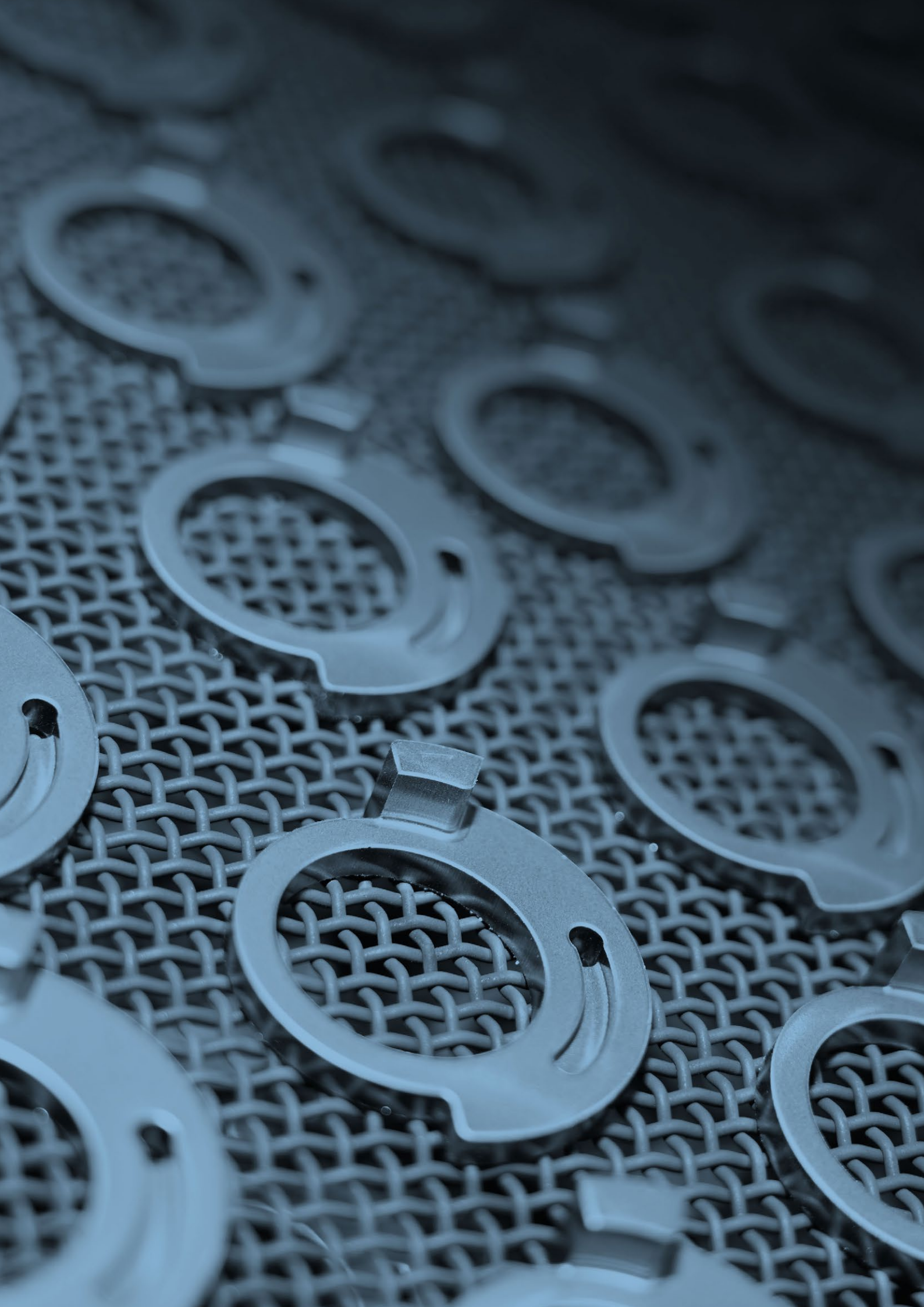




**Sustainability**  
Report  
FY 2022







## Sustainability Report

FY 2022

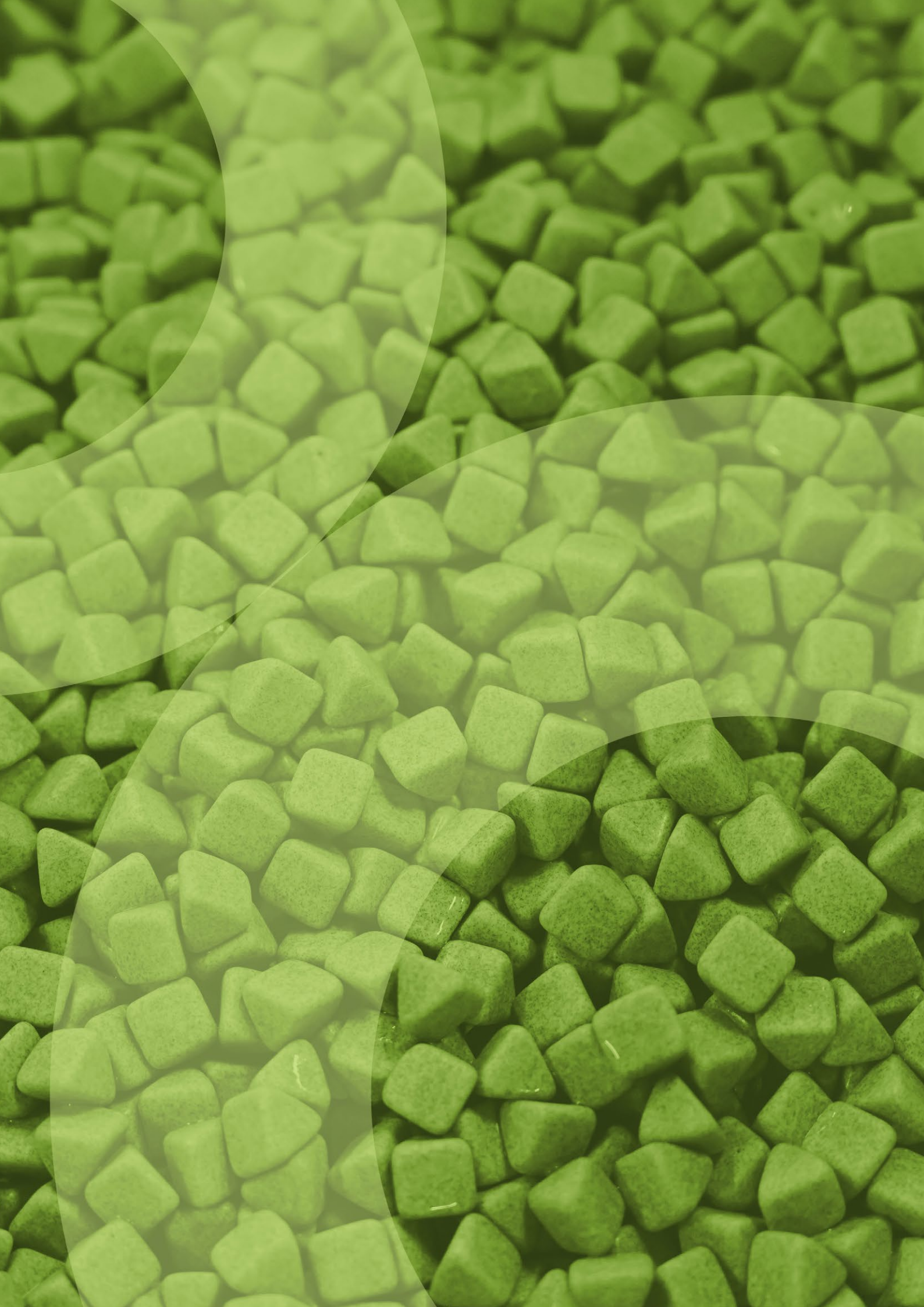
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Company	Carbosint S.p.A.
Registered office	via Al Ponte, 14 24050 Ghisalba (BG) Italia
Operational	via Al Ponte, n° 14 I-24050 Ghisalba (BG) Italy Ph. + 39 0363 94 04 11

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# Letter to the Stakeholders

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Dear Stakeholders,

I am pleased to present the Sustainability Report, the document with which Carbosint spa shares its vision for a more sustainable future and reports on its ESG objectives, activities and results.

In 2022, our strategic approach to environmental, social and governance issues did not fail. These elements have been part of our way of doing business for almost 50 years and we intend to value them more and more. We are aware that, once again, the main architects of our virtuous development were people. Our constant commitment to offer Carbosint spa a place not only where we promote the values of responsibility, respect, diversity, and inclusion remain at the heart of our work together.

In support of Carbosint spa's increasingly "green" strategy, investment in Research and Development remains key for us, an area in which we are looking with increasing attention at the use of non-polluting materials, the recycling of existing ones and the adoption of solutions to continue improving our being a responsible company, considering the consolidated use of a technology defined as "green".

