



Founded in 1952, ISVAL is a leading manufacturer of hot forged and machined brass and aluminum products.

METHODOLOGICAL NOTE AND READING GUIDE

ISVAL chose to prepare its first Sustainability Report on a voluntary basis, with the aim of monitoring its impact on the environment and people and communicating its performance related to environmental, social and governance (ESG) sustainability to its stakeholders (internal and external).

The document was drafted with the support of the consulting firm Fedabo SpA SB and follows the option "with reference to" of the GRI (Global Reporting Initiative) international standards updated to their latest version (2023).

The principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability have been adopted in the preparation of the document.

As further detailed in the following chapter on impacts and materiality analysis, the

company used the indicators provided by the GRI Standards to assess ESG issues that are potentially relevant to its business. This assessment guided the focus of the company's reporting, in alignment with the requirements of the new European Union directive, the Corporate Sustainability Reporting Directive (CSRD), which came into effect for the first applicable companies in the 2024 fiscal year.

A double materiality approach was adopted, taking into account both the company's impacts on the environment and people, as well as the financial risks and opportunities arising from sustainability-related issues. The reporting process began with an initial assessment of the business environment and key performance indicators (KPIs) related to the most significant sustainability topics. This was followed by a materiality analysis, which included stakeholder engagement

and the simultaneous update and integration of all relevant qualitative and quantitative data. The resulting analysis of impacts, risks and opportunities provided the framework for reporting the metrics collected for the fiscal year at hand.

The topics covered in the report are presented with reference to ISVAL's three production sites in Italy (Marcheno and Villa Carcina – province of Brescia) and the U.S. logistics site (Indianapolis), and to the period from January 1st to December 31st, 2024, including, wherever data was available and relevant, data for the previous two-year period (2022-2023).

As for the Indianapolis site, since it is a logistics hub with fewer than 10 employees, it was only possible to collect a few KPIs: the chapters and graphs always specify when this data, qualitative or quantitative, is included in the scope of analysis. Unless

otherwise specified, the indicators are intended with reference to the Italian perimeter only.

Each reported topic will also be linked to the relevant UN Agenda Sustainable Development Goals.

LETTER TO STAKEHOLDERS

With a deep sense of responsibility and a forward-looking vision, we are proud to present our first Sustainability Report.

This document marks an important milestone in our company's journey, a journey that began more than seventy years ago with a passion for manufacturing excellence and a strong connection to our local community.

For over half a century, ISVAL has built its identity on the quality of its products, continuous innovation, and a strong commitment to its employees and partners. We have navigated technological change, market shifts, and global challenges, always

staying true to the values that have guided us since day one: integrity, dedication, and transparency.

Today, fully aware of the vital role that businesses play in shaping a more sustainable future, we are taking another important step forward. This Sustainability Report is not just an overview of our environmental, social, and economic performance, it is a reflection of our commitment to integrating sustainability into every part of our operations. From product design to resource management, from relationships with customers, suppliers, and employees to our engagement with the community where

we are deeply rooted, sustainability informs every decision we make.

In the pages that follow, you will find a clear and honest account of our progress, the challenges we have faced, and the ambitious goals we have set. We have evaluated our impact, identified areas for improvement, and are developing concrete strategies to actively contribute to the transition toward a more inclusive and environmentally responsible model of growth.

This first report is a starting point, a tangible commitment to continue on a path of responsible and intentional growth. We believe that sustainability is not only an

ethical responsibility, but also a powerful driver of innovation and a key factor in our company's long-term competitiveness.

We are grateful to everyone whose work, dedication, and support have made this important milestone possible. We are excited to share this journey with you and to continue building a future where our story of success becomes more and more closely linked to a real commitment to sustainability.

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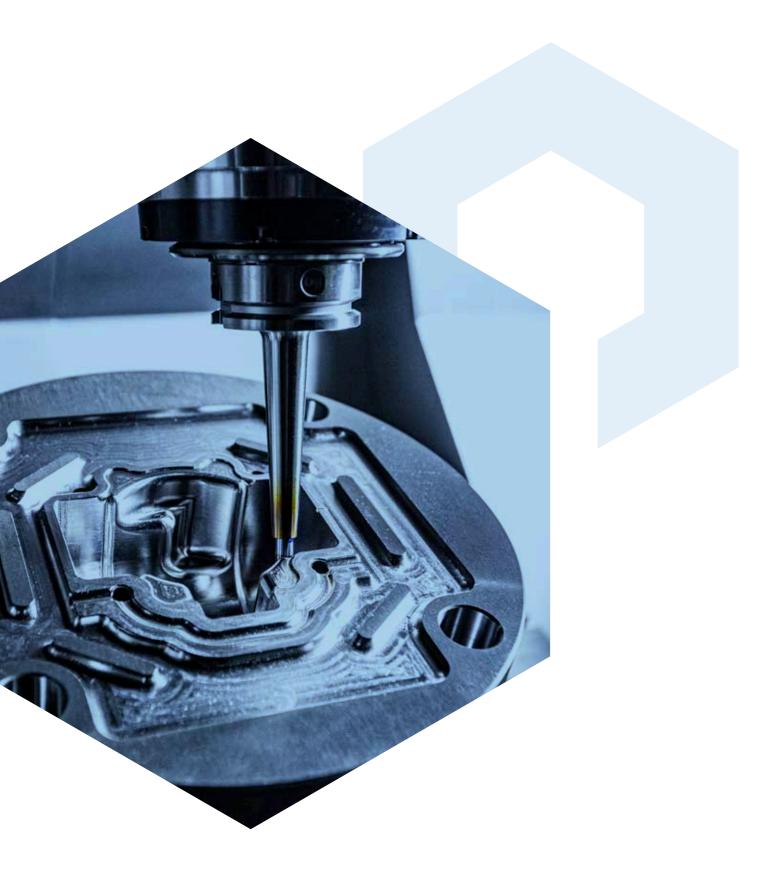
About us

Equipped for medium and large size production, ISVAL can meet even the most custommade requests.





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ISVAL was founded in 1952 in Lumezzane, a town in Val Trompia, in the province of Brescia, a leader in the engineering industry, and as of 12/31/2024, had 233 employees.

The company operates in the field of hot brass forging: it manufactures and sells forged, unfinished and finished parts of mechanical processing.

ISVAL has been exporting its products all over the world for over thirty years, and thanks to this long experience, it is able to offer first-class service.

The company currently consists of four plants:

Marcheno (BS-Italy), headquarter

Mold and equipment design and manufacturing center, forging and machining of non-ferrous metal parts.

Villa Carcina (BS-Italy) Branch Plant 2

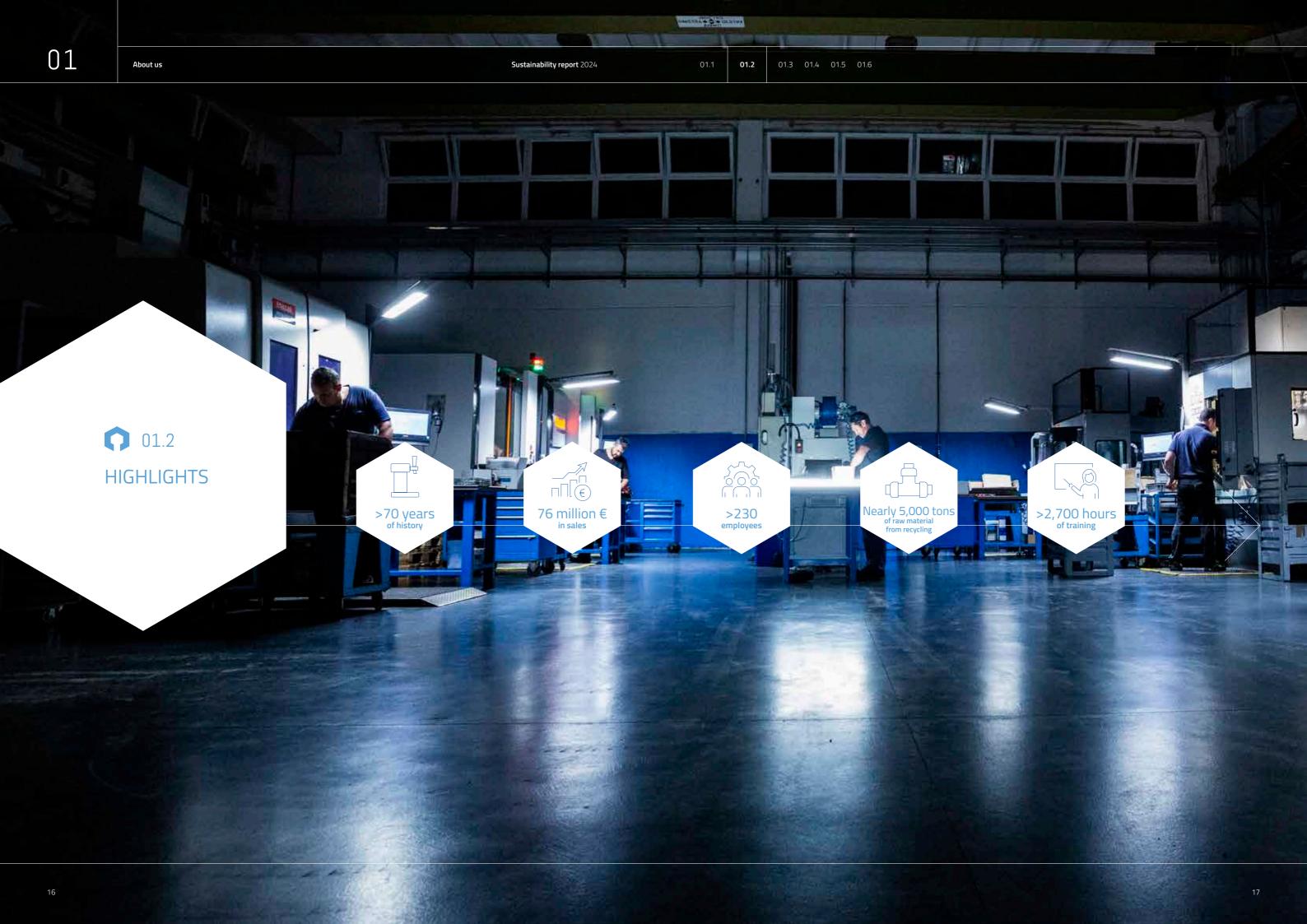
in which the forging and machining of non-ferrous metal parts is located.

Marcheno (BS-Italy) Branch Plant 3

in which the non-ferrous metal parts processing department is located.

Indianapolis (USA)

warehouse and shipping center.



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OUR PRODUCTION PROCESS

ISVAL's core business is brass hot forging: in fact, the company manufactures and sells forged, unfinished and finished parts of mechanical processing.

ISVAL's organization has made it possible, thanks to the continuous training and implementation of skills by personnel employed in the technical area, to maintain the entire in-house production process, from the cutting of the brass or aluminum bar to the fully processed product.

ISVAL operates within the brass industry, a sector known for its high level of circularity, and has implemented systems for monitoring and tracking materials throughout its supply chain.

The company also maintains agreements with its suppliers to recover by-products generated during filing, turning, shearing, as well as brass chunks, scrap, and aluminum shearing waste. These materials are then reintroduced into the production cycle,

further enhancing the circular use of raw materials.

Isval's products are employed in the following sectors:

- solenoids and fluid control valves;
- plumbing and refrigeration;
- pump body and pump heads;
- beverage dispensing;
- automotive components;
- archery components;
- welding components.



The Department of Industrial Innovation and Design takes care of the design of forging diea and machining tools, supported by modern CAD/CAM software, whose fabrication is committed to the tool shop.

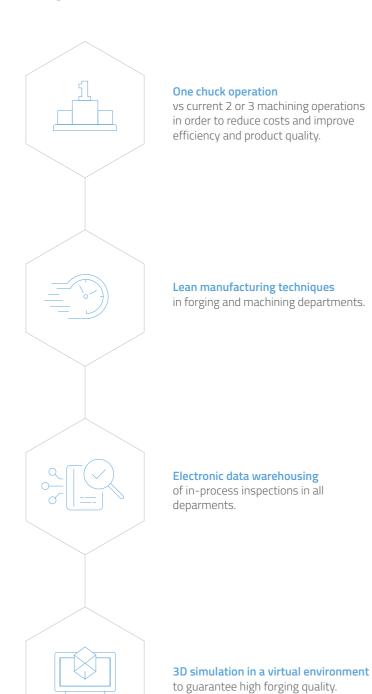
Semi-finished products easily flow through the departments of:

- cutting,
- forging,
- rimming,
- pickling,
- sand blasting,
- machining.

