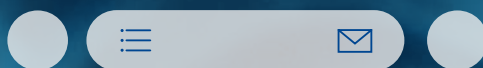


# FORGING YOUR IDEAS INTO INNOVATIVE SOLUTIONS

SUSTAINABILITY REPORT 2024





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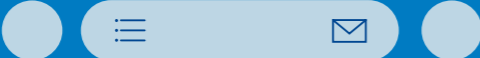
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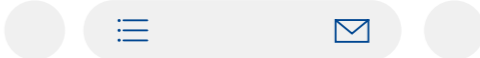


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# FORGING YOUR IDEAS INTO INNOVATIVE SOLUTIONS

SUSTAINABILITY REPORT 2024



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1.

## About us

Since 1860, our goal has been to provide increasingly innovative solutions to our customers.

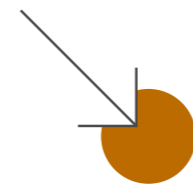
Thanks to a vertically integrated structure and ongoing investments in new technologies, Brawo offers efficient lean production.



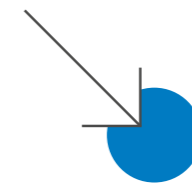
# 1.1

## Mission & Vision

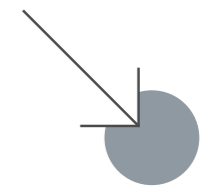
Forging your ideas into innovative solutions



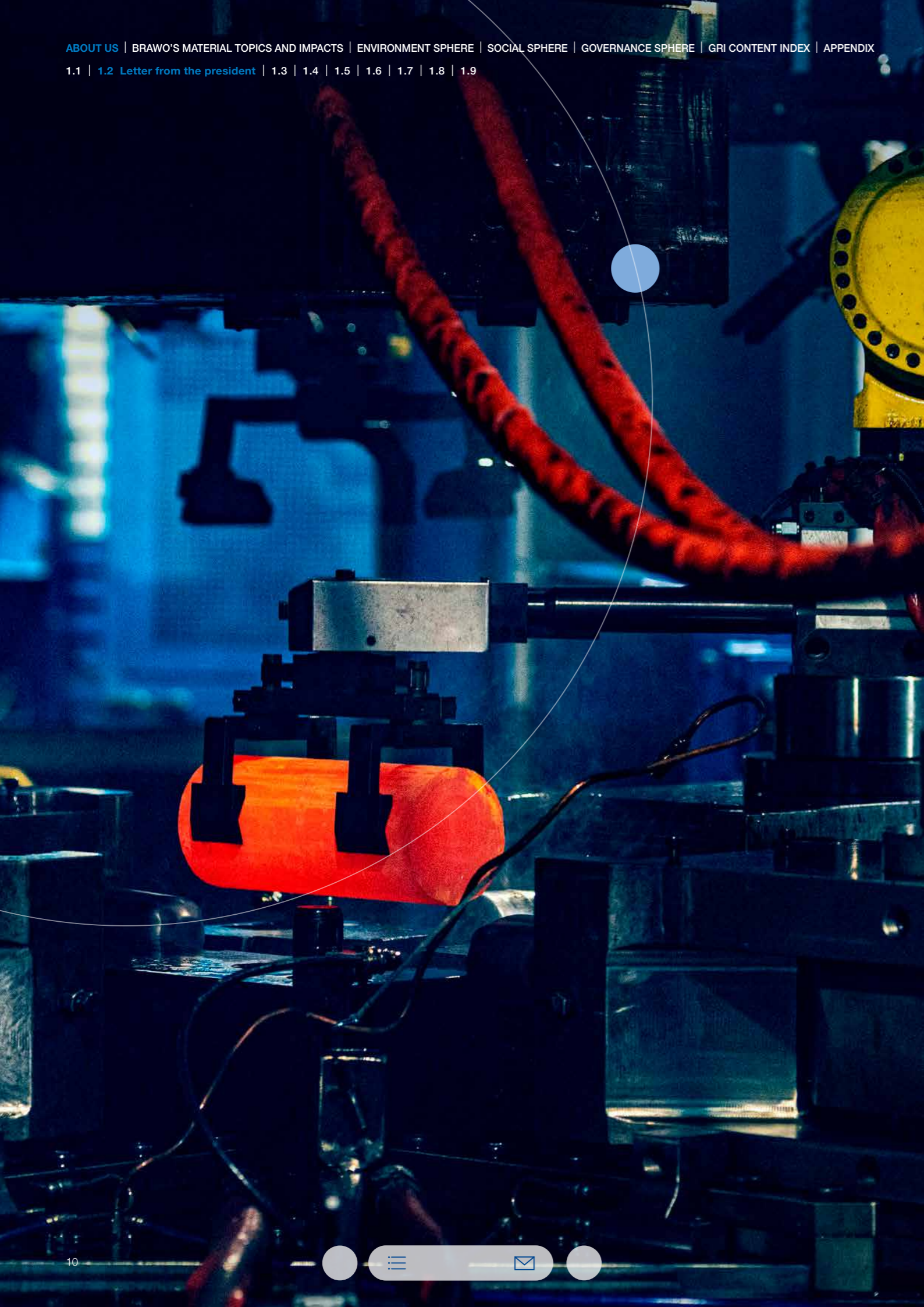
Exceed customer expectations with innovative solutions.



Offer efficient lean manufacturing.



Turn projects into real business.



## 1.2

# Letter from the president

Dear Stakeholder,

I am pleased to introduce you to Brawo's third Sustainability Report, a document that reflects our ongoing commitment to a business model focused on sustainability as a strategic lever for value creation.

In a year marked by deep uncertainty and several global challenges, Brawo reaffirms the importance of embedding sustainability principles into its long-term business strategy.

We are fully aware that metallurgical companies operate in a demanding environment. In fact, it is worth noting that Brawo faced numerous internal and external challenges throughout 2024, against the backdrop of a highly unstable economic and geopolitical landscape.

The industry was affected by a range of negative factors — some linked to global demand for raw materials, others to financial market volatility and international uncertainties. These factors had a direct impact on cost management, profitability, and the supply of raw materials itself, which is essential to ensure sustainable production.

This Report not only reflects our progress but also outlines our concrete goals for the future and the operational strategies that we put in place to achieve them.

I would like to thank everyone who contributed to this important milestone: our employees, our partners, and above all, you, our stakeholders, for the trust and support that you have shown us.

Together, we can build a more sustainable future for Brawo and for the next generations.

Enjoy the read.

**Gabriele Gnutti**  
*President*

# 1.3

## Letter from the General Manager

Dear Stakeholder,

I am pleased to present to you Brawo's third Sustainability Report, a document prepared voluntarily once again this year, which transparently and thoroughly outlines our journey towards sustainability, following the guidelines set by the globally recognised GRI standards.

In this report, you will find information on our environmental, social, and economic performance, as well as our goals and strategies for the future, grounded in the belief that sustainability is a journey of continuous and consistent improvement in our performance.

In support of this, the Company is consistently focused on medium- to long-term development goals and it has been implementing its investment plan, with particular attention to improving production processes.

The investments have not only aimed at optimising quality, productivity, and efficiency parameters but have also focused on crucial areas such as safety and the environment. This highlights the company's ongoing commitment to its employees and social context, ensuring a positive impact on both internal well-being and the surrounding environment.

We should remember that 2024 was marked by numerous regulatory changes, particularly regarding sustainability with the adoption of the CSRD Directive, alongside European and international regulations focused on the elimination of lead. These developments initially shifted the market's attention towards an increasing focus on new alloys, directly affecting workability, and subsequently on product recycling.

Metallurgical companies faced several interconnected risks: geopolitical uncertainty, rising demand for raw materials, restrictive monetary policies, and regulatory challenges. These are just a few of the factors that Brawo is facing while operating in its economic environment. These challenges have driven the decision to implement concrete sustainability policies as a key competitive advantage.

Trusting in the transparency of the reported content, I wish you an enjoyable read.

**Francesco Musig**  
*General Manager*





# 1.4

## About us

**Brawo S.p.A., part of the HUG Holding Umberto Gnutti Group, operates through two production sites located in Pian Camuno (Brescia), in Valle Camonica.**

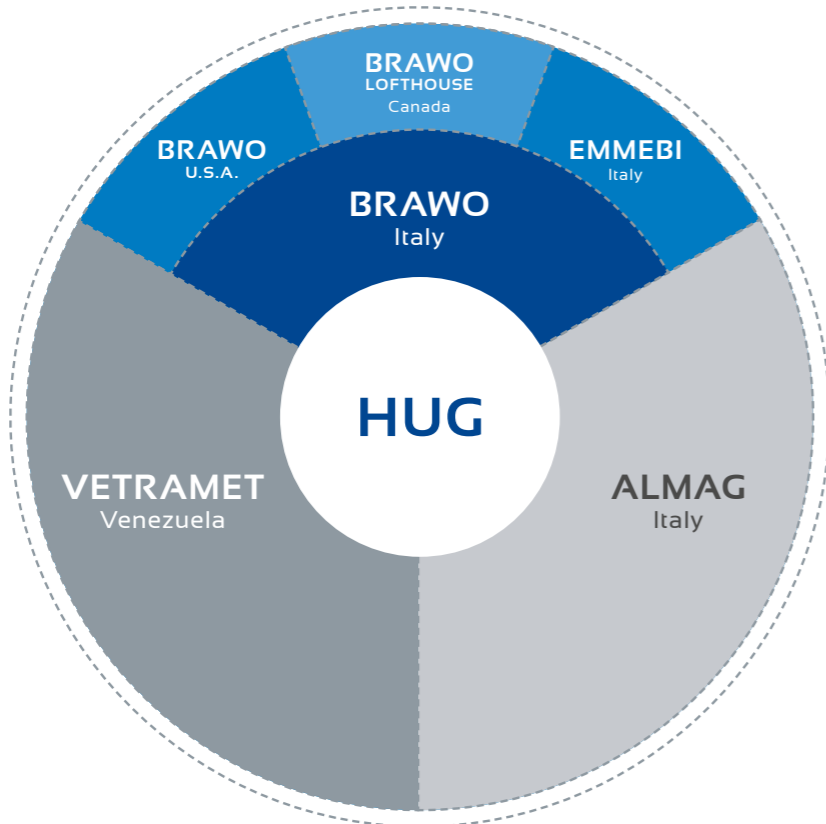
This area is renowned for its strong entrepreneurial tradition in the metallurgical and mechanical sectors. At Brawo's facilities, hot forging and subcontracted machining operations are carried out on brass, aluminium, and other non-ferrous materials.

HUG S.p.A. consists in a complex industrial group which currently includes, in addition to Brawo S.p.A., Almag S.p.A., specialised in the production of brass bars, Brawo Lofthouse in Canada, Brawo USA Inc. in the United States, and Emmebi S.r.l. in Italy.

Brawo S.p.A. currently employs over 330 people and stands out for its ongoing commitment to investing in training, new technologies, innovation, engineering, and research and development (R&D).

The production plants are equipped with a machine fleet that includes around thirty forging presses and an equal number of state-of-the-art machining systems. Brawo's products are used in a wide range of sectors, such as plumbing, fire protection, medical, heating, ventilation and air conditioning (HVAC), welding, food, diving, the marine industry, and automotive.

The entire structure of Brawo S.p.A. is focused on customer support, offering technical assistance that ranges from design to the day-to-day management of operations, with the goal of delivering high-quality, competitive products that meet the specific requirements of each customer.



Visit our website at the "Download" area and download all our certifications.



# 1.5 The production process

Brawo's main activities are hot forging and the machining of components made of brass, aluminium, and other non-ferrous metals. The group's different companies operate within an integrated supply chain, covering every step: from raw materials and tooling to the finished product. The hot forging process, carried out using automatic presses, manual presses, and Hatebur machines, enables the product to achieve high mechanical properties while ensuring process efficiency and repeatability. Machining operations, on the other hand, are performed using transfer machines, flexible cells, and computer numerical control (CNC) machines.

Brawo's engineering department manages both existing products and the design of new ones. Close collaboration with the customer during the design phases allows the production process to be optimised, making it leaner, more effective, and highly competitive. The process starts with the 3D drawing provided by the customer, followed by the preparation of the quotation and feasibility study, culminating in the definition of the packaging. Each component is analysed individually to ensure precise and top-quality results.

Brawo specializes in hot forging and mechanical processing of brass, aluminium, and other non-ferrous metals. The company develops its business on a fully integrated structure, starting with the direct management of the raw material.

The incoming raw material is stored in a modern automated warehouse, which supplies the production department. At this stage, the raw bars are cut into parts of different sizes using metal blade cutters, which create different sections depending on the type of piece to be produced.

**Heat treatments:** Brawo carries out heat treatments both for brass, through annealing and normalising processes, and for aluminium, using solution heat treatment, quenching, and ageing (T6). These operations are essential to obtain the mechanical properties requested by customers, especially for products intended for the automotive sector.

**Surface treatments:** All surface treatments are monitored in-house to ensure the highest quality results on the final product. Brawo has facilities for surface treatment of brass and aluminium, automatic machines for sandblasting and brass plating, as well as dedicated plants for pickling, which is used for surface passivation. The company relies on trusted and qualified external partners who offer a wide range of services for surface treatments that are not carried out internally.

**Machining:** Brawo's machining departments feature a machinery fleet of around 30 different units, capable of meeting any production, quality, and geometric requirements demanded by customers. The high-level automation allows the achievement of excellent quality standards, high productivity, and significant cost control in production.

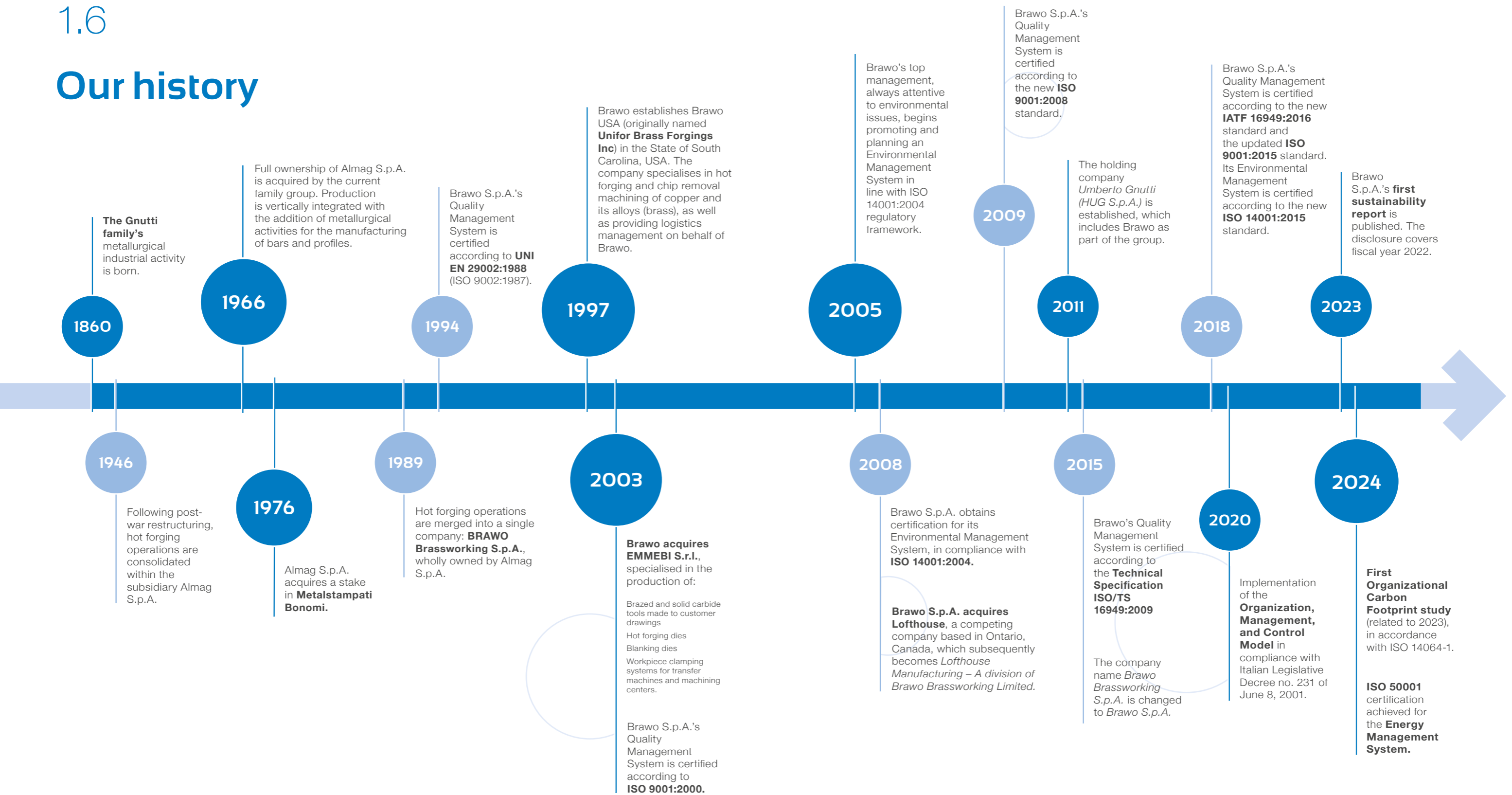
**Tools:** Tooling plays a crucial role in machining processes. For this reason, Brawo designs and manufactures its tools in-house thanks to its subsidiary, Emmebi S.r.l. Internal production allows Brawo to minimise procurement times, enhance production efficiency, and retain its know-how. Both standard and custom tools are used, depending on specific needs and the material being processed. Moreover, the use of technologically advanced equipment enables production to continue even without operators directly overseeing the process. The CAD-CAM programs used for tools design are entirely developed in-house by Brawo's engineering team, who leverage the capabilities of solid modelling to ensure maximum repeatability and process optimisation.

Thanks to a computerised tracking system, Brawo monitors the entire incoming and outgoing material's flow, from the arrival of the raw bar to the shipment of the finished product.

With three strategically located logistics centres in Europe, United States, and Canada, the company is able to coordinate and plan the most suitable delivery solutions to meet customer needs.



# 1.6 Our history



# 1.7

## HIGHLIGHTS 2024



**+80 years**  
Experience in  
hot forging and  
machining



**+330**  
employees



**+20M kg**  
of material  
processed every  
year



**96,477,449 €**  
Turnover



**Scope 1,2 e3**  
Complete  
Carbon  
Footprint Study



**≈ 3,000**  
Hours of training  
provided to staff  
in 2024



# 1.8

## Castforge: Stuttgart trade fair

**Brawo's participation** in specialised trade fairs, such as **CastForge in Stuttgart**, represents a strategic opportunity for the company. These events **enhance brand visibility**, provide a platform to showcase the latest innovations, and help strengthen relationships with international clients and partners. Moreover, they offer valuable networking opportunities and insights into market trends, fostering the development of new collaborations and business opportunities in a highly competitive industry.

The CastForge trade fair in Stuttgart is a forging-focused event that attracts visitors from different industries seeking engagement and evaluation of potential suppliers. It serves more as a networking opportunity than a platform for direct sales. The management of Brawo's participation involved a team of 10–15 people across marketing, sales, and event organization. Promotional material, both physical and digital, was prepared in collaboration with a communication agency.



# 1.9

## Our values and the path to sustainability

Brawo's sustainability strategy is built on the principles of responsibility, awareness, transparency, integrity, and fairness, with the goal of aligning its activities with the United Nations Sustainable Development Goals (SDGs). This approach, focused on continuous improvement, enables Brawo to be prepared to address social and environmental challenges both now and in the future.



Sustainability means being responsible and aware



### Environmental management and certifications

For over 15 years, Brawo has maintained an ISO 14001 certified Environmental Management System, demonstrating a consistent commitment to environmental protection and pollution prevention. Since 2023, it has also been monitoring its carbon footprint by calculating Scope 1, 2, and 3 emissions.



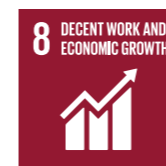
### Energy efficiency

Brawo's system, compliant with ISO 50001, reflects its commitment to improving energy efficiency by reducing consumption and enhancing overall energy performance.



### Innovation and sustainable growth

Brawo invests in sustainable infrastructure, such as the new 7,500 sqm automated warehouse built in 2024, which reflects the company's philosophy of technological advancement with a focus on environmental responsibility. The company stands out for its solid governance, placing continuous improvement and the aspiration to ensure ever-higher product quality at the core of its strategic plan.



### Social and Community commitment

Brawo is committed to building trusting relationships with clients and partners by implementing creative and sustainable strategies across all its operations, promoting the surrounding communities social and economic development, and actively supporting local associations and organizations.

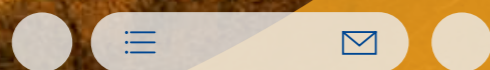


Through these initiatives, Brawo demonstrates an integrated approach to sustainability, actively contributing to the global Sustainable Development Goals' achievement.



2.

**Brawo's material  
topics and  
impacts**



For the analysis of its material impacts and topics, Brawo aligned its methodology with the new European sustainability reporting directive (CSRD – Corporate Sustainability Reporting Directive)<sup>1</sup> and related ESRS standards<sup>2</sup>. This alignment ensures that

Brawo anticipates market demands and stays ahead of developments within the evolving European regulatory landscape.

## 2.1

# The Concept of Materiality and the Impact Assessment

According to the ESRS standards, the materiality analysis constitutes the basis for the sustainability reporting exercise and aims to identify **environmental, social, and governance topics** that are considered relevant (**material**) to the company. The materiality of a particular issue may derive from:

**IMPACTS GENERATED** by the company on the world, employees and/or the community. These impacts can be positive or negative (with special attention paid to the latter ones, as also reiterated by due diligence or corporate responsibility practices) and can be actual (if they occur) or potential (if there is a possibility that they will occur).

**FINANCIAL RISKS OR OPPORTUNITIES** related to ESG aspects, the company is exposed to for various reasons, be they related to impacts generated by the company itself or exogenous factors (such as the market, regulations, natural and/or geopolitical events).

This dual perspective is referred to as **double materiality**, as it includes precisely the two dimensions mentioned above:

**INSIDE-OUT** (or **impact materiality**, that identifies the company's external impacts).

**OUTSIDE-IN** (or **financial materiality**, that identifies risks and opportunities the company is exposed to).

According to CSRD guidelines, a given ESG topic can be considered material according to only one of these two perspectives or according to both.

## 2.2

# The Stages of Analysis

The process leading to the identification of impacts and, consequently, to the most strategic sustainability topics for Brawo followed a structured approach, divided into several phases. The final phases, which involve engaging all relevant stakeholders (represented in the infographic below in grey), were not carried out for this reporting period. Reporting standards clarify that there is no formal obligation to engage stakeholders, but it is important to mention the methodology used for the materiality analysis and its results<sup>3</sup>.

It should therefore be noted that Brawo's relevant stakeholders, including customers, suppliers, banks and lending institutions, the community, employees and collaborators were involved in the materiality study included in the sustainability report referred to 2022 (fiscal year). The previous results are considered valid for the current report (reporting year 2024), but they have been updated and supplemented thanks to interviews with Brawo's internal staff members that deal day-to-day with ESG matters. This allowed the double materiality study to be aligned with the CSRD, including relevant impacts, risks and opportunities, and, thus, to assess relevant reporting topics for 2024.



<sup>1</sup> CSRD Corporate Sustainability Reporting Directive (2022/2464).

<sup>2</sup> ESRS European Sustainability Reporting Standard, contained in the delegated act of the European Commission, dated 31/07/2023.

<sup>3</sup> EFRAG IG 1 – Materiality assessment implementation guidance. 5.4 FAQ15 par.197 [https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/IG%201%20Materiality%20Assessment\\_final.pdf](https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/IG%201%20Materiality%20Assessment_final.pdf)

## 2.3

# Identification of Impacts, Risks and Opportunities

The starting point to identify the impacts, risks, and opportunities of Brawo was the **study of the company's context and interdependencies**, which was explored in different ways. Firstly, there was a discussion with key personnel within the company, including ESG representatives, heads of environment, safety, and energy, quality management, procurement, human resources, administration, and training departments. At the same time, quantitative data was collected on various environmental, social, economic, and managerial aspects, and several documents (both public and internal) were analysed.

Each IRO (Impact, Risk, Opportunity) identified through this analysis was assigned values (on a scale of 1-4), following the criteria outlined by the CSRD<sup>4</sup>. Both the IROs and their respective values were assessed and approved by key figures in the company, in order to ensure the most objective, informed and accurate scores possible.

Specifically, actual impacts were assessed on the basis of magnitude, i.e. the average of three impact values: **scale** (entity of the harm/benefit generated), **scope** (extension) and, for negative effects only, **irremediable character** of the impact (possibility or impossibility of restoring the previous situation).

The weight of potential impacts resulted from the product of **magnitude** (calculated according

to the values listed above) and **likelihood** of occurrence.

In the study of the impacts (actual and potential) generated, the level of **causality was also considered**, i.e. the distinction between impacts directly caused, contributed to causing (if Brawo is not solely responsible for the impact) or related to the activity (i.e. linked to business relationships with the upstream or downstream value chain, but not attributable to the company's own activity).

