varcolor®
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Sustainability Report **2024**

GRUPPO gabrielli
STEEL SERVICE NETWORK

Contents

Letter to the Stakeholders

Dear Stakeholders,
It is with great pleasure that we present the **first Sustainability Report of Varcolor S.r.l.** for the year 2024. This year marks a special milestone for us: the company celebrates its **25th anniversary** since its foundation, the result of a journey of growth and innovation which has consolidated our presence in the industry and strengthened our relationship with our stakeholders.

We firmly believe that the path we have embarked upon, which we will describe in this document, will take us far, and that the point where we stand today is only the beginning of an ever-improving future, attentive to everything surrounding our corporate reality.

During 2024, **Varcolor S.r.l. implemented its own sustainability governance system,** developing internal processes for data collection, monitoring and analysis, in line with international standards and the emerging requirements of the European regulatory framework.

The 2024 economic context presented significant challenges for the European steel industry, including **volatility of raw materials markets,** increased regulatory pressure connected to the ecological transition, and the introduction of mechanisms such as **CBAM (Carbon Border Adjustment Mechanism).** Nevertheless, in a constantly evolving scenario, we continued to invest in technology, quality, and innovation, and maintained our focus strongly on strengthening relations with our customers, suppliers, and local communities.

With our first report we wish to give continuity to our commitment which goes beyond drafting a report and drives a **process of continuous improvement** focused on generating positive impacts for **People, the Environment, and the Territory**. We aim to report on the results achieved, as well as on the challenges that remain and the steps ahead, guided by the ambition to play an active role in building a more responsible, resilient and sustainable industrial supply chain.

Mario Varisco,
Chief Executive Officer

Explanatory Notes:
- GRI 2-22

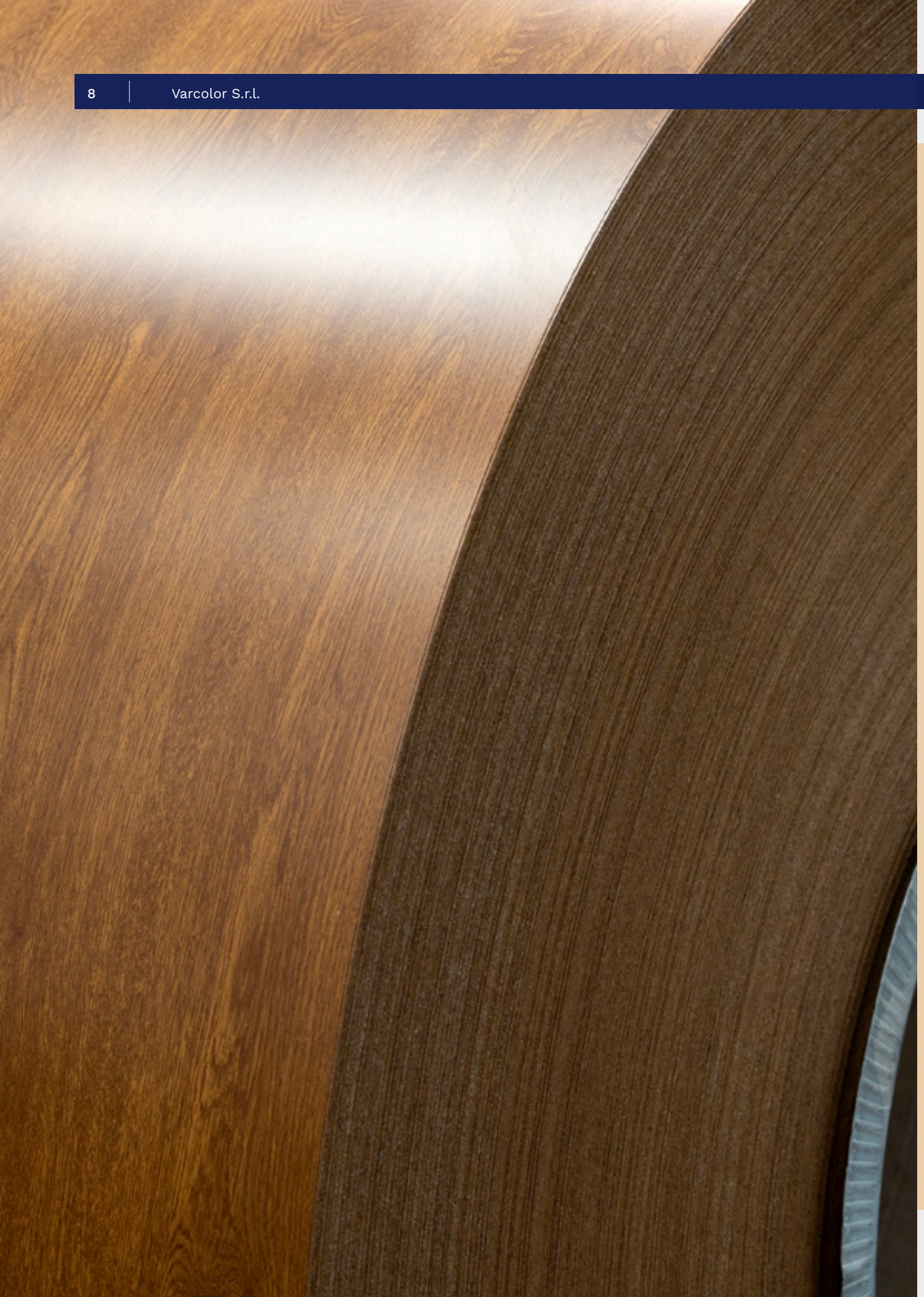
Reading Guide

Through the drafting process of its first **Sustainability Report**, Varcolor S.r.l. aims to consolidate its approach to reporting by structuring internal processes for the **collection, management and analysis of data** relating to its environmental, social and governance (ESG) performance.

The objective is not only to be able to describe the organisation's current state, but also to transparently measure the progress made and guide future strategic choices in a way which is increasingly aligned with sustainability principles.
Reporting has been developed with reference to the **Global Reporting Initiative (GRI)**. Main **international instruments and frameworks**, including the **Sustainable Development Goals (SDGs),** have been considered as additional references and, for the purpose of comparison and adjustment to the regulatory requirements provided for in the future, the **European Sustainability Reporting Standards (ESRS).**

The introductory part presents the **company profile** of Varcolor S.r.l. followed by the updated **materiality screening**, which considers impacts, risks and opportunities of the **material topics** identified.

The **core of the report** is dedicated to a **detailed description of the performance** across three key areas: **Governance, Social and Environmental**. Each area includes both a **quantitative** basis, with performance indicators, and a **qualitative** section, which analyses the policies adopted, besides the performance trends and prospects of improvement. This combination enables a return of a **complete and transparent overview** of the company's sustainable management, offering **useful tools** to the stakeholders to understand the results achieved and the **ongoing strategies**.
The document concludes with a **methodological section** which illustrates the sources of the data, the reporting boundaries and the reporting criteria implemented, to ensure consistency, comparability and reliability of the data presented.



GOVERNANCE HIGHLIGHTS

55,3

Economic value generated (in millions of €)

48,9

Economic value distributed (in millions of €)

6.789.254

Square metres produced during the year

33,3%

Women in the Board of Directors

0

Charges against the company for corruption

0

Cases of discrimination recorded

Model 231

Organisation Model according to Law 231 adopted in 2024

PEOPLE HIGHLIGHTS

100%

Employees with an open-ended contract within the company

98,6%

Employees with full-time contracts

7,1%

Turnover

109%

Ratio between the standard wage of a new employee and the minimum wage guaranteed by the National Collective Labour Agreement

100%

Return to work percentage after parental leave

1.898

Total training hours provided

25,65

Average hours of training per employee

16,9

Accident frequency rate recorded per million hours worked (relating to employees)

ENVIRONMENT HIGHLIGHTS

100%

Recyclability of raw material (steel)

100%

Electricity used from renewable sources

20,1%

Incidence of renewable energy sources on total energy consumption

0,0031
MWh/m²

Energy intensity ratio (energy consumption in MWh per square metre produced)

0,00051
tons CO_2 eq./m²

Intensity of market-based GHG Scope 1&2 emissions (on square metres produced)

92,4%

Non-hazardous waste generated (out of total waste)

97,5%

Waste sent to be recycled (out of total waste)

1 Identity

Varcolor S.r.l.

Specialised Centre for Continuous Coating of Flat Steel for Industrial Applications

Varcolor S.r.l., headquartered in **Quinto Vicentino (Vicenza),** has been operating since 2000 in the field of **transformation of flat steel** through **high-performance surface coatings.**
The company has established itself nationally as a benchmark for the **continuous pre-coating of metal laminates** intended for industrial applications, construction, interior design and segments with high aesthetic and functional value.

The organisation's core business consists of producing pre-coated steels by continuously applying **plastic films (PVC, PET), liquid paints** (including super-polyesters and dedicated formulations) or specific **treatments** on stainless steel and coated metal substrates such as **Alu-Zinc.**

The entire production process takes place in-house, ensuring constant control over quality, material traceability, and operational efficiency. The company thus stands out for its elevated level of technical specialisation and the integration of an internal Research and Development laboratory, through which new coating solutions are designed and tested. These activities also include the creation of pilot batches, compatibility tests with customers' processing methods and technical validations aimed at customising supplies.

Thanks to its consolidated collaboration with qualified suppliers and direct oversight of the production chain, Varcolor S.r.l. is able to offer high-performance products for critical environments, surfaces resistant to chemical or atmospheric agents and aesthetic finishes with high added value, including textured effects and exclusive embossing.

The company operates under an integrated management system certified by DNV, compliant with the following standards:
- **ISO 9001:2015** for quality,
- **ISO 14001:2015** for environmental management,
- **ISO 45001:2018** for occupational health and safety.

Its commitment to sustainability translates into an approach focused on process efficiency, waste reduction, and the adoption of industrial practices compatible with responsible resource management. Steel — a 100% recyclable material — forms the basis of the company's products and represents an element consistent with the principles of the circular economy.

This Sustainability Report documents the path undertaken by the company to mitigate the environmental impact of its activities, safeguard workplace safety and promote a production model founded on responsible innovation.

Explanatory Notes:
- GRI 2-1

Organisation Profile

The organisation and its reporting practices:

Varcolor S.r.l. has its registered office in Quinto Vicentino (Vicenza), in Via dell'Industria 22.

The company operates as a service centre for the continuous pre-coating of metal laminates, applying high-performance plastic films and liquid paints.

PricewaterhouseCoopers in Milan, and the scope of this financial reporting coincides with that of the Sustainability Report, which therefore includes exclusively Varcolor S.r.l., without analysing any subsidiaries or parent companies.
The reporting period for this document corresponds to the fiscal year, which runs from 1st January 2024 to 31st December 2024.

The company's first Sustainability Report has been developed on a voluntary basis and has not been subject to verification by an independent third party.

Explanatory Notes:
- GRI rif. 2-1, 2-2, 2-3, 2-5, 2-6

The Company’s History

Varcolor S.r.l. was established in 2000 with the aim of specialising in the **coil coating** industry, offering innovative solutions for the coating of flat steel products. After two years of preparation and investment in technology, **production began in 2002**, laying the foundations for a growth path built on quality, innovation and attention to customer needs.

The expansion of operations led, in **2008**, to the purchase of **15.000 m² of land** for the first extension of the plant, in order to meet a growing demand and improve production capacity. In **2015**, Varcolor took another strategic step with a further **9.000 m²** expansion and the installation of the slitting and cutting line, enabling the company to diversify its offering and consolidate its position in the market.

In **2022**, the company once again invested in the future by acquiring **16.400 m² of land** for future developments, confirming a strategy of continuous growth driven by innovation.

Thanks to consolidated know-how and constant investment in systems and technologies, the organisation has established itself as a benchmark in the coil coating market, offering high-performance products and customised solutions for industrial applications requiring quality and reliability. The company operates with processes certified in accordance with EN ISO 9001, 14001 and 45001 standards, ensuring high levels of quality and a rigorous approach to management.

2000
The company is established

2002
Production begins

2008
Purchase of 15.000 m² of land for the first extension

2015
9.000 m² extension of the production plant

2015
Installation of the slitting and cutting lines

2022
Purchase of 16.400 m² of land for future developments

Shared Values

Values that Create Value

Aware that a company’s success is not measured solely by numbers, Varcolor S.r.l. places great emphasis on the people who make it what it is. Guiding its strategies and daily actions are values such as human capital, sustainability, customer focus and the passion which is essential to achieving its goals.

Mission

Varcolor S.r.l. is committed to developing and delivering innovative, high-quality steel coatings which combine technical performance with aesthetic appeal. The company integrates research and expertise to ensure customised, reliable and safe solutions, creating value for customers, employees and the local community.

Vision

We believe that the future of steel lies in responsible innovation and in the ability to anticipate market needs. The goal of Varcolor S.r.l. is to establish itself as a European benchmark in the pre-coated steel industry, contributing to the spread of durable and reliable products designed for a circular economy.

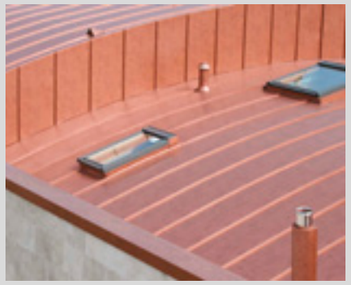
Business Sectors

The company’s products are used across a wide range of industries, thanks to the versatility and quality of the solutions offered.

The main applications include:

- **Outdoor construction**, with coatings and components which ensure durability and design for roofs and façades.
- **Doors and gates**, where materials guarantee functionality, long life and aesthetic appeal.
- **Commercial furnishings**, with surfaces and finishes designed for professional and retail spaces.
- **Lifts**, through structural elements and panels which combine safety and style.
- **Household appliances**, for components requiring precision, reliability and high performance.
- **The ship-building industry**, with products intended for coatings and structures for boats and large vessels.

These areas of application demonstrate the company’s ability to meet the needs of diverse markets, offering solutions which combine innovation, quality and attention to the technical specifications of each industry.






Explanatory Notes:
- GRI rif. 2-6

Innovation and Research

Innovative products: VARHD+

Innovation is one of the founding values of Varcolor S.r.l. Thanks to its in-house Research and Development department, the company has been able to anticipate market needs, offering cutting-edge technical and aesthetic solutions in the pre-coated steel industry.

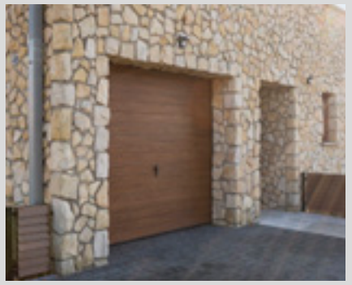
Among the next-generation products, VARHD+ stands out, the result of an advanced engineering process and a vision focused on customisation.

Such product is the outcome of an integrated and controlled production process, which enhances the synergy between technology and aesthetics. Varcolor S.r.l. continues to invest in research to deliver solutions which are increasingly high-performing, customisable and environmentally responsible.

VARHD+

VARHD+ represents a true revolution in the world of organic coatings. It consists of a galvanised steel or aluminium substrate, chemically treated and subsequently coated with multiple layers of **super-polyester paint**, reaching a thickness of up to **50 microns**. The product is available in **solid colours or printed patterns**, with finishes which replicate natural materials such as wood, Corten steel, brick or roof tiles.

Key features include:
- **High resistance to corrosion and light exposure**
- **Touch effect and customised embossing**
- **Excellent workability and no delamination**
- **Warranty of up to 10 years** with a minimum Z225 steel substrate or aluminium
- **Fully recyclable**, in line with the principles of the circular economy

Our Business Model and Value Chain

Varcolor S.r.l. has always embraced a growth model guided by the principles of social responsibility, ensuring high-quality products at a fair price, with a constant commitment to people, the community and the environment. Fully aware of its impact, the company has made a serious pledge to integrate economic considerations with the analysis of social and environmental effects, aiming to generate lasting value across every area of its organisation.

The distinctive features of this model include:

- **The adoption of an Organisation, Management and Control Model pursuant to Legislative Decree 231/2001** (hereinafter “Model 231”), an integral part of the Internal Control System, which promotes ethical and responsible behaviour throughout the company.
- **A rigorous selection of partners and suppliers**, combined with the centralisation of procurement, production and logistics activities. This approach enables the company to maintain high product quality standards.
- **Continuous updating of its offering**, both in terms of products and services, to respond effectively to market developments and specific customer needs. Strategic decisions are supported by targeted market analyses and active listening to customer preferences.
- **An effective management of sales and deliveries**, designed to provide a personalised service which meets customers’ real needs. Customer support extends from the pre-purchase consultancy phase through to the resolution of any post-sales issues.
- **An advanced reordering system based on forecasts**, developed to anticipate customer requirements and optimise the order management process. This system enables proactive supply planning, reduces lead times and improves delivery punctuality, thereby strengthening the overall efficiency of the value chain.
- **Targeted investments in technology, training and employee loyalty** complete the integrated approach to quality. The goal of Varcolor S.r.l. is to guarantee an increasingly reliable, safe and innovative service, consolidating its role as a qualified partner within the steel supply chain.

Varcolor is a DNV-certified company for the following management systems:

• Quality Management System ISO 9001:2015
• Environmental Management System ISO 14001:2015
• Occupational Health and Safety Management System ISO 45001:2018.

Quality Management ISO 9001:2015

Environmental Management ISO 14001:2015

Occupational Health and Safety Management ISO 45001:2018

Explanatory Notes:
- GRI rif. 2-6

Quality

Quality is a core element in the company’s management approach. Since its foundation in 2000, the company has placed technical and aesthetic excellence at the heart of its mission, distinguishing itself through the innovation and reliability of its products.

Certifications

The company operates under an **Integrated Management System certified by DNV**, in compliance with leading international standards:
- **ISO 9001:2015** – Quality Management System
- **ISO 14001:2015** – Environmental Management System
- **ISO 45001:2018** – Occupational Health and Safety Management System

These certifications, renewed periodically, ensure that production processes comply with quality, safety and sustainability requirements, demonstrating the company’s commitment to integrated management and responsible industrial growth.

Laboratory and R&D

The Research & Development area of Varcolor S.r.l. plays a strategic role, enabling the company to anticipate customer needs and industry trends through the development of innovative, high-performance products.
R&D activities are closely integrated with production, thanks to facilities equipped with advanced engineering solutions.

Varcolor S.r.l. has an **in-house laboratory** dedicated both to quality control and to the testing of new coating solutions. Activities include performing physical and chemical tests on materials, verifying the compatibility of coatings with different applications, and producing pilot batches to validate products before full-scale production. The available equipment allows for aesthetic and functional checks, as well as resistance tests against atmospheric and chemical agents, ensuring that materials comply with the technical and regulatory standards required by the market.

The integration of **certification systems, laboratory operations and Research & Development** activities forms the foundation of the organisation’s reliability, strengthening its competitiveness in the pre-coated steel industry and consolidating its ability to offer innovative, high-performance coatings which meet the highest international standards.

ESG Roadmap

2

ESG Roadmap at Varcolor S.r.l.

Attention to environmental, social and good governance issues is an integral part of the identity of Varcolor S.r.l. and founding values, guiding every corporate decision with a constant commitment to **sustainability** and **social responsibility**.

In its first reporting year, the company launched a **solid and transparent sustainability governance framework**, aimed at the systematic assessment and management of **ESG impacts** throughout the entire value chain. The process involves collecting and consolidating data from different business areas, reviewing them in accordance with international reference standards, and validating them by management functions. This approach, reinforced by the requirement for Integrated Environmental Authorisation (AIA) and the adoption of ISO 9001, 14001 and 45001 certifications, enables informed decision-making with a long-term vision, supported by constantly updated **measurement and reporting tools**.

In 2024, engagement focused on the main corporate functions and the Governing Body (Senior Management and HSE Managers), to define the most relevant ESG priorities and to validate and periodically update the materiality matrix and the related targets. Pending future formal engagement with its stakeholders, the mapping of topics was based on market signals and recurring requests from customers, financial institutions and data providers (in the areas of quality, traceability, carbon footprint and certifications), which were translated into indicators aligned with international standards.

The company has thus embarked on the course towards its **first sustainability report**, focusing on raising **awareness, measuring and integrating** the most relevant ESG factors. The document represents not only a **tool for transparency**, but also a foundation for building **continuous dialogue with the stakeholders**. The process will continue over the 2025–2026 two-year period, also in view of the entry into force of the **CSRD Directive** and the new **ESRS standards**, with the aim of ensuring full regulatory compliance and continuous improvement of performance.

