SUSTAINABILITY REPORT

METALSIDER2

CONTENTS

LETTER TO

Discussing sustainability means referring to a new concept of business operations, based on which, a company's end purpose cannot be only maximising profit, but also includes creating long-term economic, environmental and social value, to the benefit of all stakeholders and the needs of future generations.

In this first Sustainability Report, we want to put down in words our commitment to being on the front lines alongside the people who work in our facilities every day, alongside the local community which is part of our roots and will continue to shape our history, and alongside the planet, which now, more than ever, requires the utmost commitment for its protection. We want to do our part and have a tangible impact on our people and the environment we operate in.

Our slogan "Recycle to not disperse in the environment" is no longer enough. We intend to go beyond being "just" a company in the circular economy, as this has always been part of our DNA. Now we want to implement a way of doing business that has a greater impact on the social sphere, the environment and on relations with the community.

Since 2020, the entire world has undergone a profound health crisis due to the spread of the COVID-19 pandemic and, in the last year, the worsening of the global supply chain crisis and the war in Ukraine have added additional complexity and volatility to an already extremely uncertain scenario, both in Italy and worldwide.

STAKEHOLDERS

This scenario accelerated the process underway for several years now, in which companies are measuring not just their financial performance, but also their economic, social and governance performance. For this reason, the Owner and the Management of Metalsider2 decided to begin a process of sustainability reporting, committing to reducing its impacts and developing concrete initiatives to benefit society and the environment.

In 2022, Metalsider2 reported highly positive sales performance, with increases in sales volumes and positive results, reporting growth exceeding the average growth of Italy.

In the relationship between the company and employees, Metalsider2 promotes and favours the realisation of each individual within the company and preserves their dignity, safety and organisational well-being. The company is also constantly moving forward with a series of non-profit initiatives with the goal of helping communities.

This first Sustainability Report is a voluntary, strategic instrument of comprehensive disclosure on company performance, which provides a complete overview of the activities carried out by Metalsider2, transparently communicating the goals that the company has set for the future and demonstrating the company's conviction that factors such as quality, research and innovation, inclusivity, environmental protection and legality are fundamental for the company's sustainable, long-lasting growth.

We have set important milestones to reach and new ideas to develop to grow our business, in terms of both company and sustainability performance. We want to have a positive impact on all those who work for and live near our businesses, while preserving our unique nature.

We are organising the move of our business to an owned building where we can implement our ideas. We are convinced that the results will be extremely positive, both in terms of income and social impacts.

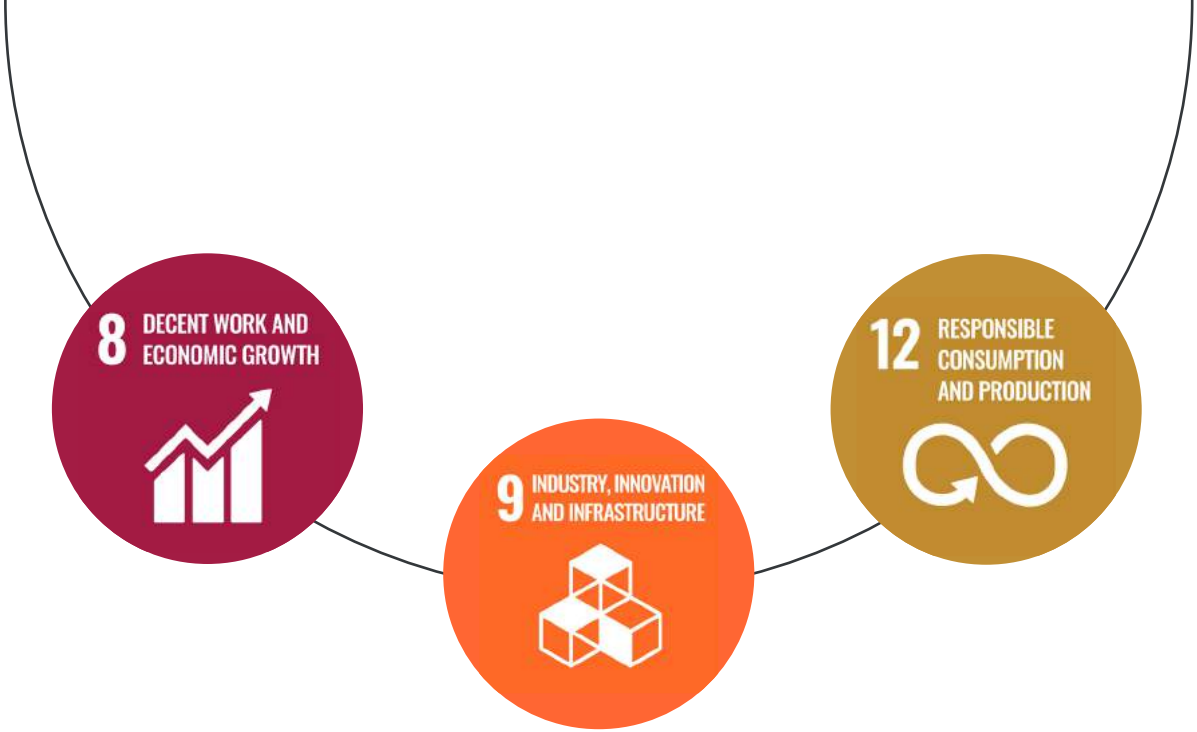
It seemed necessary to start with this "Sustainability Project" before we are established in the new company headquarters, in order to be able to prepare it to promptly accept the goals that we have set for the future.

METHODOLOGICAL NOTE

The **Sustainability Report** is the tool used to report initiatives in the social, economic, environmental and governance areas, using an approach of integrated analysis. The information in this document is reported with reference to the GRI-Global Reporting Initiative Standards.

This is the first Sustainability Report of **Metalsider2**, which will be subsequently published annually. This report was written in accordance with the principles of clarity, timeliness, accuracy, balance, comparability and reliability recommended by the GRI.

The document is the first step in the process of reporting on sustainability issues, and illustrates the process of transparency undertaken by the organisation, which intends to integrate sustainability drivers into its way of doing business and share the future goals, with a view to dialogue and continuous improvement. The data refers to the accounting year 2022 and the company Metalsider2, located in Modena.



This Report also includes the contribution of the company to the achievement of the Sustainable Development Goals defined in the 2030 Agenda. In September 2015, more than 150 international leaders met at the UN to agree a document intended to contribute to global development, promote human well-being and protect the environment. The community of States approved the 2030 Agenda for Sustainable Development, the key constituents of which are the 17 goals known as SDGs (Sustainable Development Goals).

MATERIALITY ANALYSIS

The materiality matrix is the heart of the GRI (Global Reporting Initiative) methodology, the tool the organisation uses, along with its stakeholders, to identify the material topics that will be the subject of reporting, on which to focus their attention and resources. To create the matrix, an engagement process was launched, which primarily involved the company management and the main internal stakeholders, including: Sole Assistant Director, Sales Manager, Administrative Manager, Production Manager and external consultant. The goal for future years will be to expand the stakeholder base, also targeting external stakeholders to guarantee greater transparency and participation in defining the future strategy.

The choice of the material topics was made by analysing the organisation as a whole. The topics are as follows:

Economic performance

- Economic and financial performance
- Transparency, ethics and business integrity
- Innovation, research and development
- Quality, conformity and product safety
- Selection and sustainable management of the supply chain
- Communication

