PRESEZZI EXTRUSION GROUP

INTEGRATED ANNUAL REPORT

2022

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2022

We drive
the extrusion
and recycling world
to a more
sustainable future

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Integrated Management Report

Letter to the Stakeholders

GRI Standards	2-22

Dear stakeholders,

in the Sustainability Statement for the financial year 2021, I mentioned the, albeit short, rich history of our company, and examined the growth path that has led us to important and outstanding results in terms of figures, know-how and development.
At the same time, I highlighted our key activities in the areas of research and development, engineering and machine construction, with a focus on environmental protection and consequently on actions aimed at protecting people.

To date, I am proud to confirm that progress has been made with regard to energy efficiency, thanks to the efforts made to design and build high-tech installations.

Another important goal that has brought great prestige to our Group was obtaining the international EPD (Environmental Product Declaration) Certification.
This is a very prestigious document based on studies carried out based on international standards, which - consequently - certifies the sustainability of a product and, in fact, its value in line with the "Green solution" concept.

The financial year 2022 marked an important milestone for the Presezzi Group. Through careful and effective marketing, it has not only succeeded in entered, but has also fully established itself in countries such as: India, South Korea and Japan, effectively completing a strategic commercial action that has proven to be highly effective throughout Asia.
However, we have never lost sight of the different market scenarios involving all the other states, such as in Mexico, constantly monitoring the new and rapidly expanding demands.

The market diversification of the "new" industries, the global push and growth in the automotive industry (electric transition) and the high-speed rail sector, have caused historical European, American and the above-mentioned customers to adapt to a fully-fledged industrial conversion.
This phenomenon has generated a major rise in demand for technologically high-performing plants, both in terms of productivity and quality.

The Presezzi Group, through its tireless action over the years and constant commitment to improvement, has once again proven itself capable of meeting the various customer requirements dictated by an ever-changing market.
***In conclusion, I can say that our Group has always been ready to take on new and exciting challenges and will continue to do so with its distinctive determination and passion**.*

Valerio Presezzi
President

Dear Stakeholders,

For our Group, 2022 has been a year full of great challenges, of important customers who have renewed their confidence, choosing us to finance ambitious and technologically advanced projects.
We have put our efforts and investments into research and development to guarantee our customers innovative and high-performing products in full compliance with environmental standards.

It is precisely in the field of the environment that the Group's commitment is becoming increasingly clear, as part of a production chain that must channel its efforts into enhancing the virtuous properties of aluminium, which is by definition a recyclable material. Our Group is no passive observer, it instead wants to do its part to ensure that the whole market develops the best technologies to improve production processes and make them more virtuous in the ESG areas.

With this in mind and driven by our market goals, we decided to invest in the expansion of production areas and to structure new company functions by inserting dedicated resources in many departments.
Attracting new talent remains at the heart, as in previous years, of an onboarding plan that seeks to create a competitive, stimulating and positive working environment that values and takes into account the specific features of each individual. Increasing attention is paid to the career paths of our resources with a view to constant skills development at all levels through ad hoc and customised training courses.

A motivated and highly specialised human capital is our strength and it is in this direction that we are working to improve and offer our employees concrete incentives and opportunities.

Our initiatives at a social level continue and are being consolidated, as they were in 2021. The number of people involved is growing, with a time frame that envisages a multi-year commitment by the Group to support those most in need: from projects aimed at vulnerable social groups (the disabled and the elderly) to those who are the future, namely the new generations, be they students or newborns. In this regard, I would like to mention the commitment that is starting to be made to support the paediatric departments of public hospitals in the areas where the Group is based.

An injection of positivity and hope for the future that puts us at the centre of a virtuous process and gives us a vital charge to transfer to our daily activities: at home, in the workplace and in the contexts we experience every day.

We are therefore proud to present to all our most important stakeholders the Group's first Integrated Balance Sheet, which illustrates all the work achieved and the milestones reached so far, new starting points for the years to come.

Enjoy the reading.

Bruno Presezzi
Managing Director

Highlights

The economic results and the Value distributed		2020	2021	2022
Sales revenue	Euro	48,429,242	80,687,393	132,229,325
Distributed economic value	Euro	46,572,185	75,349,800	124,639,701
Standard Product/ Process Certifications		EPD Environmental Product Declaration (for PE. E. S. S. and Z.P.E. machines) ISO 45001 (Presezzi Extrusion S.p.A.) ISO 9001 (Presezzi Extrusion S.p.A.)		
Product innovations		Presezzi Extrusion Energy Saving System (PE. E.S.S.) Zero Pollution Energy		

Human Resources				
Employees	No.	186	203	237
% new hires under 30	%	45.5	57.5	58.2
Injury Severity Index	injury absence days/hours worked x 1,000	0.39	0.91	0.79
Serious injuries	No.	-	-	-
Training hours 2022	No.			2078

Environment				
Energy – Direct consumption[1]	GJoule	8,331	7,552	6,818
GHG emissions (Scope1 + Scope 2 Location-based)1	t CO_2e	514	467	428

1Fuel consumption and emissions data are not available

Methodological note

GRI Standards	1-3 2-1 2-2 2-3 2-4

Integrated Reporting

The integrated management report of Presezzi Extrusion S.p.A. and its subsidiary (hereinafter Presezzi Extrusion Group, Presezzi Group) includes the information required by the Italian Civil Code and by the reference legislation, integrated with the sustainability information (reporting) referring, in particular, to environmental, social and governance issues, useful to ensure the understanding of the activities carried out by Presezzi Extrusion Group, its performance, its results and the impact produced by them.

The approach is confirmed by a legal and regulatory framework. In November 2022, the European Parliament approved EU Directive 2022/2464, CSRD Corporate Sustainability Reporting Directive, which amends the previous EU Directive 2014/95 (transposed in Italy by Legislative Decree 254/2016).

The new Directive will come into force starting with the reporting for financial year 2024, according to a timetable of gradual extension of the regulatory obligation. EU Directive 2022/2464 stipulates, among other contents, that sustainability reporting/disclosure must be placed, as an obligation, within the Management Report to the Annual Report, in a dedicated section.

Integrated reporting aims to improve the quality of reporting by presenting in a single annual document, to all stakeholders, with the financial, environmental and social performance of a company, its governance, strategy and objectives, capable of creating value that lasts over time.

Sustainability Statement

The Sustainability Statement contained in the Integrated Management Report is prepared with the methodologies and principles set forth in the **GRI Sustainability Reporting Standards** defined by the Global Reporting Initiative (GRI Standards), according to the reporting option *with reference to* the GRI Standards, reporting the selected GRI Standards, or parts of their content, indicated in the various chapters of the Integrated Report and summarised in the GRI Content Index, an integral part of this document.

The quantitative data and information on sustainability issues of Presezzi Extrusion Group are contained, unless otherwise indicated, in the **Sustainability Statement** section of the Integrated Management Report and are identified by reference to the GRI Standards dealt with in the various paragraphs, through the wording **GRI Standards - number.**

It should be noted that the GRI standards published in 2021 were applied, which updated the drafting process, the general disclosure and the process for identifying and evaluating material topics: GRI 1 Fundamental principles; GRI 2 General disclosure; GRI 3 Material Topics. The GRI 1 Foundation 2021 defines in particular the general principles of sustainability reporting (Reporting principles): accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability.

The GRI Standards and related reported performance indicators are those representative of the relevant sustainability issues (material topics) analysed, consistent with Presezzi Extrusion Group's business and related impacts. The process of analysing, identifying, evaluating and prioritising material topics, as described in Chapter 02 Sustainability Statement / Section 2.5 Impacts and material topics, was conducted as required by the GRI Standards, within the limits of the reporting option *with reference to* the GRI Standards adopted.

The reporting boundary for qualitative and quantitative data and information is represented by the performance of the parent company Presezzi Extrusion S.p.A. and its subsidiary Coim S.r.l., which is consolidated on a line-by-line basis, consistent with the Group's consolidated financial statements as at 31st December 2022, for the entire reporting period (for the period from 1st January 2022 to 31st December 2022). Please note that the Sustainability Statement in this document does not include the subsidiaries Perc S.r.l. (construction, purchase, sale and lease of industrial and non-industrial buildings - owner of the buildings where the parent company conducts its business) and Mirmu S.r.l. in liquidation.

In order to allow the comparison of data over time and the evaluation of the performance of Presezzi Extrusion Group's activities, comparative data for the previous two financial years are presented.

The possible use of estimates for some of the quantitative information is directly referred to in the various sections of this document, commenting on the data presented.

In order to ensure consistency and comparability of information, where deemed necessary to correct any errors or to take into account changes in the measurement methodology of the indicators or in the nature of the activity, the quantitative data presented and related to previous periods may be recalculated and restated compared to what was published in the Sustainability Statement for the previous financial year 2021. The relevant indications, recalculation criteria and effects are highlighted in the corresponding chapters and paragraphs.

The process of preparing the Sustainability Statement involved the heads of the various functions of the Presezzi Group companies.

This document was approved by the Board of Directors of Presezzi Extrusion S.p.A. on 18th May 2023. The Sustainability Statement underwent a limited assurance by Audirevi S.p.A. in accordance with the principles and guidelines contained in ISAE3000 (International Standard on Assurance Engagement 3000 - Revised) of the International Auditing and Assurance Standards Board (IAASB). Audirevi S.p.A. is also the company appointed to audit the consolidated financial statements of Presezzi Extrusion Group.

The Consolidated Financial Statements, as indicated in the Notes to the Consolidated Financial Statements, to which reference should be made, have been prepared in accordance with the regulations contained in Articles 2423 ff. of the Italian Civil Code, interpreted and supplemented primarily on the basis of the accounting principles set forth by the National Council of Certified Public Accountants and Accounting Experts in the version revised and updated by the Italian Accounting Board.

This document has been published on the Presezzi Extrusion Group's institutional website at www.presezziextrusiongroup.com. More information on this can be obtained from the following address: f.milani@presezziextrusion.com

Presezzi Extrusion Group has notified GRI (Global Reporting Initiative) of its use of the GRI Standards and its Statement of Use.

Economic and financial performance

1.1
Background of the Group and its activities – sector 12 diversification

The Presezzi Group's business is the design and construction of plants for the extrusion of non-ferrous materials (aluminium, copper, brass and steel). Born in the early 1990s, today the Group is an international leader in the manufacture of machines and complete plants for the extrusion of aluminium, copper and brass for various sectors including automotive, railway, aerospace and marine. Long experience in the sector, great attention to the refinement of materials and advanced technologies, which guarantee maximum efficiency and reduced consumption, are the distinctive elements of the Group.

The Presezzi Group is composed as follows:

• **Presezzi Extrusion S.p.A.**,
which is engaged in the design, manufacture and sale of presses and machinery for the non-ferrous metal extrusion industry. Today it is one of the world's leading companies in its field.

Presezzi Extrusion S.p.a in turn directly controls the following companies:

• **Coim S.r.l,**
a 75% subsidiary, acquired during the 2013 financial year, is engaged in the design and manufacture of furnaces and machines for heating non-ferrous materials such as brass, copper and aluminium.
• **Perc S.r.l.,**
wholly-owned subsidiary whose corporate purpose is the construction, purchase, sale and rental of industrial and non-industrial buildings. Perc S.r.l. owns the buildings where the parent company conducts its business.
• **Mirmu S.r.l.** in liquidation,
wholly-owned subsidiary that has as its business the manufacture, trade, repair and assembly of machine tools and industrial equipment (company excluded from the consolidated financial statement due to irrelevance of the subsidiary for the purposes of the financial statements).

Pursuant to Article 2428, the business is conducted at the Vimercate office, Via Rovereto 1/D and at the Lugano branch office, Via Stefano Franscini 30.

1.2
General economic trend

The year 2022 brought about a **sudden reversal** of a market development model that was taken for granted.

The era of "abundant" and cheap money, the child of monetary stimulus policies based on Quantitative Easing and negative interest rates, has been succeeded by a phase of **rapidly rising rates** both by the central authorities and – by extension – at the level of the interbank market (Euribor).

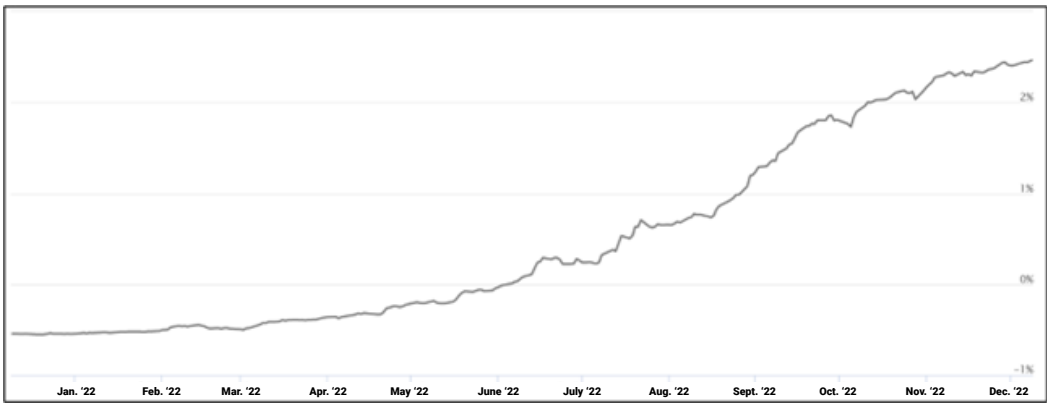


Figure 1 - Euribor 6M trend

While this reversal was already heralded by the gradual withdrawal of QE measures (tapering), it accelerated sharply with the **the need to use interest rates as a tool to curb inflation.**

While this may be true in countries such as the US, where the price rise does indeed appear to be related to excess demand, it raises more than one concern in other economies such as the EU, where inflation is imported and dependent on the cost of energy commodities.

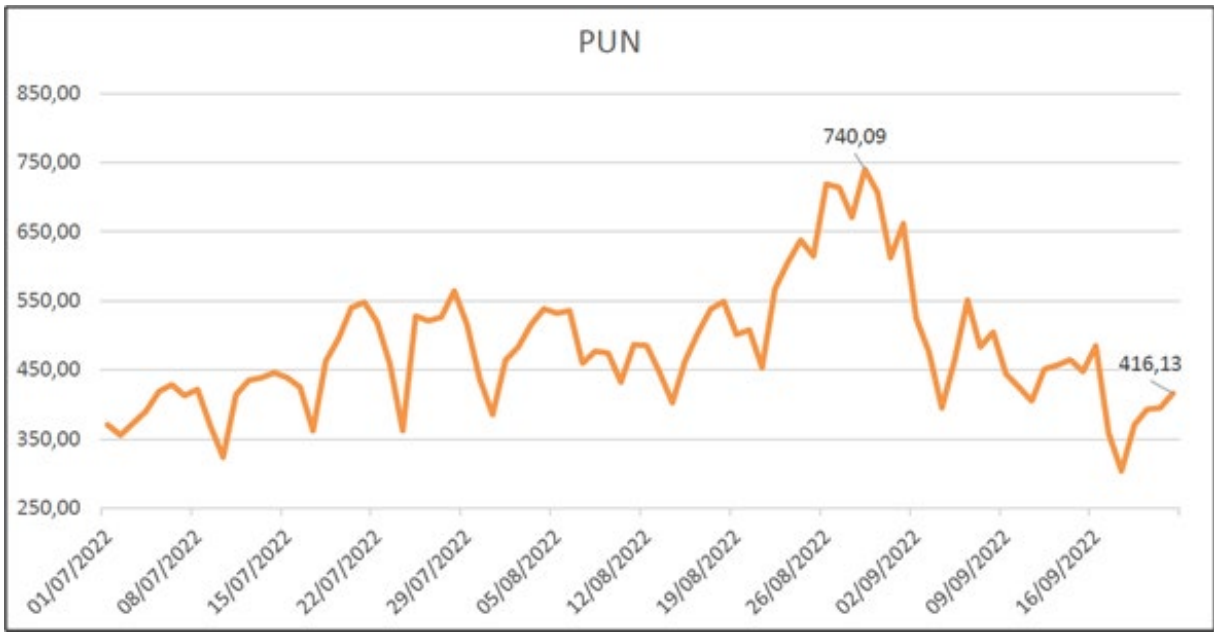
That being said, the rise in interest rates, besides putting a strain on bond portfolios and making the refinancing of public and corporate debt more expensive, favours **the spread of new models for selecting and rewarding borrowers.**
Indeed, **while until recently the concept of ESG was the prerogative of large listed groups, today it has also become a strategic success factor for SMEs,** as the adherence to sustainability models in the environmental field and the making of energy-saving and green investments translates into better conditions, in terms of duration and rate, when accessing sources of funding.

The ESG dimension has therefore become the new mantra, alongside other development musts such as Industry 4.0.

The use, no longer with contrasting elements but blatantly obvious, of natural resources, energy and food above all, in geopolitical terms by states, requires a **sudden rethinking of supply routes and factor management policies.**

It follows, for example, that the "just-in-time" policy, for a long time the only one to regulate stock management, has entered a crisis, forcing companies to **reconsider the usefulness of strategically stocking certain products that are more difficult to obtain or that have a slower lead-time** (delivery time, such as electronic components), even if this entails capital tied up in inventories.

Figure 2 - NSP (National Single Price) trend for natural gas



Or, one observes how strong globalisation, which until yesterday appeared to be the only viable path towards development, now admits an exception, an "alternative vision", whereby only **sovereignty over certain energy and food sources can guarantee states sustainable security conditions,** making them less exposed to the risk of rationing, emergency measures and geopolitical blackmail.

The events that have forced us to **rethink our view of energy** – from an abundant and "taken for granted" factor to a scarce and costly one – also have a effect at the microeconomic and organisational level.
The pandemic, for example, revealed the social utility and individual convenience of remote working to divide up attendance and better reconcile work and family needs. Far from a return to the past, of course, it is true that the higher cost of electricity and heating sometimes makes working from home economically disadvantageous, thus triggering a sort of reflux or, at least, a form of coexistence between working in the office and working at home.

The overall conclusion is that **the situation, which was believed to have reached its maximum degree of complexity with Covid, has become even more dramatically complex, forcing companies to take an "obsessively proactive" attitude towards any form of innovation, economy and streamlining.**

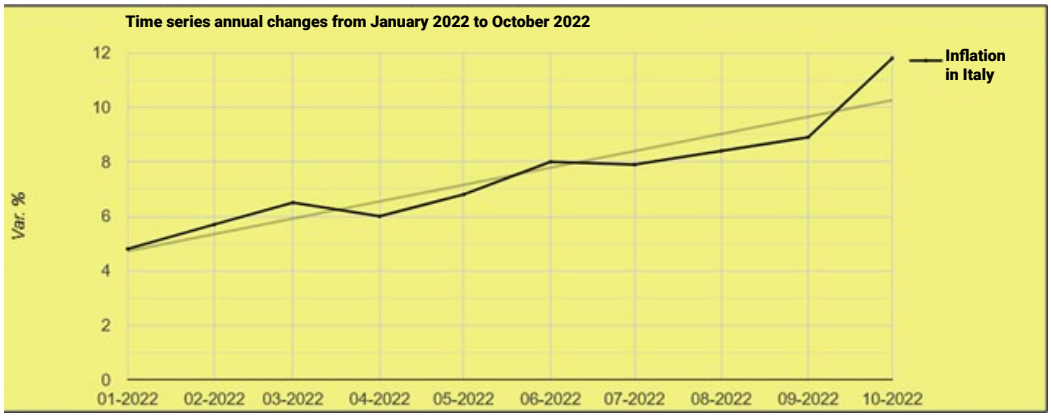


Figure 3 - Italian inflation trend

Regarding currency, it was also a very tiring year, where the euro, like all other major asset classes, suffered from the exuberance of the greenback, which played the role of refuge during periods of uncertainty as well as that of a global deposit account as the US began to raise rates, attracting capital flows from abroad.

1.3
Company Performance

That being said, and giving a detailed look at the performance of the Company and the market in which it operates, 2022 closed with a feat in turnover and Production Value.

In particular, turnover reached 92 million Euro, a value that is **the tangible fruit of the industrial policy set by the Company over the past few years** and tenaciously pursued, albeit with the inevitable difficulties arising from having to amalgamate companies with different histories, cultures, processes and systems in a supply chain logic.
A policy that has nevertheless proved rewarding, as **Presezzi is now a united group and Presezzi Extrusion, in particular, can act as a collector** of the various plant parts produced by it directly and by its various subsidiaries. The 2022 revenues are, therefore, numerical evidence of the **now acquired ability to set up and implement complex projects in the form of complete turnkey plants.**

At the same time, the amount of contract work in progress should be considered, which brings the Value of Production to an overall total of EUR 133 million. They are proof of the **numerous and substantial orders acquired during the 2022 financial year, which have reached an advanced stage of realisation,** which serve as a solid revenue base for the new financial year 2023.
Advance payments from customers, both those received against new orders and those received against duly verified and accepted work in progress (and therefore ascribed to WIP), moved in a correlated manner and reached the remarkable figure of EUR 152 million. **They contribute positively to the dynamics of financial management,** largely offsetting the temporary "absorption" of liquidity given by the increase in receivables from customers due to invoicing close to year-end.

A direct consequence of the increased production volumes and related revenues is the **change in EBIT (almost EUR 11 million), which has more than doubled compared to 2021;** an even more significant variation if one considers that the Profit and Loss Account has incorporated prudential provisions as an increase in the product warranty provision, in the amount of 500kEuros, i.e. almost double the amount made in 2021.

Even in a context of increased and pressing workload, **the company has not neglected to invest in R&D**, which is proof that technological innovation must always be present for modern manufacturing companies that effectively compete on global stages, as indeed Presezzi Extrusion is.

In detail, during 2022 **some important projects continued** namely the new ZPE PLUS magnetic furnace, the new fixed-stage magnetic furnace with rotary table, and the new magnetic pump; projects started during previous years and already achieved solid results as of 31st December 2022 that are likely to have an industrial return. In the past financial year two new projects were also undertaken concerning a new magnetic stirrer for horizontal casting and a new system for cleaning swarf from machining operations. Its progress is steady and the results will soon lead to **a further enrichment of the company's product portfolio**; this will improve both the global visibility of the Presezzi Extrusion brand and the group's strategic positioning in its target market.

As a result of these activities, development costs of approximately EUR 700k were incurred in the parent company, which, in addition to being capitalised in the same way as in previous years, are also eligible for the **R&D tax credit for technological innovation activities** pursuant to Article 1, paragraphs 198 - 209 of Law No. 160 of 27th December 2019, as amended.

Figure 5 - Aluminium price trend (LMEALCD)

In light of the above, **a positive business picture emerges despite a rather complex macroeconomic environment.**

The Group order book already acquired as at 30/04/2023, amounting to almost 250 million euros, is certainly sufficient to guarantee full coverage of the company and group production capacity for the entire current year, which allows management and the workforce to operate in a relaxed atmosphere and the stakeholders to look forward to the company's near future in terms of generating added value and being able to fulfil its commitments to the system.

However, clearly **the continuing tensions in the supply chain and in the credit market force us to maintain a high level of vigilance with regard to all production and management processes,** with a view to maximum protection of margins, liquidity and delivery deadlines. In this respect, the additional provision of EUR 500k referred to earlier brought the Group's established funds to a total value of EUR 1.3 million, to guarantee proper management and to cover any unforeseen contingencies and diseconomies.

During 2022 **the company then took up a new challenge** which will lead it to review some of its processes in a short time in order to emphasise ESG aspects, with the aim of drawing up a Sustainability Statement. **This is a challenge in which the company is naturally predisposed and culturally ready to also formally pursue ESG performance goals,** given the attention it has always paid to the development of energy-saving solutions and the optimisation of production factors.

Key economic data

The reclassified profit and loss account compared to the previous year is the following (in Euro):

	31/12/2022	31/12/2021	Variation
Value Added	**28,901,429**	**20,573,575**	**8,327,854**
Labour costs	14,610,836	12,596,997	2,013,839
(EBITDA)	**14,290,593**	**7,976,579**	**6,314,015**
Amortisation, depreciation, write-downs and other provisions	3,307,961	3,002,037	305,924
Operating Result	**10,982,632**	**4,974,542**	**6,008,090**
Financial income and expenses	(2,402,791)	(915,122)	(1,487,669)
Ordinary Result	**8,579,841**	**4,059,420**	**4,520,421**
Revaluations and write-downs of financial assets	(16,441)	(3,847)	(12,594)
Profit before tax	**8,563,400**	**4,055,573**	**4,507,827**
Income Taxes	2,876,811	1,404,765	1,472,046
Net result	**5,686,589**	**2,650,808**	**3,035,781**

Key Balance Sheet Data

The reclassified balance sheet compared to the previous year's balance sheet is the following (in Euro):

	31/12/2022	31/12/2021	Variation
Net intangible fixed assets	7,039,369	7,860,691	(821,322)
Net tangible fixed assets	13,510,059	11,430,265	2,079,794
Equity investments and other financial assets	5,198,075	5,148,273	49,802
Capital assets	**25,747,503**	**24,439,230**	**1,308,273**
Inventories	127,334,666	81,611,379	45,723,287
Receivables from Customers	45,860,505	24,340,720	21,519,784
Other receivables and derivative financial instruments	1,081,201	0	1,081,201
Accrued income and prepaid expenses	474,565	587,890	(113,325)
Short-term operating activities	**174,750,937**	**106,539,989**	**68,210,947**
Payables to suppliers	30,006,265	22,139,882	7,866,383
Advances	146,876,904	84,811,430	62,065,474
Tax and social security debts	3,858,355	1,129,568	2,728,786
Other debts	7,892,815	1,137,843	6,754,972
Accrued expenses and deferred income	874,829	1,011,744	(136,915)
Short-term operating liabilities	**189,509,168**	**110,230,467**	**79,278,701**
Net working capital	**(14,758,231)**	**(3,690,478)**	**(11,067,753)**
Severance pay	3,040,145	2,761,103	279,042
Tax and social security debts (beyond the next financial year)	0	0	0
Other medium- and long-term liabilities	7,759,124	14,148,131	(6,389,007)
Medium- and long-term liabilities	**10,799,269**	**16,909,234**	**(6,109,965)**
Invested capital	**190,004**	**3,839,518**	**(3,649,515)**
Net assets	(18,748,636)	(12,069,639)	(6,678,997)
Medium- and long-term net financial position	(18,423,154)	(23,770,272)	5,347,118
Short-term net financial position	36,981,786	32,000,392	4,981,393
Equity and net financial debt	**(190,004)**	**(3,839,518)**	**3,649,515**

Key financial data

The net financial position as at 31/12/2022, was the following (in Euro)

	31/12/2022	31/12/2021	Variation
Bank deposits and marketable securities	44,540,715	36,268,258	8,272,457
Cash and other valuables on hand	47,816	36,156	11,660
Cash and cash equivalents	**44,588,531**	**36,304,415**	**8,284,117**
Financial Assets Not Constituting Fixed Assets			
Bonds and convertible bonds (within the next financial year)	1,137,935	823,833	314,102
Payables to shareholders for financing (within the next financial year)	0	0	0
Due to banks (within the next financial year)	6,468,811	3,480,189	2,988,622
Payables to other lenders (within the next financial year)	0	0	0
Short-term financial debts	**(7,606,746)**	**(4,304,022)**	**(3,302,724)**
Short-term net financial position	**36,981,786**	**32,000,392**	**4,981,393**
Bonds and convertible bonds (beyond the next financial year)	4,804,079	5,814,050	(1,009,971)
Payables to shareholders for financing (beyond the next financial year)	0	0	0
Due to banks (beyond the next financial year)	13,619,075	17,956,222	(4,337,147)
Payables to other lenders (beyond the next financial year)	0	0	0
Financial receivables	0	0	0
Medium- and long-term net financial position	**(18,423,154)**	**(23,770,272)**	**5,347,118**
Net financial position	**18,558,632**	**8,230,121**	**10,328,511**

To better describe the financial situation, the table below shows some balance sheet ratios, compared with the same ratios for the previous year's financial statements:

	31/12/2022	31/12/2021
Net ROE	0.47	0.28
Gross ROE	0.71	0.44
ROI	0.07	0.04
ROS	0.11	0.10

1.4
Value generated and distributed

GRI Standards	3-3 201-1

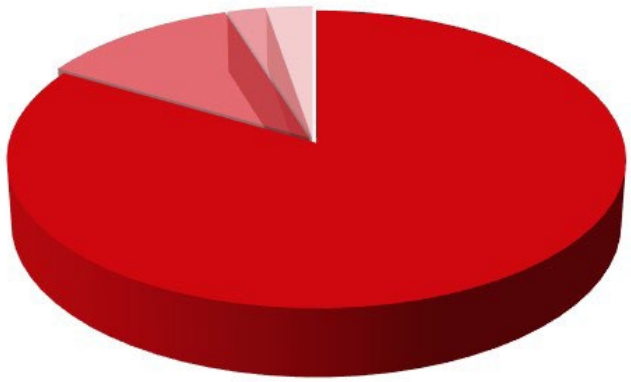
The economic value generated and distributed, determined on the basis of the reclassification of the consolidated income statement, represents the Group's ability to create wealth and distribute it among its stakeholders. Data on the creation and distribution of value provide an indication of the economic effects produced by management on the main stakeholder categories.

