SUSTAINABILITY REPORT

Results achieved and commitments taken in Sustainable Development

June 2023

Contents

Foreword
Letter from the Founder and CEO of the METLAC Group

Dear Stakeholders,

We are pleased to present the first METLAC Group Sustainability Report as concrete evidence of the transformations that have taken place in recent years in our products and our relations with employees and the local community. These transformations are the result of a process that began in 2015 and enabled the Group to align itself with the United Nations Sustainable Development Goals in 2019.

Sustainability is one of the core values that the METLAC Group is committed to pursuing, through close control and monitoring of all its activities, and their actual and potential impacts on the environment, energy consumption, waste production and water use, with the aim of becoming an exemplary company in the coatings and metal packaging sector. Constant control and monitoring is flanked by the Group's commitment to developing alternative product solutions that comply with current regulations and at the same time meet customer needs, guaranteeing technical and commercial support whatever the requirement or level of customisation.

The continuing health emergency caused by the Covid19 pandemic, the shortage of raw materials, the increase in extreme weather and climate events, the consequent changes in demand in our market sector, the economic crisis and the conflict in Ukraine; these are just some of the challenges of recent years to which the METLAC Group has successfully responded, using its past and present experience to set up strategies for the future geared to sustainable development.

The METLAC Group strategy focuses on three main pillars: investment in infrastructure with a positive impact on the value chain with the aim of reducing negative effects on the environment, improvement of the health and safety management system for our employees, and community relations.

We have made significant investments in new technologies to improve energy efficiency (modernisation and automation of production facilities, installation of photovoltaic generators on the roofs of new warehouses and offices), and to reduce the amount of production waste and we have introduced new projects for better management of waste recycling.

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The Research and Development team has worked tirelessly to develop new formulations with a lower environmental impact, as regards both components, using environment-friendly materials from renewable resources, and technologies (introduction of new raw materials with a bio content and reduced footprint, development of new solvent-free coatings products characterised by a rapid drying process and low energy consumption).

The Group's growth path has involved further investment in infrastructure to improve facilities and the attainment of ISO 45001 health and safety certification. Investments have also been made in human resources, to develop skills and awareness with the aim of creating a rewarding working environment that respects ethics, the environment and safety. Indeed, the METLAC Group's employees have been an invaluable resource, playing a vital role in enabling it to maintain its position as market leader in these difficult years.

The focus on people has also been extended to the community and relations with the territory, through active collaboration with Confindustria Alessandria on projects for the development of the territory and membership of the Viva Foundation.

Looking to the future, we will continue to work to integrate sustainability into our processes and strategies. In this respect, we have set ambitious goals involving products, relations with customers, to boost responsiveness and flexibility, and relations with suppliers, underpinned by business continuity.

The organisation also continues to work on investments in production and control systems and employee safety, as well as in environmental protection, compliance with regulations and active participation in the development of national and international associations.

I would like to extend my thanks to everyone in the METLAC Group for their commitment and dedication, which enabled us to achieve the important goals of the past year. Without their contribution and engagement, it would not have been possible to implement the changes we have made and continue to put in place, and it is a privilege to be part of this team.

There will certainly be new challenges in the future, but I am confident that we will face them with as a united force, just as we have faced the challenges of the last few years.

Pier Ugo Bocchio
Founder and CEO of the METLAC Group

Author’s note

This report was produced by the HSE&Sustainability Department of the METLAC Group, by Sustainability Specialist Fabio Demicheli, who edited the text and collected the related documents, supervised by Health, Safety, Environment and Sustainability Director Guido Chiogna, with the support of Sustainability Advisor Arnaldo Pierini and the contribution of architect Sergio Fanelli for the layout and post-production graphics.

We are proud to present the METLAC Group’s first “Sustainability Report”, in which we set out the sustainability results and commitments of the Group companies operating in Italy, including the acquisition of “awareness” through the engagement of internal and external stakeholders. The result is a dynamic snapshot of the organisation and its business model with respect to the rapid evolution of the market and the regulatory framework.

For several years now, sustainable development issues have been part of our daily lives and our way of thinking about the future, hence the increased sensitivity of all of us as consumers to environmental questions, fears about global warming, air and water quality, and waste production. Dealing directly with these issues in the corporate sphere since 2019 has been an excellent opportunity for my own personal growth and to bring them into the workplace in a proactive manner. Above all, it is a second and important opening to continue with a form of reporting that is also increasingly required by investors, direct customers and the supply chain.

The interest in reporting stems from the desire to describe what has been done in terms of internal organisation and policies to support the business model for the sustainable development of the METLAC Group, what is being done to bring the model to life and communicate it to all our stakeholders, and what we intend to do in terms of commitments, strategies and action to improve conditions for the future generations through concrete examples, in a reliable and transparent manner.

Guido Chiogna
Health, Safety, Environment
and Sustainability Director
of the METLAC Group

Chapter 1

INTRODUCTION

1 Introduction [1]

The METLAC Group is a major international player in the metal packaging inks and coatings industry, whose mission is to develop "free by design" products, in accordance with the principles of reducing environmental and social impacts and improving economic performance. In particular, the company intends to make a significant contribution to the circular economy with its products and packaging.

Our History We have been offering quality and support to customers for over 30 years thanks to our experience in metal packaging coatings, openness to product innovation and sustainable approach. The METLAC Group's history is based on expertise gained through synergies and collaboration with leading players in the value chain. Now for some information about our journey.

1986 *The company is founded by Pier Ugo Bocchio in Bosco Marengo, Alessandria, with the acquisition of the metal packaging coatings business from IVI (PPG Group). It is initially called COATES ITALIA, with COATES BROTHERS holding a minority interest.*

1988 *COATES ITALIA establishes two wholly owned subsidiaries, METINKS, in Cava de' Tirreni, Salerno, for the production of metal packaging inks, and CERITEC, in Bosco Marengo, for research and development activities.*

1994 *TOTAL acquires COATES BROTHERS and becomes a shareholder of COATES ITALIA.*

1997 *TOTAL sells the COATES BROTHERS metal packaging business to VALSPAR, and the COATES BROTHERS stake in COATES ITALIA to ICI Packaging Coating. The company changes its name to METLAC SPA.*

1998 *The METLAC Group acquires SICRA, a company specialising in the production of coatings for flexible tubes and aerosol monoblocs, and subsequently absorbs it in 2003.*

2007 *ICI is acquired by AKZO NOBEL, which becomes a partner of the METLAC Group with a minority shareholding.*

Year after year, the METLAC Group has consolidated its position as a leading player, especially at international level.

[1] Source: METLAC Group Sustainability Policy_V.3 March_2022_ITA.

1.1 METLAC Group highlights [2]

The METLAC Group has embarked on a corporate sustainability journey, committing to specific targets in the main areas of sustainable development, in alignment with the SDG goals.

The resulting path or Road Map follows the evolution of the ten years 2015-2025, with practical action taken to achieve the goal of sustainable growth:

[2] **Source: Corporate website.**

2015 *THE METLAC Group develops new formulas to reduce its carbon footprint and gradually modernises its process and auxiliary plants, improving energy efficiency and reducing environmental impact.*

2019 *THE METLAC Group appoints a Sustainability Manager and sets up a working team, which begins to develop the Sustainability Policy by identifying and grouping existing sustainability-oriented activities.*
The alignment of the METINKS site with METLAC Group policies gets underway.
Work begins on a project for a new employee car park.

2020 *Publication of the Sustainability Policy and creation of working groups on specific topics, coordinated by the Sustainability Team.*
Expansion of METLAC's production capacity with the construction of the Production 3 department.
Expansion of METINKS' storage capacity with the lease of a new warehouse.
Expansion of the business in Mexico with the construction of a new coatings factory.

2021 *Establishment of a working group to define the Group's sustainability reporting standards and new sustainability targets.*
Implementation of new software for KPI acquisition and reporting.

2022 *THE METLAC Group plans the consolidation and improvement of its health and safety management system with ISO 45001 certification.*
Development continues in the other areas of the business model: Logistics Chain, Relations with the Territory and Institutions, Corporate Community. Product life cycle assessments (LCA) are implemented in cooperation with the UPO University and Greenstep.

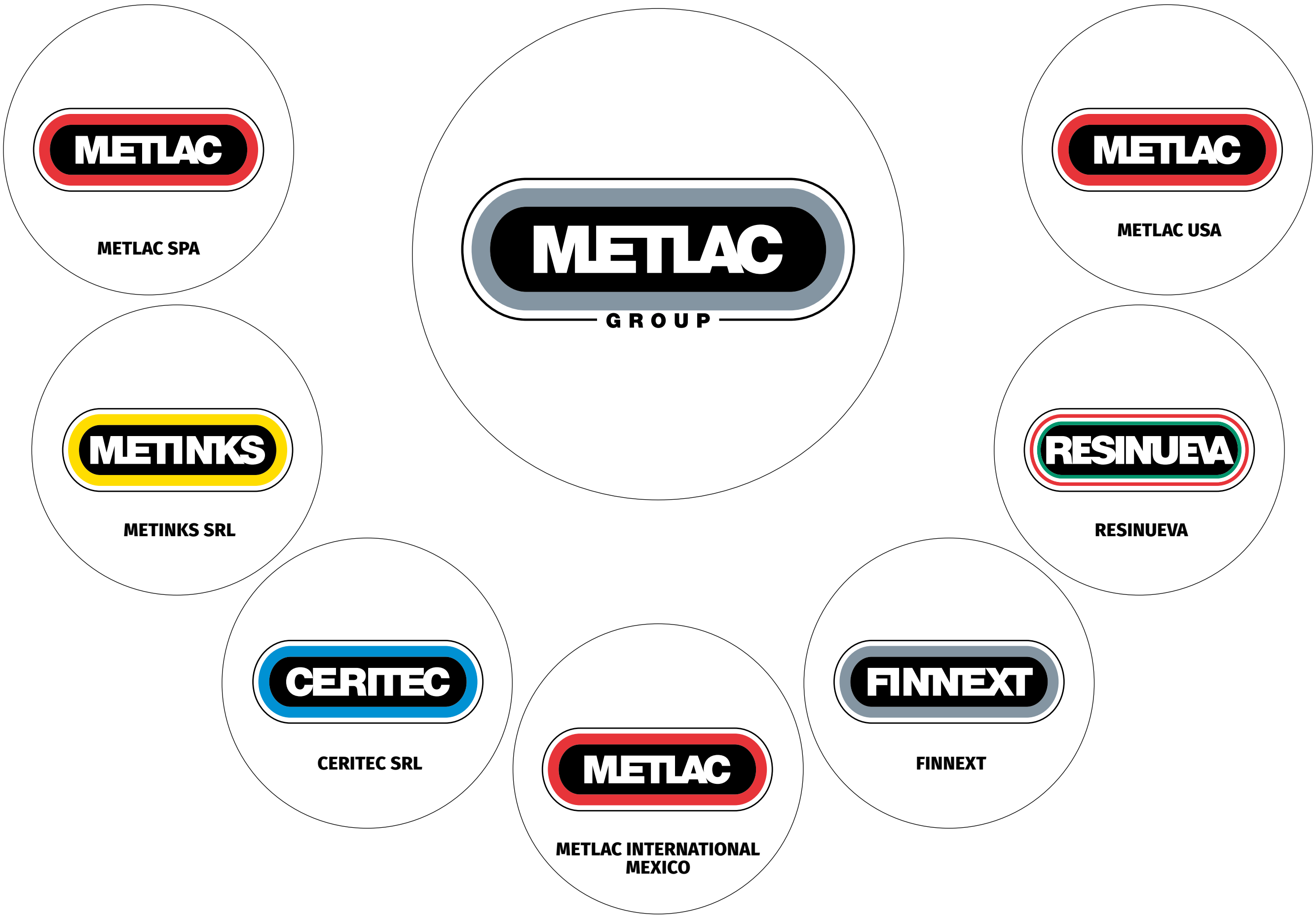
1.2 METLAC Group organisation [3]

The METLAC Group is an independent organisation that designs, manufactures and sells coatings and inks for the metal packaging sector, primarily for the food and beverage industry.

The Group head office, **METLAC SPA**, is located in Bosco Marengo, in the province of Alessandria, while the ink manufacturing site, **METINKS SRL**, is located in Cava de' Tirreni, in the province of Salerno. The Bosco Marengo site also houses **CERITEC SRL**, a company active in research & development, quality control, customer service and provision of technical data. The METLAC Group has been present in Mexico since 2020 with **METLAC INTERNATIONAL**, a new production facility located in the state of Querètaro, and two new companies set up through the partnership between METLAC and NOVA RESINE: **FINNEXT**, an Italian special-purpose finance company supporting **RESINUEVA**, a company that is building a new resin production plant near the METLAC INTERNATIONAL site.
The Group also has a trade representation, **METLAC USA**, for its sales network in the United States.
The figure below illustrates the Group organisation.

[3] **Source: METLAC Group Management Manual.**

METLAC Group organisation chart



The METLAC Group is a medium-sized organisation compared to its competitors, which are mainly multinationals with production sites and service centres located around the world.

The operations of the METLAC Group are dictated and influenced by the contexts in which it operates. The Group aims to be a cost-effective, innovative and reliable supplier in a market of demanding customers and aggressive competitors. The operating environment is further complicated by the need to comply with foodstuffs directives and with local and European requirements concerning production operations, safe handling of chemicals and environmental impact management.

Management of the main Group functions is centralised in METLAC SPA, starting with the CEO, the Image and Communication function, followed by Health, Safety, Environment and Sustainability, Process Engineering and Maintenance, Human Resources, Administration and Finance, Supply Chain, Planning & Control, Quality, Research & Development and Regulatory Affairs; commercial operations are organised by sector (Beer & Beverage, Food Closures & General Lines), and geographical area (national, EU, international).

The faces of the METLAC Group

Pier Ugo Bocchio
Chief Executive Officer METLAC Group

Giovanni Battista Serra
General Director METINKS SRL

Anna Maria Mazzilli
Image, Communication, PR Director & General Services METLAC Group

Guido Chiogna
Health Safety, Environment & Sustainability Director METLAC Group

Paolo Merialdi
Production Director METLAC Group

Gaetano Tedone
FCG Export & MAT Sales Director METLAC Group

Mauro Conficoni
FCG Key Clients & Italian Clients Sales Director METLAC Group

Angelo Viarengo
Supply Chain Planning & Controlling Quality Director METLAC Group

Gianni Mirone
R&D FCG Director, Food Closures & General Line METLAC Group

Davide Bocchio
ICT Director METLAC Group & General Director CERITEC SRL

Carla Giulia Ravanello
Human Resources Manager METLAC Group

Gianmarco Colombara
Purchasing Director METLAC Group

Marco Novello
Plant Engineering & Maintenance Director METLAC Group

Gionata Riboldi
B&B Sales Director METLAC Group

Carlo Fazio
Accounting & Finance Director METLAC Group

Alessandro Pistone
R&D & Regulatory Director METLAC Group

Oscar Giuliano
Process integration & ERP Service Director METLAC Group

1.3 Governance: the code of ethics and the model pursuant to Legislative Decree 231/01 [4]

The companies in the METLAC Group have always pursued the primary objective of complying with the laws and regulations of Italy and the other countries in which they operate.
To preserve the value and integrity of the METLAC Group, all the companies base their activities on solid ethical principles and internal rules designed to consolidate the organisation's ethical culture. The METLAC Group has adopted a Code of Ethics in accordance with the model pursuant to Legislative Decree 231/01. The code has already been implemented in all Group companies (with the exception of METINKS where it is currently being developed), to ensure that all addressees are aware of the required rules of conduct and the ethical principles that underpin the organisation's operations.
The ethical principles listed below are considered fundamental by the companies in the METLAC Group, which undertakes to respect them at all times. The METLAC Group expects these rules of conduct to be respected by all addressees and by the other internal and external parties that have relations with it.

[4] **Source: 231 CODE OF ETHICS (3 December 2021).**

- **Compliance with laws and regulations** Compliance with the laws and regulations in force in all the countries in which it operates is a fundamental principle for the METLAC Group.

- **Integrity** The METLAC Group requires observance of the highest standards of individual and corporate integrity and strongly condemns any form of violence, pressure or threat designed to cause conduct contrary to current laws and regulations or to the 231 Code of Ethics.

- **Honesty and loyalty** The actions and conduct of the addressees must always conform to the highest standards of honesty and loyalty with a prohibition on pursuing personal or corporate aims or interests in violation of the principles mentioned or in breach of the 231 Code of Ethics.

- **Fairness and transparency** The actions and conduct of the addressees must always conform to the highest standards of personal and corporate fairness, avoiding situations in which conflicts of interest might arise or where personal advantage might be taken of business opportunities.

- **Protection of the individual** The METLAC Group condemns any activity that might involve the exploitation or reduction to a state of subjection of any individual and recognises the primary importance of the protection of minors and the repression of any form of exploitation of child labour.

- **Respect for the dignity of the person, impartiality and condemnation of all forms of discrimination** The METLAC Group considers respect for the dignity of the person to be essential and promotes its protection. Behaviour that jeopardises respect for dignity or fosters any form of discrimination based on age, gender, sexual orientation, state of health, economic conditions, race, nationality, political and trade-union opinions, religious beliefs and/or any other personal characteristic is prohibited, without exception.

- **Enhancement of human resources** The METLAC Group recognises that human resources are a factor of fundamental importance for its development and therefore guarantees a working environment that facilitates the performance of tasks by its employees by enhancing their professional aptitudes. The management of human resources is based on respect for the personality and professionalism of each person, guaranteeing their physical and moral integrity: personnel must always behave with respect for the people with whom they come into contact, on behalf of the METLAC Group, treating everyone equally and with dignity.

- **Employment of foreign workers (third-country nationals)** It is prohibited to employ foreign workers (third-country nationals) who do not have a residence permit or whose residence permit has expired, been revoked or cancelled, and to transport or facilitate the residence of irregular foreigners on national territory.

- **Condemnation of all forms of worker exploitation** The METLAC Group condemns all forms of unlawful intermediation and labour exploitation.

- **Verifiability of actions, operations and transactions** In accordance with the principle of transparency, every action, operation and transaction of the METLAC Group shall be correctly and appropriately recorded, authorised, legitimate, correct, consistent, transparent and verifiable.

- **Accounting and financial report management** Full compliance with the law and full observance of the principles of transparency, truthfulness and fairness in the accounts and any other document setting out economic and financial information constitute essential values and criteria for the METLAC Group. METLAC Group personnel and collaborators involved in financial reporting or accounting operations must ensure the utmost cooperation, accounting entries must be accurately recorded in compliance with the law and with accepted current accounting principles, and must be available for inspection by auditors and other authorised parties.

- **Optimisation of the investment in the METLAC Group** The METLAC Group endeavours to ensure that its economic/financial results are such as to safeguard and increase the value of its capital, in order to adequately remunerate the risk assumed by its shareholders.

- **Processing of stakeholder information** Information on stakeholders is processed by the METLAC Group so as to ensure confidentiality and comply with the applicable laws and regulations.

- **Protection of industry and trade, competition and the free market** The METLAC Group believes in free and fair competition and transparency and bases its activities on respect for the rules of fair competition, which it considers fundamental for the development of the market and for achieving competitive results that reward expertise, experience and efficiency, refraining from collusive and predatory behaviour and abuse of a dominant position.

- **Protection of industrial and intellectual property rights** The METLAC Group firmly believes in the protection of industrial and intellectual property rights (patents, models and designs, copyrights, trademarks, trade secrets, goods, industrial products, etc.).

