



SUSTAINABILITY REPORT

2023 **Summary version**

October 2024

Letter to Stakeholders

This is a summary of the second Sustainability Report by METLAC Group, which is reinforcing its reporting in anticipation of regulatory requirements.

Dear Stakeholders,

I am very pleased to present the second METLAC Group Sustainability Report, a document that reflects our commitment to **a more responsible and sustainable future**. We made significant progress in several areas in 2023, reflecting our continued focus on ESG issues and, in particular, on environmental protection.

One of our priorities has always been **respect for health**, which we understand in a broad sense: from our employees to end customers, including environmental protection. In fact, we implement and study new technologies and processes to reduce our emissions and optimise our use of resources, demonstrating our commitment to innovation and sustainable solutions.

We have always maintained a strong focus on **customer care**, guaranteeing the quality of our products and offering innovative answers to changing market needs. Since 2020, our sustainable development strategy has formed an integral part of our industrial strategy, with actions aimed at creating long-term value for all Stakeholders.

Our successes would not be possible without our people, to whom we devote attention and resources for training and skills development. Continuous training events and programmes are organised to foster our employees' continuing education and professional development.

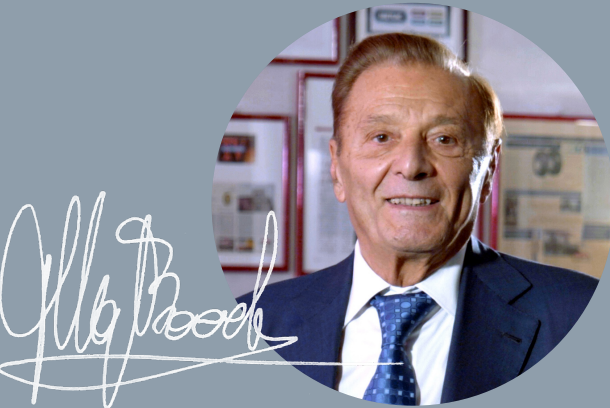
Looking at the present and the future, one important step is the inauguration of a new corporate site in Mexico in 2024, which will allow us to expand our operations sustainably and responsibly, integrating our values and corporate culture with the local culture.

In 2024, we will also host 'Fabbrica Sostenibile', an initiative that will share the best sustainable practices of local companies, demonstrating our commitment to being an active participant in promoting sustainable development around the world.

I would like to thank you for your interest, as well as those who have always supported this company, enabling us to make such significant progress. We will continue to work hard to honour the trust of our Stakeholders and contribute to a better future for everyone.

Enjoy!

Pier Ugo Bocchio
Founder and CEO of METLAC Group



About us

METLAC Group is a major international producer of inks and paints for metal packaging. It has always been headquartered in Bosco Marengo in the province of Alessandria.

MISSION Producing paints and inks for metal packaging, striving to ensure that the general public enjoys consuming food and drinks while the freshness, taste and flavour is maintained consistently.

VISION To become a company of excellence in the sector, with a particular focus on the innovative formulation of its products, developing new formulas to reduce the ecological footprint and use fewer raw materials based on fossil fuels.

VALUES

- Integrity
- Excellence and Customer Satisfaction
- Passion
- Collaboration/Respect
- Sustainability

HISTORY The company was founded by Pier Ugo Bocchio in **1986** in Bosco Marengo, Alessandria, taking over the metal packaging coatings business line from IVI (PPG Group). It was initially called COATES ITALIA, with COATES BROTHERS holding a minority stake.

In **1994**, Total took over COATES BROTHERS and became a shareholder in COATES ITALIA.

In **1997**, COATES ITALIA was sold to ICI Packaging Coating, becoming METLAC SPA.

In **2004**, AKZO NOBEL became a partner of METLAC Group.

