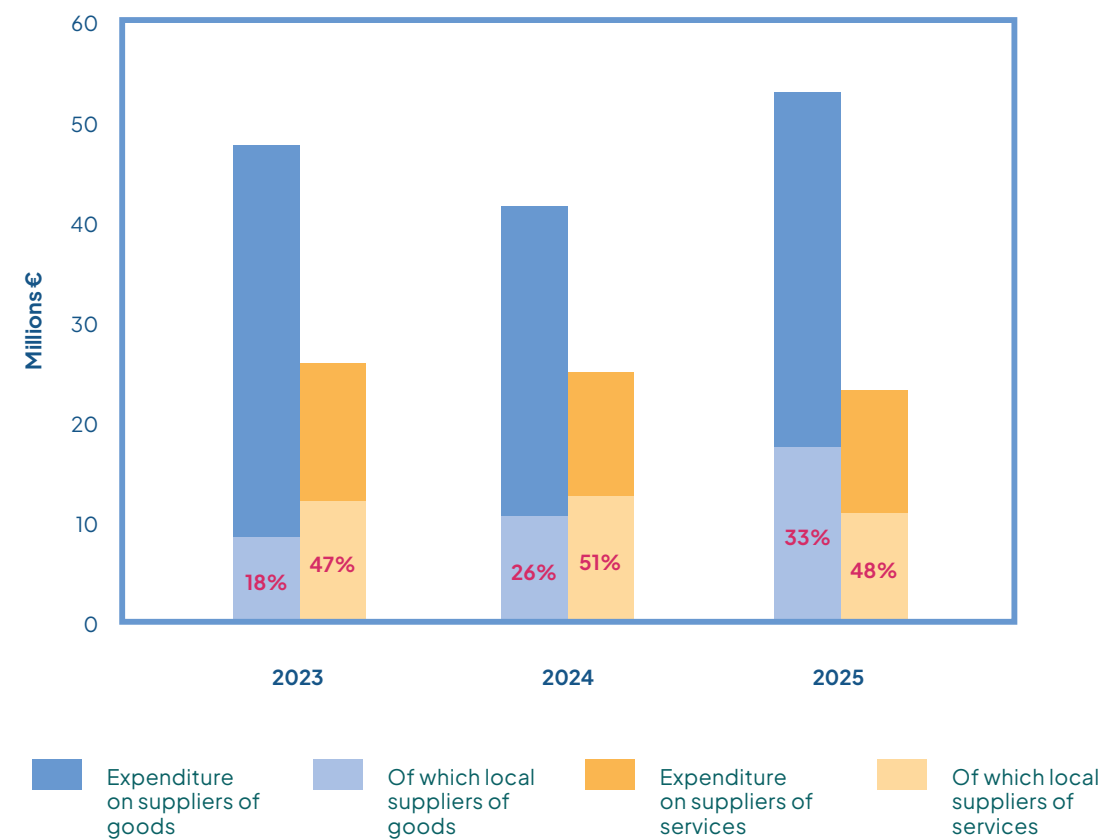
In 2025, **38% of the total expenditure on the purchase of goods and services was**

allocated to local suppliers (i.e., suppliers based in the province of Brescia). When broken down by supplier category, the share of service providers has remained consistent over the three-year period, with the percentage of local procurement standing at around 50%. In contrast, expenditure on the purchase of **goods** (which has a significantly greater impact) showed an **upward trend in the share of local suppliers**, reaching 33% in 2025.

The procurement of resources is crucial to ensuring production continuity and the company's competitiveness. In this context, Forge Monchieri is exposed to the risk of partial dependence on specific suppliers, particularly for specialised materials such as ingots for the energy sectors⁵⁶. This situation can give rise to significant vulnerabilities for the organisation. For this reason, Forge Monchieri implements **supplier diversification and monitoring strategies** to ensure the resilience and security of its supply chain.

Although each measure taken with regard to the supply chain represents a significant effort for the company, not least given the sector in which it operates, Forge Monchieri is convinced of the importance of taking action not only in relation to its own performance but, as far as possible, also in relation to the performance of its business partners. The process of **disseminating and sharing best practices** and a culture of sustainability is undoubtedly long and complex, but it is aimed at establishing a supply chain that is more responsible towards people and the environment.

