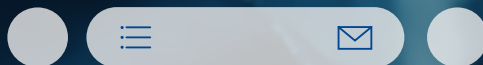


FORGING YOUR IDEAS INTO INNOVATIVE SOLUTIONS

SUSTAINABILITY REPORT 2022

BRAWO





Interactive PDF

On each page of this interactive PDF, at the bottom, you will always find some icons that will assist you in navigating through the document (previous page, next page, index, home). These icons provide quick access to various functions (print and contacts).

Happy reading!



Previous Page

Selecting this button will take you back to the previous page of the document.



Next Page

Selecting this button will take you to the next page of the document.



Index

Takes you at any time to the index page, from which you can navigate through the PDF.



Home

Selecting this button will take you to the first page of the document.



Print

Selecting this button will open the print window.



Contacts

Allows you to request information (note that this selection will open your computer's default email client).



FORGING YOUR IDEAS INTO INNOVATIVE SOLUTIONS

SUSTAINABILITY REPORT 2022



Table of contents

1. ABOUT US

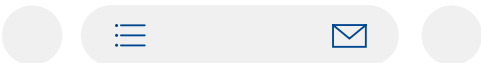
- 1.1 Vision & Mission 08
- 1.2 Methodology Note 10
- 1.3 Letter from the President 12
- 1.4 Letter from the General Manager 14
- 1.5 About us 16
- 1.6 The production process 18
- 1.7 Our History 20
- 1.8 Highlights 2022 22
- 1.9 Our values and the path to sustainability 24
- 1.10 Sustainable Development Goals 26

2. MATERIALITY ASSESSMENT AND ANALYSIS OF THE GENERATED IMPACTS

- 2.1 Identification of generated impacts 30
 - 2.1.1 - Actual Impacts 32
 - 2.1.2 - Potential impacts 38
- 2.2 Stakeholders mapping 42
- 2.3 Our priorities: the material topics 44

3. GOVERNANCE SPHERE

- 3.1 Governance sphere 50
- 3.2 Strategic Management 52
 - 3.2.1 - Code of Ethics 54
 - 3.2.2 - MOG 231 55
 - 3.2.3 - Certifications 56



3.3	Economic Performance	58
3.4	Suppliers	60
3.5	Data protection	62
3.6	Research & Development and Technological Innovation	64
3.7	Customer satisfaction	66

4. ENVIRONMENT SPHERE

4.1	Environment sphere	70
4.2	Energy and energy efficiency	72
4.3	Emissions in the atmosphere	74
4.4	Improvement measures and future investments	78
4.5	Recovery and reuse of materials	80
4.6	Waste management and treatment	84
4.7	Water	86
4.8	Noise	88

5. SOCIAL SPHERE

5.1	Social sphere	92
5.2	Staff management	94
5.3	Training and education	96
5.4	Health and Safety at Brawo	98
5.5	Corporate well-being	100
5.6	Diversity and Inclusion	104
5.7	Distribution of value in the community	106

6. GRI CONTENT INDEX

GRI Content Index	108
-------------------------	-----

7. APPENDICE

Appendix	114
----------------	-----

1.





About us

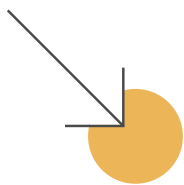
Since 1860, our goal has been to provide increasingly innovative solutions to our customers. Thanks to a vertically integrated structure and ongoing investments in new technologies, Brawo offers efficient lean production.



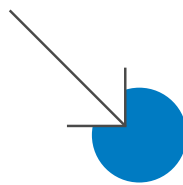
1.1

Mission & Vision

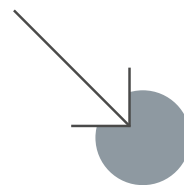
Forging
your ideas
into innovative
solutions



Exceed customer expectations with innovative solutions.



Offer efficient lean manufacturing.



Turn projects into a real business.

1.2

Methodology note

This document represents the first Sustainability Report published by the company Brawo S.p.A.

The document has been prepared following the “with reference to” option of the GRI (Global Reporting Initiative) international standards, which have been used as a source for identifying key-indicators for reporting qualitative-quantitative information for the years 2021 and 2022.

The objective of the report is to communicate to its stakeholders (internal and external) the virtuous initiatives put in place by the company in terms of environmental, social and governance sustainability issues.

The principles of materiality, inclusivity, sustainability context, completeness, accuracy, balance, clarity, comparability, reliability and promptness were adopted in drafting the document.

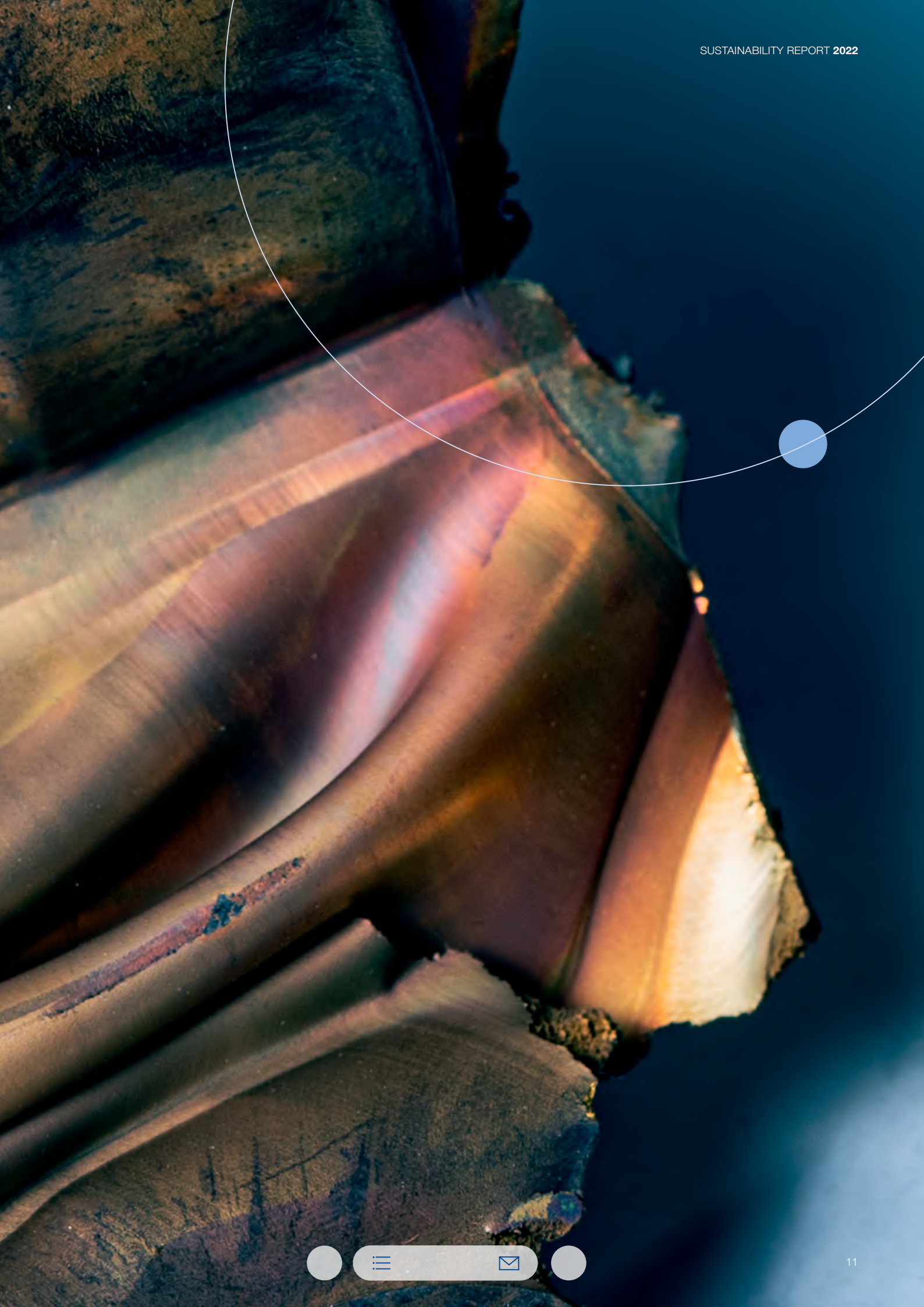
The contents of the document were identified according to the principle of materiality, i.e., by selecting the issues most significant to the organization’s sustainability and derived from

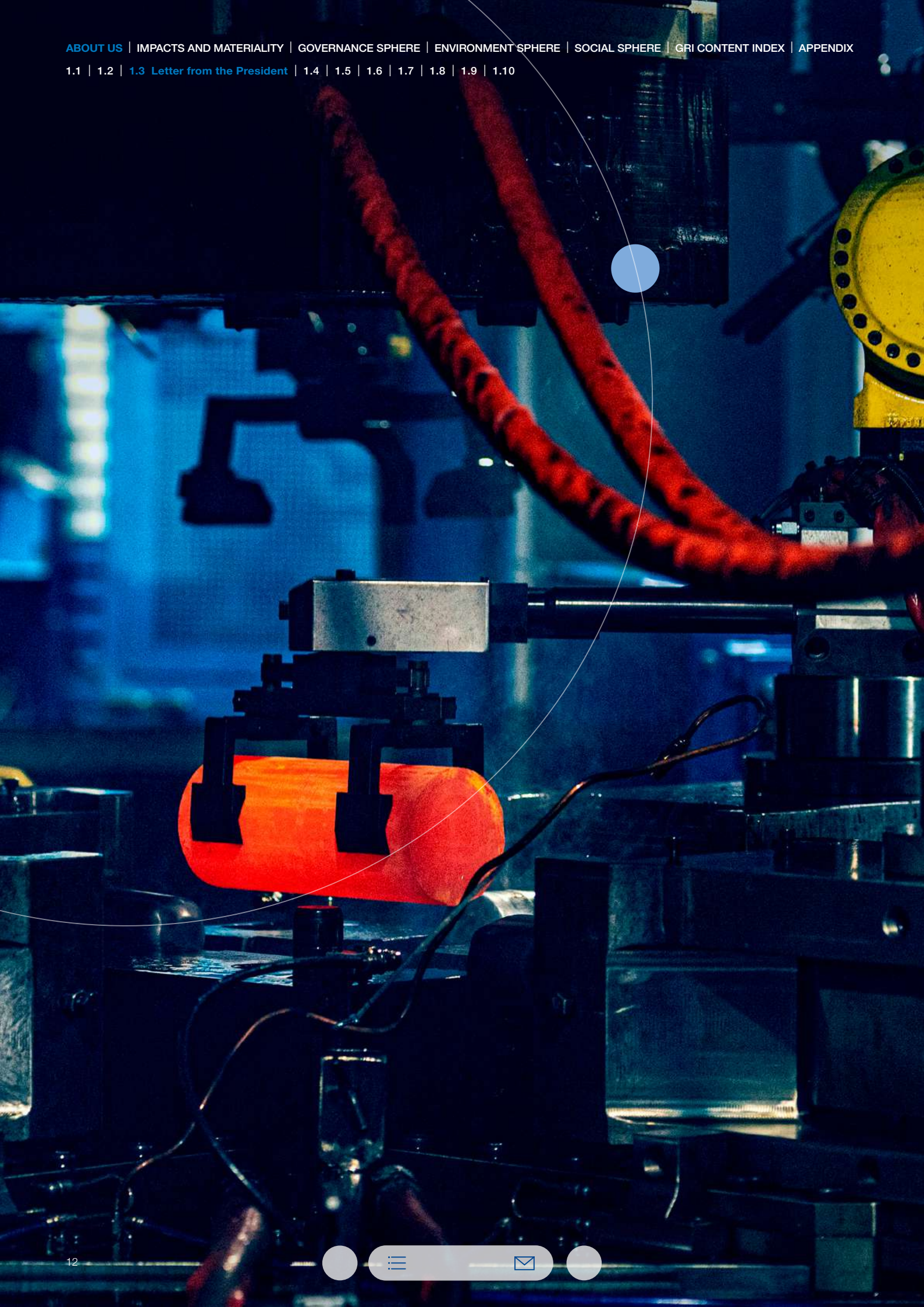
the interaction between the organization itself and key stakeholders, selected on the basis of the degree of mutual influence between the organization itself and identified stakeholders.

Stakeholder engagement took place through dedicated meetings and interviews where alignment on the project was possible, and through surveys administered to institutional bodies, suppliers, customers, employees, media and lending institutions, among others.

The individual issues reported are presented with reference only to the Brawo S.p.A. company and do not include data from the holding company (HUG S.p.A.).

The information reported refers to the reporting period from January 1, 2022 to December 31, 2022. Information for the biennium 2021-2022 can be found within the document.





1.3

Letter from the President

Brawo's first Sustainability Report represents a fundamental step in our history: a document in which we illustrate how sustainability is at the heart of our actions, but also a valuable tool for strengthening the dialogue we pursue with our stakeholders and for sharing our goals in a transparent way.

It is the document that tells about our commitment, that guides us every day on the continuous journey of **creating value** for people, the environment and our community, that expresses how sustainability is an integral part of our identity as a company active in the metallurgical sector.

It is a document that tells about us, but above all it should serve us to define what future to build and to choose, what goals we want to aspire to.

During 2022, we defined our priority sustainability issues according to our three strategic pillars of **environmental, social, and governance**, and set goals to be pursued in the coming years with a view to continuous improvement. We know that there is still a long way to go, so we work every day with the understanding that this is the beginning of a path to travel with commitment and dedication. Trusting that the information and news contained below will provide a clear picture of how strategic the issues of responsible business management are for us, I wish you all a good read.

Gabriele Gnutti
President



1.4

Letter from the General Manager

Esteemed stakeholders,

It is undoubtedly true that companies are born and developed by creating value. But value creation cannot be solely concerned with the microcosm of the individual company, totally excluding from its governance and strategy the context in which it operates both socially and environmentally.

Value creation must therefore take place at 360 degrees, involving all the actors that interact with the company.

This underlying philosophy, which is part of the DNA of any successful company, sees all corporate actors transversally involved and participating in a sustainability project having both local and, albeit through an apparently marginal contribution, international reflections.

To speak today of value creation, without also including the concept of sustainability, would be extremely reductive and in some ways would limit its scope.

Value is created only if we generate a positive change in everything around us and, directly or indirectly, promote initiatives aimed at bringing well-being to the society and environment in which we live and for which we feel responsible actors.

At Brawo, we therefore have a business vision in which economic, social and environmental objectives are strongly intertwined and one cannot disregard the other in a joint path marked by continuous improvement on issues

such as profitability both in the short and medium/long term, fight against pollution, promotion of circular economy, attention to human resources, health and safety issues, gender equality, etc.

Indeed, there can be no sustainability without a shared culture on the same topic and its importance. Sustainability concepts must therefore be transmitted and explained at all levels of society, and this cannot be separated from the action of active players such as Brawo, who invest in it, organize themselves to promote it and involve all their stakeholders in this path.

The stakeholders, whether they are customers, suppliers, financial institutions, collaborators, etc., obviously have to be actors in turn in this process and must be able to recognize and reward companies that promote these values.

I would like to conclude by thanking all those who participated in the realization of this first Sustainability Report, the result of an important, challenging and careful teamwork, which involved all areas of the company and actively and purposefully involved many of our external partners.

Thank you and enjoy your reading

Francesco Musig
General Manager



Markforged

BRAVO



1.5

About us

Brawo S.p.A. is a joint-stock company subject to management and coordination by Holding Umberto Gnutti (HUG S.p.A.), the latter operating in Italy and headquartered in Roncadelle (BS).

Brawo S.p.A. was acquired in 1976 by the HUG Group and is a reference company for hot forging and contract machining of elements made of brass, aluminum and other nonferrous materials. It is located in Pian Camuno, in the province of Brescia, in a highly industrialized area, especially for what concerns the metallurgical and mechanical sectors.

To date, Brawo S.p.A. has about 350 employees and is distinguished by its continuous investment in technology, innovation, engineering and R&D. Its products are used in a variety of markets: from plumbing to fire protection systems, from medical to “heating, ventilation, and air conditioning” (HVAC), from welding systems to diving, and to the automotive sector.

Brawo takes care of the entire customer service organization: from technical design assistance to day-to-day business, with the goal of consistently providing quality products that are competitive and match customer requirements.

The **hot stamping activity** carried out by Brawo guarantees high mechanical properties as well as process efficiency and repeatability. It is carried out by automatic presses, manual presses and hatebur machines.

Mechanical processing is carried out by Transfer and Flexible Cells machines and CNC (numerically controlled) machines.

The Group manufactures **molds** and **tools** in-house to fully meet customers’ needs. This reduces procurement time and improves production efficiency.

QUALITY CONTROL

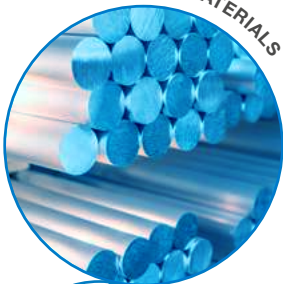


1.6

The production process

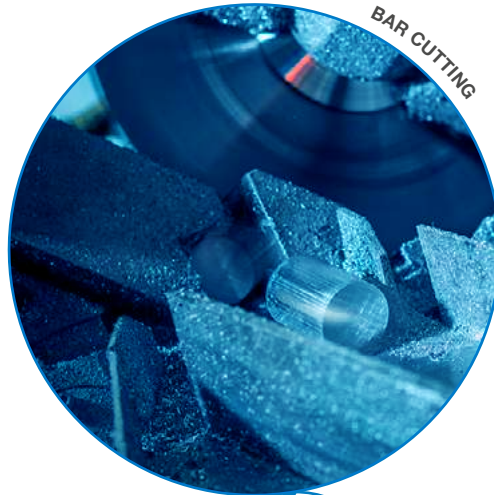
Our core business is hot stamping and machining of components made of brass, aluminum, and other nonferrous metals.

RAW MATERIALS

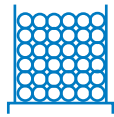


The Brawo Group is specialized in hot stamping and mechanical processing of brass and aluminum and other nonferrous metals.

BAR CUTTING

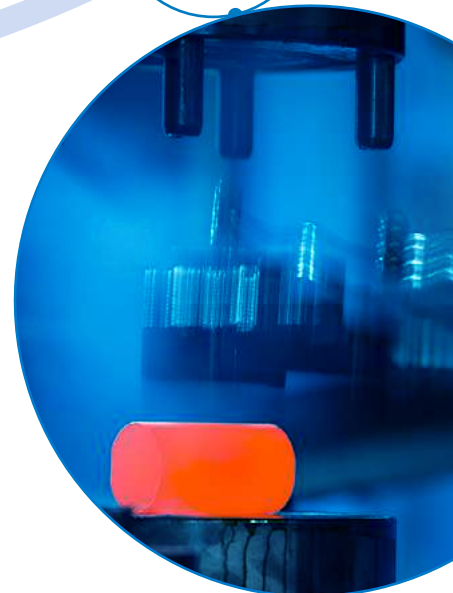


Incoming raw material is stored in a modern automatic warehouse that feeds the department, in which raw bars are cut into pieces of various sizes depending on the type of part to be obtained; this operation is carried out by means of metal blade cutters.



NEW PRODUCT DEVELOPMENT

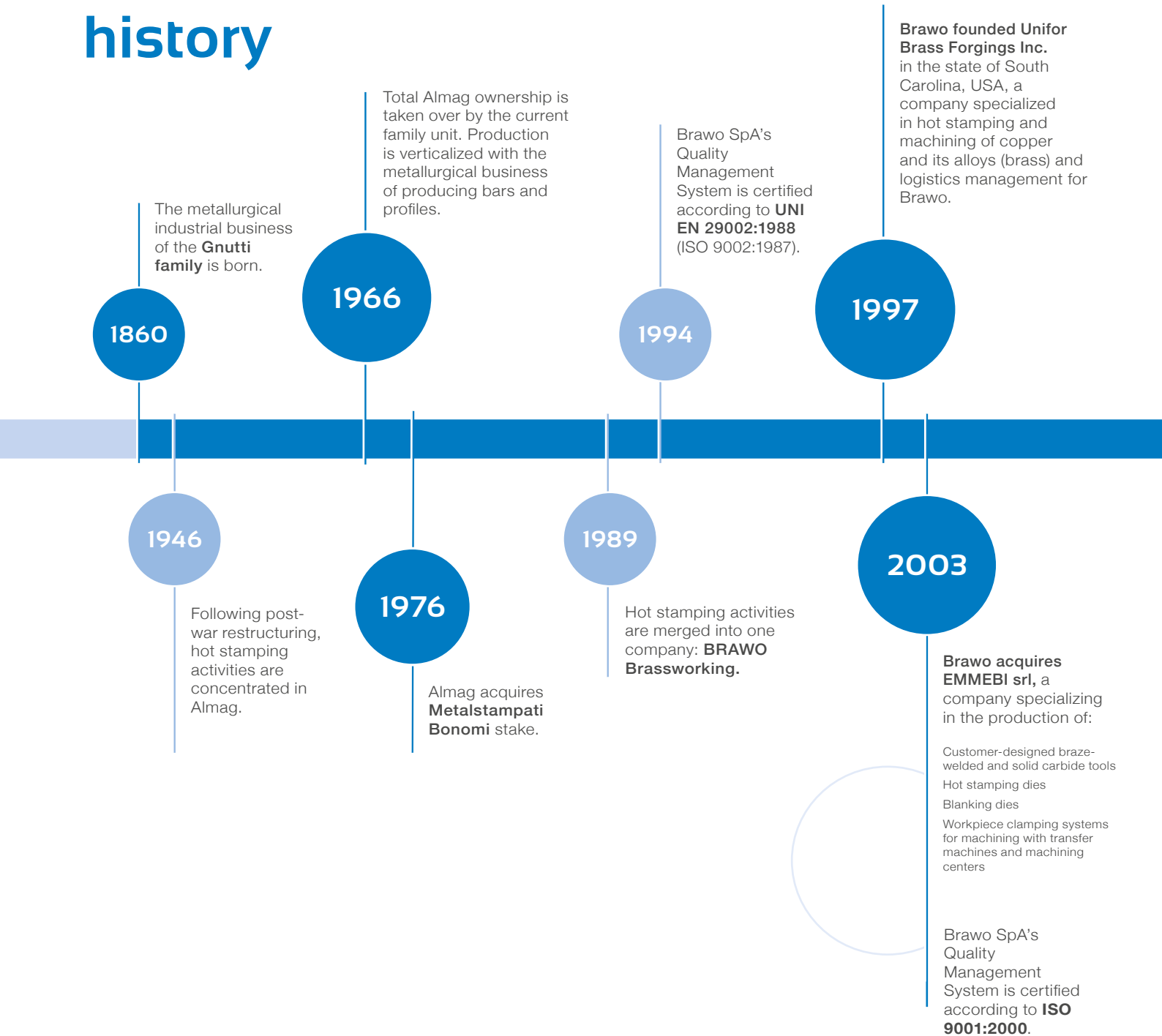
Brawo has an engineering department that supports all stages of the process, from budgeting to feasibility study, from equipment design and development to packaging definition.