The path to sustainability

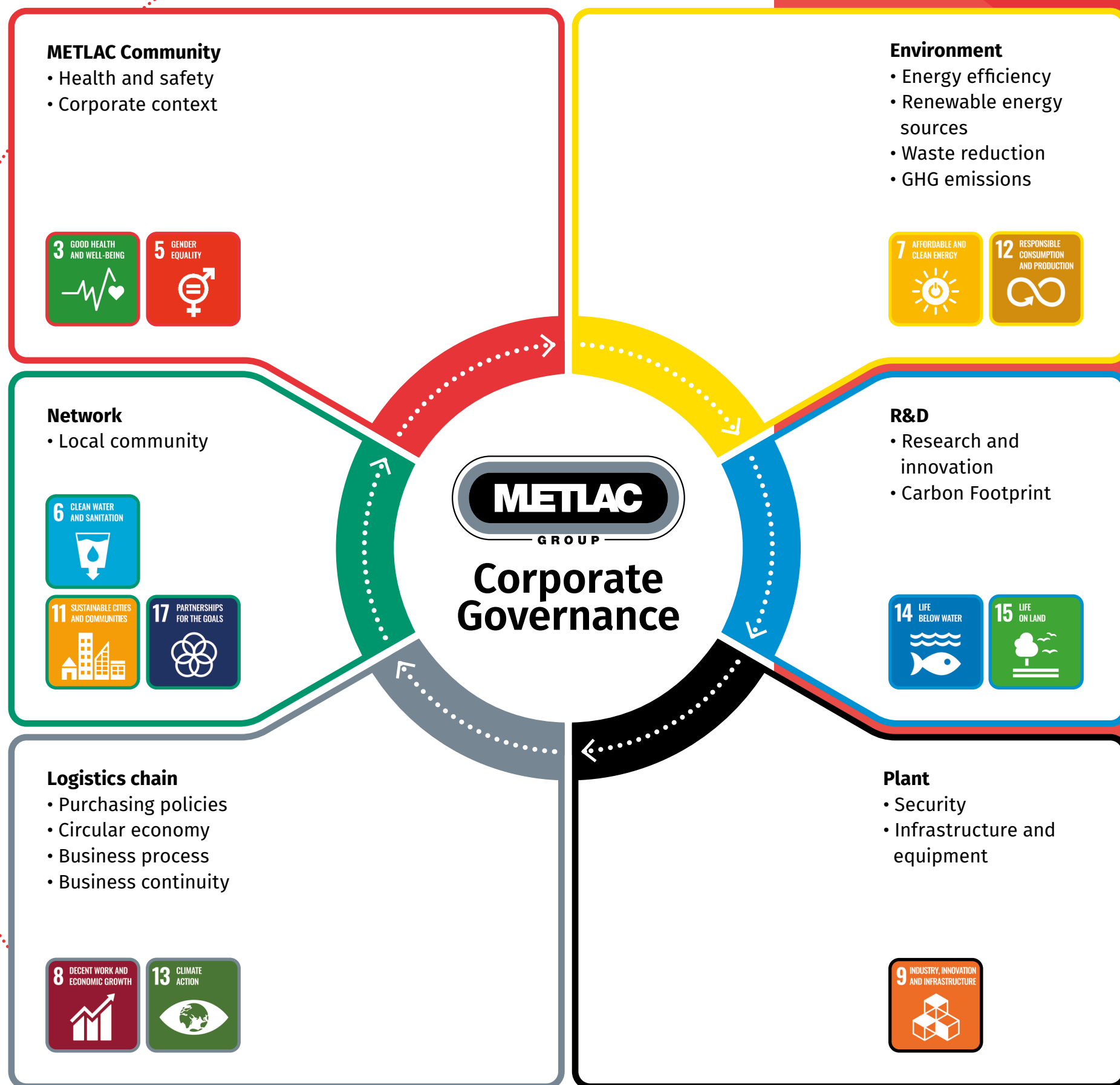
The path to sustainability began in **2015**, when METLAC Group developed new formulas to reduce the ecological footprint of its products.

After appointing a Sustainability Manager in **2019** and **2020**, a team was convened to develop the company's Sustainability Policy.

In **2021**, a special team was dedicated to sustainability reporting.

