WINNING TECHNOLOGIES®

SACMA GROUP

SUSTAINABILITY REPORT | 2023

Letter to the Stakeholders

Dear readers,
2023 marks an important milestone for Sacma, I am in fact very proud to present our first Sustainability Report, a testimony to our commitment to a sustainable growth by innovating our processes, investing in new technologies, making the “made in Italy” trademark one of our strengths. This document represents the opportunity to give an account of our commitment to our stakeholders and to steer the company development toward the creation of long-term value, being aware that our growth must be first and foremost sustainable for the people, the environment and the community in which we operate.
In 2023 we, as always, were attentive to climate change and its consequences. An issue that can no longer be ignored, which pushes us to embrace new projects that prove our commitment more and more each day.
To this end we made significant achievements in our journey toward minimizing environmental impacts in the past year: from replacing our lighting fixtures with more efficient ones, to employing renewable energy with our photovoltaic plant, operational in our Limbiate site since 2008, which supplies approximately 700MWh/year.
I am also increasingly convinced that taking the concept of circular economy inside production processes is the only way forward, and I am very pleased to share that all raw materials we use in our production processes are 100% recyclable at the end of their useful life. Furthermore, from a circular economy perspective, at the Limbiate site, we have been reclaiming oils used in production since 1998, which resulted in reduced consumption and recovery of oil emulsions from the processing lines.

I also want to share with you the importance we, as SACMA, give to the people that are part of our company: it’s their skills, their sense of responsibility and their dedication that determine our success. For this reason, investing in people for us means not only providing training and professional development, but also creating an environment which fosters wellbeing, involvement and our employees’ personal fulfillment.

In 2023 SACMA had a sales turnover of over 74 million Euros, it is one of the world leaders in its sector, also thanks to first rate human capital and production assets, as well as to the ability to have been able to establish an entity in which respect for the past and a vision for the future coexist with the right balance.
We believe this to be the right approach, and that with our passion for doing business in a sustainable way and faith in our abilities, we will continue our growth journey.

Enjoy reading our report,
Valeriano Rampezzotti

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SACMA GROUP

01

We, at SACMA are part of something unique. Excellence, innovation and a vision for the future have always been our travel companions on a red sleight, metaphor of a journey that has taken us higher and higher in our pursuits.

1.1 ABOUT US

The production asset of SACMA Limbiate S.p.A. develops on 3 branches 100% made in italy: the mechanical components are produced at the Limbiate and Vimercate plants, which house SACMA Limbiate and SACMA Vimercate, respectively. In 2006, a new facility was established in Castelnuovo Scrivia, covering an area of 20,000 square meters, marking a significant logistical, organizational, and functional shift aligned with new objectives. The Castelnuovo Scrivia plant is the site of INGRAMATIC and is dedicated to the production of rollers. All companies within the group are united by a common philosophy and processes that enable them to design and produce every component in-house.

SACMA Limbiate: Production Branches

SACMA Limbiate

Limbiate relies on its subsidiaries to complete all production phases

Founded in 1939 by engineer Rampezzotti, later followed by his son, Giancarlo and his grandson Valeriano, the company has become, in little more than 80 years, an important international group in the field of machinery and mechanical components.

Today SACMA designs and produces customized and highly technological solutions which are redefining the standards of excellence in the field of fasteners, recognized in the sector as the most modern and advanced production facility in the world. At a time when most competitors are transferring their production plants to low-cost countries, SACMA is continuously investing and strengthening its production in the Italian “valley of bolts”.

SACMA Vimercate

Small processes made great

SACMA Vimercate is specialized in medium-small high-quality mechanical processes designed to guarantee a complete production cycle. This plant supplies mechanical components for the Group small-medium sized machines.

INGRAMATIC

Cutting-edge technology in the field of fasteners

Precision, reliability and safety. Ingramatic produces rolling machines for high-strength and special fastening components suited for the most complex applications. Ingramatic’s thread rolling machines technology yields very high levels of deformation from the standards, resulting in higher resistance threads and outside edge profiles with or without washer assembly.

Founded in 1966, the company has produced and distributed more than 4000 thread rolling machines worldwide, becoming a global leading brand.

Other companies report to SACMA Limbiate to complete all production phases

Tecno Lift

Elevating quality

Tecno Lift, a company belonging to the Sacma Group since 2018, designs and produces transfer and loading hoists, hoppers and conveyors, essential for the Group’s machinery and processes. Their solutions are ideal in size and height to simplify loading and transfer of mechanical components according to production needs, guaranteeing maximum speed, safety and performances.

H.S. Aspe

The value of finishings

HS Aspe, a company belonging to the SACMA Group since 2020, produces internal threads employing automatic tapping machines and other high-performance machines. The company boast almost 50 years’ experience in the supply of high-precision and reliability machines for the fasteners industry.

1.2 OUR HISTORY

1939

Starting from the production of outboard motors, the founder Valeriano Rampezzotti creates and empire, focusing SACMA production on single-cylinder heads and lathes and threading machines for wood screws.

The 1950s

The company enters the automotive sector: it develops the “VETTURA” model for the Argentine government, an economy car, which will be later sold to the Kaiser Group and Volkswagen.

The 1960s

in 1961, Giancarlo, Valeriano’s son, takes over the company. Objectives are clear: business efficiency, machine reliability, the creation of a 100% Italian brand for the international market.

The 1970s

The company develops highly successful projects and machines. This decade also represents the crucial phase for the launch and progressive penetration into foreign markets: an expansion that will result in the opening of international branches to better support customers in their choices.

The 1980s

OBM (now SACMA Vimercate) is the group’s production plant, a real driving force both for SACMA and INGRAMATIC. The production of small and medium-sized components makes OBM a strategic player for SACMA Group in the sector of machining.

The 1990s

SACMA Machinery Corporation was founded in 1989 in Westlake, Ohio, USA. This overseas branch supplies high-quality technical support, services and spare parts for all machines in North America.

2004

Ingramatic is acquired by the Sacma Group and just two years later, in 2026, the new plant, covering a surface of 20.000 square meters is built in Castelnuovo Scrivia: a logistic, organizational and functional turning point for the company with new goals for the future.

2018

SACMA acquires Tecno Lift, a company that designs and produces hoists, hoppers, and conveyors to feed the machines used to produce screws, bolts and fastening components in general. The plant is located in Castelnuovo Scrivia, next to the Ingramatic facility.

2019

H.S. Automazioni and Aspe decide to join forces to establish the new HS Aspe brand and join the Sacma Group. HS Aspe production includes tapping, combination, transfer and multi-spindle machines.

2022

Merger by incorporation of OBM into SACMA Limbiate S.p.A.

today

Valeriano Rampezzotti is at the helm of the Sacma Group, an innovator of the company's tradition, considered the motor behind the industrial cutting edge of the organization. The goal is to focus on quality, choosing to keep production in Italy and investing in the "made in Italy" tradition. Today, SACMA is an industrial group with four production sites, all located in Italy. The group designs and produces machines in what is rightly considered to be the most modern and state-of-the-art production plant in the sector on a global level.

1.3 MISSION

Producing better machinery to reach increasingly high levels of customization.

The motor behind the push for innovation in the Group is undoubtedly the R&D team, constantly searching for the best and latest technological innovations.
SACMA's mission is to devise and design increasingly high-technological products, as well as to identify, together with the customer, the best solutions for efficient industrialization processes.

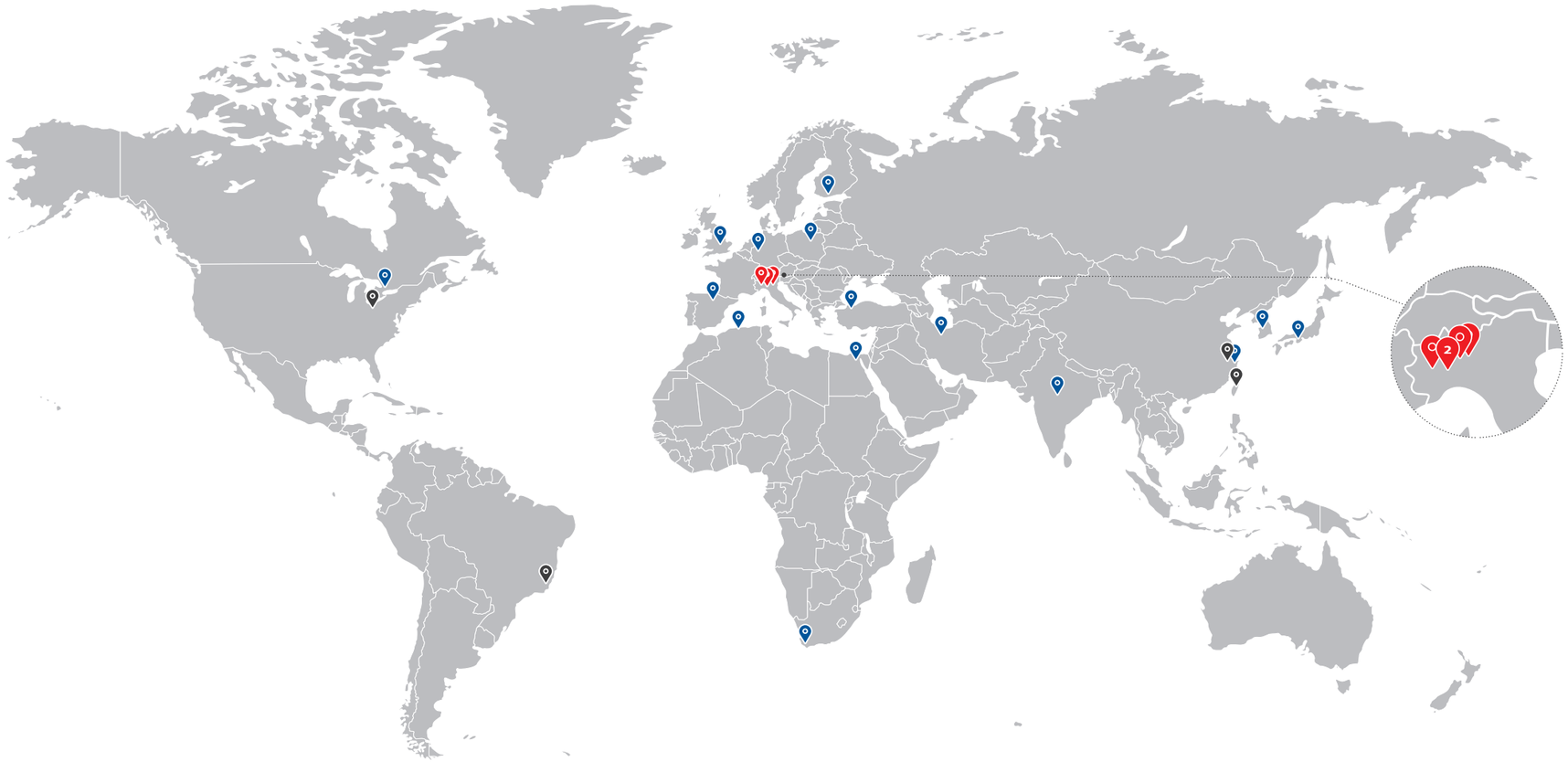
1.4 VISION

Constant innovation in the pursuit of excellence.

Have your feet firmly on the ground and always look to the future. These words summarize the motto of the SACMA group. It requires combining excellence, innovation and the strength to never settle for less. The considerable investments in latest generation plants and machinery for high added value processes have taken SACMA to a 4.0 digital transformation process, which focuses on the future, on innovation and beyond, to search for new production solutions across the board, solutions that are now being rewarded with widespread recognition.

1.5 OUTREACH

Throughout the years , SACMA has gradually expanded its market to five continents. With its branches in Brazil, the United States, Taiwan and China, and an ever-growing worldwide sales network, the company confirms its traditional international vocation. SACMA's goal is to work with customers on a global level and share their culture and language, choices and business activities, keeping quality constant over time.



PRODUCTION PLANTS

- **SACMA LIMBIATE (HQ)**
- **SACMA LIMBIATE (PLANT N.2)**
- **INGRAMATIC**
- **HS ASPE**
- **TECNO LIFT**

SALES OFFICES

- **BRAZIL** - SACMA MACHINERY DO BRASIL
- **CHINA** - SACMA MACHINERY WUXI
- **USA** - SACMA MACHINERY CORPORATION
- **TAIWAN** - SACMA MACHINERY TAIWAN

OFFICES AND AGENCIES

- **ALGERIA** - PRAGMA BUYING
- **CANADA** - INTOOLS LIMITED
- **CHINA** - PAN-CHINA FASTENING SYSTEM CO. LTD.
- **EGYPT** - EGYBAT
- **FINLAND** - POLFORMING
- **GERMANY** - THIEL MASCHINEN GMBH & CO. KG
- **INDIA** - SHUBHSWAPN MACHINE TOOLS PRIVATE LTD.
- **IRAN** - AZAR SANAT OMIDAN
- **ISRAEL** - POLFORMING
- **JAPAN** - GOSHO CO. LTD.
- **KOREA** - AFTS INTERNATIONAL
- **POLAND** - POLFORMING
- **SOUTH AFRICA** - POLFORMING
- **SPAIN** - REPRESENTACIONES EUROMAHER S.L.
- **TURKEY** - SANTECH INDUSTRIAL TECHNOLOGIES LTD.
- **U.K.** - ÉIRE - FORMING SOLUTIONS (UK) LTD.