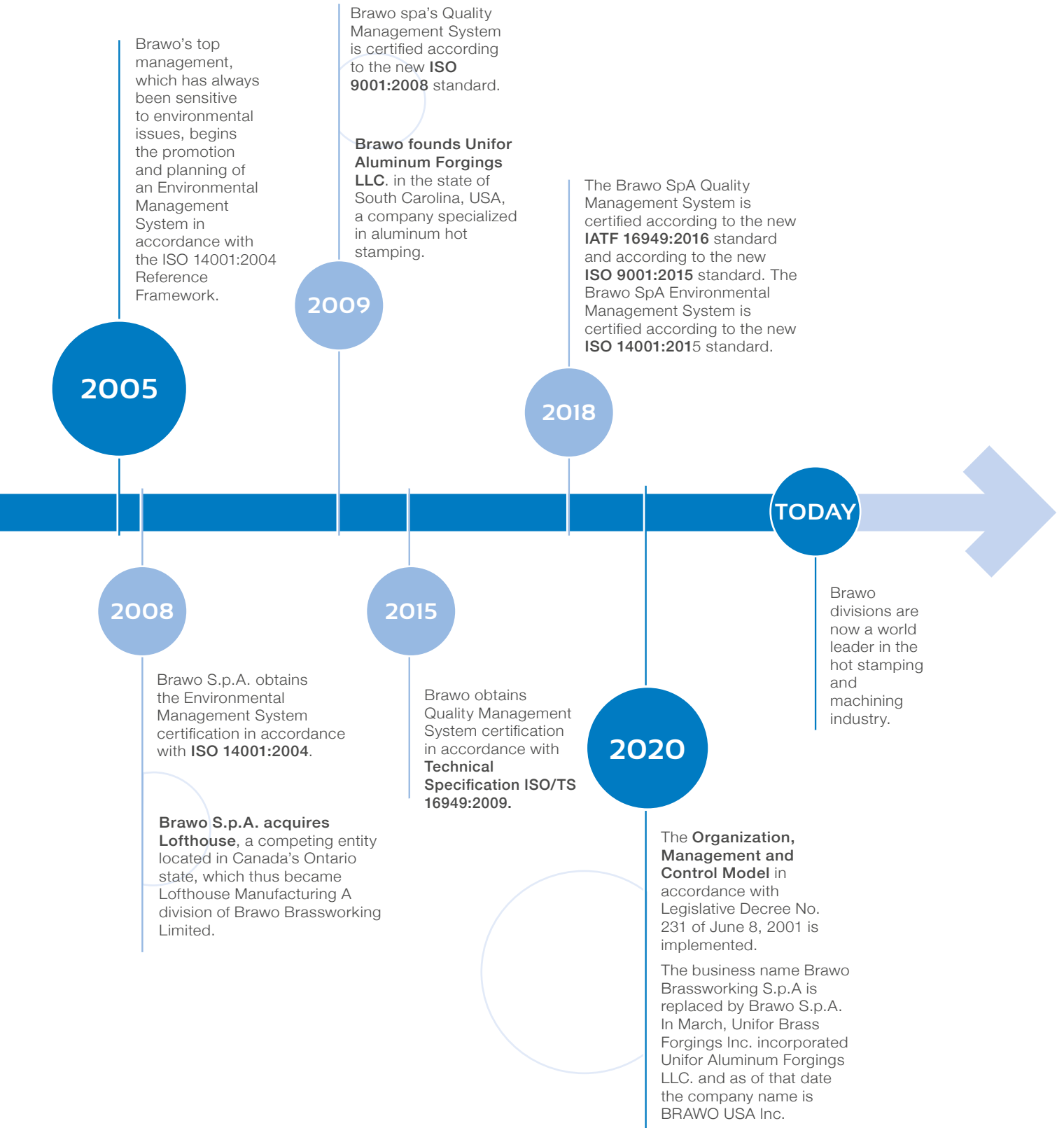




1.7

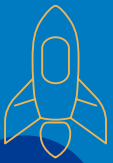
Our history





1.8

HIGHLIGHTS 2022



+80 years

Experience in hot stamping and machining



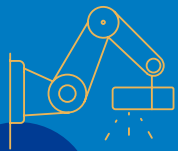
+110mIn €

In turnover



98 %

Permanent contracts



+30mIn kg

Material processed each year



~ 350

Employees



3.800

Hours of training provided to staff in 2022



1.600 €

Additional welfare provided to each employee



85.000 €

Liberal donations



6.500

Hours dedicated to research and development



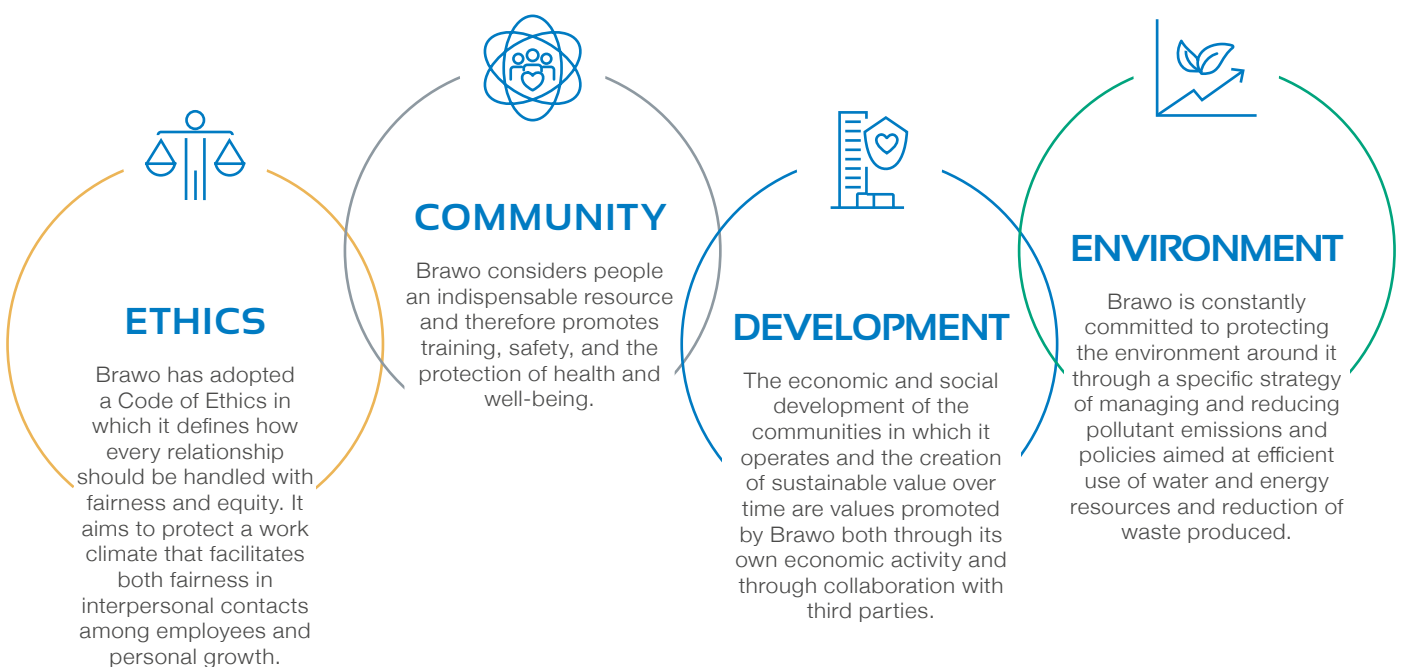
1.9

Our values and the path to sustainability

Transparency, Integrity and *Fairness* are the values in which Brawo recognizes itself, shared and pursued by the entire team.



The concept of sustainability for Brawo is based on four fundamental principles:



To actively contribute to the sustainable development goals, in 2023, Brawo embarked on a sustainability journey in order to progressively monitor and improve its performance.

Thus, a strategy aimed at continuous improvement was defined with reference to the three spheres:

-  ENVIRONMENTAL
-  GOVERNANCE
-  SOCIALE

For each of these, a series of improvement actions have been identified that will enable Brawo to strengthen its positive contribution on the environment and within the social context in which it operates.

“ Sustainability means being responsible and aware

1.10

Sustainable development goals

For the assessments in this report, in addition to the Global Reporting Initiative (GRI) standards, the Sustainable Development Goals (SDGs) were used as international benchmarks.

These are the 17 goals into which the 2030 Agenda, the common plan for sustainable development signed in 2015 by UN member countries, is divided, to be achieved by 2030 through the involvement of governments, companies and private citizens.





2.





Impacts and Materiality

Skills and passions of our people, to undertake great projects and face new challenges.

2.1

Materiality Assessment and analysis of generated impacts Identification of generated impacts

In line with the requirements of the new GRI (Global Reporting Initiative) standards, i.e., the most widely used international standards for the reporting of non-financial information by organizations, in order to assess the materiality of the impact (so-called **impact materiality**), Brawo S.p.A. developed a materiality assessment starting with the identification of the impacts generated on the environment, the community and the economy by the organization.

After understanding the context and considering the different stakeholders to be involved in the analysis, Brawo assessed the **positive and negative impacts (actual and potential)** generated by the company in carrying out its activities.

To identify the impacts generated with respect to the three spheres of sustainability (**Environment, Social and Governance**), interviews were conducted with relevant company figures in order to assess the significance of the different impacts.

Impacts were classified according to their degree of **magnitude** and **likelihood** in the case of **potential impacts**, while only **magnitude** (the extent of harm or benefit procured) was taken into account in the case of **actual impacts** (positive or negative impacts resulting from events that have already occurred).

To quantify the levels of probability and magnitude, values were assigned in a range between 1 and 4. Regarding severity/magnitude, in the case of positive impacts (actual or potential), the highest value (4) is to be considered the best/optimal value, while for negative impacts, the value 4 highlights a very significant threat or risk to the organization (and thus takes on a negative meaning).

As mentioned earlier, in the case of potential impacts, a score was also assigned on the basis of probability; in these cases, the occurrence of an event is considered the more likely the higher the associated score on the rating scale (maximum value 4).

The study carried out is presented below, with an initial focus on the actual impacts generated by the organization, followed by the introduction of the risk and opportunity matrices identified in carrying out the project with regard to Brawo's potential impacts.



**Our approach
to sustainability is
built on competence,
passion, and
innovation.**

2.1.1

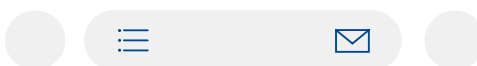
Actual impacts

The actual impacts generated by the organization are presented in the following table, which incorporates the results of the analysis carried out to identify the main

positive and negative actual impacts generated directly and indirectly by the company in the course of its activities.

SPHERE	PRIORITY TOPICS	IMPACT GENERATED	TYPE OF IMPACT	SEVERITY/ MAGNITUDE
ENVIRONMENT	Energy	Energy efficiency interventions (e.g., LED revamping).	Positive, actual	4
		Risk mitigation strategy related to possible supply price increases.	Positive, actual	4
	Waste	Continuous monitoring of waste generated and increasing the percentage of waste sent for recovery.	Positive, actual	4
		Emissions in the atmosphere	Measurement of category 1 (direct emissions) and 2 (indirect emissions by imported energy) carbon footprint and implementation of greenhouse gas (GHG) emission reduction interventions.	Positive, actual
	Water	Presence of an ISO 14001-certified Environmental Management System.	Positive, actual	4
		Development of interventions to reduce water consumption (e.g., compressor condensate recovery).	Positive, actual	3
		Recovery and reuse of materials	Use of raw materials from recovery and address of production waste to second life.	Positive, actual
	Noise	Installation of noise barriers and soundproofing of compressors.	Positive, actual	4
SOCIAL	Health and Safety at work	Continuous monitoring and implementation of preventive actions to ensure health and safety within the company.	Positive, actual	4
	Training and education	Maintenance and development of staff skills through annually planned training courses.	Positive, actual	4
	Corporate well-being	Presence of a production bonus for employees.	Positive, actual	4
		Parenting support services (e.g., securing reserved places at Plan Camuno kindergarten and providing scholarships for employees' children).	Positive, actual	3
	Distribution of value in the community	Creation of value on the territory through the development of social initiatives in collaboration with local entities.	Positive, actual	3
Development of projects in collaboration with schools and research institutions.		Positive, actual	3	

Continued on the next page →



SPHERE	PRIORITY TOPICS	IMPACT GENERATED	TYPE OF IMPACT	SEVERITY/ MAGNITUDE
GOVERNANCE	Research & Development	Development of innovative processes (e.g., document dematerialization and process automation).	Positive, actual	3
	Economic and financial value creation	Willingness to finance development and growth plans either through equity or by relying on the holding company.	Positive, actual	4
	Anticorruption	Presence of Organization, Management and Control Model (MOG 231).	Positive, actual	4
	Data protection	Ensuring data protection and privacy according to the most advanced information security models, in accordance with the European Regulation.	Positive, actual	4
	Strategic Management	Compliance with laws and regulations.	Positive, actual	4
		Presence of corporate code of ethics for the empowerment of people who are part of and come into contact with the company.	Positive, actual	4
	Customer satisfaction	Analysis of scorecards received periodically from customers.	Positive, actual	3
	Suppliers	Presence of a supplier selection process and, where possible, selection of local suppliers.	Positive, actual	3

2.1.2

Potential impacts

In addition to actual impacts, **potential impacts**, both **positive** and **negative**, were also analyzed. To do this, the organization categorized these impacts on the basis of **magnitude** and **probability of occurrence**.

In the following sections, potential negative impacts are identified as “**risks**,” while potential positive impacts are referred to as “**opportunities**.”

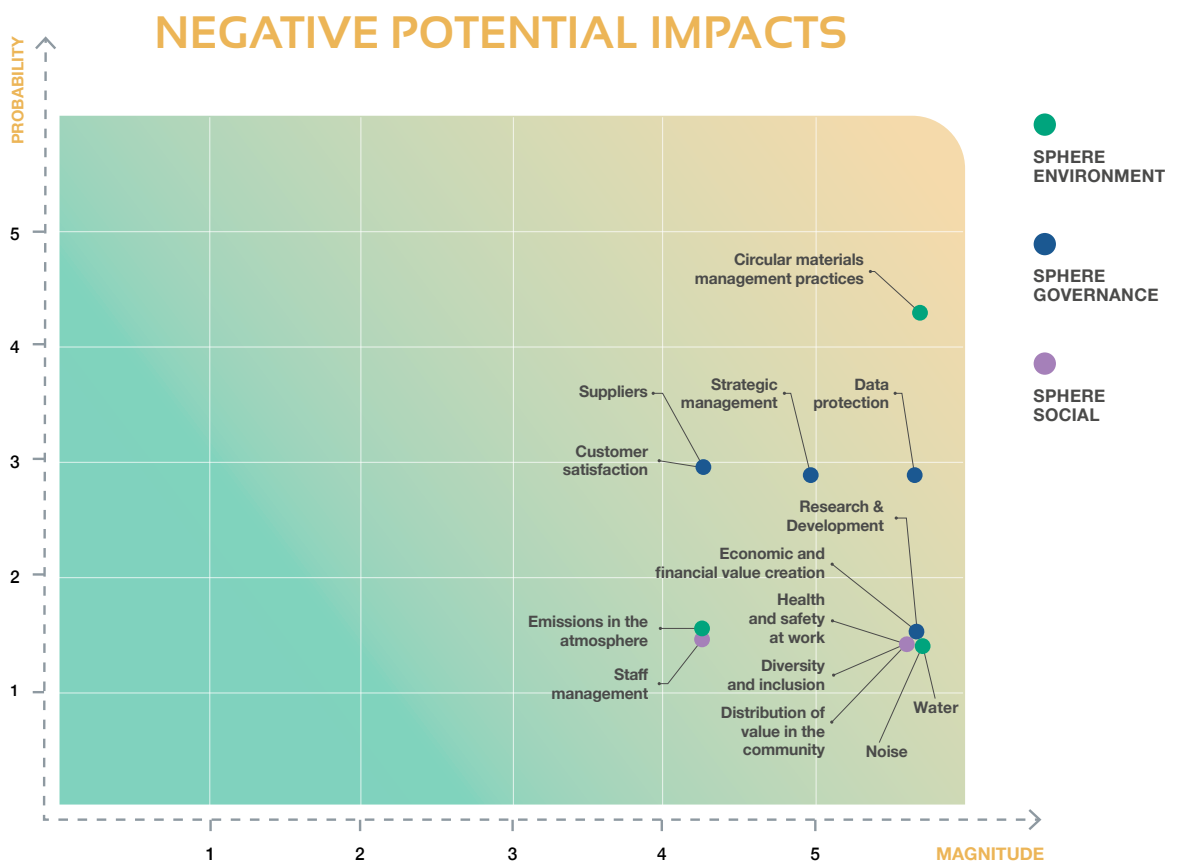
2.1.2

Potential negative impacts

This section presents the potential negative impacts (risks) generated by Brawo with reference to the environmental, social and governance spheres. The following is a description of the **main risks** related to the different material issues of the organization.

SPHERE	PRIORITY TOPICS	RISKS – POTENTIAL NEGATIVE IMPACTS
ENVIRONMENT	Emissions in the atmosphere	Lack of corporate commitment to reducing its own emissions
	Water	Sewer pollution exceeding legal limits.
	Recovery and reuse of materials	Failure to communicate circular economy practices already in place in the company.
	Noise	Exceeding legal limits, resulting in complaints from regulators or citizens.
SOCIAL	Health and Safety at work	Risk of injuries and accidents with serious consequences.
	Diversity and Inclusion	Failure to value diversity in age, gender, culture, religious and ethical beliefs, as well as the inclusion of people with disabilities.
	Staff management	Risk of not mapping employee dissatisfaction that can lead to an increase in staff turnover and worsening business climate.
	Distribution of value in the community	Presence of complaints from the community.
GOVERNANCE	Research & Development	Failure to develop potentially relevant technological innovations.
	Economic and financial value creation	Loss of appeal to customers due to a failure to apply criteria more in line with the spheres of sustainability.
	Data protection	Loss of sensitive data and cyber-attacks due to a lack of cybersecurity training or the absence of IT system upgrades.
	Strategic Management	Lack of clear, transparent, and inclusive communication of information.
		Potential non-compliance with national and international laws and regulations, which may give rise to sanctions - Failure to meet deadlines and authorizations.
	Customer satisfaction	Failure to identify any situations of dissatisfaction on the part of customers, affecting production activity.
Suppliers	Difficulty in developing a selection process based on sustainability criteria that reaches the whole supply chain.	

The matrix below positions the risks identified in the table in relation to their **significance**, obtained by combining the magnitude and likelihood to each impact. The more the theme ranks in the upper right-hand corner within the matrix, the more significant the risk(s) associated with that theme will be for Brawo.



In summary

As can be seen from the matrix, all risks have magnitude values between 3 and 4. The potential negative impacts associated with the themes of **“Recovery and reuse of materials”** and **“Data Protection”** are the most significant ones, as they also have a fairly high probability of occurrence.

Specifically, the company identifies as particularly significant issues those related to potential data loss and/or cyber-attacks and those related to insufficient communication about the use of circular economy practices already present in the organization.

There are several risks with the same magnitude as the two just presented: **“Occupational health and safety,”** **“Distribution of value at the community,”** **“Diversity and inclusion,”** **“Water,”** **“Noise,”** **“Research & Development,”** and **“Economic-financial value creation”**; however, all of these impacts have a very low probability of occurrence.

Another potentially significant risk is the one related to **“Strategic Management,”** for which the negative impact due to the occurrence of potential non-compliance with laws or regulations is very significant in terms of magnitude (provided that the probability of occurrence is around the minimum), while the risk related to the lack of clear and transparent **communication** has a lower magnitude (but higher probability of occurrence).

The scenario is different when it comes to **“Customer Satisfaction,”** **“Suppliers,”** **“Atmospheric Emissions”** and **“Staff Management,”** where the magnitude of risks is slightly lower and the probability of occurrence is low.



2.3

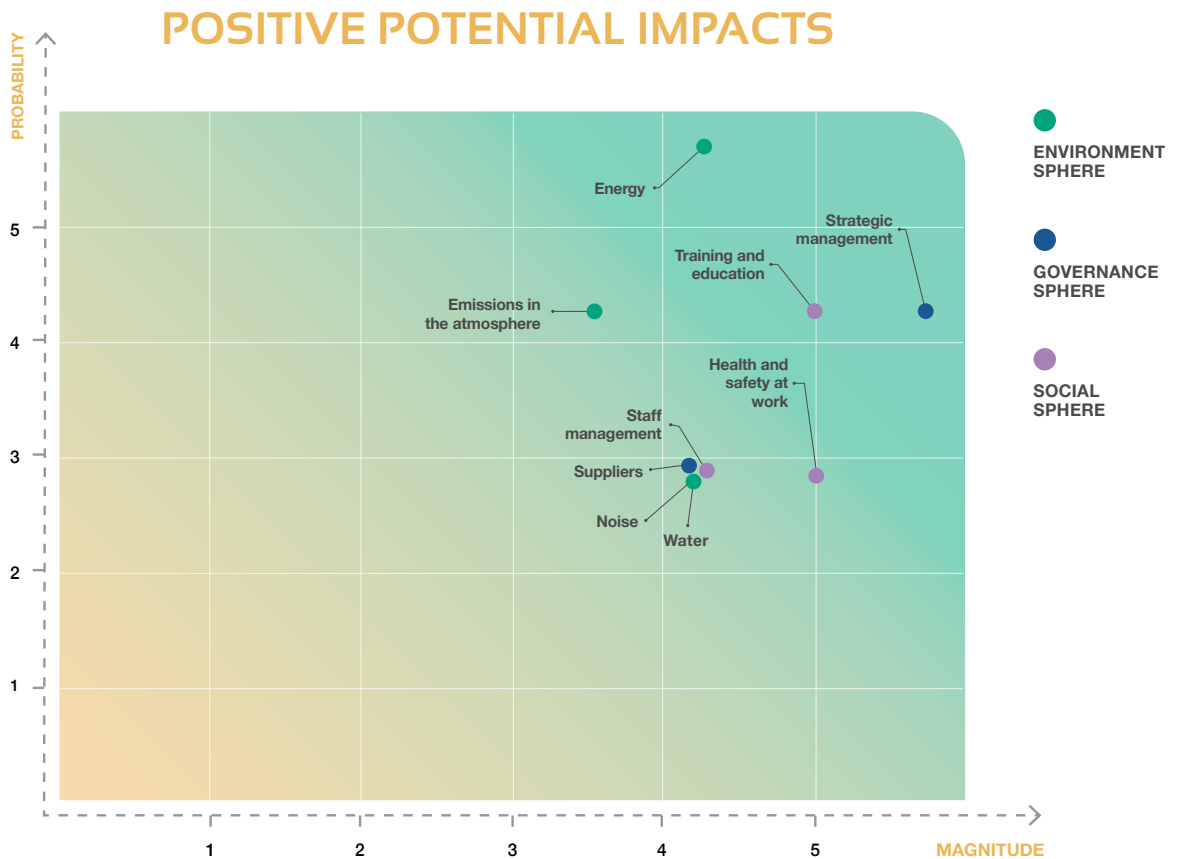
Potential positive impacts

As previously mentioned, the methodology and analysis process also includes the activity of identifying and managing the **potential positive impacts (opportunities)** generated by Brawo. The table below highlights the main identified opportunities related to the company’s material issues.