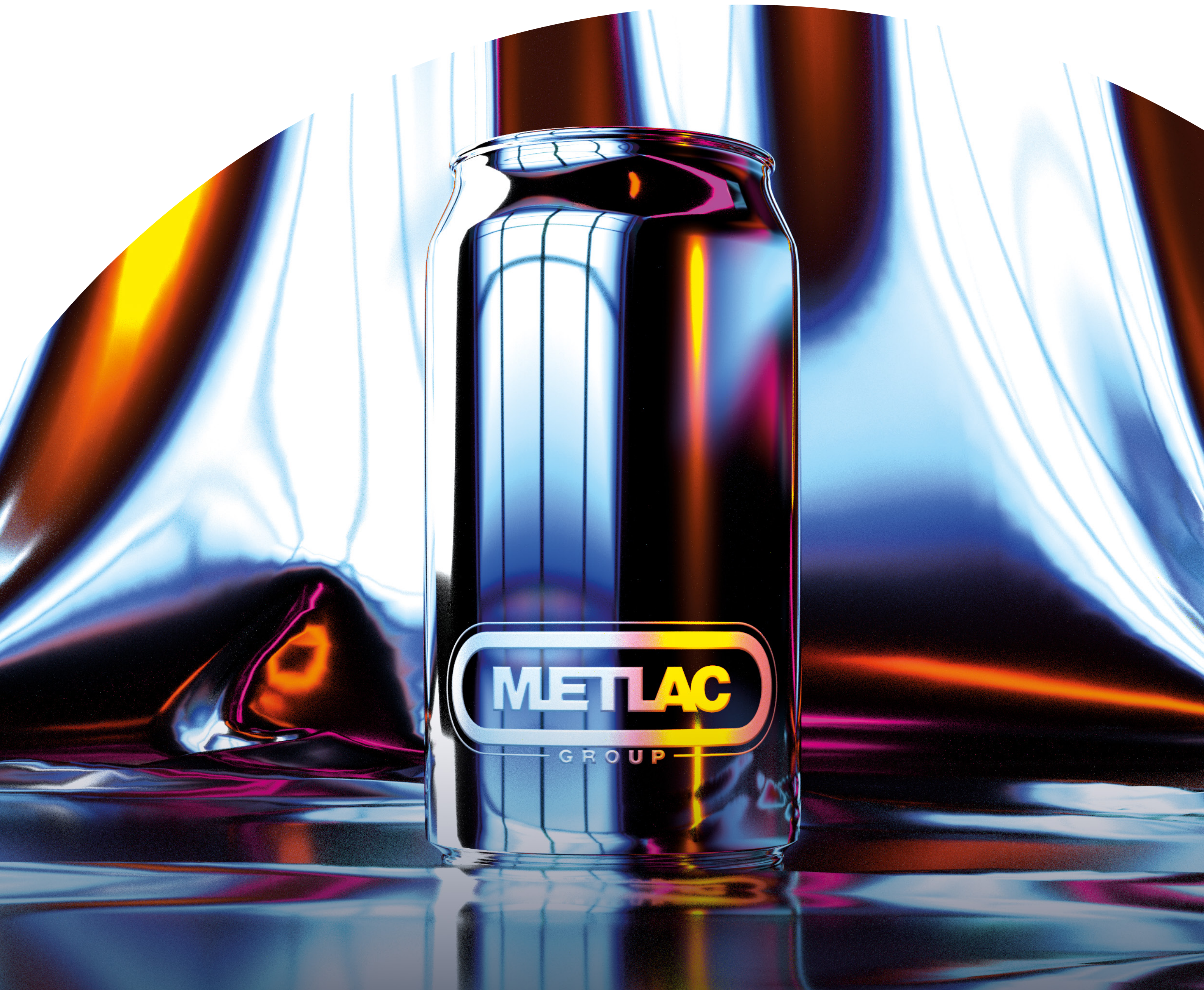
- **Relations with third parties in general** In compliance with the fundamental principle of respect for the laws and regulations of the countries in which it operates, the METLAC Group actively endeavours to ensure that all those who collaborate with it act with professional correctness and in lawful manner, and in compliance with the organisational and management rules and procedures it has adopted.

- **Relations with public authorities** Relations with any public agency, whether Italian or foreign, must be conducted in compliance with laws and regulations and in accordance with the principles of ethics, fairness, transparency, professionalism and verifiability and with the provisions of the 231 Code of Ethics.

1.4 Exclusions and assumptions

All the production activities, and associated human resources, of the METLAC Group's international companies are excluded from Report.

The Report refers to activities carried out in 2022 with a three-year time window (2020-2022) for historical data.



Chapter 2

SUSTAINABILITY POLICY AND ADHERENCE TO THE SUSTAINABLE DEVELOPMENT GOALS

June 2023

2 Sustainability Policy and Adherence to the Sustainable Development Goals [5]

The METLAC Group wants to be recognised as a primary supplier of coatings and inks for the metal packaging market, especially metal packaging for food. Its areas of excellence are:

- → **Product formulation and innovation.**
- → **Speed of response and flexibility towards customers.**
- → **High-level investments in production and control systems.**
- → **Protection of the environment and territory.**
- → **High safety standards for the protection of workers.**
- → **Structured technical support service at customers' premises.**
- → **Supplier relations and business continuity.**
- → **Compliance with regulations.**
- → **Active participation in recognised national and international associations for the development of regulatory activity in the sector.**

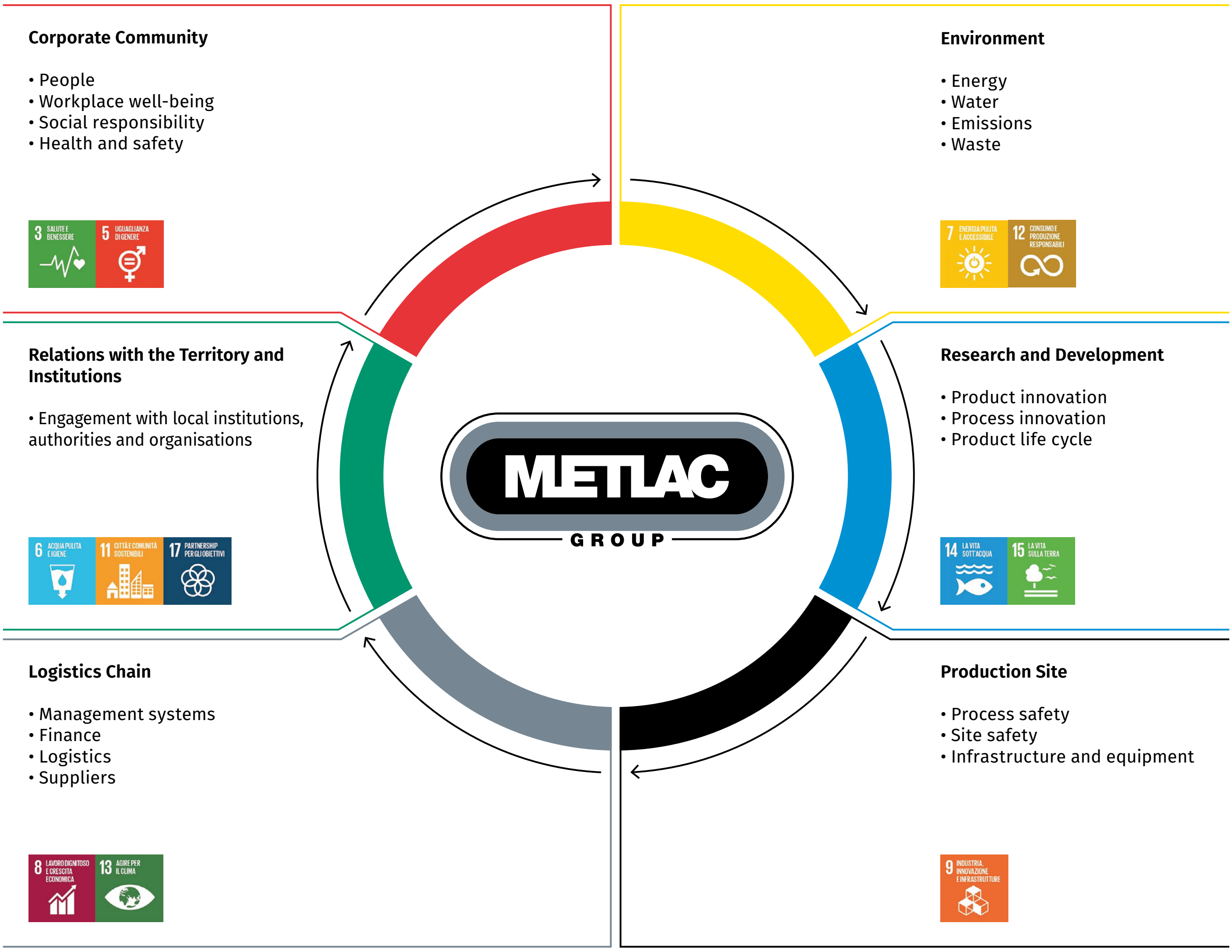
The METLAC Group aspires to become a player of excellence in its industry, focusing in particular on innovative product formulation through the development of new formulas intended to reduce its carbon footprint and the use of raw materials from fossil sources. Customer satisfaction feedback supports its belief that it is moving in the right direction, and this is confirmed by its technical and business results.
To support its vision, the METLAC Group fosters the skills and awareness of its employees, who work in a rewarding and ethical, environment-friendly and safe environment.

[5] **Source: Corporate website sustainability section https://www.metlac.com/politica-della-sostenibilita/**

Chapter 3

BUSINESS MODEL

3 Business Model [6]



Since 2015, the METLAC Group has developed its business under the banner of sustainability by progressively covering all the typical activities and functions of its (organisational) model, so aligning itself with the United Nations Policy on Sustainable Development Goals (SDGs) as from November 2019.

The METLAC Group is committed to the constant control and monitoring of all its activities and their impacts and effects on the environment, energy consumption, waste production, use of mains and spring water, wastewater discharges, and rainwater management.

The METLAC Group's business approach considers sustainability from an unconventional perspective: from the customer to the end consumer, through people and processes. The business model identifies six areas that contribute to the development of sustainability:

- **Environment**
- **Research and development**
- **Production site**
- **Logistics chain**
- **Relations with the territory and institutions**
- **Corporate community**

[6] Source: Corporate website
METLAC Group Sustainability Policy_V.3 March_2022_ITA.

3.1 Areas

Area *Environment*
Specifically, protection of the soil and water resources, which are essential for life on the planet, while keeping an eye on greenhouse gas emissions. The environment is in fact one of the three dimensions of sustainable development (“people”, “planet” and “prosperity”).

Area *Research and Development*
Technological innovation for the development of products that reduce environmental and social impacts, forging partnerships with customers and suppliers to achieve common impact-reduction goals for the environment and the health and safety of workers and consumers, ensuring that products comply with laws and regulations on the safety of substances used and with food contact standards, supported by the Quality Policy.
Product Life Cycle Assessment (LCA) for the purpose of planning and monitoring processes to achieve the sustainable development goals.

Area *Production Site*
Maintenance of high safety standards, development of new technologies and processes that improve efficiency and productivity, environmental impact, and reduce resource consumption, supported by the Quality, Safety and Health Policy and the SGS-PIR Policy.

Area *Logistics Chain*
Development of a responsible production chain, through careful screening of suppliers with whom to share sustainable development principles and policies, supported by the Quality Policy.

Area *Relations with the Territory and Institutions*
Assessment and management of impacts on the local economy and community, protecting territorial resources and working with local communities.

Area *Corporate Community*
Promotion of practices and initiatives to protect the rights and well-being of Group employees, develop their skills and foster a systemic approach in full compliance with the code of ethics and health and safety regulations, supported by the Health and Safety Policy.

Chapter 4

STAKEHOLDER ENGAGEMENT AND MATERIALITY ANALYSIS

June 2023

4 Stakeholder Engagement [7] and Materiality Analysis [8]

The Group has launched a stakeholder identification and engagement process, based on the assumption that attention to stakeholders is fundamental. Building a relationship of mutual trust with stakeholders starts by considering their interests and their compatibility with those of the organisation. Inclusiveness, meaningfulness and responsiveness guide the METLAC Group in its stakeholder engagement process. This process, known as "Materiality Analysis", involves:

- **Identification of stakeholders and topics (specific themes and/or issues) to be discussed;**
- **Engagement planning and implementation;**
- **Measurement of the engagement process.**

Materiality analysis enables a company to identify the topics that are most important to itself and its stakeholders (individuals, groups of people or organisations with an interest in a project, product, service or business objective that the company pursues), so that they can be given greater relevance and priority in terms of the company's vision and mission. Through materiality analysis and the materiality matrix it generates, the company is able to decide on which topics to focus and invest time and resources in.

Once the key potential sustainability topics have been identified, they are analysed to assess their impact on growth, costs or the company's trust in its stakeholders and its degree of importance in their eyes.

When these assessments are collated, a graphical representation is obtained that helps the company distinguish priority topics from those to be set aside because their impact on the company's ability to generate, preserve or disperse economic, social or environmental value is marginal. More specifically, the METLAC Group uses the materiality analysis to:

- **Acquire knowledge and tools to measure its financial, social and environmental performance;**
- **Forecast market trends and stakeholder requirements, so as to be able to anticipate them and keep up with, if not ahead of, its competitors;**
- **Be a forerunner in developing new products to meet market and customer needs;**
- **Make the best use of resources, so as to optimise processes and minimise waste.**

The Material Topics for the METLAC Group (Table 1) were identified with reference to the three GRI pillars (Sustainability Reporting Standards) that constitute the reporting guidelines: the 200 series for economic performance, the 300 series for environmental performance and the 400 series for social performance.
The METLAC Group implemented the stakeholder engagement process by sharing its Material Topics with them through questionnaires or by using them as subjects for discussion during meetings, conferences, technical/commercial meetings, etc.

[7] **Source: METLAC Group Sustainability Policy_V.3 March_2022_ITA.**
[8] **Annex. 3 to the Management Manual - Materiality Analysis**

Table 1, *Material Topics* where:

- **13 KPIs are subdivided as follows:** 1-3 indicators related to the GRI 200 series, 4-7 related to the GRI 400 series and 8-13 related to the GRI 300 series.
- **Scope of Sustainability** is the Material Topic.
- **Specific Topic** is the specific issue for each Material Topic.
- **Elements to be considered within the specific topic** i.e., the issue translated into a question or subject to be discussed with stakeholders during meetings or by distributing questionnaires.

Series	KPI	Scope of sustainability	Specific topic	Elements to be considered within the specific topic
200	1	GOVERNANCE (GRI 201-202)	Group Economic Performance and market presence	Attention to the soundness of the business and its development in order to make the organisation reliable, profitable and durable.
	2	GOVERNANCE (GRI 201-203)	GroupEeconomic Performance and market presence	Remuneration policies designed to recognise and enhance the distinctive skills in the company.
	3	GOVERNANCE (GRI 206)	Business Ethics and Integrity	Business management that also covers ethical issues, with particular reference to integrity criteria in the conduct of business and anti-corruption policies.
400	4	SOCIAL (GRI 403)	Occupational Health & Safety	Ensuring the highest operational and health and safety standards for workers.
	5	SOCIAL (GRI 401)	Diversity, equal opportunities, promotion and people development	Ensuring the protection of all diversity in the workplace (gender, origin, religious beliefs, etc.).
	6	SOCIAL (GRI 405)	Diversity, equal opportunities, promotion and people development	Creation of equal access opportunities to the organisation in terms of career development; commitment to ethical and responsible career development.
	7	SOCIAL (GRI 405)	Attractive working conditions – work/life balance	Focus on creating suitable and attractive working conditions, guaranteeing health and safety and prospects for individual growth and development, with constant attention to the balance between work and workers' private/social lives.
300	8	ENVIRONMENT (GRI 302-305)	Energy consumption and CO2 emissions	Search for and application of organisational, technical and equipment solutions to save energy and minimise CO2 emissions.
	9	ENVIRONMENT (GRI 307)	Environmental protection and environment governance	Management and minimisation of the organisation's impact on air, water, soil, also through compliance with laws and regulations.
	10	ENVIRONMENT (GRI 301-306)	Innovative and eco-responsible products	Research and development of innovative technologies that enable the creation of innovative and more environmentally sustainable products in the design, manufacturing, distribution, use and end-of-life phases.
	11	ENVIRONMENT (GRI 302-306)	Global warming	Active participation of the organisation in the fight against global warning.
	12	ENVIRONMENT/SOCIAL (GRI 308-414)	Responsible and sustainable procurement practices	Procurement policies that prioritise sustainable procurement from qualified suppliers also on the basis of social and environmental parameters.
	13	ENVIRONMENT (GRI 305)	Environmental protection and environment governance	Encourage a reduction in the use of private means of transport and, at the same time, promote the use of environment-friendly means of transport (car sharing, car pooling, shuttles, public transport).

The information gathered through the interviews and questionnaires enables the characteristic values of the company's ethics and operations to be mapped. The graphical translation of the information into a "Materiality Matrix" (Table 2) provides an immediate snapshot of the analysis and a comparison between the company and its stakeholders. Using an XY cartesian plane (Table 3), the Material Topics for stakeholders (Importance for Stakeholders) are plotted on the X-axis and the Material Topics for the company (Importance for METLAC) on the Y-axis. The position of each topic provides a clear and intuitive view of the topics on the company's radar and their order of importance in terms of materiality.

Table 2, *Materiality Matrix*

	Material topics	**Importance for Stakeholders** X-axis	**Importance for METLAC** Y-axis
1	Attention to the soundness of the business and its development in order to make the organisation reliable, profitable and durable.	8	10
2	Remuneration policies designed to recognise and enhance the distinctive skills in the company.	8	8
3	Business management that also covers ethical issues, with particular reference to integrity criteria in the conduct of business and anti-corruption policies.	8	8
4	Ensuring the highest operational and health and safety standards for workers.	9	10
5	Ensuring the protection of all diversity in the workplace (gender, origin, religious beliefs, etc.).	8	10
6	Creation of equal access opportunities to the organisation in terms of career development, commitment to ethical and responsible career development.	8	8
7	Focus on creating suitable and attractive working conditions, guaranteeing health and safety and prospects for individual growth and development, with constant attention to the balance between work and workers' private/social lives.	8	8
8	Search for and application of organisational, technical and equipment solutions to save energy and minimise CO2 emissions.	8	10
9	Management and minimisation of the organisation's impact on air, water, soil, also through compliance with laws and regulations.	8	10
10	Research and development of innovative technologies that enable the creation of innovative and more environmentally sustainable products in the design, manufacturing, distribution, use and end-of-life phases.	8	10
11	Active participation of the organisation in the fight against global warning.	7	7
12	Procurement policies that prioritise sustainable procurement from qualified suppliers also on the basis of social and environmental parameters.	8	8
13	Encourage a reduction in the use of private means of transport and, at the same time, promote the use of environmentally friendly means of transport (car sharing, car pooling, shuttles, public transport).	7	7

Where the score-assignment criteria are:

1 – **Not important**: The METLAC Group has no impact on this process;

3 – **Not very important**: The METLAC Group has little influence on this process;

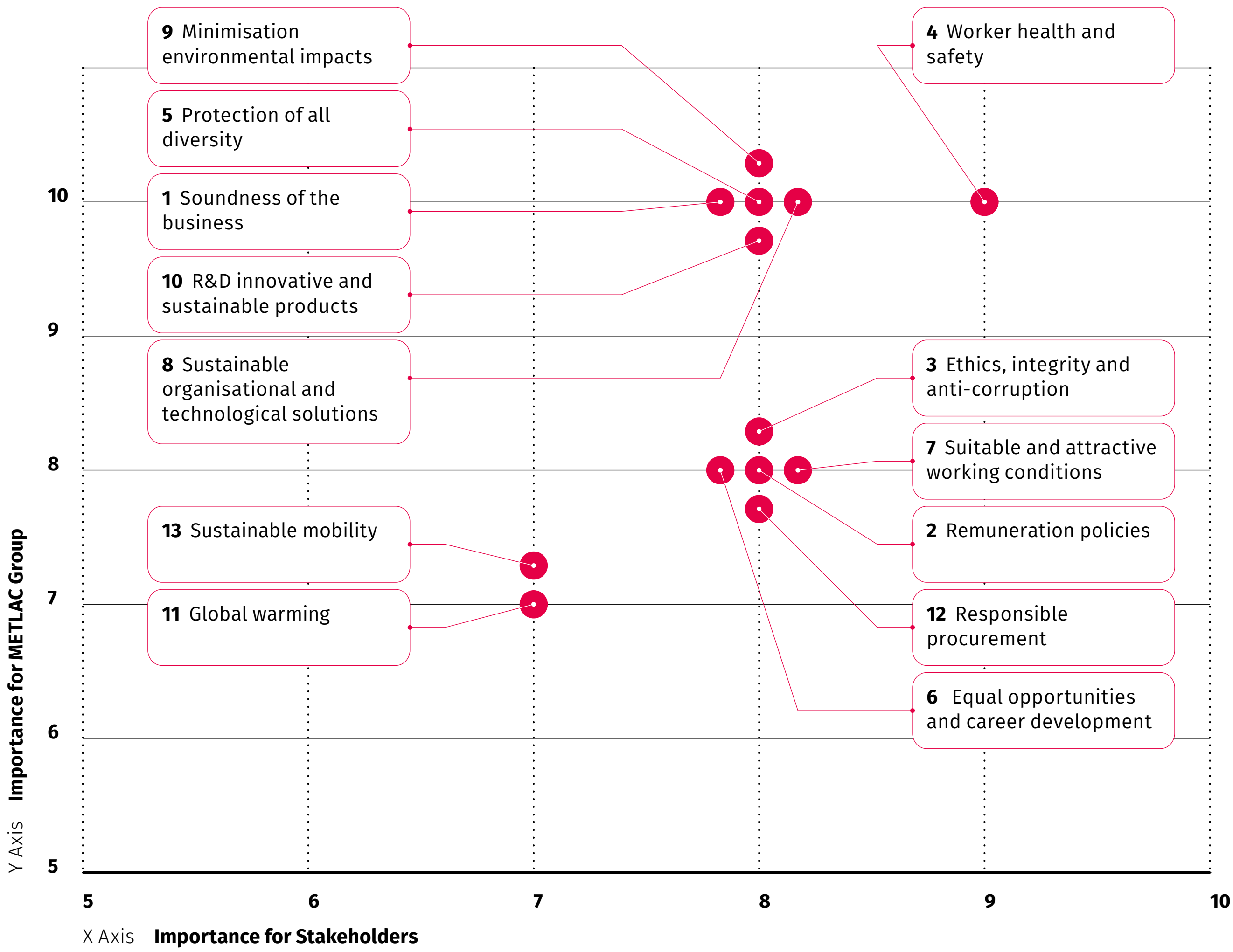
5 – **Limited impact**: The topic was analysed but the METLAC Group has limited influence on the process;

7 – **Important**: The METLAC Group has a significant impact on this decision-making process;

10 – **Critical**: METLAC Group has a critical impact on this decision-making process.