CORPORATE GOVERNANCE MODEL

HIGHLIGHTS

74.480
K€
generated economic value in 2023

+22%
revenue increase compared to 2022

50%
women in the board

SUSTAINABLE DEVELOPMENT GOALS

8 LAVORO DIGNITOSO E CRESCITA ECONOMICA

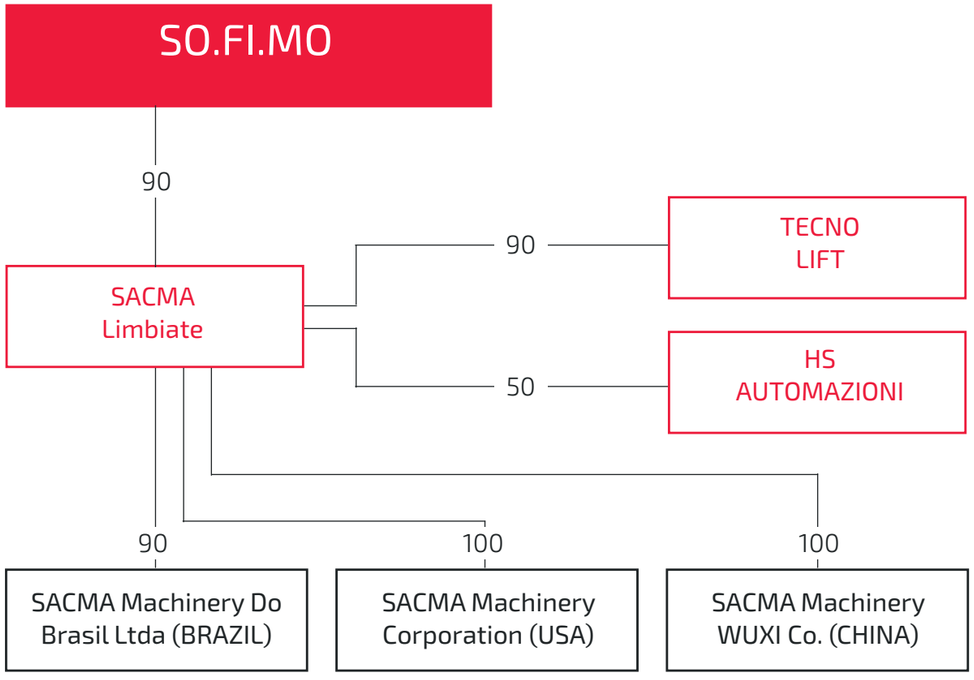
2.1

CORPORATE STRUCTURE AND CORPORATE GOVERNANCE MODEL

In an ever-changing world, where economic, social and environmental challenges are increasingly closely connected, a sound corporate governance is crucial for the sustainability and the long-term success of a corporation.
In this context, SACMA operates in accordance with a Corporate Governance model which guarantees transparency, accountability and effective decision-making among the different corporate functions, including shareholders, the board of directors, managers, employees and other stakeholders.

SO.FI.MO. S.p.A. owns 90% of SACMA Limbiate S.p.A.
In turn SACMA holds shares in TECNO LIFT and HS Automazioni (Italian production facilities) and SACMA Machinery Do Brasil, SACMA Machinery Corporation, SACMA Machinery WUXI (foreign trading companies with on-site customer service).

The following diagram shows the corporate structure:

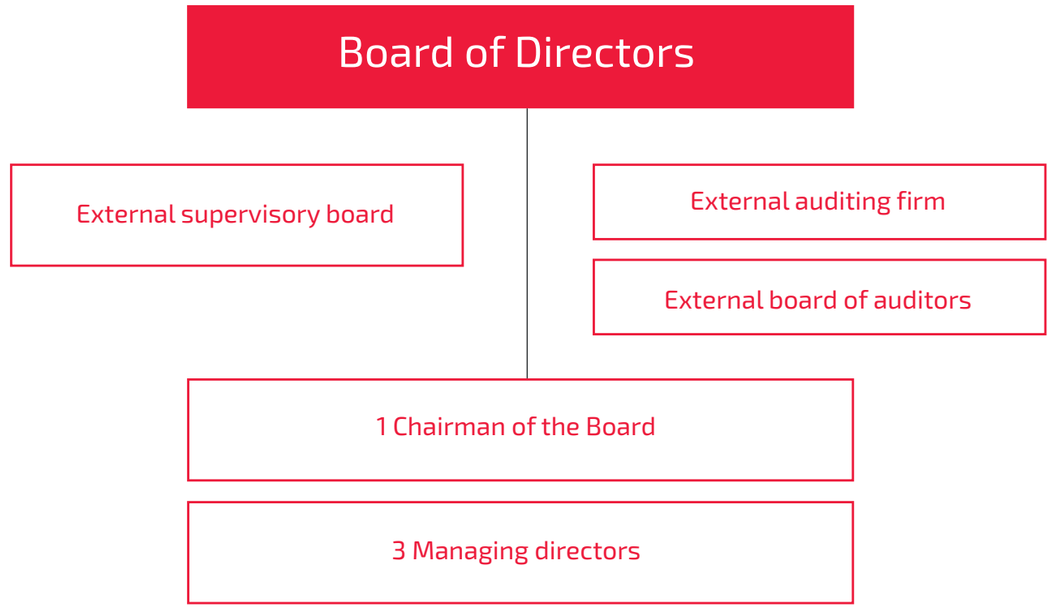


SACMA Board of Directors

SACMA Board of Directors, appointed by the Shareholders' Meeting, is composed of 4 directors (1 chairperson and 3 managing directors). In the BoD, the highest governing body, gender equality is guaranteed by the presence of 2 men and 2 women. The Chairman of the Board is vested with powers provided for in art. 24 of the articles of association (company's legal representation in relation to third parties) and is also identified as the "employer" responsible for occupational health and safety as well as prevention measures and environment protection.

The BoD is in charge of providing strategic supervision to ensure the organization's long-term success and therefore protect stakeholders' interests.
More specifically, the Board's main responsibilities include the definition of the corporate strategy, the appointment and supervision of managers, financial supervision, risk assessment and management, compliance with regulations and ethics, the involvement of and communication with stakeholders, the evaluation of corporate performance, and other extraordinary decisions. The Board of Directors meets at least twice a year, to approve the financial statements and the biannual analysis, it also meets whenever there is a need to pass resolutions concerning specific requirements.

The Board of Statutory Auditors consists of 3 members aided by an external auditing firm.



Regulatory compliance and risk management

To better manage the risks associated to topics of primary interest for the company, such as environmental risks and risks to health and safety of workers, SACMA has implemented a series of measures, including the adoption of the Code of Ethics and the establishment of a Supervisory body in conformity with Legislative Decree no. 231 of 8 June 2001.

Said SB is composed of 3 members and has the primary task of guaranteeing the operation, the effectiveness and the implementation of the Organization, Management and Control Model, adopted by the company pursuant to the Decree. Following the adoption of Model 231, SACMA undersigned a Code of Ethics, which lists the Group's principles of conduct and actions, as well as the violations to the code and related sanctions.

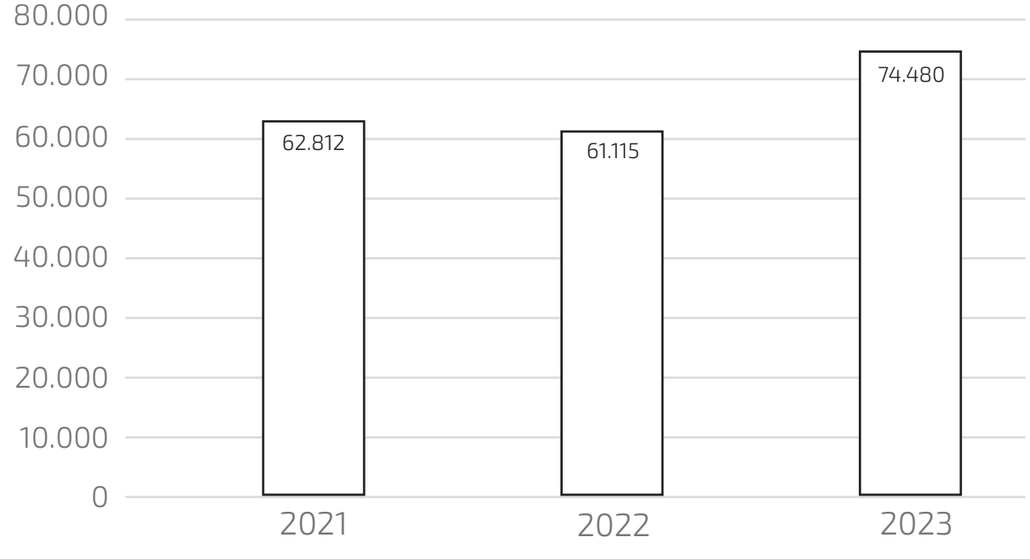
2.2 ECONOMIC PERFORMANCE

Since the beginning of its activities, SACMA's history has been characterized by a positive trend, both in economic terms and in terms of market recognition and in the territory.

	Unit of Measure	2021	2022	2023
Economic value directly generated: revenues	K€	62.812	61.115	74.480
Economic value distributed:				
operating costs	K€	34.954	38.286	38.777
employees' wages and benefits	K€	17.231	19.872	21.029
payments to capital providers	K€	732	760	1.970
Retained economic value: „Economic value directly generated" minus "economic value distributed"	K€	9.895	2.197	12.704

In 2023 SACMA generated revenues equal to € 74.480.000 with an increase of 22% compared to the previous year.

Economic value directly generated: revenues (K€)

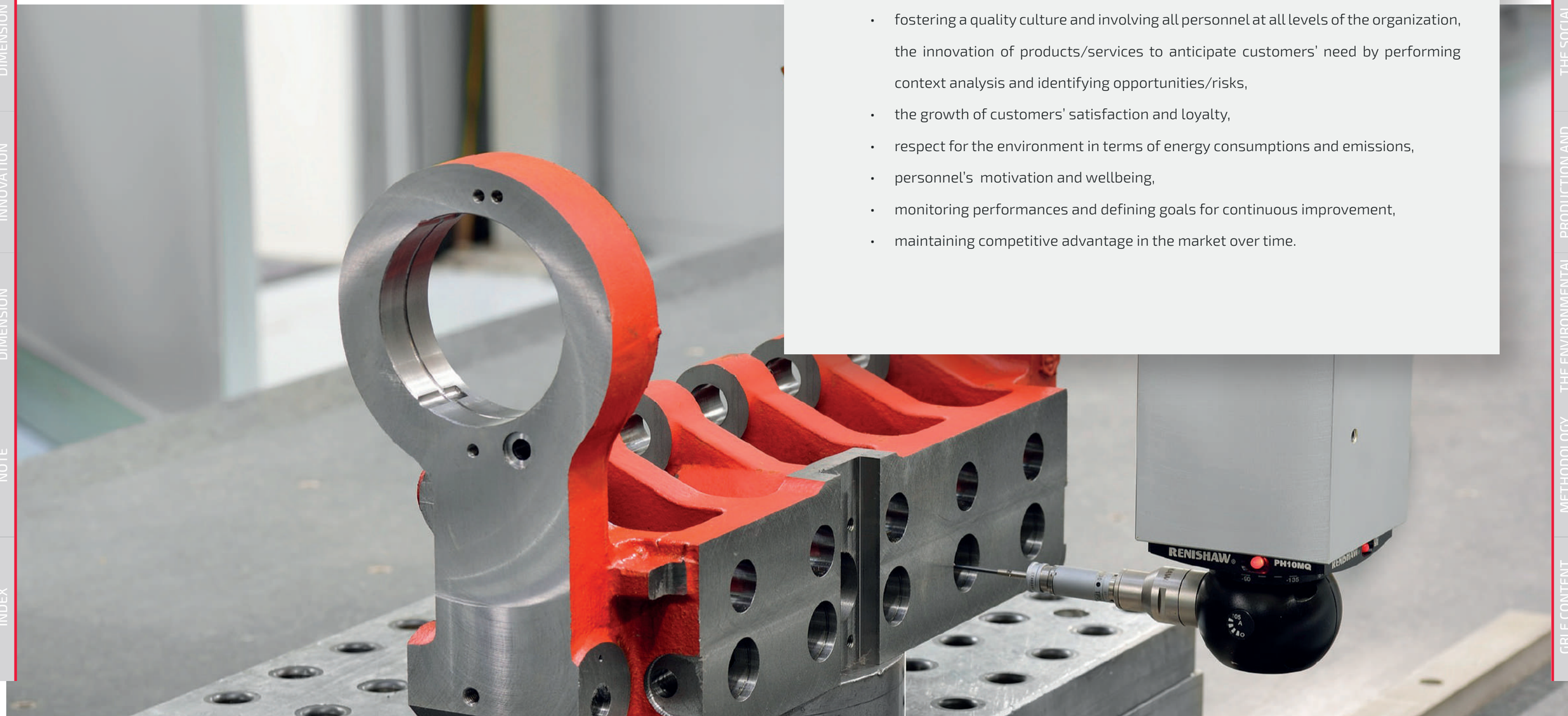


The increase in economic value distributed, compared to last year, was even more significant, since operating costs remained substantially in line with the previous year, while the cost of employees' wages and benefits increased less than proportionally compared to the value of revenues.
Remuneration policies are aligned with the national collective agreement for the mechanical engineering industry, and related levels of classification.
SACMA Limbiate S.p.A. is a joint-stock company subject to Italian taxation.
The company belongs to the following trade associations: Confindustria and UCIMU (Association of Italian manufacturers of machine tools) .

2.3 QUALITY MANAGEMENT SYSTEM

SACMA Limbiate site has been certified ISO 9001:2015 since 2019.
The Quality policy, approved by the chairman of the board and by all managing directors, establishes the guidelines for achieving quality goals, i.e. customers' satisfaction, the wellbeing, health, and safety of people, value for shareholders.
The Group has engaged in introducing the necessary resources to reach its goals, committing to operate in accordance with the following guidelines:

- the continuous improvement of processes and products/services,
- fostering a quality culture and involving all personnel at all levels of the organization,
- the innovation of products/services to anticipate customers' need by performing context analysis and identifying opportunities/risks,
- the growth of customers' satisfaction and loyalty,
- respect for the environment in terms of energy consumptions and emissions,
- personnel's motivation and wellbeing,
- monitoring performances and defining goals for continuous improvement,
- maintaining competitive advantage in the market over time.