SPHERE	PRIORITY TOPICS	OPPORTUNITIES – POTENTIAL POSITIVE IMPACTS
ENVIRONMENT	Energy	Possibility of installing a photovoltaic system (covering the new warehouse) to meet part of the energy needs.
	Waste	Development of projects to reduce hazardous waste generation.
	Emissions in the atmosphere	Increasing the portion of electricity from renewable sources. Inclusion also of scope 3 (indirect emissions calculated throughout the supply chain) within the organization's carbon footprint (CFO).
	Water	Development of stormwater collection projects that conform to the water risk Brawo is subject to.
SOCIAL	Health and safety at work	Obtaining certification to ISO 45001 Occupational Health and Safety Management System.
		Adherence to wellness and health promotion programs (e.g., Workplace Health Promotion).
	Training and education	Training paths to develop new skills in potentially strategic areas for the company and the future.
		Sharing the sustainability report with company staff and developing training paths in sustainability.
Staff management	Nomination of a dedicated person to collect all reports from staff.	
	Development of a business climate assessment (employee satisfaction survey) to track any issues felt by staff.	
GOVERNANCE	Strategic management	Development of new strategic certifications for the company, in addition to the existing ISO 9001, ISO 14001 and IATF 16949.
	Suppliers	Inclusion of sustainability criteria within the supplier selection process and increased supply chain traceability.

Again, each material theme was associated with its potential positive impact (**opportunity**), assessed in terms of probability of occurrence and magnitude. The matrix of potential positive impacts is presented below to give evidence of the relevance of the opportunities identified by Brawo and associated with the different material themes identified.

The more the theme ranks in the upper right-hand corner of the matrix, the more relevant the potential positive impact (opportunity) associated with that theme will be.





In summary

Brawo rated with the highest magnitude the potential positive impacts related to “**Strategic Management**,” “**Training and Education**,” and “**Occupational Health and Safety**.” There are two opportunities that are associated with the topic of training and that of safety: regarding the former, the magnitude and probability values are particularly high (both 4) when it comes to the development of **training plans** to increase skills in **strategic** areas for the organization, while regarding the topic of health and safety the company ranked as particularly significant the possible achievement of **ISO 45001** certification.

Among other opportunities in place Brawo identifies the possibility of increasing the coverage of its electricity needs with sources from renewable energy through the installation of a new **photovoltaic system**. In this case, the probability of occurrence is high, while the relative magnitude is slightly lower.

This potential impact is also related to the issue of “**Emissions in the atmosphere**,” since an increase in the proportion of **renewable energy** used would also result in a reduction in the GHG emission impact associated with electricity consumption. This issue also includes the opportunity to extend the boundaries of the **organization’s carbon footprint** analysis by including scope 3; however, in this case, probability of occurrence and magnitude are lower.

Finally, the potential positive impacts associated with “**Water**,” “**Suppliers**,” “**Waste**,” and “**Staff Management**” were identified, although with probabilities that have lower ratings and low magnitude.

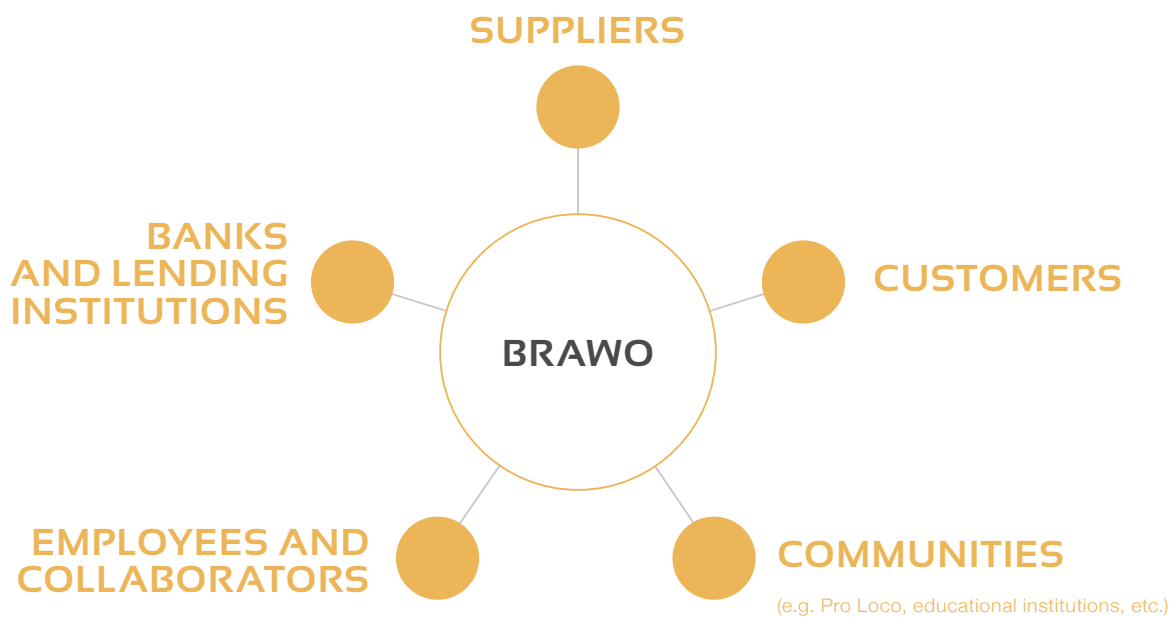
2.2

Stakeholders mapping






Constant engagement and discussion with all stakeholders is a fundamental condition for the proper development of business activities and is now a key factor in successfully implementing strategies and achieving set goals.

Brawo for its first edition of the Sustainability Report involved a total of 289 stakeholders,

divided between internal and external stakeholders. In order to proceed with the process of identifying material issues, it was first necessary to select the different stakeholders, which were divided into five macro categories, listed below:



The methods of engagement and interaction vary depending on the stakeholder category. The interactions present between Brawo and the different stakeholder categories that were involved in the materiality analysis are identified below.

STAKEHOLDER CATEGORY	MAIN CHANNELS OF INTERACTIONS
CUSTOMERS 	<ul style="list-style-type: none"> • Meetings with business functions • Website and social media • Company visits • Surveys to assess satisfaction
SUPPLIERS 	<ul style="list-style-type: none"> • Dedicated meetings with the purchasing manager • Direct contacts • Website • Institutional events and meetings
BANKS AND LENDING INSTITUTIONS 	<ul style="list-style-type: none"> • Website • Dedicated meetings • Surveys
COMMUNITIES 	<ul style="list-style-type: none"> • Website and social media • Public events • Ad hoc meetings • Definition of joint projects
EMPLOYEES AND COLLABORATORS 	<ul style="list-style-type: none"> • Dedicated meetings • Ongoing relationship with human resources department • Website and social media • Surveys • Corporate Journal

Once the various stakeholders and ESG issues potentially relevant to the Group were identified, an analysis was conducted with the direct engagement of strategic stakeholders.

2.3

Our priorities: the material topics

In 2023, Brawo conducted its first **materiality assessment** in order to identify the sustainability-related topics found to have the most influence at the corporate level, so-called “**material topics.**” These are topics that reflect significant environmental, social and economic impacts both internally within the organization and to external stakeholders.

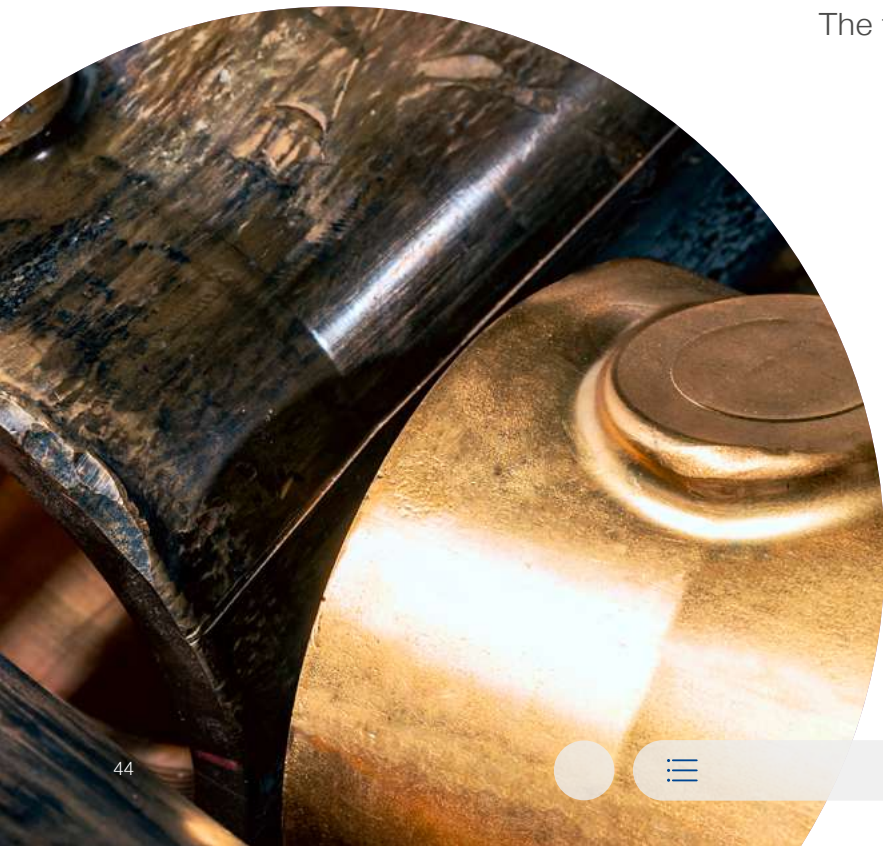
The materiality assessment is the output of the **stakeholder engagement** process implemented by Brawo through the dissemination of surveys and the conduct of interviews. Internal and external stakeholders were involved in a survey that asked for the assignment of a score (from 1 to 4),

associated with the strategic relevance that Brawo should adopt with respect to each issue related to the three spheres of sustainability (E, S, G).

Specifically, with regard to internal stakeholders, the company approached all personnel in order to obtain responses as representative as possible of company opinion, without excluding any category of employees. A total of 205 responses were collected from internal stakeholders.

As for external stakeholders, on the other hand, Brawo sent surveys to customers, suppliers, banks, and lending institutions, collecting a total of 84 responses.

The topics that were found to be material are:



ENVIRONMENT SPHERE

- Energy
- Water
- Recovery and reuse of materials
- Waste
- Emissions in the atmosphere
- Noise

SOCIAL SPHERE

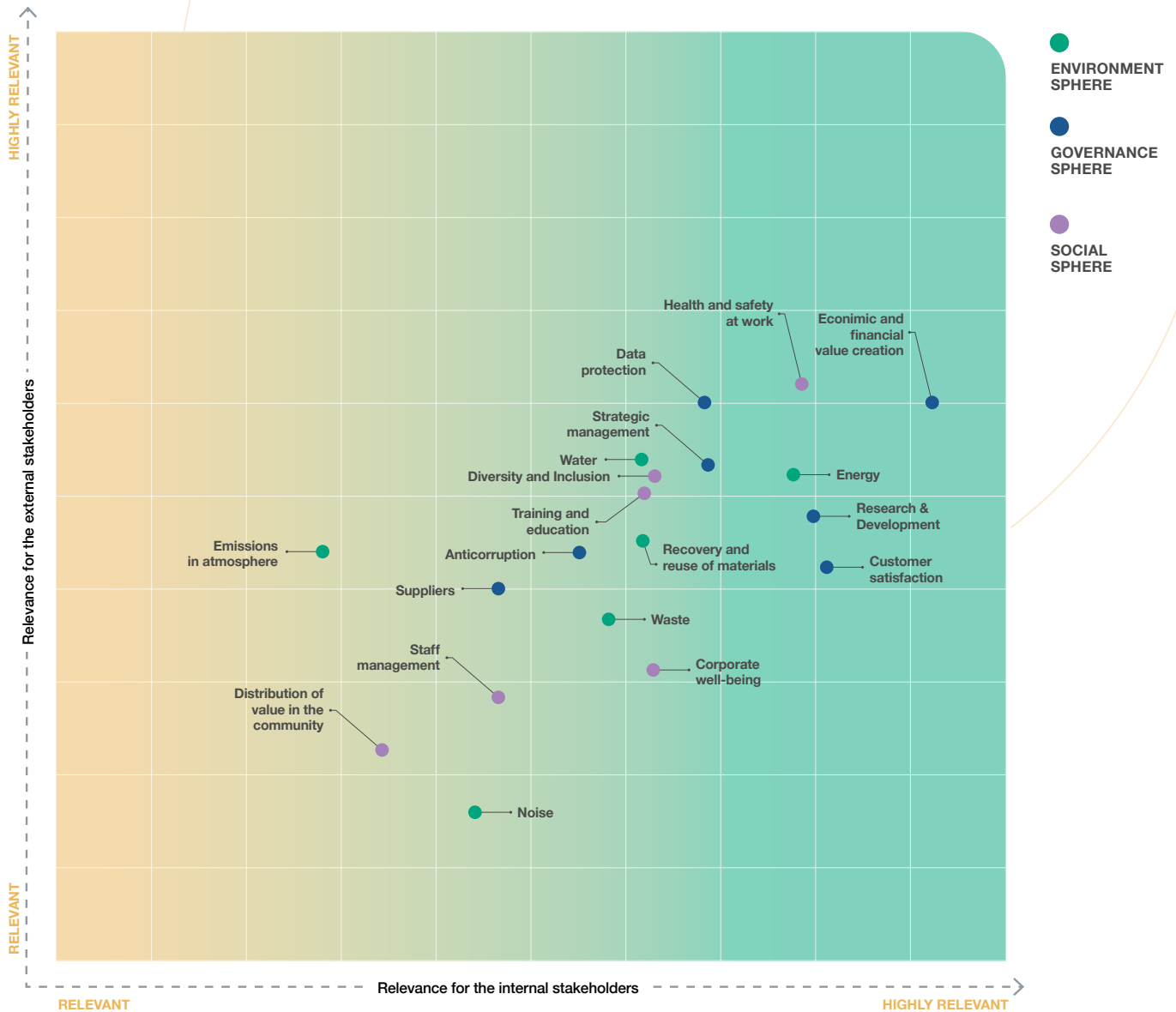
- Health and safety at work
- Diversity and inclusion
- Training and education
- Corporate well-being
- Staff management
- Distribution of value in the community

GOVERNANCE SPHERE

- Economic and financial value creation
- Data protection
- Strategic management
- Research & Development
- Customer satisfaction
- Anticorruption
- Suppliers

The company’s materiality matrix, derived from processing the results of the surveys and interviews conducted, is presented below.

MATERIALITY MATRIX





The processing of the responses to the surveys showed that the most relevant issue, for both internal and external stakeholders, appears to be the “**creation of economic-financial value**”: corporate solidity is seen as an indispensable requirement, a starting point to be able to subsequently devote attention to social and environmental issues. This theme is followed by “**Health and Safety at work**,” felt to be a priority as is often the case in production realities such as Brawo.

In the environmental sphere, **energy** is the theme that scored highest; in particular, the choice to procure electricity through self-production from renewable sources was strategic for stakeholders.

The issue of “**emissions in the atmosphere**”, on the other hand, was perceived as relevant to external stakeholders and of minor importance to internal stakeholders. This discrepancy originated from the presence of a question in the questionnaire related to the monitoring of home-to-work travel. Brawo’s employees from the company’s neighboring municipalities felt that commuting emissions did not constitute a significant slice in the overall GHG emissions.

With regard to responsible resource use, topics related to **water** consumption, **material** use, and **waste** management were

found to be relevant to both categories of stakeholders.

Finally, topics related to the governance sphere are particularly strongly felt in the company: internal and external stakeholders recognize that **strategic management**, investment in **research and development**, attention to **anti-corruption**, **data protection**, and **customer satisfaction** are all equally prioritized issues for Brawo’s success.

The themes found to be less strategic for the company according to stakeholders were the **distribution of value in the community**, intended as project development, support for local communities and associations; noise pollution (“**Noise**”); attention to the **supply chain**; and **staff management**. It is emphasized that these are still themes that were found to be relevant, albeit with lesser magnitude than those previously presented.

For each of these material topics, Brawo has undertaken a number of initiatives that will be presented in the following chapters, where an in-depth discussion of each of these issues can be found.

3.





Governance sphere

Convinced that only through individual excellence and teamwork can we ensure a leadership position for the company.

3.1

Governance sphere

Brawo S.p.A. is characterized by a **solid governance**, which places continuous improvement and the pursuit of ever higher **quality** in its products at the center of its strategic plan. The company has adopted a Code of Ethics for more than 15 years, an Organizational Model in accordance with Legislative Decree 231/2001, and pays special attention to data protection and cybersecurity.





over 15 year

Code of Ethics



+9,55 %

**turnover in 2022
over the previous
year**



109.500.000 €

**distributed
economic value
in 2022**



Cybersecurity

**Ongoing
cybersecurity
projects**



0

**Incidents of
curruption**

3.2

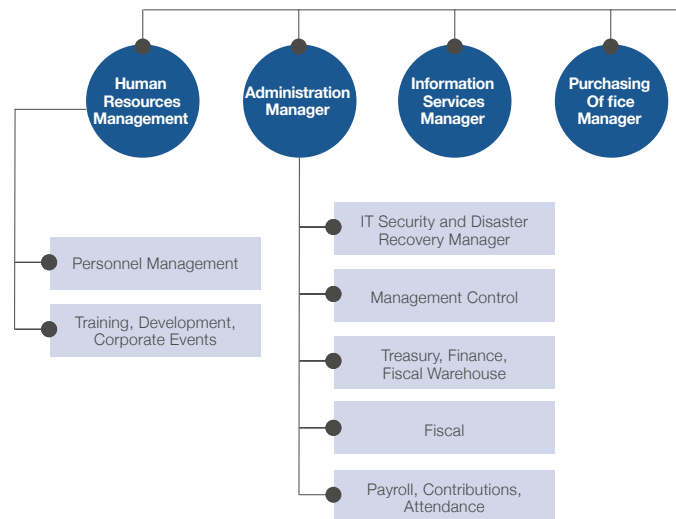
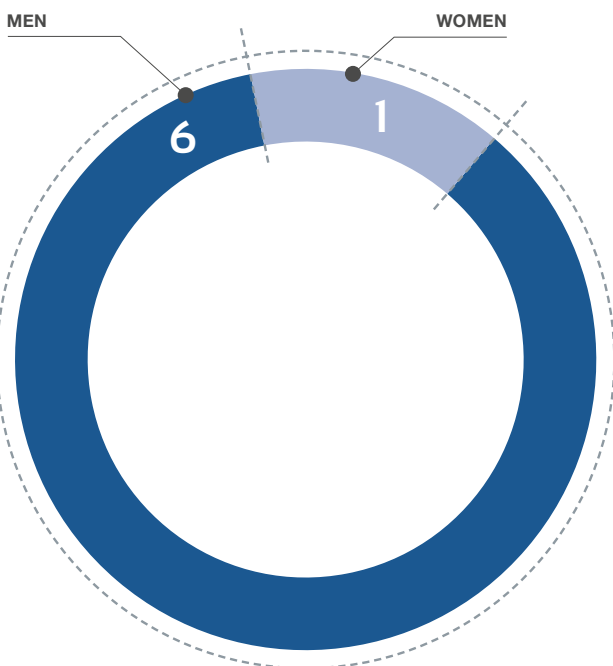
Strategic management



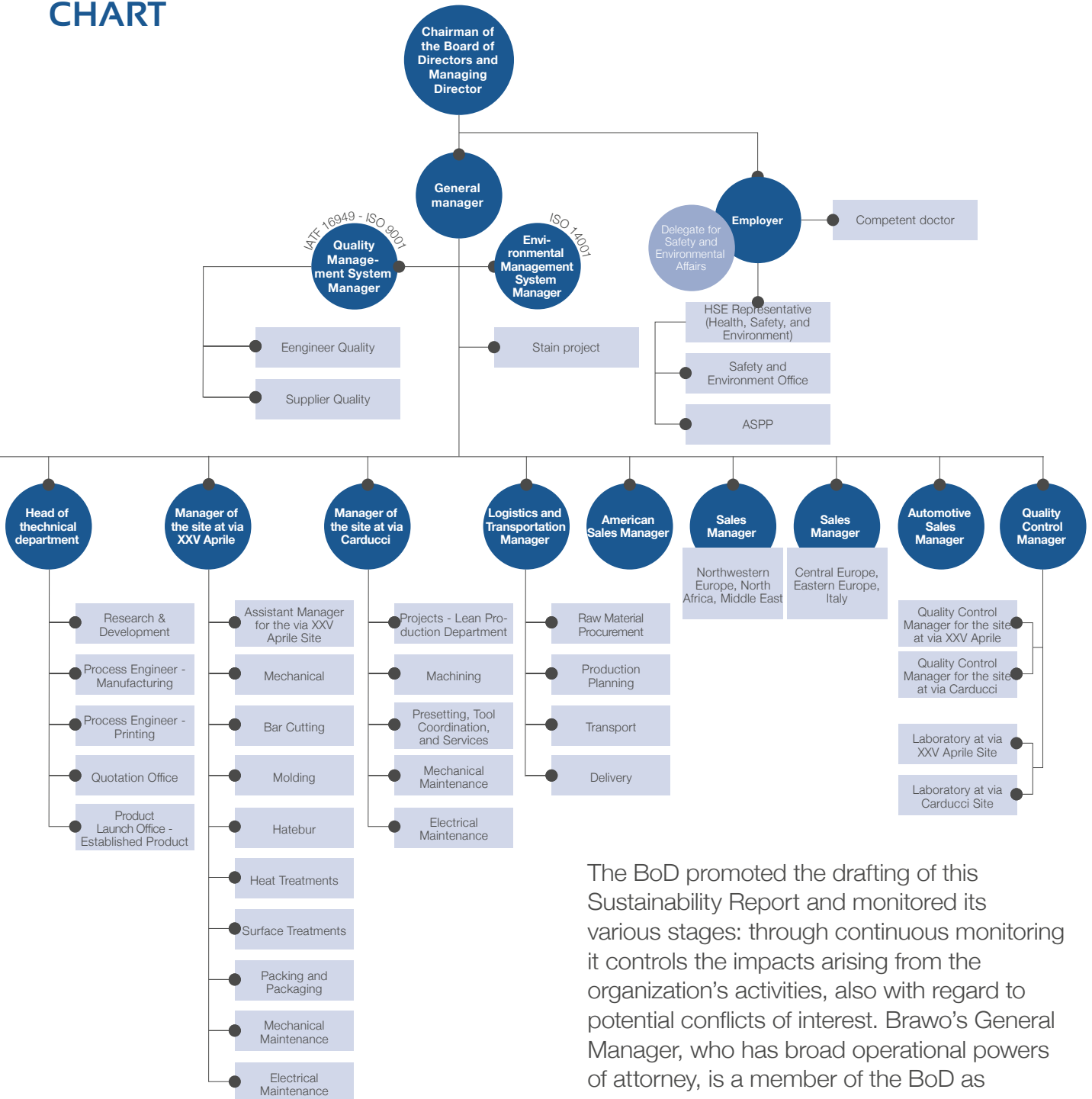
Brawo’s Board of Directors (BOD) is composed of the President and Chief Executive Officer, as well as the company’s representative, one Director with special power of attorney, and five Directors without

authority, for a total of seven members, who are appointed every three years. The entire Board is responsible for decision-making and oversees the environmental, economic, and social impacts of the organization