The numbers from 1 to 13 corresponding to the red dots in the graph identify the specific **Material Topic**.

Table 3, XY cartesian plane



Chapter 5

STRATEGY AND ACTIONS

5.1 Strategy

The analysis identified the material topics on which to focus the strategic plan. The guiding principles (AA1000) determined by METLAC for this phase are:

➔ **(founding) principle of Inclusivity**

➔ **principle of Materiality**

➔ **principle of Coherence**

As already noted, inclusivity is the starting point for determining materiality and identifying material and significant topics. Coherence is the set of decisions, actions and performance relating to the previously identified material topics. Specifically, the *Materiality Analysis* identifies the topics to be addressed and the resulting KPIs to be reported, including ESG (Environmental, Social and Governance) parameters, to define the organisation’s reporting scope and sustainability strategies.

The material topics for the METLAC Group and its stakeholders are as follows:

- Creating suitable and attractive working conditions that ensure health and safety(4-7), Remuneration policies designed to recognise and enhance skills (2) and career development prospects (6).

- Ensuring the protection of all diversity in the workplace (gender, origin, religious beliefs) (5);

- Attention to the soundness of the business and its development in order to make the organisation reliable, profitable, durable (1) and management that covers ethics, integrity and anti-corruption policy (3);

- Procurement policies that prioritise sustainable procurement from qualified suppliers also on the basis of social and environmental parameters (12).

- Search for and application of organisational, technical and equipment solutions enabling energy saving, reduction in CO_2 emissions (8-9); development of innovative technologies enabling the creation of innovative and more sustainable products (10).

5.2 Actions

The materiality analysis indicates the priorities on which the METLAC Group is required to intervene or commit to specific actions; after discussions between the functions involved in the analysis and top management to understand the significance of the priorities and the specific causes linked to the classification, an action plan was drawn up, which, in addition to incorporating the METLAC Group's sustainable development goals over a 15-year timescale (2015 - 2030), sets new medium-term objectives and commitments; where proposing quantitative indicators is currently not simple and immediate, qualitative commitments are outlined, as shown in the following plan and relative state of progress.

Topic	Commitment
Market, environment & environmental management system	Economic reporting and sharing of corporate strategy with staff (1) Professional growth and career plans for staff (2-6) Reduction of the ratio of total energy consumed (KWh) to finished product output (Tonne) (9) GHG emission reduction (Tonne) Scope 1 -2 -3 (9)
Code of Ethics	Complete the adoption of the organisational model pursuant to Legislative Decree 231/01 for all Group companies (3)
Sustainable products & materials	Extend Life Cycle Assessments with the short-term goal of completing 3 case studies by December 2023 (10) Increase research and development into finished products with a reduced environmental impact through introduction of raw materials from renewable or recycled sources (10) Increase the number of internationally recognised Cradle-to-Cradle product certificates, target 10 product certificates by end 2023 - (10-12)

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Emissions and responsible energy use	Carbon footprint - in line with SDG target 7.2 the METLAC Group commits to a 50% reduction in GHG emissions * scope 2 absolute by 2025 - (8-11) Reduction of energy consumption through technological upgrading of facilities and installation of new photovoltaic system (8)
Responsible waste management	Reduction in waste generated - in line with SDG target 12.5, Target to reduce waste generated per tonne of finished products by 15% by 2025. The METLAC Group is also committed to completing the analysis of the value chain as regards waste, with a view to improving waste-to-energy processes (10)
Global warming	Implementation of backup systems to ensure business continuity by preventing adverse weather events (11)
Inclusion and welfare	Implementation of a corporate welfare plan (5)
Health and safety internal and external actors	Improvement of operational support for employees during travel (4) Increased training for internal and external staff on environmental, safety, sustainability issues (4) In line with SDG 3, METLAC is committed to improving the participation of workers (internal stakeholders) in the workplace health and safety management system
Stakeholder engagement	With a view to improving stakeholder knowledge and awareness, adopt engagement practices and ensure regular communication about activities and the progress of the action plan (4)

Note
The number in brackets next to each commitment refers to the specific element of the material topic identified by the materiality analysis.

Chapter 6

REFERENCE STANDARDS

6 Reference Standards

In preparing the Sustainability Report, we employed metrics commonly used at international level to measure corporate sustainability. They include the ESG (Environmental, Social and Governance) criteria, which are fundamental for evaluating an action and an investment not only from an economic perspective, but also from the environmental, social and governance perspectives, so verifying the organisation's commitment to sustainability.

In order to protect the environment and promote more sustainable consumption of resources, reference was made to the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs).

Finally, among the tools promoted by the Global Reporting Initiative (GRI), a non-profit entity for sustainable performance reporting, we referred to the Global Reporting Initiative Standards, sustainability reporting parameters that allow organisations to measure their environmental impact in an unambiguous and uniform manner. The GRI Standards are grouped into three series: Economic topics (GRI 200), Environmental topics (GRI 300), Social topics (GRI 400).

The Standards used in this report are presented below.

6.1 UN SDGs [10]

In September 2015, more than 150 international leaders met at the United Nations to contribute to global development, promote people's well-being and protect the environment.

The member states approved the 2030 Agenda for Sustainable Development, whose core elements are the 17 Sustainable Development Goals (SDGs) and 169 targets, which aim to end poverty, fight inequality, and achieve social and economic development. They also refer to issues of fundamental importance for sustainable development such as tackling climate change and building peaceful societies by the year 2030.

The SDGs are universal, in other words, all countries must contribute to the achievement of the goals according to their capabilities. Consequently, since November 2019, the METLAC Group has pursued the SDGs set out in the United Nations "2030 Agenda for Sustainable Development".

[10] **Source: https://www.aics.gov.it**

6.2 The GRI [11]

For more than 25 years, the GRI – Global Reporting Initiative has provided an international framework of sustainability reporting standards with which organisations disclose and demonstrate responsibility for their impact on the environment, the economy and people.

The standards cover topics ranging from biodiversity to taxes, from waste to emissions, from diversity and equality to health and safety. As such, GRI reporting is the enabling factor for transparency and dialogue between the METLAC Group and its stakeholders.

Through its activities and business relationships, the METLAC Group has an impact on the economy, the environment and people and contributes to sustainable development. Sustainable development is defined as "development that meets present needs without compromising the ability of future generations to meet their own needs".

The purpose of our sustainability report, which uses the relevant GRI Standards, is the transparent disclosure of how the METLAC Group contributes or intends to contribute to sustainable development. The GRI Standards are based on the expectations of responsible business conduct established by protocols of authoritative intergovernmental bodies, such as the Guiding Principles of the United Nations (UN).

[11] **Source: https://www.globalreporting.org**

6.3 The GRI Standards for the METLAC Group

THE 200 SERIES, ECONOMIC PERFORMANCE

GRI 201: Economic performance This standard addresses the topic of "economic performance", including the direct economic value generated and distributed by the organisation; defined benefit plan obligations and other retirement plans; financial assistance received from any government; and financial implications due to climate change.	**Applied** **201-1 With** reference to this GRI, *METLAC reports EBITDA*[12]***. This indicates the earnings of a company before interest, taxes, depreciation and amortisation are subtracted.*** **201-4** Financial assistance received from government[13]. *The METLAC Group reports this indicator.* **Not applied** **201-2** Financial implications and other risks and opportunities due to climate change. *This GRI is not reported.* **201-3** Defined benefit plan obligations and other retirement plans. *This GRI is not reported.*
GRI 202: Market presence This standard addresses the topic of an organisation's "market presence", covering its contribution to economic development in the local areas or communities in which it operates. For example, it may include the way the organisation manages wages and local recruitment.	**Applied** **202-1** Ratio of standard entry-level wage by gender compared to local minimum wage[14]. *The organisation constantly analyses the remuneration of employees in relation to the national collective labour agreement (CCNL*[15]*) and the industry average, as well as staff turnover and strategies to stabilise and attract resources.* **202-2** Percentage of senior management recruited from the local community[16]. *METLAC has always been oriented towards recruitment of personnel from the local community. This principle applies at every level of the organisation, from the operational to the managerial level.*

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[12] Reference indicator in chapter 8 ESG Reporting, EBDTA, Direct Economic Value Generated, Economic Value Distributed, Economic Value Retained in 2022, Figure 3 & EBDTA, Figure 23, u.m. [K€].

[13] Reference indicator in chapter 8 ESG Reporting, Financial assistance received from the government, Fig. 4 u.m. [K€].

[14] Reference indicator in chapter 8 ESG Reporting, Ratio of entry-level wages to local minimum wage, Fig. 6, u.m. [K€].

[15] The chemical and pharmaceutical National Collective Bargaining Agreement (CCNL) covers the entire chemical trade and production sector, regulating labour relations and establishing the rights and duties of workers employed in the sector.

[16] Reference indicator in chapter 8 ESG Reporting, Fig. 7 - % senior management hired from local community u.m. [%].

GRI 204: Procurement practices This standard establishes reporting requirements for "procurement" practices.	**Applied** **204-1 With** reference to this indicator, *METLAC monitors expenditure on local suppliers of goods and services*[17].
GRI 205: Anti-corruption For organisations required to report on corruption-related impacts and how these are managed.	**Applied** **205-1** Operations assessed for risks related to corruption. *METLAC considers this a material topic and in 2021 introduced the model pursuant to Legislative Decree 231/01 in order to preserve the value and integrity of the company.* **205-2** Communication and training about anti-corruption policies and procedures. *For this issue too, the organisation involves senior management and internal and external stakeholders through the model pursuant to Legislative Decree 231/01.* **Not applied** **205-3** Confirmed incidents of corruption and actions taken. *The organisation does not report on this topic.*
GRI 206: Anti-competitive behaviour For organisations required to report on impacts related to their "anti-competitive" behaviour and how they manage them.	**Not applied** **206-1** Legal actions for anti-competitive behaviour, anti-trust activities and monopoly practices. *The organisation does not report on this topic.*

[17] Reference indicator chapter 8 ESG Reporting, Fig. 8 & 35 - Distribution of expenditure to local suppliers u.m. [%].

GRI 301: Materials The "materials" used to produce and package an organisation's products and services may be non-renewable (such as minerals, metals, oil, gas, or coal), or renewable (such as timber or water). Both renewable and non-renewable materials may be made from recycled or virgin materials.	**Applied** **301-1/3 With** reference to this standard, *the organisation reports the volume of materials used for the production cycle and for packaging of METLAC products, the circularity of non-renewable/renewable, unsuitable, obsolete, recovered returned materials*[18]. **Not applied** **301-2** Recycled input materials used. *Not considered as the organisation, due to market requirements, does not use recycled materials in the production cycle. The use of materials from organic sources or partially organic materials is under development.*
GRI 302: Energy Illustrates reporting requirements with regard to "energy".	**Applied** **302-1/3 With** reference to this GRI, *the organisation monitors total energy consumption and energy intensity within the organisation*[19]. **Not applied** **302-2** Energy consumption outside the organisation. *Not reported although METLAC is beginning to address responsible sourcing and the product life cycle where sharing of environmental indicators downstream and upstream of the value chain is envisaged.*

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[18] **Reference indicator chapter 8 ESG Reporting, Fig. 9 & 36 - % renewable materials, % materials recovered in 2022, u.m. [Tonne].**

[19] **Reference indicator in chapter 8 ESG Reporting, Figure 11 & 38 - Total energy consumed in 2022, u.m. [KW/h-KWh/Tonne].**

GRI 303: Water and effluents

This standard addresses "water consumption". Given the close correlation between water withdrawal, consumption and discharge, the organisation is required to provide all three topic-specific disclosures of this GRI.

Applied

303-3/4/5 METLAC monitors the following indicators, total water withdrawal (ref GRI 303-3), total water discharge (ref GRI 303-4) and total water consumption (ref GRI 303-5)[20].

Consequently, these GRIs are reported.

Not applied

303-1 Interactions with water as a shared resource. *The organisation does not report on this GRI, in particular interaction with water, how, where water is withdrawn, consumed, discharged and related impacts, due to a lack of data, but it considers the topic to be of interest and to be developed at a later stage*.

303-2 Management of water discharge-related impacts. More specifically, a description of the minimum standards set for the quality of effluent discharge. ***METLAC does not report on this GRI even though it has implemented wastewater monitoring through regular qualitative analyses at the Bosco Marengo site.***

GRI 305: Emissions

Illustrates the reporting requirements relating to 'emissions'.

Applied

305-1/2/4/7 Total direct and indirect emissions (ref. GRI 305-1/2), Ratio of total GHG emissions to finished product volumes (ref. GRI 305-4), Other significant emissions such as VOC, NOx, SOx (ref. GRI 305-7)[21].

These indicators are reported.

Not applied

305-3 Other indirect GHG emissions (Scope 3) *currently unreported.*

305-5 Reduction of GHG emissions. For example, GHG emissions scope 1-2-3 reduced as a direct result of reduction initiatives (process redesign, conversion and retrofit of equipment, replacement of fossil fuels with more environment-friendly alternatives, behavioural changes, offsetting).

At present, the indicator is not reported, as there are no particular initiatives relating to the topic.

305-6 Emissions of ozone-depleting substances (ODS) i.e., Production, imports and exports of ODS in tonnes of CFC-11 (trichlorofluoromethane) equivalent. *Not reported as not applicable.*

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[20] Reference indicators in chapter 8 ESG Reporting, Fig. 14 & 41, water consumption and discharge, u.m. [Lt].

[21] Reference indicators in chapter 8 ESG Reporting, Figure 16 & 43 Total Direct and Indirect Emissions, u.m. [Tonne CO2 eq].

GRI 306: Effluents and waste

Establishes reporting obligations on the topic of “waste”. Contains the disclosure on management of generated waste, waste diverted from disposal and waste directed to disposal.

Applied

306-3/4/5 Total Waste Generated (ref. GRI 306-3), Amount of Waste Recovered and Disposed of (ref. GRI 306-4/5), Destination and Volume of Recovered Hazardous/Non-Hazardous Waste (ref. GRI 306-4), Destination and Volume of Hazardous/Non-Hazardous Waste directed to Disposal, Hazardous/Non-Hazardous Waste directed to Incineration and Landfill, Breakdown of Hazardous/Non-Hazardous Waste (ref. GRI 306-5)[22].

These indicators are reported.

Not applied

306-1 Waste generation and significant waste-related impacts i.e., inputs, activities and outputs that lead or could lead to these impacts, whether these impacts are related to waste generated by the organisation’s operations or to waste generated upstream or downstream in its value chain.

Not reported although the 2023 Sustainability Assessment showed how sensitive the topic of the "Value Chain" (Par 7.5) is to METLAC’s sustainable growth; therefore, this is considered a topic to be implemented in the future.

306-2 Management of significant waste-related impacts i.e., measures taken, including measurements of circularity, to prevent the generation of waste in the organisation’s activities upstream and downstream in its value chain and to manage significant impacts resulting from the waste generated, whether the waste generated by the organisation in its activities is managed by a third party, a description of the processes used to determine whether the third party manages waste in accordance with contractual or legal obligations, and the processes used to collect and monitor waste-related data.

Not reported, METLAC is examining this topic through collection of data, analysis of waste treatment processes managed by third parties, e.g., through regular audits at disposal firms; therefore, the topic will be developed in the future.

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[22] Reference indicators in chapter 8 ESG Reporting, Figure 18 & 45, 19 & 46, 20 & 47 - Waste, u.m. [various].

GRI 307: Environmental Compliance Establishes reporting requirements for "environmental compliance".	**Applied** **307-1** Non-compliance with environmental laws and regulations. This refers to significant fines and non-monetary penalties for non-compliance with environmental laws and/or regulations in terms of the total monetary value of the fines. *The company constantly monitors matters relating to environmental compliance as required by the Testo Unico Ambientale [Consolidated Environmental Act] and follows the guidelines of the ISO14001:2015 standard for which it is certified. There are no instances of non-compliance with environmental laws and/or regulations.*
GRI 308: Supplier Environmental Assessment A standard addressing "environmental issues" and setting out the reporting requirements for supplier environmental assessment. It is important to establish the methods for screening new suppliers using environmental criteria. These criteria are established by the organisation to assess its suppliers and may cover various fields such as the use by suppliers of environment-friendly fuels, including biodiesel, to achieve reductions in greenhouse gas emissions. Once the criteria used by the organisation to screen its suppliers have been established, they must be disclosed in the sustainability report. For example, the organisation's assessment of suppliers with a significant environmental impact and, consequently, with whom improvements have been made and those with whom contractual relationships have been terminated due to serious failures in environmental protection.	**Not applied** **308-1** New suppliers screened using environmental criteria. **308-2** Negative environmental impacts in the supply chain and actions taken. *METLAC does not report on these indicators although it considers the topic of responsible procurement to be of utmost importance.* *As set out in section 7.5 Value Chain, possible actions are still being considered.*

GRI 401: Employment

Addresses the topic of "employment". This includes the organisation's approach to employment or job creation, i.e., the organisation's approach to staff recruitment, selection and retention and related practices, as well as the working conditions it offers. This GRI also covers employment and working conditions in the organisation's supply chain.

Applied

401-1 New employee hires and employee turnover i.e., total number and percentage of new employees hired during the reporting period, by age, gender and region, total number and percentage of employee turnover during the reporting period, by age, gender and region.

The company monitors this indicator[23] by differentiating number of hires, age, gender, turnover. An analysis of employment and working conditions in the supply chain has not yet been implemented.

401-3 Parental leave i.e., total number of employees who were entitled to parental leave, who took parental leave, who returned to work at the end of the leave, in the reporting period, subdivided by gender, etc.

With regard to parental leave, METLAC applies the criterion set out in the national contract, for all companies in the Group. As a result, 100% of the workforce are entitled to parental leave.

Not applied

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees i.e., benefits that are standard for full-time employees of the organisation and that are not provided to temporary or part-time employees.

This indicator is not reported as it is not applicable. In the interests of process optimisation, the organisation favours stabilisation of staff on open-ended contracts.

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[23] **Reference indicator in chapter 8 ESG Reporting, Figure 22, Recruitment of new employees, u.m. [no.].**

GRI 402: Labour/Management Relations

Addresses the topic of 'relations' between workers and management. This includes the organisation's practices as regards consultation with the employees and their representatives, including the organisation's approach to communicating significant operational changes.

Not applied

402-1 Minimum notice periods regarding operational changes i.e., minimum number of weeks' notice generally given to employees and their representatives prior to implementation of significant operational changes that could substantially affect them, if the notice period and arrangements for consultation and negotiation are specified in the agreements.

This indicator is not reported. With regard to contractual questions including notice, METLAC applies the indications of the CCNL resulting from collective bargaining in the sector.

GRI 403: Occupational Health and Safety

A global reporting standard emphasising 'prevention' measures in health and safety, aligned with key tools and the latest management trends in occupational health & safety.

Applied

403-8/9/10 N° of employees covered by the Occupational Health Management System (GRI ref. 403-8), Work-related injuries, by date and if with serious consequences (GRI ref. 403-9), Work-related ill health (GRI ref. 403-10).

These GRIs are reported[24].

403-1 Occupational health and safety management system. The extent to which the organisation must implement an occupational health and safety management system for employees because of legal requirements (with ref.), whether the system has been implemented based on recognised risk management and/or management system standards or guidelines, and providing a description of the scope of workers, activities and workplaces.

The topic is dealt with and managed in compliance with the Safety Management System for companies exposed to the risk of Major Incidents and as the company is ISO45001:2018 certified.

403-2 Hazard identification, risk assessment and incident investigation.

This is also managed through the analysis of risks and incidents and the implementation of corrective actions.

403-3 Occupational health services i.e., a description of the occupational health services' functions that contribute to the identification and elimination of hazards and minimisation of risks, and an explanation of how the organisation ensures the quality of these services and facilitates workers' access to them.

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[24] **Ref. indicators in chapter 8 ESG Reporting, Fig. 23 & 49 Work-related injuries and illnesses in 2020-2022, u.m. [no.].**

In accordance with the Major Incident Prevention Policy, the METLAC Group is committed to adopting and maintaining a safety management system proportionate to the hazards, the complexity of the organisation and its activities based on risk assessment.

403-4 Worker participation and consultation and communication on workplace health and safety. A description of the processes for worker participation and consultation in the development, implementation and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers. Where joint management-worker occupational health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority and whether and, if so, why any workers are not represented on these committees.