THE SOCIAL DIMENSION

03

HIGHLIGHTS

290 employees

176 hours of Health and Safety training in 2023

SUSTAINABLE DEVELOPMENT GOALS

3 SALUTE E BENESSERE

3.1 THE PEOPLE

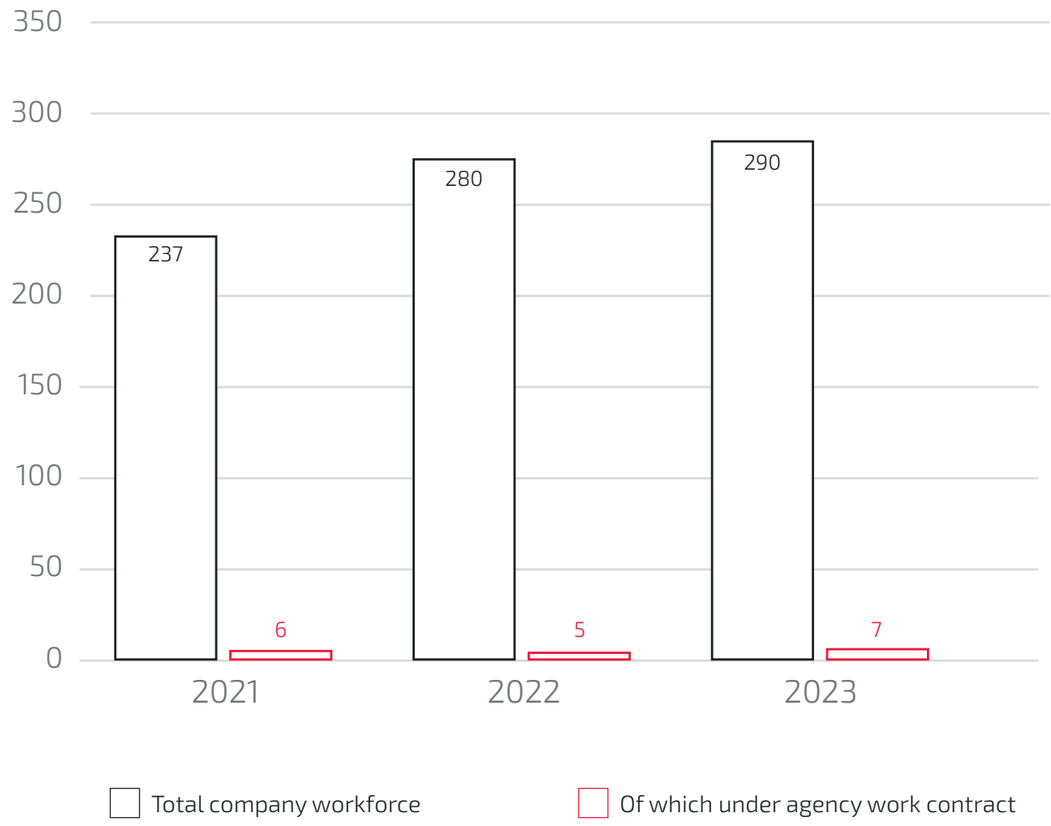
A family-run business by tradition and structure, SACMA believes that people offer the company a variety of experiences, skills, talents and unique perspective. This diversity is invaluable to tackle the challenges the company faces daily, with passion, creativity and talent.
In SACMA, investing in people not only means offering professional training and development, but also creating an environment that fosters employees' wellbeing, engagement and professional fulfilment. This approach is actualized by the on-going investments that the company has been making to create an ideal work environment, characterized by a combination of elements which foster productivity, the well-being and the cooperation among all team members.

Both office spaces and production areas are designed to guarantee abundant natural light, large workspaces and excellent ventilation. Production plants are built using the most modern technologies to contribute to workers' wellbeing. A company canteen is available to all employees. The facility in Limbiate is also equipped with an in-house kitchen for meal preparation. For standardization and safety reasons, all newly-hired personnel in the production department are provided with company' customized work clothing, suited to the specific tasks, which contribute to the tidiness of work environments.

Workforce

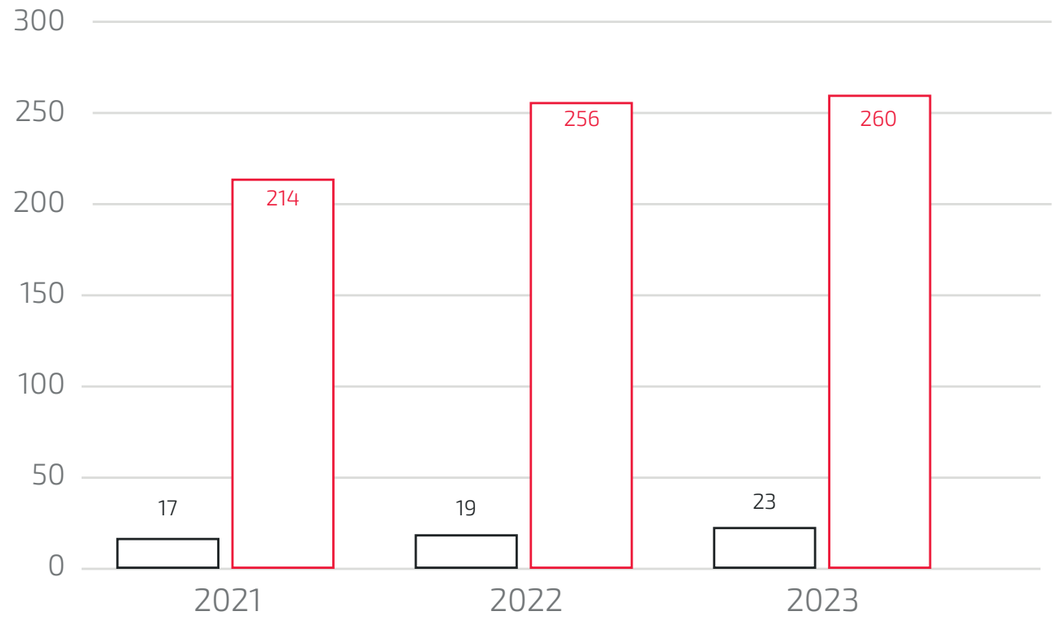
270 people are currently employed in SACMA, 7 of which under agency work contract. The data relating to the latter is strongly influenced by surges in workloads; the company, in fact, does not systematically rely on these types of contracts.
Company's workforce has been constantly increasing throughout the years, also due to the acquisition of other companies, whose employees have been integrated in the parent company. A practical example is the acquisition of OBM in July 2022, that has determined a significant increase of personnel compared to 2021.

Totale popolazione aziendale



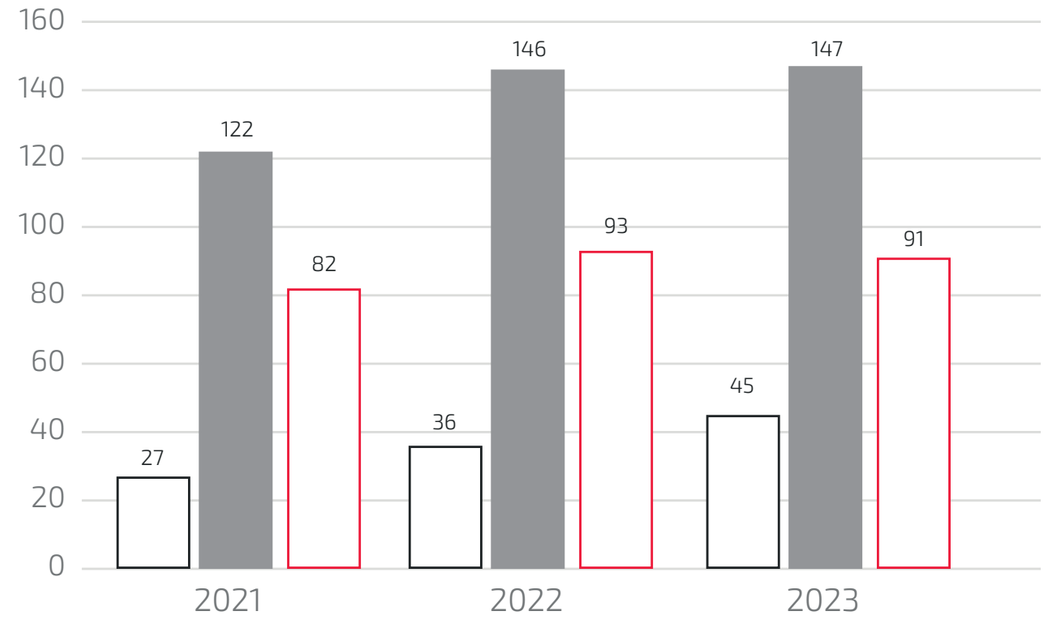
Women represent 8% of total company workforce, the small percentage is due to the fact that SACMA activities mainly involve mechanical processes.
Almost all women in the company are employed in clerical jobs.

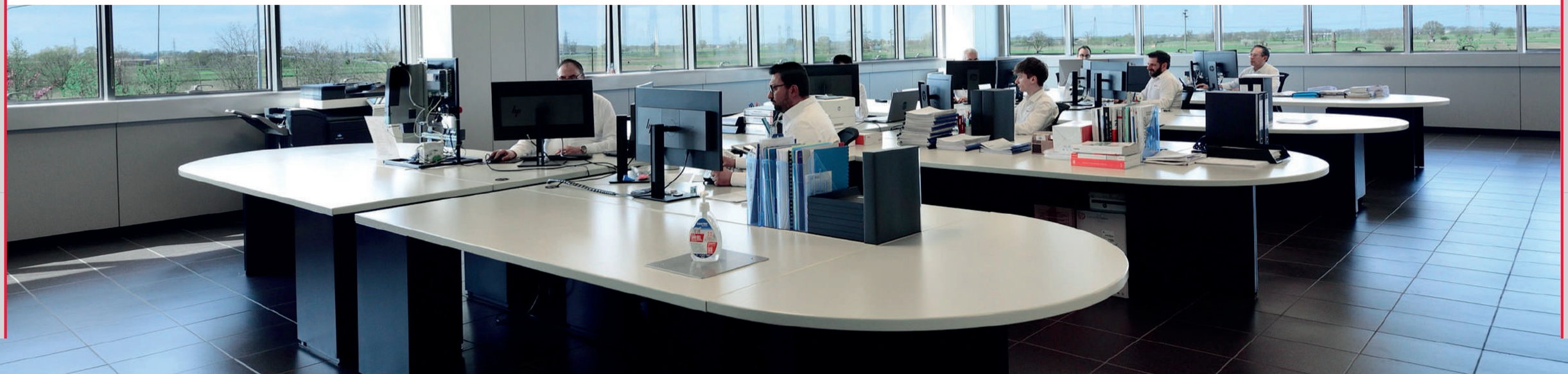
Company workforce subdivided by gender



The majority of workers are over the age of 30, this is because the company requires highly specialized personnel that needs extensive training before joining the company. Furthermore, SACMA guarantees job continuity and security to its employees who, in most cases, remain with the company until retirement.

Company workforce subdivided by age





Monitoring company turnover

Company turnover, also referred to as employees turnover offset, is a parameter used to measure the offset between hires and separations in a given period.

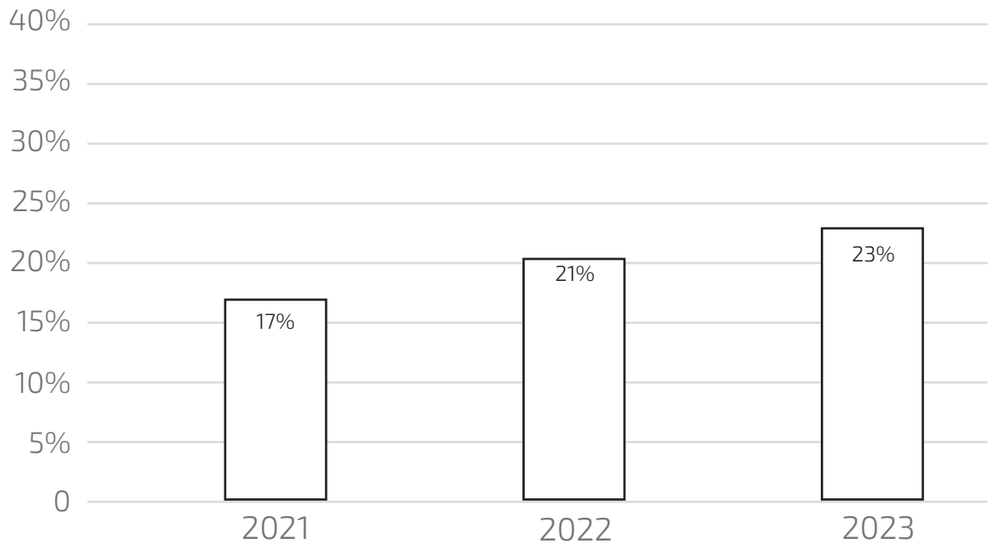
This indicator in SACMA is monitored on an annual basis, both according to gender and age range.

	2021	2022	2023
New hires	24	25	37
Age range			
Under 30	7	2	17
Between 30 and 50	15	11	14
Over 50	3	9	6
Gender			
Men	22	22	33
Women	2	3	4

	2021	2022	2023
Total separations	13	25	24
Age range			
Under 30	1	4	6
Between 30 and 50	6	5	6
Over 50	6	16	12
Gender			
Men	12	25	23
Women	1	0	2

The graph below shows the rate of corporate turnover, calculated on the basis of annual entries and exits (entries + exits/average workforce). The rate averages around a physiological average rate for any business organization.

Employees turnover offset*



* For 2022, the revenue figure has been epitomized by OBM's inputs following the merger into SACMA.

3.2 OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety are of primary importance at SACMA, considering that the sector is characterized by complex industrial processes that involve significant risks for the workers if not adequately managed. It is therefore necessary to adopt strict measures to guarantee a safe work environment and protect workers' health.
Although SACMA production plants are not ISO 45001 certified, there is a management system implemented in accordance with reference standards to support and promote good practices in relation to Health and Safety. This system is monitored by the internal HSE department.
SACMA relies on Model 231 as an important tool to manage health and safety risks. The Model is listed in the Code of Ethics distributed to all Group personnel.
Possible risks can be reported using a dedicated email address managed by the Supervisory Body. All personnel have been duly informed and trained on how to use the above medium. SACMA has also implemented a whistleblowing system.