BDO COMPOSITION BY GENDER



ORGANIZATION CHART



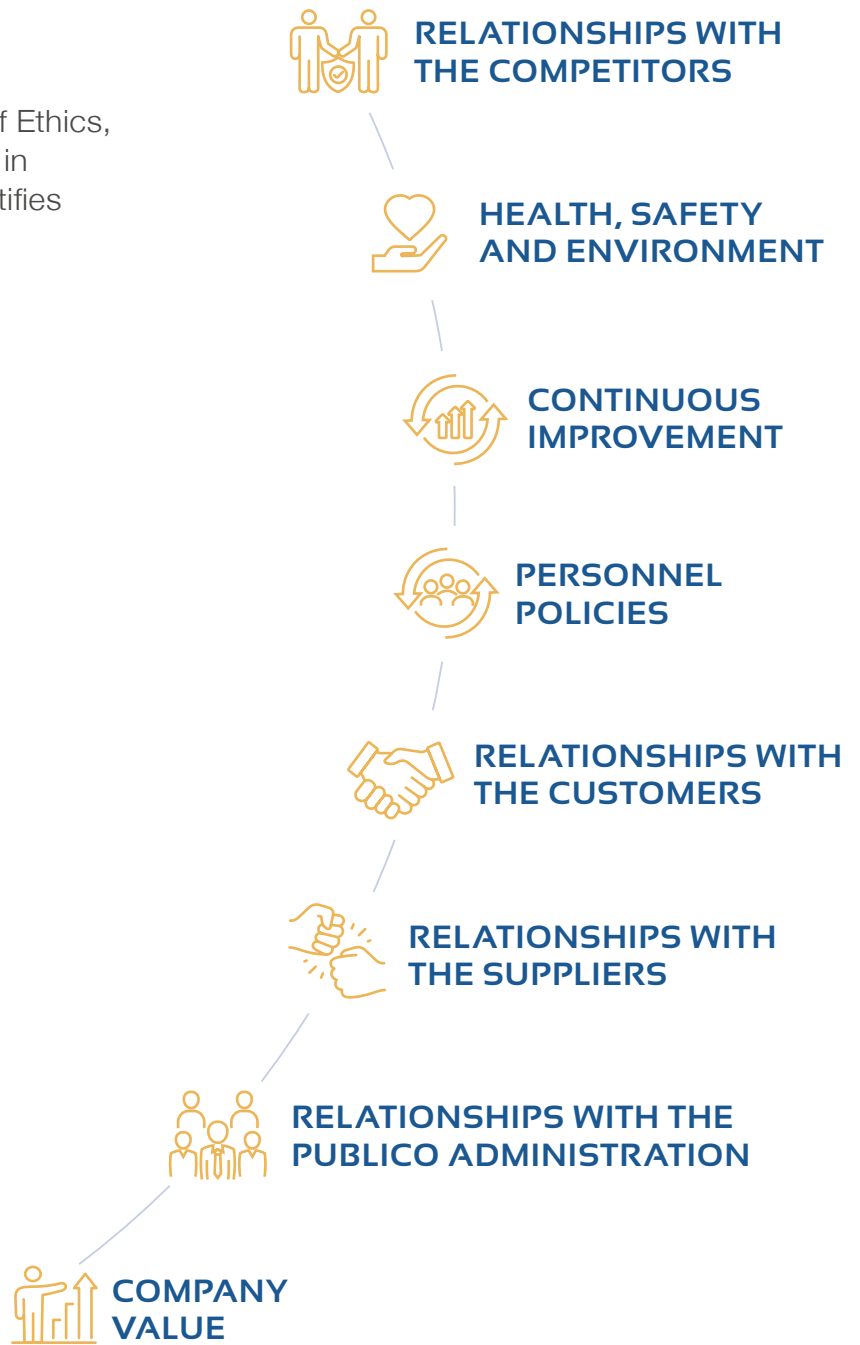
The BoD promoted the drafting of this Sustainability Report and monitored its various stages: through continuous monitoring it controls the impacts arising from the organization’s activities, also with regard to potential conflicts of interest. Brawo’s General Manager, who has broad operational powers of attorney, is a member of the BoD as well, ensuring a hands-on approach to the governance of the company.

3.2

Code of Ethics

Since 2006, Brawo has had a Code of Ethics, a document formalizing the principles in which the company believes and identifies itself.

The Code is divided into several sections:



3.2

MOG 231

Brawo has adopted the Model of Organization Management and Control (MOGC) in accordance with Legislative Decree 231/2001. It consists of a set of general, specific and operational rules. The compliance with such rules makes it possible to prevent potential illegal, improper or irregular conduct. In conjunction with the adoption of the MOGC, the company identified and mapped corporate risks through a careful analysis of its activities, decision-making processes, and documentation as well as through interviews with the various corporate structures.

Brawo has also appointed a **Supervisory and Control Body (SB)**, which is entrusted with the task of overseeing the operation of and compliance with the Organizational Model and the Code of Ethics, and to take care of updating and making any changes to them.



3.2

Certifications

Brawo adopts specific **Management Systems** in order to preside over the company's processes and activities with respect to the Health and Safety of Workers, the protection of the Environment and the Quality of the services provided and products supplied.



BRAWO CERTIFICATIONS

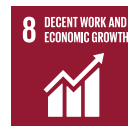
- ISO 9001**  **Quality Management System**
- ISO 14001**  **Management System for the Environment**
- IATF 16949**  **Automotive Quality Management System**



**Constantly protecting
the value of the Company
and the interest of
Shareholders means
investing in our future**

3.3

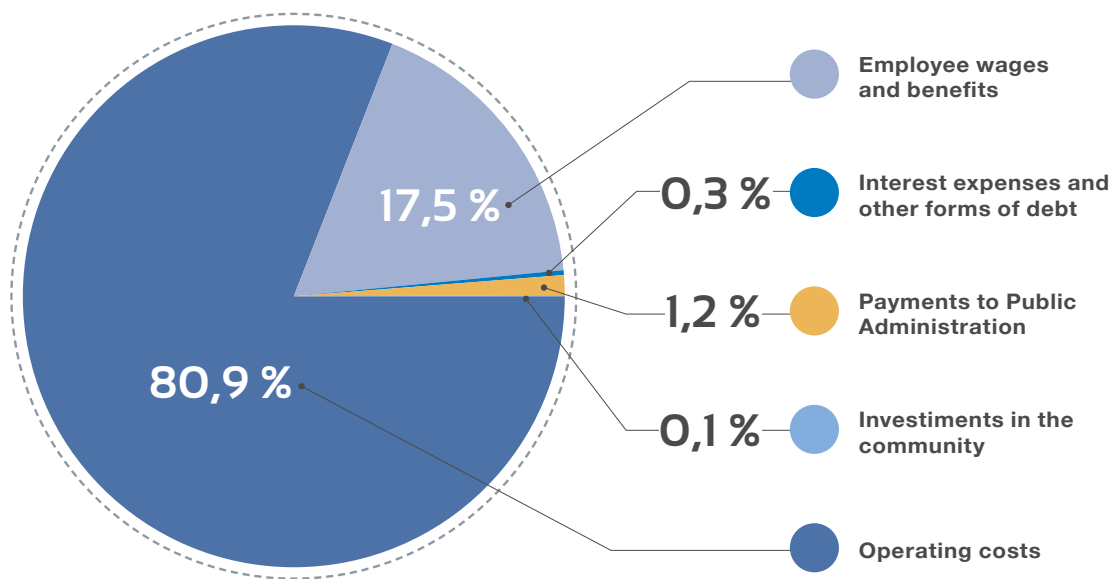
Economic Performance



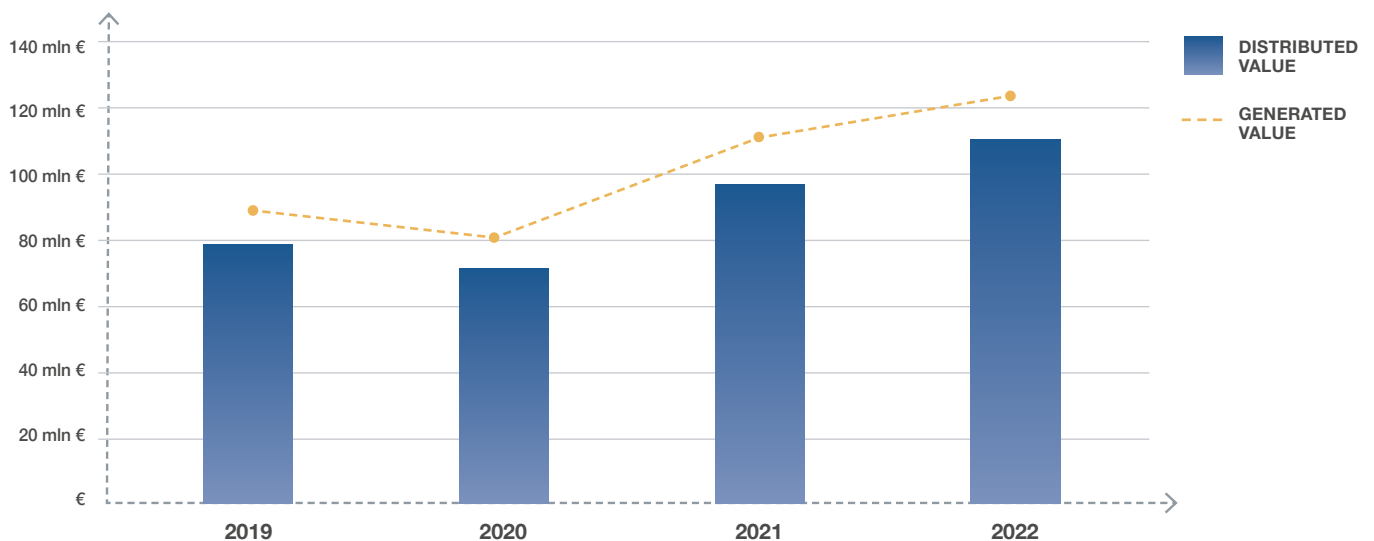
In **2022**, the value generated by Brawo amounts to more than **120 million euros**, registering an increase of 11 % compared to 2021; of this, more than 109 million is redistributed among suppliers, employees, shareholders, and public entities, according to the proportions depicted in the pie chart below. The portion of value retained by the company is 12 %, as the histogram shows.



BREAKDOWN OF DISTRIBUTED VALUE (2022)



GENERATED AND DISTRIBUTED VALUE



²The graph is net of the item "Remuneration of capital"

3.4

Suppliers



Brawo pursues a high level of service, reliability, commercial, logistical and technical support, with the aim of achieving a high degree of customer loyalty.

Choosing a supplier is an important step for Brawo, which implements a real selection process that consists of several stages:

1. Selection of suppliers based on the presence of ISO 9001 certification, logistical aspects, associated risks and prices;
2. Evaluation of the supplier based on performance in sampling and later on serial deliveries;
3. Six-monthly monitoring of supplier performance and assignment of Supplier Global Index (IGF)
4. Audit to the supplier

Aiming for a very high quality of its products, Brawo implements a careful selection of its suppliers, who are first required to sign a special manual containing a list of requirements to be met.

Special attention is paid to suppliers in the automotive field, whose essential requirement is to be compliant with ISO 9001 (Quality Management System). Another topic covered extensively among the requirements is the supply chain traceability:

Brawo requires that it is always possible to trace the history of each product and the origin of its raw materials.

To neglect fairness and integrity in managing the relationship with Suppliers is to legitimize a system that is counterproductive for the Company itself



3.4

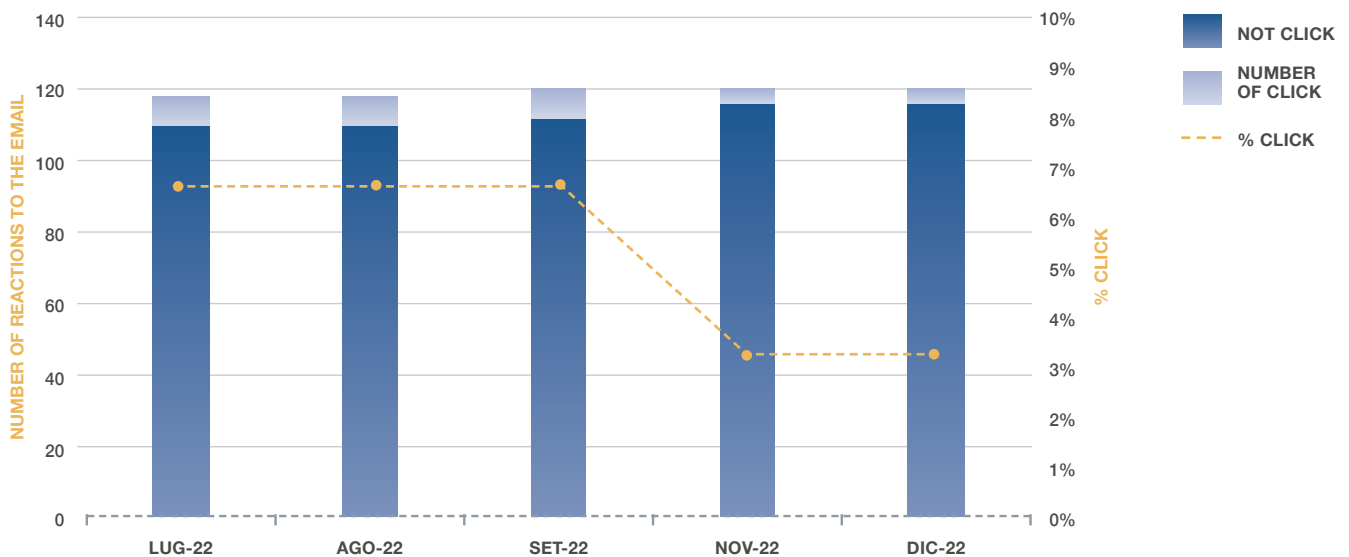
Data protection



Cybersecurity is a central issue for Brawo, which is aware that cyber vulnerability is an extremely topical risk that must be addressed with great care. For this reason, it periodically sends tips and best-practice guidance to all employees in the form of “Cybersecurity Pills.”

Brawo also conducts a series of tests on a regular basis, sending phishing emails to its employees. Over the course of 2022, 5 tests were carried out, leading to progressively better results, until December when only 4 out of more than 120 recipients clicked on the phishing email they received.

PHISHING MAILS



At the enterprise level, a penetration test was also conducted during the year, with the aim of carrying out a vulnerability and risk analysis of the system to identify possible risk reduction strategies.

The company has also released a set of rules for the secure management of backups. A cloud backup is made at the end of each working day, and as a retention policy, the Saturday copy is kept for 15 days.

RISK REDUCTION STRATEGIES



Intelligent Web Protection

A Browser Security solution has been adopted that reduces exposure to threats: a proprietary artificial intelligence algorithm performs a behavioral analysis of connections and prevents the spread of sensitive information across the Web, detects newly hatched attacks and suspicious extensions, and blocks any dangerous connections.



Industrial Security Platform

A platform for monitoring internal network traffic was acquired. This, through Artificial Intelligence, analyzes all individual device/user behaviors and sends alerts to authorized personnel in case of outliers.



Data Local Protection

The company has installed a system capable of identifying and blocking indiscriminate, unauthorized and unnecessary access attempts.

UPCOMING PROJECTS IN CYBERSECURITY



Patch Management

A patch remediation project on the IT infrastructure and the creation of a service model for subsequent management and maintenance;



Active Directory

A project that will analyze the current state of the infrastructure system to identify critical issues related to the implementation of the security requirements of the ISO 27001-based Management System;



Security Management

a project consisting of the development of an action plan for vulnerability assessment, an active directory assessment, followed by an Internet exposure assessment;



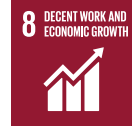
Vulnerability Management

A project to remediate the presence of system vulnerabilities and apply patches.

²Patch: in computer science, is a portion of software designed to update or improve a program.

3.5

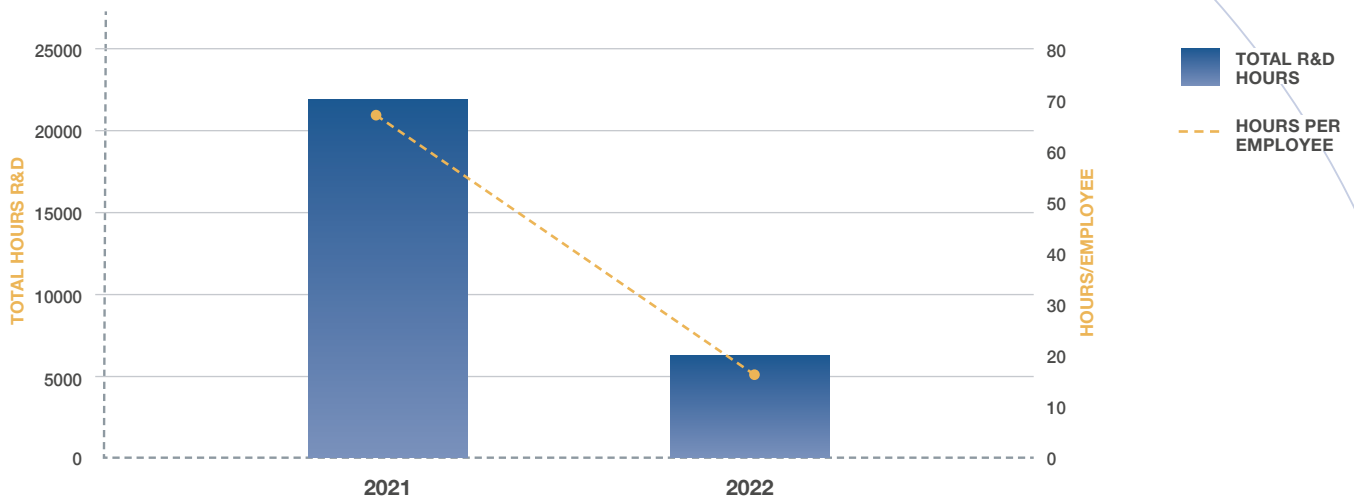
Research & Development and Technological Innovation



Convincing oneself that every achievement is only the starting point for improvement is the prerequisite for the greatest successes

In 2022, in line with the previous year, 11 employees in Brawo were dedicated to research and development activities, this corresponds to 3% of total resources.

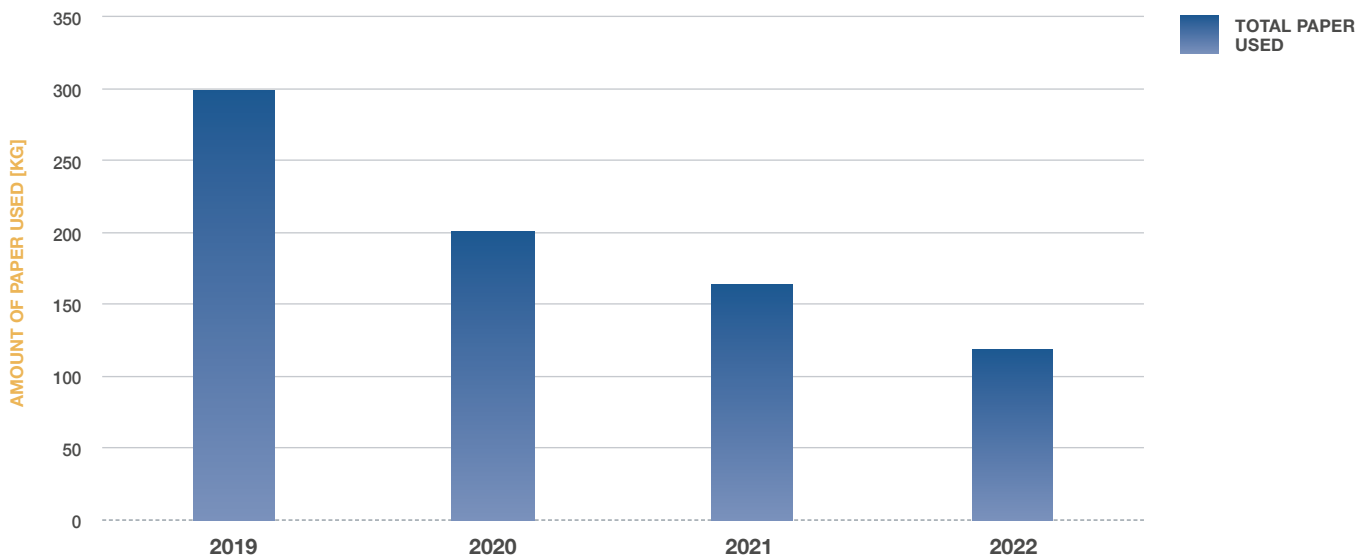
HOURS DEVOTED TO R&D



A major project of the research and development department has reduced the consumption of paper used to transmit drawings to individual operating departments.

As the graph below shows, the amount of paper used in 2022 is 27 % less than in the previous year, while it has dropped by as much as 60 % compared to 2019.

PAPER CONSUMPTION



In 2022, in fact, the “**Interactive Drawing**” project, started in 2018 and aimed at the integration, in the machining department, of a tool capable of correlating in real time the findings from control data sources, coming from different measuring instruments.

The project has enabled the creation of a new process that results in a single document, consisting of an interactive technical drawing on-board that provides a constantly updated overview of the production progress.

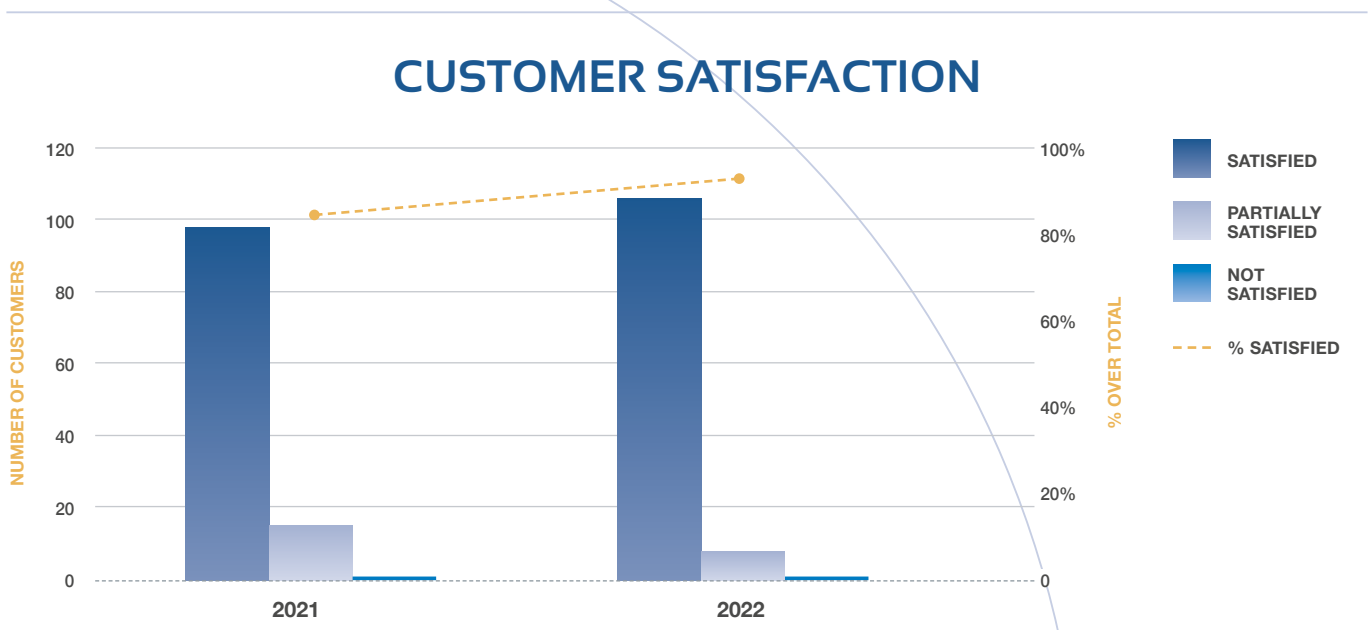
3.6

Customer satisfaction



Brawo understands that today’s market demands continuous improvement of products and services and that customer satisfaction is the crucial factor for the company’s success. Therefore, Brawo’s goal is to intervene upstream in order to prevent potential defects in production.

