

Sustainability Report 2024



TOGETHER TO BE BETTER

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LETTER TO THE STAKEHOLDERS

GRI 3-3, 2-22, 2-25

Dear stakeholders,

We are pleased to present our third Sustainability Report for the year 2024.

Once again, the international geopolitical context proved to be complex and uncertain: ongoing conflicts, economic unrest and instability in global relations continued to impact markets and supply chains.

More specifically, the automotive industry has suffered a period of steady downturn, mainly due to political uncertainties from the EU Commission, which has resulted in a drop in demand for materials.

It is also worth mentioning that it is becoming increasingly difficult to find quality scrap on the European market, as scrap is now being shipped in large quantities to countries in the Far East.

In this challenging scenario, our commitment to sustainability has become even more strategic and crucial to ensuring resilience, accountability and shared value.

We strengthened our ESG efforts in 2024 by integrating these activities even more organically into our corporate policy.

With regard to environmental issues, we continued to assess the organisation's CO2 emissions and set out to develop a CFP calculation model according to EN 14067 for aluminium ingots from the ARM Macclodio site. We focused on improving energy efficiency by implementing the use of 100% electricity from renewable sources for our Macclodio site and 50% from renewable sources for our Sarezzo site.

In terms of social issues, we focused on enhancing the value of people by promoting company-wide well-being and gender equality.

We continued our social impact projects in collaboration with the local community, as well as our commitments to ensuring occupational health and safety.

As for governance, **we updated our Code of Ethics in 2024 and implemented a Sustainability Policy**, which clearly defines our principles and responsibilities. This is a further step in our journey to consolidate ESG practices, aimed at ensuring consistency, transparency and continuity in our operations.

Looking ahead, we are committed to continuing taking slow but significant steps forward.

Two priorities will be set for 2025:

strengthening gender equality through awareness-raising initiatives aimed at all employees; completing the ISO 14067 certification process for ingots and pursuing ISO 14001 environmental certification for the Macclodio site, the aim being to further improve our Group's environmental management system. These targets confirm our desire to grow responsibly, aware that every milestone achieved is the result of a joint effort.

Our thanks go to all of you – employees, partners, customers, investors, communities – for the proactive role you are playing in our roadmap towards a more equitable and sustainable future.

Enjoy the reading.

**Tiberio
Francesco Assisi**

Vice-President
of the ADH Group



METHODOLOGY NOTE

GRI 2-2, 2-3, 2-4, 2-5, 2-14, 2-17, 2-29, 3-1, 3-2,3-3

The 2024 Sustainability Report, approved by the ADH Group’s highest governing body, is the main tool through which the Group communicates and reports on its environmental, social and economic performance. This document is designed to provide transparency to stakeholders, offering a comprehensive view of the organisation’s strategies and impact in terms of sustainability.

This report was prepared in accordance with the Global Reporting Initiative’s GRI Standards 2021, with Reference Level value reporting. The document also marks a major step towards alignment with the new European Sustainability Reporting standards (ESRS) introduced by the Corporate Sustainability Reporting Directive (CSRD). Indeed, ADH **updated its double materiality analysis** in 2024, in line with the provisions of the CSRD. Wherever possible, this document associates the topics dealt with the corresponding **ESRS**, including those not fully satisfied, with a view to gradually adapting to the new European requirements.

This Sustainability Report:

- is the result of an in-house data collection process agreed amongst the various company departments;
- was prepared with the support of a team of in-house staff, in collaboration with a specialised third-party sustainability consultancy.
- will be distributed both inside and outside the company, the aim being to communicate to stakeholders the initiatives aimed at achieving greater efficiency and sustainability.

This report incorporates the GRI Content Index, with specific reference to the indicators reported and the relevant sections.

This Report was prepared in strict accordance with the principles defined by the GRI: namely accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and auditability.

The reporting scope and the relationship between material topics and identified GRI standards are shown below.

MATERIAL TOPICS	GRI STANDARDS	SCOPE
CLIMATE CHANGE	302, 303, 305	ADH GROUP
CIRCULAR ECONOMY	306	ADH GROUP
SUSTAINABLE PROCUREMENT	204-1	ADH GROUP
WATER RESOURCES	303	ADH GROUP
SAFETY AT WORK	403	ADH GROUP
JOB QUALITY	401, 404	ADH GROUP
DIVERSITY AND INCLUSION	405	ADH GROUP
COMMUNITY SUPPORT	Extra GRI: valore economico delle donazioni e sponsorizzazioni	ADH GROUP
CUSTOMER SATISFACTION	416, 418	ADH GROUP
BUSINESS CONTINUITY	Extra GRI: KPI production stoppages and economic enhancement of damage	ADH GROUP
CORPORATE CULTURE	201, 205, 206	ADH GROUP

SUSTAINABILITY HIGHLIGHTS

ADH GROUP - 2024

ENVIRONMENTAL

REGENERATED MATERIALS

81,771.8 MT

WATER RESOURCES CONSUMED

307 ML

ATMOSPHERIC EMISSIONS - CO₂ EQ. (SCOPE 1 + SCOPE 2)

9,440.32 MT

ELECTRICITY CONSUMED

180.308,26 GJ

OF WHICH FROM RENEWABLE SOURCES

17.881,18 GJ

SOCIAL

EMPLOYEES

170

OPEN-ENDED CONTRACTS

69%

TRAINING HOURS

3,800

AVERAGE HOURS PER EMPLOYEE

20

CHARITY DONATIONS AND SPONSORSHIPS

175,894€

RAW MATERIAL SUPPLIERS

82% Italy

GOVERNANCE

REVENUES

158,737,800€

INVESTMENTS CAPITALISED

3.6 MM/€

PRODUCTION SITES

2

REVENUES REST OF THE WORLD

44%

REVENUES IN ITALY

56%

CHAPTER 01

THE ADH GROUP

CHAPTER 01

THE ADH GROUP

1.1 A STORY TO TELL

GRI 2-1, 2-2, 2-6 [ESRS 2 BP-1], [ESRS 2 SBM-1]

The history of the ADH Group began with Mario Assisi, the founder, who started a brass refinery in Sarezzo (BS) in the 1960s. Two decades later, the company underwent its first significant expansion, which subsequently led to its relocation to a new and larger industrial complex. Over the years, the business grew and consolidated, ensuring progressive and steady growth.

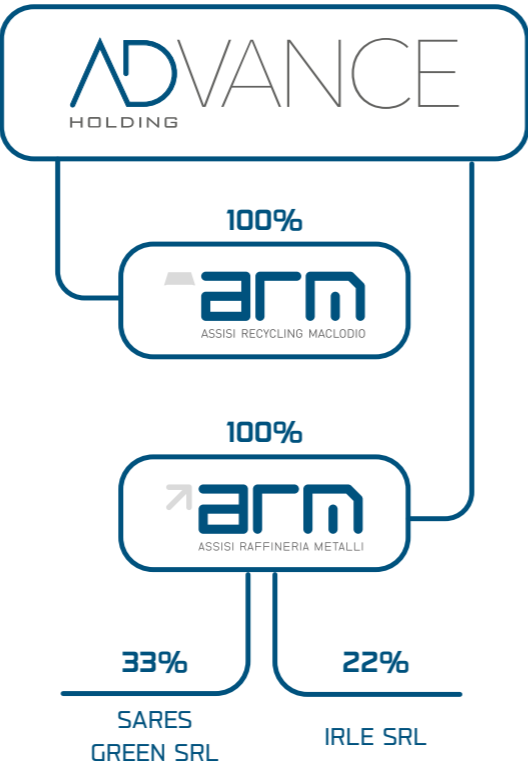
The drive for the establishment of the corporate group arose from the need to create a new competitive entity in the domestic and international markets by bringing together leading companies operating in the metals sector. Advance Holding S.p.A. (ADH) was established in 2018 through the merger of Assisi Raffineria Metalli S.p.A., a leading company operating in the metal processing and trading and waste treatment sector, and Assisi Recycling Macloadio S.p.A., a manufacturer of aluminium alloy ingots. This journey has enabled the Group to become the metallurgical heart of the industry.

The holding company and Assisi Raffineria Metalli are located at the Sarezzo production plant while Assisi Recycling is located at the Macloadio plant, both sites and the Group's headquarters are situated in the province of Brescia.

The motto **"Together to be Better, together to be the Best"** embodies the vision and basis for establishing the reputation and strength of Assisi Raffineria Metalli.

These principles combine with the modernity and dynamism of Assisi Recycling Macloadio, ensuring both professionalism and innovation from a Group with a strong solid identity driven by a sound vision of intent pursued with actions targeting shared development and sustainability.

The ADH Group today has the following corporate structure:



ADH places sustainability at the core of its growth strategy. Through corporate policies aimed at pursuing concrete objectives in the areas of Governance, Environment and Society, and by adopting a systemic, inclusive, and transparent approach, the Group continuously works to develop innovative solutions capable of addressing today's needs. ADH operates in close collaboration with its stakeholders to combine economic growth, environmental protection and social responsibility.

Information on the environmental, social and economic performance of the following ADH Group companies is disclosed in this report:

- Advance Holding S.p.A
- Assisi Raffineria Metalli S.p.A
- Assisi Recycling Macloadio S.p.A.

“
*Together to be Better,
together to be the Best.*”

COMPANY'S BACKGROUND

1963

Mario Assisi (1932-2021) starts up a small-size business with some friends to produce brass ingots.

1970

The brass refinery is moved to the **newly-established complex** at Via Seradello (West Grigna). The selection of non-ferrous scrap remains at the old site.

1984

The **brass refinery is decommissioned** and metal scrap sorting continues with the installation of the **first mechanical sorting lines**. In **1992** the **first wet flotation unit** is installed, a mining technology capable of sorting different materials by densimetric sedimentation.

1999

Somef is established, a company created in partnership with Raffineria Metalli Capra, which will later be fully taken over and incorporated into ARM in 2015. A **crushing mill** and **dryer** are also installed.

2010

A **new office block** is built on the occasion of a major **expansion of the production area** covered by the factory.

2012

The subsidiary IRLE s.r.l. registers a patent and sets up the first pilot plant to further study a technology capable of converting synthetic and natural polymers contained in solid waste from various sources (e.g. car fluff from car wrecks) into liquid and solid fuels; in **2014**, the **Sares Green is established** with the aim of disseminating this newly patented technology.

2018-2019

The development of the Group commences by **establishing the holding company ADH** in view of setting up a partnership with the foundry Deltacom S.r.l.

2020

Deltacom is taken over.

2023

Deltacom changes its name and business style to become **Assisi Recycling Macloadio S.p.A.**



ADH GROUP'S IDENTITY

GRI 2-23 [ESRS 2 MDR-P §65]

ADH's Mission and Vision form the basis for the strategic choices and operational conduct of the entire Group, in the belief that a quality product can only be obtained where the principles presented here constitute a common and shared heritage throughout the value chain.

MISSION

The various entities making up the ADH Group have as common mission **the efficient recycling of metal waste in order to guarantee the lowest possible impact in terms of the use of raw materials.** With a view to a circular economy and sustainability, achieving this goal means the elimination of large quantities of waste, which would otherwise end up in landfills, with a consequent saving of natural resources, and less impact on both the environment and the local community.

ADH is also committed to pursuing constant **technological research and the design of innovative systems, thus enabling it to remain competitive on the market.**

VISION

Expertise, business ethics and respect for the environment are the driving force behind the company's conversion of non-ferrous metals into top quality products, thus offering a new life and value to materials that are commonly considered waste.

1.1.2 OPERATIONS AND MARKETS

GRI 2-1, 2-2, 2-6 [ESRS 2 BP-1], [ESRS 2 SBM-1]

For the Group, recycling means innovation.

Reducing environmental impact thus translates into research and discovery of new technologies to be used in the recovery of materials and exploited throughout the entire production chain. Thanks to this approach, which is carefully and continuously pursued, ADH has been able to establish the authority of its business, placing the basic principle of the circular economy at the heart of its business processes.

Through technologies that combine very high levels of efficiency with a concrete, necessary and urgent environmental awareness, the entire Group has always been committed to offering reliable solutions to the market.



In a true circular economy set-up, Assisi Raffineria Metalli is now a company specialising in the recovery of raw materials, through an industrial selection and sorting process that transforms non-ferrous scrap into high-quality products to be fed back into the production cycle again. Based in Sarez-zo, in the province of Brescia, the company's history revolves around a passion for work. Spurred by the constant impulse for innovation and specialisation that are put into practice in the selection and sorting of scrap metal, mainly aluminium, the company has been able to grow and develop throughout its sixty years of operation.

Jointly with Assisi Recycling, it is now an essential part of Advance Holding. An approach that has allowed it to take on the role of a key player that is known and recognised both nationally and internationally.

Modern technological equipment is installed in the company's production facility for the integral management of the manufacturing process, which is launched only after careful checks on incoming materials. The plant is equipped with shredding, floatation, screening, drying and manual or mechanical sorting systems, to control the entire constantly monitored and supervised scrap working process.





Through its operations, Assisi Raffineria Metalli returns both non-ferrous metals (mainly aluminium, but also other metals including copper, zinc and magnesium) and ferrous metals (carbon steels and stainless steels) to the production cycle as regenerated raw materials, with the following benefits:

- Less reliance on fossil-based raw materials to be quarried;
- Less landfill requirements;
- Reduced carbon footprint of at least one order of magnitude compared with the amount required to produce metal from ore.



The company Assisi Recycling Macclodio SpA, formerly Deltacom Srl, started producing secondary aluminium ingots from scrap in 2014. It is based in Macclodio in the province of Brescia. The new company has continually strengthened its market position over the years, boosting its production systems and penetration into domestic and European markets.

Given the supply chain synergies that have been created within the Group, ADH's entry has accelerated the company's organisational and qualitative growth.

In recent years, however, with the production of semi-primary and primary alloys, efforts have been made to expand the quality range, by upgrading the existing equipment.



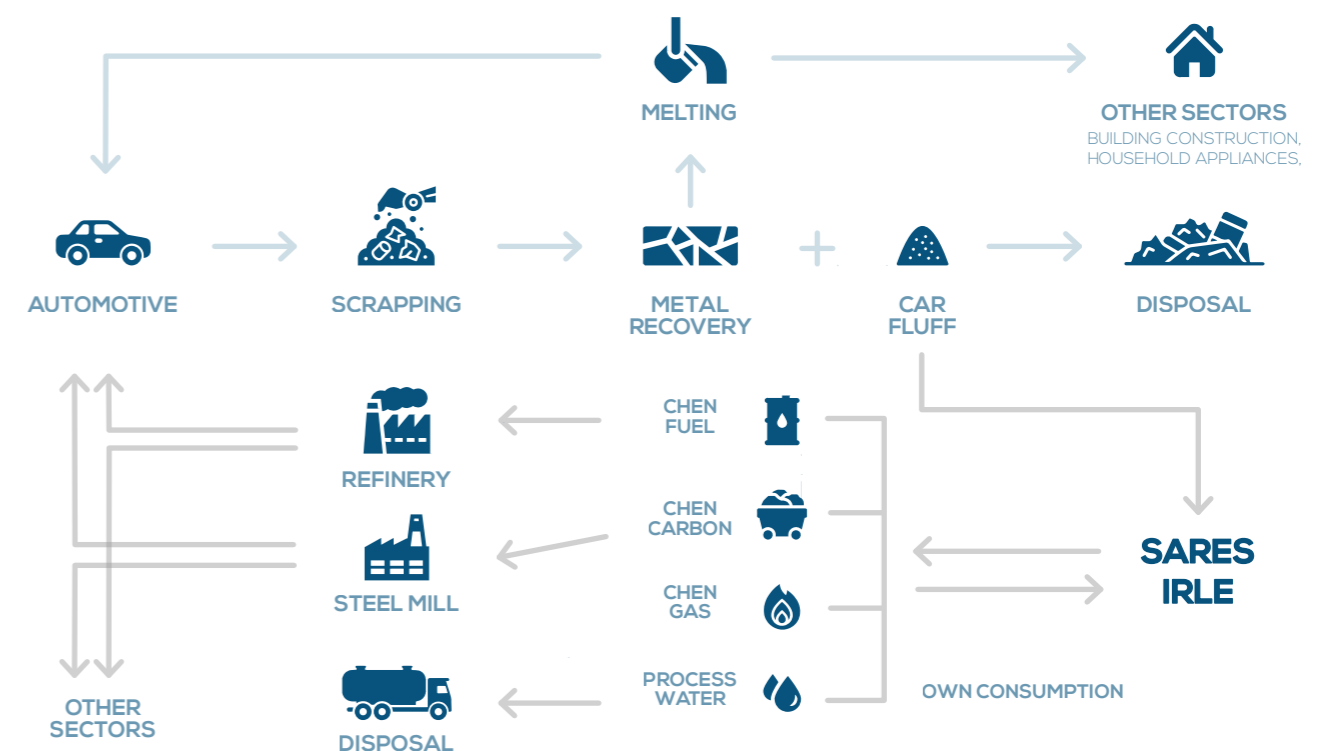
IRLE THE RECOVERY CHAIN

IRLE s.r.l., a company partially owned by the ADH Group and active in the biomass and waste management sector, is dedicated to material recovery, aiming to add value to waste, reduce environmental impact, and create new industrial and economic opportunities.

The company structure includes several departments, such as chemical R&D, chemical, mechanical, hardware and software engineering and design, as well as a legal division.

IRLE designs and markets plants for the treatment of solid materials and their transformation into fuel, offering technologies that address multiple needs: environmental protection, reduction of non-recyclable or non-recovered waste volumes and related management costs, and meeting the growing demand for low-cost energy.

Currently, IRLE technology is in the startup phase for the construction of the first indus-



THE GROUP'S OFFERING

Each product reflects an internal process that is controlled and certified to meet the requirements of full traceability throughout the entire scrap supply chain.

With a focus on comprehensive recovery, the breadth of the offering guarantees customers a range of solutions within the Group's companies designed to meet every specific need. Reliability, quality, and speed are the constants of a consistently high-level service, both in Italy and in every country where the Group operates.

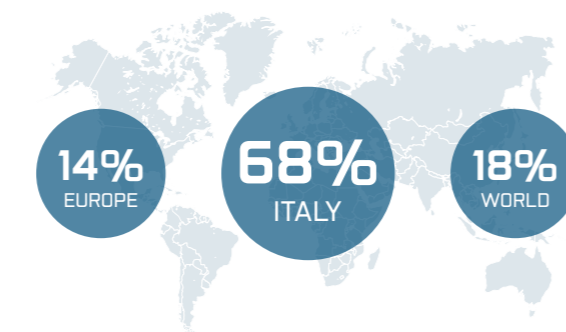
The innovative offering represents the Group's commitment to the progress and development of the holding company. Thanks to a significant and productive collaboration with Assisi Recycling Macloedio, ARM has created a new business unit, the ADH Group, which significantly shortens the supply chain, thereby increasing advantages in terms of competitiveness and traceability within the reference industry. Moreover, enhanced efficiency in production processes, improved product quality (including traceability), and more effective environmental management — in line with circular economy models — have made the Group a strong and cohesive point of reference within the reference market.

