



The New Normal

2023 SUSTAINABILITY REPORT



The New Normal

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NEW PATH TO
BECOME AN EVEN
MORE SUSTAINABLE
AND COMPETITIVE
COMPANY.

Graziella Calzavacca
President

In response to this challenge, we have undertaken several major initiatives. We have completed the ESG Assessment activity, laying the groundwork for our first Sustainability Report. At the same time, we have launched strategic collaborations of great value: the partnership with Progetto Doable to promote sustainability in our supply chain and stimulate internal innovation, the collaboration with the Inchiostro Cooperativa in Soncino to promote social inclusion projects, the creation of the AB Forest in Villachiera in synergy with Wow Nature and much more.

On the organizational front, we implemented a significant reorganization that saw the introduction of the figure of the General Manager for the different Countries. These figures not only manage the operations of each individual branch, but also embody and promote company values and ethics, aspects that distinguish us and of which we are deeply proud.

We look to 2024 with renewed optimism and determination. Strong in our commitment to sustainability and excellence, we are ready to face new challenges and seize the opportunities that await us, continuing to grow and innovate while respecting our Planet and our communities.

Dear stakeholders, every new journey always begins with a courageous first step that leads outside your comfort zone.

2023 marked the beginning of a new chapter in AB's journey towards greater sustainability and competitiveness. This period, which could be defined as the year of awareness, offered us the opportunity to deeply reflect on our current positioning and to clearly outline our future goals.

Over the course of the year, we strengthened our role as a leader in decarbonization. Our cutting-edge technologies, the expertise of our professionals and our constant commitment to research and innovation have allowed us not only to perfect our systems, but also to develop innovative solutions that anticipate market needs.

While maintaining the well-being and health of our employees as a top priority, we are aware that the expectations of the market, institutions and – first and foremost – our high ethical standards push us to raise the bar further on our performance.

Letter to Stakeholders

Methodological Note



The AB Holding S.p.A. Group (hereinafter also referred to as the **"AB Group", "AB" or the "Group"**) publishes, on a voluntary basis, its Sustainability Report (hereinafter also referred to as the **"Report" or the "Document"**), through which it intends to provide its internal and external stakeholders with a transparent and exhaustive representation of the activities, projects, commitments, objectives and results achieved in the ESG field. The Sustainability Report is part of a broader process undertaken by the Group to **integrate sustainability into its business model**.

The Report has been prepared in accordance with the Global Reporting Initiative Standards 2021 (hereinafter also referred to as the **"GRI Standard"**) published by the GRI - Global Reporting Initiative, according to the **"in accordance with"** option. The Document, in fact, refers to the standards indicated in the GRI Content Index table which, through the summary of information relating to the different areas covered, allows the traceability of the GRI indicators and other quantitative and qualitative information. In addition, the "Detailed information" section at the end of the Document includes all the tables that report the quantitative data collected as part of the GRI reporting.

In line with the economic and financial reporting, all information and data contained in the Sustainability Report refer to the period between **1 January 2023 - 31 December 2023** (hereinafter referred to as **2023**). Where possible, data relating to the period between **1 January 2022 - 31 December 2022** (hereinafter referred to as 2022) has been reported in order to allow a comparative view.

The reporting **perimeter** is represented by all Group companies:

COMPANY	REGISTERED OFFICE	TAX CODE	SHARE CAPITAL	% ABH
AB HOLDING SPA	Orzinuovi (BS)	02243290984	€6,000,000	Parent company
AB IMPIANTI SRL	Orzinuovi (BS)	01895490983	€1,000,000	80%
AB ENERGY SPA	Orzinuovi (BS)	02106060987	€1,000,000	100%
AB SERVICE SRL	Orzinuovi (BS)	02279020982	€1,000,000	60%
AB POWER SRL	Cologne (BS)	02293190985	€99,000	100%
AB FIN-SOLUTION SPA	Orzinuovi (BS)	02662610985	€2,000,000	67.50%
AB AMBIENTE SOC. AGRICOLA SRL	Orzinuovi (BS)	02632060980	€50,000	100%
ENVIROEXPERTS ITALIA SRL	Calolziocorte (LC)	03624880138	€66,000	85.50%
AB ENERGY ESPAÑA SL	Barcelona (Spain)	B85683381	€30,000	90%
AB ENERGY ROMÂNIA SRL	Bucharest (Romania)	25216345	Lei 731,000	90%
KWE AB ENERGY POLSKA SP ZOO	Bielsko-Biala (Poland)	9372337858	Zloty 50,000	75%
AB ENERGY SRBIJA DOO	Novi Beograd (Serbia)	107377008	Dinars 10,266,480	90%
AB ENERGY HRVATSKA DOO	Fiume (Croatia)	4103332347	€99,542	90%
AB ENERGY CESKA SRO	Praha (Czech Rep.)	243 19 058	CZK 2,000,000	100%
AB ENERGY DO BRASIL LTDA.	Barueri-SP (Brazil)	CNPJ 08.542.297/0001-29	Reais 1,001,480	67%
AB ENERGY CANADA Ltd.	Guelph - ON (Canada)	GST/HST 832149462	CAD 200,000	53.50%
AB ENERGY (UK) LTD	London (Great Britain)	GB 185213904	£ 50,000	100%
AB ENERGY DEUTSCHLAND GMBH	Rosenheim (Germany)	37/007/01671	€500,000	95%
AB ENERGY USA LLC	Pine Brook - NJ (USA)	320454893	\$1,000,000	80%
A.B. ENERGY (Cogeneration) ISRAEL LTD	Nesher (Israel)	515154482	NIS 1,400.00	60%
AB ENERGY RUS LLC	Moscow (Russia)	7743091265	RUB 5,000,000	100%
AB ENERGY FRANCE SARL	Vern-sur-Seiche (France)	FR54813789856	€200,000	100%
AB ENERGY MEXICO COG. S. DE R.L. DE CV	Mexico City (Mexico)	RFC AEM15112321A	MX 3,000	80%
AB ENERGY BULGARIA OOD	Sofia (Bulgaria)	205871511	BGN 200,000	90%
COGENERATION AB ENERGY HELLAS E.P.E.	Halandri (Greece)	801238374	€100,000	90%
AB ENERGY ARGENTINA S.A.U.	Buenos Aires (Argentina)	30716491958	ARS 100,000	100%
AB ENERGY SINGAPORE PTE. LTD	Singapour (Singapore)	202319474R	SGH 200,000	15%
AB CANADA INVESTMENT LTD	Guelph - ON (Canada)	791518756	CAD 700,000	25%

The selected performance indicators are those provided for by the reporting standards adopted, representative of the specific sustainability areas analyzed and consistent with the activity carried out by the AB Group and the impacts generated by it. The selection of these indicators was carried out on the basis of an analysis of the relevance of sustainability topics, as described in the "Materiality analysis" section, in line with the requirements of the GRI Standard 3: "Material Topics 2021".

The information presented was collected through specific interviews with department representatives, in line with best practices in non-financial reporting. Any use of estimates is highlighted in the different sections of the Document.

For information and clarification on the contents of the Sustainability Report, please email sustainability@gruppooab.it.

Plants designed to have
a lifespan of at least

15
YEARS

reaching up to 25 years with
normal maintenance activities

Contribution to the SDGs



Plants installed in 2023

79 29 17

ECOMAX
cogenerators

BIOCH4NGE
plants

Photovoltaic
plants

Product development with a view to

»ENERGY
EFFICIENCY



»CIRCULARITY



»CAPTURE AND
REUSE OF CO₂



AB Impianti Integrated
Management System

QUALITY

ISO 9001:2015

WELDING

ISO 3834:2006

EC REGULATION

NO. 303/2008
FLUORINATED
GASES

UNI EN

1090-1-2:2012
STEEL STRUCTURES

Our people

1,145

employees

96%

on a permanent contract

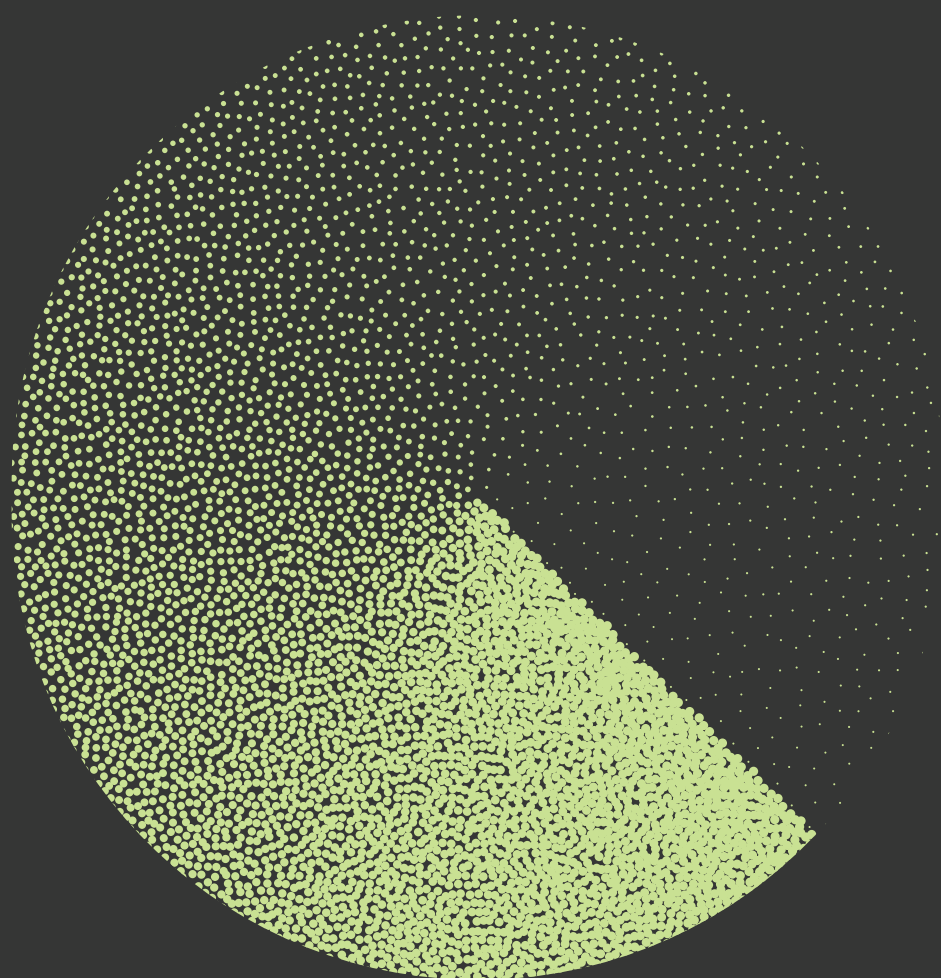


Supporting the transition
to sustainable business models

through solutions that
contribute to the
fight against climate
change and the energy
transition



1



About AB

The profile

The Group's focus has always been to develop innovation at the service of energy. For this reason, AB's leadership in the **cogeneration** sector has also expanded to **biofuels**, with systems for the purification and liquefaction of biomethane and for the **capture of emissions**.

The Group was founded thanks to Angelo Baronchelli's entrepreneurial experience that began in the early 1980s and has always supported companies looking to increase their competitiveness, saving energy and limiting polluting emissions into the environment. AB places know-how, expertise, production capacity and a high quality service at the very center of its activities, with the aim of providing the best **energy sustainability** solutions and being their point of reference.

The Group stands out as the **sole point of reference** for the end customer, from the project to long-term support, offering **turnkey systems** and implementing **ad hoc projects** based on specific needs.

Thanks to this structure, AB is the only industrial group in its sector capable of internally managing the entire life cycle of a plant.

THERE ARE VARIOUS
WAYS OF DOING
THINGS. AB WANTS
TO BE THE BEST WAY
TO DO THEM IN THE
WORLD OF ENERGY AND
OF SUSTAINABILITY.

The AB plant in Orzinuovi (BS) covers over 40,000 square meters and is the core hub of an industrial center where the Group's *engineering*, service and management facilities are located.

AB also looks after structural choices, with a strong focus on optimizing production processes and organizational well-being.

In addition, AB sees its distinctive feature to be its commitment to increasing the capacity of customers in the effective and efficient management of energy used in business processes and the reduction of waste, with the aim of translating these initiatives into significant advantages in terms of products and services.

The story

In 1981, inspired by a young specialist in the electrotechnical sector **Angelo Baronchelli**, a company was started that would become the basis for the foundation in the 1990s of the first companies of the **AB Group**.

Today, Angelo Baronchelli continues to serve as the CEO of **AB HOLDING SPA**.



ANGELO BARONCHELLI, THE FOUNDER OF AB

Born into a family of farmers from Orzinuovi, in the province of Brescia, he has contributed to the family economy since childhood. Thanks to his experience in the family business and his training as an electro-technical expert, he matures the ideas and beliefs that still accompany him today and that gave birth to AB.



THE EARLY CAREER AS AN ENTREPRENEUR

Angelo soon joined his father in running the farm, but it was only after his diploma as an electro-technical expert, obtained in Cremona, that he decided to embark on a new path: just 21 years old, in 1981, he starts a business project that follows his entrepreneurial vision, together with his wife Graziella, current President of the AB Group.



THE FOUNDING OF AB

In the 1980s, AB built electrical and automation systems for the agricultural and livestock context. In 1996, with the foundation of AB Impianti, the design of ECOMAX biogas cogeneration system began, integrating all its components into a container.



INTERNATIONALIZATION
AB's internationalization process began in 2007, with the opening of the first foreign branch in Spain, in Madrid, which will be followed over the years by the establishment of other companies, up to the current presence in over 20 national markets worldwide, from Europe to North and South America.



THE DIGITAL ENERGY REVOLUTION
In 2018 AB declares its vocation for the future of research and development and innovation with the inauguration of DOABLE, the hub for digitalization. It is one of the first laboratories in the world capable of applying new solutions dedicated to energy sustainability. In addition, in the same year, the Research and Development business area and the redefinition of processes to diversify and industrialize the product were formalized.



BIOFUELS AND EMISSIONS TREATMENT
In 2019, AB launches BIOCH4NGE, the innovative upgrading system from biogas to biomethane for producing biofuels for the transport sector. In the same year, with the strategic acquisition of a company in the sector, it extends its range of solutions to the sector for the treatment of emissions into the atmosphere.



40 YEARS OF AB
In 2021, AB celebrates its 40th birthday, with over 1,000 employees worldwide. Starting from the experience of a leader in the cogeneration and renewables sector, it strengthens its commitment in the field of biofuels and of air emissions treatment, offering itself as a sustainability partner for companies.

The structure of the Group

AB is an **international group** that operates in the market through the **AB HOLDING** operating Parent Company and a multiplicity of companies in different countries.

AB Holding S.p.A.



The AB Group has a direct presence in 20 countries around the world including Europe, Russia, North and South America, Asia and a widespread network that allows it to oversee each specific market in terms of commercial activity, assistance and after-sales service.

AB ENERGY is the commercial reference company for the Italian market. **AB IMPIANTI**, with over 140 engineers, is the largest production company dedicated to the design, production, installation and start-up of plants.

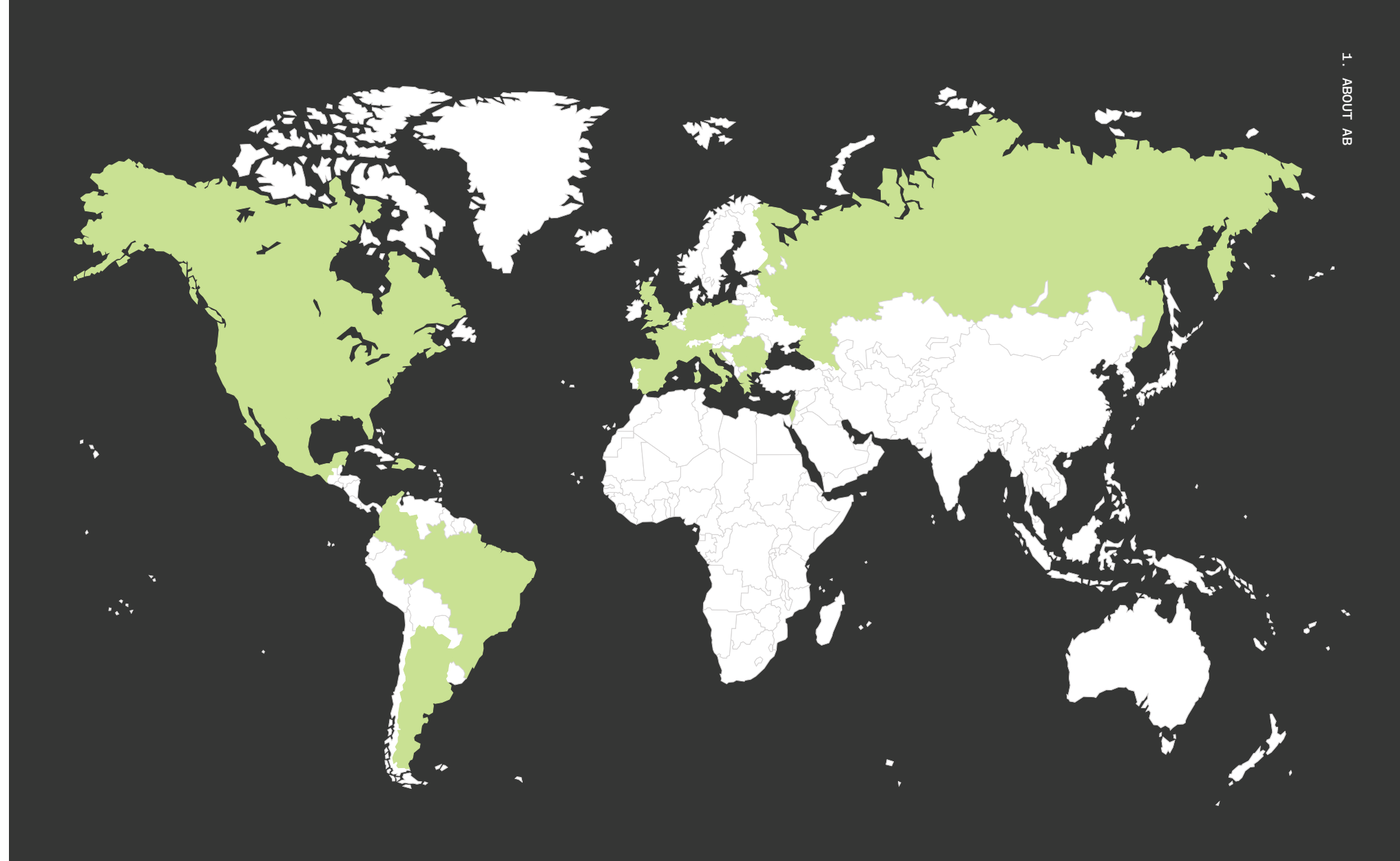
AB IMPIANTI also carries out the construction activity of the plant in its entirety, while **AB POWER** and **ENVIROEXPERTS ITALIA** specialize in specific accessory and complementary components to the two macro-product families.

AB FIN-SOLUTION, on the other hand, focuses on the operating lease of machinery and offers users in every sector the possibility to lease an AB plant or to benefit from commercial solutions with personalized payments.

The Italian organization of the Group is completed by **AB SERVICE**, the company dedicated to after-sales assistance and maintenance of AB plants, thanks also to the latest technologies developed by Industry 4.0.

AB AMBIENTE, on the other hand, is an agricultural company based in Orzinuovi (Italy) where pilot plants to support the Group's research and development activities are in operation. The company serves as a privileged environment for directly experimenting and testing solutions focused on the circular economy.

The other foreign companies of the AB Group are dedicated to the development of Integration and Service activities in the various countries, in addition to the supervision and commercial development of the same.



The organizational model adopted by the Group is **matrix-based**.

IN ADDITION TO COMPLIANCE WITH THE REGULATIONS OF THE INDIVIDUAL COUNTRIES AND THE ADMINISTRATIVE AND ORGANIZATIONAL LEADERSHIP OF THE BOARDS OF DIRECTORS, THE COORDINATION ACTIVITY CARRIED OUT BY THE PARENT COMPANY IS ALSO INCLUDED.

For some years now, the **"GLOCAL"** organizational review project has been launched, with a particular focus on foreign countries: In this regard, figures have been identified who, thanks to a path of growth, have developed adequate skills to become General Managers (GM) of the different companies.

THE MISSION


Today, AB is one of the main points of reference in the context of the ongoing transition in the energy sector, thanks to a presence that ranges from cogeneration from biogas and natural gas to the treatment of emissions into the atmosphere.

The Group provides solutions that meet the needs of a wide range of customers, belonging to the manufacturing, chemical-pharmaceutical, agricultural, waste, oil & gas and utilities sectors. On the road towards the "New Normal", in fact, AB's daily commitment is to be constantly at the side of companies looking to increase their competitiveness, saving energy and limiting emissions into the environment.

AB's mission is perfectly encapsulated in the "ABetter Way" slogan: to support its partners in finding a different and better way of producing, which enhances efficiency, increases profits, but above all promotes the sustainable development of its customers and, more generally, of its stakeholders. A concrete example of this commitment can be seen in the development of plants that have a lifespan of 25 to 30 years guaranteed by re-vamping interventions after the first 15 years of operation, the result of careful research and ecodesign development.

In the future, the Group will place an increasingly greater focus on this strategic vision, expanding its field of action towards new solutions in the energy sector and neighboring areas such as, for example, photovoltaics, the liquefaction of CO₂ in a form and quality suitable for the *food & beverage* sector, as well as the development of technologies for the reduction of ammonia nitrogen in digestate. In particular, the continuous development of technologies dedicated to **Primary Energy Saving (PES)**, which for now has achieved results of up to 42%, but the goal is to reach 55% through further implementations.