EXPENDITURE ON SUPPLIERS

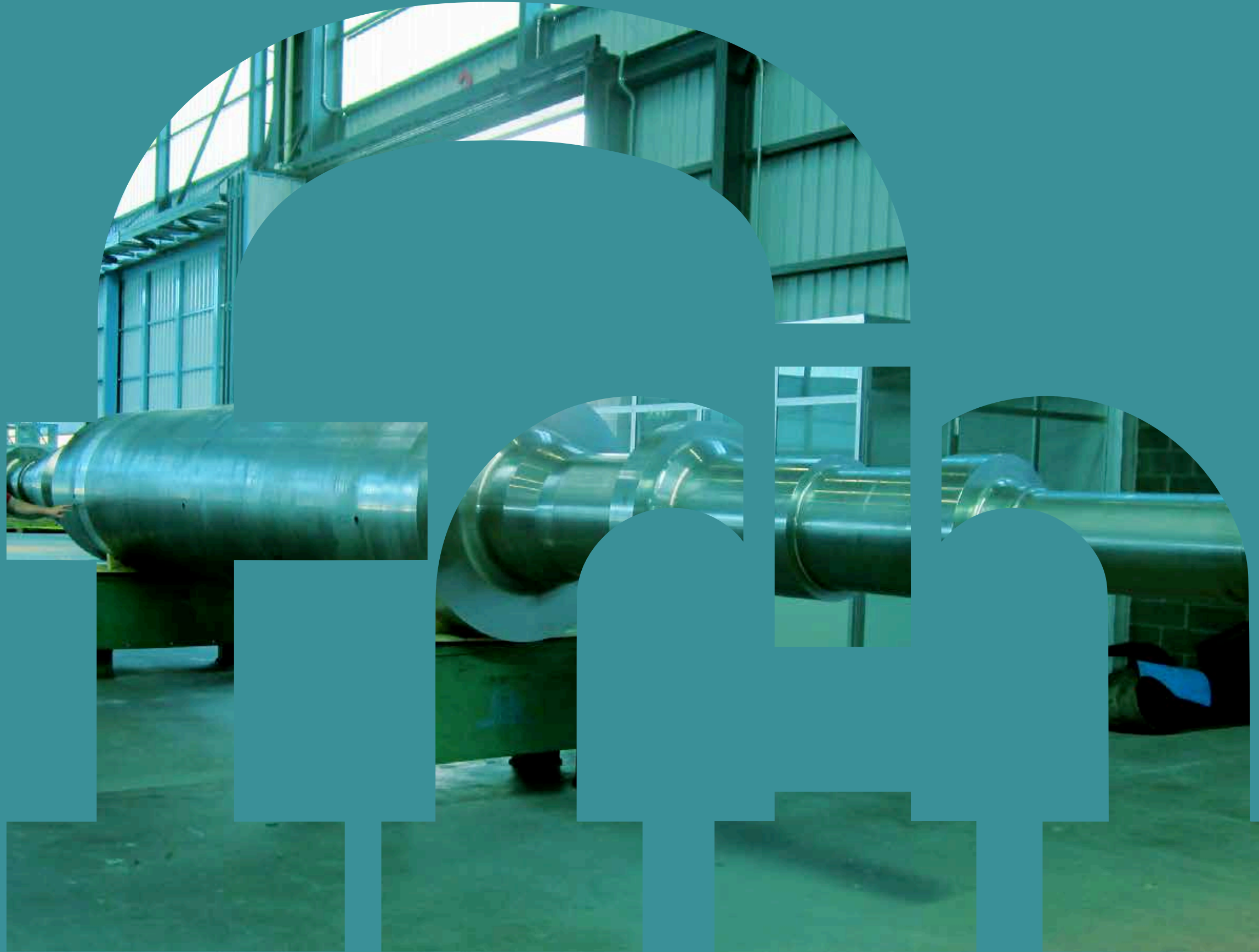


SUPPLY CHAIN	
AS IS	TO BE
Distribution of ESG questionnaires to suppliers and adoption of a Supply Chain Assessment Policy based on ESG criteria	Supplier Code of Conduct
38% of total supplier spend is allocated to local suppliers	Increase the proportion of spending on local suppliers

⁵⁶ § Risk: Partial dependence on suppliers.



GRI
CONTENT
INDEX



Below is a summary of how the information contained in this document aligns with the international sustainability reporting standards, the GRI (*Global Reporting Initiative*) standards.

No sector-specific GRI standards relevant to Forge Monchieri's business have been issued.

STATEMENT OF USE	Forge Monchieri S.p.A. has submitted a 'with reference to' report in accordance with the GRI Standards for the period 01/01/2025 – 31/12/2025.
GRI USED	GRI 1 – Foundation 2021

GRI 2: GENERAL DISCLOSURES 2021	
REPORTING	REFERENCE IN THE DOCUMENT
2-1 Organizational details	Methodological note
2-2 Entities included in the organization's sustainability reporting	Methodological note
2-3 Reporting period, frequency and contact point	Methodological note
2-4 Restatements of information	<i>Any changes are indicated in the text</i>
2-5 External assurance	<i>This document was prepared by a consultancy agency but has not been verified by a third party.</i>
2-6 Activities, value chain and other business relationships	Forge Monchieri
2-7 Employees	Our people – Secure employment and personnel management Appendix B – Social Data
2-9 Governance structure and composition	Business conduct – Strategic direction and corporate culture Appendix B – Governance Data

2-11 Chair of the highest governance body	Business conduct – Strategic direction and corporate culture
2-13 Delegation of responsibility for managing impacts	Business conduct – Strategic direction and corporate culture
2-22 Statement on sustainable development strategy	Letter to stakeholders
2-25 Processes to remediate negative impacts	<i>Each thematic chapter sets out the various strategies for mitigating the identified impacts, including the negative impacts generated by Forge Monchieri.</i>
2-29 Approach to stakeholder engagement	Appendix A – Methodology for assessing Impacts, Risks and Opportunities and identifying material topics

GRI 3: MATERIAL TOPICS 2021	
REPORTING	REFERENCE IN THE DOCUMENT
3-1 Process to determine material topics	Appendix A – Methodology for assessing Impacts, Risks and Opportunities and identifying material topics
3-2 List of material topics	Appendix A – Methodology for assessing Impacts, Risks and Opportunities and identifying material topics
3-3 Management of material topics	<i>The procedures for managing material topics and the associated IROs are described in the relevant chapters, in the section dedicated to the specific topic. The IROs are referenced in the footnotes where the symbol § is used.</i>