The company constantly invests in the latest technology with the main goal of meeting the highest quality levels required by customers.

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Among its distinctive features:





Implemented bar coding

for accurate in-process tracking in all plants for each operation.



Use of the reverse engineering

engineering process aimed at identifying the properties of a physical object through complete analysis of the structure, functions and operation of that element using 3D measurement technology.



In-house development and manufacturing

of dies and tools.



Process control

in all departments for each operation.

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01.4 **OUR HISTORY**



"L'artigiana" changes its name to "ISVAL" and moves its headquarters to Marcheno (BS-Italy). LATE 1952 1969 70's

The company takes its first steps towards foreign countries.

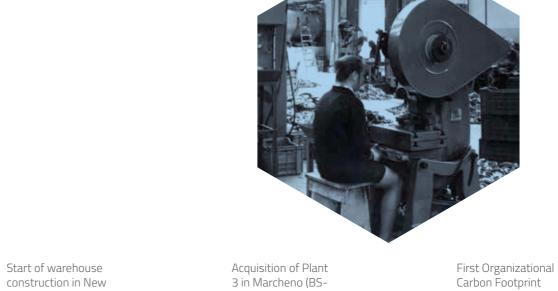


High expansion in European and US markets.

> 80's AND 90's 1993

> > ISVAL obtains Quality Management System certification in accordance with the UNI EN ISO 9001:2015 standard.





3 in Marcheno (BS-Italy).

Jersey (USA).

2000

2006

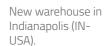
Opening of Plant 2 in Villa Carcina (BS-

Italy).

2016 2019

scopes 1 and 2.

2023







2024



Founded in

Lumezzane

(Brescia-Italy) as

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VALUES AND PRINCIPLES

1.

Strategic value of human resources

Human resources are ISVAL's main asset, constituting the strength, effectiveness, intelligence and reputation of the company. The company can fulfill its mission solely through their full involvement.

2 •

Quality of products and services

The production aims to satisfy and safeguard customers, ensuring high quality and effective products and services.

3 •

Income

Profitability is essential for self-sufficiency, development and growth. It shows the quality of the activities and the company's ability to operate efficiently. The pursuit of profitability must under all circumstances comply with the principles contained in Isval's code of ethics.

4 •

Integrity is fundamental to commitment toward employees, suppliers, customers, and stakeholders. Compliance with laws and ethical standards is essential; ISVAL strictly opposes all forms of corruption.

5•

Conflict of interest

Directors and all personnel must avoid decisions or activities that conflict with the interests of the Company.



6.

Impartiality

ISVAL avoids any form of discrimination based on age, gender, sexual orientation, health status, ethnicity, nationality, political opinions, and religious beliefs.

7 •

Confidentiality and privacy

Confidentiality is a core value that contributes to the reputation of the Company.

8•

Individual responsibility

The quality of the Company derives from the actions of all its personnel; everyone is responsible for his or her own work actions.

9•

Transparency

ISVAL values accounting transparency to properly represent its financial management and effectively prevent risk and fraud.

01

About us Sustainability Report 2024

01





THE SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) are 17 global targets adopted by the United Nations in 2015 as part of the 2030 Agenda to promote a more equitable and sustainable future.

Their aim is to balance economic development with environmental sustainability and social well-being. These goals address critical challenges such as poverty, inequality, climate change, health and education, and each goal is accompanied by specific targets to guide the actions of governments, businesses and citizens. Achieving the SDGs requires global cooperation and shared commitment.

As mentioned in the methodological note, within this report, the various reporting themes will be linked to the relevant Sustainable Development Goals in order to identify how ISVAL's actions are contributing to the achievement of these global targets. Below are the main positive contributions that will be discussed in greater detail in the dedicated sections.

SUSTAINABLE DEVELOPMENT GOALS

INITIATIVES



- Monitoring its own emissions (scopes 1 and 2)
- Installation of a photovoltaic system at the Indianapolis



• Economic and employment stability for its workforce and throughout its supply chain





• Training courses beyond the regulatory requirement



- Closed-loop supply chain for brass and aluminum materials
- Production of single-material products and use of singlematerial packaging
- Project to recover rags that usually get disposed of
- Completed initiatives
- Programmed initiatives



02

The material topics and impacts of Isval

For the analysis of its material impacts and topics ISVAL has adopted the methodology introduced by the new European directive in sustainability reporting.





For the analysis of its material impacts and topics, Isval has adopted the methodology introduced by the new European directive in sustainability reporting (CSRD – Corporate Sustainability Reporting Directive)¹ and related ESRS standards², which will become the main guidelines for the drafting of sustainability reports.



THE CONCEPT OF MATERIALITY AND THE ASSESSMENT OF IMPACTS

Before proceeding to describe each step of the analysis and their results for Isval, it is appropriate to define the concept of materiality according to the ESRS.

Materiality analysis seeks to identify the environmental, social, and governance (ESG) issues that are most relevant (material) to a company. The materiality of a particular issue can arise from:

Impacts generated by the company

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

Financial risks or opportunities

related to ESG aspects, to which the company is exposed for various reasons, whether related to impacts generated by the company itself or exogenous factors (such as the market, regulations, natural and/or geopolitical events).



This dual perspective is called double materiality, as it encompasses the two dimensions:

Inside-out

(or impact materiality, which identifies the company's effects on the outside world)

Outside-in

(or financial materiality, which identifies risks and opportunities to which the company is exposed)

As stated by the CSRD and the ESRS, a given ESG issue can be considered material according to only one of these two perspectives or according to both.

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

² ESRS European Sustainability Reporting Standard, contenuti nell'atto delegato della commissione europea, datato 31/07/2023.

The material topics and impacts of Isval

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THE STAGES OF THE ANALYSIS

The process that led to the identification of impacts and of the most strategic sustainability issues for Isval SpA followed a path composed of several stages.





IDENTIFICATION OF IMPACTS, RISKS AND OPPORTUNITIES

The starting point to identify impacts, risks and opportunities was the analysis of the company's context and interdependencies.

First, there was a discussion with key figures in the company (HSE contact persons, staff, finance). At the same time, quantitative data were collected on various environmental, social and economic aspects, and the various documents that form the procedural, policy and metrics backbone of Isval were analyzed.

Each IRO (Impact, Risk, Opportunity) identified through this analysis was then attributed numerical values (scale 1-to-4) according to the criteria required by the CSRD³. Both the IROs and their respective values were reviewed and approved by key figures in the company and by the management, to ensure the most objective, informed and accurate scores possible.

Specifically, actual impacts were evaluated in their severity, which is the average of three different values regarding the impact itself: scale (relevance of the generated damage/benefit), scope (extension) and, only for negative impacts, irremediable character (whether is possible to remediate the effect and restore the previous situation).

The weight of potential impacts is assessed as the multiplication of severity (calculated through the just mentioned values) and likelihood of the event.

While analyzing generated impacts (actual and potential), the level of causality was also considered, i.e. the distinction between impacts directly caused, contributed to causing (if the company is not the sole contributor to the impact) or related to the company (i.e. linked to business relationships with the upstream or downstream value chain, but not related to the company's own activity).

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³ The reporting standards, both in the official version and in the implementation guidance made available by EFRAG (the body that drew up the standards) leave the company complete freedom as to how materiality is assessed. To make the assessment comparable and objective, it was decided to use a homogeneous scale that would give a data as objective as possible. According to the scale, a value of 4 indicates the maximum weight of each value listed below (e.g. very serious/beneficial, very extensive, very difficult to remedy, very likely) while a value of 1 indicates the minimum weight of that same value (e.g. not very serious/beneficial, not extensive, not difficult to remedy, not very likely).

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Finally, risks and opportunities were assessed for their potential magnitude (how severe the damage/advantage may be for the company's activity) and their likelihood of occurring.

For potential impacts, risks and opportunities, a time horizon aligned with the reference standards was also identified, between short (within one year from the reporting period), medium (within five years) and long (beyond five years).



CONCLUSION OF THE FIRST STEP OF THE ANALYSIS (PRE-VALIDATION IROS)

In order to effectively compare the relevance of each impact, risk or opportunity for the company's business, the attributed numerical values were normalized in percentage form, providing a prioritization of the various issues. Three bar charts were then generated, respectively for actual impacts (positive and negative), potential impacts (positive and negative) and risks and opportunities.

Subsequently, the second phase of analysis was undertaken, namely the validation of potential impacts, risks and opportunities by the various categories of internal and external stakeholders. Actual impacts, as they occurred and were therefore already verified, were not investigated with stakeholders.



STAKEHOLDER ENGAGEMENT

The reporting standards and their implementation guides, issued in 2024, require the reporting company to involve its stakeholders i.e. those impacted by the company's activities and "users of sustainability reporting."

Stakeholder engagement brings multiple benefits to the IRO analysis performed, including the possibility for the company to understand how different categories of stakeholders perceive the IROs themselves, and what priorities they see with reference to the company's activity and context.

The method used to collect the opinions of the various stakeholders was the administration of dedicated questionnaires aimed at identifying the strategic nature of the various issues with reference to the reality of Isval and its value chain.

The material topics and impacts of Isval

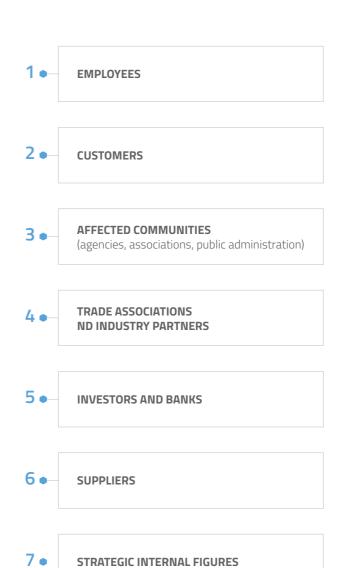
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The company then mapped its stakeholders, identifying a total of seven macro categories, namely:



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02.5

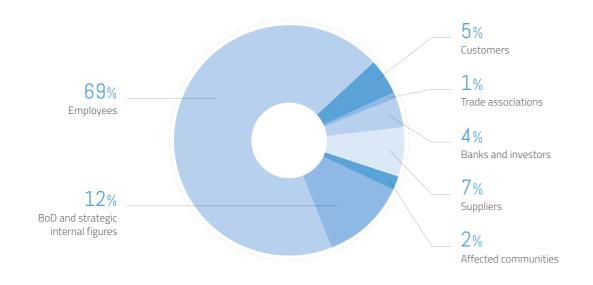
As also mentioned in the implementation guidance for the materiality analysis issued by EFRAG⁴, it was deemed not significant and appropriate to ask all questions to each stakeholder involved, given the different degrees of each actor's interest and knowledge on the different issues.

Therefore, each stakeholder was sent a survey with questions related to the interests and expertise of its specific category, to ensure answers were as relevant and informed as possible and to focus on the specific interests of each respondent.

In the questionnaire, stakeholders were asked to attribute different levels of relevance to each issue investigated, using a scale of 1 to 4. To gather as much input as possible, space was also left for additional ideas and comments.

A total of 92 stakeholders participated in the survey and 23 left a final comment, of which 20 were from internal stakeholders (employees and BoD).

QUESTIONNAIRE ANSWERS



02.6

CONCLUSION OF THE SECOND STEP OF THE ANALYSIS (POST-VALIDATION IROS)

The results of the questionnaires were used to reprioritize the potential impacts, risks and opportunities previously identified.

In addition, stakeholders were asked to prioritize the ESRS topics identified as material by the company (thus including actual impacts), in order to assess the perspectives of each stakeholder category involved.

This tool then enabled the assessment of priorities across different stakeholder groups and facilitated a comparison between stakeholder perspectives and the findings derived from internal key personnel.

Below are the final results, obtained following the stakeholder validation phase. The bar graphs show the prioritization of the various types of IROs: actual impacts (according to internal assessment), potential impacts, and risks and opportunities (in their post-validation version) for how they are reproportioned considering stakeholder input.

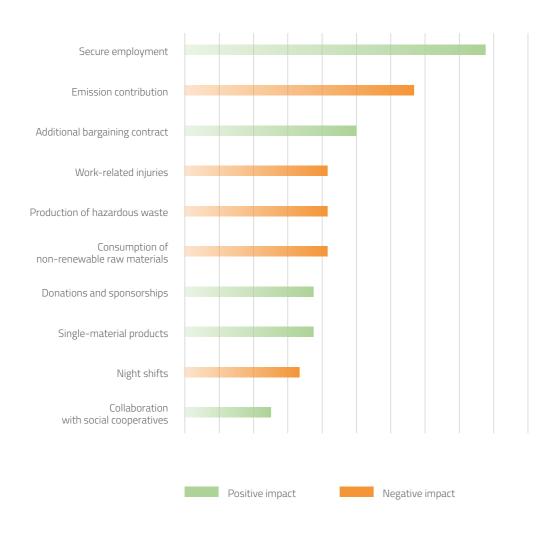
For details of each IRO, including the various strategies implemented by the company to mitigate its negative effects or enhance its benefits, please refer to the following chapters on related environmental, social and governance issues. A summary in tabular form of the numerical values attributed can be found in the appendix.