The business areas



	Manufacturing Industry	Food & Beverage	Dairy	Chemical-Pharmaceutical	Plastic	Greenhouses	Tertiary	Agriculture	Waste	Healthcare	Data centers	Microgrids	Oil & gas	Mining	Utility, Esco & IPP
→ BIOGAS COGENERATION		●	●					●	●						●
→ COGENERATION FROM NATURAL GAS	●	●	●	●	●	●	●			●	●	●	●	●	●
→ CCHP	●	●		●	●		●			●	●				●
→ UPGRADING AND LIQUEFACTION OF BIOMETHANE		●	●					●	●						●
→ AIR EMISSIONS TREATMENT	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

Values, cultural traits and leadership model

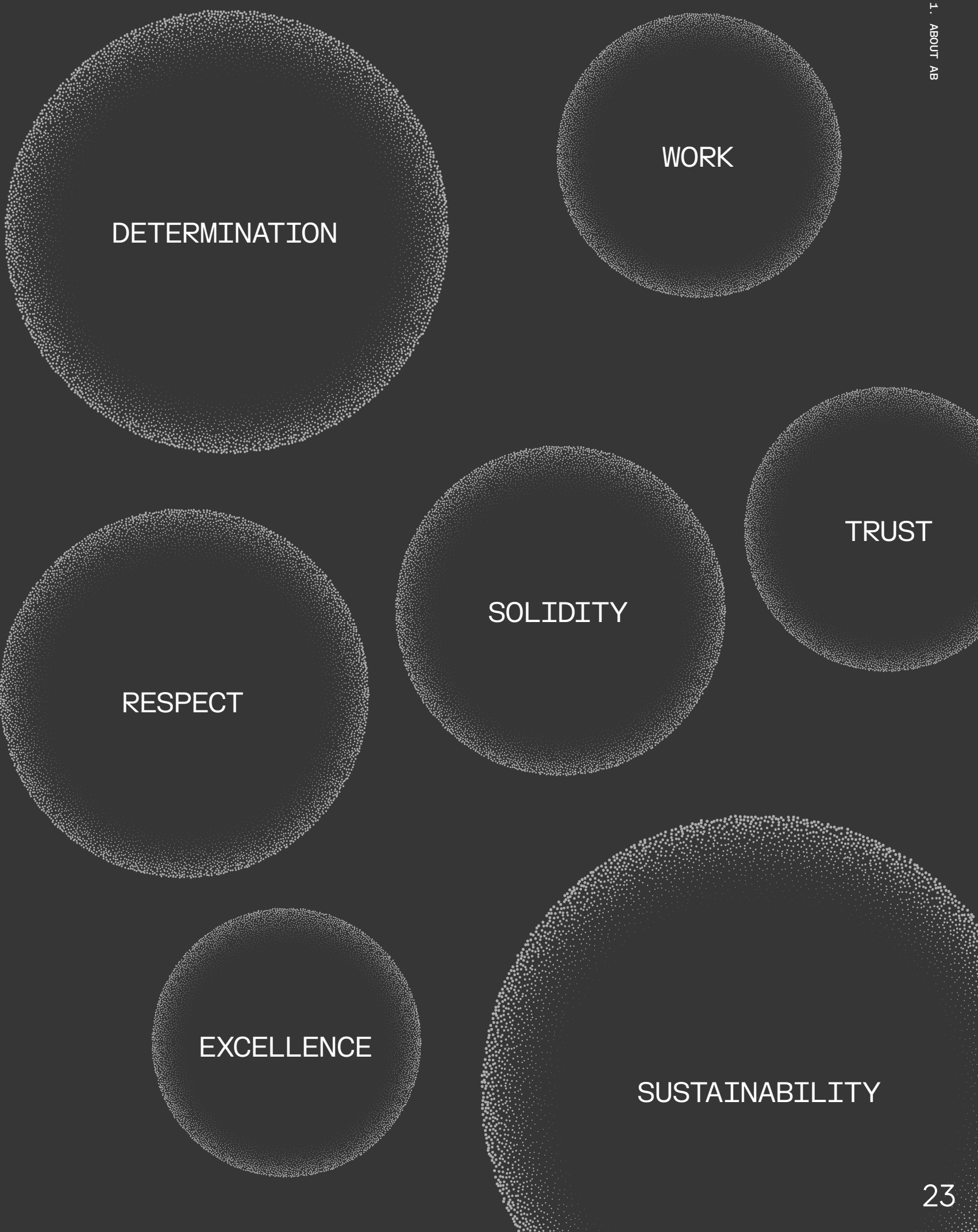
The set of values and cultural traits that characterize the Group are the basis on which a reference leadership model has been built. The model identifies the virtuous behaviors of the AB manager within the three areas of intervention characterizing their action: guiding the business, guiding change and guiding people.

Every person in the Group is required to assume daily behaviors in line and consistent with AB's cultural traits and reference values. Managers are called upon to use the leadership model as an additional source of inspiration and comparison.

The personality characteristics of individuals inevitably and correctly make the interpretation of the managerial role different from case to case.

The Group believes that this diversity is a value and that it should not be questioned, considering it important that, despite such differences, a common and characteristic "style" can be recognized: the AB leadership style. This style of reference represents a goal towards which all managers are committed to arrive, in the awareness that everyone starts from different situations.

The Group's leadership style promotes a climate of trust, collaboration, creativity and care for people and is aimed at promoting the improvement of performance and the generation of innovation.



THE VALUES

WORK

When carried out with commitment and passion, work fulfils each individual and contributes to overcoming personal and business challenges. AB works with the awareness of participating in a project that extends beyond the satisfaction of its own corporate needs. Working to the best of its ability, the Group contributes to responding to the needs of the community and building a better future.

EXCELLENCE

The excellence of AB cogeneration systems is an absolute value. The Group wants to continue to be a leader in this sector, committed to offering technologies and services that ensure maximum performance throughout the life of the plants.

TRUST

AB considers and treats customers and suppliers as partners. It is committed to building relationships based on sincerity and trust. The Group wants to give more than what the customer expects and presumes the same from its suppliers.

DETERMINATION

AB wants to continue to be the "thinking center" of cogeneration. It is determined to pursue the highest degree of innovation, accumulating knowledge, experience and technologies to respond in an advanced way to a primary need of man and of businesses: energy.

RESPECT

People are at the heart of the AB world. The quality of relationships between people is a fundamental value and a factor of social progress. AB respects people and promotes addressing everyone's needs in carrying out their work. The various cultures of the countries in which the Group operates are respected.

SUSTAINABILITY

Cogeneration contributes to safeguarding the environment, limiting emissions and enhancing renewable sources. In fact, it also allows companies to reduce consumption, energy waste and – above all – costs. AB respects its customers' income statements.

SOLIDITY

Economic and financial. The creation of wealth is the indispensable prerequisite for its distribution to the benefit of internal collaborators, suppliers, shareholders, the local territory and taxation. It is the basis for creating new jobs.

The values mentioned above are a set of positive points of reference perceived as common by everyone who is part of the Group. The Group is characterized by sharing these points of reference, understood as a social work context in which not only all employees operate, but also all those who interact with AB in various capacities. The values are rooted in cultural traits that uniquely characterize the Group and the business family that guides it. The "6 cards" illustrated below briefly describe these cultural traits.

THE CULTURAL TRAITS

01

CUSTOMER SERVICE AS A TOP PRIORITY

Nothing is impossible: there mustn't be a culture of "it can't be done", but one of "how can it be done", to show our customers that we are extraordinary, because **we know how to go beyond their expectations**. The customer may consider us to be expensive, but our invoice must be the one that they are the most willing to pay.

02

ADOPTING A METHOD AS A RESOLUTION CRITERIA

Approach problems with METHOD and ORDER, leveraging the Group's knowledge and culture capital. Think of the **method as the mechanism** that knows how to grasp a **value greater than what each of us can express**, allowing us to arrive at and meet a challenging goal.

03

FOCUS ON THE GOAL AND VISION WITHIN A FRAMEWORK OF SUSTAINABILITY

IN the goal pursued, it is necessary to always be able to **see not only a direction of the work to be carried out, but also an expected result to be achieved** beyond one's formal tasks and outside the box. Problems must be addressed based on a **vision that extends beyond contingency**, beyond the short term and beyond the objective itself. Everything we do must be inspired by a **strict logic of sustainability** (not only economic/financial efficiency, but also impact on the organizational context, the local territory and the environment).

04

AN ONGOING FOCUS ON CONTINUOUS IMPROVEMENT WITH INTELLIGENCE, ECONOMIC SENSE AND CREATIVITY

Never get tired of continuously improving. There is no limit in the search for "beauty": **every time you do something great, put it aside and immediately start thinking about how you can improve it**. When looking for solutions, know how to take risks with courage, use intelligence, creativity and – in all cases – economic sense.

05

BELONGING TO A SINGLE GROUP AND COOPERATION IN THE PROCESS

Recognize and feel part of **an entity** that extends beyond the individual company or local reality and **that represents a common priority interest for everyone**. Within everyone's specific role, feeling part of a process that involves multiple people/ departments/business lines, each of which, beyond their specific task, operates proactively so that the entire process can be successful and **common goals can be achieved**.

06

EMPOWERING OUR PEOPLE AND SHARING COLLECTIVE KNOWLEDGE

Have continuous care and respect for our people: always value the Group's human capital and encourage a process of sharing: "those who learn share". Always adopt a professional attitude when managing **data**, in a complete and timely manner: data, in fact, is **what we leave to the Group** based on our experience and the premise for building a **collective know-how**.

THE LEADERSHIP MODEL

LEADING BUSINESS guarantee results	LEADING PEOPLE value human resources	LEADING CHANGE facilitating change
<ul style="list-style-type: none">– Having the courage to "tell the truth" and being open to the truth– Thinking outside the box to propose innovative and unexpected solutions– Projecting yourself into the long term to guide the short term– Taking responsibility to make decisions and with the right timeliness– Acting synergistically with the rest of the Group	<ul style="list-style-type: none">– Acting with integrity, transparency and setting a good example– Listening, understanding, directing, supporting one's subordinates, committing to providing feedback– Stimulating teamwork among one's subordinates and with the rest of the Group– Promoting the Group as a valuable asset, favoring the sharing of knowledge and experience– Empowering people in relation to their learning and growth	<ul style="list-style-type: none">– Supporting the vision, goals (general and specific) of change with all the people/teams concerned– Activating, engaging and empowering one's hierarchical line– Promoting change with strong determination, proactively facing any resistance, inertia and challenges– Developing metrics, KPIs and change objective evaluation systems– Transferring the passion for external excellence, also valuing thinking different from our own

TOWARDS THE NEW NORMAL
Sustainability, a continuous journey

2023 was a year of deep reflection and development for AB, during which new strategic inputs were matured that can allow the Group to restart with a new paradigm. A paradigm which, at the beginning of 2024, found its definition in the concept of a **"New Normal"** in which sustainability is a natural part of corporate processes and objectives.

During the year, the materiality analysis highlighted the actual and potential impacts, positive and negative, that the Group generates towards society and the environment. Through a continuous analysis work carried out by the Coordination Committee, their relevance was evaluated and the mapping of AB's Stakeholders was refined.

In the period between July and September, approximately 18 in-depth interviews were conducted with Management to understand the current way of managing ESG aspects and, specifically, to map existing policies, procedures, tools and initiatives. Based on the information and documentation collected, the level of supervision of the material topics identified (As Is situation) was assessed and the possible areas and activities of intervention for value creation

were identified. The evaluation considered parameters such as governance, strategy, activities carried out, measurement metrics and level of communication. The project ended with an **ESG Assessment Report**, shared between the end of October and the beginning of November.

The 2023 objective was precisely to clearly identify growth opportunities and margins for improvement to strategically integrate sustainability into all aspects of the business, without neglecting any, and to continue the journey towards an even more sustainable future, towards the "New Normal" where AB aims to become a reference point for its customers in their sustainability **PATH**:

1. in the **provision of solutions and services focused** on achieving sustainability objectives, mainly energy and environmental and, consequently, also economic;
2. as a **virtuous example in the broader** sustainability journey.

AB considers sustainability a crucial element for survival and the evolution towards new business models. The Group therefore feels called upon to adopt **a pragmatic, highly realistic approach that allows AB to effectively adapt to ever-changing scenarios.**

The desire to make AB an example of sustainability and equity must not extend beyond the sense of the **company as an economic operator and a socio-economic entity**: AB contributes to the growth of its surroundings, actively collaborating with suppliers, customers, schools, universities, etc.

The contribution to the UN 2030 Agenda

The 2030 Agenda for Sustainable Development defined by the United Nations in 2015 outlines a global program of action aimed at sustainable development. The Sustainable Development Goals (SDGs) are a global point of reference, as they involve all countries and all components of society. The 17 goals cover the three key dimensions of sustainable development – namely environmental, social and economic – and ad-

dress universal issues, such as poverty, hunger, lack of education, climate change, gender inequality, lack of access to clean water and energy. Moreover, the targets are broken down into 169 targets to be achieved by 2030. The Group has decided to contribute – through its activities and projects – to the 2030 Agenda and, specifically, to the achievement of the SDGs identified through the materiality analysis.

SUSTAINABLE DEVELOPMENT GOALS



The AB numbers

Globally, 2023 saw an **easing** of inflation due to tighter monetary policies. Despite **higher-than-expected global GDP growth**, geopolitical **tensions, tighter financial conditions, trade fragility** and **declining business and consumer confidence** negatively affected the year's performance.

In Europe, despite the **price crises** and **tensions in energy markets** which have progressively **made a comeback**, the absolute levels of **gas and electricity prices** remained **above historical averages**, continuing to exert pressure to contain demand. Thanks to the **contraction in gas consumption** – which from August 2022 to November 2023 decreased by more than 17% compared to the previous five years' average – and **in electricity**, the primary energy consumption of the Eurozone decreased in 2023 by approximately 3.5%, with an even greater decrease in CO₂ emissions (-6% approximately).

As shown in the table below, analyzing the Group's 2023 performance, we can see an **increase in revenues compared to the previous year**, amounting to approximately **€410.7 million** (+26.6% on 2022) and an **increase in the value of production**, amounting to approximately **€378.5 million** (+0.7% on 2022).

(ML €)	2023	2022
Revenues	410,707,941	324,480,282
Production value	378,504,354	375,973,424

The main **macro-economic indicators** are outlined below:

(ML €)	2023	2022
Gross operating margin	83,338,178	47,674,448
EBITDA (net operating provisions)	62,137,410	32,410,796
Operating profit	46,835,677	18,538,657
Stated EBIT	63,689,158	29,639,658
Gross profit	62,111,238	28,535,452
Net result	51,929,108	18,694,835

The dynamics of **EBITDA** and **EBIT** are mainly the result of macro-economic (in particular inflationary effects on the main production factors) and the completion of business development and investment processes. Consequent price dynamics are added, as well as the increase in both revenues and the works contribution rate, with good prospects also recorded for 2024.

The corporate policy choices that in recent years have led to the non-distribution of dividends to AB Holding S.p.A. shareholders once again confirm the restrictive **pay out** policy that has always been adopted in order to consolidate the Parent Company’s assets and promote the development of the Group as a whole.

	2023	2022
Total equity	€421,689,687	€373,810,780
Capital	€6,000,000	€6,000,000
Reserves	€363,760,579	€349,115,945
Profit for the year	€51,929,108	€18,694,835

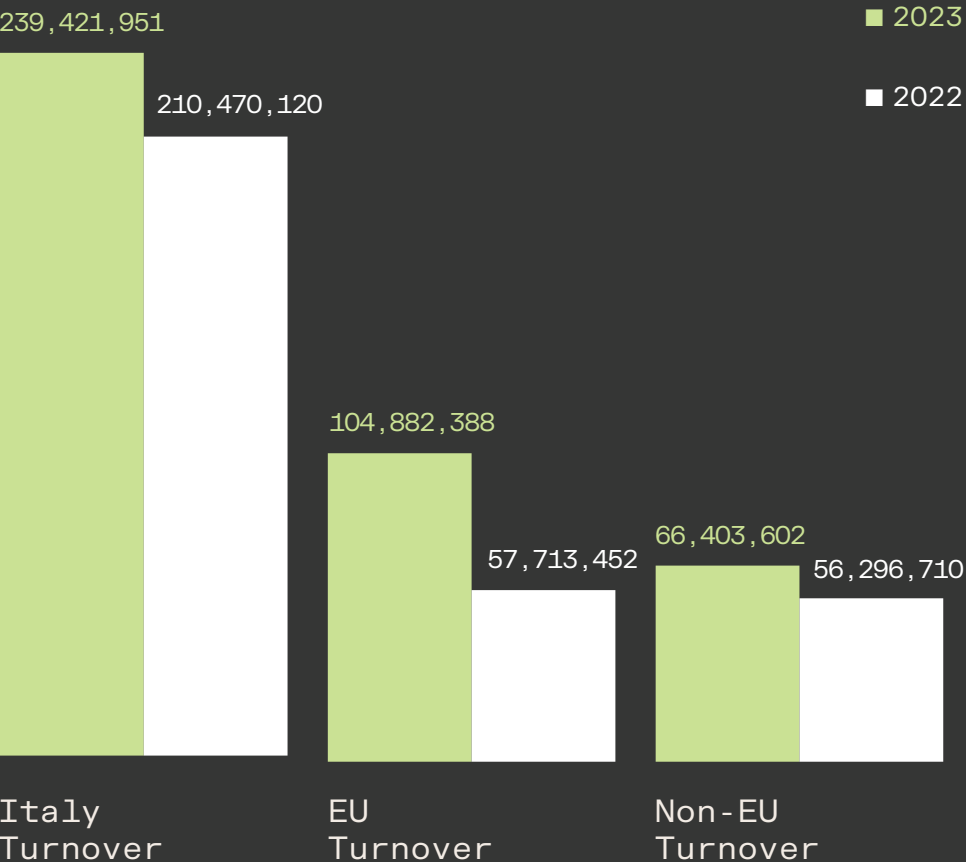
Today, the AB Group is the Italian **leader** in the production, sale and maintenance of cogeneration and biomethane plants, with a significant market share in the range of products and services offered.

The dynamics of the **regulatory push** in the biomethane field will positively influence the evolution of this application on the outlet market. In this regard, in Italy, the **opening of new registers for the authorization of new plants** at the national level in 2024 is confirmed, without underestimating the potential of this application on international markets characterized by a growing demand.

Revenue has **increased** compared to the previous year. At the same time, the development of **plant maintenance services** continues, through the **signing of new maintenance contracts**, in addition to those signed in previous years, as well as the contracts that will come into force in the new year.

In 2023, the **value of investments** also increased for contracts relating to plants destined for the **Rent** sector, namely the non-financial lease of plants, which is expected to yield positive results in the years ahead.

TURNOVER BY GEOGRAPHICAL AREA



To facilitate the reading of the Balance Sheet according to a financial logic and to provide a detailed overview of AB's financial soundness, an outline of the **Financial Balance Sheet** is provided below:

BALANCE SHEET

Intangible assets	6,446,828	Share capital	6,000,000
Tangible assets	113,277,833	Reserves	363,760,579
Financial assets	37,970,834	Profit	51,929,108
Fixed assets	157,695,495	Equity	421,689,687
Inventories	137,544,077		
Deferred liquidity	151,291,846	Funds	39,744,147
Immediate liquidity	130,110,163	Payables over 12m	7,415,051
Current assets	418,946,086	Consolidated liabilities	47,159,198
		Payables within 12m	106,017,350
		Accruals and deferrals	1,775,346
		Current liabilities	107,792,696
Capital invested	576,641,581	Financing capital	576,641,581

The Group is in a solid position from a financial point of view: the overall positive economic and financial results recorded in recent years have made it possible to once again pursue the path of capital strengthening. The **Net Financial Position (NFP)**, understood as a variable able to present a company's actual debt exposure, is **largely positive** and in line with the previous year.

At a consolidated level, in 2023 **income taxes** amount to **16.4%** of the gross result, compared to **34.5%** in 2022 and **31.5%** in 2021. The tax situation of all Group companies can be considered **regular**: the taxes due for the year have been paid.

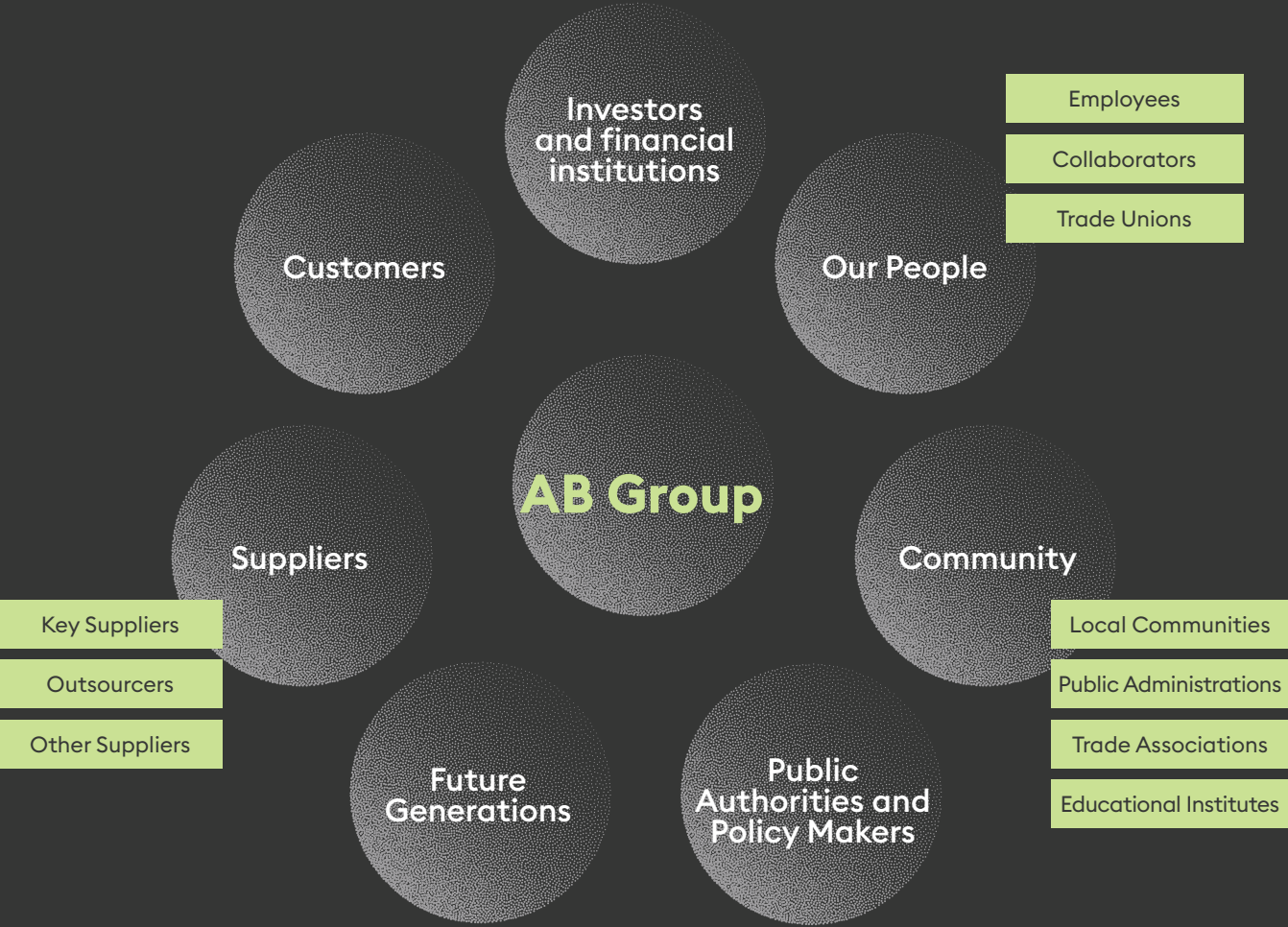
The Group as a whole is **extremely liquid**. The credit institutions with which Group companies collaborate as partners are national and international leaders and relations with them are based on an active collaboration towards mutual growth.

Stakeholders

Stakeholders are individuals, entities or institutions that have some kind of interest in the activities carried out by the Group and that, at the same time, are able to exert an influence on its operations.

During the previous reporting period, the Group's management carried out a stakeholder identification activity as part of a dedicated *workshop*: this activity produced a precise and detailed mapping of the categories of stakeholders with which the Group dialogues and interacts during the course of business.