The **Value Generated** includes the Group's net revenues (Revenues, Other operating revenues, net of credit losses, Financial income), while the **Economic value distributed** includes costs reclassified by stakeholder category and any dividends distributed.

The **Economic Value retained** represents the difference between economic value generated and distributed, and includes depreciation of tangible and intangible assets, provisions and prepaid/deferred taxation.

ECONOMIC VALUE	2020	2021	2022
Economic value generated	48,429,242	80,687,393	132,229,325
Economic value distributed			
Suppliers - Operating Costs	(34,840,429)	(60,768,945)	(103,872,848)
Human Resources - Staff Cost	(9,230,600)	(12,596,997)	(14,610,836)
Banks and other lenders - Financial charges	(2,327,764)	(1,030,923)	(2,813,117)
Public Administration - Taxes	(173,392)	(952,934)	(3,342,900)
Economic value distributed	(46,572,185)	(75,349,800)	(124,639,701)
Economic value retained	1,857,057	5,337,593	7,589,624

Distributed value 2022



Shareholders
Dividends distributed:
0.00%

Publication
Administration
taxes
2.68%

Banks and
other lenders:
2.26%

Human resources
Cost of
personnel
11.72%

Suppliers
Operating Costs
83.34%

1.5
Information concerning the environment and personnel

Referring to the social role of the Group as also highlighted in the management report document of the National Council of Chartered Accountants and Accounting Experts, it is deemed appropriate to provide the following information concerning the environment and personnel.

Personnel

Throughout the year, there were no accidents in the workplace involving serious injuries or for which the company was held liable, nor did the Group receive any charges relating to occupational diseases on employees or former employees or for mobbing. Occupational health and safety training courses were regularly held during the year, in accordance with current legislation.
Below is a summary of the main courses held during the year:

- courses on the use of work equipment (forklifts, overhead travelling cranes and Mobile Elevating Work Platforms,MEWPs);
- refresher courses for supervisors Legislative Decree 81/08;
- courses for managers Legislative Decree 81/08;
- courses for new recruits low and high risk in accordance with Legislative Decree 81/08;
- refresher courses for emergency evacuation and first aid officers;
- individual coaching paths for improvement in role coverage (managers and employees);
- team building courses for managers of key business processes
- team building courses for homogeneous groups of workers
- in-depth courses on specific technical topics (e.g. hydraulics)
- in-depth courses on Basic Fluid Dynamics Technical Specifications
- Advanced Fluid Dynamics Technical Specifications courses
- in-depth courses Technical Specifications Electrical Course
- English course
- Spanish course
- HR Management Course

The Group is confident that the outcome of these activities will have a positive impact on its business processes, also in view of its ongoing technological and digital transformation.

Environment

During the financial year, no damage was caused to the environment, nor are there any disputes pending against companies of the Group concerning environmental matters from which sanctions or criminal charges may result.

1.6
Research and Development and Technological Innovation

The Group pursued innovative pre-competitive activities during the financial year 2022, focusing its efforts in particular on the following projects:

- Study of the new Magnetic heater called Z.P.E. Plus featuring a new magnetic configuration
- Study of a new Magnetic Fixed-Stage heater with Z.P.E. Turntable
- Study, design and development of a new Magnetic Stirrer for Horizontal Casting
- Study, design and development of a New Magnetic Pump
- Analysis, study, design, development and prototyping of a new system for cleaning swarf that undergo machining
- Conclusion of the study of a furnace for indirect heating of billets made of superconductor materials
- Study of a complete and fully automated Homogenising Centre for Billet Processing

1.7
Investments

During the year, investments were made in the following areas:

FIXED ASSETS	PURCHASES DURING THE YEAR
Land and buildings	0
Plants and machinery	156,914
Industrial and commercial equipment	136,137
Other Assets	490,010

Sustainability Statament

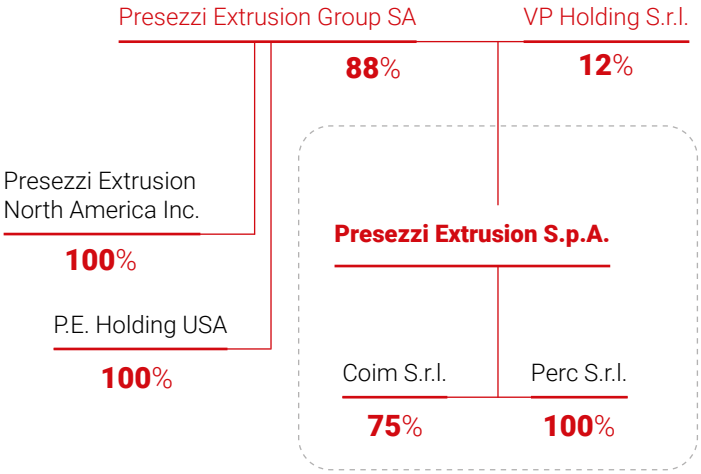
2.1
PRESEZZI EXTRUSION GROUP

GRI Standards	2-1 2-6

Presezzi Extrusion Group operates internationally in the production of machinery and complete plants for the extrusion of non-ferrous metals (aluminium, copper and brass) for various sectors, including automotive, railway, aerospace and marine. It is a well-established industrial company whose main strength lies in its ability to provide comprehensive support to its customers at all stages of project development and implementation in the extrusion industry.

The share capital of Euro 3,000,000 of the parent company Presezzi Extrusion S.p.A. is held by two holding companies headed by the Presezzi Extrusion Group SA family, a Luxembourg holding company that holds 88% of the share capital of Presezzi Extrusion S.p.A. and VP Holding S.r.l., which holds the remaining 12%.

The related companies P.E. Holding USA and Presezzi Extrusion North America Inc. deal respectively with the acquisition of equity investments in companies in the sector in the United States and the marketing of the Group's products in the North American market, as well as the development of after-sales services dedicated to the American continent.



The Presezzi Group is one of Italy's leading manufacturers of quality extrusion machinery. The Group is experiencing a phase of business expansion, and the intention is to strengthen its strategic departments to meet future market needs. Thanks to constant investments and targeted acquisitions, today Presezzi Extrusion Group is able to provide its customers with a complete extrusion line for aluminium, copper, brass and hard alloys.

Purpose & Mission

GRI Standards	2-6

In 2021, the Group embarked on a journey to increase the integration of sustainability into its business model. This decision allowed the Group to reflect on its expectations and orientations, and thus define its purpose, Purpose: sustainable success achieved through the creation of long-term value for all stakeholders, as a result of the Group's values, corporate history, but also the strategies adopted by the Group, in response to the challenges of the global market.

People, Innovation and Sustainability are the keys to the Presezzi Group's success. The processes are oriented towards customer needs, to offer functional differentiation according to an industrial logic of continuous improvement. Presezzi Extrusion Group anticipates market demands, proposing solutions that guarantee high-level performance, energy efficiency and environmental sustainability.

Attention to sustainability and environmental impacts are hallmarks of the Group's business model, an ongoing commitment: **Planet, Performance and People.**

For the achievement of this objective, the **Mission** of the Presezzi Group translates into **effecting change in the sector in which it operates** with determination and passion, creating innovative processes and products.

The history of Presezzi Extrusion Group

GRI Standards	2-6

Presezzi Extrusion S.p.A. has been in the non-ferrous metal extrusion business since 1994, the brainchild of its founder Valerio Presezzi. Originally named "Bruno Presezzi Extrusion s.r.l.", the company specialised in the design and production of extrusion presses, a product linked to a niche market with remarkable potential in which the company immediately gained a leading role: the market of aluminium, copper and brass extrusion manufacturers.

In 2005 the company was renamed Presezzi Extrusion S.p.A.

In 2013 Presezzi implemented a major change in its business model through the acquisition of Coim S.r.l.: from a manufacturer of presses to a manufacturer of complete extrusion plants, including both upstream turnkey system and downstream turnkey system.

In the same year, the controlling shareholder established P.E. North America Inc. to facilitate business expansion in the US market.

In 2015 the acquisition and merger by incorporation of Profile Automation S.r.l. of Castelbelforte (MN), specialised in the production of handling systems, was finalised. This operation, which is the completion of the vertical integration process initiated in 2013, led in 2014 to the birth of Presezzi Extrusion Group, a manufacturer of complete plants capable of governing the entire production cycle for the manufacture of aluminium, copper and brass extruded profiles.

1994
Establishment of Presezzi Extrusion S.p.A. in Vimercate

1995
Presezzi Extrusion delivers its first 15.50 MN BACK LOADING press

2000
Presezzi Extrusion expands to Eastern Europe and Asian markets

2004
ISO 9001 and OHSAS 18001

2009
1st extrusion press with Energy Saving System

2012
The 1st complete extrusion plant is sold

2013
Establishment of the Presezzi Extrusion Group, made up of Presezzi Extrusion S.p.A., Profile Automation, Melting Technology and Coim S.r.l. for the construction of complete plants

Far more than just efficiency and technology. In fact, the Group pays great attention to the environment and the reduction of energy consumption: the first extrusion press equipped with the energy-saving P.E.E. system was sold in 2009 **extrusion press equipped with the P.E. energy-saving system. Energy Saving System (P.E. E.S.S.),** which uses energy-efficient hydraulic pumps. In 2015, we sold the **first furnace** with permanent magnets for billet heating, **Z.P.E. (Zero Pollution Energy)** designed to allow greater energy savings than other induction solutions available on the market.

The years between 2019 and 2021 witness the sale of 200 presses and 200 gas preheating furnaces worldwide.

In 2020, the Group will design and market its largest ever press in Romania.

From an environmental perspective, **2022** was a key year, as shown by the official achievement of the **EPD certificate for Z.P.E. and P.E. E.S.S**, making the Group the first company in its sector to have this important environmental label.

Today, the Presezzi Group is an international leader in the design, production and marketing of complete plants for the extrusion of non-ferrous metals with over 250 employees at its three Italian sites in Vimercate (Monza Brianza), Castelcovati (Brescia) and Castelbelforte (Mantua).

2013
Establishment of Presezzi Extrusion North America Inc.

2015
First Z.P.E. magnetic heating furnace for billets sold

L.E.C. Stirrer patent

2016
Most important press revamping from 35 MN to 82 MN

2018
First complete foundry from scrap to homogenizing centre

2020
Construction of the largest 73 MN indirect press with Scalper

2021
+ 200 extrusion presses sold worldwide

2022
+ 200 gas furnaces for heating billets sold worldwide

EPD Certification for Z.P.E. and PE.E.S.S.

1st Edition of the Sustainability Statement

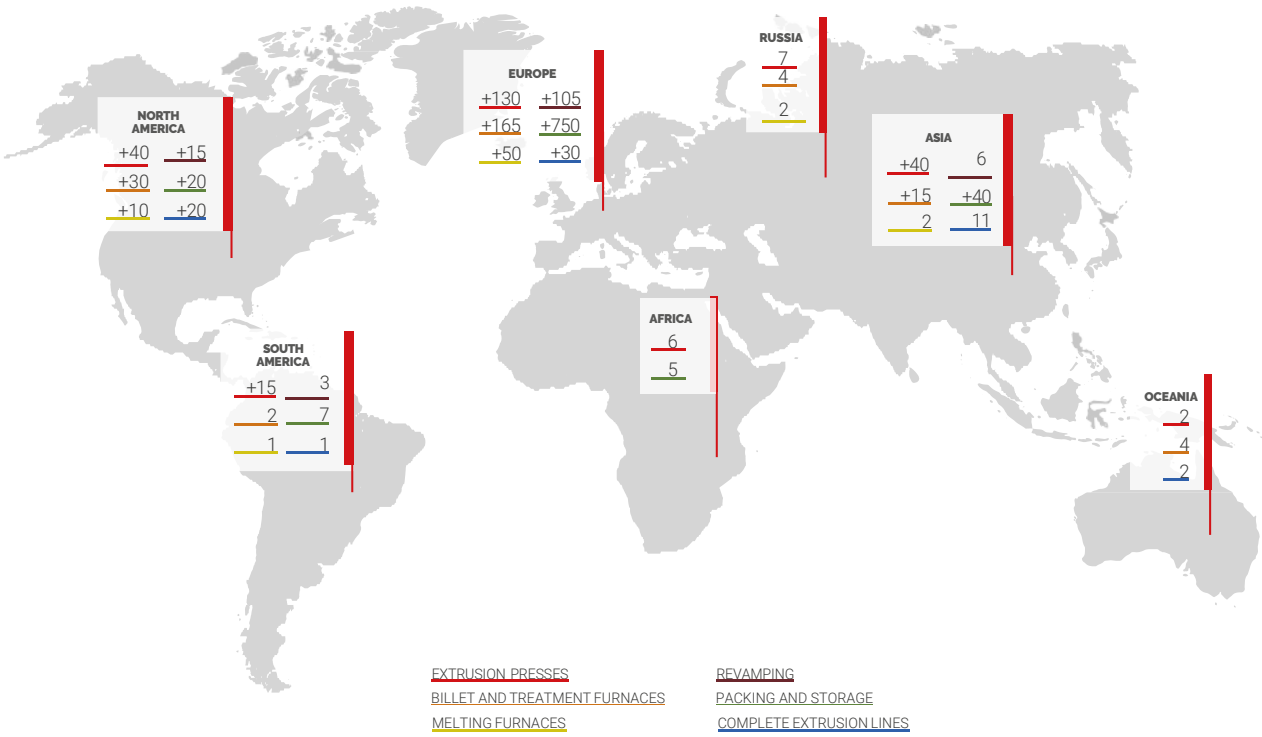
Today
Well-established manufacturer of complete extrusion plants with more than 250 employees

Markets
and presence in the world

GRI Standards	2-6

90% of Presezzi Extrusion Group's sales come from the global market, where a strong sales and customer support network has been developed across continents.

To achieve this level of presence, the Group is structured into sales subsidiaries, partners and distributors, all committed to offering the highest quality service. The United States, Canada and Mexico have been particularly important for the company's business growth in recent years, along with Europe, where emerging countries, Australia, Japan and the Middle East are closely monitored.



The picture above shows the sales development broken down by type in 2022.
- Numbers with a "+" in front of them indicate a sale above the number (for the type of product sold)
- Numbers without a "+" in front of them indicate the actual number of sales (always with reference to the type of product sold).

2.2
Strategy and sustainable development

The aluminium supply chain in Europe

GRI Standards	2-6

The structure of the aluminium industry in Europe has changed significantly. Since 2008, the European Commission has shown significant attention to the aluminium supply chain and industrial policy in the sector. Aluminium and its alloys are indeed chosen for a significant number of industrial applications, not only because of their good combination of metallurgical and technological properties, but also because of the possibilities of **recovery and recycling,** an important requirement for environmental sustainability and the circular economy. Today, aluminium is the second most used metal in the world. This is because it has a unique combination of properties: corrosion-free and durable, lightweight yet strong, highly versatile and energy-saving.

The European aluminium industry comprises over **2,500 companies** active in the **primary and secondary production of the raw metal and in primary transformation** such as extrusions and rolled products, with an estimated employment of over one million people in the supply chain and a turnover for direct upstream production and processing of around EUR 55 billion per year.

As a consequence of the sharp reduction in primary aluminium production in recent years, the EU's primary metal supply chain is, however, predominantly dependent on foreign imports, a very significant cost item for downstream processors and end users. Furthermore, the geographical outsourcing of production responds to the need to seek lower costs in terms of energy, raw material processing and transport. Many leading primary metal producers are looking with interest at new production technologies and, of course, the use of low-carbon energy.

In April 2020, the **European Aluminium**, the association of European industrialists involved in the aluminium value chain, launched the **Aluminium Circular Action Plan,** a strategy to realise aluminium's full potential for a circular economy by 2030 by considering the material's qualities within recycling processes. The strategy proposals are articulated as follows:

Materials management in the circular economy		Incentives for circular products and solutions	
Circular design	Removing market barriers and legislative gaps	Supporting innovation in collecting and sorting technologies	Stimulating innovation for better material quality upstream of recycling
Improving collection and management	Limiting the export of waste	Recognition of the role of recycling in climate change mitigation	Stimulating demand for circular solutions
Stimulating collaboration along the entire value chain in favour of recycling			
Stimulating innovation of regulatory frameworks (Waste Framework and Packaging Waste Directive)			

Presezzi's contribution to sustainable development: All in one

GRI Standards	2-6 3-3

The focus on sustainability at Presezzi Extrusion Group stems from market observation and analysis. The evolution of technologies and the needs of the reference context have led to an evolution and redefinition not only of the Group's objectives, but - with them - also of the means to achieve them: the strategy that today guides innovation within the Group has all ESG (Environmental, Social, Governance) aspects as its main targets.

Aluminium offers solutions to some of the challenges of sustainability: it **can favour a more efficient use** of the resources adopted for its processing and consequent impacts on the **reduction of emissions of carbon dioxide** and other **climate-altering substances** (CO_2 / Greenhouse gas).

Through a production process based on advanced energy-saving technologies, the Group enables its customers (extruders of non-ferrous metal profiles) to obtain high quality aluminium, copper and brass products, realising a production that aims to reduce the impact on the environment, without sacrificing performance.

The company division Melting, dedicated to the production of pre-heating furnaces, produces billets or logs (large billets). The extrusion process, made possible by complete plants equipped with energy-saving systems, results in extruded profiles for the automotive, railway, aerospace, shipbuilding, infrastructure, construction and design sectors.

Aluminium, 100% recyclable and reusable can be re-melted for reuse in the production cycle, obtaining **regenerated extruded profiles.**

The Group is characterised by the pursuit of technological growth, product development, and the supply of machinery and technology necessary for the construction of high quality turnkey plants that meet the needs of its customers, supported by R&D activities.

Commitment towards the UN 2030 Agenda and the SDGs (Sustainable Development Goals)

The 2030 Agenda for Sustainable Development is an action programme for people, the planet and prosperity signed in September 2015 by the governments of the 193 member countries of the United Nations. An integral and fundamental part of this are the 17 Sustainable Development Goals (SDGs).

Over the years, Presezzi Extrusion Group has oriented its sustainability strategy to contribute to the achievement of the goals set by the 2030 Agenda.

Presezzi Extrusion Group's contribution to the Sustainable Development Goals (SDGs)

Environmental	7 AFFORDABLE AND CLEAN ENERGY; 8 DECENT WORK AND ECONOMIC GROWTH; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION
Social	3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 17 PARTNERSHIPS FOR THE GOALS
Governance	8 DECENT WORK AND ECONOMIC GROWTH; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

The Sustainability Plan

The Group's commitment to high sustainability standards and the definition of ESG reference principles has led to the adoption of a line of conduct to be followed in operations and the drafting of a **Corporate Sustainability Strategic Plan.**

In order to ensure constant alignment with the evolution of the business strategy pursued by the Group, the Plan was developed in such a way as to provide for the monitoring of the defined objectives and the updating with new targets.

The Plan includes objectives, broken down by subject area, with a 2022-2024 timeframe. These objectives are the Group's priorities with regard to the Environmental, Social and Governance dimensions, For an in-depth examination, please refer to Chapter 2.5 Impacts and material topics / Section Material Topics - Objectives and Actions.

Sustainability is a key theme in the company's growth path. The company management's commitment also aims at promoting an internal awareness of ESG issues, to build a culture of sustainability, together with an awareness of the importance of these aspects as business drivers, to ensure business efficiency and to strengthen the position in the markets.

The Group has among its objectives the creation of value for its stakeholders, not only by pursuing a sustainable business development model, but also by driving change in the production of machinery and complete plants. Added to this is the commitment to transparency, completeness, accuracy and promptness in the external communication of its activities.

The most innovative and dynamic companies must build their strength on continuous improvement, enhancing their human capital, developing customised engineering services, creating innovative processes and products, while ensuring constant and timely quality control and testing.

2.3
Business Model and Strategy

Lines of Business and Production

GRI Standards	2-6 3-3

As already mentioned, Presezzi Extrusion Group operates in the metal forming machinery manufacturing sector, and in particular in the hot metal (aluminium and copper) forming machinery manufacturing sector. Presezzi Extrusion Group is a manufacturer of **complete extrusion plants** consisting of three main components:

BILLET PREHEATING PLANTS OR 'UPSTREAM TURNKEY SYSTEM'

EXTRUSION PRESSES

HANDLING PLANTS OR DOWNSTREAM TURNKEY SYSTEM

Presezzi Extrusion Group has always been a promoter and protagonist of complete extrusion plants and innovative solutions in the automotive market sector. Energy-saving machines are a response to the need to protect the environment, by means of optimised and integrated control systems that allow energy savings and a consequent reduction in environmental impact. In addition to the sale of machinery, the Group combines customer service: installation of plant control software, on-line after-sales support, design, construction, installation and commissioning of machines.

	Melting	Ageing furnaces, to be used in the production phase downstream of the press. Melting furnaces for upstream complete extrusion plants.
	Preheating and Heat Treatment Furnaces (Upstream turnkey system)	Production of "Upstream turnkey system" plants, gas furnaces for billet heating for both the aluminium and copper and brass sectors. "Z.P.E." magnetic furnaces (Zero Pollution Energy) Heat treatment furnaces (T.T.)
	Extrusion presses	Presses for aluminium, copper and brass (conventional, front-loading, back-loading, direct, indirect and with piercer
	Handling systems	Post-unloading handling products: machinery involved in the automatic handling of baskets within the production plant such as automatic warehouses, overhead travelling cranes, monorails and post-processing packaging lines Aluminium profile handling and bundling plants: extruded profile transport belts, cutting movement rollers, stretching machines, cutters, stacker and de-stacker. Post-press handling equipment: cooling system, saw and puller. Production of specific handling systems for the copper and brass industry. Matrix storage warehouses. Profile storage warehouses.
	Revamping	Revamping activities: activities to overhaul and improve the efficiency of presses already available to the customer, including those manufactured by other manufacturers. Revamping can be 'complete", if it involves the redesign of entire mechanical, electrical and hydraulic parts, or "partial", aimed at replacing a few major components. Revamping can also include upgrading with the latest management software systems, which enable better control of productivity and faster troubleshooting.
	Services and Spare parts (Tooling and Services)	Supply of accessories and spare parts. Machinery accessories are designed and manufactured in-house; they mainly consist of punches and dummy block in special steel, made both for the new Presezzi presses and for machinery made by other manufacturers.

In the Presezzi Group's activities, one can distinguish between business lines and the two production areas (Presezzi and Coim).

Business Line / Products / Services	Activity details	
	PRESEZZI EXTRUSION S.p.A.	**COIM S.r.l.**
Melting		
Business line dedicated to the production of special machinery.	Ageing furnaces, to be used in the production phase downstream of the press. Decoter plants, i.e. innovative plants designed and industrialised by Presezzi for treating aluminium scrap and transforming it into a coil. They are designed to enable customers to reuse their scrap directly at their own production site within 7-10 days, thus avoiding the costs of transporting the scrap to aluminium coil and billet manufacturers.	
P.E. Extruder Production		
Line mainly dedicated to the production of extruders, a central component of complete plants.	Aluminium presses with different matrices for producing solid profiles, bars and hollow profiles, billet cutting tools. Copper and brass presses. Z.P.E. furnaces Post-press handling equipment (cooling system, saw and puller). Aluminium profile handling and bundling plants (extruded profile transport belts, cutting movement rollers, stretching machines, cutters, stackers and de-stackers). Revamping activities, i.e. the overhaul and streamlining of presses already at the customer's disposal, including those manufactured by other manufacturers, which may be (i) complete, if it involves the design of entire mechanical, electronic and hydraulic parts, or (ii) partial, if aimed at replacing a few main components. Revamping can also include upgrading with the latest management software systems, which enable better control of productivity and faster troubleshooting. Supply of complete installations.	
Upstream turnkey system		
Business line dedicated to the production of gas furnaces for billet heating.		Production serving the aluminium, copper and brass sectors.
PA Handling plant production		
Line dedicated to the production of handling equipment.	Post-unloading handling products (machinery involved in the automatic handling of baskets within the production plant, such as automatic warehouses, overhead travelling cranes, monorails and post-processing packaging lines).	Production of specific handling systems for the copper and brass industry
Revamping		
Overhaul and efficiency enhancement of presses already at the customer's disposal, including those manufactured by other manufacturers	Revamping activities	
Services and Spare parts Tooling		
Business line dedicated to the supply of accessories and spare parts.	The accessories are designed and manufactured in-house and mainly consist of punches and dummy block in special steel, made both for the new Presezzi production presses and for machines made by other manufacturers.	Supply of accessories and spare parts entirely designed, manufactured and supplied by Coim.
Services and Spare parts Services		
Business line dedicated to the provision of services	Training of customer personnel in the use of the extrusion plant and after-sales activities.	Training of customer personnel in the use of the extrusion plant and after-sales activities.

Employees

GRI Standards	2-7 2-8 2-30

The workforce figures for the three-year period considered (2020-2022) show a major increase in employment (+28.3% between 31st December and 31st December 2022) driven by the increase in production. The incidence of fixed-term contracts (12.1% as at 31st December 2022, 5.3% as at 31st December 2020) stems from the fact that the majority of new hires concern staff under 30, who are hired under this type of contract.
The increase in personnel was also accompanied by an organisational overhaul, with some offices (such as IT and services) being enhanced and new ones (such as the expediting office) being created.