GRI 201: ECONOMIC PERFORMANCE 2016	
REPORTING	REFERENCE IN THE DOCUMENT
201-1 Direct economic value generated and distributed	Business conduct – Strategic direction and corporate culture – Economic performance Appendix B – Governance Data

GRI 204: PROCUREMENT PRACTICES 2016	
REPORTING	REFERENCE IN THE DOCUMENT
204–1 Proportion of spending on local suppliers	Business conduct – Supply chain
GRI 205: ANTI-CORRUPTION 2016	
REPORTING	REFERENCE IN THE DOCUMENT
205–1 Operations assessed for risks related to corruption	Business conduct – Strategic direction and corporate culture – Ethics and sustainability
205–2 Communication and training about anti-corruption policies and procedures	Business conduct – Strategic direction and corporate culture – Ethics and sustainability
205–3 Confirmed incidents of corruption and actions taken	Appendix B – Governance Data
GRI 301: MATERIALS 2016	
REPORTING	REFERENCE IN THE DOCUMENT
301–1 Materials used by weight and volume	Use of resources – Materials Appendix B – Environment Data
GRI 302: ENERGY 2016	
REPORTING	REFERENCE IN THE DOCUMENT
302–1 Energy consumption within the organization	Climate change – Energy and energy efficiency Appendix B – Environment Data
302–3 Energy intensity	Climate change – Energy and energy efficiency
302–4 Reduction of energy consumption	Climate change – Energy and energy efficiency

GRI 303: WATER AND EFFLUENTS 2018	
REPORTING	REFERENCE IN THE DOCUMENT
303–2 Management of water discharge-related impacts	Climate change – Pollution prevention
303–3 Water withdrawal	Water resources Appendix B – Environment Data
303–4 Water discharge	Water resources Appendix B – Environment Data
GRI 305: EMISSIONS 2016	
REPORTING	REFERENCE IN THE DOCUMENT
305–1 Direct (Scope 1) GHG emissions	Climate change – Greenhouse gas emissions Appendix B – Environment Data
305–2 Energy indirect (Scope 2) GHG emissions	Climate change – Greenhouse gas emissions Appendix B – Environment Data
305–4 GHG emissions intensity	Climate change – Greenhouse gas emissions
305–7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Climate change – Pollution prevention
GRI 306: WASTE 2020	
REPORTING	REFERENCE IN THE DOCUMENT
306–1 Waste generation and significant waste-related impacts	Use of resources – Waste management
306–2 Management of significant waste-related impacts	Use of resources – Waste management
306–3 Waste generated	Use of resources – Waste management Appendix B – Environment Data
306–4 Waste diverted from disposal	Use of resources – Waste management Appendix B – Environment Data
306–5 Waste directed to disposal	Use of resources – Waste management Appendix B – Environment Data

GRI 401: EMPLOYMENT 2016	
REPORTING	REFERENCE IN THE DOCUMENT
401-1 New employee hires and employee turnover	Our people – Secure employment and personnel management Appendix B – Social Data
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our people – Corporate well-being and flexibility Appendix B – Social Data
401-3 Parental leave	Our people – Corporate well-being and flexibility Appendix B – Social Data
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	
REPORTING	REFERENCE IN THE DOCUMENT
403-1 Occupational health and safety management system	Our people – Occupational health and safety
403-2 Hazard identification, risk assessment, and incident investigation	Our people – Occupational health and safety
403-5 Worker training on occupational health and safety	Our people – Training and skills development
403-6 Promotion of worker health	Our people – Corporate well-being and flexibility
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our people – Occupational health and safety
403-9 Work-related injuries	Our people – Occupational health and safety Appendix B – Social Data
403-10 Work-related ill health	Our people – Occupational health and safety

GRI 404: TRAINING AND EDUCATION 2016	
REPORTING	REFERENCE IN THE DOCUMENT
404-1 Average hours of training per year per employee	Our people – Training and skills development Appendix B – Social Data
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	
REPORTING	REFERENCE IN THE DOCUMENT
405-1 Diversity of governance bodies and employees	Our people – Secure employment and personnel management Business conduct – Strategic direction and corporate culture Appendix B – Social Data Appendix B – Governance Data
405-2 Ratio of basic salary and remuneration of women to men	Our people – Diversity, inclusion and gender equality Appendix B – Social Data
GRI 406: NON-DISCRIMINATION 2016	
REPORTING	REFERENCE IN THE DOCUMENT
406-1 Incidents of discrimination and corrective actions taken	Appendix B – Governance Data

GRI 413: LOCAL COMMUNITIES 2016

REPORTING	REFERENCE IN THE DOCUMENT
413-1 Operations with local community engagement, impact assessments, and development programs	Creating value in the community
413-2 Operations with significant actual and potential negative impacts on local communities	Creating value in the community

GRI 418: CUSTOMER PRIVACY 2016

REPORTING	REFERENCE IN THE DOCUMENT
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Appendix B – Governance Data



APPENDIX A

METHODOLOGY FOR ASSESSING IMPACTS, RISKS AND OPPORTUNITIES AND IDENTIFYING MATERIAL TOPICS

The process used to identify Forge Monchieri’s Impacts, Risks and Opportunities (discussed in Chapter 2) is known as the **double materiality analysis**, which is recommended and regulated by the European Corporate Sustainability Reporting Directive (CSRD) and the associated ESRS⁵⁷.