The mapping is divided into **seven macro-clusters**, broken down into **individual categories** for some groups of subjects:



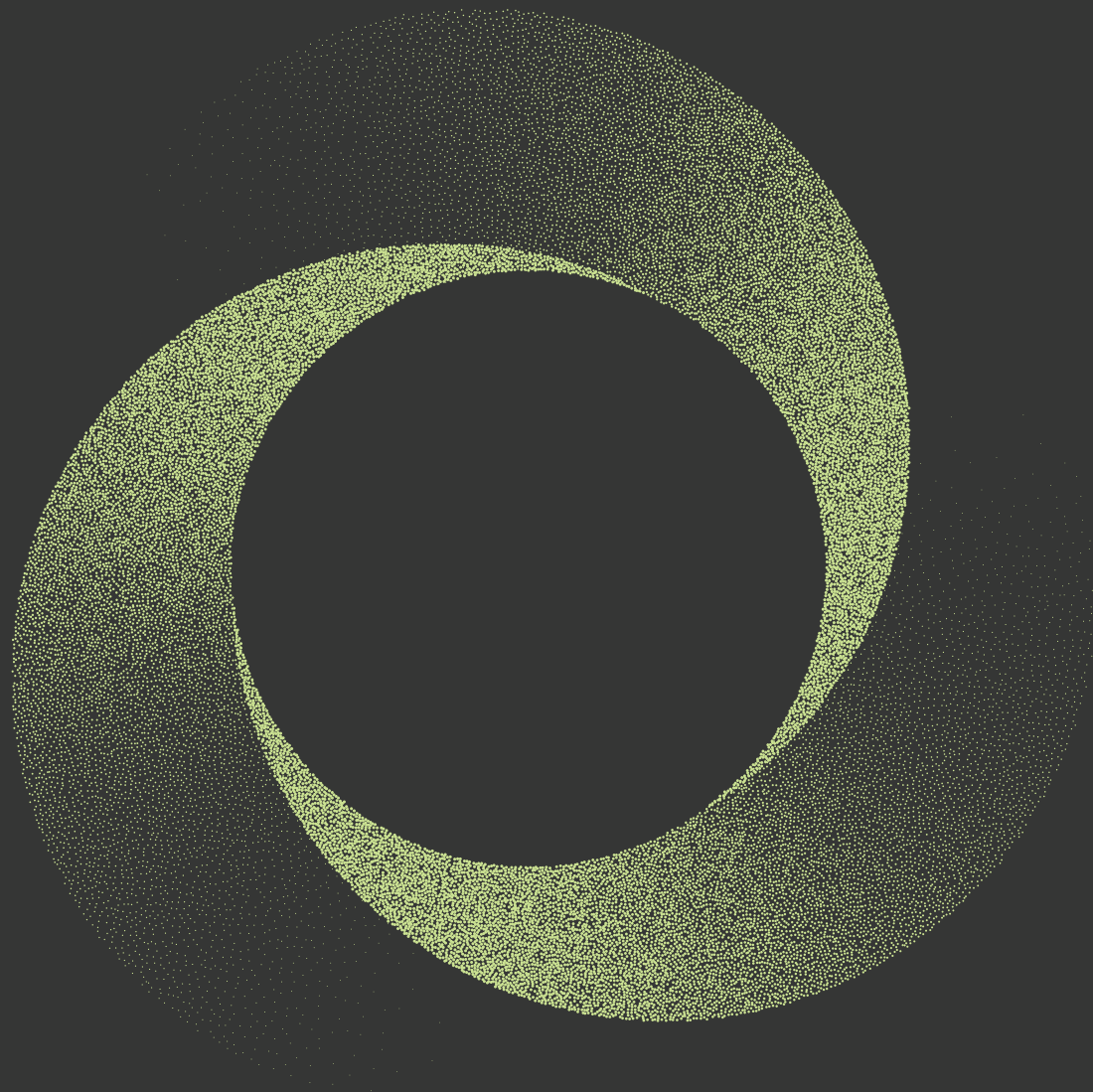
Since the Group intends to define a sustainability strategy for the future that takes into account the needs and expectations of the different stakeholders, the following activities were planned during the year, which will be completed in 2024:

- organization of a **workshop** focused on analyzing and prioritizing the previously mapped stakeholders, in order to explore the relational dynamics with each category and identify specific priorities and needs;
- development and distribution of **three questionnaires** created with the different targets in mind, anonymous and based on a voluntary participation, aimed respectively at employees, suppliers and customers, in order to collect and incorporate their opinions on environmental, social and governance issues.



2

Materiality analysis



Materiality analysis

THE GROUP

The materiality analysis is the starting point for identifying the most relevant sustainability aspects for the Group and its stakeholders and, consequently, defining the contents of the Sustainability Report according to the GRI Standard.

Following the update of the most recent GRI Universal Standards 2021, and in particular the GRI Standard 3 - Material Topics, a process of identifying material issues based on the concept of impact generated by the organization towards the external context was developed in 2022 (so-called **"Impact materiality"**). Impact refers to the effect that the organization has or could have on the economy, the environment and people, as well as the contribution (negative or positive) that it makes to sustainable development.

1. The so-called "inside-out" perspective considers the impacts of an organization ("inside") towards the external context ("out"), in other words the significant impacts, actual or potential, on people and the environment, directly related to the business activities, products and services of an organization, including activities upstream and downstream of its value chain.



The materiality analysis process was broken down into the following phases:

- **Understanding the context**
An analysis of the Group's activities, business relationships, sustainability context and reference stakeholders was carried out, with the aim of collecting the necessary information to identify the actual and potential impacts. In addition to a detailed benchmark analysis of the main industry peers, both internal and external sources were used².
- **Identification of the nature of the impacts**
The identified impacts were classified as actual and potential, negative and positive, direct and generated through business relationships, short-term and medium-long term, expected and unintentional.
- **Assessment of the significance of the impacts**
The impacts were assessed through a *workshop* involving the company's front lines. An evaluation was requested through the following parameters (based on a scale from 1 to 5): scale, scope and level of remediability (the latter only for negative impacts). For the evaluation of potential impacts, the level of probability of their occurrence was taken into consideration. The combination of these factors defined the level of severity/magnitude.

The table below provides a summary the most relevant negative and positive, actual and potential impacts for the AB Group for each material topic and highlights the Sustainable Development Goals (SDGs) to which each topic contributes.

The specific material impacts and topics corresponding to AB Ambiente have also been identified, in order to enhance the specific business characteristics of this company compared to other Group companies.





2. Benchmark analysis: 38 stakeholders were analyzed (27 belonging to the biomethane/liquid biomethane/CO2 sector; 11 belonging to that of cogeneration/production of electricity from biogas). Internal sources: corporate documentation, Consolidated Financial Statements, Integrated Policy, Code of Ethics, Model 231, customer ESG questionnaires, customer ESG audits, risk mapping, sector studies which the Group has participated in. External sources: regulatory framework, sector studies and research, SASB standards, ESRS standards, Global Risk Report (Strategic Intelligence) published by the World Economic Forum, OECD Due Diligence Guidance Responsible Business Conduct.

KEY

- ● ● Very significant
- ● ○ Significant
- ○ ○ Relatively significant

MATERIAL TOPICS	IMPACT	TYPE	RELEVANCE	SDGS
GROUP				
Climate Change & Energy transition	Contribution to the energy transition and the development of renewable energy sources aimed at reducing emissions and combating climate change	Positive Actual	<div><div></div><div></div><div></div></div>	<div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div>9 INDUSTRIES, INNOVATION AND INFRASTRUCTURE</div><div>13 CLIMATE ACTION</div></div>
	Reduction of pollutant particles in the environment through state-of-the-art filtration systems in order to control and treat pollutants.	Positive Actual	<div><div></div><div></div><div></div></div>	
Energy Management & Emissions	Reduced contribution to the reduction of climate-altering emissions due to the absence of defined emission reduction and monitoring targets (Scope 1, 2, 3).	Negative Actual	<div><div></div><div></div><div></div></div>	<div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div>13 CLIMATE ACTION</div></div>
	Efficient and sustainable use of energy in all business processes through improvement initiatives and transition to technologies aimed at optimizing energy consumption and reducing emissions.	Positive Actual	<div><div></div><div></div><div></div></div>	
Circular Economy & Waste Management	Environmental pollution due to hazardous waste and/or inadequate waste disposal.	Negative Potential	<div><div></div><div></div><div></div></div>	<div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>
	Reduction of environmental pollution through circular economy solutions both for the reduction of internal waste (reuse, disposal, recovery and reconversion of materials) and to support customers in adopting sustainable practices and systems aimed at the use of industrial, agricultural and energy by-products.	Positive Actual	<div><div></div><div></div><div></div></div>	
Water management	Pollution of water resources due to insufficient water filtration systems and inadequate monitoring of released pollutants.	Negative Potential	<div><div></div><div></div><div></div></div>	<div><div>6 CLEAN WATER AND SANITATION</div></div>
	Optimization of water resources used through wastewater treatment plants, technologies and/or practices to recycle or reuse water.	Positive Actual	<div><div></div><div></div><div></div></div>	
Health & Safety	Increase in the number of accidents and injuries with serious consequences due to insufficient prevention and monitoring activities (e.g. training activities).	Negative Potential	<div><div></div><div></div><div></div></div>	<div><div>3 GOOD HEALTH AND WELL-BEING</div></div>
	Decrease in the number of accidents and occupational diseases, thanks to the improvement of safety culture.	Positive Actual	<div><div></div><div></div><div></div></div>	

MATERIAL TOPICS	IMPACT	TYPE	RELEVANCE	SDGS
Cohesive work environment	Resource dissatisfaction due to excessive workloads, organizational shortcomings and inadequate engagement policies.	Negative Actual	<div><div></div><div></div><div></div></div>	<div><div>3 GOOD HEALTH AND WELL-BEING</div></div>
	Increased quality of life and well-being of workers thanks to improved work-life balance (through welfare and well-being solutions) and a stimulating and collaborative working environment.	Positive Actual	<div><div></div><div></div><div></div></div>	
Diversity & Inclusion	Failure to respect diversity and equality due to discriminatory treatment, conditioned by factors such as gender, sexual orientation, religion, ethnicity or language.	Negative Potential	<div><div></div><div></div><div></div></div>	<div><div>5 GENDER EQUALITY</div><div>10 REDUCED INEQUALITIES</div></div>
	Enhancing diversity (in terms of age, gender, ethnicity, inclusion of people with disabilities, etc.) through the promotion of an inclusive working environment that respects plurality and heterogeneity.	Positive Actual	<div><div></div><div></div><div></div></div>	
Development of human resources	Employee dissatisfaction and inadequate level of customer service due to insufficient level of skills (technical, project management, etc.).	Negative Actual	<div><div></div><div></div><div></div></div>	<div><div>4 QUALITY EDUCATION</div></div>
	Enhancement and development of human resources through the definition of clear and structured training plans and career paths. Within the industry, the preservation of know-how and the development and maintenance of technical skills play a key role.	Positive Actual	<div><div></div><div></div><div></div></div>	
Community Engagement	Enhancement of the local territory and of the communities in which the Group carries out its business activities through the activation of specific initiatives, the development of partnerships and/or sponsorships and the support/ implementation of solidarity projects.	Positive Actual	<div><div></div><div></div><div></div></div>	<div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div></div>
Responsible and engaged Supply Chain	Violation of human and workers' rights through the supply of goods and services from suppliers adopting an unethical conduct (exploitation of illegal workers, limited freedom of association, inadequate wages and/or working hours, etc.).	Negative Potential	<div><div></div><div></div><div></div></div>	<div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>17 PARTNERSHIPS FOR THE GOALS</div></div>
	Reduction of negative environmental and social impacts related to the supply chain through the selection of responsible suppliers, the development of a transparent and traceable supply chain and the sharing of best practices in terms of sustainability.	Positive Actual	<div><div></div><div></div><div></div></div>	
Technology & Innovation	Support an adequate diffusion of innovation to find better solutions on a global scale and contribute to the development of new business models, both through partnerships with universities, research centers and laboratory networks, as well as accessible communication and dissemination channels.	Positive Actual	<div><div></div><div></div><div></div></div>	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRIES, INNOVATION AND INFRASTRUCTURE</div></div>
	Reduction of environmental and social impact thanks to investments in R&D.	Positive Actual	<div><div></div><div></div><div></div></div>	

MATERIAL TOPICS	IMPACT	TYPE	RELEVANCE	SDGS
Cybersecurity	Data breaches, due to cyber attacks aimed at stealing sensitive data or confidential information.	Negative Potential	<div><div></div><div></div><div></div></div>	
	Security of data and sensitive information thanks to solid infrastructures, hardware and software.	Positive Actual	<div><div></div><div></div><div></div></div>	
Customer Centricity	Failure to meet customer expectations due to design errors and/or failure to meet deadlines and/or budget and/or failure to communicate eventual changes and/or delays in product delivery.	Negative Actual	<div><div></div><div></div><div></div></div>	 
	Guarantee of a high level of satisfaction thanks to the service of "turnkey" plants including all the necessary components, full-service maintenance contracts, availability of the 24/7 emergency service and digital monitoring and online diagnostics.	Positive Actual	<div><div></div><div></div><div></div></div>	
Business Ethics	Damage to the social and economic context and market inefficiencies due to corruption and/or inadequate compliance with environmental, social and tax regulations in force and/or unethical business practices (including antitrust, lobbying to influence public financing policies, false statements, conflict of interest with respect to public and private tenders).	Negative Potential	<div><div></div><div></div><div></div></div>	
	Contribute to the internal awareness and dissemination of the principles of ethical and responsible business conduct among the various business partners.	Positive Actual	<div><div></div><div></div><div></div></div>	




AB AMBIENTE

AB Ambiente is the agricultural company of the AB Group specialized in the production of agricultural products for the management livestock farms, and the production of milk, as well as the production of biogas, the basis for the generation of renewable electricity thanks to the adoption of AB plants.

The agricultural company is also an important "experimentation laboratory", reflecting the Group's commitment to experimenting and implementing circular economy solutions directly in the field. In this context, AB Ambiente facilitates the management of pilot plants dedicated to the production of energy and biomethane, which actively support the Group's research and development activities.

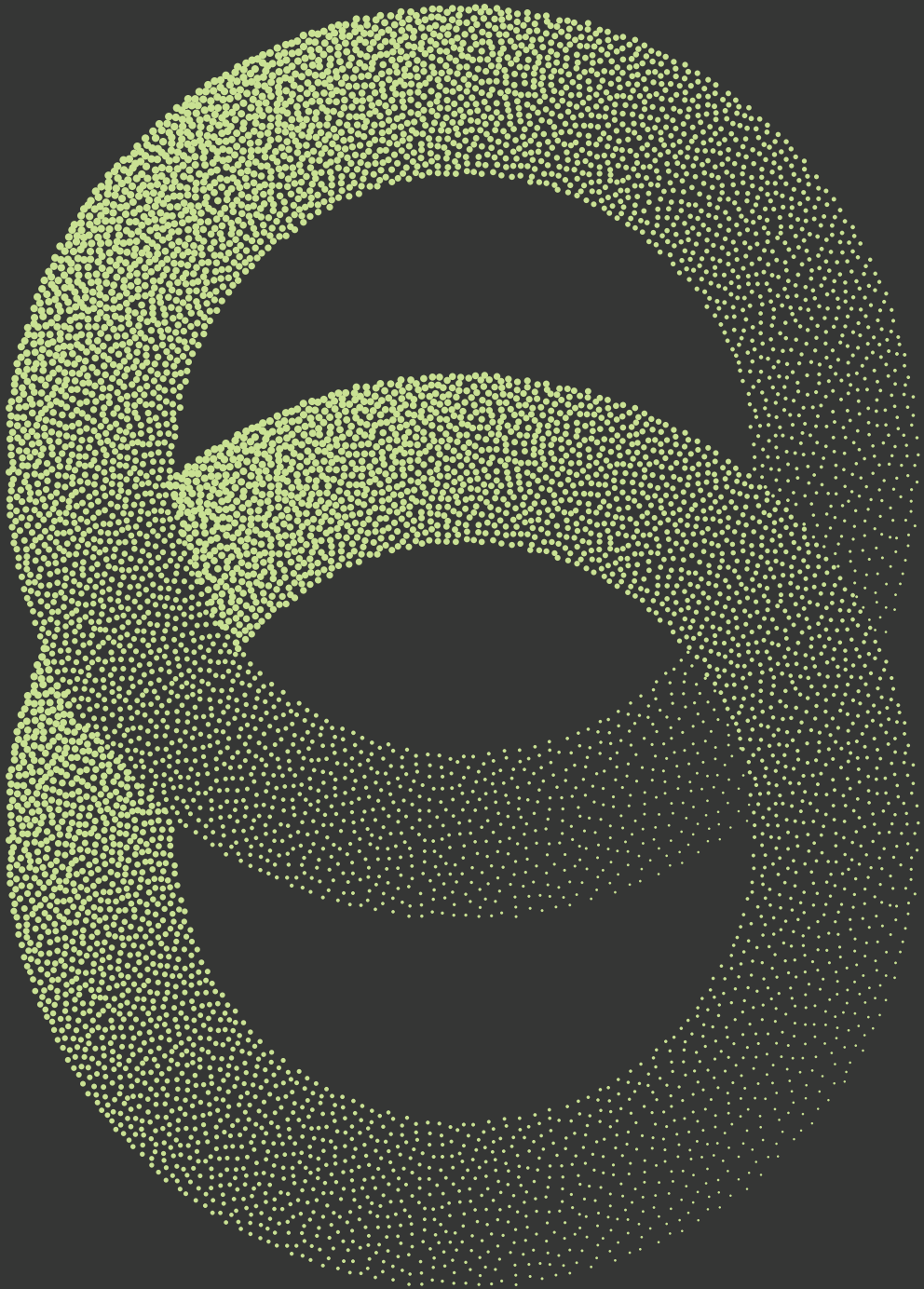
AB Ambiente's activities are therefore diversified and represent the point of union between different sectors: livestock, agricultural land management and electricity production. In addition, all phases of biomethane *upgrading*, including CO₂ recovery, digestate abatement and ammonia nitrogen management, are part of AB Ambiente's operations.

Considering the different *business model* adopted by AB Ambiente, an *ad hoc* analysis was conducted in order to understand the operational context and identify the specific impacts. The methodological process mirrors that used for the materiality analysis developed at the Group level. The table below summarizes the most relevant impacts of AB Ambiente, negative and positive, actual and potential.

MATERIAL TOPICS	IMPACT	TYPE	RELEVANCE	SDGS
AB AMBIENTE				
Animal Welfare	Increasing animal welfare through the adoption of practices that ensure the ethical treatment and health of animals (such as the provision of comfortable living conditions, access to pasture, adequate nutrition and access to veterinary care).	Positive Actual	<div><div></div><div></div><div></div></div>	
Sustainable farming	Increased environmental impact due to methane emissions generated by livestock manure.	Negative Actual	<div><div></div><div></div><div></div></div>	 
	Reduction of environmental impact through the adoption of sustainable agricultural practices to protect soil and biodiversity (optimization of water resources used, minimization of the use of chemical substances, use of organic food, adoption of correct waste management).	Positive Actual	<div><div></div><div></div><div></div></div>	
Food quality and security	Failure to protect the health of end consumers by offering nutritious products that meet high standards of quality and safety.	Negative Potential	<div><div></div><div></div><div></div></div>	

3

Impact management



Impact management

In order to develop a **sustainability strategy** that allows the Group to effectively manage the ESG impacts produced with respect to the external context and to adopt an increasingly solid proactive approach, shared and aligned with the its internal and external needs, the following projects have been planned for 2024:

- **stakeholder engagement**³ activities aimed at collecting opinions, suggestions and concerns from all stakeholders. The goal is to fully engage stakeholders in the corporate decision-making process, ensuring that the voices of all AB People are heard and integrated into the Group’s sustainability strategies;
- **engagement of the various business area** representatives aimed at **prioritizing material topics**. Through questionnaires and interviews, BPOs (Business Process Owners) will identify the **most relevant sustainability-related aspects** and define a **clear prioritization process** designed to guide the Group’s strategic and operational decisions;
- **drafting of an ESG Action Plan** that guides the Group in the implementation of concrete actions in the short, medium and long term. This Plan will act as a reference point for sustainability-related initiatives, ensuring that the actions taken are aligned with the Group’s sustainability goals and realistic in terms of timing and resource allocation.

The aim of AB’s projects is to create a strategy that allows the Group to **adapt in a dynamic** approach towards new challenges and emerging opportunities in energy transition, positioning itself as an active protagonist rather than a passive spectator.

Through the implementation of well-defined sustainability plans, the **Group will enhance** its **innovation capacity** and **competitiveness** in the long term, ensuring **responsible growth aligned with the objectives of the global energy sector**.

3. For more details, please refer to the section entitled “Stakeholders” on page 33



Sustainable governance

GOVERNANCE STRUCTURE

The **Boards of Directors** is the central body of the AB Group’s Corporate Governance system and is responsible for the organization and sustainability of the company’s financial and economic balance. Under the representation of the Boards of Directors of all Group companies. With reference to the **AB HOLDING SPA** Parent Company, the data concerning members in office as of 31/12/2023 is presented below:

AB Group: Board of Directors

HOLDING – BOARD OF DIRECTORS

AB Holding
• A. Baronchelli
• G. Calzavacca

ITALIAN COMPANIES – BOARD OF DIRECTORS

AB Impianti	AB Energy	AB Service	AB Power
• A. Baronchelli	• A. Baronchelli	• A. Baronchelli	• A. Baronchelli
• G. Calzavacca	• V. L. Bellavigna	• C. Baronchelli	
		• E. Calzavacca	
AB Ambiente	AB Fin-Solution	Enviroexperts	
• A. Baronchelli	• A. Baronchelli	• G. Foglia	
• G. Calzavacca	• R.N. Zucchi		
• C. Baronchelli	• G. Calzavacca		
• G. Colossi			

AB Group: Board of Directors

COMPOSITION OF THE BOARD OF DIRECTORS AS AT 31.12.23

Member	Role	Gender	Age	Executive/Non-executive	In office since
Graziella Calzavacca	President	F	62	Executive	29/06/2022
Angelo Baronchelli	CEO	M	64	Executive	29/06/2022

The Parent Company’s supervisory bodies are the **Board of Statutory Auditors** (BoA), composed of three members, the **Auditing Firm** (*Auditors*) and the **Supervisory Body** pursuant to Legislative Decree 231/2001. With regard to the supervisory bodies of the other Group companies, please refer to the Financial Statements of the individual companies.

The individual Boards for each legal entity have full responsibility for the organization and sustainability of the financial and economic balance.