Social performance

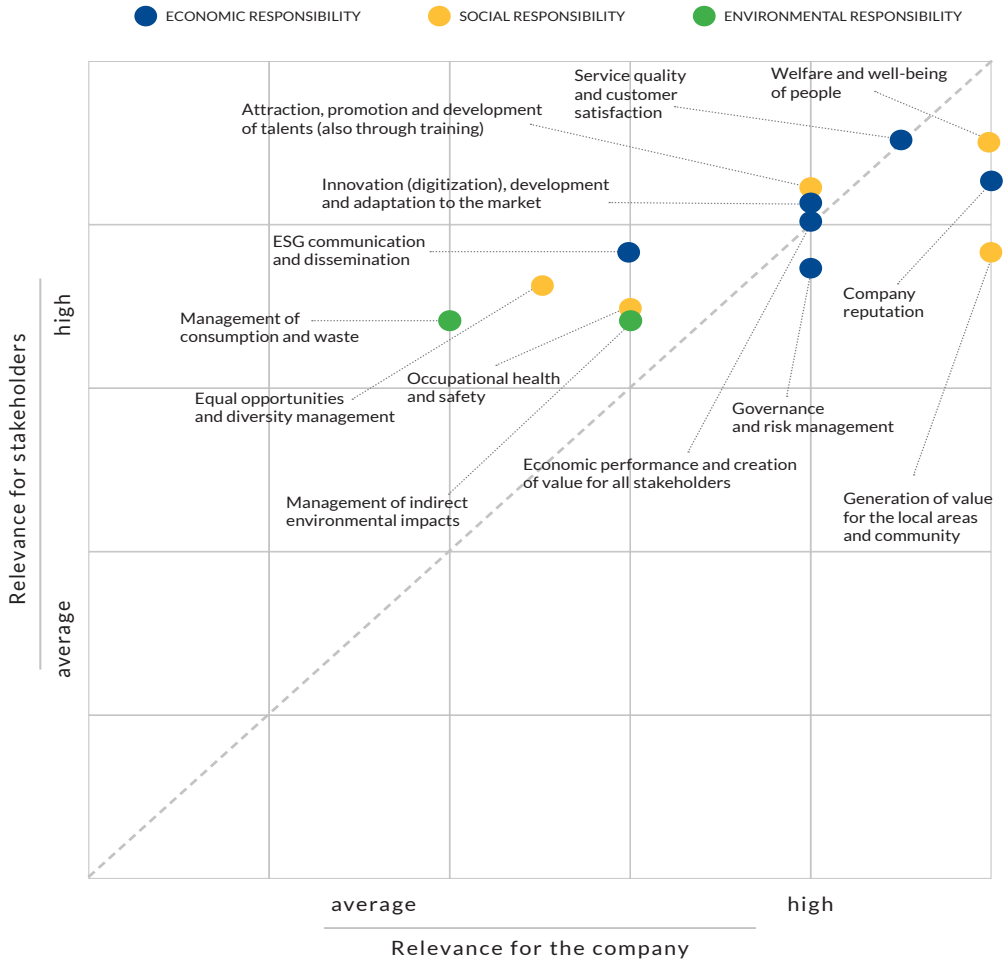
- Human rights
- Training and skills development
- Company welfare and well-being
- Diversity and equal opportunities
- Workers' health, safety and well-being
- Support to the local communities (social welfare)

Environmental performance

- Reduction of energy consumption
- Reduction of CO_2 emissions
- Management of indirect environmental impacts
- Waste management
- Management of raw materials with a view to a circular economy

At the meeting, the people involved were asked to rank the topics identified from 1 to 5. The intersection of the results was used to generate the following materiality matrix:

MATERIALITY MATRIX



As is clear, this is a particular matrix, because the points are not concentrated along the bisector, but are spread around the entire Cartesian plane. This clearly shows that the management and internal stakeholders hold different views on certain topics.
At the top right are the topics that both groups considered of greater importance, on which the organisation will have to keep a strong focus:

Transparency, ethics and business integrity: making all financial information available, fulfil all regulatory obligations set out by law on all fronts, both in terms of production and regarding the products created. Honesty, transparency and ethics, to guarantee the long-term sustainability of the business.

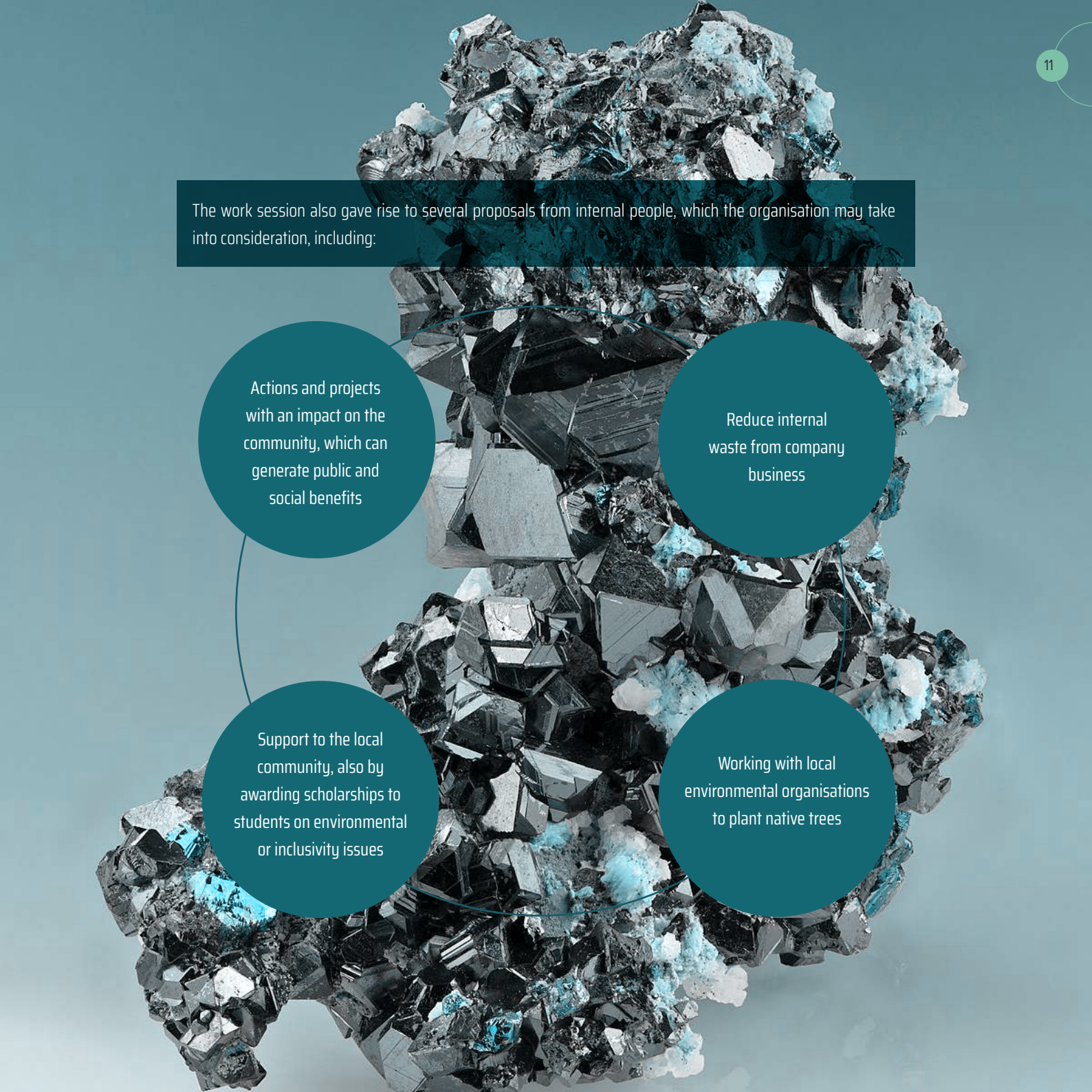
Quality, conformity and product safety

Selection and sustainable management of the supply chain: using sustainability criteria to manage our supply chain, continuing to guarantee the quality of our products and services.
Communicating, promoting and monitoring according to the canons of sustainability all internal and external communications processes of the company.

Reduction of energy consumption: develop energy efficiency initiatives in the company's plants and sites.

Reduction of CO_2 emissions: promote strategies to contain climate change, in order to reduce greenhouse gas and environmental impact.

A lower ranking of topics does not mean that they are not important or the organisation no longer has to work on them, but that they are considered topics which the organisation has deeply worked on over the years.



The work session also gave rise to several proposals from internal people, which the organisation may take into consideration, including:

- Actions and projects with an impact on the community, which can generate public and social benefits
- Reduce internal waste from company business
- Support to the local community, also by awarding scholarships to students on environmental or inclusivity issues
- Working with local environmental organisations to plant native trees