⁶ EFRAG IG 1 – Materiality assessment implementation guidance. Par. 201 https://www.efrag.org/sites/default/files/ sites/webpublishing/SiteAssets/IG%201%20Materiality%20Assessment_final.pdf

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ACTUAL IMPACTS



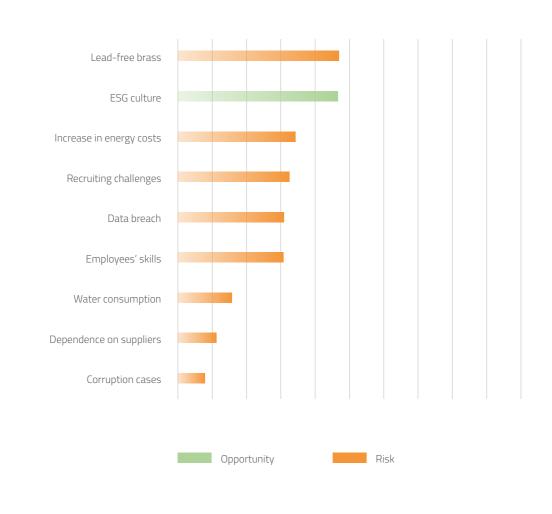
POTENTIAL IMPACTS



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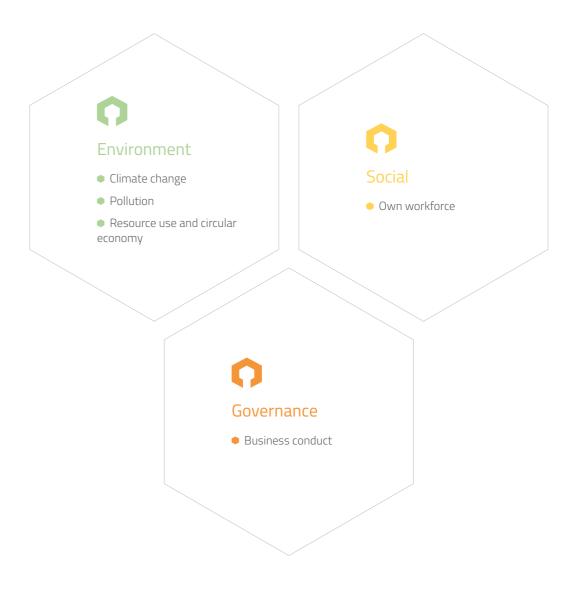
RISKS AND OPPORTUNITIES





MATERIAL TOPICS OF ISVAL

Thus, this analysis enabled Isval to identify its material ESG topics, which form the core of this Sustainability Report⁵. Listed below are the different topics and sub-topics (divided in Environmental, Social and Governance spheres) that will then be disclosed in the related chapters.



⁵ EFRAG IG 1 – Materiality assessment implementation guidance. Par.3 https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/IG%201%20Materiality%20Assessment_final.pdf



03

Environment

The following chapter explores key environmental issues relevant to Isval's business operations.





Environment Sustainability Report 2024

03.1



The company recognizes the importance of environmental issues within the industrial sector it serves. The management of resources, the mitigation of impacts, and compliance with applicable regulations are fundamental elements of the company's strategy.



E1-CLIMATE CHANGE

03.1.1 **ENERGY**

Isval is classified as an electricityintensive company, therefore consuming a large amount (greater than 1 GWh/year¹) of electricity for its own production.

In fact, as the graph in the following page also shows also shows, most of Isval's energy consumption is attributable to electricity. To make the various energy carriers comparable, their respective units

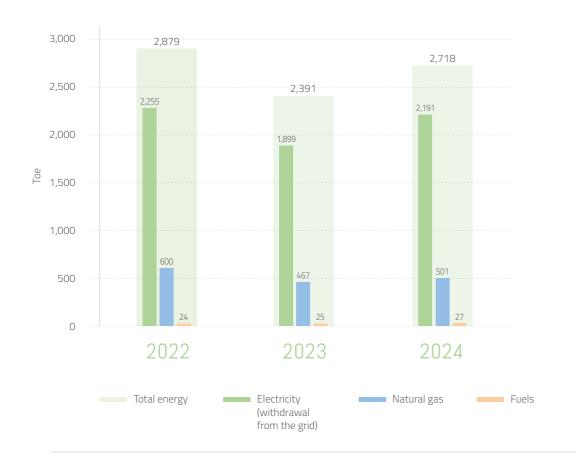
have been converted to toe, a unit of energy that expresses the amount of energy released from the combustion of one ton of oil.

¹ (Italian) Energy Legislative Decree of September 29, 2023

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TOTAL AND SPECIFIC CONSUMPTION

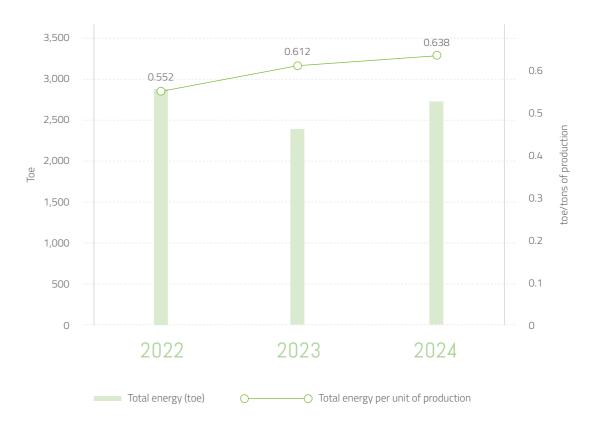


In 2024, Isval (Italian plants and U.S. warehouse) used 2718 toe of energy, of which 81% came from electricity, 18% from natural gas, and the remainder from fuel for the company's fleet. This proportion is almost constant over the three-year period analyzed.

In 2024, there was also a general increase in energy consumption (+14% compared to

2023), partially related to the increase in overall production, which in 2024 was 9% higher than in 2023 (4261 tons vs. 3904 tons). However, when relating energy consumption to production, the trend shows a slight increase in specific consumption compared to the previous two-year period: in 2024, 0.638 toe of energy was used for each ton produced.

TOTAL AND SPECIFIC CONSUMPTION

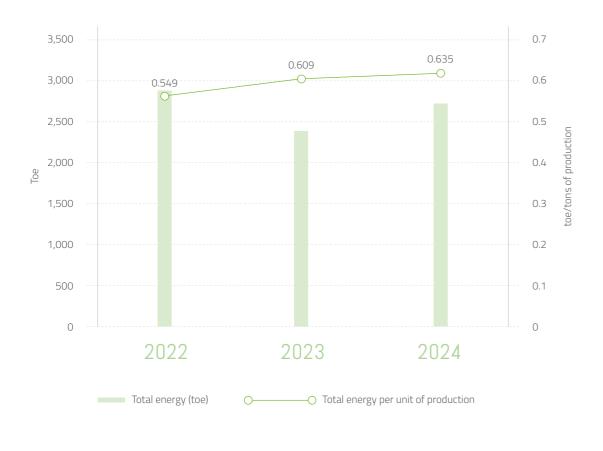


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Considering only the energy consumption of the production sites, i.e. the Italian ones, the trend in specific consumption remains consistent, though with lower absolute values, as the minimal consumption from the U.S. logistics site has been removed.

TOTAL AND SPECIFIC CONSUMPTION





To improve its energy efficiency, Isval has implemented or planned several measures: as it is a mandatory requirement, first of all, the company performs an **energy audit** for Italian locations according to the law (every four years). Thanks to the latest study conducted (2023), it identified areas of technological and managerial improvement on which to act in order to achieve a higher level of energy efficiency, while in the previous four years it had implemented actions such as finding and repairing leaks on compressed air machines, which resulted in average annual savings of 68,000 kWh.

For 2025 and 2026, Isval plans to install **photovoltaic (PV) systems** at its facilities in Villa Carcina and at the Marcheno site located at street number 159. Although it is not possible to install solar panels at the Marcheno facility at street number 213 due to unfavorable orientation, the company

plans to take advantage of proximitybased consumption. This will allow the PV system installed nearby to partially meet the electricity needs of all Italian sites with energy produced from renewable sources.

These actions, together with **financial measures** such as setting the purchase price for part of the electricity and gas volumes and monitoring any relevant incentives or rebates, contribute (and will continue to contribute) not only to improving domestic energy efficiency, but also to containing energy costs². In the current geopolitical and market environment, energy prices represent a significant risk for all companies, especially those in the manufacturing sector.

THE WAREHOUSE IN INDIANAPOLIS

In the previous section on energy consumption, consumption data related to the warehouse that Isval opened in Indianapolis, Indiana, in 2019 are also included. The consumption of the warehouse is extremely low, since no production activities are carried out in the United States, but there are only storage and logistics

activities. Specifically, for 2024, the warehouse consumed about 52,000 kWh (9.69 toe) and 4939 standard cubic meters (4.13 toe) of electricity and natural gas, respectively. The Indianapolis warehouse thus accounts for 0.5% of Isval's energy consumption annually.

The year 2025 will see the installation of a photovoltaic system on the Indianapolis warehouse as well, which is estimated to cover almost all of the site's energy needs.

² Risk: Increase in energy costs

03.1



03.1

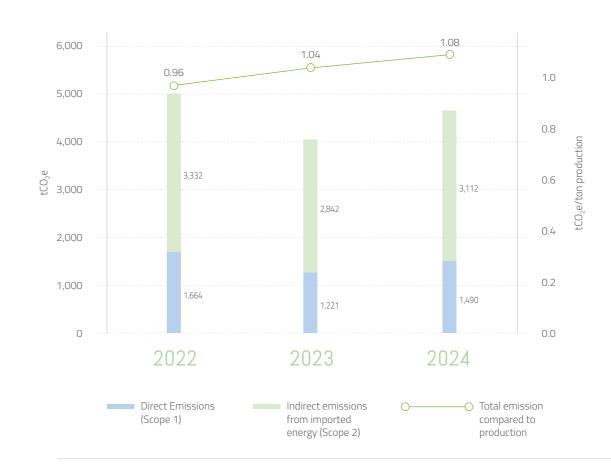
03.1.2 GHG EMISSIONS

CO₂ emissions are directly linked to a company's energy consumption: each operational company therefore has an emission contribution.

Isval, which already carried out an Organization Carbon Footprint study in 2023 with regard to direct and indirect consumption (Scope 1 and 2), here renewed its quantification of **direct emissions** (Scope 1), related to the use of fossil sources for production and heating, fuels and any refrigerant gas leakage, and its own emissions for imported energy (Scope 2), related to the withdrawal of electricity from the grid. The calculation was performed following the UNI EN ISO 14064 standard, which establishes the guidelines of organizational carbon footprint reporting and allows reporting of emissions in tons of CO₂ equivalent (tCO₂e).

Isval emissions follow a parallel trend to the energy consumption seen above: specifically, for 2024 they correspond to **4602 tCO₂e³**, up 13.2% from 2023 (4030 tCO₂eq). Specific emissions, i.e., tons of CO₂e. emitted per ton of production, also follow an increasing trend, in line with specific energy consumption.

GHG EMISSIONS



Most of the company's emissions are Scope 2 emissions (67.6% of total emissions), i.e., electricity withdrawal from the grid. In fact, as mentioned earlier, Isval uses more than 10 GWh of electricity each year (more than 11 GWh in 2024).

Focusing only at direct emissions (Scope 1), we see that these are mainly attributable to natural gas. However, higher refrigerant gas (f-gas) leakage was recorded in 2024 than in 2023⁴. Because these gases have high global warming potential, they significantly affect the amount of direct emissions.

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³ § Actual negative impact: emission contribution

⁴ Data collected for Italian plants: not available (but rated not significant compared to total) for U.S. subsidiary.