WORLDWIDE COMPANIES – BOARD OF DIRECTORS

AB Energy Romania	KWE AB Energy Polska Spolka ZO.O	AB Energy Espana	AB Energy USA
• A. Baronchelli	• A. Baronchelli	• A. Baronchelli	• A. Baronchelli
• V. L. Bellavigna	• V. L. Bellavigna	• V. L. Bellavigna	• V. L. Bellavigna
	• I. Kunc-Lyczko		
AB Energy Ceska	AB Energy Srbija	AB Energy Hrvatka	AB Energy Israel
• A. Baronchelli	• A. Baronchelli	• A. Baronchelli	• V. L. Bellavigna
• V. L. Bellavigna	• V. L. Bellavigna	• V. L. Bellavigna	• C. Baronchelli
			• E. Lavi
AB Energy UK	AB Energy Do Brazil	AB Energy Canada	AB Energy Rus
• A. Baronchelli	• M. Cavalli	• A. Baronchelli	• OOO Severny Project - M. Galluzzo
• V. L. Bellavigna		• V. L. Bellavigna	
		• J. Buijk	
		• S. Riboldi	
AB Energy Argentina S.A.U	AB Energy Deutschland	AB Energy France SARL	AB Energy México
• D. Botana	• V. L. Bellavigna	• A. Baronchelli	• S. De R.L De C.V
	• C. Baronchelli	• V. L. Bellavigna	• A. Baronchelli
			• V. L. Bellavigna
AB Energy Bulgaria OOD	Cogeneration AB Energy Hellas E.M.E	AB Energy Singapore Pte. Ltd.	AB Canada Investment Ltd.
• A. Baronchelli	• A. Baronchelli	• P. Ruggeri	• G. Fiorella
• V. L. Bellavigna	• R.N. Zucchi	• H.L.B. Kharmis	• P. Ruggeri
	• G. Calzavacca		• R.N. Zucchi

Sustainability Committee

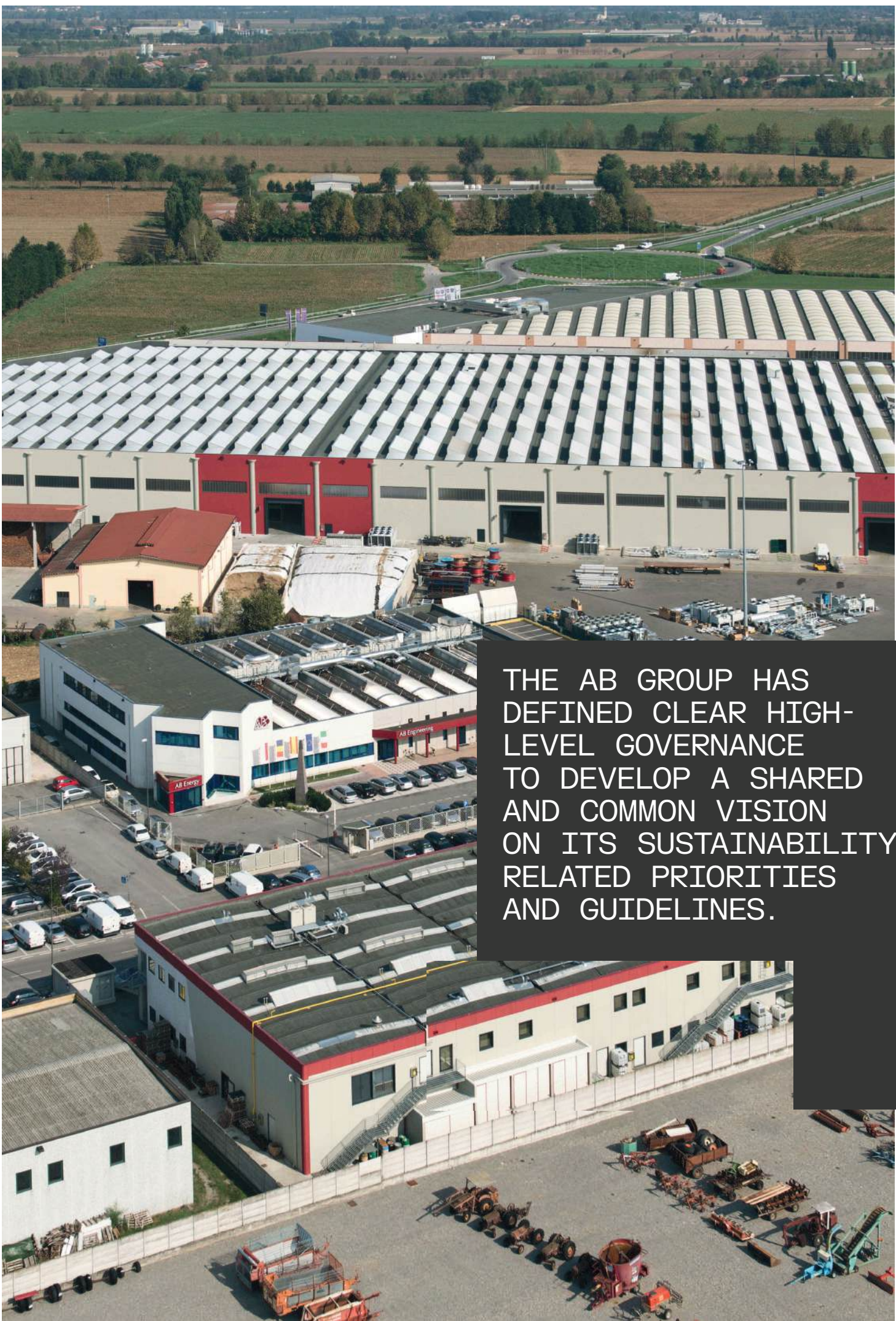
The AB Group has defined clear high-level governance to develop a shared and common vision on its sustainability-related priorities and guidelines.

Within this structure, there are two main governance bodies: the **Sustainability Steering Committee**, composed of the representatives of the different corporate business areas and responsible for guiding the Group's choices and decisions on sustainability-related aspects; and the **Coordination Committee** composed of five members, each focused on overseeing a specific aspect: the impact on people and the creation of a culture of sustainability, environmental, health and safety aspects, legal and ethical aspects of the business, reporting aspects and the impact on the business. The **HR Sustainability Manager** is the individual who, within the Coordination Committee, not only oversees the impact on people and the creation of a culture of sustainability, but who is also in charge of supervising the entire program from a *project management* perspective.

The Coordination Committee is therefore a cross-functional working group tasked with promoting sustainability-related initiatives in the different corporate areas and locations. Its members – sustainability ambassadors – meet on a weekly basis and support the implementation of ESG decisions within the Group.

The Sustainability Steering Committee is responsible for defining a **Group sustainability strategy**, identifying the resources necessary for its deployment and monitoring its implementation, in line with business needs. The Committee periodically reports to Management the progress made with respect to the set goals, the investment opportunities available and any critical issues that may have emerged.

Currently, the approval process of the Sustainability Report provides for an initial review by the Coordination Committee, a subsequent verification by the Sustainability Committee and a final approval by the Board of Directors.



THE AB GROUP HAS
DEFINED CLEAR HIGH-
LEVEL GOVERNANCE
TO DEVELOP A SHARED
AND COMMON VISION
ON ITS SUSTAINABILITY-
RELATED PRIORITIES
AND GUIDELINES.

Business ethics

The AB Holding, AB Impianti and AB Service companies have adopted a **Management, Organization and Control Model pursuant to Legislative Decree 231/2001 (Model 231)** and have appointed a **Supervisory Body (SB)** composed exclusively of external members. Every year, the latter uses the budget allocated to it to develop and carry out Model 231 compliance audits, with particular reference to aspects related to occupational health and safety and the environment.

An **inbox** has been set up as a channel **for making whistleblowing reports**, which ensures maximum confidentiality for whistleblowers as the reports pass through systems not accessible to company personnel. No reports were made in 2023.

The reporting platform provided for by the **whistleblowing** legislation for all Italian Group companies is also available. As far as European companies are concerned, based on the criteria dictated by EU Directive 2019/1937, the AB Energy Polska company is the only one to fall within the scope.

As of 2023, the transposition of the European Directive by Polish national legislation has not yet taken place.

AB Holding, AB Impianti and AB Service have also approved a **Code of Ethics**, which allows all stakeholders to become aware of, understand and share AB's core values and rules of conduct. Other Group companies are required to explicitly adhere to this Document.

The Code of Ethics and Model 231 of the different companies are published on the Group's website (<https://www.gruppoab.com/it/modello-231-e-codice-etico/>).

In 2022, the **general training on Model 231 and the Code of Ethics** was updated, involving all employees (including members of the Board of Directors) of the companies that have adopted the Model.

For the AB Group, working ethically is a key priority and correct conduct is essential for business development and progress. For this reason, the **ABway manual** summarizes the **values** (already highlighted above) and the **ethical standards** that guide the choices and behaviors of all the individuals who work at AB, towards the different stakeholders involved in the Group's business activities:

- contribute to the growth of AB: give the very best, in the awareness of participating in an important undertaking for themselves, for their co-workers and for the community;
- work with passion: love what one does and work hard every day. All the Group's resources are pieces of a big puzzle: only if everyone does their best will the final image be beautiful and winning;
- grow professionally: every year everyone has to make a leap, large or small, in quality. Every year there must be a perceptible professional development, and each goal must be the starting point to reach new goals;
- improve efficiency: improve the efficiency and cost-effectiveness of decision-making, management and production systems to increase the company's solidity;
- consider others' point of view: be transparent, make promises that can be kept and assume all the responsibilities deriving from your work and actions;

- respect the facts: analyze what happens internally and externally, in detail and relying on state-of-the-art tools. This is the only way to be objective and impartial. Observe the changing reality with curiosity, modesty and honesty, avoiding prejudices;
- protect personal safety: ensure the reliability of production systems and procedures, invest what is necessary to ensure the maximum safety of people and the environment in which they work;
- exercise fair commercial competition: act within the framework of the regulations governing competition. Oppose any form of corruption. Compete fairly.



Tools for responsible management

For AB, the commitment to continuous improvement is transformed into a constantly evolving management system, the result of the awareness that the future is only built by accumulating the experience of every day and by paying constant attention to the stimuli that come from all the stakeholders involved.

The main tool used to date by **AB Impianti** to achieve its strategic objectives is the adoption of an **Integrated Quality Management System** that complies with the requirements of the following Regulations and Standards:

- UNI EN ISO 9001:2015
 - Quality;
- UNI EN ISO 3834-2:2006
 - Welding;
- UNI EN 1090-1-2:2012
 - Steel structures;
- EC Regulation No. 303/2008
 - Fluorinated Gases.

For AB Impianti, it is of key importance to adequately define the policies and strategic objectives to be pursued, placing them at the basis of the development of its Management System, its products, its internal processes and its very nature. Precisely for this purpose, an **Integrated Corporate Policy** relating to quality, environment, energy and occupational health and safety has been adopted, which aims to be the reference for the correct management of all processes and all activities in order to guide and orient the behavior of the entire company.

Control of the Group’s internal activities is also ensured by the adoption and updating of a series of certifications:

Certifications	Certified companies
ISO 9001:2015 Quality Management System	AB Impianti, EnviroExperts
ISO 3834 Quality requirements for fusion welding of metal materials	AB Impianti
UNI EN 1090 Steel and aluminum structural components	AB Impianti
F-GAS FLI	AB Impianti, AB Service

Since the end of 2023, the management of the Quality System compliant with the **ISO 9001:2015** standard has been integrated into the **Health, Safety, Environment (HSE)** department, while the product quality management function in the strict sense has been separated out.

Over the next year, the Group will work to also extend the Integrated Management System to foreign offices, with the aim of laying the first foundations for possible certification at an international level. Currently, the Group is working to obtain the **ISO 14001:2015 and ISO 50001** certifications by 2024, which is a reference for the development of actions aimed at protecting the environment through practices related to energy saving, climate protection and correct waste management.

It is also planned to obtain the **ISO 45001:2018** certification, which sets minimum standards of good practice for the protection of workers in terms of occupational health and safety.

In 2023, the certification process is underway for **AB Impianti** (with completion expected in **April 2024**), while for **AB Service** the process for the implementation of the Management System started in mid-2024 is planned, with certification expected in 2025.

In this context, the topic of **audits** assumes a crucial role for the AB Group. For this reason, a structured audit **planning** and **execution** activity was initiated during the reporting period. The audits, which will be conducted based on a similar approach in Italy and abroad, will see the participation of **third parties**. The perimeter will involve both AB Impianti and AB Service. The Group’s goal for the future will be to also extend the practice to **suppliers**.

FUTURE GOALS

In order to ensure continuous improvement in terms of management and at the same time guarantee compliance with high standards in various operational areas, the AB Group aims to obtain several certifications within the next year. These include:

- **ISO 14001:2015** relating to the Environmental Management System;
- **ISO 50001** relating to Energy Management Systems;
- **ISO 45001:2018** relating to Management Systems for occupational health and safety.

Recognitions and awards

In 2023, for the third consecutive year, the Group received the **Top Employer** certification from the Top Employer Institute.

Each year, participation in the Top Employers certification program enables the company to continue to put itself to the test, to measure the work carried out and to compare itself against industry companies that adopt the most innovative practices in the management of people. This comparison is a stimulus and inspiration for the Group, to do better and enhance talent.

"SINCE MY LONG AND EXCITING ADVENTURE WITH AB BEGAN, I HAVE ALWAYS BELIEVED THAT **THE MOST PRECIOUS RESOURCE** WITHIN OUR COMPANY **SHOULD BE THE PEOPLE** WHO LIVE AND WORK HERE EVERY DAY..." – ANGELO BARONCHELLI, PRESIDENTE OF AB

The Top Employers Certification is the official recognition of corporate excellence in HR policies and strategies and their implementation to contribute to the well-being of people, improve the work environment and the world of work and is issued to companies that reach and meet the high standards required by the HR Best Practices Survey.

The survey covers six macro areas in the HR field, examining and analyzing in depth 20 different topics and the respective best practices including: People Strategy, Work Environment, Talent Acquisition, Learning, Diversity, Equity & Inclusion, Wellbeing and many more.



Data privacy & cybersecurity

AB considers data protection and the protection of both internal and customer information to be fundamental. For this reason, it has made a significant commitment to perfecting cybersecurity-related aspects and has formalized the following policies:

- GDPR policy for the processing and protection of personal data;
- policy on the management of ICT tools and data;
- external cybersecurity policy, developed in collaboration with an insurance company.

The Group relies on **state-of-the-art digital systems**, as it believes they can contribute to the efficiency, innovation and protection of its processes. In addition, in recent years, it has gradually increased investments in IT security, also with a view to the growing prominence of remote work, which has made it necessary to increase the security of company infrastructures and data processed.

To respond in a timely manner to potential attacks by unauthorized personnel on corporate networks, AB adopts an approach based on a Group **"Security Framework"**, involving three levels of security: **predictive, proactive and preventive**. Some examples of cybersecurity systems that are part of the framework are listed below:

- Active Directory: a service used to manage user access, permissions and security policies within the network, enhancing the protection against unauthorized access and security threats;
- LAN protection systems: devices and protocols to protect local networks from external and internal threats, including firewalls, antivirus, VPNs, etc.;
- SOC monitoring systems: platforms and tools that run 24/7, used to analyze and respond to cyber threats in real time;
- Cybersecurity training intelligence: software that monitors information and potential data breaches on servers and the web on a monthly basis;

- Attack and phishing simulator: software introduced in 2023 that simulates cyber attacks and phishing attempts to test the Group's ability to detect and mitigate such threats.

With regard to the **assessment of risks** associated with cybersecurity, once a month the Group carries out a **"vulnerability assessment"**, in other words a systematic assessments aimed at identifying, assessing and responding to weaknesses in internal and external IT systems. In addition, services have been implemented to verify the presence of data and the exchange of information about AB on the web.

These initiatives contribute to the goal of maintaining the optimal functioning of the Group's IT systems, ensuring **the absence of external complaints** with regard to the **violation of privacy** and to leaks, **theft or loss of information**.

In 2023, the Group intensified its efforts to increase its IT coverage, allocating **new resources**, both human and economic, to the cybersecurity area. In particular, the investments made by the Group have focused on the acquisition of more secure hardware, more advanced protection software and systems to simulate cyber attacks and test the robustness of infrastruc-

tures, in order to identify potential vulnerabilities and areas of intervention.

For the next few years the Group has set itself **ambitious goals**, including obtaining **ISO 27001:2013**, certification that provides a framework for the protection of the organizations' IT systems. In addition, a **review process** of the global ICT policy will be initiated in 2024, which will result in defining a new more modular and easily implementable policy.

9 INDUSTRIES, INNOVATION AND INFRASTRUCTURE



The Group is well aware that **training** and **employee awareness** concerning cybersecurity threats play a key role in ensuring continuous improvement. For this reason, the Group constantly strives to provide continuous training to staff on cybersecurity.

To this end, in 2023 information totems were installed in strategic locations, aimed at offering **tips and practical advice** on cybersecurity. In addition, a new **interactive ICT portal**, conceived as a centralized hub for sharing all relevant and necessary information for users has been launched. At the same time, the Group has enhanced its existing tools, such as the corporate intranet, improving accessibility to information resources.

Currently, **general training courses** are provided to all employees at least once a year, **with the addition of specific**

courses to meet the needs of particular roles and levels, including senior managers (C-Level) and operational technicians. The Group's ambition is to stimulate employee involvement by organizing training programs that are more and more frequent and able to disseminate a sense of awareness and responsibility regarding the benefits of cybersecurity.

To ensure the **protection of its customers' data**, in 2023 the Group commissioned an external company to carry out a **security assessment** aimed at evaluating system vulnerability risks.

FUTURE GOALS

In the context of a continuous commitment to operational excellence, information and data management security and the harmonization of information technology management practices, among its future medium-term objectives the AB Group has outlined the following:

- obtaining the **ISO 27001:2013** certification, internationally recognized standard for **information security management**;
- the revision of the global ICT policy and the **drafting and adoption of a new** more **modular** and more easily implementable policy.

Technology and innovation at the service of the energy transition

CLIMATE CHANGE & ENERGY TRANSITION

The AB Group actively contributes to the **fight against climate change** and to enabling the **energy transition** through the solutions it offers to its customers.

In particular, the Group's strategy to support its customers' transition to a more sustainable business model, in line with the climate objectives set by the European Union, is broken down into the following pillars:

- **primary energy savings** through cogeneration and electrification solutions;
- **replacement of fossil fuels** with renewable alternatives in the so-called "*hard-to-abate*" industries, in other words that are difficult to decarbonize, such as those in the steel and cement sectors;
- **production of decarbonized fuels** specially designed for the transport sector;
- **reduction of polluting emissions** through the development of abatement systems.

To support the deployment of this strategy the Group offers the following solutions:

- Natural gas cogeneration;
- Biogas cogeneration;
- CCHP;
- Biogas-to-biomethane *upgrading*;
- Liquefaction of biomethane;
- Capture and storage of emissions.



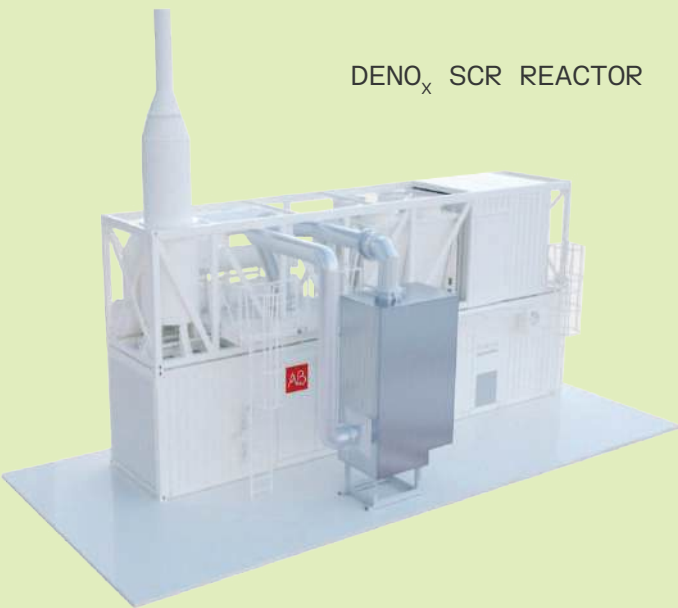
Natural gas cogeneration	Benefits and sectors served
Cogeneration enables the simultaneous production of electricity and heat from a single energy source , natural gas, inside a single integrated system. While the electrical energy is fed into the grid, the thermal energy is used to alternately produce hot water, superheated water, steam, diathermic oil and cold water.	First of all, using the same fuel for the production of two energy carriers increases the efficiency of the starting fuel up to 85% and saves more than 30% of primary energy consumed . Second, thanks to the operation in "island" mode – in other words disconnected from the electricity grid – typical of cogeneration plants, the energy security of the solutions and their users is increased , guaranteeing a continuous supply to structures where interruptions could lead to major problems. Cogeneration is an effective tool for operators that are particularly energy-intensive , such as metallurgical companies and the chemical and pharmaceutical industry, and those that by their very nature require to be able to rely on energy security , such as hospitals, data processing centers and airports.
Biogas cogeneration	Benefits and sectors served
Biogas is a fuel that can be obtained from the anaerobic digestion of different raw materials , such as agricultural biomass (e.g. by-products, agricultural waste and animal waste), agro-industrial waste (e.g. food chain processing waste) or the organic fraction of municipal solid waste (OFMSW). The biogas produced consists of about 50 to 70% methane and the remaining part of carbon dioxide and other minor components. If properly treated, it is able to power the endothermic engine of a cogeneration plant and produce electricity, which is fed into the grid, and thermal energy, used for the alternative production of hot water, steam and cold water.	The benefits of this solution are expressed in terms of circularity : first of all, waste materials are recovered and become a real resource for the combined production of renewable electricity and heat; second, one of the key outputs of the anaerobic digestion process is digestate , a fertilizer that can be used in agriculture. The main players involved are the productive sectors such as agriculture, wastewater treatment and landfills which, thanks to these solutions, are able to adopt circular solutions using their own waste materials.
CCHP	Benefits and sectors served
CCHP (Combined Cooling Heat & Power or Trigeneration) is a particular field of cogeneration systems that, in addition to producing electricity and heat, make it possible to use the recovered thermal energy to generate cooling energy , thanks to absorbers that exploit heat to produce cold and icy water.	The benefits are those attributable to cogeneration, that is, the intelligent exploitation of the starting fuel, a greater overall efficiency in the use of energy resources and the reduction of the environmental impact of the process itself. It is an ideal solution for those companies that, in addition to electricity and thermal energy in the form of hot water or steam, also require chilled water for the operation of their industrial processes, such as operators in the <i>food & beverage</i> world and the plastic industry.

Biogas-to-biomethane upgrading	Benefits and sectors served
Biomethane is a renewable gas that is obtained by subjecting the raw biogas to a carbon dioxide purification process, known as upgrading .	As it is produced from agricultural biomass, agro-industrial waste and organic waste biomethane can, in all respects, be considered a renewable and sustainable source. It is mainly used to reduce the impact generated by the transport sector as a fuel for compressed natural gas (CNG) or liquefied natural gas (LNG) vehicles and as a non-fossil alternative to building air conditioning systems .
Liquefaction of biomethane	Benefits and sectors served
The liquefaction of biomethane consists of a cooling process at extremely low temperatures that transitions the gas to a liquid state to facilitate its transport and storage . Liquefied biomethane or bio-LNG is not only easily transportable to its point of use but, thanks to its density three times higher than that of compressed natural gas, it ensures greater efficiency when used as fuel.	The main benefits of liquefying biomethane consist in the reduction in volume – which facilitates its transport over long distances, allowing greater quantities to be transported with a smaller number of vehicles –, in the flexibility in use – it is an excellent solution for multiple sectors, such as land transport by heavy vehicles, maritime transport and industrial heating – and, finally, in enhancing the environmental impact performance of the sectors served.
Treatment of atmospheric emissions	
Pollutant emissions occur in the form of solid, liquid or gaseous substances that cause pollution of environmental matrices, with harmful consequences on the environment and human health. The main categories of pollutant emissions into the atmosphere classified to date are as follows:	
<ul style="list-style-type: none">– atmospheric particulate matter (PM): these are fine particles in the air, often generated by fossil fuel combustion processes and industrial activities;– nitrogen oxides (NO_x): gaseous pollutants generally formed by high temperature combustion processes;– sulfur oxides (SO_x): gaseous pollutants generated by the combustion of sulfur-containing fossil fuels, in industrial processes and power plants;– carbon monoxide (CO): a gas generated by the incomplete combustion of carbon-containing fuels, such as gasoline and wood;– carbon dioxide (CO₂): a gas produced by the combustion of fossil fuels and other industrial processes;– methane (CH₄): a gas generated by the production of natural gas, the digestion of livestock and landfills;– nitrous oxide (N₂O): a gaseous pollutant produced by agricultural and industrial activities and combustion processes;– volatile organic compounds (VOCs): liquid or gaseous pollutants released from chemicals, solvents and vehicle exhausts;– heavy metals: substances with a high atomic weight such as lead, mercury and cadmium that are released into the environment through industrial processes, mining and the combustion of fossil fuels.	