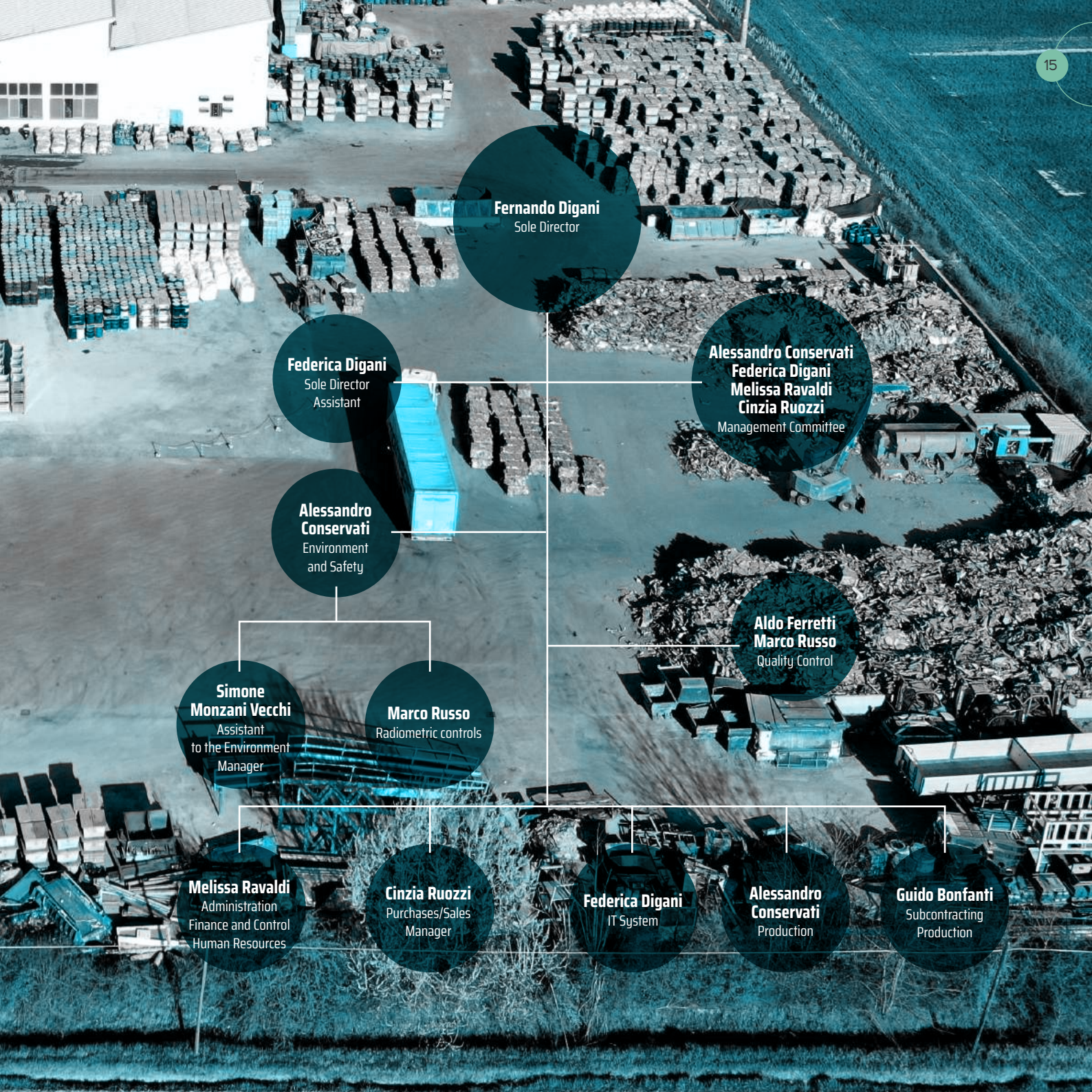
1 ABOUT US

Metalsider2 is a company located in the Modena area, which has been operating for almost sixty years in the sector of secondary zinc production. Its main activity concentrates on the recovery of scrap from hot-dip steel galvanizing (zinc skimmings) and the recycling of zinc scrap (coverings of buildings). The belief in values such as recycling and safeguarding the ecosystem is strong in Metalsider2, which always commits to providing its contribution to avoid the release of polluting materials into the environment and to fully recover them.

Through its dedication to work and strict quality control, the company aims to provide a product that will meet the needs of all of its customers.

Governance structure

The company has set up an ordinary governance system, composed of a management body (sole director) and a control body (board of statutory auditors). The top governance body is composed of the sole director with the Shareholders' Meeting. The Director was appointed on 28/06/2021, and will remain in office until approval of the financial statements as at 31/12/2023.


Fernando Digani
Sole Director
Federica Digani
Sole Director
Assistant
Alessandro Conservati
Federica Digani
Melissa Ravaldi
Cinzia Ruozzi
Management Committee
Alessandro
Conservati
Environment
and Safety
Aldo Ferretti
Marco Russo
Quality Control
Simone
Monzani Vecchi
Assistant
to the Environment
Manager
Marco Russo
Radiometric controls
Melissa Ravaldi
Administration
Finance and Control
Human Resources
Cinzia Ruozzi
Purchases/Sales
Manager
Federica Digani
IT System
Alessandro
Conservati
Production
Guido Bonfanti
Subcontracting
Production

History

Metalsider2 was founded in 1964 in San Martino in Rio (Reggio Emilia), then moved to Modena in 2006. The underlying idea of the business was to collect and transform recycling metal to then sell it to companies ready to use in hot-dip galvanizing. In 2005 we increased both our level of experience and our share of production, to be recognised as one of the European leaders in zinc recovery and recycling in 2018.

The idea, 1964

The collection and transformation of recycling metal began.

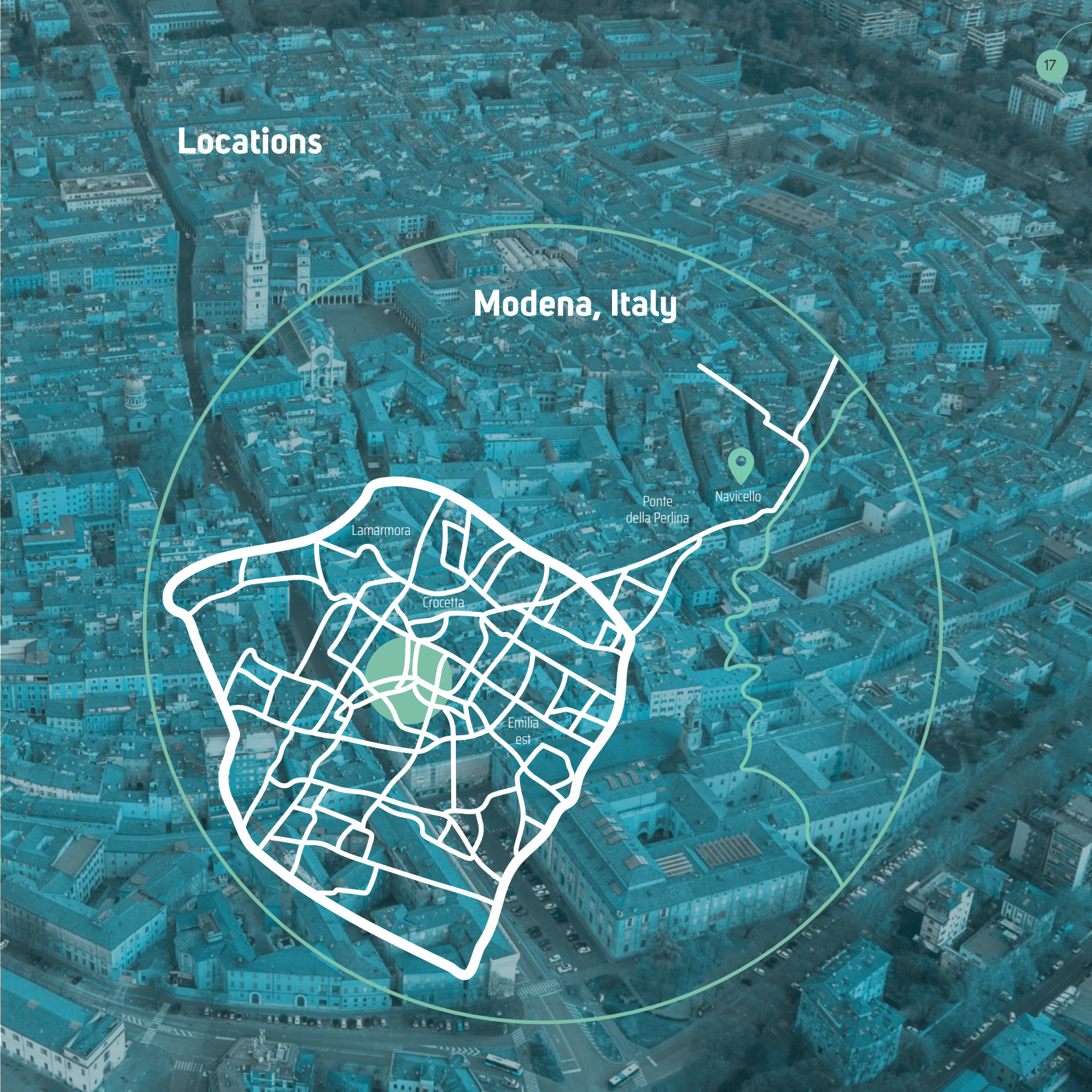
Production, 2005

The level of production and sales of Metalsider2 was increased

Leader, 2018

We were recognised among the main leaders in secondary zinc production.