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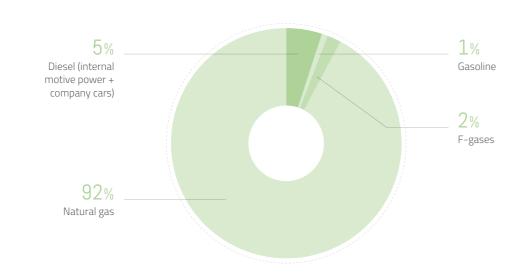
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03.1

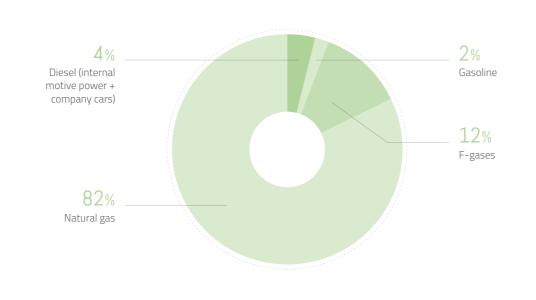


03.1 03.1.2

DIRECT EMISSIONS (2023)



DIRECT EMISSIONS (2024)



As mentioned, Isval monitors its GHG emissions and in 2023 carried out the calculation of its organizational carbon footprint focusing on Scope 1 and 2. Energy efficiency measures, such as the installation of photovoltaic systems, will also reduce the company's emission contribution.



E2-POLLUTION

Isval is subject to the monitoring of certain pollutant emissions beyond CO₂, in compliance with its Integrated Environmental Authorization (Autorizzazione Unica Ambientale -AUA in Italian) for the ISVAL 1 facility (emissions authorization pursuant to Article 269 of Legislative Decree 152/06) and ISVAL 3 facility (emissions authorization under exemption pursuant to Article 272 of Legislative Decree 152/06).

For the reporting years considered (2022, 2023, 2024), it can be stated that the legally established emission limits have always been fully respected.

Environment Sustainability Report 2024





03.2.1 SUBSTANCES OF CONCERN OR **VERY HIGH CONCERN**

Among the subtopics identified by the European Sustainability Reporting Standards (ESRS) as potential subjects for analysis and reporting by companies is that of "substances of concern or very high concern," if they are deemed relevant to the business.

In Isval's case, the issue arises in relation to the use of brass, the main material used in the company's production process. Indeed, this metal alloy is composed of copper (Cu) and zinc (Zn), and, in small amounts, other metals that provide the malleability requirements for processing. These include lead, which is subject to specific regulatory constraints in various jurisdictional contexts, particularly when the alloys that contain it come into contact with water intended for human consumption.

Since the 1990s, first in North America and later in Europe, regulations have been introduced that impose increasingly stringent limits on the presence of lead in metal components used in water supply systems. These limits concern both the percentage of lead in the alloy and the actual surface area in contact with drinking water. In particular, the Drinking Water Directive – DWD (EU Directive 2020/2184) entered into force in 2020, requiring EU Member States to adopt a new lead migration limit in drinking water at the point of use of 5 \mathbb{g}/l. While the general deadline for transposition is set for 2032,

legislative processes and corresponding restrictions vary from country to country.

Isval manufactures its products based on the technical specifications provided by its customers, who, responding to potential regulatory restrictions, may require the company to work with a wide range of materials, including low-lead or lead-free alloys, as is already occurring in some sectors.

This situation represents a potential risk⁵ for the company, both in terms of the industrial investments needed to adapt its machinery to process special alloys, and in terms of the operational impact. At the same time, it also represents a strategic opportunity: Isval closely monitors regulatory developments to remain ready to meet evolving customer demands.

Isval is already compliant with the U.S. TSCA regulation for the food and beverage sector and is capable of processing lowlead alloys for selected specific products.

Finally, the materials marketed by Isval comply, where relevant, with both the REACH⁶ Regulation and the ROHS Directive⁷.

⁵ § Risk: lead-free brass

⁶ European Regulation that aims to protect human health and the environment from chemical hazards while encouraging innovation in the European chemical sector

⁷ European Directive aimed at restricting the use of certain hazardous substances in electrical and electronic equipment (EEE), with the objective to protect human health and the environment. The initiative aims to decrease the environmental impact of e-waste and ensure greater product safety.



03.3

E3- WATER AND MARINE RESOURCES

03.3.1 WATER CONSUMPTION AND WITHDRAWAL

Historically, water management has not been prioritized, given its comparatively limited usage relative to methane and electricity consumption; although Isval draws a share of water from aqueduct for production purposes, current consumption estimates are low (about 11400 cubic meters per year)⁸. Nevertheless, Isval pays attention to the water resource and, in order to mitigate the risk of excessive consumption, the company has been evaluating the introduction of a system for punctual control, while several **open and closed loop systems** have been installed within the plant in order to recycle the water used for the cooling systems.

For example, as of 2021, Isval (Marcheno site number 213) has an in-house water treatment

plant (MKR model ET 150) capable of treating and cleaning oils, dusts and other chemicals from industrial cooling water used during the various stages of production. The plant is connected to the company's network and is capable of reporting the presence of anomalies or hazardous substances to operators in order to prevent any critical issues. In addition, Isval has an open-cycle evaporative tower, installed in the cooling plant of the molding department, which makes it possible to keep water losses in aerosol form below 0.05% of the circulating water mass.



03.4

E5- RESOURCE USE AND CIRCULAR ECONOMY

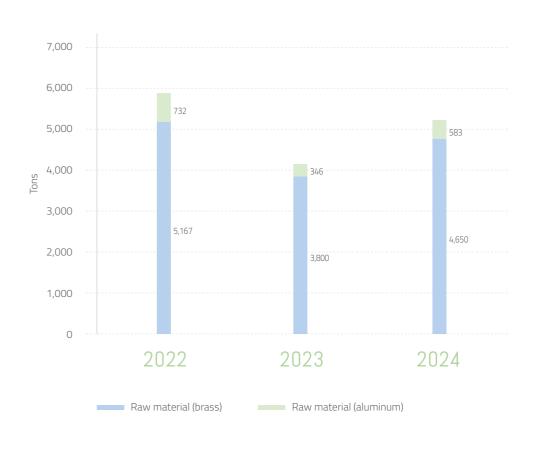
03.4.1 RESOURCES INFLOWS

Isval mainly uses brass and aluminum for its production processes.

Brass constitutes the absolute majority of purchased raw material in the three-year period analyzed (88% in 2022, 91% in 2023, and 89% in 2024).

⁸ § Risk: water consumption

RAW MATERIALS-TOTAL



Both brass and aluminum are part of **circular supply chains**, as these raw materials are infinitely recyclable, provided that the quality and quantity of alloying elements added to meet the required standards for the final product are compatible with recycling processes.

For its operations, **Isval primarily uses raw materials derived from recovery and recycling**, thereby mitigating the negative impact associated with the sourcing of non-renewable resources⁹.

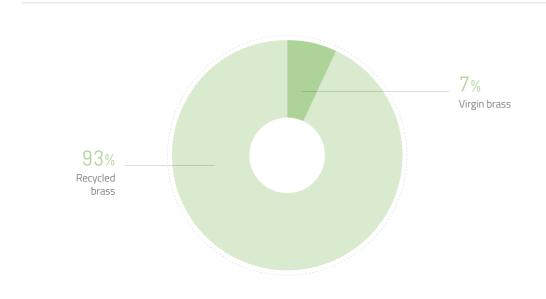
The following charts show the percentage of recycled brass and aluminum used in Isval's total raw material procurement for the year 2024.

⁹ § Actual negative impact: consumption of non-renewable raw materials

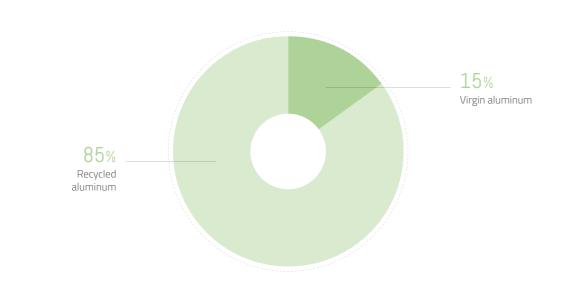


Environment

BRASS



ALUMINUM



Isval purchases brass and aluminum in bars. For all incoming raw materials, the company requires suppliers to provide a declaration specifying the percentage of recycled content included in the supply.

On average, the brass received by Isval contains 93% recycled content, while aluminum contains an average of 85% recycled material. Based on these percentages and the volumes processed, Isval used 4,842 tons of recycled raw material in its production during the reporting year.

It is also important to highlight that, for the portion of virgin raw material contained in the incoming brass (approximately 300 tons), Isval collected **conflict minerals** declarations from its suppliers.

Conflict minerals, namely tin, tungsten, tantalum, and gold, are extracted in regions marked by political instability, armed conflict, and weak governance. Their extraction is often linked to serious environmental impacts, including deforestation, pollution, and ecosystem degradation, as well as grave social consequences, such as unsafe working conditions, child labor, and human rights violations. In many cases, revenues from mines controlled by armed groups help fuel violence and prolong geopolitical tensions and exploitation¹⁰.

In 2024, Isval therefore requested and obtained written declarations from its main suppliers confirming that the raw materials provided do not originate from conflict-affected regions, in alignment with the company's responsible sourcing policy. This ensures that even trace amounts of tin, which may be present in brass only as an impurity, do not contribute to the adverse impacts described above.

With a view to the circular economy, the company also has agreements with suppliers to **recover by-products** from filing, turning, shearing, brass blanks and offcuts, and from aluminum blanking.

Isval also uses other materials for the production process, including hydrogen peroxide, sulfuric acid and other additives.

 $^{^{\}rm 10}$ § Potential negative impact: materials with conflict minerals

Environment Sustainability Report 2024 03.4

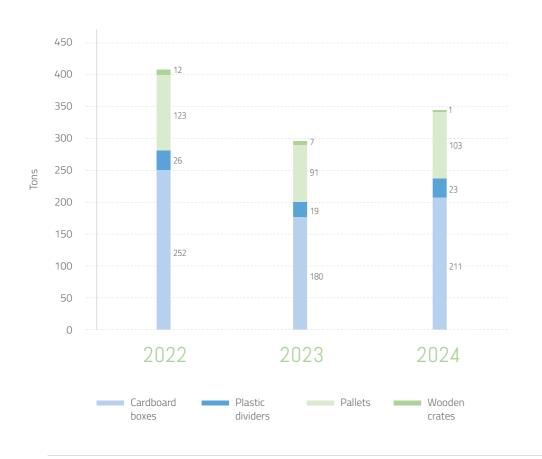


03.4.2 PACKAGING

Regarding packaging, Isval mainly purchases cardboard boxes, pallets, plastic dividers, and wooden dividers. In 2024, it purchased 395 tons of packaging, including 169 tons (21%) from recycling and 372 tons (94%) from renewable materials. The weight of used

packaging varies, clearly, depending on the stock made by the company in the previous year, customer packaging requests, production volumes, as well as shipping methods needed or required.

PACKAGING



03.4.3 RESOURCE OUTFLOWS

A large portion of Isval's sales are **single**material products¹¹: this feature is particularly beneficial in terms of material circularity, as it facilitates easier end of life disposal and more straightforward and intuitive waste separation.

This applies both to certain valves made entirely of brass or steel, as well as to outgoing plastic packaging (excluding the PVC film), which is fully recyclable.

03.4.4 WASTE

Waste generation in Isval is related to production and internal processing, so it follows production trends. Indeed, as the chart below shows, starting from 2022 levels (1106 tons of waste generated), 2023 saw an 11% decrease (990 tons), while 2024 saw a small increase (1078 tons). Normalizing the waste figure to production, instead, it is possible to see a slight increase in the

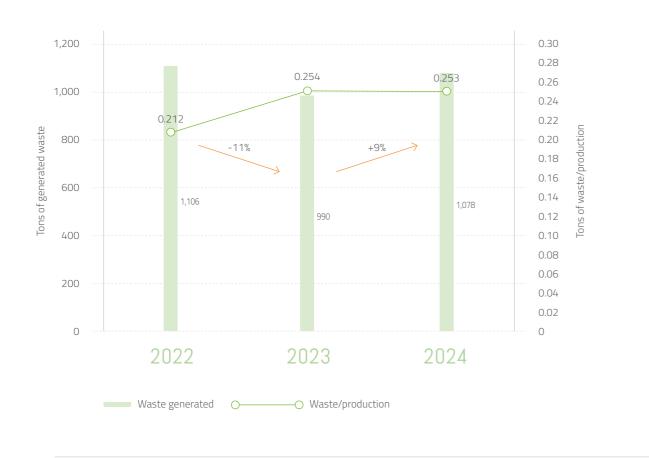
index in 2023 compared to 2022, which remained almost stable in the following year: in fact, in 2024, for every ton produced, 25 kg of waste was produced, compared to 21 kg in 2022.