To map the degree of satisfaction of its customers, the company adopts a system of analyzing the scorecards it receives, on a periodic basis. In 2022, fully satisfied customers accounted for 92 % of the total, an increase of 6 percentage points from the previous year.



Customer satisfaction is the best key to understanding a company



4.





Environment sphere

Our commitment to environmental conservation is based on clear responsibilities and well-defined goals in full compliance with current legislation.

4.1

Environment sphere

Brawo is committed, in accordance with its corporate sustainability strategy and code of ethics, to protecting the environment around it. This care is demonstrated not only in compliance with current legislation but also by the adoption of an environmental management system certified to the UNI EN ISO 14001 standard.

In 2022 Brawo began monitoring greenhouse gas (GHG) emissions related to its business perimeter (direct and indirect emissions by imported energy), introduced actions for efficient use of water resources, and moved to reduce waste generated and noise pollution.



-705 tCO₂

Released into the environment compared to 2021



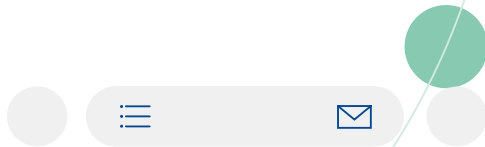
>90%

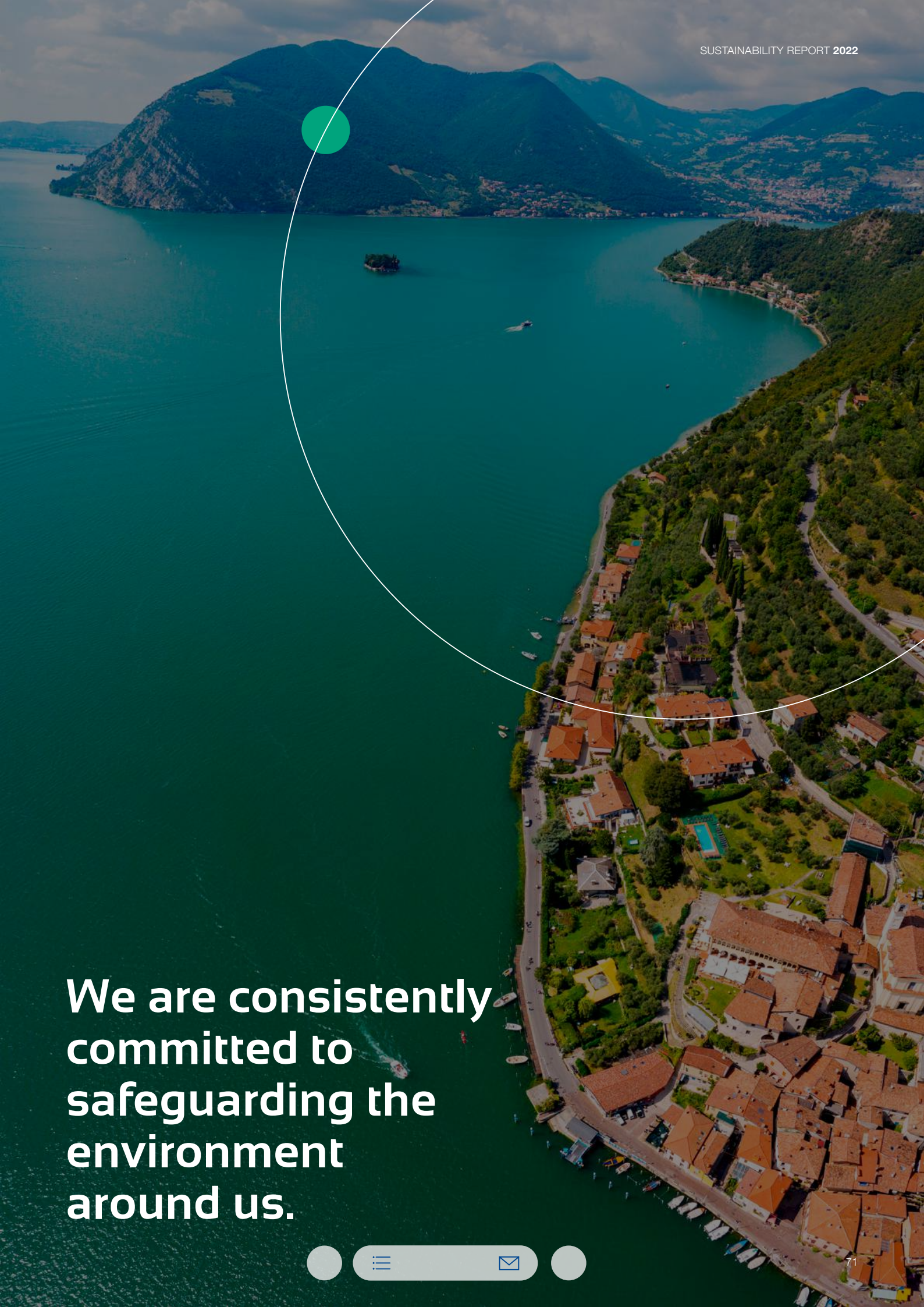
Processed brass comes from recycling



83%

Waste sent for recovery





We are consistently committed to safeguarding the environment around us.

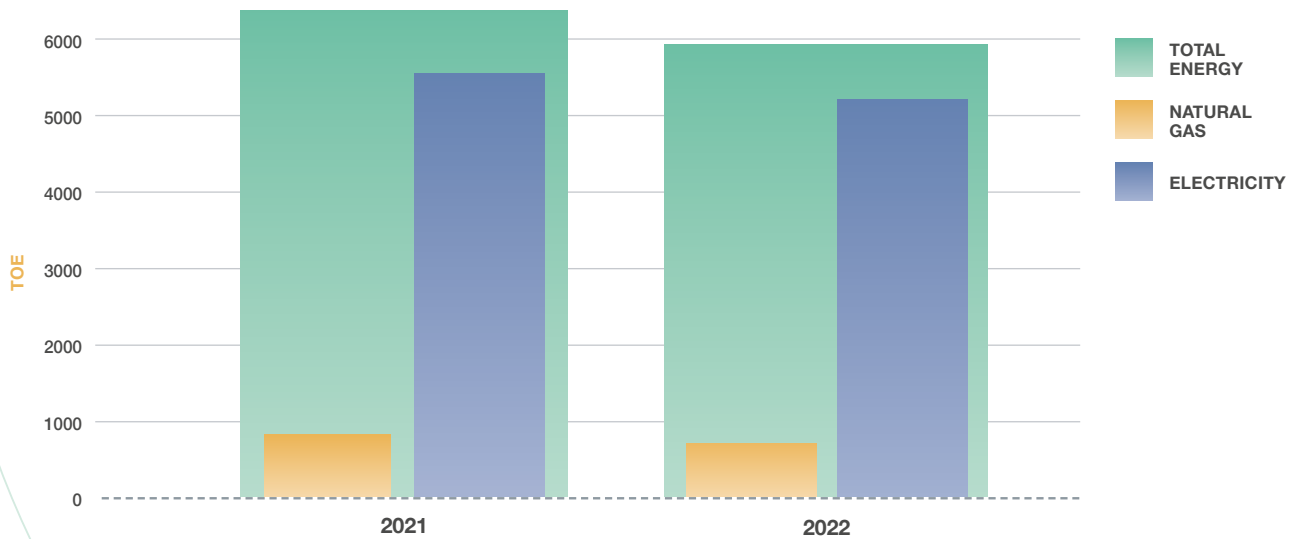
4.2

Energy and energy efficiency



The energy needed for Brawo’s activities is provided by two main carriers: electricity and natural gas, as shown in the chart below.

ENERGY CONSUMPTION



The different quantities have been converted to toe (tons of oil equivalent) so that they can be compared with each other.

Energy consumption decreased overall from 2021 to 2022. Electricity saw a decrease of 6%, while natural gas consumption dropped by 14%.

For both years, electricity accounts for the bulk of energy consumption (87-88%).

Thermal energy required for the production process and space heating is supplied by natural gas and accounts for 12-13% of the total.

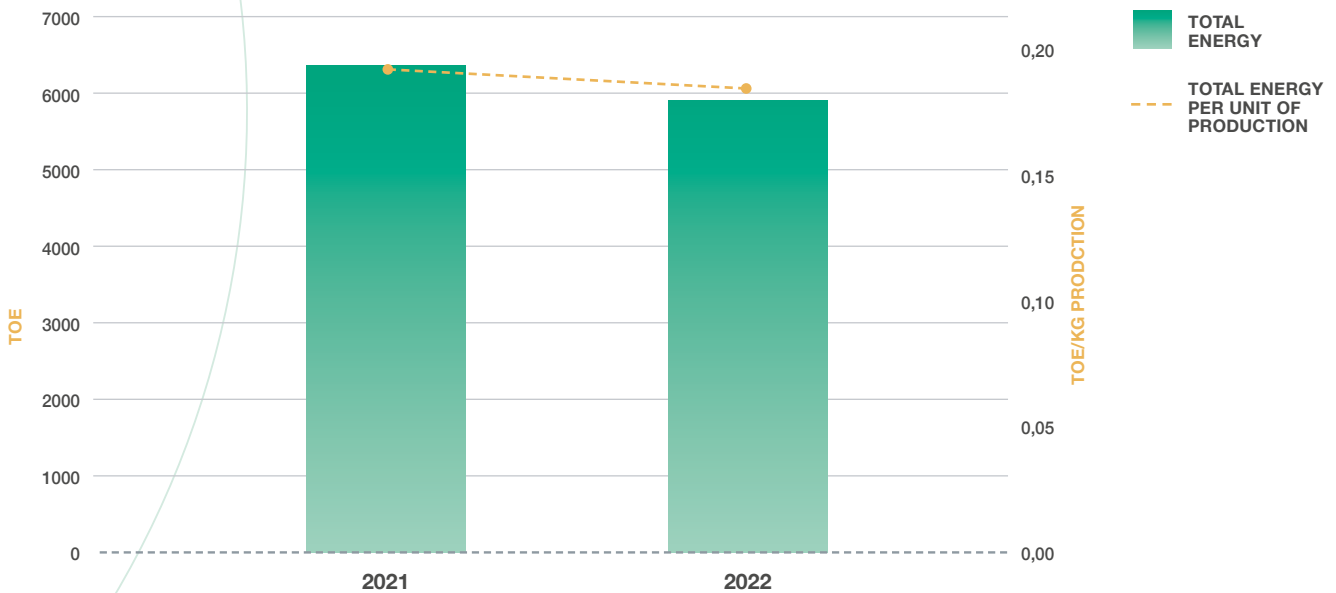
Fuel for company vehicles has a minimal contribution (less than 1%) to the total energy consumed by Brawo and consists of diesel, gasoline, and LPG.

The **decrease in total energy consumption** in 2022 compared to the previous year (-7%) can be attributed partly to the decrease in production (-4%), but mainly to an increased focus on consumption. Between 2021 and 2022, in fact, Brawo

replaced the existing departmental metal halide lamps with LED lamps, decommissioned some boilers in favor of heat pumps, and equipped some buildings with anti-reflection shielding on windows in order to reduce radiation in the department.

In fact, specific energy consumption relative to production has also dropped, indicating greater energy efficiency (-3%).

TOTAL AND SPECIFIC CONSUMPTIONS



4.3

Emissions in the atmosphere

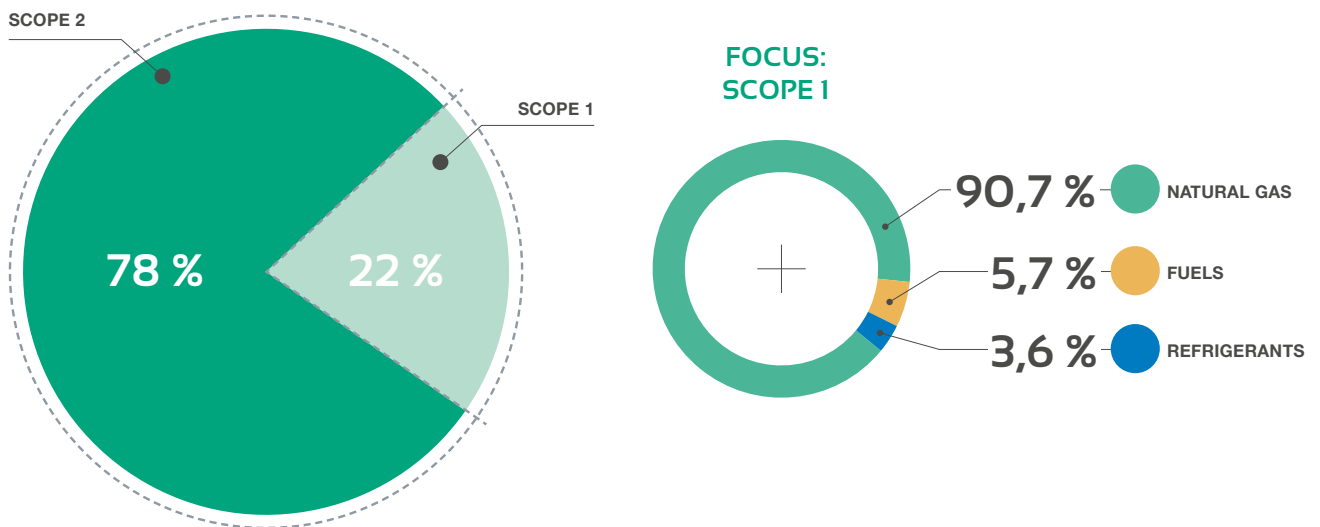


Scopes 1 and 2 were considered for the calculation of air emissions. Scope 1 refers to **direct emissions**, produced by fuels from company vehicles and natural gas combustion processes. Added to these are any refrigerant gases leaks, which, although present in small quantities, can have a major impact on total emissions. Overall, scope 1 emissions contributed about 1.800 tCO²eq.

in 2022; of these, natural gas combustion accounts for the bulk (90.7%), while fuels and refrigerant gases have a smaller impact (5.7% and 3.%, respectively).

Regarding **indirect emissions by imported energy** (scope 2), Brawo imported 27.689 MWh of electricity in 2022, corresponding to 6.508 tCO²eq , 78% of total emissions.

SCOPE 1 E 2 (2022)



¹Calculation based on a location-based approach, using an emission factor derived from the national energy mix in 2021 + FE Ispra 363/2022

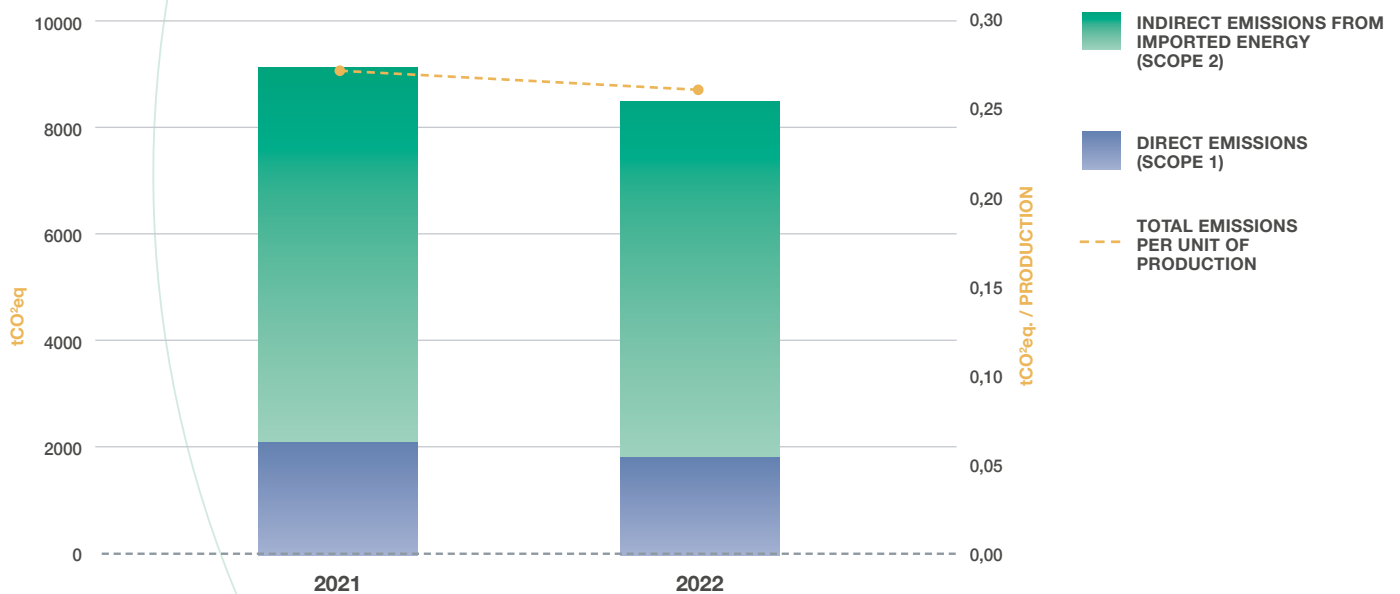
To monitor the trend of its environmental performance over time, Brawo also calculated GHG emissions referring to categories 1 and 2 for the year 2021.

A comparison of the two years shows a 14% reduction in direct emissions attributable to the lower use of natural gas, while for scope 2 indirect emissions there is a 6% reduction with reference to imported electricity.

Overall, Brawo decreased its emissions for categories 1 and 2 by 7.8% and **saved 705 tCO²eq by 2022.**

Realizing that for many manufacturing companies, scope 3 accounts for an important portion of total GHG emissions, Brawo will strive in the coming years to extend the calculation of emissions beyond its corporate boundaries, for example by monitoring employees' home-to-work travel.

GHG EMISSIONS



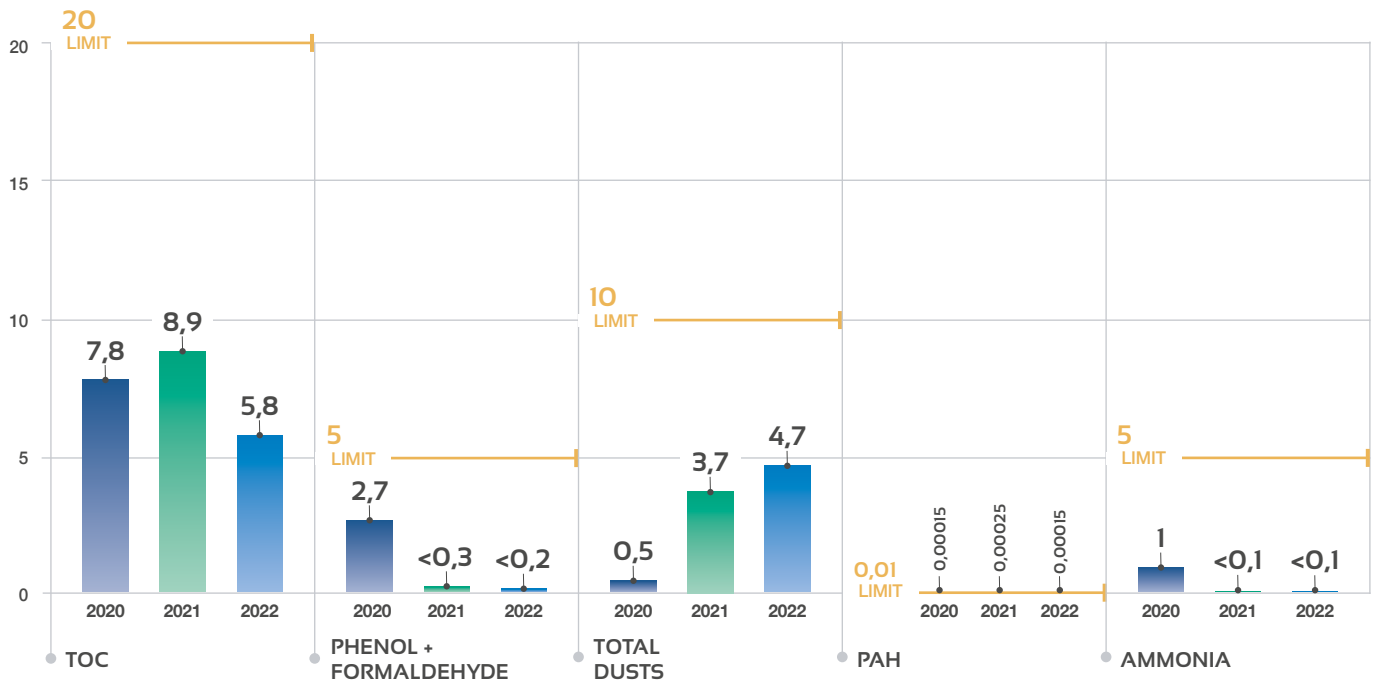
Given the types of facilities required for its production, Brawo conducts sampling as required by the AUA (Single Environmental Authorization) at its plants to monitor compliance with emission limits with regard to certain pollutants such as nitrogen oxides (NOx), carbon monoxide, and others. The

target pollutants considered are nitrogen oxides (NOx), carbon monoxide (CO), total organic carbon (TOC), phenol-formaldehyde, total dust, polycyclic aromatic hydrocarbons (PAHs), ammonia, alkaline aerosols, and sulfate ion (SO₄²⁻).