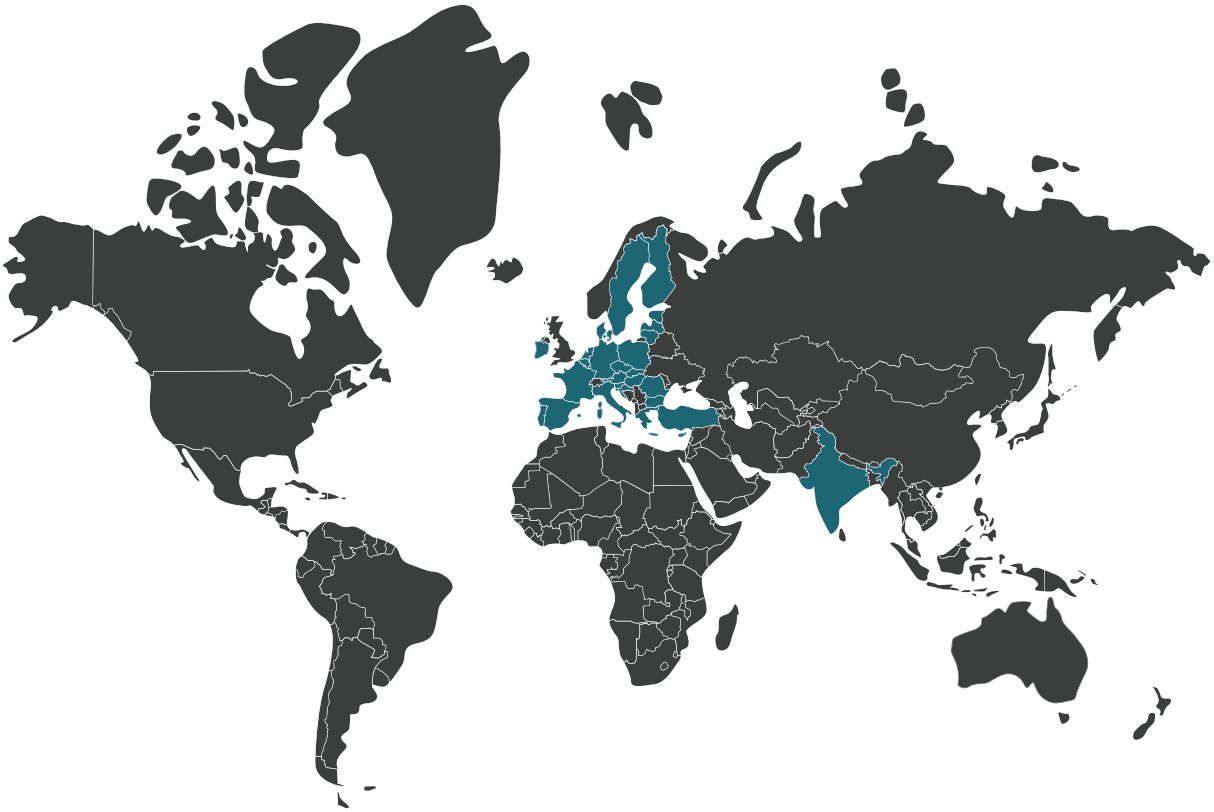
Locations


Modena, Italy
Navicello
Ponte
della Perlina
Lamarmora
Crocetta
Emilia
est

Sectors served

The recovery of this waste enables Metalsider2 to produce zinc and zinc alloys for sale primarily to hot-dip steel galvanizing companies and primary zinc alloy (brass) manufacturers. We recycle zinc skimmings and scrap, resulting in the extraction of 98.5% pure zinc, for the production of zinc/nickel alloys.
Therefore, the main sectors served are galvanizers and manufacturers of brass and zinc oxide.

Countries served



Membership of trade associations

Associazione italiana zincatura (AIZ) (Italian Hot-Dip Galvanizing Association).

Association with the goal of developing hot-dip galvanizing as the best protection of steel against corrosion. As a support activity, it makes its experience available to designers, public entities, builders and end customers to develop their activities regarding the corrosion of steel.

European General Galvanizers Association (EGGA).

This is the federation of national galvanizers associations in Europe. Its main activity involves monitoring and responding to questions regarding the general industry of galvanization in Europe, especially regarding environmental, technical and regulatory issues. It also provides a platform for coordinating marketing for the industry.

Zinc.

International Zinc Association is the organisation dedicated to the interests of zinc and its users. It provides a forum for handling the issues regarding the sector, also at global level, guaranteeing a prompt response to customers.

Bureau of international recycling (BIR).

This is the first federation supporting the interests of the recycling industry on an international scale, providing a forum for its members to share knowledge and experiences in the sector.

Confindustria (Italian Industrial Federation).

This is a trade association of manufacturing and service companies in Italy. Its mission is to favour the growth of companies by defining shared processes and sharing initiatives with the world of the economy, technology, politics and civil society.

Assomet.

Assomet is the National Association of Non-Ferrous Metal Businesses.

Founded in 1946, it is a member of Confindustria and brings together Italian companies that manufacture and transform non-ferrous metals: aluminium, lead, copper, zinc, nickel, tin, magnesium, precious metals and minor metals.

The Association works to defend the interests of the industry, both at national and international levels, and to develop the sector, laying the foundations to increase the operations of each single member company.

Assomet represents the Italian industry of non-ferrous metals with regard to political, economic, tax and environmental issues, and for standardisation.

Vision

To be the European leader in the recovery and recycling of zinc to provide our customers a safe, efficient product for the hot-dip galvanising of steel and the production of zinc alloys (brass).

Mission

We recycle zinc residues and scrap in order to obtain 98.5% pure zinc, also manufacturing zinc and nickel alloys. We create a final product that guarantees safe working conditions for our customers, and is capable of minimising the impact on the environment in which the client operates.

a) Continue investing in research and development to consolidate the production process, to transform waste into recycled zinc.
b) Focus on product quality as a distinctive element of the company.
c) Continue using alternative energies.
d) Focus the utmost attention on Human Resources, our main added value.

Strategy

Constantly improve the production process to optimise its returns, constantly decreasing the consumption of traditional energy.

Code of Ethics

The Code of Ethics of Metalsider2 comprises the principles of conduct that the company follows in carrying out its business. The set of ethical principles and values set out in the Code are intended to inspire employees' work, taking account of the importance of the roles, the complexity of the functions and the responsibilities entrusted to them.

The Code of Ethics was adopted by the Sole Director on 5 August 2020, and is an integral part and a founding element of the Organisation, Management and Control Model adopted by the Company pursuant to Italian Legislative Decree 231/2001.

By setting ethical standards of reference and rules of conduct, Metalsider2 guides its decision-making processes and company conduct to ensure that they do not conflict with the laws in force and the rules of the Code.

The Code of Ethics is primarily targeted to employees, workers, statutory auditors, shareholders and the Sole Director.

The principles that we refer to are those of:

- Honesty, fairness, integrity and transparency;
- Confidentiality;
- Prevention of corruption and conflicts of interest;
- Free competition;
- Impartiality and non-discrimination due to age, ethnicity, gender, health status, etc.;
- Environmental protection, quality, and health and safety at the workplace;
- Protection of children.

Metalsider2 makes available a copy of its Code of Ethics on its website, in order to illustrate the company's values to the public.