To identify and assess potential risks in the workplace, SACMA has adopted a Risk Assessment Document (RAD) (DVR in Italian) which lists the main risks, their pertinent management methods and preventive and protective measures. A risk management and assessment procedure, which analyzes the single assessment stages, roles and responsibilities, was developed to implement and keep the RAD updated.
A skills matrix, which in addition to defying tasks, identifies training needs linked to each role, was also developed; the matrix is a crucial element to define roles and responsibilities connected with the correct management of Health and Safety in the company.

The company monitors the number of annual training hours offered to personnel.
The following table shows the total hours of mandatory training on Health and Safety issues in the three-year period being reported.

	2021	2022	2023
Total training hours on health and safety issues	165	239	176

The following table shows work-related injuries subdivided by company sites:

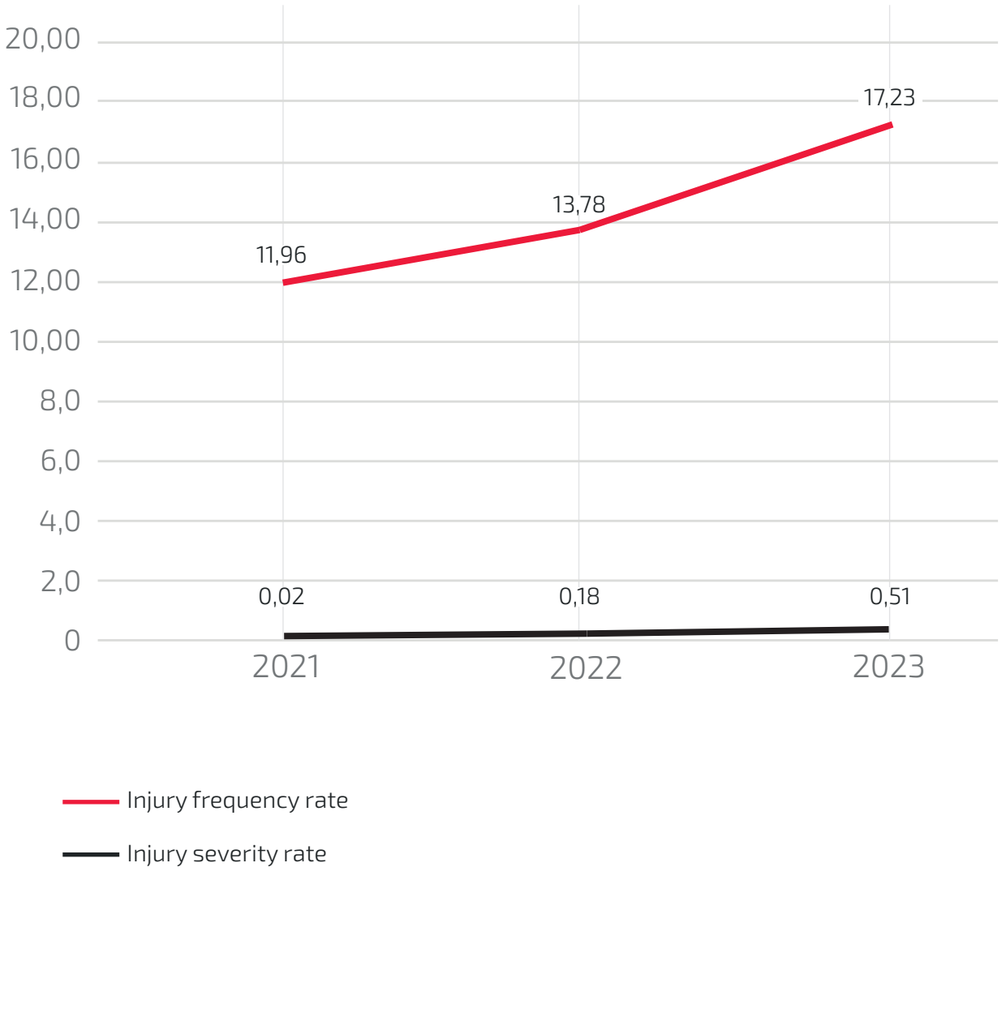
SEDE	2021	2022	2023
Limbiate	4	6	8 2 of which while commuting to/ from work
Castelnuovo	0	0	0
Vimercate	2	1	1
Total	**6**	**7**	**9**

The main types of work-related injuries are the result of mechanical risks.
In 2023 there were two accidents while commuting to and from work (two motorcycle accidents) which increased the number of workdays lost due to injuries.

The protocol for managing adverse events describes the methods for taking charge of said events (including near misses) and their management, including cause analysis and the definition of improvement measures.
There were no work-related illnesses in 2023.

	2021	2022	2023
Injury frequency rate	11,96	13,78	17,23
Injury severity rate	0,02	0,18	0,51

Injury rates



PRODUCTION AND INNOVATION

04

HIGHLIGHTS

7000

SACMA automatic presses for cold and semi-hot forming sold worldwide

30

specialists in the technical department/ R&D

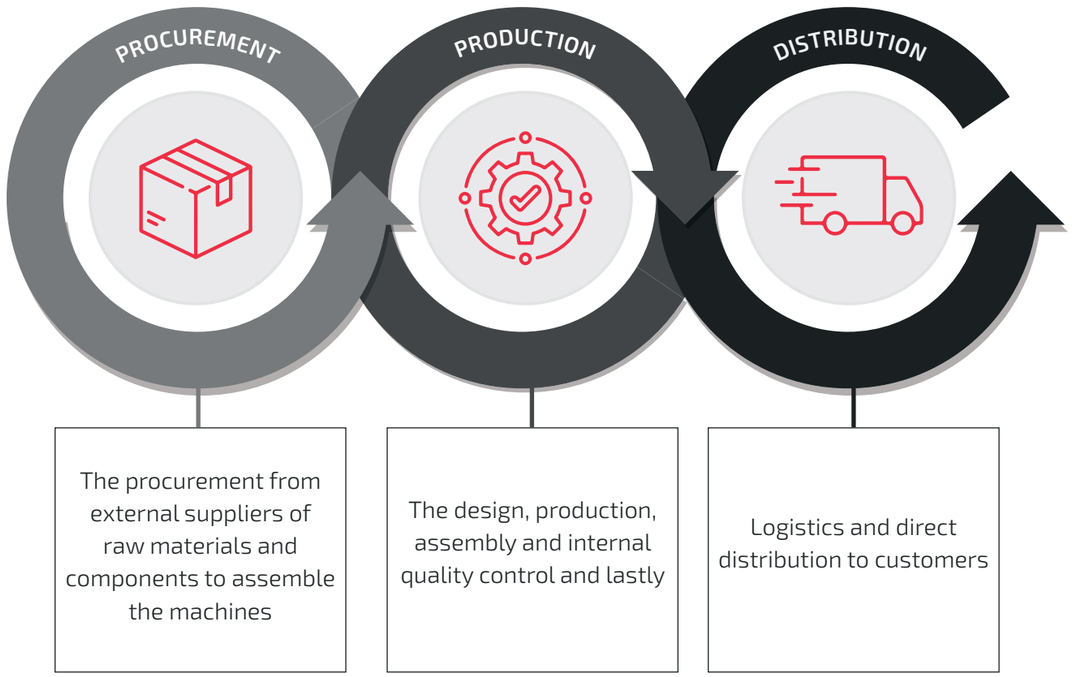
100%

recyclable raw materials used

SUSTAINABLE DEVELOPMENT GOALS

4.1 CREATING VALUE

SACMA value creation process is articulated in the following steps:



Internal processes are managed by dedicated units in charge of the different departments:

TECHNICAL DEPARTMENT AND R&D

This department is SACMA's brain and the planning core. This is where, working in synergy with the planning department, the company tackles great challenges daily. Going the extra mile is the mission of approximately 30 specialized professional figures dedicated to devising and designing components and machines, based on the specific needs of each customer, from the engineering phase to manufacturing, to the single production program.

MACHINING

In the 1970s, SACMA was the first to use CNC machines for their processes. The company is equipped with dozens of in-line continuous-cycle machines which produce up to 35,000 different mechanical components. The timing of the production cycle is carefully defined, in accordance with a two-year production deadline for each new model, whose mechanical components are entirely in-house produced.

QUALITY CONTROL

Quality and reliability. A winning combination, flawless execution and assembly. SACMA verifies compliance with the most rigorous quality regulation for each single component, applying the strictest standards to each production process.

WAREHOUSE

The warehouse: significant investments, such as the new facility, are dedicated to this crucial part of our structure.

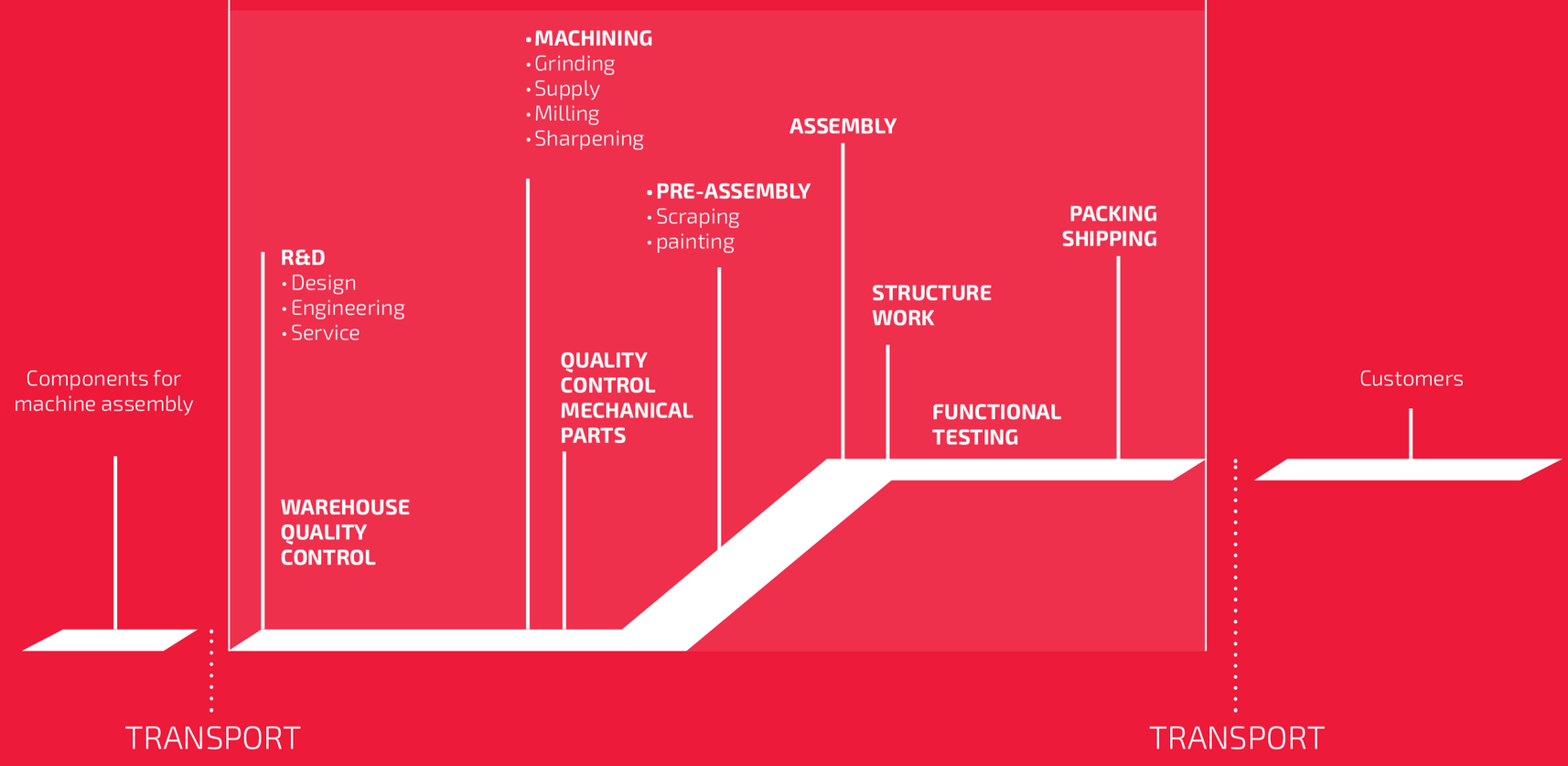
PRE – ASSEMBLY and ASSEMBLY

The final assembly is preceded by a pre-assembly phase; this guarantees the quality of the block to be installed on the machine, by verifying all the parameters necessary to have a first-rate assembly that meets all the highest quality standards.

TESTING

All machines are carefully and thoroughly tested for 72 consecutive hours before being shipped.

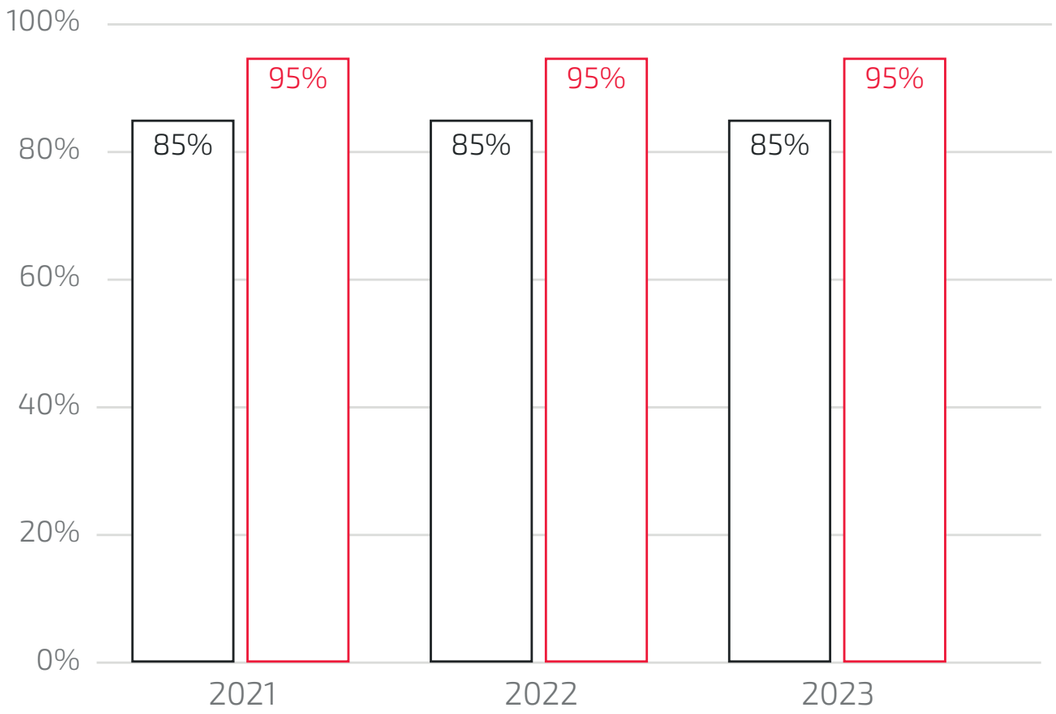
Our In-House Process



4.2 PROCURED MATERIALS

85% of suppliers of procured raw materials have their registered offices in Italy.