To treat emissions present in the atmosphere, AB offers the following solutions:

DENO_x SCR REACTOR

The **DeNOX SCR** reactor treats nitrogen oxides generated by solutions powered by natural gas or biogas from anaerobic digestion, ensuring compliance with atmospheric emission limits. It uses the most effective technology for neutralizing NO_x nitrogen oxides typically contained in combustion process exhaust gases: **SCR selective catalytic reduction**.



DENO_x SCR REACTOR

REGENERATIVE THERMAL OXIDIZERS (RTO)

In the total calculation of the **sustainability of an upgrading plant**, the residual methane in the *off-gas* plays a crucial role, as the share emitted into the atmosphere is inversely proportional to the greenhouse gas reduction value. **Regenerative thermal oxidizers (RTO)** are the ideal solution for the abatement of volatile organic substances present in industrial emissions. The heat recovery efficiency of RTOs, in fact, can reach up to 94%, drastically reducing the consumption of support fuel and, consequently, the plant's operating costs.



Specifically, AB has designed two RTO ranges capable of guaranteeing a methane emission into the atmosphere of less than **200 mg/Nm³** (up to 20mg/Nm³). Their characteristics are represented below:

- **RTO_Bio:** This range is intended for the treatment of *off-gas* from the biogas *upgrading* process using only two stages of membranes for the separation between methane and CO₂ and where the amount of residual methane can reach up to 5-7%. It consists of three heat recovery chambers and a combustion chamber. The three recovery chambers, filled with textured ceramic material, work cyclically to complete the heating and subsequent the cooling processes with an average energy recovery efficiency of 92%;
- **RTO_MiniBio:** This range has been developed for the treatment of *off-gas* from the biogas *upgrading* process using three stages of membranes for the separation between methane and CO₂ and where the amount of residual methane can reach a maximum of 0.5-1%. It is a more compact model, consisting of only two thermal recovery chambers and a purge valve used to dilute the methane content in the *off-gas*.

REGENERATIVE THERMAL OXIDIZERS (RTO)

OIL MIST TREATMENT SYSTEMS

These are **advanced systems for restoring healthy air** in the production contexts of the mechanical industry, characterized by the presence of oily mists generated by the vaporization of lubricating fluids used for machine tools. This mist settles everywhere, making all surfaces greasy and slippery and making the air unbreathable as it contains toxic and harmful substances, capable of reaching the deepest areas of the respiratory system.

These technologies are normally coupled with oxidizing catalysts intended for the reduction of carbon monoxide and climacteric compounds such as formaldehyde.

The Group is aware that, in addition to the numerous benefits generated by its technological solutions, there are also **negative environmental impacts** to take into account, and actively seeks to find effective mitigating answers.

An example of an impactful phenomenon is the use of large quantities of **petroleum refined lubricating oil** for the operation of plants. To reduce its environmental impact, the Group has for years started **collaborations with disposal consortia**, which recover the waste oil and direct it towards circular solutions.

Another example is AB's commitment to the **problem of land consumption and its conversion to uses that reduce the functionality of ecosystems**. AB is an active member of entities such as the **Italian Biogas Consortium and the European Biogas Association**, strongly active in *precision farming*⁴ initiatives for sustainable agriculture, which does not subtract resources from food crops (ILUC or indirect land-use change) helping to preserve and increase arable soil, and its fertility, including through the increase of the carbon content present in the soil.



OIL MIST TREATMENT SYSTEMS

4. Precision farming is a management approach that uses advanced technologies to observe, measure and respond to variability in crops. This method aims to optimize the use of agricultural resources, improve crop yields and reduce the environmental impact related to agricultural activities.

TECHNOLOGY & INNOVATION

The Group's approach to technology and innovation consists of two main functions: on the one hand, **product innovation**, which acts in the short term to improve the characteristics, installation and performance of products, in harmony with customer requests; on the other hand, the **research and development (R&D)** function, focused on long-term projects for the development of strategic and innovative solutions. The latter is headed by **AB Grade**, the Group's research and development department, which is constantly looking for cutting-edge solutions for the development of new technologies, the development of pilot plants and the creation of a network of collaborations with universities, research centers and companies to ensure an increasingly sustainable future. In developing new products, **three key guidelines are followed: energy efficiency**, the enhancement of resources with a view to **circularity** and the development of technologies for the **capture and reuse of climate-altering emissions**.

The path that leads to the creation of innovative solutions is rooted in the input received from AB Grade's Senior Management, who share the need to launch a new research and development activity with the R&D Manager, defining the scope and objectives of the project.

The R&D Manager proceeds with the planning and allocation of activities involving the various

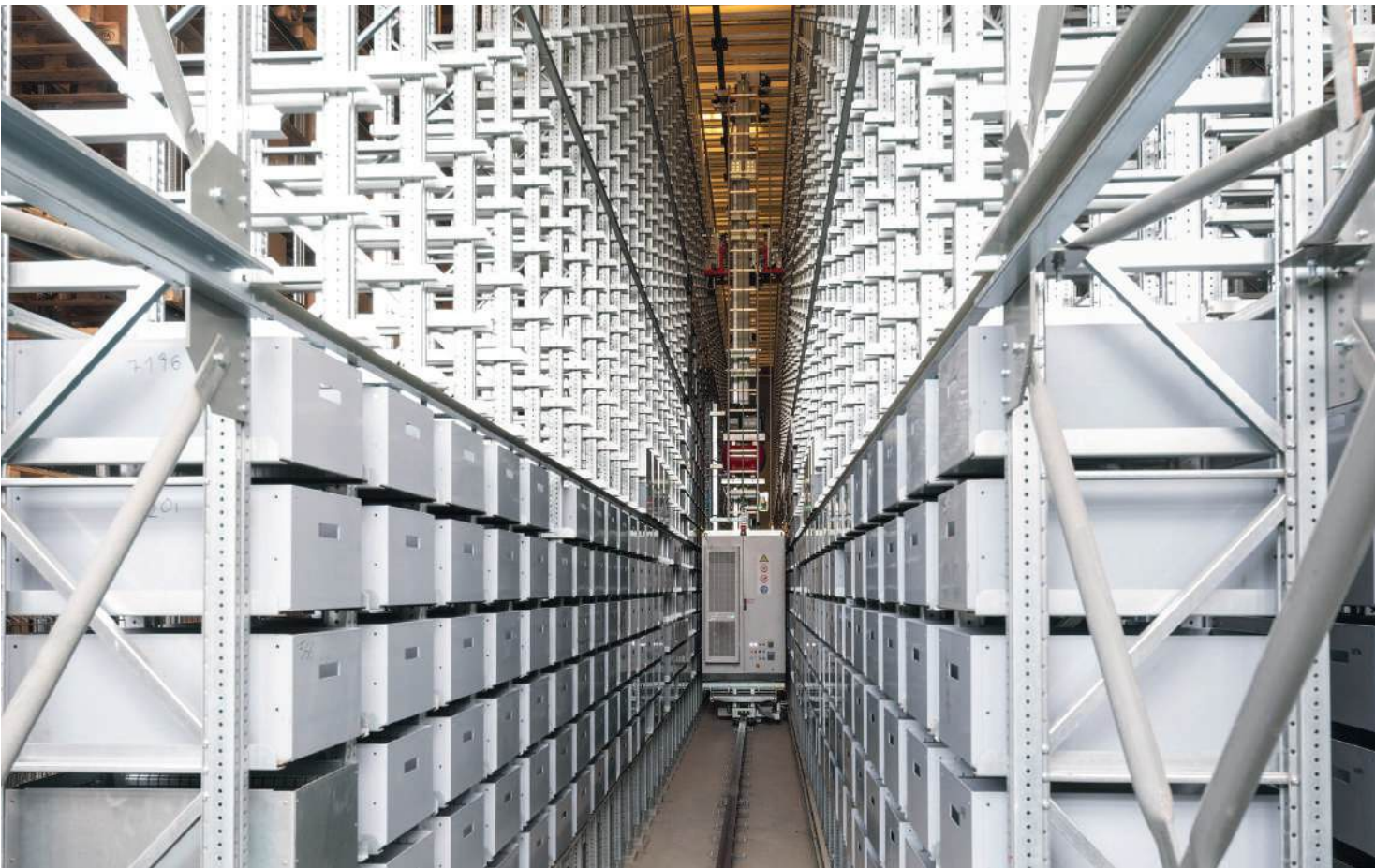
research team resources, followed by a brainstorming session during which the team discusses which strategy to adopt for the research activity. Subsequently, the study, planning, preparation of the necessary formal documentation and production of the prototypes take place in collaboration with the *production* team. If the prototypes pass the testing phase, they are shared with the *engineering* department for final development activity. In recent years, the Group has focused on introducing new approaches for the production of renewable gases (e.g. LNG), and reducing emissions (e.g. methane emission reduction systems). The approach reflects AB's long-standing **product diversification strategy**. Indeed, this strategy was a crucial turning point for the Group's success, which took its first steps relying on a **"mono-product" and "mono-sector" model**, based on cogeneration solutions, and subsequently embraced more and more projects: from the enhancement of biogas to the use of biomass for the production of decarbonized fuels, from the upgrading of biogas to the liquefaction of biomethane. Currently, 50% of the Group's activity is focused on the traditional cogeneration business, while the remaining 50% is dedicated to the renewable gas sector.



All this is made possible by the **Orzinuovi** plant, the core hub of an industrial center where the *engineering*, *service* and Group Management operational areas are located, whose mutual proximity guarantees a streamlined and effective management of business processes. The entire plant is characterized by technological innovation, with projects ranging from the use of an **automated warehouse** that guarantees the high efficiency of industrial processes in a productive and safe dialogue between men and machines, to the choice of **full thermal autonomy of the buildings**, guaranteed by the adjacent biogas cogeneration plant that feeds the floor heating of the workshops and offices.

For several years now the Group has pursued a **digitization process** of its procedures and systems, relying on IoT technologies (*Internet of Things*⁵) to develop an architecture capable of centrally monitoring machine data. This makes it possible to control the consumption of machines and servers and to reduce the waste of material, such as oil – the diagnostic capabilities of the control systems are able to indicate exactly when the oil change is necessary – and paper. On this last point, through the "Paperless" project, the Group is gradually replacing paper forms and other documents in the plant control areas and in production processes with tablets and monitors, facilitating and streamlining document

5. IoT (*Internet of Things*) technologies are an advanced system of physical devices interconnected via the internet, which can collect and exchange data without requiring direct human intervention.



consultation processes and, at the same time, reducing the use of paper.

The **stakeholders** with whom the Group collaborates are mainly **universities and companies**, with particular attention to the United States, Japan and Northern Europe geographical areas, where *co-engineering* and research agreements are in place.

In addition, AB has been consulted on several occasions by the **Ministry of Environment and Energy Safety** and by the **European Commission** to provide a **technical opinion on the reduction of emissions**, testifying to the key role that the Group plays in the innovation and R&D landscape in Italy and Europe. Finally, the Group is a partner of

the **"BIOMASS HUB – Biomethane for a sustainable society: development of an Italian laboratory of circular economy from biomethane"**, which aims to promote a model for valorizing organic waste through the production and efficient management of electrical energy, biomethane and fertilizers within a framework of circular economy and closing the waste cycle to eliminate waste.



FUTURE GOALS

AB’s Research and Development team is undergoing a significant transformation phase, driven by an approach inspired by innovation, digitization and sustainability.

The goals set for the future, outlined below, reflect this evolution:

- **further digitize processes**, including through the support of Artificial Intelligence, to enhance predictive maintenance and reliability of machines;
- invest in **abatement systems** of nitrogen oxides (NO_x) and volatile organic compounds (VOC) and install the **first CO₂** liquefaction plant by 2024;
- continue pursuing **academic collaborations and strategic business partnerships** in advanced research projects and industrial doctorates relating to hydrogen, with particular emphasis on fuel cells and electrolysis;
- **strategically reorganize the R&D department** to enable the more effective management of new product development, ensure a fair distribution between low and high TRL (*Technology Readiness Level*⁶) projects, and respond to market and customer needs in a timely manner.

6. The *Technology Readiness Level* (TRL) is a methodology used to assess the maturity of a technology solution during the different stages of its development, from initial idea to commercial implementation.


CUSTOMER CENTRICITY

The Group’s customers primarily belong to the **agricultural** and **industrial** sectors. They are **small, medium and large size** companies, located mainly in Europe, Canada, the United States, Brazil, Mexico and Australia (please refer to the economic data which consolidates the volume data by geographical area).


More structured industrial customers pay particular attention to the issue of sustainability and require the Group to transparently communicate its ESG performance – particularly with regard to the environment and emissions – through external evaluation platforms.

Quality is a **central aspect** of the AB Group’s strategy, which ensures that high standards are met in the solutions offered. In this regard, AB Impianti has adopted an Integrated Management System developed in accordance, among the various certifications, with the **ISO 9001:2015** standard, which provides a framework for the implementation of a Quality Management System within organizations.


Specifically, the Group guarantees its customers:


- 

Ad hoc solutions: products and services tailored to the customer’s specific needs;
- 

Plug & play: reduction of time, costs and risks during installation;
- 

Turnkey: systems delivered based on the "turnkey" formula, in other words ready for use;
- 

One-stop shop from design to service;
- 

Reliability and quality in customer processes;
- 

Performance: up to 98% availability of plant operations.
- Customer service (generically consisting of "maintenance" or "Service" activities) plays a central role in the Group’s operations. This activity is carried out by **AB Service**, company specialized in the after-sales service, through a dense network of technicians operating in Italy, and its Control Room, which ensures 24/7 support to guarantee optimal performance and reliability of the plants over time.



Outside Italy, after-sales activities (Service) are entrusted to individual local companies, which use their own local technicians.

Service operates both by providing remote support with assistance on the plants in operation, and by physically intervening through a dense organization of specialized maintenance technicians.

Over the years, AB Service has developed sophisticated data collection systems (Big Data), automation and artificial intelligence aimed at supporting and improving plant performance, including through predictive maintenance activities.

The communication channels are continuously active and can be used both by customers, to communicate critical issues, request assistance and maintenance, as well as by AB Service, to respond to requests and to automatically confirm the plant maintenance activities. The organizational structure of technical support means that a widespread and closely supervised level of assistance is provided, whereby every eight engines are assigned a technician, every eight technicians are designated a Service Area Manager (SAM) and for every eight Service Area Managers a Regional Service Manager is identified.



To guarantee high levels of quality in the assistance and maintenance services provided to its customers, the Group has also developed a **Training Center** dedicated to the training and updating of technicians' skills.

The customer is guaranteed two types of maintenance: **preventive maintenance**, which ensures the ongoing durability and efficiency of the plants and **corrective maintenance**, to resolve eventual damage and/or inefficiencies. In recent years, AB Service has embarked on a **digitalization path** to enhance the efficiency of its maintenance activities and make them smart.

For example, it has been able to enhance predictive maintenance through the implementation of self-diagnosis algorithms in software. Moreover, by digitizing the data collection system that emerge during the corrective activity, it has been able to ensure the centralized monitoring of all plant parameters, making their management easier and ensuring timely procurement of spare parts.

AB SERVICE CONTRACTS

Maintenance services are contracted through multi-year agreements and provide for two types of contract: on the one hand, the more frequent *"full service"* contract, which includes maintenance services and technical assistance 365 days a year throughout the life cycle of the plant, with responsibility for any damage or breakdowns borne by the Group; on the other, a contract that provides for a one-year warranty, after which any costs and responsibilities are borne by the customer. The customer can transition from this type of contract to a *"full service"* contract at any time. Most of the contracts specify the operating thresholds of the plants, which can reach up to 98%. If the system operates below the contracted threshold, AB guarantees its customers a refund.

The Group periodically distributes a **satisfaction questionnaire** to its customers. Through the monitoring of a series of KPIs, such as the quality of the work, the communication channels used and compliance with health and safety regulations, AB identifies any eventual gaps in the service provided and subsequently undertakes to resolve them.

Complaints are handled through a well-defined procedure. The number of complaints compared to the volume of sales is small, and most of them come from abroad, particularly from Germany, where production capacity is high, as well as from the United States.



FUTURE GOALS

It is key for the Group to ensure a continuous improvement of the customer experience and to guarantee excellence in the offer of its solutions and related services. To this end, it undertakes to:

- monitor the level of service, not only in terms of availability and performance indicators, but also in terms of customer perception, through greater proximity to the customer both in terms of the operational organization and company leadership;
- specialize the services provided to customers, also in consideration of the expansion of the product range, through the start-up of specific units dedicated to renewable gases and strengthening of the service engineering;
- provide the market with **increasingly durable products**, for example through scheduled maintenance that allows the end of their life to be postponed;
- expand the **range of services provided** to its customers.

The human capital of the AB Group

The optimal management of human resources is one of the key priorities of the AB Group, which constantly strives to ensure that the daily professional experience is not only productive, but also rich in stimuli and in line with people's needs.

This commitment is described in the **People Strategy**, a document deeply rooted in the Group's vision, focused on **continuous training**, **motivation**, the **engagement of people** and **professional value**.

The Group's People Strategy is based on the following assumptions:

- **talent** is a resource present in all people and the company has the responsibility to enhance and develop it;
- the **AB leadership model** is a key element for the achievement of strategic objectives, deriving directly from the organizational culture and serving as a "compass" that guides all managerial behavior;
- the **relationship** between the people within the Group is based on a logic of a collaboration rooted in discussion, aimed at enhancing the contribution that each individual can bring to the Group.

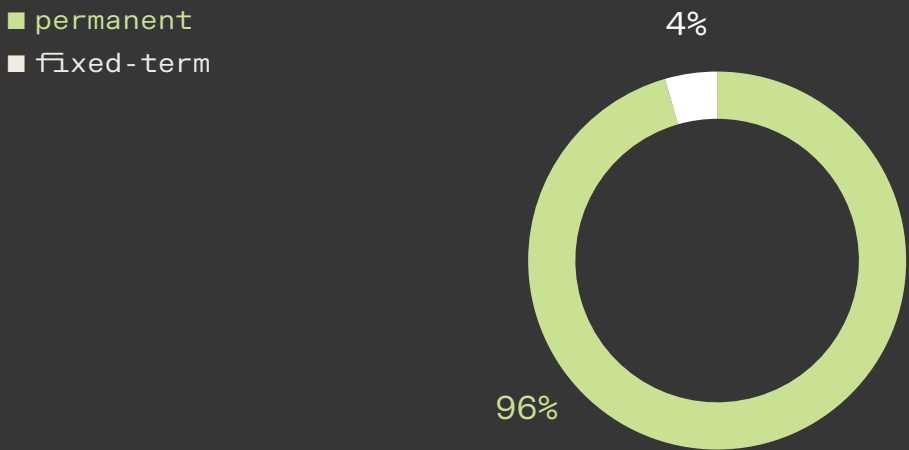
The HR development is therefore called upon to support Management in building a sustainable path of evolution and development of the Group, continuing to oversee institutional services, but above all ensuring the growth of the people who make it up.

The effectiveness of the Group's People Strategy in enhancing and motivating human capital is reflected in the **staff growth recorded over the last year**.

In 2023, in fact, the Group recorded a total of **1,145 employees**, up from 1,073 the previous year, with a percentage of employees on **permanent** contracts that reached **96%** of the total workforce, compared to 92%⁷ in 2022.

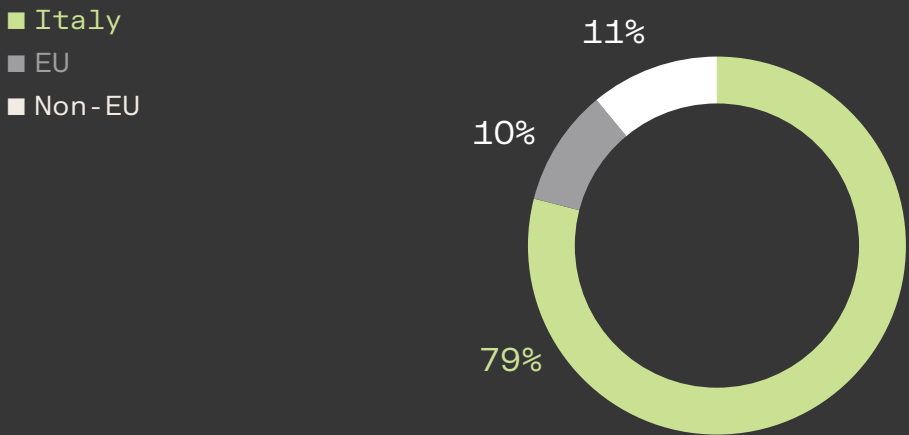
7. A correction with respect to what has been reported in the previous reporting document should be noted, attributed a more timely collection of the data.

EMPLOYEES PER TYPE OF EMPLOYMENT CONTRACT (%)



The AB Group's commitment is dedicated to maintaining a solid presence across the Italian territory, while seizing new opportunities at the international level. The geographical distribution of employees reflects this principle, with **79%** of the corporate population operating in **Italy**, followed by the **European Union (EU)** and **non-EU** regions, representing **10%** and **11%** of total employees respectively.

EMPLOYEES BY REGION (%)



The Group operates in full compliance with the regulations in force in each country and, in particular in Italy, where the headquarters are located, it adopts several **national collective bargaining agreements**, including those in the Metalworking (CCNL Metalmeccanica), Trade (CCNL Commercio) and Cleaning and Services (CCNL Pulizie e Servizi) areas.

As shown below, the dynamics related to staff turnover are slightly increasing compared to the previous reporting period:

INDICATOR	UNIT OF MEASUREMENT	2022	2023
Hiring	no.	219	254
Terminations	no.	141	182
Positive turnover ⁸	no.	22%	24%
Negative turnover ⁹	no.	14%	17%
Overall turnover ¹⁰	no.	35%	39%
Total Employees	no.	1,073	1,145

In particular, in line with the Group’s strategy of balancing the attraction of new talent and the development of human resources already present, in 2023 there were **254 new hires**, a slight increase compared to the 219 hires recorded in 2022.

Of the new hires, **41%** are professionals under 30, a factor that underlines the attractiveness of the AB Group for young emerging talent. On the contrary, **53%** of staff departures consist of individuals belonging to the 30 to 50 years old age group. Of these departures, **93%** is attributable to **voluntary resignation**.

8. Positive turnover: hiring during the reporting period / headcount at the beginning of the period (apprentices and other categories of workers were excluded).

9. Negative turnover: terminations during the reporting period / headcount at the beginning of the period (apprentices and other categories of workers were excluded).