The internal flotation plant allows ARM Raffineria to produce flotation aluminium destined for refineries and foundries, characterised as "end of waste". Thanks to the integration of Assisi Recycling Macloedio, the ADH Group also includes aluminium ingots in its production. Every product is the result of a controlled and certified internal process that ensures full traceability throughout the scrap supply chain.

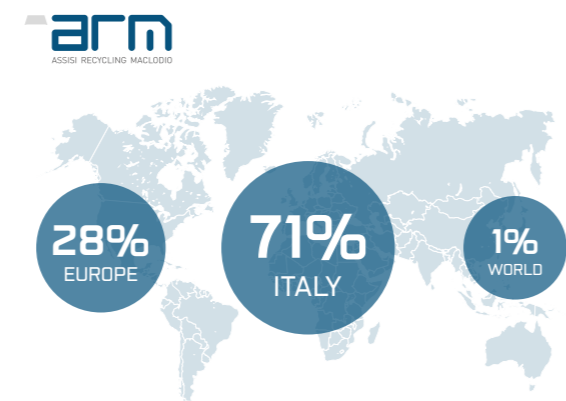
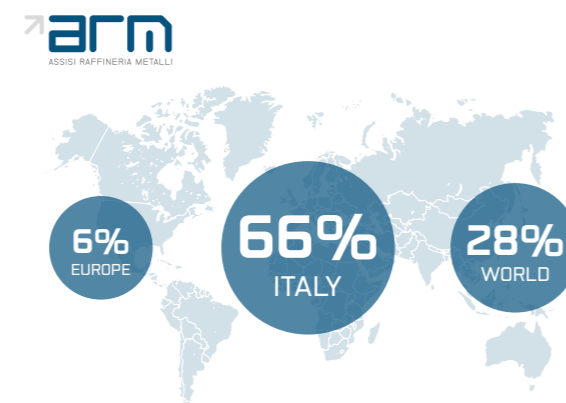
The ADH Group's offering mainly includes: **Primary and secondary aluminium alloy scrap, crushed or floated, other ferrous and non-ferrous scrap, aluminium ingots in primary, semi-primary and secondary alloy.**

30 COUNTRIES

MARKETS SERVED BY THE GROUP



Details regarding the sales breakdown for the year 2024 for ARM Assisi and ARM Macloedio are given below. As shown in the charts, the majority of sales take place in the Italian market.



1.1.3 THE STAKEHOLDERS: RELATIONSHIPS THAT MATTER

Over the years, ADH has established sound relationships with its internal and external stakeholders. The company's operations in the area and local communities have enabled the Group's companies to build and maintain long-standing, fruitful and solid relationships with stakeholders.

As time has progressed, these relationships have enabled companies belonging to ADH to implement different initiatives designed to guarantee full business transparency.

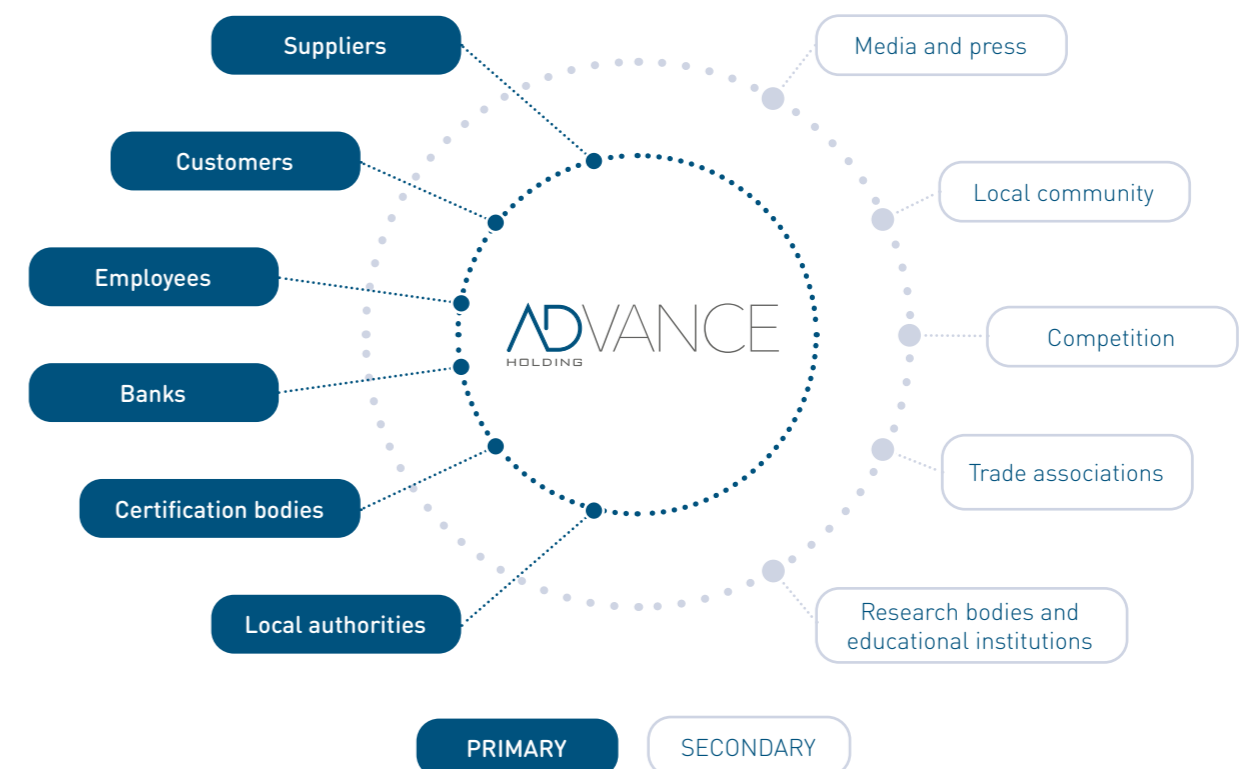
The holding company aims to maintain an open dialogue with all its stakeholders, institutions, and companies operating within the market, with a view to continuously improving its performance.

In the almost daily interactions with most stakeholders, the Group's ongoing commitment and drive to grow in its shared areas of expertise are evident. Well-being, reliability, quality and safety of the product, profitability, reputation, innovation, and environmental and social sustainability are the goals towards which the Group strives, while preserving and encouraging a concrete and ongoing mutual collaboration.

The frequency of engagement with the different stakeholder categories depends on the tools adopted, corporate strategies, and, of course, the need to comply with any legislative requirements. In general, the Group has implemented tools that enable continuous dialogue with stakeholders (for example, company apps, email inboxes, social networks, customer service), alongside engagement methods that occur periodically (for example, supplier audits) or can be activated upon the occurrence of specific events.

While recognising the growing importance of technology in conveying messages and facilitating more engaging dialogue with stakeholders, ADH considers it essential to also maintain direct relationships, such as face-to-face meetings and participation in trade fairs, to strengthen relationships and ensure more immediate and personal contact.

Below is the mapping of ADH's stakeholders, divided into primary and secondary stakeholders.



COMMUNICATION MODE AND INTERACTION WITH VARIOUS STAKEHOLDERS

STAKEHOLDER	TYPE	COMMUNICATION MODE
EMPLOYEES	Primary	Mail Internal communications Noticeboard postings
CUSTOMERS	Primary	Mail Trade exhibitions and fairs Meetings
SUPPLIERS	Primary	Mail
BANKS	Primary	Financial Statements, Notes and Business Report Mail Meetings
CERTIFICATION BODIES	Primary	Audits
LOCAL INSTITUTIONS	Primary	Meetings
TRADE ASSOCIATIONS	Secondary	Mail
COMMUNITIES	Secondary	Social media
MEDIA AND PRESS	Secondary	Social media

ALLIANCES FOR A SUSTAINABLE FUTURE

GRI 2-28, 413-1 [ESRS 1 AR §16], [ESRS S3]

In creating sustainable supply chains and developing green economic models, in accordance with the principles of respect for individuals and the environment, and from a circular economy perspective, the Group has strengthened the establishment of strategic partnerships to support cutting-edge business projects and initiatives.

For this reason, the ADH Group participates in various national and international associations. With this in mind, the company has maintained stable relationships with local entities for years, joining Italian business and industry organisations, including:



1.2 THE GROUP'S STRATEGY FOR A SUSTAINABLE FUTURE

GRI 2-17, 2-25

For the ADH Group, sustainability is the driving force behind responsible growth. Now more than ever, ESG pillars are guiding the Group in determining new medium- and long-term policies and strategies.



ENVIRONMENTAL SUSTAINABILITY

For ADH, environmental factors are represented by the environment and the local community, which are affected in various ways by the Group's production and management processes. At every stage of these processes, the utmost attention is paid to reducing their impact.



SOCIAL SUSTAINABILITY

Social factors involve focusing on the growth and well-being of employees, relationships with suppliers and the company's community of reference.



ECONOMIC SUSTAINABILITY

Governance factors represent the set of rules and strategies that govern the company, maintaining the values and family ethics that have always guided it along its path of growth.

RECYCLING IS THE MAIN OBJECTIVE

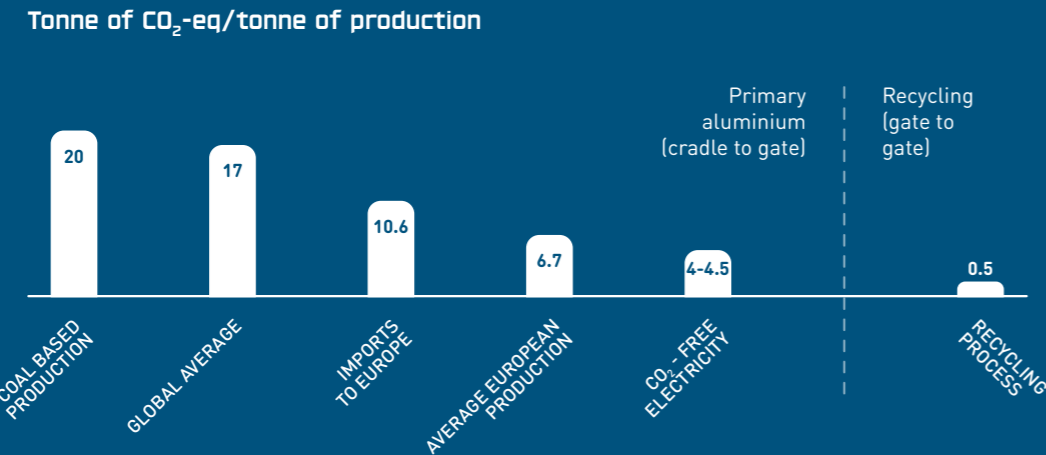
In pursuing its business objectives, the Group places environmental, social and economic sustainability at the heart of its strategy, with a **particular focus on circular economy**.

The reuse of ever-increasing quantities of recycled aluminium is one of Assisi Recycling Macclodio's targets, with the awareness that the European industry in our sector will make an important contribution to achieving the EU's climate neutrality goals.

The lightness and excellent physical properties of aluminium, combined with its infinite recyclability, make it a perfect ally of the environment and a key element in the development of future mobility.

By improving the efficiency of aluminium recovery and recycling, it is estimated that CO₂ emissions from the industry in Europe could be reduced by up to **39 million tonnes per year by 2050**.

“Secondary aluminium derived from recycling requires 95% less CO₂ than primary aluminium produced from bauxite mining.”



Source: Circular Aluminium Action Plan EA 2020

At the same time, the Group’s commitment to conducting activities in an ethical and responsible manner is highlighted; this requires all Group companies to continuously manage and update a series of activities by analysing the internal and external context and listening to stakeholders’ expectations.

These efforts have led to the identification of key areas in which ESG factors have been integrated, including:

- **In corporate strategy**, assessing risks and opportunities that may affect the economic, social, and environmental aspects of the work environment.
- **In internal culture**, promoting training and awareness initiatives on ESG and spreading the culture of sustainability.
- **In stakeholder relations**, maintaining a dialogue based on principles of fairness, integrity, and transparency.
- **In community support**, through concrete solidarity projects in areas such as social and healthcare assistance, education, culture, arts, sports, scientific research, and land and environmental protection.

In order to protect its business and achieve its objectives, the Group now uses key tools such as:

- **A Sustainability Policy**
- **A Code of Ethics**
- **A Diversity and Inclusion Policy**
- **A Control System and Supervisory Body pursuant to Legislative Decree 231**
- **A Whistleblowing System**
- **Management systems certified by third parties**
- **An internal function dedicated to ESG issues**
- **An internal Compliance function**

These tools help maintain a sustainable, ethical and transparent path, always geared focused on responsible growth.

OBJECTIVES FOR SUSTAINABLE GROWTH

GRI 2-17, 2-25

The definition and management of ESG objectives follow the PLAN-DO-CHECK-ACT cycle. Based on the analysis of impacts and relevant aspects, priority issues are identified and actions are planned. The effects of the actions are then measured to assess their effectiveness and define any corrections.

The improvement plan for the period 2024-2026 is based on the three pillars of ESG sustainability.

The Group is committed to reducing its environmental impact and remaining competitive in its industry, with a particular focus on the **ecological transition, by deciding to support the sustainable development goals of the 2030 Agenda.**

For this reason, after an in-depth analysis of the 169 targets, the company has focused on the material topics it considers to be priorities and in which it is most involved.

The company has therefore identified its guidelines for its next sustainability goals, embarking on a path of ever closer involvement with suppliers and collaborators, in the knowledge that sharing sustainability goals and choices with stakeholders is a fundamental step towards achieving important results for the common good.

The choice of the ten Goals was guided by the intention to promote a balance of social, economic and environmental objectives that could be pursued in integration with the business and that were applicable to all parts of the company’s value chain.






This report also aims to account for the ways in which ADH is pursuing these objectives.



THE GROUP’S ESG GUIDELINES: 2024-2026

GRI 2- 17, 2-25

GOAL	TEMA MATERIALE	OBIETTIVI 2024-2026
	HEALTH AND SAFETY	Implementing safety awareness programmes and promoting a healthy lifestyle.
	JOB QUALITY	Continuing to provide training courses for employees in order to increase company growth by increasing the average hours of training per employee. Listening to problems and suggestions on training courses and cooperation with local educational institutions.
	DIVERSITY AND INCLUSION	Improving gender equality within the company and raising employee awareness about gender stereotypes and the use of inclusive language.
	WATER RESOURCES	Pursuing ongoing activities aimed at implementing water-saving systems.
	CORPORATE CULTURE	Growing steadily and sustainably. Promoting awareness of sustainable development issues. Approving a regulation for the ESG team.
	CUSTOMER SATISFACTION	Maintaining the level of customer satisfaction, through the annual measurement of Customer Satisfaction. Setting up a relationship process that sees the company involved with customers in projects useful for the development of new and increasingly sustainable business models.

GOAL	TEMA MATERIALE	OBIETTIVI 2024-2026
	BUSINESS CONTINUITY	Adopting the best, most innovative technologies that enable production optimisation and consumption reduction.
	CIRCULAR ECONOMY	Incorporating and directly analysing ESG risks within the 231 Organizational, Management, and Control Model. Mapping and assessing supplier due diligence. Placing particular focus on cybersecurity and data protection by implementing security measures to safeguard information.
	CLIMATE CHANGE	By 2025, completing the development of the CFP model using LCA methodology for aluminum ingots. Continuing the procurement of certified green energy in the coming year. Initiating the process to achieve ISO 14001 certification for the Macloedio facility.
	SUPPLIERS	Continuing the process of mapping suppliers against their sustainability requirements in the coming years.
	COMMUNITY	Maintaining economic support for community projects. Involving professional institutes and universities to encourage the placement of young talent in companies, thereby guaranteeing employment opportunities in the area.

TARGETS ACHIEVED IN 2024 AND ONGOING ACTIONS

Below is a summary of the activities carried out in 2024 in the environmental and social fields, as well as the concrete actions the company intends to implement in the short term to pursue its set objectives.

ENVIRONMENT

Activity:

- A project was launched to install water dispensers in office and production areas, accompanied by the distribution of reusable bottles to all employees, aimed at reducing the use of plastic bottles.
- Participation, alongside other Brescia-based companies in the industry, in the Working Group organised by Confindustria Brescia for the implementation of UNI TS 11820 – a standard for monitoring, assessing and managing company circularity based on LCA principles.
- Procurement of certified green energy.
- execution of the energy audit

Action:

- Conclusion of the ongoing process in 2025 for developing the CFP (Carbon Footprint of Product) model using LCA for aluminium ingots.
- Ongoing purchase of certified green energy in the coming year

SOCIAL

Activity:

- Community support initiatives.
- Distributed welfare vouchers to new parents, supporting parenthood.
- Approved the Diversity & Inclusion Policy, which also formalized the company's approach to smart working. The policy was shared with employees, accompanied by a brief training on gender equality.
- Starting in 2025, preparatory activities will begin to obtain ISO 45001 certification, the aim being to achieve it by 2026.
- Implemented workplace safety awareness programmes.

Action:

- Improving gender equality within the organisation.
- Organising training sessions to raise employee awareness on inclusive language and gender stereotypes.

GOVERNANCE

Activity:

- Sustainability Policy approval and communication.

Action:

- Implementing a Climate Change Policy and a Human Rights Policy.
- Approving the regulation on the ESG Team's responsibilities.

1.3 MATERIAL TOPICS

In pursuing its sustainability mission, the ADH Group adopts a methodical and comprehensive approach to analyzing the internal and external contexts in which it operates. As part of this analysis, the company evaluates and understands the various scenarios in which it carries out its activities.

By employing continuously updated management systems, the company regularly assesses sustainability-related risks and opportunities, as well as the social, economic and environmental dynamics affecting its operations.

A specific assessment of corporate sustainability is carried out annually. This is not a static process, but a dynamic one, capable of adapting to changes, both within and outside the company, clearly taking into account the new challenges and opportunities arising in the field of sustainability.

The analysis of internal and external contexts is fundamental in guiding ADH Group's action and strategies. Through rigorous and ongoing evaluation, the company is thus able to identify and address the most relevant issues, thereby contributing to continuous improvement and increasing its positive impact.

DOUBLE MATERIALITY ANALYSIS

The so-called double materiality analysis allows for the identification and comparison of the most important topics for both stakeholders and the Group in the medium to long term. This analysis is a crucial step towards sustainability, with results that support the definition of sustainable development goals and the key topics around which to lay out the Sustainability Report.

Double materiality identifies the connection between these topics and ADH's strategy, thereby ensuring that the expectations of various internal and external stakeholders are taken into account.

The double materiality analysis was conducted considering the company's main impacts, risks and opportunities, the aim being to mitigate its footprint with a commitment to improve sustainable performance over time.

Since 2023, the ADH Group has decided to broaden its analysis by integrating the traditional assessment of the impact of its operations on people and the environment (known as impact materiality) with what the CSRD defines as financial materiality: an evaluation of the risks and opportunities related to specific management areas and ESG topics on the company's economic and financial results.