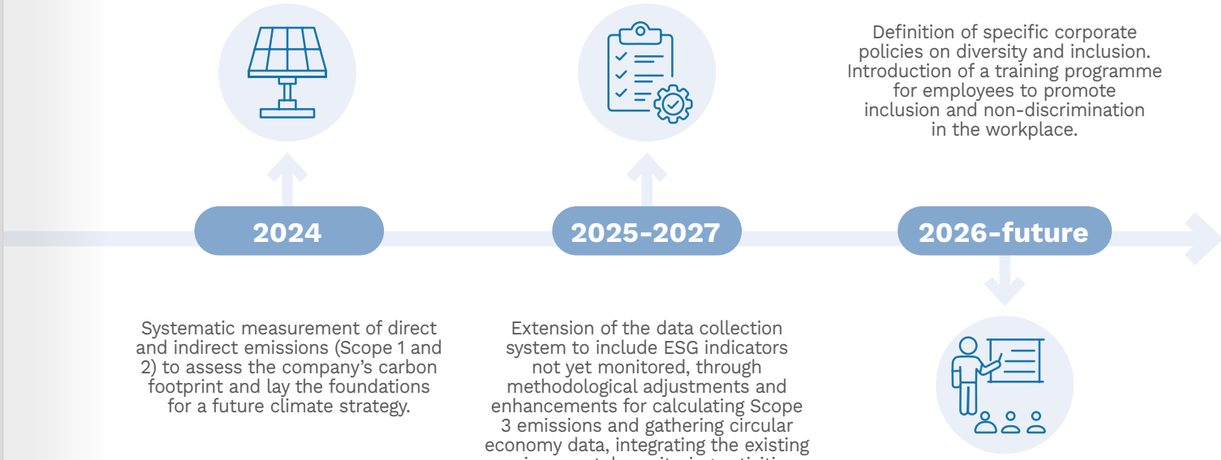
Alongside this, there are challenges and opportunities linked to changes in the reference context, such as the introduction of the **Carbon Border Adjustment Mechanism (CBAM)** and the spread of **Environmental Product Declarations (EPD),** which the company addresses with a proactive approach to maintain its competitiveness and contribute to reducing the environmental impact of the steel industry.

Explanatory Notes:
- GRI rif. 2-25, 2-29, 3-1

Strategy and ESG Plan

The commitment of Varcolor S.r.l. to environmental, social and governance issues is reflected in an increasingly structured approach to sustainability, aligned with the GRI Standards and with the European requirements introduced by Directive (EU) 2022/2464 (CSRD) and the ESRS standards.
The organisation has strengthened its ESG course launched in 2024 by defining an action plan which sets out clear and progressive objectives, built on the materiality analysis conducted according to the principle of double materiality and supported by a continuously improving data collection and management system.
In the coming years, the roadmap will guide the company in monitoring performance, formalising information flows and increasingly integrating ESG criteria into decision-making and management processes. The plan includes concrete actions to reinforce the internal sustainability culture, align the organisation with new regulatory obligations and effectively respond to stakeholder expectations. These objectives will be complemented by planned investments in energy efficiency, as outlined in the environmental section of this report.

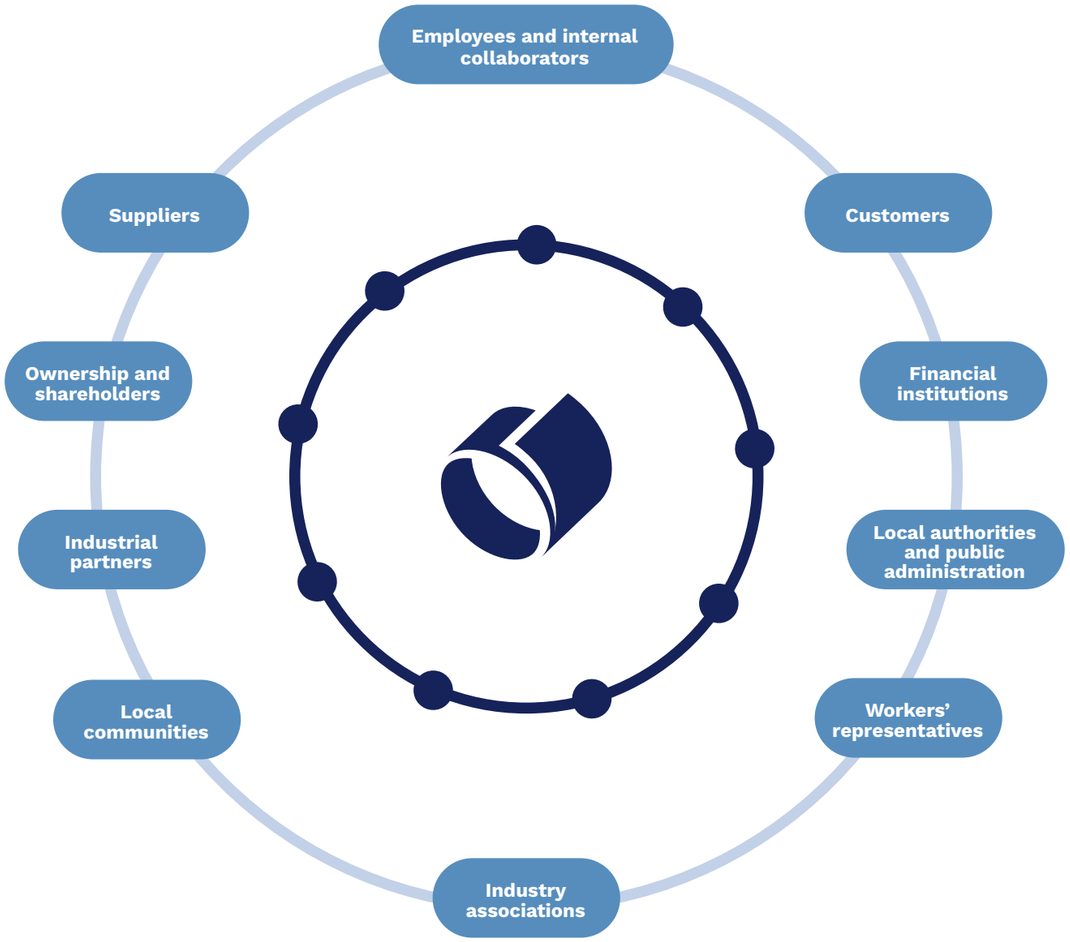
Our ESG Roadmap



Cross-cutting Objectives

- Continuous efficiency investments to reduce consumption and energy intensity, in line with ISO 14001. Ongoing strengthening of health and safety policies based on corporate best practices and in full compliance with ISO 45001 certification.
- Standardisation of information flows for the annual preparation of sustainability reports in accordance with international standards. Formalisation of these flows in view of alignment with the new requirements of the CSRD Directive and the European ESRS standards.
- Continuous training and ESG awareness initiatives to foster a sustainable cul-ture, promoting shared improvement practices and active employee partici-pation.

Key Stakeholders and Strategic Mapping



Stakeholder Relations

In the context of the sustainability course undertaken, the organisation recognises the involvement of **internal and external stakeholders** as an essential element in defining ESG priorities.

Stakeholders are identified as individuals, groups or organisations who or which can influence the company's activities or who or which, in turn, may be significantly affected by them. Identifying these parties forms the basis for defining material sustainability topics and for guiding the company's ESG course, with a view to aligning internal priorities with external expectations.

The analysis carried out by Varcolor S.r.l. was accompanied by an internal mapping of interests and expectations, including implicit ones, of its stakeholders. The objective is to gain a structured understanding of the **current and potential impacts** of corporate activities on these parties.

Below are the results of the analysis relating to the stakeholder categories considered "key". The process made it possible to **identify those parties who or which play a significant role for the organisation**, as well as those stakeholders on whom or which corporate operations and decisions may have a material impact, both now and in the future.

In line with the GRI Standards, the company intends to **strengthen its approach to stakeholder dialogue**, aware that **structured, transparent and continuous** engagement is a key factor in creating shared value and ensuring the organisation's sustainable success.

Explanatory Notes:
- GRI 1: Fundamental principles 2021
- GRI 2-29, 3-1

Key Stakeholders

The analysis conducted by **Varcolor S.r.l.** included a detailed mapping of its **strategic stakeholders,** assessed both in terms of **strategic relevance** and the extent of **actual or potential impacts** generated on them.
The process made it possible to identify the stakeholders considered as **key**, namely those with whom it is essential to establish a continuous, transparent and structured dialogue, useful for guiding corporate strategies and sustainability projects. The definition of key stakeholders was carried out through internal analysis and in accordance with the double materiality approach (ESRS 1 and GRI 3-1/3-2).

Below are the **main stakeholder categories**, with a summary of their significance for the organisation:

- **Customers**: they operate in industries with high ESG sensitivity and directly influence corporate strategies through technical, regulatory and environmental requirements affecting the entire steel supply chain.
- **Employees and collaborators**: they represent the operational core of the company. Their active involvement is central to ensuring safety, well-being, professional development and quality in processes.
- **Suppliers**: they play a key role in the quality of the finished product. Particularly with regard to raw material suppliers, control over **traceability and compliance** within the supply chain is crucial, including environmental and social aspects. It is essential to rely on qualified partners with whom relationships are based on reliability, transparency and shared responsibility.
- **Local communities and the territory**: the company's strong roots in the areas where it operates entail employment impacts and direct environmental effects, requiring a responsible, transparent and proactive relationship with local communities.
- **Ownership and shareholders**: they play a central role in strategic direction and sustainable governance, also in light of the new European regulations on sustainability reporting.
- **Trade unions**: essential for dialogue with employees, they promote organisational stability and internal well-being.
- **Certification bodies**: they contribute to strengthening the company's reliability. These bodies issue certificates and oversee process compliance. The organisation is certified to ISO 9001, ISO 14001 and ISO 45001 and has initiated the course for ESG reporting in accordance with GRI Standards and, prospectively, ESRS.
- **Credit institutions and investors**: key interlocutors in promoting strategic projects and access to sustainable finance. They are increasingly focused on ESG performance, risk management and transparency.
- **Regulatory bodies and public authorities**: ensure regulatory compliance of corporate activities and supervise authorisations relating to environmental, safety and urban planning matters. The relationship with the Province, ARPAV (the Veneto Regional Environmental Protection Agency) and water and waste management authorities is constant to ensure compliance with AIA (Integrated Environmental Authorisation) requirements and monitoring plans.
- **Industry associations**: they facilitate dialogue with other entities in the steel supply chain, promoting the exchange of best practices, technical standardisation and collective innovation.

*This analysis was reviewed in 2024 and will continue to be **updated dynamically**, with the aim of strengthening the organisation's capacity of listening and dialoguing with all stakeholders, aware that active stakeholder monitoring is an essential pillar for long-term success and sustainability.*

Stakeholder	Relationship with the company	Key impact and expectations	Relevant GRI Standards / ESRS
Customers	Portfolio focused on pre-painted and coated laminates for construction, furnishings and industrial applications with high aesthetic and functional value. Relationship built on technical and commercial support for tailor-made solutions and reliable delivery times.	Product quality and safety, traceability, technical innovation. Expectations regarding aesthetic and functional customisation, resistance to atmospheric agents, and environmental certifications (e.g., REACH, ISO 14001).	GRI 301 GRI 416 GRI 417
Employees and collaborators	Approximately 75 people involved in pro-duction, maintenance, logistics, as well as in staff and R&D roles. Continuous training on safety, proper handling of chemical substances and workplace risks, GDPR compliance and cybersecurity.	Occupational health and safety reinforced by ISO 45001 certification, well-being, professional development, fairness and workforce retention.	GRI 401 GRI 403 GRI 404 GRI 406 GRI 418
Suppliers	Specialised supply chain (paints, adhe-sives, plastic films, steel), with estab-lished partnerships based on technical requirements, quality and logistics.	Responsible selection, regulatory compliance and safety standards, environmental performance, traceability, continuity of supply.	GRI 204 GRI 308 GRI 414
Local communities and territory	Decade-long presence in Quinto Vicentino (Vicenza). Direct environmental and employment impacts, managed also through relations with local authorities and water service providers.	Local employment, mitigation of environmental impacts (emissions, discharges and waste) and transparency regarding the Integrated Environmental Authorisation (AIA), as well as support for social initiatives within the local community.	GRI 203 GRI 305 GRI 306
Owner and shareholders	Family-owned holding. Integrated governance with a strategic approach focused on corporate sustainability, regulatory compliance and welfare initiatives.	Value creation, ESG risk management, transparency and compliance with regulations.	GRI 2-22 GRI 207
Trade union representatives	Regular relations, periodic meetings as required by the National Collective Labour Agreement (CCNL). Commitment to safety, well-being and organisational changes.	Social dialogue, organisational stability, proactive engagement on operational changes	GRI 2-30 GRI 403
Certification bodies	Recurring audits on ISO 9001, ISO 14001 and ISO 45001. Oversight on compliance and continuous improvement.	Regulatory compliance, continuous improvement, strengthening stakeholder trust.	GRI 2-25 GRI 2-26
Banking institutions and investors	Established banking and insurance relationships. Potential involvement in launching ESG-related investments and investments in technological innovation.	Economic stability, financial transparency, ESG rating and risk management.	GRI 201 GRI 207
Regulatory bodies and local authorities	Ongoing dialogue with the Provincial Authority, ARPAV (the Veneto Regional Environmental Protection Agency) and water and waste management providers to ensure environmental and regulatory compliance, as well as monitoring plans.	Compliance, environmental and worker safety, and accident prevention.	GRI 2-27 GRI 307
Industry associations and industrial stakeholders	Participation in industrial networks and supply chain roundtables. Active presence in trade associations.	Alignment with standards and monitoring of regulatory developments, exchange of best practices, sustainable innovation.	GRI 2-28

Explanatory Notes:
- GRI rif. 3-1

Materiality Screening

The continuous coating industry for flat steel products, in which **Varcolor S.r.l.** operates, is characterised by processes with a **high environmental and social impact**, particularly due to the use of chemical substances, atmospheric emissions and energy consumption. It is therefore essential to identify the **key sustainability topics** which are material to the operational and regulatory context in which the company operates.

The materiality analysis was carried out in accordance with the **GRI Sustainability Reporting Standards**, considering the **principles of impact materiality**, namely the topics which reflect the organisation's significant impacts on the economy, the environment and people.

To this end, the following were analysed:
- **Actual and potential impacts** generated by the company's activities;
- **Expectations of the stakeholders** most relevant to the company.

According to the main reference standards, a Sustainability Report must provide information on the topics which reflect the company's significant economic, environmental and social impacts and which are of interest to its stakeholders.

Varcolor S.r.l. therefore conducted the materiality analysis in line with the GRI Sustainability Reporting Standards, organising in-depth workshops with the management to define the internal relevance of the topics and integrating these with the analysis conducted to identify the most relevant stakeholder groups.

The materiality map highlights **three key areas**, closely linked to the operational and regulatory context of Varcolor S.r.l. The first cluster concerns **environmental aspects**, such as energy, water, VOC/SOV and greenhouse gas emissions, as well as waste management, which are central to regulatory compliance, operational cost control and corporate reputation. The second cluster is **social in nature** and relates to occupational health and safety, training and employment, which are fundamental for reducing risks associated with chemical substances and complex plants and for promoting a safety culture. The **economic** cluster, lastly, focuses on performance and material use, with direct impacts on production efficiency, innovation and competitiveness.
Alongside these areas, the relevance of **cross-cutting topics** emerges, such as product safety for customers, linked to regulatory compliance (REACH) and transparency regarding the substances used.

GRI 2-30 Collective Bargaining Agreements

GRI 201 Economic Performance 2016

GRI 202 Market Presence 2016

GRI 204 Procurement Practices 2016

GRI 205 Anti-corruption version 2016

GRI 301 Materials 2016

GRI 302 Energy 2016

GRI 303 Water and effluents

GRI 305 Emissions 2016

GRI 306 Waste 2020

GRI 401 Employment 2016

GRI 403 Occupational Health and Safety 2018

GRI 404 Training and Education 2016

GRI 405 Diversity and Equal Opportunity 2016

GRI 406 Non-Discrimination 2016

GRI 413 Local Communities 2016

GRI 416 Customer health and safety 2016

Explanatory Notes:
- GRI rif. 3-1, 3-2

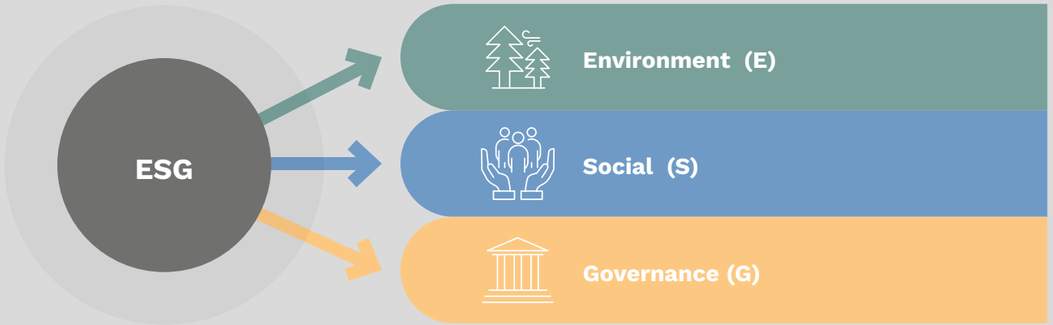
Material Topics

Varcolor S.r.l. dealt with the choice of relevant topics for reporting purposes:
- starting from a long list of topics which the main ESG standards suggest and an analysis of the reference context;
- taking on the GRI Sustainability Reporting Standards as a benchmark.

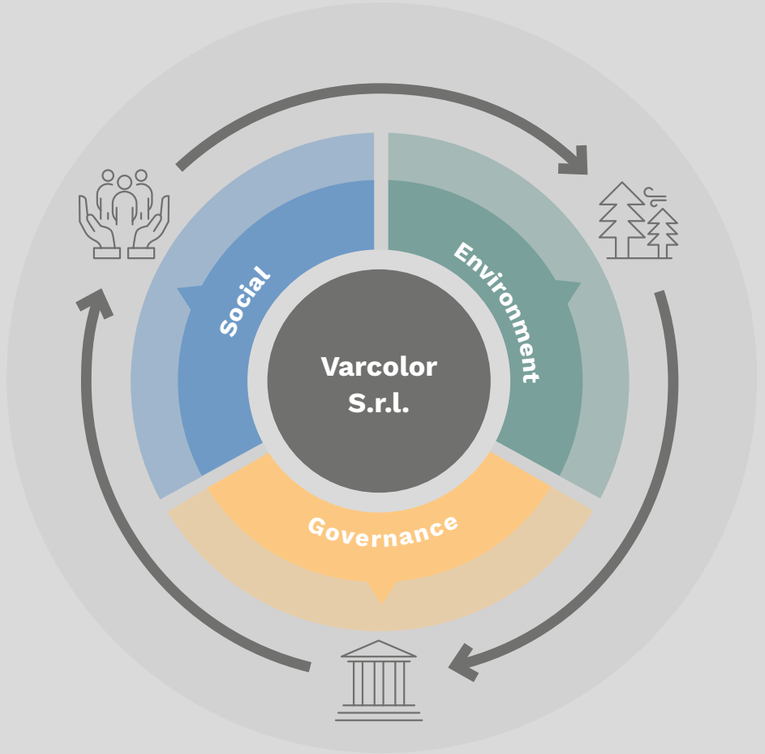
It carried out an initial analysis of the significance of the actual and potential impacts generated by its activities, taking into account the reference industry, the company's specific operations and quantitative performance data, through a comparison with Management, all aligned with the initial analysis conducted on its stakeholders.
A list of material topics for the organisation was drawn from this activity, for which it reports both performance and the management tools in place (policies, systems, organisational structures).

Starting from the specific topics which emerged through the materiality screening, Varcolor S.r.l. chose to group them in macro-topics which represent its sustainability roadmap.