Acquisti materie prime e servizi - provenienza

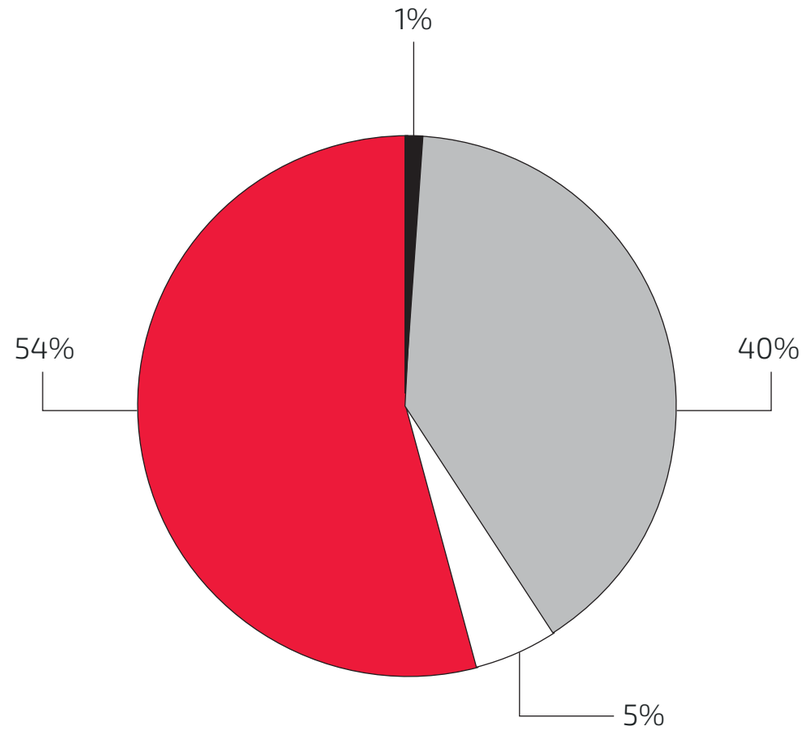


Purchases of raw material from suppliers with registered offices in Italy - % on total

Purchases of services from suppliers with registered in Italy - % on total

All raw materials, i.e. steel, cast iron, bronze and aluminum are directly procured from the foundries. All metals are recyclable, they can therefore be reused in many cycles without losing their fundamental characteristics at the end of their life, thus generating great benefits for the protection of the environment. The following chart shows procured materials in percentage:

Purchases of raw materials – percentages: 2023



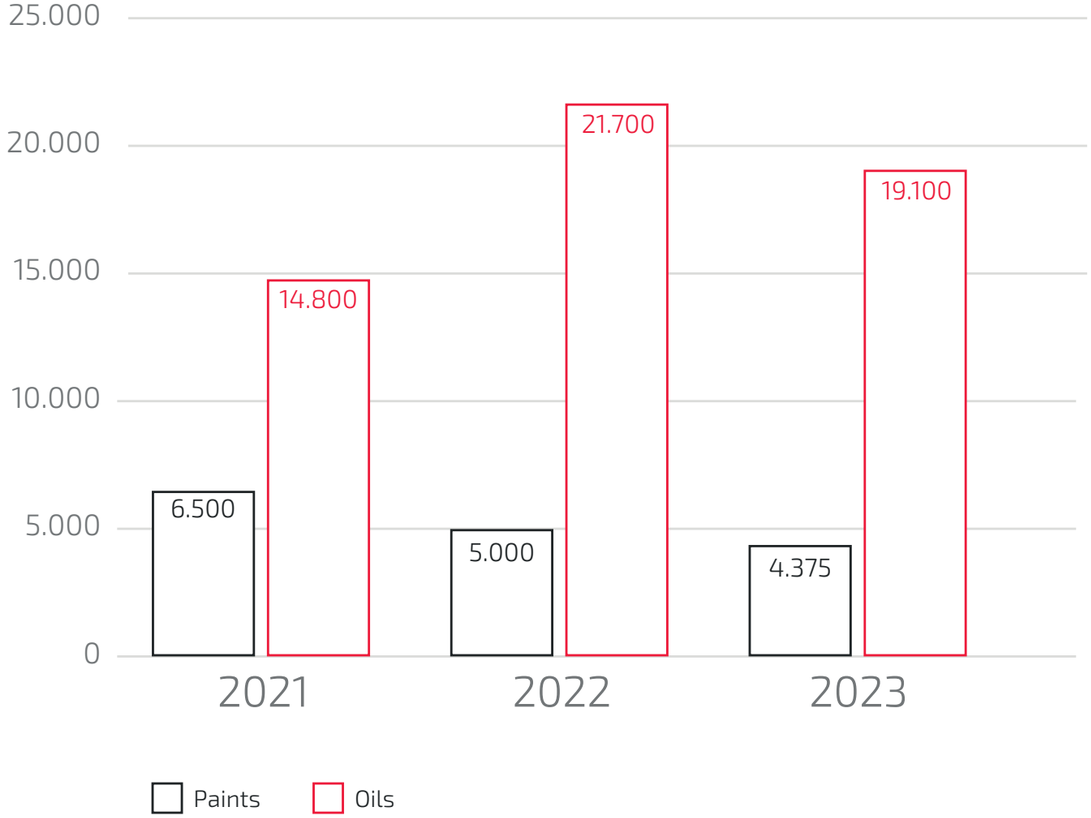
The company also uses auxiliary chemicals, mainly paint, for the surface coating of machinery, and oils, used for metal processing (cutting, grinding, turning, milling, sharpening).

SACMA is committed to reducing the consumption of solvent-based paints, i.e., nitrocellulose paints have been gradually replaced with two-component epoxy paints, with considerable reduction of thinners employed during the process.

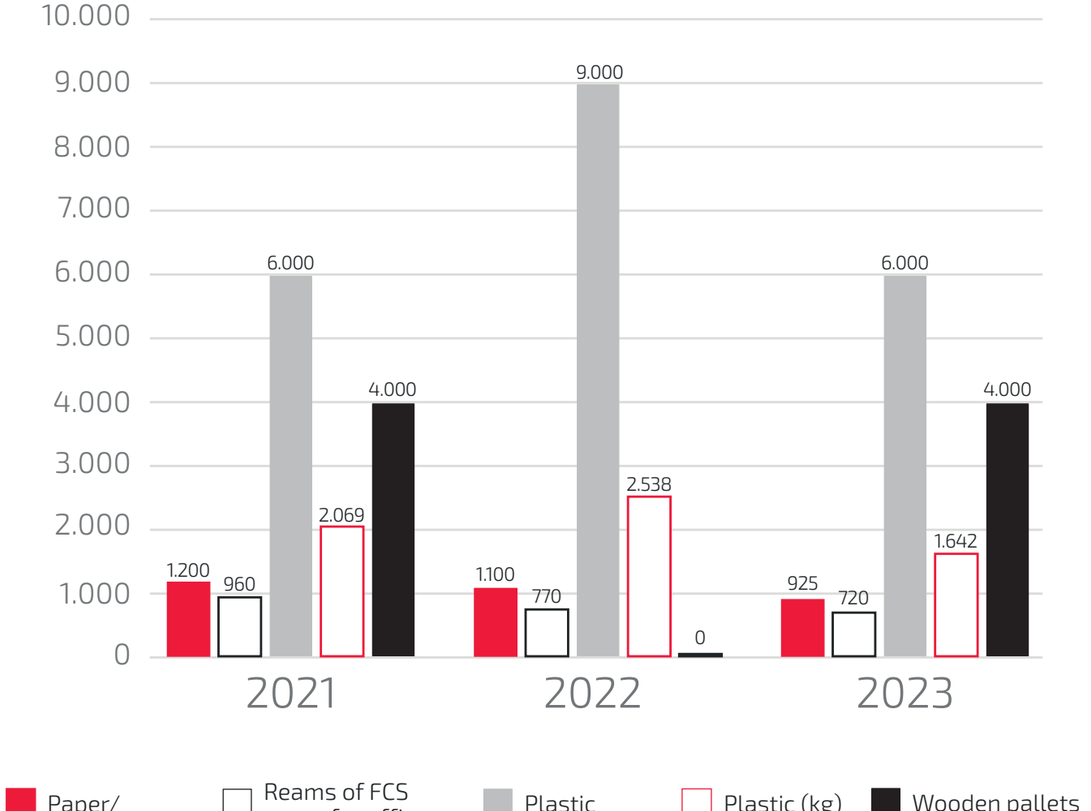
From a circular economy perspective, oil emulsions from production processes are recovered and reintroduced in the production cycle. When said emulsions reach their end-of-life cycle, i.e. when they are deteriorated, they undergo a roller evaporation treatment, which separates the water phase from the oil one. Water is then recovered after being demineralized through a special evaporation and fall process and reclaimed to be used in the emulsion plant.

Given the high level of customization of SACMA products, packaging methods vary from product to product, in accordance with their size and the type of transport mode; it is therefore not possible to standardize packaging materials and their suppliers. The company is actively working to reduce the quantity of packaging whenever possible, also opting for recyclable materials.

Auxiliary chemicals (kg)

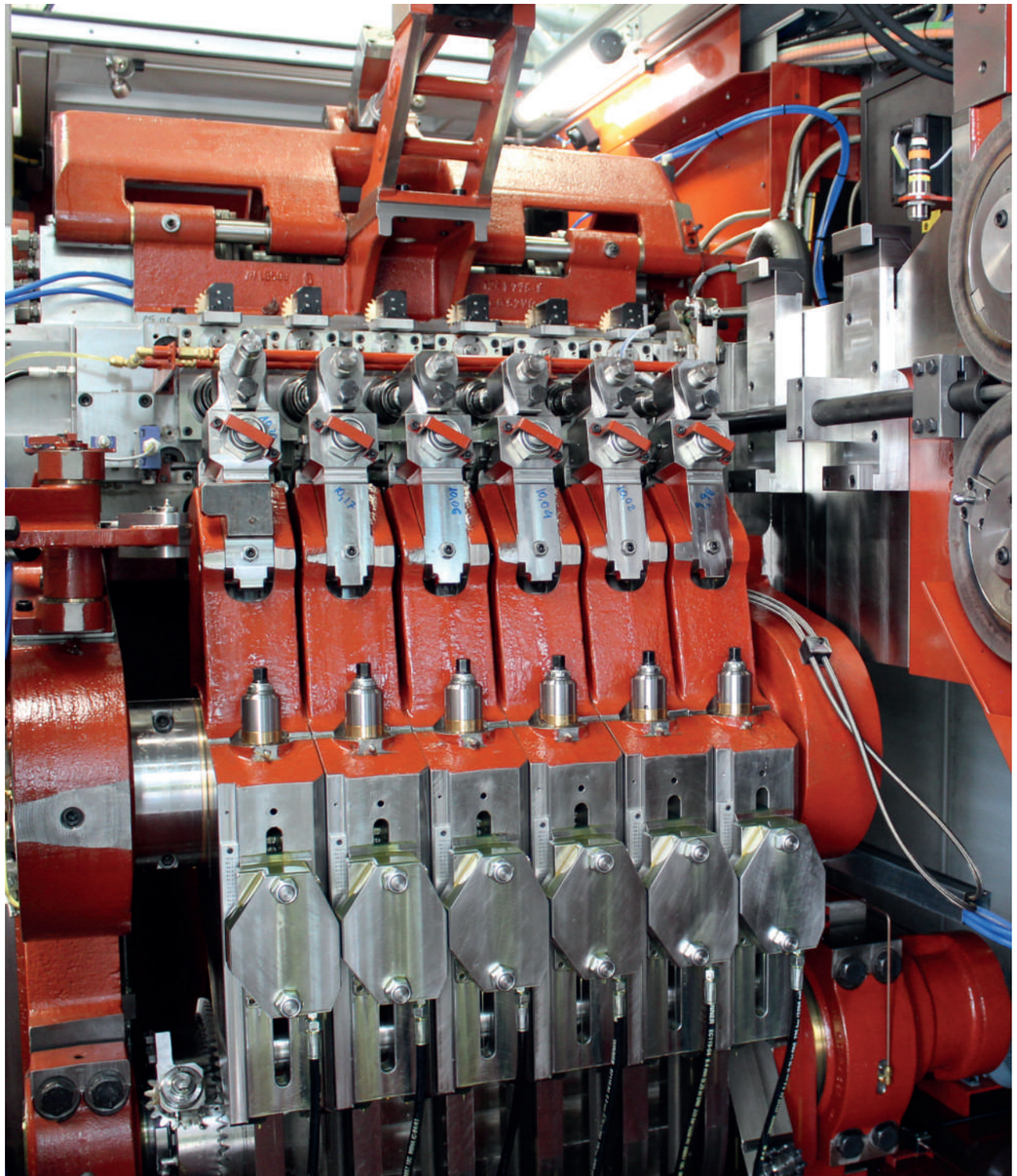


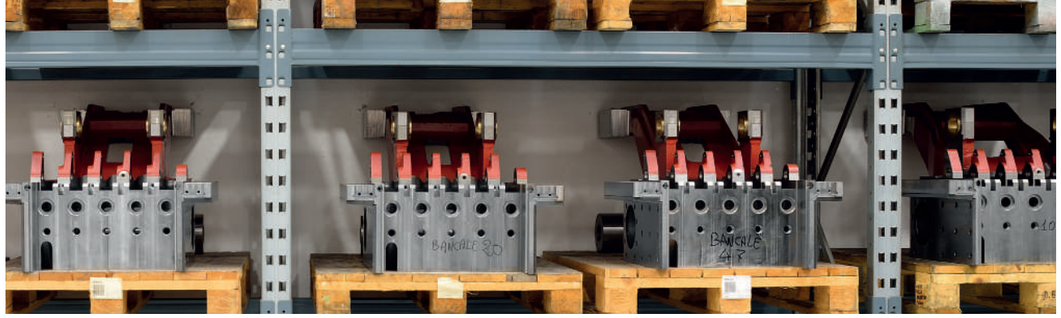
Packaging



4.3 ALWAYS ATTENTIVE TO CUSTOMERS' NEEDS

SACMA has always supplied innovative solutions to the market of manufacturers of fasteners and special components , which requires high levels of customization of the product and constant attention to customers' need. Every day, in hundreds of plants all over the world, more than 7000 SACMA cold-forming automatic presses transform tons of steel into millions of components for a variety of industrial sectors. The Company caters to different industries that range from Automotive, Aerospace, Construction, industrial/earth moving machines, to the components for Electronics.