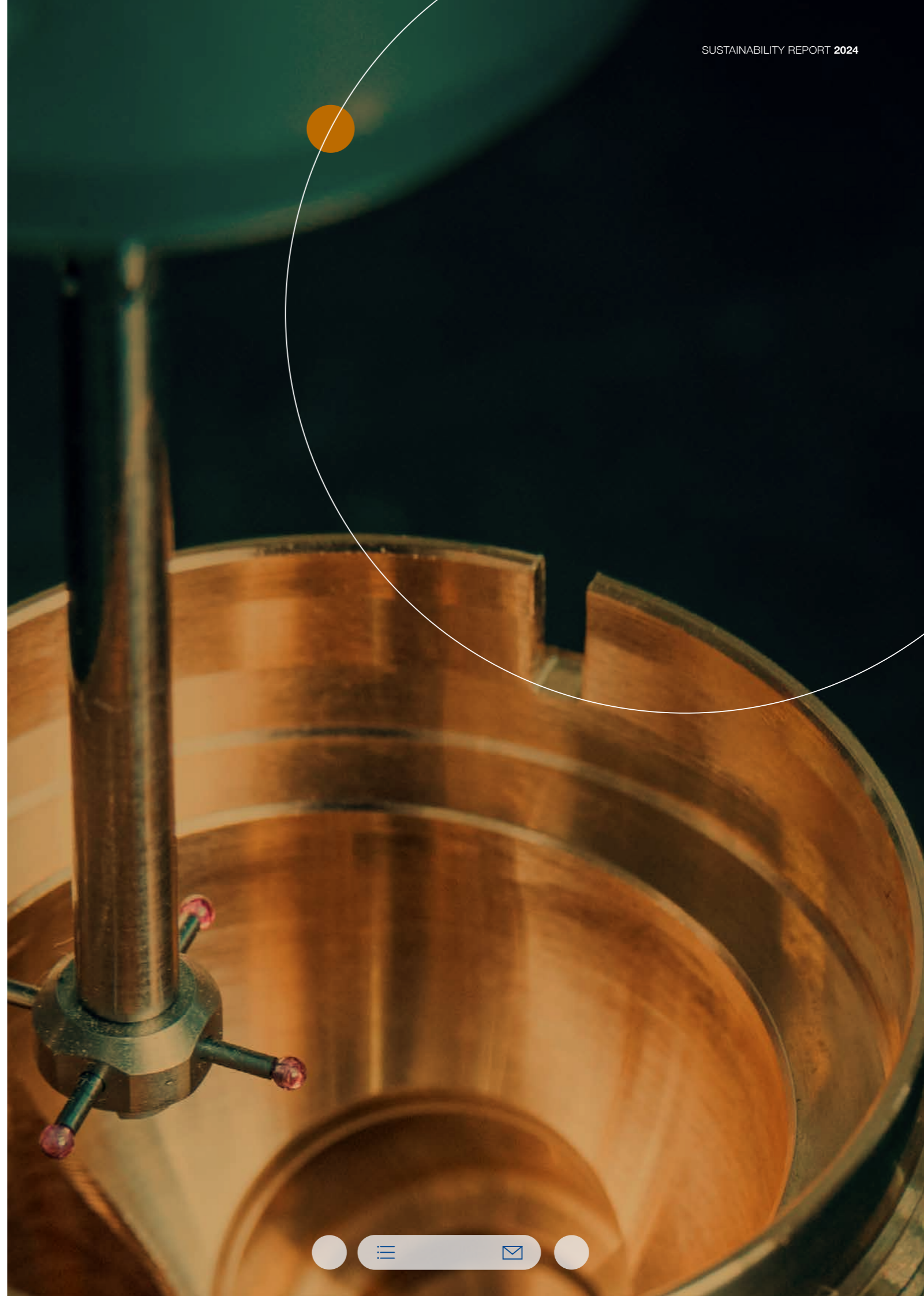
Finally, **risks and opportunities** have been assessed for their **potential magnitude** (i.e. the possible weight that the economic damage/benefit can have on the company's activity) and for the **likelihood** of their occurrence.

For potential impacts, risks and opportunities, a time horizon has also been identified in line with the reference standards, including short (within one year of the reporting period), medium (within five years), long (over five years).

Similarly to last year, Brawo has not limited itself to the impacts, risks and opportunities that occur at the level of its own business alone, but has started to include, in addition, some impacts that occur along the **value chain**, especially upstream. This approach is suggested by the legislation and specified in the guides to the implementation of the ESRS standards<sup>5</sup>, as it allows a more complete view of the relevant issues.

<sup>4</sup> The reporting standards, both in their official version and in the implementation guidelines provided by EFRAG, the body responsible for drafting the standards, give companies full discretion in how they assess materiality. To ensure that the evaluation would be both comparable and as objective as possible, a consistent scoring scale was adopted. According to this scale, a score of 4 represents the highest level of each criterion listed below (for example, very severe/beneficial, very widespread, very difficult to remedy, highly likely), while a score of 1 represents the lowest level of that same criterion (for example, not very severe/beneficial, limited in scope, easy to remedy, unlikely).

<sup>5</sup> IG 1 materiality assessment: [https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/IG%201%20Materiality%20Assessment\\_final.pdf](https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/IG%201%20Materiality%20Assessment_final.pdf)



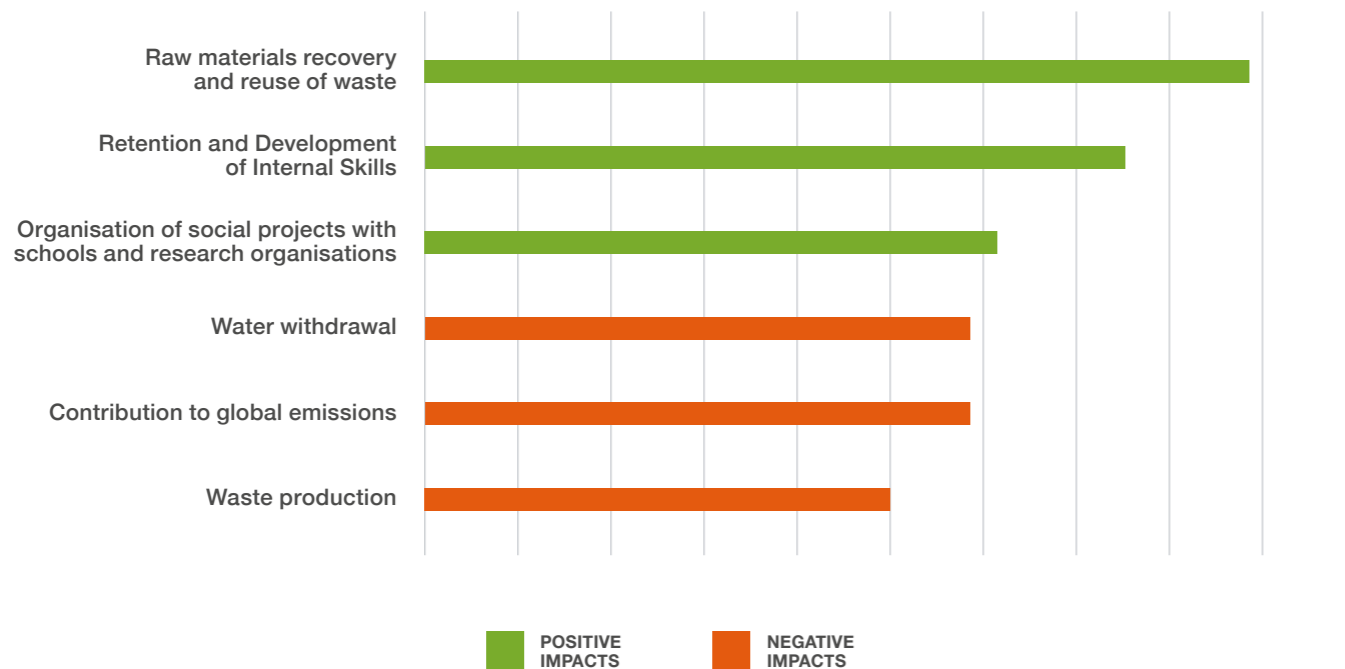
# 2.4

## Conclusion of the analysis

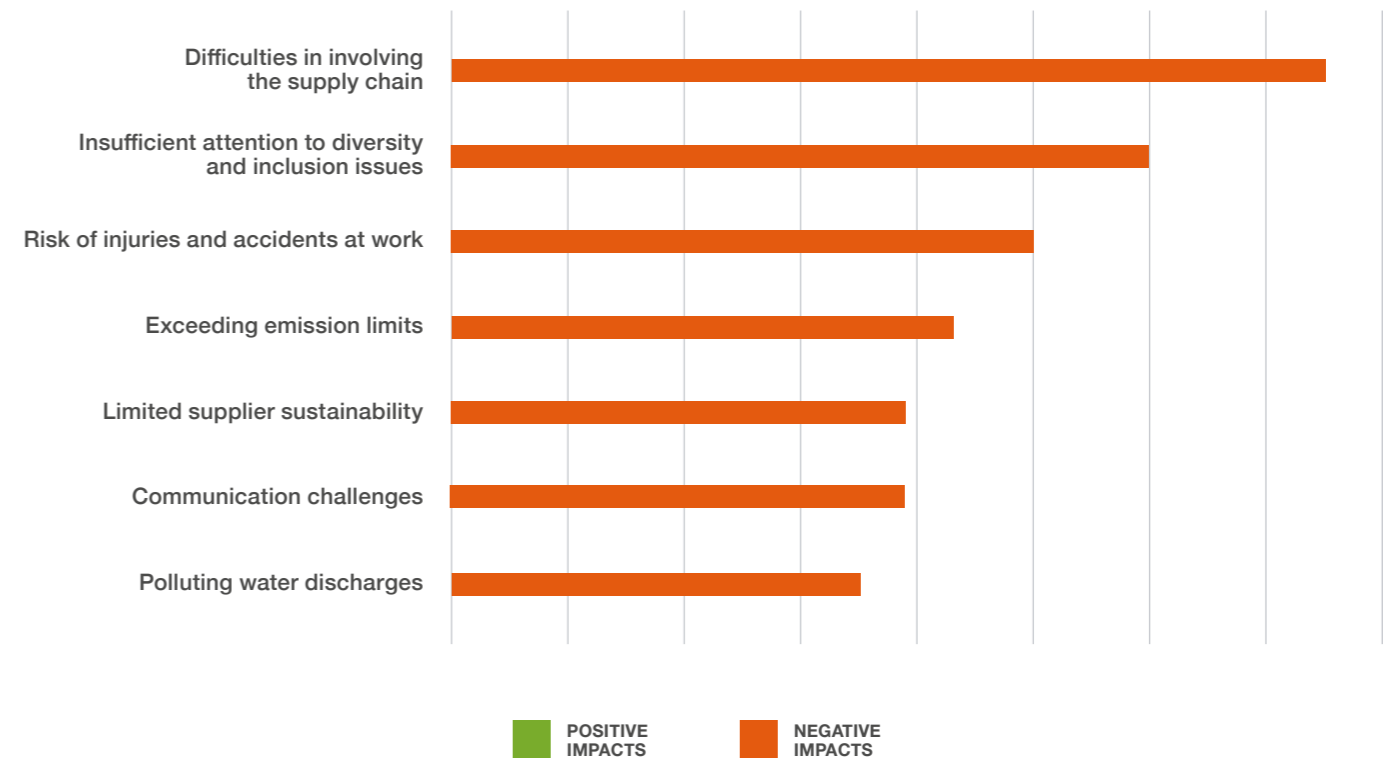
In order to effectively compare the relevance of each impact, risk, or opportunity in relation to Brawo's activities, the numerical values assigned were normalised into percentages, allowing a clear prioritisation of the various topics. As a result, three bar charts were generated: one for actual impacts (both positive and negative), one for potential impacts (positive and negative), and one for risks and opportunities. Negative impacts or risks are shown in red, while positive impacts or opportunities are shown in green.

As mentioned, the bar charts illustrate the prioritisation of the different types of impacts, risks, and opportunities (IRO) based on internal evaluation.

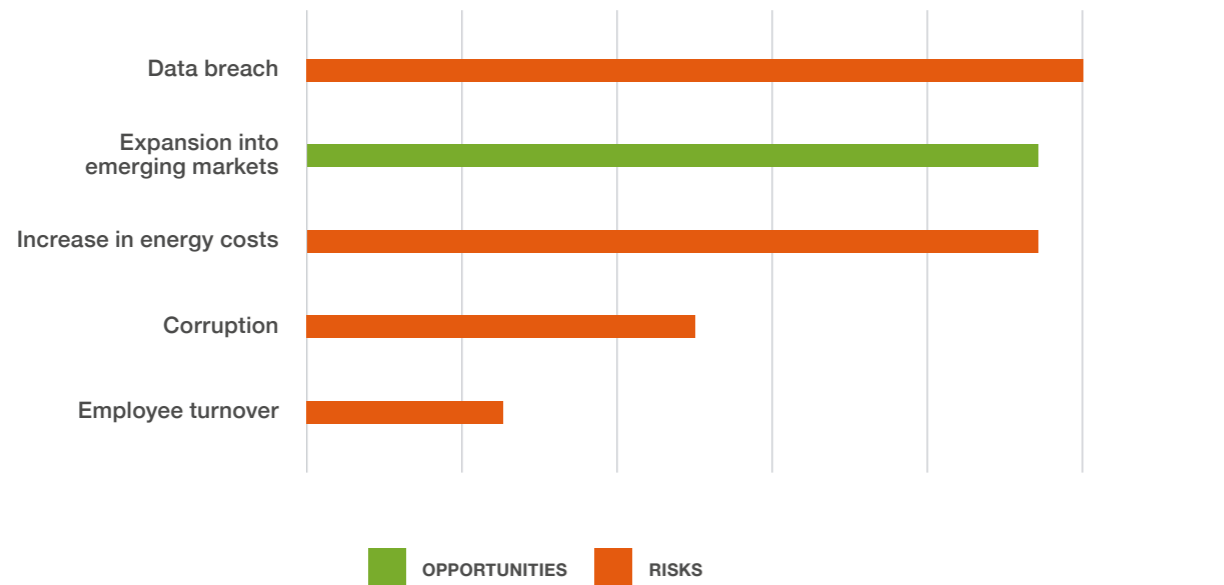
### ACTUAL IMPACTS



### POTENTIAL IMPACTS



## RISKS AND OPPORTUNITIES

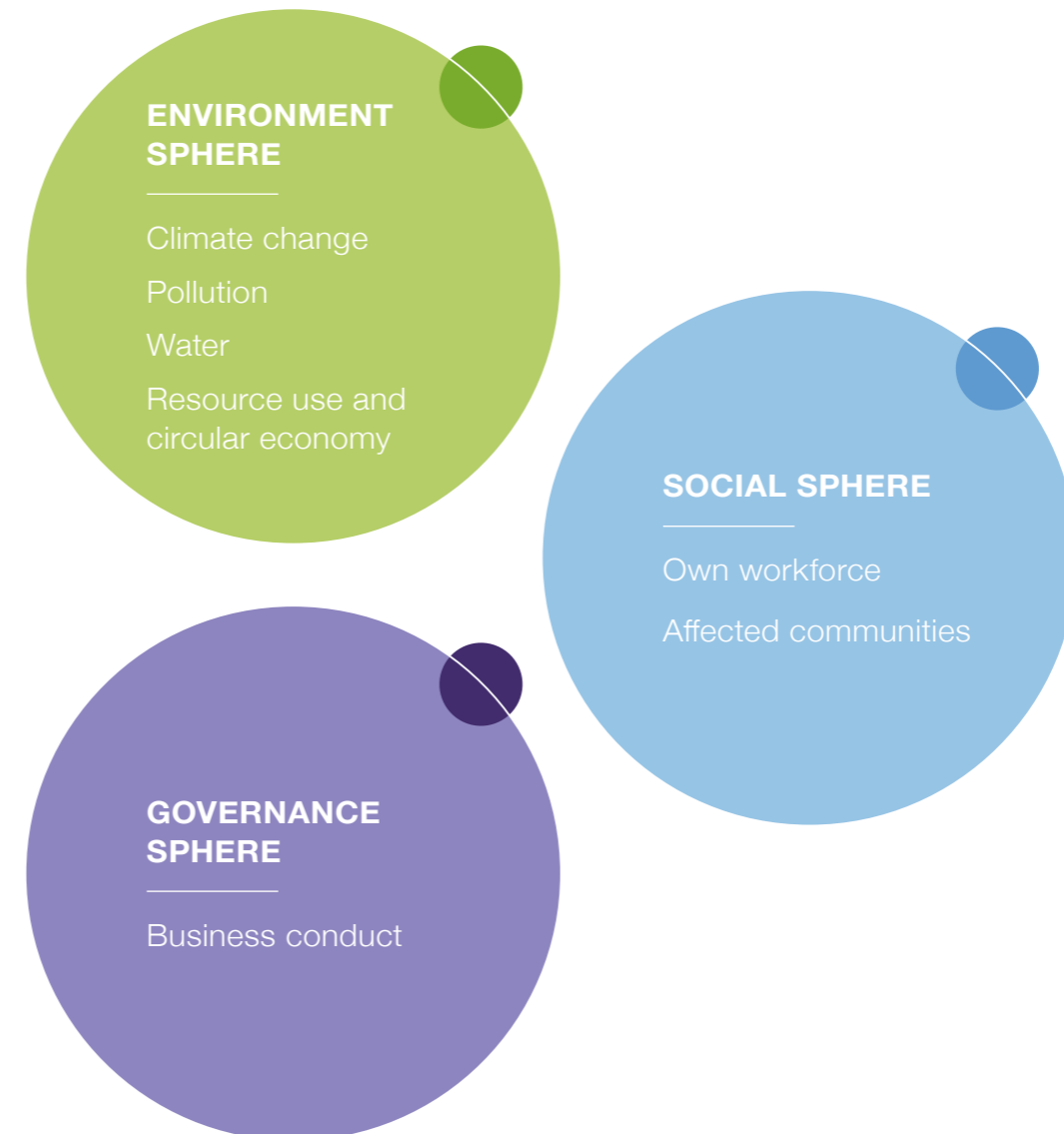


For details relating to each IRO, including the various strategies implemented by the company to mitigate negative effects or enhance positive outcomes, reference is made to the following chapters covering the respective environmental, social, and governance topics. A summary of the numerical values assigned is provided in tabular form in the appendix.

## 2.5

### Brawo's material topics

This analysis has therefore made it possible to identify the ESG topics that are relevant to Brawo. They also constitute the contents of this Sustainability Report<sup>6</sup>. Below, the different topics that will be explored in depth in the relevant chapters are listed, divided by sphere (Environment, Social and Governance).



<sup>6</sup> EFRAG IG 1 – Materiality assessment implementation guidance. Par.3 [https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/IG%201%20Materiality%20Assessment\\_final.pdf](https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/IG%201%20Materiality%20Assessment_final.pdf)



3.

## Environment sphere

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



# 3.1

## Environment Sphere

Brawo, in line with its sustainability strategy and its Code of Ethics, has always shown a strong interest in environmental protection; in fact, since 2008, it has adopted an environmental management system certified according to the **UNI EN ISO 14001** standard.

Every year Brawo calculates its Carbon Footprint (Organisation Carbon Footprint), i.e.

its Scope 1, 2 and 3<sup>1</sup> emissions. The purpose of this analysis is to accurately calculate and monitor the company's greenhouse gas emissions, enabling comparison with the data recorded in previous years and thus making it possible to assess whether there has been an improvement in the company's environmental performance, with a view to **decarbonisation** and reduction of the emission impact.



Annual calculation of an organisation's Carbon Footprint (ISO 14064-1)



Almost all processed brass originates from recycled material






85% of waste sent for recovery



Upcoming connection of a photovoltaic system

## OUR GOALS FOR ENVIRONMENTAL PROTECTION

SDGs	Topic	Future actions
	Energy and energy efficiency	Evaluation of relevant projects to improve energy efficiency Self-production of electricity through photovoltaic system
	Emissions in the atmosphere	Annual Update of the Organisation Carbon Footprint Study Calculation of Product Carbon Footprint Drafting a decarbonisation plan
	Waste management and circular economy	Preference for raw materials with a high percentage of recycled material Study to assess the possibility of reusing mould lubrication oil and consequently reducing the amount of hazardous waste Evaluation of alternatives for replacing impactful production support materials with less impactful materials Evaluation of material and procedural alternatives to the use of plastics in packaging

<sup>1</sup> Here GHG Protocol

# 3.2

## Energy and energy efficiency

To carry out its activities, Brawo relies mainly on two energy vectors: **electricity** (86.7% of the company's total energy needs) and **natural gas** (12.7% of the company's total energy needs), while a smaller share of the total (0.7%) comes from the fuels used for the company fleet, which is powered almost entirely by diesel.

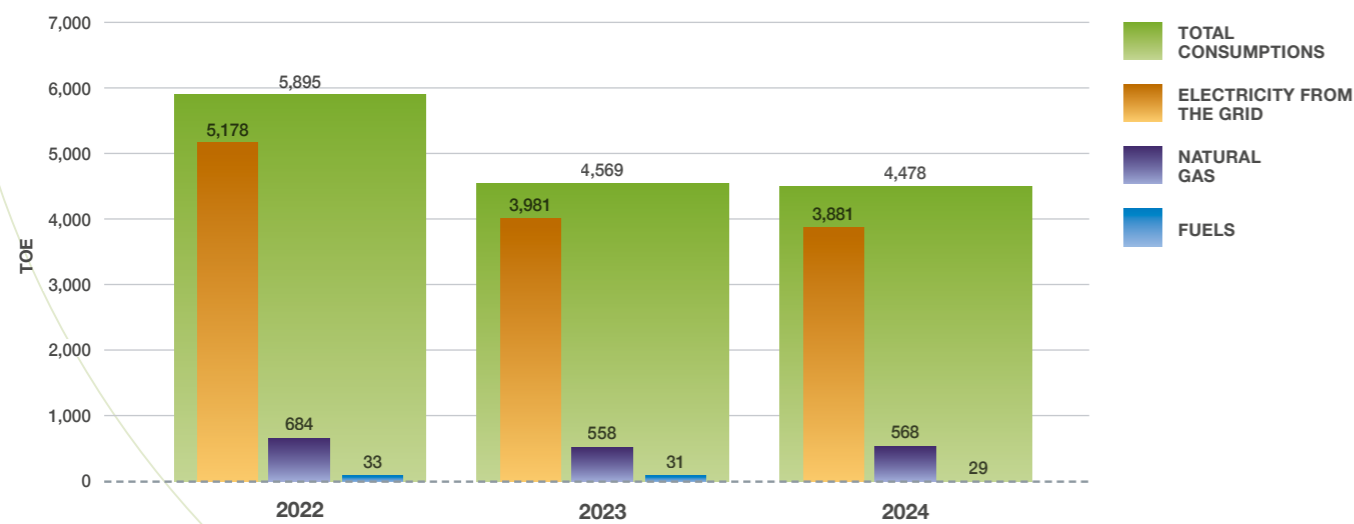
As far as total consumption is concerned, the following graph shows how the values tend to be in line with those of 2023, with a total amount (sum of the consumption of the two sites) of approximately 4500 toe (tonnes of oil equivalent) of consumption.

The slight drop in energy consumption is mainly attributable to the decrease in production; however, this factor, although significant, is not the only one that had an influence. Brawo has in fact obtained the **UNI EN ISO 50001** Energy Management System certification, the aim of which is also to identify and carry out **energy efficiency** measures that allow consumption and, consequently, energy costs to be contained<sup>2</sup>. To this end, the company has installed a series of meters on certain machinery in

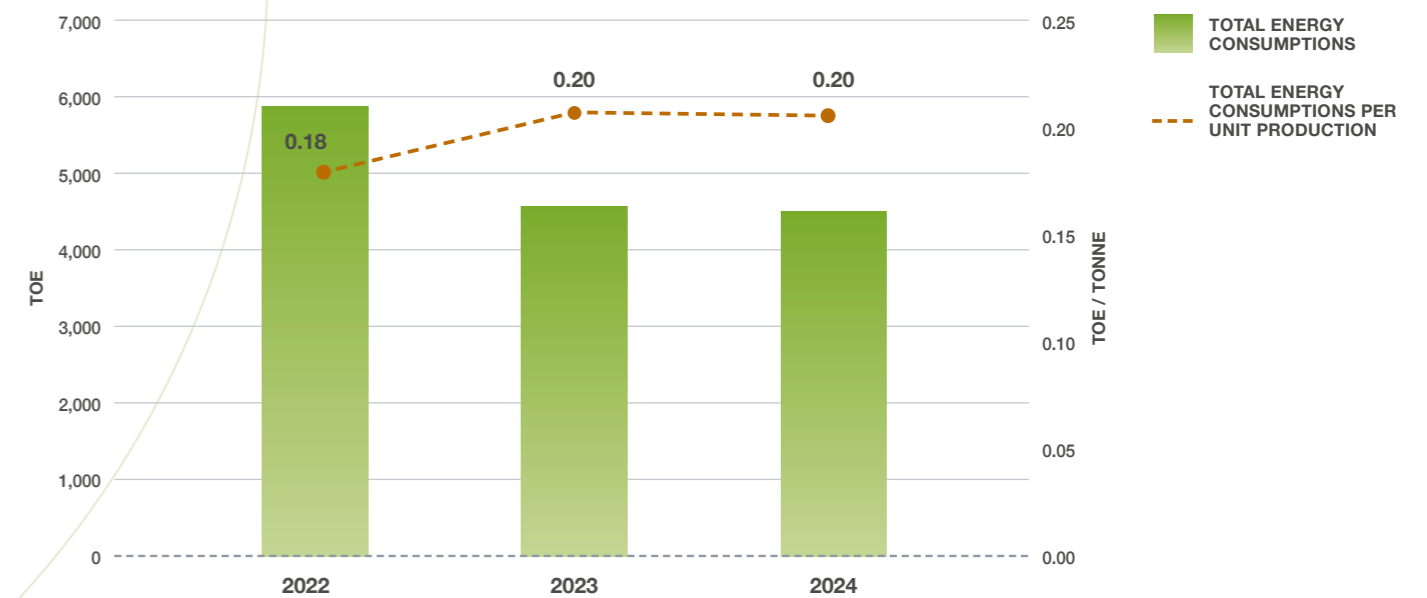
order to more accurately identify the most energy-intensive systems and detect any malfunctions in a timely manner.

In 2024, the energy index is also in line with the previous year: this is expressed as the ratio of total consumption to tonnes produced. Production dropped only slightly, allowing consumption not to fluctuate too much compared to 2023.

### ENERGY CONSUMPTIONS



### TOTAL AND SPECIFIC CONSUMPTIONS



<sup>2</sup> § Risk: Increase in energy costs §

Brawo intends to further improve its energy efficiency through the installation of a photovoltaic system on the new warehouse located on the south-west side, on the roofs of the automatic bar cutting warehouse and the bar cutting department (total capacity of

3,300 kWp). This system, which is scheduled to be connected in 2025, will significantly reduce electricity withdrawals from the grid, ensuring that a substantial part of the company's needs are covered by renewable energy sources.