These are distinctively relevant and categorised according to the ESG topics, including some cross-cutting material topics (i.e. which impact all three dimensions):



Explanatory Notes:
- GRI rif. 3-1



GOVERNANCE (G)

Topic	Description of the impact	Related risks	Related opportunities	GRI benchmark	
Ethics, transparency, compliance and anti-corruption	Respect for legality and the adoption of ethical principles represent key and fundamental pillars for Varcolor S.r.l., formalised through the Integrated Management Model, the Model 231 Model, the Code of Ethics, (both adopted in 2024) and a disciplinary system designed to safeguard corporate conduct.	Possible regulatory violations or unethical behaviour could result in sanctions, reputational damage, and a decline in stakeholder trust.	The promotion of a culture of transparency, the strengthening of internal controls and regular training help ensure the integrity of the company's operations. The tools adopted also enable the dissemination of corporate principles to external stakeholders (such as contractors and business partners). Oversight is reinforced by the Supervisory Body (ODV) and by the Integrated Management Model certified to ISO 9001, ISO 14001 and ISO 45001 standards, which guarantee transparency and process control.	GRI 205 GRI 206 GRI 2-26	Effective positive impact Potential negative impact
Economic performance and resilience	Economic performance represents a fundamental pillar for Varcolor S.r.l., as it enables the financing of investments in technological innovation, know-how, and human capital development. Financial solidity, strengthened by the company's membership in the Gabrielli Group, allows for greater resilience in facing industry-wide changes.	Volatility in raw material prices, fluctuating energy costs, impacts from regulatory changes (e.g. CBAM, ESG disclosure) risk giving rise to a loss of competitiveness if not mitigated. There is also the strategic risk associated with the potential acquisition of know-how by competitors, who could develop technologies similar to those currently highly distinctive of Varcolor S.r.l.	Investments in efficient technologies and innovative products (such as Varcolor VARHD®) strengthen resilience and the ability to generate sustainable value over the long term.	GRI 201	Effective positive impact Potential negative impact
Sustainability in the supply chain	The supply chain, particularly for steel and surface treatments, is strategic. Sourcing from Italian and foreign suppliers may however expose the company to environmental and social ESG risks.	The risk along the supply chain is represented by potential violations of human rights, the use of child or forced labour, misalignments with the Management Model which reflects the company's governance, as well as the risk of supplies of chemical substances which do not comply with regulations (REACH restrictions, incomplete SDS), with possible impacts on compliance and reputation.	Traceability, supplier qualification, compliance with regulations (REACH, RoHS), verification of chemical-physical characteristics and origin enable enhanced competitiveness and a reduction in legal and reputational risks related to the company's supply chain.	GRI 204	Potential negative impact
Alignment with new ESG paradigms	The organisation has already consolidated the management of sustainability aspects through structured systems, such as certifications and internal procedures. However, current standards require an additional step towards public and transparent reporting of sustainability information. The growing focus on ESG criteria calls for the integration of these topics into the company's strategy and the strengthening of the measurement and communication of its performance.	Failure to align with emerging standards may lead to customer loss, reduced competitiveness, limited access to new markets, financing and unavailability of compliant materials.	Adoption of transparent practices and integration of ESG factors into corporate strategy may give rise to strengthening of resilience, and competitiveness of the company, increasing stakeholder trust.	GRI 2-22 GRI 201	Potential negative impact
Cybersecurity and data protection	Cybersecurity and the protection of personal and corporate data are essential to ensure operational continuity and regulatory compliance. The organisation handles sensitive information relating to customers, suppliers and production processes, which require advanced defence systems and a corporate culture focused on prevention.	Malware attacks, phishing and system breaches can lead to data loss, operational shutdowns and GDPR violations, resulting in penalties, reputational damage and loss of trust among stakeholders.	Risks are mitigated through the adoption of advanced technological solutions, such as the implemented system for data protection and screening, combined with firewalls and continuous monitoring systems. Regular training, including monthly cybersecurity awareness sessions, dedicated courses on privacy and GDPR, and the dissemination of clear rules for data handling, the use of social media and IT tools, strengthen digital resilience and stakeholder trust.	GRI 418	Potential negative impact Effective positive impact

Explanatory Notes:
- GRI rif. 3-2, 3-3, 2-25

PEOPLE (S)

Topic	Description of the impact	Related risks	Related opportunities	GRI benchmark	
Occupational health and safety	In addition to physical and operational risks, Varcolor S.r.l. manages significant chemical risks associated with the use of paints, solvents, adhesives and pre-treatments, which may lead to exposure to flammable, toxic, corrosive or sensitising substances. The direct impact concerns the health and integrity of workers, who represent a primary value for the organisation.	Occupational injuries, work-related illnesses or exposure to hazardous substances may compromise people's health, the company's reputation, and production continuity.	These risks are minimised through innovative VOC/SOV abatement technologies, localised extraction systems, monitoring systems and advanced PPE. The Integrated Management System (ISO 45001) ensures safe environments and monitored processes, strengthened by continuous training and the active involvement of personnel in prevention processes, aimed at guaranteeing a safe and technologically up-to-date workplace.	GRI 403	Potential negative impact
Work conditions and organisational well-being	The internal atmosphere, job stability, and employees' physical and mental well-being are fundamental elements for work quality and productivity. Staff well-being has a direct impact on the company's ability to achieve long-term objectives.	Turnover, demotivation and difficulty in retaining qualified personnel may affect company productivity and impact on the organisation's reputation.	Collaborative trade union relations, corporate benefits, focus on work-life balance, employee listening and engagement policies can represent a source of opportunity for the company, enabling a higher employee retention level.	GRI 401 GRI 403-6	Effective positive impact
Training and skill development	Varcolor S.r.l. operates within a technical and specialised context, in which skills represent a strategic asset. Technological evolution and digitalisation require the continuous upskilling of human capital.	Skills shortages may reduce workplace safety, compromise product and service quality, and hamper innovation. A lack of knowledge on chemical risks may also increase exposure to hazardous substances and compromise safety and quality.	Investing in structured training programmes, collaborating with specialised organisations and developing internal growth initiatives strengthen safety and enhance competitiveness, creating a dynamic organisation ready to face future challenges. For chemical risk, periodic updates on chemical agent management procedures are essential, together with collaboration with specialised bodies for training on chemical safety.	GRI 404	Effective positive impact
Diversity, equality and inclusion	Promoting inclusive and non-discriminatory work environments is essential for the company's reputation and for attracting new talent. In manufacturing industries with a predominantly male workforce, the risk of failing to value diversity may undermine innovation and the internal atmosphere.	If not actively and correctly managed, these topics may lead to failure in valuing professional skills, discriminatory practices and loss of attractiveness to new talent.	Equal opportunities at every stage of the employment relationship, inclusion policies which recognise skills and merit, respect for generational, gender and cultural differences may make the organisation more attractive in the labour market, in addition to ensuring greater retention of existing staff.	GRI 405	Potential negative impact
Community and territorial relationships	Varcolor S.r.l. is inserted within dynamic industrial areas, interconnected with the local social fabric. Its manufacturing activities generate impacts on the surrounding context, particularly in terms of traffic, noise, and chemical agent management.	Potential deterioration of local consensus, conflict with the community.	Employment development, constructive dialogue with local stakeholders, support for community initiatives, and enhancement of the company's role as a responsible player and promoter of sustainable development enable balanced management of relations within the territory.	GRI 413	Potential negative impact

Explanatory Notes:
- GRI rif. 3-2, 3-3, 2-25

ENVIRONMENT (E)

Topic	Description of the impact	Related risks	Related opportunities	GRI benchmark	
Energy consumption and GHG emissions	Continuous coating activities require a high consumption of electricity (lines and auxiliary systems) and fuels for the operation of furnaces (baking) and technical services. These energy uses generate significant environmental impacts in terms of direct greenhouse gas emissions (Scope 1) and indirect emissions (Scope 2). Managing these impacts is particularly relevant for operations conducted by Varcolor S.r.l.	Environmental and competitive risk linked to energy inefficiencies and the failure to reduce emissions. Economic risk arising from high and volatile energy costs. Regulatory pressures (e.g. carbon pricing) and demands for transparency represent significant challenges for the organisation.	The containment of emissions related to company operations is ensured, where possible, through actions undertaken by the company. These include energy efficiency measures (heat recovery from furnaces, set point optimisation, high efficiency motors/inverters), consumption monitoring systems and maintenance to reduce waste and inefficiencies. The procurement of electricity certified from renewable sources enables the elimination of Scope 2 market based emissions.	GRI 302 GRI 305	Potential negative generated impact
Waste and scrap management	Production processes generate waste (including hazardous waste) such as paint sludge, spent solvents, filters, activated carbon and sludge from water treatment. The safe and traceable management of this waste is essential for regulatory compliance and for preventing environmental impacts and health risks.	Risk of non-compliance in the management, traceability, or storage (especially of hazardous waste), as well as the risk of spills, with potential environmental impacts, sanctions, and reputational damage.	The traceability and integrated management of waste, the selection of qualified partners for recovery and disposal, and the valorisation of processing residues within a circular economy approach (such as the solvent regeneration practice already adopted and the sale of chips and scrap) represent good practices which help to mitigate the risks associated with waste management	GRI 306	Potential negative generated impact
Raw materials and procurement of steel and chemical products	The choice of raw materials, such as steel and chemical and plastic products for coating, affects the sustainability of the supply chain and the product life cycle. Critical factors such as recycled content, the presence of hazardous substances and the emissions footprint require traceability, regulatory compliance and the responsible selection of suppliers.	Price volatility and dependence on external suppliers, together with the risk of using substances which do not comply with regulations (e.g., REACH, VOC limits), can lead to environmental and reputational impacts. Added to this is the critical issue of traceability regarding the origin of raw materials (steel) and the management of hazardous substances.	Enhancing traceability and transparency regarding the origin of materials, together with the selection of qualified and compliant suppliers, reduces exposure to risk. Anticipating regulatory adjustments and integrating ESG criteria into the supply chain, combined with the use of steel with recycled content and chemical formulations with a reduced environmental impact, can strengthen competitive positioning, particularly in the most demanding markets.	GRI 204 GRI 301 GRI 305	Potential generated negative impact
Climate change	Climate change entails physical risks (extreme weather events, damage to infrastructure, production disruptions) and transition risks (regulations, taxation, European regulatory frameworks).	Potential physical damage caused by climate-related events, logistical and production disruptions, increasing regulatory obligations and growing tension from customers and investors.	The adoption of preventive and adaptation measures may represent an opportunity to ensure operational continuity and greater competitiveness: insurance coverage, energy efficiency improvements, integration of climate risk into corporate strategy, and strengthening of resilience and competitiveness.	GRI 201 GRI 302 GRI 305	Potential negative generated impact
Emissions into the Atmosphere (VOCs and Other Substances)	The use of paints, primers, top coats, solvents and pre-treatment processes generates significant emissions of VOCs and other volatile substances, with impacts on air quality and on the health of workers and local communities. Managing these substances in compliance with the requirements of the Integrated Environmental Authorisation (AIA) and environmental regulations is essential to meet authorised limits and to mitigate impacts on health, the environment and communities.	Exceeding emission limits or failing to comply with regulations can cause unpleasant odours, impacts on air quality, fines and reputational damage. Exposure to toxic and flammable vapours entails health risks, which are aggravated by the presence of hazardous substances. There is also a risk of fire or explosion and of environmental impacts in the event of accidental release.	The optimisation of abatement systems and the implementation of structured monitoring systems minimise these risks, enhance compliance and increase transparency towards stakeholders, thereby strengthening reputation and market competitiveness. The possible adoption of innovative and improved formulations, where technically applicable, can also help reduce environmental impact and anticipate regulatory requirements.	GRI 305-7 GRI 307 GRI 403	Potential negative generated impact
Water Resources and Wastewater Management	The processes use process water and generate wastewaters which require treatments and monitoring. Their management affects therefore affect water resources and compliance with authorised limits.	Possible qualitative or quantitative non-compliances in the discharges and overloads of the treatment plant may result in environmental and reputational impacts, and may even lead to sanctions.	Reducing consumption through optimisation and recirculation, together with improving treatment and sludge management and strengthening monitoring and procedures, makes it possible to enhance performance and limit these risks.	GRI 303	Potential negative generated impact

Explanatory Notes:
- GRI rif. 3-2, 3-3, 2-25

Varcolor S.r.l. SDGs Commitments

As part of its Sustainability roadmap, Varcolor S.r.l. **wishes to outline its commitment** to the Sustainable Development Goals (SDGs) set out in the 2030 Agenda.

This begins with identifying the relevance of these Goals for the industry in which it operates, the company's ability to generate a positive impact in relation to these Goals, and the association with material topics**.**

3 GOOD HEALTH AND WELL-BEING
Ensure health and well-being of everyone and of all ages.
Varcolor S.r.l. promotes **a safe working environment,** with particular focus on managing chemical and operational risks associated with continuous coating. The company invests continuously in prevention, VOC emission monitoring, occupational health surveillance, advanced PPE and innovative technologies to reduce risks. All processes are managed in accordance with the Integrated Management System certified to ISO 45001. Corrective actions and controls are strengthened to minimise exposure to hazardous substances and to prevent accidents and occupational diseases.

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10 REDUCED INEQUALITIES - 4 QUALITY EDUCATION
Supply quality education, equal and inclusive, and learning opportunities for all.
The company enhances technical and professional skills through **continuous training**, ensuring access to qualifying experiences and learning opportunities at all organisational levels.

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5 GENDER EQUALITY
Reach gender equality and emancipate all women and girls.
Varcolor S.r.l. is committed to **appreciating people** and diversities existing in the company. The company favours an inclusive organisational culture, based on respect, equal opportunities, and the appreciation of diversity.

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6. CLEAN WATER AND SANITATION
Ensure the availability and sustainable management of water and sanitation services.
The organisation carefully manages water resources within industrial processes, implementing treatment and discharge monitoring systems to prevent potential environmental impacts. The company is committed to reducing consumption, optimising recirculation wherever technically feasible, and minimising sludge generation, in full compliance with environmental regulations.

Explanatory Notes:
- GRI rif. 3-3

7 AFFORDABLE AND CLEAN ENERGY
Substantially increase the share of renewable energy in total energy consumption and improve energy efficiency.
Varcolor S.r.l. works to improve the energy efficiency of its processes, with particular focus on paint baking furnaces and coating lines. Actions include heat recovery, optimisation of set-points, use of high-efficiency motors and consumption monitoring systems. The use of clean energy is ensured through the exclusive purchase of electricity from renewable sources, certified by Guarantees of Origin. Monitoring of consumption and emissions associated with operations further demonstrates the organisation's commitment to reducing its carbon footprint, wherever measures are possible to limit tons of carbon dioxide equivalent emitted.

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8 DECENT WORK AND ECONOMIC GROWTH
Favour lasting, inclusive and sustainable economic growth, a full and productive occupation and decent work for all.
Varcolor S.r.l. promotes employee **well-being**, undertaking to **listen** to and comprehend their expectations, guaranteeing **stable employment**, **offering fair wages** and investing in organisational well-being. This commitment is also reflected in the offer of wages above the minimum wage stipulated in the national collective bargaining agreements and the guarantee of **adequate wages for all**. Economic growth is therefore complemented by valorisation policies of the internal resources. The company privileges **open-ended contracts** as the main mode of employee placement, using apprenticeships where it is possible to develop and train young talent.

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9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Reorganise industries sustainably and adopt cleaner technologies.
Varcolor S.r.l. stands out for its innovation-driven approach, supported by a dedicated Research & Development department. The production facilities are custom-designed and technologically optimised to ensure efficient and sustainable processes, reducing waste and improving quality. This configuration enables the manufacture of customised, high-performance products, meeting customer needs with unique solutions within the industry. The company continuously invests in upgrading its lines and integrating digital systems for monitoring process parameters, with the aim of combining productivity, quality and environmental impact reduction.

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12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Ensure sustainable consumption and production patterns.
The company manages waste and chemicals responsibly, sending most scraps for recovery and reducing hazardous waste. It promotes the selection of qualified suppliers and compliance with regulations (REACH, RoHS), integrating ESG criteria into procurement processes. Solutions for exhausted-solvent regeneration and cycle optimisation are implemented to reduce environmental impact. This focus will be extended to **supply chain traceability** in view of upcoming adjustments to environmental regulations.

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13 CLIMATE ACTION
Promote actions, at all levels, to combat climate change.
The organisation measures and monitors Scope 1 and 2 emissions, committing to reduce carbon intensity through energy efficiency, the use of renewable electricity and logistics optimisation. However, the green transition requires an update of industrial processes through the adoption of digital systems for environmental traceability and flow segregation (with regard to the goal of calculating Scope 3 emissions along the supply chain). ESG management of the supply chain entails technological and managerial innovation, thereby linking back to Goal 9.

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16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Eliminate corruption and abuse of power in all their forms.
In 2024, the company adopted the **Organisational Model 231** and the **Code of Ethics**, establishing the Supervisory Body (ODV) to monitor controls. The company encourages the reporting of unlawful conduct and ensures a governance system based on ethics, legality and transparency. Furthermore, it safeguards data protection and cybersecurity through advanced systems, GDPR training courses, monthly awareness sessions and rules for data processing and the use of digital tools and social media.

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17 PARTNERSHIPS FOR THE GOALS
Boost partnerships for sustainable development.
The company maintains active and ongoing relations with **suppliers and certifying bodies**, promoting a transparent dialogue. In particular, it is necessary to structure and strengthen **communication and alignment channels with suppliers** to promote a supply chain which is compliant with **new regulatory and sustainability requirements** (such as compliance with the CBAM mechanism, integration of data useful for EPDs and joint preparation for CSRD requirements). A resilient and aligned value chain accelerates the positive impact of corporate actions and responds promptly to regulatory and environmental challenges.

«Today, we adopt the term **Value**
not only in its economic sense,
but also in a broader and more **Ethical**
definition of the word.»

3 Governance

GOVERNANCE HIGHLIGHTS

55,3

Economic value generated (in millions of €)

48,9

Economic value distributed (in millions of €)

6.789.254

Square metres produced during the year

33,3%

Women in the Board of Directors

0

Charges against the company for corruption

0

Cases of discrimination recorded

Model 231

Organisation Model according to Law 231 adopted in 2024

Corporate Governance

Governing bodies

The Board of Directors is the highest management body; its responsibility is to manage the company and decide on the most important operations from a strategic, economic and financial point of view.
The Board of Auditors is the controlling body responsible for monitoring compliance with the law and the articles of association, compliance with the principles of proper administration and the adequacy and functioning of the organisational, administrative and accounting structure.
Varcolor S.r.l. has adopted a traditional Italian administrative and supervisory model for its corporate governance structure.

The governance structure is composed as follows:

BOARD OF DIRECTORS

- **Gabrielli Andrea**, Chairman of the Board of Directors
- **Varisco Mario**, Member of the Board of Directors
- **Gabrielli Mariangela**, Member of the Board of Directors

BOARD OF AUDITORS

- **Pilastro Pierantonio**, Sole Auditor

AUDITING COMPANY

- **PricewaterhouseCoopers** S.p.A.

Internal procedures ensure that the administrative and supervisory bodies receive corporate and management information, explanations, data and the documents necessary to satisfy their expectations of receiving information with absolute promptness, completeness and transparency.

Varcolor S.r.l. operates with the intent of avoiding potential situations of conflict of interest. The members of the governance bodies have been informed on the anti-corruption regulations and procedures implemented by the organisation.

Composition of the Board of Directors	2022	2023	2024
Total	**3**	**3**	**3**
Women	1	1	1
Men	2	2	2
Less than the age of 30	0	0	0
Between the age of 30 and 50	0	0	0
Over the age of 50	3	3	3

Explanatory Notes:
- GRI rif. 405-1
- GRI rif. 2-9

Compliance 231 and Anti-Corruption

Varcolor S.r.l. has always been committed to adopting **ethical governance**, based on **sound management practices and standards of integrity**, with the aim of preventing unlawful or fraudulent behaviour which could harm the organisation or its stakeholders.

Starting from 2024, the company has implemented an **Organisation, Management and Control Model pursuant to Legislative Decree 231/2001** (hereinafter **Model 231**), integrated within the broader **Internal Control System**. This tool is designed to identify and prevent risks related to the commission of offences envisaged by the decree, particularly **crimes against Public Administration, environmental offences, health and safety violations, corruption** and other relevant crimes.