Through this analysis, taking into account the main industry indicators within the company, the ADH Group identified 11 target material topics (summarised in the following table), which ADH commits to include into its business and apply throughout the entire value chain.







In order to determine the most significant topics for the Group, the analysis was shared through constant and transparent dialogue with management and internal personnel directly involved in the project.






IMPACT

As of today, the management responsibility for ADH's impact lies with various Group managers who interact to ensure positive impacts and mitigate negative ones on the environment, the economy, and more importantly, on people. The flow of communication regarding impacts between managers and the Board of Directors is constant and also benefits from various official events.

For the sake of completeness, below is a high-level mapping of positive and negative impacts, grouped by material topic, resulting from the internal assessments described above.

Table of the most significant ESG topics for impact materiality

MATERIAL TOPIC	IMPACT	TYPE OF IMPACT	IMPACT MANAGEMENT
CLIMATE CHANGE	Increased CO2 concentration in the atmosphere due to energy consumption and processes resulting from the organisation's entire value chain.	 REAL DIRECT	Policy: commitment to reducing consumption. Action taken: Use of renewable energy, optimization of production processes, adoption of technologies aimed at reducing energy consumption. Monitoring: GRI 305-1, 305-2; GRI 302-1, 302-2.
CIRCULAR ECONOMY	Waste generated by manufacturing processes.	 POTENTIAL DIRECT	Policy: rispetto del riferimento normativo per le aziende compliance with regulatory reference for companies and organisations that have, or intend to have, an Environmental Management System. Action taken: circular economy practices are applied throughout the product lifecycle, from the design stages down to the supply chain and use until re-use at the end of the product lifecycle. Monitoring: GRI 306-3, 306-4, 306-5.
SUSTAINABLE PROCUREMENT	Choice of suppliers whose relationships are well-established and loyal, but lack of a pre-qualification and rating process that takes into account social and environmental impacts.	 POTENTIAL INDIRECT	Policy: operational instructions for procurement and supplier evaluation by Quality Control. Action taken: inclusion of ESG criteria in the Group's procurement choices; audits of suppliers and international customers. Monitoring: supplier control, selection of local GRI 204-1 suppliers..
WATER RESOURCES	Increased or failed water consumption due to failure to implement policies and good practices (e.g. utility rationalisation, network upgrades and water recovery projects, staff awareness).	 REAL DIRECT	Policy: policies aimed at reducing consumption. Action taken: evaluation of water recycling and recovery projects. Monitoring: control of consumption GRI 303 - 3.
HEALTH AND SAFETY	Accidents and occupational diseases of employees: the company has an effective health and safety management system that complies with current regulations.	 POTENTIAL DIRECT	Policy: adoption of the Risk Assessment Document (DVR) in which all risks to employee health and safety are considered; compliance with the requirements for Occupational Health and Safety Management Systems. Action taken: compliance with regulatory requirements. Monitoring: GRI 403.
JOB QUALITY	Professional growth through ongoing organisation of training projects Improved performance and employee satisfaction thanks to dedicated well-being programmes and transparent, fair mechanisms that recognize and enhance each individual's professional skills.	 REAL DIRECT	Policy: management procedure for the selection, training, and development of human resources; promotion of a culture of well-being. Action taken: enhancement of the training plan (continuous learning; adoption of the Code of Ethics; implementation of the Whistleblowing System; careful recruitment practices; timely communication; incentive systems). Monitoring: GRI 404-1.

MATERIAL TOPIC	IMPACT	TYPE OF IMPACT	IMPACT MANAGEMENT
DIVERSITY, EQUAL OPPORTUNITIES AND INCLUSION	Guaranteeing all employees a decent wage and a fair career path, fostering an inclusive work environment. Promoting the inclusion of women in production processes. Valuing diversity.	 REAL DIRECT	Policy: Code of Ethics. Diversity and inclusion Policy. Action taken: monitoring workplace climate, monitoring compliance with the Code of Ethics, procedure for anonymous reporting. Monitoring: GRI 405-1.
COMMUNITY	Contribution to the socio-economic development of local communities by supporting projects in the area, collaboration with local educational institutions for the selection or training of individuals within the same community.	 REAL DIRECT	Policy: maintaining relations with the local area and community. Action taken: economic support for local projects, collaboration with educational institutions in the area. Monitoring: charity donations and setting up school internships and apprenticeships at the Group's premises.
CUSTOMER SATISFACTION	Product quality control measures. Satisfaction of customers through understanding their current and future needs. Relationship-building through constant communication.	 REAL DIRECT	Policy: implementation and maintenance of the quality management system (QMS) in accordance with ISO 9001 and current regulations. Action taken: continuous checks and tests on products during both development and production. UNI EN ISO 9001:2015 quality certification. Monitoring: GRI 416, product test reports, quality manager reports, number of customer complaints.
BUSINESS CONTINUITY	Activities aimed at business continuity, internal controls and monitoring to ensure the continuity of business processes and equipment.	 POTENTIAL DIRECT	Policy: implementation and maintenance of the quality management system (QMS) in accordance with ISO 9001 and monitoring of internal IT systems. Action taken: monitoring of in-house IT systems and equipment. Monitoring: detection of possible situations that could cause production stoppages.
CORPORATE CULTURE	Increased investment in business competitiveness and impact mitigation. Growth of the workforce. Pursuit of sustainable development goals.	 POTENTIAL DIRECT	Policy: continuous technological investments. Action taken: continuity of the Group's development activities. Monitoring: economic and financial performance and commitment to sustainability goals. GRI 201- 205-206.

RISKS AND OPPORTUNITIES

For the sake of completeness, below is a high-level mapping of risks and opportunities, grouped by material topic and resulting from the benchmark analysis and internal assessments described above.

Table of the most significant ESG topics under financial materiality:

RELEVANT TOPICS		RISKS	OPPORTUNITIES	IMPACT SIGNIFICANCE	INDIRECTLY INVOLVED STAKEHOLDERS
ENVIRONMENTAL TOPICS					
CLIMATE CHANGE		Increased energy costs and fuel consumption, resulting in higher operating expenses. Increase in CO2 emissions and worsening of the Carbon Footprint, adversely affecting climate change and promoting environmental deterioration. Loss of competitiveness due to increased costs and reduced plant efficiency, which may be obsolete.	Implementation of the photovoltaic energy plant. Equipment innovation and improvement, increased Sustainability rating and certifications.	RISK	<ul style="list-style-type: none">ShareholdersFinancial communityLocal community
		Possible temporary suspension of operations, increased monitoring, non-renewal of the integrated environmental authorisation (AIA), and shutdown of operations. Increased costs.			
CIRCULAR ECONOMY		Increased waste to be disposed of with the risk of production activities coming to a halt.	Environmental improvement, innovation, cost reduction and more recycling.	OPPORTUNITY	<ul style="list-style-type: none">ShareholdersFinancial communityCustomers
SUSTAINABLE PROCUREMENT		Supply disruption, with negative consequences on delivery times, organisational risks, negative brand reputation and loss of competitiveness.	Increased supplier cooperation and security, traceability, transparency, flow control. Quality assurance of incoming materials and presence of a Sustainability policy. Carbon Footprint Certification.	RISK	<ul style="list-style-type: none">ShareholdersSuppliers
WATER RESOURCES		Increased water consumption, which can lead to water shortages and the suspension of production operations.	Implementation of water recovery systems.	RISK	<ul style="list-style-type: none">ShareholdersFinancial communityCommunity
SOCIAL TOPICS					
HEALTH AND SAFETY		Increased risk of accidents, higher personnel costs and increased staff turnover.	Safe installations and decreased risk of accidents	RISK	<ul style="list-style-type: none">ShareholdersHuman Resources
JOB QUALITY		Loss of professional expertise, increase in demotivation and consequent increase in turnover.	Increased attractiveness, improved reputation and better recruitment.	OPPORTUNITY	<ul style="list-style-type: none">ShareholdersHuman Resources
DIVERSITY AND INCLUSION		Discrimination and lack of inclusiveness.	Gender equality certification.	OPPORTUNITY	<ul style="list-style-type: none">ShareholdersHuman Resources
COMMUNITY		Lack of liquidity resulting in a failure to support the local community, resulting in a deterioration of corporate reputation.	Improved relations with stakeholders, who are increasingly attentive to the choice of sustainable business models.	OPPORTUNITY	<ul style="list-style-type: none">ShareholdersCommunity and Local AreaSuppliers
GOVERNANCE TOPICS					
CUSTOMER SATISFACTION		Dissatisfaction and loss of customers.	Increased customer base, better rating with structured customers and, thus, increased loyalty.	OPPORTUNITY	<ul style="list-style-type: none">CustomersShareholders
BUSINESS CONTINUITY		Business disruptions caused by failure of in-house inspections and plant maintenance.	Maintenance of business continuity and production processes. Customer satisfaction and customer loyalty resulting from on-time delivery.	RISK	<ul style="list-style-type: none">CustomersShareholders
CORPORATE CULTURE		Overdue payments, missed credit, higher costs and rates, lack of liquidity, deterioration of reputation, loss of competitiveness. Ineffective organisation and loss of reputation.	Effective organisation, compliance with legislation and proper management.	RISK	<ul style="list-style-type: none">ShareholdersFinancial community

CHAPTER 02

PROTECTION OF THE ENVIRONMENT AND ITS RESOURCES

CHAPTER 02

PROTECTION OF THE ENVIRONMENT AND ITS RESOURCES

GRI 3-3 ESRS [E1], [E2], [E3], [E5]

The Group is committed to making continuous improvements for the protection of the environment, aiming to minimise the environmental impact resulting from its activities.

All actions carried out by the Group's companies that could potentially harm the environment are preliminarily examined in compliance with national and international regulations to mitigate any possible negative impact.

Assisi Raffineria Metalli has also implemented an Environmental Management System in accordance with UNI EN ISO 14001 standards and EU Regulation 333/2011, to ensure strict compliance with environmental legislation and pollution prevention, as well as to provide the final customer with an "End-of-Waste" product that meets the requirements of the aforementioned Regulation. Assisi Recycling Macclodio began implementing an Environmental Management System in accordance with UNI EN ISO 14001 in 2024, with third-party certification scheduled for 2025.

Furthermore, regarding environmental impact - particularly climate change - the Group monitors and evaluates certain environmental performance indicators as part of its business operations. The Group is committed to reducing greenhouse gas emissions and reporting on the results and progress achieved.

From a sustainable development perspective, ADH's corporate policy aims to increasingly reconcile high levels of business performance with the reduction of environmental impact.

The initiatives - considered a priority by the Group - are aimed at mitigating the effects of climate change.

Consequently, the Group does not tolerate any behaviour that deviates from these ethical principles. In this way, the company commits to operating in full compliance with the relevant regulations and to limiting its impact on the planet in every situation.

Over the years, the ADH Group has progressively enhanced its system for monitoring its community-level impact. For this reason, ADH has focused its attention on "local action," identifying the production of renewable resources as one of its strengths.

Design choices and optimisation of plant technologies, as well as the pursuit of innovative processes, have enabled tangible results, ensuring good environmental and operational efficiency throughout the Group.



2.1 CIRCULAR ECONOMY OF MATERIALS

GRI 301-2 ESRS E5-4

As part of its waste management operations, the ADH Group fully embraces the sentiment of European and national industry regulations aimed at fostering a reduction in the production of waste materials.

In fact, ARM Assisi Raffineria is dedicated and committed to "preparing" waste for re-use and any other recycling/recovery possibilities, thereby guaranteeing the protection of the environment.

The primary objective of the ADH Group is the separation of any recoverable fraction, particularly metals, with the aim of obtaining "End-of-Waste" materials for commercialisation.

Although metals still account for the largest volumes, ARM Assisi Raffineria handles a wide range of materials both inbound and outbound.

The main types of materials used can be summarised in the following macro-categories:

- Raw materials**, i.e. natural resources used for conversion into products or services, such as raw materials, minerals and timber.
- Process-related materials**, i.e. materials that are needed in the production process but are not part of the final product, such as lubricants for industrial machinery.
- Semi-finished products or components**, including all types of materials and components other than raw materials that are part of the end product.
- Packaging materials**

Macro-categories of materials used identified for the ARM Assisi Sarezzo site:

- | | |
|-----------------------------|-------------------------------|
| > Process materials | > Packagings |
| > Mixed metals | > Electrical equipment |
| > Non-ferrous metals | > Other materials |

Macro-categories of materials used identified for the ARM Macclodio site:

- | | |
|--------------------------|--------------------|
| > Primary alloy | > CER scrap |
| > Secondary alloy | > EoW scrap |
| > Primary ingots | > Salts |

2.1.1 RECYCLING AND WASTE DISPOSAL

GRI 306-1, 306-2 [ESRS E5 5-2, 5-4, 5-5]

By continuously monitoring its production processes and with a view to a circular economy, the ADH Group constantly optimises its business processes, turning waste into a resource for the company. This company policy allows for ongoing processing and fine-tuning of production processes, making plant operations more efficient, reducing waste and improving product quality.

The table below shows the waste generated (in MT) at ARM Raffineria during the 2023/2024 two-year period:

DECAYING WASTE GENERATED DURING THE YEAR (MT)

GRI STANDARDS 306-2 DISCLOSURE

TYPE OF WASTE	2023	2024
Total decaying waste generated	28,594.80	34,233.91
of which hazardous	1,583.52	1,724.39
% hazardous	5.54%	5.04%
of which non-hazardous	27,011.27	32,509.52
% non-hazardous	94.46%	94.96%
Total decaying waste for recovery	26,404.50	30,603.72
% for recovery	92.34%	89.40%
Total decaying waste for disposal	2,190.30	3,629.10
% for disposal	7.66%	10.60%

The table below shows the waste generated (in MT) by Assisi Recycling Macclodio during the 2023/2024 two-year period:

DECAYING WASTE GENERATED DURING THE YEAR (MT)

GRI STANDARDS 306-2 DISCLOSURE

TYPE OF WASTE	2023	2024
Total decaying waste generated	8,078.06	8,147.2
of which hazardous	7,801.56	7,860.5
% hazardous	96.58%	96.48%
of which non,hazardous	276.5	286.7
% non,hazardous	3.42%	3.52%
Total decaying waste for recovery	7,738.74	7,847.3
% for recovery	95.80%	96.32%
Total decaying waste for disposal	339.6	299.5
% for disposal	4.20%	3.68%



NON-HAZARDOUS WASTE GENERATED (MT)

WASTE EWC CODE	WASTE DESCRIPTION	2023	2024
120103	Non-ferrous metal filings and shavings	0	51.2
160216	Components removed from end-of-life equipment. other than those referred to under code 160215	77.6	141.7
170405	Iron and steel	97.4	91.6
191001	Iron and steel waste	4,260.4	15,197.9
191002	Non-ferrous metal waste	32	0.0
191202	Iron and steel waste	11,170.4	4,960.4
191203	Non-ferrous metals	15,091.8	19,144.9
TOTAL PRODUCT		30,729.60	39,587.80
TOTAL EOW PRODUCT		31,065.0	42,184.0
TOTAL EOW and EWC		61,794.60	81,771.8
TOTAL MATERIAL PROCESSED		89,368.00	111,982.3

% indicator of regenerated raw material / material processed (MT produced / MT processed)

69.1% 73%

2.2 CLIMATE CHANGE

The commitment of companies to combating climate change has become a core element in the social and strategic responsibility of modern businesses, primarily stemming from the analysis of their own impacts and individual consumption. The ADH Group also recognises the importance of adopting sustainable policies to reduce its environmental impact and contribute to the protection of the planet.

Below are some of the main initiatives and strategies adopted:

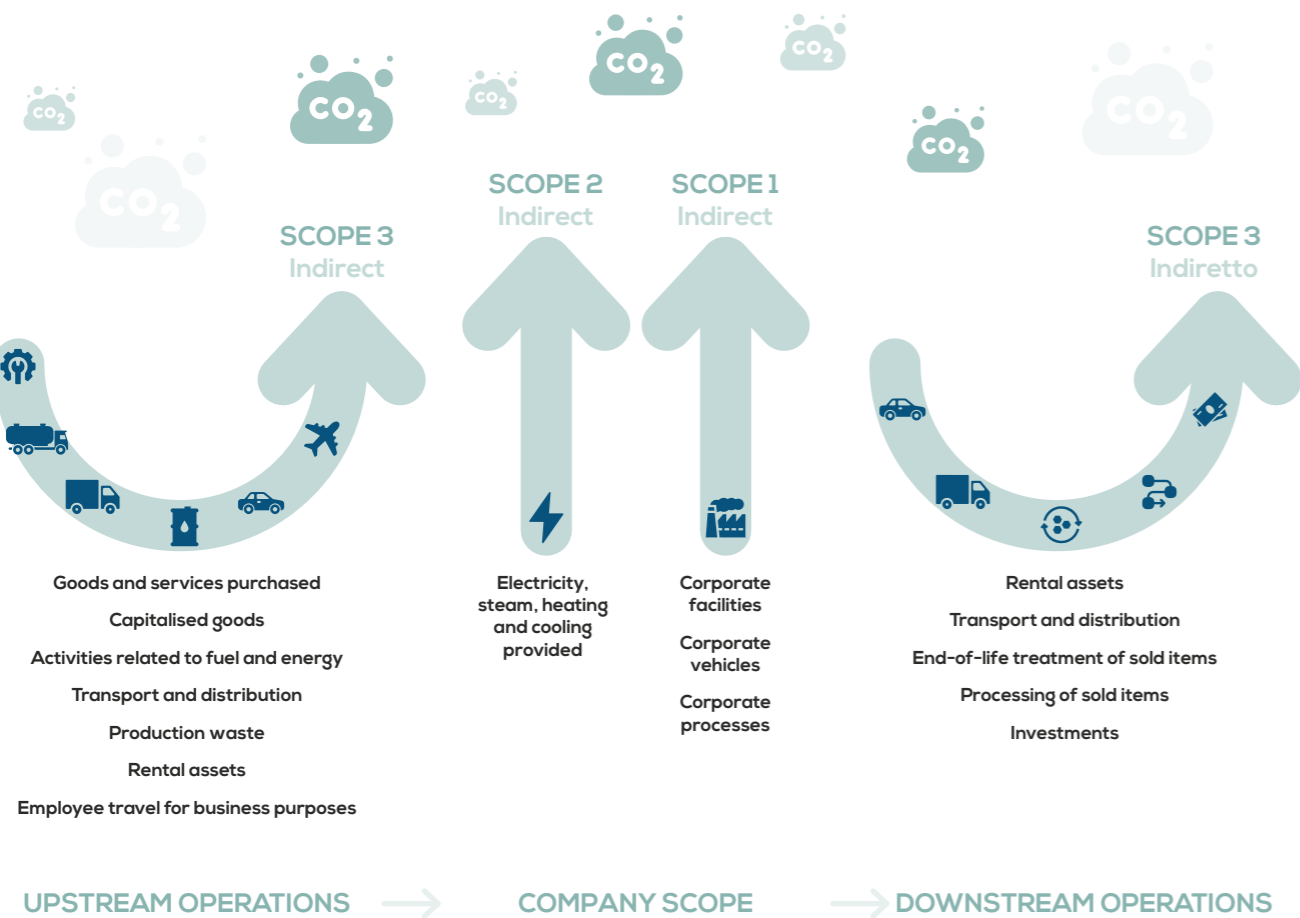
1. REDUCTION OF GREENHOUSE GAS EMISSIONS: lowering CO2 and other greenhouse gas emissions through energy efficiency improvements, the use of renewable energy, and optimisation of production processes.