**We are consistently committed to safeguarding the environment around us**

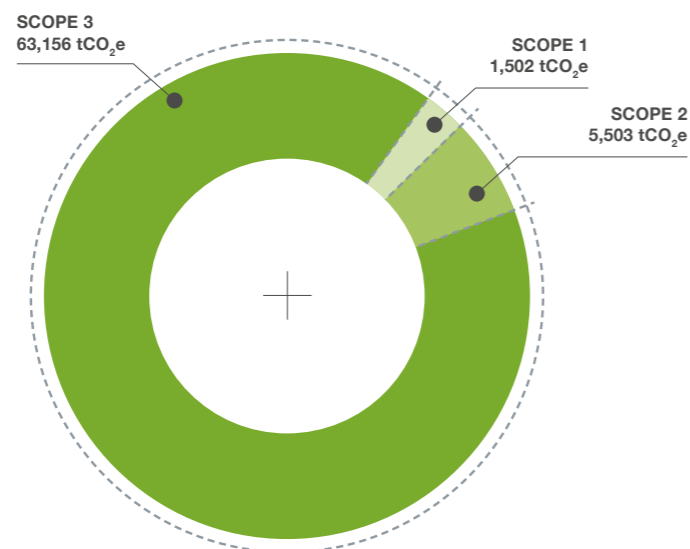
# 3.3

## Emissions in the atmosphere

As a manufacturing company, Brawo has an impact on the surrounding environment in terms of greenhouse gas emissions<sup>3</sup>. Since 2021, the company has been monitoring its Scope 1 and Scope 2 emissions, and since 2023, it has also started calculating its Scope 3 emissions by conducting a **Carbon Footprint** study according to ISO 14064:1-2019. In 2024, the first update of this study took place.

In 2024, Brawo emitted approximately 70,000 tCO<sub>2</sub>e, divided between direct emissions (2.1%, Scope 1), indirect emissions from imported energy (7.8%, Scope 2) and other indirect emissions (90%, Scope 3).

### BRAWO CARBON FOOTPRINT (2024)



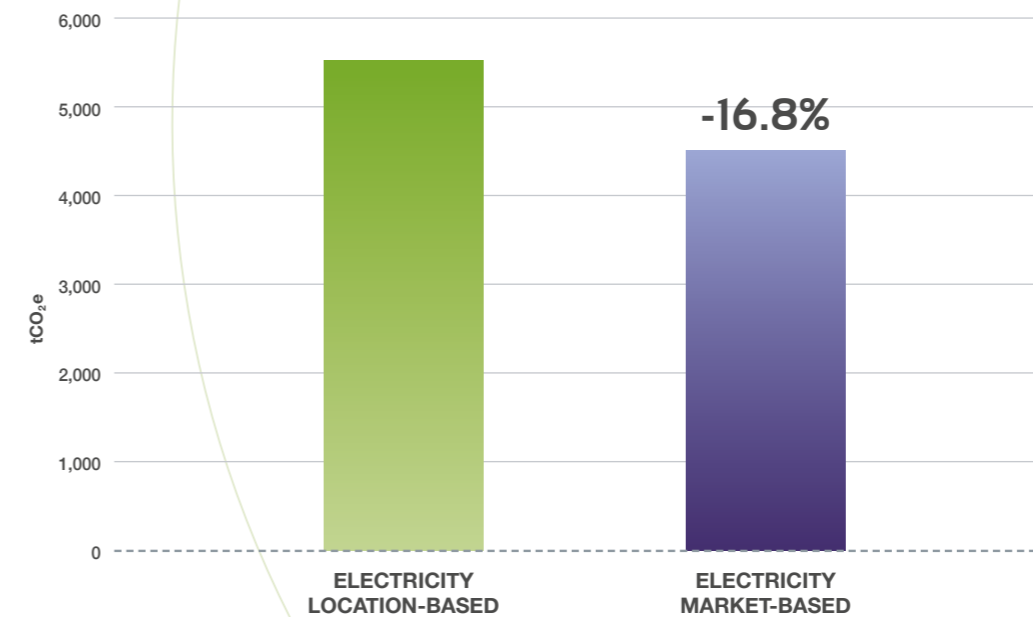
<sup>3</sup> § Actual negative impact: Contribution to global emissions §

The organisational Carbon Footprint study was carried out according to ISO 14064-1. This establishes that for Scope 2 emissions (related to imported energy) the location-based approach must be followed, i.e. considering a national energy mix. However, Brawo also carried out a second calculation, following the **market-based approach**,

which uses a specific emission factor relating to the company's electricity supplier<sup>4</sup>.

As for 2023, Brawo's supplier is more virtuous than the national average in 2024, and the market-based emissions for imported energy are lower (-16.8%) than the ones calculated with a location-based approach.

### SCOPE 2 EMISSIONS



The most relevant category is, as is often the case in manufacturing companies, **Scope 3**, with 63,156 tCO<sub>2</sub>e. Of this, 5,634 tCO<sub>2</sub>e are

due to transport and the remainder (57,522 tCO<sub>2</sub>e) to the use of products from the organization.

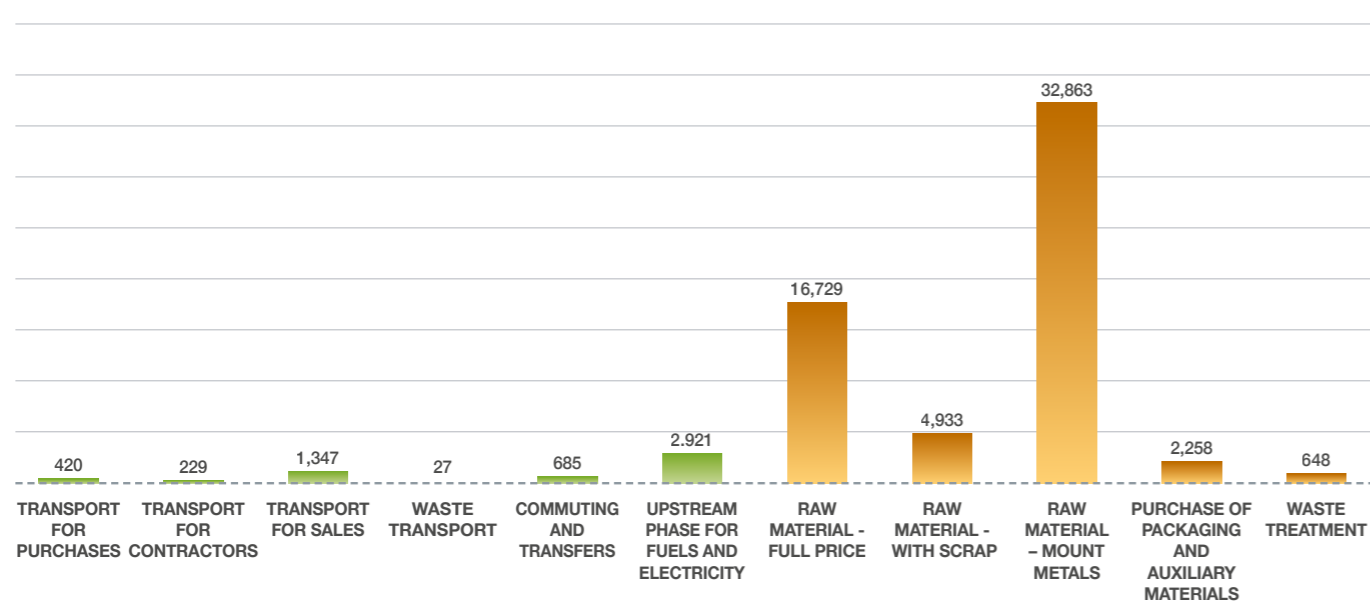
<sup>4</sup> For Brawo it is Enel Energia SpA

# We have implemented a certified environmental management system

Over the course of the year, Brawo's production can vary greatly, shifting towards brass or aluminium, depending on the market. For this reason, starting in 2024, the company decided to create an **emission index** by relating its emissions to the volume of that product (instead that to tonnes of finished product), i.e. taking into account the different densities<sup>5</sup> of the two materials mentioned. As can be seen in the graph, emissions decreased both in absolute terms and specific to production. This was possible thanks to an in-depth study carried out by

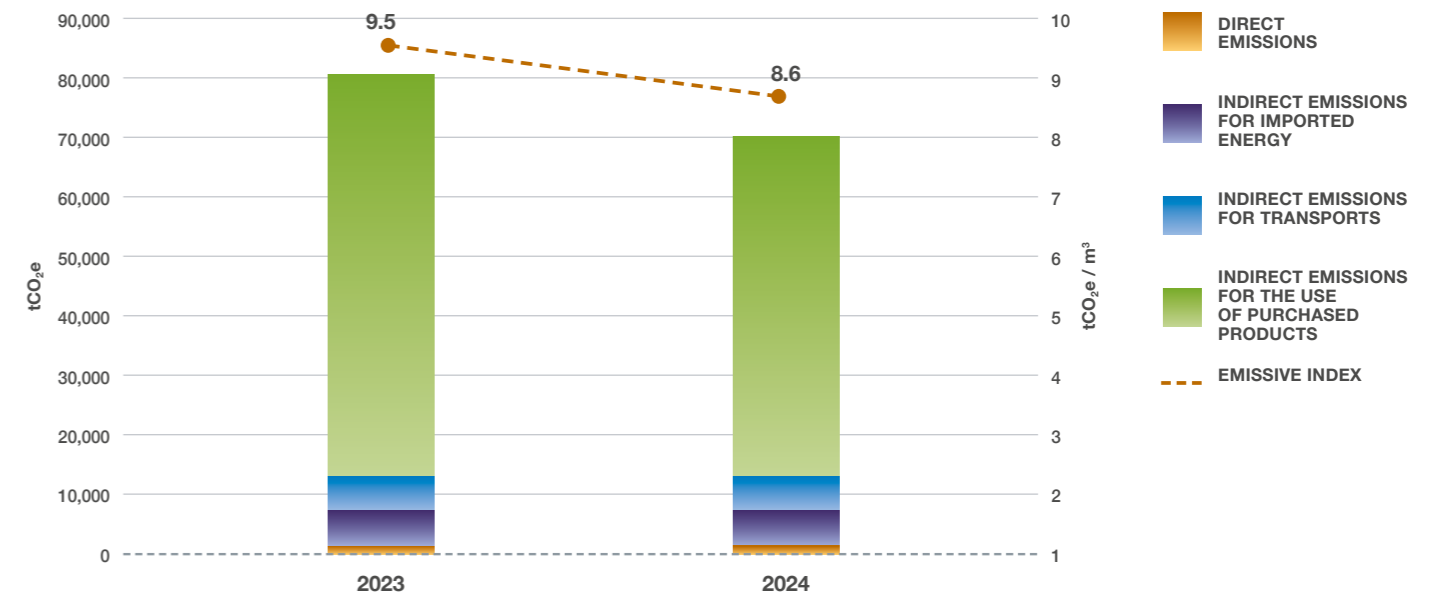
Brawo regarding the percentage of recycled raw material from its suppliers, which allowed for the allocation of lower emission factors, thus significantly reducing the contribution of category 4 - indirect emissions from products used by the organization.

## SCOPE 3 EMISSIONS (data in tCO<sub>2</sub>e)



EMISSIONS FROM TRANSPORTATION | EMISSIONS FROM PRODUCTS USED BY THE ORGANIZATION

## EMISSIONS 2023 VS 2024

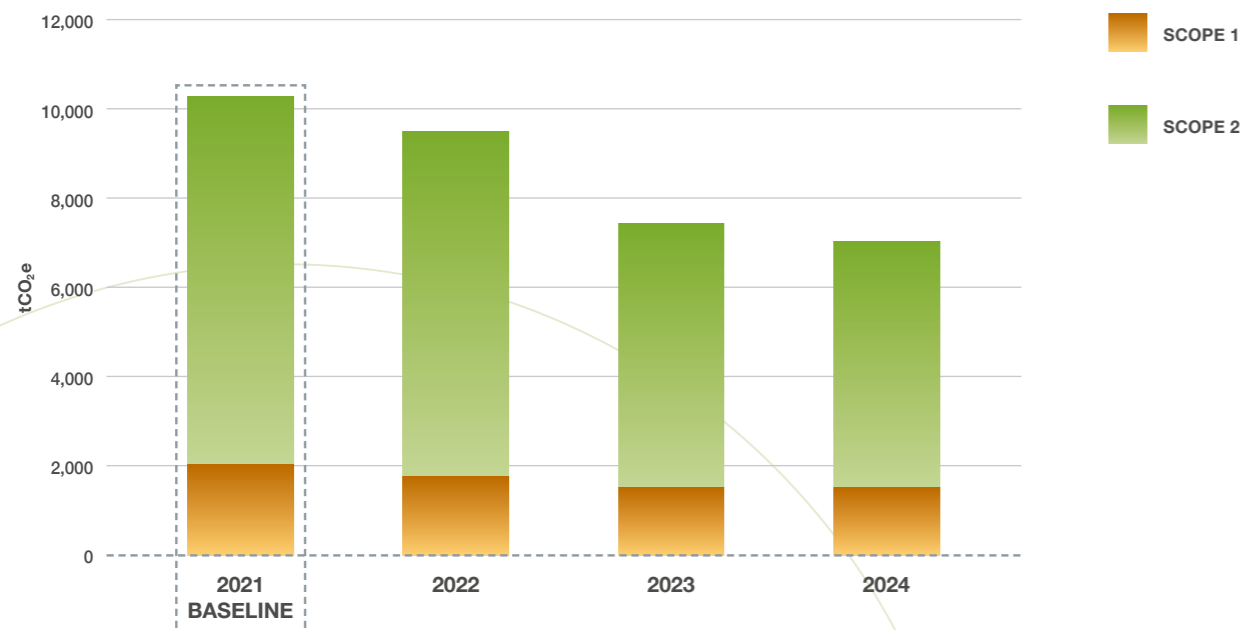


<sup>5</sup> Please note that aluminium has a much lower density compared to brass (2,700 kg/m<sup>3</sup> vs 8,700 kg/m<sup>3</sup>)

The comparison with the baseline year, 2021, was made for Scope 1 and 2 emissions only, for which there has been a historical figure

for four years now. Emissions in the relevant categories have steadily decreased from 2021 to 2024, for an overall decrease of 31%.

### SCOPE 1 AND 2 EMISSIONS



## Climate change (ESRS-E1)

For the year 2024, Brawo started mapping some ESRS indicators in view of the CSRD reporting obligation. This focus shows the company's effort to report on the ESRS-E1 climate change standard, which proved to be material on the basis of the materiality analysis presented in Chapter 2.

With respect to the E1 issue, Brawo also identified a financial risk for its business, related to the possible increase in the cost of energy (transition risk, E1.SBM-3\_01). The climate change mitigation and adaptation strategies implemented by the company (E1.MDR-A\_01-12) include self-production of energy from photovoltaics, strategic energy procurement, maintaining ISO 50001 certification, carrying out energy audits, developing efficiency plans and implementing

efficiency measures. These are actions planned in the short term, i.e. before 2027 (MDR-A\_03).

As far as energy consumption is concerned, this has been divided between fossil and renewable sources. For the sake of conservatism and as required by the standard, electricity from renewable sources has not been broken down according to the energy mix, but the following table shows Brawo's market-based mix, referring to its electricity supplier.

### TOTAL ENERGY CONSUMPTION FOR ITS OWN ACTIVITIES (E1-5\_01 -19)

MWh	2022	2023	2024
Total energy consumptions	68,553	53,142	52,079
Consumption of energy from fossil fuels	68,553	53,142	52,079
Consumption of coal fuels and coal products	0	0	0
Fuel consumption from crude oil and petroleum products	0	0	0
Fuel consumption from natural gas	7,954	6,484	6,605
Fuel consumption from other sources	381	357	342
Consumption of electricity, heat, steam and cooling purchased or acquired from fossil sources	60,219	46,302	45,133
Share of fossil sources in total energy consumption	100%	100%	100%
Consumption from nuclear sources	0	0	0
Share of consumption from nuclear sources in total energy consumption	0%	0%	0%
Total consumption from renewable sources	0	0	0
Fuel consumption from renewable sources	0	0	0
Consumption of electricity, heat, steam and cooling purchased or acquired from renewable sources	0	0	0
Consumption of self-generated non-fuel renewable energy	0	0	0
Share of consumption from renewable sources in total energy consumption	0%	0%	0%
Production of non-renewable energy	0	0	0
Production of renewable energy	0	0	0
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	68,553	53,142	52,079
Energy intensity high impact sectors (total energy consumption Sectors / net revenue Sectors)	0.000611	0.000518	0.000540

### ENERGY MIX ENEL (2023)

Renewable sources	52.28%
Coal	9.73%
Natural gas	31.98%
Petroleum products	0.85%
Nuclear	1.53%
Other sources	3.62%

### NET REVENUES FROM ACTIVITIES IN HIGH-IMPACT SECTORS USED TO CALCULATE ENERGY (E1-5\_21-23)

	2022	2023	2024
Net revenues from activities in high-impact sectors used to calculate energy intensity	112,215,503 €	102,564,875 €	96,477,449 €
Net revenues (other)	0 €	0 €	0 €
Total net revenues	112,215,503 €	102,564,875 €	96,477,449 €

Having conducted the organisation's Carbon Footprint study for the financial years 2023 and 2024, Brawo also reported on the E1-6 standard. It is emphasised that this reporting includes only Brawo SpA and not its subsidiaries. Furthermore, 2021 was considered as the baseline year for Scope 1 and 2. Compared to reporting according to

the GRI standard, it should be noted that in this case, emissions from biogenic sources have been separated from fossil and land-use change emissions.

### GROSS SCOPE 1-2-3 GHG EMISSIONS AND TOTAL GHG EMISSIONS - ISO 14064-1 (E1-6\_01 -13)

tCO <sub>2</sub> e	Baseline 2021	2023	2024	% difference 2024 / 2023
Category 1 emissions	2,081	1,526	1,502	-2%
Percentage of Category 1 GHG emissions from regulated emission trading schemes (e.g. EU-ETS)	0	0	0	
Location-based category 2 emissions	8,106	5,933	5,497	-7%
Market-based category 2 emissions	NA	5,149	4,576	-11%
Total indirect emissions (categories 3-6)	NA	73,135	62,873	-14%
Category 3 – Indirect emissions for transports	NA	5,517	5,607	2%
Category 4 – Indirect emissions from use of purchased products	NA	67,618	57,266	-15%
Category 5 – Indirect emissions for the use of products	NA	NA	NA	
Categoria 6 – indirect emissions from other sources	NA	NA	NA	
Total GHG emissions (location-based)	10,188	80,593	69,872	-13%
Total GHG emissions (market based)	NA	79,809	68,951	-14%

### BIOGENIC EMISSIONS (E1-6\_17, 24,28)

tCO <sub>2</sub> e	2023	2024	Difference %
Scope 1 Biogenic emissions	0	0	
Scope 2 market-based Biogenic emissions	NA	NA	
Scope 2 location-based Biogenic emissions	8.6	5.9	-31%
Scope 3 location-based Biogenic emissions	357.7	283.4	-21%

In terms of contractual instruments (E1-6\_18-22) that guarantee market-based emission reductions, it is emphasised that Brawo has neither resorted to the purchase of GOs, nor has any contracts such as PPAs (Power

Purchase Agreements) in place. The same applies to GHG emission offsets and storage (E1-7\_04 -07): Brawo has not offset its emissions through project development, even along its own value chain.

# 3.4

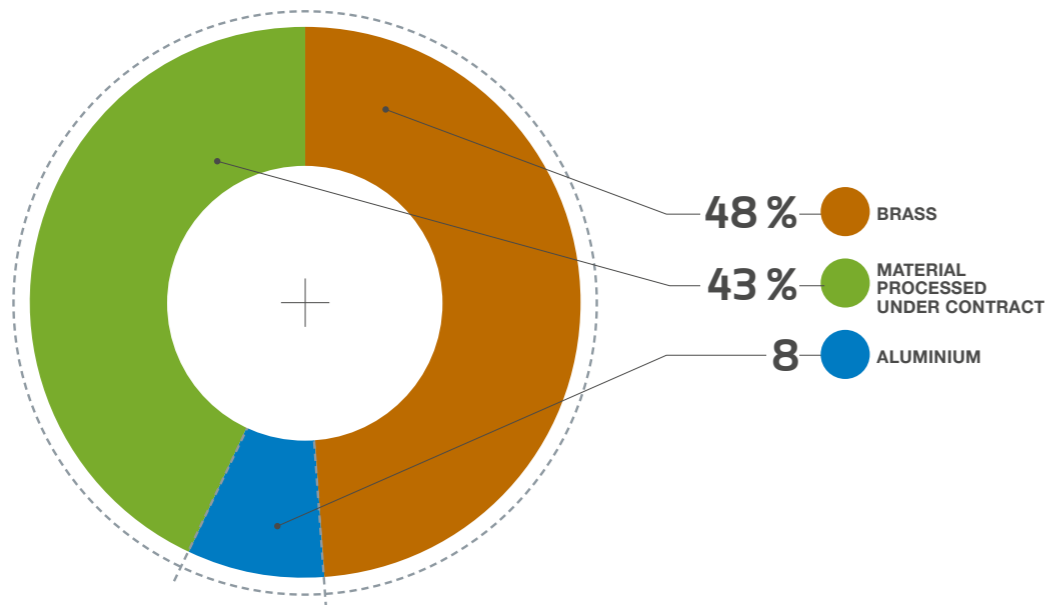
## Material recovery and reuse

In 2024, Brawo purchased 10,000 tonnes of brass, 1,600 tonnes of aluminium and approximately 9,000 tonnes of raw material were processed on behalf of third parties, for a total of 20,600 tonnes of material.

The drop in production during the year directly influenced the procurement of raw materials; in fact, the production trend decreased slightly compared to 2023 (-5%, 1,000 tonnes less material input).

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

### PROCESSED MATERIALS (2024)



The recovery of raw materials<sup>6</sup> is a strategic issue for Brawo, which is constantly searching for innovative solutions to make its production process more efficient.

Brawo constantly monitors the raw material coming from recovery; to date, the brass processed is **almost all sourced from recycled material** (90% of which comes

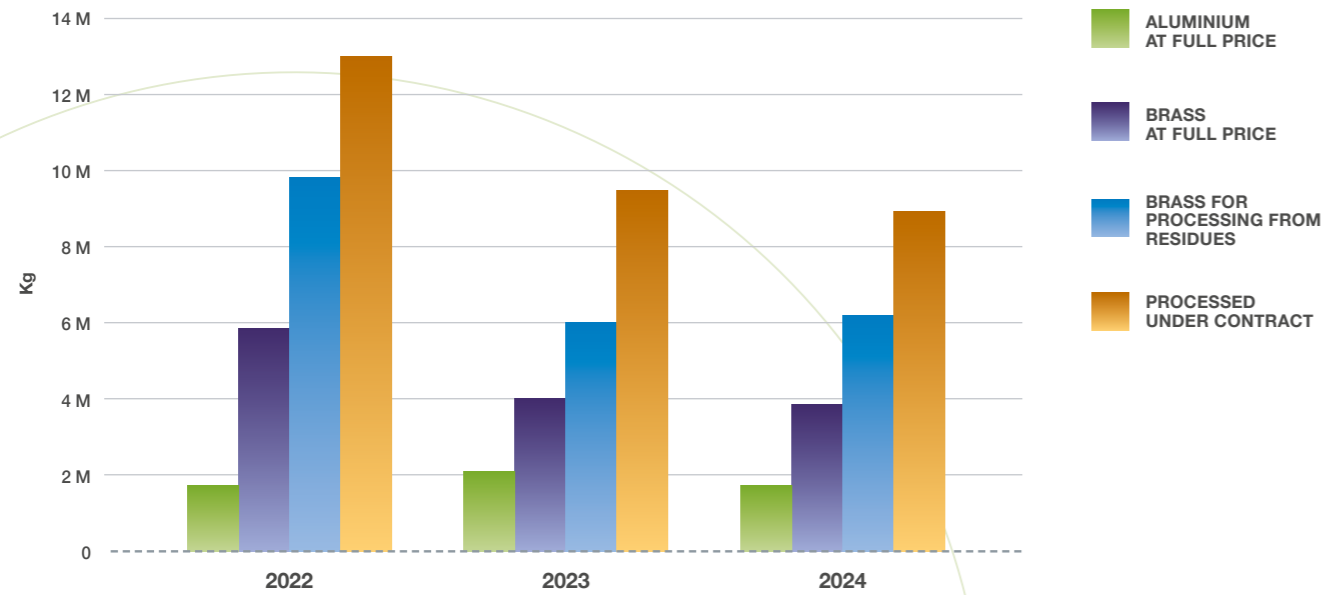
from the Almag subsidiary). As far as other production materials are concerned, the company is looking for alternatives to reduce the supply of resources from virgin raw material, since the circularity of the material is the most influential variable in terms of overall emission impact.

Brawo's **packaging** consists mainly of paper, plastic and wood. In 2024, there was an overall increase in packaging of approximately 1,200 tonnes (+24% compared to the previous year). In the overall composition of packaging, there was a decrease in the use of plastic (from 95,000 kg to 73,000 kg) and an increase in paper, which accounted for approximately 92% of the total<sup>7</sup> (250,000 kg more than in 2023). Separately, as they are not mapped in kg but in units, the purchasing

trend for wooden pallets is also shown below, which is growing (+8.5%) in 2024 compared to the previous year.