We firmly believe that we must also do our part to ensure responsible production and that is why we are

committed to a path towards the ambitious goal of ensuring net-zero emissions by 2040. The use of electricity from renewable sources has consolidated over time and in the past year has reached an unprecedented level. In fact, it was used exclusively from renewable sources and a new photovoltaic system was installed, whose activation took place in 2023.

In addition, we are committed to fostering greater involvement of our supply chain to ensure their full adherence to our culture of sustainability. Our desire to be responsibly active is an approach that follows the impetus of the UN 2030 Agenda, which offers us incentives to contribute to the achievement of the 17 Sustainable Development Goals and which will remain the guide of our future path.

The numbers, results, and projects that you will see in this document are the result of constant and continuous work and give the sense of how a clear and responsible commitment then generates concrete actions for the benefit of people, communities and the environment. In fact, we are convinced that ESG issues are enabling factors for the growth of Carbosint spa, as well as the entire economy, and will increasingly have to become a key element in decisions that have an impact on our Companies.

GENERAL DIRECTOR

Clemente Lavelli



# Premise

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This Sustainability Report defines the accounting performance, social and environmental performance of Carbosint spa, in relation to the year ended 31 December 2022. In particular, the document aims to be a balanced reporting tool for the impact indicators of the Company's activities, in relation to its work in the territory and in the social community and the related impact that derives from it.

The contents of the report have been prepared in accordance with the Guidelines defined by the Global Reporting Initiative (GRI), taking into account the information considered relevant to corporate stakeholders. The Sustainability Reporting Standards (hereinafter also GRI Standards), published by the Global Reporting Initiative (GRI), were adopted as the reporting standard for the preparation of the Report for the 2022 financial year (1 January – 31 December 2022), in accordance with the proposal to update the guide "Sustainability indicators for SMEs" of CSR Lab Confindustria and taking into account the information considered relevant for corporate stakeholders.

**This document has been prepared according to the principles for defining the contents of the Report suggested by the GRI:**

## **Accuracy:**

the level of detail of the contents reported in the Report is adequate to understand and evaluate the sustainability performance of the company in the reporting period

## **Balancing:**

an objective account of the information is provided, in such a way as to ensure a balanced representation of the impacts generated by Carbosint spa, both negative and positive

## **Clarity:**

the choice of clear and accessible language, as well as the use of graphics and tables to represent the performances of Carbosint spa make this Report usable and easy to understand for stakeholders

## **Comparability:**

the indicators presented in the Report are reported for the year in question, 2022, and accompanied by a commentary on their performance over time in such a way as to allow comparison and comparability of the performance of Carbosint spa at least with reference to the previous financial year.

## **Completeness:**

in the preparation of the Sustainability Report provided comprehensive information to enable a detailed assessment of its impacts during the reporting period.

## **Sustainability context:**

in drafting the following Report, the impacts analysed were taken into account in the broader context of sustainable development, analysing sector sources, regulations and norms, as well as international conventions

## **Auditability:**

the data presented in the Report have been acquired and processed in such a way that the information is suitable for evaluation with regard to its quality. To ensure the quality of the information reported, the drafting of the Report followed the quality principles as suggested by the GRI.





# 1. Governance and organisational structure

## 1.1 Company mission

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This is the mission of Carbosint spa: to ensure that the activity of Carbosint spa continues to be managed in an ethical and lasting manner in all its aspects, with a sense of social responsibility and according to the following fundamental principles:

- **comply with all applicable laws and regulations** wherever the company is present, conducting business with integrity and in such a way as to enhance the reputation of the company;
- **protect shareholder investment**, ensuring high-level performance combined with risk management in compliance with high standards;
- **offer excellent products and services** to our customers and always achieve new ones on the basis of fair competition;

- **treat suppliers and subcontractors** with honesty and fairness;
- **treat employees fairly and with respect**, recognising their abilities and differences, rewarding them for what they have achieved and offering them a healthy and safe environment;
- **play an active role for the protection of the environment** referring to the operations carried out in the plant, both in terms of the design of eco-sustainable products;
- **contribute positively to the well-being** and development of the communities in which Carbosint Spa operates.



## Nearly 50 Years of History



**1974** Constitution of Carbosint Spa

**1977** Constitution of Sinterlabo Snc

**1985** Construction of Ghisalba plant

**1990** Expansion of the plant and offices from  
3000 sqm to 5000 sqm

**1998** Further expansion of the plant for a total of 7000 sqm  
Merger of Sinterlabo snc into Carbosint Spa

**2003** ISO 9001 certification

**2007** ISO TS 16949 Certification

**2008** Purchase and configuration of the sintering process

**2009** Development and production of the first helical gear  
Development and production of the first hot compacted article  
Purchase and installation of the first CNC hydraulic press

**2012** Closure of the brushes department

**2013** New metrology laboratory

**2014** Increase of the covered area of other 1200 sqm

**2017** Implementation of the AIAG CQ19 standard

**2018** IATF 16949 Certification

**2019** ISO 14001 Certification

**2021** ISO 45001 Certification

**2021** Switch to renewable energy

**2022** Photovoltaic system installation

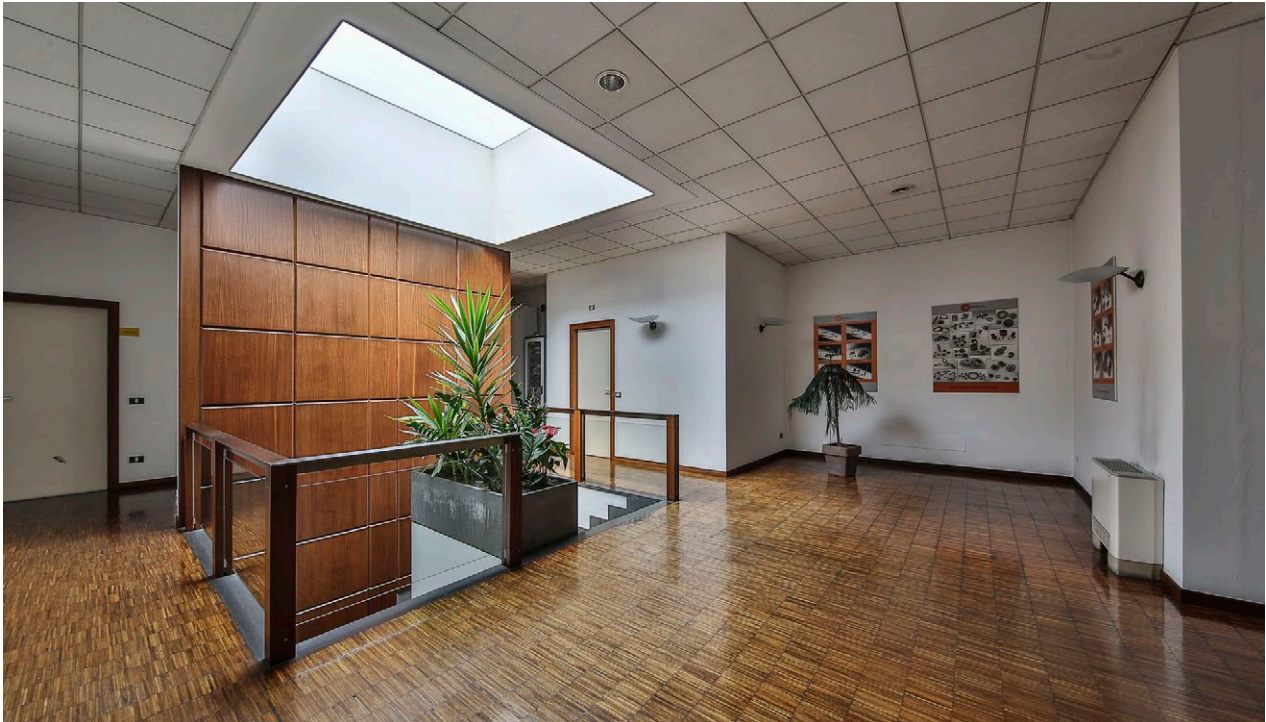
**2022** Model of Organization, Management and Control  
according to Legislative Decree 231/2001

**2023** TISAX® accreditation in progress  
(Trusted information Security Assessment eXchange)

## 1.2 Sustainability identity, strategy and governance

The corporate and management structure adopted by Carbosint spa complies with current legislation and is aimed at ensuring the best collaboration between its components through the balance of the different management, governance and control roles.

Due to the activities and organizational complexity, Carbosint spa also adopts a system of functions that provides in explicit and specific terms for the assignment of tasks to personnel with suitable skills and competences.



### Social Responsibility

Carbosint spa is aware of the social responsibility that every company has towards the community and this means that social, environmental, and ethical issues are constantly taken into account in company operations and strategies. The social aspect of doing business is therefore closely interconnected with the development of its market.

In order to meet the interests of corporate stakeholders and give greater weight to the Policy defined by Management, Carbosint spa has adopted an integrated **Company Management System** for the aspects of **product quality** (including sector-specific certifications), **environmental protection**, **health protection and safety at work**.