In this area, METLAC promotes the awareness of its internal and external stakeholders on incident prevention, in particular major incidents, the safeguarding of workers, through education, information, training and supervision, and through worker consultation and participation.

403-5 Worker training on occupational health and safety.

The organisation handles this issue as set out in GRI 403-4 above.

Not applied

403-6 Promotion of worker health i.e., a description of how the organisation facilitates access to non-occupational medical and healthcare services and the scope of access provided, of any voluntary health promotion services and programs offered to workers to address major non-work-related health risks, specifying which health risks are addressed and how the organisation facilitates workers' access to these services and programs.

The topic is not reported as it is not managed in a systemic manner and/or by implementing a program for activities, however, the company has organised various initiatives in support of workers' health, for example, the Covid19 vaccination campaign and membership of the industry private health insurance program.

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403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships i.e., a description of the approach taken to prevent or mitigate significant negative occupational health and safety impacts directly linked to the organisation's operations, products or services by its business relationships, and the related hazards and risks.
The METLAC Group does not use outsourced services and this GRI is not applicable.

GRI 404: Training and Education
Sets out reporting requirements on the topic of "training and education".

Applied
404-1 Average hours of training per capita expressed as hours of employee training, employee training by category, employee training by gender (ref. GRI 404-1)[25].
METLAC reports this GRI.
404-2 Programs for upgrading employee skills and transition assistance programs. Type and scope of programs implemented and assistance provided to upgrade employee skills, transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.
METLAC arranges internal training courses extended to all personnel (mandatory training) on health and safety issues, external training organised by accredited bodies for functions with roles of binding value, and adheres to training programs made available by trade associations (financed and not). More specifically, training consists of individual and group training courses on technical roles for personnel working at CERITEC (e.g., laboratory technicians and technical assistants). For the other Group companies, the areas are health, safety, environment, order and cleanliness (5s), quality, administration, IT and production on which to develop specific training courses or to improve soft skills (communication, teamwork, staff management, relations with external stakeholders).
The company also invests in talent development for production profiles to create new figures in positions of responsibility (e.g., shift-leader).

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[25] **Reference in chapter 8 ESG Reporting, Fig. 24-25 & 50-51 - Average training per capita, by gender and category (2022), u.m. [h-%].**

Not applied

404-3 Percentage of employees receiving regular performance and career development reviews i.e., percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.

This indicator is not accounted for.

GRI 405: Diversity and Equal Opportunity

Addresses the organisation's approach to "diversity" and equal opportunities at work.

When an organisation actively promotes diversity and equal opportunities at work, it can produce significant benefits for both the organisation and its workers. For instance, the organisation has access to a wider and more heterogeneous set of potential workers. These benefits also accrue to society at large, as greater equality promotes social stability and drives further economic development.

Applied

405-1 Diversity of Gender, Age and Classification among Employees, Number, Diversity of Gender and Age among Employees in the Governance Bodies.

This indicator is reported[26].

405-2 Ratio of Basic Salary and Remuneration of Women to Men.

Considering that the METLAC Group only employs male staff in its production units for reasons of safety and related risks, this indicator is reported only for the CERITEC and METLAC companies where both sexes are present[27].

GRI 410: Security Practices

Sets out reporting requirements on the topic of "security". This standard can be used by an organisation of any size, type, sector or geographic location that wishes to report on its impacts related to this topic.

Applied

410-1 Security Personnel trained in Human Rights.

METLAC Group reports on this indicator. All security personnel receive training on human rights.

GRI 413: Local Communities

Addresses the topic of "local communities". In the GRI Standards, local communities are defined as persons or groups of personsliving and/or working in any areas that are economically, socially or environmentally impacted (positively or negatively) by an organisation's operations. The local community can range from persons living adjacent to an organisation's operations to those living at a distance who are still likely to be impacted by its operations.

Applied

413-1 Operations with local community engagement, impact assessments and development programs i.e., percentage of operations with implemented local community engagement, impact assessments and/or development programs.

METLAC promotes cooperation programs with educational institutions (high schools and universities), for training, employment or consultancy purposes with PhD students/researchers on R&D projects. During the reporting period, there were two cases of degree theses resulting from the internships at the Bosco Marengo site of two female students enrolled on degree courses at, respectively, the University of Eastern Piedmont (UPO) and the University of Genoa,

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[26] Reference to indicators in paragraph 8 of the ESG Report, Figure. 26-27-28 & 52-53-54, Gender, Age and Classification Governance Bodies u.m. [various].

[27] Reference indicators in chapter 8 ESG Reporting, Fig. 29 - Ratio of Women's Salary to Men's Salary, u.m. [various].

and two partnership projects, the first in collaboration with the Volta High School in Alessandria for the development of a 50% BIO-based polyester resin and the second, with the UPO University, for the optimisation of coatings based on E-Beam cross-linking technology[28]*.*

Not applied

413-2 Operations with significant actual and potential negative impacts on local communities, identifying the location of the operations, the significant actual and potential negative impacts of such operations.

The organisation does not report on this topic.

GRI 414: Supplier Social Assessment

An organisation may be involved in impacts through its own operations or as a consequence of its business relationships with third parties. An organisation is required to prevent and mitigate negative social impacts on the supply chain (e.g., impacts caused or those to which the organisation contributes, or impacts that are directly related to its operations, products or services through its relationship with a supplier).

Not applied

414-1 New suppliers that were screened using social criteria for which topics may be employment, health and safety, child labour, etc.

414-2 Negative social impacts in the supply chain and actions taken. This means, number of suppliers screened for potential and actual negative social impacts, percentage of suppliers with identified potential and actual negative social impacts with whom improvements were agreed upon as a result of assessment, percentage of suppliers identified as having significant negative social impacts with whom relationships were terminated as a result of assessment.

The organisation does not report on these indicators.

[28] Reference indicators in chapter 8 ESG Reporting, Fig. 30 - Operations involving the local community, u.m. [no.].

Chapter 7

ASSESSMENT

June 2023

7.1 ESG Assessment

ESG assessment (Environmental, Social and Governance) enables the METLAC Group to evaluate, by means of a computerised web tool[29], its propensity for sustainability by analysing its environmental, social and governance impacts.

Environmental, social and governance factors comprise a set of parameters that can influence the METLAC Group's performance as potential company strengths and weaknesses.

[29] **The web tool based on the Ecomate platform was provided by Certiquality and permits self-analysis on the ESG factors through simple compilation of online questionnaires.**

Sample image taken from the software, referring to the web tool dashboard

7.2 Impacts, risks, opportunities

This **first Report** enabled the METLAC Group to analyse, measure and report on its impacts by highlighting risks and opportunities.

The rating obtained is 46/100 (ref. Category E, Topics 1, Questions 6, Compliance 11), while the average result obtained by other user companies is 57/100 (Italy), Corporate Class 67/100, Sector 61/100, Competitors 61/100. The resulting notes are as follows:

→ **One identified weakness**

→ **Three implementable improvements**

More in detail, the **weakness** relates to the absence, to date, of a *Sustainability Report*. In the European 2030 framework, even small companies will have to justify their impacts on society, the environment and the economy, whether negative or positive (ref. SDG 9, SDG 12).

The state of the art is that the Sustainability Report will be published by June 2023 and thereafter on an annual basis.

With regard to the **improvements**:

Circularity monitoring The already active process of circularity monitoring within the organization has allowed the creation of the foundations on which to develop a transition plan to a circular business model, (ref. ISO 14001, ISO 50001, SDG 7, SDG 9, SDG 12, Legislative Decree 231/2001).

Environmental Footprint The METLAC Group is calculating the environmental, carbon and water footprint of its products and organisation in accordance with international guidelines, but without validation of its calculations by an accredited third party (ref. SDG 12, SDG 13, SDG 14, SDG 15).

Risk assessment The METLAC Group conducts structured risk assessments with a view to introducing measures for the mitigation or elimination of risks, however, it would be appropriate for these processes to be compliant with the ISO 31000:2018 standard (SDG 5, SDG 8, SDG 9, SDG 12).

Comment *The suggested improvements are recorded in this document and will be considered and possibly implemented at a later date.*

7.3 Sustainable management models

The **second Report** enables the METLAC Group to define and implement sustainable management models.

The rating obtained is 52/100 (ref. Category E, Topics 0, Questions 11, Compliance 9), while the average result obtained by other user companies is 57/100 (Italy), Corporate Class 67/100, Sector 61/100, Competitors 61/100. The resulting notes are as follows:

→ **One identified weakness**

→ **Four implementable improvements**

The **weakness** relates to *the absence of ISO 50001 certification* for energy management (ref. SDG 8). ***The METLAC Group carries out regular energy audits, the first step towards an energy management system, but as it is not classified as an "energy-intensive" company, it does not currently consider application for this type of certification to be of strategic importance.***

The implementable **improvements** would be:

Anti-corruption tools The company is sensitive to anti-corruption issues and is trying to adopt specific new anti-corruption tools by investing in technology and innovation (ref. SDG 16, Par.6.3 GRI 205-1 GRI 205-2).

Protection of human rights by expanding the scope of social responsibility through SA 8000 certification and ISO 26000 guidelines (ref. SDG 7, SDG 12).

Inclusive policies The company is sensitive to this issue, however, it has not yet taken a systemic approach to the adoption of policies and measures to include gender equity in its policies (ref. SDG 5).

EU GDPR Regulation EU Regulation 2016/679, known as the GDPR (General Data Protection Regulation), is concerned with the protection of natural persons as regards the processing and free circulation of their personal data. The regulation has been implemented although the possibility of obtaining ISO/IEC 27001 certification for information security management should be investigated (ref. SDG 9).

Comment ***With regard to the suggested improvements, the METLAC Group will assess possible scope for action at a later stage.***

7.4 Impact reduction targets

The **third Report** presented here allows the METLAC Group to set impact-reduction targets.

The rating obtained is 67/100 (ref. Category S, Topics 0, Questions 7, Compliance 16), while the average result obtained by other user companies is 64/100 (Italy), Corporate Class 67/100, Sector 61/100, Competitors 61/100. The resulting notes are as follows:

- → **Two identified weaknesses**
- → **One implementable improvement**
- → **Two criteria met**

More in detail, the **weaknesses** relate to:

Systemic analysis of corporate processes *The METLAC Group constantly introduces improvements in its corporate processes in response to internal and market needs. It should consider the regular review of processes by a person inside the organisation as a corporate strategy (ref. SDG 9).*

Enhancing research and development investment *The METLAC Group has always regarded research and product development as strategic, and promotes a "free by design" approach for its in-house staff from the product development stages to after-sales service at customers' production sites.*

The implementable **improvement** refers to:

ESG criteria The company has applied the ESG criteria and should now align itself with the European taxonomy, which translates into an analysis of risks and opportunities related to ESG criteria. Compliance with technical criteria and DNSH (Do No Significant Harm) can be carried out by an accredited external body (ref. SDG 7, SDG 8, SDG 12, SDG 15).

Comment *The weaknesses and improvements will be considered at a later stage.*

7.5 Value chain

The **fourth Report** refers to responsible management of business impacts along the entire value chain.

The rating obtained is 28/100 (ref. Category S, Topics 0, Questions 6, Compliance 13), while the average result obtained by other user companies is 64/100 (Italy), Corporate Class 67/100, Sector 61/100, Competitors 61/100. The resulting notes are as follows:

→ **Four identified weaknesses**

→ **Two implementable improvements**

In detail, the **weaknesses** relate to:

Value chain sustainability The organisation has not yet analysed the extent to which actors along the value chain have adopted good sustainability practices (ref. SDG 12).

Supply chain environmental impact Seek to extend the sustainability assessment to more advanced environmental impact topics (circularity of processes and products, environmental footprint), and to broaden the scope to include social responsibility, preventing possible image and reputational damage to the company if suppliers were found to be non-compliant. Then implement a social responsibility management system compliant with SA8000 or ISO 26000 (ref. Par.6.3 GRI 308-1, GRI 308-2).

Business continuity management The company has begun to focus on the financial reliability of its customers, however, in order to progressively increase its resilience, it needs to equip itself with tools that, starting from risk assessment, progressively lead to the definition and management of a Business Continuity Plan. Notable tools are the ISO 22301 standard on business continuity management and the ISO 31000 standard on risk management guidelines.

Supply chain circularity management While suppliers are screened with some circularity criteria, systematic circularity management should be implemented with respect to the supply chain. Assessments may be carried out by third-party organisations (ref. SDG 12).

This last topic provides an opportunity for **improvement**:

Draw up a supplier code of conduct The code of conduct is a document setting out the basic elements to ensure sustainable conduct and management. By establishing a policy that sets minimum sustainability requirements for suppliers and other actors in the supply chain, the organisation communicates its position clearly and transparently, both internally and externally. For example, a clear understanding of suppliers' capabilities and performance levels enables better planning of new products and services and reductions in supply chain costs of 9-16%.

Comment *The topic raised in this report relates to the value chain, supply chain and related impacts. The METLAC Group considers the topic to be of great interest even if difficult to achieve due to the difficulties of the stakeholder engagement process. Evaluations are underway that will lead to appropriate action plans in the near future.*

7.6 ESG assessment summary

	Weaknesses	Improvements	Analysis
Impacts, risks, opportunities	Lack of a sustainability report		The Sustainability Report will be published by June 2023
		• Circularity monitoring • Environmental footprint • Risk assessment	The suggested improvements are detailed in this report and will be considered and possibly implemented at a later date
Sustainable management models	Lack of energy management certification		The METLAC Group carries out regular energy diagnoses despite not belonging to the category of “energy-intensive” companies. Undertaking ISO 50001 certification is not currently considered of strategic importance
		• Anti-corruption policies • Protection of human rights • Inclusive policies • GDPR regulation	With regard to the suggested improvements, the METLAC Group will assess possible scope for action at a later stage
Impact reduction targets	Lack of systemic analysis of business processes		The METLAC Group is constantly introducing process improvements in response to its own or market requirements. It will evaluate the possible introduction of systemic analysis in the future
		Alignment with the European Taxonomy	This topic will be analysed at a later date
Value chain	Lack of sustainability assessment		Of interest: some ongoing actions Difficulties experienced in stakeholder engagement
	Lack of business continuity management	Possibility of implementing a supplier code of conduct	The METLAC Group will assess possible scope for action at a later stage

Chapter 8

ESG REPORTING

June 2023

8 ESG Reporting

Using the software developed on the SAP "ESG data entry and ESG reporting" platform, the METLAC Group collects, monitors and discloses information on sustainability, expressed with ESG indicators. Disclosure within the organisation and with third parties is through an effective integrated reporting system. This offers several advantages: centralised ESG data management in a single database, availability of a comprehensive and concise account of the organisation's sustainability, availability of a database on which to draw up the Sustainability Report.

Significant indicators for the Bosco Marengo site and the Cava De' Tirreni site are presented below.

Bosco Marengo site

Governance, Operations, Supply Chain and Circularity topics

Figure 1. Productivity in 2022, calculated as the ratio of output to available hours worked

STDMTL-3 » Finished Product over Hours Worked

in T/h, h and others

0.57 T/h

Productivity (T/h)

Hours worked by direct employees (h)	**98,158 h**
Finished Product Output (T)	**56,439.72 T**
Finished and semi-finished product (T)	**68,257.26 T**

Figure 2. Monthly productivity distribution in 2022

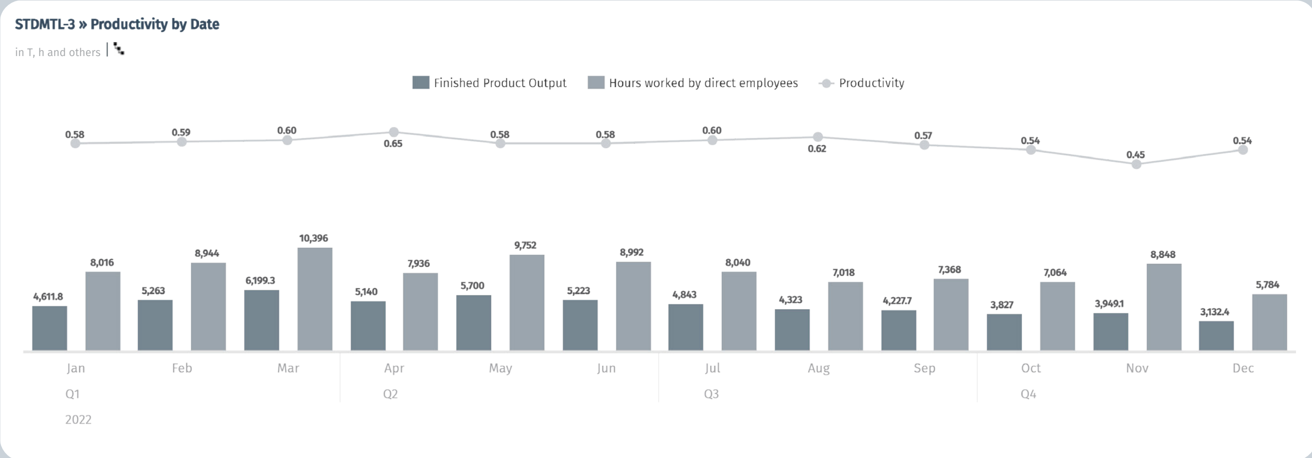


Figure 3. EBDTA, Direct Economic Value Generated, Economic Value Distributed, Economic Value Retained in 2022

GRI 201-1 » EBITDA

in Thousand EUR

€49,550.01 Thousand

Operating Profit (EBITDA)

GRI 201-2 » Economic Value Distributed

in thousands of EUR

€ 234,692 thousand

GRI 201-2 » Direct Economic Value Generated

in thousands of EUR

€ 266,764 thousand

GRI 201-2 » Economic Value Retained

in thousands of EUR

€ 32,072 thousand

Figure 4. Total monetary value of financial assistance received from the government in 2022

GRI 201-4 » Financial assistance received from government

€ 878,935

Figure 5. Complaints and distribution of complaints in 2022

GRI 103-2 » Number and Value of Complaints

in --, EUR

79
Number of Complaints

€662,060.00
Value of Complaints (EUR)

GRI 103-2 » Complaints by Date

in EUR, --

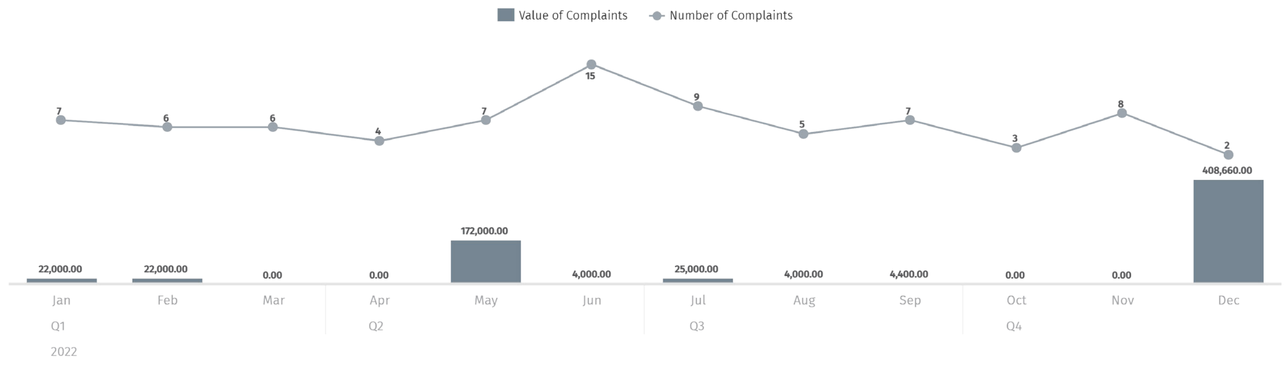


Figure 6. METLAC Group entry-level wage versus local average wage (2022)
The difference is 26% in favour of the METLAC Group.