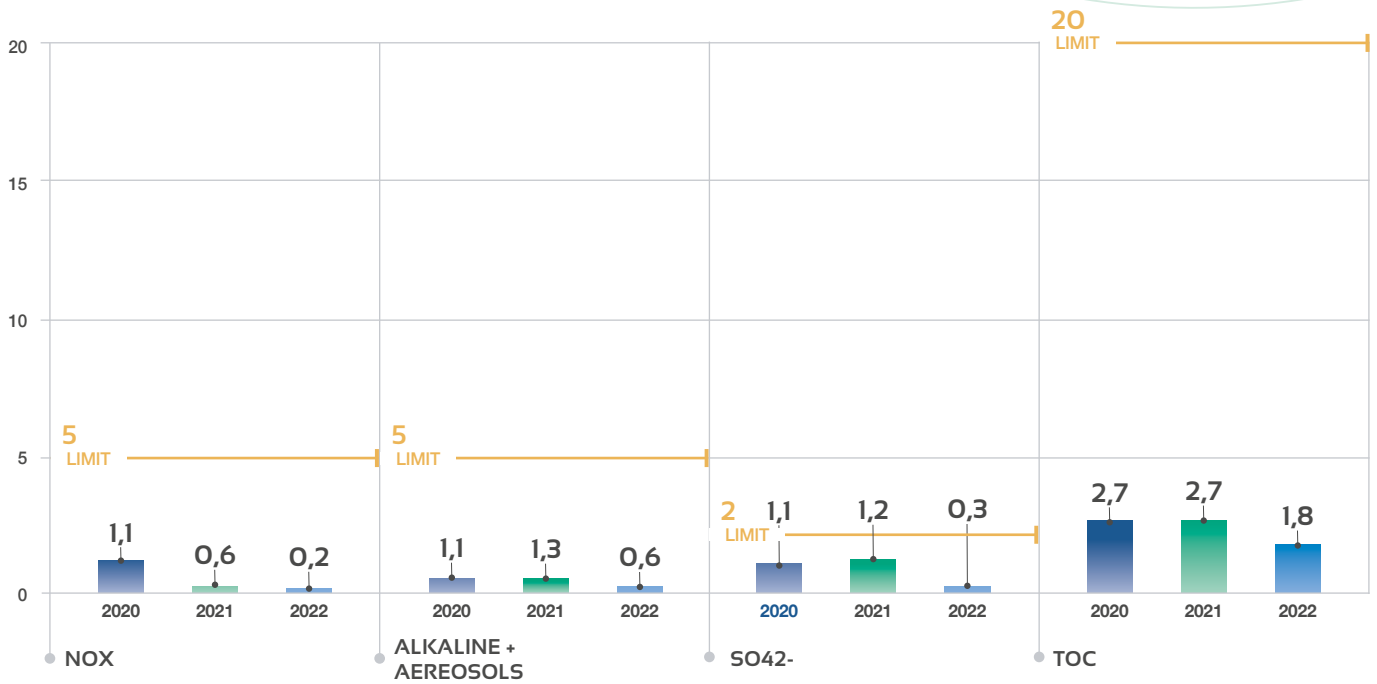
We have implemented a certified environmental management system

The graphs below show how Brawo meets the regulatory pollutant concentration limits for each control performed on the plants.

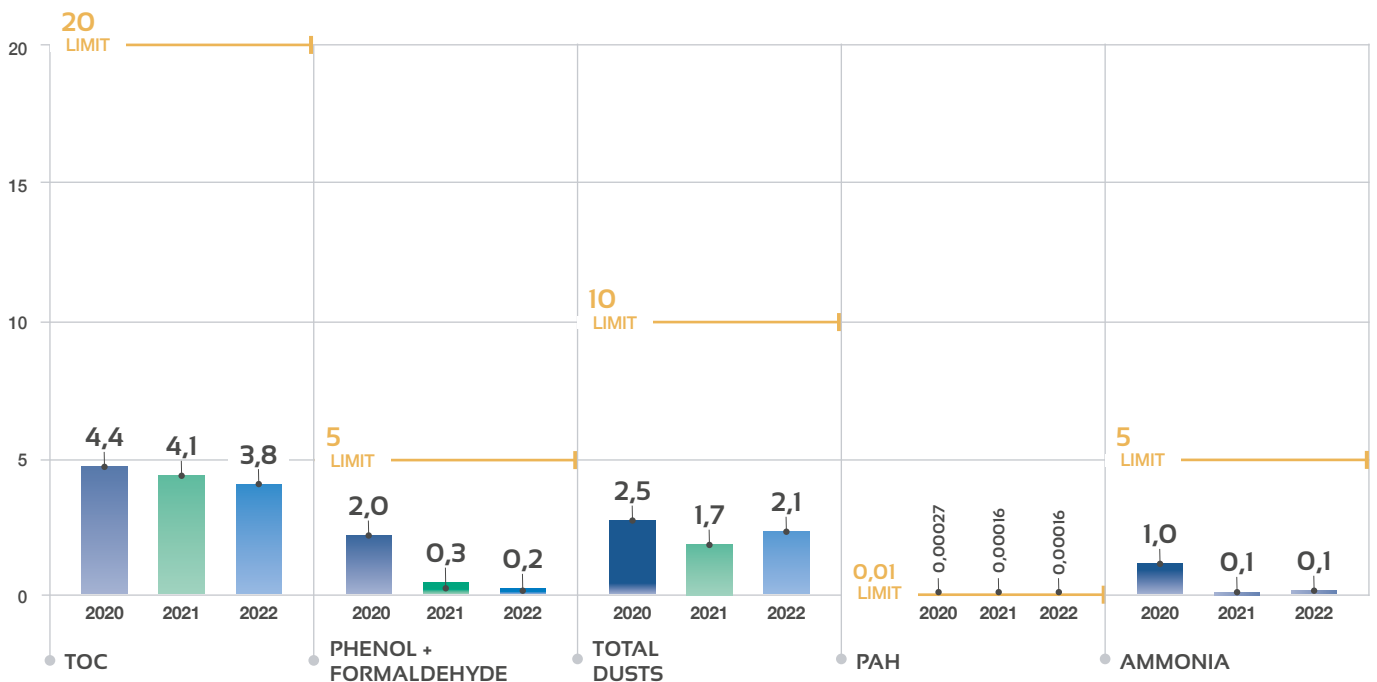
E2A- HOT FORGING PLANT



E2B- HOT FORGING PLANT



E3- PICKLING VAPOR DETENTION TOWER PLANT



4.4

Improvement measures and future investments



With the aim of further reducing its noise impact on the surrounding area, Brawo has planned for 2023 the installation of additional soundproofing barriers outside the surface treatment department (site at Via XXV Aprile) and for the new compressor (site at Via Carducci) and the replacement of metal halide lamps with LED lamps for the missing departments.

A major project to build a **new warehouse** is also underway.

The building, which will be about 7,500 m², will fit into a larger space with a large green

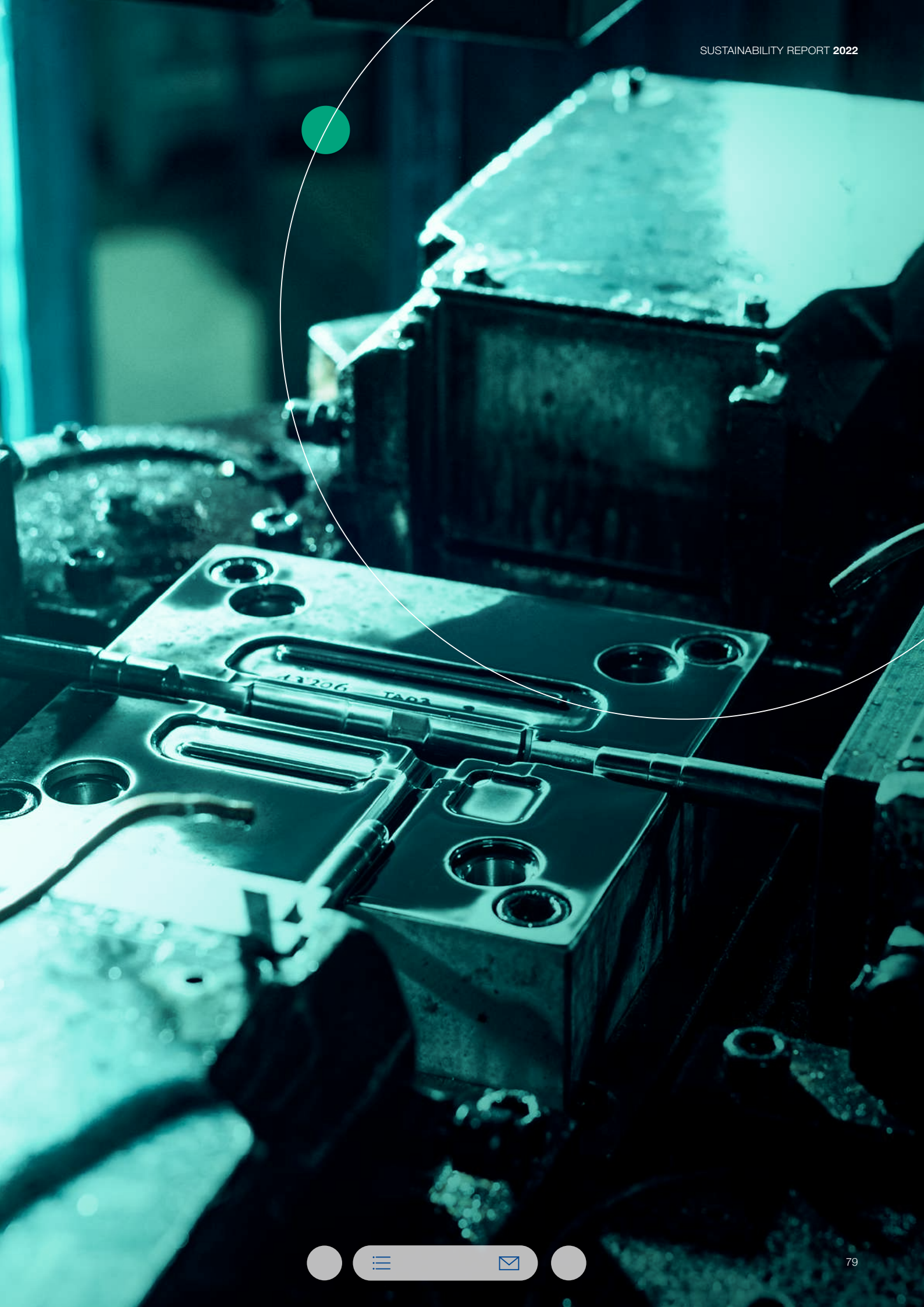
area (26.000 m² total) and will be built with sound-absorbing panels.

As for the roof, it is planned to install photovoltaic panels with an installed capacity of 675 kWp.

A natural flood retention basin will serve as a hydraulic damper to handle intense weather events, which have become increasingly frequent in recent years.

Work is scheduled to begin in 2023 and is expected to be completed by 2024.

We have developed a specific strategy for managing and reducing pollutant emissions to counteract climate change.



4.5

Recovery and reuse of materials



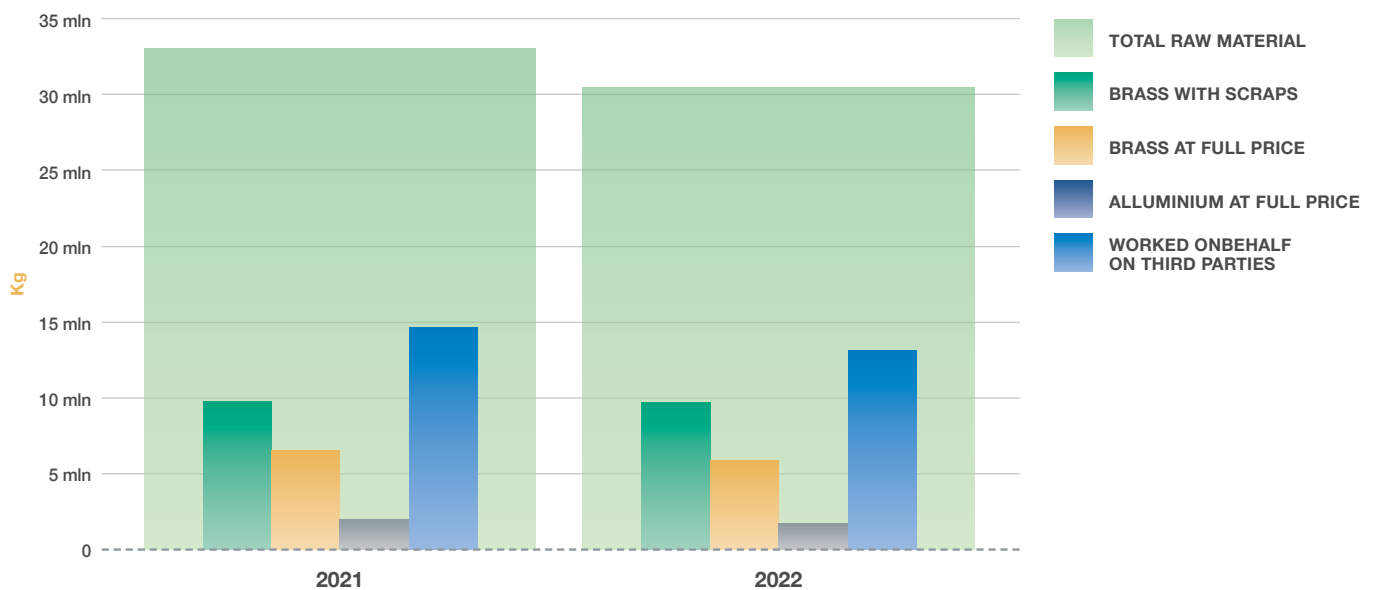
Hot forging and machining processes involve the use of **brass, aluminum**, and other nonferrous materials.

The total weight of materials used in 2022 to make its products is about 32.000.000 kg (down 8% from 2021). This is 56% brass and aluminum purchased directly by Brawo from suppliers who are required, as a minimum requirement, to have an ISO 9001-certified quality management system and an ISO

14001-certified environmental management system, while the remainder is raw material processed on behalf of third parties.

Brawo also monitors the amount of raw material sourced from recovery: processed brass comes **more than 90%, from recycled material**. To this end, the company is also beginning to collect information regarding the other production materials that are used.

MATERIAL IN PRODUCTION



We respect the environmental contexts in which we operate through policies aimed at efficient use of energy resources, waste reduction, and noise pollution control

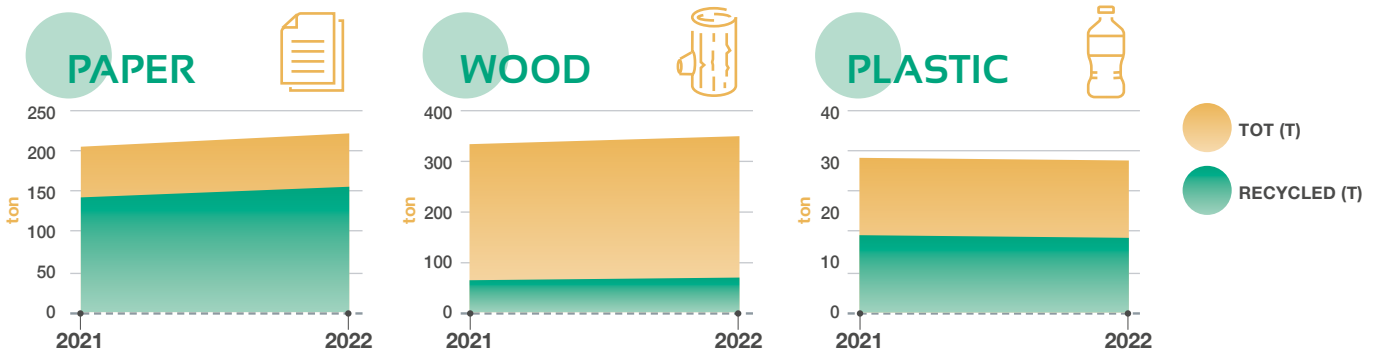
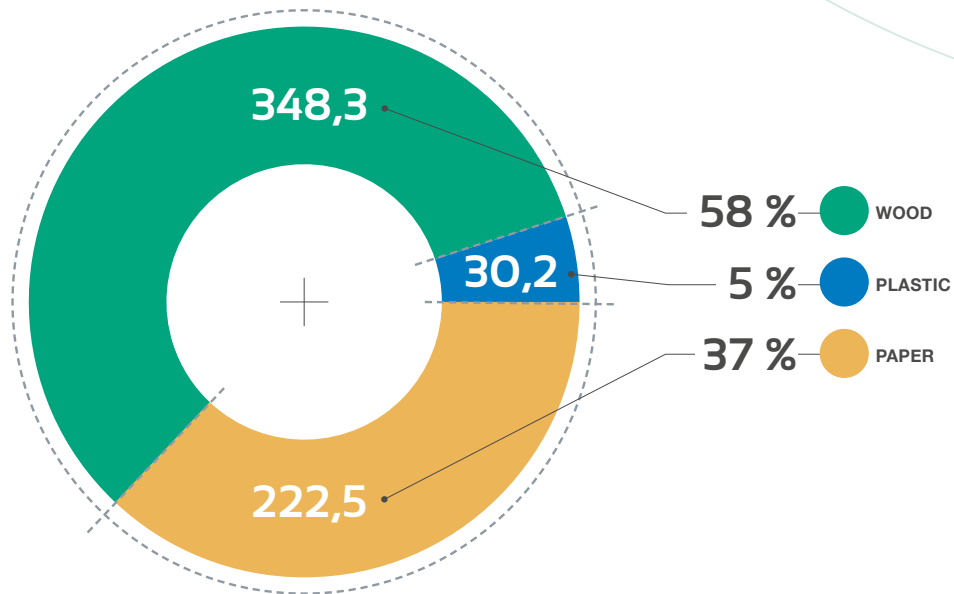


Regarding **incoming packaging**, only 5% of total packaging is made of plastic, while the remainder is made of paper and wood.

Compared to 2021, the amount of plastic material decreased slightly (-2%), while

the use of paper (+9%) and wood (+5%) increased. The percentages of recycled material of which these packages are composed remain stable: 70% for paper, 50% for plastic, and 20% for wood.

2022





4.6

Waste management and treatment



More than three quarters of the waste produced by Brawo is sent for recovery. Compared to the previous year, in 2022 the amount of waste sent for recovery increased further to 83% of the total, resulting in a decrease in the fraction going for disposal (-5.1%).

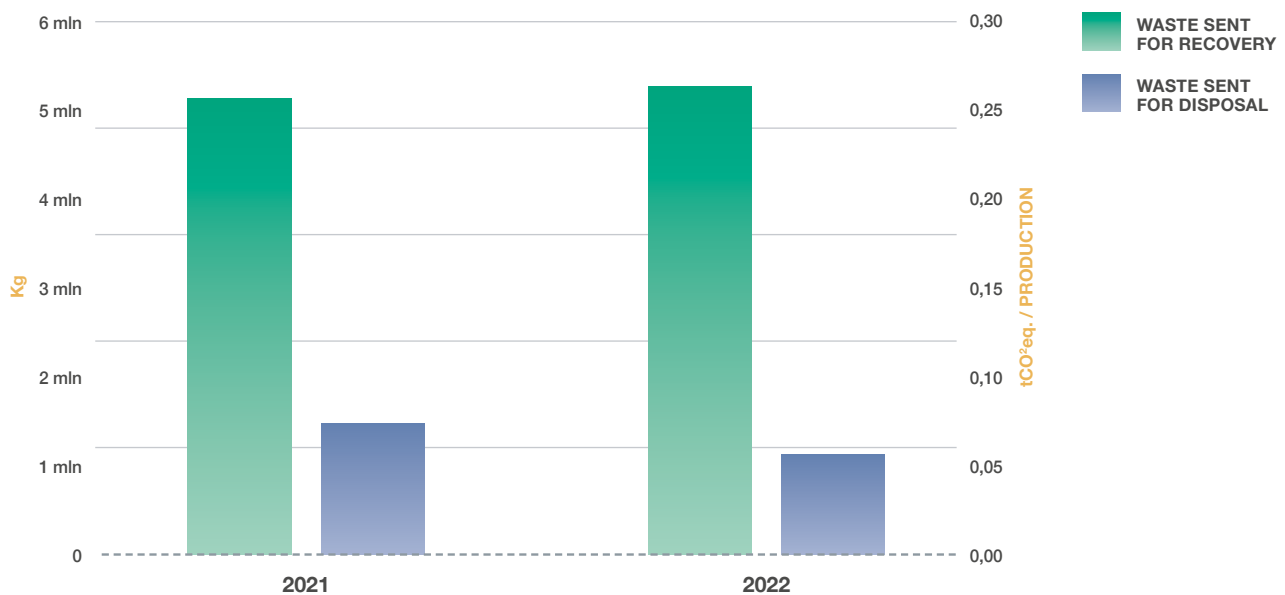
Overall, the amount of waste decreased (-4%) due to the decline in production that

occurred. In fact, the waste-to-production ratio remained constant between 2021 and 2022.

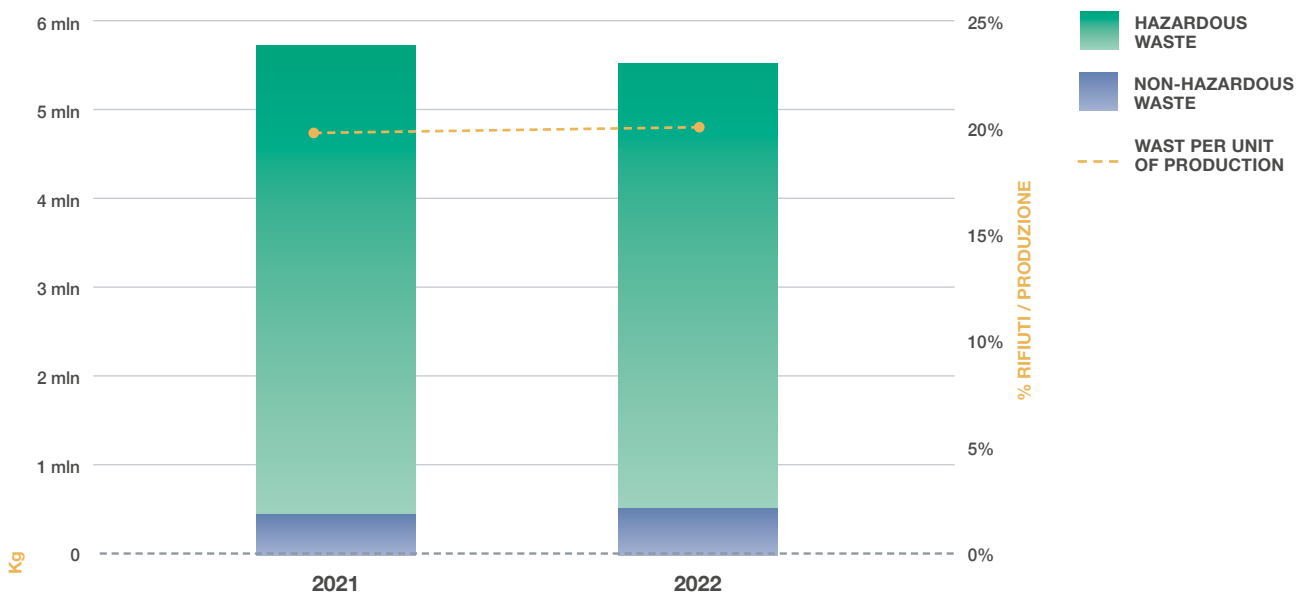
Hazardous waste, on the other hand, represented a minority share for Brawo (8-9% of the total) and increased slightly in 2022.