The Model applies to and must be observed by both internal personnel of the Company and external parties such as collaborators, consultants and all those performing freelance activities on behalf of and in the interest of the Company. Furthermore, suppliers and partners operating significantly and/or on an ongoing basis within sensitive areas of activity on behalf of and/or in the interest of the Company are also required to comply with the Model's provisions. Model 231 of Varcolor S.r.l. has been made available to all interested parties on the corporate website, as well as in the dedicated section for employees. The company has also shared its 231 commitments with third parties (customers and suppliers) to further strengthen and protect the organisation. To ensure its effectiveness, the Company promotes training sessions for its personnel, particularly for those involved in processes and activities sensitive to the commission of offences under the aforementioned Legislative Decree. Such training is duly recorded.

The organisation has also established an independent **Supervisory Body** (OdV), tasked with monitoring the effective implementation and updating of the Model. The Supervisory Body receives **reports (including anonymous ones)** of non-compliant behaviour through the channels provided by the **Whistleblowing Procedure**, published on the corporate website. One of the key aspects of Model 231 concerns the **prevention of corruption**, with particular attention to the **integrity of relations with public entities** during inspections or other interactions. Internal documentation on **corruption and extortion risks**, included in the specific report on managing *relations with public officials*, is available on the corporate website.

During the reporting period, no cases of corruption were identified, nor did any concrete risks or significant reports emerge in this regard. No legal actions were brought against the organisation for anti-competitive practices, breaches of antitrust laws or monopolistic behaviour.

The company assesses and monitors its **main economic and financial risks** to maintain **financial stability** and prevent potential economic losses. In addition, there is constant oversight of **cybersecurity risks**, which are addressed through awareness-raising and targeted training for employees, as an integral part of the organisation's protection strategy.

Episodes of corruption

	IN THE YEAR 2024
Confirmed episodes of corruption	0
Confirmed episodes for which employees have been dismissed or disciplined for corruption reasons	0
Confirmed episodes for which contracts have been annulled/not renewed with company partners due to violations correlated with corruption	0
Lawsuits of public dominion regarding corruption filed against the organisation or its employees	0

Explanatory Notes:
- 1. https://www.varcolor.it/wp-content/uploads/sites/16/2024/10/VAR-MOG-2024.pdf
- 2. https://www.varcolor.it/wp-content/uploads/sites/16/2024/10/VAR-Codice-etico-EN-2024.pdf
- GRI rif. 2-26, 205-1, 205-2, 205-3, 206-1, 406

Code of Ethics and Whistleblowing

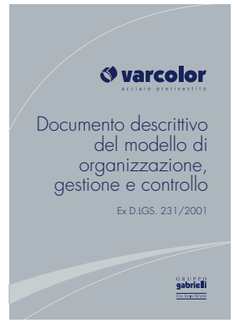
To support its compliance system, **Varcolor S.r.l. has adopted, starting from the current reporting year and in addition to Model 231, a Code of Ethics**, which defines the company's core values and principles. This Code provides the foundation for structuring, in a shared, organised and permanent way, the fundamental values and ethical principles which distinguish the organisation, setting out codes of conduct whose observance is considered essential for the reliability, protection, reputation and respect of the Company's image. It describes the values which inspire the entity, as well as the behavioural standards expected of its collaborators and those operating within the company's sphere (including requirements applicable to suppliers). The Code is available on the corporate website[3].
The Code is also distributed to all new employees via the HR portal and is the subject of specific internal training, similar to Model 231. Ethical commitment is further **shared with customers and suppliers** through contractual clauses and dedicated communications, with a view to strengthening the company's prevention and protection system. The Supervisory Body monitors the application and compliance with the Code of Ethics adopted by the Company's Board of Directors, ensuring its dissemination, understanding and implementation.

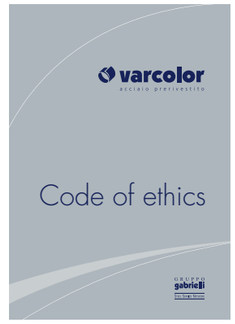
A **whistleblowing channel** is active on the corporate website, available for anyone to report any irregularities or unlawful acts involving the company. In line with the Organisational Model, this enables interested parties to submit reports, in order to safeguard the integrity of the company, concerning any unlawful conduct relevant under Legislative Decree No. 231/2001 and any violations of the Model or the Ethical Code of which they become aware.

Reports are handled with the utmost confidentiality, offering the possibility to submit them anonymously. Through the implemented procedure, the whistleblower can also view the status of their report and interact with the responsible officer via a messaging tool. Reports can only be accessed and managed by the company responsible for the channel, thereby guaranteeing the whistleblower's privacy and protection.

Since the adoption of this management system, **no reports of discrimination or breaches of regulations have been received** through any of the channels provided by the Company.

"Whistleblowing reflects our organisation's commitment to ethics and the fight against all forms of illicit conduct"





Model 231 pursuant to Legislative Decree 231/2001 and the Code of Ethics were adopted by the Company on 24 September 2024, and can be found on https://www.varcolor.it/en/publications/

Creation of value for the Territory

Economic Value Generated and Distributed (VEG&D)

		2022	2023	2024
Economic value generated	**€**	**81.474.345**	**58.936.147**	**55.260.620**
Operating costs	€	72.945.828	45.090.660	42.829.317
Salaries and benefits	€	4.086.447	4.122.148	4.393.013
Capital cost	€	1.206.619	2.759.011	1.770.524
Income tax	€	1.959.731	447.138	502.618
Social investments	€	30.500	16.410	16.000
Economic value distributed	**€**	**80.229.125**	**52.435.367**	**49.511.472**
Economic value retained	**€**	**1.245.220**	**6.500.780**	**5.749.148**

In 2024, the **economic value generated** by Varcolor S.r.l. (comprising revenues as the sum of net turnover, income from financial investments and the sale of assets) amounted to approximately **55,3 million euro**, down from **58,9 million euro** in the previous year. This trend confirms the contraction in orders which began in the fourth quarter of 2022 following the outbreak of the war between Russia and Ukraine, and reflects a complex macroeconomic context marked by geopolitical tensions, restrictive monetary policies and persistent inflation levels, all of which have impacted steel demand across Europe.
The reduction is attributable to two main factors: the decline in quantities sold, linked to the economic slowdown and geopolitical dynamics, and the decrease in average unit purchase and sale prices, which settled at levels lower than those recorded during the post-COVID-19 recovery period.

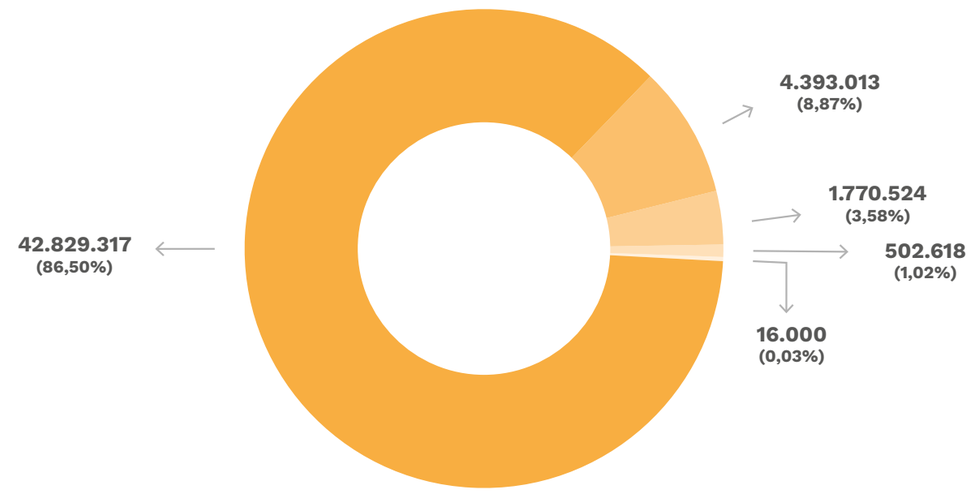
This trend reflects the nature of the steel industry, which is strongly influenced by the volatility of raw material costs. The very structure of the market, characterised by cyclical fluctuations in commodity prices, makes company turnover less dependent on internal strategic decisions compared to other industries. Consequently, a direct comparison of the economic value generated between the reporting periods is less significant.

During 2024, greater stability in raw material prices and a significant reduction in energy costs were recorded compared to the previous two years. Profitability levels remained satisfactory thanks to careful cost management and supplier relationship strategies.

Varcolor S.r.l. closed the year with an **economic value distributed** of approximately **49,5 million euro**, lower than 52,4 million euro in 2023 and 80.2 million euro in 2022. In all reporting periods, the economic value distributed was lower than the value generated, resulting in a **positive retained economic value** of approximately **5,7 million euro in 2024**, 6,5 million euro in 2023 and 1,2 million euro in 2022.
It should be noted that the retained values in 2023 and 2024 are significantly higher than in 2022, indicating a greater capacity to generate internal resources despite the decline in revenues.

Explanatory Notes:
- GRI rif. 201-1

Distributed economic value (2024)

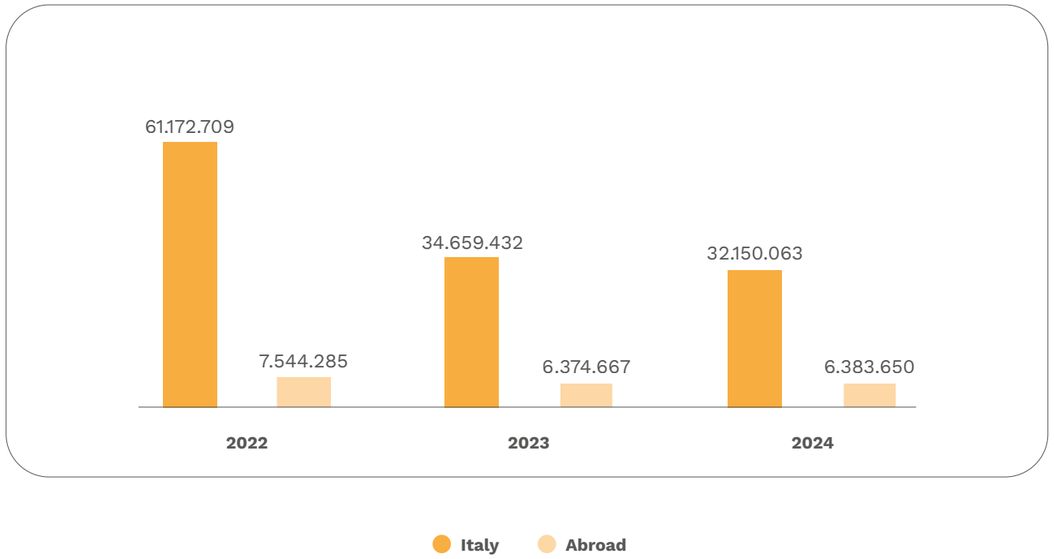


The economic value distributed to stakeholders was calculated in accordance with GRI guidelines and broken down as follows:
- *Operating costs* related to supplier remuneration for goods and services: calculated as the sum of costs for raw materials, ancillary and consumable materials, goods, service costs, costs for the use of third-party assets, and other operating expenses, net of items included in these accounts which form an integral part of "*Wages and benefits*" or "*Social investments*".
- *Value distributed to employees (Wages and benefits)*: calculated as the sum of total wages, including employee salaries and amounts paid to state institutions on behalf of employees, together with all benefits granted to them (regular contributions or other forms of support for the workforce such as company cars and meals, as well as bonuses and gifts) and insurance premiums relating to employees. These components provide a comprehensive view of total remuneration and benefits received by employees, allowing an understanding of the company's commitment to adopting fair and competitive pay practices in compliance with constitutional principles.
- *Payments to capital providers (Capital cost)*: calculated as the sum of dividends paid to all shareholders and interest and financial charges paid to lending institutions.
- *Income taxes*: referring to current taxes payable to public authorities, excluding deferred and prepaid taxes.
- *Community investments*: including donations made by the company to external entities, together with investments in sports associations aimed at reinvesting in the local area by the organisation. The company is actively engaged in supporting local social initiatives, as reflected in the value of social investments (voluntary donations, contributions to sports and cultural associations, and support for social programmes). Over the three reporting years, amounts allocated to these initiatives were approximately 30,5 thousand euro in 2022 and 16 thousand euro in both 2023 and 2024, confirming a consistent commitment proportionate to the company's size.

Creation of value for the Territory

Suppliers

RAW MATERIALS – Origin of supplies (€)



Varcolor S.r.l. stands out for its ongoing commitment to developing its business, with particular focus on strengthening relationships with its partners and managing procurement practices, **emphasising local sourcing** and its consequent economic impact on the territory.
This approach is reflected in the creation of a **solid network of suppliers and collaborators** with whom the company has established long-standing relationships.

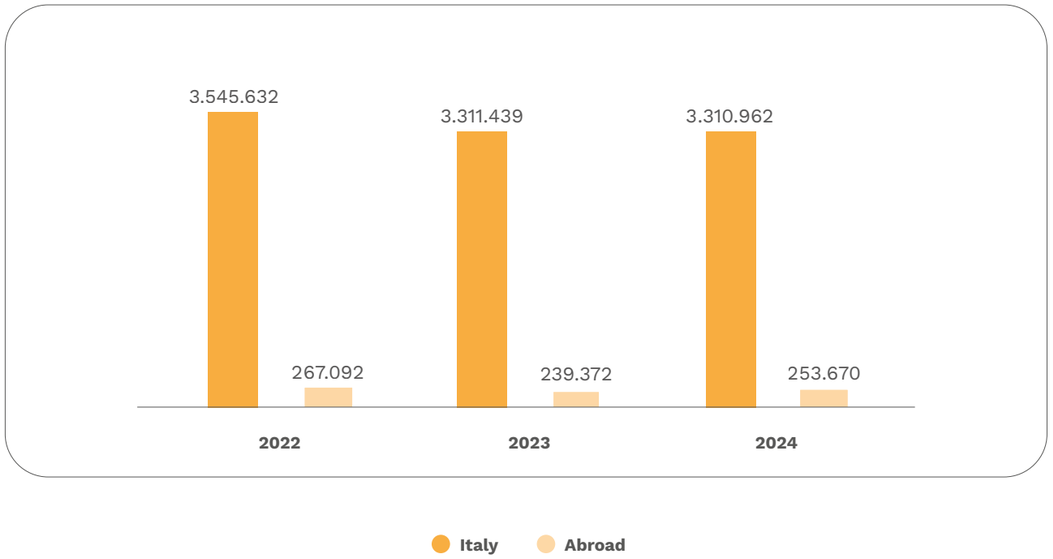
Analysing the supply of goods, which includes the purchase of raw materials, packaging materials and ancillary items for production, it is evident that in 2024 approximately **83,4% of goods** were **sourced in Italy**, confirming the predominance of the domestic market. The reduction recorded compared to previous years is mainly linked to the decline in prices during the period.

Foreign suppliers account for a minority share and are concentrated mainly in Austria, a country with which the company maintains long-term strategic relationships for the procurement of raw materials. In 2024, supplies from Austria represented **94,3%** of the entire foreign component.

The company's procurement practices are therefore not based solely on market availability, but on a strategic management of supplier relationships aimed at ensuring quality and reliability throughout the supply chain. This model enables the organisation to optimise supply chain management while maintaining **high quality standards** and **continuity of supply**.

The goal is to enhance the role of the **supply chain as a strategic lever** to promote economic, social and environmental sustainability, encouraging the **involvement of national and local operators** throughout the value chain.

SERVICES – origin of supplies (€)



Procurement of **services** also takes place almost exclusively in Italy, with **93% of purchases made from suppliers located within the national territory** during the reporting period, a figure which has remained stable compared to previous years. This approach further strengthens the company's contribution to the country's economic and social development.

The company has implemented a structured process for evaluating its suppliers, based primarily on product quality, service and reliability, in compliance with industry standards.

The company is committed to ensuring high product quality starting from the supply request, requiring all necessary certifications from the earliest stages of the value chain to guarantee compliance with all required standards.

Evaluation is carried out through an internal rating system which promotes continuous improvement and, progressively, the integration of sustainability criteria, in line with regulatory expectations and international standards.

Explanatory Notes:
- Italy is intended for "local"
- GRI rif. 204-1

People

4

«It is the **People** who determine the success of our company, and we have always taken care of them»

PEOPLE HIGHLIGHTS

100%

Employees with an open-ended contract within the company

98,6%

Employees with full-time contracts

7,1%

Turnover

109%

Ratio between the standard wage of a new employee and the minimum wage guaranteed by the National Collective Labour Agreement

100%

Return to work percentage after parental leave

1.898

Total training hours provided

25,65

Average hours of training per employee

16,9

Accident frequency rate recorded per million hours worked (relating to employees)

Development and Enhancement of People and of Diversities
Employment

Varcolor S.r.l. recognises the **central role of its personnel in the development and continuity** of its **activities** and fosters an environment based on transparency and dialogue.

In the reporting year, 100% of employees were employed under **permanent contracts**. The entire workforce is **covered by collective bargaining** agreements, and the applicable national contract is the National Collective Labour Agreement for the Metal Processing Industry (CCNL Metalmeccanico Industria).
Furthermore, **quarterly meetings** with **trade unions** are scheduled to safeguard workers' rights.

In the event of significant organisational changes, the notice periods established by the applicable collective agreement are duly respected.

The company's remuneration policy is characterised by average levels above the minimum thresholds set by law, and human resource management is based on three priority areas:
- occupational health and safety,
- continuous training,
- recognition of experience and company seniority.

The company also promotes corporate welfare policies and benefits, including tools to support work-life balance and initiatives aimed at employee well-being. These actions help create a positive working environment founded on respect, collaboration and equal opportunities.
Regarding occupational health and safety, Varcolor S.r.l. adopts a **Health and Safety Management System** compliant with **EN ISO 45001:2018**, operationally integrated with a **Prevention and Protection Service (SPP)** active across the organisation.

This structure ensures high protection standards, in line with regulatory requirements and GRI 401 and 403 principles, fostering a safe, participatory and responsible workplace.

In terms of training, Varcolor S.r.l. invests in programmes dedicated to developing technical and transversal skills, with particular focus on safety, quality and reducing environmental impacts.
In 2024, approximately **1.900 hours of training** were delivered, including mandatory courses on health and safety, regulatory updates and initiatives for professional growth.

Explanatory Notes:
- GRI rif. 2-30, 401-2, 403

Development and Enhancement of People and of Diversities
Employment and Diversity

Employees		2022	2023	2024
Total staff	**no.**	**66**	**67**	**74**
Women	no.	7	7	8
Men	no.	59	60	66

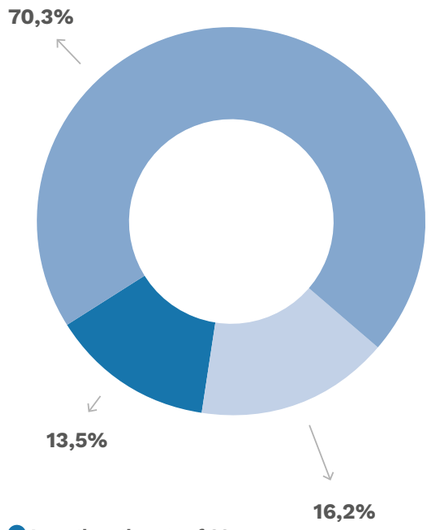
Staff composition per gender		2022	2023	2024
Total blue-collar workers	**no.**	**44**	**43**	**51**
Women	no.	0	0	0
Men	no.	44	43	51
Total white-collar employees	**no.**	**21**	**23**	**22**
Women	no.	7	7	8
Men	no.	14	16	14
Total executives	**no.**	**1**	**1**	**1**
Women	no.	0	0	0
Men	no.	1	1	1

Analysing the composition of personnel over the reporting periods, there is an increase in the total number of employees, rising from 66 in 2022 to 67 in 2023 and 74 in 2024. In line with the trend within the industry, the majority of the company's workforce is male: 66 male employees (89,2%) compared to 8 women in 2024.
This distribution is particularly evident in the blue-collar category, which is entirely composed of men in all reporting years (44 in 2022, 43 in 2023 and 51 in 2024), a circumstance attributable to the physical and technical nature of the tasks performed in production departments. In the white-collar category, however, female presence is more significant, accounting for approximately 33% in 2022 and 2023 (7 women out of 21 and 23 employees) and 36% in 2024 (8 women out of 22 employees). The management category remains stable with one male position throughout the years.
The company nevertheless pays close attention to inclusion-related issues and objectives, **ensuring careful and inclusive management of its workforce.** This is also reflected in a transversal sensitivity towards any form of discrimination which may occur internally, guaranteeing, through dedicated channels, the possibility to report any relevant episode which fails to respect diversity within the organisation.
Development and training opportunities are guaranteed for all, and the enhancement of employees is therefore **transversal**, without gender discrimination and offering **equal opportunities** to all individuals.
The organisation's commitment to inclusion principles is further demonstrated by the **employment of people with disabilities**, in compliance with the provisions set out by current legislation.