The Code of Ethics is also established, a reference for those who work in the company and for those who interact with the company, and an **Organization, Management and Control Model** is implemented pursuant to Legislative Decree 231/2001.



## Company profile

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Founded in 1974 as a company specialising in the production of brushes and components in carbonaceous materials (mainly brushes for electric motors), today Carbosint is one of the most important companies nationwide in the field of sintered components.

It currently has a plant of about 8,000 sqm on a total area of about 18,000 sqm and can count on first-class plants: over 40 presses from 6 to 300 tons, 6 ovens with high production capacities, most of them compliant with AIAG CQI9 regulations. In addition, several systems are available for finishing and 100% component controls.

Carbosint offers its customers a wide range of products, technologies, and services, ranging from design consulting, product development, testing and manufacturing of the most complex components. In recent years we have expanded considerably, choosing to invest in research and development and technology, the two ingredients that have allowed us to get closer and closer to our vision: to become a reference point and operate with professionalism and quality at an international level.

To achieve these objectives, we have committed ourselves to certify of every aspect of our production:

materials, processes and suppliers respect the highest quality standards and follow strict protocols.

**For almost 50 years, the Company has cared about the people who make it up and the places where it operates.**

## The company headquarters

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The activity is carried out within a building with a total gross surface area of approximately 8,000 m<sup>2</sup>, divided into the following departments:

- office building structured on two floors with a single surface area of about 345 m<sup>2</sup> for the ground floor and 515 m<sup>2</sup> for the first floor, directly connected to the production department on the ground floor;
- area dedicated to sintering processes (presses/ovens/quality laboratory), with an area of approximately 4,000 m<sup>2</sup>, directly communicating with the office area on the ground floor;
- area dedicated to tumbling, impregnation, calibration and selection processes, with an area of approximately 2,920 m<sup>2</sup>.

The areas indicated do not constitute a department in their own right, as the production consists of a single department in which several functionally distinct work areas are obtained.





# Sintering, a “GREEN TECHNOLOGY”

## Carbosint uses a technology called green.

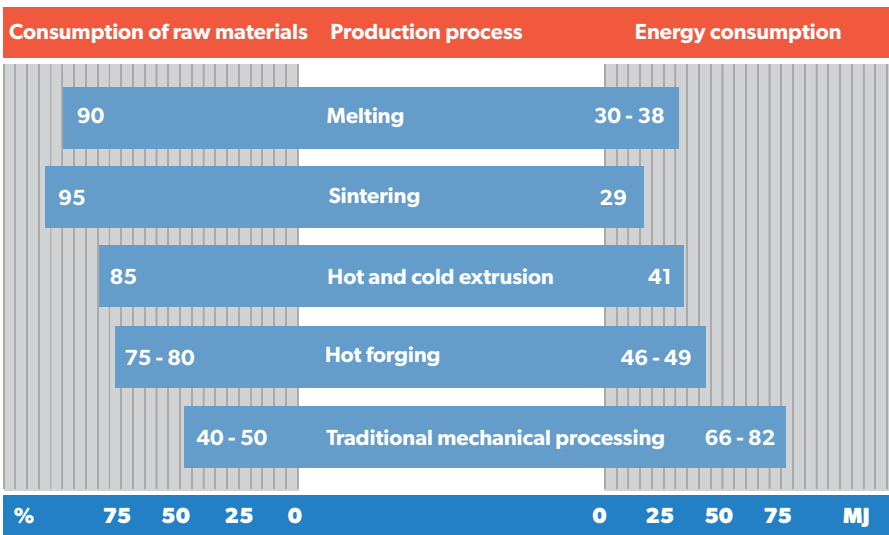
Powder metallurgy is in fact considered a green technology: the ability to produce net-shaped articles without the need for further refinement and the very high factor of use of the material are the main advantages of the process. Powder metallurgy facilitates the production of complex metal parts, promoting a greater use of resources and a more efficient use of energy as it reduces waste compared to other production methods (e.g. traditional mechanical processing). In particular, powder metallurgy allows Carbosint to

produce complex metal parts efficiently. The technique has the maximum use of raw materials (over 95%) and the lowest energy requirement per kilogram of finished workpiece (consumption about 43 percent of energy) compared to traditional forging and machining (\*)

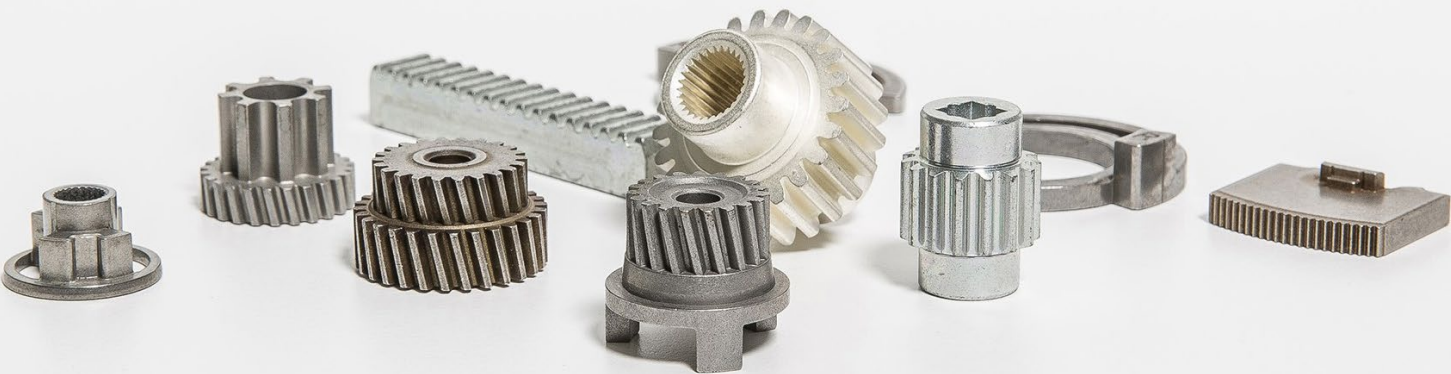
In addition, the raw material (metal powder) is produced with 47% recovered material (courtesy of Höganäs Sustainability Report 2022)

Raw material use and energy consumption for various production processes

## Utilizzo di materia prima e consumo di energia per vari processi produttivi



\*Source EPMA, <https://www.epma.com/powder-metallurgy-economic-advantages>





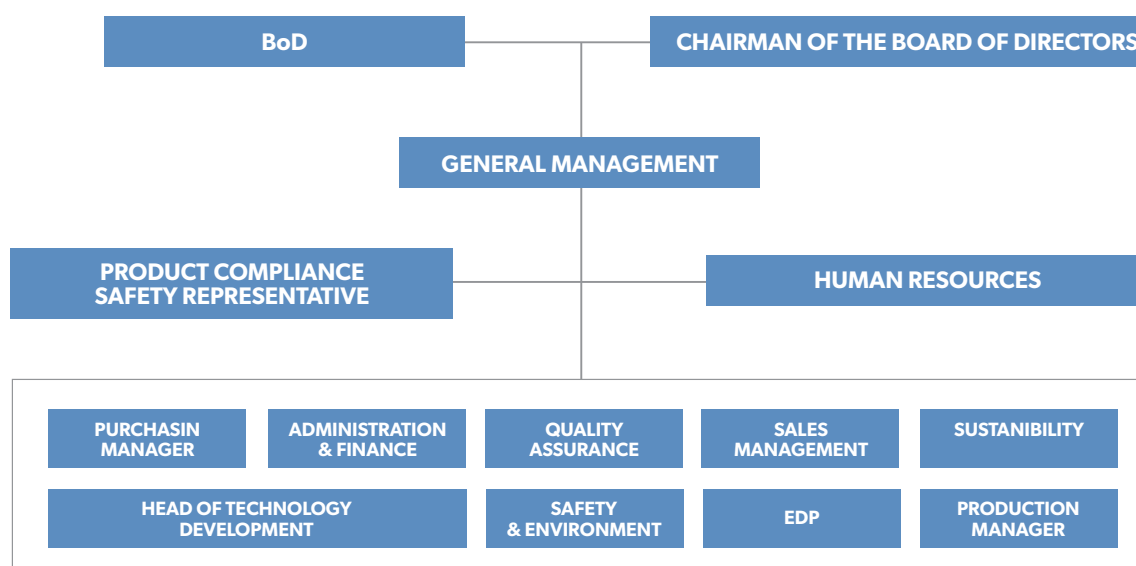
## Legal form, administration and control system

**CARBOSINT is a joint-stock company with a fully paid-up share capital of € 825,600.**

SHARE CAPITAL	
825.600 €	
Composition of the Board of Directors	
Director	Mascarini Rosanna
Director	Lavelli Angela
Director	Lavelli Clemente

The control administration system adopted is the traditional one; there are 3 shareholders. A Board of Statutory Auditors is appointed and operational. A Supervisory Body has been appointed, consistent with the adoption and implementation of the Management and Control Organisation Model pursuant to Legislative Decree 231/01