Production waste (scraps of brass and aluminum) is totally destined for recovery.

WASTE DESTINATION

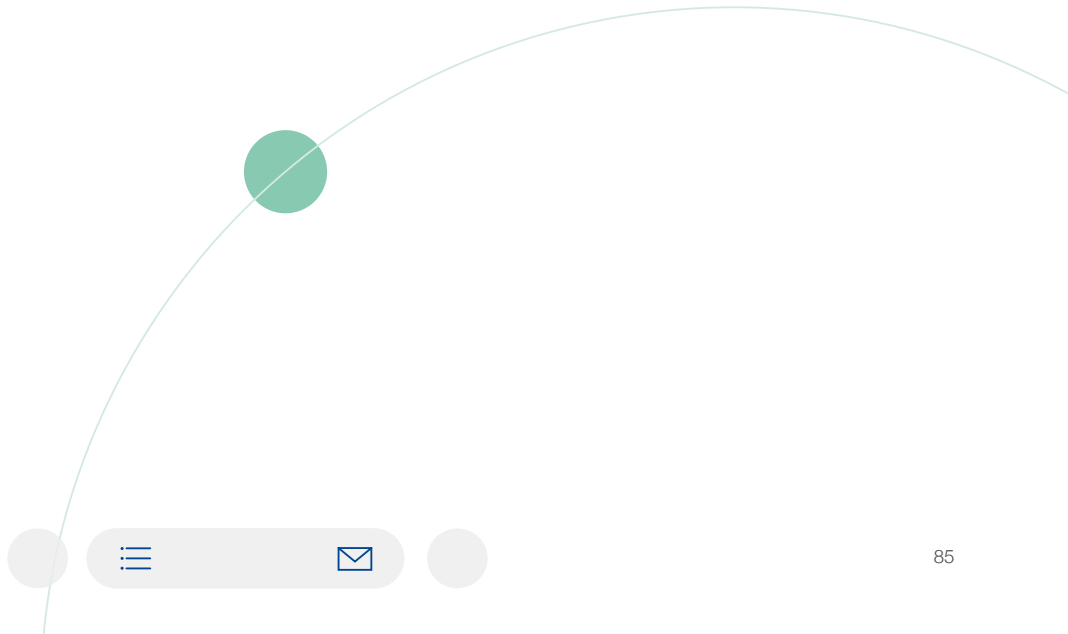


WASTE GENERATION



Brawo also raises awareness among its employees about a more conscious waste management by encouraging separate waste collection in its plants and conducting information campaigns on the subject.

Thanks to the digitization of the Brawo News magazine, which will be explained later, Brawo has estimated a saving of 138 kilograms of paper each year.





4.7

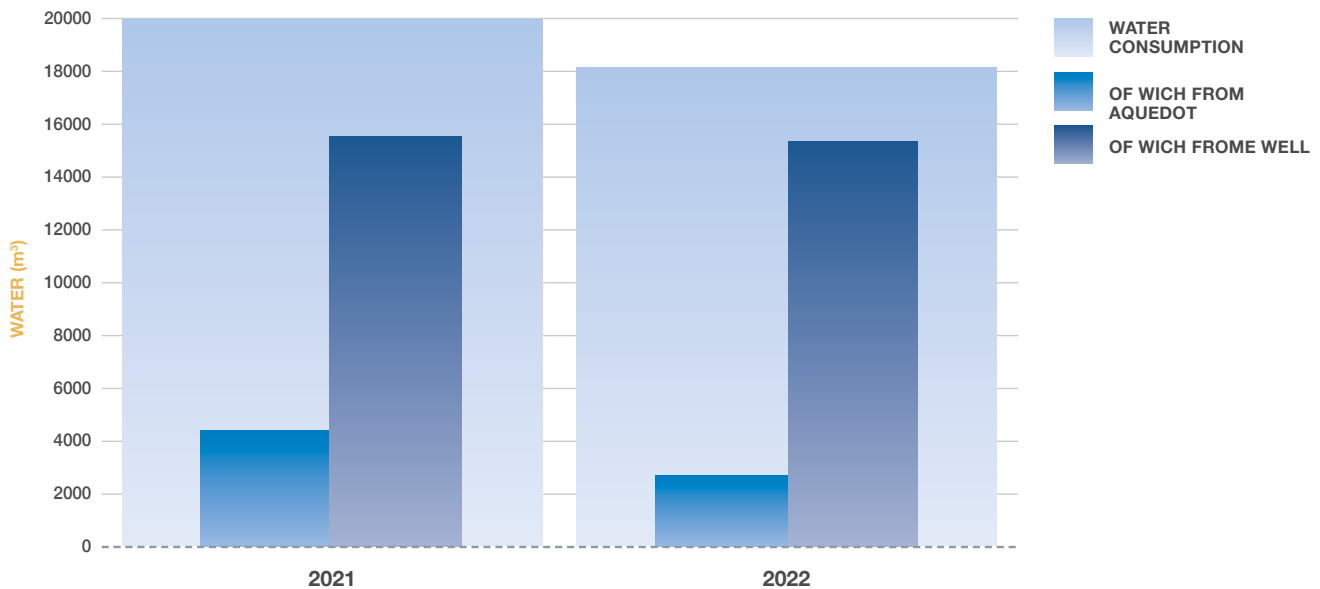
Water



The water consumed by Brawo, which is mainly needed for production processes, comes almost entirely from well withdrawal (85%), with the remainder coming from the municipal aqueduct. Water consumption decreased in 2022 (-10%) for a **total saving**

of 1.925 m³ of water, mainly due to the decrease in production and actions taken to reduce waste (e.g. condensate water from compressors is reused in the production process).

WATER CONSUMPTION



4.8

Noise



Brawo is aware that its manufacturing activities can have an impact on the local community, including through the noise they generate. The noise impact includes all noise emissions related to the activity and must not exceed the permitting limits in the municipal

noise classification plan. For this reason, noise pollution control is a material issue for the company. Brawo regularly conducts phonometric surveys at receptors, performs maintenance work on facilities, and carries out continuous noise insulation work.

We want and must change the present to improve the future of the world.



5.





Social sphere

All individuals working at Brawo are aware of their roles and are motivated to achieve the company's mission with mutual interpersonal respect

5.1

Social sphere

Brawo's goal is the economic and social development of the community in which it operates, and it participates, therefore it contributes to the activities of associations and entities linked to the area through donations and sponsorships.

People are at the center for Brawo, which seeks to enhance their professionalism and skills through a training program to guarantee them a satisfactory career path and through an ever-growing welfare platform.





348

Employees
in 2022 (+1,5%
from 2021)



98 %

Employees hired
on a permanent
basis



WELFARE

For all
employees



>12 %

Hours allocated
to training in 2022

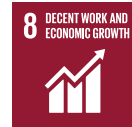


>80.000 €

Allocated to
donations and
solidarity works

5.2

Staff management



The development of **human resources** and of growth opportunities for the employees are two key elements of Brawo’s strategy, which conducted a work-related stress analysis in 2021, with reported extremely positive outcomes. The assessment showed an acceptable and sustainable level of workforce stress in all categories analyzed. An employee engagement questionnaire was also conducted in 2022, of which Brawo is currently conducting an analysis.

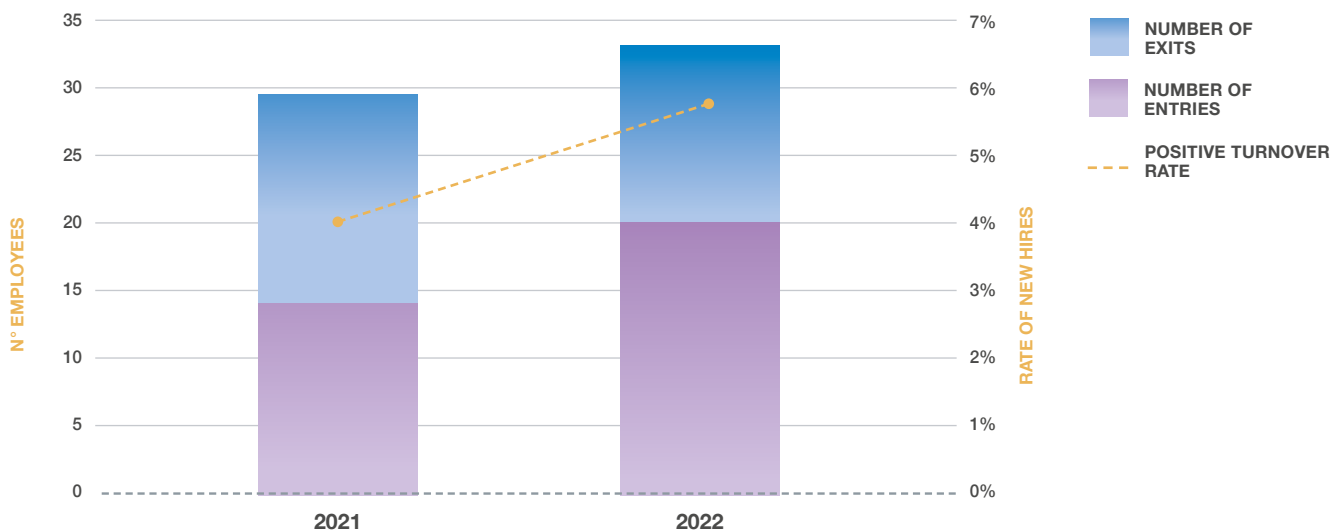
As of December 31, 2022, Brawo’s total number of **employees** was **348** (294 men and 54 women), up 1.5 % from the previous year.

The total number of entries was 20 people, including 9 under 30, while there were 5 exits recorded (net of retirements), down from 2021 (-38%).

The staff turnover rate is reported to be 7.2% for the year 2022, much lower than the national average value for industries (26%) . In 2022, there was an increase in the positive turnover rate, and a decrease in the negative turnover rate, reflecting the organization’s commitment to retaining its employees and enhancing their talents.

Approximately 98% of staff is employed on permanent contracts.

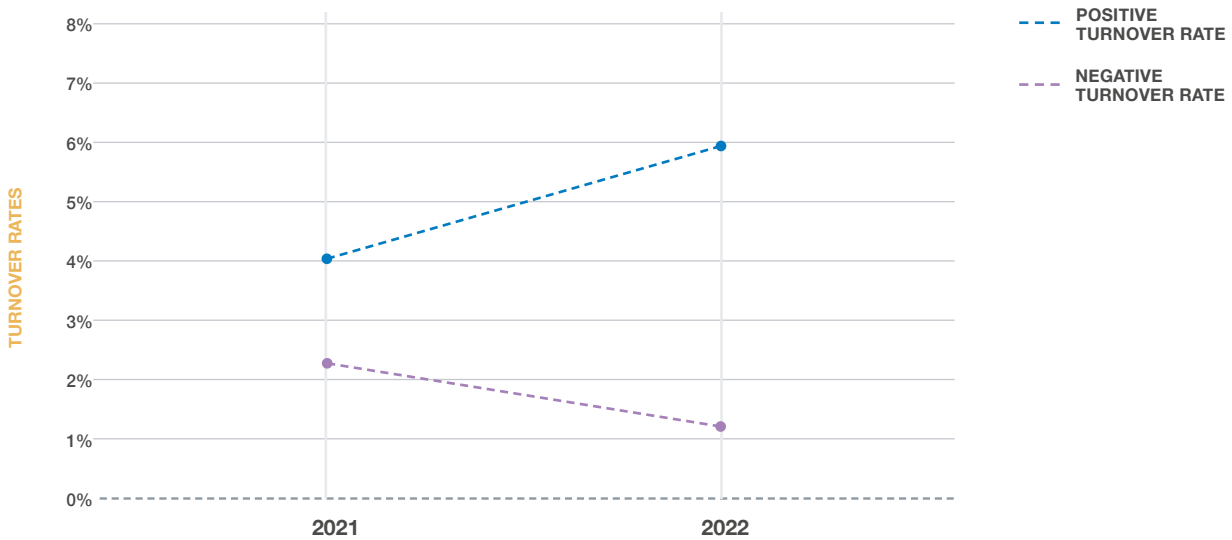
RATE OF NEW HIRES



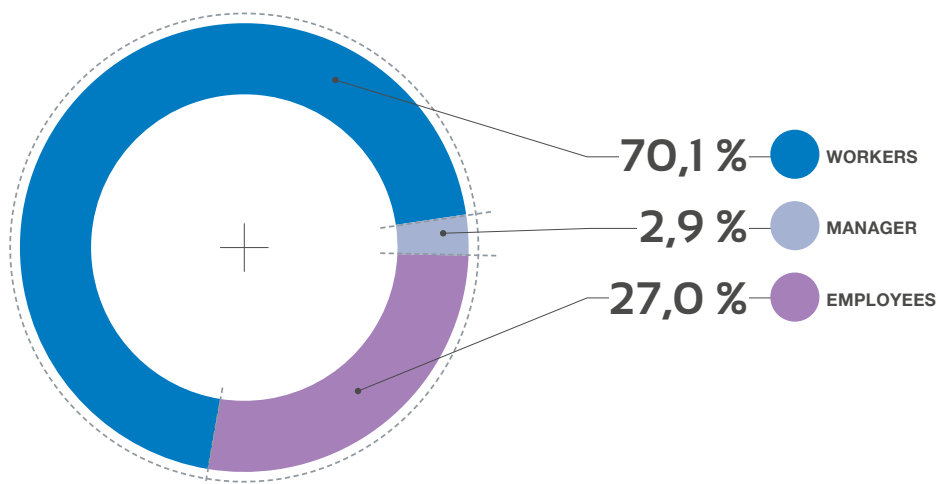
Regarding the composition of Brawo's workforce, as shown in the chart below, 70 % of employees are blue-collar workers, 27 %

are white-collar workers, and the remaining 3 percent are managers.

POSITIVE AND NEGATIVE TURNOVER RATES



EMPLOYEE BY AGE GROUP



¹Confindustria Survey: <https://www.confindustria.it/home/centro-studi/temi-di-ricerca/valutazione-delle-politiche-pubbliche/dettaglio/Indagine-Confindustria-sul-lavoro-2022>

5.3

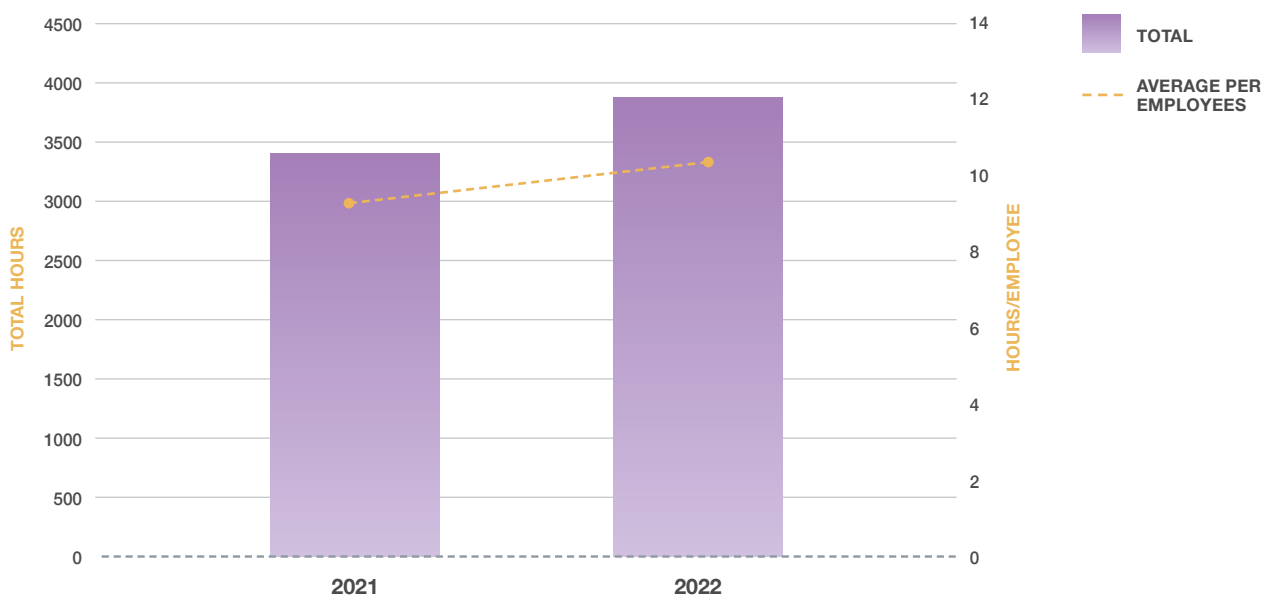
Training and education



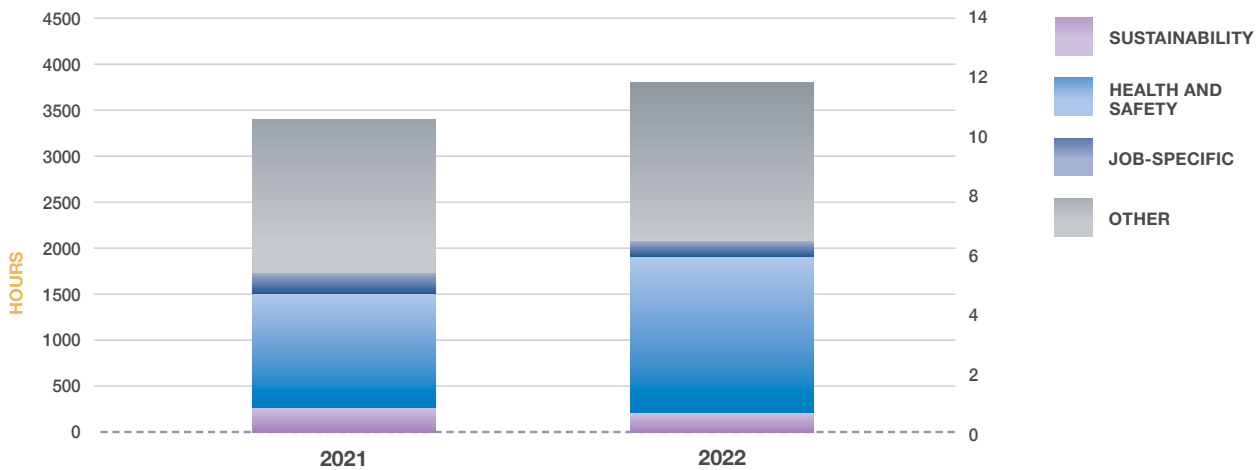
Realizing the importance of deepening **professional knowledge** to ensure competitive and lasting success, during 2022, Brawo increased the hours of training provided both in total (+12%) and in relation to the number of employees. Currently, each employee receives an average of 11.1

hours of training per year, 45 % of which are dedicated to occupational health and safety topics. Cybersecurity, in particular, is an important topic for Brawo, which organizes frequent information campaigns about phishing (6 per year) and sends its employees “pills” about cybersecurity.

AVERAGE TRAINING HOURS PER EMPLOYEE



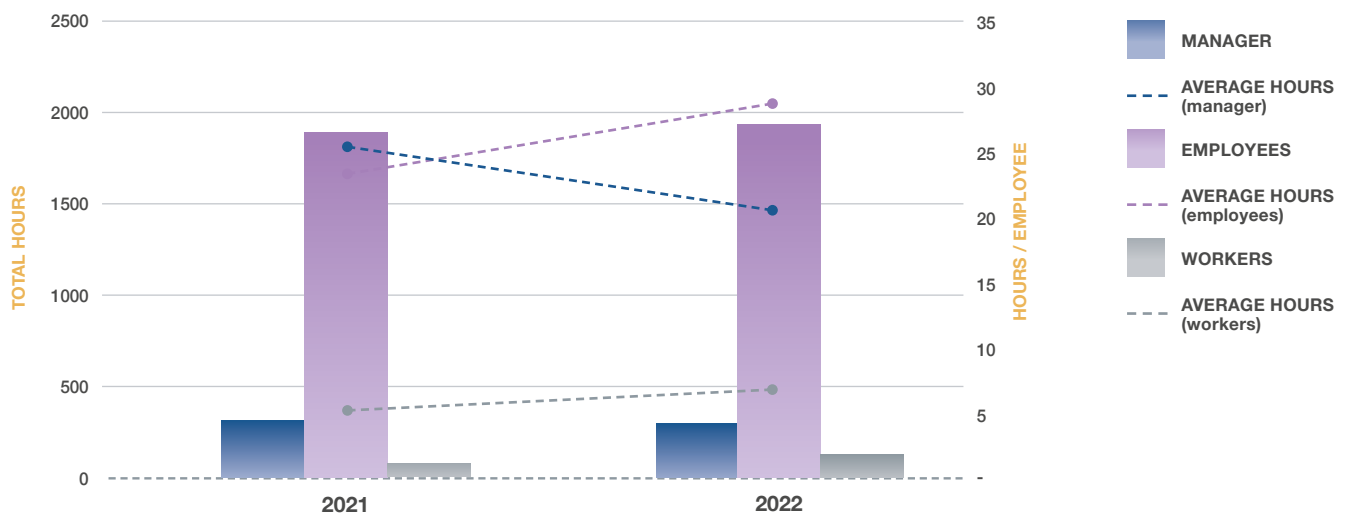
ORE FORMAZIONE PER TEMATICA



Regarding the distribution of training hours by job title, managers received an average of 29 hours per person in 2022 (+24 % with respect to 2021); office workers received 21 hours, in

line with the national (Italian) average ; blue collar workers received 7 hours (+ 31.1 % from the previous year).

TRAINING HOURS BY JOB TITLE



²Istat.it, 2017

5.4

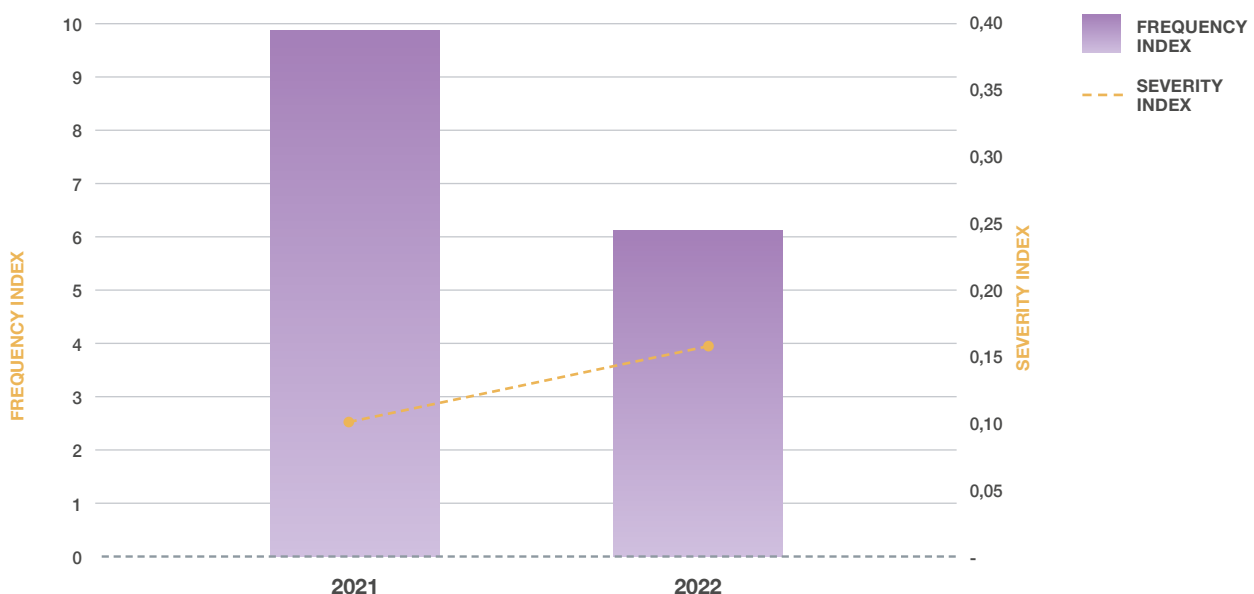
Health and Safety at Brawo



Brawo aims to ensure a healthy and safe environment for its employees, contractors and visitors in every situation in order to create the best possible working conditions. The pivotal goal is the **safety** of its human resources, which are considered **invaluable**. To protect the mental and physical health and well-being of its employees, Brawo carries out risk prevention actions and promotes healthy behaviors both in the workplace and in private life.