¹¹ § Actual positive impact: Single-material products



03.4 03.4.4

WASTE PRODUCTION TREND

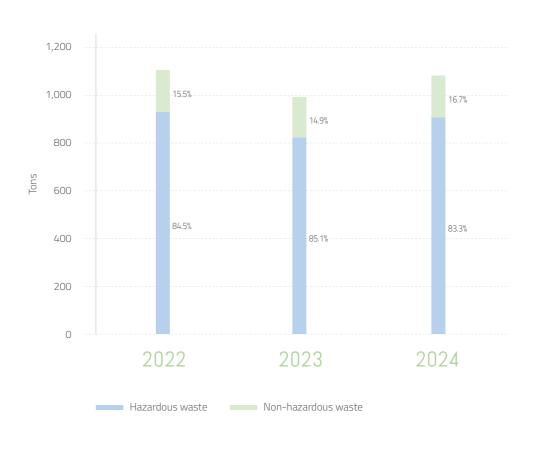


Among the waste generated, a high percentage (about 85%) is hazardous waste, particularly acids and emulsions¹². To mitigate the impacts associated with the management of this category of waste, Isval has developed a project to **recover rags** contaminated with hazardous substances, which, by prescriptions, would have to be disposed of entirely as such, significantly increasing the tons of waste destined for

disposal. In 2024, Isval started a pilot project involving the loan of rags for use, the washing of used rags and, therefore, the possibility of their reuse, in order to decrease their disposal and, if the project proves feasibility in the long term, zero out the production of this type of hazardous

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TOTAL WASTE PRODUCTION



¹² § Potential negative impact: waste destination.

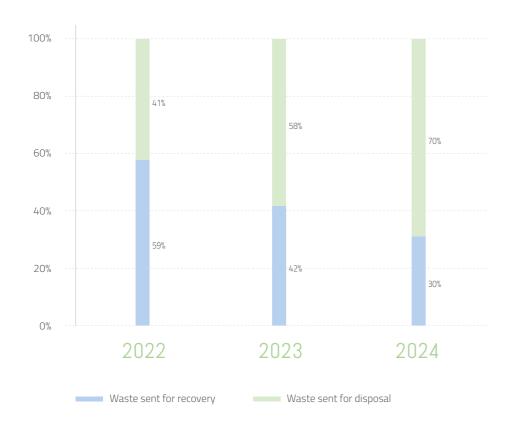


Environment

03.4 03.4.4

As shown in the following graph, although waste generation has remained relatively constant, the three-year period under review experienced a significant decrease in waste sent for recovery, accompanied by an increase in waste sent for disposal¹³. This shift was due to the closure of a facility that previously handled some of Isval's hazardous waste for recovery. Currently, waste disposal remains the responsibility of waste management companies, which, based on logistical and economic considerations, direct Isval's waste primarily toward disposal.

DESTINATION OF GENERATED WASTE



 $^{^{\}rm 13}$ § Potential negative impact: waste destination.



03.4.5 INVESTMENT FOR THE ENVIRONMENT AND PEOPLE

In 2024, Isval chose to invest in a series of extraordinary maintenance activities aimed at improving both environmental performance and the working environment.

Press Revamping

In addition to revamping the main components of the press, a soundproof cabin was installed near the stamping area, which helped reduce noise exposure for operators.

Resin Coating for the Silos in the Cutting Department

The physical characteristics of the existing floor near the silo loading area in the cutting department created difficulties in cleaning brass dust. The application of a resin coating facilitates cleaning operations, benefiting both the healthiness of the working environment and the external environment by preventing accidental discharge of brass dust into the groundwater, given the presence of a stormwater drain near the area.



04

Social

This chapter of the sustainability report provides an in-depth overview of all topics related to the workforce directly employed by Isval.





) 4 Social

Sustainability Report 2024



People represent a fundamental pillar for the company, which considers the well-being, health, and safety of its employees as essential elements for sustainable growth over time. Driven by this, Isval is committed to actively promoting continuous training and offering welfare tools and flexible working arrangements. Albeit not identified as material topics for the company, Isval also extends its focus to its value chain and the community, which are addressed in two brief sections.



OWN WORKFORCE

04.1.1 PERSONNEL MANAGEMENT AND SECURE EMPLOYMENT

As of December 31, 2024, Isval's workforce (Italian plants and U.S. warehouse) consisted of 233 male and female employees.

The total number shows a slight decrease (-1.3%) compared to 2023 and 2022, when the workforce consisted of 236 and 235 people, respectively.

The gender distribution remains steady over time: as of 2022, women always account for about 22% of the workforce over the three-year period analyzed, with 52 female employees in 2022 and 55 female employees in both 2023 and 2024. Female representation at Isval is about 5 percentage

points higher than the national ISTAT benchmark (2022 data)¹. Specifically, for companies classified under ATECO 25 (which includes Isval), the average annual proportion of positions held by women is 17.6%

Isval has, within its 2024 workforce, 4.84% employees with disabilities (between men and women).

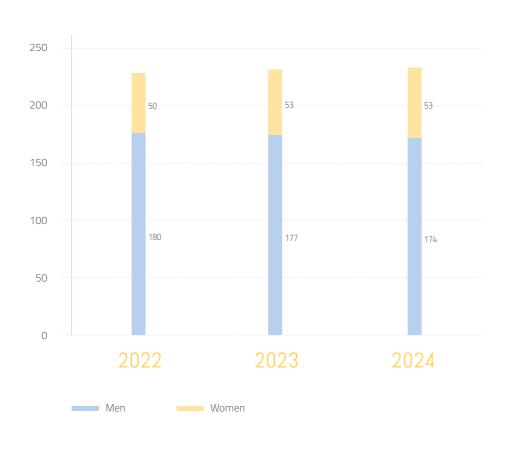
¹ Source: ISTAT. Share of average annual employee positions held by women (as a percentage of total employees) in active enterprises with at least 50 employees in the industry and services sectors, by economic activity division (ATECO 2007 – 2022 update). Year 2022, percentage values.

04.1



04.1 04.1.1

EMPLOYEES BY GENDER





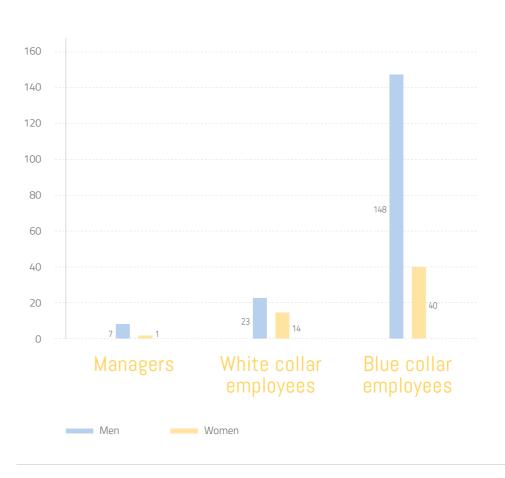
The possibility of having secure employment at Isval is demonstrated first and foremost by the constant number of employees, the company's average seniority, understood as the average number of years of service at Isval, which is about 14 years over the

three-year period under consideration, but also by the company's willingness to offer almost exclusively permanent contracts². In fact, 99.6% of the corporate population had this type of contract in 2024.

The breakdown of employees by job classification and gender related to the reporting year is shown in the chart below. The distribution also appears to be similar in previous years. It is observed that the category of white-collar employees has

the highest proportion of female workers relative to the total: indeed, women make up 38% of white-collar staff. Among bluecollar employees, the female component represents 21%, while women account for 13% of managers.

EMPLOYEES BY JOB CLASSIFICATION AND GENDER (2024)

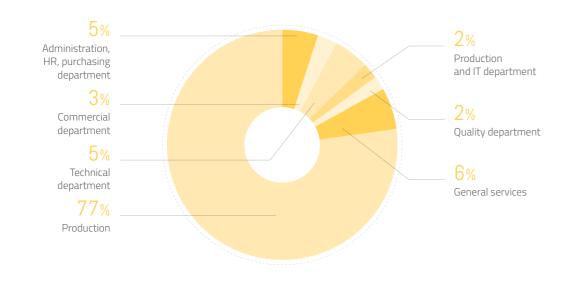


² § Actual positive impact: secure employment



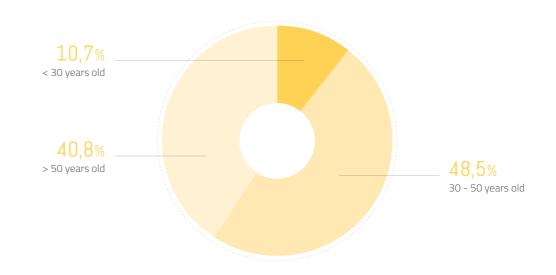
Being a manufacturing company, the majority of Isval's workforce performs blue-collar roles (77%). Below is the breakdown of employees across other internal functions.

BREAKDOWN OF THE WORKFORCE BY FUNCTION (2024)



Lastly, regarding the age distribution during the reporting year, Isval's workforce consists of 10.7% employees under 30 years old, 48.5% between 30 and 50 years old, and 40.8% over 50 years old.

EMPLOYEES BY AGE GROUP (2024)



Isval monitors its pay policy and the wages of all male and female employees to ensure a fair wage. Currently, the gender pay gap between men and women is about 11%. This is calculated using the average pay for men and the average pay for women.

In terms of employee turnover, overall, Isval's turnover rate for the three years considered is consistently lower than the industry sector averages reported in the latest Confindustria analysis³. In 2024, a turnover rate of 11.9% is observed⁴, resulting from 12 new hires and 16

departures, with voluntary outgoing turnover⁵ higher than in the previous two years. 2022, as can be seen from the following chart, was a year of firm growth for Isval: in fact, more than 26 new hires were recorded, including 9 under the age of 30, indicating the company's willingness to focus on hiring young people and integrating them into the workforce.

https://www.confindustria.it/home/centro-studi/temi-di-ricerca/valutazione-delle-politiche-pubbliche/dettaglio/indagine-lavoro-2024

³ Confindustria labor survey 2023 and 2024:

https://www.confindustria.it/home/centro-studi/temi-di-ricerca/valutazione-delle-politiche-pubbliche/dettaglio/indagine-confindustria-sul-lavoro-2023

⁴ Turnover rate calculated as: (new hires year departures year n)/employees at 12/31 year n-1

⁵ Voluntary turnover rate calculated as: voluntary resignations year n/ employees at 12/31 year n-1



TURNOVER



After the aforementioned peak in 2022, both overall turnover and outgoing turnover referring to employees Under 30 years old are clearly declining (no voluntary resignations have occurred in the last two years).

TURNOVER U30



The company acknowledges that recruiting challenges⁶ poses a real risk, particularly concerning the search for certain technical and highly specialized roles. To mitigate this risk, Isval adopts a proactive approach, focusing on communicating any open positions, recruiting young talent, carefully

planning the replacement of employees nearing retirement, providing training for HR personnel involved in recruitment, and collaborating with agencies specialized in onboarding new workers.

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⁶ § Risk: recruiting challenges

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04.1.2 WORK-LIFE BALANCE AND CORPORATE WELL-BEING



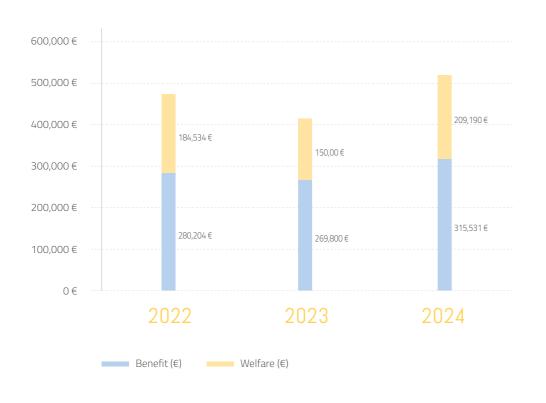


The company's production process (limited to Italian locations) takes place also at night for some production areas⁷ and, in order to further recognize the commitment required by these tasks, Isval has introduced several support measures, in agreement with union representatives.

Moreover, to promote work-life balance⁸,

receive a welfare bonus in accordance with the national collective agreement (CCNL in Italian) for the metalworking industry⁹, in addition to access to the canteen service. In 2024, Isval disbursed over 315,000€ in benefits and more than 200,000€ in welfare initiatives. Overall, the amount invested by Isval in welfare and benefits increased by 25% in 2024 compared to 2023.