As mentioned in the dedicated section, the materiality analysis was structured around an initial phase of internal identification and assessment of the relevant Impacts, Risks and Opportunities, followed by a stakeholder engagement phase. In the **first part of the analysis, the company’s business context and interdependencies** were examined in depth, including through the review of relevant documents and discussions with key internal figures such as the QHSEEn System Director & IT Director and the Sales & Marketing Manager.

During this phase, each identified **IRO (Impact, Risk, Opportunity)** was also

assigned a numerical value on a **scale of 1–4**, in accordance with the criteria set out in the CSRD⁵⁸. Indeed, by consulting key strategic personnel and management, it was possible to obtain scores that were as objective, informed and accurate as possible.

Actual impacts were assessed on the basis of severity, which in turn comprises the following criteria: **scale** (importance of the harm/benefit generated), **scope** (extent) and, for negative effects only, **the irremediable character** of the impact (possibility or impossibility of restoring the previous situation). For **potential** impacts, however, in addition to the severity calculated in this way, the **likelihood** of occurrence was also taken into account. Finally, the analysis of **risks and opportunities** considered the variables of **potential severity** (i.e. the possible weight that the economic damage/benefit may have on the company’s operations) and **likelihood** of occurrence.

⁵⁷ The regulatory references mentioned are: The CSRD (Corporate Sustainability Reporting Directive (2022/2464)) and the ESRS (European Sustainability Reporting Standards), set out in the European Commission’s Delegated Act dated 31/07/2023. With regard to the use of these guidelines, despite the streamlining measures introduced by the so-called Omnibus Package, it was decided to retain the adoption of certain key aspects, such as the references to the topics (Delegated Act AR16) and the double materiality analysis process described below.

⁵⁸ The reporting standards, both in their official version and in the implementation guidelines provided by EFRAG, the body that developed the standards, give the company maximum freedom with regard to how it assesses materiality. To ensure that the assessment was comparable and objective, it was decided to use a consistent scale that would produce data that was as objective as possible.

The scale used for each criterion is as follows:

SCALE	1	LOW
	2	MODERATE
	3	HIGH
	4	VERY HIGH
SCOPE	1	VERY LIMITED
	2	MODERATELY EXTENSIVE
	3	EXTENSIVE
	4	WIDESPREAD
IRREMEDIABLE CHARACTER	1	IT IS POSSIBLE TO RESTORE THE SITUATION TO HOW IT WAS BEFORE THE IMPACT WITHIN SIX MONTHS
	2	IT IS POSSIBLE TO RESTORE THE SITUATION TO HOW IT WAS BEFORE THE INCIDENT, BUT NOT WITHIN SIX MONTHS
	3	IT IS POSSIBLE TO RESTORE THE SITUATION TO HOW IT WAS BEFORE THE INCIDENT ONLY PARTIALLY
	4	IT IS NOT POSSIBLE TO REMEDY THE IMPACT CAUSED
LIKELIHOOD	1	REMOTE
	2	LOW
	3	MODERATE
	4	HIGH
POTENTIAL SEVERITY	1	LOW
	2	MODERATE
	3	HIGH
	4	VERY HIGH

In addition to the numerical values, qualitative variables were also assigned in order to define the various IROs more precisely and accurately. Specifically, for actual and potential impacts, the level of **causality** was also taken into account, i.e., the distinction between impacts that are directly caused, contributed to (if the company is not the sole cause of the impact), or related to the business (i.e., linked to business relationships with the upstream or downstream value chain, but not attributable to the company's own activities).

For potential impacts, risks and opportunities, a **time horizon** was also identified in line with the requirements of the relevant standards, namely short-term (within one year of the reporting period), medium-term (within five years) and long-term (beyond five years).

Once the internal analysis phase had been completed, **stakeholders were involved** – that is, those affected by the company's activities, as well as 'users of sustainability reporting' (such as existing and potential investors, banks, partners, governments and NGOs)⁵⁹. Specifically, **potential impacts** (both positive and negative) and **risks and opportunities** were discussed with stakeholders in order to gather their views on the importance and strategic nature of the issues identified as material; actual impacts, having already occurred and been verified, were not discussed in depth with stakeholders.

The opinions of the various stakeholders were gathered by means of **dedicated**

questionnaires, which contained **questions relevant to the interests and expertise of each specific category**, in order to ensure the most relevant and informed responses and to focus attention on the specific interests of each stakeholder. Indeed, in line with the guidance also provided by EFRAG's Implementation Guidance on Materiality Assessment⁶⁰, it was deemed of little value to ask all questions to each stakeholder involved, given the varying degrees of **interest** and **knowledge** that different stakeholders have regarding the topics analysed. For example, the communities in which Forge Monchieri operates (e.g., the municipalities where its production sites are located) have an interest in answering questions related to their involvement, but they do not have the tools to understand the impact the company may have on the management of employee and customer privacy.

⁵⁹ This definition of stakeholders is based on the guidelines set out in the reporting standards and the associated implementation guides issued in 2024.