Explanatory Notes:
- GRI rif. 2-7, 2-26, 405-1, 406-1
- The reported data refer to the actual number of employees at the end of the reporting period, expressed in absolute values (headcount) for each year considered.
- Workers in force up to the end of the reporting period (at 31 Dec.) are included in the headcount, thus including in the count those terminated at 31 Dec., who formed part of the workforce for the reported year.

Development and Enhancement of People and of Diversities
Diversity

Demographic distribution of staff (2024)



Composition of Staff per Age		2022	2023	2024
Total staff	**no.**	**66**	**67**	**74**
Less than the age of 30	no.	7	7	10
Between the age of 30 and 50	no.	51	50	52
Over the age of 50	no.	8	10	12
Blue-collar workers	**no.**	**44**	**43**	**51**
Less than the age of 30	no.	4	5	8
Between the age of 30 and 50	no.	34	30	34
Over the age of 50	no.	6	8	9
White-collar employees	**no.**	**21**	**23**	**22**
Less than the age of 30	no.	3	2	2
Between the age of 30 and 50	no.	16	19	17
Over the age of 50	no.	2	2	3
Total executives	**no.**	**1**	**1**	**1**
Less than the age of 30	no.	0	0	0
Between the age of 30 and 50	no.	1	1	1
Over the age of 50	no.	0	0	0

The demographic composition of the company's workforce is distributed across different age groups, fostering a diverse and balanced working environment. In 2024, **74,6%** of employees belong to the **30–50 age bracket** (50 individuals), while **10,4%** are young people **under 30** (7 individuals) and **14,9%** are workers **over 50** (10 individuals). This distribution reflects a typical employment dynamic, with a predominance of the intermediate age group and a significant presence of both younger and senior resources, contributing to a **generational mix which supports knowledge transfer.**

The under-30 group is mainly concentrated among blue-collar workers (8 individuals), whereas the presence of employees over 50 is notable in production and office roles, where experience gained over time represents a key asset for operational continuity. This balance between consolidated expertise and new perspectives strengthens **organisational resilience** and promotes the **professional growth** of younger generations.

In line with its commitments to equity and respect for diversity, the company is launching **training programmes dedicated to diversity, inclusion and anti-discrimination**, aimed at all personnel. These initiatives seek to promote an informed and inclusive corporate culture, reinforcing employee engagement and respect for individual rights within the workplace.

Explanatory Notes:
- GRI rif. 405-1
- Age counting carried out in absolute terms and rounded by year (as a simple difference between the reference year and the year of birth)

Development and Enhancement of People and of Diversities
Employment

Open-ended contracts		2022	2023	2024
Full-time	**no.**	**65**	**64**	**73**
Women	no.	7	6	7
Men	no.	58	58	66
Part-time	**no.**	**1**	**2**	**1**
Women	no.	0	1	1
Men	no.	1	1	0
Total open-ended contracts	**no.**	**66**	**66**	**74**

Fixed-term contracts		2022	2023	2024
Full-time	**no.**	**0**	**1**	**0**
Women	no.	0	0	0
Men	no.	0	1	0
Part-time	**no.**	**0**	**0**	**0**
Total fix-termed contracts	**no.**	**0**	**1**	**0**

Non-employee workers		2022	2023	2024
Collaborators	no.	3	3	3
Agency workers	no.	6	12	1
Interns	no.	0	0	0
Total atypical workers	**no.**	**9**	**15**	**4**

100% of the employees in Varcolor S.r.l. were guaranteed a **permanent contract** during the reporting year, confirming the company's ongoing commitment to promoting **job security and stability**. This approach reflects a long-term corporate vision aimed at creating a working environment which values people's contribution and fosters a climate of mutual trust.
Almost the **entire workforce is employed full-time**: in 2024, 73 out of 74 employees had a full-time contract, while 1 employee worked part-time.

All employees operate within the Italian territory and at the company's premises.

In carrying out its activities, Varcolor S.r.l. also engaged individuals who do not have a direct employment relationship with the company, but whose tasks are nonetheless under its control. As of 31st December 2024, this category of non-employee workers included 3 coordinated and continuous collaborators and 1 temporary worker, for a total of 4 people (approximately 5,1% of the overall workforce, calculated by adding employees and non-employees). The company enters into collaboration contracts directly, without third-party intermediation, except for temporary work arrangements, which are managed by external agencies to meet temporary operational needs. Compared to previous years, there was a significant reduction in temporary workers (from 12 in 2023 to 1 in 2024), due to lower production levels and the resulting reduced need for additional labour, while the number of collaborators remained stable.

Explanatory Notes:
- GRI rif. 2-7, 2-8
- The data presented include a headcount of both employees and non-employees in absolute numbers at the end of the reporting period, including those who left on 31st December, considered as part of the workforce for the entire year, for all years reported (headcount of employees and atypical workers at the end of the fiscal year).

Development and Enhancement of People and of Diversities

Employment

Turnover per gender		2022	2023	2024
Hirings	**no.**	**5**	**7**	**11**
Women	no.	0	2	1
Men	no.	5	5	10
Terminations	**no.**	**5**	**7**	**5**
Women	no.	1	2	0
Men	no.	4	5	5

Turnover per age		2022	2023	2024
Hirings	**no.**	**5**	**7**	**11**
Less than the age of 30	no.	2	2	5
Between the age of 30 and 50	no.	3	3	6
Over the age of 50	no.	0	2	0
Terminations	**no.**	**5**	**7**	**5**
Less than the age of 30	no.	1	1	1
Between the age of 30 and 50	no.	3	5	2
Over the age of 50	no.	1	1	2

Over the three-year period under review, Varcolor S.r.l. confirms an **approach focused on employment stability,** with a 100% rate of permanent contracts across all three years analysed. This figure highlights the organisation's commitment to establishing **long-term working relationships**, in line with its long-term vision and its dedication to employee well-being.

During 2024, the company recorded **11 new hires**, 10 of which concerned male personnel, consistent with the overall composition of the workforce, which reflects the characteristics of the industry in which the company operates. Similarly, all terminations recorded in 2024 involved male employees only.

From a demographic perspective, the company continued to demonstrate a tangible commitment to **promoting generational diversity**.

Recruitment was evenly distributed across the various age groups, although it primarily involved younger categories: "under 30" (9 hires in total over the three years analysed) and "30–50 years" (with 12 new entries during the period), in line with the need to balance generational turnover with the contribution of new skills.
The "over 50" age group was not involved in recruitment during 2024, confirming a dynamic typical of the industry, where senior profiles are less frequent among new hires. However, in 2023, two hires were recorded in this category, demonstrating the company's openness to more experienced professionals.

As regards terminations, the data show a prevalence in the intermediate age group (30–50 years), while exits among the over-50s were limited and attributable to one retirement in 2024.

Explanatory Notes:
- GRI rif. 401-1
- The count of terminations includes employees terminated as at 31 Dec. (part of the workforce up to the end of the reporting period)
- Turnover rate among new hires calculated as: hires in the year who left over total staff leaving in the reference year
- Total turnover rate calculated as total terminations over average employees

Hiring rate		2022	2023	2024
% of hirings with open-ended contracts	**%**	**100,0%**	**85,7%**	**100,0%**
Open-ended contract hirings	no.	5	6	11
Fixed-term contracts hirings	no.	0	1	0
Turnover rate of newly hired	**%**	**0,0%**	**14,3%**	**0,0%**
Newly hired who left their job	no.	0	1	0

Turnover rates		2022	2023	2024
Total turnover	**%**	***7,6%***	***10,5%***	***7,1%***

In the reporting years 2022–2024, almost all hires were made under permanent contracts. Out of a total of 23 new entries, 22 involved permanent contracts (equal to 95,6%), while only 1 was on a fixed-term basis. This figure highlights the organisation's intention to establish long-lasting working relationships, in line with its long-term vision.

The **turnover rate of new hires**, calculated according to GRI 401-1 guidelines, stood at **0% in 2024**, as none of the new recruits left the company in the same year they were hired. In 2023, however, the rate was 14,3% (1 new hire out of 7 terminated employment within the same year), while in 2022 no departures occurred among new hires. Although this indicator is sensitive to fluctuations due to the small absolute numbers involved, it nevertheless confirms a good ability to retain newly hired staff.
At an aggregate level, the **overall turnover rate** remained generally low, fluctuating between **7,1% and 10,5%** over the three-year period.

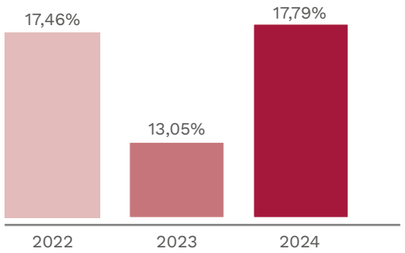
In 2022, the turnover rate was 7,6%, it rose to 10,5% in 2023 and then fell again to 7,1% in 2024. The peak in 2023 reflects a temporary dynamic, while the stability in the other years confirms a strong retention capacity.
The absence of extreme variations in terminations reinforces the picture of a loyal workforce, consistent with the company's long-term vision.

Overall, the analysis shows how Varcolor S.r.l. pursues a balance between employment stability and the integration of new resources, supporting business continuity and the evolution of its workforce.

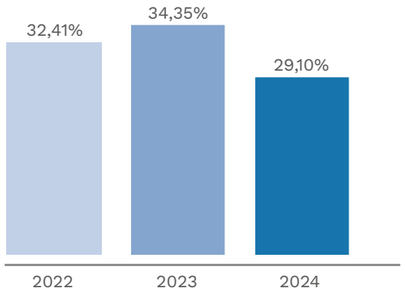
Development and Enhancement of People and of Diversities

Gender Parity

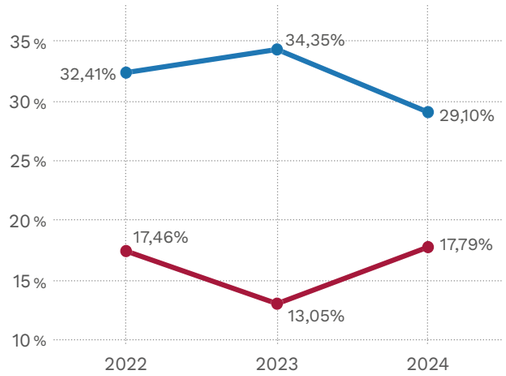
Gender Gap: Average Base Monthly Salary



Gender Gap: Average gross monthly salary



Gender Gap Trend



In its commitment to promoting a fair and inclusive working environment, Varcolor S.r.l. pays close attention to pay equity between women and men.
The comparison regarding pay parity can only be calculated for the clerical category, as this is the only group which includes both male and female employees, making a gender-based comparison possible. The data show a non-linear trend in the gender gap, both in the **average basic salary** and in the **average gross monthly remuneration**, with fluctuations reflecting differences in job grade and seniority.
During the 2022–2024 period, the gap in the average basic salary moved from **17,46% in 2022 to 13,05% in 2023**, before rising again to **17,79% in 2024**. As for the average gross monthly remuneration, the gap stood at **32,41% in 2022**, increased to **34,35% in 2023**, and then decreased to **29,10% in 2024**.
These variations are mainly influenced by the composition of job grades and employee seniority, factors which have a more significant impact on the variable component of remuneration. **Although the path towards reducing the gender gap is not constant, the decrease recorded in 2024 in gross monthly remuneration represents a positive signal towards pay equity.**

In defining its future objectives, the organisation intends to strengthen its commitment to rebalancing pay positions and **enhancing the value of female personnel**. This process, which will require time and a **gradual evolution of internal policies,** will be guided by gender equity and aligned with the social sustainability and inclusiveness objectives set out in ESRS S1 standards.

Explanatory Notes:
- GRI rif. 405-2
- The term basic salary is the salary contracted between the company and the employee, i.e. the salary which takes into account all the fixed pay elements paid monthly (thus excluding items which are not recurring each month, such as overtime and bonuses, and including instead items such as the allowance over basic pay)
- The term average gross pay is the sum of the Gross Annual Salary to which all the pay items indicated in the “body of the pay slip” have been added (therefore also considering any transfers, overtime in addition to what is fixed in the contract and therefore any item which is not fixed/present every month), divided by 12 months
- The gender gap is calculated as: $\frac{\text{Remuneration male employees - Remuneration female employees}}{\text{Remuneration male employee}} \times 100$

Parental leave	2022	2023	2024
Employees who took parental leave	**5**	**7**	**4**
Women	2	6	3
Men	3	1	1
Returned to work following parental leave (return was scheduled within the year)	**3**	**7**	**4**
Women	0	6	3
Men	3	1	1
Still working after taking parental leave (12 months after returning to work)	**10**	**5**	**7**
Women	5	2	6
Men	5	3	1
Return-to-work rate (following parental leave)	***100%***	***100%***	***100%***
Women	*100%*	*100%*	*100%*
Men	*100%*	*100%*	*100%*
Retention rate (following parental leave)	***100%***	***100%***	***100%***
Women	*100%*	*100%*	*100%*
Men	*100%*	*100%*	*100%*

The company’s ongoing commitment to creating an inclusive working environment also entails viewing **maternity** as an important life stage during which new mothers and fathers should receive adequate support from their workplace. For this reason, measures and benefits have been implemented, both financial and organisational (flexibility), in addition to those already provided for by current legislation, in order to facilitate the **reconciliation of personal and professional life**. Female employees benefit from organisational flexibility which allows them to adopt flexible entry and exit times, as well as the option to access **part-time employment solutions**. The company not only complies with national regulations regarding the guarantee of parental leave for its employees but also provides for an extension of the guaranteed period. The organisation is confident that, thanks to these measures, employees can approach their return to work and the balance with personal life **more serenely**.

Among the **16 employees who have taken parental leave** over the past three years, **100% have returned** to the company and remained in employment in the following years.
In 2022, the value of **zero** for women returning is due to maternity leave spanning multiple years: the employees did not return by the end of the year but resumed work in the subsequent period. This is confirmed by **retention rates** of 100%, considering leave taken from early 2021 to the end of 2024.

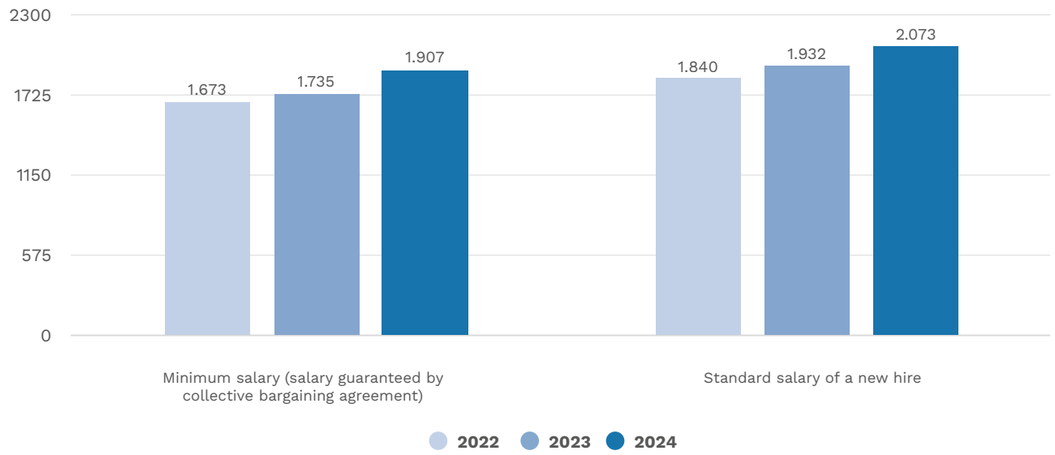
Explanatory Notes:
- GRI rif. 401-3
- The analysis was conducted on employees who made use of maternity, paternity and breastfeeding leave:
- The return-to-work rate is calculated by analysing the number of people who took leave in the previous year and who, 12 months after returning, were still employed. This rate corresponds to 100% in all three reporting years.
- The retention rate is calculated as a progressive weighted average between 2021 and 2024 according to the following parameters:

$$\frac{\text{Total number of employees who remained 12 months after returning to work after parental leave}}{\text{Total number of employees who returned from parental leave in previous reporting periods}}$$

Development and Enhancement of People and of Diversities

Incentives for Employees

Comparison between Standard Salary of New Hires and Minimum Salary from Collective Bargaining Agreement (€)



Over the years, Varcolor S.r.l. has progressively developed a human resources approach aimed at creating a **fair and competitive working environment**, capable of attracting and retaining qualified personnel. This is reflected, among other aspects, in the remuneration policy adopted for new hires. All employment relationships are governed by national collective labour agreements (National Collective Bargaining Agreement for Metalworkers), supplemented by any **company agreements** negotiated with trade union representatives. These agreements are periodically reviewed and updated in a spirit of **constructive and participatory dialogue** with the representatives themselves. In line with the company's strategy to **enhance human capital,** the organisation grants its new hires an initial gross monthly salary higher than that established by the applicable collective agreement. Data show that, during the 2022–2024 period, the **ratio between the standard entry-level salary and the minimum wage set by the collective agreement** remained on average above 108%. In 2023, the year in which a comparison between men and women is possible, this ratio between guaranteed salary and minimum wage was 109,7% for men, while for women it was even higher at 112,8%.
The standard salary for new hires in 2024 is therefore +9% higher than the minimum wage established by the collective agreement.

These figures confirm the commitment of Varcolor S.r.l. to ensuring **competitive entry conditions** which immediately recognise the contribution of human resources within the company's development path. The decision to position **above the contractual minimum threshold** reflects a strategy aimed at fostering **organisational well-being**, reducing turnover, and promoting a stable and motivating work environment.

Explanatory Notes:
- GRI rif. 2-30, 202-1
- Standard new-hire salary = Gross full-time salary in the lowest employment category (not including trainees, apprentices, and executives) on a monthly basis
- Minimum wage = Gross monthly salary as per collective agreement

Development and Enhancement of People and of Diversities

Benefits

In addition to remuneration, which is already on average higher than the national contractual standard thanks also to the presence of a well-established second-level company bargaining system, Varcolor S.r.l. offers its workforce a range of **benefits** designed to improve the **quality of both professional and personal life**.

This approach has characterised the company for several years, making it an attractive and benchmark organisation within the local area, ensuring that not only do talented individuals aspire to join, but they also choose to remain for the long term.

Always keeping pace with the times, the organisation **has adopted welfare platforms** which allow all employees to access numerous services. The use of these tools is monitored annually and, where necessary, improved in terms of content and functionality.

The measures already in place and offered to employees for years include:

- Membership of a **pension fund** under a special agreement, with employer contributions increased by 0,2% compared to standard negotiated funds, complemented by advantageous **insurance proposals** covering permanent disability and long-term care;
- Access to **preferential credit lines** through agreements with leading banking institutions, via payment delegation, ensuring more favourable conditions than those available on the market;
- A dedicated **lunch break facility**, equipped to allow employees to prepare and consume their meals comfortably, available for all work shifts;
- **Flexible working time** arrangements and the possibility of **smart working**, aimed at promoting a better balance between private and professional life.

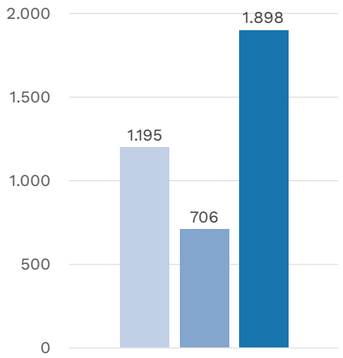
To end, Varcolor S.r.l. supports its employees during significant life events through **financial contributions** to celebrate important occasions such as marriage, maternity, and the birth of children. The company also guarantees 100% salary integration during the first month of optional parental leave.