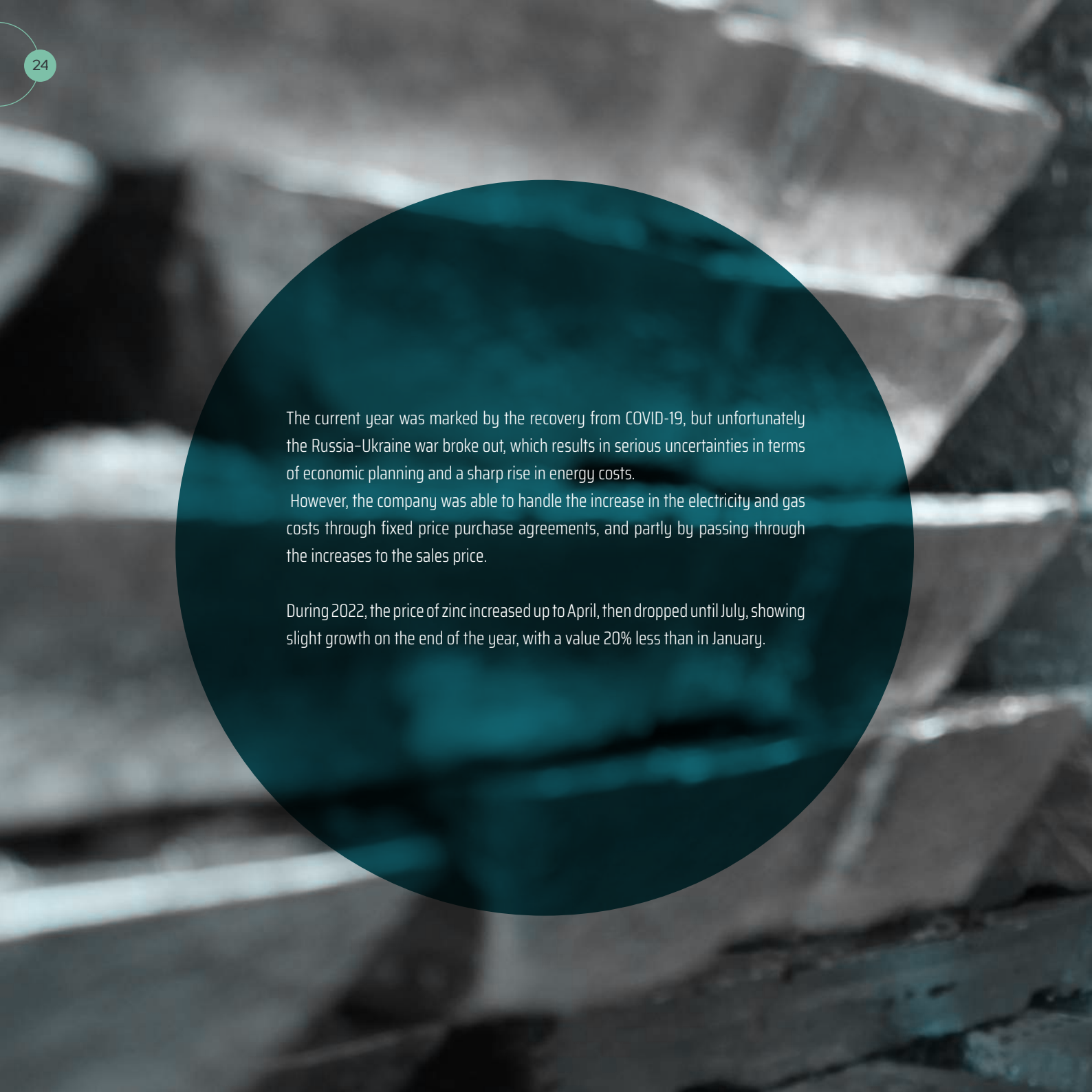
www.metalsider2spa.it/documenti/codice_etico.pdf

2 OPERATIONS

During the year, the company continued its production and sale of remelt zinc. The performance of operations in 2022 of **Metalsider2** can be judged highly positive, to the point of generating record values in both turnover and profits, significantly improving on the already highly positive figures from 2021.

The turnover for 2022 came to 224 million Euro, increasing by 42.43% on the previous year.

We confirm that the growth in turnover is not the main growth driver, because it is too highly influenced by the value of zinc, while the quality of our products and services are what drives the market positioning of the Company.



The current year was marked by the recovery from COVID-19, but unfortunately the Russia–Ukraine war broke out, which results in serious uncertainties in terms of economic planning and a sharp rise in energy costs.

However, the company was able to handle the increase in the electricity and gas costs through fixed price purchase agreements, and partly by passing through the increases to the sales price.

During 2022, the price of zinc increased up to April, then dropped until July, showing slight growth on the end of the year, with a value 20% less than in January.

Demand was quite high, allowing the company to report the highest profit in its history. All income statement and balance sheet parameters were just as positive.

The workforce increased by 6 resources, with remuneration much higher than the national collective labour agreement, and increasing bonuses. Investments were made to improve the environmental impact of the melting processes.
In line with the need for a greater focus on climate change and gender equality, the Company started the project to draw up the Sustainability Report from this year.

The reclassification of the Economic Value Generated and Distributed shows that in 2022 the company generated revenues of 222,049,715 Euro and distributed 96% of the economic value generated to the various stakeholders.

Direct economic value generated and distributed	2022
Economic value generated	
Revenues	222,049,715 €
Total economic value generated	222,049,715 €
Economic value distributed	
Operating costs	207,047,370 €
Wages and employee benefits	2,543,638 €
Payments to providers of capital/Remuneration of shareholders	- 75,917 €
Taxes and duties/Payments to the P.A.	3,478,648 €
Community investments*[1]	81,394 €
Total economic value distributed	213,075,133 €
%	96%
Economic value retained	
Difference between the economic value generated and the economic value distributed	8,974,582 €
%	4%

[1]*these regarded conventions, gifts and social benefit costs

In 2022, Metalsider2 saw an increase in the volume of production and in correlated revenues on the previous year, demonstrating a strong ability to handle the high volatility of zinc prices. The economic value generated specifically demonstrates that the company's management was capable of overcoming the events that influenced the market, providing continuity to the growth process and the positioning in the sector.
Additional confirmation was provided by the value of operating costs, which increased sharply on the previous years, demonstrating that the company is going through a process of constant development.

As stated, following the raises reported in 2022, the company granted an increase in bonuses and benefits to its employees, demonstrating attention to all aspects of components of the company. The effective management of business is also carried out in the choices and actions that providers of capital and shareholders take. Specifically, in a year where significant milestones were reached, shareholders let the company retain the amounts that would have been paid to them for the capital provided, demonstrating their trust in the operations and future growth of the company.

In 2022, Metalsider2 invested 81,394 Euro in the community through conventions, gifts and social benefit costs.
In line with the uniform growth of all items of the reclassified financial statements, profit also recorded growth, even though there was a sharp increase in operating costs.


3
PRODUCT

Metalsider2 purchases the following from the galvanizing plants:

- zinc skimmings (ashes), waste from hot-dip galvanizing of steel;
- zinc dross, composed of a an Fe-Zn alloy, which forms on the bottom of the galvanizing kettles and is periodically removed;
- zinc drippings and dust, also waste from the same process.

We also purchase old and new zinc scrap from scrap metal collectors. The scrap is pressed into bales, which are easier to store and handle, or is crushed. Skimmings are ground, producing zinc dust, which will be remelted with the scrap, and fine zinc skimmings will be resold.

Two large kilns are used to melt the zinc scrap and dust which, poured into a specific ribbon mould, to produce 98.5% zinc ingot, weighing 25 kg each, or jumbo formats of 700 kg each. Zinc dross is produced weekly.
An electric oven is used to produce 99.995% SHG zinc alloy and 0.5% nickel alloy, and 98.5% zinc and 0.5% nickel. It is important to note that that process does not produce any waste and the materials are all fully recycled.

98.5%

purity of zinc extracted

60

years in the recycling sector

Research and Development

Metalsider2 considers it a main priority to analyse the products made in depth. The characteristics of the final product are crucial for the quality and safety of the subsequent applications, and thus, the efficiency of the entire chain that uses zinc. For this reason, the company conducts detailed sample checks at the end of each processing cycle, and on all materials.

Its laboratory is equipped with cutting-edge technology such as an optical spectrometer for routine simultaneous quantitative analysis of solid samples of chemical elements based on zinc and zinc alloys, and a GNR portable EDXRF metal analysis kit.

20,000

tonnes/year of ashes recycled

30,000

tonnes of scrap recycled

4 SUPPLIERS

Recycle,
to not disperse in the environment
Recovery,
to safeguard the ecosystem
Transform,
to preserve raw materials

Suppliers

The circular economy is an economic model based on reducing waste and on developing a sustainable life cycle, at the end of which a product is no longer considered waste to be disposed of, but actually forms a new source of raw material. Zinc fits perfectly within this model: its lifecycle begins with its extraction from mines, through the phase of refinishing in order to be used in modern society, and concludes with recycling at the end of its useful life.
Zinc recycling is an important process to reduce the environmental impact linked to the extraction and production of this metal. Zinc is an element used in numerous industrial applications, such as galvanization (protective covering), producing batteries, manufacturing metal alloys and much more. Zinc is highly recyclable, given that, when products or components made of zinc reach the end of their life cycles, they can be recycled without the zinc losing its exceptional physical properties, thus constituting a new source of raw material. Approximately 50% of the zinc available at the end of the life cycle is recovered and recycled.

Metalsider2's business requires searching for and purchasing metal scrap and zinc skimmings. It is important to select quality suppliers who can guarantee high levels of product safety as well as occupational health and safety. For this reason, the company takes extreme care in selecting and managing suppliers.

Metalsider2's suppliers who bring processing scrap or products/components made of zinc to the company are primarily also customers buying the material regenerated through the company's production process.
The supply chain is composed of 456 suppliers, 41% of which supply raw materials, 33.5% services and the remainder broken down among transport, maintenance and consumable goods. More than 97% of expenditure on supplies goes to sellers of raw materials to be processed. The suppliers of goods are located throughout the world. Some materials that the company recycles essentially come from France and Germany, as in Italy zinc sheets are rarely used to cover buildings.
43.2% of the expenditure on supplies goes to companies with registered offices in Italy.