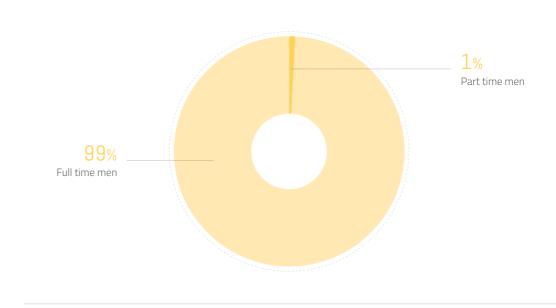
WELFARE AND BENEFITS



Finally, as a flexibility measure to accommodate family or caregiving needs, Isval offers the possibility of part-time work to a significant portion of its employees: approximately 10.7% of the workforce (25 employees) make use of this option. As is

often the case, the majority of these (24 employees) are women; in fact, nearly half (44%) of the female workforce at Isval work part-time. Additionally, there is a solidarity hour bank agreement in place.

MEN (2024)



⁷ § Actual negative impact: night shifts

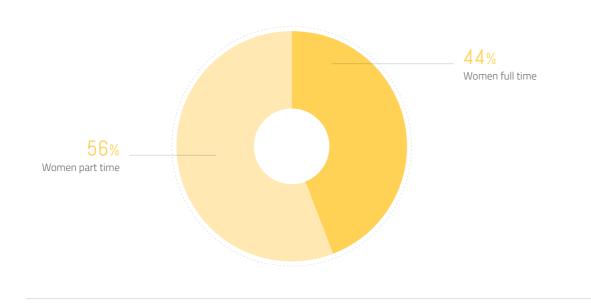
⁸ § Potential positive impact: workplace flexibility initiatives

⁹ § Actual positive impact: additional bargaining contract. Both the National Collective Bargaining Agreement and the Second Level Supplementary Bargaining Agreement are applied to 100% of the employees in the Italian perimeter.

Social



WOMEN (2024)





04.1.3 HEALTH AND SAFETY

Occupational health and safety are core values for Isval, particularly considering the productive nature of its activities.

The company is fully aware of the potential risks associated with its operating environment and actively strives to prevent them. For this purpose, it takes preventive and corrective measures aimed at minimizing the risk of injuries and accidents¹⁰.

In line with current regulations, Isval has appointed an in-house Prevention and Protection Service Manager (RSPP in Italian) and has Workers' Safety Representatives (RLS in Italian), elected from among its current staff. These functions play a key role in ensuring the proper implementation of the prevention system and in managing any accident.

Moreover, the company also monitors potentially hazardous situations through the recording of so-called near misses'

events that, while not resulting in harm, could have led to consequences under different circumstances. This approach enables proactive intervention, further strengthening the safety culture within the organization.

In 2024, 7 accidents were recorded¹¹, compared to 6 in 2023 and 4 in 2022. Thus, the frequency index is higher in 2024 than in the previous two-year period under consideration. This trend confirms a gradual increase in the index, which is directly proportional to the increase in registered workplace injuries¹².

¹⁰ § Potential negative impact: risk of work-related injuries

¹¹ § Actual negative impact: work-related injuries. As required by the relevant reporting standards, commuting accidents occurring on routes not directly managed by the company (typically, the home-to-work journey) are excluded from the count.

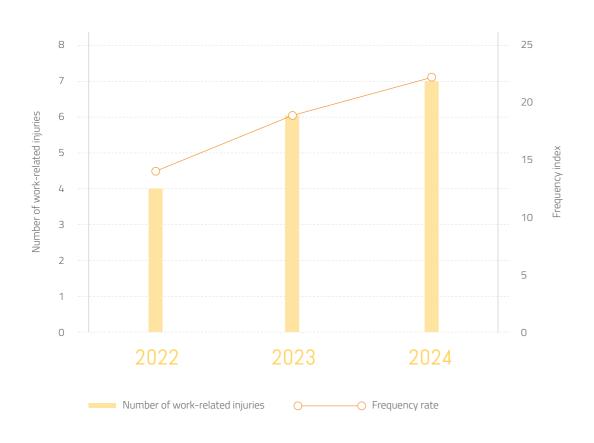
¹² Frequency index calculated as: number of injuries/hours worked*1,000,000



Social

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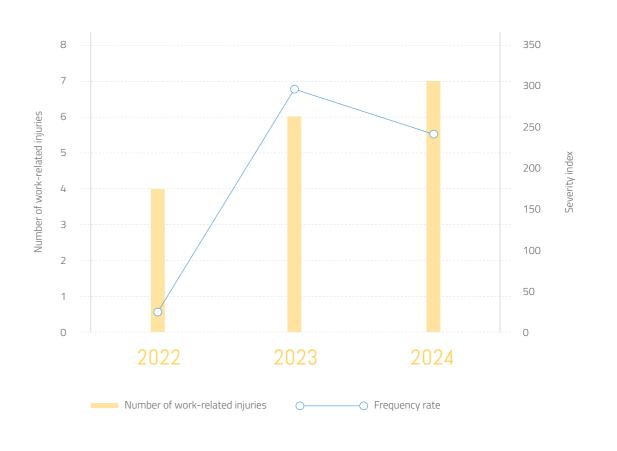
WORK-RELATED INJURIES AND FREQUENCY INDEX



The severity index¹³ of registered workplace injuries in 2024 shows a decrease from the previous year; however, these values remain higher than those observed in 2022. At the

same time, the rate of serious injuries is zero in 2024, highlighting the absence of events with particularly significant consequences14.

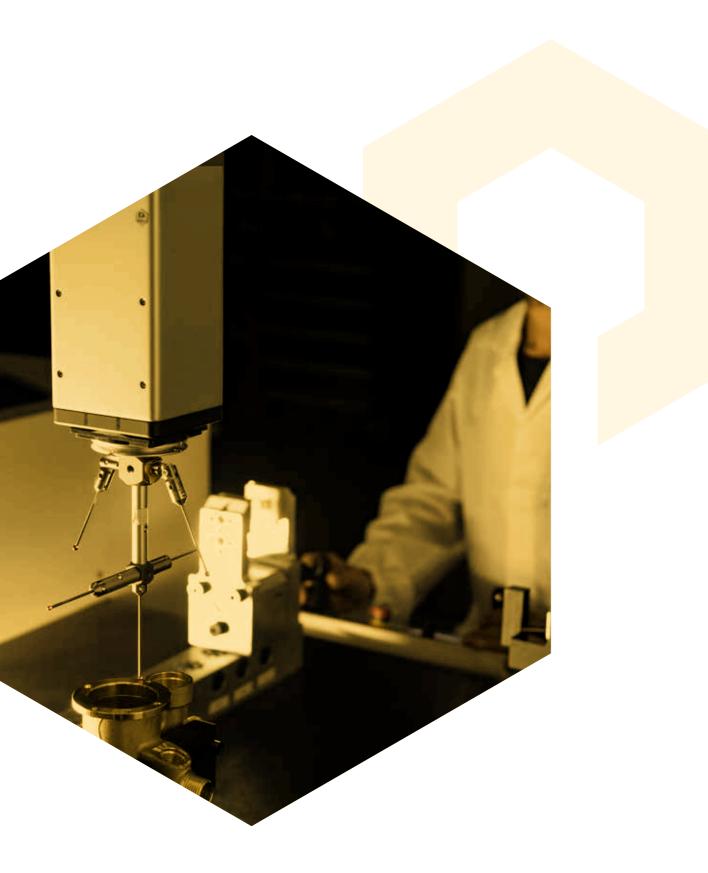
WORK-RELATED INJURIES AND SEVERITY INDEX



¹³ Severity index calculated as: days off due to injury/hours worked*1,000,000

¹⁴ According to GRI standards, injuries with serious consequences are defined as injuries with consequences that imply more than a 6-month prognosis. In 2023, there was only one work-related injury with a prognosis of more than 180 days, which was continued in 2024.

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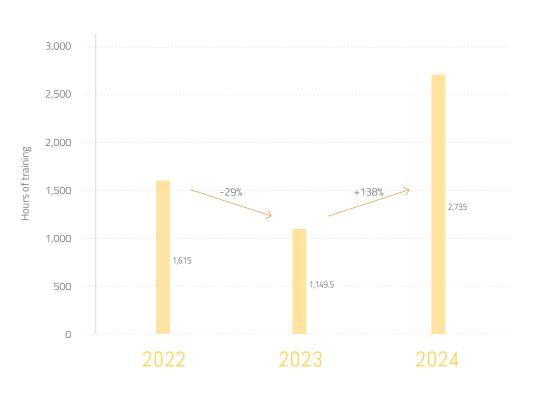


04.1.4 TRAINING AND SKILLS DEVELOPMENT

In 2024 Isval strengthened its training program, offering courses on various topics and also offering the opportunity for some employees to attend specialized master's level courses, with the aim of maintaining and enhancing its internal know-how and avoiding any risks related to any gaps or failure to update internal skills¹⁵.

After a decrease in the number of hours provided between 2022 and 2023, in 2024, Isval increased the number of training hours by 138% (compared to 2023) reaching 2735 total hours.

TOTAL TRAINING HOURS



^{15 §} Risk: employees' skills

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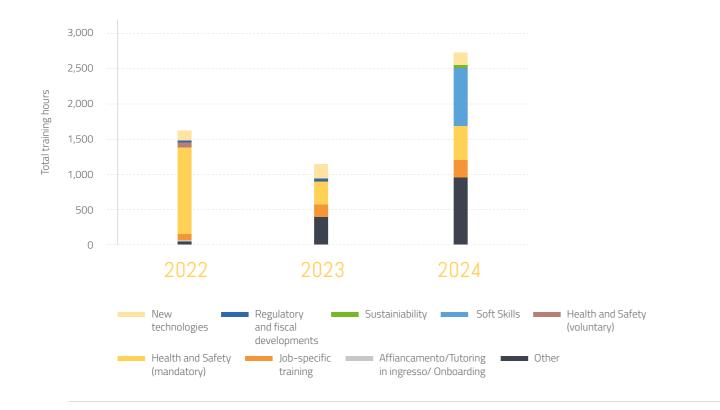




Isval provides continuous training on a variety of topics, particularly health and safety, job-specific skills, and new technologies. While in 2022 and 2023 most training hours focused on mandatory health and safety courses, in 2024, as shown in the graph below, a significant number of hours were also dedicated to the development of soft skills (824 hours), along with 2 hours of training on sustainability ¹⁶.

Among the courses classified under the "other" category in 2024, in addition to those dedicated to apprentices, there was also a course aimed at improving workstation organization and management through the adoption of the 5S methodology¹⁷ for employees in operational departments.

TRAINING HOURS

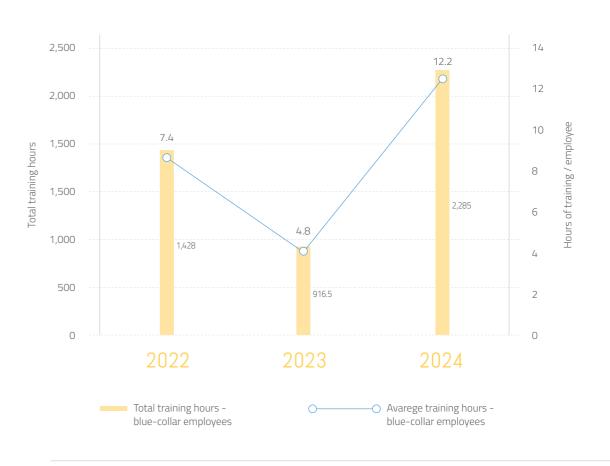


¹⁶ § Potential positive impact: job-specific training (hard and soft skills)

Given that Isval is a manufacturing company, with nearly 80% of its workforce made up of blue-collar employees, the majority of training activities (>80% each year) are directed toward this group. On average, each Isval employee received 11.7 hours of training in 2024, 4.9 in 2023, and 6.9 in 2022. In 2024, blue-collar employees received approximately 12.2 training hours per person, the same as white-collar

employees. Training hours are also closely linked to internal needs and priorities. In 2024, for example, training was delivered on regulatory and tax updates, as well as a master's course on personnel management, which contributed to the increased average training hours for white-collar employees during the reporting year.

TOTAL TRAINING HOURS BY JOB CLASSIFICATION



¹⁷ This is a continuous improvement approach aimed at optimizing work standards and enhancing operational performance, originating from Japan. The 5S refer to the Japanese terms Seiri (sort), Seiton (set in order), Seiso (shine), Seiketsu (standardize), and Shitsuke (sustain).