2. TRANSITION TO RENEWABLE ENERGY: investments in clean energy sources to power business activities and reduce reliance on fossil fuels.

3. CIRCULAR ECONOMY: promotion of recycling, reuse and upgrading of materials to minimise waste and the extraction of natural resources.
4. COMMITMENT TO TRANSPARENCY AND REPORTING: openness in communicating data in the sustainability report, detailing clear objectives, strategies and progress in the fight against climate change.

5. ENGAGEMENT OF THE SUPPLY CHAIN: collaboration with suppliers and partners to ensure sustainable practices throughout the entire production chain.

6. EDUCATION AND AWARENESS: fostering a corporate culture oriented towards sustainability among employees, customers and stakeholders.



ENERGY INTENSITY

GRI 302-1 GRI 302-4 [ESRS EI-5]

The main energy consumption of the companies within the holding is primarily attributable to the use of machinery present in the two production sites, which requires ADH to carefully and accurately measure consumption. Additionally, energy is used for the regular operation of the organisation’s infrastructure.

Also in 2024, as in the previous year, ADH Group’s energy consumption was mainly concentrated from Monday to Friday, with occasional extensions to Saturday morning production. Only 1% of consumption occurred during inactive hours, indicating that the company did not record any issues related to abnormal energy consumption outside production hours. The ADH Group maintains continuous production, also operating during night shifts.

Unfortunately, even in 2024, the steady trend of rising energy market prices resulted in a significant increase in energy costs for the Group.

Regarding the company’s environmental commitment, several initiatives have been adopted to reduce the impact of its activities. More specifically, for 2024, the company signed a contract for the supply of energy from renewable sources for the Maclodio plant. This decision aims to promote the use of energy from sustainable sources, thereby reducing greenhouse gas emissions and contributing to the transition towards a low-carbon economy.

It should be noted, with regard to the 2024 consumption, that the increase was mainly driven by the growth in production activities and related operational activities of the Group.

ENERGY CONSUMPTION

GRI 302,1

	UNIT OF MEASURE-MENT	2023	2024
ENERGY CARRIERS			
Natural gas	sm3/year	3,321,599	3,973,538
Electricity purchased from the grid	KWh	6,133,425	7,615,661
FUELS			
Diesel fuel for internal vehicles	Litres	270,525	370,945
Diesel for company vehicle fleet	Litres	18,910	18,635
Petrol for cars	Litres	7,691	7,727



CLIMATE-ALTERING EMISSIONS

GRI 305-1 GRI 305-2 GRI 305-3 ESRS E1-6

The main goal that inspired the ADH Group in developing its third approach to the GHG inventory was its focus on environmental issues and climate change.

Thanks to this third Sustainability Report, ADH has identified the sources of greenhouse gas emissions and calculated them according to the following scopes:

SCOPE 1

Direct emissions generated by the company, from sources that are owned or controlled by the company.

SCOPE 2

Indirect emissions generated by the energy purchased and consumed by the company.

SCOPE 3

Indirect greenhouse gas emissions that occur in a company’s value chain but are not directly controlled by the company.

The calculations carried out for the years 2023 and 2024 regarding atmospheric emissions at the production sites in Sarezzo and Macloedio are presented below.

DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS CAUSED BY CORPORATE OPERATIONS - ARM ASSISI RAFFINERIA

TYPE OF CONSUMPTION	UNIT OF MEASURE- MENT	2023	2024
SCOPE 1	Tonnes of CO eq	802.10	988.23
SCOPE 2 - LOCATION BASED	Tonnes of CO eq	1069.51	552.954
SCOPE 3	Tonnes of CO eq	n/d	n/d

DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS CAUSED BY CORPORATE OPERATIONS - ARM ASSISI RECYCLING MACLODIO

TYPE OF CONSUMPTION	UNIT OF MEASURE- MENT	2023	2024
SCOPE 1	Tonnes of CO2 eq	6,534.53	7,899.14
SCOPE 2 Location Based	Tonnes of CO2 eq	439.31	0
SCOPE 3	Tonnes of CO2 eq	5,364.50	6,179,00

Technical note:

The emission factors used for the study, described below, were extracted from the main internationally recognised databases (Ecoinvent v. 3.10, ISPRA, and DEFRA) and were calculated using the 100-year Global Warming Potentials (GWPs) reported in the IPCC’s Sixth Assessment Report (AR6).

2.3 WATER RESOURCES

GRI 303-3 [ESRS E3-4]

Sustainable water management within the company is a key element for reducing environmental impact, optimising costs, and ensuring the long-term availability of this valuable resource.

Below are some of ADH’s key principles and strategies for managing water use:

1. ANALYSIS AND MONITORING OF CONSUMPTION

- Installing metres to accurately track water consumption in different company areas.
- Using real-time monitoring systems to detect potential waste or leaks.

2. REDUCTION OF CONSUMPTION

- Implementing water-saving technologies such as low-flow taps and showers, efficient irrigation systems and industrial equipment with reduced water usage.

3. WATER REUSE AND RECYCLING

- Promoting water reuse within production processes or for non-potable purposes, such as irrigation or cooling.
- Installing treatment and purification systems to make water reusable.

4. AWARENESS AND TRAINING

- Engaging employees through awareness programmes on the importance of water as a resource.

5. INTEGRATION WITH ENVIRONMENTAL MANAGEMENT

- Periodically evaluating performance and adopting continuous improvement measures.



By implementing these practices, the Group contributes to the protection of water resources, reduces operational costs, and enhances its corporate reputation in terms of environmental responsibility.

Water consumption represents one of the primary environmental impacts related to the Group's production process. In particular, ARM Assisi Recycling requires this resource to properly carry out its core activities. Additionally, water is used throughout the ADH Group by all employees for everyday civil use.

WATER WITHDRAWAL BY SOURCE (ML)
GRI 303-3 STANDARDS DISCLOSURE

WITHDRAWAL LOCATION	2023	2024
SOURCE	Freshwater	Freshwater
GROUNDWATER (all areas)	0	0
GROUNDWATER (water-stressed areas)	0	0
WELL	291.56	298.79
WATER SUPPLY NETWORK	11.74	8.49
TOTAL	303.30	307.28

It is also reported that, following a detailed analysis conducted by the Group, none of the areas where ADH operates are currently classified as water-stressed zones. Nonetheless, the Group remains vigilant in implementing actions and controls to prevent water loss, continuously monitoring consumption and assessing water stress risk maps.

Below is the table showing water consumption and discharge by source for the Group, referring to the years 2023 and 2024:

WATER DISCHARGE BY SOURCE (ML)
GRI 303-4 STANDARDS DISCLOSURE

DRAINAGE LOCATION	2023	2024
DISCHARGE DESTINTION	Other types of water	Other types of water
SURFACE WATER	261,4	266,0
SEWAGE DISCHARGE	12.96	20.69
TOTAL	12.96	20.69

It should be noted, in relation to the discharge data, that the significant increase was due to the fact that it was an exceptionally rainy year. It should also be noted that the water supply for ARM Macloadio comes 100% from the well.

2.4 BIODIVERSITY AND ECOSYSTEMS

GRI 304-1 ESRS [E4-1], E4-5

The ADH Group is aware that biodiversity and ecosystems are fundamental aspects for environmental sustainability and the well-being of companies. Currently, the Group has not yet integrated biodiversity protection into its corporate strategies, but it recognises that this aspect can bring significant economic, reputational and environmental benefits.

The activities the Group intends to pursue to contribute to the maintenance and restoration of biodiversity include:

ENVIRONMENTAL IMPACT ASSESSMENT
analysis of risks and opportunities related to biodiversity.

SUSTAINABLE RESOURCE MANAGEMENT
responsible use of raw materials and reduction of overexploitation.

Although the ADH Group currently does not consider this topic to be material, it believes that integrating biodiversity into corporate strategies is not only an ethical and environmental duty but also a responsibility within the context of an economy increasingly oriented towards sustainability..

“
With a view to sustainable development, ADH's corporate policy aims to increasingly reconcile high levels of business performance with the reduction of environmental impact.

CHAPTER 03



VALUING
OUR PEOPLE

CHAPTER
03

VALUING OUR PEOPLE

ESRS S1 S2 S3 S4

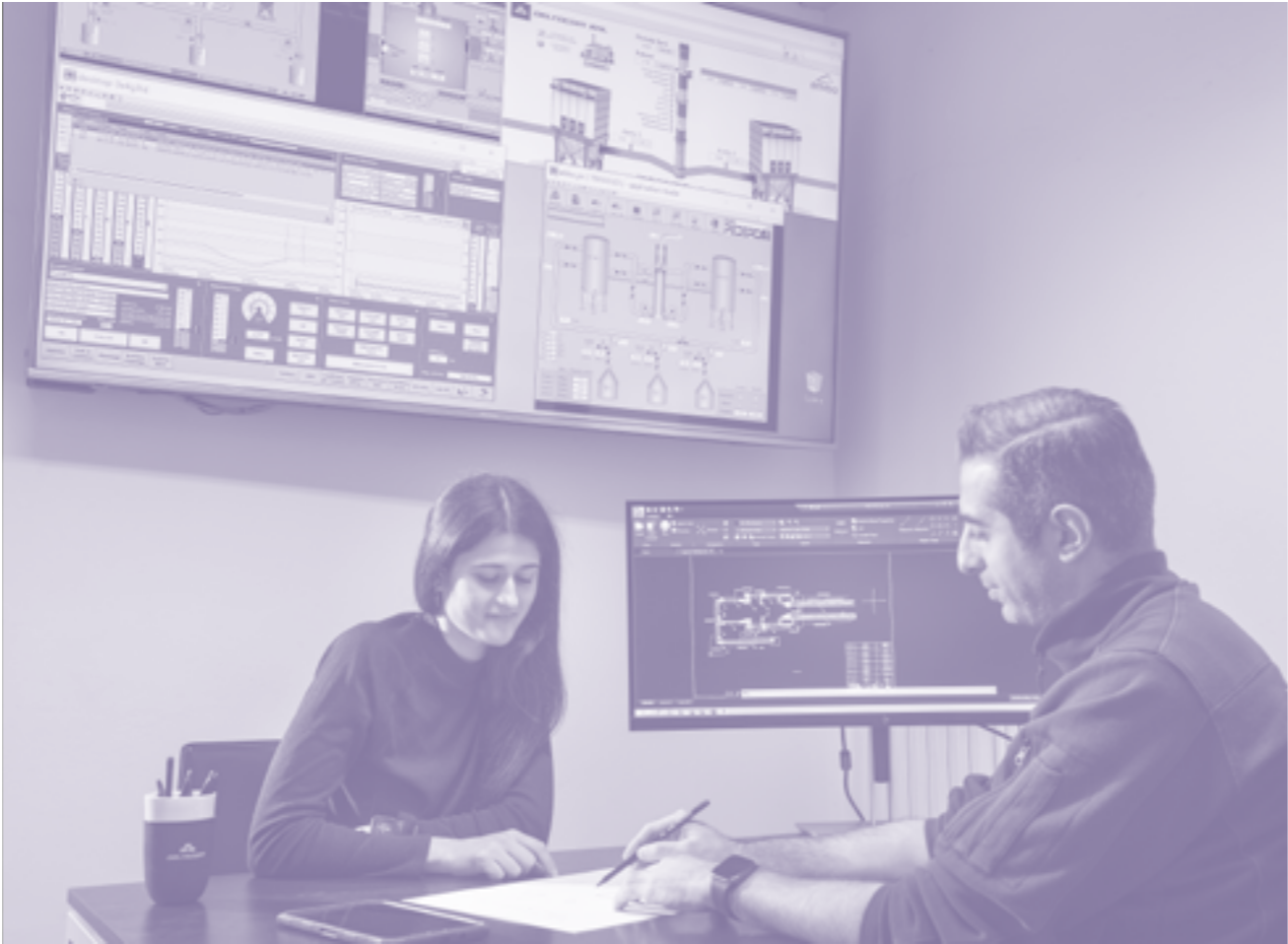
Regardless of the position held within ADH, every individual represents a key element for governance and the proper functioning of production activities..

ADH is committed to promoting sustainable well-being by fostering job stability and encouraging permanent employment contracts. Furthermore, it supports the professional growth of its employees through training, specialisation and empowerment programmes.

Collaboration is based on principles of transparency, loyalty and trust, in line with the company's Code of Ethics. It is emphasised that achieving strategic objectives results from teamwork, supported by human resource management policies that respect workers' rights and value their skills.

The ADH Group considers its people a crucial resource for achieving business goals and actively works to prevent all forms of discrimination, ensuring equal opportunities for professional development to all employees. The protection and respect of the dignity, culture, health, and professionalism of its employees are indispensable pillars of the company's mission.

The Group recognises how crucial it is to have qualified personnel to successfully face market challenges. The HR department plays a vital role in managing the Group's human capital: it is primarily responsible for recruiting, selecting, and onboarding new talents, as well as the development and management of personnel. These activities are complemented by the administrative management of employment relationships, dialogue with trade union representatives, and oversight of health and safety matters at work.



3.1 OUR PEOPLE

GRI 2-7, 2-8, 401-1, 405-1 ESRS S1-6, S1-7, [S1-9], [S1-12]

For the ADH Group, human capital is a resource of the utmost importance. For this reason, the initiatives undertaken to enhance it as an essential element in achieving the company's objectives also aim to prevent any form of discrimination and ensure equal opportunities for professional growth for all employees, by guaranteeing long-term employment contracts and collaborations.

Below is the table showing the total number of employees and external collaborators, broken down by gender, for the years 2023–2024 for the ADH Group:

TOTAL NUMBER OF EMPLOYEES AND EXTERNAL COLLABORATORS BY GENDER

GROUP WORKFORCE	2023			2024		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
ADH (SAREZZO OFFICES)	2	10	12	2	11	13
ARM	57	38	95	71	42	113
ARM MACLODIO	43	4	47	40	4	44
GROUP TOTALS	102	52	154	113	57	170

In the staff selection process, ADH adopts human resources policies that are open to candidates of all genders, ethnicities, religions and political orientations, including those with disabilities. The aim is to promote a fair and inclusive working environment, in which the focus is on the development and full enhancement of each individual's professional potential.

Furthermore, through targeted policies and measures, the company aspires to better reconcile work with the personal and family life of each individual, striving to promote the adoption of part-time contracts and the creation of shared, lasting and sustainable value over time

REMUNERATION POLICIES

GRI 2-20 ESRS 2 GOV-3

The Group's remuneration system is established based on thorough analyses conducted by the HR Department, taking into account both market best practices and emerging trends throughout the different stages of recruitment and the employment relationship.



Below is the table showing the total number of employees and collaborators, broken down by gender for permanent contracts for the 2023/2024 two-year period of the ADH Group:



In the year 2024, there are 117 employees in the ADH Group hired on permanent contracts, of whom 62% are MEN and 38% are WOMEN. The remaining collaborators are employed on fixed-term contracts or agency contracts. It is also noted that the workforce includes 14 part-time employees.

3.2 DIVERSITY, PROFESSIONAL GROWTH AND EMPLOYEE WELL-BEING

GRI 401-2 [ESRS S1-11]

PROTECTION OF WORKERS AND HUMAN RIGHTS

Human capital represents a key resource for the ADH Group, essential both for carrying out business activities and for achieving strategic objectives. For this reason, the company is committed to enhancing the skills of its collaborators and ensuring respect for human rights in every work environment. In this regard, the Group has adopted a "DIVERSITY AND INCLUSION Policy" and a Code of Ethics, which set out the fundamental principles and the standards of conduct to which all recipients, both internal and external to the company, must adhere.

In compliance with applicable laws and company policies, the ADH Group is committed to:

- selecting, hiring, remunerating, training, and evaluating individuals based on merit and competence, without discrimination, in accordance with the principle of equality;
- ensuring a work environment characterised by loyalty, fairness, collaboration, mutual respect, and trust;
- providing safe and healthy working conditions that respect the dignity of every individual;
- opposing any form of intimidation, hostility, isolation, undue interference, influence, or harassment;

TOTAL NUMBER OF EMPLOYEES AND COLLABORATORS BY GENDER

CONTRACT TYPE: PERMANENT	2023			2024		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
ADH (UFFICI SAREZZO)	2	10	12	2	10	12
ARM	42	31	73	47	31	78
ARM MACLODIO	28	4	32	23	4	27
GROUP TOTALS	72	45	117	72	45	117

- guaranteeing employees the opportunity to express their individuality and to benefit from reasonable protection of privacy;
- taking prompt action in the event of behaviours that do not comply with the principles outlined above.

At the time of reporting, no incidents of discrimination based on ethnicity, gender, religion, political opinions, nationality, social origin, or any other forms of discrimination have been reported.

WELL-BEING

GRI 401-2 [ESRS S1-11]

From an ethical standpoint, ADH is committed to identifying and implementing measures that enhance the well-being of its employees. These objectives are realised through concrete initiatives, such as the creation of spacious and comfortable work environments that promote sociability and team spirit.

WORK MERIT AWARDS

In May 2024, the "Work Merit Stars" were awarded to two long-serving employees of the ADH Group: Ms Cristina Arini and Mr Giampietro Belleri.

The nomination request was submitted in October 2023 to the Interregional Labour Inspectorate. This honour, granted by the President of the Republic upon the proposal of the Minister of Labour, is awarded to Italian citizens over the age of 50 who have carried out uninterrupted work activity for at least 25 years with the same company or 30 years across different companies, recognising merits of professionalism, diligence and good moral conduct.

SUPPORT FOR EMPLOYEES AND THEIR FAMILIES

The Group is committed to regularly providing payroll bonuses in the form of vouchers and production bonuses, distributed at the end of the year.

The benefit of services such as the following is consistently maintained:

- Grocery vouchers (mandatory welfare)
- Production bonuses, linked to the Group's performance results

Furthermore, starting from 2024, each new parent will receive a grocery voucher worth €1,000. The company wishes to convey an important message to all its collaborators: the Group views maternity and paternity not as a problem, but as a valuable asset, and intends to promote parenthood through concrete support, in order to recognise and support new mothers and fathers during such a delicate and extraordinary moment as the birth of a child.

These measures are aimed at ensuring well-being and motivation, contributing to the creation of a stimulating and sustainable working environment for employees and their families.