In **2022**, the project was solidified through ISO 45001 certification and improvements were applied to all areas of the company's business model (see p. 4).

2023 was a pivotal year: the agreement to start the **Life Cycle Assessment (LCA)** with the University of Eastern Piedmont was finalised; the supply chain rating was started by joining the **SynESGy programme**; a **new warehouse in Bosco Marengo** was inaugurated, with a **photo-voltaic system** installed on the roof; and key documents such as the Code of Ethics and the **Whistleblowing Procedure** were implemented. Training on **sustainability reporting** was also provided.



The Business Model for the 2030 Agenda

Since 2015, METLAC Group has developed its business under the banner of sustainability by covering the typical activities and functions described in the (organisational) model, aligning itself with the United Nations Sustainable Development Goals (SDGs) since 2019.

METLAC Group's business model was defined by observing the processes, practices and relationships that existed in the company before the journey of sustainable development began. A new role was given to the corporate management body, which has become Corporate Governance over time, central to this model.

The business model focuses on **Corporate Governance**, using it as the centre for developing the fundamental concepts of sustainable development:

- The **six areas of sustainability**: environment, research and development, production site, logistics chain, relations with the territory and institutions, corporate community.
- The **Sustainable Development Goals (SDGs)**, with their 169 associated subgoals, form the vital core of the 2030 Agenda.

The basic choice was **to create a relationship between the business areas and goals of the 2030 Agenda** that METLAC Group can commit itself to, adapting its governance and organisational structure to the new paradigm of sustainable development. The SDGs goals and subgoals were analysed to determine which ones could be considered in the business model and strategic plan, contextualising them to the company's situation.

Stakeholder Map



Stakeholder Engagement

METLAC Group has initiated a process of Stakeholder identification and engagement, which is essential for reporting.

Building a relationship of mutual trust with Stakeholders starts by considering their interests and compatibility compared to the organisation's. Inclusiveness, meaningfulness and responsiveness guide METLAC Group in its Stakeholder engagement process.

One of the crucial aspects in Stakeholder management is their precise identification. This is a key business strategy that can directly influence a company's ability to achieve its goals and mitigate risks.

For this reason, METLAC Group initiated a participatory process in 2023 to identify and analyse its Stakeholders. This process occurred in **two stages**. In the first phase, the 'Operating Committee', composed of representatives from the company's top management, assessed the significance of certain Stakeholder categories by filling out a special questionnaire. They were asked to rate each category considering the importance of the relationship in general, its significance for the company (i.e. the Stakeholder's possible impact on company operations) and urgency, understood as the temporal dimension of the relationship (the organisation's request for immediate attention to economic, social or environmental issues).

In the second phase, specific interviews were administered to figures with particular responsibilities and functions to explore not only the identification of Stakeholders, but also their expectations and the type of interaction METLAC should pursue with each of them.

This process resulted in the **Stakeholder Map** shown on the side page.

The significance of each Stakeholder is represented by the size of the circles (directly proportional to the significance with respect to the organisation) and proximity is expressed by their position with respect to METLAC. The map includes strategic customers, employees, shareholders and lenders belonging to the financial community, strategic suppliers, contractors and business partners, the community in the sense of civil society and the local community, new and future generations whose well-being must be ensured by not compromising their ability to meet their needs, competitors, institutions, bodies and universities.

Double Materiality analysis

For METLAC Group, conducting the *Double Materiality* analysis meant adopting an important strategic tool.

METLAC Group has decided to adopt the Double Materiality approach to ensure comprehensive and responsible management of its impacts, recognizing its strategic importance for sustainable and inclusive growth. Double Materiality combines two perspectives of equal importance:

- **Financial materiality**, which analyzes the impacts of sustainability issues on the company's economic and financial performance;
- **Impact materiality**, referring to the effects of business activities on the environmental and social context. This includes how the company contributes to or impacts aspects such as greenhouse gas emissions, waste management, employee well-being, and relationships with local communities.