Innovation is achieved by SACMA by developing and constantly improving its products, a strong selling point for its customers: well-built, fast, reliable and low-operating costs machines. SACMA R&D technical department works in synergy with its customers to identify the best design solutions and the best materials. A global service network and an efficient spare parts service are also available to drastically reduce intervention times.

Some of the strengths of SACMA cold and warm forming automatic presses are:

MONOBLOCK BASE

to guarantee precision, stability and reliability over time;

EXTREME PRECISION

use of the most advanced technologies available on the market, to have full control over the quality of its products, systematic and rigorous final inspections of every piece and careful choice of high-strength materials;

FLEXIBILITY

SACMA machines are engineered for quick change of production mode;

M MOTORIZATION SYSTEM

available on all progressive and combined SACMA presses , which, thanks to presetting and automated adjustment, allow for a considerable reduction of set-up times;

CONTROL AND MONITORING

Advanced control and monitoring systems of material volumes and deformation strain, which, as well as safeguarding the equipment and the mechanical parts of the press, is also an effective indirect check of the dimensional conformity of the pieces produced;

4.0 AND 5.0 INDUSTRY

Machines interconnecting systems which qualify them for "4.0 and 5.0 industry production plants "

HEALTH AND SAFETY

Safeguard of operators' health and safety.

THE ENVIRONMENTAL DIMENSION

05

HIGHLIGHTS

- Installation of a 722 kWp photovoltaic plant at the Limbiate site
- Energy-efficient “Relamping” operation to replace the lighting fixtures in every site
- Adoption of recycling technologies for the water and oils used in production processes

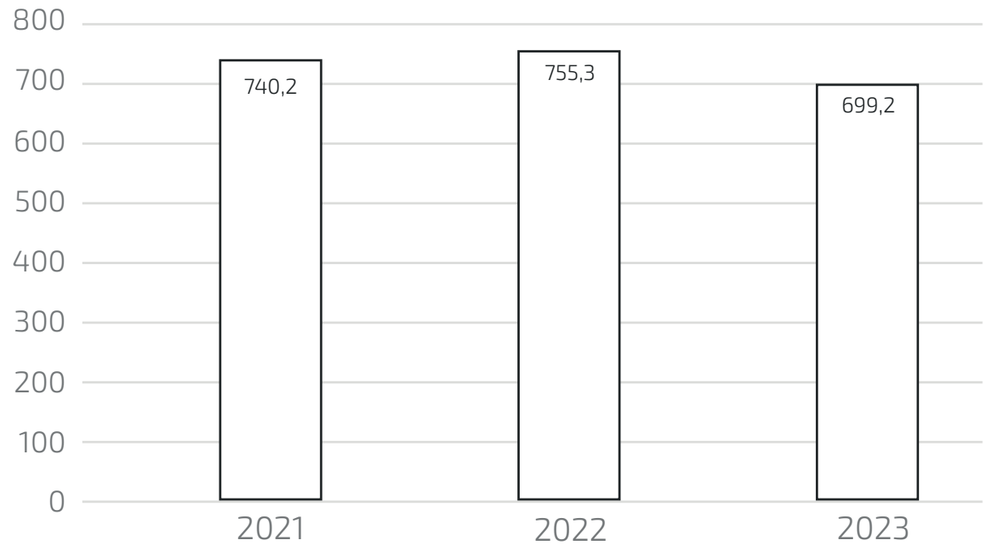
SUSTAINABLE DEVELOPMENT GOALS

The companies belonging to the SACMA Group have always been attentive to environmental sustainability issues which have always influenced the choices made by the Company from an industrial, commercial and product perspective.
SACMA believes its commitment for the environment to be a fundamental tool for its strategic growth.
That is why the Group’s activities are focused on reducing the impacts on the ecosystem and the consumption of natural resources, on making production cycles and products more efficient as far as manufacturing and energy consumption, on recycling and circular economy.

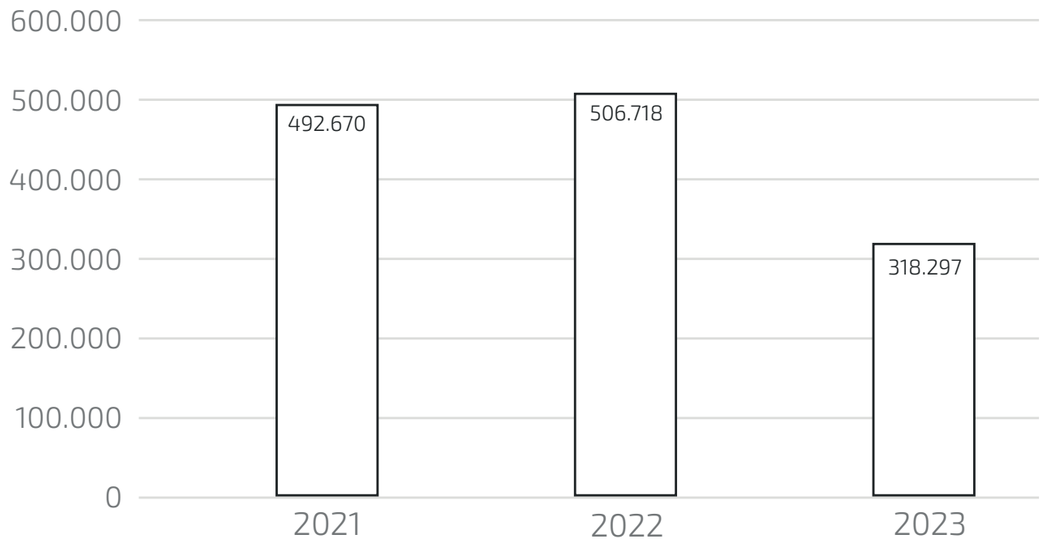
5.1 ENERGY CONSUMPTION AND SELF PRODUCTION

The efficient use of energy resources is a crucial element for environmentally friendly production processes.
That is why SACMA decided to commit to reducing energy consumption associated with production processes and products.
Production plants are powered exclusively by electricity; the factories are heated by thermal plants running on natural gas. Natural gas is also used in the Limbiate site to power the industrial painting shops.
The plants are regularly inspected and assessed to determine the best interventions necessary to guarantee energy efficiency. A "relamping" project, which reduced energy consumption, was completed at the Vimercate and Castelnuovo Scrivia sites; the same activity is under way in the Limbiate site, which is also fitted with timed lighting fixtures in the technical rooms.
The Limbiate site has been fitted with 722 kWp photovoltaic plant, which yields approximately 700 MWh/year, since 2008. In 2023 said production covered 14% of the site total energy needs, and guaranteed self-produced energy from renewable sources with no dispersion in the grid. A charging station, for private or company electric cars, has also been installed.
In the context of improving energy consumption, the company plans to install at the Castelnuovo Scrivia site a new photovoltaic plant and add solar powered lamp post with motion sensors.

Self produced electricity from photovoltaic plants (MWh)

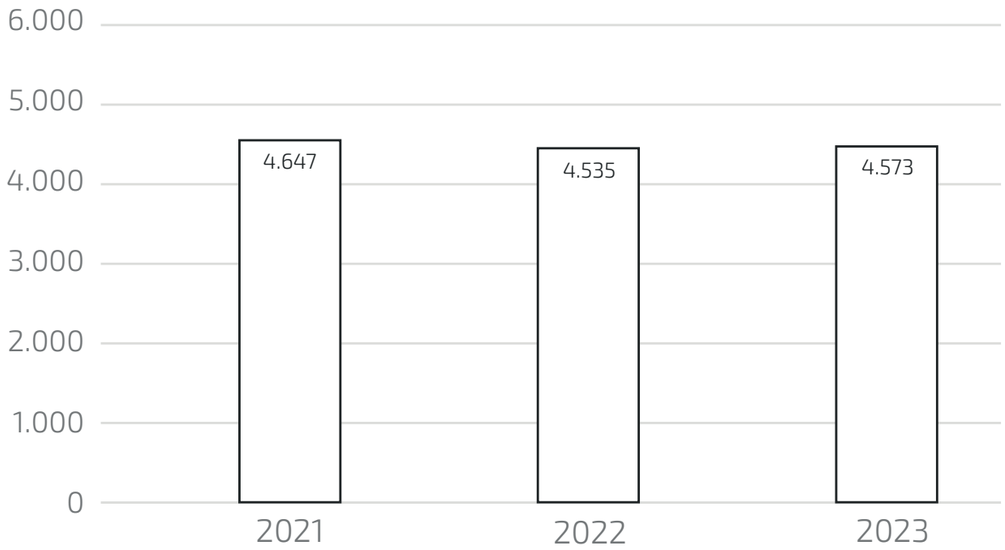


Natural gas (Sm^3)



The significant reduction in the consumption of natural gas in 2023 was made possible by readjusting the temperature in work areas and by implementing some efficiency measures, such as replacing the furnace for the canteen with a more efficient unit, and installing a furnace dedicated to the painting shop, which made it possible to reduce the output of the furnaces heating the production areas.

Electricity from the grid (MWh)



5.2 GREENHOUSE GAS EMISSIONS

SACMA is aware of the importance of taking action to mitigate climate change and considers the goals of the Paris Agreement to be strategic.
Greenhouse gas emissions are generated along the entire value chain of a product, and its production processes contribute to said emissions.

The following emissions were calculated:

SCOPE 1
direct emissions generated by company activities (Scope 1), i.e. natural gas consumption and fuel consumption for company vehicles, new installations of machinery containing cooling gasses and refilling of said gasses;

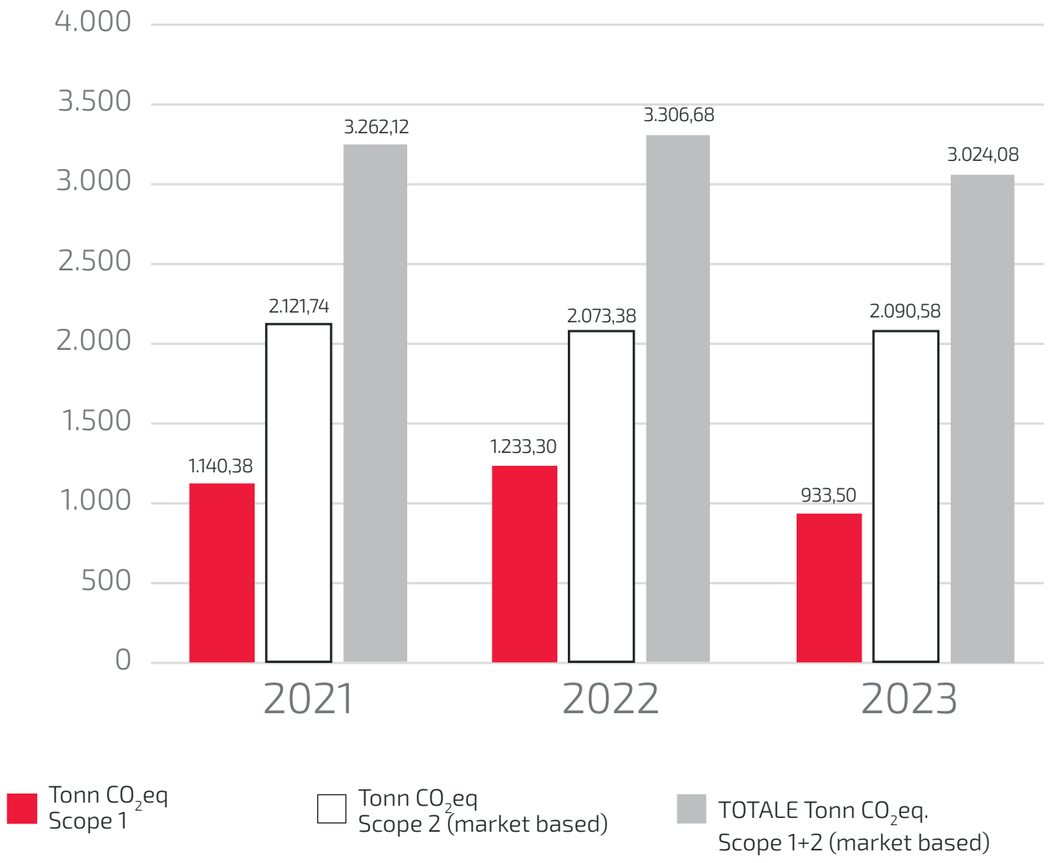
SCOPE 2
indirect emission resulting from the procurement of energy (Scope 2).
Scope 2 emissions were calculated using two distinct methods:

- the "location based", which takes into account the domestic average energy mix;
- the "market based", considers the specific energy mix used by the supplier to produce the purchased energy and therefore more closely represents the actual situation.