TRAINING AND SKILLS DEVELOPMENT

GRI 2-24, 404-1, 404-2, 403-5 ESRS S1-I3, S1-I §AR 17 (H), (SI)

In line with corporate development and social sustainability, the ADH Group implements training programmes as part of its HR policies. These activities are essential for the company’s growth and for the professional development of its employees, making them an integral part of every project and offering them the opportunity to develop unique and up-to-date skills and expertise.

Below is a table showing the total training hours of ADH Group’s employees and collaborators during the 2023–2024 biennium:

TOTAL TRAINING HOURS OF ADH GROUP’S EMPLOYEES AND COLLABORATORS

	2023			2024		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
ADH (UFFICI SAREZZO)	6	58	64	27	331	358
ARM	521	130	651	1.579	412,5	1.991,5
ARM MACLODIO	1.553	134	1.687	1.356,5	94	1.450,5
GROUP TOTALS	2,080	322	2,402	2,962.5	837	3,800



To strengthen this mission, all workplace safety officers have been appointed, with the task of:

- promoting continuous improvement of health and safety conditions;
- conducting periodic checks on risks related to workers’ health and safety;
- implementing appropriate preventive and corrective actions

In this regard, ADH has always focused on two main objectives:

- raising awareness and promoting a culture of prevention, providing ongoing training to all personnel involved in company activities;
- continuously improving technologies and facilities, making them increasingly safe and designed to protect operators

In both of the Group’s plants, Workers’ Safety Representatives (RLS) have been appointed. They collaborate with the company doctor and the Health and Safety Manager (RSPP) to carry out periodic inspections and ensure compliance with the regulations established by Legislative Decree 81/2008. Supervisors are also present, contributing to oversight and control to ensure that all activities are carried out in accordance with safety standards. To guarantee an effective response to emergencies, the Group has established emergency teams trained in first aid and the use of defibrillators, as well as a specialised team for managing emergency situations.

The ADH Group remains firmly convinced that prevention is the most effective tool to reduce accidents and protect the health of its workers. For this reason, it is committed to maintaining a strong safety culture through continuous training programmes and accessible update materials for all personnel.

The continuous monitoring system can be summarized as follows:

3.3 THE PROTECTION OF WORKERS’ HEALTH AND SAFETY

GRI 2-16, 2-23, 2-24, 403-1, 403-2, 403-7 ESRS 2 GOV-2, GOV-4, S1-I,2I-3, S1-4, S2-4

The management of the ADH Group has adopted strategic decisions aimed at ensuring the safety of all employees in every work environment, fully aware that operating with attention to health and safety not only improves overall performance over time but also represents a fundamental commitment of the Group to the protection of its workers’ health and safety.

From this arises the strong sense of responsibility that characterizes the ADH Group, which is committed daily to ensuring:

- the updating and modernization of facilities;
- the provision of personal protective equipment;
- compliance with hygiene standards and safety regulations;
- specific safety training for personnel



WORKPLACE ACCIDENTS

GRI 403-9 ESRS S1-4, ESRS S1-14

In the 2023–2024 biennium, at the holding company’s headquarters, primarily dedicated to administrative functions supporting the subsidiaries, no workplace accidents were recorded.

Below are the data concerning workplace accidents at the ARM Assisi Raffineria site during the 2023–2024 biennium:

WORKPLACE ACCIDENTS

[GRI 403-9]

NUMBER OF FATALITIES AND ACCIDENT REATES	2023	2024
NUMBER OF FATALITIES AND ACCIDENT RATES	111,560	125,995
TOTAL HOURS WORKED	0	0
SERIOUS ACCIDENTS	1	2
MINOR ACCIDENTS	0	0
FATALITY RATE* DUE TO WORKPLACE ACCIDENTS	0	0
RATE* OF SERIOUS WORKPLACE ACCIDENTS (EXCLUDING FATALITIES)	8.96	15.87

It should be noted that during the reported biennium, no cases of occupational diseases were recorded within the Group.

THE IMPORTANCE OF EMPLOYEE INVOLVEMENT

GRI 2-24, 403-4, 403-2 ESRS [2 GOV-2], S1-4, S1-3

In order to successfully achieve the set health and safety goals, ADH considers it essential that all parties involved actively contribute, each within their own area of responsibility. The aim is to continuously increase the level of employee involvement, so that all internal and external personnel can (and should) make their contribution.

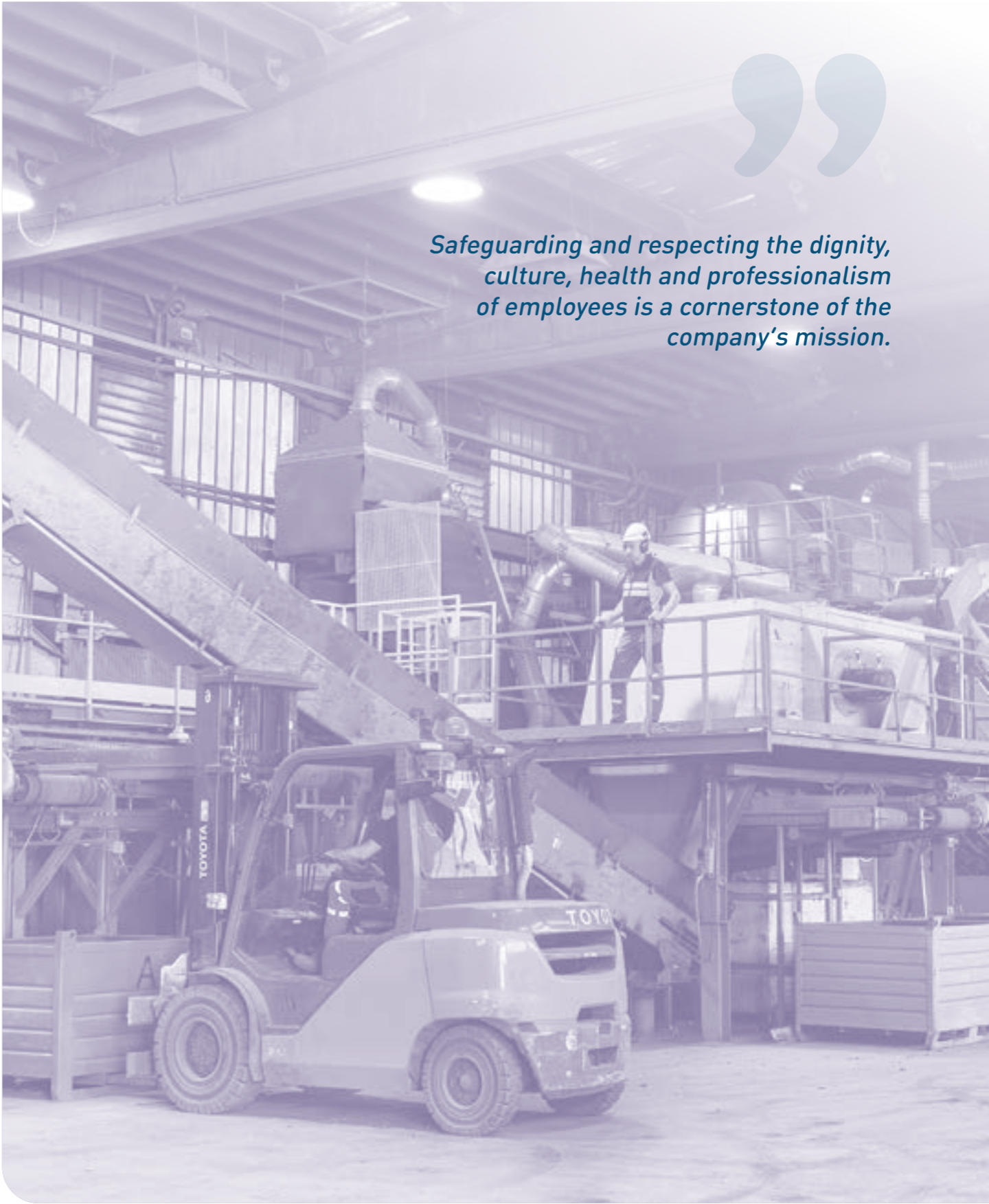
Below are the data concerning workplace accidents at the ARM Assisi Recycling Macclodio site during the 2023–2024 biennium:

WORKPLACE ACCIDENTS

[GRI 403-9]

NUMBER OF FATALITIES AND ACCIDENT RATES	2023	2024
NUMBER OF FATALITIES AND ACCIDENT RATES	54,174	52,353
TOTAL HOURS WORKED	0	0
SERIOUS ACCIDENTS	1	1
MINOR ACCIDENTS	0	0
FATALITY RATE* DUE TO WORKPLACE ACCIDENTS	0	0
RATE* OF SERIOUS WORKPLACE ACCIDENTS (EXCLUDING FATALITIES)	18.46	19.10

Employee involvement is ensured through a series of measures, including the organisation of non-mandatory training courses designed to raise awareness of safety issues, as well as participation in dedicated review sessions focused on the analysis of recorded incidents.



“Safeguarding and respecting the dignity, culture, health and professionalism of employees is a cornerstone of the company’s mission.”

CHAPTER 04

**POSITIVE
IMPACT ON THE
AREA AND ON
COMMUNITIES**

CHAPTER
04

POSITIVE IMPACT ON THE AREA AND ON COMMUNITIES

GRI 413-1 ESRS [S3-2], [S3-3], [S3-4]

The positive impact of the Group on the area and the communities in which it operates is manifested through various aspects that contribute to sustainable development and local well-being.

Below are some of the main benefits the Group brings to the areas in which it operates, considered as positive impacts:

1. JOB CREATION

the Group generates employment, promoting social inclusion and improving the economic conditions of individuals and families in the area.

2. LOCAL ECONOMIC DEVELOPMENT

through investments, purchases of goods and services, and tax payments, the company stimulates the local economy, thereby supporting the growth of other businesses and commercial activities.

3. ENHANCEMENT OF THE AREA

by promoting environmental, cultural, and social protection initiatives, the company helps preserve and enhance local resources, making the area more attractive.

4. INNOVATION AND TRAINING

by organising training and development programmes for employees, ADH fosters the development of skills and knowledge that are useful in the long term.

5. SOCIAL RESPONSIBILITY

by participating in charitable projects, supporting local associations, and promoting ethical practices, the company strengthens the sense of community and solidarity.

6. POSITIVE ENVIRONMENTAL IMPACT

by adopting sustainable practices such as reducing emissions, recycling and using renewable energy, ADH contributes to environmental protection and community health.

7. CREATION OF NETWORKS AND COLLABORATIONS

by working with public authorities, schools, associations and other businesses, the company fosters a cooperative climate that can lead to joint initiatives for collective well-being.

ADH strives to operate responsibly and sustainably to promote a driver of positive development, thereby contributing to improving quality of life, strengthening the social fabric, and preserving local resources for future generations.

”

The ADH Group believes in the importance of building strong relationships and collaborations with the communities in which it operates, in order to create shared and lasting value over time.



4.1 VALUE CREATION AND DISTRIBUTION

GRI 201-1

The Group demonstrates a commitment and determination that go beyond the simple maximisation of annual profit. With a focus on continuity, sustainability and long-term development, ADH aims to create value over time not only for shareholders but also for the community and the areas in which it operates. This occurs despite the fact that the just-concluded financial year was particularly complex and challenging. Below is an overview of the context that characterised the latest financial year.

At Group level, the results as of 31 December 2024 reflect the situation already evident at the beginning of the year.

The ongoing conflicts continue to hinder the conditions necessary for a positive economic recovery.

Regarding Assisi Recycling Macloadio, active in the production of secondary aluminium ingots from remelting, 2024 was marked by an extremely challenging market context. In particular, the automotive industry experienced a continuous contraction, influenced by political uncertainties related to European Commission decisions and a decrease in material demand. Additionally, there has been increasing difficulty in sourcing high-quality scrap in the European Union market, with a significant shift of these materials towards Far East countries. Furthermore, the limited - if not scarce - availability of volumes due to the consumption crisis must be considered. Durable goods (cars, appliances, furniture, etc.) are experiencing longer lifespans, thereby delaying their scrapping. The real estate sector is also slowing down. These factors contribute to the scarcity of available volumes.

This situation has severely affected the company's supply chain, which required a review of suppliers and materials to be processed. The ARM subsidiary in Sarezzo, the main supplier, played a key role during this adaptation phase.

Fortunately, thanks to a historically strong commercial positioning across various markets, combined with a series of actions recently undertaken both on the production and commercial organisation sides, we have nonetheless been able to recover production volumes and improve margins. We continue to work along these lines. Management reorganisation is continuing, with the introduction of new resources and tools. Significant investments in plant equipment were also made in 2024. Last but not least, comprehensive training initiatives in safety and environmental competencies have continued.

We hope that these actions will help overcome this difficult period in history.

It should also be noted that, despite these challenges, the company achieved a record level of production, demonstrating the Group's ability to adapt and optimise the resources available.

The tables shown on the side illustrate the economic value generated, distributed and retained by the ADH Group for the 2023–2024 biennium.



ECONOMIC VALUE CREATED
ADH GROUP (EUROS)

ECONOMIC VALUE CREATED	2023	2024
NET REVENUES FROM SALES , TURNOVER	124,171,546	158,737,800
OTHER REVENUES AND INCOME	3,303,355	2,979,941
CHANGE IN INVENTORIES	5,684,098	4,740,889
TOTAL ECONOMIC VALUE GENERATED	133,158,999	166,458,630

ECONOMIC VALUE DISTRIBUTED

ECONOMIC VALUE DISTRIBUTED	100,058,479	125,951,838
PAYMENTS TO SUPPLIERS / OPERATING COSTS	7,679,752	8,924,233
EMPLOYEE REMUNERATION	602,551	604,525
SHAREHOLDERS / BOARD OF DIRECTORS REMUNERATION	23,774,530	26,082,868
MISCELLANEOUS	12,300	9,950
COMMUNITY INVESTMENTS – SOCIAL DONATIONS	,661,294	162,726
TAXES	131,466,318	161,736,140

ECONOMIC VALUE RETAINED

DEPRECIATION. AMORTISATION. IMPAIRMENTS AND ADJUSTMENTS	3,234,029	3,779,007
PROVISIONS FOR RISKS AND OTHER RESERVES	66,208	72,170
SHAREHOLDERS'/BOARD OF DIRECTORS' REMUNERATION	602,551	604,525
PROFIT FOR THE YEAR ALLOCATED TO RESERVES		
TOTAL ECONOMIC VALUE RETAINED	1,607,556	871,313
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR		
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	1,607,556	871,313

The following financial indicators and group investments are also reported, providing an essential overview of a company’s financial health and operations.

In summary, these indicators and investments capture the economic and financial well-being, management efficiency, growth strategies, and future sustainability of a company

GROUP FINANCIAL INDICATORS AND INVESTMENTS (EUROS)			
FINANCIAL INDICATORS		2023	2024
NET PROFIT (PROFIT OR LOSS FOR THE YEAR NET OF INCOME TAXES)		-1,607,556	871,313
CASH FLOW FROM OPERATING ACTIVITIES (CASH FLOWS GENERATED BY OPERATING ACTIVITIES)		-5,622,089	-9,687,228
TOTAL ASSETS		100,133,477	110,919,093
EBITDA		2,804,742	7,604,230
CAPITALISED INVESTMENTS		4,448,917	3,335,659

4.2 SUPPORT AND ENGAGEMENT WITH COMMUNITIES

GRI 413-1 ESRS [S3-2], [S3-3], [S3-4]

The ADH Group believes in the importance of establishing strong relationships and collaborations with the communities in which it operates, with the aim of creating shared and lasting value. This commitment is reflected in concrete actions to reduce and/or mitigate environmental impacts, as well as initiatives promoting social and governance engagement and collaboration.Attention to surrounding communities generates mutual benefits, based on coexistence and mutual recognition.

Consequently, the Group has undertaken numerous initiatives to ensure the protection and development of these communities:

Support for the “Il filo rosso” project by the non-profit cooperative L’Aquilone, a project promoting social inclusion and raising awareness among younger generations on disability issues.

Sponsorship of the “FABIETTO CON NOI” Association, created in memory of Fabio Pedretti, a young runner from Val Trompia, which organises charity sports tournaments.

Sponsorship of the Mario Assisi Memorial Tournament (founder of ARM)

Contribution to the Civil protection of Sarezzo

Donation to Le Rondini Foundation in Lumezzane (BS), supporting a PhD in orthopaedics in collaboration with the University of Brescia and ASST Spedali Civili local health authority.

In the context of social activities, the company continues to actively engage in various initiatives aimed at fostering community involvement and supporting educational opportunities. Key initiatives include:



COLLABORATION WITH SCHOOLS

the company has strengthened its collaboration with local schools, including hosting the middle school “Giorgio La Pira” in Sarezzo.



OPEN DAY FOR STUDENTS FROM I.C. CONCESIO

students attended a company presentation and participated in interactive activities related to the materials processed by ARM. They were then given a guided tour of the company to gain a better understanding of the production processes.



SPORTS

ARM is the main sponsor of A.C. Valtrompia. Every year, the company renews its commitment to supporting the local football club, contributing to a healthy environment in which young athletes can grow and learn the value of sport.