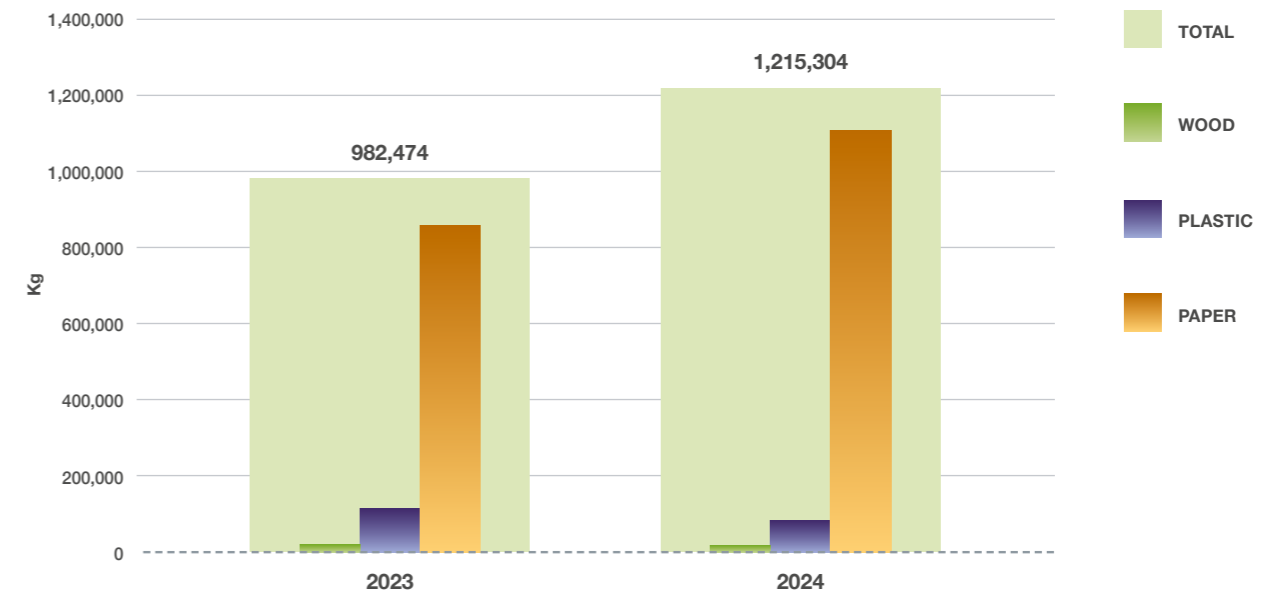
These figures demonstrate the effectiveness of the company's efforts to reduce the use of plastic in packaging, by searching for and finding alternative solutions to the plastic film generally used.

## MATERIAL FLUXES



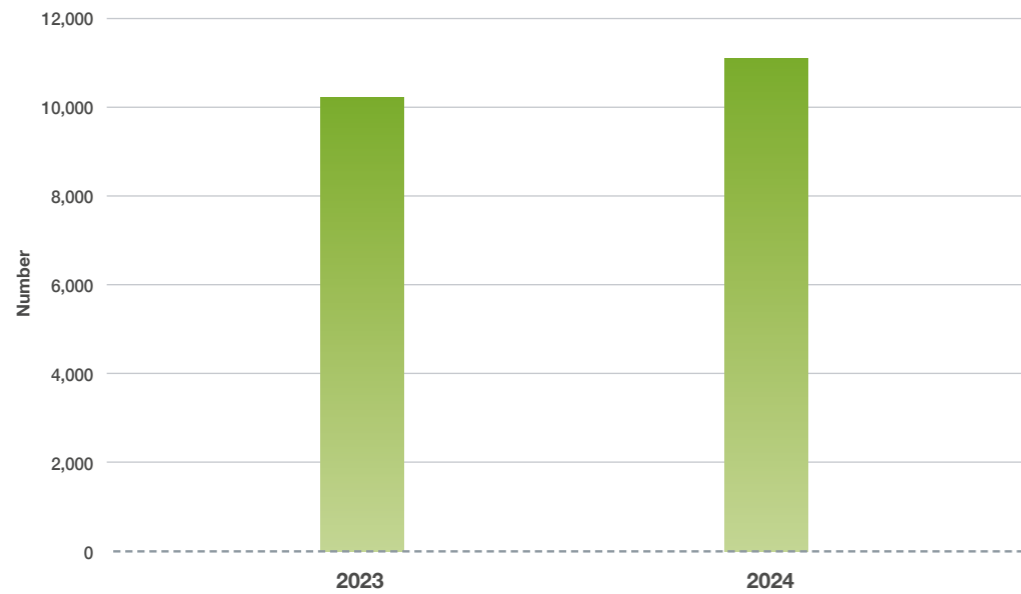
<sup>6</sup> § Actual positive impact: Raw materials recovery and reuse of waste §

## PACKAGING



<sup>7</sup> Source of the data: 2024 Organizational Carbon Footprint GHG inventory. Please note that in this calculation wooden pallets are not included as they are not mapped in kg.

## PALLET



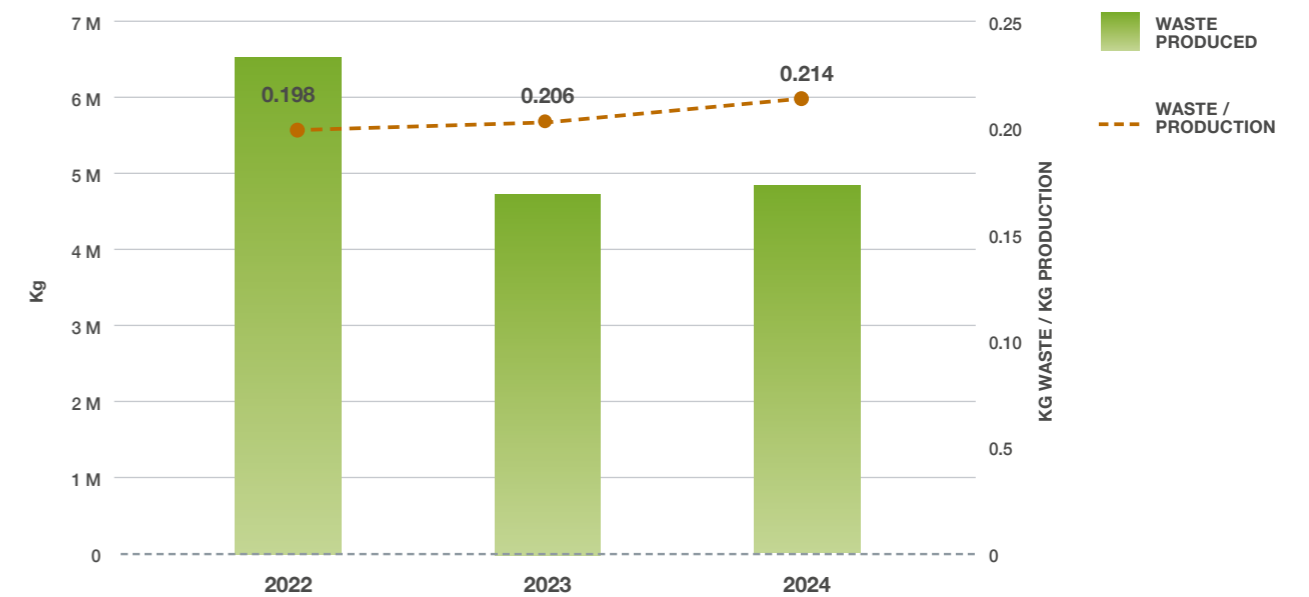
# 3.5

## Waste management and treatment

Brawo, with its manufacturing activity, generates waste, and in 2024 it produced approximately **4,800 tonnes of waste**<sup>8</sup>, an amount that is extensively in line with that recorded in 2023. Analysing the composition

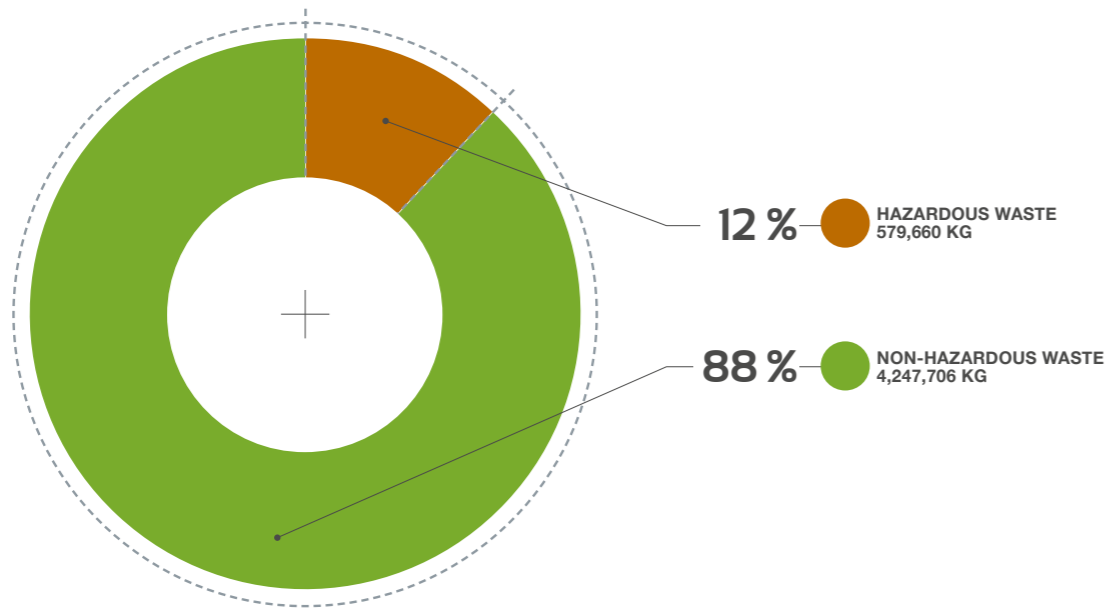
of the waste generated, it can be seen that 42% is metal waste, followed by 35% represented by liquid waste from washing operations.

## TREND OF WASTE PRODUCTION



<sup>8</sup> § Actual negative impact: Waste production §

## HAZARDOUSNESS OF WASTE



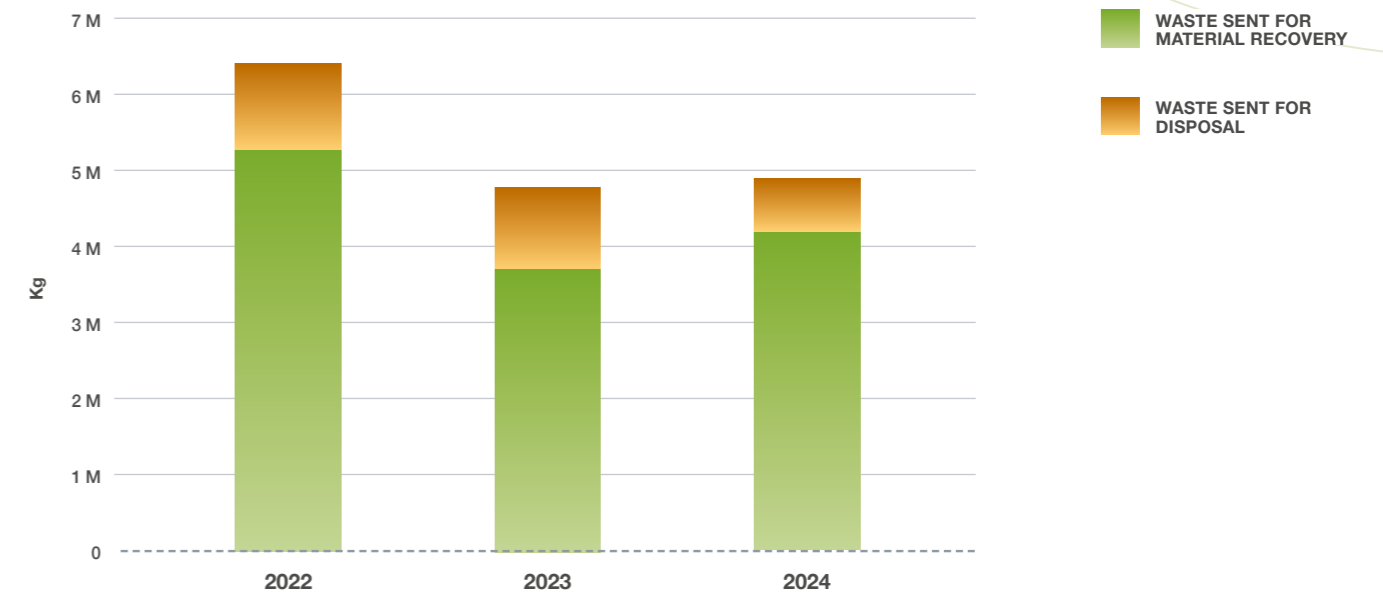
Among hazardous waste, particular attention is paid to **mould lubrication oil**: a study was started in 2024 to recover it, thanks to which it was possible to mix the oil with special additives that make it reusable, whereas previously it was only collected and disposed of. This procedure could not only save money, due to the smaller quantity

of oil to be purchased, but also reduce the production of hazardous waste. This process is still at an experimental stage and requires a careful assessment of the qualities of the post-treatment oil, which must retain its chemical-physical properties to guarantee the same result as the untreated product.

Concerning the destination of waste, in 2024, 85% was sent to recovery operations, while the remainder was sent for disposal. Compared to the previous year, the amount

of waste recovered increased by **400 tonnes** (an increase of 7.5% compared to 2023), at the expense of the portion destined for disposal.

## WASTE DESTINATION





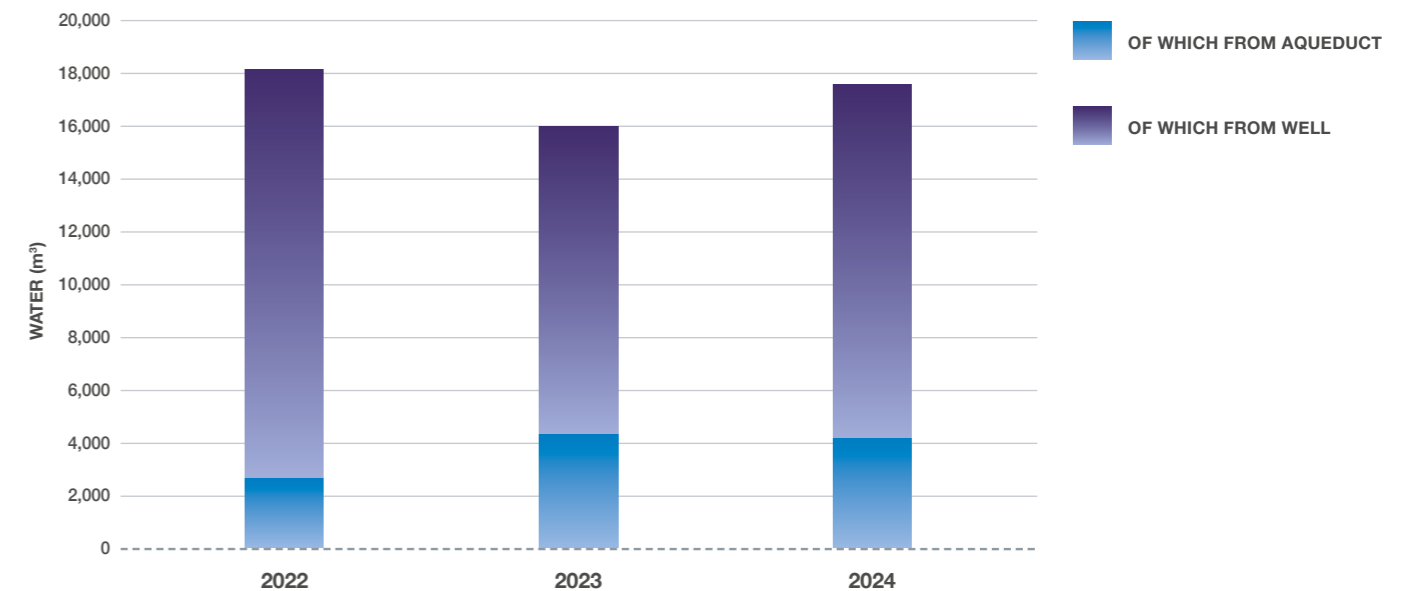
## 3.6 Water

The water supply within the two sites can be summarised as follows:

- Water drawn from the Pian Camuno municipal aqueduct: used for drinking water and partly for non-potable sanitary use:
- Water with withdrawal from a well: used for the production cycle (industrial use).

The overall consumption is in line with the quantities recorded over the last three years. Given the importance of the issue, the company continues to carry out activities aimed at containing and reducing water consumption, such as the reuse of compressor condensate water within the production process and the monitoring of monthly consumption (both from wells and from the aqueduct)<sup>9</sup>.

### WATER WITHDRAWAL



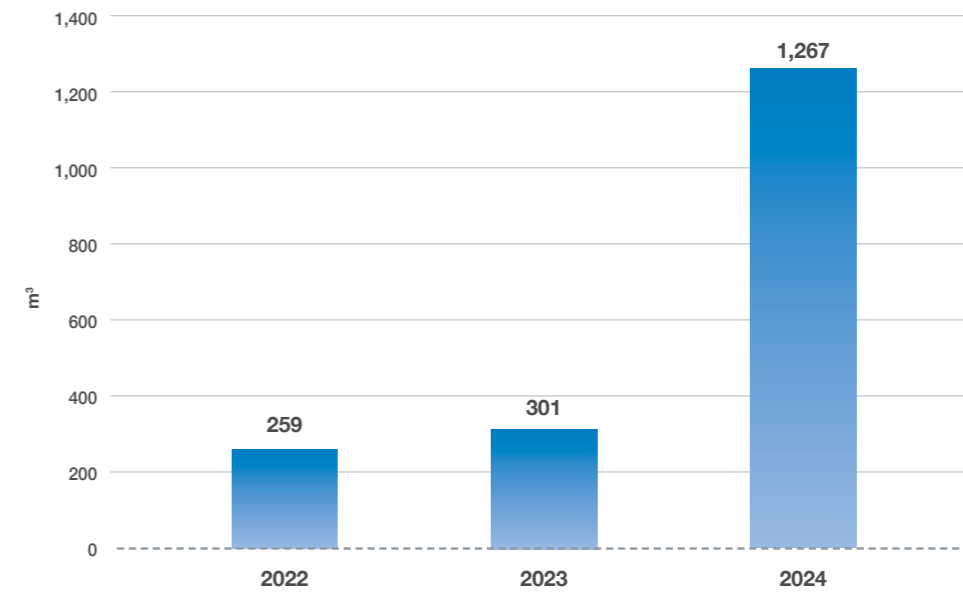
<sup>9</sup> § Actual negative impact: Water withdrawal §

With regard to **water discharges**, Brawo, for its Via XXV Aprile site, is subject to AUA<sup>10</sup> and subjects its discharges to periodic analysis. These consist of rainwater runoff, while industrial water is recirculated (**closed loop**) and is therefore not discharged.

In 2024, Brawo, following the construction of the new warehouse building, set up a series of **soakways** to disperse rainwater directly into the ground, thus relieving the water burden discharged into the municipal sewage system.

In 2024, Brawo's water discharges quadrupled compared to the average of previous years. The reason for this increase, however, is not due to production activity, but rather to the heavy rainfall in the last year, which caused more water, particularly in the form of first rain, to flow into the company's water discharge.

## WATER DRAINS (INCLUDING FIRST RAINWATER TANKS)



With regard to the quality of water discharges, Brawo takes a number of actions to prevent its discharges from polluting the soil or groundwater. The presence of anti-

spill kits and the appointment of a specially trained environmental emergency response team are among the main strategies adopted by the company<sup>11</sup>.

<sup>10</sup> Autorizzazione Unica Ambientale, Environmental Authorization

<sup>11</sup> § Potential negative impact: Polluting water discharges §

## 3.7 Noise

Brawo is aware that its production activities can affect the wellbeing of the local community surrounding the company, also due to noise generated by manufacturing. The noise impact includes all noise emissions from the company's activities and must comply with the limits set by the municipal noise classification plan. For this reason, the control of noise pollution is a very

important issue for Brawo, which regularly carries out **phonometric measurements at receptors**, maintains installations and implements continuous improvements in noise insulation.

The construction of the new warehouse building is, in fact, an additional noise barrier to protect the neighbouring areas.

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





4.

## 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



# 4.1

## Social Sphere

Brawo recognises the fundamental value of people as the driving force behind its growth. The Social chapter of the annual report illustrates the company's commitment to creating a safe and welfare-oriented working environment for employees and the community. This vision of Brawo is realised through continuous investment in training and improving internal skills and through encouraging active participation in company life by employees. In an ever-changing context, Brawo also reaffirms its desire to build solid relationships with the territory, promoting projects that generate shared value and contribute to the development of the local community.



333

Employees in 2024



+99 %

Of employees hired on a permanent basis



WELFARE

For all employees



>59,000 €


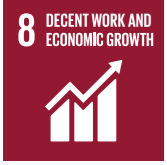



For donations and solidarity work



15

Trainees hosted in 2024

## OUR GOALS FOR EMPLOYEES AND THE COMMUNITY

SDGs	Topic	Future actions
	Training and skills development	Mapping training needs and organising courses to fill any training gaps Staff well-being New survey of the corporate climate
 	Staff well-being	New corporate climate survey
 	Education and Community	Maintaining scholarships for the community

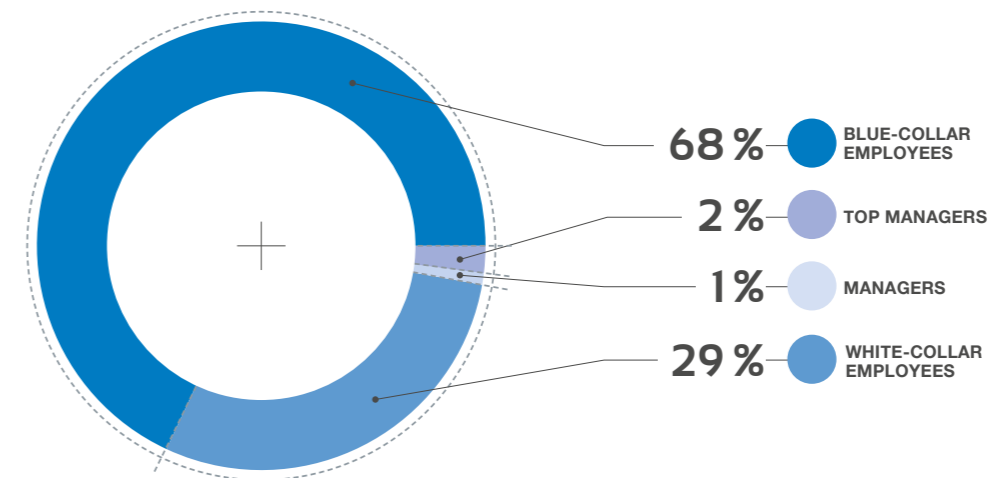
## 4.2

# Staff management

Brawo's human resource management is based on equity and valuing people, promoting continuous training, active participation, safety protection, and attention to mental and physical well-being. This model fosters professional growth and contributes to a healthy, collaborative and motivating work environment.

Brawo, as of 31/12/2024, has **333 employees** (279 men and 54 women), representing a 2% decrease compared to the previous year. The company population consists of 68% blue-collar employees, 29% white-collar employees, and the remaining 3% managers and top managers<sup>1</sup>.

### EMPLOYEES BY JOB CLASSIFICATION

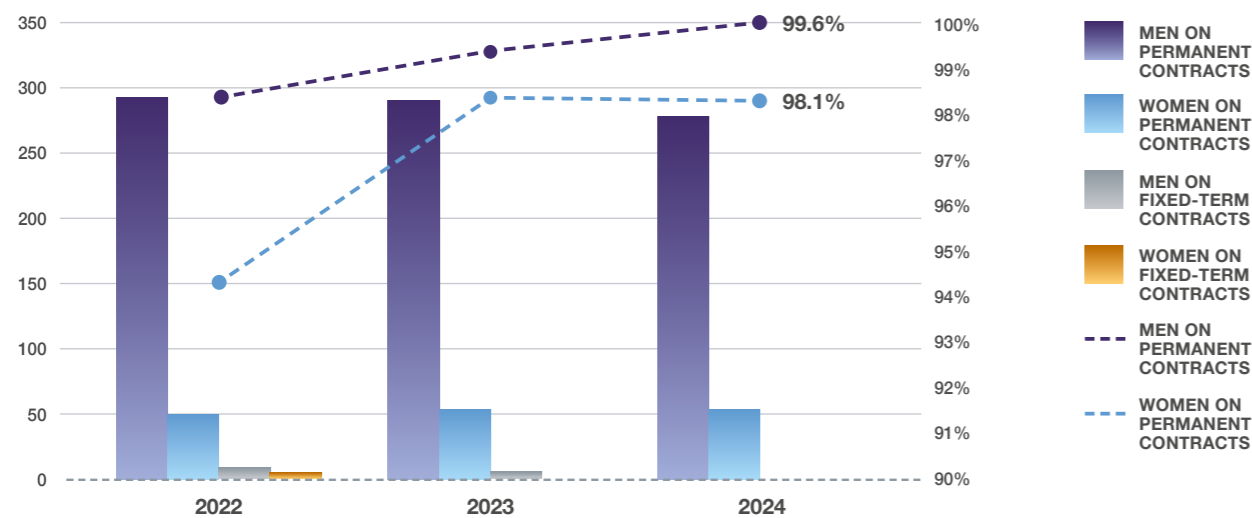


<sup>1</sup> As per ESRS standards, top managers represent the first two lines of the organisational chart immediately below the highest governing body.

99.4% of the corporate population holds a permanent contract. This percentage is the result of an increase in the number of permanent contracts that began in 2022 and

stabilised in 2023. In fact, in 2024, 2 people only are employed on fixed-term contracts (one man and one woman).

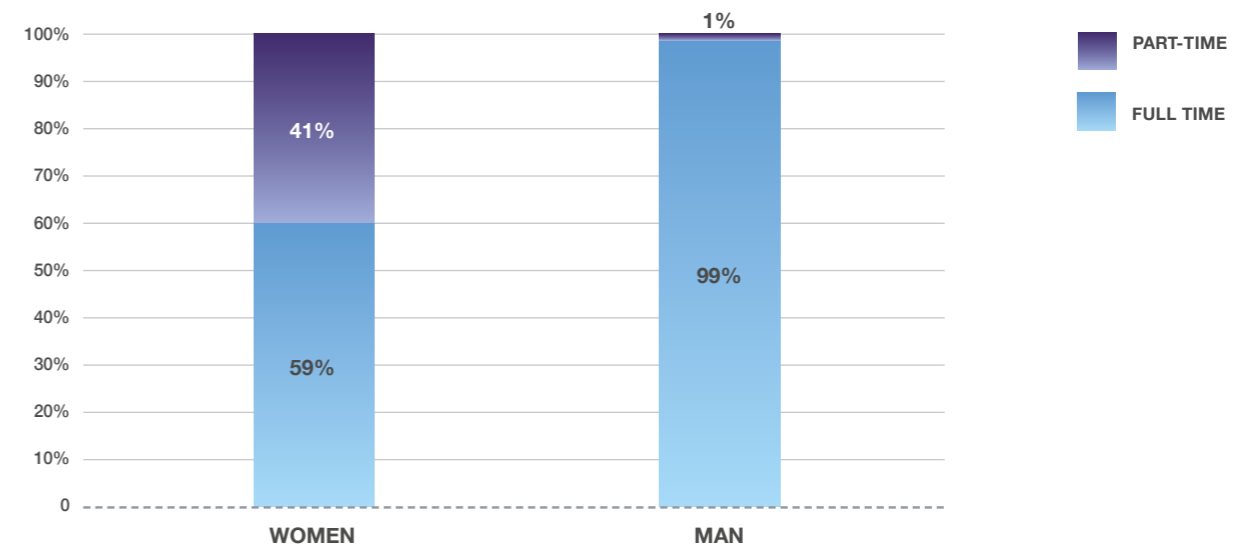
### EMPLOYEES BY CONTRACT AND GENDER



With regard to full-time and part-time contract types, in 2024, as in previous years, there are more women with part-time contracts than

men. More precisely, in 2024, 1% of men have a part-time contracts, while for women the percentage is 41%.