The low presence of women is due to the characteristics of the sector and production: the training courses that introduce them to this sector are historically lacking female presence. Metalworking Collective Agreement applies to all employees.

It should be noted that, with respect to GRI disclosure 2-7, as of 31st December 2022, the Presezzi Group has not currently formalised an internal communication procedure for employees who do not identify within the male or female gender categories.

Total employees	2020			2021			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Presezzi Extrusion S.p.A.	26	129	155	27	141	168	30	166	196
Coim S.r.l.	4	27	31	4	31	35	5	36	41
Total	**30**	**156**	**186**	**31**	**172**	**203**	**35**	**202**	**237**

Total employees	2020			2021			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Fixed-term	-	9	9	1	8	9	3	24	27
Open-ended	30	147	177	30	164	194	32	178	210
Total	**30**	**156**	**186**	**31**	**172**	**203**	**35**	**202**	**237**

Total employees	2020			2021			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Full-time employment	18	152	170	16	162	178	20	193	213
Part-time employment	12	4	16	15	10	25	15	9	24
Total	**30**	**156**	**186**	**31**	**172**	**203**	**35**	**202**	**237**

The "Other workers" category refers to interns employed by 31/12 of the years reported.

Total employees	2020			2021			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Presezzi Group									
Interns	-	-	-	-	7	7	-	5	5

Suppliers

GRI Standards	2-6

Over the years in the procurement process, the Presezzi Group has developed a system of organisations, people, activities, information and resources to transfer a product or service from supplier to customer with the aim of making the company more effective, efficient and ready to respond to customer needs. The process starts with the raw materials, continues with the production of the finished product and ends with the delivery of the final product to the customer.
The Group adopts a responsible approach to the management of the entire supply chain, from small local companies to large multinational organisations, creating relationships that go beyond mere commercial transactions and promoting lasting and mutually satisfying collaborations with the most qualified partners who share the company's principles centred on high professionalism in the realisation of valuable solutions, an advanced and accurate after-sales service characterised by preventive and predictive assistance, which includes revamping services.

FORGERS
Purchase of raw / semi-processed materials

CARPENTRY
Purchasing welded structures

MECHANICAL WORKSHOPS
Purchase of machined mechanical parts with different degrees of finish

MANUFACTURERS/DEALERS OF TRADE MATERIAL
Purchase of electrical, hydraulic and pneumatic equipment.

Geographical origin

80% of the suppliers are located in Northern Italy between the provinces of **Monza-Brianza, Bergamo, Brescia, Mantua and Verona**. In many cases, these are small and medium-sized enterprises (20 to 100 employees).

Customers

GRI Standards	2-6

The Group's activities are mainly related to the development of products for non-ferrous metal profile production industries in the construction, railway/aeronautics markets. This approach leads to close cooperation with customers, which turns into a relationship of trust and strength. Customers are a great resource for the company, because it is thanks to them that the Group has felt the drive to seek out and design new products and technologies. A key indicator of continued customer focus is the ability to develop new products, understanding customer needs.
The Group has over one thousand customers, mainly abroad (Europe, North America, Far East). Presezzi seeks to establish long-term relationships with its customers, based on differentiated contracts designed for individual orders, including through service projects on multi-year contracts.

Innovation and Sustainable Development

GRI Standards	2-6 3-3

Innovation in the Presezzi Group is the **starting point and ultimate goal,** within which the process of designing, producing and marketing its products is placed. Product and process innovation are understood as key success factors, and the Group's ability to respond quickly to market changes is based on research and market launch of new products, solutions and/or services that meet or incorporate major technological innovations.

The strategy is to **promote highly efficient technological solutions,** an approach that also aims to respond to the need to reduce the environmental impacts, effects and risks of climate change.

Consequently, the Group engages in research and development, focusing on solutions to reduce environmental impact, to preserve its leading position in the market niches in which it operates.
Product and process innovation has been one of the main drivers for the Group's growth in recent years and will be one of the strategic elements for its development in the future. In addition, research and development activities also grow through well-established partnerships with leading training agencies such as the universities of Milan.
The very nature of our products and services and their evolution require the Group to constantly enhance them and improve the performance, features and reliability of its technology.

Stakeholders

GRI Standards	2-29

Stakeholders are persons or groups whose interests are affected (or may be affected) by the activities of an organisation. In this context, an "interest" is defined as something of value to a person or group that can be influenced by the activity of an organisation. The constant dialogue and active involvement of internal and external stakeholders is an expression of the responsibility that the Group has towards the social and economic context in which it operates. The focus on the quality of relations with stakeholders, also expressed in the Code of Ethics, aimed at understanding their expectations and needs, translates into a proactive approach and constant interaction.

Interaction with stakeholders is not only essential for long-term value creation, but is also an opportunity for growth and mutual enrichment.

Through a listening process, the Group has identified those who fall within its sphere of influence: shareholders, banks and lenders, employees, customers, suppliers of goods and services, national and local public administration, schools/educational bodies, local communities.

Stakeholders were identified through collaboration between the heads of the various corporate functions and management, aimed at establishing relationships through the use of various digital and non-digital channels and tools.

Meetings with stakeholders resulted in insights and additional elements that enriched the topics relevant to the sustainability of the company, as well as offering reflections of potential mutual commitment on common paths. Specifically, important collaborations have been initiated and strengthened in the social field with non-profit volunteer organisations operating in the provinces where the Group is present, with personnel recruitment agencies in collaboration with the business community for the presentation of the company to students and potential employees, as well as the traditional Open Day events organised by universities and schools in Lombardy.

Employees started to benefit from a structured corporate welfare system with the aim of increasing its potential over the coming years.

Stakeholders Presezzi Extrusion Group	**Engagement activities - Projects - Initiatives - Reports**
Shareholders	Shareholders' Meeting – Financial Statements
Banks and lenders	Financial Support – Investment Opportunities
Employees	Relationship and dialogue with HR area – Regular and informal meetings – Training plan – Activities related to career development and performance appraisal – Welfare initiatives
Customers	Trade meetings and visits – Industry events – Marketing activities – Evaluation tools
Suppliers of goods and services	Definition and sharing of production standards – Sales meetings – Evaluation questionnaires
National and local public administration	Meetings and Communication – requirements and Compliance
School/training institutions	Training Paths for Young Talent – Job Placement
Local communities	Support and dialogue initiatives – CSR

2.4
Governance and Business Conduct

Governing and Supervisory Bodies

GRI Standards	2-9 2-10 2-11 2-15 2-18 2-19 2-20

The corporate governance system of the parent company Presezzi Extrusion S.p.A. is structured in accordance with the general regulations and the articles of association, based on the traditional model:

Shareholders' Meeting	Issues provided for by law and the Articles of Association
Board of Directors	Management Body
Board of Auditors	Supervisory body

Shareholders' Meeting

The Shareholders' Meeting may meet in ordinary or extraordinary session depending on the matters to be decided and approved (Art. 2363 of the Italian Civil Code).

The Ordinary Shareholders' Meeting has the following powers (Art. 2364 of the Italian Civil Code): it approves the financial statements; appoints and dismisses the Directors; appoints the Statutory Auditors and the Chairperson of the Board of Statutory Auditors and, where applicable, the person responsible for auditing the accounts; determines the remuneration of the Directors and Statutory Auditors, where not determined by the Articles of Association. The Civil Code also expressly defines the powers of the Extraordinary Shareholders' Meeting, which are mandatory and do not depend on the management and supervision model adopted by the Company. The Shareholders' Meeting decides, among other things, on the following matters: which directors are to represent the company; amendments to the articles of association; adaptation of the articles of association to legal regulations.

Board of Directors

The Board of Directors is the main body of the adopted corporate governance system. In addition to its powers under the law and the Articles of Association, the Board of Directors is responsible for the most important economic and strategic decisions, including sustainability issues. It is vested with the broadest powers of company management, strategic planning and direction, and value creation, aimed at the pursuit of long-term sustainable growth objectives.

For the three-year period 2022-2024, the Board of Directors, appointed by the Shareholders' Meeting of 28th June 2022, consists of two directors, one aged between 30 and 50 and the other aged over 50:

Board of Directors		
Valerio Presezzi	Chairperson of the Board of Directors	Executive
Bruno Presezzi	Managing Director	Executive

Given the corporate nature and composition of the Board of Directors, the remuneration of the highest governing body is not defined on the basis of a specific formalised procedure. Similarly, no formalised performance appraisal processes are currently in place.

Board of Statutory Auditors

The Board of Statutory Auditors is responsible for monitoring compliance with the law and the articles of association, compliance with the principles of proper administration, the adequacy of the internal control system and the organisational, administrative and financial structure. The members of the Board of Statutory Auditors for the three-year period 2022-2024 were appointed by the Shareholders' Meeting of 28th June 2022

Board of Statutory Auditors	
Enrico Brambilla	Chairperson
Alessandro Cella	Acting auditor
Silvia Ottone	Acting auditor
Facchin Assi Marco	Alternate Auditor
Colombo Paolo Giacomo	Alternate Auditor

Independent Auditors

The auditing activities for the financial years 2020-2022 were entrusted by the Shareholders' Meeting of 14th September 2020 to the auditing company Audirevi S.p.A.. The auditing company is appointed in accordance with the Articles of Association by the Shareholders' Meeting on the proposal of the Board of Statutory Auditors and performs its activities independently and autonomously.

Conflicts of interest

The Presezzi Extrusion Group's governance system is based on the transparency of corporate decision-making processes, an effective internal supervision system and the verification of potential conflicts of interest of management. All activities are managed in compliance with the regulations and behaviour and acts incompatible with the obligations associated with relations with the Group are therefore avoided.

To ensure the utmost transparency, Presezzi Extrusion Group and its employees undertake not to find themselves in situations of conflict of interest with employees of any Authority and their family members. Any employee who believes he or she is in a situation of conflict between his or her personal interest, on his or her own behalf or on behalf of a third party, and the interests of the Company, shall immediately inform his or her immediate superior thereof.

Organisational Structure
The delegation process

GRI Standards	2-12 2-13 2-14 2-16 2-17

The Group's organisational structure is articulated and provides for operational departments, which are instrumental in the pursuit of corporate objectives and the adoption of best practices, also in terms of sustainability. In particular, the Board oversees, reviews and approves the content of sustainability reporting, including the approval of material topics and the definition of sustainability actions.

The persons in charge of the operational departments, within the scope of their competences, report to the Managing Director on problems and critical issues that have arisen in the performance of their activities or of which they have in any case become aware, so that the Managing Director can take the appropriate initiatives, including on sustainability issues. No criticality reports were received during 2022.

Sustainability Committee

In order to collect, process and synthesise all the stimuli on sustainability that come from the relevant stakeholders, there is the intention to create a **multifunctional committee** in charge of integrating sustainability management into all areas of the Group's activities. The Committee's function will be to ensure alignment with ongoing activities and improvement actions undertaken. It will also be responsible for coordinating sustainability activities and spreading the culture of sustainability within the Group, promoting dialogue with stakeholders and managing risks related to sustainability issues in cooperation with the relevant functions, supporting the various corporate areas in identifying opportunities for improvement, thus contributing to the creation of sustainable success.

BOARD OF DIRECTORS
Valerio Presezzi
Bruno Presezzi

CHAIRPERSON
Valerio Presezzi

MANAGING DIRECTOR
Bruno Presezzi

- **QHSE**
- **HUMAN RESOURCES AND IT**
- **ADMINISTRATION AND ACCOUNTING**
- **PURCHASES**
- **PROJECT MANAGER**
- **DESIGN**
- **PQT**
- **SALES AND MARKETING**
- **MANAGEMENT CONTROL**

OPERATIONAL MANAGEMENT

- Automation office
- Travel office
- Electric office
- Mechanical Workshop office
- Service and Spare Parts office
- Warehouse and Logistics office
- Building site office Complete plants
- Expediting office

OPERATIONAL UNIT CASTELBELFORTE

- Expediting Purchases office
- Warehouse office
- Logistics and Shipping office
- Mechanical Workshop office
- Electric office
- Automation office
- Spare parts office
- Technical office
- Technical Sales office
- Manuals office
- General Services office
- Human Resources office

BOARD OF DIRECTORS
Valerio Presezzi
Stefano Rossetti
Bruno Presezzi

CHAIRPERSON
Valerio Presezzi

MANAGING DIRECTOR
Bruno Presezzi

- **SALES OFFICE**
- **PROJECT MANAGER'S OFFICE**

TECHNICAL DIRECTION

- Mechanical Workshop office
- Manuals office
- Automation office
- Electric office
- Technical office

OPERATIONAL UNIT

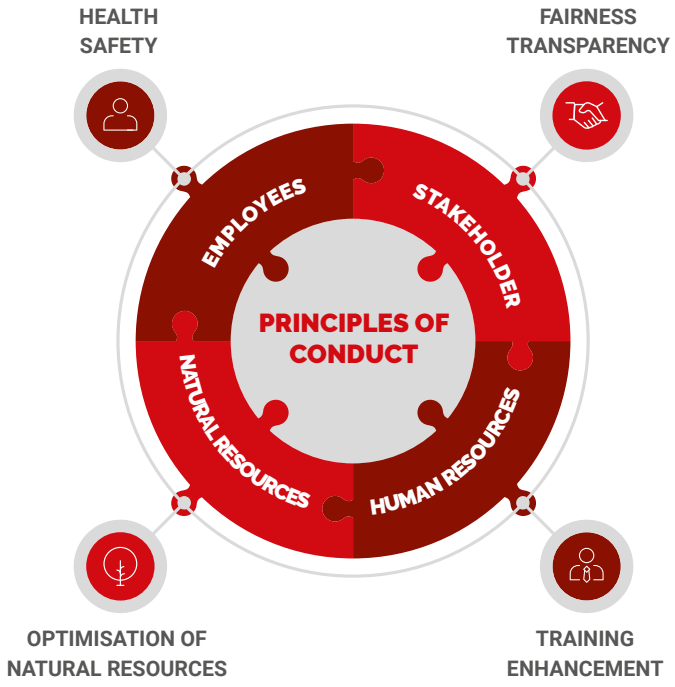
- Purchasing and Expediting office
- Warehouse and Logistics office

Management	Functions and responsibilities
Operational Management	It entails the management of the units dedicated to ***production*** and all corresponding activities (including the logistics, construction sites and customer service departments) in constant contact with the Managing Director. **Monitoring compliance with efficiency and quality standards** and verifies the application of guidelines on compliance with international environmental, anti-corruption and anti-corruption standards in full accordance with the Code of Business Ethics, for the proper performance of all activities both at sites around the world and at Group plants. On the other hand, the Operations Directorate is responsible for supervising, planning and monitoring all work phases relating to the following business units: Automation, Electrical, Mechanical Workshop (machine and plant production, painting and piping, after sales technical support and revamping), Warehouse and Logistics Unit, Spare Parts and Service Office
QHSE Department	Company management that ensures compliance with the **Company Quality and Safety Management System (ISO 9001 and 45001**) with specific authority, in order to enable the effective management and development of the System. It is responsible for constantly overseeing the compliance with monitoring and maintenance programmes based on defined schedules and the planning and prompt implementation of personnel safety training and education plans, as well as the coordination of internal inspections and the promotion of a culture of safety in the company
Human Resources Office	**Human Capital Management and Development** and personnel-related processes, through actions based on respect for equality and non-discrimination, starting with the resource selection process. Responsibilities also include the planning of **up-to-date training programmes** focused on the growth of individual resources, support in a process of professional development and the care of **labour relations** to ensure pluralism and respect for workers' rights
Purchasing Department	It coordinates the activities of **procurement of goods and materials** through periodic discussions with the company management. In the performance of his duties, he ensures the proper implementation of established controls on **suppliers** starting with the **selection criteria** thereof that meet standards of respect for human rights and workers' rights, the proper implementation of environmentally friendly practices and the achievement of quality certifications
Administrative Office	It coordinates the entire **administrative structure** according to the directives of the Board of Directors and its activities include the **planning of economic resources, evaluation of financial plans and preparation of the budget** based on the timeframes and methods established by company procedures, as well as analysing financial flows and monitoring major deviations that impact on the company's economic performance. The close collaboration with the company management concerns the support in the creation of strategies, through precise analyses and economic-financial reports. It is tasked with managing relations with several key stakeholders such as banks, auditors and auditing firms.
Sales Office	Function entrusted to the Group Chairperson, who **chooses the sales policy and strategies for achieving the company's competitive positioning in the reference market.** The sales management is also committed to promoting the corporate image and implementing marketing, research and development activities to ensure high performance while meeting international environmental and social standards.
Project Management Office	The Group has a project management office that plays a key role and employs a qualified team. It is tasked with overseeing **the initiation and progress of a project in all its evolutionary stages up to the realisation of the orders.** His main task is to achieve the set objectives while respecting the deadlines, costs and quality established by the operational management for each specific project, following the customer from the launch of the job order and communicating with them to meet their requests and needs in accordance with company policies and decisions, taking particular care over the optimal allocation of resources.

The Code of Ethics
Responsible business conduct

GRI Standards	2-23 2-24 2-26

The Presezzi Group's conduct in accordance with high ethical standards in the conduct of its business is a prerequisite for its success, reputation and an essential asset of the organisation.



The adoption of a Code of Ethics aimed at regulating, through the identification of behavioural norms, the activities and actions of all those who act in the name and on behalf of Presezzi Extrusion Group, is based on a set of principles shared throughout the Group: **loyalty, morality, honesty, equality and professionalism** are some of the **values** that guide the conduct of Presezzi Extrusion S.p.A. and its subsidiaries.

The Code of Ethics has been written on the basis of the main international guidelines and standards on responsible business management and is brought to the attention of all addressees through appropriate training and awareness-raising activities. In particular, the Group aims to preserve integrity and fairness in the conduct of its business, as well as to ensure compliance with laws, regulations, guidelines and industry best practices, applicable in the various countries in which it operates.

The Code of Ethics provides all its addressees with a comprehensive reference framework of the provisions and procedures in force concerning the prevention of the risks of unlawful practices and the fight against corruption.
At present, the Group does not have a formalised procedure for requesting information and reporting by employees (aspects managed based on an internal collaboration practice and the possibility of dialogue with the contacts of the Operations Departments). Among the sustainability goals set for the three-year period 2023-2025 is the adoption of the 231 Organisation and Control Model (MOGC ex legislative Decree 231/01), which will reinforce the Presezzi Group's commitment to business ethics and the opportunity for employees to collaborate in the removal of any critical issues encountered. In fact, on 15th March 2023, Legislative Decree No. 24 of 10th March 2023 on whistleblowing was published in the Official Gazette on "Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23rd October 2019 on the protection of persons who report breaches of Union law and on provisions concerning the protection of persons who report breaches of national laws" (hereinafter also only the "Legislative Decree. 24/2023" or the "Decree"). The aforementioned Decree has been in force since 30th March, but its provisions will take effect on 15th July 2023.

The introduction of a whistleblowing procedure will in any case be mandatory for the Presezzi Group as of December 2023, based on Legislative Decree 24/2023.

Associations

GRI Standards	2-28

As of 2022, Presezzi Extrusion Group is a member of Confimi - Confederation of the Italian Manufacturing Industry and Private Enterprise. Previously, it was associated with Assolombarda.

Management systems and certifications

GRI Standards	2-23 2-24 2-25

Presezzi Extrusion S.p.A. has adopted an Integrated Quality and Safety Management System as guidelines for conducting its activities. The aim of the integrated system is to ensure not only that the business processes meet the minimum legislative requirements, but also that management effectiveness is increased and solutions are found to optimise the use of resources.

Management Systems
Presezzi Extrusion S.p.A.

UNI EN ISO 9001:2015 Quality Management System	The ISO 9001 certified management system is used in both private and public sectors to increase trust in the products and services provided by companies, between business partners in business-to-business relations, and in the choice of suppliers in supply chains. The Quality Management System is a collection of policies, processes, documented procedures and records. The set of documents indicate the internal rules by which the company creates and delivers the product or service to its customers. The Quality Management System must be tailored to the needs of the company and the product or service it offers.
UNI EN ISO 45001:2018 Occupational health and safety management systems	Certification according to the UNI ISO 45001 standard has the objective of increasing safety at work and reducing the number of accidents, near-misses and occupational illnesses, helping to minimise the social and economic costs of non-safety, and making the production system more efficient. It also promotes greater efficiency of internal processes, including through integration with other management systems, such as quality (UNI EN ISO 9001). For corporate stakeholders, certification of the health and safety management system is a measurable socio-economic value, through ethical and responsible behaviour, competence and culture of the organisation. It establishes a framework for improving safety, reducing occupational hazards and improving the health and well-being of workers, thus enabling any organisation that chooses to certify its management system under accreditation to increase its health and safety performance. For employees, the application of a management system certified according to UNI ISO 45001 offers the guarantee of working in a company that considers their health and safety as essential, with positive effects in terms of motivation and gratification, and consequently improved productivity. For the purposes of prevention, it is crucial for the company to involve staff in reporting near misses and dangerous situations. Loyalty is also strengthened, as a satisfied worker is less likely to change companies and this leads to cost savings from turnover.

Compliance

GRI Standards	2-27

As recalled by its Code of Ethics, Presezzi Extrusion Group applies, as a general rule for the conduct of business, strict compliance with laws and regulations.

Environment

No environmental disputes arose during the reporting period. At the time of writing, there are no environmental disputes that have given rise to significant penalties for non-compliance with environmental laws, rules and regulations.

Social and economic area

During the reporting period, no disputes or cases of violation of relevant laws and/or regulations relating to social and economic provisions arose. No significant sanctions of this nature were received during the period and no significant proceedings were reported in this regard.

2.5
Impacts and material topics

Impacts and material topics according to GRI Standards

GRI Standards	3-1

According to GRI Standards, **impacts** refer to the effects a company has or could have at an **economic, environmental and social** level, including on human rights, as a consequence of its activities or business and commercial relationships. Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible, and are the organisation's positive or negative contribution to sustainable development. Impacts, according to their different nature (economic, environmental and social) are interrelated and indicate the **company's contribution, either negative or positive, to sustainable development.** The most significant impacts, as identified by the company using the approach described in the following paragraphs, represent the material topics.

European Union - EU Directive 2022/2464 and Double Materiality

Directive (EU) 2022/2464 (CSRD Corporate Sustainability Reporting Directive), which was approved by the European Parliament in November 2022 and will come into force as of the reporting year 2024, has supplemented the definition of material topics by introducing the concept of double materiality. According to this approach, material topics are a) governance, environmental and social areas and issues on which the company, through its activities, has a significant impact (Impact Materiality); b) aspects that can have significant impacts on the development, performance and, consequently, the financial value of a company (Financial Materiality).

Since EU Directive 2022/2464 has not yet come into force, this document is drafted in accordance with the GRI Standards, adopting the definition of material topics as per GRI Standards. The two directions of materiality are closely intertwined. The impacts of a company's activities and business relationships on the economy, the environment and people can, however, also have positive and negative consequences on the company's operations or reputation and therefore, in many cases, these consequences are also **financial** or could become so in the medium and long term. Understanding these impacts is therefore necessary for a company in order to identify any major risks and opportunities related to these impacts and which may influence the **value of the company** and, consequently, its relations with its stakeholders and its competitive position in the reference market.

The identification process evaluation and prioritisation of issues

GRI Standards	3-1

The process of analysis, identification, evaluation and subsequent prioritisation of material topics for the purposes of this Integrated Report was conducted as required by the GRI Standards.

Understanding the context of the organisation

The Presezzi Group's background and frame of reference, business model, activities and business relations, as well as the sustainability context and stakeholder analysis, are set out in sections 2.1, 2.2, 2.3 above.

Identification of actual and potential impacts

The actual and potential impacts on the economy, the environment and people, including those on human rights, in the context of the Group's activities and business relations have involved the analysis of external sources, internal sources, together with the specific involvement of certain categories of stakeholders, as part of the process of comparing and listening to them.

External Sources
Sector Trend Analysis (Aluminium)
Sector Material Topics Benchmarking
Policies Mapping & Benchmarking
Sector Material Topics SASB mapping
Internal Sources
Sustainability Statement 2021
Context analysis
Health and safety supplier audit checklist
ESG supplier audit checklist
Press Review
EPD Certifications Z.P.E. Furnace and P.E. E.S.S. System
Sustainability Plan 2022-2024

Analysis by the SASB standards - Sustainability Accounting Standards - Materiality Finder - SASB - The search tool is among the tools indicated by the SASB - Sustainability Accounting Standards Board, Standard Setter today part of the IFRS Foundation. Through this tool, which is broken down by sectors and material topics, it is possible to identify, for the relevant sector, issues that could affect the financial condition or operational performance of companies. The analysis was carried out with the main purpose of verifying the consistency of the identified material topics with the findings of the SASB Materiality Finder.

The analysis carried out for Presezzi Extrusion Group focused on the following sectors: Industrial Machinery & Goods / Metals & Mining. The identification and ongoing assessment of impacts includes the involvement of key stakeholders, an activity carried out systematically as part of the business model. This process and the sustainability reporting procedure are independent from one another.

The results of the direct stakeholder engagement carried out for the purposes of the Sustainability Statement 2021, which took place during 2022, were also taken into account in the update of the material topics analysis. However, dialogue with all stakeholders remains the basis for defining the internal sources used to identify material topics.

Assessment and prioritisation of impacts

The stage of assessing the significance of identified impacts is aimed at prioritising them. Prioritisation enables the company to determine the material topics to be reported, but, above all, to identify more effectively and according to a logic of relevance the commitments and actions needed to address the impacts. The significance of an impact depends on the specific conditions of a company, the sector in which it operates and its business model.

The significance of an actual **negative impact** depends on the severity of the impact, while that of a potential negative impact depends on the severity and likelihood of the impact. Severity is defined by the GRI Standards on the basis of three dimensions: a) Scale: how severe the impact is; b) Scope: how widespread the impact is; c) irremediable character.

The significance of an actual **positive impact** depends on the scale and scope of the impact itself, while the significance of a potential positive impact depends on both the scale and scope and the likelihood of the impact itself. In the case of significance impacts, the scale of an impact refers to the actual and/or potential benefits of the impact, while the scope refers to its actual or possible magnitude.

The conclusion of the process involved prioritising the impacts identified and assessed, in relation to their importance and on the basis of a threshold defined for this purpose. The impacts that have been identified as most relevant are reported in this document.

Material Topics

GRI Standards	3-2

The results of the activities carried out are summarised in the following table, which highlights the material topics, the underlying impact areas (descriptions and reasons for the relevance of the selected topics), the characteristics of the material topic, and the specific indicators (GRI Standards) used for reporting, which are detailed in the GRI Content Index, an integral part of this document. The material topics are grouped based on the ESG (Environmental, Social, Governance) classification, also provided for in EU Directive 2022/2464 (CSRD).