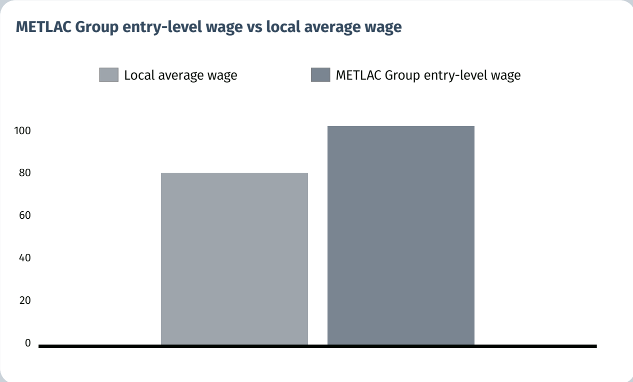


Figure 7. Percentage of senior management recruited from the local community (2022)

GRI 202-2 » Percentage of senior executives hired from the local community

60%

Figure 8. Distribution of expenditure to local suppliers (2022)

GRI 204-1 » Proportion of Spending on Local Suppliers

in EUR

€218,898,449
Total Spending on Suppliers

Spending on Italian Suppliers	€131,023,542
Spending on UE Suppliers	€70,389,515
Spending on non-UE Suppliers	€17,485,392

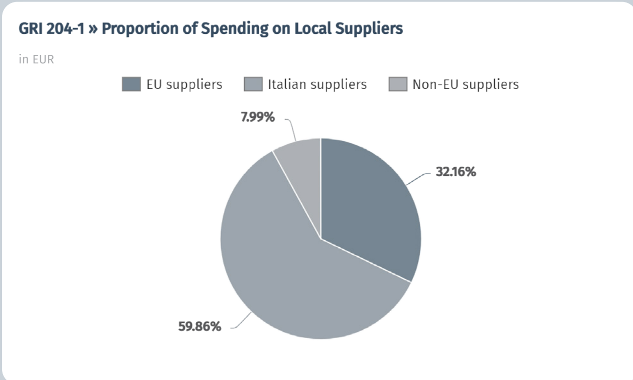


Figure 9. Materials used for production and marketing, recovered products in 2022

GRI 301-1 » Weight of materials used for production and packaging

62,781 T
Total weight of materials used

Weight of renewable materials	2,076 T
Weight of non-renewable materials	60,705 T

GRI 301-3 » Circularity of Materials

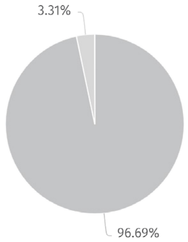
3,140 T
Weight of recovered and regenerated products

Unsuitable products recovered	717 T
Obsolete products recovered	619 T
Returned products recovered	1,804 T

Figure 10. Percentage of renewable materials, percentage of recovered materials in 2022

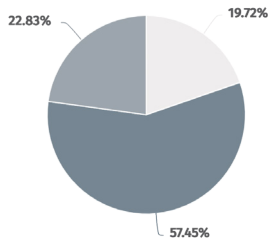
GRI 301-1 » Circularity of Materials

in T



GRI 301-3 » Circularity of Materials

in T



Environmental topics, energy, water, waste, emissions

Figure 11. Total energy consumed in 2022, energy intensity

GRI 302-1 » Total Energy Consumed within the Organisation

in kWh

13,639,366 kWh

GRI 302-3 » Energy Intensity within Organisation

in kWh/T, kWh and others

241.66 kWh/T

Total Energy Consumed within the Org. (kWh)	**13,639,366 kWh**
Finished Product Output (T)	**56,440 T**

Figure 12. Total energy consumption curve 2020-2022

GRI 302-1 » Total Energy Consumed by Date

in Thousand kWh

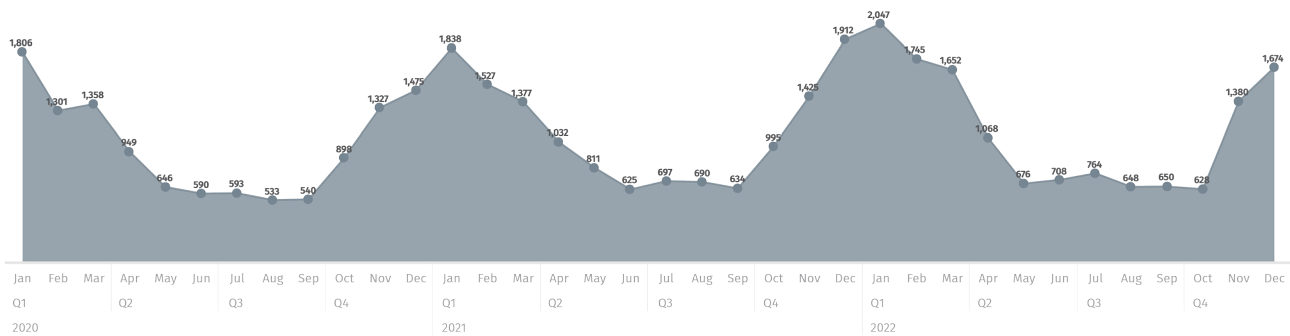


Figure 13. Energy intensity curve 2020-2022

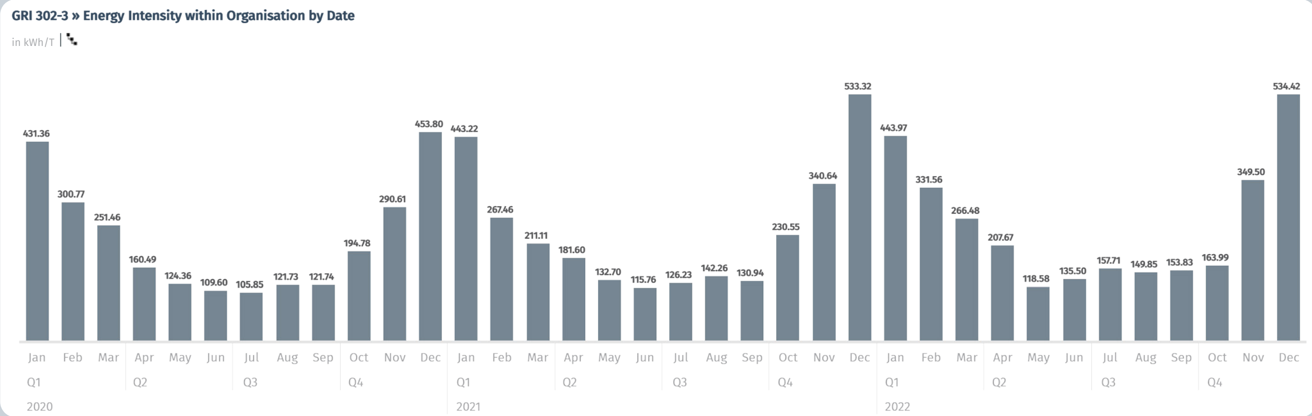


Figure 14. Water withdrawal, corresponding to consumption and discharge in 2022

GRI 303-3 » Total Water Withdrawal

in L

21,456,000 L

Fresh water withdrawal	12,621,000 L
Groundwater abstraction	8,835,000 L

GRI 303-4 » Total Water Discharge

in L

914,000 L

Figure 15: Water withdrawal curve 2020-2022

Groundwater abstraction, for technological and irrigation purposes, has been measured since January 2022

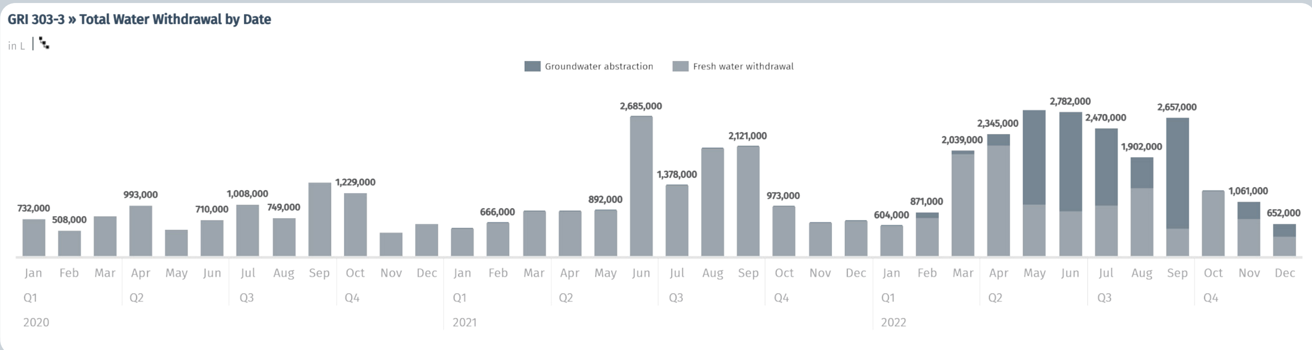


Figure 16. Ratio of GHG emissions Scope 1 + Scope 2 and production, direct GHG emissions (Scope 1) and indirect GHG emissions (Scope 2), ratio of direct GHG emissions (Scope 1) to indirect GHG emissions (Scope 2), in 2022

GRI 305-4 » Ratio between Total GHG Emissions and Finished Product

0.075

Total GHG Emissions (T)	4,219 T
Finished Product Output (T)	56,440 T

GRI 305-1/2 » Total Direct and Indirect Emissions

2,065 T
Direct Emissions

2,154 T
Indirect Emissions

GRI 305-1/2 » Total Emissions by Type

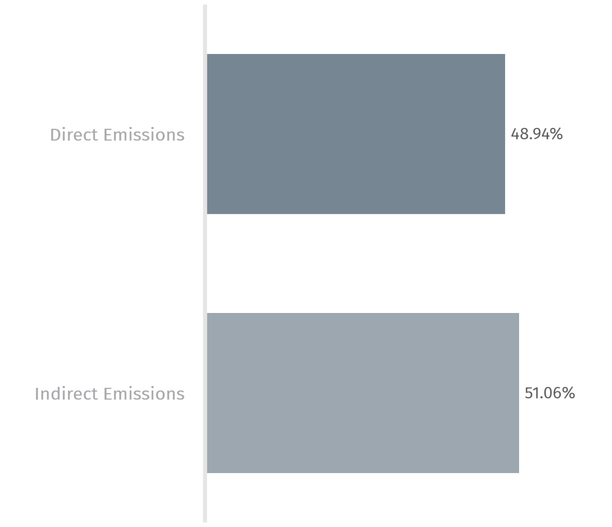


Figure 17. Total direct and indirect emissions curve 2020-2022

GRI 305-1/2 » Total Direct and Indirect Emissions by Date

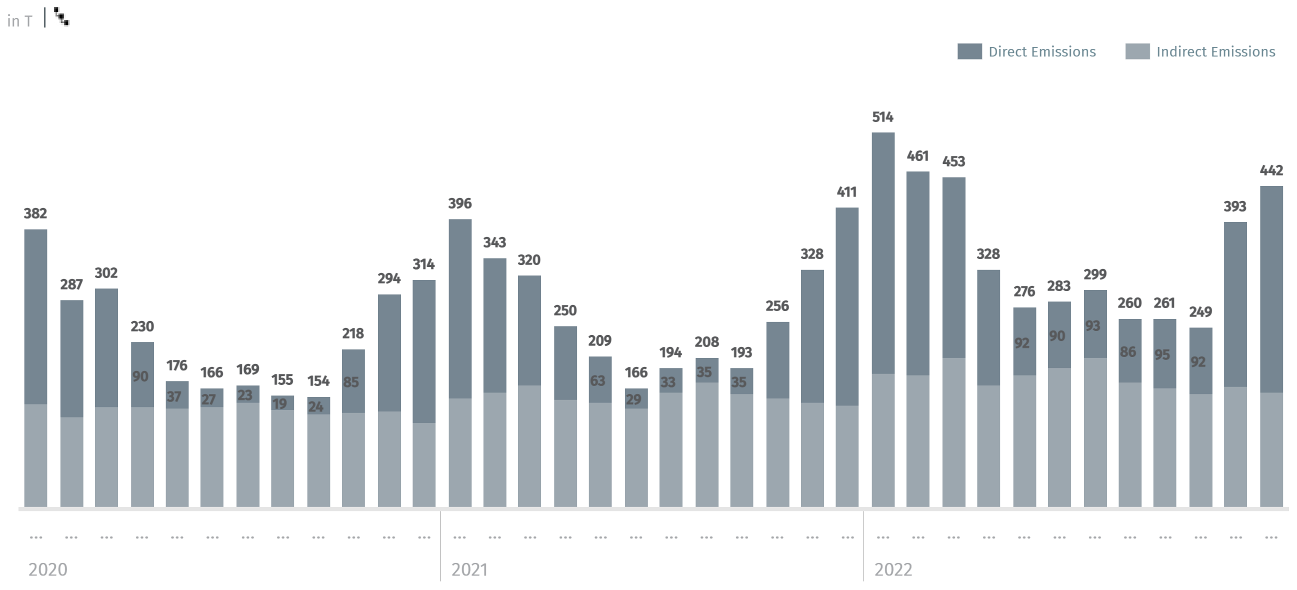


Figure 18. Waste, Waste generation in 2022

GRI 306-3 » Total Waste

in T

2,735 T

Total weight of Waste

Weight of Hazardous Waste	2,401 T
Weight of Non-Hazardous Waste	334 T

Figure 19. Ratio of waste generated to domestic production, percentage of waste recovery and disposal, percentage of hazardous waste directed to landfill 2020-2022

GRI 306-4/5 » Percentages of Recovered Waste and Waste for Disposal

88%

% Recovered waste

10%

% Waste for Disposal

Weight of recovered waste (T)	7,184 T
Weight of waste for disposal (T)	832 T
Total weight of Waste (T)	8,153 T

Ratio between Hazardous Waste and Finished Product

0.046

Ratio between Generated Waste and Finished Product

0.040

Ratio between Hazardous Waste and Finished Product

Finished Product Output (T)	174,556 T

GRI 306-5 » Hazardous Waste directed to Landfill

in %, Tonne

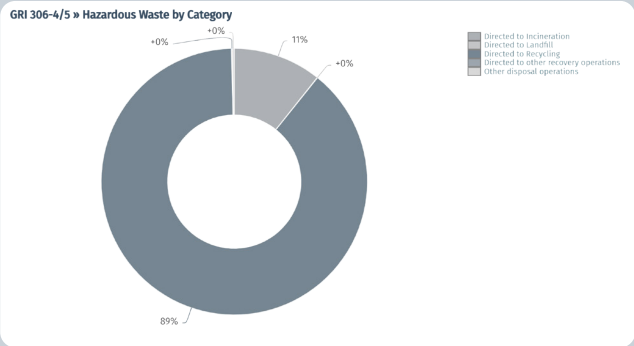
0.032%

% Hazardous Waste directed to Landfill

Hazardous Waste directed to Landfill (Tonne)	2.21 Tonne
Weight of Hazardous Waste (Tonne)	6,923 Tonne

Figure 20. Destination of hazardous and non-hazardous waste 2020-2022

The percentage of hazardous waste directed incineration is 11%, for non-hazardous waste it is 7%



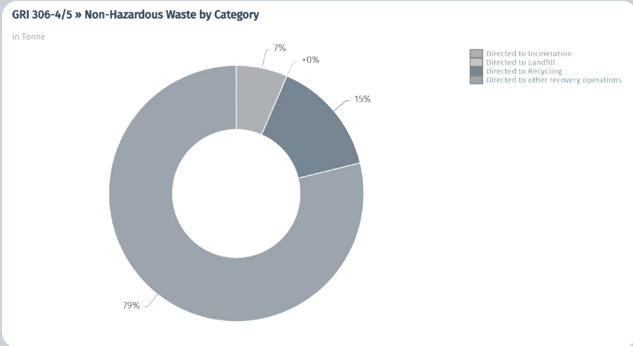


Figure 21. Waste management curve 2020-2022, waste directed to disposal and diverted from disposal, indicating the recovery percentage

Waste directed to landfill is 0.032%,
(for hazardous waste only) it is 11%, for non-hazardous waste it is 7%

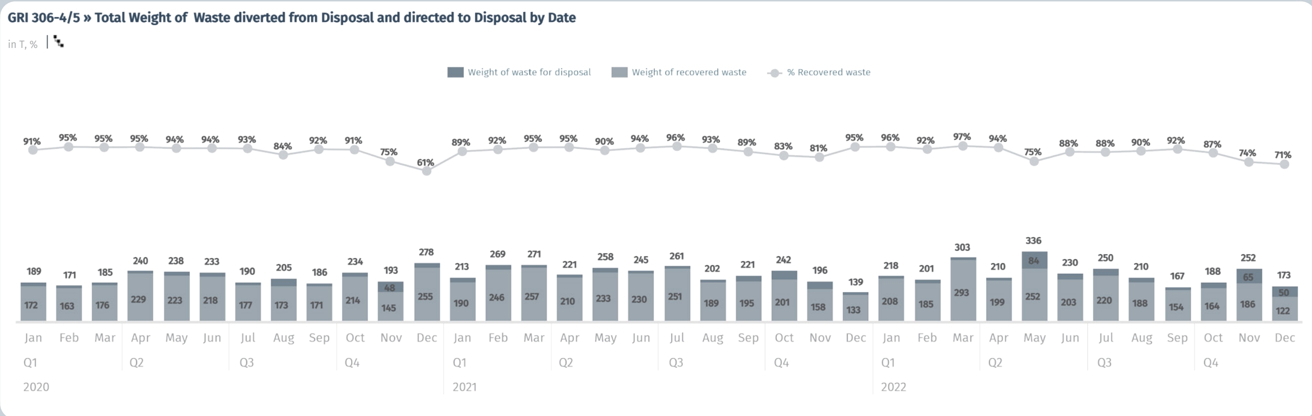
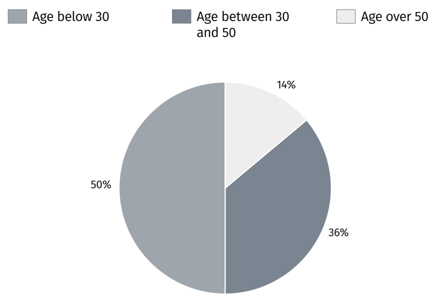


Figure 22. Hires by age and gender (2022).
The number of new hires is 14, of which 99% from local resources.

GRI 401-1 » New hires by age



GRI 401-1 » New hires by gender

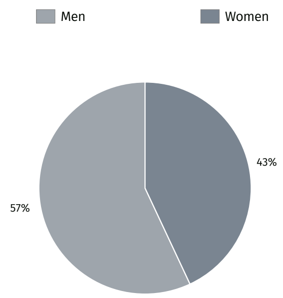


Figure 23. Work-related injuries and ill heath 2020-2022

GRI 403-9 » High-consequence work-related injuries

1
High-consequence work-related injuries

3.50
High-consequence work-related injury rate (excluding fatalities)

3.50
Recordable work-related injury rate

0
Fatalities resulting from work-related injuries

GRI 403-10 » Work-related ill health

0
Recordable cases of work related ill health

0.00
Rate of fatalities as a result of work-related ill health

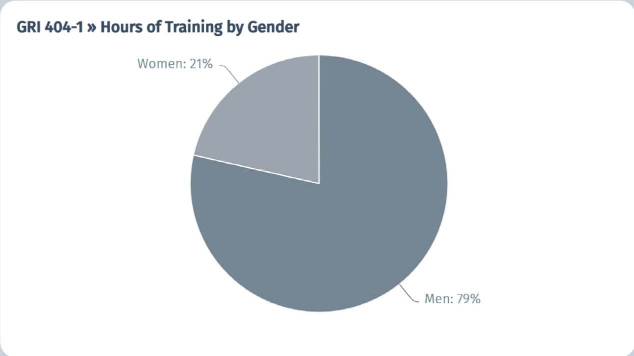
0
Fatalities as a result of work-related ill health

Figure 24. Average training per capita, distributed by gender and category in 2022

GRI 404-1 » Avarage Hours of Training per Employee

15.8 h

Hours of Training (h)	2,884 h
Total Employees	185



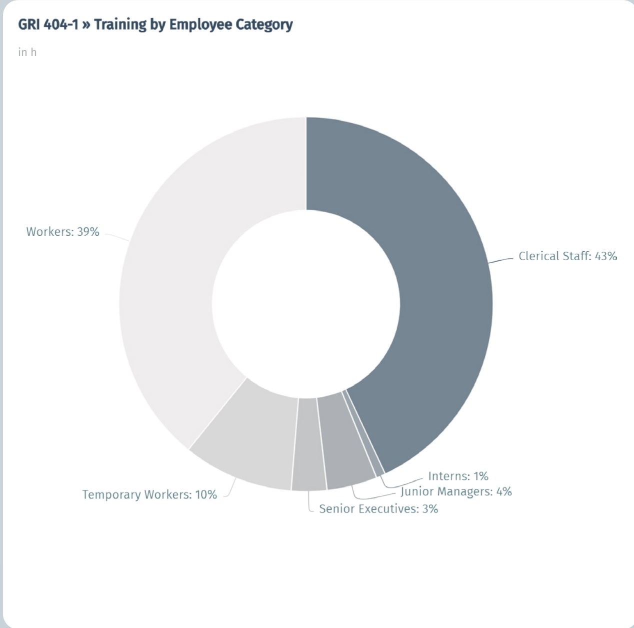


Figure 25. Distribution of training 2020-2022

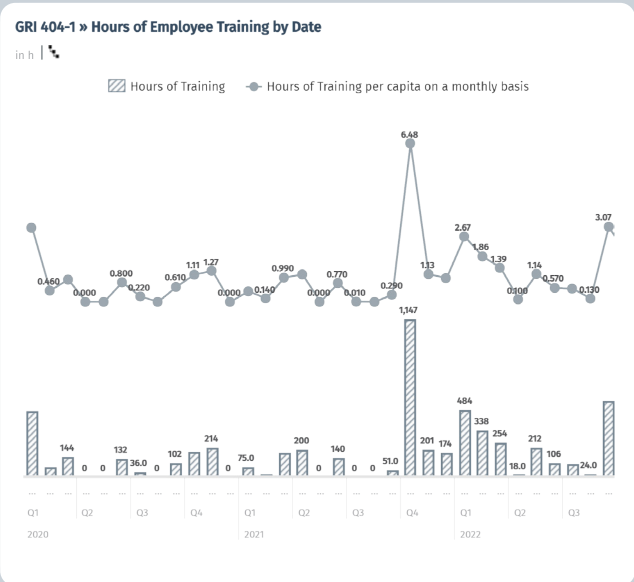


Figure 26. Gender diversity in 2022

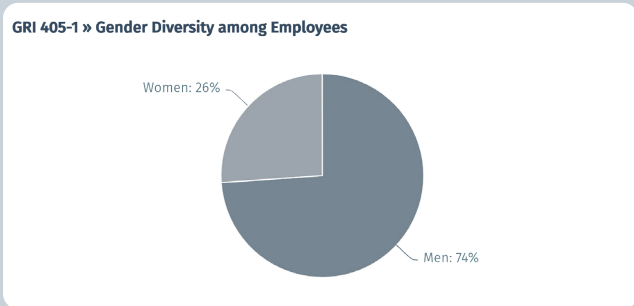
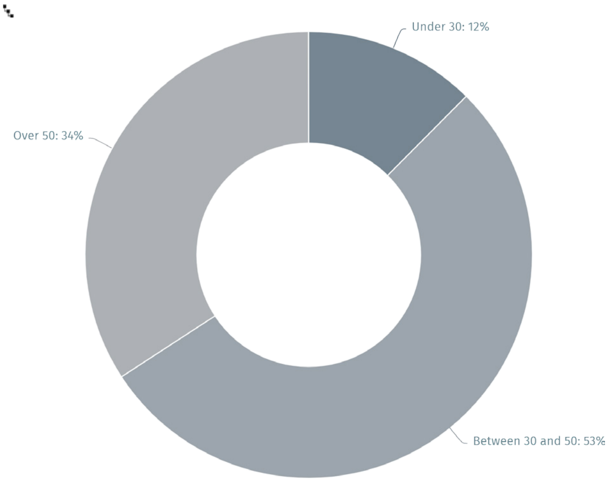