### EMPLOYEES BY CONTRACT (FULL-TIME / PART-TIME) YEAR 2024

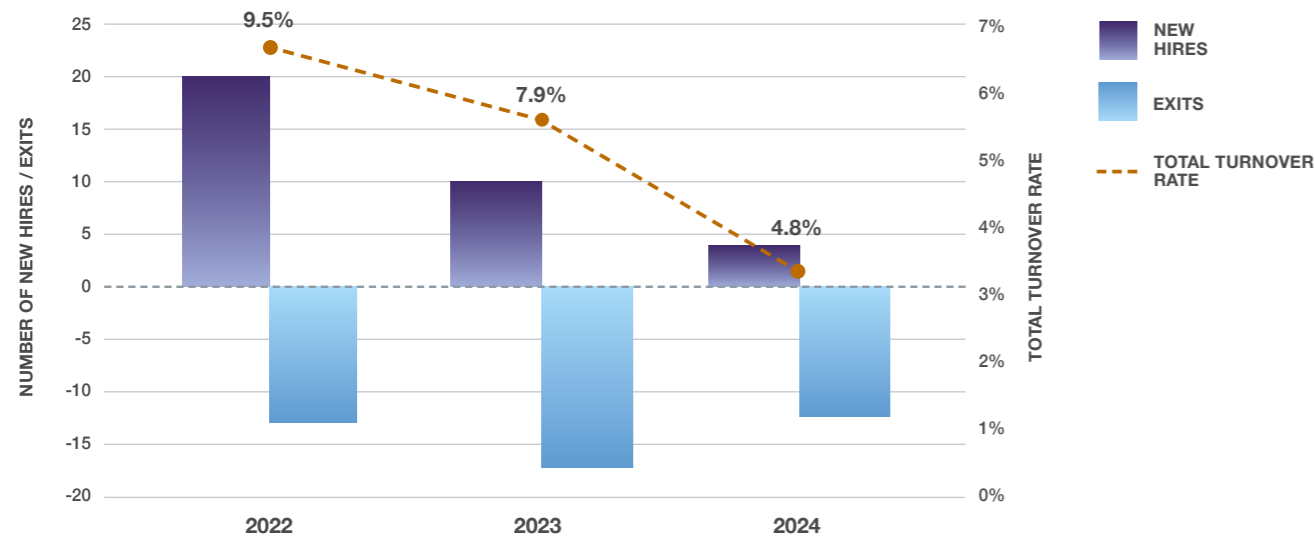


Based on the data presented so far, it can be noticed that Brawo's workforce is characterised by stability in terms of both headcount and job classification. This is further evidenced by the turnover rate of the

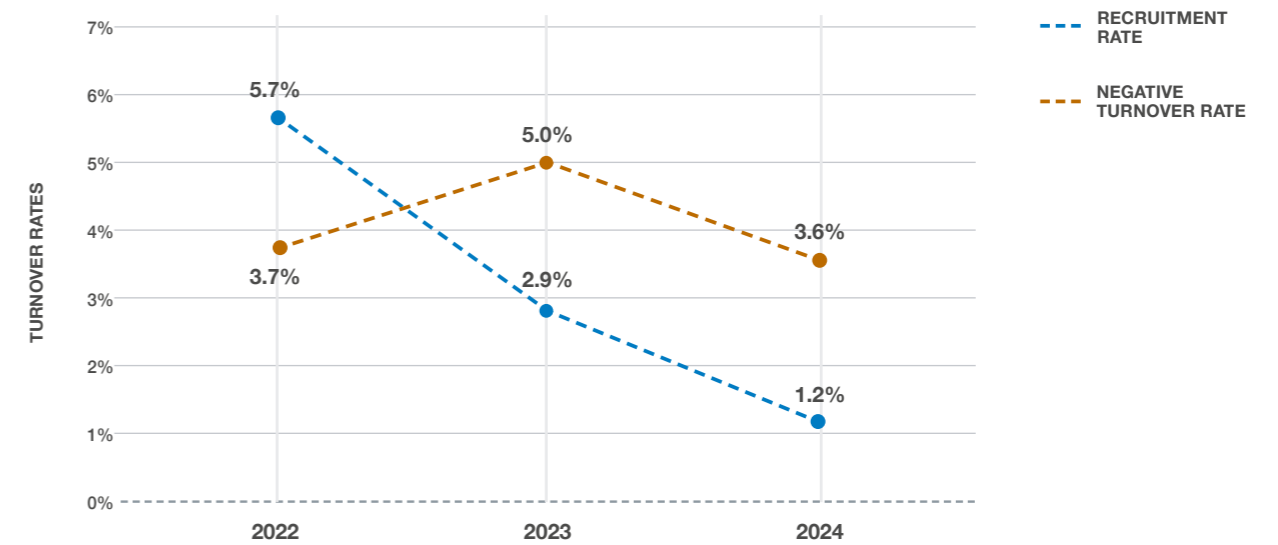
last three years, which has always remained below the 10% threshold and, by 2024, below 5%. Brawo's turnover is therefore also much lower than the Confindustria benchmark values for manufacturing sector (26%)<sup>2</sup>.

<sup>2</sup> Confindustria Survey "indagine Confindustria sul lavoro" 2022: <https://www.confindustria.it/home/centro-studi/temi-di-ricerca/valutazione-delle-politiche-pubbliche/dettaglio/Indagine-Confindustria-sul-lavoro-2022>

## STAFF TURNOVER



## RECRUITMENT AND NEGATIVE TURNOVER RATES



In 2024, the recruitment rate, although positive, is lower than in previous years, given the lower number of new hires compared to 2023 and 2022 (4 new hires in 2024); at the same time, the negative turnover rate has decreased (3.6% in 2024 vs 5% in 2023), which also indicates a better retention capacity of the company<sup>3</sup>. The company is committed to ensuring a positive working

environment: it organises team building days, maintains productivity bonuses, offers additional support for parents and invests in training. In 2025, a new company climate analysis will also be conducted with the aim of identifying possible areas for improvement.

<sup>2</sup> § Risk: Employee turnover §

# 4.3 Training and skills development

Brawo sees training as a concrete investment in human capital and therefore considers it central to the competitive and sustainable growth of the company. For this reason, the company wanted to focus again on training for its employees in 2024. Training has covered various themes including innovation, technology, sustainability and regulatory developments.

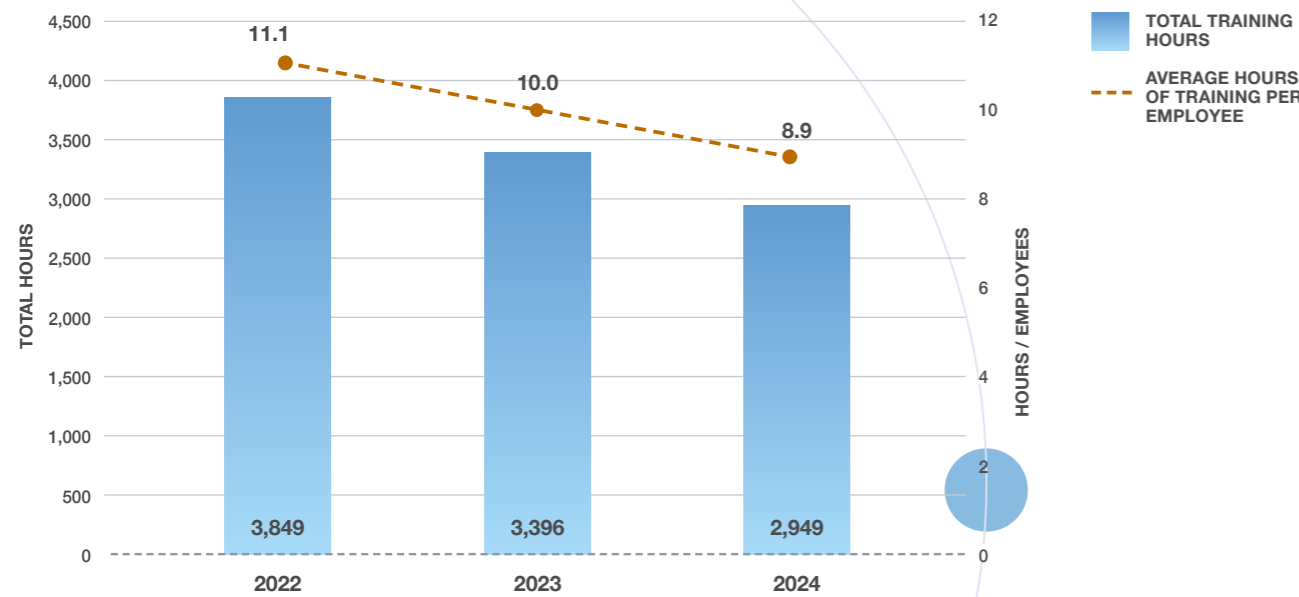
During 2024, Brawo provided over **2900 hours** of training<sup>4</sup>: each employee received an average of 9 hours of training. Brawo's training plan always consists of a dense program, tailored to the company reality and internal needs. As for 2024, training focused on topics related to: **sustainability, health and safety and specific skills, process quality and technological and organizational innovation.**

For 2025, the training plan will be further strengthened and adapted. This will firstly entail mapping training needs, which will be carried out extensively thanks to the involvement of area managers.

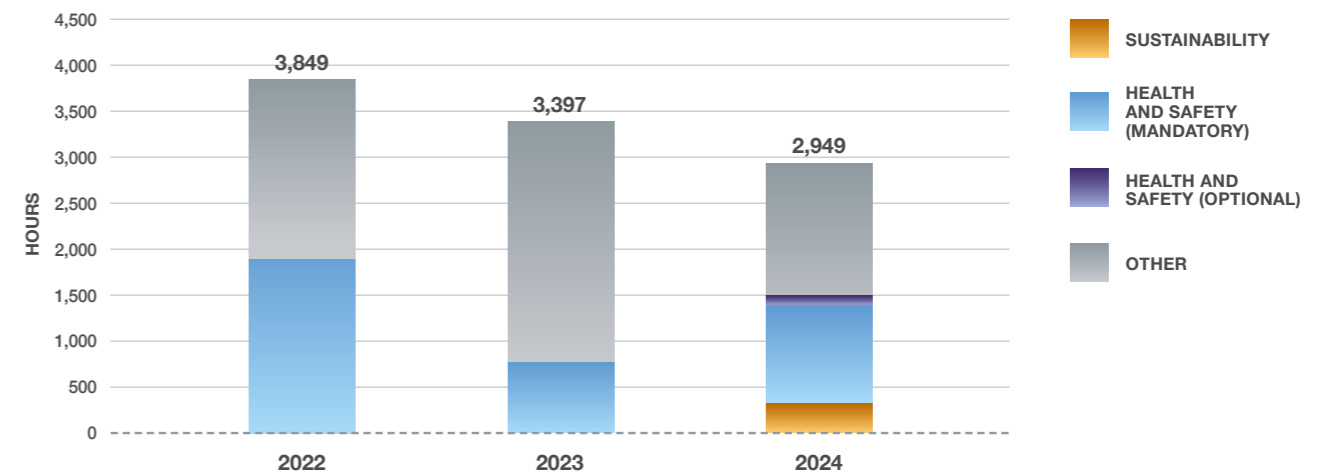
Brawo believes and invests in continuous training for the acquisition and enhancement of both hard and soft skills. In 2024, health

and safety training proved to be central. In addition to the compulsory training, which accounts for 35% of the total training hours, Brawo offered additional courses on the subject, totalling 139 hours provided in addition to the legal obligations on health and safety.

TRAINING HOURS: TOTAL AND PER EMPLOYEE



TRAINING HOURS BY TOPIC



In 2024, a sustainability training module was organised. The entire company participated in this training, which was tailored to the company's context and covered all sustainability-related projects undertaken by the organisation, including the sustainability report, the organisational carbon footprint, and ISO 50001. The training program consisted of one hour for all employees, with an additional hour specifically designed for senior management. Brawo views sustainability as an opportunity to create shared value; therefore, this initiative aimed to actively engage all employees in the projects undertaken.

Furthermore, in 2024, the company provided one hour of training on the Organizational Model 231 (MOG 231) for all department heads, office managers, and administrative staff. Other courses ("other" category in the graph) touched a variety of topics, including: management systems, first aid, Intrastat models, programming, foreign languages, order management, negotiation, artificial intelligence. Technical courses were also organised relating, for example, to the characteristics of alloys and aluminium and the operation and efficient use of the new machines installed in production.

<sup>4</sup> § Actual positive impact: Retention and development of internal skills §

<sup>4</sup> Istat.it, 2017.



In 2024, Brawo continued its commitment to IT training, with a special focus on data security and digitisation of processes. In 2024, these courses involved the privacy and marketing functions, with an in-depth focus on GDPR applied to promotional activities. The company maintained its annual anti-phishing campaigns and the regular delivery of training ‘pills’ to increase staff awareness of day-to-day IT security. In parallel, the introduction of the new Supplier Portal and the ‘talking drawing’ system (“disegno parlante” in Italian - an innovation that

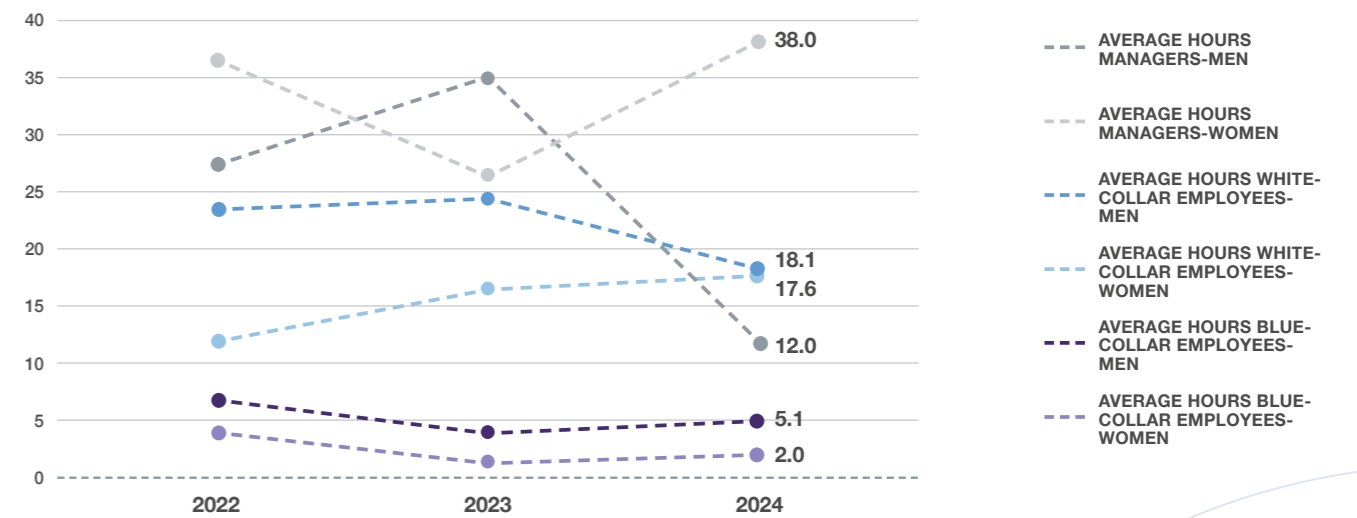
integrates real-time control data into a single interactive technical drawing accessible directly at the machine, workstation, or in the lab) led to the implementation of practical training courses to support the adoption of these new digital tools. Finally, with a view to business continuity, updates were made on disaster recovery and protection of IT infrastructures, confirming a corporate culture that is increasingly attentive to innovation and digital security<sup>5</sup>.

<sup>5</sup> For further information on the topic of Cybersecurity, see the Governance chapter

Analysing the hours of training by job classification, the following graph shows a substantial alignment with previous years,

with the exception of the category of female managers, who received significantly more hours of training in 2024 compared to 2023.

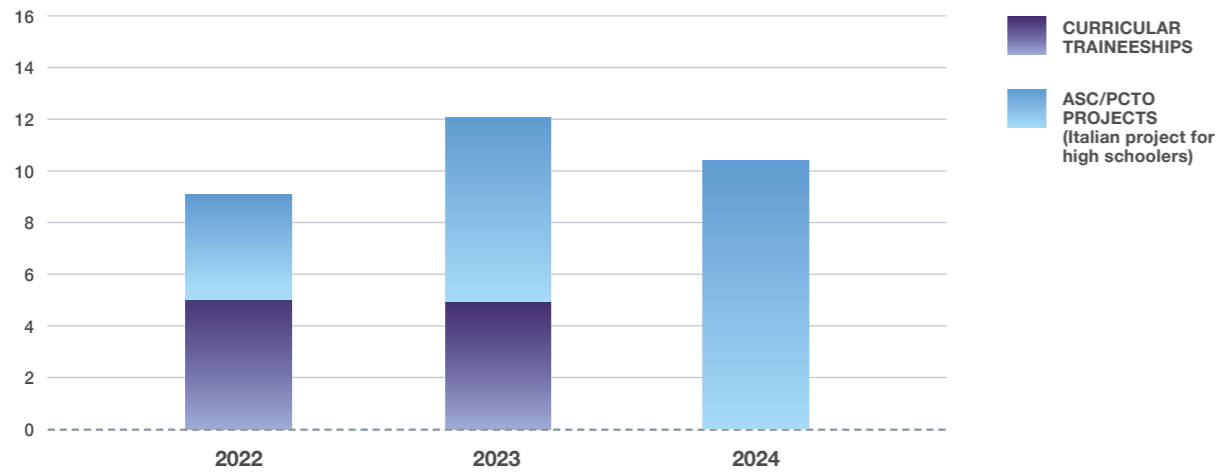
### AVERAGE HOURS OF TRAINING BY JOB CLASSIFICATION AND GENDER



Brawo’s commitment goes beyond training its own staff: it extends also to the education of employees’ children. For years, the company has awarded scholarships to students who demonstrate outstanding academic performance, both at high school and university levels. In 2024, Brawo increased the total number of scholarships granted, awarding 11 scholarships compared to 8 in 2023, thereby supporting the education of a greater number of young people.

Additionally, the company regularly hosts interns, offering to students the opportunity to gain skills and knowledge through hands-on experience. In 2024, Brawo welcomed 15 interns.

## INTERNSHIPS IN BRAWO



Brawo has also participated in training projects in the area, further strengthening the

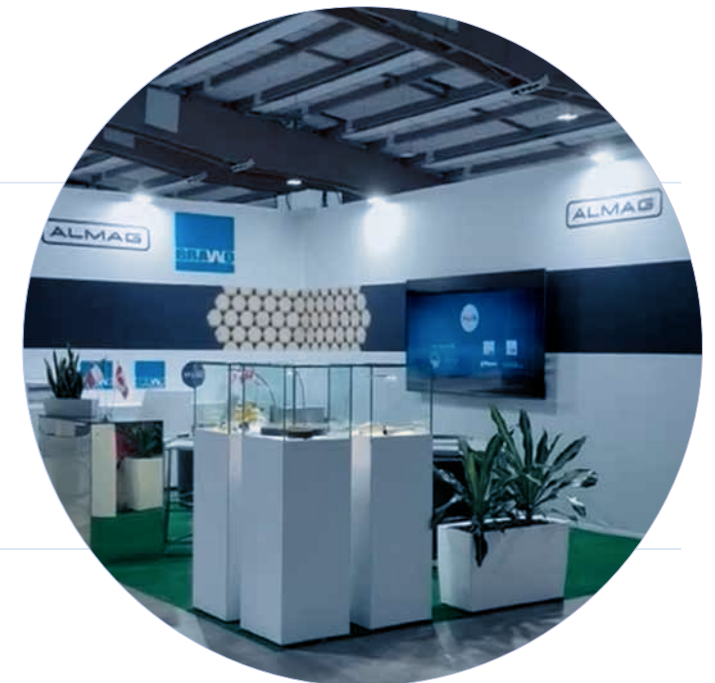
link with academia and schools.

In cooperating with the University of Brescia, Brawo contributed to the 'University, Trade Union and Business at Work' project on problem solving and change management, with direct involvement of students and trade unions.



Brawo took part in the Career Day organised by the ITIS Ivan Piana in Lovere (BG), meeting students to present the company. A valuable opportunity to share experiences, offer insights on career guidance and support young people as they begin exploring the job market.

Brawo participated with its sister company Almag in the "Domani Lavoro" fair at the Brixia Forum (BS). The fair gathered companies from different sectors and gave students the opportunity to get to know the companies and their products. The production and human resources managers were present at Brawo stand.



# 4.4

## Occupational health and safety in Brawo

Employee health and safety represent a fundamental pillar of Brawo's corporate management strategy. The company's commitment in this area is continuous, supported by ongoing investments aimed at improving working conditions. Ensuring a **safe working environment** requires the active collaboration of everyone. As further evidence of the attention devoted to this topic, Brawo regularly dedicates space in its internal magazine/newsletter, Brawo News, to health and safety insights. In an article published in 2024, employees were explicitly encouraged to report any potentially hazardous situations, thereby fostering greater collective awareness. Safety, indeed, is a

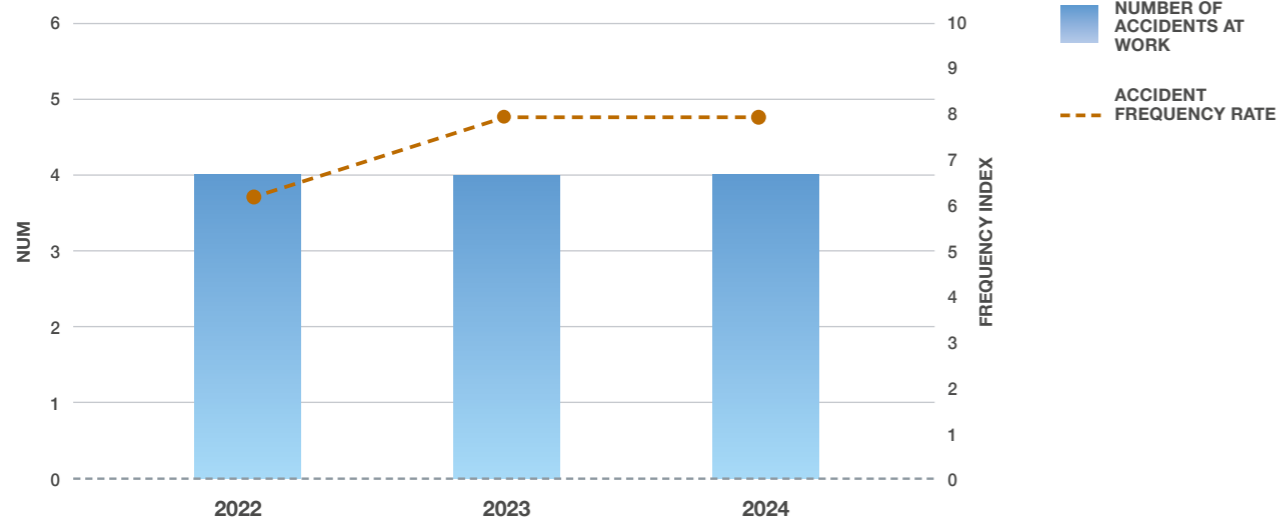
shared responsibility: this is why Brawo adopts preventive measures and encourages responsible and careful behaviour<sup>6</sup>.

Four accidents were recorded in 2024. The frequency index, a parameter that depends on the number of accidents and the number of hours worked, remained consequently constant compared to 2023. The severity index, on the other hand, is higher than in 2023. This second indicator depends indeed on the number of total days of absence per accident, which were higher in 2024 than in 2023, as can be seen in the relevant graph.