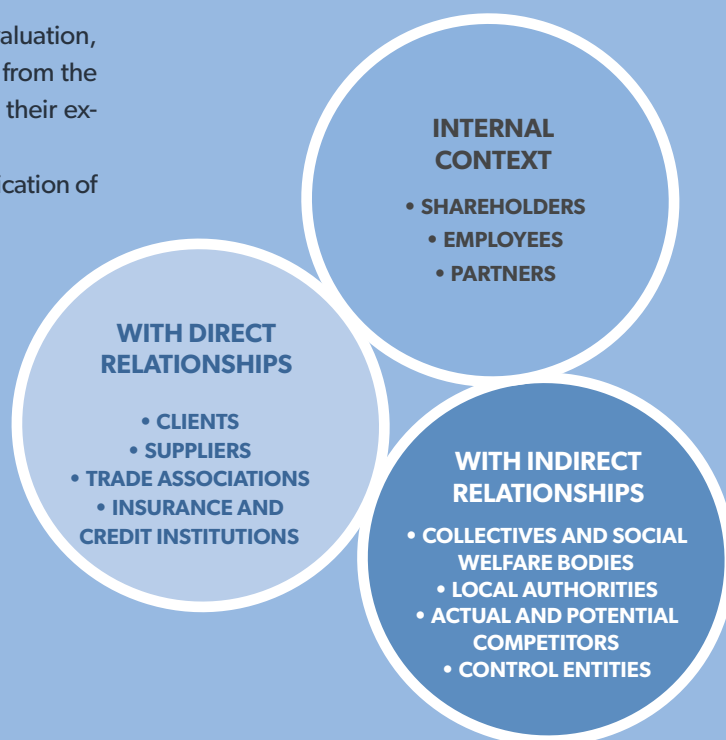
The following diagram summarises the organisational structure of Carbosint spa



## 1.4 Stakeholders

Any definition of objectives, performance evaluation, design for sustainability cannot be separated from the preliminary identification of stakeholders and their expectations towards Carbosint spa.

The following diagram summarises the identification of company stakeholders in summary form.



## 1.5 Company mission, values, and reference principles



### Mission and Values

Meeting the expectations and needs of stakeholders is a primary objective of Carbosint spa.

**For this reason, Carbosint has adopted a Management and Control Organisation Model pursuant to Legislative Decree 231/01 and disseminates its Code of Ethics to all stakeholders**



# The key principles Carbosint Spa formalised through the model 231

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## Legality

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compliance with the laws and compliance with the regulations in force in all the countries in which it operates, combating mafia infiltration  
fairness and honesty

## Transparency and traceability of operations

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- traceability of all economic transactions
- distinction between who authorises each operation, who carries it out and who verifies its correctness
- transparency, understood as clarity, completeness relevance of the information to be provided
- uses objective and transparent criteria for the choice of suppliers, in compliance with current regulations and internal procedures, based on objective assessments of quality, competitiveness and economic conditions

## Fairness and impartiality

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- fairness in economic transactions and compliance with competition rules and fairness in business practices
- absence of conflict of interest

## Integrity

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- efficiency
- attention to the customer that passes through the quality of the product and service

## Centrality of human resources and equality

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- respect for social rules and personal rights
- safeguarding the health and safety of workers within the Company
- promotion of human resources training, in order to increase the wealth of personal and business skills
- rejection of any principle of unjustified discrimination based on sex, nationality, religion, personal, political and trade union opinions, age, health, and economic conditions of its interlocutors, including its suppliers.
- Staff are recruited solely on the basis of regular employment contracts, as no form of irregular work is tolerated.

## Responsibility towards the community

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- The Company is aware of the effects of its activity on the context of reference, on environmental, economic, and social development, as well as on the general welfare of the community and pays attention, in its work, to balancing its legitimate interests. For this reason, it intends to make its investments in a manner compatible with respect for the needs of local and national communities, while supporting initiatives of social value

## 2. Certifications and awards, guarantee for stakeholders

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## 2.1 Certifications



The adoption of Company Management Systems, certifications, as well as the action of the Organization, Management and Control Model, the adherence to protocols, do not represent formal or merely promotional obligations for Carbosint spa, but want to be an element of guarantee for stakeholders.

**Carbosint spa has chosen to have a Company Management System** relating to aspects of product quality, health and safety of workers and the environment as required by the reference technical standards:

- **for the Quality System**, the Management System has been certified according to ISO 9001 since 2003 and according to IATF 16949 since 2018;
- **for the Environment according to ISO 14001**, the Management System has been certified since 2019.
- **for Occupational Health and Safety** according to ISO 45001, the Management System has been certified since 2021.
- **Organisation, Management and Control Model** – pursuant to Legislative Decree 231/01

In addition, the implementation of the TISAX® data security standard is underway.

In relation to the aspects of Social Responsibility, as mentioned, a **Management and Control Organization Model** is active pursuant to Legislative Decree 231/01, with particular reference to:

- the principles of transparency and legality;
- identification and engagement of stakeholders;
- respect for human rights (in relation to the governance of the organisation and working relationships and conditions);
- community involvement (engaging in health, education, and culture);
- environmental awareness.

**Carbosint spa has implemented a Management System (integrated for Health and Safety and Environment** aspects, as well as operational for Quality aspects) that is particularly articulated, in order to increasingly raise the quality standards of the products made.



## 2.2 Ecovadis assessment

Carbosint periodically measures its Sustainability performance using the EcoVadis platform. Such a system aims to improve companies' environmental and social practices by leveraging the influence of global supply chains in 150 sectors and 110 countries.

Reliable classifications and monitoring tools allow companies to manage risks and incorporate eco-innovations into their global logistics chains.

The EcoVadis sustainability assessment makes it possible to assess the company's impact in terms of sustainability by analysing the data entered by Carbosint

by experts using an evaluation methodology based on international standards such as the Global Reporting Index (GRI), ISO 26000 and the Global Compact Principles.

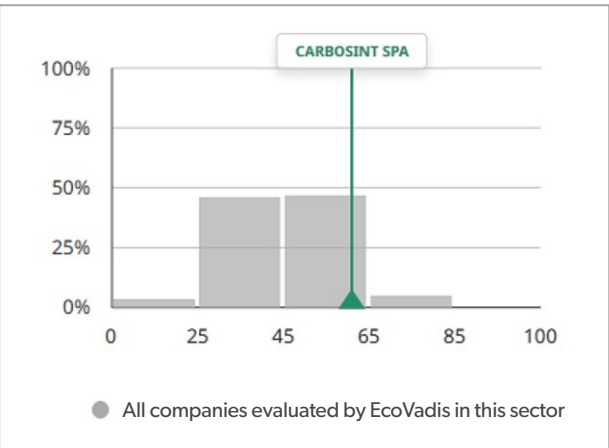
### Results for the year 2022

**Carbosint spa ranked at 81% percentile**, that is, it achieved a score greater than or equal to that of 81% of all the companies evaluated by Ecovadis.



### Extract from the 2022 assessment

Distribution of the overall score



Theme Score Comparison



## 2.3 Organization, Management and Control Model



**The Organization, Management and Control Model**, pursuant to **Leg. Decree 231/01** relating to the administrative liability of entities in order to prevent the commission of crimes, was implemented at the begin-

ning of 2023 (with the appointment of the relative Supervisory Bodies). The protocols defined to implement the model, managed within the Business Management System, are applied to all corporate activities.