	Material topic	**Impacts**		**GRI Topic Standards**
		Synthesis	**Features**	
E	**Environmental**			
	Energy consumption and energy efficiency	Negative impacts: high electricity consumption in industrial processing.	Actual: energy use for industrial processes Directly and through business relations (partners, suppliers) Short- to medium-term (structural with respect to the business model) Intended: as it relates to current production processes	GRI 302 Energy
	CO2 emissions and climate change	Negative impacts: direct emissions (GHG Scope 1): methane gas/fuel; indirect emissions (GHG Scope 2): electricity use (mostly); indirect-other emissions (GHG Scope 3): incoming and outgoing logistics activities/ pollution.	Actual: production of emissions as a result of industrial processes Direct and through business relations (related to processing/logistics) Short- to medium-term (structural with respect to the business model) Intended: as it relates to current production processes	GRI 305 Emissions
	Management – waste production and circular economy	Negative impacts: Generation of both hazardous and non-hazardous waste.	Actual: waste production as a result of industrial manufacturing processes. Direct (process-related) Short- to medium-term (structural with respect to the business model) Intended: as it relates to current production processes	GRI 306 Waste
	Sustainable supply chain	Negative impacts: working conditions in the production chains that the company could cause or to which it could contribute through its own activities or through related activities or its own business relations / environmental impact works / upstream production / interruptions in the flow of products (raw materials / product parts).	Actual: procurement of products / raw materials for industrial manufacturing processes Potential: depletion of environmental resources, rights violations and non-compliant and law-abiding behaviour Direct and through business relations (related to the business model/risks and opportunities inside and outside the organisation) Short- to medium-term (structural with respect to the business model) Intended: as it relates to current production processes	GRI 308 Supplier environmental assessment GRI 414 Supplier social assessment
S	**Social**			
	Human resources: employment and skills development	Positive impacts: functional employment management and planning to align skills with the technical-professional requirements of the sector. Support and development of distinctive skills needed and consistent with corporate strategies. Ability to attract and retain talent through the development and implementation of plans aimed at skills development and the creation of career paths.	Actual: inherent to industrial reality Direct and via trade relations (financial repercussions / final output) Short- to medium-term (structural with respect to the business model) Intended: as it relates to current production processes	GRI 401 Employment
	Health and safety at work	Negative impacts: regulatory-sanctions and reputational consequences.	Potential: inherent to current production processes / Potential: increased likelihood of occupational accidents and illnesses in the absence of adequate training Direct: in that it falls on the corporate population Short- to medium-term (structural with respect to the business model) Intended: as it relates to current production processes	GRI 403 Occupational health and safety

	Human resources: Diversity, Equity, Inclusion	Positive impacts: the impacts on the working environment are a consequence of a welfare system and work-life balance management / guarantee of stable and decent work for the workforce.	Potential: inherent in work dynamics Direct: in that it falls on the corporate population Short- to medium-term (structural with respect to the business model) Unintentional: not related to the business model	GRI 405 Diversity and equal opportunity GRI 406 Non-discrimination
	Innovation and partnerships	Positive impacts: development and innovation of products and services / projects and initiatives for the support and economic, social and cultural development of the community and the area of reference (purchase of products from local suppliers), partnerships with institutions in the area (local authorities, institutions) / brand reputation / creation of economic value.	Effective: as inherent in the corporate strategy Direct and via business relations (interconnected to business strategy – customers, partners, etc.) Short- to medium-term (structural with respect to the business model) Intended: as it relates to current production processes	Topic reported with general disclosure (GRI 2)
	Product quality and safety	Negative impacts: Creation of products that do not diminish the health and safety impacts on the end customer, consistent with customer expectations and needs in compliance with relevant legislation / brand reputation / product safety / company performance.	Actual: as it relates to production processes Directly and through commercial relations (external processing) Short- to medium-term (structural with respect to the business model) Intended: as it relates to current production processes	GRI 416 Customer health and safety GRI 417 Marketing and labelling
G	**Governance**			
	Economic performance and value distribution	Positive impacts: economic sustainability of the organisation / generation of positive economic results and cash generation capacity to enable the distribution of financial value to all stakeholders / capital and financial strength / business continuity.	Effective: as related to the company's business (governance / strategy) Directly and through business relations (customers, partners, suppliers, etc.) Short- to medium-term (structural with respect to the business model) Intended: as it relates to current production processes	GRI 201 Economic performance
	Ethics and integrity conduct of business	Negative impacts: business continuity – regulatory / sanctions – reputational.	Potential: as it relates to business dynamics Directly and through business relations (customers, partners, suppliers, etc.) Short- to medium-term (structural with respect to the business model) Intended: possible as it relates to current production processes	GRI 205 Anti-corruption GRI 206 Anti-Competitive Behaviour GRI 207 Tax GRI 418 Customer privacy

Material Topics - Targets and Actions

GRI Standards	3-3

The Group's commitments to the identified material topics are depicted in the following chart, which highlights the correlation and consistency with the SDGs - Sustainable Development Goals - of the United Nations' 2030 Agenda. The objectives, actions and related impacts, as well as the processes and procedures adopted to monitor performance and the effectiveness of actions, are discussed in more detail in the respective chapters of this document, where the same issues are addressed and reported on.

Material topic	Sustainability plan objectives				SDG targets	
	Description	Actions	Indicators	Timeline	SDGs	Targets (abstract)
Environmental						
Energy consumption and energy efficiency	Managing and reducing energy consumption through the use of renewable energy	Increased incidence of green procurement (e.g. photovoltaic panels, suppliers)	Renewable energy consumed / tot. Energy consumed	2023-2024	7 AFFORDABLE AND CLEAN ENERGY	7.2 Increasing the share of renewable energies in total energy consumption 7.a Increasing international cooperation to facilitate access to clean energy research and technologies,
CO2 emissions and climate change	Carbon Footprint: quantification and reporting of direct or indirect greenhouse gas (GHG) emissions / Management and monitoring	Implementation of the improvement plan EPD label acquisition on press and ZPE + Coim furnace EPD update EPD advertising/ communication	CO2 not produced LCA Assessment EPD review at mid-term	2023 2023 2024 2023-2024	13 CLIMATE ACTION	13.2 Integrating climate change measures into policies and strategies
Management – waste production and circular economy	Sustainable management of generated waste	Maintaining the high proportion of waste intended for recovery operations	% Waste for recovery/ Total waste	2023 2024	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
Sustainable supply chain	Reducing social and environmental impacts related to the supply chain	Conduct of supplier evaluation audits and simultaneous creation of an internal project sheet	Adoption of ISO 9001, 14001 and 45001 by suppliers or presence of similar/ in-house developed management systems	2023 2024	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	8.2 Achieving high standards of economic productivity through diversification, technological progress and innovation 8.8 Protecting the right to work and promoting a healthy and safe working environment for all workers 12.2 Achieving sustainable management and efficient use of natural resources 12.4 Achieving environmentally sound management of waste throughout its life cycle and significantly reducing its release into the air, water and soil to minimise its negative impact on human health and the environment

Material topic	Sustainability plan objectives				SDGs Sustainable Development Goals	
	Description	Actions	Indicators	Timeline	SDGs	Targets (abstract)
Social						
Human resources: employment and skills development	Strengthening human resources skills and attracting talent	Development of the on-boarding plan	Hours dedicated to on-boarding	2023-2024		4.4 Increasing the number of young people and adults with specific skills – including technical and vocational skills – for employment, decent jobs and entrepreneurship. 4.7 Ensuring that all learners acquire the knowledge and skills necessary to promote sustainable development and appreciation of cultural diversity.
	Attracting new talent	Continuity of relations with educational institutions		2023-2024		17.17 Encouraging and promoting effective partnerships in the public sector, between the public and private sectors and within civil society, building on the experience of partnerships and their ability to find resources.
		Stakeholder engagement with universities		2023-2024		
		Implementation of a formalised talent acquisition strategy		2023-2024		
	Internal training on sustainability topics with the involvement of QSHE and HR departments	Introduction of specific training sessions on sustainability		2023-2024		
Health and safety at work	Regulatory compliance and improved health and safety conditions for workers through the SGSL (Occupational safety management system)	Strengthening both training and information on H&S (e.g. brief videos)	Increased training hours dedicated to the H&S area mentoring 4.0 technology application to manage safe driving in the use of company forklifts	2023-2024		3.9 Reducing the number of deaths and illnesses caused by hazardous chemicals, contamination and pollution of air, water and soil
		Development of self-training paths on H&S	Training hours	2024		8.8 Protecting the right to work and promoting a healthy and safe working environment for all workers
		Continuous improvement ISO 45001:2018	ISO 45001:2018 Indicators (no. Injuries / no. accidents, no. days without injuries, near misses, audit / inspection scores)	2023-2024		

Material topic	Sustainability plan objectives				SDGs Sustainable Development Goals	
	Description	Actions	Indicators	Timeline	SDGs	Targets (abstract)
Human resources: Diversity, Equity, Inclusion	Developing employee welfare policies and creating an inclusive work environment	Renewal of company climate surveys (with link to the work-related risk survey)	Employee coverage	2024	5 GENDER EQUALITY	5.5 Ensuring full and effective participation of women and equal leadership opportunities at every decision-making level
	(workplace / employee engagement / well-being)	Analysis of diversity and its impact on health and safety	D&I policy introduction	2023		
	Gender equality	Gender pay gap (wage alignment Men / Women employees)	D&I policy introduction Obtaining national certification on Gender Equality UNI PdR 125:2022 (Gender Equality)	2024		
Social innovation and partnerships	Innovation management	Design of a system for innovation management and internal awareness-raising	Internal policy / procedure	2023	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.4 Improving infrastructure, sustainably reconfiguring industries, increasing resource efficiency and adopting cleaner and more environmentally sound industrial technologies and processes 9.5 Increasing scientific research, improving the technological capabilities of industry, encouraging innovation
		Implementation of the ISO 56000:2020 system	Introduction Innovation Management System	2023 2024		9.b Supporting in-house technological development, research and innovation
	Expanding relations with the local area through funding to charities/ associations	Entry into circuits of events organised by other entities in the area (e.g. sponsorship of cultural/sporting events in Vimercate)	No. Events	2023 2024	17 PARTNERSHIPS FOR THE GOALS	17.17 Encouraging and promoting effective partnerships in the public sector, between the public and private sectors and within civil society, building on the experience of partnerships and their ability to find resources.

Material topic	Sustainability plan objectives				SDGs Sustainable Development Goals	
	Description	Actions	Indicators	Timeline	SDGs	Targets (abstract)
Product quality and safety	Guarantee of product safety and quality for the end customer (safety, monitoring and updating of installed machinery)	Analysis of current security systems applied	Number of checks carried out on supplier parts/ No. of checks/ % of NCs recorded/ NCs from customers	2023	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.b Supporting in-house technology development, research and innovation.
		Continuous updating	Release of new updates	2023 2024		9.c Significantly increase access to information and communication technologies.
		System evaluation for equipping installations with safety systems "by design" (level 1, level 2)	No. of safety devices per installation	2023 2024		
		Computer security analysis and assessment	Number of checks and controls	2024		
		ESG customer survey to assess the quality of the end product and the Group's approach to sustainability		2023 2024		
		Life cycle analysis of main components and proposal of planned maintenance at customer site ("Service" Project)	Machine efficiency	2023 2024		
Governance						
Economic performance and value distribution	Economic sustainability of the business	Business plan investments to increase production capacity	Constant monitoring and improvement of Production Value and EBITDA	2023-2024	8 DECENT WORK AND ECONOMIC GROWTH	8.1 Supporting economic growth per capita in accordance with national conditions
Ethics and integrity in the business conduct (including at the compliance level also the topic "Data security and privacy")	Ability to promote vision, values and business ethics	Adoption of Model 231	Start of the implementation of Model 231	2023	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.5 Significantly reducing corruption and abuses of power in all their forms
		Establishment of the ESG Committee	No. of meetings/ activities	2023 2024		
		Training/information programme for the corporate population + "Company climate survey" through a dedicated online survey	No. of events/ training hours	2023 2024		
		Evaluation of SB transformation		2023		

The targets achieved in 2022 will be indicated in the following paragraphs, broken down by area/field of interest.

Climate change impacts

As envisaged in the Sustainability Plan to 2024 in the coming years, the Group will consider conducting climate scenario analyses to develop a long-term strategic vision that considers the risks and opportunities associated with climate change. Hence, the commitment to make corporate innovation systemic with the medium-term goal of adopting an innovation management system, guided by the principles of the ISO 56000:2020 standard.

2.6 Sustainability Performance

Ethics and integrity

GRI Standards	3-3 205-3 206-1 207-1 207-2 207-3 418-1

On these issues, the advancement of the rating range (solvency) is emphasised - Cerved Rating Agency S.p.A.

Anti-corruption

During the reporting period (2020-2022), there were no incidents of active or passive corruption involving directors or employees of Presezzi Extrusion Group.

Competition compliance procedures

During the reporting period (2020-2022), there was no incident and/or initiation of proceedings or legal action against Presezzi Extrusion Group relating to violation of free competition, monopolistic practices, antitrust.

Privacy

During the reporting period (2020-2022), no complaints, reports from external parties or regulatory bodies have been received to date by the Presezzi Group regarding violations of the law, data subjects' rights and personal data of which the Company is the data controller.

Fiscal transparency

Approach to taxation
The approach to taxation is in accordance with strict compliance. Under no circumstances does Presezzi Extrusion Group pursue or realise its interest in violation of tax laws. The aim is to fulfil one's tax obligations (both formal and substantive) in a complete, correct and timely manner, in order to minimise the tax risks associated with the application of the laws and regulations on current taxation, also in relation to cases for which there are any doubts of interpretation.

Fiscal governance, control and risk management Presezzi Extrusion Group adopts reasonable, well-founded and reasoned tax choices and interpretations.

Relations with tax authorities (stakeholders)
Presezzi Extrusion Group guarantees compliance with applicable legal provisions, principles of transparency, honesty and fairness in dealing with tax authorities. The handling of relations with tax authorities is reserved exclusively to the relevant corporate functions, following an approach based on open and constructive relations with the relevant tax authorities.

Fiscal information and data
Presezzi Extrusion Group operates exclusively in Italy as a tax jurisdiction. Please refer to the Consolidated Financial Statements for quantitative tax information and related details.

Product quality, conformity and safety

GRI Standards	3-3 416-1 416-2 417-1 417-2 417-3

Presezzi Group products are manufactured in accordance with national, EU and international safety regulations. The Presezzi Group's mission is to guarantee not only the highest product quality, but also customer safety. Each machine is assembled and tested in-house using the "Dry Test" method, which embodies the Group's unwavering dedication to plant safety and efficiency.

The Group manufactures and sells products that are tailored to specific customer needs and requirements and are used in a variety of applications, including particularly complex ones, where the precision of control systems and other parameters could have a fundamental impact on safety, product quality and operational efficiency, as well as compliance with industry regulations. Therefore, the company makes sure that every control parameter, every process and every system is carefully tuned and updated to ensure maximum compliance with industry regulations. For the greater protection of customer safety, the Presezzi Group starting from 2023 will monitor non-conformities detected by the customer and carry out control checks on supplier parts and equip the installations with a "by design" safety system.

In addition, after-sales service includes spare parts service, revamping and remote assistance via a dedicated portal; this ensures that customers are always up and running and that any problems are resolved as quickly as possible.

Presezzi Extrusion Group offers its customers satisfaction questionnaires to assess their customer service performance and from 2023 will adopt an ESG survey to assess its approach to sustainability. With a view to sustainability, the life cycle of the main components of the machines will be analysed in 2023 and maintenance will be scheduled at the customer's site.

The Presezzi Group is planning a computer security/ICT assessment for 2024.

Customer health and safety

In the reporting period, as in the previous years 2020 and 2021, there were no significant instances of non-compliance with standards, regulations or voluntary codes concerning the health and safety impacts of products and services.

Product conformity

During the reporting period, there were no cases of: a) non-compliance with regulations and/or self-regulatory codes concerning information on services; b) non-compliance or sanctions imposed on Presezzi Extrusion Group concerning non-information or mismatch between the product and the information provided, and marketing activities.

Supply chain

GRI Standards	3-3 308-1 414-1

The selection and evaluation of suppliers

The choice of suppliers is based on the principles of impartiality, competence, respect for free competition and cost-effectiveness, as well as the principles of transparency and excellence in compliance with the highest quality standards. Supply relationships are based on compliance with labour, human rights, health and safety, environmental and anti-corruption laws and regulations in force in one's own country and the application of the principles set out in the Code of Ethics. Suppliers are selected by the Group by taking into account technical expertise, the quality of the good/service, the timeliness of delivery, prices and payment terms and, more generally, purchasing conditions. The Group demands high performance from its suppliers in terms of cost, quality, service and sustainability.

Specifically, the establishment of a Vendor List enabled the identification and selection of suppliers capable of meeting specific quality criteria and the identification of any potential risks associated with the supply of certain types of materials, processed products and components. Equally important is the constant monitoring of the various activities, which enables the supplier list to be drawn from in total security. Presezzi Extrusion Group has pursued the philosophy of selecting, evaluating and training different suppliers with the sole objective of creating continuous and lasting partnerships by supporting mostly Italian companies.

In order to strengthen its commitment to sustainable development, the Group shares the Code of Ethics with all its suppliers, with the aim of defining the reference principles on social and environmental issues and providing them with a line of conduct to follow in their operations, to better guarantee business continuity even in the face of logistical problems and natural events.

Objectives - Procurement policy and monitoring

An articulated supply chain must be monitored and selected considering the inherent risks involved in sourcing the components necessary for production. In order to ensure the availability of material for the various production stages, one must diversify risks and have adequate guarantees for meeting the expected time to market.

A formal process involving a ranking and risk assessment system for the supply chain has not yet been adopted and no explicit evaluation of suppliers according to environmental and social (ESG) parameters has been carried out.

Presezzi Extrusion Group is committed to developing and adopting a **procurement policy** at group level that explicitly provides for environmental and social criteria to be included in a structured and systematic way in the supplier evaluation process. To this end, the approval process for new suppliers will include a series of preliminary checks on the organisation and processes of the candidate companies. In particular, one will be required to provide evidence of structured processes to ensure compliance with the principles of sustainability and business ethics.

In this regard, the Sustainability Plan provides for an **ESG questionnaire** for all suppliers (both new suppliers and during periodic audits of existing suppliers) and the simultaneous creation of an internal Group project sheet, with the aim of promoting awareness of social responsibility and environmental sustainability issues and to collect information on their management systems and practices. The aim of the survey is to raise greater awareness of sustainability issues on the part of the supply chain.

Group suppliers are asked to apply the same rules and assessments upstream in their supply chain, and to monitor the outcome of this application. The Group considers it of fundamental importance to activate and nurture an ongoing dialogue and transfer of best practices and skills with its suppliers, in order to obtain quality products and services on time.

To optimise the supply chain control process, in addition to the administration of an ESG questionnaire, Presezzi Extrusion Group has **set up an audit system** for its suppliers, to whom, starting from 2023, a check list drawn up by the Group will be submitted to verify certain priority aspects for the purposes of selecting new members of the supply chain: the presence of ISO certifications, in particular (i) ISO 9001:2015 for Quality Management Systems, (ii) ISO 45001:2018 for Health and Safety, (iii) ISO 14001:2015 for the Environment or the possible presence of internal management systems, independently drawn up and implemented by the company, covering the thematic areas of Quality, Health and Safety and Environment.

Environmental Impacts

GRI Standards	3-3

Environmental Policy

Through the development of state-of-the-art technologies, the Group strives to enable its customers to produce in a way that mitigates environmental impacts. The Group is committed to:

- periodically setting environmental protection objectives;
- engaging and collaborating with stakeholders, shareholders, local communities and local governments on environmental protection and the preservation of natural resources as priority objectives;
- minimising impacts on the environment;
- identifying potential risks in advance through a system of prevention of pollution, environmental accidents and environmental emergencies to minimise possible impacts on the environment;
- act in accordance with applicable laws and regulations to reduce pollution and protect the environment;
- pursuing model achievements in environmental issues and promoting sustainable scientific and technological development;
- focus on aspects of improving resource management and limiting impacts on biodiversity; optimising the use of raw materials;
- considering the potential environmental impact of systems, products and processes throughout their life cycle and in particular in the use and end-of-life phases;
- rationalising energy consumption and ensuring safety through process improvement;
- promoting an active role of workers, safety officers and managers in risk prevention.

The activities related to the production of machinery and plants generate an impact on the environment mainly due to energy consumption and atmospheric emissions. The Group is determined to mitigate these impacts through the development of innovative production solutions and processes, the monitoring of its carbon footprint, together with the adoption of related offsetting programmes, and the rationalisation of its energy consumption.

For its welding activities on metal objects and surfaces, Presezzi Extrusion S.p.A. has an emission authorisation (particulate matter) issued by the Province of Monza and Brianza.

Energy

GRI Standards	3-3 302-1 302-3

The focus on efficient management of energy consumption has led the Group to undertake actions aimed at reducing waste and achieving savings in terms of both money and consumption. The energy strategy is based on two pivotal elements: the acquisition of know-how and the simultaneous design of safe and efficient machinery, with the aim of making energy consumption more efficient.

The share of energy consumption resulting from production processes is related to testing with respect to electrical and electro-technical installations and the use of machine tools.

Electricity consumption is higher in 2020 than in the following years because the Covid-19 pandemic prevented the use of external suppliers for some processes. This resulted in a higher share of in-house processing with consequently higher energy consumption. The decrease in methane gas consumption in 2022, on the other hand, is mainly due to the milder temperatures recorded (methane gas is used for space heating and plays no role in the production process).

In the coming years, the Group is committed to improving its energy performance not only by monitoring consumption, but also by evaluating the possibility of using renewable energy sources and/or purchasing electricity with a guarantee of origin contract.

Energy

Energy consumed - GJ[1]	2020	2021	2022
Electricity			
Purchased electricity	3,326	2,376	2,493
	3,326	2,376	2,493
Of which from renewable sources	-	-	-
Natural gas for heating			
Methane	5,005	5,176	4,325
	5,005	5,176	4,325
Total energy consumption - GJ	8,331	7,552	6,818
Renewable incidence	-	-	-

Conversion sources in GJoules

- Electricity – Enea National Agency for New Technologies, Energy and Sustainable Economic Development
- Methane Ministry of Environment Italy – EU ETS National Parameters - Italy: News (minambiente.it)

1 The figures in this document deviate from the reporting for 2021 due to improved data tracking. Similar to 2021 reporting, data on transport-related energy consumption are not available

Energy intensity

The development of the energy intensity index (ratio of **energy consumption** total energy consumption per **hours worked**) is determined by several factors. The dynamics of energy consumption, together with the efficiency measures carried out (including the installation of LED lamps), have led to a gradual improvement in the energy intensity index.

Energy intensity	2020	2021	2022
Energy consumption	8,331	7,552	6,818
Hours worked	281,263	351,603	396,000
Intensity index	29.62	21.48	17.22

Saving and energy efficiency of products

P.E. E.S.S. - Presezzi Extrusion Energy Saving System

The Group's strategy aimed at efficient energy consumption has resulted in the **development of an energy saving system**, the **Presezzi Extrusion Energy Saving System (P.E. E.S.S.).** First presented in 2009 after 18 months of research and development, the system fully represents the Group's desire to **accompany customers to achieve considerable energy savings during production** while improving production performance and the quality of the extrudate.

In conventional systems, the pumps required to operate the press are continuously running, thus generating energy consumption even when not strictly necessary. The P.E. E.S.S., on the other hand, is designed to reduce energy consumption by putting the hydraulic pumps on standby when the press is not running or when it does not need them at a particular stage of the extrusion cycle. Furthermore, in a conventional press, during the extrusion phase, in order to maintain a regular speed, the required amount of oil is supplied by the hydraulic pumps via the flow regulation system, which is controlled by servo valves. This means that, in addition to the energy consumption due to the dedicated pumps for servo valve control, there are conditions in which the main pumps are under-utilised and remain in rotation, wasting energy and heating up oil.

The **P.E. E.S.S.** system, on the other hand, allows the press to generate only the exact amount of oil actually required by the system to achieve the force and speed needed for extrusion. Thanks to the use of the inverter-controlled low-inertia motor and the fixed pump connected to it, the volume of oil delivered is exactly that required for the movement of the press during each operation.
This system achieves a significantly higher performance than a system with servo valves and variable displacement pumps because, depending on demand, the pumps automatically switch on and off, and their speed is adjusted accordingly. Pumps that are not needed during the extrusion phase are completely at rest, and there are no dedicated or auxiliary pumps that send oil to various services or pump excess oil to the drain.

The applications and advantages of the system designed are not limited to the presses designed by the Group. In fact, it should be emphasised that the **P.E. E.S.S.** can also be installed on existing presses for revamping: after studying the type and characteristics of the press, the existing hydraulic system is replaced with the new **P.E. E.S.S.,** with all necessary modifications and additions to the new parts, such as piping, electrical and electronic systems and software.

In general, whether it is chosen to replace existing conventional press systems or is integrated into the design of the Group's presses, the advantages of this type of solution range from a reduction in the power and size of the motors, to a reduction in the amount of oil used during the extrusion process, to greater pump efficiency, resulting in a significant reduction in the number of maintenance interventions required.

To date, the **P.E. E.S.S.** represents one of the two pillars of the Group's energy efficiency plan, which starts with a detailed and punctual analysis of the company's energy needs, through a mapping of the consumption that is to be made efficient. The benefits translate into: a) lower CO_2 emissions; b) lower electricity demand; c) lower gas use.

Z. P. E. - Zero Pollution Energy

The second pillar of the Group's energy efficiency strategy is another innovative system, the **Z.P.E. Zero Pollution Energy:** a magnetic induction furnace for billets of aluminium or other non-ferrous materials. First sold in 2015, thanks to its low energy consumption (equivalent to 165 kWh[1]), the Z.P.E. furnace can save energy compared to other best induction heating solutions available on the market.

The billets are heated by the magnetic field that is generated during the rotation of the permanent magnets, located inside the rotor of a coaxial motor. The magnetic flux lines that are created by the magnetic field penetrate deep into the material, thereby heating the billet. Depending on the maximum length of the billet, this solution involves dividing the billet into several zones so that the entire length of the billet is covered. Thanks to the different zones of the Z.P.E., which are independently controlled by frequency converters, it is possible to achieve different temperatures in the zones in the same cycle simply by using the selector switch that controls the rotation speed in each zone.

[1] *Value measured on the average of actual consumption obtained from existing magnetic furnaces and may vary depending on production.*

The **Z.P.E.** performs a precise calculation and control of the heating process taking into account the type of alloy and the initial temperature of the billet. The system automatically calculates the time that will be required for the process and the speeds to be used in each zone with real-time, automatic adjustment to achieve the desired temperature. When the billet is loaded into the furnace, it is mechanically clamped between a point, which becomes a reference point, and a movable mechanical stop that adjusts its position based on the length of the billet.

When the billet is clamped, the oven moves to cover the entire length of the billet and begin the heating cycle. The furnace moves in a horizontal direction using a linear actuator driven by a servomotor.

This system offers numerous advantages, particularly in terms of environmental impacts, such as: Increased energy efficiency (over 82%, better than any conventional system); Energy savings; No water consumption for cooling; Reduced CO_2 emissions.

EPD – Environmental Product Declaration

Given the character of the systems designed by the Group and their positive impacts, in 2022 Presezzi Extrusion Group voluntarily decided to work towards obtaining the **Environmental Product Declaration (EPD)** for machinery equipped with PE.E.S.S. and Z.P.E. systems.