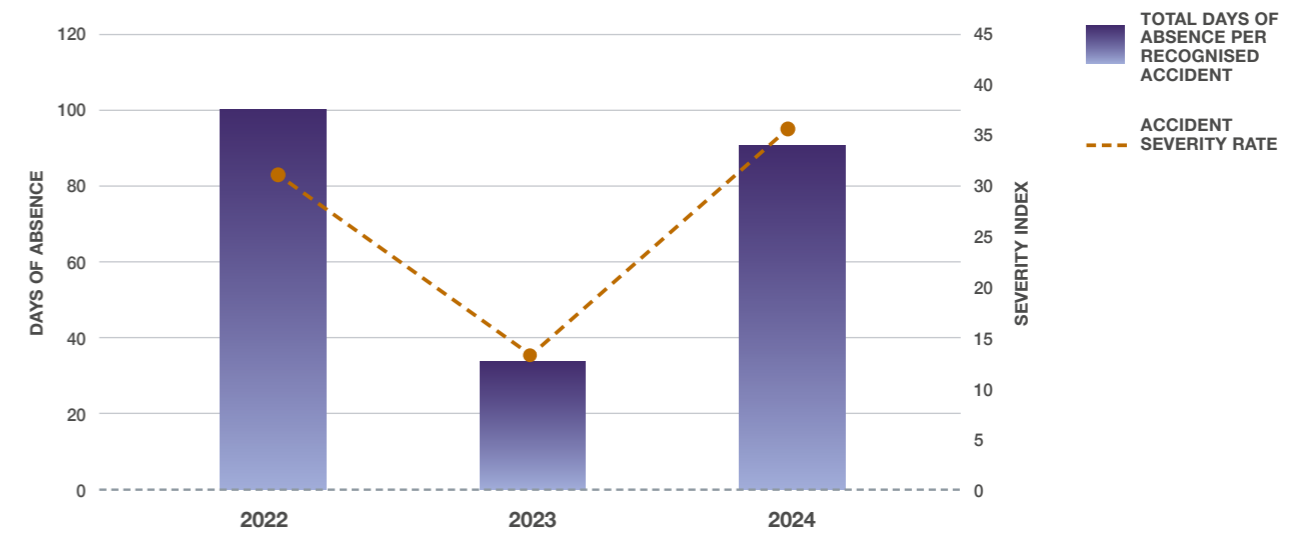


Human resources have always been a valuable asset for Brawo

### FREQUENCY INDEX



### SEVERITY INDEX



<sup>6</sup> § Potential negative impact: Risk of injuries and accidents at work §

# 4.5

## Staff well-being

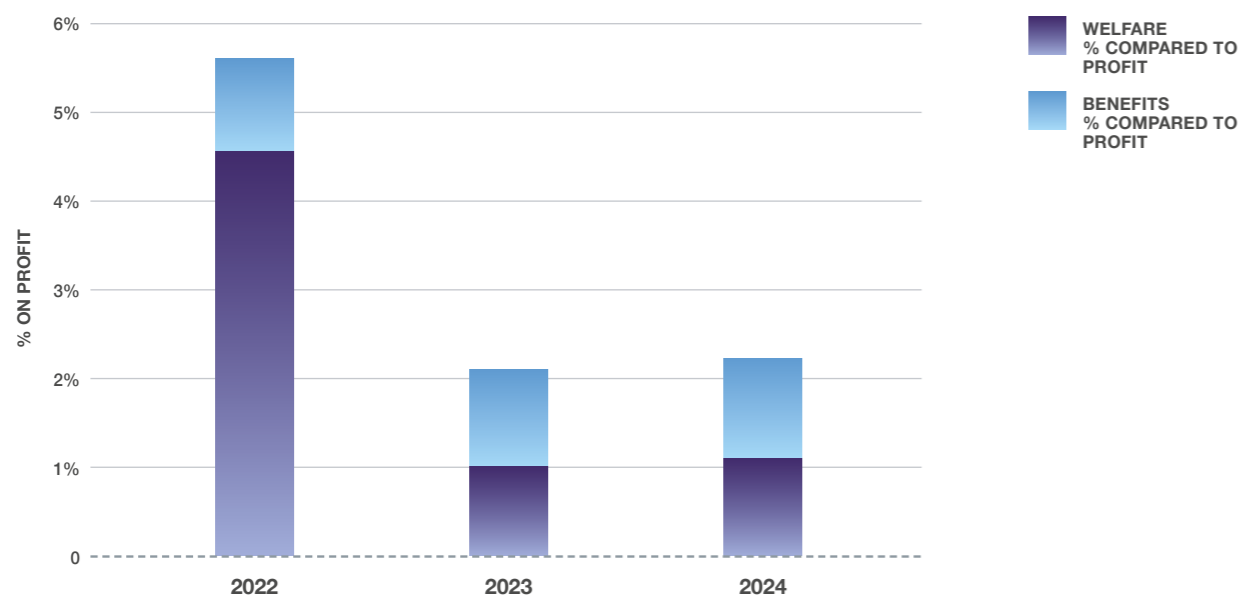
All Brawo employees benefit from **Metasalute** welfare plan, provided for by the national collective agreement and further enhanced by the company with supplementary measures. These include the company contribution to the employee pension fund, which has been increased from 2.2% to 2.45% in 2024.

During the reporting year, company benefits - which include company cars and additional insurance policies - decreased slightly compared to the previous year. In contrast, the total value of welfare provided increased

compared to 2023. Specifically, each employee received an average of €480 in welfare in 2024, a 7% increase over the previous year.

In the two-year period 2023-2024, Brawo allocated about 1% of its profit to corporate welfare and a further 1% to benefits. As can be seen in the graph, the figure for 2022 differs significantly: in that year, in order to cope with rising energy costs and to help its employees, the company paid each employee an extraordinary welfare contribution of € 1,600.

WELFARE AND BENEFITS (% COMPARED TO PROFIT)



## Communication

In Brawo, internal communication and the employees' active participation are considered fundamental for business growth and staff well-being. For this reason, the company has adopted tools designed to encourage the exchange of information and dialogue, such as the internal magazine/newsletter "Brawo News"<sup>7</sup> published quarterly. Since 2023, the publication has only been digital, a choice that simplified its distribution and, at the same time, reduced its environmental impact by eliminating the need for paper, ink and physical distribution. The magazine covers a variety of topics

ranging from technical innovations in the production sectors, to environmental sustainability projects, and updates on health, safety, company training courses and events. Among the tools aimed at promoting a collaborative environment, the "ideas box" initiative, a space dedicated to collecting suggestions and proposals from employees, is also continuing successfully. Twice a year, ideas are evaluated, and the most promising ones are rewarded according to their feasibility and potential positive impact on the organisation.



<sup>7</sup> § Potential negative impact: communication challenges §

Brawo traditionally organises events outside working hours for staff and their families, to

promote cohesion and the all-round well-being of the company and its people.

## LA FESTA DEL PRIMINO

In accordance with tradition, Brawo held the **'festa del primino'**, hosted in 2024 in the park of Villa Damioli in Pisogne. During the gathering, the boys and girls about to start

primary school received their schoolbags and school materials; this was followed by entertainment activities and refreshments.



## SUMMER TRIP ON THE PRESENA GLACIER

Brawo's traditional summer trip in 2024 brought over one hundred participants to the Presena Glacier, in the Adamello mountain range, for a day immersed in nature and historical memory. Despite the summer season, the experience at nearly 3,000 meters above sea level offered the unexpected pleasure of snow. The event unfolded in two parts: an active segment featuring a guided tour of key sites from the "White War," and a culinary moment with a scenic lunch at Rifugio Presena. The day concluded with a theatrical performance by Emanuele Turelli, accompanied by music from

Daniele Gozzetti, telling stories from the front lines of the First World War. It was an intense and meaningful experience, blending history, emotion, and nature.



## ONGOING INITIATIVES

For 2024 too, the usual initiatives and conventions established in previous years have been maintained, including:

### The project

#### I can learn... to ski too

The 'I can learn to ski too' project is aimed at 100 children between the ages of 5 and 10 and is held in the picturesque Val Palot. For this, Brawo and other companies offer 6 days of lessons with equipment and ski pass included, at no cost to the families: a concrete gesture to enhance the area and guarantee a future for a unique local reality.

#### Christmas event

#### Brawo Card

Discounts and concessions at participating shops and medical centres

#### Discounts

Discounts for ski facilities in Valle Camonica

#### Local kindergarten

Possibility for employees' children to benefit from reserved places at the local kindergarten



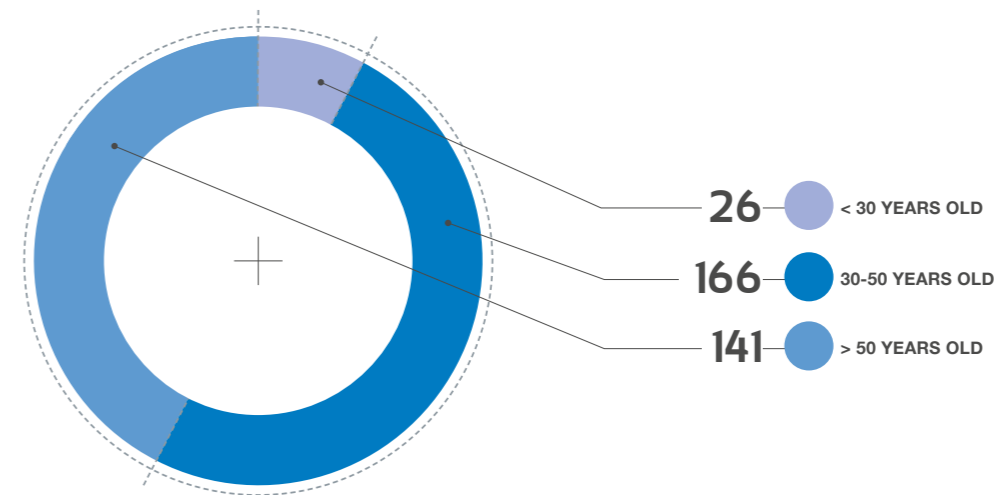
# 4.6

## Gender equality, diversity and disability inclusion

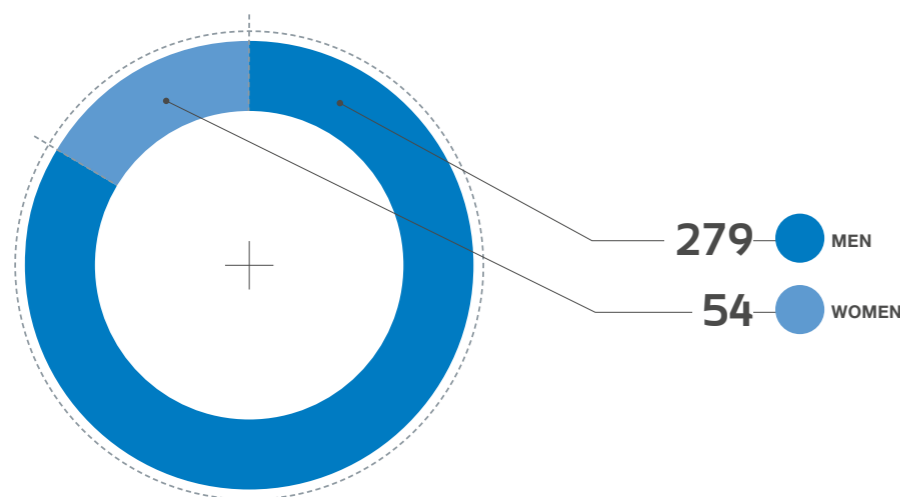
Ensuring inclusion in the workplace is an important point for modern companies. Brawo is also committed in this respect, for instance by not requiring gender identification during the recruiting phase, thus ensuring **equal opportunities**.

In 2024, as well as in the three-year period analysed so far, about 16% of the workforce in Brawo was female (54 women out of 333 total employees in 2024). As far as the age division is concerned, most employees are under 50 (57.7% of the total, of whom 7.8% are under 30). There were 141 employees over 50 in 2024, or 42.3% of the total.

EMPLOYEES BY AGE - 2024



EMPLOYEES BY GENDER - 2024



Brawo promotes an inclusive and respectful work environment, based on the principle of total absence of discrimination. This commitment is enshrined in the company's Code of Ethics, which protects equal professional opportunities regardless of gender, ethnicity, religious belief, political opinions, disability, family status, citizenship or origin. The company also adopts a line of absolute firmness

against any form of harassment or behaviours that are detrimental to personal dignity and integrity<sup>8</sup>.

To ensure the transparent and secure management of any reports, Brawo has established a whistleblowing channel and relies on an independent Supervisory Body, in accordance with the provisions of the Organizational Model 231.

<sup>8</sup> § Potential negative impact: Insufficient focus on diversity and inclusion issues §

## Own workforce (ESRS-S1)

For the financial year 2024, Brawo started mapping some ESRS indicators in view of the CSRD reporting obligation. This focus shows the company's effort to report on the ESRS-S1 standard concerning its own workforce, which proved to be material on the basis of the materiality analysis presented in Chapter 2. Many of the indicators required by this standard are already reported through GRI. In this focus the highlight is on those metrics required by ESRS S1 that are not already 'covered' by GRI standards. These relate to issues such as national collective

bargaining, employee representatives, the presence of employees with disabilities, the gender pay gap and the regular evaluation of employee performance.

In Brawo, 100% of the workforce of both plants is covered by national collective agreements, while 95% is covered by a second-level supplementary bargaining agreement. All employees also work at sites where workers' representatives are present.

## NUMBER OF EMPLOYEES COVERED BY NATIONAL COLLECTIVE AGREEMENTS (S1-8\_01)

	2024
Total number of employees	333
Number of employees covered by national collective agreements (total)	333
N° Employees covered by supplementary bargaining of II level.**	316
% of total CCNL (national collective contract) coverage	100%
% total supplementary bargaining coverage	95%

## WORKERS' REPRESENTATIVES (S1-8\_06)

Presence of workers' representatives	2022	2023	2024
Total number of employees in the scope of the analysis	348	341	333
Number of employees working at sites where workers' representatives are present	348	341	333
Representation rate	100%	100%	100%

As for employees with disabilities, in 2024, as of 31/12, there were 13 men and 3 women, equal to 4.7% and 5.6% of the total,

respectively, a percentage slightly down from the previous year.

### EMPLOYEES WITH DISABILITIES (S1-12)

Number of employees with disabilities	2023	2024
Men	16	13
Women	4	3
Other	0	0
Not Declared	0	0
% men with disabilities/male workers	5.6%	4.7%
% women with disabilities /female workers	7.4%	5.6%
% other gender with disabilities / other gender workers	0.0%	0.0%
% not declared gender with disabilities/ not declared gender workers	0.0%	0.0%
% total people with disabilities/total employees	5.9%	4.8%

According to the S1-6 standard, the gender pay gap was calculated by comparing the gap between the average hourly earnings of male and female employees. In 2024, the

gap recorded was 8%. The company's goal is to update this indicator annually, with the intention of reducing the pay gap over time.

### GENDER PAY GAP (S1-16)

	2024
average hourly wage for male employees	31.2
average hourly wage for female employees	28.7
gender pay gap	8.0%

Finally, with respect to the performance evaluation, all Brawo employees receive

an annual evaluation, which in 2024 was respected and provided to everyone.

### EMPLOYEES WHO RECEIVE REGULAR PERFORMANCE REVIEWS (S1-13A)

Top manager Men	4
Top manager Female	1
managers/middle managers Men	3
managers/middle managers Female	1
Male white-collar employees	74
Female white-collar employees	24
Male blue-collar employees	198
Female blue-collar employees	28
Total employees who have received a regular performance review	333
Frequency of performance review	annual
Has the agreed number of periodic inspections been respected? If not, please indicate the rate of revisions carried out compared to those agreed	Yes (annual)
Rate of Top managers Men who received a regular performance evaluation out of the total Top managers Men	100%
Rate of Top managers Women who have received a regular performance evaluation out of the total Top managers Women	100%
Rate of male managers/middle managers who have received a regular performance evaluation out of the total male managers/middle managers	100%
Rate of female managers/middle managers who have received a regular performance evaluation out of the total female managers/middle managers	100%
Rate of male white-collar employees who received a regular performance evaluation out of the total male white-collar employees	100%
Rate of female white-collar employees who received a regular performance evaluation out of the total female white-collar employees	100%
Rate of male blue-collar employees who received a regular performance evaluation out of the total male blue-collar employees	100%
Rate of female blue-collar employees who received a regular performance evaluation out of the total female blue-collar employees	100%
Rate of men who received regular performance evaluation out of total male employees	100%
Rate of women who received regular performance evaluation out of total female employees	100%
Employee rate (Men+women) who received a regular performance evaluation out of total employees	100%

# 4.7

## Impacts on the community and the territory

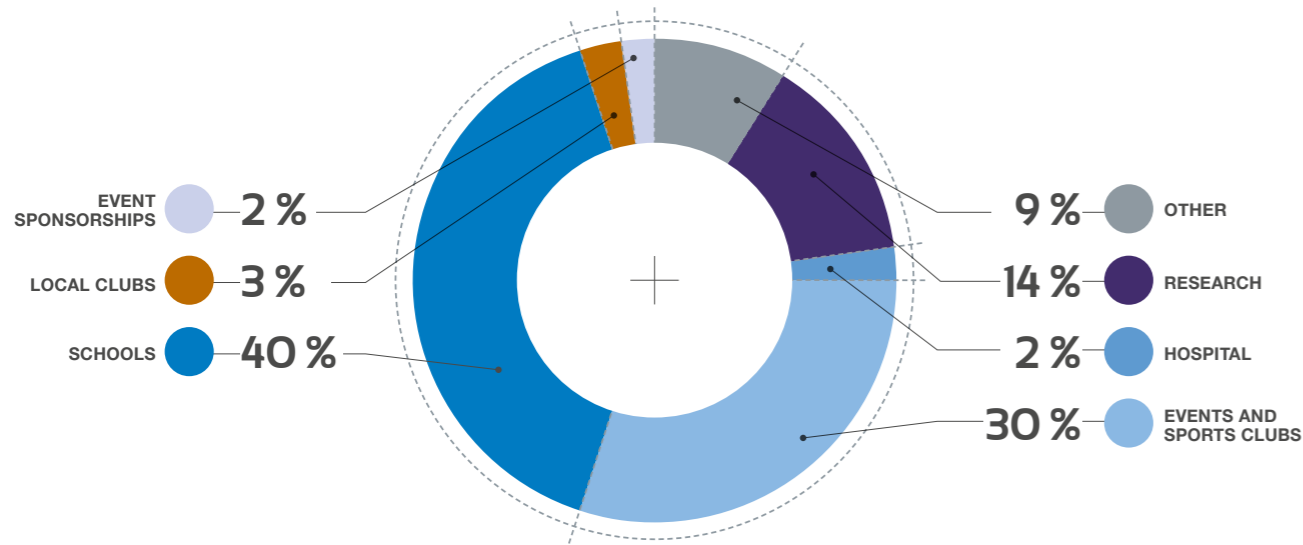
Brawo cultivates a business vision oriented towards the creation of shared value, actively collaborating with schools, research institutions and associations, both local and national<sup>9</sup>. The company wants to be an integral part of the society in which it operates, contributing responsibly to the development of the community and strengthening relationships based on trust and commitment to the community.

During 2024, Brawo allocated around € 59,000 to social initiatives, a sum equivalent to 0.3% of its profit. The educational sphere, and more

specifically, the support for local schools and training courses, was the main area of intervention, absorbing 40% of total donations. At the same time, sport continues to be a central dimension for the company, which for years has actively supported sports events and associations in Val Camonica.

The remaining resources were divided between research projects (14%), support for local clubs and events (5%), an initiative promoted in collaboration with the hospital of Esine (2%) and other local realities (9%).

### DONATIONS AND SPONSORSHIPS 2024



<sup>9</sup> § Actual positive impact: organisation of social projects with schools and research institutions §



5.

5.

## Governance sphere

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



# 5.1

## Governance Sphere

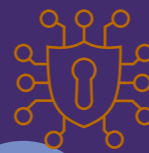
Brawo's governance is characterised by an ethical approach aimed at ensuring a people-focused working environment and oriented towards the continuous improvement of products and services. This commitment is also embodied in a Code of Ethics that guides the company in establishing responsible relationships with employees, suppliers and customers and that will be revised in 2025, one and a half years after the last update (2023). Brawo adopts an Organisational Model compliant with Legislative Decree 231/2001, ensuring an effective and transparent management system focused on data security, careful supply chain management and technological innovation.



**Code of Ethics in place**  
For over **15 years** and updated in 2023



**€ 80,300,000**  
of economic value distributed in 2024






**Ongoing Cybersecurity projects and awareness raising**



**New investments in process automation and new technologies**

## OUR GOVERNANCE OBJECTIVES

SDGs	Topic	Future actions
	Corporate culture	Code of Ethics update Legal rating
	Data protection	ISO 27001 certification
	Sustainable procurement	Implementation of ESG criteria for supplier selection

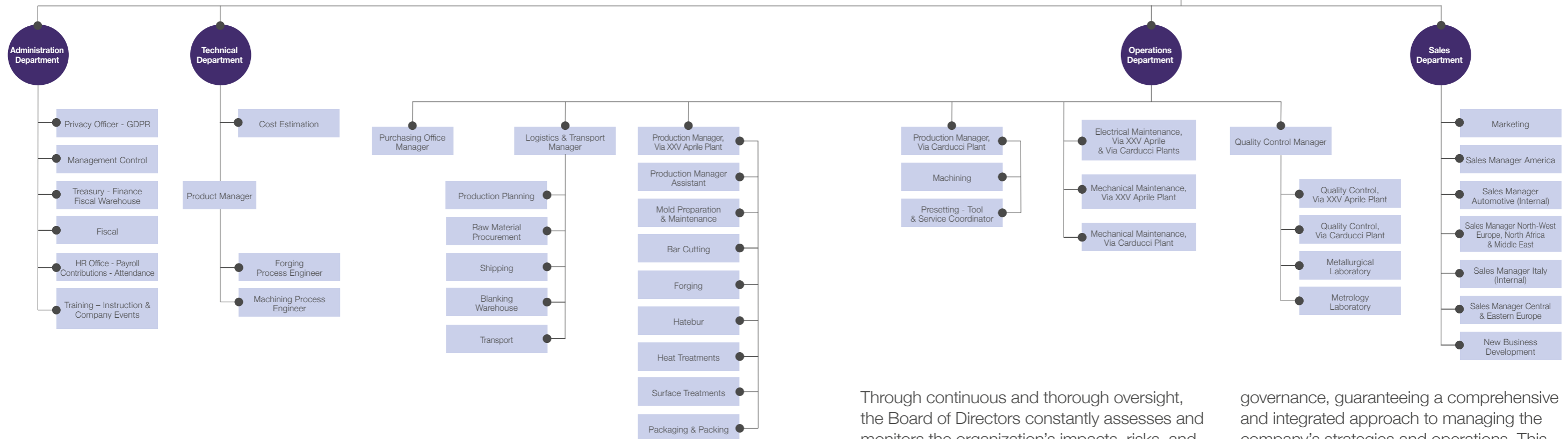


# 5.2

## Strategic Direction

Brawo's **Board of Directors (BoD)** is made up of seven members, including two women and five men: the company's Chairman and legal representative, one Director with special powers, and five Directors without executive authority. Brawo's BoD, appointed every three years, plays a crucial role, exercising decision-making and supervisory powers over critical areas such as sustainability, in addition to having full responsibility for both the ordinary and extraordinary company's

management. Given the company's level of expertise and knowledge required for the role, all board members are highly experienced, with six members over the age of fifty and only one below this age threshold. This composition reflects the need for a consolidated approach, which is essential for the company's proper strategic management.



## ORGANIZATIONAL CHART

Through continuous and thorough oversight, the Board of Directors constantly assesses and monitors the organization's impacts, risks, and opportunities, also taking into account potential conflicts of interest. Brawo's General Manager, who holds broad operational powers, ensures a practical and effective approach to corporate

governance, guaranteeing a comprehensive and integrated approach to managing the company's strategies and operations. This model enables synergy between strategic oversight and operational execution, enhancing the organization's ability to respond quickly to market changes and internal challenges.

# 5.3

## Code of Ethics

Brawo has adopted a Code of Ethics for over fifteen years, a document that formalizes the fundamental principles in which the company believes and identifies itself.

The Code is structured into several strategic sections, covering corporate life's crucial aspects:



The Code of Ethics is the document that establishes guidelines for the company's conduct towards its collaborators, both internal and external, and ensures transparent communication with its stakeholders, thereby contributing to the improvement of the company's reputation<sup>1</sup>.

In 2025, Brawo will review and update its Code of Ethics to align it with the market's new challenges and opportunities. This update will be a possibility to further strengthen the company's core principles and to continue guiding strategic decisions with integrity and responsibility.

<sup>1</sup> § Potential negative impact: poor communication §

## 5.4

# MOG 231

Since 2020, Brawo has implemented the Organization, Management, and Control Model (MOGC) in accordance with Legislative Decree 231/2001. This model represents a comprehensive set of rules, procedures, and controls designed to effectively prevent and manage the risks of committing offenses such as fraud, money laundering, or corruption<sup>1</sup>. Alongside the adoption of the MOGC, the company conducted an in-depth risk analysis, examining activities, decision-making processes, and related documentation, with various corporate departments' involvement. This structured approach aims to ensure compliance with legal requirements and promote ethical conduct within the organization.

Brawo has also established a **Supervisory and Control Body (in Italian "Organismo di Vigilanza", OdV)**, which is responsible for monitoring the effectiveness and compliance of both the Organizational Model and the Code of Ethics. Since 2023, a **Whistleblowing** platform has been active for anonymous reporting of unlawful conduct or actions of any kind (verbal, physical, psychological, etc.). The OdV is the body that developed the whistleblowing procedure and is currently tasked with managing any reports received.

<sup>1</sup> § Actual negative impact: Communication challenges §


## 5.5

# Certifications

Brawo maintains active certifications for its Management Systems, including quality (**ISO 9001**), automotive-specific quality (**IATF 16949**), and environmental management (**ISO 14001**). These certifications demonstrate the company's commitment to ensuring an efficient organization and strict control over its processes and business activities.


In 2024, Brawo achieved another milestone by obtaining **ISO 50001** certification, which recognizes the implementation of an Energy Management System. This accomplishment demonstrates the company's commitment to optimizing energy consumption, improving operational performance, and reducing energy-related costs. Adopting ISO 50001 marks an important step forward in strengthening the company's competitiveness in the market.


In recent years, the company has also joined the **EcoVadis** assessment platform, demonstrating its commitment to the proper management of ESG issues. This initiative aims to monitor and improve the company's performance in environmental, ethical, personnel management, and sustainable procurement areas. This participation is part of a broader strategy of transparency and sustainability disclosure, which also includes the adoption of tools such as the Organizational Model under Legislative Decree 231, the whistleblowing platform, and the Code of Ethics. These tools not only certify proper management of the associated issues but also help prevent potential non-compliance with current regulations and authorizations, ensuring responsible and compliant business operations.