Explanatory Notes:
- GRI rif. 401-2

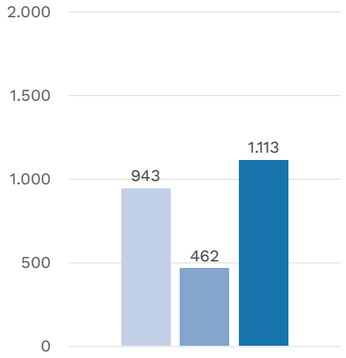
Development and Enhancement of People and of Diversities

Training and Education

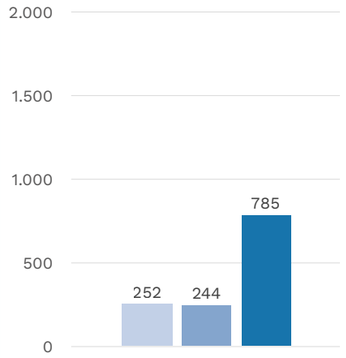
Total training hours



Safety training hours



Other training hours



2022 2023 2024

During the 2022–2024 period, Varcolor S.r.l. consolidated its commitment to employee training, with increasing focus on the dissemination of technical, managerial and safety-related skills. The **total number of training hours** in 2024 reached **1.898 hours**, marking a sharp increase compared to 2023 **(+169%)** and 2022 (+59%), confirming a positive trend and the **reinforcement of training policies**.

The evolution of this figure reflects a progressively more structured and systemic approach, aimed at supporting the continuous upskilling of employees in line with the evolving needs of production, logistics and administrative departments.

The increase was driven particularly by training for clerical staff, which rose from 133 hours in 2023 to 1.116 hours in 2024 (+739%), signalling a targeted investment in **strengthening technical and cross-functional skills**. Training for the manual workforce remained stable at more contained levels (699 hours in 2024), while managerial training, although marginal in absolute terms, grew from 1 to 83 hours.

From the perspective of training type, there was a significant increase in mandatory health and safety training, which rose from 462 hours in 2023 to 1.113 hours in 2024 (+141%), linked to the cycle of regulatory updates. In parallel, non-mandatory training also grew (+222%), reaching 785 hours and focusing on technical, digital and cross-functional areas, in line with objectives of innovation and optimisation of industrial processes.

	TOTAL TRAINING			SAFETY TRAINING			OTHER TRAINING		
	2022	**2023**	**2024**	**2022**	**2023**	**2024**	**2022**	**2023**	**2024**
Training per gender									
Total hours	**1.195**	**706**	**1.898**	**943**	**462**	**1.113**	**252**	**244**	**785**
- of which hours women	14	72	90	10	32	54	4	40	36
- of which hours men	1.181	634	1.808	933	430	1.059	248	204	749
Training per qualification									
Total hours production workers	**957**	**572**	**699**	**774**	**398**	**500**	**183**	**174**	**199**
- of which hours women	0	0	0	0	0	0	0	0	0
- of which hours men	957	572	699	774	398	500	183	174	199
Total hours office workers	**214**	**133**	**1.116**	**157**	**64**	**572**	**57**	**69**	**544**
- of which hours women	14	72	90	10	32	54	4	40	36
- of which hours men	200	61	1.026	147	32	518	53	29	508
Total hours executives	**24**	**1**	**83**	**12**	**0**	**41**	**12**	**1**	**42**
- of which hours women	0	0	0	0	0	0	0	0	0
- of which hours men	24	1	83	12	0	41	12	1	42

With regard to the **gender dimension**, **female participation in training remains underrepresented** (90 hours in 2024, equal to approximately 4,7% of the total), a figure structurally influenced by the composition of the workforce, which shows a predominance of men in production departments, more heavily involved in mandatory programmes.

In this context, it is important to maintain active monitoring of equitable access to training, in order to enhance the contribution of all individuals within the company, including those in administrative and managerial roles.

Overall, the data provide a picture of **strengthened commitment to training**, with a broader distribution **by job category and content**, confirming the determination of Varcolor S.r.l. to invest in **human capital** as a key lever for growth and resilience. The upward trend in training hours, **thematic diversification** and integration with **employees' development paths** are consistent with the provisions of **GRI 404** and with the social expectations defined by the **CSRD Directive**.

Explanatory Notes:
- GRI rif. 404-1, 404-2, 403-5

Development and Enhancement of People and of Diversities

Training and Education

TRAINING HOURS: AVERAGE PER CAPITA	TOTAL TRAINING			SAFETY TRAINING			OTHER TRAINING		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Training per gender									
Average hours women	2,00	10,29	11,25	1,43	4,57	6,75	0,57	5,71	4,50
Average hours men	20,02	10,57	27,39	15,81	7,17	16,05	4,20	3,40	11,35
Training per employee category									
Average hours production workers	**21,75**	**13,30**	**13,71**	**17,59**	**9,26**	**9,80**	**4,16**	**4,05**	**3,90**
Average hours women	-	-	-	-	-	-	-	-	-
Average hours men	21,75	13,30	13,71	17,59	9,26	9,80	4,16	4,05	3,90
Average hours office workers	**10,19**	**5,78**	**50,73**	**7,48**	**2,78**	**26,00**	**2,71**	**3,00**	**24,73**
Average hours women	2,00	10,29	11,25	1,43	4,57	6,75	0,57	5,71	4,50
Average hours men	14,29	3,81	73,29	10,5	2,00	37,00	3,79	1,81	36,29
Average hours executives	**24**	**1**	**83**	**12**	**0**	**41**	**12**	**1**	**42**
Average hours women	-	-	-	-	-	-	-	-	-
Average hours men	24	1	83	12	0	41	12	1	42
Total average hours	**18,11**	**10,54**	**25,65**	**14,29**	**6,9**	**15,04**	**3,82**	**3,64**	**10,61**

During the 2022–2024 period, Varcolor S.r.l. maintained a steady commitment to employee training, with variations linked both to regulatory updates and organisational needs.

The **annual average of training hours per employee** rose from 18,11 hours in 2022 to **25,65 hours in 2024**, after a dip in 2023 (10,54 hours). This trend highlights a non-linear dynamic, influenced by biennial training cycles and extraordinary initiatives implemented in 2024.

From a gender perspective, **women** reached an average of **11,25 hours** in 2024, an increase compared to 2023 (10,29 hours) and 2022 (2,00 hours), while **men** recorded **27,39 hours**, up from 10,57 hours in 2023 and 20,02 hours in 2022. The gap is linked to workforce composition and the greater incidence of technical training in production department. Nevertheless the trend compared to 2022 indicates the start of a structural recovery in access to training for female employees as well.

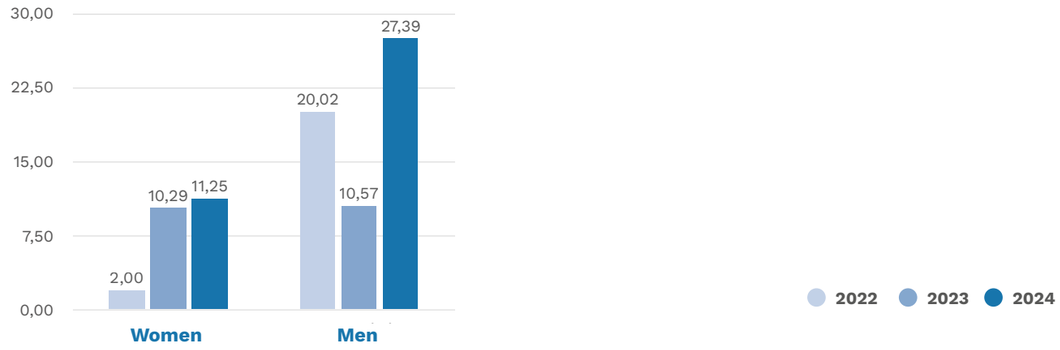
As regards professional categories, the most significant figure concerns **clerical staff**, who in 2024 recorded an average of **50,73 hours**, compared to 10,19 in 2022 and 5,78 in 2023, thanks to targeted programmes on **digital and managerial skills**. Production workers remained stable (13,71 hours in 2024, in line with 2023), while managerial training, although marginal, grew from 1 hour in 2023 to 83 hours in 2024.

In terms of content, mandatory health and safety training shows a cyclical trend: 1.113 hours in 2024, after the low point of 2023 (462 hours) and the peak of 2022 (943 hours), reflecting the schedule of regulatory updates. In parallel, non-mandatory training increased in 2024 to 785 hours (compared to 244 in 2023), with a focus on technical and digital areas.

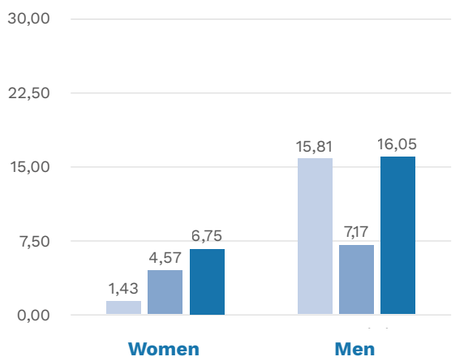
Overall, the data confirm a structured approach to training, with a broader distribution by job category and content. Consistency with GRI 404 and the requirements of the CSRD Directive highlights the strategic role of continuous training in strengthening skills and organisational resilience.

Explanatory Notes:
- GRI rif. 404-1

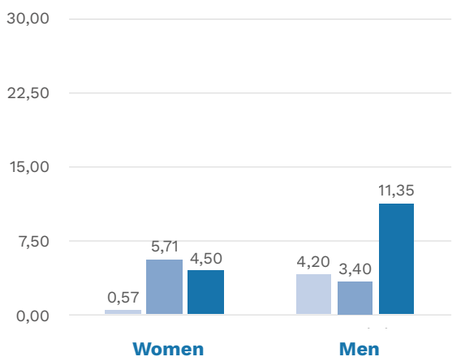
Average Training Hours: Gender Comparison



Average Safety Training Hours: Gender Comparison



Average Other Training Hours: Gender Comparison



Health and Safety in the Workplace

Given the will to maintain a safe work environment, health and safety training sessions are not only limited to the minimum regulatory requirements but also include additional topics important for the industry and work environment. This proactive approach ensures compliance with the regulations in force as well as ensuring awareness and engagement of the people in the workplace and, consequently, the maintenance of a low injury rate.

Cybersecurity

Varcolor S.r.l. is aware of increasing IT risks and has activated a continuous training programme on cybersecurity for all the people of the organisation. Employees are sensitised on risks from cyberattacks and the subsequent behaviour to adopt. The contents deal with topics such as phishing, recognising suspicious emails and the behaviour to adopt in the case of scams. Meetings are held monthly and include learning assessments.

Health and Safety at Work

Varcolor S.r.l. recognises the protection of health and safety at work not only as a regulatory obligation, in compliance with Legislative Decree 81/08, but as an **ethical value and a fundamental principle** of its corporate conduct.
The company adopts a **Management System certified to EN ISO 45001:2018**, ensuring risk assessment – including chemical risks – and continuous improvement.
Production processes involve the use of paints, solvents, adhesives and pre-treatment products classified as flammable, toxic or sensitising. For this reason, the company implements dedicated measures: localised extraction systems, advanced PPE, VOC/SOV monitoring, SDS traceability, emergency procedures and specific training.
Particular attention is given to solvent regeneration through distillation, which reduces hazardous waste and exposure to harmful substances.

The key elements of the Occupational Health and Safety Management System in Varcolor S.r.l. include:

- **Use of digital applications** for system management, health surveillance and training planning;
- **Periodic monitoring** of accident indicators, frequency, severity and reports;
- **Systematic collection of near misses** and hazardous situations, analysed as a driver for continuous improvement and proactive prevention;
- Regular **internal audits** conducted on sites and departments to assess compliance and identify potential areas for improvement;
- **Direct involvement of employees** through regular meetings with the Prevention and Protection Service (SPP), Supervisors and Workers' Safety Representatives (RLS);
- Definition of **specific objectives**, management of non-conformities and full compliance with AIA (Integrated Environmental Authorization) requirements and REACH and CLP regulations.

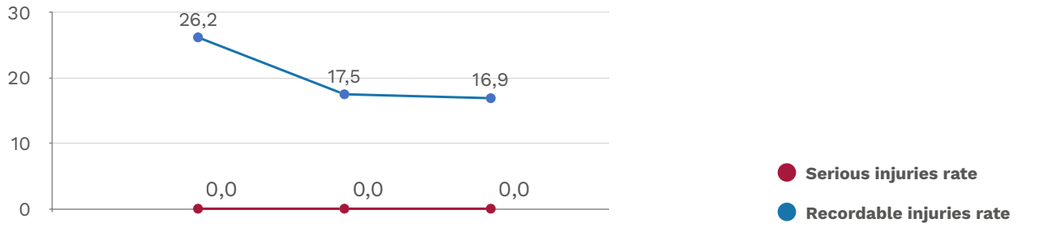
Special attention is devoted to **mandatory training**, delivered continuously to all professional categories, and to promoting a **culture of prevention** based on shared responsibility and transparent reporting of risky behaviours or conditions.

Looking ahead, the company is committed to maintaining and strengthening compliance with ISO 45001, further integrating safety into ESG policies and innovation processes.

Explanatory Notes:
- GRI rif. 403-1, 403-8

EMPLOYEES				
Injuries and Injury Rates	***Unit measure***	**2022**	**2023**	**2024**
Hours worked	*h*	114.493	114.591	118.621
Recordable injuries	*no.*	3	2	2
- of which with serious consequences	*no.*	0	0	0
Fatal injuries	*no.*	0	0	0
Occupational diseases	*no.*	0	0	0
Recordable work injuries rate *		**26,2**	**17,5**	**16,9**
Recordable work injuries rate with serious consequences **		**0**	**0**	**0**

Injury Incidence (injuries per million hours worked)



During 2024, two workplace injuries were recorded among employees, out of a total of approximately 118.621 hours worked, resulting in a recordable injury rate of 16,9 injuries per million hours worked. None of the injuries were classified as serious, and the main causes were finger crushing or burns. Compared to 2023 (two injuries, with an injury rate of 17,5) and 2022 (three injuries, rate of 26,2), this confirms a downward trend in injury risk, both in absolute terms and in frequency. No fatal accidents or occupational diseases occurred during the three-year period.
For non-employee workers, in 2023 there were three injuries over a total of 13.814 hours worked, with a corresponding injury rate of 217,2 per million hours, all due to cuts. This figure, which appears very high, is strongly influenced by data sensitivity: the low number of hours worked makes the index particularly sensitive even to a few events. In 2024, as in 2022, the rate was zero, with no injuries recorded. Furthermore, no serious injuries occurred for this category during the three-year period. The 2024 result therefore represents a sign of improvement and the effectiveness of the preventive measures adopted.
The overall trend confirms the company's constant focus on risk prevention and management, through monitoring actions, collection and analysis of near misses, as well as continuous training on health and safety. The reduction in frequency rates is consistent with the structured approach set out by the EN ISO 45001:2018 certified Management System, which integrates annual objectives, internal audits and direct staff involvement.

Explanatory Notes:
- GRI rif. 403-8, 403-9, 403-10
- Serious workplace injuries are defined as those resulting in death or in harm from which the worker cannot recover, does not recover, or for which it is not realistically expected that full recovery to the pre-incident health condition will occur within six months, as well as injuries involving permanent impairment recognised by INAIL (Italian National Institute for Insurance against Accidents at Work). The company, however, confirms permanent damage two years after the event, which is why the number of serious injuries may vary over time.
- Accident rates were calculated considering 1.000.000 hours worked

* Rate calculated on 1 million working hours as:

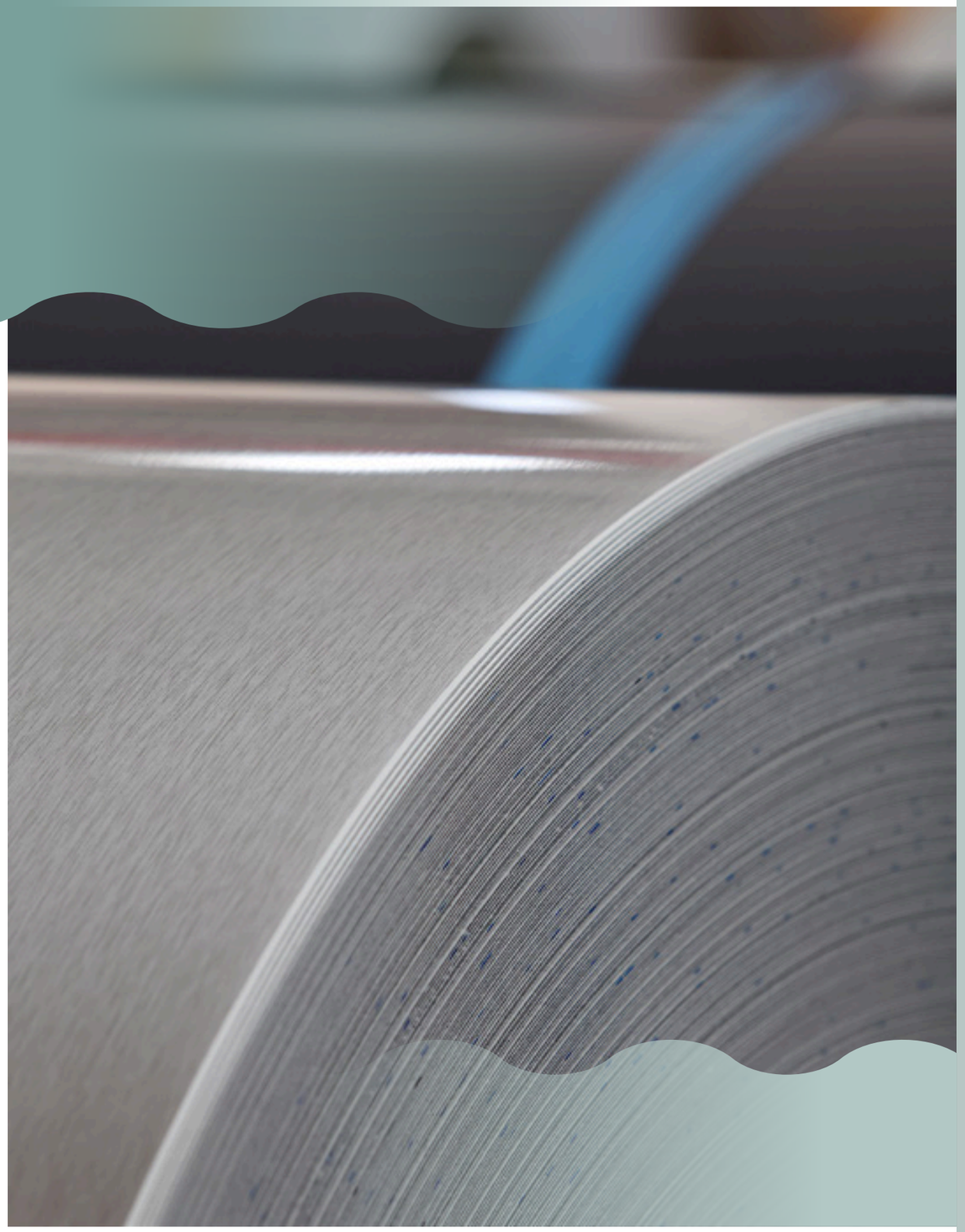
$$\frac{\text{Number of accidents at work}}{\text{Hours worked}} \times 1.000.000$$

** Rate calculated as:

$$\frac{\text{Number of work accidents with serious consequence (excluding deaths)}}{\text{Number of hours worked}} \times 1.000.000$$

«Attention to the **Environment** is an essential pillar from which significant choices such as the purchase of 100% **renewable** energy and continuous efficiency projects derive»

5 Environment



ENVIRONMENT HIGHLIGHTS

100%

Recyclability of raw material (steel)

100%

Electricity used from renewable sources

20,1%

Incidence of renewable energy sources on total energy consumption

0,0031
MWh/m²

Energy intensity ratio (energy consumption in MWh per square metre produced)

0,00051
tons CO_2 eq./m²

Intensity of market-based GHG Scope 1&2 emissions (on square metres produced)

92,4%

Non-hazardous waste generated (out of total waste)

97,5%

Waste sent to be recycled (out of total waste)

Energy Efficiency and Decarbonisation
Environment

Environmental protection, together with workplace safety, represents a founding principle and a key strategic factor for Varcolor S.r.l.
The main material used is steel, a non-renewable resource but intrinsically circular, as it is 100% recyclable and easily reusable in new production cycles. This enables the company to reduce its environmental footprint along the value chain.

Since its beginning, Varcolor S.r.l. has pursued a continuous path of **energy efficiency**, based on the **exclusive purchase of electricity from certified renewable sources**, in compliance with the Guarantees of Origin (GO) provided for by EU Directive 2009/28/EC.