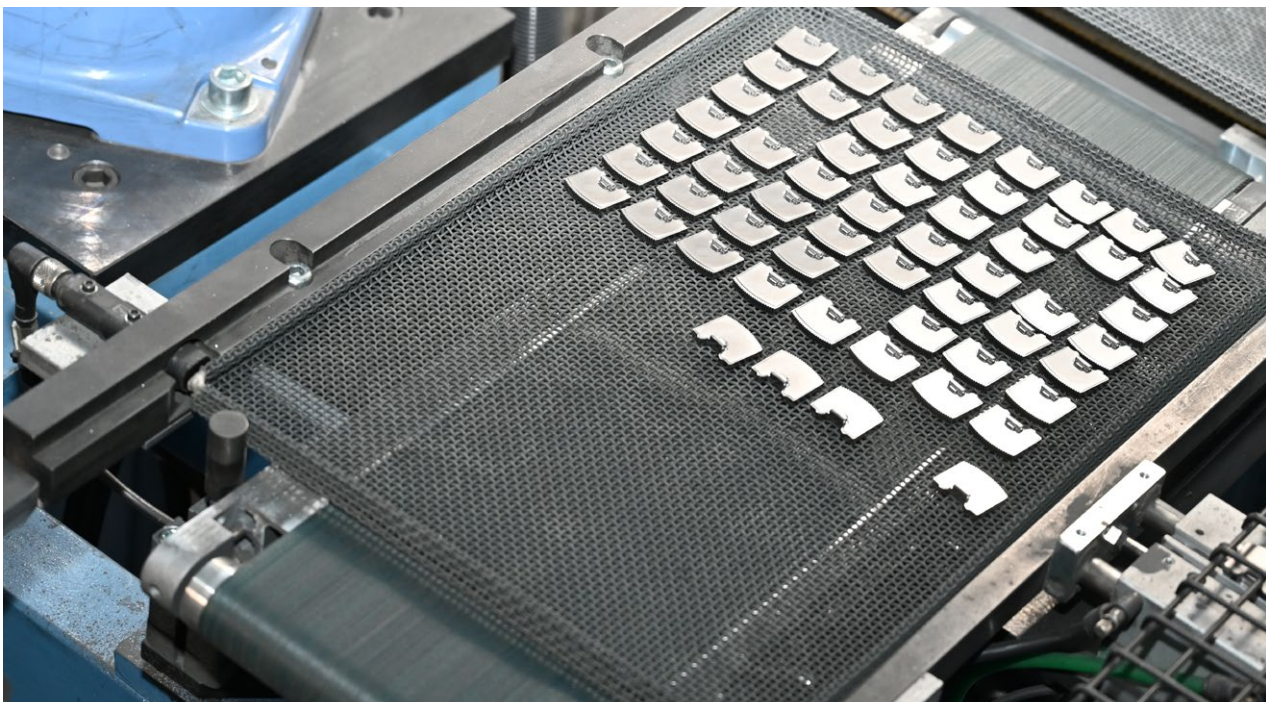
## 2.4 Legality and anti-corruption

### Legality and anti-corruption

As part of the Management and Control Organisation Model, specific procedures are defined to ensure that any illegal conduct is condemned by the Company, as it is contrary, in addition to the rules of law, also to the rules of conduct to which it is inspired and to which it adheres in the management of its business activity including proper administrative management and anti-corruption measures. .

### Whistleblowing

As part of the Management and Control Organisation Model, a procedure is also defined dedicated to the management of reports of offences, with the aim of protecting the whistleblower: all those who operate in the name and on behalf of Carbosint spa, in fact, can report possible misconduct, with the guarantee of not suffering any retaliation. The reporting service offers the possibility to act promptly in case of misconduct and, indirectly, reduce the risks of committing crimes. The defined internal operating procedure describes the methods of investigation and management of reports, to protect the whistleblower.



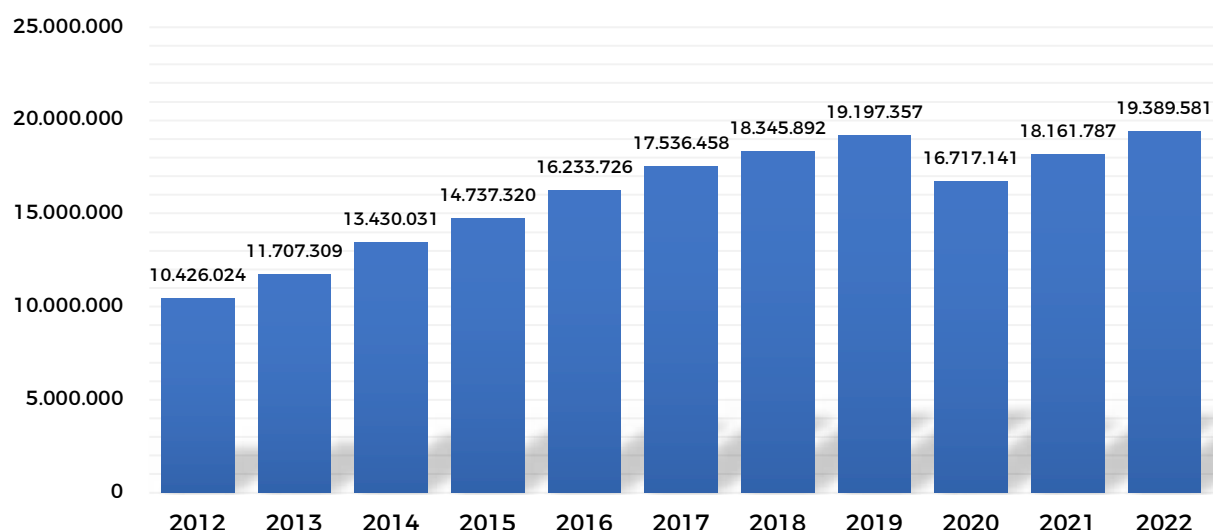


### 3. Economic performance

## 3.1 Turnover

Following its growth strategy, Carbosint spa has seen its consolidated turnover increase over time.

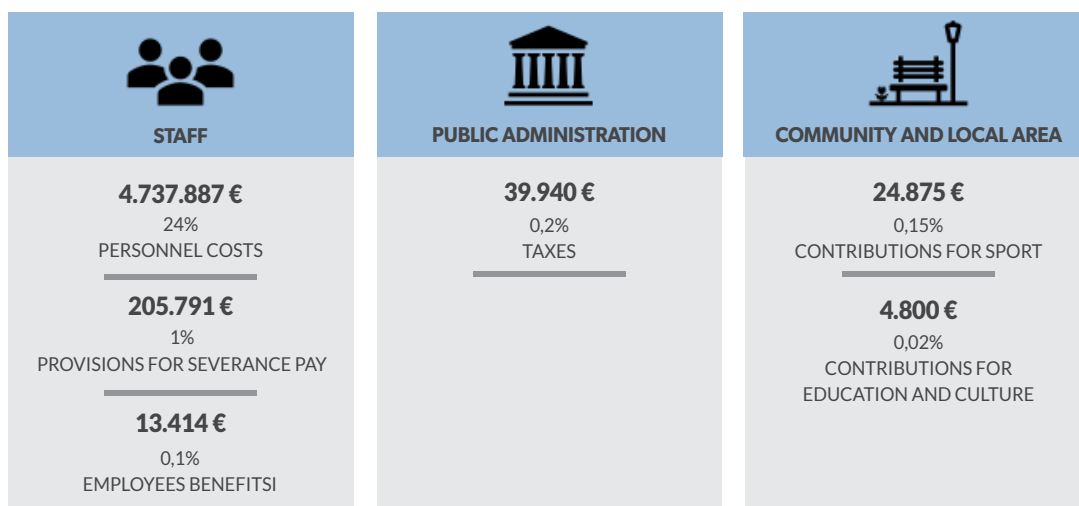
In 2022, despite the extraordinary context influenced by the pandemic and the semiconductor crisis in the automotive sector, turnover nevertheless increased by 10% compared to the previous year.



Turnover trend (2012-2022) in €

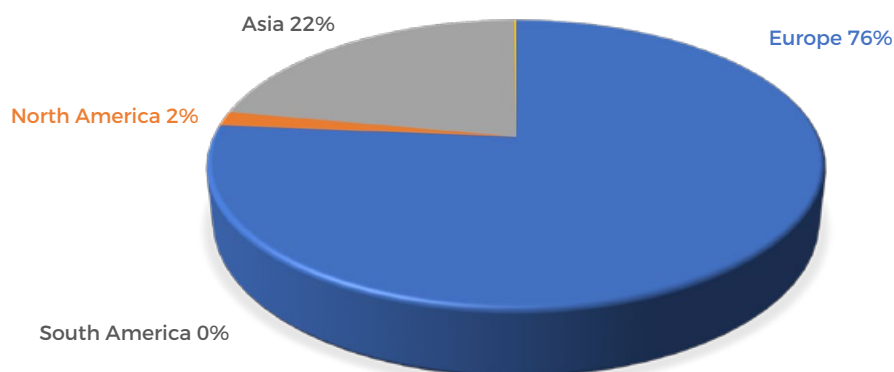
## 3.2 Economic value distributed

The distribution of the added value distributed to stakeholders is subdivided as below



### 3.3 Export and propensity to internationalize

The total export for Carbosint spa for the year 2022 was 82%. Carbosint spa's main market is Europe with a percentage of sales in 2022 equal to 76% of the total, followed by the Asian market with 22% and North America with 2%.



Distribution of the world market Carbosint spa year 2022

### 3.4 Investments, productivity, innovation



#### Innovation in production processes

Every year Carbosint spa invests in the innovation of production and management processes: from 2019 onwards, several investments have been made for competitiveness, quality, and innovation with a view

to Industry 4.0, several of these have already been interconnected and appraised, other investments are underway.

#### Production plants

The latest systems purchased were chosen from a 4.0 perspective, and we also tried to push automation in order to reduce and/or facilitate the activity of the various operators.

For example, we can mention the automatic unloading systems of the presses, with the addition of additional processes (e.g. brushing) and the automatic loading system of the ovens.