⁶⁰ EFRAG IG 1 – Materiality Assessment Implementation Guidance. Para. 201 https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/IG%201%20Materiality%20Assessment_final.pdf

The categories of stakeholders involved were:

- 1. WORKFORCE
- 2. CUSTOMERS
- 3. COMMUNITIES AFFECTED (PUBLIC BODIES AND INSTITUTIONS, THE MEDIA, EDUCATIONAL ESTABLISHMENTS)
- 4. TRADE ASSOCIATIONS AND INDUSTRY PARTNERS
- 5. INVESTORS AND BANKS
- 6. SUPPLIERS
- 7. STRATEGIC INTERNAL ROLES AND THE BOARD OF DIRECTORS

In the questionnaire, stakeholders were asked to assign different levels of strategic importance to each issue surveyed, using a scale from 1 to 4. The results of the questionnaires were used to re-rank the priority of the identified potential impacts, risks and opportunities, yielding the bar charts presented in the sections of Chapter 2, 'Materiality Analysis and Impact Assessment', of this

document. This enables Forge Monchieri to assess the strategic importance of sustainability issues and any related improvement measures, also taking into account the perceptions of the various stakeholders.

ACTUAL NEGATIVE IMPACTS					
			SEVERITY		
Topic	IRO title	Contribution	Scale	Scope	Irremediable character of the impact
E1 - Climate change mitigation and adaptation	Emissions contribution	DIRECTLY CAUSED	3	2	3
E3 - Water consumption and withdrawal	Water consumption for production	DIRECTLY CAUSED	1	1	2
E5 - Resource inflows, including resource use	Resource consumption	DIRECTLY CAUSED	1	2	3
E5 - Waste	Waste generation	DIRECTLY CAUSED	1	1	3
ACTUAL POSITIVE IMPACTS					
			SEVERITY		
Topic	IRO title	Contribution	Scale	Scope	
E1 - Energy	Renewable energy	DIRECTLY CAUSED	2	1	
S1 - Secure employment	Secure and stable employment	DIRECTLY CAUSED	3	3	
S1 - Corporate well-being	Staff initiatives	DIRECTLY CAUSED	2	3	
S1 - Training and skills development	Induction training and change of role	DIRECTLY CAUSED	2	2	
S3 - Impacts related to community well-being	Contributions to local organisations and associations	DIRECTLY CAUSED	2	2	

POTENTIAL NEGATIVE IMPACTS							
			SEVERITY				
Topic	IRO title	Contribution	Scale	Scope	Irremediable character of the impact	Likelihood	Time horizon
E2 - Pollution (of air, water, soil, living organisms and food resources)	Atmospheric emissions	DIRECTLY CAUSED	3	3	3	2	SHORT-TERM
E2 - Pollution (of air, water, soil, living organisms and food resources)	Water pollution	DIRECTLY CAUSED	2	1	3	1	SHORT-TERM
S1 - Corporate well-being	Potential staff dissatisfaction	DIRECTLY CAUSED	2	3	2	3	SHORT-TERM
S1 - Health and safety	Risk of work-related injuries	DIRECTLY CAUSED	4	4	3	2	MEDIUM-TERM
S1 - Measures against violence and harassment in the workplace	Potential episodes of discrimination	DIRECTLY CAUSED	2	2	2	2	SHORT-TERM
S2 - Health and safety	Risk of work-related injuries involving external workers	CONTRIBUTED TO CAUSING	4	2	3	2	SHORT-TERM
G1 - Supplier relationship management	Safety and environmental impact of the supply chain	BUSINESS-RELATED	3	1	3	2	SHORT-TERM

POTENTIAL POSITIVE IMPACTS						
			SEVERITY			
Topic	IRO title	Contribution	Scale	Scope	Likelihood	Time horizon
S1 - Work-life balance	Work-life balance	DIRECTLY CAUSED	3	2	3	SHORT-TERM
S1 - Gender equality and equal pay for work of equal value	Increasing focus on gender equality	DIRECTLY CAUSED	2	2	3	MEDIUM-TERM
S3 - Impacts related to community well-being	Partnerships with schools and universities	DIRECTLY CAUSED	2	2	3	SHORT-TERM
G1 - Supplier relationship management	Sustainability of the supply chain	CONTRIBUTED TO CAUSING	2	2	3	MEDIUM-TERM

RISKS				
Topic	IRO title	Potential severity	Likelihood	Time horizon
E1 - Climate change mitigation and adaptation	EU ETS system	4	3	MEDIUM-TERM
E1 - Energy	Rising energy costs	4	3	SHORT-TERM
E3 - Water consumption and withdrawal	Water-related risks	3	2	MEDIUM-TERM
E5 - Resource inflows, including resource use	Procurement of critical raw materials	3	3	LONG-TERM
S1 - Secure employment	Voluntary staff turnover	2	3	SHORT-TERM
S1 - Secure employment	Recruitment challenges	3	4	SHORT-TERM
S1 - Training and skills development	Workers' skills	3	2	MEDIUM-TERM
S1 - Privacy	Protection of personal data	3	3	MEDIUM-TERM
G1 - Supplier relationship management	Partial dependence on suppliers	3	3	MEDIUM-TERM
G1 - Corruption Incidents, prevention and detection, including training	Corruption risks	2	2	MEDIUM-TERM
G1 - Cybersecurity	Cybersecurity	4	3	MEDIUM-TERM