Figure 27. Diversity by age and classification (2022)

GRI 405-1 » Employees by Age Group



GRI 405-1 » Employees by Category

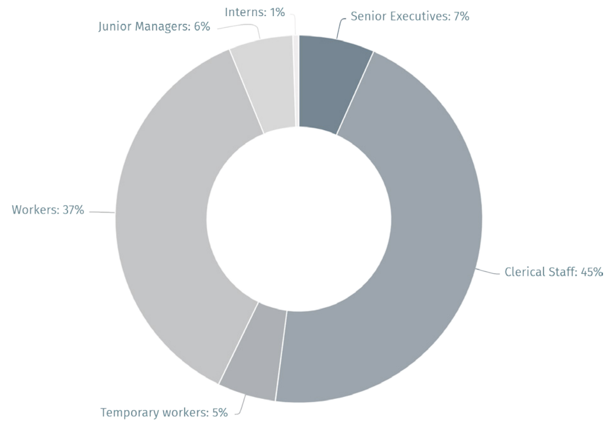


Figure 28. Employees in governance bodies, diversity by gender and age in 2022

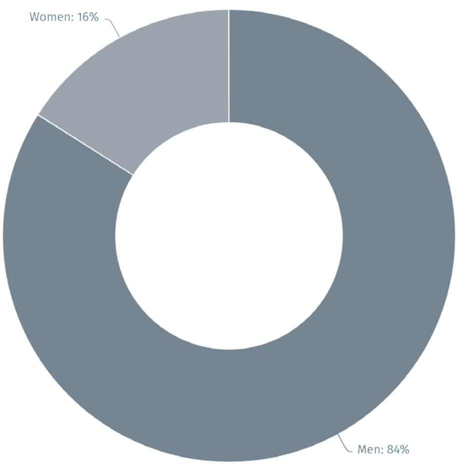
GRI 405-1 » Employees in Governance Bodies

25

Total Employees in Governance Bodies

Women in Governance Bodies	4
Men in Governance Bodies	21

GRI 405-1 » Gender Diversity of Governance Bodies



GRI 405-1 » Age Diversity of Governance Bodies

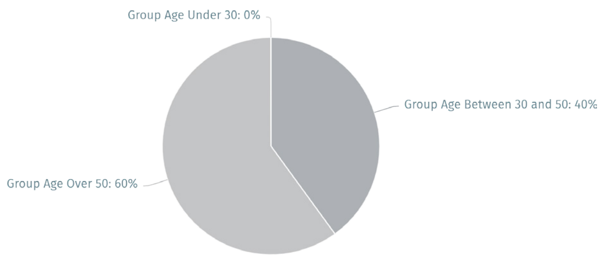


Figure 29. Average remuneration Women versus Men in 2022.
The average wage for women is 21% lower than the wage for men.

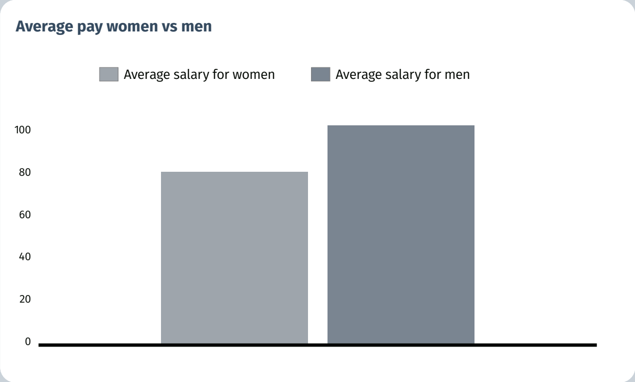
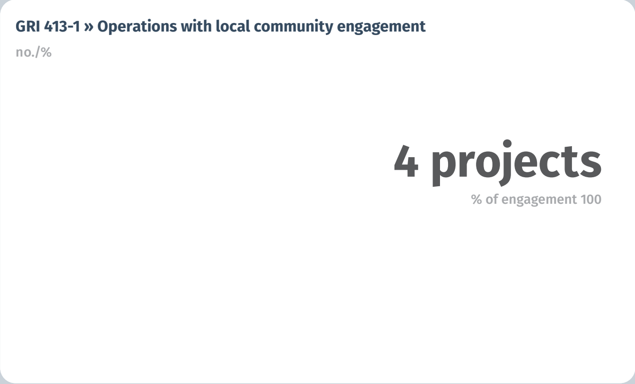


Figure 30. Operations with local community engagement for R&D purposes in 2022



Governance, Operations, Supply Chain and Circularity topics

Figure 31. Productivity in 2022, calculated as the ratio of output to available hours worked

STDMTL-3 » Finished Product over Hours Worked

in T/h, h and others

0.02 T/h

Productivity (T/h)

Hours worked by direct employees (h)	28,081 h
Finished Product Output (T)	479.86 T
Finished and semi-finished product (T)	691.24 T

Figure 32. Monthly productivity distribution 2022

Figure 33. EBDTA and complaints in 2022

GRI 201-1 » EBITDA

in Thousand EUR

€774.96 Thousand
Operating Profit (EBITDA)

GRI 103-2 » Number and Value of Complaints

in --, EUR

4
Number of Complaints

€0.00
Value of Complaints (EUR)

Figure 34. Distribution of complaints in 2022

GRI 103-2 » Complaints by Date

in EUR, --

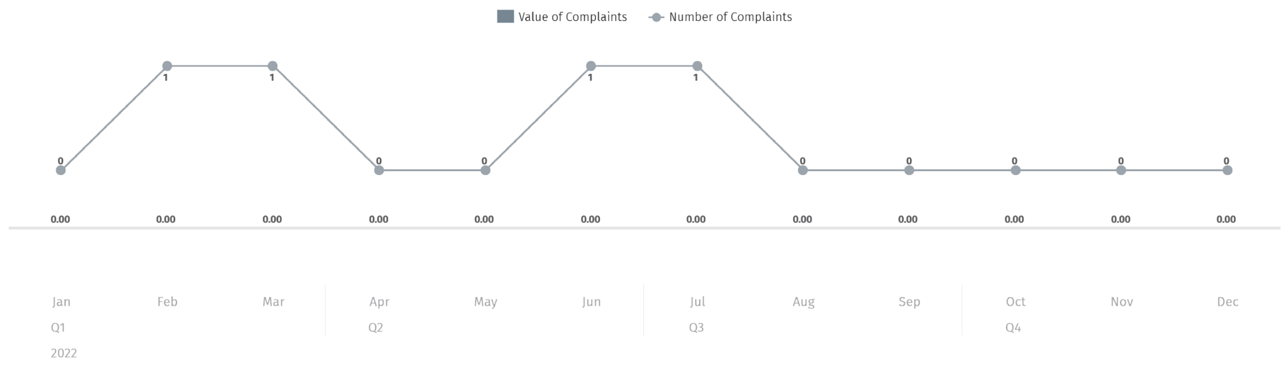


Figure 35. Distribution of expenditure to local suppliers in 2022

GRI 204-1 » Proportion of Spending on Local Suppliers

in EUR

€6,388,754
Total Spending on Suppliers

Spending on Italian Suppliers	€3,704,187
Spending on UE Suppliers	€2,673,030
Spending on non-UE Suppliers	€11,537

GRI 204-1 » Proportion of Spending on Local Suppliers

in EUR

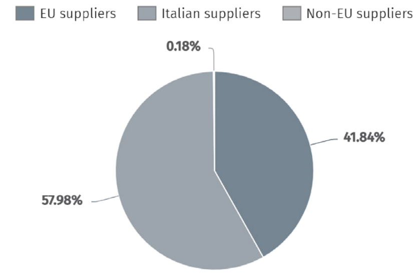


Figure 36. Materials used for production and marketing, products recovered in 2022

GRI 301-1 » Weight of materials used for production and packaging

569 T

Total weight of materials used

Weight of renewable materials	23.1 T
Weight of non-renewable materials	546 T

GRI 301-3 » Circularity of Materials

3.18 T

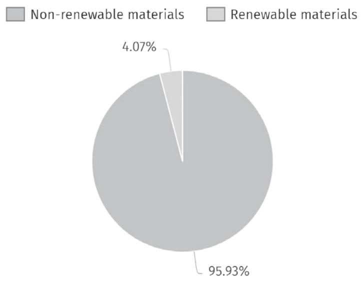
Weight of recovered and regenerated products

Unsuitable products recovered	0.000 T
Obsolete products recovered	1.79 T
Returned products recovered	1.39 T

Figure 37. Percentage of renewable materials, percentage of materials recovered in 2022

GRI 301-1 » Circularity of Materials

in T



GRI 301-3 » Circularity of Materials

in T

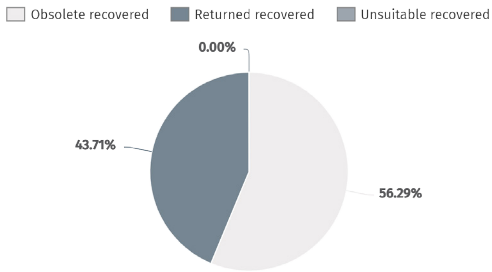


Figure 38. Total energy consumed in 2022, energy intensity

GRI 302-1 » Total Energy Consumed within the Organisation

in kWh

546,323 kWh

GRI 302-3 » Energy Intensity within Organisation

in kWh/T, kWh and others

1,138.50 kWh/T

Total Energy Consumed within the Org. (kWh)	546,323 kWh
Finished Product Output (T)	480 T

Figure 39. Total energy consumption curve 2020-2022

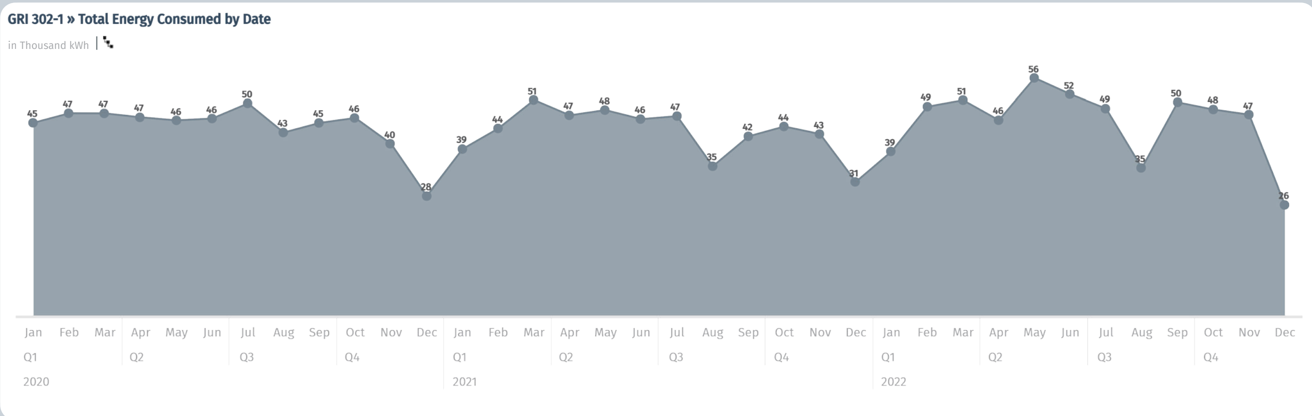


Figure 40. Energy intensity curve 2020-2022

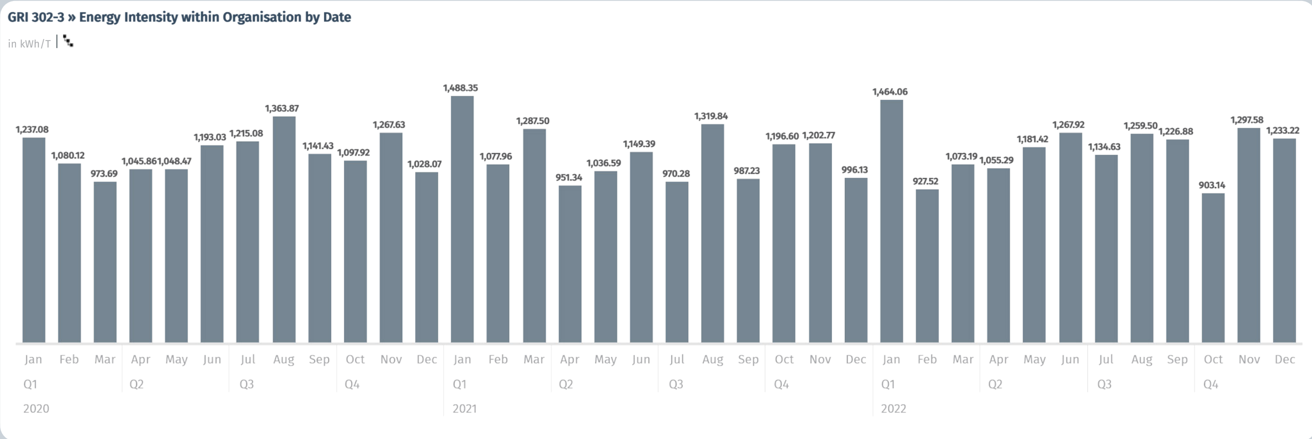


Figure 41. Water withdrawal, corresponding to consumption and discharge in 2022

GRI 303-3 » Total Water Withdrawal

in L

635,000 L

Fresh water withdrawal	635,000 L
Groundwater abstraction	0 L

GRI 303-5 » Total Water Consumption

in L

0 L

Figure 42. Water withdrawal curve for the year 2022
Groundwater abstraction, for technological and irrigation purposes, has been measured since January 2022

Figure 43. Ratio of GHG emissions Scope 1 + Scope 2 and production, Direct (Scope 1) and indirect GHG emissions (Scope 2), Ratio of direct (Scope 1) to indirect (Scope 2) GHG emissions, in 2022

GRI 305-4 » Ratio between Total GHG Emissions and Finished Product

0.369

Total GHG Emissions (T)	177 T
Finished Product Output (T)	480 T

GRI 305-1/2 » Total Direct and Indirect Emissions

-
Direct Emissions

177 T
Indirect Emissions

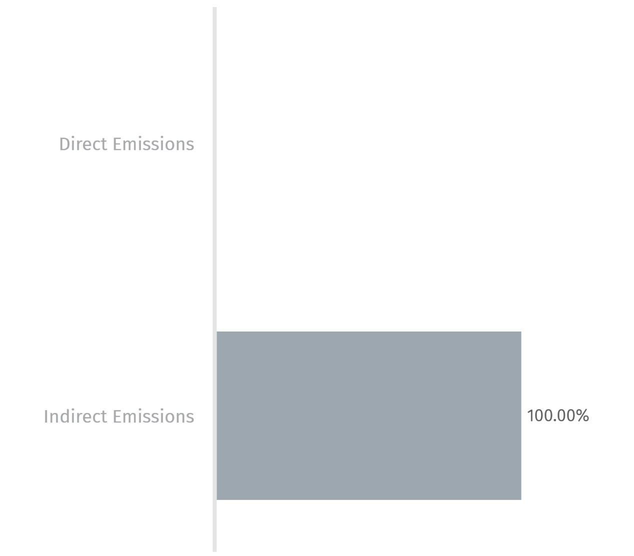


Figure 44. Total direct and indirect emissions curve 2020-2022

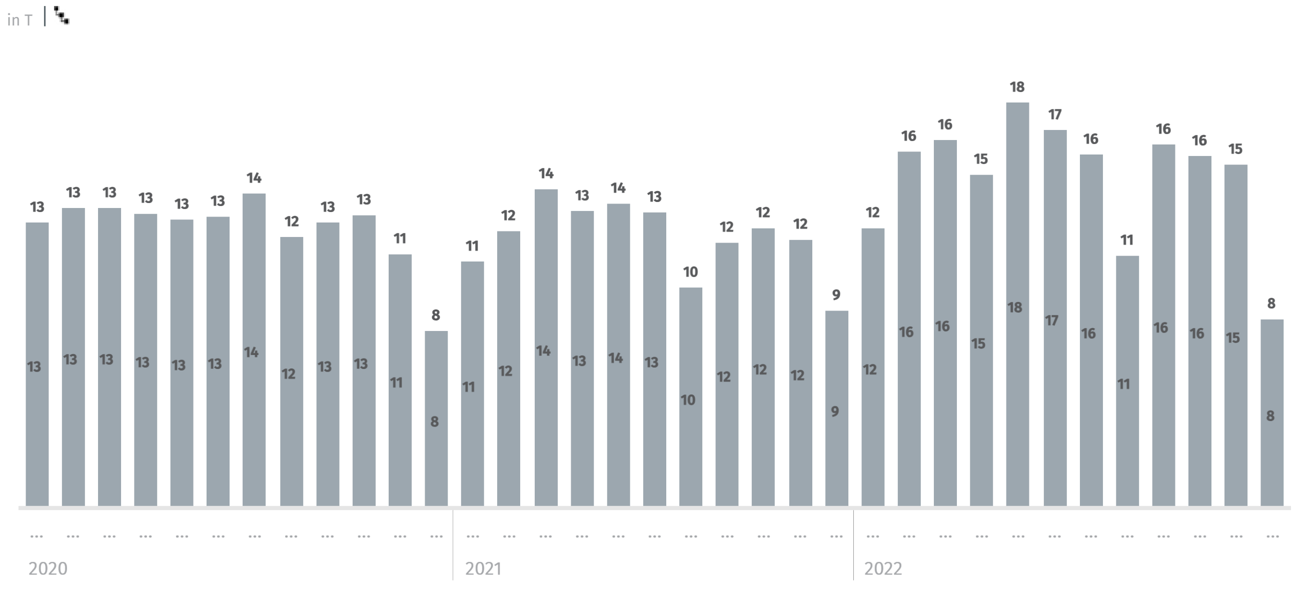


Figure 45. Waste: Waste generation in 2022

GRI 306-3 » Total Waste

in T

67 T

Total weight of Waste

Weight of Hazardous Waste	61 T
Weight of Non-Hazardous Waste	6 T

Figure 46. Ratio of waste generated to domestic production, percentage of waste recovery and disposal, percentage of hazardous waste directed to landfill – 2022

GRI 306-4/5 » Percentages of Recovered Waste and Waste for Disposal

81%

% Recovered waste

19%

% Waste for Disposal

Weight of recovered waste (T)	54 T
Weight of waste for disposal (T)	12 T
Total weight of Waste (T)	67 T

Ratio between Hazardous Waste and Finished Product

0.139

Ratio between Generated Waste and Finished Product

0.126

Ratio between Hazardous Waste and Finished Product

Finished Product Output (T)	480 T

GRI 306-5 » Hazardous Waste directed to Landfill

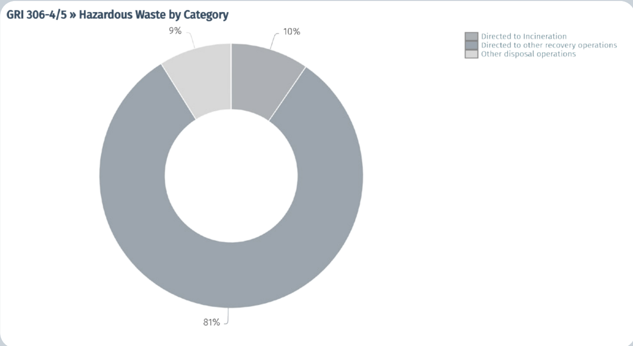
in %, T

0.000%

% Hazardous Waste directed to Landfill

Hazardous Waste directed to Landfill (T)	0.000 T
Weight of Hazardous Waste (T)	60.6 T