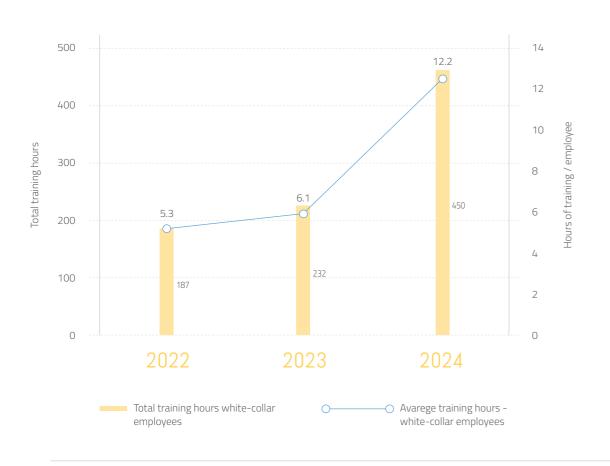
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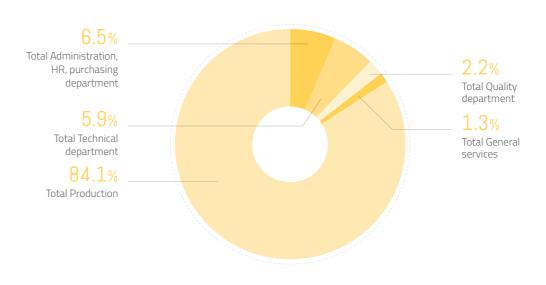
04.1 04.1.4

TOTAL TRAINING HOURS BY JOB CLASSIFICATION



Below is a more detailed breakdown of training hours by function for 2024. The chart once again highlights the greater share of hours dedicated to the production area, along with the distribution of the remaining hours across the administrative department, technical office, quality office, and general services.

TOTAL TRAINING HOURS BY FUNCTION (2024)



Isval also renews its commitment to bridge the gap between education and the workforce by hosting several interns each year as part of its school-to-work transition program. In 2022, the company hosted 2 interns, in 2023 it hosted 7, and in 2024, 8 interns.



VALUE CHAIN WORKERS





For this sustainability report, Isval aims to take a first glance at its value chain, focusing not only on the workers directly employed by Isval under contract but also on those throughout the entire supplier network.

The company notably collaborates with a social cooperative based in Brescia that supports the labor inclusion of disadvantaged individuals¹⁸: as part of this partnership, cooperative staff are employed in cleaning activities at Isval's offices.

Regarding workers operating at suppliers beyond the company's boundaries, as already mentioned in the Environment chapter, a key concern for Isval is the risk of forced labor and child labor linked to the extraction of conflict minerals, due to possible tin residues in brass. Tin is classified as a conflict mineral because it may originate from countries such as the Democratic Republic of Congo (and neighboring areas), where mining activities

are often associated with serious human rights violations. As previously noted, the company has obtained declarations from its suppliers certifying that any tin residues in purchased alloys do not come from conflict zones, in accordance with the principles set forth by the Dodd-Frank Wall Street Reform and Consumer Protection Act and EU Regulation 2017/821.



AFFECTED COMMUNITIES



Isval is motivated to maintain a strong connection with the community in which it operates¹⁹, therefore it invests annually in donations and sponsorships directed and local organizations in which it believes and identifies with.



^{19 §} Actual positive impact: Donations and sponsorships

¹⁸ § Actual positive impact: Collaboration with social cooperatives



05

Governance

This chapter focuses on topics related to corporate management, the management of relationships with suppliers and customers and data security.





GovernanceSustainability Report 2024

05.1

05.2

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05.4

05.5



The governance chapter of the sustainability report focuses on topics related to corporate management, including the principles that guide the company's conduct, and the main issues related to ethics that are relevant to it, as well as the management of relationships with suppliers and customers, and data security. Isval is committed to ensuring transparency and fairness in its operations, promoting an organizational culture based on principles of integrity and compliance with applicable regulations.



BUSINESS CONDUCT

Isval is a family-run company with over 70 years of history in the forging sector.

The governance structure is traditional and primarily includes the Shareholders' Meeting, which is responsible for making the most significant decisions for the company, appointing the Board of Directors (BoD), approving the financial statements, and amending the bylaws. Following this is the Board of Directors, which at the end of 2024 consists of three members (all men) and holds central responsibilities in the company's organization and strategic direction. The BoD oversees the ordinary and extraordinary administration of the

company on matters not reserved for the Shareholders' Meeting, while the highest managerial responsibilities are entrusted to the Chief Executive Officers, according to the delegations granted by the BoD. Supporting these bodies is the Board of Statutory Auditors, composed of three additional members appointed by the Shareholders' Meeting.

The company's main operational areas are five: administration, sales, production, technical, and quality.

Governance Sustainability Report 2024 05.1 05.2 05.3 05.4 05.5



05.1.1 BUSINESS MANAGEMENT AND BUSINESS ETHICS

The company's ethical management is aligned with the principles contained in Isval's Code of Ethics, which has been in place for eight years.

The company is committed to operating in full compliance with current regulations and, to further strengthen its governance framework, has initiated the implementation of the Management and Organization Model 231, as required by (Italian) Legislative Decree 231/2001, to be completed by the end of 2025. This model involves the creation of procedures, rules, and controls aimed at preventing the risk that individuals within the company may commit specific offenses, such as environmental crimes, violations of workplace safety regulations, fraud, tax crimes, and active and passive corruption¹. The development of this model is therefore a forward-looking strategy that not only protects the company from administrative and prohibitive sanctions resulting from predicate offenses, since it will be able to demonstrate that it has taken all possible measures to prevent such crimes, but also enables greater control and awareness of internal processes at risk of offenses, including negligent ones. Additionally, it opens up new business opportunities with clients and organizations that require strict ethical standards within their supply chains.

In parallel to this, the company started an ESG improvement process in 2023, with the aim of integrating sustainability more fully into its operations²: In fact, Isval kicked off

its sustainability journey by conducting an **organizational Carbon Footprint** study (carried out in 2023 based in 2022 data), with the aim of monitoring its CO2 emissions with precision. In addition, the company was awarded the "**Committed**" badge by the **Ecovadis** rating platform in 2024, further demonstrating its internal commitment and proactive approach to measuring performance not only in environmental areas but also in social, ethical, and supply chain management aspects.



Finally, the company has chosen to strengthen its monitoring and reporting on ESG performance, to allow the preparation of this **Sustainability Report**, which brings together both quantitative data on business performance and qualitative elements and future goals.

WHISTLEBLOWING

In compliance with legal requirements (Legislative Decree 24/2023), at the end of 2023 Isval implemented a platform **(Whistlblowing platform)** for reporting violations of European Union regulations that harm the public interest or the integrity of the entity, and that are brought to light by whistleblowers in the context of their professional activity. The online platform allows for both anonymous and non-anonymous reports, which are reviewed by the Reporting Manager, a third party independent of the company, and assessed to determine any necessary corrective actions. From the platform's launch through December 31, 2024, no relevant reports were received.

CODE OF ETHICS

As mentioned, Isval adopted a **Code of Ethics in 2017**, which consists of several sections covering various aspects of company life, providing guidelines for the behavior of all those who interface with the company.

In addition to defining the scope and recipients of the Code, the document outlines Isval's ethical principles, broken down into:

- Strategic value of human resources
- The quality of products provided, and services delivered
- Profitability
- Integrity
- Attention to avoid conflict of interest
- Impartiality
- Confidentiality and protection of privacy
- Individual responsibility
- The transparency of accounting

The Code also outlines the rules and standards of conduct required for carrying out business activities. These apply to all personnel, especially those with managerial or supervisory responsibilities, in relation to all parties with whom they interact, or may interact, on behalf of the company. These include shareholders, external collaborators, business partners, public administration, political representatives, trade unions, customers, suppliers, competitors, and the media.

The section dedicated to work ethics and the protection and enhancement of employees focuses on the duties and rights of workers as a fundamental resource for corporate management. Lastly, the Code of Ethics also explains the implementation and monitoring procedures, which describe the mechanisms and bodies in place to enforce, oversee, and promote compliance with the Code, as well as to ensure its continuous updating.

¹ § Risk: corruption cases

² § Opportunity: ESG culture

Sustainability Report 2024 05.1 **05.2 05.3** 05.4 05.5



CYBERSECURITY

The risk associated with cybersecurity is a particularly relevant issue for all companies, as a data breach could lead not only to privacy violations, but also to operational discontinuities and critical issues from an intellectual property perspective³.

For this reason, Isval has equipped itself with a system to protect against the risk of cyberattacks, as well as specific procedures in case of any attacks, so as to protect both business documents and the privacy of stakeholders who have relations with the company: in addition to the presence of a data protection policy and code of conduct drafted in accordance with EU Regulation 679/2016, Isval has in fact provided a set of procedures for data backup and a recovery plan to be implemented in case of data breach or loss.



ECONOMIC PERFORMANCE

The company's economic performance over the three-year period under consideration is presented below through the reclassification of the company's financial statement, following the Global Reporting Initiative (GRI) standards that form the framework for this reporting. Specifically, GRI 201-1 requires that economic data be broken down into value generated, distributed, and retained.

The economic value generated

refers to the sum of net revenues, income from financial investments, and proceeds from the sale of assets.

Economic value distributed

includes operating costs, employee wages and benefits, payments to providers of capital, payments to governments, and investments in the community. The difference between these first two categories represents

the economic value retained by the company.

In 2024, the company generated over €79 million in economic value, approximately 11% more than in 2023. Of this, 88% was distributed and 12% retained.

³ § Risk: data breach

Governance Sustainability Report 2024 05.1 05.2 **05.3** 05.4 05.5



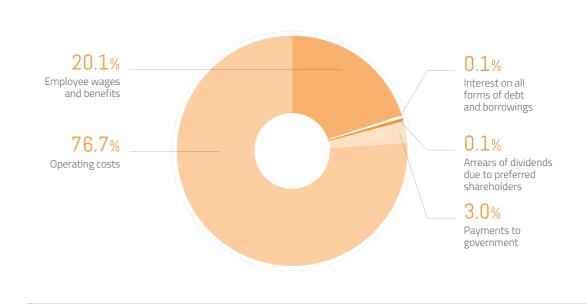
GENERATED, DISTRIBUTED, RETAINED ECONOMIC VALUE



The economic value was distributed according to the percentages shown in the graph below. The majority of expenditure relates to operating costs (76.7%) and

employee wages and benefits (20.1%). The remaining portion is allocated to interest payments, return on capital, and payments to public authorities.

BREAKDOWN OF DISTRIBUTED ECONOMIC VALUE



Governance Sustainability Report 2024

05.1 05.2 05.3

05.5

05.4



CUSTOMER SATISFACTION

For Isval quality means being able to guarantee agreed specifications with customers and meet their needs.

This translates into the company's ability to offer the customer tailor-made suggestions and solutions, and flexibility in product realization. The company has maintained its **ISO 9001 certification** since 1993, attesting to the adoption of a management system in accordance with international standards, with defined policies and procedures.



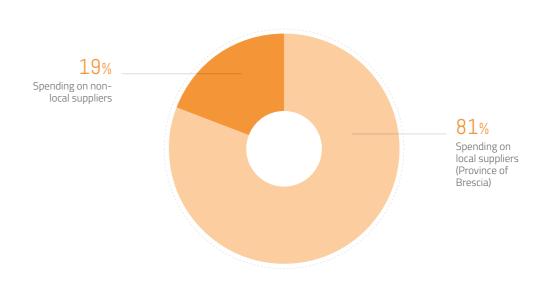
SUPPLY CHAIN

Isval's supply chain includes about 430 suppliers: the majority (58%) of these, in numerical terms, are service providers.

The majority of procurement costs, however, are directed toward goods suppliers, including raw material providers. In fact, the largest share of the company's spending is allocated to its top 10 brass and aluminum suppliers⁴.

For this first year of reporting, Isval mapped its total supplier spending, also identifying the share directed toward "local" suppliers. Out of approximately €56,176,000 in total procurement, nearly €45,777,000 - equal to 81% - was directed to suppliers based in the province of Brescia.

EXPENDITURE ON SUPPLIERS IN 2024



As mentioned in the Environment chapter, Isval requires all its brass suppliers to declare the origin of any conflict minerals, in order to ensure that the incoming raw material is either free from these types of minerals or that any residual content does not come from supply chains associated with negative environmental or social impacts.

In 2024, all brass suppliers provided the required declaration.

In addition, in the same year, Isval began mapping suppliers operating under service contracts, with the aim of establishing a more structured internal management approach for this type of agreement.