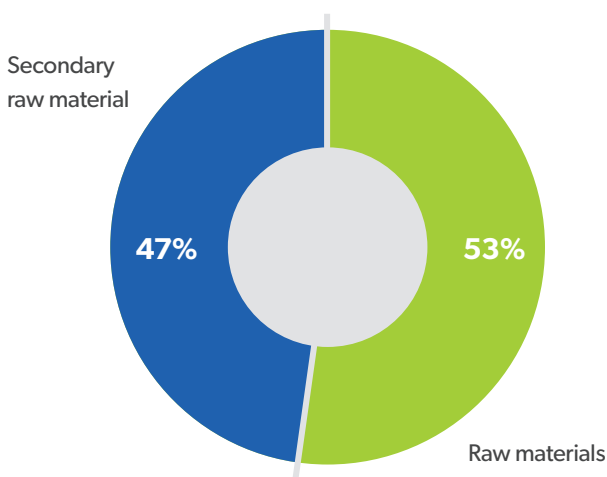
In addition, a MES system is being implemented, which will allow you to have some remote controls and better real-time data management, as well as digitized documentation at the side of each workstation, avoiding the issuance and management of paper documents.

The same system will also allow better management of mould maintenance and management processes.



## 3.5 Circular economy

The circular economy is a model of production and consumption that involves sharing, lending, reusing, repairing, reconditioning and recycling existing materials and products for as long as possible. In this way, the life cycle of the products is extended, helping to reduce waste to a minimum. Once the product has finished its function, the materials of which it is composed are in fact reintroduced, where possible, into the economic cycle. In this way, they can be continuously reused within the production cycle, generating further value.



Carbosint spa pays particular attention to the selection and management of raw materials and packaging.

In particular, Carbosint uses raw material (metal powder) and is produced with 47% recovered material (courtesy of Höganäs Sustainability Report 2022)

In addition, strategies are being implemented to implement waste management in a circular economy perspective.



## 4. Environmental Management

Carbosint Spa has been pursuing the goal of environmental sustainability of its business for years, promoting organisational choices and behaviours that have the least possible impact on the surrounding environment. Consistently with this setting, the **monitoring of electricity, methane gas and drinking water consumption** is active. Energy consumption

is functional to the operation of production activities, ancillary services, and office activities. Consumption is monitored, in order to avoid waste and to create efficiency. The **Environmental Management System**, certified according to the international standard ISO 14001, is functional to oversee the business processes that have the greatest impact on the environment.

## 4.1. Energy sources, energy efficiency, consumption

Energy consumption concerns electricity and partially methane gas:

- **Electricity:** it is used for the operation of production lines, air conditioning and various auxiliary services, for lighting and for offices;
- **Methane gas:** it is mainly used for the heating system.

CARBOSINT SPA	U.M.	Year 2019	Year 2020	Year 2021	Year 2022
Powder Tons taken from the warehouse	Ton/y	1401	1255	1313	1360
Electricity supply (compared to processed Tons)	kWh/Ton	<b>4149</b>	<b>4233</b>	<b>4362</b>	<b>4397</b>
Methane (compared to processed Tons)	Nmc/ processed Tons	31	29	33	22

Other significant consumption for Carbosint Spa used in sintering treatment (not for energy purposes) are **LPG, nitrogen, hydrogen**.

CARBOSINT SPA	U.M.	Year 2019	Year 2020	Year 2021	Year 2022
Lpg (compared to processed Tons)	Nmc/Tons/processed	0,4	0,4	0,4	0,4
Nitrogen (compared to processed Tons)	Kmc/Tons/processed	0,5	0,5	0,4	0,4
Hydrogen (compared to processed Tons)	Mc/processed Tons	16,0	15,8	13,4	16,8



## Energy efficiency

Since 2021, we have chosen to use only certified energy from renewable sources. In addition, a photovoltaic system was built in 2022 on the roof of the production, with a power of 383 kW. In particular, thanks to the self-production of electricity from this plant, it is estimated that savings related to CO<sub>2</sub> emissions amount to 208 tons of CO<sub>2</sub>/year.

CARBOSINT SPA	Electricity (KWh/year)	CO <sub>2</sub> Avoided (Kg/year)
Energy for self-consumption from photovoltaic systems	424.855	195.433
Maximum energy fed into the grid	27.118	12.474
<b>Total produced by PV</b>	<b>451.974</b>	<b>207.908</b>

Table 1 - Data relating to the photovoltaic system under construction at Carbosint spa

## LED lighting

**Indoor lighting:** in the production departments, the replacement of old neon lights with LED lamps has been completed;

**Outdoor lighting:** all outdoor night lighting has been converted to LEDs.

## 4.2 Waste management

In compliance with current legislation on environmental protection, the company is committed to the correct disposal of all waste, including special waste, enhancing recovery and recycling. It should be noted that in 2022 the share of waste destined for recovery increased (61% of waste in 2022 compared to 58% of the total in 2021). The following graphic illustrates waste production in relation to the year 2021 and 2022.

	YEAR 2021		YEAR 2022	
Waste types	Tons produced	% of the total	Tons produced	% of the total
Total product waste	398	--	400	--
Hazardous waste	29	7%	32	8%
Non-hazardous waste	370	93%	368	92%

## Free Asbestos

The complete removal of asbestos took place in 2017.

## 4.3 Atmospheric emissions

In relation to the **Ghisalba site**, Carbosint spa is authorised with a single environmental authorisation relating to emissions into the atmosphere and water discharges and annually monitors the quantity and quality of emissions.

## 4.4 Drinking water consumption

Water consumption is constantly monitored. The effort to reduce water use by carefully managing the indirect cooling system (the only source of productive water use in Carbosint spa) and towards raising people's awareness of the conscious use of water resources is constant.

## 4.5 Climate change strategies

The goal of becoming climate neutral by 2040 is one of the key elements of our business strategy. Decarbonizing our business (Scope 1 and 2) is critical to achieving this goal. For this reason, the first step to be taken by 2022 is the quantification of the carbon footprint of our products.

Subsequently, the aim is to achieve a total emission reduction of at least 30% of our scope 1 and 2 emissions by 2026. Thanks to the choice to use exclusively energy from renewable sources, there has been a 50% reduction in CO<sub>2</sub> emissions produced in 2021. Carbosint is already working to reduce CO<sub>2</sub> emissions not only for new but also for existing activities with the following activities:

- **feeding production processes with energy from renewable sources**
- **increasing the share of recycled materials and substitutes**
- **increase the energy efficiency of processes**
- **raising suppliers' awareness of reducing their environmental impact**

### Our carbon footprint

In summary, direct emissions of Carbosint (scope 1 referring to the GHG protocol) include all emissions from sources owned or controlled by the company.

These direct emissions can mainly be attributed to emissions from the combustion of methane gas used to heat buildings. The furnaces used for sintering are in fact electrically powered.

It should also be noted that the propane used in the production cycle of Carbosint spa is mainly intended for the generation of endogas and not for direct combustion in burners.

The use of propane therefore contributes very marginally to the generation of greenhouse gas emissions.

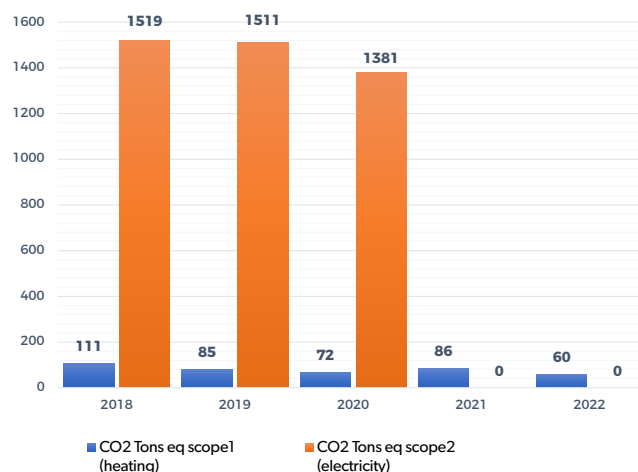
In 2022, therefore, direct CO<sub>2</sub> equivalent emissions are estimated to be negligible.

The indirect scope 2 emissions emitted by Carbosint mainly concern electricity purchased from the electricity grid. In relation to these, it should be noted that since 2021 Carbosint has purchased exclusively energy from certified renewable sources.

In addition, to further reduce this impact, Carbosint spa activated an on-site photovoltaic power generation plant in 2023. In 2022, therefore, the indirect equivalent CO<sub>2</sub> emissions deriving from the use of electricity are estimated as negligible. Scope 3 emissions concern other indirect emissions throughout the supply chain,

i.e. those deriving from the use of energy used for the production of products and materials purchased externally; fuels for non-company vehicles, for the transport of materials, products, finished or to be worked, the movement of employees from home to the workplace; and finally fuels for company trips. In relation to these emissions, Carbosint has implemented a system of evaluation and communication with suppliers that aims to raise their awareness of the issue.