10. Overall turnover: hiring + terminations during the reporting period / average headcount during the period (apprentices and other categories of workers were excluded).

COHESIVE WORK ENVIRONMENT

The Group’s aim is to **create a cohesive and attractive working environment** for existing and future employees, through knowledge sharing and the promotion of continuous feedback. The Group’s engagement with its people, **horizontal** and **informal**, encourages communication and the continuous exchange of information, giving employees the opportunity to share opinions or strategic visions with top management, including in relation to sustainable development. Some initiatives aimed at improving the working environment and corporate engagement are presented below.

- 1. aDoormore Contest:¹¹ promote sustainability through collaboration. In 2023, the Group launched a sustainability contest through the aDoormore Contest platform. This project involved employees working for the Group’s Italian companies, divided into teams, in a structured process that began with an information and training campaign on the principles of sustainability. Subsequently, through the aDoormore Contest, a census of sustainable projects already carried out by the Group was conducted, followed by a competition to collect and vote on proposals for future sustainable projects to be implemented involving prizes.
- 2. To improve internal communication and create a shared culture on sustainability, the **"Sustainability Talks"** series of meetings was inaugurated on September 21, 2023, dedicated to exploring corporate sustainable development initiatives in depth.

11. For additional information on the aDoormore Contest, please refer to Annex A - A closer look at the aDoormore Contest 2023* Annex A. A closer look at the aDoormore Contest 2023* [on page 168](#)



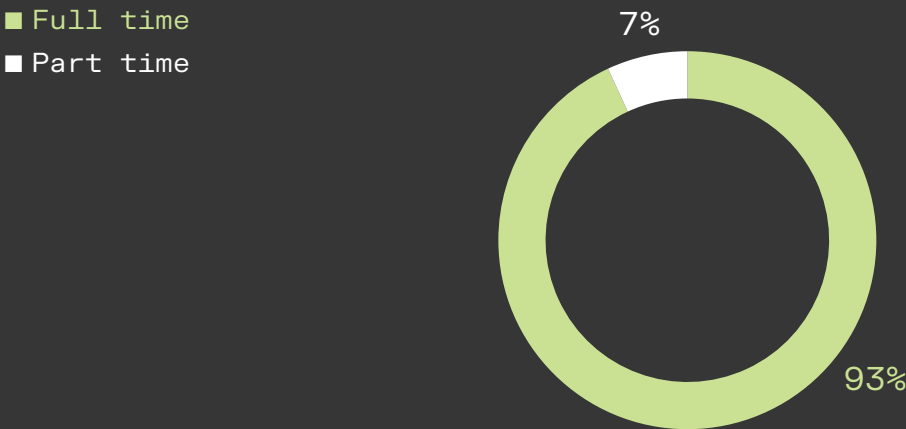
3. Analysis of climate and stakeholder engagement: the listening necessary for engagement. The Group is intensifying its efforts to systematically and quantitatively identify useful elements to represent the impacts on its people. This, also by conducting **organizational climate analysis and stakeholder engagement activities**¹² aimed at receiving feedback from employees on various aspects related to sustainability, with the goal to ensure that the Group's future strategies are in line with the needs and objectives of AB's People, thus helping to strengthen the relationship of trust and mutual collaboration.

4. Remote or smart working policy: a tool to guarantee work-life balance.

In line with the goal of ensuring a **cohesive and attractive** working environment, the AB Group has launched initiatives aimed at facilitating the work-life balance of its employees and ensuring them greater flexibility. Among these initiatives, for example, the Group allows workers who require it to benefit from **part-time** working solutions. As shown in the graph below, this initiative was chosen by a minority of employees, equal to **7%** of the total workforce:

12. For more details, please refer to the "Stakeholder" Section, "LETTER TO STAKEHOLDERS" on page 5

EMPLOYEES BY TYPE OF WORK (%)



In addition, with a view to ensuring a more inclusive working environment and adaptable to different individual needs, the Group extended the possibility of carrying out work **remotely** for 2023.

In order to better manage remote work, a policy has been drafted in which the manager of each individual team and/or department is responsible for planning an alternation between remote work and on-site presence, appropriate to the nature of the specific role and paying particular attention to the needs of people who live far from the office.

In this context, the Group policy defines **three types of remote work**, applicable to eligible workers and governed by a specific regulation:

- **Flexible:** from one to three days a week on site in situations where i) work activities require access to tools or infrastructure on site; ii) work activities require a strong interaction between people, leading to inefficiencies if carried out remotely iii) one to one, understood as interviews or meetings are foreseen; iv) strategic meetings with customers and/or suppliers are foreseen;

- **Mainly on site:** at least four or five days a week on site;
- **Remotely:** work is carried out in full remote mode (option reserved for those who live very far from the office and in the event that the nature of the activity does not require physical presence on site).

The regulation also oversees the so-called **"right to disconnect"**, in other words workers' right not to be available outside the agreed working hours.



5. ABe Together: building relationships and staying healthy.

Within the WHP – Workplace Health Promotion program, the ABe Together project aims to reconcile physical activity with time spent together for all employees and their families in an informal context and outside working hours. The events take place twice a year in different places:

2017
Lake Molveno

2018
Gargnano, excursion to the Hermitage of Saint Valentine

2019
Wooden Bridge

2019
Chestnut festival in Paspardo with lunch and visit to the giant bench

2023
Val Seriana

2024
Madonna di Campiglio

6. To Be AB: a creative tool for internal communication, engagement and corporate memory.

All initiatives and innovations introduced within the Group are shared through a summary document, **the AB Almanac called ToBeAB**, sent to employees at the end of each year.



DEVELOPMENT OF HUMAN RESOURCES

Putting people at the center also means investing in training and updating their skills. The AB Group has the ambition to attract and to internally develop top tier professionals, identifying and enhancing the talent present in each person. The Group’s strategy in human resource development is based on three main pillars: **attraction, training and professional development.**

ATTRACTION

AB is committed to maintaining a **work environment that is stimulating and responsive to the needs of the talent** it wants to attract, to communicating its value system to candidates and to creating, from *recruitment* time, a comprehensive training and job orientation experience.

With the aim of integrating sustainability principles into the Group’s organizational fabric, a new sub-business area has been established dedicated to the adoption and application of sustainable human resource management practices: the **HR Sustainability Management** office.

In this context, the Group has carried out a **detailed review of the relevant processes**, also with a view to adapting them to the needs and values of the **new generations**, a segment that proves to be increasingly attentive to sustainability-related issues and which represents about 41% of new hires over the reporting period.

The process review focused mainly on the *attraction, recruiting and onboarding* phases:

- **Attraction:** the AB Group actively integrates **social objectives** into *employer branding actions*. This commitment aims not only to select the best talent for open positions from a technical point of view, but also to identify people who share **AB’s values** and who can make a positive contribution to the community and to society as a whole. Through participation in meetings in schools and high schools, the Group promotes its corporate values, but also work ethics concepts of universal relevance, beyond the specific professional context. For additional information, please refer to the specific section of the corporate website: **10 reasons, one destination: work with us!***



SCAN HERE* ↓



– **Recruiting:** The AB Group is committed to ensuring that recruitment processes are conducted in a **transparent and fair** manner, respecting the rights of candidates and providing them with clear and complete information, including in terms of remuneration. The Group actively promotes the principles of **diversity and inclusion**, ensuring that all stages of the selection process are not biased and that opportunities are accessible to the widest range of candidates. In addition, as part of the *recruiting* process, the Group has introduced a step focused on sharing the company's ESG journey. This is accomplished by granting licenses on the **ADoormore** platform, enhancing the Group's commitment to sustainability and offering candidates the opportunity to get to know the company in depth even before they are hired. For additional information, please refer to the specific section of the corporate website: **Candidate Experience***

– **Onboarding:** The AB Group offers an enriched onboarding process compared to traditional models, aimed at ensuring that the integration of new hires respects the needs of all figures in their individuality. In this sense, the *onboarding* process includes a preliminary phase focused on sharing introductory documents and a welcome kit containing the Code of Ethics, the various corporate policies and values, and a secondary phase that involves the implementation of department-specific plans aimed at the active engagement of new employees in in-depth training sessions.



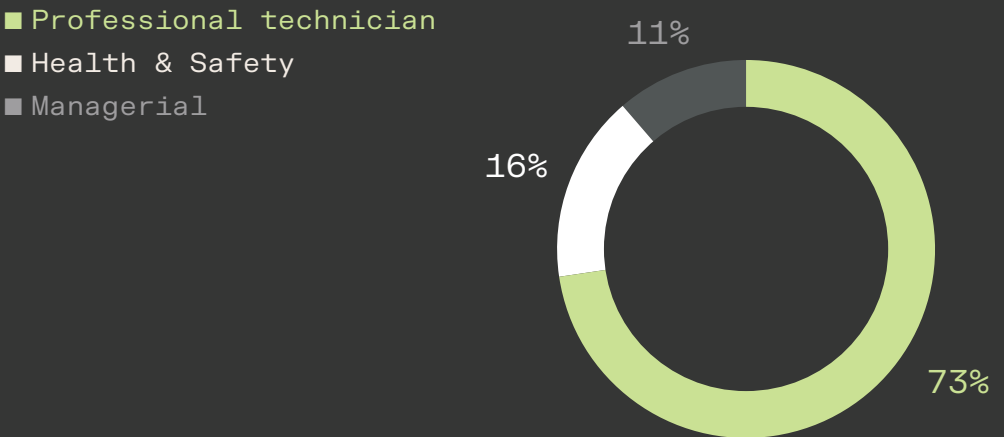
TRAINING

The subject of training, as also defined in the **"Human Resources"** procedure, which describes the end-to-end human resources management process, focusing on the assessment of training needs and the management of the actual training activities, is carefully managed by the Group, which monitors the opportunities offered quantifying the **hours of employee training** and evaluating the different **courses available**.

To this end, the Group offers **upskilling** programs, which can be mandatory or voluntary depending on the specific needs of the role and figure. During the reporting period, training initiatives were provided for a total of **51,917 hours**, with an average of **45 training** hours per employee.

The courses offered include management training programs, courses on occupational health and safety and technical-professional courses aimed at manual workers. Due to the constantly evolving nature of the technical skills required, **technical-professional courses amount to approximately 73% of the total courses delivered**. In addition, during the reporting period, the first business lines, which include some members of the Board of Directors, were involved in several *induction* initiatives on sustainable development.

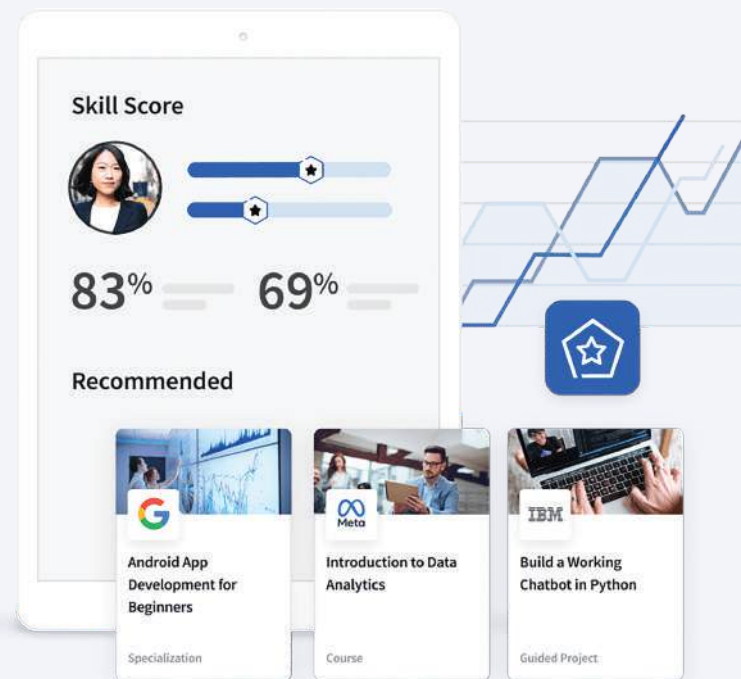
NATURE OF TRAINING COURSES (%)



SCAN
HERE* ↓



coursera
for business



With a view to ensuring the availability of courses with a tangible impact on employees, the AB Group conducts an analysis of the effectiveness of training courses on **three different occasions**:

- initially, when the course is offered, an assessment of the learning of the content is carried out through practical tests or questionnaires provided by the teacher of the specific course;
- subsequently, participants are asked to provide feedback on the training received by filling out a specific form;
- finally, approximately 6 to 9 months later, if the course is considered particularly expensive or challenging, the resource manager is asked

to complete a questionnaire to assess the impact of the course on their work performance.

In order to promote independent training, the Group widely encourages the use of **self-learning** tools and, through a usage policy, offers its employees the possibility to take a series of courses – including during working hours – provided by the **Coursera platform**, even if not strictly tied to their role. In addition, upon request and if it deems it beneficial, AB finances the pursuit of Master's Degrees or Industrial Doctoral Degrees for its employees.

PROFESSIONAL DEVELOPMENT

The Group cares about the **growth of its internal resources** and opts for external *job postings* only in the event that it needs to acquire skills and professionalism that it is not able to develop internally in the short term.

The **HR Talent Management** team, in collaboration with the **HR Business Partners**, promotes the process of developing employees' managerial and technical skills. This process is performed annually, with the support of the "Success Factors" software, through which the relevant HR Business Partner sends the resource managers the evaluation forms to be filled out. The process is led by the managers and, based on the evaluations carried out by the latter and shared with the individual employees, eventual gaps are identified and the appropriate development objectives are defined.

With the goal of extending the sharing of *know-how* to all figures based on a transversal approach, the AB Group is carrying out a **review of its leadership model**.

In addition to the canonical project management and human resources tasks, this new model entrusts managers with the responsibility of **creating, preserving and sharing knowledge within the Group** with the aim of improving performance

and generating innovation.

One of the new developments introduced during the reporting period concerns the implementation of a **structured process for managing the trial period**, which sees the new employee constantly followed by a tutor who defines a plan for the new resource containing clear objectives and evaluation criteria. The tutor, together with the HR Department, assesses the progress made by the new employee at the half point and at the end of the trial period, examining both the relational and technical aspects, to determine if the trial period has been successfully passed.

The **periodic performance evaluation** of employees is a crucial element for maintaining the Group's high standards of efficiency and for promoting the professional development of employees within the company. For this reason, during the reporting period, the performance of **the company's entire workforce** was analyzed, for a total of **1,145 employees**.

In Italy, **salaries** are defined through mechanisms overseen by the Human Resources department, which monitors remuneration based on **three main principles**:

- **internal equity**, in order to ensure that salaries are consistent and fair with respect to the tasks performed. To ensure this principle, the Group has developed **internal matrices** that define the remuneration expectations for each role;
- **complexity of the position and role**;
- **competitiveness with respect to the market**, guaranteed thanks to a corporate "grade" classification system, which divides employees into professional clusters and attributes a value to the different positions, based on some specific indicators, comparable with the remuneration practices adopted by other companies in the reference market.

Based on the principles described above, the AB Group carries out an **annual salary analysis** for all employees, introducing the appropriate changes if necessary.

In addition, based on the logic of reward and recognition of the results achieved, the Group applies reward mechanisms both in Italy and abroad. This mechanism – with specific indicators for each area – takes into consideration both company performance, with indicators that include the volume of sales, revenues and margin generated, and individual performance, assessed according to specific management guidelines.

DIVERSITY & INCLUSION

The People Strategy, Code of Ethics and ABway, paint a clear picture the Group's goal to continue to improve in terms of transparency on issues related to equality, gender equality and internal equity, which AB aims to promote as key **value generating pillars**.

The governance of this issue is entrusted to the **Human Capital** department which is committed to identifying solutions aimed at strengthening Diversity & Inclusion policies within the Group, with the goal of creating a corporate culture that values diversity and promotes projects related to inclusion.

As mentioned above, inclusion is guaranteed right from the **recruitment process**. In fact, the Group is working to **eliminate any cognitive biases**, for a process that is more and more inclusive.

AB also firmly believes that a dynamic of in-depth listening to people aimed at guiding the company's actions in the markets in which it operates is only possible through *ad hoc* tools and focuses that are maintained over time. For this reason, the Group has established a **Permanent Observatory**, whose task is to investigate how cultural, linguistic and generational differences influence business performance.

In the Group, in 2023, **female employees** correspond to **20% of the total workforce**, with a slight decrease compared to 21% in 2022.

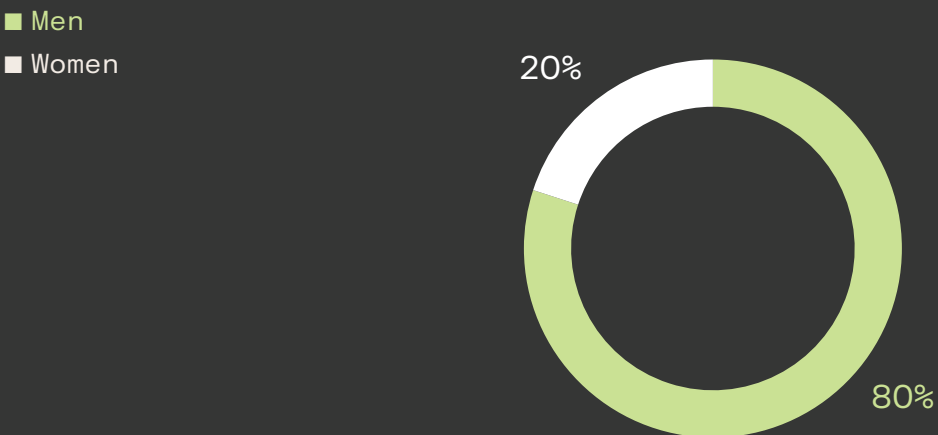
Of the female figures, **83% are office workers, 14% manual workers and 3% hold management roles**. The greater male presence is attributable to the sector in which the AB Group operates, which predominantly attracts one gender compared to the other.



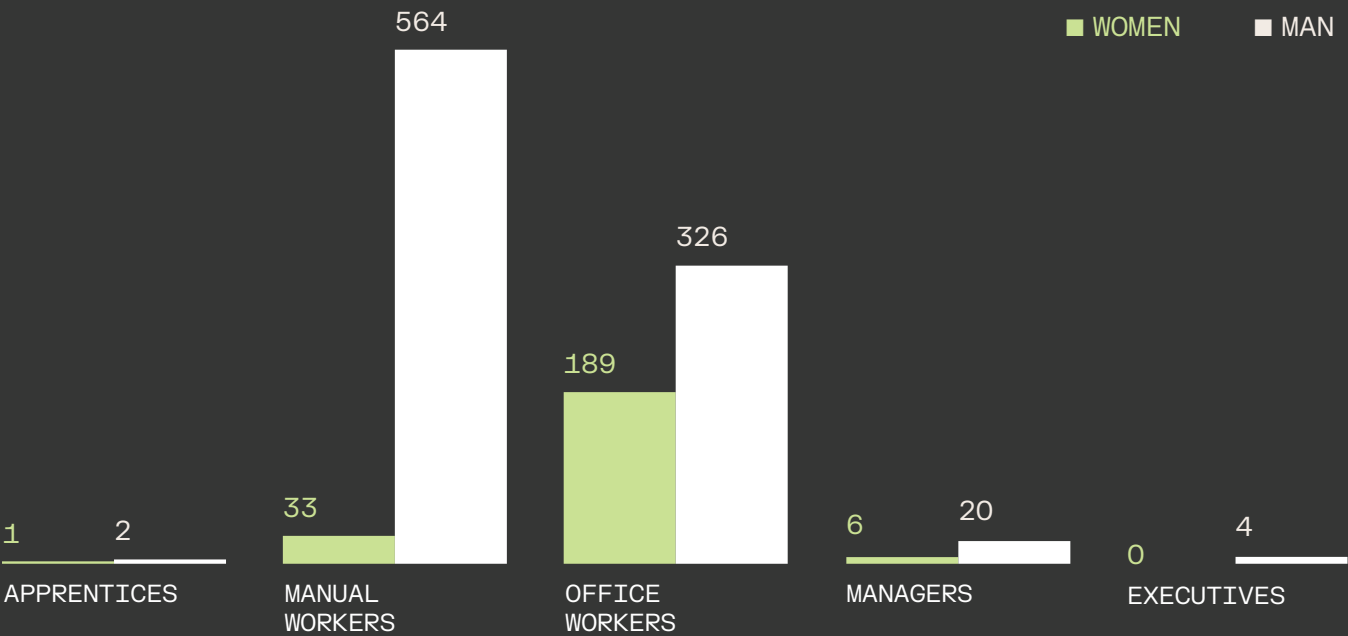
FUTURE GOALS

AB plans to adopt a structural program to enhance *knowledge*, with the goal to stimulate internal sharing of the elements that characterize the Group's way of working, in particular – but not only – for the benefit of new hires. This program, which involves the identification and reliance on thematic experts (people with specific *know-how* of value to the Group), will also enable the You Are The Pilot program (please refer to the specific section) aimed at supporting suppliers and customers, with a focus on cooperation and sharing of experiences for the benefit of the entire ecosystem. During the reporting period, the first successful trials of these innovative mechanisms were carried out.

COMPOSITION BY GENDER (%)

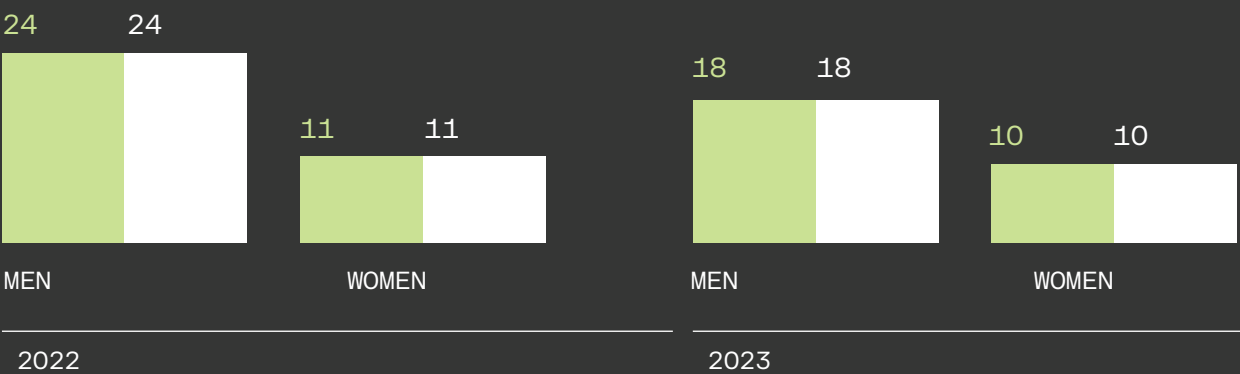


EMPLOYEES BY GENDER AND EMPLOYMENT CATEGORY



In compliance with national and foreign regulations, AB guarantees **parental leave** to all its employees. In 2023, as shown in the graph, **28 employees** took advantage of this benefit, of which **10 women** and **18 men**. In addition, in the "Success Factors" platform, the Group has made available **short videos on what parental leave entails**, to inform and raise awareness among parents, both natural and adoptive, regarding parental rights.

PARENTAL LEAVE (NO.)



■ employees who have taken parental leave
■ employees who returned to work at the end of the parental leave period

The Group complies with the applicable regulations in force also when it comes to the **protected categories**¹³ aspect. Specifically, the Group has **44 employees** belonging to protected categories in Italy, of which 45% are in the 30-50 age group and 48% in the over-50 age group.