The **EPD** is a declaration on the environmental performance of a product or service that follows the voluntary certification scheme expressed in the ISO 14025 standard ("Environmental labels and declarations - Type III Environmental Declarations"). Obtaining this type of certification requires a very structured and thorough process aimed at acquiring the key information needed to measure, monitor and implement targeted actions to reduce the impact of products on the environment and climate.
The Group uses the **EPD** mainly as an **objective assessment and communication tool** for the environmental performance of P.E. E.S.S. and Z.P.E. systems. This assessment uses the technical methodology of Life Cycle Assessment (LCA), a procedure to quantify the potential environmental impacts generated by a product or service along the entire value chain. It is, therefore, a methodology that supports innovation, eco-efficiency, circular economy and also the communication and marketing of more sustainable products.

The results of the LCA study are then verified by an independent third party before being reported in the EPD, together with other information concerning the products under analysis, the company and its environmental policies. The outcome of this assessment is addressed not only to all the Group's stakeholders, but also to all those who are directly or indirectly involved in the use of the two systems defined by Presezzi Extrusion Group, or who are in any case beneficiaries of them.

Emissions

GRI Standards	3-3 305-1 305-2 305-4

Climate change mitigation measures

The Group's overall impact on atmospheric emissions has been significantly reduced thanks to the introduction of the **P.E. E.S.S. and Z.P.E. systems.** In fact, while these systems are designed to reduce energy consumption, their complementary benefit is a significant reduction in direct and indirect emissions associated with the Presezzi Group's production.

Direct and indirect emissions: GHG Scope 1 - Scope 2 - Scope 3

The emissions figure is in tonnes of carbon dioxide equivalent (carbon dioxide - t CO2e) and refers to direct emissions (GHG Scope 1 – Greenhouse Gas), relating only to the use of methane for the periods under consideration, together with indirect emissions associated with the production of electricity purchased from the grid (GHG Scope 2) and consumed during the periods under consideration by the Group.
The calculation of Scope 2 emissions was carried out following both the location-based and market-based approaches.
Market-based: it is based on the CO2 emissions emitted by the energy suppliers from whom the organisation purchases, by contract, electricity, or on market-related factors.
Location-based: plans to account for emissions from electricity consumption by applying national average emission factors for the different countries where electricity is purchased.

GHG / CO2 emissions - Scope 1 tCO_2e*	**2020**	**2021**	**2022**
Natural gas (methane) heating or other uses	281	291	244
Total - Scope 1 emissions	**281**	**291**	**244**

GHG / CO2 emissions - Scope 2 Location based $t\ CO_2e$*	**2020**	**2021**	**2022**
Electricity			
Scope 2 Location-based emissions	233	176	184

GHG / CO2 emissions - Scope 1* + Scope 2 $t\ CO_2e$*	**2020**	**2021**	**2022**
Total GHG emissions Scope 1	281	291	244
Total GHG emissions Scope 2 Location based	233	176	184
Total	**514**	**467**	**428**

Source of emission factors
Methane Ministry of Environment Italy – National EU ETS parameters - Italy: News (minambiente.it)
Scope 2 location based - Italy - ISPRA - Italian Ministry of the Environment - ISPRA Efficiency and decarbonisation indicators in Italy and in the biggest European Countries 386-2023 Table 2.7 - GHG
emissions factors for total electricity production (g CO2eq/kWh). Countries in descending order of 2021 value.

** Data on fuel consumption emissions are not available.*

GHG / CO2 emissions - Scope 2 Market based $t\ CO_2e$	**2020**	**2021**	**2022**
Electricity			
Scope 2 Market based emissions	424	301	316

GHG / CO2 emissions - Scope 1 + Scope 2 t CO2e	**2020**	**2021**	**2022**
Total GHG emissions Scope 1	281	291	244
Total GHG emissions Scope 2 Market based	424	301	316
Total	**705**	**592**	**560**

Source
Scope 2 Market based - Italy - European Residual Mix | AIB (aib-net.org) - Table 2: Residual Mixes g/CO2/kWh (though not CO_2 equivalent but CO_2)

Emission intensity

The emission intensity trend (ratio of total Scope 1 + Scope 2 Location-based emissions to the number of hours worked) is shown below. The trend is consistent with that of energy intensity and responds to the same causes.

Emission intensity (t CO2e)	2020	2021	2022
Emissions Scope 1 + Scope 2 Location based	514	467	428
Hours worked	281,263	351,603	396,000
Intensity index	**1.83**	**1.33**	**1.08**

Other Indirect Emissions (GHG Scope 3) - Preliminary Assessment

It should be noted that, for the purposes of reporting for the financial year 2022, emissions from resources not directly controlled by the organisation, but occurring within its value chain (GHG Scope 3), have not been calculated.

Scope 3 emissions are the indirect emissions that occur throughout the company's value chain and their calculation requires information to be collected from third parties and using generally applicable databases. The GHG Protocol methodology requires a preliminary assessment of the significance level of 15 different emission categories, which can be identified along the value chain and which is the first step before calculating emissions.

In this respect, the Presezzi Group has identified the purchase of goods and services to support production and the transport activities of the global sales network as the most significant categories, and in respect of which it is conceivable to begin the Scope 3 emissions assessment.

Waste

GRI Standards	3-3 306-1 306-2 306-3

The generation of non-hazardous waste relates mainly to non-reusable packaging associated with the purchase of products: electrical components, magnets, small parts, etc.

In 2022, there was a decrease in waste of iron and steel and of coatings and materials from metallurgical processes owing to the disposal of old furnaces between 2020 and 2021, while the growth in waste from metallurgical processes was due to the disposal of old machinery in 2022.

Hazardous waste accounts for a low amount of the total (0.59% of the total weight of waste produced) and mainly arises from painting and washing activities. The relevant figure for the absence of disposal of activated carbon in the painting area stems from the fact that in 2022 the quality status of the materials allowed for year-round use (disposal of activated carbon will therefore take place in 2023).

In general, the production of waste does not result from ordinary processing and its management responds to the need to optimise logistics and costs in dealing with the suppliers who collect it.

Except for special situations related to the accumulation of specific waste categories during the year and non-recurring activities (occurring in 2021), the share of waste sent for recovery is well above 90%.

Waste by category (t)[1]	2020			2021			2022		
	Recovery	Disposal	**Total**	Recovery	Disposal	**Total**	Recovery	Disposal	**Total**
Hazardous waste									
waste paint and varnish containing organic solvents or other hazardous substances	**-**	0.04	**0.04**	-	0.93	**0.93**	-	0.16	**0.16**
waste printing toner containing hazardous substances	**-**	0.05	**0.05**	-	0.02	**0.02**	-	-	**-**
other emulsions	**-**	1.18	**1.18**	-	0.36	**0.36**	-	-	**-**
other solvents and solvent mixtures	**-**	0.20	**0.20**	-	0.16	**0.16**	-	0.34	**0.34**
absorbents, filter materials (including oil filters not otherwise specified), wiping cloths, protective clothing contaminated by hazardous substances	**-**	0.13	**0.13**	-	0.64	**0.64**	-	0.20	**0.20**
packaging containing residues of or contaminated by hazardous substances	0.10	0.30	**0.40**	0.58	-	**0.58**	0.39	-	**0.39**
lead batteries	0.14	-	**0.14**	-	0.04	**0.04**	0.07	-	**0.07**
wastes containing oil	**-**	0.14	**0.14**	-	-	**-**	-	-	**-**
other insulation materials consisting of or containing hazardous substances	**-**	0.01	**0.01**	-	0.39	**0.39**	-	-	**-**
spent activated carbon from flue-gas treatment	**-**	2.33	**2.33**	-	2.19	**2.19**	-	-	**-**
waste adhesives and sealants containing organic solvents or other hazardous substances	**-**	-	**-**	-	0.10	**0.10**	-	-	**-**
inorganic waste containing hazardous substances	**-**	-	**-**	-	0.28	**0.28**	-	-	**-**
discarded equipment containing hazardous components	**-**	-	**-**	-	-	**-**	-	0.16	**0.16**
metallic packaging containing a hazardous solid porous matrix (for example asbestos), including empty pressure containers	**-**	-	**-**	-	0.08	**0.08**	-	-	**-**
end-of-life vehicles	**-**	1.63	**1.63**	-	-	**-**	-	-	**-**
Total	**0.24**	**6.01**	**6.25**	**0.58**	**5.18**	**5.76**	**0.46**	**0.86**	**1.32**

Waste by category (t)[1]	2020			2021			2022		
	Recovery	Disposal	**Total**	Recovery	Disposal	**Total**	Recovery	Disposal	**Total**
Non-hazardous waste									
paper and cardboard packaging	20.09	-	**20.09**	17.29	-	**17.29**	16.53	-	**16.53**
plastic packaging	0.03	-	**0.03**	0.02	-	**0.02**	-	-	**-**
wooden packaging	12.69	-	**12.69**	44.28	-	**44.28**	79.40	-	**79.40**
mixed packaging	24.56	-	**24.56**	21.00	-	**21.00**	25.18	-	**25.18**
discarded equipment	0.08	-	**0.08**	-	-	**-**	-	-	**-**
inorganic wastes	-	0.15	**0.15**	-	0.59	**0.59**	-	0.16	**0.16**
other linings and refractories from metallurgical processes	7.55	0.33	**7.88**	7.85	-	**7.85**	19.31	-	**19.31**
linings and refractories from non-metallurgical processes	-	-	**-**	-	54.54	**54.54**	-	0.95	**0.95**
iron and steel	169.32	-	**169.32**	182.70	-	**182.70**	70.28	-	**70.28**
cables	0.77	-	**0.77**	0.56	-	**0.56**	-	-	**-**
aqueous suspensions containing paint or varnish	-	-	**-**	-	0.13	**0.13**	-	-	**-**
wastes not otherwise specified	-	-	**-**	0.50	-	**0.50**	-	-	**-**
components removed from discarded equipment	-	-	**-**	8.70	-	**8.70**	-	-	**-**
mercury-containing batteries	-	-	**-**	-	0.65	**0.65**	-	-	**-**
aluminium	0.61	-	**0.61**	0.20	-	**0.20**	-	-	**-**
plastic	-	-	**-**	0.33	-	**0.33**	-	-	**-**
absorbents, filter materials, wiping cloths and protective clothing	0.45	-	**0.45**	-	-	**-**	-	-	**-**
insulation materials	-	1.12	**1.12**	-	12.54	**12.54**	-	9.38	**9.38**
waste plastic	-	-	**-**	0.15	-	**0.15**	-	-	**-**
spent grinding bodies and grinding materials	-	-	**-**	0.20	-	**0.20**	-	-	**-**
Total	**236.15**	**1.60**	**237.75**	**283.78**	**68.44**	**352.22**	**210.70**	**10.49**	**221.19**
Total	**236.39**	**7.60**	**243.99**	**284.35**	**73.63**	**357.98**	**211.16**	**11.35**	**222.51**

[1] *The figures in this document are different from the reporting for 2021 owing to improved data tracking activity*

Human Resources

GRI Standards	3-3 401-2

Human Resources Management

People are one of the guiding principles of the Group's strategy and a key driver for sustainable development. The Group is committed to personnel management geared towards actively contributing to well-being inside and outside the organisation, as it finds in people's actions one of the three indispensable foundations for embarking on a path of sustainable development.

The commitment that the Group has decided to make to people particularly emphasises the following areas:

DIVERSITY, EQUAL OPPORTUNITIES AND INCLUSION

TRAINING AND PROFESSIONAL DEVELOPMENT

TALENT ACQUISITION, DEVELOPMENT AND RETENTION

WELL-BEING, WORK-LIFE BALANCE AND EMPLOYMENT PROTECTION

The strategy of growth and consolidation in the market focuses on a twofold direction: a) personnel training, as the main tool for skills development; b) the identification of tools to attract new talent that can bring value to the Group.

The Group has also launched the PEnjoy project, which includes numerous initiatives aimed at employees and their families to experience the corporate environment as a place for sharing experiences, personal growth and stimulating them to always do better.

Since 2021, a virtual idea box has been set up on the company homepage where each employee can share anonymously his or her views and make suggestions and proposals with reference to the company organisation and the topics promoted by the PEnjoy project.

All employees, regardless of contract type, are granted the flexible benefit provided for by the Metalworkers' National Labour Collective Agreement.

In 2022, the offices in Vimercate and Brescia were enlarged and the work space was increased, resulting in more comfortable working conditions. In addition, company climate surveys were launched and a policy on remote working was defined to promote work-life balance.

As of 2022, a welfare system was introduced for all Presezzi S.p.A. and Coim S.r.l. employees aimed at distributing gift cards/vouchers via an online platform.

Employment and turnover

GRI Standards	3-3 401-1

The identification and development of talent, as well as its attraction and retention, is a major challenge for the Group. The growth of the organisation is in fact based on the ability to recruit, retain and develop qualified personnel with a high level of expertise, knowledge of the products and markets in which the Group operates.

For the Group, contributing to the social, cultural and economic development of the community in which it operates is a priority, creating the conditions for sustainable development by supporting projects dedicated to the training and integration of young people from local schools.

Internship/work-related learning - For the Group, given the high level of know-how that is developed and applied on company products and processes, relations with the academic and school world are particularly relevant. In particular, Presezzi Extrusion Group maintains relations with schools in the Brescia, Mantua and Monza and Brianza areas, and universities in the area for research, knowledge sharing and student orientation activities. With the aim of accompanying young students on their growth path towards entering the labour market, the Group offers internship / work-related learning opportunities.

Nurturing and supporting a passion for study and learning is a theme that is very dear to the company, which pursues it by addressing young people directly. The selection and comparison process with the schools involves an initial cognitive interview with the student, followed by the signing of an agreement with the institute and the joint drafting of a training plan to enrich the professional and human skills of the resource identified.

New employee hires – Age Groups	2020			2021			2022		
	Women	Men	**Total**	Women	Men	**Total**	Women	Men	**Total**
Up to 30	-	10	**10**	2	21	**23**	3	36	**39**
From 30 to 50	1	8	**9**	2	12	**14**	1	21	**22**
Over 50	-	3	**3**	-	3	**3**	-	6	**6**
Total	**1**	**21**	**22**	**4**	**36**	**40**	**4**	**63**	**67**

Termination - Age Groups	2020			2021			2022		
	Women	Men	**Total**	Women	Men	**Total**	Women	Men	**Total**
Up to 30	1	7	**8**	-	6	**6**	-	13	**13**
From 30 to 50	4	6	**10**	2	7	**9**	-	10	**10**
Over 50	1	4	**5**	-	7	**7**	-	10	**10**
Total	**6**	**17**	**23**	**2**	**20**	**22**	**-**	**33**	**33**

As indicated in chapter "2.3 Business Model and Strategy" / par. "Employees" most of the new hires are young people under 30, also the result of the above-mentioned cooperation with schools. The data on terminations are more homogeneous compared to age groups. As shown in the next table, the largest item is voluntary departures, a frequent dynamic in the post-pandemic Covid-19 personnel data.

Resignations by motivation and gender	2020			2021			2022		
	Women	Men	**Total**	Women	Men	**Total**	Women	Men	**Total**
Voluntary departures	2	12	**14**	1	12	**13**	-	20	**20**
Retirement	1	2	**3**	-	3	**3**	-	5	**5**
Dismissal	2	2	**4**	-	1	**1**	-	4	**4**
More	1	1	**2**	1	4	5	-	4	**4**
Total	**6**	**17**	**23**	**2**	**20**	**22**	**-**	**33**	**33**

Turnover	2021			2022		
	Women	Men	**Total**	Women	Men	**Total**
Positive turnover new employees	13.3%	23.1%	**21.5%**	12.9%	36.6%	**33.0%**
Negative turnover resigned	6.7%	12.8%	**11.8%**	0.0%	19.2%	**16.3%**
Overall turnover	**6.7%**	**10.3%**	**9.7%**	**12.9%**	**17.4%**	**16.7%**

Diversity, Equity, Inclusion and Equal Opportunities

GRI Standards	3-3 401-3 405-1 406-1

The Group is committed to promoting an inclusive approach, a respectful working environment and to making diversity a strategic advantage by fostering discussion, creativity and innovation. To pursue its commitment to spreading a culture based on respect for rights and valuing diversity, the Group operates in line with the Code of Ethics and the Group policies adopted to protect Human Rights and Diversity, drawing inspiration from international regulations and principles.

The policies constitute the ethical principles and standards of conduct to be adopted in the conduct of the Presezzi Group's business activities, such as: legality, morality, professionalism, dignity and equality.

To raise awareness on diversity and inclusion issues, the Group is engaged in activities, initiatives and projects aimed at reducing gender inequalities and fostering equal opportunities in general. On the occasion of the World Day for the Elimination of Violence against Women on 25th November, all employees were invited to express their thoughts for all female victims of violence. This initiative was advertised on the company's social media channels, along with the publication of a video with images of Presezzi Group employees, spokespersons for messages related to the International Day for the Elimination of Violence against Women.

As already mentioned in chapter "2.3 Business Model and Strategy" / par. "Employees", the presence of women is limited owing to the characteristics of the sector (Metalworkers' National Labour Collective Agreement).

As far as company population figures are concerned, there is an increase in the under-30 population between 2021 and 2022. In fact, the Presezzi Group is aiming to recruit young people with specific skills through collaboration with vocational schools in the area.

Employees by category / by gender	**2020**			**2021**			**2022**		
	Women	Men	**Total**	Women	Men	**Total**	Women	Men	**Total**
Directors	-	1	**1**	-	1	**1**	-	1	**1**
Middle Management - Employees	27	101	**128**	28	105	**133**	32	120	**152**
Workers	3	54	**57**	3	66	**69**	3	81	**84**
Total	**30**	**156**	**186**	**31**	**172**	**203**	**35**	**202**	**237**

Employees by category / by gender (%)	**2020**			**2021**			**2022**		
	Women	Men	**Total**	Women	Men	**Total**	Women	Men	**Total**
Directors	-%	0.5%	**0.5%**	-%	0.5%	**0.5%**	-%	0.4%	**0.4%**
Middle Management - Employees	14.5%	54.3%	**68.8%**	13.8%	51.7%	**65.5%**	13.5%	50.6%	**64.1%**
Workers	1.6%	29.0%	**30.6%**	1.5%	32.5%	**34.0%**	1.3%	34.2%	**35.4%**
Total	**16.1%**	**83.9%**	**100.0%**	**15.3%**	**84.7%**	**100.0%**	**14.8%**	**85.2%**	**100.0%**

Employees by age group/ by gender	**2020**			**2021**			**2022**		
	Women	Men	**Total**	Women	Men	**Total**	Women	Men	**Total**
Up to 30	3	35	**38**	4	43	**47**	5	58	**63**
From 30 to 50	22	84	**106**	22	90	**112**	25	104	**129**
Over 50	5	37	**42**	5	39	**45**	5	40	**45**
Total	**30**	**156**	**186**	**31**	**172**	**203**	**35**	**202**	**237**

Employees by age group / by gender %	2020			2021			2022		
	Women	Men	**Total**	Women	Men	**Total**	Women	Men	**Total**
Up to 30	1.6%	18.8%	**20.4%**	2.0%	21.2%	**23.2%**	2.1%	24.5%	**26.6%**
From 30 to 50	11.8%	45.2%	**57.0%**	10.8%	44.3%	**55.2%**	10.5%	43.9%	**54.4%**
Over 50	2.7%	19.9%	**22.6%**	2.5%	19.2%	**21.7%**	2.1%	16.9%	**19.0%**
Total	**16.1%**	**83.9%**	**100.0%**	**15.3%**	**84.7%**	**100.0%**	**14.8%**	**85.2%**	**100.0%**

Employees by category / age group	2020				2021				2022			
	Up to 30 years	30 to 50 years	Over 50 years	**Tot.**	Up to 30 years	30 to 50 years	Over 50 years	**Tot.**	Up to 30 years	30 to 50 years	Over 50 years	**Tot.**
Directors	-	1	-	**1**	-	1	-	**1**	-	1	-	**1**
Middle Management - Employees	23	86	19	**128**	24	88	21	**133**	28	103	21	**152**
Workers	15	19	23	**57**	23	23	23	**69**	35	25	24	**84**
Total	**38**	**106**	**42**	**186**	**47**	**112**	**44**	**203**	**63**	**129**	**45**	**237**

Employees by category / age group %	2020				2021				2022			
	Up to 30 years	30 to 50 years	Over 50 years	**Tot.**	Up to 30 years	30 to 50 years	Over 50 years	**Tot.**	Up to 30 years	30 to 50 years	Over 50 years	**Tot.**
Directors	-%	0.5%	-%	**0.5%**	-%	0.5%	-%	**0.5%**	-%	0.4%	-%	**0.4%**
Middle Management - Employees	12.4%	46.2%	10.2%	**68.8%**	11.8%	43.3%	10.3%	**65.5%**	11.8%	43.5%	8.9%	**64.1%**
Workers	8.1%	10.2%	12.4%	**30.6%**	11.3%	11.3%	11.3%	**34.0%**	14.8%	10.5%	10.1%	**35.4%**
Total	**20.4%**	**57.0%**	**22.6%**	**100.0%**	**23.2%**	**55.2%**	**21.7%**	**100.0%**	**26.6%**	**54.4%**	**19.0%**	**100.0%**

Discrimination

During the reporting period and previous reporting periods, there were no incidents of discrimination based on ethnicity, colour, gender, religion, political opinion, national descent or social origin, as defined by the ILO (International Labour Organisation), or other relevant forms of discrimination involving internal and/or external stakeholders.

Parental leave

The data on parental leave, an institution provided for by current legislation and which affected a total of 9 employees of the Presezzi Extrusion Group during 2022, are presented below. The gender breakdown of this piece of data obviously depends on the fact that the majority of Presezzi Extrusion Group employees are male. The data on leave days cover both optional and statutory parental leave.

Parental leave	**2020**			**2021**			**2022**		
	Women	Men	**Total**	Women	Men	**Total**	Women	Men	**Total**
Number of employees entitled to maternity and paternity leave	30	156	**186**	31	172	**203**	35	202	**237**
No. of employees who took leave	7	5	**12**	5	9	**14**	3	7	**10**
Days	820	14	**834**	25	43	**68**	118	46	**164**
Number of employees who returned to work during the reporting period after taking maternity/paternity leave, by gender	4	2	**6**	4	6	**10**	3	6	**9**
Total number of employees who returned to work after maternity/paternity leave ended - still employed 12 months after				4	2	**6**	3	5	**8**
Rate of return to work for employees who have taken maternity/paternity leave, by gender	57%	40%	**50%**	80%	67%	**71%**	100%	86%	**90%**
Retention rate in the company of employees who have taken maternity/paternity leave, by gender				100%	100%	**100%**	75%	83%	**80%**

Training

GRI Standards	3-3 404-3

The Group's commitment to its employees includes training activities for all employees, so that they can maintain an advanced level of technical application skills on the one hand and, at the same time, enjoy a rich experience of personal growth. Promoting training activities means, for the Group, guaranteeing its employees the constant updating necessary to operate successfully in a rapidly evolving market and encouraging the adoption of individual behaviour and modes of interaction consistent with the guiding values of the company's corporate culture.

Training in the Group has always been considered the basis to be able to trigger creativity and innovation, to be able to easily assess the adoption of new and different approaches from the ordinary ones, to be able to make the most of the distinctive professional and personal skills of each person to enable each one to make a difference. Demonstrating the importance the Group attaches to training, established structures and practices have been implemented in the company to support professional development, inclusion and integration.

In 2022, nearly 19,750 hours of training were carried out, of which over 17,600 hours were dedicated to coaching employees to develop new skills. As of 2023, a procedure has been adopted to improve the tracking of training hours, with the possibility to see them broken down by job and gender of employees.

Total hours of training provided	2022
Safety	1,420.0
Oleodynamics	457.6
Personal administration	156.5
Spanish	43.5
Total	**2,077.6**
Training on the job	17,650.7
Total training	**19,728.3**

The Group carried out coaching/training activities dedicated to a selection of employees interested in a change of professional role or the assignment of new tasks, to benefit from targeted and customised training/coaching courses with a dedicated consultant.

Each employee undergoes an annual skills assessment procedure that consists of three steps: receiving an online questionnaire for self-assessment; forwarding of the completed questionnaire to the manager, who in turn carries out an assessment of the employee's skills; the self-assessment and the manager's assessment are then collected by the personnel office, which organises the subsequent discussions.

Health and safety at work

GRI Standards	3-3 403-1 403-2 403-3 403-4 403-5 403-6 403-7 403-8 403-9

Policies and the management system

The Group protects and promotes the health and safety of workers by adopting preventive measures and disseminating a corporate culture oriented towards the highest level of compliance not only with applicable legal requirements and other prescriptions subscribed to in the field of occupational safety and hygiene, but also with the highest reference standards and the best applicable techniques to ensure the utmost care for risk reduction and continuous improvement of processes and work areas.

The Group considers occupational health and safety to be an essential ethical and social necessity, and operates in full compliance with the requirements defined by the specific local regulations applicable in the various countries in which it operates. Given the Group's international vocation and the relative fragmentation of applicable regulations, the Parent Company has adopted an integrated Quality and Health and Safety at Work Management System that summarises the set of principles and behavioural rules aimed at reducing and eliminating the likelihood of the occurrence of injuries and accidents.

The presence of a prevention system that enables the Company to identify potential risks in advance is therefore accompanied by this Integrated Management System, which becomes an instrument of the system itself and defines the commitment of the parent company, its direct subsidiaries, as well as its main collaborators and stakeholders, in the field of occupational health and safety protection.

The Group, in complying with the requirements of Legislative Decree 81/2008 (Risk Assessment - RAD, Single document on the assessment of risk from interference, Fire Risk Assessment, PPE, etc.) in the field of occupational safety, it scrupulously adopts all measures necessary or useful to reduce risks to the health and safety of workers, protecting them from possible accidents.

The employer has appointed the Health and Safety Officers and the competent doctor, figures in charge of protecting the safety of workers, and has drawn up the document assessing the risks present within the organisation in order to identify and adopt the appropriate prevention and protection measures.

The following persons were also appointed: Company System Manager, Management Representative; First Aid and Fire Fighting Team members.

In addition, on the subject of safety, all work procedures and the environments where they take place were analysed because ensuring a safe and healthy workplace is essential to prevent and reduce potential accidents and injuries to workers' health.

Health and safety training - All employees are trained with general and specific training depending on the task as stipulated in the Risk Assessment Documents (RADs). For workers, first aid, safety and fire prevention courses totalling 204 hours were held during the year 2022, in addition to general and specific courses according to the State-Regions agreement on safety training. All course participants received certificates of proficiency. Among the workers, the persons in charge of monitoring and activating safety procedures in the event of serious and immediate danger have been identified and appointed, with the assignment of specific tasks.

Occupational health services - The Group appointed a competent doctor for occupational medicine services. Workers are periodically subjected to medical surveillance examinations to ascertain their state of health in relation to the working environment and occupational risk factors associated with their work. Health surveillance is carried out by the competent doctor: in the cases provided for by current legislation, European directives and the indications provided by the Advisory Commission referred to in Article 6; if the worker requests it and it is considered by the competent doctor to be related to work risks.

Worker participation and consultation and communication on health and safety at work - Group workers have appointed Health and Safety Officers (HSOs), for whom specific training is provided. HSOs are consulted at every RAD update and involved in the annual safety meeting.

Group employee health services and programmes - Employees of the Group's subsidiaries have access to supplementary health care services, preventive screening and discounts on medical services through membership of a specific Fund.