Figure 47. Destination of hazardous and non-hazardous waste in 2022
The percentage of hazardous waste directed incineration is 10%, for non-hazardous waste it is 6%



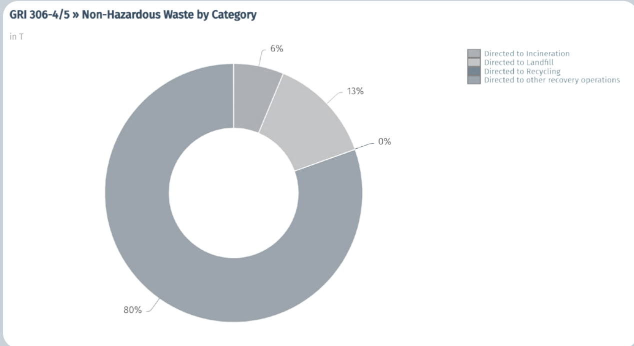
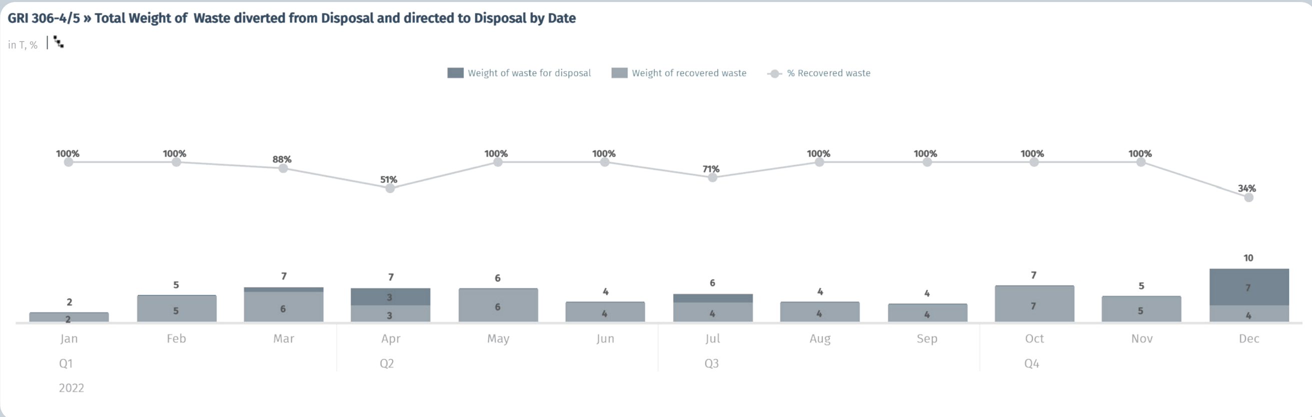


Figure 48. Waste management curve for 2022, waste disposed of and recovered, indicating the recovery percentage



Social topics, gender diversity and classification, training, health and safety

Figure 49. Work-related injuries and ill health in 2022

GRI 403-9 » High-consequence work-related injuries

0
High-consequence work-related injuries

0.00
High-consequence work-related injury rate (excluding fatalities)

0.00
Recordable work-related injury rate

0
Fatalities resulting from work-related injuries

GRI 403-10 » Work-related ill health

0
Recordable cases of work related ill health

0.00
Rate of fatalities as a result of work-related ill health

0
Fatalities as a result of work-related ill health

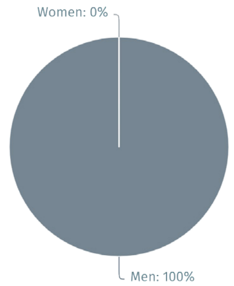
Figure 50. Average training per capita, distributed by gender and category in 2022

GRI 404-1 » Avarage Hours of Training per Employee

3.13 h

Hours of Training (h)	64.8 h
Total Employees	20.0

GRI 404-1 » Hours of Training by Gender



GRI 404-1 » Training by Employee Category

in h

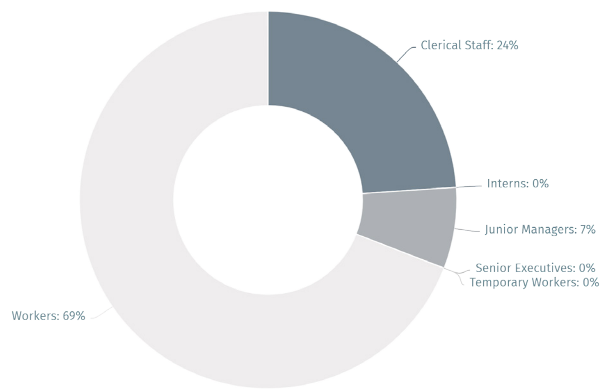


Figure 51. Distribution of training in 2022

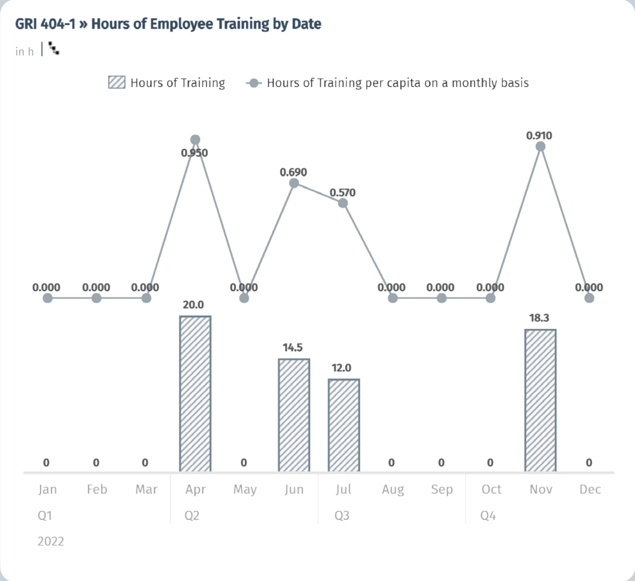


Figure 52. Gender diversity in 2022.

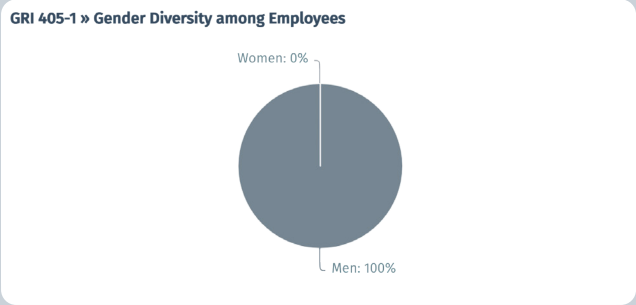
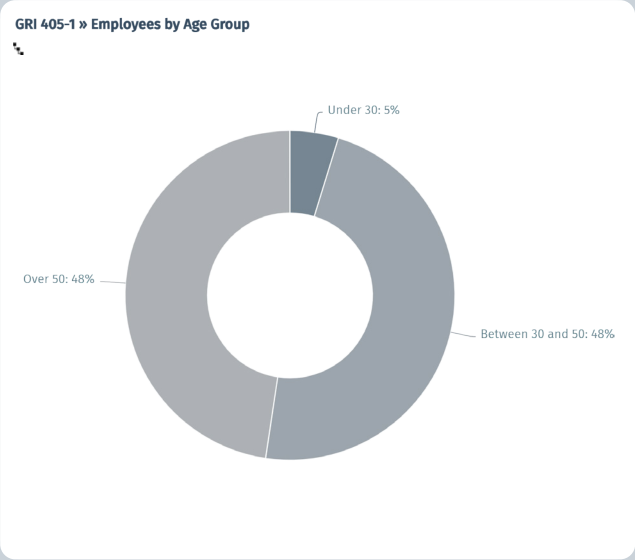


Figure 53. Diversity by age and classification in 2022



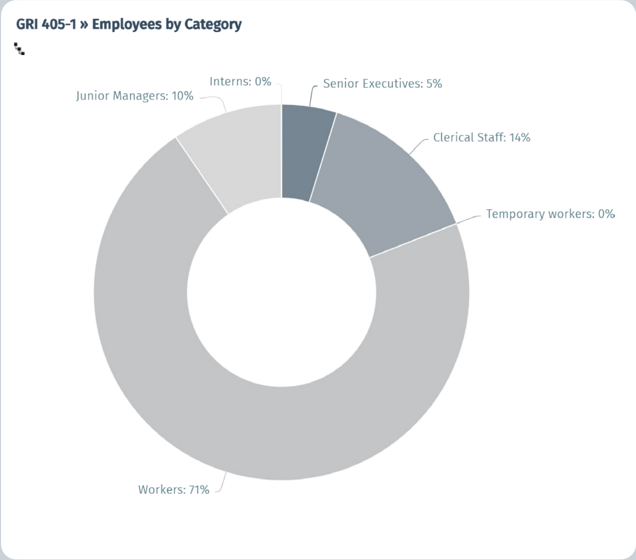


Figure 54. Representation in governance bodies, diversity by gender and age in 2022

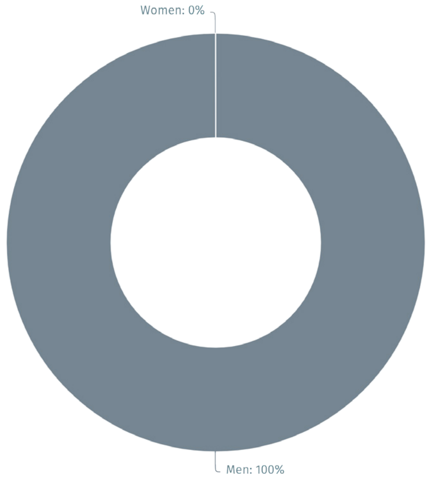
GRI 405-1 » Employees in Governance Bodies

1

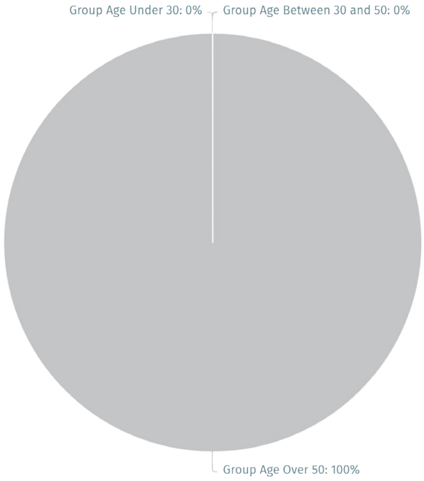
Total Employees in Governance Bodies

Women in Governance Bodies	**0**
Men in Governance Bodies	**1**

GRI 405-1 » Gender Diversity of Governance Bodies



GRI 405-1 » Age Diversity of Governance Bodies



Chapter 9

CERTIFICATIONS

9 Certifications

The Sustainability Strategy is also implemented through the adoption of management systems that guarantee the quality and safety of the services offered by the METLAC Group and the organisation's commitment to reduce the environmental impact of its production operations. The METLAC Group Italy certification procedure for its METLAC, CERITEC and METINKS plants was as follows:

- **ISO 14001:2015 certified**, the statutory benchmark for companies and organisations that have, or intend to have, an Environmental Management System.
- **ISO 9001:2015 Certification**, sets out the minimum requirements that an organisation's Quality Management System must satisfy in order to guarantee the level of product and service quality it claims to have with itself and with the market.
- **ISO 45001:2018 certification**, occupational health and safety management systems; the first international standard to establish minimum levels of good practice for the protection of workers worldwide.
- **Cradle to Cradle® product certification**, an internationally recognised certification that measures the sustainability of products from a circular economy perspective.

The three ISO certificates obtained are shown below.

ISO 14001:2015


THE INTERNATIONAL CERTIFICATION NETWORK

CERTIFICATE

CISQ/CERTIQUALITY S.r.l.
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METLAC SPA

IT-15062 BOSCO MARENGO (AL) - S.S. 35 BIS DEI GIOVI 53

for the following scope

Research and development, production through mixing, sale and technical assistance of varnishing products and inks for metal coating.

has implemented and maintains a
Environmental Management System
which fulfills the requirements of the following standard
ISO 14001:2015

Issued on: 28/06/2021
First issued on: 03/10/2018
Expires on: 01/10/2024

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Alex Stoichitoiu
President of IQNET

Ing. Mario Romersi
President of CISQ

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IQNet, the association of the world's first class certification bodies, is the largest provider of management System Certification in the world. IQNet is composed of more than 30 bodies and counts over 150 subsidiaries all over the globe.

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METLAC SPA

IT - 15062 BOSCO MARENGO (AL) - S.S. 35 BIS DEI GIOVI 53

For information concerning the validity of the certificate, you can visit the site www.certiquality.it

The validity this certificate depends on annual audit and on a complete review every three years of the Management System.

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ВНЕДРИЛО И ПОДДЕРЖИВАЕТ СИСТЕМУ МЕНЕДЖМЕНТА ЭКОЛОГИЧЕСКИЙ В КОТОРЫЙ, В СООТВЕТСТВИИ СО СТАНДАРТОМ

UNI EN ISO 14001:2015 SETTORE *CODE* *СЕКТОР* **IAF 12, 29**

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Ricerca e sviluppo, produzione attraverso miscelazioni, vendita e assistenza tecnica di prodotti vernicianti ed inchiostri per litolatta.

Research and development, production through mixing, sale and technical assistance of varnishing products and inks for metal coating.

Исследования и разработка, производство путем смешивания, реализация и техническая помощь в сфере лакокрасочных материалов и красок для печати по жести.

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DATA SCADENZA / *EXPIRY DATE* / *СРОК ГОДНОСТИ* 27/06/2024
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C02 ED 02 200720

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www.cisq.com
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CISQ is the Italian Federation of management system Certification Bodies.

ISO 9001:2015

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UNI EN ISO 9001:2015 SETTORE CODE СЕКТОР **IAF 12**

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Ricerca e sviluppo, produzione, vendita e assistenza tecnica di prodotti vernicianti ed inchiostri per litolatta.

Research and development, production,sale and technical assistance of varnishing products and inks for metal coating.

Исследования и разработка, производство, реализация и техническая помощь в сфере лакокрасочных материалов и красок для печати по жести.

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DATA SCADENZA / EXPIRY DATE / СРОК ГОДНОСТИ: 27/06/2024
EMISSIONE CORRENTE / CURRENT ISSUE / ТЕКУЩИЙ НОМЕР: 28/06/2021

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ISO 45001:2018

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Research and development, production through mixing, sale and technical assistance of varnishing products and inks for metal coating.

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UNI ISO 45001:2018

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Research and development, production through mixing, sale and technical assistance of varnishing products and inks for metal coating.
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The references for **Cradle to Cradle certification** of some marketed products intended for the external protection of cans for the Beer and Beverage market are shown below.

METPOD 100®

METLAC SPA

Platinum Version 3.1

Certification Number 4818
Valid until: 07 Jul, 2023

METVAR 100®

METLAC SPA

Platinum Version 3.1

Certification Number 4819
Valid until: 07 Jul, 2023

Tactile Overprint Varnish

METLAC SPA

Silver Version 3.1

Certification Number 5062
Valid until: 30 May, 2024

W/B Clear Varnish for DWI

METLAC SPA

Silver Version 3.1

Certification Number 5064
Valid until: 30 May, 2024

W/B Overprint Varnish for DWI

METLAC SPA

Silver Version 3.1

Certification Number 5066
Valid until: 30 May, 2024

W/B Overprint High Solid Varnish for DWI

METLAC SPA

Silver Version 3.1

Certification Number 5065
Valid until: 30 May, 2024

Chapter 10

THIRD-PARTY RATINGS

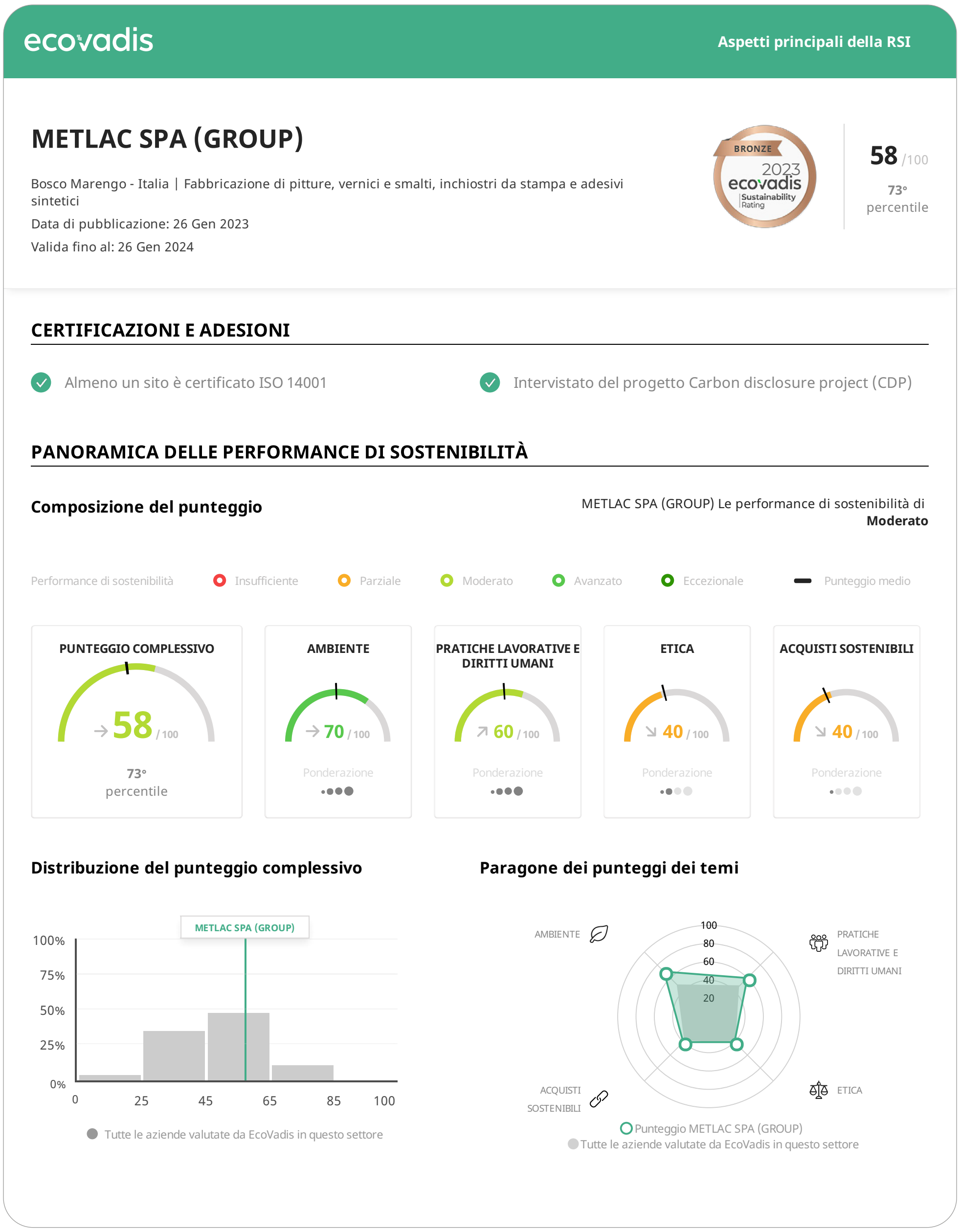
June 2023

10 Third-Party Ratings

Third-party environmental, social and governance (ESG) ratings provide an opinion on the METLAC Group's sustainability profile or characteristics and on its exposure to sustainability risks or impact on society and/or the environment. The following sections present the four programs joined by METLAC: Ecovadis, CDP, Sedex and Responsible Care.