This analysis has been structured in the following phases:

1. **Shared identification of sustainability topics** by the internal team.
2. **Identification of Stakeholders** and assessment of their relevance, through listening activities that led to the Stakeholder Map.
3. **Assessment of the relevance of the topics according to internal Stakeholders**, to define the 12 sustainability themes to be included in the Double Materiality Analysis.
4. **Evaluation of the impacts suffered** (Financial Materiality) **and generated** (Impact Materiality) with the involvement of internal and external Stakeholders.

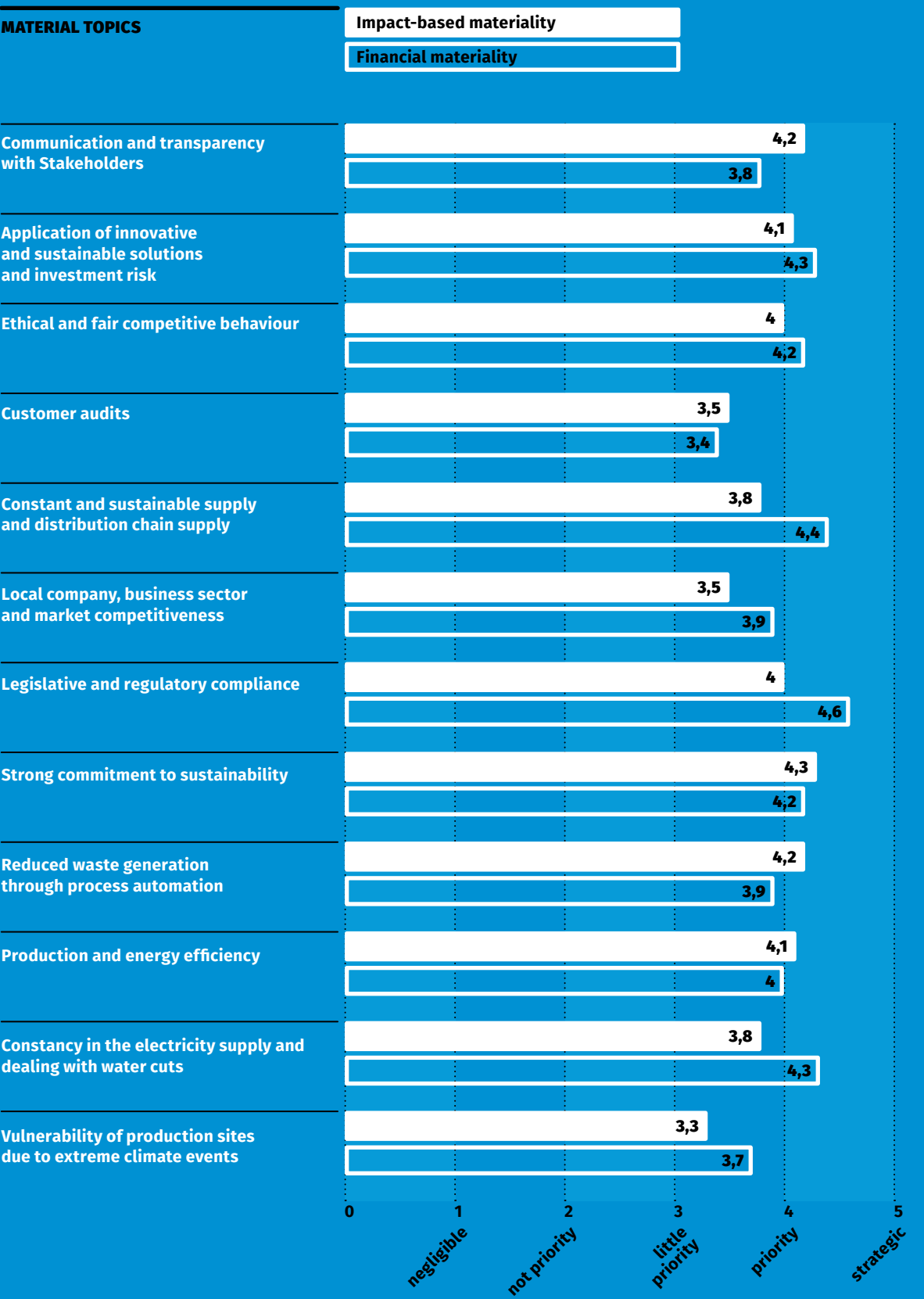
The Analysis has benefited from comparisons with:

- Internal Stakeholders from various business functions, who expressed preferences by completing an online survey.
- External Stakeholders, such as suppliers, consultants, institutions, and associations, involved in a discussion forum and through a survey.