Among the initiatives on the subject of Diversity & Inclusion, in 2023 the Group launched the **"ABreak"** project, in collaboration with the Inchiostro Società Cooperativa Sociale. The project aims to promote an inclusive work environment and ensure the opportunity for the company's employees to enjoy a healthy lunch break. To this end, the Group has introduced a travelling food truck, entirely managed by people with disabilities, which moves between the various company offices, offering a simple, healthy and tasty gastronomic offer. With this new initiative AB meets two seemingly distant needs: on the one hand, it responds to needs that emerged during the focus groups organized among employees who requested diversified food options and additional opportunities for social time and, on the other hand, it allows the Group to take a further step in the process of paying close attention to diversity and inclusion.

13. Law 68/1999 promotes the employment of individuals with mental and physical disabilities and serious pathologies (so-called protected categories). Companies are obliged to include a certain number of protected categories based on the number of employees.

FUTURE GOALS

AB plans to draft and adopt a **position paper** appropriately oriented and in line with its identity, inspired by the principle that diversity is a value. For AB, it is not simply a matter of adhering to the rhetoric of the free expression of diversity, but of **welcoming and valuing differences, adopting a true and pragmatic policy of professional and personal growth, ethics, independent of gender, beliefs, origin or disabilities**.

HEALTH & SAFETY

OCCUPATIONAL HEALTH AND SAFETY

The AB Group, in complying with the requirements of **Legislative Decree 81/2008** ("Consolidated Law on Safety at Work")¹⁴ on occupational safety, scrupulously adopts all necessary or useful measures to reduce risks to the health and safety of workers, protecting them from possible accidents.

In accordance with the Consolidated Law on Safety at Work, the AB Group has developed a corporate **Risk Assessment Document (RAD)**. For each location and activity, the Document identifies the **risks** (including physical, chemical, biological, ergonomic and psychosocial risks), indicates **the preventive and protective measures to be taken** to reduce or eliminate the risk, and describes an **improvement plan** that includes periodic verification activities of the effectiveness of the measures adopted. Although the AB Group has developed several **Risk Assessment Documents (RADs)** for each location and activity, including maintenance, it was considered appropriate to bring together all the various issues into a single improvement plan, which details the various specific activities for each individual site within an **Improvement Log**, resulting from the work shared with all the departments and business areas involved.

The structuring of the RADs not only allowed for the definition of

the various initiatives, but also involved a **redesign of the work phases**, making it possible to provide clear operating instructions to workers performing a specific activity considered critical, avoiding the associated risks.

Particular attention was paid to the activities at greatest risk, including **electrical, high altitude and goods handling activities**. In addition, to determine the workplace hazards that constitute a risk of injury with serious consequences, **safety operational plans** have been developed for the activities carried out on site.

In the event of new risks or an intensification of existing risks, the Group intervenes in a timely manner to **increase and/or specialize the training provided and, if necessary, to introduce more appropriate Personal Protective Equipment (PPE)**.

As a demonstration of this commitment, AB has provided for the installation of a series of automatic vending machines for protective devices **without dispensing limits**.

For PPE that cannot be delivered automatically, a request procedure available to employees through a dedicated portal has been implemented. In addition, the Group actively collaborates with its collaborators to identify the best PPE available on the market, thus ensuring up-

14. Legislative Decree 81/2008, or the Consolidated Law on Safety at Work, is the main legislative reference in Italy on the subject of occupational health and safety.



to-date and cutting-edge safety standards.

The management of **accidents** is one of the topics most closely monitored by the Group. In fact, the company is actively committed to taking action based on individual behavior and disseminating a strong corporate culture focused on safety. However, several factors contribute to making the issue particularly delicate, including the complexity of individual circumstances and the Group's turnover rate.

During the reporting period, **accidents with serious consequences** were mainly caused by falls, impacts/crushing, slipping and electrical hazards.

In order to increase the **preventive measures** adopted, the Group has carried out a **review** of the procedures for investigating **accidents** and **near misses** which, in addition to the **formal and informal channels** aimed at reporting **near misses, now pro-**

vide a more direct involvement of the interested parties and managers. In 2023, **22 reports were made**, of which 12 off-site and 10 on-site.

Among the other measures adopted, a **formal methodology** was also developed to assess the potential damage of an event or situation at risk, enabling a more targeted preventive management of critical scenarios.

In order to provide a first overview of accidents that occurred – excluding those involving non-employee workers – recorded during the reporting period, including the severity index and accident rate, the following table is provided:

EMPLOYEES (2023)		
	NO.	%
Number and rate of deaths as a result of accidents at work	0	0%
Number and rate ¹⁵ of accidents at work with serious consequences (excluding deaths)	7	2.49%
Number and rate ¹⁶ of accidents at work	30	10.65%
Of which in progress	2	
Number of near-misses recorded	22	
The number of hours worked	2,815,987	
The number of workdays lost due to accidents at work	612	
Severity index ¹⁷		0.21%

15. The rate of accidents at work with serious consequences is calculated as the number of accidents at work with serious consequences (excluding deaths) / Number of hours worked * 1,000,000

16. The rate of accidents at work is calculated as the number of recordable accidents at work / Number of hours worked * 1,000,000

17. The severity index was calculated as days of work lost due to accidents at work * 1.000 / hours worked

As a mitigation measure, the Group confirmed (in Italy, Brazil and Poland) the continuation of the **"Zero Accidents Project"** for the reporting period, which includes various activities and a strong communication initiative on safety. The project, which replicates the activities carried out in Italy, adapting them to specific foreign contexts, actively involves workers through competitions involving prizes to encourage reports and recom-

mendations on the subject. The project is based on the following key principles:

- First-person involvement of employees;
- Promotion of communication on health and safety issues;
- Adoption of a corporate safety management system pursuant to the ISO 45001 standards.

The Group ensures **full compliance with all legal requirements** regarding **training**.

A **centralized repository** is available, containing the list of all employees, together with the definition and planning of courses. At the beginning of each year, all managers are notified of the upcoming course calendar, made available in person and online, and are required to report any specific employee training needs.

Depending on the classification of employees, **training is differentiated**: office workers receive general training and specific high-risk training, in addition to courses focused on remote work; site managers receive training on the use of Elevating Work Platforms (EWPs) and other specific platforms; supervisors take part in courses on first aid, fire prevention and the use of defibrillators.

With regard to **health care**, in line with legal obligations in force, the Group regularly implements occupational health checks to monitor the health of its employees.

As part of the Metalworking and Trade national collective bargaining agreements in Italy, some **benefits** aimed at ensuring further healthcare support are provided, including **Metasalute** and **Fondo Est** respectively.

During the reporting period, as was also the case previously, AB **did not record** any cases of **occupational illnesses** or any related **deaths**.

In Italy, the AB Group applies the **Occupational Health and Safety Management System (OHSMS)** to 80% of employees and 100% of non-employees, primarily consisting of temporary workers working for AB Impianti. For the future, the Group has set itself **ambitious** goals in terms of worker protection, including the **extension of health and safety management systems** to other Group companies in Italy and abroad and, subsequently, **obtaining the ISO 45001 certification**, which defines a framework to improve safety, reduce risks in the workplace and improve the health and well-being of workers.¹⁸

The extension of health and safety management systems to other Group companies in Italy and abroad, and pursuing the ISO 45001 certification, which defines a framework to improve safety, reduce risks in the workplace and improve the health and well-being of workers.



HEALTH PROMOTION INITIATIVES

The Group interprets the issue of health and safety not only in terms of the traditional approach of prevention and reduction of accidents and occupational illnesses, but also as **promoting the physical and mental well-being** of its employees. For this reason, AB adheres to the **WHP - Workplace Health Promotion** program, **aimed at promoting the adoption of healthy lifestyles**, ensuring a healthy and safe work environment for all personnel, also with a view to advancing social well-being, as well as being part of a network of local companies that engage in dialogue on the subject and

share best practices. The project is managed by the Group, with the support of the local Health Protection Agencies (ATS) and Confindustria Brescia. The WHP Team, which sees the participation of representatives from the Safety, Marketing and HR department, as well as the involvement of Management and of the occupational health physician, evaluates the actions to be proposed based on those suggested by a Lombardy Region manual. AB is committed to implementing good practices in six thematic areas¹⁹ (the first four being the main ones and the other secondary ones):

19. OTHER PRACTICES include: Work-life balance, Welfare, Corporate Social Responsibility, Adherence to preventive behavior.



As part of its corporate policies aimed at **optimizing the well-being of human capital**, AB has implemented several initiatives with a **dual purpose**: to create structured opportunities for **social interaction among employees** beyond traditional work dynamics and to promote a **balanced lifestyle** that positively contributes to their mental and physical health. These initiatives, developed

through **targeted events** and **continuous support campaigns**, include:

- the AB Olympics;
- the corporate Health Week;
- Yoga and Pilates courses;
- wellness promotion campaigns.

The first initiative sees the organization of the **AB OLYMPICS** every year at the beginning of the summer. During the day, the different participating

teams challenge each other in ten sports disciplines, including 5-a-side soccer, table tennis, sports climbing, long jump, 4x100 relay, badminton, tug-of-war, etc. The AB Olympics are an excellent opportunity to help create a **cohesive and attractive work environment**, stimulate **team-building** and offer **leisure** time, strengthening employees' **psycho-physical well-being**.

To improve the **health** of its employees, a key priority for AB, the Group organizes, once a year, the corporate **"Health Week"**: an initiative that includes a series of online and in-person meetings on various topics, including stress management and conflict reduction, prevention and reduction of cardiovascular risks, sleep disorders and effects on daily life, proper nutrition, etc. Over the next year the initiative, currently open only to Group employees, will be extended to include their **families**.

During the course of 2023, to contribute to the psycho-physical well-being of its employees and to provide opportunities for sharing, the Group organized **internal Yoga and Pilates courses**, with classes of about 20 people, in line with the spaces available.



To provide continuous support for the motor well-being of its staff, over the next year, the AB Group plans to make available face-to-face sessions with a **physiotherapist**, also offering employees the opportunity to take advantage of a discount in case they want to continue the treatment outside the workplace. In addition, in partnership with **local cooperatives**, events will be organized that will focus on the theme of addictions, including those to alcohol, drugs and the excessive use of smartphones and social media.

These events, which will be held on Saturday mornings, will provide information, support and resources to address any problems that employees might be facing in a conscious manner.

Already during the reporting year the Group has organized communication campaigns aimed at encouraging employees to **stop smoking**, also offering treatment options through the Local Health Authority.

In addition to organizing targeted events, the AB Group is committed to ensuring a **constant support** for the well-being of its employees, particularly in terms of nutrition and general well-being.

In fact, the Group considers it its responsibility to encourage its employees to follow a healthy and balanced diet. For this reason, twice a week, it makes baskets of fresh fruit available

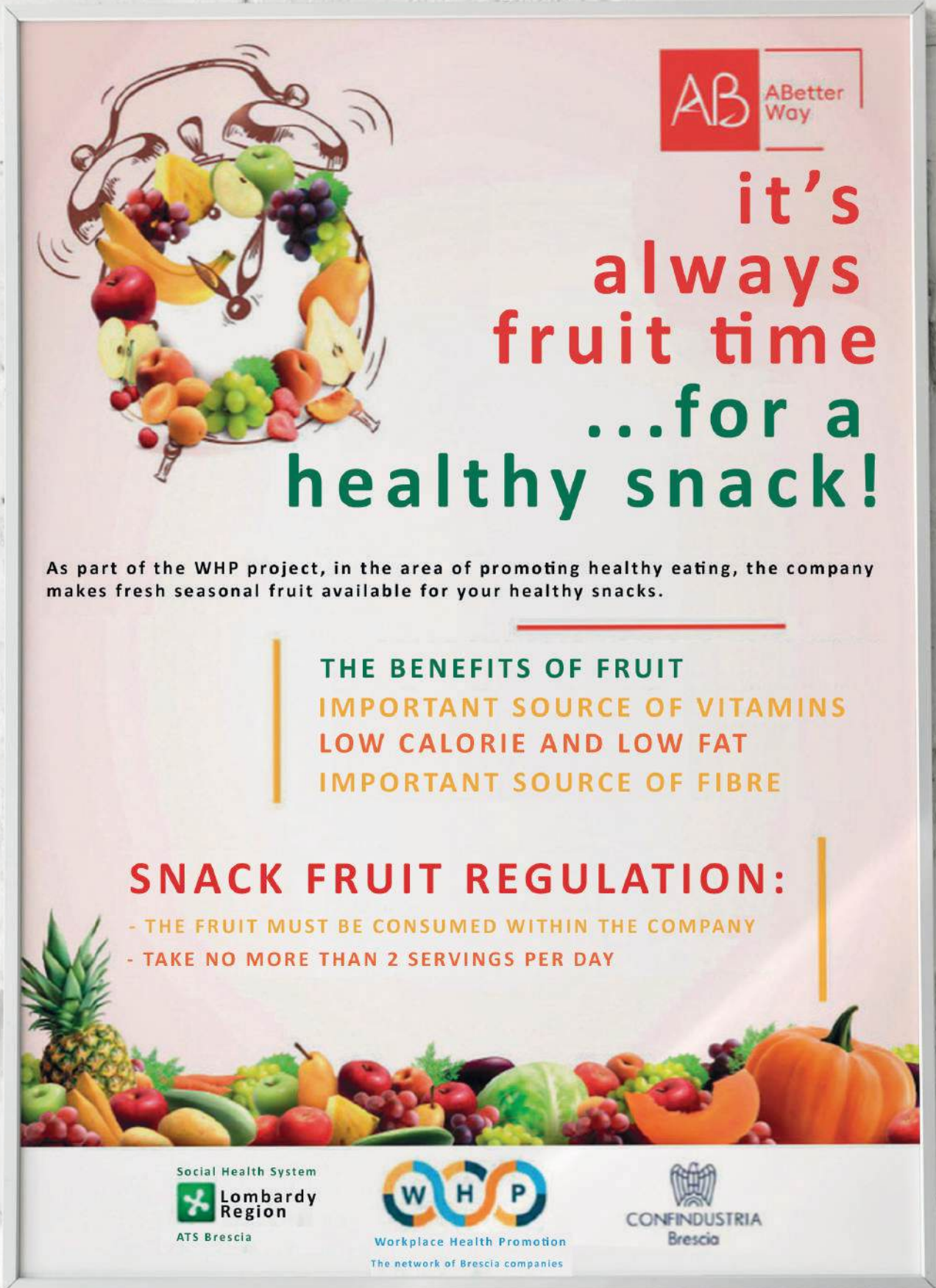
to employees and, inside the vending machines present on its premises, it guarantees that at least 30% of snacks have adequate nutritional values. AB also relies on communication, posting posters that promote healthy eating behaviors.

The management of these initiatives is entrusted to the **Health, Safety, and Environment (HSE) department**, which is also responsible for coordinating the human resources involved and ensuring the quality of the events in terms of organization. To ensure effective communication and sharing of the various initiatives with all senior management, regular meetings are organized for this purpose.

FUTURE GOALS

With the aim of providing its employees with a healthy and safe working environment and to successfully pursue its path of developing better and more robust health and safety protection measures, the AB Group has set itself the following short-term goals:

- obtaining the **ISO 45001:2018** certification for AB Impianti and AB Service and extending the certification to foreign offices in Germany, Brazil and Canada;
- involvement of workers' families in the activities carried out during the corporate **"Health Week"**;
- improving the psycho-physical well-being of employees through **the organization of face-to-face sessions with a physiotherapist**.



Environmental impact management

ENERGY MANAGEMENT & EMISSIONS

The energy sector is the one in which the Group operates and within which it builds its main relationships, extends the available knowledge and develops innovative solutions to be at the forefront and attuned to the best solutions to be offered to customers.

For this reason, AB is responsibly committed to its energy impacts. In particular, the Group is committed to a continuous improvement of its energy performance and to actively contributing to the fight against climate change, increasing the use of energy produced from renewable sources and investing in energy efficiency and emission reduction initiatives.

In particular, in 2023 plants were installed for a total capacity of 83 MW, of which 60 MW have been tested, for a total of 58 cogeneration plants.

ENERGY CONSUMPTION

During the year an **energy consumption** equal to **15,553.61 GJ²⁰** was recorded. In 2019, an **energy diagnosis** was carried out by an external consultant, which identified a series of feasible improvements to increase the energy efficiency of AB Impianti's production site. These concern LED *relamping* interventions to improve the efficiency of indoor and outdoor lighting systems²¹, the monitoring of energy consumption and other *energy management* initiatives, as well as the implementation of strategies to optimize the consumption of the company's vehicle fleet, for example through the purchase of methane-powered vehicles.

The Group is in the process of implementing these improvements and monitoring the progress achieved with further periodic energy diagnostics. Moreover, AB intends to install an additional **photovoltaic system** with a 544 kW power, as well as increase the Group's **share of self-produced energy from renewable sources** in the agricultural sector, which has already been adopted in the industrial sector (AB Impianti production sites).

20. The data refers to the companies and corporate offices listed in the same paragraph.
21. These interventions have been completed.



EMISSIONS

The Group plans to take a **snapshot of greenhouse gas emissions** attributable to its business activities, in accordance with the *Greenhouse Gas Protocol*. The Protocol defines a comprehensive and standardized global framework for measuring and managing greenhouse gas emissions, classifying them into three categories: scope 1, scope 2 and scope 3.

SCOPE 1	This category includes direct emissions from sources owned or controlled by an organization (e.g. emissions from production processes and emissions from vehicles belonging to the company fleet). As far as the AB Group is concerned, the main fuels used for the production of electricity are biogas and natural gas. Self-production covers 73% of the demand, while the remaining 27% is purchased from the grid (see Scope 2). The company's fleet consists of 478 vehicles, of which about 98% are fueled by diesel.
SCOPE 2	This category includes indirect emissions from purchased energy , such as electricity, heat or steam, which is generated outside the company's boundaries and consumed within the organization. About 23% of the energy consumed by the Group is purchased from the national grid. 100% certified renewable energy is not currently being purchased.
SCOPE 3	This category includes the indirect emissions that occur in the organization's value chain, including the upstream and downstream emissions associated with activities such as the purchase of goods and services, business travel, waste disposal and many others. If, as a result of Covid-19, there was a reduction in work-related travel, in 2023 there was an increase in the number of tickets purchased by the Mobility Manager and an increase in the total number of miles flown, the number of nights spent and the number of car rentals made. The main means of transport used were airplanes and cars. To reduce the impact related to business travel by its employees, during the year the AB Group launched a partnership with Air France and KLM within the scope of the "SAF – Sustainable Aviation Fuel" project, to reduce the impact of air transport. In particular, the <i>SAF Program</i> aims to accelerate the use and production of sustainable aviation fuel, which guarantees a reduction in emissions of about 75%. By stimulating demand, the price is reduced and diffusion becomes easier. In the context of the project, the Group calculated emissions linked to its annual travel volume and subsequently purchased a corresponding share of SAF. The Group's contribution was used to procure sustainable fuel for the aviation sector during the same calendar year.

OTHER AIR POLLUTING EMISSIONS

The Group, also by virtue of the permits in place at some of its locations²², monitors the **pollutant emissions into the atmosphere** for which it is responsible, such as fluorinated gases (F-gas), nitrogen oxides (NO_x), sulfur oxides (SO_x), volatile organic compounds (VOC) and atmospheric particulate matter (PM), linked to the following impact-generating activities (and the consequent monitoring initiative):

- **cooling systems:** continuous checks are carried out, on which interventions are carried out in the event of fluorinated gas leaks, used to cool the premises;
- **welding process:** monitoring of dust and metals present in the fumes of the extraction hoods;
- **painting activities:** monitoring of dust and solvents. To reduce emissions related to volatile organic compounds, the use of water-based paint was introduced in 2021;
- **cutting of rock wool panels:** monitoring of rock wool dust;
- **laser cutting activities:** monitoring of metal dust and particles;
- **washing booths:** monitoring of phosphorus.

For 2023, the AB Group set itself the goal of embarking on a path of efficiency and decarbonization starting from the calculation of its scope 1 and scope 2 emissions, conducted on a preliminary and expeditious basis and represented below.

22. A so-called "Single Environmental Authorization" has been obtained for AB Impianti, with headquarters in via G. Agnelli in Orzinuovi, a simplified authorization is in place for the offices in via Roma and another simplified authorization for AB Service, headquartered in via Agnelli



The functional unit chosen consists of scope 1 and scope 2 emissions in 2023 generated by:

1. the Group's offices listed below, located on the national and international territory:
 - AB Impianti, Villachiaro, via Roma;
 - AB Impianti, Orzinuovi, via caduti del lavoro 13 - including AB Holding;
 - AB Grade, Orzinuovi, via d'Annunzio;
 - Orzinuovi, via Artigianato - including AB Energy and AB Engineering;
 - Warehouse in Torbole Casaglia;
 - AB Power Orzinuovi, via caduti del lavoro 8 (new worksite);
 - AB Power, Cologne, via Corsica 21;
 - Enviro Expert;
 - AB service, Orzinuovi, via Industria and via Artigianato 24;
 - KWE AB Energy Polska;
 - AB Energy Brasile;
 - AB Energy Romania;
 - AB Ambiente - Orzinuovi, via del Commercio, via Cadevilla, via Cesarina (Cascina Fabbrica), Verolavecchia (Cascina Biolcheria) and Cascina Biasia offices.
2. the Group's fleet of vehicles and work equipment;
3. the adult bovine specimens present in AB Ambiente.

For the calculation of scope 1 emissions, the following were considered: fuel consumption for heating and for the traction of owned or leased vehicles, refrigerant gas losses, emissions from working vehicles and cattle present in the AB Ambiente company.

For the calculation of scope 2 emissions, electricity supplies from third party suppliers or managed "intercompany" were considered.

In fact, many of the Group's corporate offices are equipped with plants for the self-production of energy that partly self-consume, partly feed into the grid and partly sell to other Group companies ("intercompany" exchange). Production takes place through photovoltaic plants or through cogeneration plants.

It should be noted that the impact of the production of thermoelectric energy from cogeneration plants has not been counted in the scope 1 impacts for the producing companies, but falls within the scope 2 emissions of the companies using it.

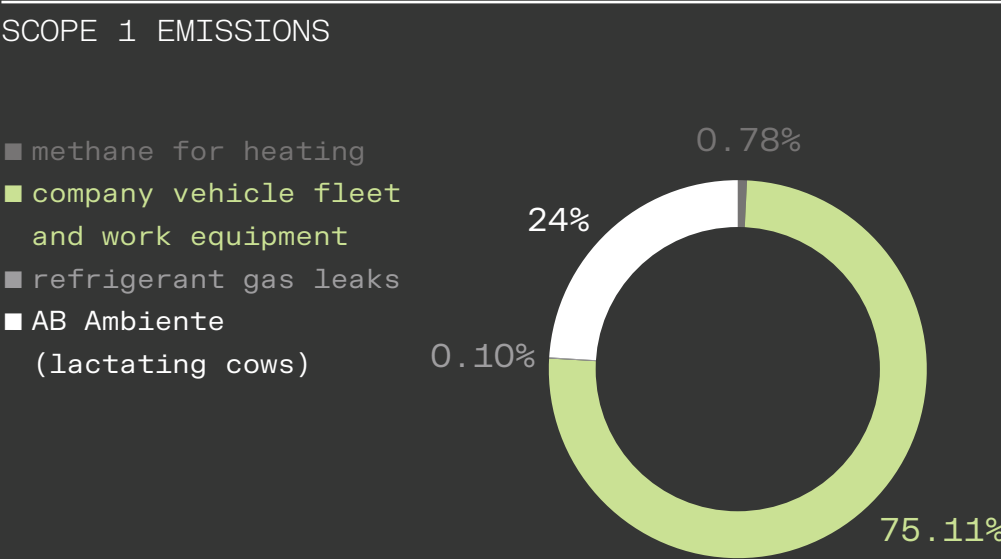
Some impacts associated with other agricultural activities, e.g. related to manure management, have been excluded from the calculation as the latter is conveyed directly to cogeneration plants and does not stay out in the open, nor is it used directly as fertilizer, to then be used as a soil improver in the form of digestate (the emissions associated with this practice have not been calculated for this first analysis).