⁴ § Risk: dependence on suppliers



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Appendix







APPENDIX

GRI CONTENT INDEX

Statement of use	Isval S.p.A. has reported the information cited in this GRI content index for the period 01/01/2024 e il 31/12/2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
iRI 2: General Disclosures	2-1 Organizational details	Methodological note; About us; Business Conduct
	2-2 Entities included in the organization's sustainability reporting	Methodological note
	2-3 Reporting period, frequency and contact point	Methodological note
	2-4 Restatements of information	Any revisions are indicated in the text
	2-5 External assurance	This sustainability report has not been subjected to external assurance
	2-6 Activities, value chain and other business relationships	About us; Our production process
	2-7 Employees	Personnel management and secure employment
GRI 2: General Disclosures	2-9 Governance structure and composition	Business conduct
2021	2-10 Nomination and selection of the highest governance body	Business conduct
	2-11 Chair of the highest governance body	Letter to stakeholders
	2-21 Annual total compensation ratio	Appendix
	2-25 Processes to remediate negative impacts	There are indications in the different thematic chapters (Environment, Social, Governance)
	2-26 Mechanisms for seeking advice and raising concerns	Governance - Business management and business ethics: whistleblowing
	2-29 Approach to stakeholder engagement	The material topics and impacts of Isval- Stakeholder engagement
	2-30 Collective bargaining agreements	Social - Work-life balance and corporate well-being

	3-1 Process to determine material topics	The material topics and impacts of Isval
GRI 3: Material Topics 2021	3-2 List of material topics	The material topics and impacts of Isval – Material topics of Isval
	3-3 Management of material topics	I The material topics and impacts of Isval
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Governance - Economic performance
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Governance - Catena di fornitura
CDI 201. Materials 2015	301-1 Materials used by weight or volume	Environment - Resources inflows
GRI 301: Materials 2016	301-2 Recycled input materials used	Environment - Resources inflows
	302-1 Energy consumption within the organization	Environment - Energy
GRI 302: Energy 2016	302-3 Energy intensity	Environment - Energy
	302-4 Reduction of energy consumption	Environment - Energy
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	Environment - Water consumption and withdrawal
	305-1 Direct (Scope 1) GHG emissions	Environment - GHG emissions
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Environment - GHG emissions
	305-4 GHG emissions intensity	Environment - GHG emissions
	305-5 Reduction of GHG emissions	Environment - GHG emissions

	306-3 Waste generated	Environment - Waste
GRI 306: Waste 2020	306-4 Waste diverted from disposal	Environment - Waste
	306-5 Waste directed to disposal	Environment - Waste
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social - Personnel management and secure employment
	403-2 Hazard identification, risk assessment, and incident investigation	Social - Health and Safety
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	Social - Training and skills development
	403-9 Work-related injuries	Social - Health and Safety
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Social - Formazione e sviluppo delle competenze
GRI 405: Diversity and	405-1 Diversity of governance bodies and employees	Social - Personnel management and secure employment; Governance – Business conduct
Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	Social - Personnel management and secure employment
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	Governance - Supply chain

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Sustainability Report 2024



DATA TABLES

ENVIRONMENT

ENERGY CONSUMPTION					
GRI 302-1	UoM	2022	2023	2024	
Electricity	kWh	12,059,807	10,156,287	11,714,286	
Of which drawn from the grid	kWh	12,059,807	10,156,287	11,714,286	
Of which self-generated	kWh	0	0	0	
Electricity	toe	2,255	1,899	2,191	
Natural Gas	Sm³	717,432	558,412	599,079	
Natural Gas	toe	600	467	501	
Diesel	I	22,594	21,973	23,482	
Diesel	toe	19	19	20	
Gasoline	I	5,439	7,913	8,863	
Gasoline	toe	4	6	7	
Total consumption	toe	2,879	2,391	2,718	

EMISSIONS				
GRI 305-1,2	UoM	2022	2023	2024
Natural Gas	tCO ₂ e	1,434	1,124	1,231
Diesel (fuel)	tCO ₂ e	61	59	63
Gasoline	tCO ₂ e	13	19	21
F-gas leakage	tCO ₂ e	156	20	185
Total scope 1 emissions	tCO ₂ e	1,664	1,221	1,490
Electricity withdrawn from the grid (location-based)	tCO ₂ e	3,332	2,842	3,112
Total scope 2 emissions (location-based)	tCO ₂ e	3,332	2,842	3,112
Total scope 1 + scope 2 emissions	tCO ₂ e	4,996.5	4,063.7	4,602.0

WATER CONSUMPTION				
GRI 303-3	UoM	2022	2023	2024
Total water consumption (estimated)	m³	~11400	~11400	~11400

MATERIALS					
GRI 301-1,2	UoM	2022	2023	2024	
Brass	ton	5,167	5,167	5,167	
Recycled brass	ton	4,819	4,819	4,819	
Aluminum	ton	732	732	732	
Recycled aluminum	ton	586	586	586	
Raw material with conflict minerals declaration	ton	494	370	391	
Purchased packaging	ton	476	344	395	
Of which from recovery and/or reuse	ton	153	143	169	

	WA	STE		
GRI 306-3,4,5,6	UoM	2022	2023	2024
Waste generated	ton	1,106	990	1,078
Of which hazardous	ton	935	842	898
Of which sent for recovery	ton	649	416	321
Of which sent for disposal	ton	457	574	757

SOCIAL

STAFF				
GRI 401-1	UoM	2022	2023	2024
Number of employees	-	235	236	233
Number of new hires	-	26	10	12
Number of departures	-	9	10	16
Overall turnover rate	%	15.9%	8.5%	11.9%
Number of new hires under 30 years old	-	9	3	2
Number of departures under 30	-	1	1	0
Turnover rate under 30 years old	%	47.6%	16.0%	8.0%

CONTRACTS				
GRI 2-7	UoM	2022	2023	2024
Men on permanent contracts	-	182	180	177
Women on permanent contracts	-	52	55	55
Men on fixed-term contracts	-	1	1	1
Women on fixed-term contracts	-	0	0	0
Full-time men	-	182	180	177
Full-time women	-	30	31	31
Part-time men	-	1	1	1
Part-time women	-	22	24	24

STAFF CLASSIFICATION					
UoM	2022	2023	2024		
-	25	25	25		
-	118	114	113		
-	92	97	95		
-	52	55	55		
-	183	181	178		
	UoM	UoM 2022 - 25 - 118 - 92 - 52	UoM 2022 2023 - 25 25 - 118 114 - 92 97 - 52 55		

OTHER KPIs - WAGES							
GRI 2-21 405-2	UoM	2022	2023	2024			
Gender Pay Gap	%	11%	11%	11%			

WORK-RELATED INJURIES									
GRI 403-9	UoM	2022	2023	2024					
Hours worked	Hours	362,275	322,250	356,873					
Number of injuries	-	5	6	8					
Days of absence due to injury	Days	50	469	434					
Frequency index	-	13.8	18.6	22.4					
Severity index	-	27.6	291.1	243.2					

TRAINING							
GRI 404-1,2,3	UoM	2022	2023	2024			
Total training hours	Hours	1,615	1,150	2,735			
Hours per employee	Hours/employee	6.9	4.9	11.7			
By theme							
Health and safety	Hours	1298	334	479			
Job-specific training	Hours	95	182.5	254			
Other		222	633	2.002			

WELFARE							
GRI 401-2	UoM	2022	2023	2024			
Welfare	€	184,534	150,000	209,190			
Benefit	€	280,204	269,800	315,531			

INTERNSHIPS							
	UoM	2022	2023	2024			
Number of curricular internships	-	0	0	0			
Number of extra-curricular internships	-	0	0	0			
ASC/PCTO projects	-	2	7	8			
Total internships	-	2	7	8			
Number of interns hired	-	0	0	1			

GOVERNANCE

ECONOMIC PERFORMANCE									
GRI 201-1	UoM	2022	2023	2024					
Turnover	€	89,143,994	74,682,388	75,999,098					
Profit	€	10,206,331	6,613,975	ND					
Reclassification of financial statements									
Economic value generated	€	96,404,821	71,597,212	79,356,666					
Of which distributed	€	80,476,476	60,203,899	69,508,240					
Of which retained	€	15,928,345	11,393,313	9,848,426					

COMPOSITION OF THE BOARD OF DIRECTORS								
UoM	2022	2023	2024					
-	4	3	3					
	1	0	0					
	3	3	3					
		UoM 2022 - 4 1 1	UoM 2022 2023 - 4 3 1 0					

SUPPLIERS							
GRI 204-1	UoM	2022	2023	2024			
Total expenditure to suppliers	€	68,136,758	50,929,397	56,176,199			
Of which to local suppliers (PROVINCE OF BRESCIA)	€	52,625,327	38,494,930	45,777,184			



IRO TABLES

In the second chapter of this Sustainability Report. Related to impacts and materiality, the results of the impact analysis were presented. The tables below show, for each actual impact, potential impact, risk or opportunity identified, the values assigned to the evaluation criteria established by CSRD. From the numerical scores (ranging from 1 to 4), the percentage value was then developed, which allowed for the prioritization represented in the bar graphs presented in the chapter "Material topics and impacts of Isval".

IMPATTI NEGATIVI EFFETTIVI							
			MAGNITUDE				
Topic	IRO Title	Contribute to the impact	SCALE	SCOPE	IRRIMEDIABLE CARACTER		
E1 - Climate change mitigation and adaptation	Emission contribution	DIRECTLY CAUSED	2	3	3		
E5 - Resources inflows, including resource use	Consumption of non-renewable raw materials	DIRECTLY CAUSED	2	1	2		
E5 - Waste	Production of hazardous waste	DIRECTLY CAUSED	1	2	2		
S1 - Working time	Night shifts	DIRECTLY CAUSED	2	1	1		
S1 - Health and safety	Work-related injuries	DIRECTLY CAUSED	2	1	2		

ACTUAL POSITIVE IMPACTS							
			MAGN	ITUDE			
Topic	IRO Title	Contribute to the impact	SCALE	SCOPE			
E5 - Resource outflows related to products and services	Single-material products	CONTRIBUTED TO CAUSE	1	2			
S1 - Secure employment	Secure employment	DIRECTLY CAUSED	3	4			
S1 - Corporate well-being	Additional bargaining contract	DIRECTLY CAUSED	1	3			
S2 - The employment and inclusion of people with disabilities	Collaboration with social cooperatives	DIRECTLY CAUSED	1	1			
S3 - Impacts related to community well-being	Donations and sponsorships	DIRECTLY CAUSED	1	2			

POTENTIAL NEGATIVE IMPACTS								
	MAGNITUDE							
Торіс	IRO Title	Contribute to the impact	SCALE	SCOPE	IRRIMEDIABLE CARACTER	LIKELIHOOD	TIME HORIZON	
E5 - Resources inflows, including resource use	Materials with conflict minerals	CONTRIBUTED TO CAUSE	2	2	2	1	SHORT PERIOD	
E5 - Waste	Waste destination	CONTRIBUTED TO CAUSE	2	2	2	3	SHORT PERIOD	
S1 - Health and Safety	Risk of work-related injuries	DIRECTLY CAUSED	3	3	4	3	SHORT PERIOD	

	POTENTIAL POSITIVE IMPACTS								
			MAGN	IITUDE					
Topic	IRO Title	Contribute to the impact	SCALE	SCOPE	LIKELIHOOD	TIME HORIZON			
S1 - Work-life balance	Workplace flexibility initiatives	DIRECTLY CAUSED	2	2	3	SHORT PERIOD			
S1 - Training and skills development	Job-specific training (hard and soft skills)	DIRECTLY CAUSED	3	2	3	MEDIO PERIODO			

RISKS						
Topic	IRO Title	Magnitudo potenziale	LIKELIHOOD	TIME HORIZON		
E1 - Energy	Increase in energy costs	2	3	SHORT PERIOD		
E2 - Substances of concern or very high concern	Lead-free brass	3	3	MEDIUM PERIOD		
E3 - Water consumption and withdrawals	Water consumption	1	4	SHORT PERIOD		
S1 - Secure employment	Recruiting challenges	3	2	MEDIUM PERIOD		
S1 - Training and skills development	Employees' skills	3	2	MEDIUM PERIOD		
G1 - Management of relationships with suppliers including payment practices	Dependence on suppliers	3	1	MEDIUM PERIOD		
G1 - Corruption: Incidents and prevention and detection, including training	Corruption cases	3	1	MEDIUM PERIOD		
G1 - Cybersecurity	Data breach	3	2	SHORT PERIOD		

OPPORTUNITIES						
Topic	IRO Title	Magnitudo potenziale	LIKELIHOOD	TIME HORIZON		
G1 - Corporate culture	Cultura ESG	3	3	MEDIUM PERIOD		







HEADQUARTER ISVAL SpaMain plant

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