**ISO 9001**  **Quality Management System**

**ISO 14001**  **Environmental Management System**

**IATF 16949**  **Quality Management System for the Automotive sector**

**ISO 50001**  **Energy Management System**

**EcoVadis**  **Rating ESG**



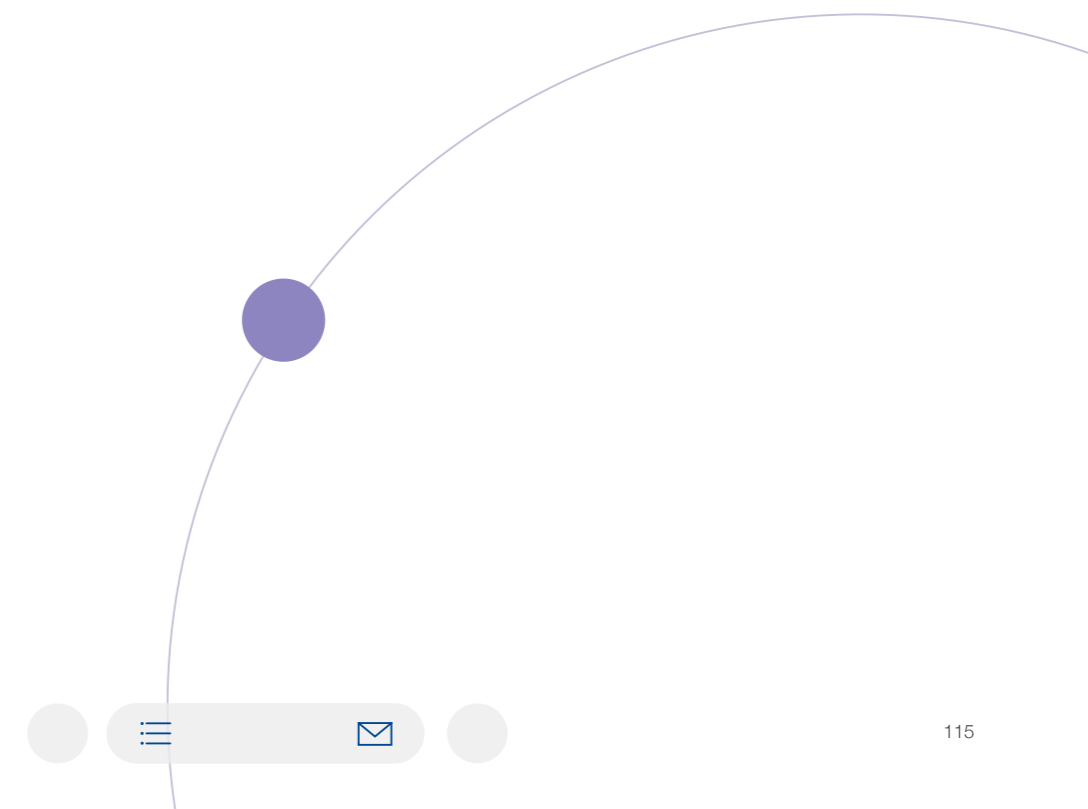
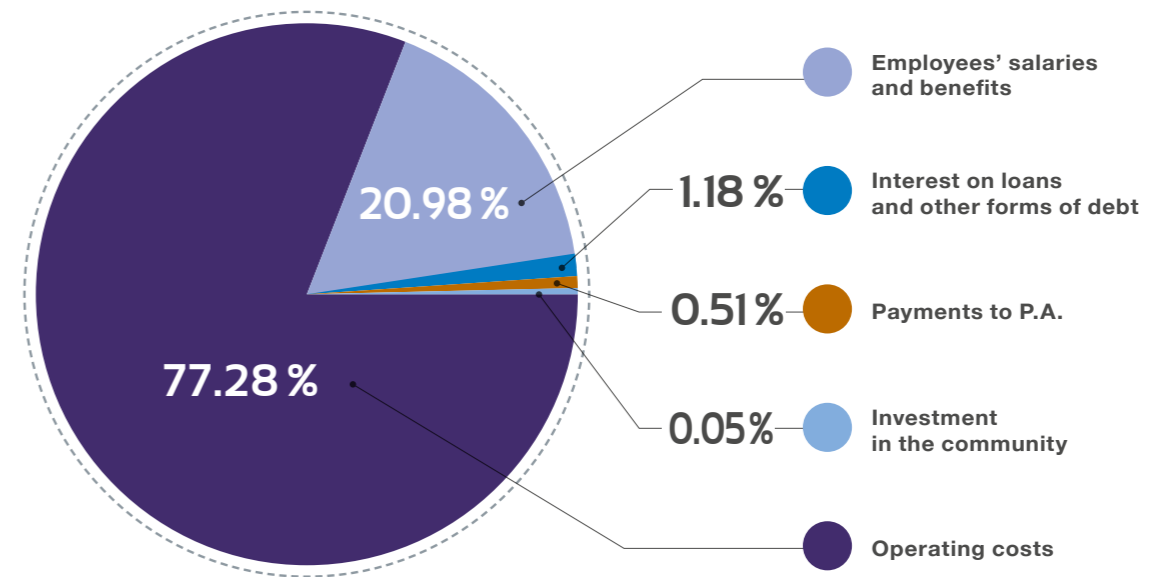
# 5.6

## Economic performance

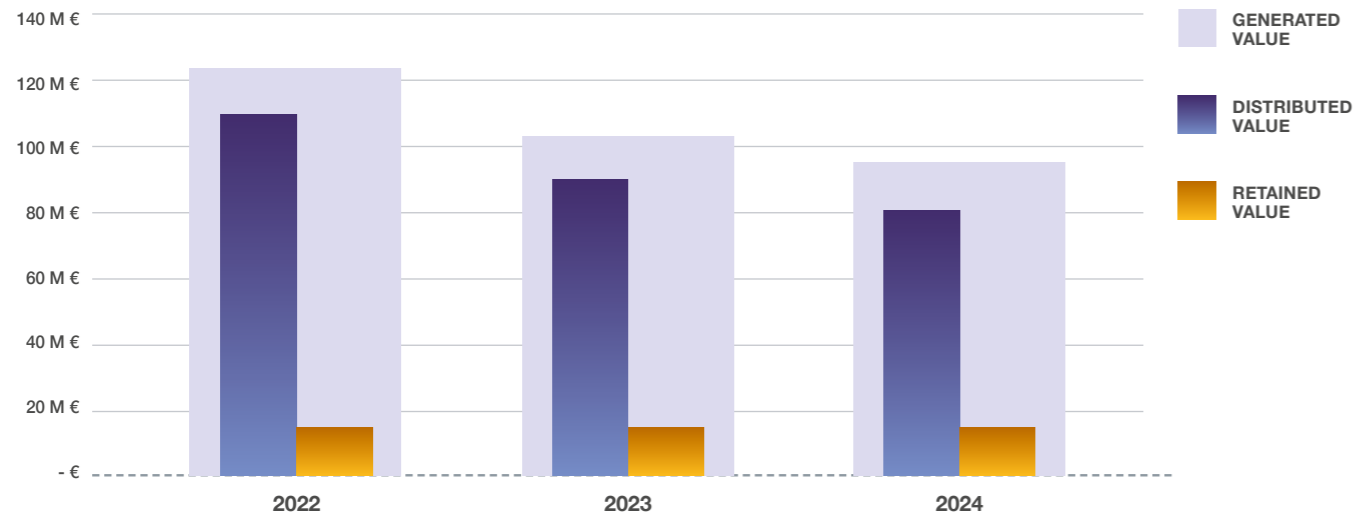
*Protecting the Company's value and the Shareholders' interests always means investing in our future*

In 2024, Brawo generated a value of approximately **94 million euros**, down 9.5% compared to about 104 million euros in 2023. The breakdown of economic value shows that 85% consists of distributed value, including operating costs (77%), employees' salaries and benefits (21%), and interest on loans, payments to public authorities, and community investments (a total of 2%). Compared to the previous year, the distributed value decreased by 10%, in line with the revenue reduction. However, the company managed to maintain a retained value share consistent with previous years, around 14 million euros, or approximately 15% of the generated value.

BREAKDOWN OF DISTRIBUTED VALUE (2024)



## ECONOMIC VALUE



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

# 5.7

## Supply chain

Brawo is committed to ensuring high quality in its products and strengthening its position as a reliable and top-tier partner. To achieve this goal, the company carefully evaluates and analyses the quality of materials purchased throughout its supply chain.

Additionally, it implements a rigorous supplier selection process, requiring suppliers to sign a detailed manual containing a list of essential requirements that must be met to establish and maintain commercial relationships with the company.

**Neglecting correctness and integrity in managing relationships with Suppliers means legitimizing a system that is counterproductive for the Company itself.**

The selection of a supplier is illustrated in the following chart:

- 1. Selection of suppliers based on the presence of ISO 9001 and ISO 14001, logistical aspects and financial risks
- 2. Supplier evaluation based on sampling performance
- 3. Half-yearly monitoring of performance through Global Supplier Index (GPI)
- 4. Audit of the supplier



Brawo shows a strong commitment to the territory where it operates and directs its supplier selection based on specific criteria, placing special emphasis on geographical proximity. In 2024, approximately 75% of the spending on raw material suppliers was directed to local suppliers, defined as those located within 50 km of its plants. Comparing the last two years, total spending on raw

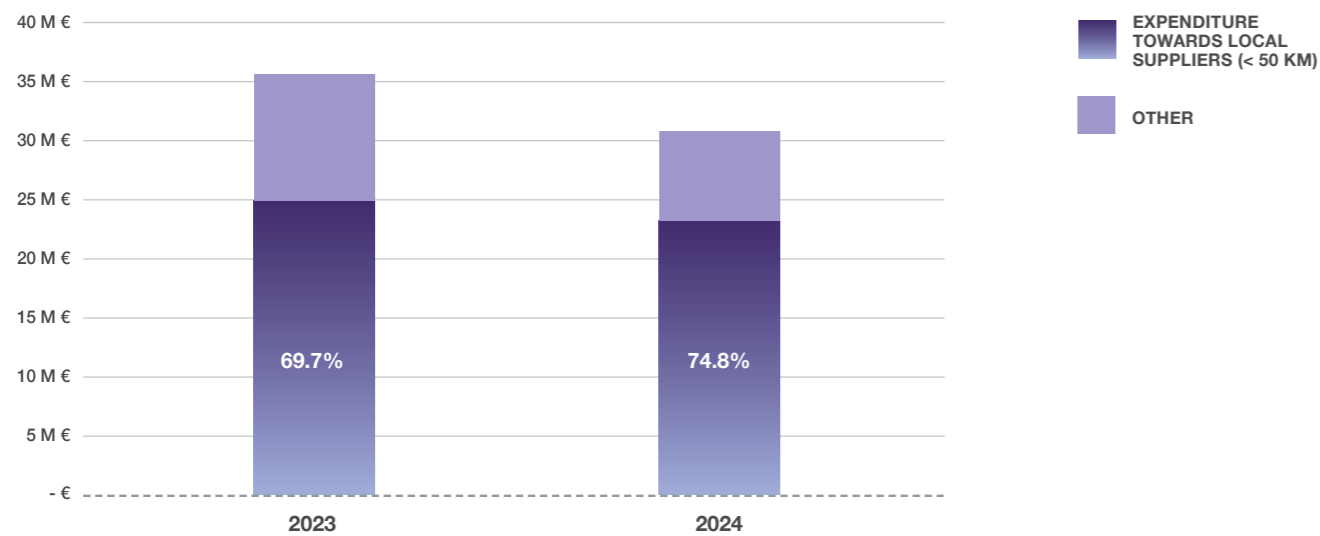
material suppliers decreased compared to 2023 (-4.7 million euros, in line with the production decline), but the percentage of spending on materials from local suppliers increased (from 69.7% to 74.8%). This data highlights the importance Brawo places on selecting local businesses, favouring them over foreign or more distant suppliers.

Brawo intends to pay more attention to evaluating the conduct of its suppliers, particularly regarding compliance with sustainability criteria<sup>2</sup>. In this regard, in 2024 the company updated its **general purchasing conditions** to include sustainability-related topics.

Supply chain traceability is another highly relevant topic for Brawo. In this regard, in 2024 the company launched an online supplier portal integrated with the company's MES (Manufacturing Execution System) called Stain. This tool facilitates communication between the company and its suppliers<sup>3</sup> by allowing them to generate labels to be placed on pallets or crates, which include identification details, and the quantity of product delivered. The labels are scanned upon receipt, automatically verifying the declared and recorded quantities, thereby reducing manual input and improving process efficiency.

**“Environmental, social, and governance issues are priorities, and objectives have been defined to pursue continuous improvement. Where applicable, the purchase of products, equipment, plants, and services is also evaluated based on the impact of the supply on worker health and safety risks, environmental aspects, and energy performance.”**

### ORIGIN OF RAW MATERIAL SUPPLIERS (BY TURNOVER)



<sup>2</sup> § Actual negative impact: Limited supplier sustainability §

The portal also allows suppliers to upload their management system certificates, confidentiality agreements, and other general documents. The company's goal is to have a complete mapping of its supply chain to, in the future, narrow its selection criteria and make choices more focused on ESG issues. Finally, through this portal, Brawo sends a biannual evaluation of the quality

performance of materials purchased from its suppliers<sup>3</sup>, aiming to conduct a precise quality-price analysis that will eventually be expanded to include sustainability criteria (for example, favouring the supply of raw materials with the highest percentage of recycled content).

<sup>3</sup> Currently, the quality of materials used for production purposes is evaluated, excluding all those accessory materials related to the activity (such as oils, lubricants, etc.)

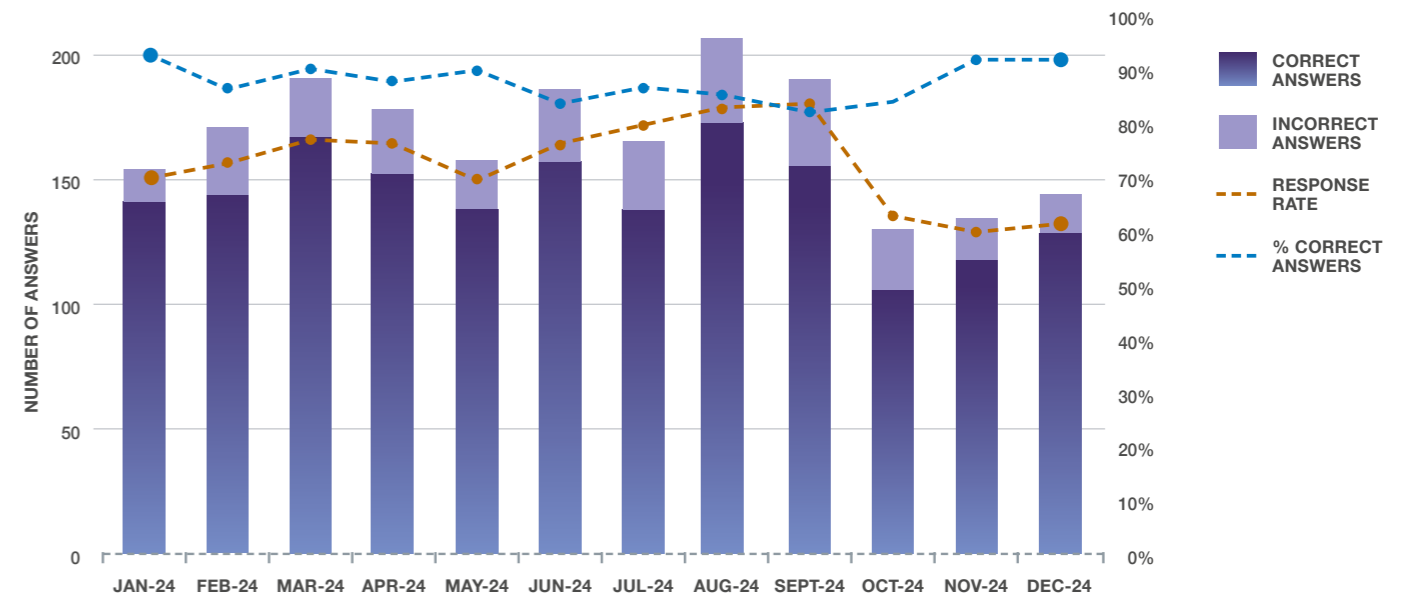
## 5.8

# Data protection

Cybersecurity is an increasingly relevant issue for companies, which cannot afford to underestimate the risks associated with digital vulnerabilities<sup>4</sup>. Brawo places special emphasis on raising awareness and training its staff in **cybersecurity**; every month, employees receive so-called "Cybersecurity Tips," brief educational content combining practical advice with an interactive quiz. The initiative's goal is to promote a corporate

culture focused on data protection and threat prevention, making learning effective and engaging. In 2024, 71% of employees responded to the questions (+11% compared to 2023), with a slightly lower correct response rate than the previous year (85.5%, about -5.5% compared to 91% in 2023).

### CYBERSECURITY PILLS CAMPAIGN



<sup>4</sup> § Risk: Data breach §

Brawo adopts a proactive and structured approach to addressing cybersecurity risks. Among its main initiatives, the company regularly conducts phishing tests by sending targeted emails to employees to increase their awareness of this type of attack. These tests, designed to simulate realistic scenarios, help staff recognise potential threats and respond appropriately, reducing the risk of errors that could compromise company security.

In 2024, in collaboration with the company NPO Sistemi, Brawo conducted simulated attacks on its corporate system (through penetration tests) to assess the reaction capability of the personnel involved.

Also in 2024, the protection and information management systems reported in previous versions of the sustainability report were maintained:



**Ermes – Intelligent Web Protection**

A browser security service that reduces exposure to online threats through a proprietary artificial intelligence algorithm. This system analyses connection behaviour to prevent the leakage of confidential information and immediately identifies new attacks and suspicious extensions, blocking potentially dangerous connections.



**Claroty – Industrial Security Platform**

A platform that monitors internal network traffic using artificial intelligence. This platform analyses devices and users' behaviour, sending alerts to authorised personnel if the system detects anomalies.

Specifically, a series of simulations were carried out in several departments, overall achieving a positive outcome.

**Cutting department – simulation of “delay/interruption of outsourced processing supply”**

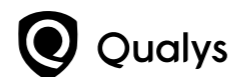
**Mechanical processing and forging departments – simulation of “production stoppage due to failure or breakdown of individual equipment”**

Parallel to these efforts, Brawo has implemented detailed guidelines for the secure management of **backups**, ensuring effective protection of company data. Cybersecurity management is entrusted to a highly qualified team that operates with cutting-edge tools and continuously updates security protocols.



**Varonis – Data Local Protection**

The system identifies and blocks unauthorized, indiscriminate, or unnecessary access attempts and ensures control over shared files, guaranteeing that sensitive data is managed only by competent personnel.



**Qualys – Patch Management**

The project is dedicated to patch remediation on the IT infrastructure and the creation of a service model for future management and maintenance.

The **Active Directory** project, launched in 2023, continues with the analysis of improvement actions for security requirements that the company must implement to establish a Management System compliant with the ISO 27001 standard, scheduled for 2026. Additionally, activities related to securing the company's digital perimeter are being renewed, namely:



**Security Management**

The project involves developing an action plan for vulnerability assessment, alongside an Active Directory assessment and an internet exposure assessment.



**Vulnerability Management**

The project aimed at remediating potential system vulnerabilities by applying the relevant patches.

In 2024, to enhance the information management security system, a two-factor authentication procedure was initiated for VPN access and both Microsoft and non-Microsoft applications. Now, to access the company system remotely via device (through VPN, Outlook, PowerBI, etc.), users must enter their domain credentials and validate their identity using Microsoft's mobile “Authenticator” app.

# 5.9

## Smart Factory Brawo

**“Fabbrica del Futuro” is an innovative initiative promoted by Confindustria Brescia aimed at fostering themes such as sustainability, innovation, and welfare in the local area.**

The project collaborates with AmbienteParco, a centre dedicated to environmental sustainability and the circular economy, and with InnexHub, a digital innovation hub in Brescia. It hosts a variety of events, photographic exhibitions, and idea contests, with the goal of highlighting best business practices in environmental, technological, and social fields. The initiative seeks to create a virtuous link between businesses and the community, promoting local growth and work culture..

Since 2022, Brawo has been promoting the **“Smart Factory Brawo”** project, which plans to transform the company into a smart factory within the next five years. The project involves implementing 50 specific initiatives, monitored by a team of 8 project managers who report directly to the Management.



### Objectives

The project’s main objectives include:



**Reduction of environmental impact:**

Implementing sustainable practices to minimize the ecological footprint



**Advanced digitization:**

Adopting digital technologies to improve operational efficiency



**Technological innovation:**

Integrating state-of-the-art technologies to optimize production processes

### Benefits

The expected benefits include:



**Paperless documentation management:**

Reducing paper use through digital systems



**Optimized information flows:**

Utilizing dedicated software to improve internal and external communication



**Automation of manual operations:**

Implementing automated systems to reduce manual labour



**Improved monitoring and energy efficiency:**

Using technologies to monitor and optimize energy consumption



## The investments

Within the framework of the Brawo Smart Factory project, several strategic investments were made during 2023-2024 with the aim of improving processes and leveraging the most advanced technologies. These initiatives have significantly contributed to the development of automation and the integration of new technologies within the company.

**The robotic unloading station for the sandblaster** (activated at the end of 2023) is a system that uses 3D machine vision and a robot line tracking system to pick up moving sandblasted parts and neatly deposit them into a container. The system also includes automated handling and weighing, integrated with the company's management system (MES), which manages the weighing of containers and the printing of identification labels. The main goal is to improve plant productivity and reduce repetitive tasks for operators, thereby enhancing working conditions and increasing overall efficiency.

**The robotic unloading station for the press** (activated in 2024) is equipped with a robotic arm featuring a seventh axis, which allows the handling of pallets carrying parts of various shapes and sizes sliding on a conveyor belt from the press. The robot picks up the full pallets and deposits them inside the container at predetermined stacking levels. The primary goal of this system is to prevent dents on the parts, reducing waste and improving product quality. Moreover, automating the unloading process eliminates the need for manual intervention, enhancing working conditions for operators by reducing repetitive tasks and removing the risks associated with handling hot parts.

**The internal logistics automation project for the Bar Cutting and Graphitization departments** (activated in 2024) involves the installation of systems to automate internal logistics flows between the Bar Cutting, Graphitization, and Forging departments, as well as the servicing of the graphitizers and cutting machines. A fleet of autonomous guided vehicles (AGVs) is used to pick up containers produced in the Bar Cutting department and deposit them in a double-depth automated warehouse with five loading levels. The AGVs also handle the transport of containers from the warehouse to the graphitizers and finally to the forging department, according to production orders and press workloads. Additionally, empty containers returning from forging are stored in the warehouse and supplied to the Bar Cutting department via AGVs, based on the cutting machines' production needs. The project's objective is to improve process yields and internal logistics by ensuring continuous workflows and enhancing operators' working conditions through the safety provided by automated systems.

# 5.10

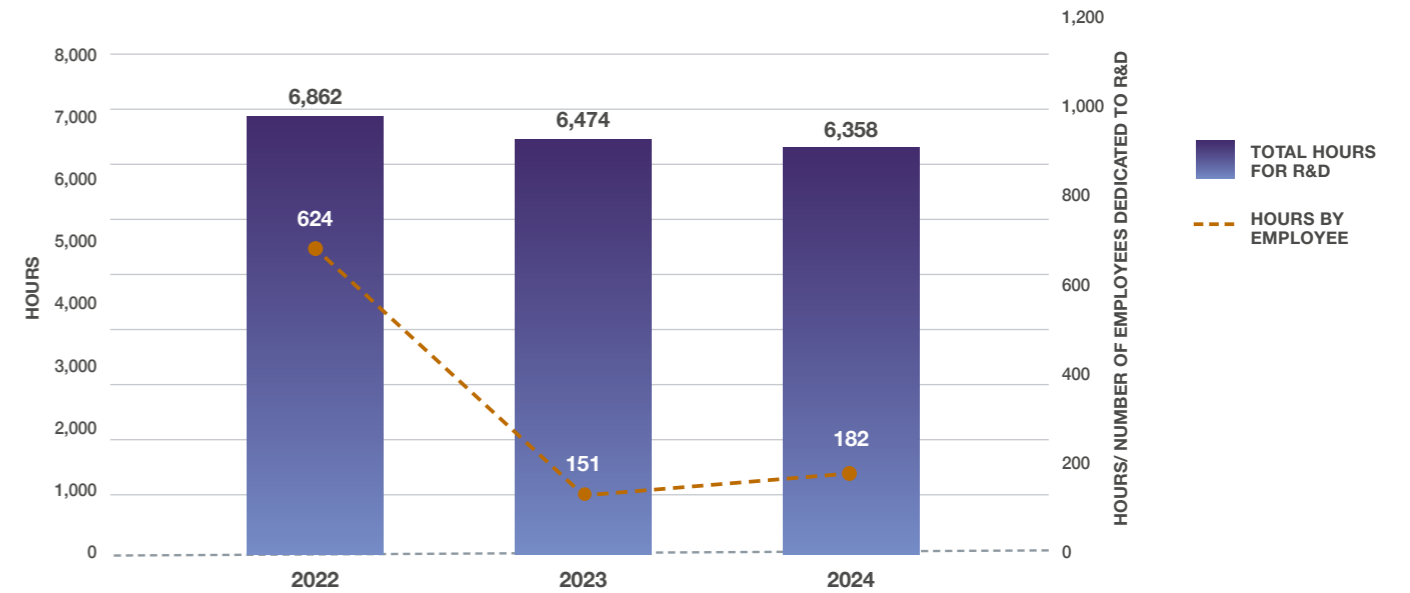
## Research & Development and technological innovation

**Believing that every achievement is just a starting point for improvement is the foundation of the greatest successes.**

In 2024, 35 employees (about 11% of the total workforce) worked in the Research and Development department. The total of 6,358 hours spent was mostly dedicated to Technological Innovation projects (6,074 hours, of which 687 were focused on Industry 4.0 Technological Innovation), while only a small percentage was allocated to general R&D projects (284 hours, approximately 4% of the total hours).

The following chart shows the trend of total hours dedicated by company employees to Research and Development activities over the past three years. Analysing the data, it is evident that Brawo has maintained a constant number of hours (between 6,000 and 7,000 hours annually) but has involved significantly more employees in these activities compared to 2022 (+32 in 2023 and +24 in 2024). This increase has allowed a better distribution of tasks and roles within the organization, fostering the multiplication of individual research activities.

**HOURS DEDICATED TO RESEARCH & DEVELOPMENT**



In 2024, the “Disegno Parlante” project continued, involving the use of a tool capable of correlating in real time control data from various measuring instruments located on machines, workstations, or in the metrology laboratory through an innovative graphical visualization. The goal is to extend the use of the tool to the forging and bar cutting departments.

Regarding technological innovation, activities related to the **digitization** of internal processes progressed, including the migration

from Smarteam to Enova, supplier portal, management of equipment flow and automatic mold warehouse, product and cost sheet management, servicing of graphitizers, cybersecurity and disaster recovery, gauge management, and unloading of forging plates. In the area of Industry 4.0 technological innovation, the security project for attendance management was renewed, and a new CRM project was launched to manage customer relations (orders, offers, and quality) through next-generation software.