Prevention and mitigation of occupational health and safety impacts within business relationships - The Group is committed to preventing and mitigating adverse occupational health and safety impacts directly related to its activities and services through its business relations. Specifically, this commitment also translates into specific procedures laid down in the management system for services entrusted to third parties, including for the purposes of risk reduction and appropriate management of interference risks.

Process and equipment management - Group employees are provided with personal protective equipment as required, depending on their tasks and roles.

Workers covered by an occupational health and safety management system - Presezzi Extrusion S.p.A. is UNI EN ISO 45001 certified: 2018, whereby 82.5% of the Presezzi Group's population is covered by an occupational health and safety management system.

Accidents at work - employees

Occupational accidents affected a limited number of Group employees during the two-year period under review and there were no serious and/or fatal accidents. In the reporting period the Group did not encounter any cases of occupational diseases

Work-related injuries		2020	2021	2022
Work-related injuries	No.			
Fatalities		-	-	-
High-consequence work-related injuries		-	-	-
Other work-related injuries		6	5	9
Total work-related injuries		6	5	9
Total hours worked	h	281,263	351,603	396,000
Days of absence due to injuries	No.	110	321	313

Of the injuries that occurred in 2022, 2 out of 9 injuries lasted 3 days or less, and 8 out of 9 occurred at Presezzi Extrusion S.p.A. To minimise risks and safeguard the health and safety of its employees, the Group monitors near misses, after which it takes corrective action.

Injury rate		2020	2021	2022
Injury Frequency rates (No. of injuries / hours worked x 1,000,000)	No.			
Fatalities		-	-	-
High-consequence work-related injuries		-	-	-
Other work-related injuries		21.33	14.22	22.73
Accident Severity rate (days without injuries / worked hours x 1,000)		0.39	0.91	0.79

Injuries - other workers

The current procedure for managing data on injuries at work provides for the systematic collection of data on "other workers", i.e. workers who are not employees but whose work and/or workplace is controlled by the company. Such cases may particularly concern porters and external workers on whom the Group relies. It should also be noted that, during 2022, there were no reports from these suppliers of accidents occurring during their activities for the Group.

2.7
GRI
Content Index

Statement of use	The Integrated Report of Presezzi Extrusion Group for the financial year 2022 [1st January - 31st December 2022] has been prepared according to the reporting option with reference to the GRI Standards.
GRI 1 used	GRI 1 Foundation 2021
Applicable GRI Sector Standard(s)	Not available

GRI Sustainability Reporting Standard		References Chapter / Paragraph	Notes
GRI 2 - General Disclosures - 2021 version			
	The organisation and its reporting practices		-
2-1	Organisational details	Methodological note 02 Sustainability Disclosure / Presezzi Extrusion Group / Profile	-
2-2	Entities included in the organisation's sustainability reporting	Methodological note	
2-3	Reporting period, frequency and contact point	Methodological note	
2-4	Restatements of information	Methodological note	
2-5	External Assurance	Independent auditors' report / sustainability disclosure	
	Activities and workers		-
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		02 Sustainability Statement / Presezzi Extrusion Group / Purpose & Mission	
		02 Sustainability Statement / Presezzi Extrusion Group / History of Presezzi Extrusion Group	
		02 Sustainability Statement / Presezzi Extrusion Group / Markets and world presence	
		02 Sustainability Statement / Strategy and sustainable development / The aluminium supply chain in Europe	
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2-7	Employees	02 Sustainability Statement / Business model and strategy / Employees	
2-8	Workers who are not employees	02 Sustainability Statement / Business model and strategy / Employees	

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2-10	Nomination and selection of the highest governance body	02 Sustainability Statement / Governance and Business Conduct / Governance and Control Bodies	
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2-13	Delegation of responsibility for managing impacts	02 Sustainability Statement / Governance and Business Conduct / Organisational Structure - The Delegation Process	
2-14	Role of the highest governance body in sustainability reporting	02 Sustainability Statement / Governance and Business Conduct / Organisational Structure - The Delegation Process	
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2-19	Remuneration policies	02 Sustainability Statement / Governance and Business Conduct / Governance and Control Bodies	
2-20	Process to determine remuneration	02 Sustainability Statement / Governance and Business Conduct / Governance and Control Bodies	
	Strategy, policies and practices		-
2-22	Statement on sustainable development strategy	Letter to the Stakeholders	
2-23	Policy commitments	02 Sustainability Statement / Governance and Business Conduct / The Code of Ethics - Responsible Business Conduct 02 Sustainability Statement / Governance and business conduct / Management systems and certifications	
2-24	Embedding policy commitments	02 Sustainability Statement / Governance and Business Conduct / The Code of Ethics - Responsible Business Conduct 02 Sustainability Statement / Governance and business conduct / Management systems and certifications	
2-25	Processes to remediate negative impacts	02 Sustainability Statement / Governance and business conduct / Management systems and certifications	
2-26	Mechanisms for seeking advice and raising concerns	02 Sustainability Statement / Governance and Business Conduct / The Code of Ethics - Responsible Business Conduct	
2-27	Compliance with laws and regulations	02 Sustainability Statement / Governance and Business Conduct / Compliance	
2-28	Membership associations	02 Sustainability Statement / Governance and Business Conduct / Associations	

	Stakeholder Engagement		-
2-29	Approach to stakeholder engagement	02 Sustainability Statement / Business model and strategy / Stakeholders	
2-30	Collective bargaining agreements	02 Sustainability Statement / Business model and strategy / Employees	
GRI 3 - Material Topics - version 2021			
3-1	Process to determine material topics	02 Sustainability Statement / Impacts and Material Topics/ Impacts and Material Topics according to GRI Standards	
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GRI Standards - Material Topics Report / Specific Indicators

Unless otherwise specified, the GRI Standards published in 2016 were used. GRI Standard 403 Occupational Health and Safety, published in 2018, was used for reports on Occupational Health and Safety; GRI Standard 306 Waste, published in 2020, was used for reports on Waste; GRI Standard 207, published in 2019, was used for reports on Taxes.

GRI Sustainability Reporting Standard		References Chapter / Paragraph	Notes
GRI 200	**Economic topics**		
201	**ECONOMIC PERFORMANCE**		-
201-1	Direct economic value generated and distributed	01 Economic and financial performance / Value generated and distributed	
205	**ANTI-CORRUPTION 2016**		-
205-3	Confirmed incidents of corruption and actions taken	02 Sustainability Statement / Sustainability Performance / Ethics and Integrity	
206	**ANTI-COMPETITIVE BEHAVIOR**		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	02 Sustainability Statement / Sustainability Performance / Ethics and Integrity	
207	**TAX 2019**		
207-1	Approach to tax	02 Sustainability Statement / Sustainability Performance / Ethics and Integrity	
207-2	Tax governance, control, and risk management	02 Sustainability Statement / Sustainability Performance / Ethics and Integrity	
207-3	Stakeholder engagement and management of concerns related to tax	02 Sustainability Statement / Sustainability Performance / Ethics and Integrity	
GRI 300	**Environmental topics**		
302	**ENERGY**		-
302-1	Energy consumption within the organization	02 Sustainability Statement / Sustainability Performance / Environmental Impacts / Energy	Transport data were not included in the reporting (incomplete data)
302-3	Energy intensity	02 Sustainability Statement / Sustainability Performance / Environmental Impacts / Energy	Transport data were not included in the reporting (incomplete data)
305	**EMISSIONS**		
305-1	Direct (Scope 1) GHG emissions	02 Sustainability Statement / Sustainability Performance / Environmental Impacts / Emissions	Transport data were not included in the reporting (incomplete data)
305-2	Energy indirect (Scope 2) GHG emissions	02 Sustainability Statement / Sustainability Performance / Environmental Impacts / Emissions	Transport data were not included in the reporting (incomplete data)

305-4	GHG emissions intensity	02 Sustainability Statement / Sustainability Performance / Environmental Impacts / Emissions	Transport data were not included in the reporting (incomplete data)
306	**WASTE - 2020**		
306-1	Waste generation and significant waste-related impacts	02 Sustainability Statement / Sustainability Performance / Environmental Impacts / Waste	
306-2	Management of significant waste-related impacts	02 Sustainability Statement / Sustainability Performance / Environmental Impacts / Waste	
306-3	Waste generated	02 Sustainability Statement / Sustainability Performance / Environmental Impacts / Waste	
308	**SUPPLIER ENVIRONMENTAL ASSESSMENT**		
308-1	New suppliers that were screened using environmental criteria	02 Sustainability Statement / Sustainability Performance / Supply Chain	
GRI 400	**Social topics**		
401	**EMPLOYMENT**		
401-1	New employee hires and employee turnover	02 Sustainability Statement / Sustainability Performance / Human Resources / Employment and Turnover	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	02 Sustainability Statement / Sustainability Performance / Human Resources	
401-3	Parental leave	02 Sustainability Statement / Sustainability Performance / Human Resources / Diversity, Equity, Inclusion and Equal Opportunities	
403	**OCCUPATIONAL HEALTH AND SAFETY 2018**		
403-1	Occupational Health and Safety Management System	02 Sustainability Statement / Sustainability Performance / Occupational Health and Safety	
403-2	Hazard identification, risk assessment, and incident investigation	02 Sustainability Statement / Sustainability Performance / Occupational Health and Safety	
403-3	Occupational health services	02 Sustainability Statement / Sustainability Performance / Occupational Health and Safety	
403-4	Worker participation, consultation, and communication on occupational health and safety	02 Sustainability Statement / Sustainability Performance / Occupational Health and Safety	
403-5	Worker training on occupational health and safety	02 Sustainability Statement / Sustainability Performance / Occupational Health and Safety	
403-6	Promotion of worker health	02 Sustainability Statement / Sustainability Performance / Occupational Health and Safety	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	02 Sustainability Statement / Sustainability Performance / Occupational Health and Safety	

403-8	Workers covered by an occupational health and safety management system	02 Sustainability Statement / Sustainability Performance / Occupational Health and Safety
403-9	Work-related injuries	02 Sustainability Statement / Sustainability Performance / Occupational Health and Safety
404	**TRAINING AND EDUCATION**	
404-3	Percentage of employees receiving regular performance and career development reviews	02 Sustainability Statement / Sustainability Performance / Human Resources / Training
405	**DIVERSITY AND EQUAL OPPORTUNITY**	
405-1	Diversity of governance bodies and employees	02 Sustainability Statement / Sustainability Performance / Human Resources / Diversity, Equity, Inclusion and Equal Opportunities
406	**NON-DISCRIMINATION**	
406-1	Incidents of discrimination and corrective actions taken	02 Sustainability Statement / Sustainability Performance / Human Resources / Diversity, Equity, Inclusion and Equal Opportunities
414	**SUPPLIER SOCIAL ASSESSMENT**	
414-1	New suppliers that were screened using social criteria	02 Sustainability Statement / Sustainability Performance / Supply Chain
416	**CUSTOMER HEALTH AND SAFETY**	
416-1	Assessment of the health and safety impacts of product and service categories	02 Sustainability Statement / Sustainability Performance / Product Quality, Conformity and Safety
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	02 Sustainability Statement / Sustainability Performance / Product Quality, Conformity and Safety
417	**MARKETING AND LABELLING**	
417-1	Requirements for product and service information and labeling	02 Sustainability Statement / Sustainability Performance / Product Quality, Conformity and Safety
417-2	Incidents of non-compliance concerning product and service information and labeling	02 Sustainability Statement / Sustainability Performance / Product Quality, Conformity and Safety
417-3	Incidents of non-compliance concerning marketing communications	02 Sustainability Statement / Sustainability Performance / Product Quality, Conformity and Safety
418	**CUSTOMER PRIVACY**	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	02 Sustainability Statement / Sustainability Performance / Ethics and Integrity

Other Information

3.1 Information on related party transactions

In relation to the disclosure requirements set forth in No. 22-bis of Article 2427 of the Italian Civil Code, please refer to the parent company's Notes to the Financial Statements (paragraph '**Information on Transactions with Related Parties**)

3.2 Companies excluded due to heterogeneity

No companies excluded due to heterogeneity

3.3 Treasury stock and shares in Parent Companies

Group companies do not hold any treasury shares or shares in parent companies.

3.4 Information on risks and uncertainties pursuant to Art. 2428(3)(6-bis) of the Italian Civil Code

Pursuant to Article 2428, Paragraph 2, Point 6-bis of the Italian Civil Code, below we provide information on the use of financial instruments, insofar as they are relevant to the valuation of the balance sheet and financial situation.
No new risk-generating elements were reported, other than those already described in the report accompanying the financial statements for the year ended 31/12/2021:
- exchange rate risks;
- interest rate risks;
- risks related to third-party liability;
- risks related to exposure to a few customers and/or suppliers and/or lenders;
- risks associated with access to sources of funding;
- business-related risks;
- personnel-related risks.

The behaviour adopted by Group companies to prevent or mitigate the aforementioned risks also remained virtually unchanged:
- favouring the Euro as the reference currency to denominate supply contracts or, where these are expressed in non-EU currencies (mainly USD), resorting to internal hedging transactions or forward contracts/options in foreign currencies to minimise the impact of possible exchange rate fluctuations on sales prices;
- systematically investing in R&D activities to make the Group's products safer and better performing, immediately preventing the occurrence of damaging events that could trigger liability claims;
- constantly monitoring and developing insurance guarantees both in terms of the geographical scope of coverage and in terms of limits, also by having a leading insurance brokerage company constantly map out insurable risks;
- operating with a view to increasingly diversifying the portfolio of customers and markets, in order to reduce the business risk and benefit from the alternation between the respective economic cycles;
- working to continuously improve cash flow (both as an absolute value and in terms of flows), reducing overall exposure, optimising debt ageing and improving creditworthiness, so as to facilitate access to the financial resources required by industrial and investment activities;
- taking in consideration the quality and the status of customers. To date, commercial risk remains at absolutely normal levels. The Group also pay attention to the use of payments methods that guarantee the regular solvency of the credit.
- taking care of the development of the working environment in the Group companies, ensuring that human and professional relations are always feature the utmost cooperation while respecting each one's role; to date, there is no record of facts that could give rise to claims for compensation or complaints of any kind by current or terminated personnel in relation to their working relationship with the Group companies.

Credit risk
The data show that the financial assets of the Group companies have a good credit quality.

Liquidity risk
It should be noted that:
Group companies hold financial assets for which there is a liquid market and which are readily saleable to meet liquidity needs;
There are debt instruments or other credit lines to meet liquidity needs;
Group companies hold deposits with credit institutions to meet liquidity needs;
There are different sources of funding;
There are no significant concentrations of liquidity risk on both when it comes to financial assets and funding sources.

3.5
Use of financial instruments relevant to the evaluation of the financial position and economic performance of the financial year

Pursuant to and for the purposes of point 6-bis) of the third paragraph of Article 2428 of the Italian Civil Code, the company has entered into an IRS-type hedging contract, to hedge the risk of an increase in interest rates, and four Forward hedging contracts, to hedge the exchange rate risk on the US dollar. Please refer to the information in the Notes to the Financial Statements of the parent company for further details (paragraph **'Information on the fair value of derivative financial instruments').**

3.6
Major events that occurred after the end of the financial year

No significant events occurred after the end of the Reporting Period.

Foreseeable development of **Operations**

4.1
Foreseeable development of operations

As of the date of writing, the Group has a large order book, both in terms of quantity and quality, and also benefits from a geographical diversification of customer markets.

In conclusion, **there is a very positive opinion** on the performance of operations during the past financial year, and with regard to its foreseeable development, there is hope for a rapid, fair and definitive overcoming of the various ongoing crisis scenarios at the macro-political level, which would create the conditions for certainly more equitable and inclusive progress and more stable economic growth.

Consolidated
Financial Statement
as of 31/12/2022

Balance Sheet

Balance Sheet Assets			31/12/2022	31/12/2021
A) Receivables from shareholders for payments still due				
(of which already recalled)				
B) Fixed Assets				
I.Intangible assets				
	1) Start-up and expansion costs			
	2) Development costs		5,019,292	5,406,826
	3) Industrial Patent and Intellectual Property Rights		1,772,349	2,197,603
	4) Concessions, licences, trade marks and similar rights			
	5) Start-up		149,822	199,763
	6) Assets under construction and advances			
	7) Others		97,906	56,499
			7,039,369	**7,860,691**
II. Materials				
	1) Land and Buildings		10,251,825	10,534,011
	2) Plants and machinery		454,603	378,249
	3) Industrial and commercial equipment		262,326	252,321
	4) Other Assets		620,476	265,684
	5) Assets under construction and advances		1,920,829	
			13,510,059	**11,430,265**
III. Financial				
	1) Equity investments in:			
		a) non-consolidated sub-sidiaries		
		b) affiliated companies		
		c) parent companies		

		d) companies controlled by parent companies		
		d-bis) other companies	14,008	2,009,417
			14,008	**2,009,417**
	2) Receivables			
		a) from non-consolidated subsidiaries		
		due within the next financial year		146,936
		due beyond the next financial year		
				146,936
		b) from affiliated companies		
		due within the next financial year		
		due beyond the next financial year		
		c) from parent companies		
		due within the next financial year	304,206	244,479
		due beyond the next financial year	2,128,856	311,763
			2,433,062	**556,242**
		d) from companies controlled by parent companies		
		due within the next financial year		
		due beyond the next financial year		
		d-bis) from others		
		due within the next financial year	1,093,730	977,915
		due beyond the next financial year	507,547	1,019,621

			1,601,277	**1,997,536**
			4,034,339	**2,700,714**
	3) Other securities		105,766	105,766
			4,154,113	**4,815,897**
Total fixed assets			**24,703,541**	**24,106,853**
C) Current assets				
I. Inventories				
	1) Raw materials, ancillary materials and consumables		2,684,348	1,509,323
	2) Work in progress and semi-finished products			
	3) Contract work in progress		114,977,909	76,571,710
	4) Finished products and goods		1,092,066	866,546
	5) Advances		8,580,343	2,663,800
			127,334,666	**81,611,379**
II. Receivables				
	1) From customers			
		due within the next financial year	36,359,721	17,618,310
		due beyond the next financial year	2,441,891	1,701,699
			38,801,612	**19,320,009**
	2) From non-consolidated subsidiaries			
		due within the next financial year	7,447	55
		due beyond the next financial year		
			7,447	**55**
	3) From Associated Companies			
		due within the next financial year		
		due beyond the next financial year		
	4) From parent companies			
		due within the next financial year	465	4,491
		due beyond the next financial year		
			465	**4,491**
	5) From companies subject to the control of parent companies			
		due within the next financial year		1,619,008
		due beyond the next financial year		

				1,619,008
	5-bis) For tax credits			
		due within the next financial year	7,786,457	3,546,627
		due beyond the next financial year		
			7,786,457	**3,546,627**
	5-ter) For deferred tax assets			
		due within the next financial year	91,116	108,817
		due beyond the next financial year		
			91,116	**108,817**
	5-quater) towards others			
		due within the next financial year	217,374	74,091
		due beyond the next financial year		
			217,374	**74,091**
			46,904,471	**24,673,098**
III. Financial Assets Not Constituting Fixed Assets				
	1) Investments in non-consolidated subsidiaries			
	2) Investments in affiliated companies			
	3) Equity Investments in parent companies			
	3-bis) Equity Investments in Companies Controlled by Parent Companies			
	4) Other equity investments			
	5) Derivative financial instruments receivable		1,081,201	
	6) Other securities		7,645,959	2,482,351
	6) Financial assets for centralised treasury management			
			8,727,160	**2,482,351**
IV. Cash and cash equivalents				

1) Bank and postal deposits	36,894,756	33,785,907
2) Cheques		
3) Cash and equivalents in hand	47,816	36,156
	36,942,572	**33,822,063**

Total current assets	**219,908,869**	**142,588,891**
D) Accruals and deferrals	**474,566**	**587,890**
Total assets	**245,086,976**	**167,283,634**

Balance Sheet Liabilities	**31/12/2022**	**31/12/2021**
A) Net assets		
I. Capital	3,000,000	3,000,000
II.Share premium reserve		
III.Revaluation reserve		
IV.Legal reserve	220,000	220,000
V.Statutory Reserves		
VI. Other reserves, separately indicated		
Extraordinary reserve	20,303	20,303
Reserve from derogations pursuant to Article 2423 of the Italian Civil Code		
Reserve shares (quotas) of the parent company		
Equity investment revaluation reserve		
Capital Increase Payments		
Payments on account of future capital increase		
Capital Contribution payments		
Payments to cover losses		
Share capital reduction reserve		
Merger Surplus Reserve		
Reserve for unrealised exchange gains		
Profit adjustment reserve		
Various other reserves		
Capital Grant Fund (Art. 55 Consolidated Act)		
Provisions for tax-suspension reserves		
Reserves from subsidised contributions (Law No. 576/1975)		
Provisions of capital gains provided by Article 2 Law no. 168/12		
Provisions for capital gains under Legislative Decree No. 124/1933		
Non-distributable reserve pursuant to Art. 2426	2,236,462	1,120,082
EURO conversion reserve		
Tax amnesty reserve		

	Customisable account		
	Unavailable reserve for suspended depreciation Legislative Decree 104/20		
	Difference from rounding to the nearest euro unit		
	More...		
	Reserve from third-party relationships to earmarked assets		
	Foreign Consolidation Translation Reserve		128,779
	Consolidation reserve	2,772,635	2,765,638
		5,029,400	**4,034,802**
VII. Reserve for expected cash flow hedging transactions		1,081,201	(19,947)
VIII. Retained earnings (losses)		2,720,388	1,395,758
IX. Profit (loss) for the year		5,446,495	2,427,697
Loss set-off in the year			
X. Negative reserve for treasury shares in portfolio			
Total group equity		**17,497,484**	**11,058,580**
-) Capital and reserves of third parties		1,011,058	788,217
-) Profit (loss) for the year attributable to minority interests		240,096	222,841
Total shareholders' equity attributable to minority interests		1,251,154	788,217
Total consolidated shareholders' equity		**18,748,638**	**12,069,638**
B) Provisions for risks and charges			
1)Provisions for pension liabilities and similar obligations		295,833	245,833
2) Provisions for taxes, including deferred taxes		149,276	536,273
3) Derivative financial instruments liabilities			19,947
4) Others		1,400,000	900,000
5) Consolidation provision for future risks and charges			
Total provisions for risks and charges		**1,845,109**	**1,702,053**
C) Severance pay		**3,040,145**	**2,761,102**
D) Payables		**3,040,145**	**2,761,102**
1) Bonds			
	due within the next financial year	1,137,935	823,833
	due beyond the next financial year	4,804,079	5,814,050
		5,942,014	**6,637,883**
2) Convertible Bonds			
	due within the next financial year		
	due beyond the next financial year		
3) Payables to shareholders for loans			

due within the next financial year		
due beyond the next financial year		
4) Due to Banks		
due within the next financial year	6,468,827	3,480,189
due beyond the next financial year	13,619,058	17,956,222
	20,087,885	**21,436,411**
5) Payables to other lenders		
due within the next financial year		
due beyond the next financial year		
6) Advances		
due within the next financial year	146,876,904	84,811,430
due beyond the next financial year	5,263,000	11,555,395
	152,139,904	**96,366,825**
7) Accounts Payable to Suppliers		
due within the next financial year	30,006,264	22,139,882
due beyond the next financial year		
	30,006,264	**22,139,882**
8) Debts represented by debt securities		
due within the next financial year		
due beyond the next financial year		
9) Payables to non-consolidated subsidiaries		105,543
due within the next financial year		
due beyond the next financial year		
		105,543
10) Payables to associated companies		
due within the next financial year		
due beyond the next financial year		
10) Payables to parent companies		
due within the next financial year		
due beyond the next financial year		
11) Payables to associated companies		
due within the next financial year		
due beyond the next financial year		

11-bis) Payables to companies controlled by parent companies	6,824,054	
due within the next financial year		
due beyond the next financial year		
	6,824,054	
12) Tax Payables		
due within the next financial year	3,233,835	571,444
due beyond the next financial year		42,843

Profit and Loss Account

	3,233,835	**614,287**
13) Payables to Social Security Institutions		
due within the next financial year	624,520	558,125
due beyond the next financial year		
	624,520	**558,125**
14) Other debts		
due within the next financial year	1,068,763	1,032,300
due beyond the next financial year	651,015	847,841
	1,719,778	**1,880,141**
Total debts	**220,578,254**	**149,739,097**
E) Accruals and Deferrals	874,830	1,011,744
Total liabilities	**245,086,976**	**167,283,634**

Profit and Loss Account	31/12/2022	31/12/2021
A) Production value		
1) Revenues from sales and services	92,009,428	69,722,362
2) Changes in inventories of work in progress, semi-finished and finished products	225,519	(233,572)
3) Changes in contract work in progress	38,406,198	8,990,194
4) Increases in fixed assets for internal work	806,396	958,554
5) Other income and revenues with capital grants shown separately:		
various	1,308,278	1,289,337
operating grants	243,978	154,410
	1,552,256	**1,443,747**
Total value of production	**132,999,797**	**80,881,285**
B) Production costs		
6) For raw and ancillary materials, consumables and goods	83,596,844	47,589,876
7) For services	19,715,450	11,152,701
8) For leased assets	1,013,140	1,013,140

9) For personnel		
a) wages and salaries	10,550,476	9,181,434
b) social security contributions	2,950,753	2,646,945
c) severance pay	862,218	660,834
d) Pensions and similar benefits	47,100	43,165
e) Other costs	200,290	64,619
	14,610,837	**12,596,997**
10) Amortisation, depreciation and impairment		
a) amortisation of the intangible fixed assets	1,745,027	1,657,019
b) depreciation of tangible fixed assets	624,097	577,935
c) Other write-downs of fixed assets	221,936	100,000
d) Write-downs of receivables included in current assets and cash and cash equivalents	216,901	139,419
	2,807,961	**2,474,373**
11) Changes in inventories of raw, ancillary and consumable materials and goods	(1,175,025)	260,815
12) Provision for risks	500,000	300,000
13) Other Provisions		
14) Other operating expenses	563,011	518,841
Total production costs	**122,017,163**	**75,906,743**
Difference between value and cost of production (A-B)	**10,982,634**	**4,974,542**
C) Financial income and expenses		
15) Income from equity investments with separate indication of those relating to subsidiary and associated companies and those relating to parent companies and companies controlled by them:		
- by subsidiaries		
- from related companies		
- from parent companies		
- by companies controlled by parent companies		
- others		
16) Other financial income:		
a) from accounts receivable included in fixed assets with separate disclosure of those relating to subsidiaries and associated companies and those relating to parent companies and companies controlled by them:		
- by subsidiaries	7,447	55
- from related companies		