OPPORTUNITIES				
Topic	IRO title	Potential severity	Likelihood	Time horizon
E1 - Energy	Alternative energy sources	3	3	LONG-TERM
E1 - Energy	Incentives for the energy transition	2	3	MEDIUM-TERM
G1 - Business conduct	Sustainability strategy	3	3	MEDIUM-TERM



APPENDIX B

ENVIRONMENT DATA

ENERGY CONSUMPTION				
GRI 302-1	UoM	2023	2024	2025
Electricity	MWh	5,920.0	6,056.5	5,980.8
Of which drawn from the grid	MWh	5,749.5	5,176.6	5,073.4
Of which self-generated	MWh	170.5	879.8	907.4
Natural Gas	Sm ³	7,178,979.1	7,633,731.0	7,636,391.0
Natural Gas	MWh	70,960.2	75,455.2	75,481.5
Diesel	l	18,288.9	17,043.0	18,126.0
Diesel	MWh	183.5	171.0	181.8
Petrol	l	14,983.9	13,945.0	11,576.0
Petrol	MWh	134.6	125.3	104.0
Total consumption	MWh	77,198.3	81,807.9	81,748.1
Of which renewable energy consumption	MWh	170.5	879.8	907.4

EMISSIONS				
GRI 305-1,2	UoM	2023	2024	2025
Natural Gas	tCO ₂ e	14,400.9	15,369.7	15,392.4
Diesel	tCO ₂ e	49.0	45.7	48.6
Petrol	tCO ₂ e	35.2	32.8	27.2
F-gas	tCO ₂ e	-	-	-
Total Scope 1 emissions	tCO ₂ e	14,485.1	15,448.1	15,468.2
Electricity drawn from the grid (location-based)	tCO ₂ e	1,604.5	1,372.6	1,586.0
Total Scope 2 emissions	tCO ₂ e	1,604.5	1,372.6	1,586.0
Total emissions (Scope 1 + Scope 2)	tCO ₂ e	16,089.6	16,820.7	17,054.2

WATER WITHDRAWAL				
GRI 303-3	UoM	2023	2024	2025
Total water withdrawal	m ³	23,261	16,560	45,539
Of which drawn from the aqueduct	m ³	1,890	1,351	1,837
Of which extracted from wells	m ³	21,371	15,209	43,702
Recycled and reused water	m ³	0	0	0
Water treated and returned to the environment	m ³	23,261	16,560	45,539

WATER DISCHARGES				
GRI 303-4	UoM	2023	2024	2025
Water discharges	m ³	10,100	7,299	21,768
Of which from industrial water	m ³	10,100	7,299	21,768
Of which from rainwater	m ³	0	0	0

MATERIALS				
GRI 301-1	UoM	2023	2024	2025
Carbon steel ingots	tonnes	8,447.2	8,370.0	10,869.0
Stainless steel ingots	tonnes	1,694.8	2,080.0	1,925.0
Alloy steel ingots	tonnes	14,732.2	12,933.0	19,013.0
Total raw materials purchased	tonnes	24,874.2	23,383.0	31,807.0

WASTE				
GRI 306-3,4,5,6	UoM	2023	2024	2025
Waste generated	tonnes	5,323.4	5,443.6	5,597.4
Of which hazardous	tonnes	20.1	10.9	19.2
Of which non-hazardous	tonnes	5,303.3	5,432.7	5,578.2
Waste not sent for disposal	tonnes	5,219.3	5,297.1	5,524.0
Of which recovered	tonnes	5,219.3	5,297.1	5,524.0
Waste sent for disposal	tonnes	104.0	142.4	54.2

SOCIAL DATA

WORKFORCE				
GRI 401-1	UoM	2023	2024	2025
Number of employees	No.	132	139	148
Number of new hires	No.	18	17	15
Number of exits	No.	14	10	10
Overall turnover rate	%	25.0%	20.5%	18.0%
Number joiners under 30	No.	7	10	10
Number of leavers under 30	No.	3	1	5
Overall turnover rate under 30	%	58.8%	52.4%	48.4%

CONTRACTS				
GRI 2-7	UoM	2023	2024	2025
Men on permanent contracts	No.	104	103	116
Women on permanent contracts	No.	25	30	28
Men on fixed-term contracts	No.	2	5	2
Women on fixed-term contracts	No.	1	1	2
Men on-call/hourly workers	No.	0	0	0
Women on-call/hourly workers	No.	0	0	0
Men full-time	No.	105	107	117
Women full-time	No.	22	25	24
Men part-time	No.	1	1	1
Women part-time	No.	4	6	6

WORKFORCE BREAKDOWN				
GRI 401-1 GRI 2-7	UoM	2023	2024	2025
By age group				
Employees aged under 30	No.	21	31	37
Employees aged between 30 and 50	No.	71	72	72
Employees over 50 years of age	No.	40	36	39
By gender				
Men	No.	106	108	118
Women	No.	26	31	30
By job category				
Senior managers	No.	8	8	8
Managers/middle managers	No.	11	10	10
White-collar workers	No.	58	61	67
Blue-collar workers	No.	55	60	63
By function				
Purchasing	No.	7	8	4
Administration	No.	5	5	5
Sales, logistics and marketing	No.	20	24	22
Quality Control and Certification	No.	24	24	31
Management	No.	0	0	8
Human Resources	No.	2	3	2
IT	No.	3	3	3
Production, maintenance and warehouse	No.	57	57	56
Safety	No.	3	4	4
Technical and R&D Department	No.	11	11	13