The results, which are presented **in the chart on the following page**, are derived from a weighted average of the acquired judgments, attributing a weight of 40/100 to internal Stakeholders and 60/100 to external ones. Importance is expressed on a scale from 1 to 5, where 1 is “negligible” and 5 is “strategic.”

The issues of greatest relevance from the financial materiality perspective relate to **regulatory compliance** and **the sustainability of the supply chain**. Regarding impacts, the most significant themes considered are **the company's commitment to sustainability** and **transparent communication with Stakeholders**.

Double Materiality



The sustainability of METLAC Group

Objectives and Strategies

Range

ENVIRONMENT

Objective to reduce environmental impacts through energy efficiency, optimising transport and reducing waste and scrap materials.

Strategies

- Initiate LCA analysis and energy diagnoses to refine consumption monitoring and Scope 3 emission analysis.
- Study ways to reduce waste production and find alternative ways to enhance it.
- Reduce CO₂ emissions through research into alternative sources and a viable decarbonisation plan.

RESEARCH AND INNOVATION

Objective to make the supply chain constant and sustainable.

Strategies

- Complete the PTFE Free and BPANI product catalogue.
- Develop new product formulas with an increase in renewable, organic or recycled materials.
- Extend product life cycle studies (LCA) to all product catalogue families.
- Obtain certification of LCA studies through production of the Environmental Product Declaration (EPD) for the Carbon Footprint.

PRODUCTION SITE

Objective to reduce the vulnerability of production sites and improve safety conditions for people and business continuity.

Strategies

- Improve site access and internal road management for people and vehicles.
- Adapt the work equipment according to evolving safety standards and specific process requirements.
- Monitor climate events, identify major related risks and possible mitigation actions by following up on the emergency plan and developing business continuity aspects.
- Strengthen application of the Management System for Major Accident Prevention.

LOGISTICS CHAIN

Objective to make the supply chain constant and sustainable.

Strategies

- Define the sustainable procurement policy to formalise suppliers' commitment to adopting sustainable development principles, particularly in relation to the environment and human rights.
- Raise internal awareness on the issue.
- Strengthen the use of the SynESGy platform (CRIF) to increase supplier mapping.
- Optimise transport to reduce CO₂ emissions.

RELATIONS WITH THE TERRITORY AND INSTITUTIONS

Objective to increase transparency and interaction with Stakeholders and strengthen the market position.

Strategies

- Projects to support the spread of the sustainability culture in schools and the community.
- Increase internal awareness of these issues through participation in events such as 'Fabbrica Sostenibile'.
- Adopt tools for Stakeholder interaction, reducing the distance with representatives by organising targeted meetings; develop effective communication by using documents such as the sustainability report summary.

RELATIONS WITH THE BUSINESS COMMUNITY

Objective to increase employee engagement in the corporate strategy.

Strategies

- Train internal Stakeholders (employees) on the business model, policies and governance issues.
- Intervene on organisational well-being to improve comfort for employees.
- Improve the way staff skills and performance are evaluated for recognition in terms of remuneration policies.
- Offer employee incentives to encourage the use of environmentally friendly vehicles.
- Extend staff support to all units through training paths, as well as general and specific information.
- Implement a welfare plan, adopting widespread practices to facilitate work/life balance for employees.
- Implement interventions to improve employee health and safety conditions through harassment prevention, training and awareness, and protection of travelling staff through travel risk management practices.
- Develop policies in favour of diversity, inclusion and gender equality.

Link and informations

Find out more
about METLAC Group's
Sustainability Policy.



metlac.com