Type of suppliers	Total suppliers 2022	Total expenditure 2022	% of expenditure on supplies
Consumable goods	34	560,842.16 €	0.3%
Maintenance	44	538,980.98 €	0.2%
Materials	188	202,273,033.63 €	97.1%
Services	155	2,597,398.87 €	1.3%
Transport	35	2,347,193.41 €	1.1%
Grand total	456	208,317,449.02 €	100%

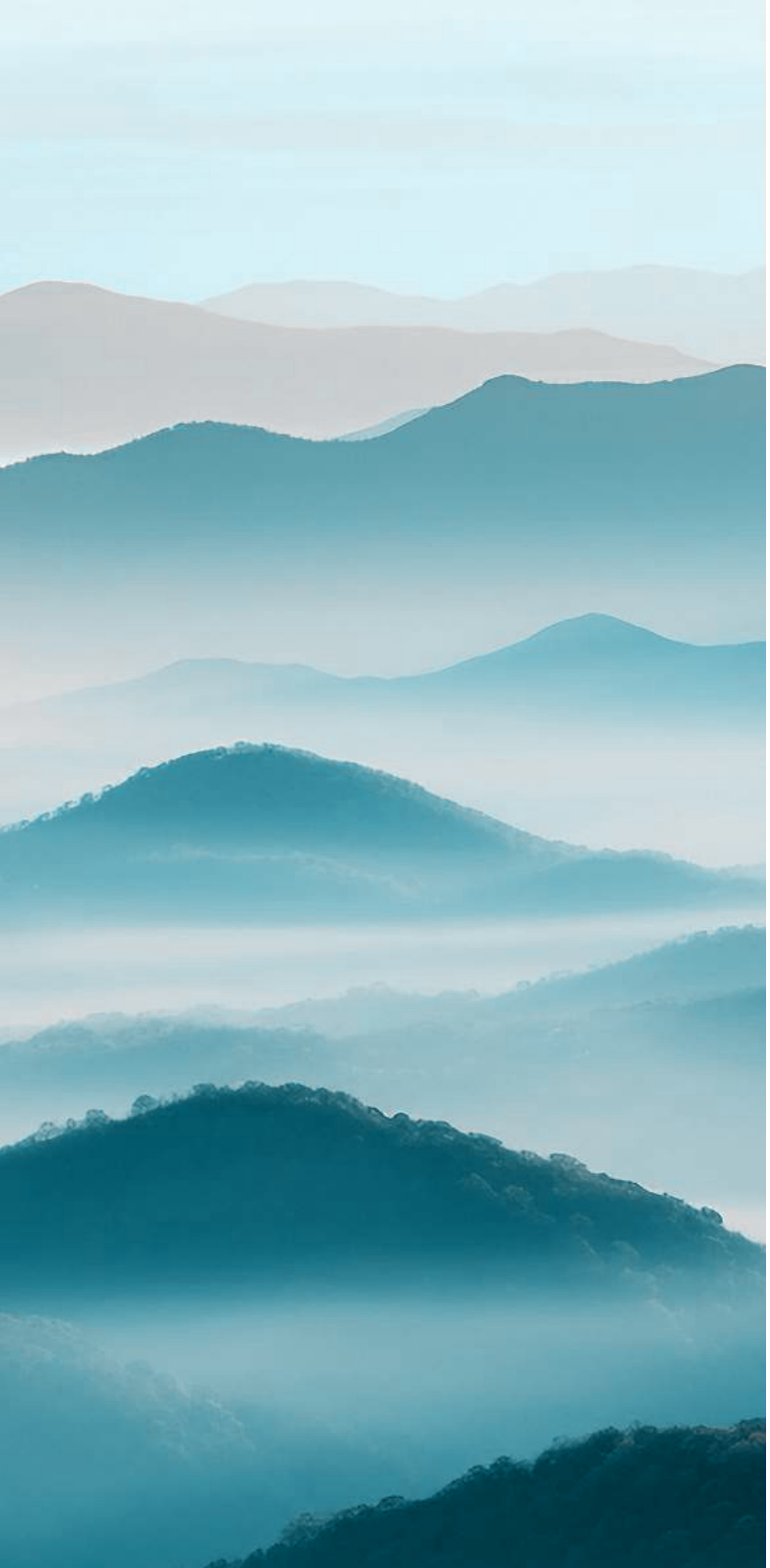
No budget for expenditure on supplies is defined a priori. For goods, the price is linked to the price of zinc on the stock market.

SUPPLIER COUNTRY	consumable goods	maintenance	goods	services	transport	Total
AUSTRIA			4		1	5
BELGIUM			3			3
CZECH REPUBLIC			1			1
UNITED ARAB EMIRATES					1	1
ESTONIA			1			1
FRANCE			54		1	55
GERMANY		1	45		2	48
ITALY	33	42	44	152	25	296
LITHUANIA			1			1
LUXEMBOURG	1					1
MALTA			1			1
MOROCCO			1			1
THE NETHERLANDS			6			6
POLAND			11		3	14
PORTUGAL			1			1
UNITED KINGDOM		1	5	3		9
ROMANIA			1		1	2
SERBIA			1			1
SLOVENIA					1	1
UNITED STATES			3			3
SWITZERLAND			2			2
TUNISIA			1			1
TURKEY			1			1
HUNGARY			1			1
Grand total	34	44	188	153	35	456

Percentage breakdown of expenditure for supplies by country (countries with a percentage <0.01% are not shown)

SUPPLIER COUNTRY	consumable goods	maintenance	goods	services	transport	Total
AUSTRIA	0	0	0.78%	0	0.01%	0.79%
BELGIUM	0	0	1.27%	0	0	1.27%
CZECH REPUBLIC	0	0	0.14%	0	0	0.14%
ESTONIA	0	0	0.50%	0	0	0.50%
FRANCE	0	0	18.26%	0	0.02%	18.29%
GERMANY	0	0.02%	12.70%	0	0	12.72%
ITALY	0.27%	0.24%	40.42%	1.22%	1.06%	43.21%
LITHUANIA	0	0	0.03%	0	0	0.03%
MALTA	0	0	0.03%	0	0	0.03%
MOROCCO	0	0	0.05%	0	0	0.05%
THE NETHERLANDS	0	0	2.63%	0	0	2.63%
POLAND	0	0	5.74%	0	0.02%	5.76%
PORTUGAL	0	0	0.02%	0	0	0.02%
UNITED KINGDOM	0	0	8.54%	0.02%	0	8.56%
ROMANIA	0	0	0.07%	0	0.01%	0.08%
SERBIA	0	0	1.68%	0	0	1.68%
SLOVENIA	0	0	0	0	0	0.01%
UNITED STATES	0	0	2.14%	0	0	2.14%
SWITZERLAND	0	0	0.22%	0	0	0.22%
TUNISIA	0	0	0.07%	0	0	0.07%
TURKEY	0	0	1.68%	0	0	1.68%
HUNGARY	0	0	0.11%	0	0	0.11%
Grand total	0.27%	0.26%	97.10%	1.24%	1.13%	100.00%


ENVIRONMENT
5



One of the main bases of the circular economy is the recovery of materials, i.e. favouring recycling and reducing the use of virgin raw materials. Our commitment is to rethink the entire production cycle in order to reduce waste, extend product lives and recycle and regenerate.

Metalsider2 is a virtuous example of a company with the circular economy in its DNA: recycling plays a fundamental role in balancing the ecosystem, as it entails the remelting of processing scraps, producing secondary raw materials that can be fully reused in the industrial process of galvanization and production of Zn alloys (brass). That way, mining exploitation and the related use of energy and water are reduced, CO_2 emissions and disposal in landfills are limited.

Zinc is highly recyclable, given that, when products or components made of zinc reach the end of their life cycles, they can be recycled without the zinc losing its exceptional physical properties, thus constituting a new source of raw material.
Approximately 45% of the zinc available at the end of the life cycle is recovered and recycled. In Europe and the United States, this percentage even reaches 50%. Metalsider2 is a leader in the recovery and recycling of zinc. The recovery of this waste enables the company to produce zinc and zinc alloys for sale primarily to hot-dip steel galvanizing companies and zinc alloy (brass) manufacturers. We recycle all types of zinc residue and scrap, resulting in the extraction of 98.5% pure zinc, for the production of zinc/nickel alloys.

Metalsider2 thus processes zinc scrap, optimising the recovery of all of its components and reducing the share of waste practically to zero.
Metalsider2 has always been careful regarding environmental regulations, and renews its commitment to protect local areas and the environment every day.

All environmental data reported in the following chapter comes from the file that the company sends every year to ARPAE regarding the company's environmental performance.
Metalsider2 was awarded a certificate of recognition for its choice of intermodal transport, which reduced CO_2 emissions.