DIVERSITY IN THE WORKFORCE				
GRI 405-1	UoM	2023	2024	2025
Percentage of women in the workforce	%	19.7%	22.3%	20.3%
Percentage of women in senior management	%	37.5%	37.5%	37.5%

ACCIDENTS				
GRI 403-9	UoM	2023	2024	2025
Hours worked	hours	227,217	235,676	240,370
Number of work-related injuries	No.	1	3	0
Number of commuting accidents ⁶¹	No.	0	0	0
Days lost due to work-related injuries	days	11	76	0
Frequency index	-	4.40	12.73	0.00
Severity index	-	0.05	0.32	0.00

⁶¹ Accidents recorded during the journey to and from home and the workplace, including travel between two workplaces or to a lunch break location, where justified by work-related needs. These accidents are not relevant for sustainability reporting under GRI 403-9, but as they are reported in accordance with national legislation, they are included for the sake of transparency.

TRAINING				
Gri 404-1	UoM	2023	2024	2025
Total hours of training	hours	8,043	7,522	6,578
Hours per employee	hours/empl.	61	54	44
By topic				
Health and safety (mandatory)	hours	797	905	1,276
Tutoring / Induction mentoring / Onboarding	hours	5,731	4,712	3,763
Other	hours	1,515	1,905	1,539
By job category				
Senior managers	hours	0	0	223
Managers/middle managers	hours	190	225	164
White-collar workers	hours	5,665	3,381	3,517
Blue-collar workers	hours	2,189	3,917	2,675
By function				
Purchasing	hours	N/A	N/A	184
Administration	hours	N/A	N/A	266
Sales, logistics and marketing	hours	N/A	N/A	846
Quality Control and Certification	hours	N/A	N/A	591
Management	hours	N/A	N/A	223
Human Resources	hours	N/A	N/A	351
IT	hours	N/A	N/A	30
Production, maintenance and warehouse	hours	N/A	N/A	3,038
Safety	hours	N/A	N/A	46
Technical and R&D Department	hours	N/A	N/A	1,004

WELFARE				
GRI 401-2	UoM	2023	2024	2025
Workers with access to welfare benefits	No.	132	139	148
Healthcare	€	- €	€ 6,960.00	€ 6,986.60
Additional welfare and extra welfare expenses for employees	€	€ 35,539.83	€ 49,754.78	€ 41,639.85
Mandatory welfare contribution (if applicable)	€	€ 25,450.00	€ 26,800.00	€ 26,800.00
Meal vouchers and canteen fee	€	€ 53,273.00	€ 80,240.00	€ 90,911.00

INTERNSHIPS				
	UoM	2023	2024	2025
Number of curricular placements	No.	2	2	1
Number of extracurricular placements	No.	3	1	2
ASC/PCTO projects	No.	7	5	2
Total placements	No.	12	8	5
Number of interns hired	No.	1	1	1

GENDER PAY GAP				
GRI 405-2	UoM	2023	2024	2025
Gender pay gap (average gross hourly pay for women / average gross hourly pay for men)	%	120%	115%	116%
Gender pay gap (sum of women's and men's average gross hourly pay / women's average gross hourly pay)	%	20%	15%	16%

PARENTAL LEAVE AND FAMILY LEAVE				
GRI 401-3	UoM	2023	2024	2025
Mandatory parental leave				
Eligible men	No.	N/A	N/A	N/A
Men who have taken it	No.	1	4	2
Men who returned to work at the end of their leave period	No.	1	4	2
Men still on leave as at 31 December	No.	0	0	0
Eligible women	No.	2	2	1
Women who have taken it	No.	2	2	1
Women who returned to work at the end of their period of leave	No.	1	3	1
Women still on leave as at 31 December	No.	1	0	0
Optional parental leave				
Men who have taken it	No.	N/A	N/A	0
Men who returned to work at the end of their leave period	No.	N/A	N/A	0
Men still on leave as at 31 December	No.	N/A	N/A	0
Women who have taken it	No.	N/A	N/A	2
Women who returned to work at the end of their period of leave	No.	N/A	N/A	1
Women still on leave as at 31 December	No.	N/A	N/A	1
Family leave				
Men who have taken it	No.	N/A	N/A	8
Women who have taken it	No.	N/A	N/A	2

GOVERNANCE DATA

COMPOSITION OF THE BOARD OF DIRECTORS				
GRI 2-9 GRI 405-1	UoM	2023	2024	2025
Total Board members	No.	5	5	5
Of which women	No.	2	2	2
% women	%	40%	40%	40%
By age				
Under 30	No.	0	0	0
Between 30 and 50 years old	No.	2	2	2
Over 50	No.	3	3	3