This is complemented by ongoing **revamping of systems** and the adoption of **monitoring systems** to optimise consumption and manage the most impactful resources responsibly, in accordance with the requirements of the Integrated Environmental Authorisation (AIA). Stacks undergo periodic checks to ensure compliance with emission limits, just as happens with water discharge.

Thanks to these strategies, **100% of the electricity purchased currently comes from renewable sources**, covering 20,07% of the organisation's total energy needs in 2024. The remaining share, equal to 79,9% of the total in the reporting year, consists of energy from fossil sources, mainly linked to the operation of baking furnaces powered by natural gas – a central element of the production process – as well as heating and fuels for internal handling. This consumption is subject to constant monitoring and reduction actions, although in 2024 there was an increase of +5,63% compared to the previous year, still related to production requirements.

The company's commitment to continuous monitoring, also supported by the implemented MES (Manufacturing Execution System), and ongoing efficiency measures confirm its determination to contribute to decarbonisation and the energy transition, even within a high energy-intensity production context. In-depth knowledge of products and production systems allows for continuous and significant updates to improve efficiency and productivity. The MES, which is being continuously enhanced, enables computerised management of the main operating parameters of the film coating system. This system optimises production and provides reliable real-time data on timing, consumption and costs, allowing targeted measures in case of anomalies and fostering a proactive approach to waste reduction and performance improvement.

Steel is a 100% recyclable and circular material

Explanatory Notes:
- GRI rif. 301

Energy Efficiency and Decarbonisation
Environment

In the interests of monitoring and transparency, Varcolor S.r.l. calculates and assesses its energy intensity ratio, expressed as energy consumption in relation to the square metres of **material produced during the year**. In recent years, this indicator has shown an upward trend, mainly reflecting the greater incidence of energy-intensive processes (such as coated products) and the resulting variation in the production mix. The company continues to monitor its consumption closely, with the aim of identifying and implementing measures to improve efficiency and reduce environmental impact.

In 2024, **97,5% of total waste** generated was **sent for recovery**, while **92,4%** was classified as non-hazardous, confirming the effectiveness of the system for separate collection, traceability and valorisation of processing residues.
Special attention is paid to the management of hazardous waste from coating processes (sludge, solvents, filters), in compliance with the requirements of the Integrated Environmental Authorisation (AIA).

With reference to GRI 301-2, the company does not yet have complete quantitative data concerning the share of material used which originates from recycling; however, a structured process for the governance and tracking of information flows has been launched, which will already in the coming reporting periods allow the systematic measurement of the required metrics and their reporting in accordance with the GRI Standards. In any case, recovery and regeneration practices are already in place: the solvent used for cleaning the plants (MEC) is regenerated through a distillation plant and reused until its regenerative capacity is exhausted, thereby optimising the use of resources and reducing the generation of hazardous waste; with regard to packaging, a portion of the pallets used for shipments is returned by customers and reused internally, which contributes to reducing the need for new materials and to extending their life cycle, although the related flows quantification is not available yet.

From the perspective of transport of materials, the organisation benefits from the group's logistical efficiency in managing steel raw material, thanks to the synergy with the Marghera (VE) hub and the group's railway siding.
This integration helps reduce indirect emissions (Scope 3) associated with steel transport, contributing to the sustainability of the supply chain.

The initiatives implemented demonstrate the commitment of Varcolor S.r.l. to strengthening the sustainability of production processes and actively contributing to the reduction of greenhouse gas emissions, in line with the objectives of the 2030 Agenda. These initiatives are aligned with SDG 12 and 13 and with the GRI Standards on energy consumption (GRI 302), waste management (GRI 306), emissions reduction (GRI 305, including VOC – Volatile Organic Compounds emissions) and water resource management (GRI 303).

Energy Efficiency and Decarbonisation

Energy

In 2024, the **total energy consumption** of Varcolor S.r.l. amounted to **21.007 MWh**, with a breakdown showing that 79,93% of consumption was covered by **fossil sources** (mainly natural gas used for baking furnaces and, to a lesser extent, for heating rooms), and the remaining **20,07%** by electricity purchased from certified **renewable sources** through Guarantees of Origin (GO), in compliance with EU Directive 2009/28/EC.

Energy consumption is directly correlated with production trends, as energy is largely used to operate industrial plants, particularly for powering baking furnaces, as well as auxiliary systems and lighting.
Therefore, annual variability in consumption does not necessarily reflect lower efficiency but may also indicate fluctuations in production capacity and operational requirements.

In detail, **natural gas** accounts for the largest share of fossil consumption (16.651 MWh in 2024), followed by **petrol and diesel** for the company fleet (140.0 MWh in 2024).
Varcolor S.r.l. does not use coal, petroleum products other than those indicated, nor nuclear or biomass sources.

The company does not have renewable energy self-generation plants (e.g., photovoltaic) but purchases **100% of its electricity from renewable sources** such as water, sun, wind and geothermal heat.

Electricity is the main energy carrier for powering the plants, while natural gas is used primarily in baking furnaces, which form the core of the production process.

Energy and emissions data reporting is carried out in accordance with GRI 302 (Energy), GRI 305 (Emissions) and, prospectively, ESRS E1, ensuring transparency and alignment with international best practices.

During 2024, the organisation benefited from the “Energivori” incentives, which helped reduce energy costs and improve the company’s energy efficiency, supporting its market competitiveness and its commitment to environmental sustainability. These incentives are intended for companies which can demonstrate the adoption of measures for efficient energy use, highlighting how implementing sustainable practices within the company is not only a matter of environmental responsibility but can also deliver advantages in terms of economic efficiency: adopting them allows cost reduction, minimisation of waste and optimisation of resource management.

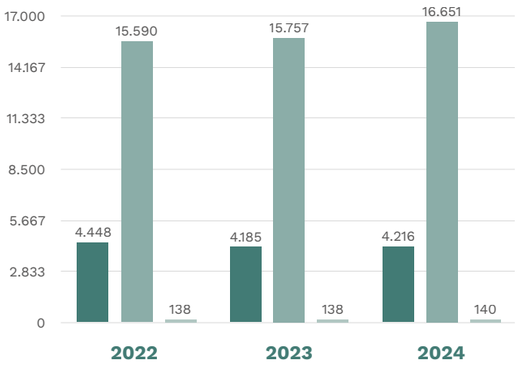
Energy Consumption and Energy Mix		2022	2023	2024
Consumption of coal fuel and coal products	*MWh*	0	0	0
Consumption of crude oil fuel and petroleum products	*MWh*	137,6	138,4	140,0
Consumption of natural gas fuel	*MWh*	15.589,5	15.757,2	16.651,0
Consumption of fuels from other fossil sources	*MWh*	0	0	0
Consumption of electricity, heat, steam, and cooling from fossil sources, purchased or acquired	*MWh*	0	0	0
Total energy consumption from fossil sources	***MWh***	**15.727**	**15.896**	**16.791**
Percentage of fossil sources in total energy consumption (%)		**77,93%**	**79,16%**	**79,93%**
Consumption from nuclear sources	***MWh***	**0**	**0**	**0**
Percentage of nuclear sources in total energy consumption (%)		**0%**	**0%**	**0%**
Consumption of fuels from renewable sources	*MWh*	0	0	0
Consumption of electricity, heat, steam, and cooling from renewable sources, purchased or acquired	*MWh*	4.448,0	4.185,3	4.216,3
Consumption of self-generated renewable energy without using fuels	*MWh*	0	0	0
Total energy consumption from renewable sources	***MWh***	**4.448**	**4.185**	**4.216**
Percentage of renewable sources in total energy consumption (%)		**22,05%**	**20,84%**	**20,07%**
Total energy consumption	***MWh***	**20.175**	**20.081**	**21.007,30**

Explanatory Notes:
- GRI rif. 302-1
- Consumption of natural gas fuel: this includes the consumption of methane gas, converted from SCM to MWh
- Consumption of crude oil fuel and petroleum products: this includes the consumption of LPG, petrol and diesel for the reference years, converted from litres to MWh separately based on the relevant conversion factors
- For conversions to MWh, ISPRA and DEFRA sources were used (PCI: Table of standard national coefficients. density: DEFRA fuels Fuel Properties Common-ly used Fossil) with reference years 2022 and 2023 (for 2024, conversion factors were kept constant compared to 2023).
- Consumption from renewable sources: this includes exclusively electricity, separately accounting for the total amount of energy purchased (certified from renewable sources).

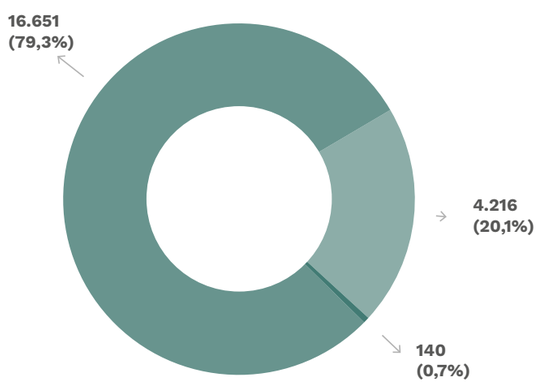
Energy Efficiency and Decarbonisation

Energy

Energy consumption in MWh (3 years)



Energy source breakdown (2024)



The charts analysing consumption by energy source provide a visual overview of the evolution and composition of the energy mix in Varcolor S.r.l. over the three-year reporting period.

The source-based analysis shows that **natural gas** is the main energy resource used, with an increasing share in recent years: in 2024 it accounted for **79,93% of total consumption** (16.651 MWh out of an overall 21.007 MWh). This consumption is primarily attributable to **production process requirements**, particularly to the **operation of baking furnaces**, which form the core of the industrial activity, while only a marginal share is used for heating rooms in the building.
The rise in consumption of this energy source is therefore mainly linked to changes in product configuration during the years analysed: production has shifted towards a higher proportion of coated products, which require more intensive use of baking furnaces. For the same square metres processed, this results in a corresponding increase in the demand for natural gas to power the systems.

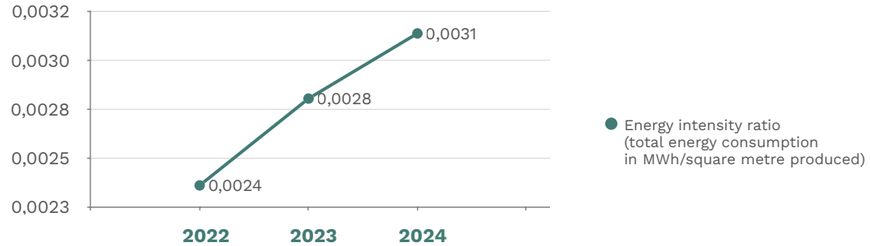
Electricity purchased from **certified renewable sources through Guarantees of Origin (GO)** accounts **for 20,07% of total energy consumption** in 2024 (4.216 MWh), a share which has remained stable throughout the reporting period. **Liquid fuels** (petrol and diesel) cover the residual share of 0,7% of energy demand (140 MWh in 2024), reflecting a company fleet of limited size.

As highlighted, consumption of natural gas, electricity and fuels follows trends linked to the company's productivity and the operational requirements of its processes. Overall, the breakdown therefore shows an energy mix strongly oriented towards the use of natural gas for production processes, with a stable share of renewable electricity and a marginal impact from liquid fuels.

The organisation's commitment to energy efficiency and resilience translates into ongoing investments in consumption monitoring and process optimisation, in compliance with GRI 302 (Energy), GRI 305 (Emissions) standards and, prospectively, ESRS E1.

Energy intensity ratio
(total energy consumption in MWh/square metres produced)

		2022	2023	2024
Energy intensity ratio*	***MWh/m²***	**0,0024**	**0,0028**	**0,0031**



The chart illustrates the trend of the **energy intensity ratio**, calculated as total energy consumption (in MWh) in relation to the square metres produced in the facilities. In 2024, the indicator stood at **0,0031 MWh per square metre produced**, a value higher than that recorded in 2023 (0,0028 MWh/m²) and in 2022 (0,0024 MWh/m²).

This trend is linked to several factors. The observed increase is mainly attributable to the greater incidence of energy-intensive processes, such as coated products, which require more intensive use of furnaces and, consequently, higher energy consumption for the same amount of material processed. Furthermore, the trend of energy indicators also reflects the degree of continuity and stability of production cycles: the system is more efficient when operating in a continuous cycle (7 days a week) and with limited variability in processing types, whereas frequent stoppages and changes in production cycles can lead to an increase in specific consumption. Over the past two years, the decline in demand and production has not always allowed full operational continuity of the plants, with a consequent negative impact on specific energy efficiency.

The denominator of the energy intensity ratio is calculated by also including finishing processes, in line with GRI 302-3 guidelines, to represent the actual workload on the systems and to highlight operational efficiency per unit of processing.

Despite the increase, the value remains consistent with the operational profile and confirms the need for targeted energy efficiency measures, which have already been initiated and are described in the following sections. Moreover, almost all the electricity used comes from renewable sources certified through Guarantees of Origin (GO), a choice which helps to limit the emissions impact associated with the increase in consumption.

Explanatory Notes:
- GRI rif. 302-1, 302-3
- The energy intensity ratio includes all types of energy consumed internally by the organisation.

* The energy intensity indicator is calculated as the ratio between the year's total energy consumption (in MWh) and the volume of material produced, expressed in square metres. "Material produced" refers to the quantity exiting the plant during the reporting period. Under this approach, the denominator does not include values relating to subsequent processing stages carried out on the same material (such as cutting into sheets or strips of material which has already undergone film-coating), nor any intermediate reprocessing steps, which are considered operational phases on the same batch. This choice avoids any double counting of the same material and enables the representation of energy efficiency in relation to the volume actually produced.

Energy Efficiency and Decarbonisation
Emissions

The steel industry is recognised as one of the main global contributors to greenhouse gas emissions. Consequently, companies in this industry are called upon to lead a significant transformation, contributing to global objectives for emission reduction and climate change mitigation.

Although aware that most impacts are generated upstream in the supply chain (linked to the primary production of raw materials), Varcolor S.r.l., as a service centre specialised in coating and painting flat steel products, is committed to actively participating in this transformation.

A first step towards this goal is not only careful monitoring of its own consumption but also the adoption of an approach to measuring its carbon footprint.

Scope 1 emissions under the GHG Protocol include emissions from fuels burned within the company, including company-owned vehicles.

Scope 2 emissions under the GHG Protocol, on the other hand, derive from electricity purchased from the grid and are calculated according to two reference methods (location-based and market-based):

- **Location-Based:** it considers an average CO_2eq emission factor based on the national energy mix (location-based approacg according to GHG Protocol);

- **Market-Based:** it considers an average CO_2eq emission factor based on the energy mix directly purchased by the company and traceable through any Guarantees of Origin certificates. In the absence of such certificates, an emission factor derived from the residual mix is applied, which does not take into account the purchased GOs.

GHG emissions	Unit measure	2022	2023	2024
Direct GHG emissions (Scope 1)				
Scope 1 emissions	*CO_2 equivalent tons*	3.213	3.258	3.441
Indirect GHG emissions (Scope 2)				
Location-based Scope 2 emissions	*CO_2 equivalent tons*	1.288	989	996
Market-based Scope 2 emissions	*CO_2 equivalent tons*	-	-	-
Total GHG emissions (Scope 1 and 2)				
Total location-based emissions	*CO_2 equivalent tons*	4.501	4.247	4.437
Total market-based emissions	*CO_2 equivalent tons*	3.213	3.258	3.441

Explanatory Notes:
- GRI rif. 305: 305-1, 305-2, 305-3, 305-4
- **Scope 1** (Direct Emissions): emissions derive from the use of fossil fuels and in clude Methane Gas, Diesel, and Petrol. The global warming potentials were obtained from the Sixth Assessment Report (AR6) of the IPCC, referring to a 100-year time horizon
- **Scope 2** - Indirect emissions from electricity (Location-based) related to pur chased electricity. Average CO_2eq emission factor based on the national energy mix ISPRA 2023. Nitrogen oxides (NOX), sulphur oxides (SOX), and other emissions indicated by GRI 305-7 were not calculated
- **GWP** - Global Warming Potential: the main categories of greenhouse gases (CO_2, CH_4, N_2O, PFCs, HFCs, SF6) were considered. The resulting greenhouse gases are CO_2 (carbon dioxide), CH_4 (methane), N_2O (nitrous oxide). Process emissions and fugitive emissions (leaks from refrigerant gases) were not calculated.

GHG Emissions

The direct footprint of Varcolor S.r.l. (Scope 1) mainly derives from the combustion of natural gas to power the baking furnaces used in coating and painting processes, as well as from liquid fuels (petrol and diesel) employed for company vehicles.
In 2024, these emissions amounted to **3.441 tons of CO_2 equivalent**.

As regards indirect emissions from purchased energy (Scope 2), only electricity consumption is included in the Scope 2 calculation. Varcolor S.r.l. purchases 100% of its electricity from renewable sources certified through Guarantees of Origin (GO); consequently, the **Scope 2 market-based** value for 2024 is **zero**.

Conversely, the location-based method, which is based on the average national Italian energy mix, returns a value of **996 tons of CO_2 equivalent** for the same year. However, this figure is less representative, as it does not reflect the company's actual zero-impact choice.

Looking at the overall data, a clear difference emerges between the calculation of total emissions based on the location-based method and the market-based method. In 2024, total GHG emissions calculated using the location-based approach (Scope 1 + Scope 2) amounted to **4.437 tonnes of CO_2 equivalent** (a slight increase compared to 2023, when they were 4.247 tonnes). The market-based figure, considering the elimination of indirect emissions thanks to the procurement of certified renewable energy, coincides with direct Scope 1 emissions only. This gap reflects not only a methodological difference but also the organisation's **strategic choice** towards of decarbonising its electric sourcing.

Other Atmospheric Emissions

In addition to the voluntary monitoring of greenhouse gas emissions introduced in the current reporting year, the organisation is subject to periodic monitoring and control of atmospheric emissions, in compliance with the limits and requirements set out in the Integrated Environmental Authorisation (AIA).

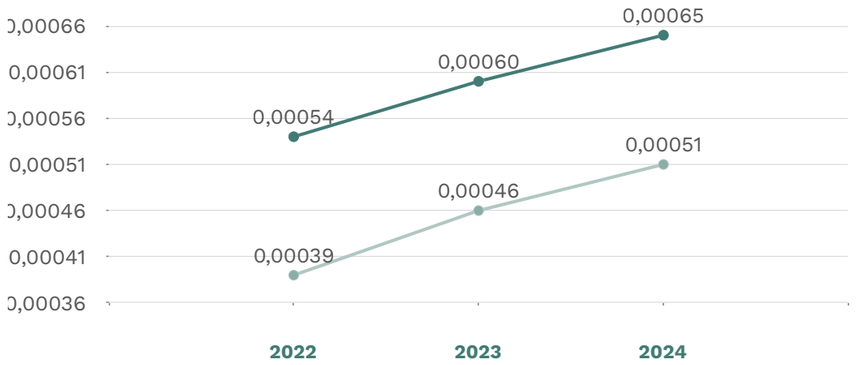
Channelled emissions are analysed through sampling at stacks, with verification of the main pollutant parameters (VOCs, chlorides, fluorides) and internal instrumental checks. Diffuse emissions are subject to periodic environmental investigations in the workplace, with further assessments planned in accordance with EN 689:2019, ensuring compliance and continuous improvement of environmental performance.

During 2024, total emissions of Volatile Organic Compounds (VOCs) into the atmosphere amounted to 16.170 kg, a value obtained by summing channelled point emissions (measured through direct stack analysis) and diffuse emissions (calculated by mass balance), as reported in the Solvent Management Plan and in compliance with ARPAV methodology and the requirements of the Integrated Environmental Authorisation.

This figure represents an increase compared to 2023 (10.245 kg), mainly due to the higher proportion of coated products manufactured during the year, which required more intensive use of baking furnaces and, consequently, greater solvent consumption for the same square metres processed.