#### Trend in greenhouse gas emissions over the years





## **5. People, Employment Relationships, Diversity**

Carbosint spa is convinced that its economic, environmental and social sustainability also depends directly on the approach chosen for the **management of human resources, their enhancement and loyalty, training and empowerment, with a view to continuous improvement on multiple fronts:** that of professionalism and competence, (and therefore of company competitiveness), that of compliance with contractual agreements and management of relations with trade union representatives, that of the improve-

ment of work environments and therefore of the level of safety (in general that of the protection of health and safety of the work environment), that of the protection of the environment, that of the development of a company welfare project.

Below are some data that allow you to understand the composition of the company population and its main characteristics.

## 5.1 Employment policies

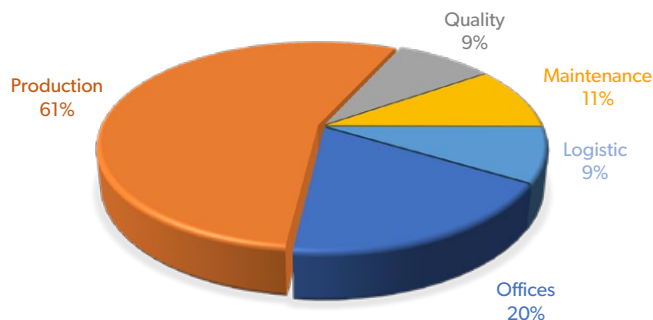
The team of collaborators of Carbosint spa, as of 31.12.2022 had **101 people**, of which 75 employees and 26 workers with an administration contract (temporary) in particular divided as follows:

**The average age of human resources** employed is 41 years and the average company seniority is 7 years. In relation to the 2022 turnover, there were eight resignations and 5 new hires.

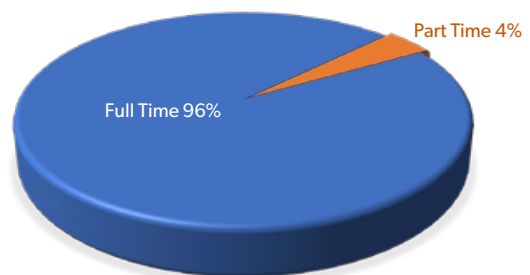
**In relation to the type of contract**, the vast majority of workers are employed full-time (97 employees), while 4% work on a part-time contract (4 workers).

**The data on employee absenteeism** are overall good and highlight the use of holidays and day offs as the main reason for absence.

Composition of human resources



Type of contract



### CARBOSINT SPA - 2022

Hours Worked	Ordinary Hours	Overtime Hours	Sickness Hours	Holiday Hours	Injury Hours
169.399	163.246	6.151	7.627	13.342	20

**In relation to benefits designed for employees,** Carbosint spa has always supported workers by granting economic benefits in relation to different areas.

Some initiatives carried out in 2022 are mentioned:

- Welfare through a bonus equal to the value of € 200 per year per capita that can be spent on refunds, services, and purchase vouchers (at a network of affiliated operators such as fuel distributors, supermarkets, shops, e-commerce, health professionals for medical examinations, etc.), available through an online platform dedicated to corporate Welfare;
- Supplementary health insurance (Metasalute);
- Integrative supplementary pension with additional contribution on the company side also on open funds;
- 2022 attendance bonus;
- Ideas & Suggestions Award;
- Assocaaf Confindustria Convention for free compilation of form 730.

**In relation to the methods of internal communication,** email channels, the company bulletin board, meetings by company function as needed are routinely used.

**Carbosint spa believes that the training of human resources** and the acquisition of ever new skills is a company objective to be pursued constantly, since investing in its workers and in their cultural and personal growth also means cultivating and growing company know-how. For this reason, every year, in addition to mandatory training on occupational health and safety, training on environmental protection and product quality issues is provided to Carbosint spa workers.





## 5.2 Diversity

**Respect for the principle of equality** is one of the cornerstones of company philosophy and is declined daily in respect of all types of diversity (religious, racial, ethnic, linguistic, gender, sexual, ...). Among the company's objectives is the guarantee of equal rights and opportunities.

**In relation to the issue of gender equality**, there are 85 men and 16 women in the company and the data is consistent with the sector of the activity carried out.

There are 2 women on the board of directors out of a staff of 3 directors.

Carbosint spa is in compliance with current regulations on **mandatory targeted placement**.

**In relation to the ethnic distribution of workers**, we note the presence of foreign workers, in particular with workers from European and non-EU countries, for a total of 21 foreign workers hired in 2022.

CARBOSINT SPA - Ethnic distribution of workers

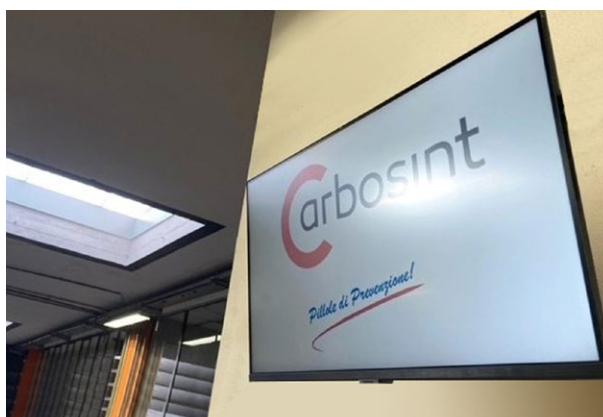
IT	MA	SN	RO	RU	BO	AL	ZW	PK	IN	AR	PO	CI
80	3	4	2	1	1	3	1	1	2	1	1	1

## 5.3 Health and safety in the workplace

Carbosint spa has implemented and certified a Management System for Occupational Health and Safety according to the **ISO 45001** standard since 2021. Ensuring healthy and safe working conditions and environments is, in fact, one of the Company's primary objectives, as it is closely linked to the value that the company attributes to the human factor: health and safety at work relate to the promotion and maintenance of the highest degree of physical, mental, and social well-being of workers and to the prevention of damage to health caused by working conditions.

During 2022, there were 2 **accidents at work**, which resulted in a total absence from work of 68 days. For 2022, the accident frequency index is 11.86 (comparing the number of accidents to the hours worked in the year) and the severity index is 0.16 (comparing the number of working days lost to the total hours worked), down compared to 2021.

No occupational diseases were recognised during 2022. To inform and raise awareness among all staff about the constantly updated safety aspects, a monitor has been installed in the break area that shows repeated slides.

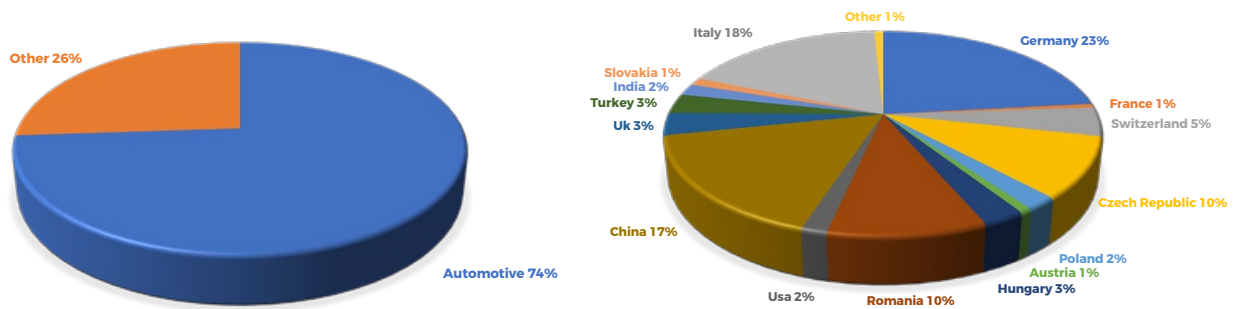


## 6. Responsibility towards customers

## 6.1 Reference market

Carbosint operates mainly (about 75%) in the automotive sector, the remaining business is concentrated in other applications, mainly mechanical, in the sector of industrial gear units, power tools/gardening tools, valves, etc.

Carbosint's target market is Germany, which accounts for 29% (but other destinations are still subsidiaries of German multinationals) of sales, the company operates mainly in the European continent and marginally in the Asian and American market (see figure 1).



Distribution of the European market Carbosint spa year 2022

## 6.2 Product labelling

The quality of Carbosint spa's products is guaranteed by the Management Systems implemented and certified, with particular reference to the aspects of

- **Quality according to ISO 9001**
- **IATF**

The labelling of the packaging containing the components produced is normally established by the customers by specific specifications.

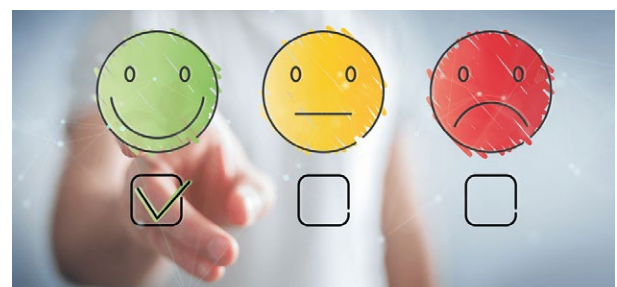
Normally the labelling shows the description of the internal and external component, as well as other information relating to the production batch, quantity, etc.