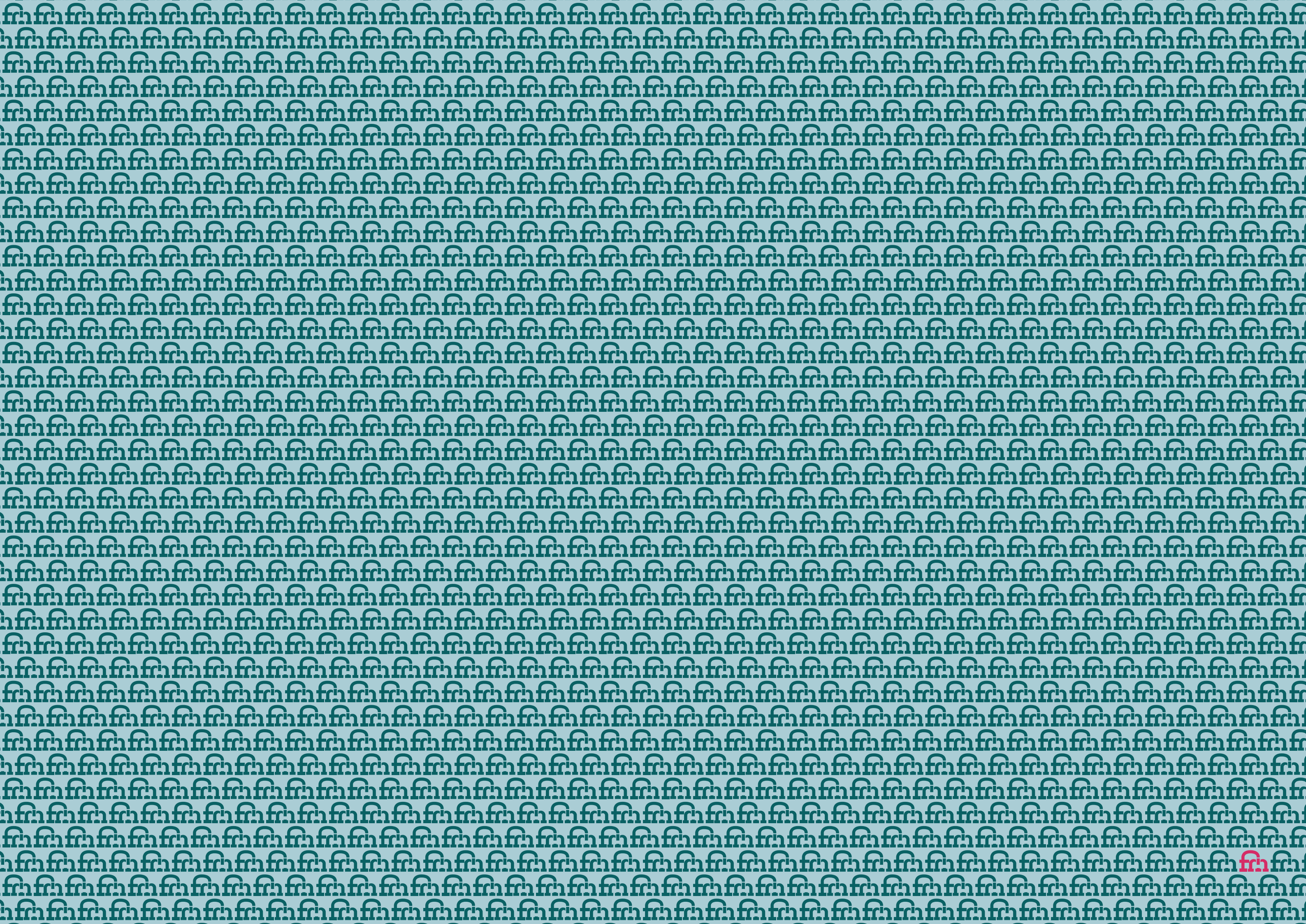
ECONOMIC PERFORMANCE				
GRI 201-1	UoM	2023	2024	2025
Net turnover	€	€ 89,558,579.25	€ 90,515,253.64	€ 77,838,686.99
Reclassification of the financial statements				
Economic value generated (defined as the value of production) ⁶²	€	€ 86,867,290	€ 85,580,710	€ 91,286,912
Of which distributed	€	€ 80,935,560	€ 72,993,126	€ 84,975,858
Of which retained	€	€ 5,931,730	€ 12,587,585	€ 6,311,054

⁶² As explained in the relevant section of the Governance chapter, the value of production was used to determine the economic value generated. However, for the sake of transparency, the figure for net turnover is also provided.

PRIVACY BREACHES AND CORRUPTION				
205-3, 418-1	UoM	2023	2024	2025
Number of confirmed cases of corruption	No.	0	0	0
Number of convictions relating to corruption cases	No.	0	0	0
Complaints received regarding breaches of customer privacy by third parties	No.	0	0	0
Complaints received regarding breaches of customer privacy from governments and public authorities	No.	0	0	0
Complaints received regarding breaches of the privacy of other individuals (non-customers) from third parties	No.	0	0	0
Complaints received regarding breaches of the privacy of other data subjects (non-customers) from governments and public authorities	No.	0	0	0
Number of identified data breach incidents	No.	0	0	0
Number of identified data loss incidents	No.	0	0	0
Number of identified data theft incidents	No.	0	0	0

WHISTLEBLOWING				
GRI 2-16	UoM	2023	2024	2025
Number of reports received	No.	0	0	0
Of which, reports of incidents of discrimination	No.	0	0	0
Number of reports handled	No.	0	0	0
Average time taken to resolve reports	Number of days	0	0	0





Forge Monchieri S.p.A.

Via Industriale, 3

25040 Cividate Camuno (Brescia) – Italy

Phone: + 39 0364 236111

E-mail: info@monchieri.it

monchieri.it