Athletes enrolled in 2024:



115
CHILDREN

150
BOYS

20
GIRLS

CHAPTER 05

**EXCELLENCE AND
QUALITY ACROSS
THE ENTIRE
VALUE CHAIN**

CHAPTER
05

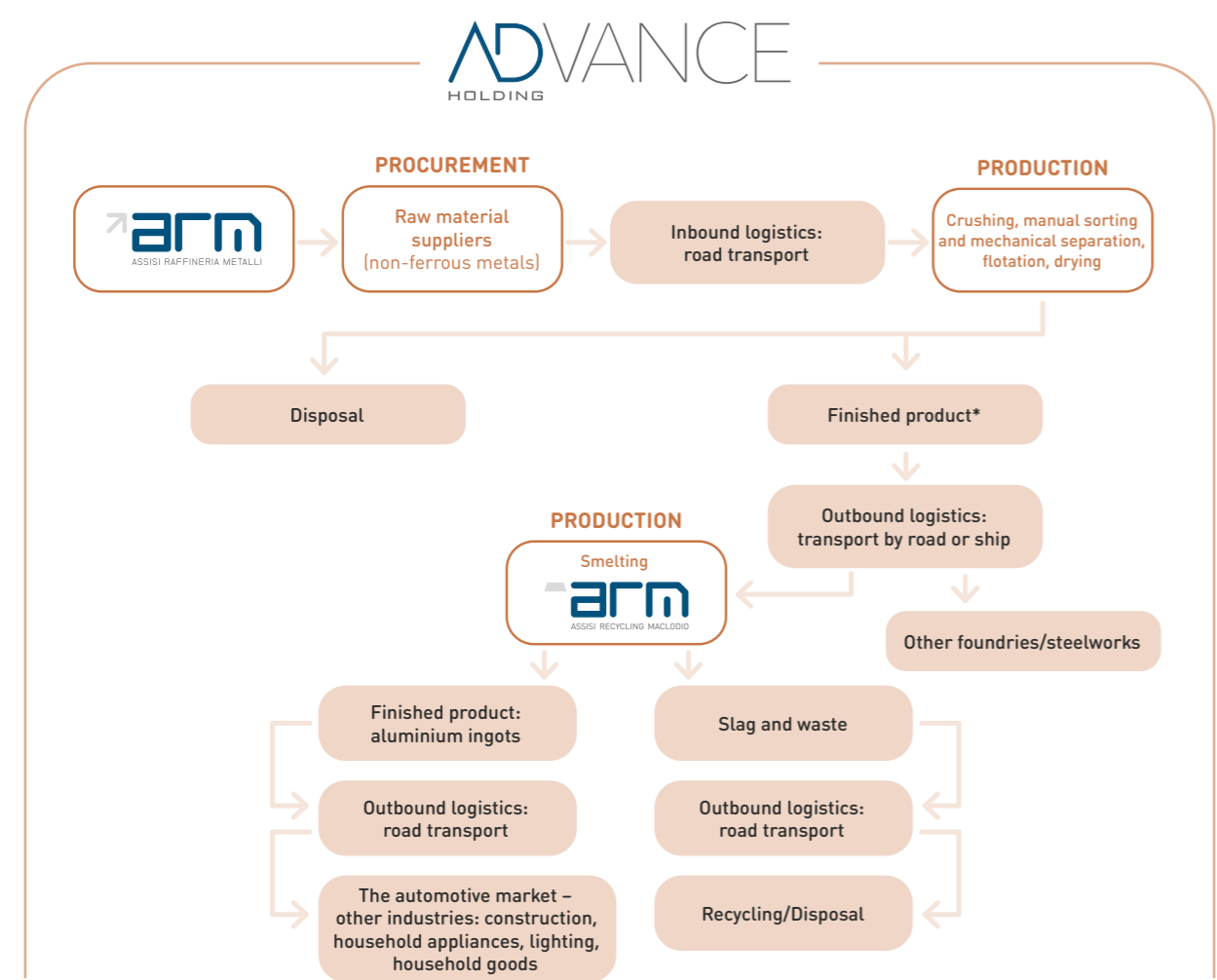
EXCELLENCE AND QUALITY ACROSS THE ENTIRE VALUE CHAIN

GRI 2-12, 2-17, 2-22 [ESRS 2 SBM-1], [ESRS 2 GOV-1]

The value chain involves multiple stakeholders collaborating to meet market demands for specific products or services. The term value stream refers to the sequence of activities required to design, produce and deliver a good or service to the market.

In the case of ADH, the value chain begins with the procurement of energy, raw materials and equipment. Internal production, supported by processing and quality control, contributes to the creation of customised products designed to meet specific customer requirements. Careful checks prior to shipment ensure that the final product meets the highest quality standards.

The value chain of ADH consists of a series of operations



* Finished product, scrap; ex-incinerator scrap; aluminium casings/sheets/mix; sections, mixed metals; processing waste; car engines; aluminium rims; aluminium and copper radiators; aluminium turnings; other non-ferrous scrap; iron/steel.

5.1 SUPPLIER QUALIFICATION AND MANAGEMENT

GRI 2-6, 2-24, 204-1 [ESRS S3]

ADH believes that achieving its sustainability and product quality objectives originates from careful selection and ongoing monitoring of collaborations with suppliers of products and services. For this reason, the company is implementing **strict evaluation procedures** that take into account not only qualitative and environmental aspects but also compliance with its ethical principles.

The evaluation also covers product performance and compliance, with the aim of building a network of suppliers who are qualified, reliable and competitive, including in terms of economic efficiency.

The partnership between the ADH Group and its suppliers must be based on a shared commitment to excellence and increasingly on ESG (Environmental, Social, Governance) values, with the goal of creating a responsible and resilient supply chain over time.

Maintaining strong collaborative relationships is ensured through continuous sourcing and qualification of suppliers, as well as checks on product quality and delivery punctuality.

Not only providers, but partners. Anyone involved, either directly or indirectly, in the production of goods that the company brings to market does so with the understanding that the relationship with ADH must be based on trust, transparency, quality and the ability to collaborate, sharing the vision and standards with which the Group presents itself to its customers.

Regarding suppliers, ADH Holding, the parent company of the ADH Group, has a clearly defined geographical distribution of its partners: **100% Italian suppliers, mainly service providers.**

EVALUATION OF RAW MATERIALS SUPPLIERS – ARM ASSISI

Given the market in which the company operates, it is essential to evaluate suppliers in terms of both quality and profitability of the purchased materials. For the Assisi site, the quality of purchased materials is assessed only after processing has been completed and, in any case, before sale. For this reason, the evaluation of each supplier is carried out by calculating the economic margin between the value of the material at the time of purchase and the actual value of the materials obtained from it.

Below is a table showing the geographical origin of suppliers for ARM Assisi Raffineria in the 2023–2024 period.

PERCENTAGE OF SPENDING WITH LOCAL SUPPLIERS – RAW MATERIALS

GRI 204-1

GEOGRAPHICAL AREA	2023	2024
ITALY	53%	78%
EUROPE	47%	22%
NON-EU	0	0%
TOTAL	100%	100%

PERCENTAGE OF SPENDING WITH LOCAL SUPPLIERS – GENERAL

GRI 204-1

GEOGRAPHICAL AREA	2023	2024
ITALY	63%	82%
EUROPE	29%	18%
NON-EU	8%	0%
TOTAL	100%	100%

NEXT STEPS FOR THE SUPPLY CHAIN

With a view to ensuring financial and operational sustainability, the Group intends to pursue strategic choices concerning the supply chain, including the assessment of:

- supplier diversification in strategic products;
- focus on environmental costs (recycling, transport);
- inclusion of ESG criteria in assessments.

All these steps are aimed at making the supply chain more streamlined, responsive and sustainable, thereby promoting shared development and innovation throughout the entire supply chain. Furthermore, brand reputation and market value are enhanced by enhancing a sustainable and transparent supply chain.

5.2 CUSTOMER SATISFACTION

GRI 2-25, 416-2 ESRS S4

For the ADH Group, “listening” to customers is a key measure for understanding people’s needs, requirements and behaviours beyond the simple act of purchasing. This analysis clearly shows that values are playing an increasingly central role in customer relations, the aim being to satisfy the end consumer, who will reward companies that pay attention to customer needs and sustainability.

Understanding customer needs and creating products that meet their requirements has always been the basis of the relationship between the company and the market. In ADH, customers find a reliable benchmark, a true ‘facilitator’ in technical and commercial decisions, capable of identifying and implementing appropriate solutions and contributing to the creation of value. Indeed, the company is able to offer targeted responses to all requirements, supported by an in-house service organisation that plans and manages supply with the same versatility.

These distinctive features have enabled the Group to increasingly build customer loyalty, transforming them into key partners in the industry and maintaining not only business relationships with them, but also ongoing dialogue and mutual support.

In order to guarantee better customer service at the Macclodio site, a product quality analysis laboratory has been set up, to perform macrographic and micrographic tests and check the gas content in ingots, thereby improving product quality and enabling rapid in-house investigations in the event of issues encountered by customers when using our materials.

At the Sarezzo site, operations have been launched to improve the recovery rate through the adoption and testing of new technologies that maintain and improve efficiency standards.



The ADH Group’s commitment to quality is expressed through a series of concrete measures:

Complete traceability

every stage of the production process, from raw materials to finished products, is documented and recorded to ensure transparency and reliability. For effective control of production processes, software is used for complete tracking of materials and optimisation of consumption.

After-sales service and ongoing improvement

the relationship with customers continues after delivery, thanks to a dedicated team, an in-house test laboratory and rigorous complaint management. Not a single non-conformity was recorded in relation to product and service safety during the reporting period.

Certifications and ratings: ADH considers certifications not only as compliance tools, but rather as indicators of the company’s intangible value: namely reliability, innovation, reputation and ethical commitment. They strengthen the company’s competitiveness and testify to its sustainable and responsible vision.

CERTIFICATIONS

The operating companies of the ADH Group are certified according to UNI EN ISO 9001:2015. This certification contains the essential requirements for designing, implementing and maintaining a quality system over time, thereby ensuring customer satisfaction. The management system attracts and retains new customers over time by understanding their needs, designing and providing products and services that meet their requirements.

The Sarezzo site has also been certified according to UNI EN ISO 14001:2015 for several years now.

The Macclodio site is now certified according to IATF, a standard required to work in the automotive industry, and has been committed to implementing UNI EN ISO 14001:2015 during 2024.

The Management Systems are subject to an annual Management Review, which allows the company’s performance to be assessed and new strategies/objectives to be defined, with a view to achieving continuous improvement. No critical issues were reported to management during 2024.

The management systems have been **certified by accredited third-party bodies**.

On top of this, Assisi Recycling Macclodio has released the ‘MOCA Declaration,’ which certifies that materials and objects that come into contact with food comply with the food safety regulations set by the European Union.



ECOVADIS

Ecovadis is one of the leading international platforms specialising in the assessment and rating of companies' ESG sustainability. The platform uses a scoring system that reviews various aspects of corporate policies and practices, assigning an overall rating that reflects the company's level of commitment and sustainable performance. This rating provides companies with significant visibility in the global context, allowing them to stand out and increase their credibility with potential stakeholders, who are increasingly sensitive to issues of sustainability and social responsibility in supply chains.



For example, **ARM Recycling achieved a 'Bronze Rating in 2024**, which is one of the certification levels recognised by the Ecovadis platform.

This result concerns the company's performance in various areas, including:



Environmental performance: resource management, emissions reduction, use of sustainable materials, compliance with environmental regulations.



Social performane: working conditions, respect for human rights, occupational health and safety, community involvement.



Governance performance: business ethics, integrity, transparency, risk management policies.

5.3 EFFICIENCY AND INNOVATION

In recent years, investments in technological innovation have focused mainly on the introduction of Industry 4.0 solutions, aimed at optimising costs and monitoring performance constantly.

Over the last three years, investments have been made to adopt the most modern and cutting-edge technologies. The production sites in Sarezzo and Macclodio are equipped with digital and robotic machinery and systems, key players in all stages of the manufacturing process. Thanks to these digital 4.0 technologies, the company has anticipated strategic developments for modern manufacturing, ensuring efficiency in the production process, controls throughout the supply chain and compliance with stringent quality standards, thereby ensuring precise finishes and optimal treatments on both metals and other components.



The partnership of the ADH Group and suppliers is based on a shared commitment to excellence and,, more importantly, to ESG values, the goal being to build up a responsible and resilient supply chain over time.

CHAPTER 06

GOVERNANCE

CHAPTER 06

GOVERNANCE

GRI 2-9, 2-11, 2-12, 2-13, 2-24 [ESRS 1 AR§16]; [ESRS 2 GOV-1].

For the ADH Group, ethical corporate culture embodies the set of values, principles and behaviours commonly shared within a company, which guide daily decisions and actions in a responsible and transparent manner. The Group promotes a work environment that is respectful, honest and oriented towards compliance with the rights of all stakeholders.

ADH follows these key elements to develop and maintain an effective ethical corporate culture:

**CLEAR ETHICAL VALUES**

Compliance with key values that reflect the company’s commitment to honesty, social responsibility, and sustainability.

**WHISTLEBLOWING AND PROTECTION SYSTEM**

Secure and confidential channels for reporting misconduct, thus ensuring protection from retaliation and promoting transparency.

**CODE OF ETHICS**

A code of conduct that provides guidelines for proper behaviour and for managing ethical dilemmas.

**MONITORING AND ASSESSMENT**

Carry out periodic checks to ensure that behaviour complies with established ethical principles and take corrective action if necessary.

**ETHICAL LEADERSHIP**

Top management promotes ethical behaviour models, actively supporting an ethical culture within the organization.

**SOCIAL RESPONSIBILITY**

Engage in corporate social responsibility initiatives, and contribute positively to the community and the environment.

**TRAINING AND AWARENESS**

training programmes for all employees, to ensure they understand the importance of corporate ethics and know how to apply it in their daily work.

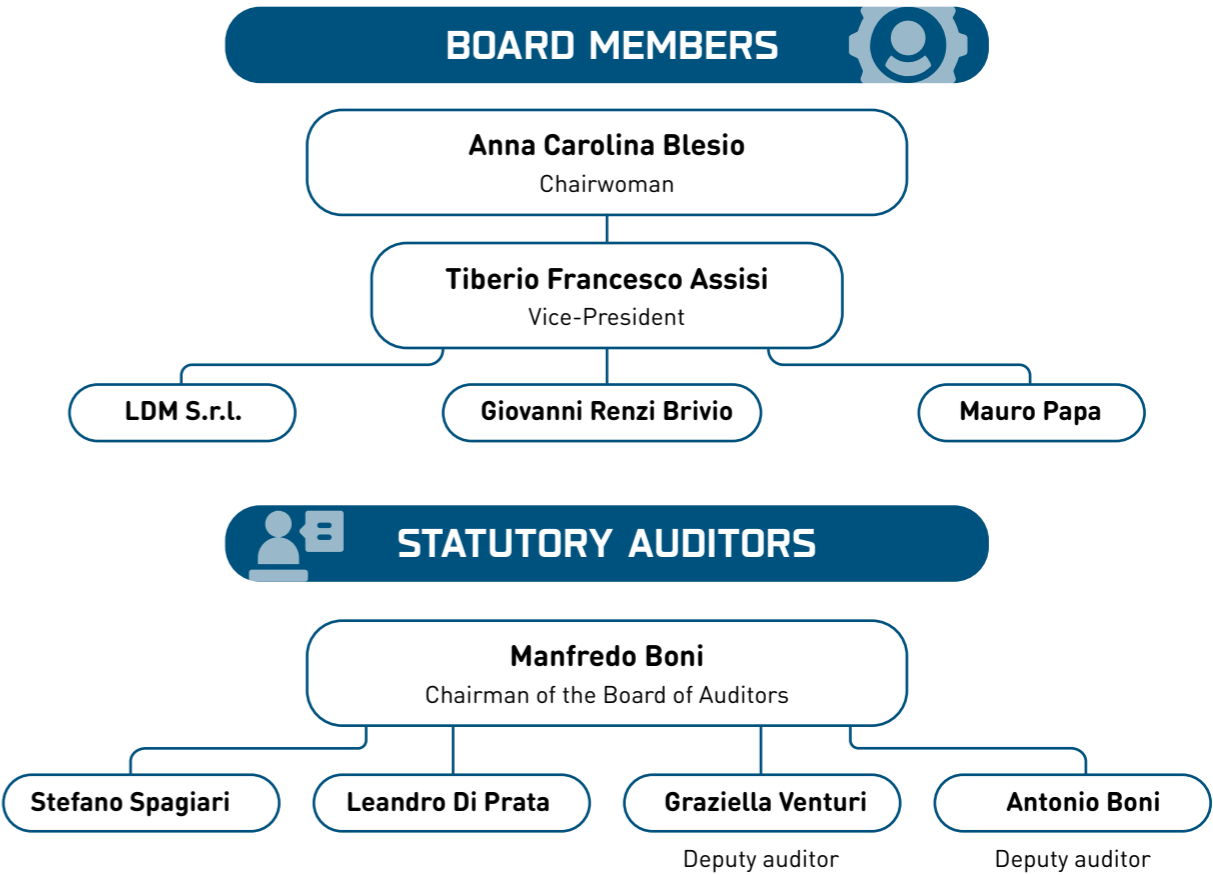
For ADH, building an ethical corporate culture also fosters a more motivated, loyal and sustainable working environment in the long term.

6.1 GOVERNANCE FRAMEWORK

GRI 2-10, 2-11, 2-18, 2-19, 2-20, 405-1 [ESRS 1 AR§16]; [ESRS 2 GOV-3]; [ESRS 2 GOV-1]

As the Group’s parent company, ADH endeavours to exercise operational and managerial control over all legal entities, and ensure that they fully comply with corporate policy and are committed to corporate sustainability.

The corporate governance model adopted is a traditional one and consists of a Board of Directors (BoD), which is entrusted with all corporate management powers, a Chairman, a Managing Director, an Auditing Firm and a Board of Statutory Auditors, which monitors compliance with the law and the Articles of Association, as well as adherence to the principles of proper management and, more specifically, the adequacy of the internal supervisory system.



The Board of Directors of the Parent Company consists of five natural persons and one legal person. 20% of the natural persons are women, who hold the position of “chairperson”.



20%
WOMEN ON
THE BOARD

Below are the details of the corporate offices of ARM Sarezzo and Macclodio 31.12.2024:

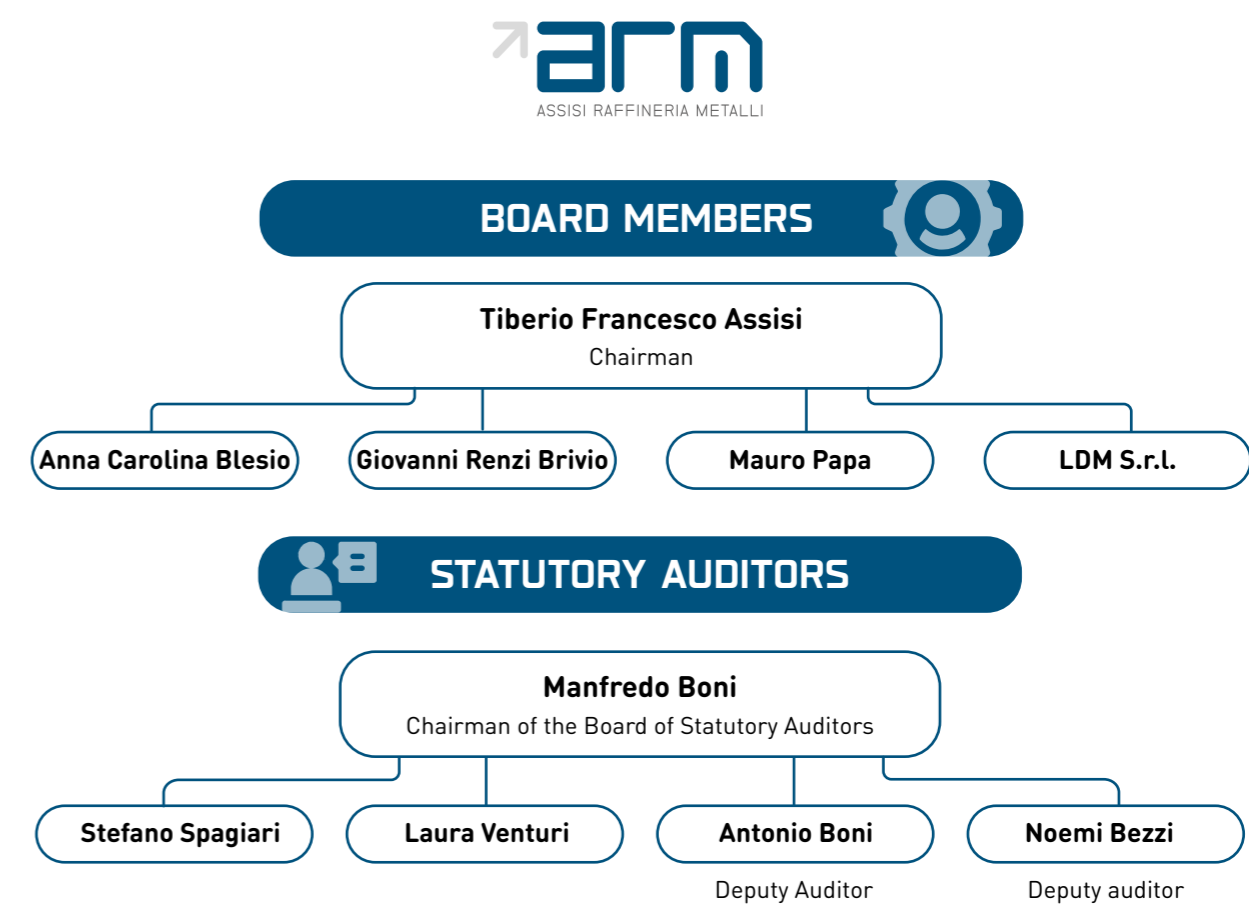
BOARD DIVISIONS, BODIES AND COMMITTEES

OCCUPATIONAL CATEGORIES	<30 YEARS		30-50 YEARS		>50 YEARS		TOTAL
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	TOTAL
BOD MEMBERS	0	0	0	0	4	1	5
STATUTORY AUDITORS	0	0	0	0	1	0	1
SUPERVISORY BODY	0	0	0	0	1	1	2
OTHERS (IND. AUDITORS)	0	0	0	0	3	0	3
TOTAL	0	0	0	0	9	2	11



The Group’s Board of Directors ensures a consistent and transparent business system guided by a clear vision of each employee’s role and a strong commitment to promoting a culture of legality and integrity.