Usually standard car labels of VDA, Odette, etc. format with barcoding are used to facilitate their registration and traceability in warehouses or on customer lines.

Otherwise, Carbosint adopts a descriptive labelling system with basic information relating to the product and the production batch.

## 6.3 Customer satisfaction

The level of customer satisfaction plays a very important role at the base of Carbosint spa's company policies. Carbosint spa is fully available for the conduct of audits by customers and third parties, which are in fact carried out annually. Numerous audits have been carried out in recent years, all with satisfactory results. The main customers have their own rating systems.





## 7. Relations with the supply chain



## 7.1 Accreditation, evaluation, monitoring, and growth of its suppliers



**The suppliers of all Carbosint spa suppliers are selected by evaluating their ability to provide products and services that comply with the requirements of Quality, Social Responsibility and Occupational Safety.**

In particular, the selection of suppliers and the determination of the conditions of purchase are based on an objective assessment of the quality of the product or service, the price, the ability of the counterparty to guarantee the timely availability of the goods and services requested, on compliance with the main aspects of protection of health and safety at work.

All Carbosint spa suppliers will be required to sign a code of ethics that provides, in addition to compliance with regulations on safety at work and the environment, also specific clauses aimed at regulating the relationship in terms of the prevention and combating of mafia infiltration, the exploitation of labour and the fight against child labour. In addition, Carbosint spa periodically requires all suppliers to complete self-assessment questionnaires relating to compliance with quality standards, occupational safety and environmental regulations and company ethical principles and provides for periodic audits of suppliers to verify compliance with these principles.



## 8. Community and territory





## 8.1 Collaboration with local authorities, peripheral state administrations, universities, employers' associations

(internships, school-work alternation)

issues related to ethics in the world of work. The Company cultivates and enhances possible collaborations with local authorities, peripheral state administrations, universities, as well as various local realities with a view to making choices that respect the rights of the person and the community. In particular:

- **Collaboration reports on projects related to analysis of materials and processes with the University of Trento** (Faculty of Materials Engineering)
- **Willingness to accept students on summer and non-summer internships**
- **Participation in the project through Confindustria Bg local technical institutes**

### Future training initiatives

Carbosint spa is committed to fostering the first approach to the world of work of high school students and the first work experiences of university students, both directly, by hosting students for training internships, apprenticeship and for school-work alternation projects.

In 2022, Carbosint spa also contributed to the "Il mito di Andy Warhol (The Myth of Andy Warhol)" exhibition organised by the municipality of Martinengo.



## 8.2 Sport



Carbosint spa has always actively supported various sports activities at international, national, and provincial levels.

**Among the various sponsorships we can mention the following:**

- Football at provincial-amateur level such as Excel-sior and amateur team
- A.D. Seriana Basketball

## 9. Strategic Guideline

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As mentioned in the introduction, sustainability is an integral part of the business model and business management and in recent years has progressively assumed a strategic importance in decision-making processes in the belief that **quality, innovation, environmental protection, and attention to the communities in which we operate are all fundamental and interrelated elements.**

Sustainability will continue to be a central theme of action in the coming years, declined in the various aspects that characterize our business.

## 1 Reducing environmental impact

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- **Continuous use of recyclable materials**
- **Research into development methods with a view to the circular economy**
- **Analysis of further ways of reducing and/or offsetting CO2 emissions**

## 2 Human capital

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In a rapidly changing economic and working environment, it is increasingly necessary to put human capital at the centre, a source of competitive advantage in the medium and long term.

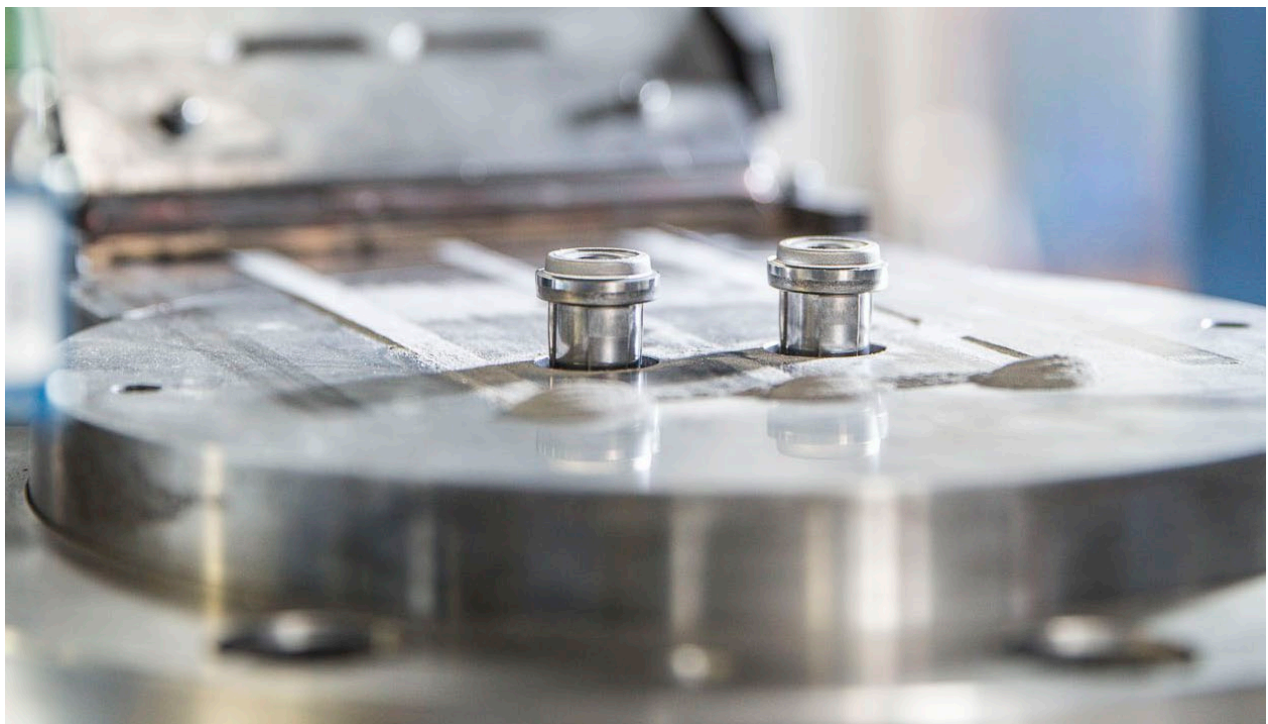
Also in 2022, the company carried out training processes for its employees in order to improve skills in the field of the environment and sustainability.

## 3 Supply chain sensibilization

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To achieve further CO2 emission reduction and work ethic sustainability goals, Carbosint is committed to increasing awareness initiatives on sustainability issues both internally and externally.

**Important objectives and projects that testify to the company's increasing commitment to the integration process in the various sustainability issues**





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# GRI - CONTENT INDEX

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Note on the method	Premise	GRI 1 GRI 2 GRI 3	Chap. 0
Governance model and organisational structure	Sustainability strategy and governance	GRI 1 GRI 2 GRI 3	Chap. 1.2
	Legal form, Administration and control system	GRI 1	Chap. 1.3
	Reference values	GRI 1	Chap. 1.4
	Identification of stakeholders	GRI 1 GRI 203	Chap. 1.5
Certifications and awards, guarantee for stakeholders	Certifications	GRI 1 GRI 417 GRI 307	Chap. 2.1
	Management and Control Organisation Model	GRI 205	Chap. 2.3
	Legality and anti-corruption	GRI 205	Chap. 2.4
Economic performance	Trend and composition of turnover and profits	GRI 201	Chap. 3.1 Chap. 3.2
	The distribution of added value	GRI 201 GR 203	Chap.. 3.3
	Investments in innovation and research	GRI 203	Chap. 3.4
Circular economy	Input	GRI 301 GR 306	Chap. 3.5
	Product as a service		
	Product end-of-life		
Environmental Management	Energy sources and energy efficiency	GRI 302	Chap. 4.1
	Waste and packaging management	GRI 306	Chap. 4.2
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	Drinking water consumption	GRI 303	Chap. 4.4
	Climate Change	GRI 305	Chap. 4.5
Human capital, employment relationships, diversity	Employment policies	GRI 401 GRI 404	Chap. 5.1
	Occupational health and safety	GRI 403 GRI 410	Chap. 5.3
	Inclusivity: gender equality and diver-	GRI 405 GRI 406	Chap. 5.1
Responsibility towards customers	Reference market	GRI 202	Chap. 6.1
	Labelling	GRI 202 GRI 417	Chap. 6.2
	Customer Satisfaction and Communication	GRI 417 GRI 418	Chap. 6.3
Relationship with Suppliers/Supply Chain	Accreditation, evaluation, monitoring, and growth of its suppliers	GRI 308 GRI 414	Chap. 7.1
Community and local area	Collaboration with local authorities	GRI 413	Chap. 8.1 Chap. 8.2 Chap. 8.3







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