	2021	2022	2023
Tonn CO_2eq - Scope 1	1.140,38	1.233,30	933,50
Tonn CO_2eq - Scope 2 (location based)	1.180,37	1.152,00	1.161,56
Tonn CO_2eq - Scope 2 (market based)	2.121,74	2.073,38	2.090,58
Total tonn CO_2eq. Scope 1+2 (market based)	**3.262,12**	**3.306,68**	**3.024,08**

Most GHG emissions in 2023 are attributable to the procurement of electricity from the national grid (69%) and to the use of natural gas (21%). The company fleet is responsible for approximately 4% of total emissions.

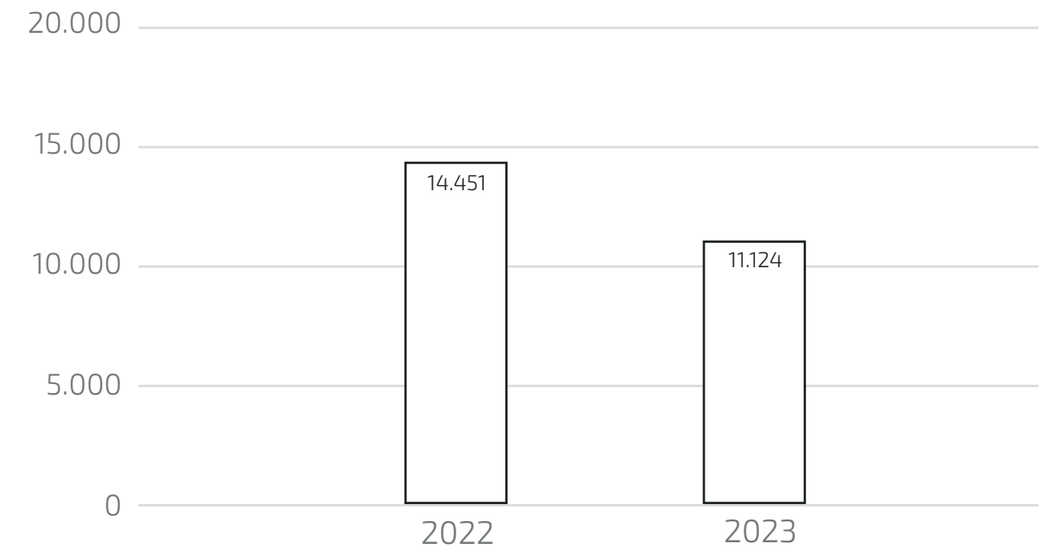
GHG emissions scope 1 e 2 market based (ton CO2 eq.)



5.3 WATER CONSUMPTION AND EFFLUENTS

SACMA is committed to reducing its water footprint.
Water is procured exclusively from the public water supply system; water is used for domestic and industrial purposes. The sinks in the restrooms are fitted with sensors to regulate the flow of water and reduce waste.

Water withdrawal from the public distribution system (m3)*



* Water consumption for the Limbiate and Vimercate sites.
Consumption for the site in Castelnuovo Scrivia, as well as data pertaining to 2021, are incomplete and therefore not included in this edition of the report.

Water consumption figures for 2022 are overestimated due to meter malfunction; the meter was replaced at the end of 2022.

There are no industrial effluents: any wastewater from production processes is handled as waste.

5.4 WASTE MANAGEMENT AND CIRCULAR ECONOMY

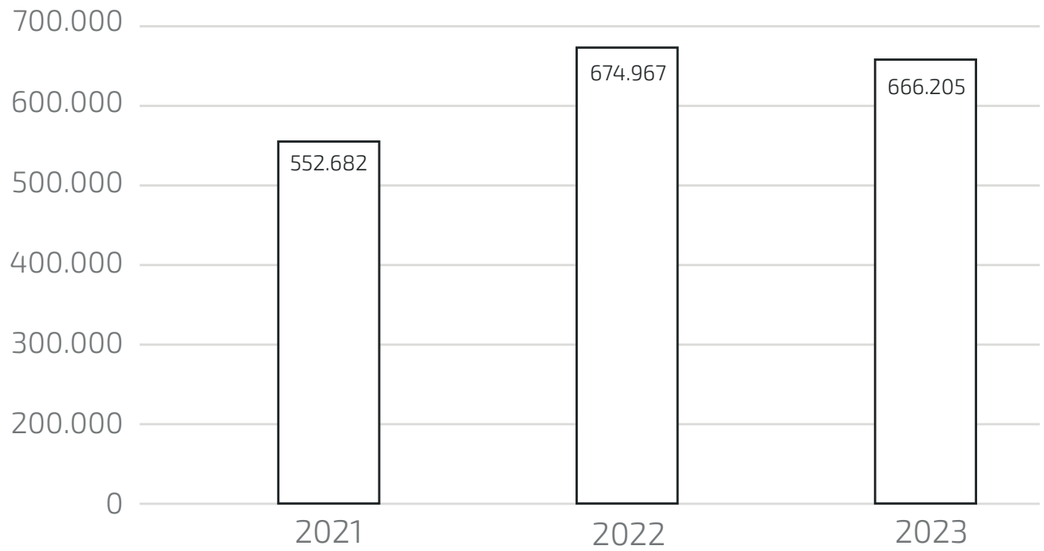
SACMA has always been committed to developing a model of circular economy, with the aim to reduce the production of waste from its production cycles to the minimum and maximize its reclamation.

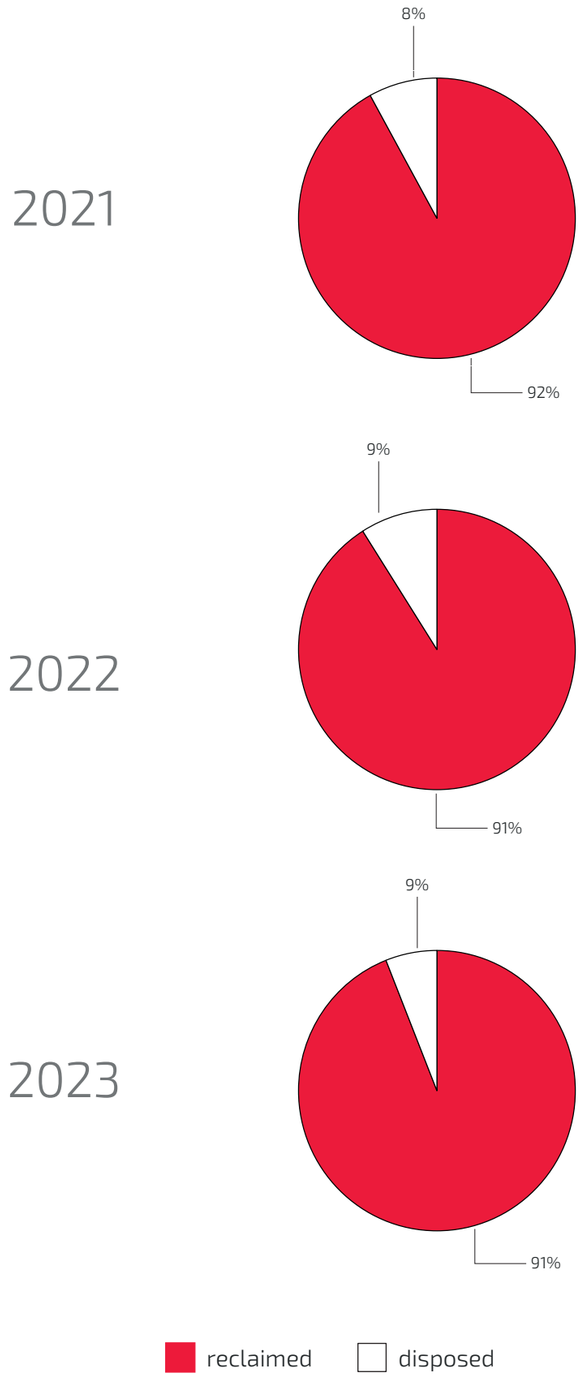
Circular Economy is a production and consumption model that aims at reducing waste and maximizes the possibility of reintroducing materials in the economic cycle, by reclaiming them in the production cycle, generating additional value and extending their useful life.

With this goal in mind, an oil-recycling system was installed in the Limbiate facility in 1998, thus reducing consumption of raw materials and generated waste.
Oil emulsions from production processes are recovered and reintroduced in the production cycle. When said emulsions reach their end-of-life cycle, i.e. when they are deteriorated, they undergo a roller evaporation treatment, which separates the water phase from the oil one. Water is then recovered after being demineralized through a special evaporation and fall process and reclaimed to be used in the emulsion plant.

Over 94% of waste generated by the production process are directed to material recycle processes, 92% of which are classified as non-hazardous waste.
Metal scraps (steel, cast iron, bronze, aluminum) make up over 80% of total waste produced.

Total produced waste (kg)





Water dispensers were installed at the Limbiate facility starting from 2023 and all employees were provided with a metal water bottle, with the goal to reduce the use of plastic bottles and therefore plastic waste.

5.5 ENVIRONMENTAL COMPLIANCE MODEL

Model 231 adopted by SACMA is a valuable tool to better identify and manage the risks the company faces in connection with environmental regulations and helps to promote a corporate culture of environmental compliance.
The Supervisory Body (SB) (ODV in Italian) oversees the operation and the compliance of the organizational, management and control Model adopted.
SACMA commitment to the safeguard, protection and preservation of the environment and pollution prevention is reported in the Code of Ethics, providing for specific conducts and operating procedures.

To keep the level of environmental compliance under control, periodic audits are performed on all Group's sites; these audits are based on a schedule that takes into consideration the results of previous audits and the critical issues that have come to light.

METHODOLOGY NOTE

Scope, purpose and contents of the Report

This Sustainability Report is addressed to all SACMA Limbiate S.p.A. stakeholders. Its purpose is to highlight all the steps taken concerning the Organization's sustainability goals and, by doing so, meet the expectations of all its stakeholders.

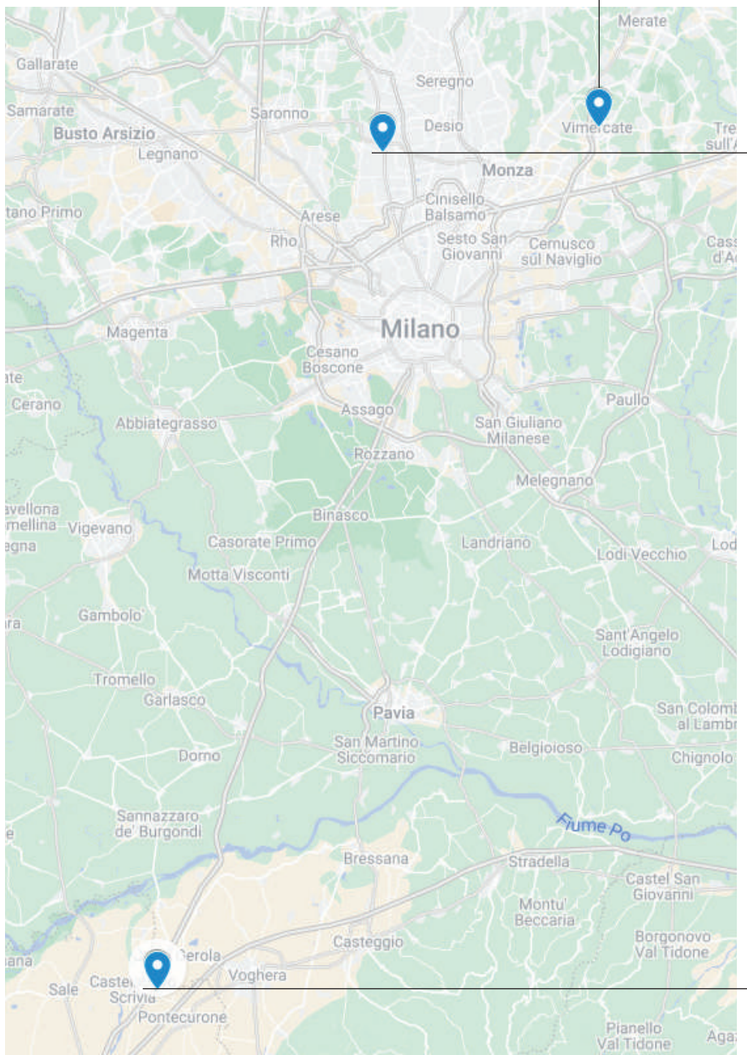
This document takes into consideration the entire organizational, economic, environmental, and social context, both inside and outside its premises, to promote knowledge of its activities, its results, and the generated impacts.

This document was prepared in accordance with the "Sustainability Report Standards" set forth by the Global Reporting Initiative (GRI) 2021version – "with reference" option. The GRI Content Index of this document reports the correlation of the indicators used with the new ESRS (European Sustainability Reporting Standards) to align the reporting with the new European standards, in effect with the new legislation on the subject called Corporate Sustainability Reporting Directive.

The pertinent SDGs of the UN 2030 Agenda are referred to in each chapter of this report, to link the Organization's goals with the ones established by the international community.

6.1 SCOPE OF THIS REPORT

The reporting perimeter is represented by SACMA Limbiate S.p.A. at its locations:



Vimercate
via Tireste 14/16 -
20871 Vimercte (MB)

Limbiate
viale dei mille 126/128 –
20812 Limbiate (MB)

Castelnuovo Scrivia
viale Europa - 15053
Castelnuovo Scrivia (AL)

Data for the site in Vimercate (former O.B.M.) are included in the reporting starting from July 2022 (date in which it was acquired by SACMA S.p.A.). Whenever the wording "SACMA" is to be found in this Report and note, it refers to all the previously listed sites included in the scope of this report. In the event the reported data do not include all the company sites or all the necessary information for best calculations, it has been duly reported in the text.