The details of the corporate positions of ARM Sarezzo and Macclodio as of December 31, 2024, are provided below:

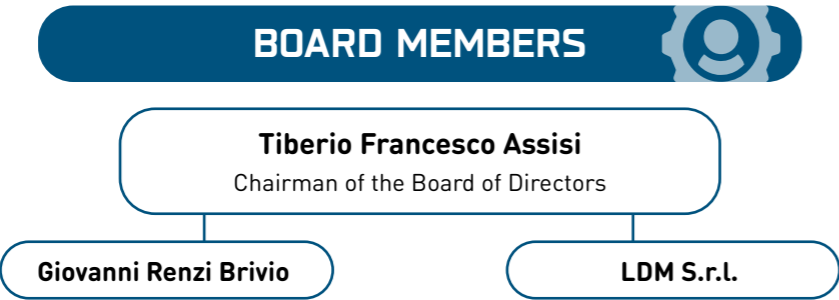


BOARD, BODIES AND COMMITTEES DIVERSITY 2024

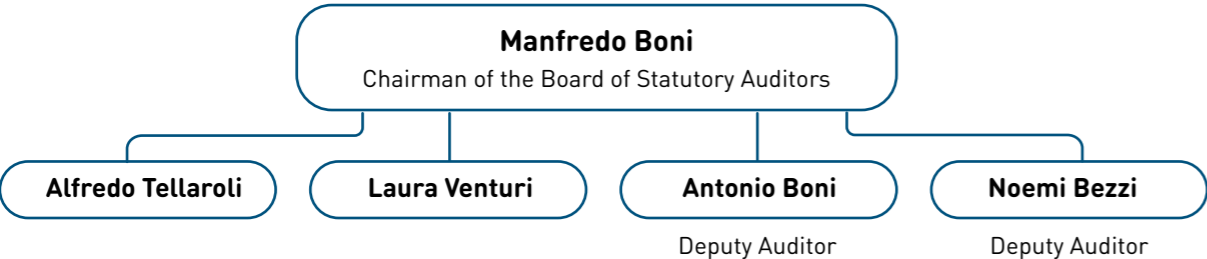
OCCUPATIONAL CATEGORIES	<30 YEARS		30-50 YEARS		>50 YEARS		TOTAL
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	TOTAL
BOD MEMBERS	0	0	0	0	4	1	5
STATUTORY AUDITORS	0	0	0	0	1	0	1
SUPERVISORY BODY	0	0	0	0	1	1	2
OTHERS (IND. AUDITORS)	0	0	0	0	2	1	3
TOTAL	0	0	0	0	8	3	11



BOARD MEMBERS



STATUTORY AUDITORS



BOARD, BODIES AND COMMITTEES DIVERSITY 2024

OCCUPATIONAL CATEGORIES	<30 YEARS		30-50 YEARS		>50 YEARS		TOTAL
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	
BOD MEMBERS	0	0	0	0	3	0	3
STATUTORY AUDITORS	0	0	0	0	1	0	1
SUPERVISORY BODY	0	0	0	0	1	1	2
OTHERS (IND. AUDITORS)	0	0	0	0	2	1	3
TOTAL	0	0	0	0	7	2	9

RESPONSIBILITIES OF BoD AND STATUTORY AUDITORS

The Board of Directors is in charge of the Group’s central policy and decision-making process, with the ultimate aim of pursuing sustainable success. Bearing this objective in mind, the Board of Directors takes all appropriate and/or necessary steps, with the exception of those reserved for the Shareholders’ Meeting. In particular, the Board of Directors reviews and approves the Group’s strategic, industrial and financial plans. Furthermore, it defines the level of risk compatible with strategic objectives, assesses the effectiveness of the internal auditing and risk management system, and resolves on the most significant transactions of the group and its subsidiaries.

The BoD is informed of any critical issues encountered. In compliance with set rules, it identifies the qualitative and quantitative criteria for assessing the independence of directors on an annual basis. Furthermore, again in compliance with the provisions of the code of ethics, the Board of Directors ascertains the independence requirements by making the documentation and information certifying the existence of the independence requirements available to all board members.

The Board of Statutory Auditors is in charge of overseeing compliance with the law, the Articles of Association and the deed of incorporation, as well as with the principles of correct administration, the adequacy and effective functioning of the internal control system, the administrative-accounting system, the correctness of the financial reporting process, internal auditing and risk management as well as the independence of the auditing firm. The Board is also responsible for overseeing the process of preparing this consolidated non-financial report.

The constant dialogue with company management and the Chief Executive Officer regarding business performance and the exercise of delegated powers are crucial to creating a collaborative and optimal climate for achieving the corporate objectives set for each Group company.

There is no evidence of conflicts of interest among the parties involved in the Group’s governance and control bodies.

The ADH Group is committed to complying with all laws and regulations in force in the countries in which it operates.

SUSTAINABILITY GOVERNANCE PROCESSES

Within the Group, the principles of sustainability have been incorporated into the governance system, with specific responsibilities assigned to the top management bodies and operational functions, as described below:

- **The Board of Directors** sets out the strategic guidelines, ensuring that ESG risks are mainstreamed into corporate strategies, governance, processes, procedures and control systems. It also approves the Sustainability Report and the main policies pertaining to its area of responsibility.
- **The Board of Statutory Auditors**, as the auditing body, is responsible for monitoring compliance with the provisions of Legislative Decree 254/2016 and reporting on this in the annual report to the shareholders’ meeting.
- **The Compliance** function provides second-level audits to ensure compliance with relevant regulations.
- **The Sustainability-ESG** function is responsible for monitoring national and international regulations, standards and practices related to sustainability; it supports and coordinates companies in understanding and applying sustainability factors; it coordinates the preparation of the Sustainability Report; it interacts with the Board of Directors and the Supervisory Body; it manages the filling of questionnaires and monitors assessments at Group level; lastly, it defines corporate sustainability goals and strategies.

At ADH, sustainability governance is a key element in steering the company’s activities towards responsible practices. With an innovative approach, the Group is committed to integrating sustainability principles into its operations, with strategies, policies and initiatives aimed at generating a positive impact on the environment and the communities with which it interacts.

This sustainability governance model proves ADH’s commitment to ensuring the effective integration of environmental, social and governance issues into strategic decisions and day-to-day operations.

6.2 BUSINESS CONDUCT

INTERNAL AUDIT SYSTEM AND RISK MANAGEMENT

GRI 2-15, 2-26 [ESRS 1 AR516]

In order to reduce waste and optimise sustainable operations, the ADH Group assesses business risks and opportunities, taking into account external and internal factors, the needs and expectations of stakeholders and the Management System, environmental aspects, hazards and risks to the health and safety of employees and organisation, while always keeping obligations and compliance in mind. In a comprehensive vision that takes into account the strong identity of cohesion and collaboration that is a hallmark of the Group, the risk assessment considers the expectations of all stakeholders takes into account the context so that each possible threat is assigned a specific level of risk and, most importantly, is assigned a corrective action and/or improvement plan.

In terms of business risks, the main risk factors identified, monitored and actively managed by the Group, also based on the analysis carried out in 2024, are:

- Overall economic performance
- Financial requirements
- Exchange rate and interest rate fluctuations
- Market
- Lending standards
- Environment and local area
- Human resources
- Corporate integrity (Code of Ethics)

Starting from this shared approach and vision, ADH applies the precautionary principle with particular attention to ESG risks, by identifying and monitoring them while considering all aspects of sustainability.

With a view to ongoing improvement, the analysis allows risks and opportunities to be identified, thus facilitating the orientation of investments, plans, actions and assessments towards the achievement of desired results, while preventing and reducing

any undesirable risks. This also includes risks related to environmental conditions and the external context, which may directly or indirectly affect the organisation. At the same time, the analysis process and the measures taken to refine it aim to prevent, manage and prepare the group for potential emergency situations.



THE ORGANISATIONAL MODEL: CODE OF ETHICS, MODEL 231 AND SUPERVISORY BODY

A key element for the ADH Group is the existence of a Code of Ethics. This document, which is central to the roadmap towards full social sustainability, sets out the terms of the company's relationship with all stakeholders: customers, partners, employees, suppliers and public administration, promoting maximum transparency.

Corporate activities are based on compliance with the principles and guidelines outlined in the Code of Ethics, which forms an integral part of the organisation, management and audit model.

The basic principles shared by all Group companies are:

- Compliance with laws and regulations (integrity)
- Rejection of all forms of discrimination
- Enhancement and development of human resources, with fairness in authority
- Information transparency and completeness
- Quality
- Diversity
- Environmental protection
- Circularity
- Protection of personal data
- Lawfulness

The Organisation, Management and Monitoring Model is a means by which the ADH Group strives to prevent offences and, consequently, administrative liability for such offences, in accordance with the provisions of the relevant Decree.

The adoption of an in-house monitoring system and the presence of a Supervisory Body that monitors the correct application of the Model have led to an improvement in decision-making processes and corporate culture as a whole.

As evidence of the ADH Group's deep sense of lawfulness and commitment to complying with the rules and laws in force in the countries in which it operates, in 2024, as in 2023, there were no cases of proven corruption (GRI 205-3), legal action for anti-competitive behaviour, antitrust and monopolistic practices (GRI 206-1).

WHISTLEBLOWING

GRI 205-3 [ESRS SI SI-3]

In compliance with Legislative Decree No. 24/2023 (the so-called Whistleblowing Decree), which implements Directive (EU) 2019/1937 on the protection of persons reporting breaches of EU law and national regulatory provisions, the ADH Group has created an in-house channel for reporting illegal activities since 2023.

Using this system, one can report any unlawful conduct relevant under Legislative Decree No. 231/01 or violations of the 231 Organisation, Management and Supervisory Model; violations of national or European Union regulations that harm the public interest or the integrity of the public administration or the Company, both by persons inside and outside the Company who have become aware of the offences in the workplace.

The system adopted by ADH facilitates written reports via an encrypted platform accessible from any device, ensuring the confidentiality of the reporter's identity and protecting them from any retaliation. The procedure for managing reports and protecting reporters is made known to all employees and interested parties through publication on the company app and on the Group's website, in the 'Whistleblowing' section.

No reports relating to any '231 offences' were received during 2024.

BUSINESS CONTINUITY

The Group's business continuity, which is configured as the ability to guarantee operational and business continuity, is a key element in ensuring the resilience and stability of operations in the event of adverse events.

Therefore, the Group systematically adopts and implements processes and procedures for evaluating business performance, which enable it to identify, monitor and mitigate potential risks, thus ensuring a timely and effective response to any emergencies.

Furthermore, the Group runs its business by keeping a close eye on its plants, with the help of some highly smart IT tools at both production sites. These advanced technologies allow for a predictive approach, which is all about spotting any signs of risk or anomalies early on, thereby reducing the chances of production stoppages or outside breaches that could affect business continuity.

During the reporting period, there were no significant production disruptions or operational downtime, testifying to the effectiveness of the measures adopted for business continuity management and the Group's overall resilience.

PRIVACY MANAGEMENT

The increase in cyber threats due to growing digitalisation has prompted the Group to constantly improve its systems and implement and monitor internal procedures to ensure high levels of security in data management. Having complied with European Regulation 2016/679 (GDPR - General Data Protection Regulation), the ADH Group maintains a constant focus on the protection of personal data.

ADH implements technical and organisational security measures and constantly monitors developments in European and Italian legislation and best practices in this area, including with the help of specialist consultants.

No complaints or privacy violations were reported by suppliers, customers, employees or interested third parties, nor were there any data breach-related events during 2024.

COURT AND DISCIPLINARY ACTIONS

GRI 205-3, 418-1, 2-27

At present, there are no legal proceedings underway relating to tax law, unfair competition, anti-corruption or privacy violations. During 2024, the company did not incur any penalties or fines. The Group companies did not receive any administrative or legal penalties for non-compliance with environmental, social and economic laws and/or regulations.

THE GROUP'S TAX APPROACH

GRI 207-1 [ESRS 1 AR516]

For ADH, participating in the economic and social development of a country does not only mean investing in the local area and creating jobs, but also contributing through the payment of taxes.

The **Group's approach** to taxation is therefore consistent with the provisions of the Code of Ethics and the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001, approved by the Board of Directors with a resolution dated 30 March 2022. This approach is based on the principles of prudence, responsibility, consistency and transparency towards the Company's stakeholders and, first and foremost, the Public Administration. ADH has always maintained continuous and proactive collaborative relationships with the Tax Authorities, based on principles of transparency and mutual trust, providing - where necessary - information that is always correct, accurate and precise.

Tax matters and tax compliance are handled by the Administrative Department and by qualified independent professionals. This management of tax obligations allows for the correct calculation of taxes payable to the Treasury and the content of all reporting obligations, minimising the risk of disputes while contributing to the fair and sustainable development of the community.

ADH applies the precautionary principle with particular attention to ESG risks, identifying and monitoring them while taking into account all aspects of sustainability.

APPENDIX

ENVIRONMENT

RAW MATERIALS – ARM MACLODIO GRI 301,1

MATERIALS USED	UNIT OF MEASURE	2023	2024	RECYCLED
PRIMARY BINDER	TONNES	1,857.36	2,332.57	NO
SECONDARY BINDER	TONNES	454.93	430.69	R
PRIMARY INGOTS	TONNES	102.76	99.94	NO
CER SCRAP	TONNES	8,413.00	6,745.73	R
EOW SCRAP	TONNES	26,230.60	33,390.34	R
SALTS	TONNES	1,092.79	2,287.41	R

RECYCLED MATERIALS USED PER UNIT OF MEASURE GRI 301,2

MATERIALS USED	UNIT OF MEASURE	2023	2024	RECYCLED
PLASTIC (STRAPS)	TON,	9.34	15.49	R
PLASTIC (COVERS)	TON,	1.32	6.26	70% R 30% NO

SUPPLIER EVALUATION

SUPPLIER EVALUATION - ARM ASSISI

SUPPLIERS EVALUATED ACCORDING TO SOCIAL CRITERIA	2023	2024
TOTAL NUMBER OF SUPPLIERS	168	230
OF WHICH, NUMBER OF NEW SUPPLIERS	55	129
NUMBER OF SUPPLIERS EVALUATED ACCORDING TO SOCIAL CRITERIA	0	0
OF WHICH, NUMBER OF NEW SUPPLIERS EVALUATED ACCORDING TO SOCIAL CRITERIA	0	0
% OF SUPPLIERS EVALUATED ACCORDING TO SOCIAL CRITERIA	0%	0%
% OF NEW SUPPLIERS EVALUATED ACCORDING TO SOCIAL CRITERIA	0%	0%

SUPPLIERS EVALUATED ACCORDING TO ENVIRONMENTAL CRITERIA	2023	2024
TOTAL NUMBER OF SUPPLIERS	168	230
OF WHICH, NUMBER OF NEW SUPPLIERS	55	129
NUMBER OF SUPPLIERS EVALUATED ACCORDING TO ENVIRONMENTAL CRITERIA	168	230
OF WHICH, NUMBER OF NEW SUPPLIERS EVALUATED ACCORDING TO ENVIRONMENTAL CRITERIA	55	129
% OF SUPPLIERS EVALUATED ACCORDING TO ENVIRONMENTAL CRITERIA	100%	100%
% OF NEW SUPPLIERS EVALUATED ACCORDING TO ENVIRONMENTAL CRITERIA	100%	100%

SUPPLIER EVALUATION - ARM MACLODIO

SUPPLIERS EVALUATED ACCORDING TO SOCIAL CRITERIA	2023	2024
TOTAL NUMBER OF SUPPLIERS	85	68
OF WHICH, NUMBER OF NEW SUPPLIERS	40	29
NUMBER OF SUPPLIERS EVALUATED ACCORDING TO SOCIAL CRITERIA	0	0
OF WHICH, NUMBER OF NEW SUPPLIERS EVALUATED ACCORDING TO SOCIAL CRITERIA	0	0
% OF SUPPLIERS EVALUATED ACCORDING TO SOCIAL CRITERIA	0%	0%
% OF NEW SUPPLIERS EVALUATED ACCORDING TO SOCIAL CRITERIA	0%	0%

SUPPLIERS EVALUATED ACCORDING TO ENVIRONMENTAL CRITERIA	2023	2024
TOTAL NUMBER OF SUPPLIERS	85	68
OF WHICH, NUMBER OF NEW SUPPLIERS	40	29
NUMBER OF SUPPLIERS EVALUATED ACCORDING TO ENVIRONMENTAL CRITERIA	0	18
OF WHICH, NUMBER OF NEW SUPPLIERS EVALUATED ACCORDING TO ENVIRONMENTAL CRITERIA	0	3
% OF SUPPLIERS EVALUATED ACCORDING TO ENVIRONMENTAL CRITERIA	0%	26.4%
% OF NEW SUPPLIERS EVALUATED ACCORDING TO ENVIRONMENTAL CRITERIA	0%	10.3%

ECONOMIC VALUE CREATED

ARM ASSISI

ECONOMIC VALUE CREATED (EUROS)	2023	2024
NET SALES REVENUE	88,923,624	130,512,732
OTHER INCOME AND PROCEEDS	2,356,721	2,674,486
CHANGES IN INVENTORIES	3,973,989	464,646
TOTAL ECONOMIC VALUE GENERATED	95,254,334	133,651,864