Explanatory Notes:
- GRI 305-7
- The data relating to VOC (Volatile Organic Compounds) emissions was derived from the 2024 Solvent Management Plan, prepared in accordance with the Integrated Environmental Authorisation (AIA) and applicable regulations. VOC emission quantities are calculated based on data concerning the purchase, use and recovery of solvents and paints, integrating tar-geted analyses of channelled emissions (stacks) and diffuse emissions, as well as the management of solvent-containing waste. Emissions are expressed in kg/year. No compounds with significant Global Warming Potential (GWP) according to IPCC/GHG Protocol are present; therefore, VOC emissions are not converted into CO_2 equivalent and are reported sepa-rately from GHG emissions (Scope 1 and 2), in compliance with GRI 305-7.

GHG emission intensity
(CO_2 equivalent tons/square metres produced)



Location-based GHG emission intensity (CO_2 equivalent tons/square metres produced)

Market-based GHG emission intensity (CO_2 equivalent tons/square metres produced)

The choice of calculation method, whether location-based or market-based, has a substantial impact on the analysis of emission intensity, which expresses the ratio between tons of CO_2 equivalent emitted, and the square metres of material produced in the 2022–2024 three-year period. “Material produced” refers to the quantity exiting the plants, expressed in m², corresponding to the production output.

For Varcolor S.r.l., the indicator calculated according to the location-based approach, which considers the average national energy mix, stood at 0,00065 tCO_2eq per square metre produced in 2024, a value higher than that recorded in 2023 (0,00060) and in 2022 (0,00054). This increase mainly reflects the greater incidence of coated products, which require more intensive use of baking furnaces and, consequently, higher energy consumption and associated emissions for the same output.

The indicator calculated according to the market-based approach, which is based on the specific contractual characteristics of the energy purchased, shows lower values than the location-based approach thanks to the procurement of electricity entirely from renewable sources certified through Guarantees of Origin (GO). In 2024, the value was 0,00051 tCO_2eq per square metre produced, compared to 0,00046 in 2023 and 0,00039 in 2022, confirming the positive effect of energy purchasing choices on limiting indirect emissions. Under this approach, Scope 2 emissions are eliminated, and the indicator reflects almost exclusively direct emissions from natural gas and fuels used in company vehicles.

Despite the increase in emission intensity in recent years, the strategic choice to source exclusively renewable electricity has significantly reduced the overall emission value compared to a scenario based on the national energy mix. The overall impact on emission intensity is therefore linked both to the type of processing carried out and to the structure of the energy mix used, with a tangible benefit deriving from the use of certified green energy.

Energy Efficiency and Decarbonisation
Efficiency

The Company has implemented a wide range of energy efficiency and emission mitigation measures (GRI 302 and GRI 305), delivering positive impacts also on other material topics such as occupational health and safety (GRI 403), water resource management (GRI 303) and waste management (GRI 306).

INVESTMENTS PLANNED FOR THE UPCOMING YEARS

Measure	Why it is connected with efficiency and ESG impacts
CO_2 Fire-Extinguishing System on Coating Machines in Zone S2	The measure is planned to enhance safety by reducing the risk of fires in coating machines associated with flammable solvents, ensuring regulatory compliance and completing what has already been implemented in previous years on other lines.
System for Paint Temperature Control	The plan is to install a system to stabilise paint temperature, with the aim of reducing energy waste and VOC emissions (lower solvent evaporation), improving the quality of the finished product, as well as enhancing operational safety and ensuring compliance with emission limits.
Replacement of Internal Lighting with LED lighting	The replacement of 107 halogen floodlights with full-LED fixtures, both indoors and around the external perimeter, enables a reduction in electricity consumption compared to traditional lamps, resulting in lower indirect CO_2 emissions, greater luminous efficiency, as well as a longer service life and reduced maintenance requirements.
Installation of an extraction hood for fugitive emissions	The measure aims to improve thermal efficiency and safety by compartmentalising the PVC coupling area, with the objective of optimising energy consumption and reducing the risk of chemical leaks and VOC emissions, in compliance with environmental requirements.
Installation of Sensors	The installation of new sensors is planned to improve the monitoring of process parameters, enabling more efficient and timely management of the systems.
Use of Chillers to Optimise Water Consumption	The introduction of closed-circuit chiller units is planned to cool the rollers in the system, replacing the continuous use of mains water and thereby reducing overall water consumption.
Purchase of Uninterruptible Power Supply (UPS) for the Plant	The purchase of an uninterruptible power supply (UPS) is planned to optimise the management of micro power outages, reducing energy consumption and material waste while improving production continuity.

INVESTMENTS MADE

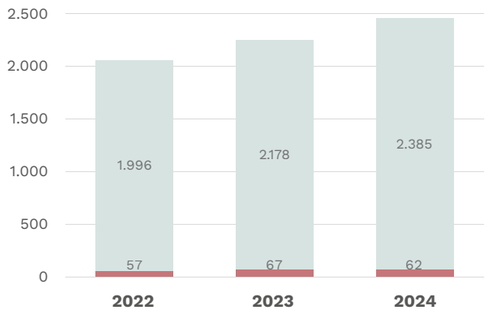
Measure	Why it is connected with efficiency and ESG impacts
Automatic Fire-Extinguishing System for External Paint Storage	The system automatically detects the presence of fires in the storage area where paints are kept and immediately intervenes to extinguish them. This reduces the risk associated with flammable solvents, improving chemical safety and ensuring compliance with Integrated Environmental Authorisation (AIA) regulatory requirements, while protecting both the environment and the safety of people and company assets.
Continuous Revamping of the Coating System	The continuous technological upgrade of the plant improves efficiency in production processes, reducing energy consumption and material waste. The measure has also solved issues related to plant obsolescence, increasing production stability and process quality.
MES System (Industry 4.0)	The software installation on the main system enables real-time monitoring of process parameters, improving production control, reducing energy and material waste, and strengthening traceability and quality.
New cooling basin (TF130) with partition system	The new basin, equipped with partitions, reduces steam dispersion and dripping, preventing potential environmental contamination and enhancing operational safety by avoiding possible discharges of polluted water.
Upgrade of recirculation fans and furnace ducts, replacement set for burner zones (multiple areas)	The upgrade improves heat distribution and combustion within the furnaces, reducing gas consumption, thermal losses and VOC emissions (Volatile Organic Compounds). It contributes to compliance with the prescribed emission limits, enhances operational safety and ensures greater process stability, thereby improving product quality.
Replacement of furnace duct insulation with insulated mats	The replacement has improved thermal insulation, reducing energy consumption and heat loss. The installation of insulated mats, which are more durable and removable, also decreases the frequency of replacements and, over the life cycle, limits the amount of waste material compared to less efficient solutions.
Refurbishment of regenerative afterburner	The measure improved the abatement of volatile organic compound (VOC) emissions, ensuring better regulatory compliance and reducing the environmental impact of the systems, while increasing thermal efficiency.
Installation of containment and protection systems in the pre-treatment area	The measures include the integration of hoods and perimeter protections in the pre-treatment area, allowing the containment of vapours and chemical substances, thereby reducing harmful dispersions and improving environmental and operational safety. Collection tanks have also been installed beneath the wringer rollers to prevent contamination and spills, and safety guards have been fitted on elevated walkways to protect personnel from the risk of falling or accidental contact with moving parts, reducing the likelihood of injuries and ensuring working conditions in line with prevention principles.
Substitution of furnace push pipes on the lower PLV1 (zones 2 and 3)	The measure, carried out in the film-coating plant, optimises the furnace's heat flow, reducing energy losses. A more efficient system allows for lower consumption and a reduction in associated direct emissions.
Installation of an automatic biocide dosing system for evaporative towers	The automated system ensures constant control of water quality, preventing bacterial proliferation and reducing the risk of environmental and health contamination.
Installation of a continuous thickness gauge	The automatic thickness control in the coating line reduces production waste and optimises the use of raw materials, improving product quality and lowering environmental impact.

Explanatory Notes:
- GRI rif. 302, 303, 305, 306, 403,

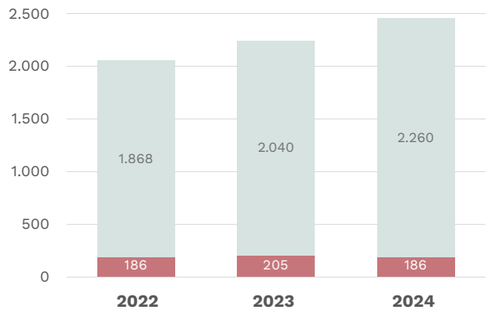
Management of resources and waste, circular economy

Waste

Waste produced – Destination (tons)



Waste produced – Type (tons)



In 2024, Varcolor S.r.l. generated a total of **2.446 tons of waste**, recording an increase of 8,9% compared to 2023, mainly linked to production volumes and, in particular, to the type of products manufactured, which due to their complexity require more materials and generate greater scrap.

The composition of the waste reflects the specificity of the company's processes: **non-hazardous materials** prevail (2.260 tons, equal to **92,4%**), largely consisting of offcuts and metallic scrap from coil coating operations, which are sent for recovery by authorised operators with a rate exceeding 99%. The share of hazardous waste (186 tons, equal to 7,6%) mainly comprises spent solvents, purification sludge, filters, activated carbon, contaminated cloths and residues from water treatment systems, all managed in compliance with the requirements of the Integrated Environmental Authorisation (AIA) and ADR/CLP regulations.

In 2024, 2.385 tons of waste (**97,5%**) were **sent for recovery**, confirming an approach focused on residue valorisation and circularity. The amount destined for **disposal** remained limited (62 tons, equal to **2,5%**), almost entirely attributable to non-recoverable hazardous waste. All waste streams are tracked through loading/unloading registers and consignment notes, with periodic audits and continuous monitoring, ensuring full traceability and regulatory compliance.

Waste generation is correlated both to production volumes and to the complexity of processing (for example, multiple coating cycles and finishing). The recovery rate remained high over the three-year period, with values of 97,2% in 2022, 97,0% in 2023 and 97,5% in 2024, while the share destined for disposal consistently remained below 3%. No environmental incidents, spills or complaints were recorded during the three-year period, nor were any radioactive wastes handled.

Explanatory Notes:
- GRI 306-1, 306-2, 306-3, 306-4, 306-5
- The reclassification was carried out on the basis of the EWC codes and the R/D operations communicated by the operators at the time of collection. In cases where the final destination was not defined, confirmations were requested from suppliers. The data were aligned with the categories set out by the GRI Standards and harmonised with ESRS requirements, ensuring traceability and compliance with Group practices.

Waste produced		2022	2023	2024
Waste generated	**tons**	**2.054**	**2.246**	**2.446**
Waste sent to be recycled	tons	1.996	2.178	2.385
Waste sent to disposal	tons	57	67	62
Hazardous waste	tons	186	205	186
Of which radioactive waste	tons	0	0	0
Non-hazardous waste	tons	1.868	2.040	2.260

		2022	2023	2024
Waste not meant for disposal	**tons**	**1.996**	**2.178**	**2.385**
Non-hazardous waste not meant for disposal	**tons**	**1.868**	**2.040**	**2.260**
i. Preparation for reuse;	tons	51	46	40
ii. Recycling;	tons	1.816	1.975	2.220
iii. Other operations for recovering material;	tons	1	19	0
Hazardous waste not meant for disposal	**tons**	**128**	**138**	**125**
i. Preparation for reuse;	tons	32	25	25
ii. Recycling;	tons	77	91	74
iii. Other operations for recovering material.	tons	19	22	27

		2022	2023	2024
Waste meant for disposal	**tons**	**57**	**67**	**62**
Non-hazardous waste meant for disposal	**tons**	**0**	**0**	**1**
i. Incineration (with energy recovery);	tons	0	0	1
ii. Incineration (without energy recovery);	tons	0	0	0
iii. Disposal at landfill site;	tons	0	0	0
iv. Other disposal operations.	tons	0	0	0
Hazardous waste meant for disposal	**tons**	**57**	**67**	**61**
i. Incineration (with energy recovery);	tons	0	0	0
ii. Incineration (without energy recovery);	tons	0	0	0
iii. Disposal at landfill site;	tons	57	67	61
iv. Other disposal operations.	tons	0	0	0

Water resources management

All water supplied to the organisation is freshwater, intended for **operational needs and sanitary uses**. Water is used in production processes for certain technical stages, such as component cooling, feeding auxiliary systems (osmosis, coating) and for fire-fighting via dedicated silos.

The water consumed by the organisation is drawn from the public water supply and managed through third-party distribution networks, specifically by municipal water service providers responsible for supply and discharge management. Since mid-2022, there has also been a contribution from groundwater, thanks to the activation of a well.

Over the three-year period, a steady reduction in water consumption has been observed, correlated to production volumes. **Total water withdrawal** amounted to **14.973 m³** in 2024, of which 11.198 m³ came from third-party water resources and 3.775 m³ from groundwater.

Water resource management is supported by controls and procedures aimed at preventing environmental and reputational impacts. In particular, the company constantly monitors the quality of discharges and compliance with the limits set by the Integrated Environmental Authorisation (AIA), carrying out periodic analyses and adopting treatment systems for sludge generated by processes.
Emergency procedures are also in place to respond promptly in the event of anomalies or spills, reducing the risk of soil and water contamination. These safeguards not only ensure regulatory compliance but also protect the company's image, avoiding penalties and reputational damage that could arise from critical events.

In addition to the periodic checks and emergency procedures already described, discharge quality is continuously monitored via a PLC system, which constantly measures the pH of effluents. If regulatory limits are exceeded, the system triggers an alarm, stops the discharge and diverts the effluent to a storage tank, halting all activities which generate effluent until compliance conditions are restored. The main water emission sources are represented by cooling effluents from the PLV1 coating line and effluents from the chemical-physical treatment plant. For industrial discharges from processes involving lubricating oils, emulsions or hydrocarbon residues, total hydrocarbons parameter is monitored. Furthermore, chemical products containing fluorine are used in the sheet pre-treatment tanks; effluents may therefore contain fluorides, which are managed and monitored as pollutants for the aquatic environment. All production discharges are conveyed to the industrial sewer system after in-house treatment, in compliance with the prescribed requirements.

The company's plant is not located in areas of high water stress, meaning areas where there is insufficient capacity to meet water demand, according to resources provided by the Water Risk Atlas made available by the World Resources Institute (WRI).
This internationally recognised tool is an accessible source for verifying water stress in areas of interest and allows the assessment of risks related to water availability in different regions.

To confirm this assessment, the interactive map on the WWF riskfilter.org website was also consulted, which analyses the physical risk of the river basin (basin physical risk) on a global scale.
According to this tool as well, the operational areas in Varcolor S.r.l. are characterised by moderate, not high, water risk, indicating the absence of significant criticalities regarding the physical availability of water resources.

Water withdrawal		2022	2023	2024		of which: freshwater			of which: other water	
Total water withdrawal from all areas	**m³**	**16.288**	**15.144**	**14.973**	**100%**	**100%**	**100%**	**0%**	**0%**	**0%**
i. Surface water;	m³	0	0	0	-	-	-	-	-	-
ii. Groundwater (well water)	m³	998	2.500	3.775	100%	100%	100%	0%	0%	0%
iii. Seawater	m³	0	0	0	-	-	-	-	-	-
iv. Produced water	m³	0	0	0	-	-	-	-	-	-
v. Third-party water resources (water-works)	m³	15.290	12.644	11.198	100%	100%	100%	0%	0%	0%

Water Withdrawal from water stressed areas		2022	2023	2024		of which: freshwater			of which: other water	
Water Withdrawal from non-water stressed areas	**m³**	**0**	**0**	**0**	**-**	**-**	**-**	**-**	**-**	**-**
i. Surface water;	m³	0	0	0	-	-	-	-	-	-
ii. Groundwater (well water)	m³	0	0	0	-	-	-	-	-	-
iii. Seawater	m³	0	0	0	-	-	-	-	-	-
iv. Produced water	m³	0	0	0	-	-	-	-	-	-
v. Third-party water resources (water-works)	m³	0	0	0	-	-	-	-	-	-

Explanatory Notes:
- GRI rif. 303-1, 303-2, 303-3, 303-5
- All consumption data refers to withdraws recorded periodically (monthly) internally from the various meters installed within the company, based on meter readings, to ensure accurate analysis and avoid estimates while awaiting adjustments from the water service provider.

Appendix

6

Table of GRI content index

DECLARATION OF USE	**Varcolor S.r.l. has reported the information in this GRI contents for the period from December 1, 2024, to 31 December 2024 with reference to the GRI Standards.**
STANDARD GRI 1 USED	**GRI 1: Fundamental Principles 2021**

GRI STANDARD	GRI INFORMATION NOTICE	POSITION	OMISSIONS AND NOTES
General information			
GRI 2: General Disclosures 2021	2-1 Organisational details	p. 14-15	
	2-2 Entities included in the organisation's sustainability reporting	p. 15	
	2-3 Reporting period, frequency, and contact point	p. 15	The reporting period corresponds to the fiscal year, which runs from 1 January 2024 to 31 December 2024, and the sustainability reporting is prepared on an annual basis, in line with the basis on which the organisation's financial reports are prepared.
	2-4 Restatements of information		Not applicable for the current year as the organisation is preparing to publish its first sustainability report
	2-5 External assurance	p. 15	The Sustainability Report is prepared on a voluntary basis and has not been subject to assurance by an external party.
	2-6 Activities, value chain, and other business relationships	p. 15, 18-21	
	2-7 Employees	p. 57, 59	
	2-8 Workers who are not employees	p. 59	
	2-9 Governance structure and composition	p. 45	
	2-22 Statement on sustainable development strategy	p. 5	
	2-25 Processes to remediate negative impacts	p. 24-25, 34-39	
	2-26 Mechanisms for seeking advice and raising concerns	p. 46, 57	
	2-29 Approach to stakeholder engagement	p. 24, 27	
	2-30 Collective bargaining agreements	p. 56, 64	

GRI STANDARD	GRI INFORMATION NOTICE	POSITION	OMISSIONS AND NOTES
Material topics			
GRI 3: Material topics 2021	3-1 Process to determine material topics	p. 24, 27, 28, 30-32	
	3-2 List of material topics	p. 30-31, 34-39	
	3-3 Management of material topics	p. 34-39, 40-41	
Governance	201 Economic performance	p. 48-49	
	202 Market presence	p. 64	
	204 Procurement Practices	p. 50-51	
	205 Anti-corruption	p. 46-47	
	206 Anti-competitive behaviour	p. 46-47	
Environment	301 Materials	p. 76-77	
	302 Energy	p. 78-81, 86-87	
	303 Water and effluents	p. 86-87, 80-81	
	305 Emissions	p. 82-84, 86-87	
	306 Waste	p. 86-87, 88-89	
	306: Effluents and waste 2016	p. 88	
Social	401 Employment	p. 56, 60-61, 63, 65	
	403 Occupational health and safety	p. 56, 60-61, 63, 65	In the reference year, no deaths or serious injuries occurred.
	404 Training and education	p. 66-69	
	405 Diversity and equal opportunity	p. 45, 57, 58, 62	
	406 Non-discrimination	p. 46-47, 57	
	413 Local communities	p. 49	

Note on Methodologies

This document has been drawn up with reference to the **“GRI Sustainability Reporting Standards”** published by the Global Reporting Initiative (GRI), using the “**Reference Claim**” approach.
As required by the Reporting Standards, the GRI Content Index with the details of the reported indicators is provided below.
The information contained in this document has been selected based on the results from the materiality analysis described in the document and conducted according to the GRI 2021 standard, which came into effect in January 2023.
For the purpose of this first sustainability report, the Company, as indicated by GRI Disclosure 2-25 “Processes to remediate negative impacts”, has conducted
a macro analysis of the economic, environmental, and social impacts based on the reasonable expectations and interests of the organisation’s stakeholders.
The information cited in the GRI Content Index refers to the period from January 1, 2024, to December 31, 2024, with reference to the GRI standards.
In observance of the principle of comparability of information, data for the years 2023 and 2022 have been included in this document.
The data relating to previous years are reported for comparative purposes to facilitate the evaluation of the activity trends of Varcolor S.r.l. To ensure greater reliability of the data, the use of estimates has been limited, and where employed, they have been appropriately indicated.

The principles used to prepare the contents and draft this document refer to the **reporting principles** indicated by the GRI Standards:

- **Accuracy**
- **Balance**
- **Clarity**
- **Comparability**
- **Completeness**
- **Sustainability Context**
- **Timeliness**
- **Verifiability**

The 2024 Sustainability Report of Varcolor S.r.l. was published on 24/02/2026.
For any questions regarding the reporting or the information contained therein, please contact *sustainability@varcolor.it*.

Varcolor S.r.l.
www.varcolor.it/en