Compared to 2021, this year saw a 37 % decrease in the accident **frequency index**. Although the severity index has increased, it should be noted that this is calculated based on total days in injury. Quantitatively, there was only one serious injury in 2022 (value equal to 2021).

SEVERITY AND FREQUENCY INDEXES



Human resources have always been a valuable asset for Brawo



5.5

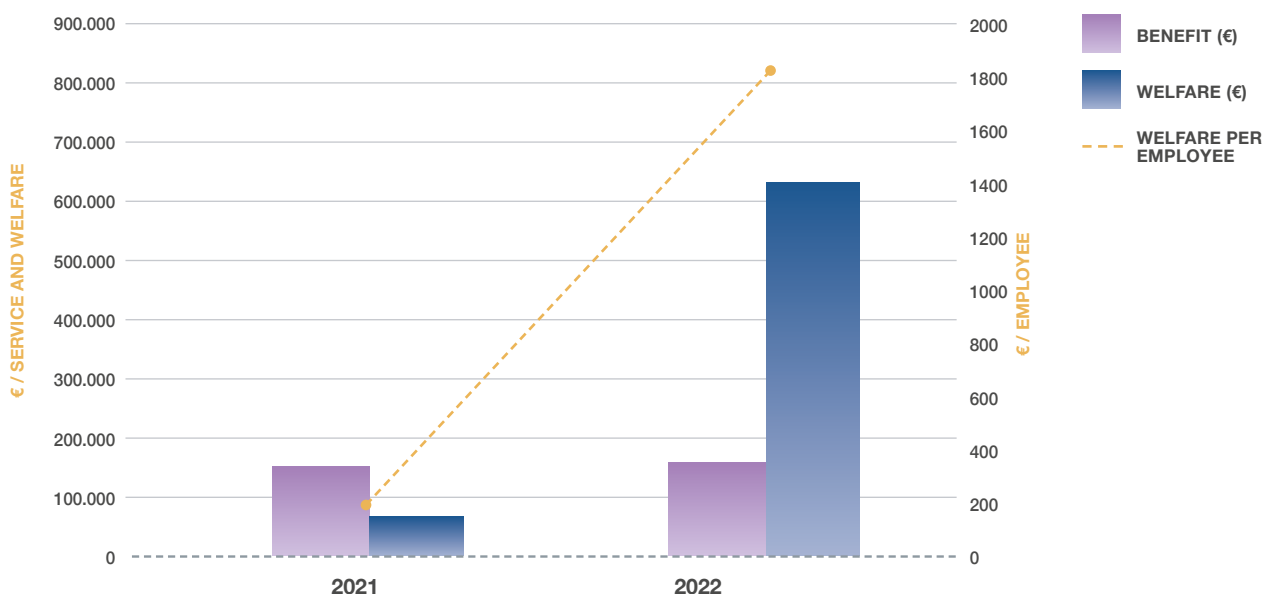
Corporate well-being



In both 2021 and 2022, 100% of Brawo’s employees had access to the welfare plan. While benefits remained constant, in 2022 **the amount of welfare increased by 840%** to a value of €650.000, corresponding

to more than €1.800/year per employee (dashed line in the graph below). This value increased significantly as the company during 2022 decided to provide **additional welfare of 1.600 €/employee**.

WELFARE & BENEFIT



FOCUS BOX

Among its staff services, Brawo organizes several **events for its employees**: an end-of-year dinner, a first-grade party where it provides school supplies to the children of

employees starting first grade, a summer event with families, and other occasional events.



Each employee is also entitled to a **Brawo Card**, which gives him or her access to discounts and other benefits at participating stores and services.

To promote education, Brawo provides **scholarships** to the sons and daughters of employees and has entered into an agreement at the **local kindergarten** to reserve some places for the children of company personnel.

Recognizing the importance of good communication, and the involvement of

employees in the company’s activities, Brawo publishes a company newsletter, “**Brawo News**” quarterly, and has also started the “**idea box**” initiative, whereby employees can share their proposals for improving the company. Twice a year, the ideas are read and the most feasible and deserving ones are evaluated and awarded.

From 2023, Brawo plans to digitize the journal, so as to facilitate its dissemination and eliminate the use of paper and ink.



Brawo also installed an electric bike charging station as a means of promoting sustainable mobility.

Finally, a major **employee satisfaction survey** was held in 2022 in the form of a

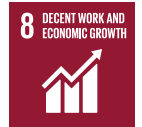
questionnaire. 70% of Brawo's employees participated in the survey, and the results were reprocessed by department and function so that they could be critically analyzed.





5.6

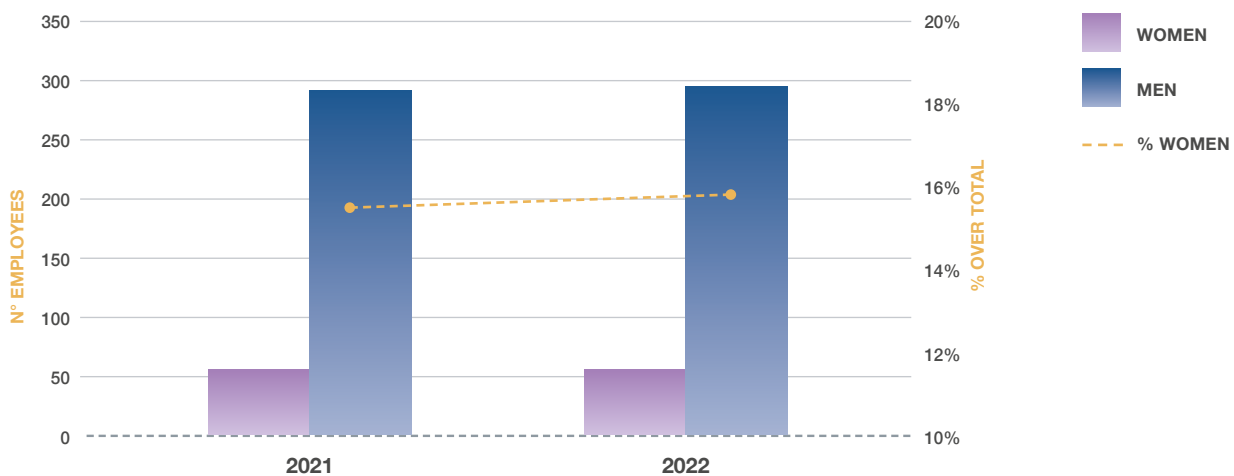
Diversity and Inclusion



In Brawo, 64% of employees in the year 2022 are under 50: 31 people are under 30, 190 are in the 30-50 age group, and 127 employees are over 50. As shown in the chart

below, among the 348 employees in the year 2022, 16% are women (the percentage is 26% among employees), for a total of 54 resources.

EMPLOYEES BY GENDER



In its Code of Ethics, Brawo makes the **prohibition of discrimination** one of its pillars, committing to guarantee equal employment and career opportunities for each of its employees and to protect anyone who feels they are the victim of attitudes harmful to personal integrity. There is therefore an external Supervisory Board (SB)

that receives and monitors any reports, in line with the provisions of the Organization, Management and Control Model (MOG 231).

The MOG 231 requires the presence of a whistleblowing channel for reporting any episodes of discrimination.

5.7

Distribution of value in the community



Brawo identifies with the territory in which it develops its activities its goal is the sustainable development of the local community. There are several active synergies with the area: the company is attentive to the needs of the community, takes an interest in **local growth** and in building **shared values**.

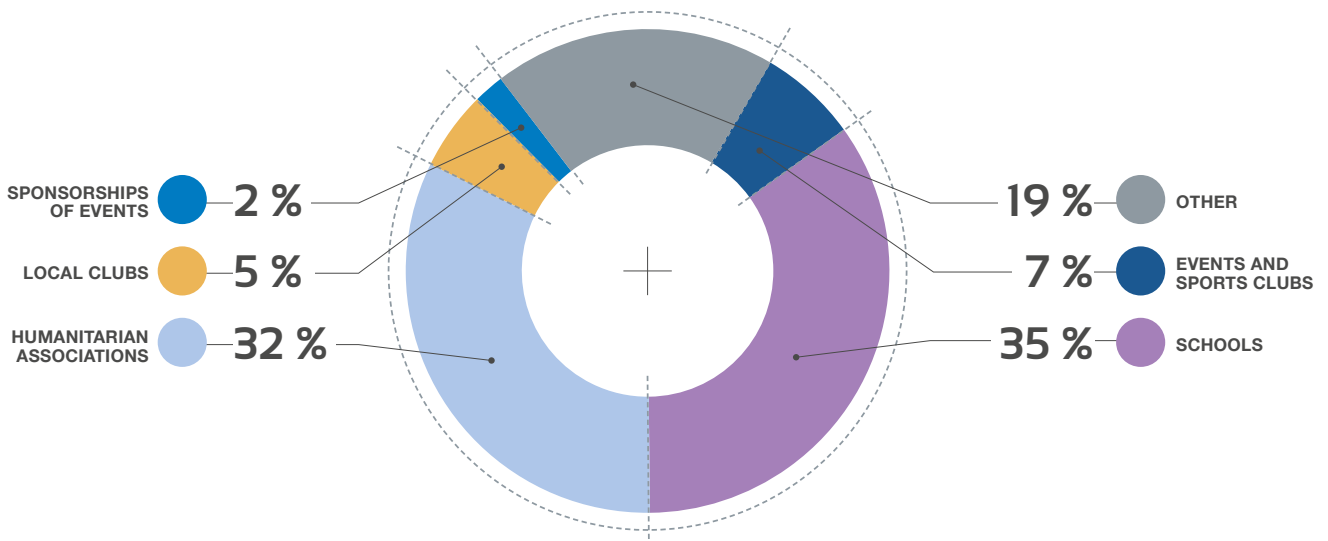
In particular, Brawo pays attention to promoting education and technical training, organizing visits to its plants and activating internships. Precisely 35% of its donations in 2022 went to local institutions, such

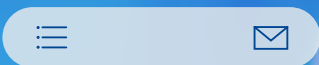
as kindergartens, elementary and middle schools.

Great attention is also paid to the activities of humanitarian associations engaged mainly in medical and health aid. Brawo dedicated 32% of its donations to these organizations and provided the community with two defibrillators.

In total, donations in 2022 amounted to about €85.000, corresponding to 0,6% of corporate profit.

DONATIONS 2022





6.





GRI Content Index

GRI Content Index

For each material issue identified, the correlation with the main international reference standards for sustainability reporting, the Global Reporting Initiative (GRI), is presented below.

There are no GRI industry standards relevant to Brawo’s business.

STATEMENT OF USE	Brawo S.p.A. has reported with reference to the GRI Standards for the period 01/01/2022 – 31/12/2022.
GRI 1 used	GRI 1: Foundation 2021

GRI 2 - General disclosure 2021

STANDARD GRI	STANDARD GRI	STANDARD GRI
The organization and its reporting practices		
	2-1 Organization details	Methodology note
	2-2 Entities included in the organization’s sustainability reporting	Methodology note
	2-3 Reporting period, frequency and contact point	Methodology note
	2-4 Restatements of information	Any variations are indicated in the text

Employees

2-7 Employees	Staff management
2-8 Workers who are not employees	Staff management

Governance

2-9 Governance structure and composition	Strategic Management
2-10 Nomination and selection of the highest governance body	Strategic Management
2-11 Chair of the highest governance body	Letter from the President
2-12 Role of the highest governance body in overseeing the management of impacts	Strategic Management
2-13 Delegation of responsibility for managing impacts	Strategic Management
2-14 Role of the highest governance body in sustainability reporting	Strategic Management
2-16 Communication of critical concerns	Strategic Management
2-17 Collective knowledge of the highest governance body	Strategic Management
2-18 Evaluation of the performance of the highest governance body	Strategic Management

Strategies, policies and practices

2-25 Processes to remediate negative impacts	Identification of generated impacts
2-27 Compliance with laws and regulations	Strategic Management

Stakeholder engagement

2-29 Approach to stakeholder engagement	Stakeholders mapping
-----------------------------------------	----------------------

GRI 3: Material topics 2021

3-1 Process to determine material topics	Stakeholders mapping, Our priorities: the material topics
3-2 List of material topics	Our priorities: the material topics
3-3 Management of material topics	Our priorities: the material topics

Disclosure	Location
STANDARD TOPIC – ECONOMIC PERFORMANCE	
201-1 Direct economic value generated and distributed	Economic performance
203-1 Infrastructure investments and services supported	Improvement measures and future investments
204-1 Proportion of spending on local suppliers	Suppliers
STANDARD TOPIC – ENVIRONMENT	
301-1 Materials used by weight or volume	Recovery and reuse of materials
301-3 Reclaimed products and their packaging materials	Recovery and reuse of materials
302-1 Energy consumption within the organization	Energy and energy efficiency
302-3 Energy intensity	Energy and energy efficiency
302-4 Reduction of energy consumption	Improvement measures and future investments
303-3 Water withdrawal	Water
303-4 Water discharge	Water
303-5 Water consumption	Water
305-1 Direct (Scope 1) GHG emissions	Emissions in the atmosphere
305-2 Energy indirect (Scope 2) GHG emissions	Emissions in the atmosphere
305-4 GHG emissions intensity	Emissions in the atmosphere
305-5 Reduction of GHG emissions	Emissions in the atmosphere
306-1 Waste generation and significant waste-related impacts	Waste management and treatment
306-2 Management of significant waste-related impacts	Waste management and treatment
306-3 Waste generated	Waste management and treatment

306-4	Waste diverted from disposal	Waste management and treatment
306-5	Waste directed to disposal	Waste management and treatment
307-1	Non-compliance with environmental laws and regulations	Strategic Management
STANDARD TOPIC – SOCIAL		
401-1	New employee hires and employee turnover	Corporate well-being
401-2	"Benefit previsti per i dipendenti a tempo pieno, ma non per i dipendenti part-time o con contratto a tempo determinato"	Health and Safety at Brawo
403-1	Sistema di gestione della salute e sicurezza sul lavoro	Health and Safety at Brawo
403-2	Identificazione dei pericoli, valutazione dei rischi e indagini sugli incidenti	Training and education
403-5	Formazione dei lavoratori in materia di salute e sicurezza sul lavoro	Health and Safety at Brawo, corporate well-being
403-6	Promozione della salute dei lavoratori	Salute e sicurezza sul lavoro in Brawo, benessere del personale
403-8	Workers covered by an occupational health and safety management system	Health and Safety at Brawo
403-9	Work-related injuries	Health and Safety at Brawo
404-1	Average hours of training per year per employee	Training and education
405-1	Diversity of governance bodies and employees	Diversity and Inclusion, Strategic Management
406-1	Incidents of discrimination and corrective actions taken	Strategic Management
413-1	Operations with local community engagement, impact assessments, and development programs	Distribution of value in the community
413-2	Operations with significant actual and potential negative impacts on local communities	Distribution of value in the community

7.



Appendix

Appendix

Governance sphere

COMPOSITION OF THE BOARD OF DIRECTORS

GRI 2 -9	2019	2020	2021	2022
Number of members	7	7	7	7
-> Of which women	1	1	1	1
-> Of which employee	1	1	1	1
-> Of which <30 years old	0	0	0	0
-> Of which between 30 and 50 years old	2	2	2	1
-> Of which > 50 years old	5	5	5	6

ECONOMIC AND FINANCIAL PERFORMANCE

GRI 201 -1	2019	2020	2021	2022
Generated value	87.152.411 €	80.530.739 €	111.434.249 €	123.919.754 €
Distributed value	77.135.314 €	70.604.906 €	95.423.749 €	109.519.393 €
-> Of which operating costs	62.835.669 €	60.266.626 €	82.811.056 €	94.564.613 €
-> Of which employee wages and benefits	18.569.254 €	17.453.449 €	19.648.578 €	20.488.205 €
-> Of which interest expenses and other forms of debt	242.386 €	299.272 €	280.654 €	337.606 €
-> Of which return on capital ¹	- 4.683.200 €	- 6.967.767 €	- 8.672.845 €	- 7.330.004 €
-> Of which payments to Public Administration	110.785 €	- 510.344 €	1.252.306 €	1.386.833 €
-> Of which investments in the community	60.420 €	63.670 €	104.000 €	72.140 €
Retained Value	10.017.097 €	9.925.833 €	16.010.500 €	14.400.361 €

RESEARCH & DEVELOPMENT AND TECHNOLOGICAL INNOVATION

	MU	2021	2022
Total R&D Hours	Hours	21.910	6862
Hours per employee	Hours/Employee	63,9	19,7
Number of employees involved in R&D	Num	11	11

¹Return on capital in this case means the revaluation of equity investments

Appendix

Environment sphere

ENERGY CONSUMPTION

GRI 302-1	MU	2021	2022
Electricity	kWh	29.449.831	27.689.115
Natural gas	Sm ³	953.641	818.051
Diesel fuel	l	37.475	37.938
Petrol	l	0	66,6
LPG	l	0	255,5

GHG EMISSIONS

GRI 305-1, 305-2	MU	2021	2022
Direct emissions (Scope 1)	tCO ² eq.	2.094,16	1.803,15
Natural gas	tCO ² eq.	1.899,38	1.635,44
Diesel fuel	tCO ² eq.	100,54	101,79
Petrol	tCO ² eq.		0,14
LPG	tCO ² eq.		0,41
Refrigerants	tCO ² eq.	94,24	65,37
Indirect emissions by imported energy (Scope 2)	tCO ² eq.	6.921,37	6.507,57
Electricity from the grid (location based)	tCO ² eq.	6.921,37	6.507,57
Tot. emissioni (cat. 1 e 2)	tCO ² eq.	9.015,53	8.310,72

WATER CONSUMPTION AND DISCHARGE

GRI 303-3 / 303-5	MU	2021	2022
Water consumption	mc	20.065	18.140
-> Of which from aqueduct	mc	4.407	2.733
-> Of which from well (industrial use)	mc	15.616	15.365
-> Of which recovered	mc	42	42
Water discharges	mc	170,00	259,00

WASTE

GRI 306-3 / 306-5	MU	2021	2022
Waste production	kg	6.659.283,00	6.407.701,00
Hazardous waste	kg	534.000,00	590.287,00
Non-hazardous waste	Kg	5.157.673,00	5.289.895,00
Waste sent for disposal	Kg	1.501.610,00	1.117.806,00
Scraps re-used or enhanced as by-products	kg	5.196.840,00	4.577.325,00

RAW MATERIAL

GRI 301-1	MU	2021	2022
Grass	kg	16.364.000	15.620.000
-> Of which with scraps	kg	9.805.000	9.755.000
-> Of which at full price	kg	6.559.000	5.865.000
Alluminium	kg	1.978.000	1.714.000
Raw materials worked on behalf of third parties	kg	14.661.000	13.154.000

PACKAGING

GRI 301-1	MU	2021	2022
Incoming packaging	ton	566,775	600,944
-> Of which made by paper		204,829	222,482
-> Of which made by wood		331,29	348,295
-> Of which made by plastic		30,656	30,167
-> Of which in material from recovery or reuse	ton	224,9663	240,4799

Appendix

Social sphere

NUMBER OF WORKERS

GRI 2-7, 401-1	2019	2020	2021	2022
Number of employees	346	343	343	348
Number of hires	23	6	14	20
Number of exits	15	10	15	13
Of which retirement	6	5	8	5
Positive turnover rate	6,6%	1,7%	4,1%	5,7%
Total turnover rate	8,4%	3,2%	6,4%	7,2%
Number of U30 hires	13	4	5	9
Number of U30 exits	2	1	3	0
Total U30 turnover rate	4,34%	1,46%	2,33%	2,59%

WORKERS BY CONTRACT TYPE

GRI 2-7	2019	2020	2021	2022
Permanent contracts	337	341	333	340
Fixed-term contracts	11	3	10	8
Full-time contracts	324	320	316	322
Part-time contracts	24	24	27	26

WORKERS BY AGE GROUP

GRI 405-1	2019	2020	2021	2022
≤ 30	25	27	25	31
31 – 50	221	205	196	190
≥ 51	102	112	122	127

WORKERS BY GENDER

GRI 405-1	2019	2020	2021	2022
Women	53	53	53	54
%	15,32%	15,45%	15,45%	15,74%
Men	293	290	290	294
%	84,68%	84,55%	84,55%	85,71%

WORKERS BY JOB TITLE

GRI 405-1	2019	2020	2021	2022
Workers	252	250	246	244
Of which women	31	30	29	29
Employees	81	80	75	94
Of which women	25	24	29	24
Manager	13	13	13	10
Of which women	2	2	2	2

TRAINING HOURS BY TOPIC

GRI 403-5, 404-1	2021	2022
Task-specific training	1664	1729
Overhead crane training	230	177
Health and safety	1261	1719
Sustainability	285	223,5
Total	3440	3848,5

AVERAGE TRAINING HOURS PER EMPLOYEE

GRI 404-1	2021	2022
Workers	5	7
Employees	33	22,6
Managers	23	24
Total average	10	11,1

INJURY TRENDS

GRI 403-9	2021	2022
Hours worked (H)	609.324	649.563
Number of injuries (Ni)	6	4
Absence days (Gi)	63	101
Frequency index ($f_i = N_i \times 100.000 / H$)	9,85	6,16
Severity index ($l_g = G_i \times 1.000 / H$)	0,1	0,16

WELFARE AND BENEFITS FOR THE EMPLOYEES

GRI 413-1	2021	2022
Benefit [€]	155.789	158.433
% on turnover	0,15209%	0,14344%
Welfare [€]	68.200	647.874
% on turnover	0,1%	0,6%



BRAWO S.p.A.

HOT FORGING AND MECHANICAL MACHINING COMPANY

Contatti:

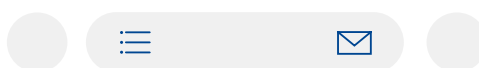
Via 25 Aprile, 36, 25050

Pian Camuno BS

www.brawo.com

For information about the 2022 Sustainability Report or the details contained within it: info@brawo.it

Developed in collaboration with Fedabo Spa SB





www.brawo.com



BRAWO S.p.A.

Via 25 Aprile, 36, 25050
Pian Camuno BS
www.brawo.com