10.1 EcoVadis

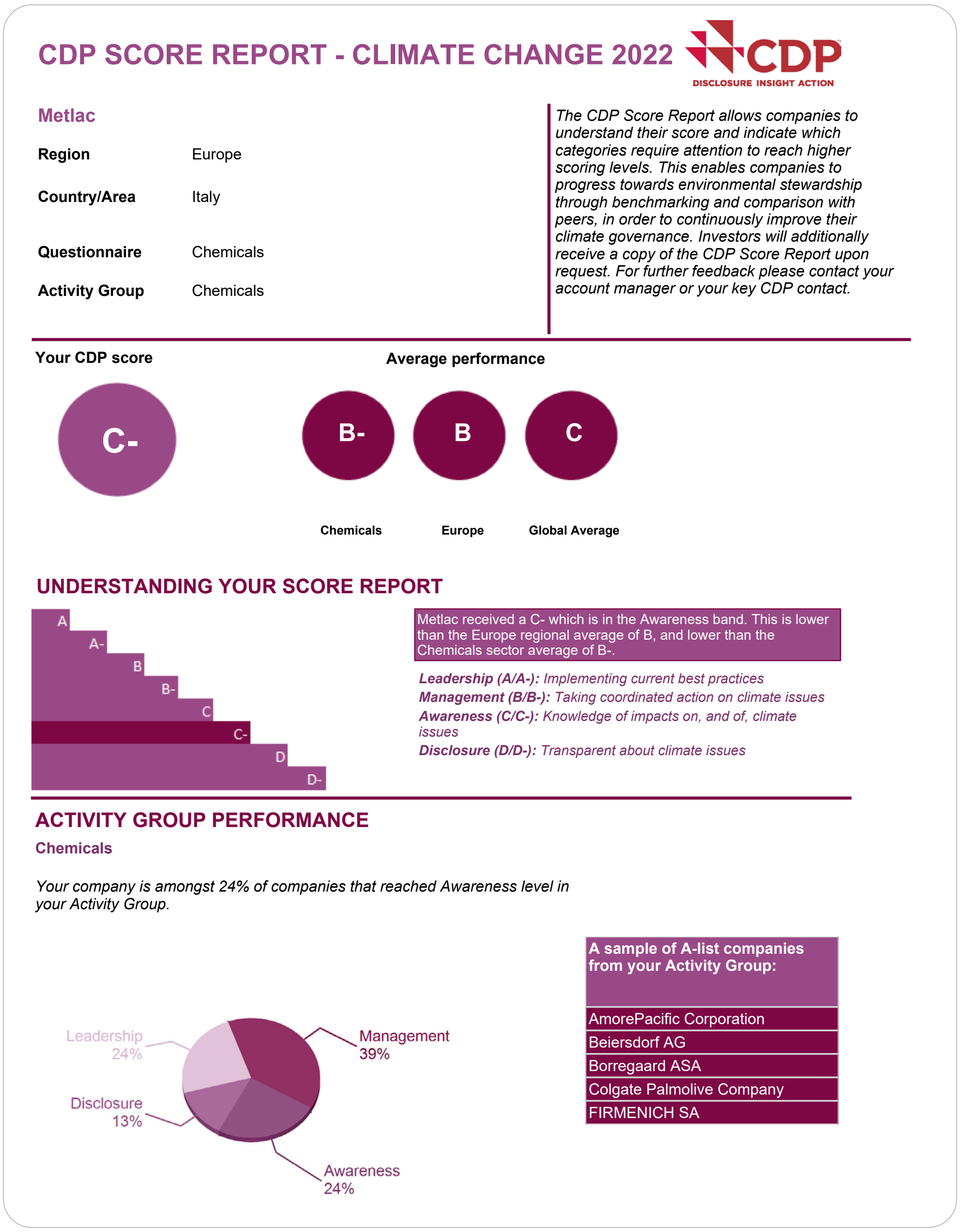
The METLAC Group selected EcoVadis as a tool for improving its environmental and social practices, monitoring the sustainability performance of suppliers and managing risks in general. The rating obtained after the 2022 assessment is 58/100, Bronze level.



10.2 CDP

CDP is a non-profit organisation active in environmental impact disclosure on behalf of investors, companies, cities, states and regions. Given the comprehensiveness and quantity of data handled, it is considered the gold standard in environmental reporting.

The CDP Score Report enabled the METLAC Group to understand the judgement of its performance and identify categories/areas that require attention and could be improved. The CDP approach is based on benchmarking with other companies globally in order to continuously improve its climate governance. The METLAC Group received a C- score on a scale from D (worst) to A (best), which corresponds to the category "Awareness" but is lower than the European average (B) and the chemical sector average (B-).



CDP SCORE REPORT - CLIMATE CHANGE 2022

CDP DISCLOSURE INSIGHT ACTION

Metlac

Region	Europe
Country/Area	Italy
Questionnaire	Chemicals
Activity Group	Chemicals

The CDP Score Report allows companies to understand their score and indicate which categories require attention to reach higher scoring levels. This enables companies to progress towards environmental stewardship through benchmarking and comparison with peers, in order to continuously improve their climate governance. Investors will additionally receive a copy of the CDP Score Report upon request. For further feedback please contact your account manager or your key CDP contact.

Your CDP score

C-

Average performance

B-	B	C
Chemicals	Europe	Global Average

UNDERSTANDING YOUR SCORE REPORT

A
A-
B
B-
C
C-
D
D-

Metlac received a C- which is in the Awareness band. This is lower than the Europe regional average of B, and lower than the Chemicals sector average of B-.

Leadership (A/A-): *Implementing current best practices*
Management (B/B-): *Taking coordinated action on climate issues*
Awareness (C/C-): *Knowledge of impacts on, and of, climate issues*
Disclosure (D/D-): *Transparent about climate issues*

ACTIVITY GROUP PERFORMANCE

Chemicals

Your company is amongst 24% of companies that reached Awareness level in your Activity Group.

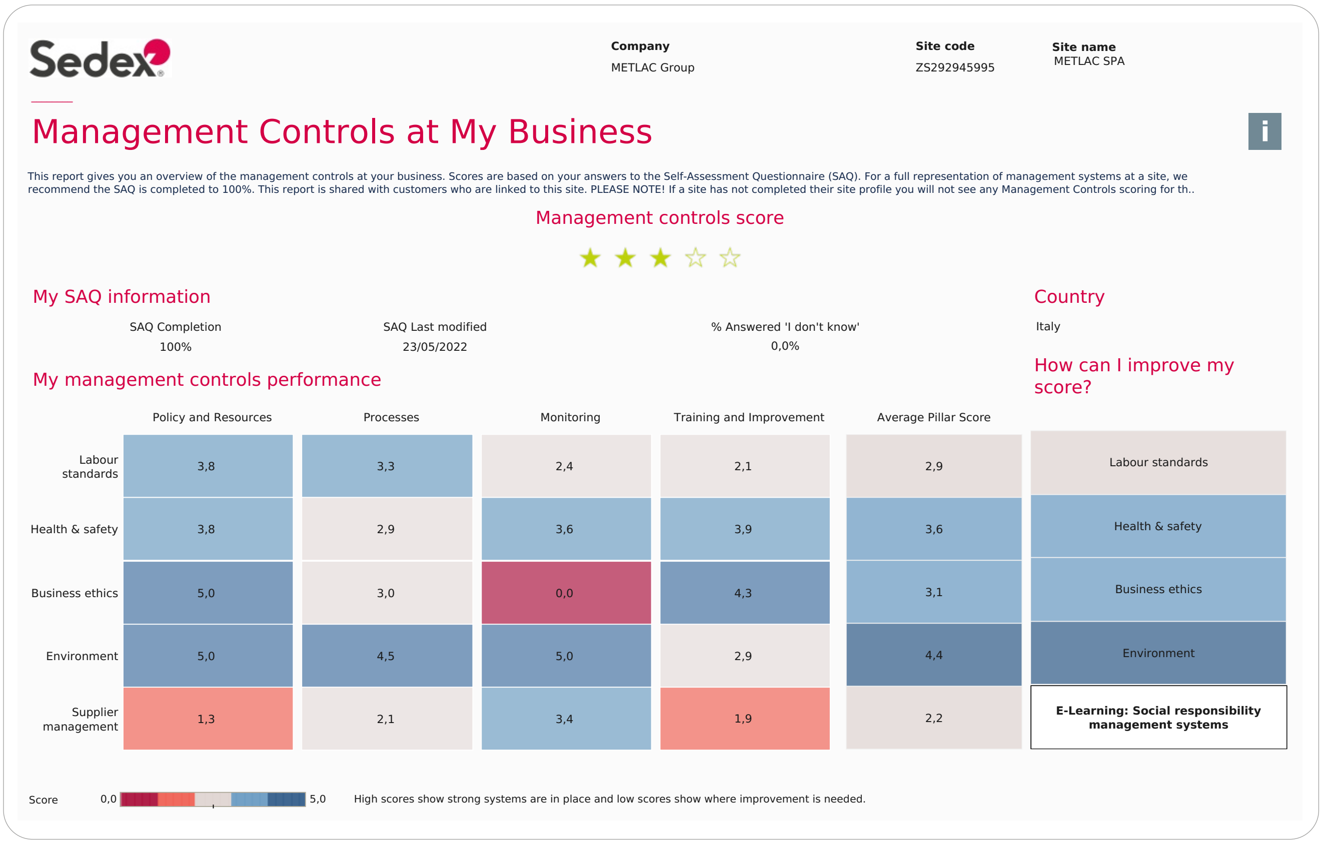
Leadership 24%
Management 39%
Disclosure 13%
Awareness 24%

A sample of A-list companies from your Activity Group:
AmorePacific Corporation
Beiersdorf AG
Borregaard ASA
Colgate Palmolive Company
FIRMENICH SA

10.3 Sedex

Sedex, like the previous bodies, is a technology platform for mapping the data of companies and suppliers, providing easy access and good visibility on sustainability practices in the supply chain. The tool identifies and facilitates risk management and allows data reports to be shared with interested parties.

The report obtained from this self-assessment (shown in the figure) provides an evaluation of the METLAC Group's sustainability performance in 2022 (rating obtained 3 out of 5 stars). The data can be viewed by companies that have joined the Sedex program.



Sedex

Company METLAC Group | **Site code** ZS292945995 | **Site name** METLAC SPA

Management Controls at My Business

This report gives you an overview of the management controls at your business. Scores are based on your answers to the Self-Assessment Questionnaire (SAQ). For a full representation of management systems at a site, we recommend the SAQ is completed to 100%. This report is shared with customers who are linked to this site. PLEASE NOTE! If a site has not completed their site profile you will not see any Management Controls scoring for th..

Management controls score

★★★☆☆

My SAQ information

SAQ Completion	SAQ Last modified	% Answered 'I don't know'
100%	23/05/2022	0,0%

Country

Italy

My management controls performance

	Policy and Resources	Processes	Monitoring	Training and Improvement	Average Pillar Score
Labour standards	3,8	3,3	2,4	2,1	2,9
Health & safety	3,8	2,9	3,6	3,9	3,6
Business ethics	5,0	3,0	0,0	4,3	3,1
Environment	5,0	4,5	5,0	2,9	4,4
Supplier management	1,3	2,1	3,4	1,9	2,2

How can I improve my score?

Labour standards

Health & safety

Business ethics

Environment

E-Learning: Social responsibility management systems

Score 0,0 5,0 High scores show strong systems are in place and low scores show where improvement is needed.

10.4 Responsible Care self assessment web tool

Responsible Care is a voluntary program for the global chemical industry, on which, through their national chemical federations and associations, the signatory companies commit to achieving values and behaviour of excellence in the areas of safety, health and the environment, in order to contribute to the sustainable development of the planet.

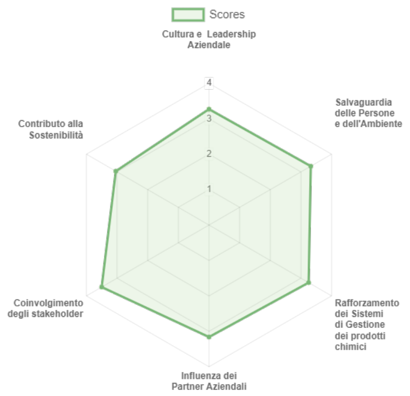
To support the program, Responsible Care provides its member companies with a self-assessment web tool developed through the contributions of many chemical companies. By filling out the form, the company receives a rating on its performance with respect to the program.

GENERAL OUTCOME (CHAPTERS)

Data/results to visualize : My site only
Assessments : Self Assessment 2022 M

Scores of the chapters

Total score		
Average : 3.25	81.32 %	*Number of reporting sites : 1*
Partial scores per chapter		
Cultura e Leadership Aziendale	3.27	
Salvaguardia delle Persone e dell'Ambiente	3.32	
Rafforzamento dei Sistemi di Gestione dei prodotti chimici	3.25	
Influenza dei Partner Aziendali	3.16	
Coinvolgimento degli stakeholder	3.5	
Contributo alla Sostenibilità	3.04	
Score minimum : 1	*Score maximum : 4*	



GENERAL OUTCOME (SUBCHAPTERS)

Data/results to visualize : My site only
Assessments : Self Assessment 2022 M

Chapter	Subchapter	Score
CHAPTER1	Ambito di applicazione & impegno	3.5
CHAPTER1	Conformità	3
CHAPTER1	Organizzazione e responsabilità	3.5
CHAPTER1	Assicurare il miglioramento	3.66
CHAPTER1	Risorse, formazione e coinvolgimento dei dipendenti	3.25
CHAPTER1	Gestione dei documenti	3
CHAPTER1	Gestione della modifica	3
CHAPTER2	Salute e sicurezza del lavoro	3
CHAPTER2	Sicurezza di processo	3.69
CHAPTER2	Distribuzione	3.5
CHAPTER2	Security	3.33
CHAPTER2	Ambiente	3.08
CHAPTER3	Progettazione e miglioramento del prodotto	3
CHAPTER3	Prioritizzazione dei prodotti	4
CHAPTER3	Informazioni sul prodotto	3
CHAPTER3	Caratterizzazione del rischio	3
CHAPTER3	Gestione del rischio del prodotto	3.5
CHAPTER3	Gestione della catena del valore	3
CHAPTER4	Approvvigionamento responsabile	3
CHAPTER4	Collaborazione lungo la catena del valore	4
CHAPTER4	Integrità aziendale	3
CHAPTER4	Diritti sul lavoro	3
CHAPTER4	Partner logistici	3
CHAPTER4	Partner logistici	3
CHAPTER5	Valutazione degli stakeholder	4
CHAPTER5	Dialogo esterno e trasparenza	3.5
CHAPTER5	Comunità locali	3
CHAPTER6	Analisi di materialità	3
CHAPTER6	Sviluppo sostenibile	3
CHAPTER6	Comunicazione	3
CHAPTER6	Portafoglio prodotti sostenibili	3
CHAPTER6	Utilizzo efficiente delle risorse/ economia circolare	3.4
CHAPTER6	Uso dell' acqua	3
CHAPTER6	Utilizzo del suolo e biodiversità	3
CHAPTER6	Clima ed energia	3
CHAPTER6	Pari opportunità	3

The image shown was extracted from the web tool and represents the final report on METLAC performance

Chapter 11

ACKNOWLEDGEMENTS AND AWARDS

11 Acknowledgements and Awards

Photo, the presentation of the award plaque to Guido Chiogna, METLAC Group HSE&S Director.

Responsible Care The jury of the Responsible Care Award honoured the METLAC Group in 2022 for the development of coatings with a reduced environmental footprint based on E-Beam technology, intended for food packaging.

Our Project in brief The Electron Beam sprays the coating applied to the packaging surface with an accelerated electron beam to trigger a cross-linking reaction**.** The treatment has significant advantages compared to other technologies for induced drying of the coated substrate.

- *Highly compact industrial drying plant.*
- *No thermal stress on the coated substrate as the EB curing process does not develop heat.*
- *No use of solvents or photoinitiators because the coatings do not need photoinitiators to activate the polymerisation process and nor solvents as vehicles that must evaporate during drying.*
- *Cross-linking of the coating is instantaneous and complete, so there is little risk of chemical migration from the coated substrate, making this technology ideal for food packaging.*
- *The overall process is energy-efficient and the coating lines have space-saving features.*

Electron Beam technology, which is already in use in other industries, is an innovation in metal packaging, particularly for food.
The absence of solvent emissions, the almost complete absence of migration of coating components into the substrate, and the absence of odour make the technology ideal for packaging products where safe contact with food is essential, and also for ensuring safe contact in baby food products.

Photo, the presentation of the certificate of membership by Orietta Barber, Air France/KLM, to METLAC Group CEO Pier Ugo Bocchio (left) and Guido Chiogna, METLAC Group HSE & Sustainability Director (centre).

SAF, Air France and KLM This is the SAF Corporate Program of the Air France and KLM airlines; SAF stands for "Sustainable Aviation Fuel".
Membership of the program is open to Air France and KLM corporate customers who, after estimating the CO2 emissions associated with their trips, determine the annual contribution they wish to make to the program.

In the pursuit of its vision to remain as a global market leader, the METLAC Group supports the transition to sustainable mobility, through the use, for example, of SAF fuels in order to reduce the impact of business travel. It joined the program in 2022 and has reduced the CO2 emitted on its business trips by 87% (details in the table below).

Period	**Fuel volume**	**CO2 emissions** ***standard fuel***	***SAF fuel*** **CO2 emissions**	**Emission reduction**
01.2022-12.2022	13 MT	36 MT	4.7 MT	87%

where:
- **the values presented are estimates;**
- **CO2 emissions are SCOPE I;**
- **CO2 emissions from standard fuel are considered compared to emissions from use of SAF-type fuel (the calculation covers the complete fuel life cycle – production, transport, combustion);**
- **emissions consider type of aircraft, number and weight of passengers on board, weight of luggage and cargo.**

Chapter 12

COLLABORATIONS AND PARTNERSHIPS

June 2023

12 Collaborations and Partnerships

Green Week The METLAC Group took part in the Green Economy Festival held in Parma on 11 June 2022 with a presentation by Guido Chiogna (METLAC Group HSE&Sustainability Director) on ***"Green Jobs. The skills that factories need"***.

Partnerships The METLAC Group works with qualified professionals and uses nationally, EU and internationally recognised reference standards.

The METLAC Group is supported by Azores G.d.R., a consulting company in the areas of corporate legal risk, sustainable development and opportunities arising from the integration of sustainability into the core business.

The METLAC Group is a member of the "Fabbrica Sostenibile" and "Fondazione Viva" programs of Confindustria Alessandria for debate on Sustainability among companies in the Alessandria area.
Through these programs, companies periodically share their commitments and the action taken to reduce their environmental footprint, improve conditions in their local community, foster territorial development, create partnerships with the voluntary sector, schools, training institutions and universities, and consolidate their sustainability-related positioning and reputation.

Chapter 13

APPENDIX

13.1 Glossary

AA1000 Principles of Accountability (2018) i.e., a generally applicable standard for assessing, attesting and strengthening the credibility and quality of an organisation's sustainability reporting and underlying processes, systems and competencies. It provides a guide on the key elements of the verification process (paragraph 5.1).

Business continuity Business continuity management is a management process whose function is to identify possible threats to an organisation, assess what the consequences might be and identify the most appropriate countermeasures to nullify or minimise those negative consequences (sections 2-5.2-7.5-7.6).

Legislative Decree. 231/2001 This legislative decree governs the liability of entities for administrative offences resulting from a crime. Its provisions apply to entities having legal personality and to companies and associations, including those without legal personality (sections 1.3-5.2-6.3-7.2).

Governance Corporate governance is a system by which companies are controlled and governed. The aim is to identify the persons with decision-making power and responsibility (sections 1.3-4-6-7.1-8-10-10.2).

ISO 22301 ISO 22301 'Societal security - Business continuity management systems - Requirements' is an international standard relating to business continuity management, which defines the requirements necessary to plan, establish, implement and operate a documented management system, and to monitor, maintain and continuously improve an organisation's management system for protecting against, reducing the possibility of, preparing for, responding to, and recovering from destabilising events when they occur (section 7.5).

ISO 26000 The ISO 26000 standard (UNI ISO 26000 in Italy) provides "Guidance on Social Responsibility" for all types of organisations and indications on social responsibility concepts, terms and definitions(sections 7.3-7.5).

ISO 31000:2018 The ISO 31000:2018 standard on risk management aims to enable every organization to identify, prevent and manage all risks that may arise in the context of its activities, through a structured approach (par. 7.2).

ISO 45001 The UNI ISO 45001 standard "Occupational health and safety management systems - Requirements with guidance for use" defines the minimum standards of good practice for protecting workers worldwide (para. 1.1-9).

ISO 50001 The ISO 50001 standard specifies the requirements for an energy management system (ENMS/SGE), enabling an organization to have a systematic approach for continuous improvement of its energy performance, while also taking into account legal obligations (paragraphs 7.2-7.3-7.6).

ISO/IEC 27001 ISO/IEC 27001 is an international standard setting out the requirements for establishing and operating an information security management system (section 7.3).

KPI In business economics, a key performance indicator, also called an essential performance indicator, is a measure that gauges the performance of a business process (sections 1.1-4-5.1).

METLAC Group Organisation Chart Diagram of the corporate organisation (section 1.2).

Road map Action plan for achieving an objective or solving a problem (section 1.1).

SA 8000 The acronym SA 8000 refers to an international standard drawn up by the CEPAA for certification of certain aspects of management relating to corporate social responsibility: respect for human rights, respect for the right to work(section 7.3).

Stakeholder Stakeholders are individuals or organizations, such as employees, customers, suppliers, and consultants, who interact with a company (sections 1.3-4-5.1-5.2-6.2-6.3-7.5-7.6).

Sustainable development Sustainable development aims to "meet the needs of the present generation without compromising the ability of future generations to meet their own needs" [United Nations (1987)] (sections 2-3-3.1-6-6.1-6.2-10.4).

VOC Volatile organic compound of a chemical (sections 1.2-6-6.3).

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