- from parent companies		
- by companies controlled by parent companies		
- others	10,726	
	18,173	**55**
b) from securities included in fixed assets that do not constitute equity investments	523	260
c) from securities included in current assets that do not constitute equity investments		
d) income other than the above with separate disclosure of income from subsidiaries and associated companies and income from parent companies and companies controlled by them:		
- from subsidiaries		
- from related parties		
- from parent parties		
- from companies controlled by parent companies		
- others	375,189	111,639
	375,189	**111,639**
	393,885	**111,954**
17) Interest and other financial charges with separate disclosure of those relating to subsidiaries and associates and those relating to parent companies and companies controlled by them		
- from subsidiaries		
- from related parties		
- from parent companies		
- from companies controlled by parent companies		
- others	2,084,485	1,505,060
	2,084,485	**1,505,060**
17-bis) Foreign Exchange Gains and Losses	(712,191)	477,984
Total financial income and expenses	**(2,402,791)**	**(915,122)**
D) Value Adjustments on Financial Assets		
18) Revaluations:		
a) of equity investments		
in affiliated companies		
in subsidiaries		
in parent companies		
in companies controlled by parent companies		
third parties		
b) of financial fixed assets not constituting equity investments		
c) of securities included in current assets that do not constitute equity investments		(3,847)
e) of financial assets for centralised treasury management		
f) with equity method		
19) Write-downs:		
a) of equity investments	16,441	
b) of financial fixed assets not constituting equity investments		

Cash flow statement

	Description - indirect method	financial year 31/12/2022	financial year 31/12/2021
A	**Cash flow from operating activities (indirect method)**		
	Profit (loss) for the year	5,686,591	2,650,810
	Income Taxes	2,876,811	1,404,765
	Interest expense/(income)	1,690,600	1,393,107
	(Dividends)		
	(Gains)/Losses on disposal of assets	(1,500)	(2,024)
1	**Profit (loss) for the year before income tax, interest, dividends and capital gains/losses on disposal**	**10,252,502**	**5,446,658**
	Adjustments for non-monetary items not reflected in net working capital		
	Accruals provision	1,847,273	536,828
	Depreciation of fixed assets	2,369,123	2,234,952
	Impairment losses	16,441	238,884
	Value adjustments to financial assets and liabilities of derivative financial instruments not involving monetary movements		
	Other adjustments up/(down) for non-monetary items	(574,649)	(616,862)
	Total adjustments for non-monetary items that do not have offset in net working capital	3,658,188	2,393,822
2	**Cash flow before changes in net working capital**	**13,910,690**	**7,840,480**
	Changes in net human working capital		
	Decrease/(Increase) in inventories	(45,723,286)	(10,751,036)
	Decrease/(Increase) in trade receivables	(19,907,242)	(6,479,429)
	Increase/(Decrease) in trade payables	7,866,382	11,455,837
	Decrease/(Increase) in accrued income and prepaid expenses	113,325	(110,349)
	Increase/(Decrease) in accrued expenses and deferred income	(136,914)	(78,851)
	Other decreases/(Other increases) in net working capital	60,242,230	35,189,321
	Total changes in net working capital	2,454,495	29,225,493
3	**Cash flow after changes in net working capital**	**16,365,185**	**37,065,973**
	Other corrections		
	Interest received/(paid)	(1,690,600)	(1,393,107)
	(Income taxes paid)	(851,642)	(162,203)
	Dividends received		
	(Use of funds)	(990,118)	(492,679)
	Other collections/(payments)		
	Total other adjustments	(3,532,360)	(2,047,989)
	Cash flow from operating activities (A)	**12,832,825**	**35,017,984**
B	**Cash flows from investing activities**		
	Tangible fixed assets		
	(investments)	(2,703,891)	(260,005)

	Disinvestments	1,500	2,024
	Intangible fixed assets		
	(investments)	(117,309)	(26,642)
	Disinvestments		
	Financial fixed assets		
	(investments)	(2,203,856)	(2,653,343)
	Disinvestments	2,627,262	1,027,969
	Financial assets not held as fixed assets		
	(investments)	(5,143,660)	(2,486,198)
	Disinvestments		
	(Acquisition of subsidiaries net of cash and cash equivalents)		
	Disposal of subsidiaries net of liquid assets		
	Cash flow from investing activities (B)	**(7,539,954)**	**(4,396,195)**
C	**Cash flows from financing activities**		
	Third-party means		
	Increase/(Decrease) short-term payables to banks	2,988,620	(9,747,956)
	Funding start-up		2,000,000
	(Repayment of loans)	(5,160,982)	(5,467,486)
	Own means		
	Paid-in capital increase		129,918
	(Repayment of capital)		
	Disposal/(Purchase) of treasury shares		
	(Dividends and interim dividends paid)		
	Cash flow from financing activities (C)	**(2,172,362)**	**(13,085,524)**
	Increase (decrease) in cash and cash equivalents (A ± B ± C)	3,120,509	17,536,265
	Exchange rate effect on cash and cash equivalents		
	Cash and cash equivalents at beginning of year		
	Bank and postal deposits	33,785,907	16,261,463
	Cheques		
	Cash and valuables in the till	36,156	24,332
	Total cash and cash equivalents at beginning of year	33,822,063	16,285,795
	Of which not freely usable		
	Cash and cash equivalents at year-end		
	Bank and postal deposits	36,894,756	33,785,907
	Cheques		
	Cash and valuables in the till	47,816	36,156
	Total cash and cash equivalents at beginning of year	36,942,572	33,822,063
	Of which not freely usable		
	Acquisition or disposal of subsidiaries		
	Total fees paid or received		
	Part of the fees consisting of liquid assets		

Notes to the Consolidated Financial Statements

Notes to the accounts, initial part

The Consolidated Financial Statements as at 31st December 2022 of PRESEZZI EXTRUSION S.p.A. have been prepared in accordance with the Legislative Decree 127/1991, Articles 2423 ff. of the Italian Civil Code, as amended by Legislative Decree 139/2015, as well as supplemented by the Italian accounting standards developed by the Italian Accounting Body (OIC) in their 2016 revised version.. In particular, the general clauses for the construction of the financial statements (Art. 2423 of the Italian Civil Code), its drafting principles (Art. 2423 bis of the Italian Civil Code) and the valuation criteria established for the individual items (Art. 2426 of the Italian Civil Code) have been met, without applying any of the exceptions provided for in Art. 2423, paragraph 4 of the Italian Civil Code.

In accordance with the Article 2423-ter of the Italian Civil Code, the amount of the corresponding item of the previous year has been indicated for each item in the Balance Sheet and Income Statement.
The Consolidated Financial Statements for the year ended 31st December 2022 have been drawn up in euro units and consist of the following documents:
- Balance Sheet;
- Profit and Loss Account;
- Financial Reporting;
- Explanatory Notes.

These Notes to the Financial Statements illustrate, analyse and, in certain cases, supplement the figures in the financial statements and contain the information required by Article 38 of Legislative Decree No. 127/1991 and other legal amendments in line with the changes introduced by Legislative Decree No. 139/2015.
Pursuant to the combined provisions of Articles 2423, Paragraph 2 and 2423-ter, Paragraph 2 of the Italian Civil Code, and for the sake of clarity in representing the Group's balance sheet and income statement, it was decided not to enter items preceded by Arabic numerals and bearing a zero balance in the financial statements, except for those accounts considered essential for the principle of clarity.
The evaluation of the items was made with a view to the continuation of the Group's business; the principle of prudence and accrual was followed, as well as taking into account the substance of the transaction or contract.
The consolidated financial statements for the financial year ended 31/12/2022 show a group profit of € 5,446,495, the dynamics of which are expressed in the Management Report.

Activities carried out and significant events occurring during the year concerning the Group

The companies included in the scope of consolidation operate in the engineering sector. In particular, the consolidating parent company is active in the design, manufacture and sale of presses for the extrusion of non-ferrous metals.

Training Criteria

The consolidated financial statements consisting of the balance sheet, profit and loss account, and notes to the financial statements have been prepared in accordance with the provisions of Article 29 of Legislative Decree No. 127/91, as shown in these explanatory notes, prepared pursuant to Article 38 of the same decree. Where necessary, the accounting principles laid down by the National Council of Chartered Accountants and Tax Advisors were applied and, where these were lacking, the accounting principles recommended by the IASB and referred to by Consob.
In addition to the annexes required by law, reconciliations between the net result and equity of the consolidating company and the respective values resulting from the consolidated financial statements are presented.
These notes provide the data and information required by Article 38 of the same decree.

Consolidation Area and Methods

The consolidated financial statements are derived from the financial statements of PRESEZZI EXTRUSION SPA (Parent Company) and of the companies in which the Parent Company directly or indirectly holds a controlling interest or exercises control. The financial statements of the companies included in the scope of consolidation, as specifically indicated below, are taken with the full consolidation method.
Subsidiaries in a state of liquidation due to dissolution and economic/equity irrelevance are excluded.
There are no cases of proportionally consolidated companies.
The other subsidiaries excluded from consolidation pursuant to Legislative Decree 127/91 are valued according to the cost method. These companies are listed below, stating the reasons for exclusion.

For consolidation purposes, the financial statements of the individual companies, already approved by the Shareholders' Meetings, were used, reclassified and adjusted to bring them into line with the accounting principles and presentation criteria adopted by the Group.
The Consolidated Financial Statements include the financial statements as at 31st December 2022 of PRESEZZI EXTRUSION S.p.A. and the subsidiaries in which PRESEZZI EXTRUSION S.p.A. directly holds more than 50% of the share capital.
Non-operating subsidiaries and those that, taken as a whole, are immaterial, in liquidation or whose consolidation would have had little effect on the Group's income statement and balance sheet, have been valued using the purchase or subscription cost method adjusted for impairment losses.
The financial statements used for consolidation purposes are those approved by the shareholders' meetings of the individual companies, appropriately reclassified and, where necessary, adjusted to bring them into line with Group accounting principles.
All companies included in the consolidated financial statements have their balance sheet date coinciding with the balance sheet date of the parent company.

The list of companies included in the scope of consolidation using the full consolidation method and other equity investments valued at cost is shown below:

List of equity investments in subsidiaries included in the scope of consolidation using the full consolidation method

Company name	Head office	Share Capital		Members	Ownership share	Cons. share
COIM S.R.L.	VIMERCATE	Currency EURO	Amount 100,000	PRESEZZI EXTRUSION S.P.A.	75%	75%
PERC S.R.L.	MILAN	Currency EURO	Amount 100,000	PRESEZZI EXTRUSION S.P.A.	100%	100%

List of other equity investments in excluded subsidiary and associated companies

Company name	Head office	Share Capital		Members	Ownership share	Cons. share
MIRMU S.R.L.	MILAN	Currency EURO	Amount 23,000	PRESEZZI EXTRUSION S.P.A.	100%	COMPANY IN LIQUIDATION

Compared to the previous year, the USA company Presezzi Extrusion Holding INC, which was sold during the year, is not included in the scope of consolidation.

Consolidation Criteria

The process of fully consolidating the financial statements followed the following steps:

A. Alignment of the criteria for classifying items in the financial statements of subsidiaries with those adopted by PRESEZZI EXTRUSION S.p.A., as far as possible;

B. Line-by-line aggregation of the balance sheet and income statement items of the companies included in the consolidation, regardless of the percentage of ownership;

C. Elimination of all equity and economic relations between the companies included in the scope of consolidation. Profits and losses arising from transactions between consolidated companies, which cannot be considered realised through transactions with third parties, are eliminated;

D. Elimination of the carrying values of equity investments in subsidiaries included in the financial statements of PRESEZZI EXTRUSION S.p.A;

E. Determination of the portion of consolidated shareholders' equity and consolidated net income attributable to minority shareholders of consolidated investees, for the purpose of their specific disclosure in the consolidated financial statements.

Evaluation Criteria

The criteria used in the preparation of the consolidated financial statements for the year ended 31/12/2022 are those used in the financial statements of the parent company that prepared the consolidated financial statements and do not differ from those used in the preparation of the consolidated financial statements for the previous year, particularly in the valuations and continuity of the same principles.
The valuation of the balance sheet items was based on the general criteria of prudence, accrual and the prospect of continued operations.
In application of the principle of materiality, recognition, measurement, presentation and disclosure requirements were not complied with when their observance had insignificant effects on giving a true and fair view.
The recognition and presentation of items in the financial statements has been made taking into account the substance of the transaction or contract.

Criteria for converting values expressed in foreign currencies

Receivables and payables originally denominated in foreign currencies, recorded at the exchange rates prevailing on the date they arose, are aligned with the exchange rates prevailing at the balance sheet date, based on the entries made.

In particular, assets and liabilities constituting monetary assets and liabilities in foreign currencies (receivables, payables, cash, accrued income and expenses, and debt securities) are recorded at the spot exchange rate on the closing date of the financial year, and the related foreign exchange gains and losses are respectively credited and debited to the Profit and Loss Account under item 17 bis Foreign Exchange Gains and Losses.

Any net profit resulting from the adjustment of foreign currency items to year-end exchange rates contributes to the formation of the result for the year and, upon approval of the financial statements and consequent allocation of the result to the legal reserve, is recorded, for the portion not absorbed by any loss for the year, in a non-distributable reserve until its subsequent realisation.

On the other hand, non-monetary assets and liabilities in foreign currencies (intangible and tangible assets, equity investments and other securities conferring the right to participate in the issuer's risk capital, inventories, advances for the purchase and sale of goods and services, prepayments and deferred income) are recorded at the exchange rate at the time of their acquisition.

Employment data

The average number of employees of the companies consolidated on a full consolidation basis is shown separately by category

Staff	31/12/2022	31/12/2021	Variations
Directors	1	1	0
Managers	7	6	1
Clerks	149	132	17
Factory workers	81	65	16
Other	2	2	0
Total	**240**	**206**	**34**

Intangible fixed assets

They are recorded at historical acquisition cost and shown net of depreciation charged directly to the individual items. Start-up and expansion costs and development costs with long-term utility have been capitalised with the approval of the Board of Auditors. Start-up and expansion costs are amortised over a period not exceeding five years; development costs are amortised over a period of ten years.
Goodwill, acquired for consideration, has been capitalised with the consent of the Board of Statutory Auditors for an amount equal to the cost incurred for it and is amortised in accordance with the valuation performed in the

Industrial patent and intellectual property rights, licences, concessions and trademarks and leasehold improvements are amortised as follows:

Type of good	% Depreciation
Research and Development Costs	10%
Patent rights – applications for registration	20%
Patent Rights – Process and Product Designs	10%
Software	20%
Leasehold improvements	20%

If, regardless of the depreciation already accounted for, there is an impairment loss, the fixed asset will be written down accordingly. If, in subsequent financial years, the reasons for the write-down no longer apply, the original value will be reinstated, adjusted only for depreciation.
The breakdown of this item is as follows

Description	31/12/2021	Increases	Of which for capitalised charges	Decreases	Consolidation entries	Variations
Plant and extension						
Development	5,406,826	806,396		(1,193,930)		5,019,292
Industrial Patent Rights	2,197,603	75,902		(501,156)		1,772,349
Concessions, licences, trade marks						
Start-up	199,763			(49,941)		149,822
Assets under construction and advances						
Others	55,499	41,407				97,906
Total	**7,860,691**	**(821,322)**		**(1,754,027)**		**7,039,369**

Shifts to another item

In the balance sheet as at 31.12.2022, it was not deemed appropriate to reclassify intangible assets compared to the previous balance sheet.

Write-downs and reversals during the year

None

Capitalisation of financial charges

No financial expenses were charged to intangible assets during the year.

Development Costs

Development costs relate entirely to design activities and are reasonably expected to be useful over several years.

Tangible fixed assets

They are recorded at purchase cost and adjusted by the corresponding depreciation provisions.
Ancillary charges and costs incurred for the use of the fixed asset have been taken into account in the book value, and trade discounts and cash discounts of significant amounts have been deducted from the cost.

The depreciation rates, charged to the profit and loss account, were calculated considering the use, destination and economic-technical life of the assets, based on the criterion of the residual possibility of utilisation, a criterion that we considered to be well represented by the following rates, unchanged from the previous year and reduced to half in the year the asset came into use:

Type of good	% Depreciation
Buildings	3%
Plants and machinery	10%
Moulds and models	10%
Equipment	25%
Trucks and internal means of transport	20%
Furniture and furnishings	12%
Electronic office machines	20%
Cars and motorbikes	25%
Industrial Equipment	10%

If, regardless of the depreciation already accounted for, there is an impairment loss, the fixed asset is written down accordingly. If, in subsequent years, the reasons for the write-down no longer apply, the original value is restored, adjusted only for depreciation.

The composition of this item is as follows:

Description	31/12/2021	Increases	Decreases	Consolidation entries	31/12/2022
Land and buildings	10,534,011	35,147	(317,334)		10,251,825
Plants and machinery	378,249	120,090	(43,736)		454,603
Industrial and commercial equipment	252,321	159,813	(149,808)		262,326
Other Assets	265,684	468,010	(113,218)		620,476
Assets under construction and advances		1,920,829			1,920,829
Total	**11,430,265**	**2,079,794**	**(624,096)**		**13,510,059**

Land and buildings

Description	Amount
Historical cost	13,239,563
Monetary revaluation	642,744
Economic revaluation	
Accumulated depreciation	(3,348,296)
Previous years' write-downs	
Consolidation Entries	
Balance as at 31/12/2021	**10,534,011**
Acquisition of the year	1
Monetary revaluation	
Economic revaluation of the year	
Write-down for the year	
Disposals during the financial year	
Positive transfers (reclassification)	
Negative transfers (reclassification)	
Interest capitalised in the year	
Other variations	
Depreciation for the year	(282,187)
Consolidation Entries	
Balance as at 31/12/2022	**10,251,825**

Plants and machinery

Description	Amount
Historical cost	1,699,889
Monetary revaluation	
Economic revaluation	
Accumulated depreciation	(1,321,430)
Previous years' write-downs	
Consolidation Entries	
Balance as at 31/12/2021	**378,249**
Acquisition of the exercise	156,914
Monetary revaluation	
Economic revaluation of the year	
Write-down for the year	
Disposals during the financial year	
Positive transfers (reclassification)	
Negative transfers (reclassification)	
Interest capitalised in the year	
Other variations	
Depreciation for the year	(80,560)
Consolidation Entries	

Industrial and commercial equipment

Description	Amount
Historical cost	252,321
Monetary revaluation	
Economic revaluation	
Accumulated depreciation	(1,336,945)
Previous years' write-downs	
Consolidation Entries	
Balance as at 31/12/2021	252,321
Acquisition of the exercise	136,137
Monetary revaluation	
Economic revaluation of the year	
Write-down for the year	
Disposals during the financial year	
Positive transfers (reclassification)	
Negative transfers (reclassification)	
Interest capitalised in the year	
Other variations	
Depreciation for the year	(126,132)
Consolidation Entries	
Balance as at 31/12/2022	**262,326**

Other Assets

Description	Amount
Historical cost	265,684
Monetary revaluation	
Economic revaluation	
Accumulated depreciation	2,203,202
Previous years' write-downs	
Consolidation Entries	
Balance as at 31/12/2021	265,684
Acquisition of the exercise	490,010
Monetary revaluation	
Economic revaluation of the year	
Write-down for the year	
Disposals during the financial year	
Positive transfers (reclassification)	
Negative transfers (reclassification)	
Interest capitalised in the year	
Other variations	
Depreciation for the year	(135,218)
Consolidation Entries	

Assets under construction and advances

Description	Amount
Balance as at 31/12/2021	
Acquisition of the exercise	1,920,829
Disposals during the financial year	
Positive transfers (reclassification)	
Negative transfers (reclassification)	
Interest capitalised in the year	
Other variations	
Consolidation entries	
Balance as at 31/12/2022	**1,920,829**

Write off and reversals during the year

There were no write off and reversals during the year.

Total revaluations of tangible fixed assets at year-end

There were no revaluations of tangible fixed assets during the year.

Capitalisation of financial charges

No financial expenses were charged to tangible fixed assets during the year.

Financial fixed assets: equity investments

Financial fixed assets consisting of equity investments in subsidiaries excluded from the scope of consolidation. They are recorded at purchase or subscription cost, including ancillary charges.

List of companies included in the consolidation on a full consolidation basis pursuant to Art. 26 of Legislative Decree No. 127/91 as at 31/12/2022

Company name	Head office	Share Capital		Members	Ownership share	Cons. share
COIM S.R.L.	VIMERCATE	Currency EURO	Amount 100,000	PRESEZZI EXTRUSION S.P.A.	75%	75%
PERC S.R.L.	MILAN	Currency EURO	Amount 100,000	PRESEZZI EXTRUSION S.P.A.	100%	100%

In the financial statements at 31.12.2020 the investment in the subsidiary PERC s.r.l., assessed using the equity method, was realigned to the equity value also for tax purposes pursuant to **paragraph 4 of art. 110 Law 104/2020** by paying the prescribed substitute tax.

Initial Tax Value as at 31.12.2020: Euro 2,605,000
Civil balance sheet value as at 31.12.2020: Euro 6,889,309
Tax Revaluation to 31.12.2020: Euro 4,284,309
Final Tax Value as at 31.12.2020: Euro 6,889,309
Substitute tax 3%: Euro 128,529 (payment in 3 years from 2021) recognised as a reduction of the revaluation reserve recognised in equity.

Company name	Head office	Share Capital		Members	Ownership share	Cons. share
MIRMU S.R.L.	MILAN	Currency EURO	Amount 23,000	PRESEZZI EXTRUSION S.P.A.	100%	COMPANY IN LIQUIDATION

Financial assets: receivables

The composition of this item is as follows.

Description	31/12/2021	Increases	Decreases	Consolidation entries	31/12/2022	Fair Value
From non-consolidated subsidiaries	146,936	74,999 (146,936)	(221,935)			
From affiliated companies						
From parent companies	556,242	1,876,820			2,433,062	
From companies subject to the control of parent companies						
From others	1,997,536	(396,259)	(396,259)		1,601,277	
Total	**2,700,714**	**1,333,625**	**(618,194)**		**4,034,339**	

No long-term receivables are recorded in the balance sheet at a value higher than their fair value.

The changes during the year are as follows.

Description	31/12/2021	Increases	Revaluations	Reclassifi-cations	Decreases	Write-downs	Consolidation entries	31/12/2022
Unconsolidated subsidiaries	146,936	74,999				221,935		
Associated companies								
Parent compa-nies	556,242	1,876,820						2,433,062
Companies con-trolled by parent companies								
Others	1,997,536	450			396,709			1,601,277
Total	**2,700,714**	**1,952,269**			**396,709**	**221,935**		**4,034,339**

Securities

For investment securities, which are intended to remain in the portfolio until their natural maturity, as required by accounting standard 20 of the Italian Accounting Body, it was decided not to apply the amortised cost criterion.

Inventories

Contract work in progress have been valued on the basis of the percentage of completion criterion. Contract costs, revenues and margins are recognised as a function of the progress of the production activity and allocated to the financial years in which this activity takes place. The method applied is the hours-worked method
(Italian Accounting Body 23): with this method, the progress of works is calculated on a cost-to-cost basis. The valuation includes contracts entrusted to third parties.

Inventories of finished goods, raw and ancillary materials are recognised at the date on which the risks and rewards of ownership of the acquired goods are transferred and are stated at the lower of purchase cost, including all directly attributable ancillary costs and charges and/or indirect costs of internal production, and estimated realisable value based on market trends. They are valued at weighted average cost.

Financial charges in proportion to the duration of the manufacturing period have also not been capitalised in the cost, as these are assets that do not require a major production period.
Production cost includes direct costs and indirect costs incurred in the course of production and necessary to bring inventories to their present condition and location.

Description	31/12/2021	Increases	Decrees	Consolidation entries	31/12/2022
Raw, ancillary and consumable materials	1,509,323	1,175,025			2,684,348
Work in progress and semi-finished products					
Work in progress on order	76,571,710	48,619,484		(10,213,285)	114,977,909
Finished products and goods	866,546	225,520			1,092,066
of which intangible assets held for resale					
Advances	2,663,800	15,676,468		(9,759,925)	8,580,343
Total	**81,611,379**	**65,696,497**		**(19,973,210)**	**127,334,666**

Receivables

Receivables are classified on the basis of their intended use/origin in relation to ordinary activities, and are recorded at their estimated realisable value.
The breakdown of amounts due within or beyond the financial year is made with reference to the contractual and legal due dates, also taking into account facts and events that may lead to a change in the original due date, the debtor's realistic ability to fulfil the obligation within the contractual terms and the time frame in which the receivable is reasonably expected to be collected.

Notwithstanding the provisions of Article 2426, Paragraph 1, No. 8 of the Italian Civil Code and consistent with the provisions of Principle 15 of the Italian Accounting Body, receivables are not recognised according to the amortised cost criterion, with the exception of receivables for which the effects of applying amortised cost, pursuant to Article 2423, Paragraph 4 of the Italian Civil Code, are significant (maturity greater than 12 months).

Due to the previously mentioned principle of materiality, loans have not been discounted if the interest rate inferable from the contractual terms is not significantly different from the market interest rate.
The nominal value of receivables is adjusted to their estimated realisable value by means of a specific provision for bad debts, taking into account the existence of indicators of lasting loss. Receivables originally collectable within the year and subsequently transformed into long-term receivables have been shown in the balance sheet under financial fixed assets.
The balances of consolidated receivables, after the elimination of intra-group values, are broken down according to maturity as follows.

Description	By the following financial year	Beyond the following financial year	Beyond 5 years	Total	Of which related to repurchase agreements
From customers	36,359,721	2,441,891		38,801,612	
From non-consolidated subsidiaries	7,447			7,447	
From affiliated companies					
From parent companies	465			465	
For tax credits	7,786,457			7,786,457	
For deferred tax assets	91,116			91,116	
From others	217,374			217,374	
Rounding					
Total	**44,462,580**	**2,441,891**		**46,904,471**	

Financial Assets Not Constituting Fixed Assets

Other investment securities, held by the parent company, consist of securities relating to the Fideuram asset management business, the Banca Aletti administered account and the Lombard-Deutsche Bank insurance policy.
The company opted to evaluate, for the current financial year only (unless extended), securities not intended to remain in its equity on the basis of their book value, as resulting from the last approved financial statements, instead of their realisable value inferable from market trends, with the exception of losses of a lasting nature, as provided for in Article 45, paragraph 3-octies of Legislative Decree No. 21/6/2022, No. 73, converted into Law No. 122 of 4th August 2022. The book value was determined on the basis of the acquisition cost of the securities.

The valuation of these securities in accordance with accounting policies would have resulted in an estimated loss on securities as of 31st December 2022 of EUR 368,672.

With reference to derivative financial instruments not held as fixed assets, these are IRSs on the loan agreement in place with ICCREA Banca Impresa and Deutsche Bank forwards to hedge dollar contracts.

Cash and cash equivalents

Description	31/12/2021	Increases	Decreases	Consolidation entries	31/12/2022
Bank and deposits	33,785,907	3,108,849			36,894,756
Cheques					
Cash and valuables on hand	36,156	11,660			47,816
Total	**33,822,063**	**3,120,509**			**36,942,572**

The balance indicates cash and cash equivalents at the end of the year

Accrued income and discounts

They consist of portions of costs or revenues common to two or more financial years, which are adjusted in the respective accounts for the necessary compliance with the accrual principle of the financial year.
For accruals and deferrals with a multi-year duration, the conditions that had determined their original record were verified, adopting the appropriate changes where necessary.

Capitalised financial charges

All interest and other financial charges were fully expensed in the year. For the purposes of Article 2427, c. 1, no. 8 of the Italian Civil Code, it is therefore certified that there are no capitalised financial expenses.

Notes to the accounts. Liabilities and equity

Liabilities are classified based on their origin.
The valuation criteria for each liability item comply with those laid down in Article 2426 of the Italian Civil Code and the relevant national accounting standards.
The compulsory indications required by Article 2427 of the Italian Civil Code, the other provisions of the Italian Civil Code itself, and the accounting standards, together with the information deemed necessary to provide a fully true and fair view, follow the order of the items in the financial statements outlined in Article 2424 of the Italian Civil Code.