# 5.11

## Customer satisfaction

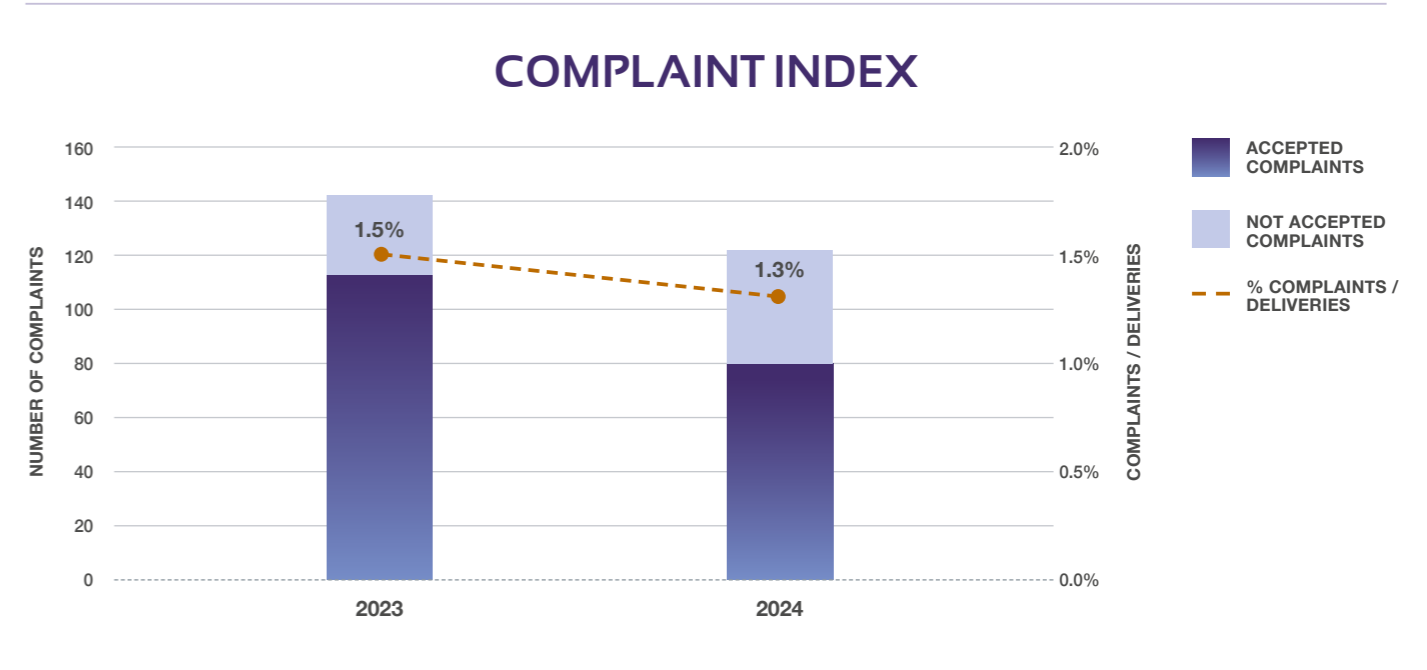
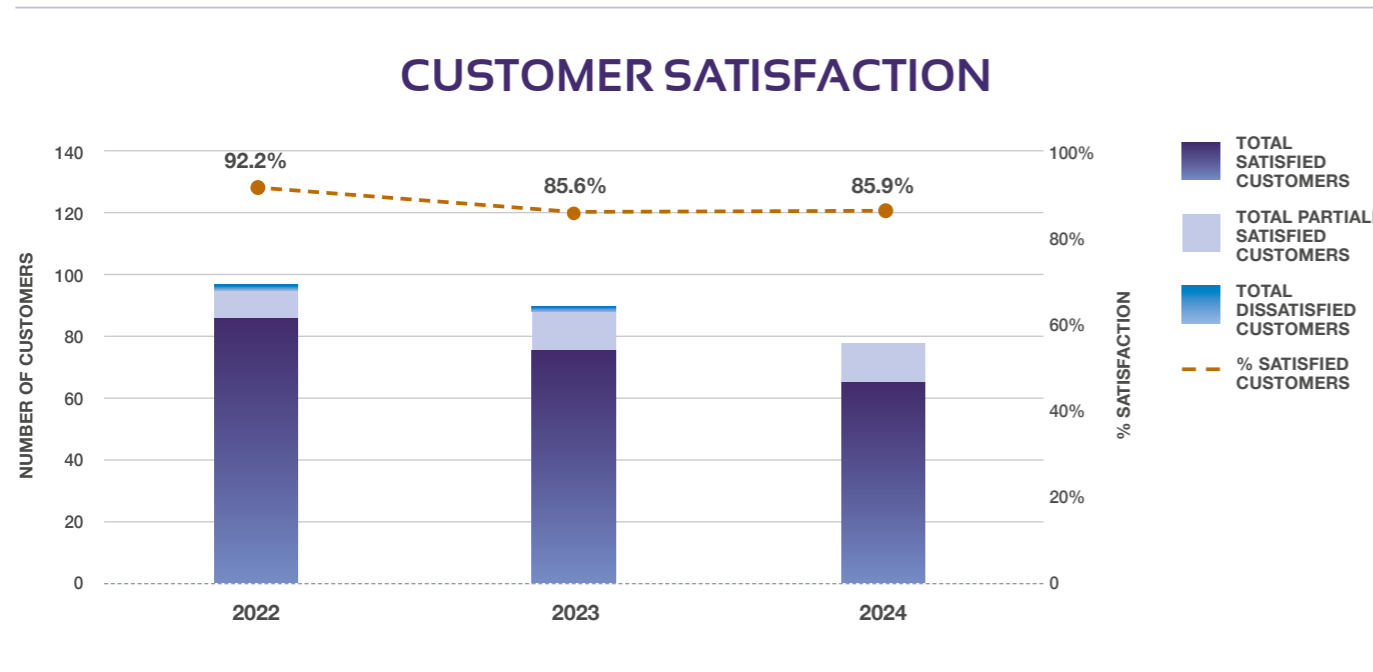
**Customer satisfaction is the best measure of a company's success.**

Brawo recognizes the importance of continuously improving its products and services to ensure customer satisfaction. The company considers integrating sustainability standards into its business strategy essential to remain competitive and demonstrate

its commitment to this issue to partners. To monitor customer satisfaction, Brawo periodically analyses scorecards provided by customers after order and product delivery. In 2024, the satisfaction rate was around 86%, consistent with the 2023 level, while the remaining 14% reflects partially satisfied customers. Continuous monitoring of customer satisfaction helps Brawo prevent product defects and maintain high quality levels, thereby sustaining customer trust.

The following chart shows the management of complaints reported to the company over the past two years. Data analysis reveals that the total number of complaints decreased compared to the previous year (-19, about 15% less). Additionally, the number of complaints accepted by the company also declined, dropping from 80% in 2023 to 66%

in 2024. Finally, when relating the number of complaints to the number of deliveries made, it is evident that cases of dissatisfaction due to issues at delivery or problems with product quality or quantity are very low, accounting for only 1.3% of over 9,000 deliveries).





6.

# GRI Content Index

# Methodological Note

## This document represents the third sustainability report published by Brawo S.p.A.

The document was prepared with the support of the consulting company Fedabo SpA SB following the 'with reference to' option of the GRI (Global Reporting Initiative) international standards, which were used as a source for the identification of key indicators for the reporting of qualitative-quantitative information for the years 2022, 2023 and 2024. For the topic of emissions, the year 2021 was also reported as it is considered the baseline year for Scope 1 and 2 emissions (for Scope 3, the baseline year for emissions is 2023).

The objective of the report is to communicate to its stakeholders (internal and external) the virtuous initiatives implemented by the company with regard to environmental, social and governance sustainability issues.

The principles of materiality, inclusiveness, sustainability context, completeness, accuracy, balance, clarity, comparability, reliability and timeliness have been adopted in drafting the document.

The contents of the document were identified according to the principle of materiality, i.e. by selecting the most significant issues for

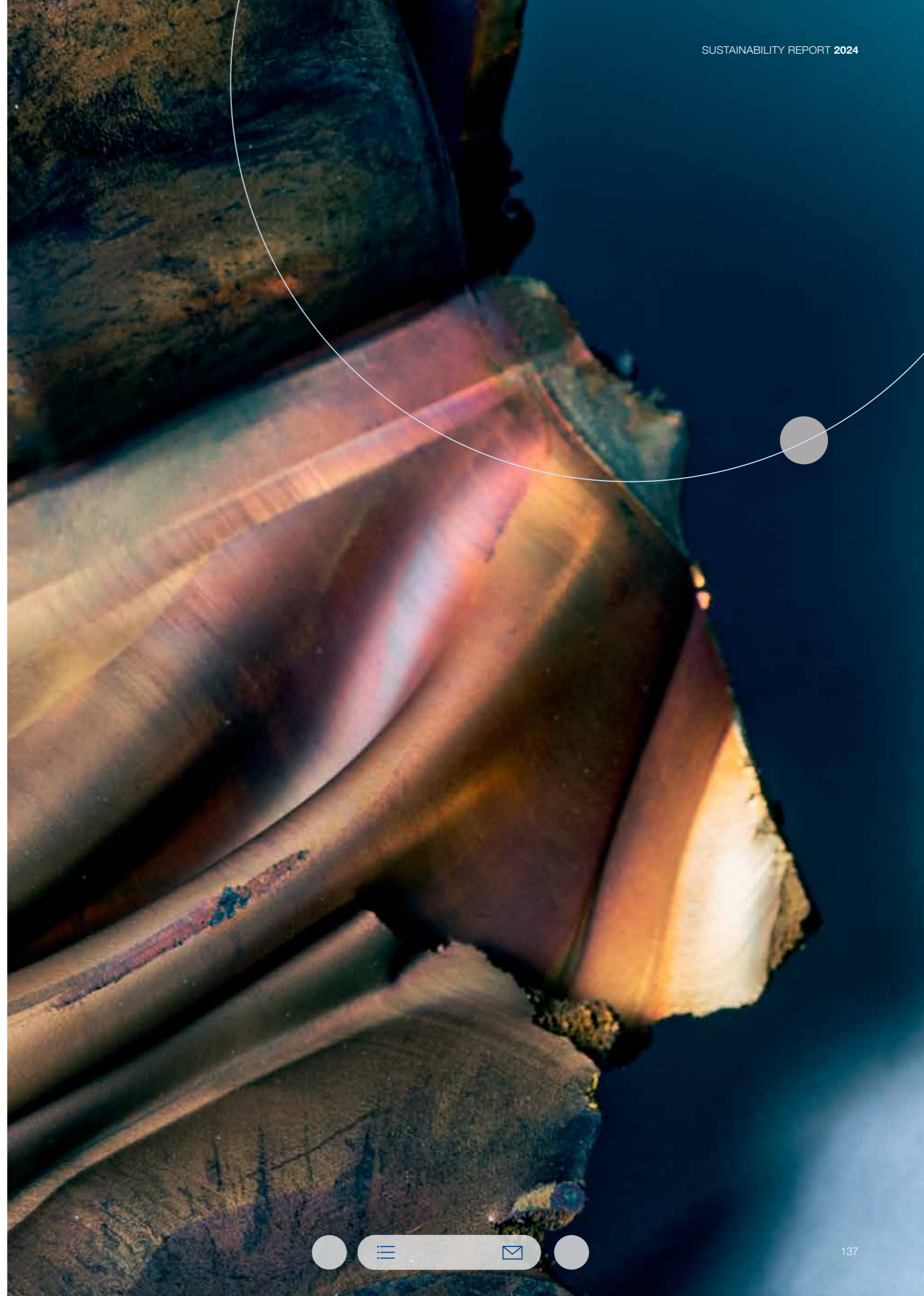
the organisation's sustainability and derived from the interaction between the organisation itself and the main stakeholders, selected on the basis of the degree of reciprocal influence between the organisation itself and the identified stakeholders.

The analysis of impacts and materiality has been updated and revised compared to that presented in the previous Report. In particular, it has been aligned with the new ESRS reporting standards. For more details on the methodology adopted, we suggest reading the relevant chapter 2.

Compared to the previous year, for 2024 Brawo also reported some indicators under ESRS standards E1 and S1, both of which are material for the organisation. The information on these two standards was gathered in specific focuses within chapters E and S.

The specific topics reported are presented with reference to the Brawo SpA company based in Pian Camuno (BS).

The information reported refers to the reporting period from 1 January 2024 to 31 December 2024.



# GRI Content Index

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

There are no GRI sector standards relevant to Brawo's business.

<b>STATEMENT OF USE</b>	Brawo SpA has reported the information cited in this GRI content index for the period 01/01/2024 – 31/12/2024 “with reference to” the GRI Standards
<b>USED GRI 1</b>	GRI 1 – Foundation – 2021 version

## GRI 2 - General Disclosure 2021

GRI STANDARD	DISCLOSURE	REFERENCE PARAGRAPH
<b>The organization and its reporting practices</b>		
	2-1 Organizational Details	Methodological note
	2-2 Entities included in the organization's sustainability reporting	Methodological note
	2-3 Reporting period, frequency and contact point	Methodological note
	2-4 Restatements of information	<i>Any variations are indicated in the text</i>

## Activities and workers

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

## Governance

2-9 Governance Structure and composition	Strategic direction
2-10 Nomination and selection of the highest governance body	Strategic direction
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 direction
2-13 Delegation of responsibility for managing impacts	Strategic direction
2-14 Role of the highest governance body in sustainability reporting	Strategic direction
2-15 Conflicts of interest	Strategic direction
2-16 Communication of critical concerns	Strategic direction
2-17 Collective knowledge of the highest governance body	Strategic direction
2-18 Evaluation of the performance of the highest governance body	Strategic direction

## Strategies, policies and practices

2-25 Processes to remediate negative impacts	Identification of Impacts, Risks and Opportunities, Environment, Social e Governance chapters
2-27 Compliance with Laws and Regulations	Strategic direction

## Stakeholder engagement

2-29 Approach to stakeholder engagement	Brawo's material topics and impacts
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## GRI 3 - Material Themes - 2021 Version

3-1 Process to determine material topics	Brawo's material topics and impacts
3-2 List of material topics	Brawo's material topics and impacts
3-3 Management of material topics	Brawo's material topics and impacts

Disclosure		Reference paragraph
<b>TOPIC STANDARD – GOVERNANCE</b>		
201-1	Direct economic value generated and distributed	Economic performance
203-1	Infrastructure investments and services supported	Research & Development and Technological Innovation; Investments; Data protection
204-1	Proportion of spending on local suppliers	Supply chain
<b>TOPIC STANDARD – ENVIRONMENT</b>		
301-1	Materials used by weight or volume	Material recovery and reuse
301-3	Reclaimed products and their packaging materials	Material recovery and reuse
302-1	Energy consumption within the organization	Energy and energy efficiency
302-3	Energy intensity	Energy and energy efficiency
302-4	Reduction energy consumption	Energy and energy efficiency; Investments
303-3	Water withdrawal	Water
303-4	Water discharge	Water
303-5	Water consumption	Water
305-1	Direct GHG emissions (Scope 1)	Emissions in the atmosphere
305-2	Energy indirect (Scope 2) GHG emissions	Emissions in the atmosphere
305-3	Other indirect (Scope 3) 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

TOPIC STANDARD –SOCIAL		
401-1	New employee hiring and employee turnover	Staff management
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Staff well-being
401-3	Parental leave	Gender equality, diversity and disability inclusion
403-1	Occupational Health and Safety Management System	Occupational health and safety in Brawo
403-2	Hazard identification, risk assessment and incident investigation	Occupational health and safety in Brawo
403-5	Worker training on occupational health and safety	Training and skills development
403-6	Promotion of worker health	Occupational health and safety in Brawo; Staff well-being
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational health and safety in Brawo; Staff well-being
403-8	Workers covered by an occupational health and safety management system	Occupational health and safety in Brawo
403-9	Work-related injuries	Occupational health and safety in Brawo
404-1	Average hours of training per year per employee	Training and skills development
405-1	Diversity of governance bodies and employees	Gender equality, diversity and disability inclusion, Strategic Direction
406-1	Incidents of discrimination and corrective actions taken	Strategic Direction
413-1	Operations with local community engagement, impact assessments, and development programs	Impacts on the community and the territory
413-2	Operations with significant actual and potential negative impacts on local communities	Impacts on the community and the territory

7.

# Appendix

## Appendix Environment Sphere

### ENERGY DEMANDS

GRI 302-1	M.U.	2022	2023	2024
Electrical energy consumption	kWh	27,689,115	21,290,164	20,752,412
Of which from the grid	kWh	27,689,115	21,290,164	20,752,412
Of which self-produced	kWh	0	0	0
Electrical energy	tep	5,177.86	3,981.26	3,880.70
Natural Gas	Sm <sup>3</sup>	818,051	666,871	679,313
Natural Gas	tep	684	558	568
Diesel	l	37,938	34,871	33,177
Diesel	tep	33	30	28
Petrol	l	67	286	580
Petrol	tep	0	0	0
LPG	l	256	821	803
LPG	tep	0	1	0
<b>Total consumptions</b>	tep	5,895	4,569	4,478

### EMISSIONS

GRI 305-1,2	M.U.	2022	2023	2024
Natural Gas	tCO <sub>2</sub> e	1,629	1,338	1,371
Diesel	tCO <sub>2</sub> e	102	93	89
Petrol	tCO <sub>2</sub> e	0	1	1
LPG	tCO <sub>2</sub> e	0	1	1
F-gas leaks	tCO <sub>2</sub> e	65	92	39
Total Scope 1 emissions	tCO <sub>2</sub> e	1,796	1,526	1,502
Scope 2 emissions from imported energy	tCO <sub>2</sub> e	7,621.7	5,941.3	5,502.6
<b>Total Scope 1+2 emissions</b>	tCO <sub>2</sub> e	9,418.0	7,466.9	7,004.7
<b>Total Scope 3 emissions</b>	tCO <sub>2</sub> e	NA	73,492.70	63,156.20

WATER CONSUMPTIONS				
GRI 303-3,5	M.U.	2022	2023	2024
<b>Total water consumptions</b>	m³	18,140	16,126	17,620
Of which from aqueduct	m³	2,733	4,228	4,183
Of which from well	m³	15,365	11,856	13,395
Water discharges	m³	259.00	301.00	1,267.00

MATERIALS				
GRI 301-1,2	M.U.	2022	2023	2024
<b>Raw material</b>	ton	30,488,000	21,561,400	20,444,712
Of which brass	ton	15,620	10,081	9,976
Of which aluminium	ton	1,714	2,097	1,658
Of which contract manufacturing	ton	13,154	9,384	8,813
<b>Purchased packaging</b>	ton	NA	982.47	1215.30
Of which from recycled material	ton	NA	NA	NA

WASTES				
GRI 306-3,4,5,6	M.U.	2022	2023	2024
<b>Waste produced</b>	ton	6,407,701	4,720,778	4,827,366
Of which hazardous	ton	590,287	536,059	579,660
Of which sent for reuse	ton	0	0	0
Of which sent for recovery	ton	5,289,895	3,704,772	4,108,860
Of which sent for disposal	ton	1,117,806	1,016,006	718,506

# Appendix Social Sphere

EMPLOYEES				
GRI 401-1	M.U.	2022	2023	2024
Number of employees	-	348	341	333
New hiring rate	-	20	10	4
Exits rate	-	13	17	12
Overall turnover rate	%	9%	8%	5%
Number of hired under 30	-	9	5	2
Number of exits under 30	-	0	2	2
Under 30 turnover rate	%	29%	23%	19%

CONTRACTS				
GRI 2-7	M.U.	2022	2023	2024
Permanent	-	340	338	331
Of which women	-	51	53	53
Fixed-term	-	8	3	2
Of which women	-	3	1	1
Full-time	-	322	315	309
Of which women	-	30	31	32
Part-time	-	26	26	24
Of which women	-	24	24	22

PERSONNEL CLASSIFICATION				
GRI 401-1   GRI 2-7	M.U.	2022	2023	2024
By age group				
Employees < 30 years old	-	31	30	26
Employees between 30 and 50 years old	-	190	161	166
Employees > 50 years old	-	127	150	141
By gender				
Women	-	54	54	54
Men	-	294	294	294

ACCIDENTS AT WORK				
GRI 403-9	M.U.	2022	2023	2024
Hours worked	Hours	649,563	649,563	649,563
Number of accidents	-	4	4	4
Injury leave days	days	101	34	91
<b>Frequency index</b>	-	6.16	7.89	7.87
<b>Severity index</b>	-	0.16	0,07	0.18

TRAINING				
Gri 404-1,2,3	M.U.	2022	2023	2024
<b>Total hours of training</b>	Hours	3,849	3,396	2,949
Hours per employee	Hours/employee	11.1	10.0	8.9
By theme				
Health and safety	Hours	1,896	704	1,171
Sustainability	Hours	0	0	312
Other	Hours	1,953	2,693	1,466

WELFARE				
GRI 401-2	M.U.	2022	2023	2024
Employees with access to welfare	-	343	344	333
Welfare	€	647,874 €	153,938 €	160,140 €
Benefit	€	158,433 €	164,269 €	153,298 €

INTERNSHIPS				
	M.U.	2022	2023	2024
Number of curricular internships	-	5	5	0
Number of extra-curricular traineeships	-	0	0	0
ASC/PCTO Projects (Traineeships for high schoolers)	-	4	5	15
<b>Total internships</b>	-	9	10	15
Number of trainees hired after their traineeships	-	0	0	0

# Appendix

## Governance Sphere

### ECONOMIC PERFORMANCE

GRI 201-1	M.U.	2022	2023	2024
Turnover	€	112,215,503	112,215,503	112,215,503
Profit	€	112,215,503	112,215,503	112,215,503
Reclassification of the financial statements				
Economic value generated	€	123,919,754	104,322,106	94,460,983
Of which distributed	€	109,519,393	89,256,102	80,319,409
Of which retained	€	14,400,361	15,066,004	14,141,574

### COMPOSITION OF THE BOARD OF DIRECTORS

GRI 2-9	M.U.	2022	2023	2024
Total number of components	-	7	7	7
Composition by age group				
< 30 years old	-	0	0	0
Between 30 and 50 years old	-	1	1	1
> 50 years	-	6	6	6
Composition by gender				
Women	-	1	2	2
Men	-	6	5	5

### SUPPLIERS

GRI 204-1	M.U.	2022	2023	2024
Total expenditure on raw material suppliers	€	88,325,441	35,569,224	30,873,854
Of which to local suppliers (< 50 km)	€	NA	24,782,230	23,099,221
Number of local suppliers (calculating an area within an approximate radius of 50 km)	-	NA	264	272
Total number of suppliers with whom business exceeded €1,000 during the year analysed	-	537	530	519
Of which new suppliers	-	90	38	52
Suppliers not contacted in year n compared to year n-1	-	10	143	146

### RESEARCH AND DEVELOPMENT

	M.U.	2022	2023	2024
Employees engaged in R&D	-	11	43	35
Hours dedicated to R&D activities	Hours	6,862	6,474	6,358
Of which in collaboration with research institutions	Hours	0	0	0

# Appendix - IRO Tables

In the second chapter of this Sustainability Report, related to impacts and materiality, the results of the impact analysis are presented. The tables below show, for each actual impact, potential impact, risk or opportunity identified, the values assigned to the evaluation criteria established by the CSRD. From the numerical scores (ranging between 1 and 4), the percentage value was then elaborated, which allowed the prioritisation represented in the bar graphs presented in the chapter “Brawo’s material topics and impacts”.

ACTUAL NEGATIVE IMPACTS					
TOPIC	IRO TITLE	CONTRIBUTION	SCALE	SCOPE	IRREPARABLE NATURE OF THE IMPACT
E1 - Climate change mitigation and adaptation	Contribution to global emissions	DIRECTLY CAUSED	3	2	2
E3 - Water consumption and withdrawal	Water withdrawal	DIRECTLY CAUSED	3	2	2
E5 - Waste	Waste production	DIRECTLY CAUSED	1	2	3

ACTUAL POSITIVE IMPACTS				
TOPIC	IRO TITLE	CONTRIBUTION	SCALE	SCOPE
E5 - Resources inflows, including resource use	Raw materials recovery and reuse of waste	DIRECTLY CAUSED	4	3
S1 - Training and skills development	Retention and development of internal skills	DIRECTLY CAUSED	3	3
S3 - Impacts related to community well-being	Organisation of social projects with schools and research organisations	DIRECTLY CAUSED	3	2

POTENTIAL NEGATIVE IMPACTS						
TOPIC	IRO TITLE	CONTRIBUTION	SCALE	SCOPE	IRRIMEDIABLE CHARACTER	LIKELIHOOD
E2 - Pollution (of air, water, soil, living organisms and food resources)	Exceeding emission limits	DIRECTLY CAUSED	2	3	3	1
E3 - Water discharges (including oceans)	Polluting water discharges	DIRECTLY CAUSED	2	2	2	1
S1 - Health and safety	Risk of injuries and accidents at work	DIRECTLY CAUSED	2	2	4	1
S1 - Employment and inclusion of persons with disabilities	Insufficient attention to diversity and inclusion issues	DIRECTLY CAUSED	4	1	1	2
G1 - Business conduct	Communication challenges	DIRECTLY CAUSED	4	2	1	1
G1 - Management of relationships with suppliers including payment practices	Limited supplier sustainability	CONTRIBUTED TO CAUSE	3	2	2	1
G1 - Management of relationships with suppliers including payment practices	Difficulties in involving the supply chain	CONTRIBUTED TO CAUSE	2	2	2	3

RISKS			
TOPIC	IRO TITLE	POTENTIAL MAGNITUDE	LIKELIHOOD
E1 - Energy	Increase in energy costs	3	2
S1 - Secure employment	Employee turnover	2	1
G1 - Corruption: Incidents and prevention and detection, including training	Corruption	4	1
G1 - Cybersecurity	Data breach	4	2

OPPORTUNITIES			
TOPIC	IRO TITLE	POTENTIAL MAGNITUDE	LIKELIHOOD
G1 - Business conduct	Expansion into emerging markets	3	2



## BRAWO S.p.A.

HOT FORGING AND MECHANICAL MACHINING COMPANY

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