Products and raw materials

Products	Tonnes collected/purchased
98.5% Zn in jumbo format and ingots	34,563
Special 2 (Zn/Ni 0.5% alloy)	26
SHG Zn special (0.5% Ni)	115
Total	34,704

Raw materials	Tonnes collected/purchased	Tonnes processed and used for production/melting
Ashes of Zinc EWC 110502	20,131	18,220
Zinc dust and drippings EWC 110599	32	31
Zinc scrap EWC 170404	27,453	26,202
Zinc scrap (SRM)	192	192
Zinc dross EWC 110501	3,783	104
Zinc dross (SRM)	88	0
Non-ferrous dust EWC 120104	0	0
Kiln dust (produced and recovered)	0	6,192
Blocks of zinc	0	0
Zn GOB	0	0
Secondary Zn	538	0
Nickel (for SHG/Ni alloys)	0.0	0.8
SHG + HG Zn	5,565	114
Reagents for water purification plant: Flocculant + caustic soda	0.12	0.2
Total raw materials	57,782	51,056

Consumption and emissions

Parameter	Measurement	Value
Electricity	kWh/year	2,337,254
Methane gas	m3/year	941,191
Diesel	L/year	52,000

Anthropic atmospheric changes generated from the second industrial revolution onwards are beginning to create increasingly dire problems for all forms of life. Even small emissions of climate-altering gases are capable of acting as a driving force, accentuating the impacts from other sources of pollution, generating a chain of negative effects that at times is unpredictable. Through the global conferences organized by the UN, countries are beginning to limit and control their emissions through the use of various tools.
The company generates both direct and indirect emissions from its operations and its procurement of electricity from non-renewable sources.

The GHG Protocol provides the tools and methodologies to calculate greenhouse gas emissions. Emissions of these gases can be of two different types: direct (Scope 1) or indirect (Scopes 2 and 3). Scope 1 emissions include all emissions deriving from sources owned or controlled by the companies.

Total Scope 1 and 2 CO_2 emissions came to 3,073,055 kg of CO_2. This figure was calculated based on the data provided by Metalsider2, converted using the emissions factors of the GHG Protocol. Specifically, the 941,191 cubic metres of methane gas used were firstly converted into MMBtu, then converted into tonnes of CO_2 using the corresponding emission factor. The 52,000 litres of diesel fuel were converted into tonnes of CO_2 equivalent by multiplying them

by 2.32, i.e. the conversion factor tCO_2e/natural gas. The electricity was converted into tCO_2eq using the GHG Emission calculation tool, by multiplying the kWh used by 0.53, i.e. the corresponding emission factor.

A significant result achieved by the production of METALSIDER2 is the ratio of CO_2 issued to each kg of zinc produced. Given the annual production of 36,000,000 kg of zinc, the company managed to achieve consumption of only 0.085 kg of CO_2 per kg of zinc, amounting to much lower than the 1.522 kg of CO_2 issued on average in the sector.

Scope 1 + Scope 2

3,073,055 kg CO_2

Scope 1 Emissions	Total scm	Tot GHG emissions (Tonnes of CO_2 eq.)
Natural gas	941,191	1,705.00

Scope 2 Emissions	kWh	Tot GHG emissions (Tonnes of CO_2 eq.)
Electricity	2,337,254	1,247.00
Diesel	52,000	121.05

Water

	Measurement	Value
Water withdrawal from mains for production use	m3/year	0
Water withdrawal from mains for civil use	m3/year	812

Metalsider2 does not use water in the production process. It is used exclusively for civil uses.
Rainwater that washes the courtyard is drained into surface water, following suitable purification. The table below shows the analysis conducted during self-checks.

Pollutants	Average annual mass flow	Units
Total suspended solids	0.605	Kg/year
COD	1.730	Kg/year
Bod5	1.210	Kg/year
Nickel	0.012	Kg/year
Lead	0.006	Kg/year
Zinc	0.006	Kg/year
Total hydrocarbons	0.242	Kg/year

Waste

Metalsider2 generates various types of waste which are exclusively sent for recovery.

Type of waste	Recovery/disposal (r/d)	Value in tonnes
Waste products sent for recovery - Iron scrap	R	1,089
Waste produced sent for recovery - Aluminium scrap	R	57
Waste produced sent for recovery - Zinc dross	R	782
Waste produced sent for recovery - Fine Zinc ashes	R	572
Waste produced sent for recovery - Fine Zinc skimmings	R	9,333
Waste sent for recovery - Plastic packaging	R	19
Waste sent for recovery - Paper and cardboard packaging	R	1.5
Waste sent for disposal - aqueous liquid waste	D	5.6
Waste sent for recovery - plastic and rubber	R	0.26
Waste sent for recovery - Zinc dross	R	3,783
Waste sent for recovery - Zinc skimmings	R	762
Waste sent for recovery - Zinc dust and drippings	R	26
Waste sent for recovery - Zinc scrap	R	2,238
Waste sent for recovery - Mineral oil waste	R	2.4
Waste sent for recovery - Absorbent and filtering materials	R	2.0

Other parameters used by the organisation to monitor and check the performance indicators.

Parameter	Measurement	Calculation method	Value
Specific consumption of raw materials and waste collected by third parties	tonnes/tonnes	Raw materials and waste collected/ finished product	1.66
Specific consumption of raw materials and waste used	tonnes/tonnes	Raw materials and waste used (including self-produced kiln dust)/finished product	1.47
Specific consumption of electricity	KWh/tonnes	electricity consumption/tonnes of finished product	67.0
Specific consumption of thermal energy	m3 methane/ tonne	consumption of thermal energy/tonnes of finished product	27.0
Specific waste production: Fine ashes of Zn	tonnes/tonnes	quantity of fine ashes and fine skimmings produced (send for recovery)/ tonnes of finished product	0.3
Specific waste production: Iron scrap	tonnes/tonnes	quantity of iron scrap produced (send for recovery)/tonnes of finished product	0.03
Particulate material emission factor	grams/tonne	annual total mass flows/finished product	15.2


PEOPLE
6

Two crucial principles for **Metalsider2** are loyalty and respect for the individual. Our employees are the key to the company's success, as they embody the commitment to quality, innovation and growth. The company reciprocates, supporting their ongoing development, encouraging fairness and inclusion and providing them with the tools necessary to work safely. The continuous engagement of workers demonstrates our willingness to listen and respond to evolving needs.

Inclusion and non-discrimination are two values considered fundamental for managing the company's people, for the basis of various tools adopted to promote the talent of each single individual, favour a work-life balance and protect cultural, ethic, age, gender and ability diversities.

Metalsider2 commits to guaranteeing equal opportunities to employees and to job applicants. At the factories, respect for individuals and their religious, political and sexual orientations are promoted, and all type of discrimination is prevented, promoting diversity, tolerance and welcoming.

In 2022, there were 42 people working for Metalsider2, of which 10 women (Italian, Russian and Ukrainian) and 32 men (Italian, African, Tunisian and Albanian).
The company almost exclusively employs people on permanent contracts, a type of contract that guarantees workers better stability and greater opportunities for professional growth: 95% of workers are on permanent contracts, and 98% are full-time.
The company has no seasonal workers, and the activities outsourced to external companies regard pressing and **grinding scrap and the management of the internal workshop.**

	Total	Women	Men	% Women	% Men
Employees	42	10	32	24%	76%
Agents/Freelance Workers/Contract workers	0	0	0	--	--
Age					
< 30	5	2	3	5%	7%
30 - 50	21	6	15	14%	36%
> 50	16	2	14	5%	33%
Fixed-Term	2	0	2	0%	100%
Permanent	40	10	30	25%	75%
Full-time	41	9	32	22%	78%
Part-time	1	1	0	100%	0%

During the reporting period, six new employees were hired, and only one resource left the company. The positive turnover amounted to 14%, while the negative turnover came to 2%.

	Total	Women	Men
Terminations	1	1	0
New hires	6	2	4
< 30	0	0	0
30-50	4	1	3
> 50	2	1	1

The company does not have structured, formal welfare, but organises company events, lunches and parties to enhance the internal climate. In 2022 one employee used parental leave, returning full time to the company at the end of her maternity leave.

Training

Training and professional growth are fundamental factors for Metalsider2, with the goal of enhancing the skills of its workers and increasing their knowledge, but also of guaranteeing compliance with national legislation and safety in the workplace.
Every year, the company analyses the specific needs of workers to guarantee that the training provided is most suited to them and the operational needs.
During 2022, 560 hours of training were provided, involving all 42 employees. Average hours of training per employee were 13.3.
The training program included: internal training courses for updates on environmental topics, on using self-propelled platforms and cranes, public speaking, preparing sales plans, customs regulations, safety and trainer courses.
The courses were partly financed using Fondimpresa public grants, and others using training accounts, partly paid directly by the company.