Net assets

Shareholders' Equity items are recorded at book values resulting from corporate resolutions. Shareholders' equity is the group's equity and shows capital and reserves under appropriate headings

Reconciliation statement between the net result and equity of the consolidating company and the respective values resulting from the consolidated financial statements

The group's consolidated shareholders' equity and consolidated results of operations as at 31/12/2022 are reconciled with those of the parent company as follows

	Shareholders' Equity	Result
Shareholders' equity and result for the year as reported in the financial statements of the parent company	17,497,481	5,446,493
Adjustments made in application of accounting standards		
Elimination of the carrying value of consolidated equity investments:		
a) difference between book value and pro-rata of equity	10,324,002	
b) pro-rata results achieved by investees	1,111,359	1,111,359
c) capital gains/losses attributed at the date of acquisition of the investees		
d) consolidation difference		
Elimination of the effects of transactions between consolidated companies		
Shareholders' equity and result for the year pertaining to the group	17,497,484	5,446,495
Shareholders' equity and result for the year attributable to minority interests	1,251,154	240,096
Consolidated Shareholders' Equity and Net Profit	**18,748,638**	**5,686,591**

Statement of Changes in group Consolidated Shareholders' Equity

Description	Capital	Reserves	Consolidation reserve	Conversion differences	Profit/Loss Restored	Negative reserve for treasury shares in portfolio	Profit/Loss Exercise	Total Equity
Opening balance as at 01.01.2022	3,000,000	1,340,438	2,765,638	128,779	1,395,758	0	2,427,968	11,058,580
Subscriptions to share capital increase								
Shareholder capital contributions								
Coverage of previous year's losses								
Coverage of current year losses								
Dividends								
Loss for the year								
Profit for the year							5,446,495	5,446,495
Reserve Art. 2426, par. 1, no. 5		1,116,380						1,116,380
Deconsolidation Presezzi Holding Inc.			6,998	(128,779)	13,042			(108,740)
Change Flows Hedging Reserve (Fair Value MTM)		1,101,148						1,101,148
Other movements					1,311,589		(2,427,968)	(1,116,380)
Closing balance as at 31.12.2022	**3,000,000**	**3,557,967**	**2,772,635**	**0**	**2,720,388**		**5,446,495**	**17,497,484**

Provisions for risks and charges

They are allocated to cover losses or debts whose existence is certain or probable, but whose amount or date of occurrence could not be determined at the end of the financial year.
The general criteria of prudence and accrual have been observed in the evaluation of these provisions, and no generic risk provisions without economic justification have been set up.
Contingent liabilities have been identified in the balance sheet and included in the provisions as they are considered probable and the amount of the related charge can be reasonably estimated.
The item is broken down as follows.

Description	31/12/2021	Increases	Decreases	Consolidation entries	31/12/2022
For pensions and similar obligations	245,833	50,000			295,833
For taxes, including deferred taxes	536,273		(386,997)		149,276
Derivative financial instruments liabilities	19,947		(19,947)		0
Others	900,000	500,000			1,400,000
Consolidation provision for future risks and charges					
Total	**1,702,053**	**550,000**	**(406,944)**		**1,845,109**

Provisions for risks and charges - other

The item is broken down as follows.

Description	Amount
Product Guarantee Fund	1,310,000
Provision for product risks under development	90,000
Others of unappreciable amount	0
Total	**1,400,000**

Severance pay

The severance pay is determined based on the provisions of Article 2120 of the Italian Civil Code. This represents the actual debt accrued to employees as at 31.12.2022 in accordance with the law and current employment contracts, net of advances paid.
The item is broken down as follows.

Description	31/12/2021	Increases	Decreases	Consolidation entries	31/12/2022
Severance pay, movements during the period	2,761,102	862,218	(583,175)		3,040,145

Payables

Payables are normally recognised according to the amortised cost criterion, taking into account the time factor.
The company has made use of the option not to apply the amortised cost criterion to payables in cases where the effects are insignificant. As stated in Accounting Standard 19 of the Italian Accounting Body, amortised cost is not applied to payables with a maturity of less than 12 months.

Furthermore, in line with the provisions of Article 12 par. 2 of Legislative Decree 139/2015 and accounting standard 19 of the Italian Accounting Body, amortised cost is applied only for payables recognised as of 1st January 2016.

There are no payables to shareholders for loans, nor are there any transactions with the obligation to a repurchase agreement. In assessing the maturity of payables, the classification conventions of previous years were adopted, as there were no breaches of contractual clauses making medium- and long-term payables due, which would have required their reclassification under short-term payables.

Consolidated payables, after the elimination of intragroup values, are valued at their nominal value and the maturity of the same is broken down as follows:

Description	Within the next financial year	Beyond the next financial year	Over 5 years	Total
Bonds	1,137,935	4,804,079		5,942,014
Due to banks	6,468,827	13,619,058		20,087,885
Advances	146,876,904	5,263,000		152,139,904
Payables to suppliers	30,006,264			30,006,264
Payables to companies controlled by parent companies	6,824,054			6,824,054
Tax debts	3,233,835			3,233,835
Payables to Social SecurityInstitutions	624,520			624,520
Other debts	1,068,763	651,015		1,719,778
Total	**1,137,935**	**24,337,152**		**220,578,254**

There are debts secured by collateral on company assets included in the consolidation. The guarantees are as follows: mortgage on real estate of the subsidiary PERC S.R.L..

Accrued expenses and deferred income

They consist of portions of costs or revenues common to two or more financial years, which are adjusted in the respective accounts for the necessary compliance with the accrual principle of the financial year.
For accruals and deferrals with a multi-year duration, the conditions that had determined their original record were verified, adopting the appropriate changes where necessary.

Leasing transactions

Leasing transactions are accounted for in the consolidated financial statements according to the balance sheet method, with rentals paid being recognised in the income statement on an accrual basis.

Treasury shares

There are no treasury shares held by the parent company.

Derivative financial instruments

Derivative financial instruments, if any, even if embedded in other financial instruments, were initially recognised when the related rights and obligations are acquired; they were measured at fair value both on initial valuation and at each end of the reporting period.

Notes to the accounts, profit and loss account

The Profit and Loss Account shows the economic result for the year. It provides a representation of operations by summarising the positive and negative income components that contributed to the economic performance. Positive and negative income components are grouped together to provide meaningful interim results.

The Profit and Loss Account has been prepared taking the following principles into account:
- subdivision according to the schemes provided for in Article 2425 of the Italian Civil Code;
- allocation of costs based on their nature;
- the need to emphasise the intermediate results in the formation of the result for the year.

Costs and charges are allocated on an accrual basis and according to their nature, net of any returns, allowances, discounts and premiums, in accordance with the principle of correlation with revenues, and recorded in the respective items in accordance with the provisions of accounting standard 12 of the Italian Accounting Body. With regard to the purchase of goods, the related costs are recognised when the substantial and non-formal transfer of title has occurred, taking the transfer of risks and rewards as the benchmark for the substantial transfer. In the case of the purchase of services, the related costs are recognised when the service has been received, i.e. when the service has been completed. ON the other hand, where services are provided on an ongoing basis, the related costs are recognised for the accrued portion.

Revenues by category of activity

The item is broken down as follows.

Category	31/12/2022	31/12/2021	Variations
Goods sales			
Product sales	77,068,497	60,123,208	17,344,889
Sales of accessories	11,579,753	8,284,550	3,295,203
Provision of services	2,955,113	1,276,842	1,678,271
Rental income			
Commission income			
Others	6,464	37,763	(31,299)
Total	**92,009,427**	**69,722,363**	**22,287,064**

Revenues by geographical area

The item is broken down as follows.

Category	Sales	Performance	Total
Italy	4,939,311	480,135	5,419,446
EEC	41,502,781	897,990	42,400,771
Outside the EEC	42,612,222	1,576,988	44,189,210
Total	**89,054,314**	**2,955,113**	**92,009,427**

Production costs

The item is broken down as follows.

Description	31/12/2021	Increases	Decreases	Consolidation entries	31/12/2022
Raw materials, ancillary materials and goods	47,589,876	36,537,911		(530,943)	83,596,844
Services	11,152,701	19,563,691		(11,000,942)	19,715,450
Use of third party rental costs	1,013,140	1,320,655		(935,710)	1,398,085
Wages and salaries	9,181,434	1,369,042			10,550,476
Social charges	2,646,945	303,808			2,950,753
Severance pay	660,834	201,384			862,218
Pension and similar benefits	43,165	43,165			47,100
Other personnel costs	64,619	135,671			200,290
Amortisation of intangible fixed assets	1,657,019	88,008			1,745,027
Depreciation of tangible fixed assets	577,935	46,162			624,097
Other write-downs of fixed assets	100,000	121,936			221,936
Write-downs of receivables current assets	139,419	77,482			216,901
Change in raw material inventories	260,815	(1,435,840)			(1,175,025)
Provision for risks	300,000	200,000			500,000
Other Provisions					
Other operating expenses	518,841	69,718		(25,548)	563,011
Total	**75,906,743**	**58,603,563**		**(12,493,143)**	**122,017,163**

Interest and financial charges

The item is broken down as follows.

Description	31/12/2021	Increases	Decreases	Consolidation entries	31/12/2022
From non-consolidated subsidiaries					
From affiliated companies					
From parent companies					
From Companies Controlled by Parent Companies					
Interest and charges on bond debts		371,106			371,106
Interest expenses on ordinary bank borrowings		1,215,273			1,215,273
Other financial expenses	1,505,060	(1,006,954)			498,106
Total	**1,505,060**	**579,425**			**2,084,485**

Income Taxes for the Year

Taxes are recognised on an accrual basis and therefore represent provisions for taxes paid or payable for the year determined in accordance with current rates and regulations.

The value as at 31.12.2022 is as follows:

Balance as at 31/12/2022	Balance as at 31/12/2021	Variations
2,876,811	1,404,765	1,472,046

Taxes	Balance as at 31/12/2022	Balance as at 31/12/2021	Variations
Current taxes:	3,342,900	952,934	2,389,966
IRES (corporation tax)			
IRAP (regional tax on production)			
Previous years' taxes			
Substitute taxes			
Deferred (prepaid) taxes	(466,089	451,831	(917,920)
IRES (corporation tax)			
IRAP (regional tax on production)			
	2,876,811	1,404,765	1,472,046

Information on transactions with related parties

(Ref. Art. 38, par. 1, lett. o-quinquies), Legislative Decree No. 127/1991)

The amount, nature of the amount and any additional information deemed necessary for an understanding of the financial statements relating to these transactions, as material, are set out below.

Information relating to individual transactions has been aggregated according to their nature, except where separate disclosure was deemed necessary to understand the effects of those transactions on the consolidated financial position and results of operations.

Nature of the transaction	Amount
Financial receivable from Bioforcetech	1,597,769

Transactions with the related party Bioforcetech (BFT) Corporation (EUR 1,597,769) are related to a debt repayment plan in place, with repayment in increasing instalments and with the recognition of an interest rate on the deferred amounts, which is regularly observed.
The repayment plan was proposed relying on the good economic prospects predicted by the development of the business plan of the Italian branch of the Bioforcetech Corporation; the plan is built on the forecasts of the sale of sludge treatment plants to leading Italian state-owned companies, mainly operating in water treatment. The Italian subsidiary of the BFT Corporation started this activity during the financial year 2019 and can already count on signed and ongoing orders and a package of interesting ongoing negotiations.
The development of the industrial plan will be financially supported by the BFT Corporation, also by virtue of the entry of a leading American company in the sector into its capital in 2020, which will ensure the achievement of growth targets on a larger scale.

Information on agreements not shown in the balance sheet

(Ref. Art. 38, par. 1, lett. o-sexies), Legislative Decree No. 127/1991
There are no agreements in place that are not reflected in the balance sheet.

Related information pursuant to Article 1, par. 125 of Law No. 124 of 4th August 2017

Pursuant to Article 1, par. 125 of Law No. 124 of 4th August 2017, in compliance with the obligation of transparency, it is reported that grants, paid assignments and in any case economic advantages of any kind have been received from public administrations.

Commitments, guarantees and contingent liabilities

Commitments, which do not appear in the balance sheet, represent obligations assumed towards third parties that originate from legal transactions with certain mandatory effects but not yet performed by either party. The amount of the commitments is the nominal value that can be deduced from the relevant documentation.

Information on the remuneration of the Statutory Auditor

(Ref. Art. 38, par. 1, lett. o-septies), Legislative Decree No. 127/1991)

In accordance with the law, the fees accrued during the year for services rendered by the Auditing Firm and bodies belonging to its network to the group for the statutory audit of the parent company's accounts are shown: Euro 46,212.

Information on the remuneration of directors and auditors

In accordance with the law, the total remuneration due to the directors and members of the Board of Statutory Auditors of the parent company is shown.

Qualification	Compensation
Directors	1,297,863
Board of Auditors	36,400
Total	1,334,263

Major events that occurred after the end of the financial year

As highlighted in the Management Report, the company was characterised by a marked increase in turnover and margins during the financial year 2022, continuing the positive trend of the financial year 2021. Moreover, observation of the data for the first few months of the current financial year shows a positive trend in Value of Production and EBITDA, confirming the growth trend for the financial year ending 31/12/2022.

However, in light of the unusual international political and economic situation, which, at the date of this report, also sees the European Union still involved in the Russian-Ukrainian conflict, the company is carefully monitoring the evolution of the prices of raw materials and production factors to act promptly on the prices of the products offered so as to pass on, at least in part, the increase in costs incurred to its customers.

These consolidated financial statements, consisting of the balance sheet, income statement and notes, give a true and fair view of the financial position and results of operations and correspond to the accounting records of the parent company and the information provided by the companies included in the consolidation.

The Chairperson of the Board of Directors
of Presezzi Extrusion S.p.A.

Valerio Presezzi

Reports

Report of the Board of Auditors

PRESEZZI EXTRUSION SPA

Share capital € 1,100,000.00 fully paid up

Headquarters in via Rovereto 1/D

20871 Vimercate (MB)

Fiscal Code and business identification number recorded in the Business Registry: 02405540960

Economic and Administrative Index MB 1446163

At the Shareholders' Meeting

Report of the Board of Statutory Auditors on the Financial Statements for the Year Ended 31st December 2022

This report was prepared pursuant to Art. 2429, par. 2, Italian Civil Code During the financial year ended 31st December 2022, our supervisory and control activities were conducted in accordance with the provisions of the law and in accordance with the Rules of Conduct of the Board of Statutory Auditors issued by the National Council of Chartered Accountants and Tax Advisors, interpreting the duties provided for in Art. 2403 Italian Civil Code also on the basis of professional experience.

Given the well-established knowledge that the Board of Statutory Auditors claims to have of the company with regard to the type of activity carried out by the company and its accounting structure, the supervisory activity was planned by assessing the inherent risks and critical issues regarding the two aforementioned parameters, which did not change significantly during the year compared to the previous year.

Activity carried out

Throughout our assignment and to the extent of our powers, we have monitored compliance with the law and the articles of association and observance of the principles of proper administration.

We acquired through several meetings with the administrative body and internal functions adequate knowledge of the company, both with regard to the type of business conducted and its organisational and accounting structure.

On the basis of the information obtained from the administrative body and the internal structure, we did not find any violations of the law or the articles of association, nor did we find any transactions that were manifestly imprudent, reckless, in potential conflict of interest or such as to undermine the integrity of the company's assets.

During the meetings held, we obtained information on the general trend of operations and its foreseeable evolution, in particular on the continuation of the impacts generated by the Covid-19 health emergency also in the first months of the financial year 2022, on the consequences of the Russian-Ukrainian crisis in particular on the energy market and on the risk factors and major uncertainties relating to the company's ability to continue as a going concern, as well as on the business plans prepared to deal with such risks and uncertainties, and on the most significant transactions, due to their size or characteristics, carried out by the company and, based on the information obtained, we have no particular observations to report.

We have acquired knowledge of and supervised, within the scope of our powers and to the extent possible, the adequacy and actual functioning of the company's organisational structure, also with a view to the prompt detection of situations of crisis or loss of continuity, through the collection of information from the administrative body and the heads of functions, and in this regard we have no particular observations to report.

The information required by Art. 2381 par. 5 of the Italian Civil Code were provided directly by the Chairperson and Chief Executive Officer, even more frequently than the fixed minimum of six months, both during scheduled meetings and individual accesses of the members of the board at the company's registered office, as well as through contacts and information flows by telephone and computer: it follows from the above that the executive directors have, in substance and form, complied with the requirements imposed on them by the aforementioned rule.

No complaints were received from shareholders pursuant to Article 2408 of the Italian Civil Code.

We did not issue opinions required by law.

Throughout the supervisory activities, as described above, no other major facts emerged that would require mention in this report.

Comments on the Annual Report

The draft financial statements for the financial year ending 31st December 2022 were approved by the Board of Directors and delivered to the Board of Statutory Auditors in good time for filing at the company's registered office accompanied by this report.

The results of the annual financial statements can be summarised as follows:

Status active assets	**31/12/2022**	**31/12/2021**
Fixed assets	25,325,982	25,095,362
Current assets	214,308,743	136,288,700
Accruals and deferrals	476,571	575,198
Total assets	240,111,296	161,959,260
Balance Sheet Liabilities		
Net assets	17,497,481	10,949,840
Provisions for risks and charges	1,634,027	1,500,465
Severance pay	2,738,148	2,493,035
Payables	217,642,856	146,344,318
Accruals and deferrals	598,787	671,602
Total liabilities	240,111,299	161,959,260
Profit and Loss Account		
Value of production	124,777,537	74,529,026
Production costs	115,826,855	71,502,284
Difference	8,950,682	3,026,742
Financial income and expenses	(2,279,292)	(777,721)
Value Adjustments	1,094,916	1,066,195
Profit before tax	7,766,306	3,315,216
Taxes	2,319,813	874,206
Profit for the year	**5,446,493**	**2,441,010**

To the best of our knowledge, the directors, in preparing the financial statements, have not departed from the provisions of the law pursuant to Art. 2423 paragraph 5, Italian Civil Code

The legal audit is entrusted to Audirevi S.p.A., which prepared its report on 13th June 2023 pursuant to Article 14 of Legislative Decree no. 27th January 2020, No. 39, a report that does not highlight any major deviations or disclosure requirements and in whose opinion the financial statements give a true and fair view of the financial position of the company as of 31/12/2022, of its results of operations and of its cash flows for the year then ended in accordance with the Italian regulations governing the criteria for their preparation.

In consideration of the express provision in the articles of association and the reasons expressed in the notes to the financial statements, the ordinary shareholders' meeting to approve the financial statements was convened within the longer term of 180 days from the end of the financial year.

Pursuant to Art. 2426 No. 5 of the Italian Civil Code, we have given our consent to enter development costs of € 3,769,815.00 on the assets side of the balance sheet.

Comments and proposals regarding the approval of the budget

Considering the results of the work performed, the Board of Statutory Auditors proposes that the shareholders approve the financial statements for the year ended 31st December 2022 as prepared by the directors.

The Board of Auditors agrees with the proposal for the allocation of the profit for the year made by the directors in the notes to the financial statements.

Vimercate, 14th June 2023

The Board of Auditors

Chairperson

Enrico Brambilla

Acting auditor

Alessandro Cella

Acting auditor

Silvia Ottone

Auditors' report

Nexia
Audirevi
Audit & Assurance

Presezzi Extrusion Group

Independent Auditor's Report on the Consolidated Financial Statements as at December 31, 2022

Nexia
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Independent Audit Company's Report pursuant to art. 14 of D. Lgs. January, 27 2010, no. 39

To the Shareholders of

Presezzi Extrusion S.p.A.

Report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Presezzi Extrusion S.p.A. (the Group), which comprise the balance sheet statement as at December 31, 2022, the income and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, consolidated financial statements give a true and fair view of the financial position of the Company as at December 31, 2022, and of its financial performance for the period then ended in accordance with the Italian laws and regulations that govern their preparation.

Elements at the basis of the Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italy). Our responsibilities under those standards are further described in the "Independent Audit Company's responsibilities for the audit of the consolidated financial statements" section of this report. We are independent from Presezzi Extrusion S.p.A., in accordance with the rules and principles of ethics and independence applicable in Italian law to the auditing of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified audit opinion.

Responsibilities of the directors and the board of statutory auditors for the consolidated financial statements

The directors are responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with the Italian laws and regulations that govern their preparation and, as provided by the law, for such internal control as they determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements due to fraud or unintentional acts or events.

The directors are responsible for assessing the capacity of the Company to continue operating as a going concern entity and, in preparing the consolidated financial statements, for the appropriateness of using the going concern basis of accounting, and for the adequate disclosure in this regard.

The directors use the going concern basis of accounting in preparing the consolidated financial statements unless they either intend to liquidate the Company or to cease operations, or have no realistic alternatives but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Independent audit Company's responsibilities for the audit of the Consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, due to fraud or unintentional acts or events, and to issue an audit Company's report that includes our opinion. Reasonable assurance is a high-level assurance, but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing (ISA Italy) will always detect a material misstatement, when it exists. Misstatement can arise from fraud or unintentional acts or events and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by the users on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italy), we exercise professional judgment and maintain professional skepticism throughout the entire audit process. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or unintentional acts or events. Design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from unintentional acts or events, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and but not for the purpose of expressing an opinion on the effectiveness of Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the directors;
- Reach a conclusion on appropriateness of the going concern basis of accounting used by the directors and, based on the obtained evidence, on the possible existence of significant uncertainty concerning events or circumstances that may arise significant doubts over the capacity of the Group to continue operating as a going concern entity. In case of a significant uncertainty, we have to call the reader's attention in the audit Company's report to the related information in the financial statements or, if that information is inadequate, to consider this circumstance in expressing our opinion. Our conclusions are based on the audit evidence obtained up to the date of this audit report. Nevertheless, subsequent events or circumstances may cause the Group to cease operations as a going concern;
- Evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We have communicated with the persons in charge of governance activities that have been identified at an appropriate level in accordance with the requirements of the ISA Italy, among other matters, regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other provisions of law and regulations

Judgment pursuant to art. 14, paragraph 2, letter e), of Legislative Decree 39/10

The directors of Presezzi Extrusion S.p.A. are responsible for the preparation of the report on operation of the Group as of 31 December 2022, including its consistency with the related consolidated financial statements and its compliance with the law.

We have carried out the procedures indicated in the audit standard SA Italia n. 720B in order to express an opinion on the consistency of the management report with the consolidated financial statements of Presezzi Extrusion as at December 31, 2022 and on compliance with the law, as well as to make a declaration on any significant errors.

In our opinion, the management report is consistent with the consolidated financial statements of Presezzi Extrusion as of 31 December 2022 and drafted in compliance with the law.

With reference to the declaration pursuant to art. 14, co. 2, letter e) of Legislative Decree 39/10, issued on the basis of the knowledge and understanding of the Company and the relative context acquired during the audit, we have nothing to report.

Milan, 13 June 2023

Audirevi S.p.A.

Signed by

Davide Borsani
Partner

This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international readers.

Independent auditors' report - Sustainability Statement

GRI Standards	2-5

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Independent auditors' report on the Sustainability statement

To the Board of Directors of
Presezzi Extrusion S.p.A.

We have been appointed to perform a limited assurance engagement on the Sustainability statement of Presezzi Extrusion S.p.A. and its subsidiaries (hereinafter the Presezzi Group) for the year ended 31 December 2022,

Responsibility of the Directors for the Sustainability statement

The Directors are responsible for the preparation of the Sustainability statement in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (hereinafter "GRI Standards"), according to the option of reporting *with reference to* the GRI Standards, as disclosed in the paragraph Methodological note of the Management Report to the Annual Report of the Presezzi Group as of 31 December 2022.

The Directors are responsible, within the terms provided by law, for that part of the internal control they consider necessary to allow the preparation of the Sustainability statement that is free from material misstatement, caused by fraud or unintentional behaviours or events.

The Directors are also responsible for defining the Presezzi Group's objectives in relation to sustainability performance, as well as for identifying stakeholders and material topics to be reported.

Auditor's independence and quality control

We are independent in accordance with the principles of ethics and independence disclosed in the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality, and professional behaviour.

Our audit firm applies the International Standard on Quality Control 1 (ISQC Italy 1) and, accordingly, maintains an overall quality control system, that includes documented policies and procedures for the compliance with ethical and professional standards and with applicable laws and regulations.

Auditor's Responsibility

It is our responsibility to express, based on the procedures performed, a conclusion about the compliance of the Sustainability statement with the requirements of the GRI Standards. Our work has been performed in accordance with the principle "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The principle requires that we plan and perform procedures to obtain a limited assurance that the Sustainability statement is free from material misstatements.

The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised ("reasonable assurance engagement") and, consequently, do not provide us with a sufficient level of assurance to become

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aware of all significant facts and circumstances that would be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability statement were based on our professional judgment and included inquiries, primarily with the Group's personnel responsible for the preparation of information included in the Sustainability statement, in the analysis of documents, recalculations and other procedures to obtain evidence considered appropriate.

In particular, we carried out the following procedures:

1. analysis of the process for defining the relevant topics reported in the Sustainability statement, with reference to the methods of analysis and understanding of the reference context, identification, evaluation and prioritization of actual and potential impacts and the internal validation of the results of the process;

2. comparison of the economic and financial data and information reported in the Sustainability statement with those included in the Presezzi Group's Consolidated Financial Statements;

3. understanding the processes underlying the generation, collection and management of significant qualitative and quantitative information included in the Sustainability statement.

We had meetings and we conducted interviews with the management and with the personnel of the Presezzi Group and we performed limited analysis and validation procedures, to collect information about the processes and procedures that support the collection, aggregation, processing, and submission of non-financial information to the management responsible for the preparation of the Sustainability statement.

Moreover, for significant information, considering the activities and characteristics of the Group:

- at parent company's and subsidiaries' level:
  - with reference to the qualitative information included in the Sustainability statement we carried out inquiries and obtained supporting documentation to verify its consistency with the available evidence;
  - with reference to quantitative information, we performed analytical procedures and limited assurance procedures, to assess, on a sample basis, the proper consolidation of the information.

- for the Vimercate (MB) Presezzi Extrusion S.p.A. site, which we selected based on its activities and contribution to the performance indicators at consolidated level and its location, we carried out site visits and remote interviews, during which we had discussion with management and obtained supporting evidence regarding the appropriate application of the procedures and calculation methods used for the performance indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that caused us to believe that the Sustainability statement of the Presezzi Group for the year ended on 31 December 2022 has not been prepared, in all material respects, in accordance with GRI Standards. according to the option of reporting *with reference to* the GRI Standards, as disclosed in the paragraph Methodological note of the Management Report to the Annual Report.

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Other aspects

The comparative data presented in the Sustainability statement, relating to the years ended 31 December 2020 and 31 December 2021, were not audited.

Milano, 13 giugno 2023

Audirevi S.p.A.
Signed by
Davide Borsani
Partner

This report has been translated into the English language solely for the convenience of international readers.

Presezzi Extrusion S.p.A.

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Presezzi Extrusion Group

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https://www.linkedin.com/company/presezzi-extrusion-