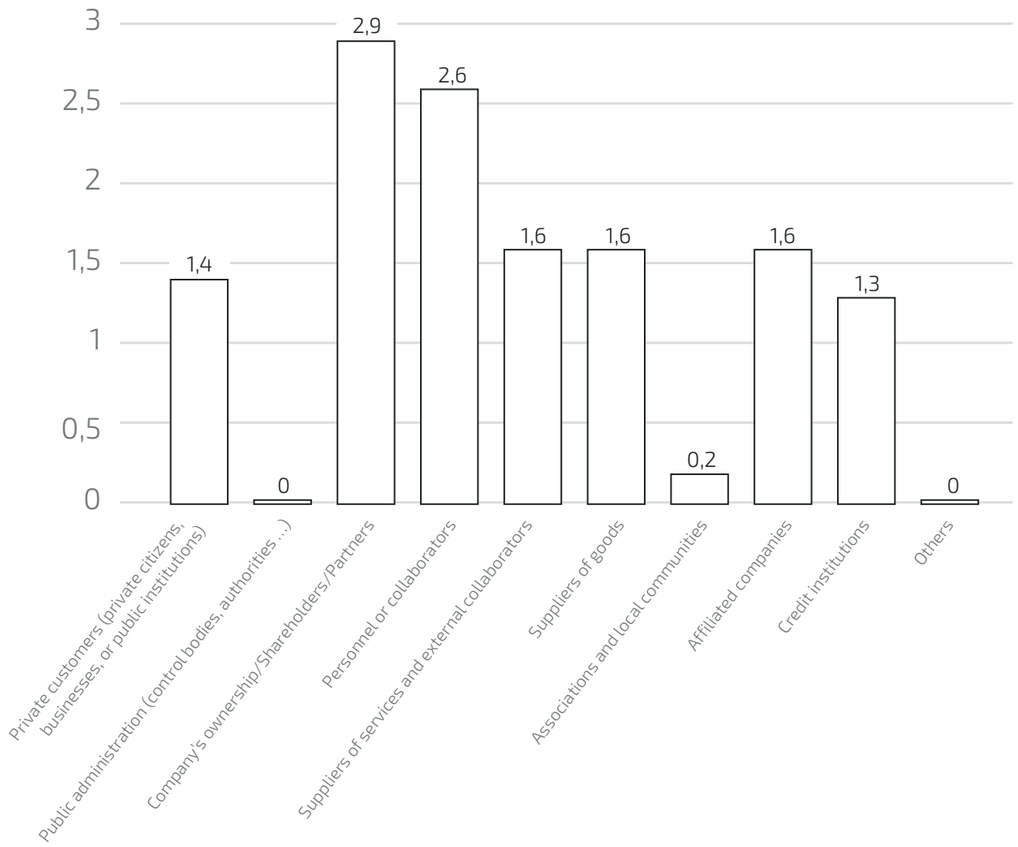
This document includes a description of the initiatives and the activities carried out in the solar year 2023, as well as the related key performance indicators (KPI), reported for the entire 2021-2023 period, if available. Data are collected and the report is published on an annual basis.

6.2 STAKEHOLDER ENGAGEMENT

An accurate mapping of all stakeholders was carried out during the identification of the materiality topics, with the purpose to analyze and identify all interested parties, their connection, and their relevance. The stakeholders' involvement process was aimed both at internal stakeholders and those external stakeholders considered relevant for the company's activities. The results of the interviews were shared with Corporate Management.

The following chart shows the most relevant stakeholders:

Stakeholders' relevance chart



6.3 MATERIALITY ANALYSIS AND MATERIAL TOPICS

The materiality matrix is the graphic representation of the "material" topics, i.e. those considered a priority by the Organization. This representation is the result of a process of consultation, analysis and assessment of the relevance of the materiality aspects or topics based on a list prepared by SACMA detailing the topics that generate a greater impact on its own value chain.

SACMA has defined the analysis process of the material topics in 4 main phases:

01 Awareness-raising activities for all personnel to introduce sustainability principles and ESG rationales;

02 Stakeholders' mapping and their classification according to relevance (results are shown in the previous paragraph;

03 Interviews with the managers of the main corporate functions in order to investigate the main elements of their activities, establish interest for sustainability issues and identify relevant projects/initiatives that can be the subject of specific reporting;

04 Examine the sustainability issues deemed a priority by the external stakeholders, accomplished by sending a questionnaire to some relevant external stakeholder (customers, suppliers, partner companies).

All interviews were conducted based on a "standard question" format, which represented the starting point from which reflections, interests and considerations on the issues were raised. The results of the interviews were shared with Corporate Management.

Follows a list of topics taken into consideration during the interviews with the internal stakeholders, also included in the questionnaires sent to the external stakeholders, subdivided in the 3 sustainability scopes (Environmental, Social, Governance). The following table shows the list of the material topics taken into consideration.

GHG Emissions (Co2 and greenhouse gasses) and climate change

Consumption of natural resources (electricity, methane gas, gasoline, water, …)

Responsible procurement of raw materials

Waste production and circular economy

Equal opportunities, diversity, inclusion and non-discrimination policies

Personnel training

Occupational health and safety

Employees' wellbeing and work-life balance

Product quality and safety

Assessment of product-linked impacts

Correct management of supply chain

Efficient logistics and distribution

Corporate strategy and economic performance

Research, development and innovation

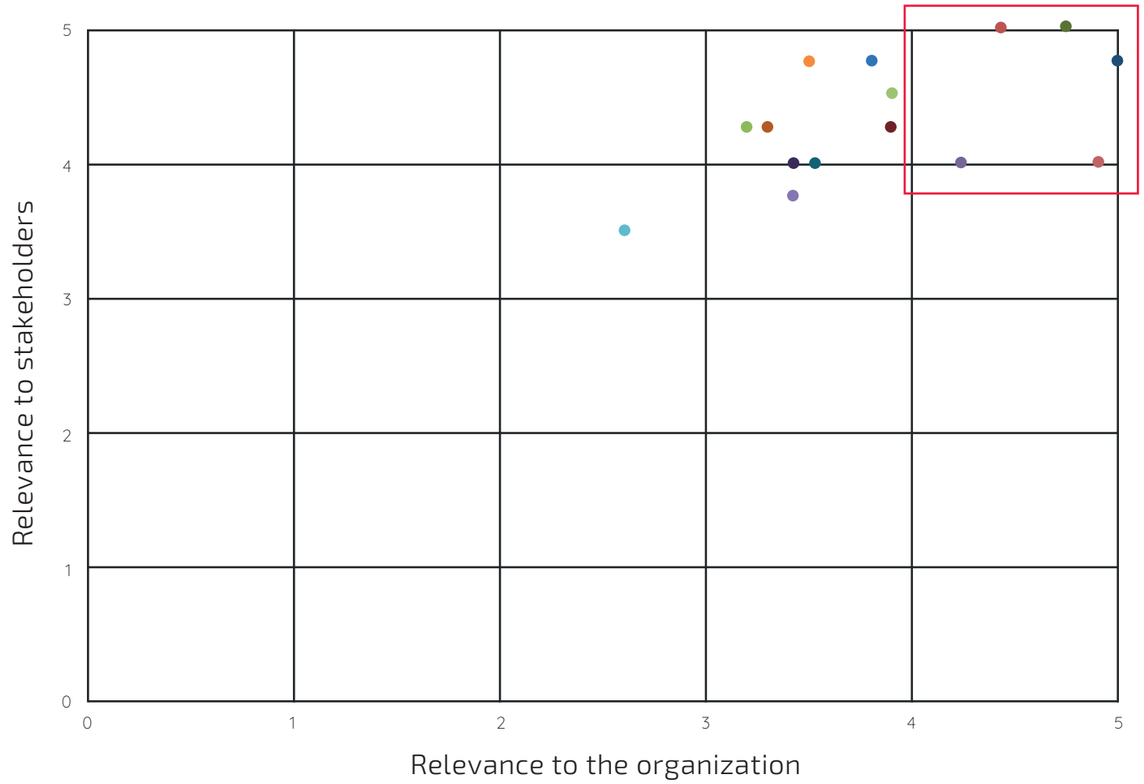
Data safety and protection, Business Continuity

Project to support local communities

Partnerships for common improvement

The priority of the topics emerged from the interviews with the internal stakeholders, combined with the one from the external stakeholders produced the following MATERIALITY MATRIX.

Materiality matrix



Based on the relevance of the topics listed in the materiality matrix, we identified the following topics as being "material", i.e. the ones that were assigned a priority higher than "4" both by the internal and the external SH. The following table shows the material topics listed according to their priority:

Occupational health and safety

Research, development and innovation

Product quality and safety

Consumption of natural resources

Waste production and circular economy

The following tables lists how identified priority issues are managed and their impact on the ESG topics.

MATERIAL TOPIC	SCALE	SCOPE	ESG* IMPACT	ESG SCOPE	MANAGEMENT METHOD
Occupational health and safety	3	3	9	Social	• Although the sites are not ISO 45001 certified, they are managed in conformity with a system implemented in accordance with the reference standards, to support and promote good practices concerning occupational Health and Safety • Internal H.S.S. (R.S.P.P. in Italian) • Risk assessment document • Risk management and assessment procedure • Adverse events management procedure • Education and Training management procedure • Skills matrix • Global 24/7 support service to manage occupational health and safety as provided for by the Consolidated Safety Legislative Decree no. 81/2008 • Organizational Model 231/01
Research, development and innovation	2	3	6	Governance	• Internal R&D and technical department staffed by 30 employees • Product design in synergy with the customer • On-going training on new design software • 4.0 industry applied to production machinery

TEMA MATERIALE	SCALE	SCOPE	IMPATTO ESG*	AMBITO ESG	MODALITÀ DI GESTIONE
Product quality and safety	3	2	6	Governance	• ISO 9001 certified management system • Continuous testing to improve products • 24/7 monitoring systems • Research for best-performing materials for product quality • Product durability • Global after-sale and spare parts service
Consumption of natural resources	3	3	9	Environmental	• Photovoltaic plant at the Limbiate site • Replacement of the furnaces in the production plants with more efficient solutions • Foundry products made with recycled materials • Continuous product innovation to improve its energy efficiency • Reduction of solvent-based paint consumption • Evaporator to recover water from production cycles
Waste production and circular economy	2	2	4	Governance	• System to separate oily emulsions and recover oils in production • All metal scraps are sent to reclaiming processes • Waste sorting inside production areas

*the ESG impact was calculated by multiplying the seriousness of the material topic or ability to seize an opportunity linked to the same by the size/extent of said topic (scope) in regard to the Organization. The scale of impact to determine the priority is shown below.

0-3
LOW ESG IMPACT

4-6
MEDIUM ESG IMPACT

7-9
HIGH ESG IMPACT

07
GRI E CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Methodological note - Boundary of the report
	2-2 Entities included in the organizations's sustainability reporting	Methodological note - Boundary of the report
	2-3 Reporting period, frequency and contact point	Methodological note - Boundary of the report
	2-4 Restatements of information	There is no revised information, as this is the first year of reporting
	2-5 External assurance	This report is not subjected to external auditing
	2-6 Activities, value chain and other business relationships	Chapter 4.1
	2-7 Employees	Chapter 3.1
	2-8 Workers who are not employees	Chapter 3.1
	2-9 Governance structure and composition	Chapter 2.1
	2-10 Nomination and selection of the highest governance body	Chapter 2.1
	2-11 Chair of the highest governance body	Chapter 2.1
	2-18 Evaluation of the performance of the highest governance body	Performance is not evaluated
	2-19 Remuneration policies	Chapter 2.1
	2-20 Process to determine remuneration	Chapter 2.1
	2-22 Statement on sustainable development strategy	Letter to SH
	2-23 Policy commitments	Capitolo 2.1 - 2.3
	2-24 Embedding policy commitments	Chapter 2.1 - 2.3
	2-25 Processes to remediate negative impacts	Material topics and analysis of impacts
	2-26 Mechanisms for seeking advice and raising concerns	Chapter 3.3
	2-27 Compliance with laws and regulations	Chapter 2.1
	2-28 Membership associations	Chapter 1.4
	2-29 Approach to stakeholder engagement	Stakeholder engagement
	2-30 Collective bargaining agreements	Chapter 2.1 - 2.3
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material topics and analysis of impacts
	3-2 List of material topics	Material topics and analysis of impacts
	3-3 Management of material topics	Material topics and analysis of impacts
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Chapter 2.2
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	

GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Chapter 4.2
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	no incidents of corruption have been recorded
GRI 207: Tax 2019	207-1 Approccio alla fiscalità	Capitolo 2.1
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Chapter 4.2
	301-2 Recycled input materials used	Chapter 4.2
	301-3 Reclaimed products and their packaging materials	Chapter 4.2
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Chapter 5.1
	302-2 Energy consumption outside of the organization	Chapter 5.1
	302-4 Reduction of energy consumption	Chapter 5.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Chapter 5.3
	303-2 Management of water discharge-related impacts	Chapter 5.3
	303-3 Water withdrawal	Chapter 5.3
	303-4 Water discharge	Chapter 5.3
	303-5 Water consumption	Chapter 5.3
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Chapter 5.2
	305-2 Energy indirect (Scope 2) GHG emissions	Chapter 5.2
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Chapter 5.4
	306-2 Management of significant waste-related impacts	Chapter 5.4
	306-3 Waste generated	Chapter 5.4
	306-4 Waste diverted from disposal	Chapter 5.4
	306-5 Waste directed to disposal	Chapter 5.4
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Chapter 3.1
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Chapter 3.1
	401-3 Parental leave	Chapter 3.1

GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Chapter 3.2
	403-2 Hazard identification, risk assessment, and incident investigation	Chapter 3.2
	403-5 Worker training on occupational health and safety	Chapter 3.2
	403-6 Promotion of worker health	Chapter 3.2
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Chapter 3.2
	403-8 Workers covered by an occupational health and safety management system	Chapter 3.2
	403-9 Work-related injuries	Chapter 3.2
	403-10 Work-related ill health	Chapter 3.2
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Chapter 3.2
	404-2 Programs for upgrading employee skills and transition assistance programs	Chapter 3.2
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Chapter 3.1

WINNING TECHNOLOGIES®

REPORT DI SOSTENIBILITÀ | 2023

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