Diversity of governance bodies and employees

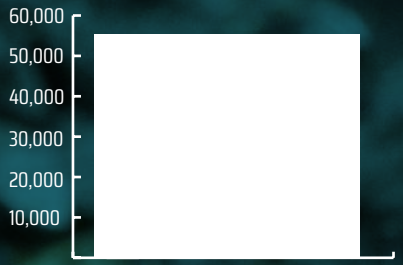
- Male sole director: over 50
- Management Committee: 2 women 30-50, 1 woman over 50, 1 man over 50

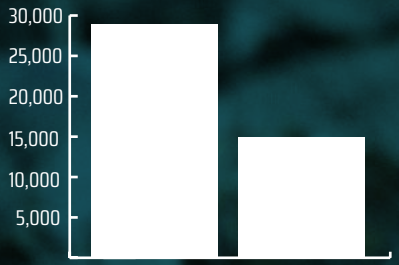
Age brackets	Italian	Foreign	Total	Italian	Foreign	Total	Grand total	% Grand total
Under 30	2		2	1	2	3	5	12%
30-50	5	1	6	3	12	15	21	50%
Over 50	1	1	2	8	6	14	16	38%
Total	8	2	10	12	20	32	42	100%
30 - 50	21	6	15	14%	36%			

As regards the diversity management strategy, the significant integration of people with disabilities, recognized by legislation, is tangible.
There are two differently-abled people (2 women, one Italian 30-50 and one foreign woman over 50) employed by the company.

Ratio of basic salary and remuneration of women to men

Regarding remuneration, the Group strongly promoted assigning a fair wage to its employees, in line with that set out in local legislation.





Health and safety in the workplace and of customers

The company does not have a management system, but complies with all the mandatory regulations, has set up a risk assessment document and has implemented new procedures by adopting the Management Model pursuant to Law 231.

On approval of the Model pursuant to Law 231, employees were provided with the relevant training (with translations for the foreigners) and the procedures for the activities they are involved in.

There is a company doctor who carries out the activities required by regulations, on-site and during working hours. The company helps employees to book any supplementary exams requested by the doctor. Moreover, the Workers' Safety Representative assists workers in using the health insurance set out in the National Collective Labour Agreement.

As per the regulatory obligations, workers are trained through refresher courses on safety, the use of internal handling devices, first aid and fire prevention.

In 2022 only two accidents on the journey to work occurred, no incidents with serious consequences and no deaths due to injury.

The product does not entail risks for customers' safety. Attention and care are focused on the packaging and transport of the ingots and waste in order to reduce any environmental risks in the event of problems during the journey or of safety during loading/unloading.

SUSTAINABILITY GOALS 2023-2025

Governance

- Develop external stakeholders
- Develop a sustainability analysis of its supply chain
- Carry out a questionnaire assessing all suppliers, inserting environmental and social criteria

Social

- Carry out a company survey to assess the work environment and possible actions to expand welfare.
- Increase the hours of personnel training
- Implement assistance to the local areas through projects with associations

Environment

- Achieve a plant carbon footprint (Scopes 1 and 2) in order to obtain certain, certified data on the CO_2 equivalent emissions and design a decarbonisation plan
- Carry out Scope 3 calculation
- Improve the company's energy efficiency as a result of purchasing a new headquarters

GRI CONTENT INDEX

STATEMENT OF USE	Metalsider2 has reported the information cited in the GRI Content Index for the period 01.01.22-31.12.22, with reference to the GRI Standards.
GRI 1 USED	GRI 1: Reporting Principles 2021
GRI SECTOR STANDARDS APPLICABLE	N/A

2	GENERAL DISCLOSURES	
	THE ORGANIZATION AND ITS REPORTING PRACTICES	
2-1	Organizational details	13
2-2	Entities included in the organization's sustainability reporting	6
2-3	Reporting period, frequency and contact point	6
2-4	Restatements of information	6
2-5	External assurance	not required
	ACTIVITIES AND WORKERS	
2-6	Activities, value chain and other business relationships	13, 16, 18, 29-31, 32-37,
2-7	Employees	50-51
2-8	Workers who are not employees	50
	GOVERNANCE	
2-9	Governance structure and composition	14,15
2-15	Conflicts of interest	27
	STRATEGY, POLICIES AND PRACTICES	
2-22	Statement on sustainable development strategy	4.5
2-23	Policy commitments	20.21
2-28	Membership associations	19
	STAKEHOLDER ENGAGEMENT	
2-29	Approach to stakeholder engagement	8
2-30	Collective bargaining agreements	55

GRI CONTENT INDEX

3	**MATERIAL TOPICS**	
	DISCLOSURES ON MATERIAL TOPICS	
3-1	Process to determine material topics	6-10
3-2	List of material topics	6-10
3-3	Management of material topics	6-10
200	**ECONOMIC TOPICS**	
201	ECONOMIC PERFORMANCE	
201-1	Direct economic value generated and distributed	26
202	MARKET PRESENCE	
202-2	Proportion of senior management hired from the local community	All of them are from the local community
203	INDIRECT ECONOMIC IMPACTS	
203-2	Significant indirect economic impacts	27
204	PROCUREMENT PRACTICES	
204-1	Proportion of spending on local suppliers	34,35
205	ANTI-CORRUPTION	
205-1	Operations assessed for risks related to corruption	none
205-2	Communication and training about anti-corruption policies and procedures	21
205-3	Confirmed incidents of corruption and actions taken	none
206	ANTI-COMPETITIVE BEHAVIOUR	
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	none
300	ENVIRONMENTAL TOPICS	
301	MATERIALS	
301-1	Materials used by weight or volume	41,42
302	ENERGY	
302-1	Energy consumption within the organization	42
302-2	Energy consumption outside of the organization	42
303	WATER AND EFFLUENTS	
303-1	Interactions with water as a shared resource	44
303-3	Water withdrawal	44

303-4	Water discharge	44
303-5	Water consumption	44
305	EMISSIONS	
305-1	Direct (Scope 1) GHG emissions	43
305-2	Energy indirect (Scope 2) GHG emissions	45
306	WASTE	
306-1	Waste generation and significant waste-related impacts	45,46
306-2	Waste by type and disposal method	45,46
306-3	Waste generated	45,46
306-4	Waste diverted from disposal	45,46
306-5	Waste directed to disposal	45,46
308	SUPPLIER ENVIRONMENTAL ASSESSMENT	
308-1	New suppliers that were screened using environmental criteria	34
308-2	Negative environmental impacts in the supply chain and actions taken	none
400	**SOCIAL TOPICS**	
401	EMPLOYMENT	
401-1	New employee hires and employee turnover	51
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	52
401-3	Parental leave	55
403	OCCUPATIONAL HEALTH AND SAFETY - 2018	
403-1	Occupational health and safety management system	55
403-2	Hazard identification, risk assessment, and incident investigation	55
403-3	Occupational health services	55
403-4	Worker participation, consultation, and communication on occupational health and safety	55
403-5	Worker training on occupational health and safety	55
403-6	Promotion of worker health	55
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	55
403-8	Workers covered by an occupational health and safety management system	55

403-9	Work-related injuries	55
403-10	Work-related ill health	55
404	TRAINING AND EDUCATION	
404-1	Average hours of training per year per employee	52
404-2	Programs for upgrading employee skills and transition assistance programs	52
405	DIVERSITY AND EQUAL OPPORTUNITY	
405-1	Diversity of governance bodies and employees	52
405-2	w	54
406	NON-DISCRIMINATION	
406-1	Incidents of discrimination and corrective actions taken	none
407	FREEDOM OF ASSOCIATION	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining maybe at risk	none
408	CHILD LABOUR	
408-1	Operations and suppliers at significant risk for incidents of child labour	none
409	FORCED OR COMPULSORY LABOUR	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	none
411	RIGHTS OF INDIGENOUS PEOPLES	
411-1	Incidents of violations involving rights of indigenous peoples	none
413	LOCAL COMMUNITIES	
413-1	Operations with local community engagement, impact assessments, and development programs	27
413-2	Operations with significant actual and potential negative impacts on local communities	none
414	SUPPLIER SOCIAL ASSESSMENT	
414-1	New suppliers that were screened using social criteria	34
414-2	Negative social impacts in the supply chain and actions taken	none
416	CUSTOMER HEALTH AND SAFETY	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	none
418	CUSTOMER PRIVACY	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	none

Methodological consulting: Mediamo Area Sostenibilità S.r.l. SB
Graphic Design: Mediamo S.r.l. SB


METALSIDER2