ECONOMIC VALUE DISTRIBUTED	2023	2024
PAYMENTS TO SUPPLIERS / OPERATING COSTS	71,665,587	103,880,904
EMPLOYEE REMUNERATION	4,183,106	4,183,106
SHAREHOLDER REMUNERATION (BOARD OF DIRECTORS)	393,600	394,212
MISCELLANEOUS	15,602,277	19,054,177
COMMUNITY INVESTMENTS – SOCIAL DONATIONS	10,000	8,650
TAXES	287,934	1,004,540
TOTAL ECONOMIC VALUE DISTRIBUTED	92,142,504	128,525,589

ECONOMIC VALUE RETAINED	2023	2024
DEPRECIATION. IMPAIRMENTS. AND ADJUSTMENTS	1,836,069	2,244,300
PROVISIONS FOR RISKS AND OTHER PROVISIONS	28,057	34,044
PROFIT FOR THE YEAR ALLOCATED TO RESERVES	1,247,704	0
TOTAL ECONOMIC VALUE RETAINED	0	2,847,931

CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	2023	2024
21) PROFIT (LOSS) FOR THE YEAR	1.247.704	2.813.887

ARM MACLODIO

ECONOMIC VALUE CREATED (EUROS)	2023	2024
NET SALES REVENUE	71,977,250	85,152,963
OTHER INCOME AND PROCEEDS	980,306	369,501
CHANGES IN INVENTORIES	1,710,109	4,276,243
TOTAL ECONOMIC VALUE GENERATED	74,667,665	89,798,707

ECONOMIC VALUE DISTRIBUTED	2023	2024
PAYMENTS TO SUPPLIERS / OPERATING COSTS	65,124,628	78,992,061
EMPLOYEE REMUNERATION	2,639,940	2,934,220
SHAREHOLDER REMUNERATION (BOARD OF DIRECTORS)	166,810	168,172
MISCELLANEOUS	8,593,517	8,826,570
COMMUNITY INVESTMENTS – SOCIAL DONATIONS	1,000	0
TAXES	,916,651	,796,015
TOTAL ECONOMIC VALUE DISTRIBUTED	75,609,244	90,125,008

ECONOMIC VALUE RETAINED	2023	2024
DEPRECIATION. IMPAIRMENTS. AND ADJUSTMENTS	1,397,960	1,515,534
PROVISIONS FOR RISKS AND OTHER PROVISIONS	38,151	38,126
PROFIT FOR THE YEAR ALLOCATED TO RESERVES	0	0
TOTAL ECONOMIC VALUE RETAINED	- 2,377,690	- 1,879,961

CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	2023	2024
21) PROFIT (LOSS) FOR THE YEAR	- 2.377.690	-1.879.961

PEOPLE - CONTRACTS

ADH
EMPLOYEE INFORMATION BY CONTRACT TYPE

[GRI 2-7]

EMPLOYEES BY CONTRACT TYPE	2023			2024		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
FULL-TIME	2	6	8	2	6	8
PART-TIME	0	4	4	0	4	4
TOTAL	2	10	12	2	10	12

ARM ASSISI
EMPLOYEE INFORMATION BY CONTRACT TYPE

[GRI 2-7]

EMPLOYEES BY CONTRACT TYPE	2023			2024		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
FULL-TIME	42	21	63	51	21	72
PART-TIME	0	10	10	0	10	10
TOTAL	42	31	73	51	31	82

ARM MACLODIO
EMPLOYEE INFORMATION BY CONTRACT TYPE

[GRI 2-7]

EMPLOYEES BY CONTRACT TYPE	2023			2024		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
FULL-TIME	28	4	32	23	4	27
PART-TIME	0	0	0	0	0	0
TOTAL	28	4	32	23	4	27

PARENTAL LEAVE

ADH

PARENTAL LEAVE	2023			2024		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
EMPLOYEES ENTITLED TO PARENTAL LEAVE	0	0	0	1	0	1
EMPLOYEES WHO TOOK PARENTAL LEAVE	0	0	0	1	0	1
EMPLOYEES WHO RETURNED TO WORK AFTER TAKING PARENTAL LEAVE	0	0	0	0	0	0
EMPLOYEES WHO WERE DUE TO RETURN TO WORK AFTER TAKING PARENTAL LEAVE	0	0	0	0	0	0
EMPLOYEES WHO RETURNED TO WORK AFTER TAKING PARENTAL LEAVE AND REMAINED EMPLOYED BY THE COMPANY FOR THE 12 MONTHS FOLLOWING THEIR RETURN	0	0	0	0	0	0

ARM ASSISI

PARENTAL LEAVE	2023			2024		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
EMPLOYEES ENTITLED TO PARENTAL LEAVE	0	1	1	0	1	1
EMPLOYEES WHO TOOK PARENTAL LEAVE	0	1	1	0	1	1
EMPLOYEES WHO RETURNED TO WORK AFTER TAKING PARENTAL LEAVE	0	0	0	0	0	0
EMPLOYEES WHO WERE DUE TO RETURN TO WORK AFTER TAKING PARENTAL LEAVE	0	1	1	0	0	0
EMPLOYEES WHO RETURNED TO WORK AFTER TAKING PARENTAL LEAVE AND REMAINED EMPLOYED BY THE COMPANY FOR THE 12 MONTHS FOLLOWING THEIR RETURN	0	0	0	0	0	0

ARM MACLODIO

PARENTAL LEAVE	2023			2024		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
EMPLOYEES ENTITLED TO PARENTAL LEAVE	0	0	0	0	0	0
EMPLOYEES WHO TOOK PARENTAL LEAVE	0	0	0	0	0	0
EMPLOYEES WHO RETURNED TO WORK AFTER TAKING PARENTAL LEAVE	0	0	0	0	0	0
EMPLOYEES WHO WERE DUE TO RETURN TO WORK AFTER TAKING PARENTAL LEAVE	0	0	0	0	0	0
EMPLOYEES WHO RETURNED TO WORK AFTER TAKING PARENTAL LEAVE AND REMAINED EMPLOYED BY THE COMPANY FOR THE 12 MONTHS FOLLOWING THEIR RETURN	0	0	0	0	0	0

TRAINING

ADH
AVERAGE TRAINING HOURS BY JOB GRADE AND GENDER

[GRI 404,1]

PROFESSIONAL CATEGORIES	2023					
	TOTAL HOURS MEN	TOTAL HOURS WOMEN	TOTAL HOURS TRAINING	AVERAGE HOURS MEN	AVERAGE HOURS WOMEN	TOTAL AVERAGE HOURS
EXECUTIVES						
MIDDLE MANAGERS	0	0	0	0	0	0
WHITE,COLLAR EMPLOYEES		58	58	0	5.8	5.8
BLUE,COLLAR EMPLOYEES	0			0	0	0

TOTAL	6	58	64	3	5.3	4.9
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	2024					
	TOTAL HOURS MEN	TOTAL HOURS WOMEN	TOTAL HOURS TRAINING	AVERAGE HOURS MEN	AVERAGE HOURS WOMEN	TOTAL AVERAGE HOURS
EXECUTIVES	27	0	27	13.5	0	13.5
MIDDLE MANAGERS	0	1.5	1.5	0	1.5	1.5
WHITE,COLLAR EMPLOYEES	0	329.5	329.5	0	33	33
BLUE,COLLAR EMPLOYEES	0	0	0	0	0	0

TOTAL	27	331	358	13.5	30.1	27.5
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The average hours for 2023 were calculated using a different and more accurate method (and therefore differ from those reported the previous year

ARM ASSISI
AVERAGE TRAINING HOURS BY JOB GRADE AND GENDER

[GRI 404,1]

PROFESSIONAL CATEGORIE	2023					
	TOTAL HOURS MEN	TOTAL HOURS WOMEN	TOTAL HOURS TRAINING	AVERAGE HOURS MEN	AVERAGE HOURS WOMEN	TOTAL AVERAGE HOURS
EXECUTIVES	6	0	6	3	0	3
MIDDLE MANAGERS	0	0	0	0	0	0
WHITE,COLLAR EMPLOYEES	110	104	214	13.8	8.7	22.4
BLUE,COLLAR EMPLOYEES	405	26	431	12.7	1.4	14.0

TOTAL	521	130	651	13.0	4.5	6.9
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	2024					
	TOTAL HOURS MEN	TOTAL HOURS WOMEN	TOTAL HOURS TRAINING	AVERAGE HOURS MEN	AVERAGE HOURS WOMEN	TOTAL AVERAGE HOURS
EXECUTIVES	69	0	69	34.5	0	34.5
MIDDLE MANAGERS	3.5	0	3.5	3.5	0	3.5
WHITE,COLLAR EMPLOYEES	95.5	106.5	202	9.6	9.7	19.2
BLUE,COLLAR EMPLOYEES	1,411	306	1,717	37.1	15.3	52.4

TOTAL	1,579	412.5	1,991.5	21.9	10.1	17.6
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ARM MACLODIO
AVERAGE TRAINING HOURS BY JOB GRADE AND GENDER
[GRI 404,1]

PROFESSIONAL CATEGORIES	2023					
	TOTAL HOURS MEN	TOTAL HOURS WOMEN	TOTAL HOURS TRAINING	AVERAGE HOURS MEN	AVERAGE HOURS WOMEN	TOTAL AVERAGE HOURS
EXECUTIVES	8	0	8	4	0	4
MIDDLE MANAGERS	0	0	0	0	0	0
WHITE,COLLAR EMPLOYEES	43	134	177	43	33.5	76.5
BLUE,COLLAR EMPLOYEES	1,482	0	1,482	59.3	0	59.3
TOTAL	1,553	134	1,667	36.1	33.5	35.5

	2024					
	TOTAL HOURS MEN	TOTAL HOURS WOMEN	TOTAL HOURS TRAINING	AVERAGE HOURS MEN	AVERAGE HOURS WOMEN	TOTAL AVERAGE HOURS
EXECUTIVES	17	0	17	8.5	0	8.5
MIDDLE MANAGERS	0	0	0	0	0	0
WHITE,COLLAR EMPLOYEES	21.5	94	115.5	10.75	23.5	19.3
BLUE,COLLAR EMPLOYEES	1,318	0	1,318	69.4	0	69.4
TOTAL	1,356.5	94	1,450.5	33.9	23.5	33.0

TRAINING – HEALTH AND SAFETY

ADH

TRAINING PROVIDED ON HEALTH AND SAFETY	2023		2024	
	NUMBER OF HOURS	NUMBER OF PARTICIPANTS	NUMBER OF HOURS	NUMBER OF PARTICIPANTS
GENERIC TRAINING	0	0	8	2
SPECIFIC TRAINING	48	8	8	2
SUPERVISORS / H&S OFFICERS / WORKER SAFETY REPRESENTATIVES / FIRST AID / FIRE SAFETY / MANUAL HANDLING	4	1	4	1
OTHER	0	0	34	13
TOTAL	52	9	54	18

ARM ASSISI

TRAINING PROVIDED ON HEALTH AND SAFETY	2023		2024	
	NUMBER OF HOURS	NUMBER OF PARTICIPANTS	NUMBER OF HOURS	NUMBER OF PARTICIPANTS
GENERIC TRAINING	4	1	8	2
SPECIFIC TRAINING	32	5	436	46
SUPERVISORS / H&S OFFICERS / WORKER SAFETY REPRESENTATIVES / FIRST AID / FIRE SAFETY / MANUAL HANDLING	396	44	941	93
OTHER	0	0	177.5	28
TOTAL	432	50	1,562.5	169

ARM MACLODIO

TRAINING PROVIDED ON HEALTH AND SAFETY	2023		2024	
	NUMBER OF HOURS	NUMBER OF PARTICIPANTS	NUMBER OF HOURS	NUMBER OF PARTICIPANTS
GENERIC TRAINING	16	4	12	3
SPECIFIC TRAINING	72	6	84	7
SUPERVISORS / H&S OFFICERS / WORKER SAFETY REPRESENTATIVES / FIRST AID / FIRE SAFETY / MANUAL HANDLING	672	62	294	36
TOTAL	760	72	390	46

GRI CONTENT INDEX

The ADH Group has reported the information listed in the following GRI content index for the period 1 January 2024 – 31 December 2024 with reference to the GRI Standards.

- **STATEMENT OF USE**
The ADH Group reports in accordance with the GRI Standards for the period 01.01.2024 – 31.12.2024.
- **GRI 1 USED**
GRI 1 – Fundamental Principles – 2021 version
- **RELEVANT GRI SECTOR STANDARDS**
No GRI sector standards were published for the current reporting period.

GRI STANDARDS	DISCLOSURE	CHAPTER
GRI 2 General disclosure 2021	2-1 Organisational details	1 THE ADH GROUP
	2-2 Entities included in the company’s sustainability reporting	1 THE ADH GROUP
	2-3 Reporting period, frequency, and contact point	NOTA METODOLOGICA
	2-4 Review of information	METHODOLOGICAL NOTE
	2-5 External assurance	N/A
	2-6 Activities, value chain, and other business relationships	1 THE ADH GROUP , 5 EXCELLENCE AND QUALITY ALONG THE ENTIRE VALUE CHAIN
	2-7 Employees	
	2-8 Non-employee workers	3 VALUING OUR PEOPLE
	2-9 Governance structure and composition	3 VALUING OUR PEOPLE
	2-10 Nomination and selection of the highest governance body	6 GOVERNANCE
	2-11 Chair of the highest governance body	6 GOVERNANCE
	2-12 Role of the highest governance body in overseeing management of impacts	6 GOVERNANCE
	2-13 Delegation of responsibility for impact management	6 GOVERNANCE
	2-14 Role of the highest governance body in sustainability reporting	6 GOVERNANCE
	2-15 Conflicts of interest	6 GOVERNANCE, METHODOLOGICAL NOTE
	2-16 Communication of critical concerns	6 GOVERNANCE
	2-17 Collective knowledge of the highest governance body	6 GOVERNANCE
	2-18 Evaluation of the highest governance body’s performance	6 GOVERNANCE
	2-19 Remuneration policies	N/A
	2-20 Process for determining remuneration	Not reported
	2-21 Annual total compensation ratio	Not reported
	2-22 Statement on sustainable development strategy	LETTER TO THE STAKEHOLDERS
	2-23 Policy commitments	1 THE ADH GROUP
	2-24 Integration of policy commitments	1 THE ADH GROUP
	2-25 Processes to remediate negative impacts	1 THE ADH GROUP
	2-26 Mechanisms for seeking advice and raising concerns	6 GOVERNANCE

GRI STANDARDS	DISCLOSURE	CHAPTER
GRI 3: Material topics (2021)	2-27 Compliance with laws and regulations	6 GOVERNANCE
	2-28 Membership associations	1 THE ADH GROUP
	2-29 Stakeholder engagement approach	1 THE ADH GROUP
	2-30 Collective bargaining agreements	3 VALUING OUR PEOPLE
	3-1 Process for determining material topics	1 THE ADH GROUP
	3-2 List of material topics	1 THE ADH GROUP

SUSTAINABLE PROCUREMENT

GRI 204: Procurement Practices (2016)	204-1 Proportion of spending on local suppliers	5 EXCELLENCE AND QUALITY ALONG THE ENTIRE VALUE CHAIN
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CLIMATE CHANGE

GRI 302: Energy (2016)	302-1 Company’s internal energy consumption	2 ENVIRONMENTAL PROTECTION AND RESOURCE MANAGEMENT
GRI 305: Emissions (2016)	305-1 Direct greenhouse gas (GHG) emissions (Scope 1)	2 ENVIRONMENTAL PROTECTION AND RESOURCE MANAGEMENT
	305-2 Indirect GHG emissions from energy consumption (Scope 2)	2 ENVIRONMENTAL PROTECTION AND RESOURCE MANAGEMENT

CIRCULAR ECONOMY

GRI 306: Waste (2020)	306-3 Waste generated	2 ENVIRONMENTAL PROTECTION AND RESOURCE MANAGEMENT
	306-4 Waste not sent to landfill	2 ENVIRONMENTAL PROTECTION AND RESOURCE MANAGEMENT
	306-5 Waste sent to landfill	2 ENVIRONMENTAL PROTECTION AND RESOURCE MANAGEMENT

HEALTH & SAFETY

GRI 403: Occupational Health and Safety (2018)	403-9 Work-related injuries	3 VALUING OUR PEOPLE
	403-10 Occupational diseases	3 VALUING OUR PEOPLE

WORKPLACE QUALITY

GRI 404: Training and Education (2016)	404-1 Average hours of training per employee per year	3 VALUING OUR PEOPLE
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DIVERSITY & INCLUSION

GRI 405: Diversity and Equal Opportunities (2016)	405-1 Diversity in governance bodies and among employees	3 VALUING OUR PEOPLE, 6 GOVERNANCE
GRI 406: Non-discrimination (2016)	406-1 Cases of discrimination and corrective actions taken	3 VALUING OUR PEOPLE

CUSTOMER SATISFACTION

GRI 416: Customer Health and Safety (2016)	406-1 Assessment of the health and safety impacts of product and service categories	5 EXCELLENCE AND QUALITY ALONG THE ENTIRE VALUE CHAIN
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GRI STANDARDS	DISCLOSURE	CHAPTER
GRI 418: Customer Privacy (2016)	418-1 Substantiated complaints concerning breaches of customer privacy and loss of data	6 GOVERNANCE
KPI Custom	Complaint management KPI	6 GOVERNANCE

CORPORATE CULTURE

GRI 201: Economic Performance (2016)	201-1 Direct economic value generated and distributed	4 POSITIVE IMPACT ON TERRITORY AND COMMUNITIES
GRI 2: General Disclosures	2-27 Compliance with laws and regulations	6 GOVERNANCE
GRI 205: Anti-corruption (2016)	205-3 Confirmed cases of corruption and actions taken	6 GOVERNANCE
GRI 206: Anti-competitive Behaviour (2016)	206-1 Legal actions regarding anti-competitive behaviour, antitrust, and monopoly practices	6 GOVERNANCE

COMMUNITY

Donations	KPI Economic value of donations and sponsorships	4 POSITIVE IMPACT ON TERRITORY AND COMMUNITIES
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WATER RESOURCES

GRI 303: Water and Effluents (2018)	303-3 Water withdrawal	2 ENVIRONMENTAL PROTECTION AND RESOURCE MANAGEMENT
GRI 303: Water and Effluents (2018)	303-4 Water discharge	2 ENVIRONMENTAL PROTECTION AND RESOURCE MANAGEMENT
GRI 303: Water and Effluents (2018)	303-5 Water consumption	2 ENVIRONMENTAL PROTECTION AND RESOURCE MANAGEMENT

BUSINESS CONTINUITY

Production stoppages	KPI Production stoppages and economic impact	6 GOVERNANCE
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For further information and insights, please refer to the company website www.assisi-spa.it

For any comments, requests, or suggestions for improvement regarding the contents presented, you may send an email to sostenibilita@advanceholding.it.

The ADH Group’s 2024 Sustainability Report has been prepared with the contribution of the Company’s Management and the Area representatives directly involved in the topics reported.

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