The results are presented in detail to highlight the individual contributions, respecting the specific characteristics of the different companies included in the scope, with particular reference to AB Ambiente and its business model that is particularly different from other Group companies.

The results obtained are represented in the tables and graph below. No refrigerant gas leaks were recorded for 2023. This emission category has therefore not been included.

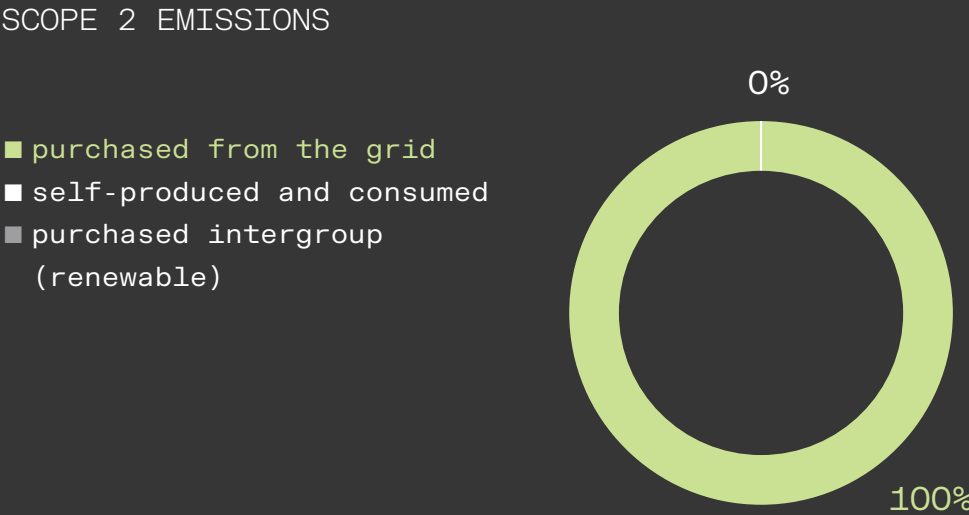
With regard to **scope 1** emissions, it can be observed that the greatest contribution comes from transport-related emissions. This is an annual amount that, *for heavy transport vehicles alone*, corresponds to approximately 7,000,000 km travelled by the 358 trucks owned by the Group. Secondly, the contribution by **AB Ambiente** represents 24% of the total, caused by the enteric fermentation of the 700 dairy cows owned by the company. The contribution of methane from heating (0.78%) and F-gas losses (0.10%), on the other hand, is residual.

EMISSION CATEGORY		TCO ₂ EQ
Scope 1	methane for heating	83.19
	company vehicle fleet and work equipment	7,986.70
	refrigerant gas leaks	10.86
	AB Ambiente (lactating cows)	2,551.92
TOTAL		10,632.67



With regard to **scope 2** emissions, the contribution comes from the impacts of energy purchased.

EMISSION CATEGORY		TCO ₂ EQ
Scope 2	purchased from the grid	300.42
	purchased intergroup (renewable)	0.00
	self-produced and consumed	0.00
TOTAL		300.42



These are limited impacts with respect to the Group’s energy needs, particularly when compared to the national average emissions per KWh, as illustrated below.

23. National average conversion factor, ISPRA 2023 data
24. National average conversion factor, ISPRA 2023 data

AB EMISSION INDEX COMPARED TO THE NATIONAL AVERAGE

		kgCO ₂ eq per KWh energy consumed
market based	AB Group performance	69.53
location based ²³	national average kgCO ₂ per KWh	257.20
percentage of emissions saved thanks to the solutions adopted by the Group		73%

AB EMISSION INDEX COMPARED TO THE NATIONAL AVERAGE

		kgCO ₂ eq per KWh energy consumed
market based	AB Group performance	69.53
location based ²⁴	national average kgCO ₂ per KWh	257.20



Circular economy & Waste management

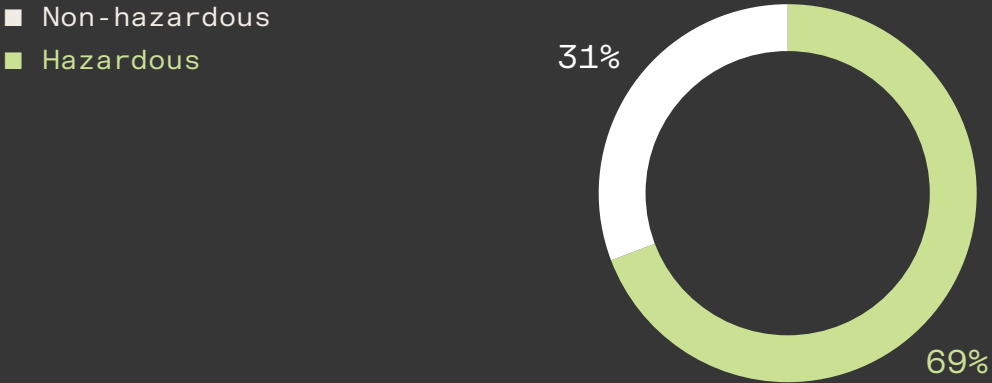


The Group devotes constant attention to the issues of **circularity** and **responsible waste management**, implementing recycling and recovery initiatives to minimize the amount of waste generated and ensuring adequate disposal, particularly with regard to hazardous substances and materials used.

During 2023, the waste produced by the Group amounted to approximately **1,756 tonnes²⁵**, of which **69%** classified as **non-hazardous** and **31%** as **hazardous**.

25. The amount of waste generated is attributable to the following companies: AB Ambiente, AB Impianti, AB Energy, AB Power, ENVIROEXPERTS, AB Service, KWE ABE POLSKA.

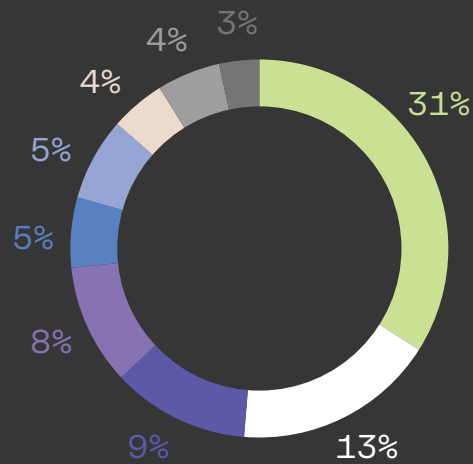
HAZARDOUS AND NON-HAZARDOUS WASTE



As illustrated by the graph below, most of the waste produced is related to **iron** scraps (26%), sheet or tubular scraps in **stainless steel** (13%), **washing water** for engines and boilers (9%) and, finally, to pallets and packaging scraps in **wood** (8%).

WASTE COMPOSITION

- Iron sheet metal scraps
- Stainless steel sheet metal or tubular scraps
- Engine and boiler washing water
- Pallets and wooden packaging waste
- Wastewater from boiler washing activities (fume side and water side)
- Waste oil
- Clean paper and cardboard packaging
- Water painting system
- Mixed packaging materials



AB strongly believes in **circularity**. For this reason, the Group is committed to implementing concrete actions aimed at sending waste generated from materials such as **carbon steel, stainless steel, paint, cardboard, wood and plastic** to recovery.

The **installation of the plants** generates a minimum amount of waste, mainly consisting of the packaging of the components to be assembled (boxes and cellophane), which in most cases is recovered by the Group's technicians.

The maintenance activity, which makes it possible to identify potential problems early and guarantees an average life of the plants between 25 and 30 years, involves a significantly higher amount of waste. In some cases, the waste resulting from this activity is managed by the Group²⁶ and in other cases by end users. In the latter case, AB supports its customers in the disposal of plants, providing **ad hoc training** on the correct end-of-life management process and providing a **"Plant Manual"** that includes all the necessary instructions. In order to provide additional support to users and to achieve greater transparency in waste management, in the future the AB Group intends to increase the percentage of waste it takes care of, compatible with internal capacity limits. As far as foreign plants are concerned, the installation activity is subcontracted. As a result, waste management falls under the responsibility of the installers, which operate under the careful supervision of the Group. The waste deriving from the maintenance activity is instead managed directly by the end customers.

26. Out of the 1,500 maintenance contracts in place, about 10% explicitly require AB to manage the waste produced during the maintenance activity.

In its **production processes**, the Group focuses on aspects such as reducing waste and production scraps, recovering unused materials by returning them to suppliers or reusing them as spare parts, optimizing component logistics and adopting a *"lean"* method to streamline the production process. Specifically, the following circularity initiatives should be noted:

- **recovery of naval containers:** whenever possible, instead of creating new containers for its plants, the Group adopts an approach of recovery and reuse of existing naval containers;
- **recovery of waste rock wool panels:** instead of being disposed of, rock wool panels are recovered and used for the soundproofing of chimneys;
- **reuse of wooden coils:** wooden coils are returned to the original suppliers, which reintroduce them into their production process;
- **recovery and reuse of rags:** the rags used for engine maintenance are recovered, washed by an external company and reused;
- **internal production of waste containers:** the Group produces the containers used for waste collection *in-house*;
- **recovery and reuse of paper and cardboard packaging;**
- **recovery and reuse of spark plugs** and/or the raw materials that make them up;
- **recovery of steel scrap:** The material not recoverable during production is collected by specialized companies and delivered to steel mills, where it is recycled for the production of new steel.



Finally, the smaller portion of waste is attributable to those produced within the offices, with regard to which the Group carries out ongoing **awareness-raising initiatives aimed** at employees. In particular, the following activities should be noted:

- the use of **electronic documentation** is encouraged through paperless process automation systems (e.g. MES, PLM, WMS, ERP, BI, electronic reporting);
- the **reduction of printing** is encouraged through the use of centralized printers accessible exclusively using badges;
- **a round table has been established, which is currently working to improve the management of separate waste collection** in offices, for example by rethinking the distribution of waste bins with a view to centralization and launching a specific awareness campaign;
- water dispensers with reusable water bottles are available to respond to the problem of **single-use plastic** linked to employees' water bottles.

All Group waste, both internally generated and recovered by customers, is managed through the support of external companies. The latter collect, transport and process the waste through recovery, traditional disposal or incineration practices. **Recovery** is the **preferred waste disposal mode**, with 72% recovered waste **compared to 28%** destined for traditional disposal.

FUTURE GOALS

To achieve greater transparency in waste management, the Group intends to **gradually take charge of an increasing amount of waste** generated during the maintenance of customers' plants, making a specific change to the contractual conditions concerning waste management. The achievement of this objective is conditioned solely by the Group's internal waste management capacity, which may make it necessary to slow down the transition process.

In addition, the Group intends to continue its research work aimed at identifying **new solutions to increase the circularity of its production processes**.

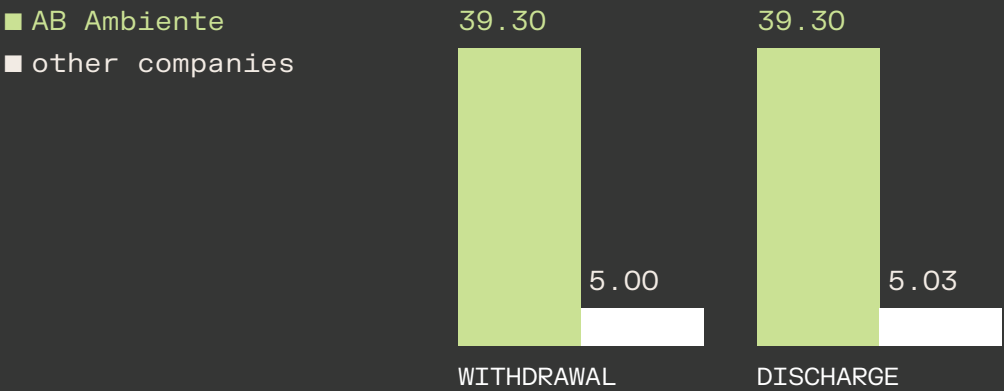
Water management



The Group pays particular attention to the **conservation of water** as an exhaustible resource and undertakes to responsibly manage and optimize the water resources used in carrying out its operations, in accordance with current legislation in force.

In 2023, the AB Group withdrew – and subsequently discharged – approximately **44 ML of water**. It is appropriate to highlight that most of the water used is not attributable to the Group's *core business*, which requires a minimum amount of water to carry out its operations, but to AB Ambiente, which has a higher water consumption due to activities such as irrigation of agricultural fields and drinking water for livestock.

WATER WITHDRAWAL AND DISCHARGE (ML)



As AB Ambiente's activities differ considerably in terms of water intensity from those carried out by the rest of the Group companies, this section focuses on a generic description of the supply of water, of wastewater management and of existing measures to raise awareness among employees throughout the Group, while for the specific discussion of the agricultural company, please refer to the reference section.

The supply of water (5.00 ML) is primarily sourced through the **aqueduct**, with a smaller share deriving from wells, and its **primary destinations** are painting processes, dust filtering treatment and activities related to engine washing, drinking water dispensers and toilets.

With regard to **wastewater management**, where possible, the Group adopts practices that guarantee its recovery. In fact, a **treatment and recycling system** has been implemented to **reuse the water used** in the main production activities described above, with the exception of engine washing plants. As far as contaminated water is concerned, it is subjected to a treatment to minimize its impacts and facilitate its disposal.

Water that cannot be subjected to recovery practices is mainly disposed of in the sewerage system, in a special discharge area for first flush waters, or managed as liquid waste and entrusted to an authorized facility.

In general, the Group conducts **awareness-raising activities aimed at employees** regarding responsible water consumption, encouraging them to use only the resources they strictly need.



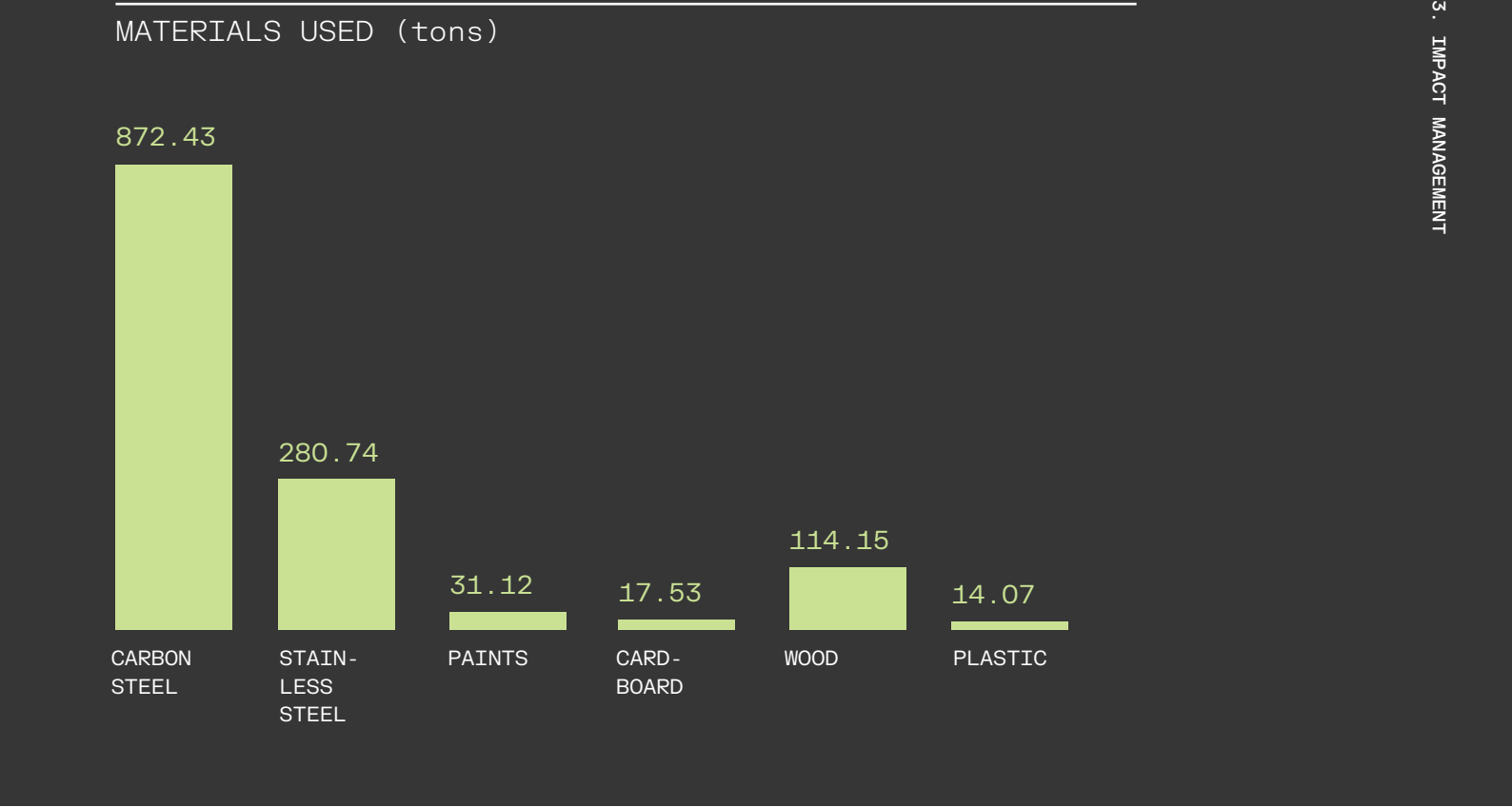
Responsible value chain

The Group is actively engaged in the development and implementation of **responsible practices** along the entire value chain, with support projects aimed at the production chain and for the benefit of its customers, a tangible testimony of a vision of responsibility both upstream and downstream of its business activities. In particular, within the supply chain, the Group's dedication is evident in addressing the challenges and seizing the opportunities related to **materials management** and the **consolidation of relationships with suppliers**. This commitment is also reflected in the solid structure of the **Procurement & Supply Chain department**, which has defined responsibilities in line with organizational needs. In addition, the Group proactively makes its consolidated experience and expertise available to customers, contributing to the creation of a **virtuous and innovative ecosystem**.

PROCUREMENT OF MATERIALS AND SERVICES

The procurement of materials and services is a crucial point of the Group's overall strategy. This theme has assumed particular relevance in view of the recent events related to the scarcity of raw materials that have occurred as a result of **geopolitical events** recorded over the last few years. In this context, the forward-looking management of resources and materials has played a strategic role, ensuring **operational continuity** even in complex times. This success has raised awareness of the need for well-structured procurement practices, geared towards **security** and **diversification of sources** in order to mitigate potential risks and ensure a sustainable and reliable supply.

The main types of materials include **carbon steel** and **stainless steel** as sheet metal, beams and tubes in various sizes, for a total of about **1,153 tons in 2023**. In addition, for packaging, the Group acquires materials such as **wood, plastic, film, paper and cardboard, pallets, crates and platforms, shrink films and corrugated cardboard**.



For metal products, in accordance with the **EN 10204** standard, the Group requires manufacturers to provide the so-called **3.1 Certificate**, which certifies the **conformity of the material** based on tests performed directly on the casting and on the material of the batch used. Within the document, detailed information is provided on the steelworks that cast the material, the buyer, the type of material and its abbreviation, the identification of the batch and casting, the chemical composition of the casting, the results of the resistance tests (elasticity, breakage, hardness), and the dimensional reference standards. The document also ensures the correct **tracking of the product and of the supply chain**, in accordance with the **UNI EN 1090** standard. Another document required is the **Declaration of Performance (DOP)**, a mandatory legal certificate for each construction product, in accordance with the provisions of European Regulation 305/2011, which is issued by the supplier and contains information on the intended use of the product, its performance characteristics and other elements useful for its traceability.

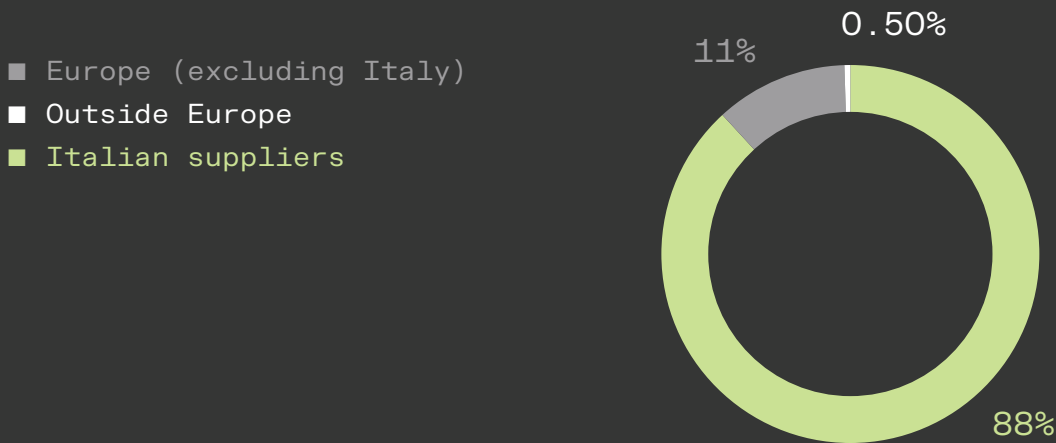
COLLABORATION WITH SUPPLIERS

One of the key aspects of the Group’s strategy in its relationship with suppliers consists of more solid and functional partnership choices characterized, for example, by the adoption of **framework agreements and open orders**, enabling a more flexible and responsive management of the supply chain.

Another strategic element is the **diversification of the supplier base**, both from a geographical point of view and for the same product category. This helps mitigate the risk of unavailability of materials and ensures **business continuity**. An analysis of a sample of **113 suppliers** of Italian companies alone reveals that about **27%** are based in the vicinity of the **Orzinuovi** production plants, with a concentration in the province of **Brescia, Bergamo and Cremona**. In addition, it is important to note that the remaining supplier portfolio is distributed in different geographical areas, including **the United States, Austria, China and Japan**.

The graph below shows the percentage of suppliers by geographical area in the reporting period:

SUPPLIERS BY GEOGRAPHICAL REGION



Approximately **73%** of the expenses incurred are allocated to **Italian suppliers**, while the remaining part is allocated to European and non-European suppliers.

This geographical diversification and type of suppliers ensures the Group greater resilience and flexibility, enabling the optimal management of market challenges and the **guarantee of a continuous and reliable supply**. The **solidity of long-term relationships with suppliers** is one of the Group’s key strengths. Within the sample examined, **65%** of partnerships highlight a collaboration with the Group with a duration of **ten years**.

In addition to the Group’s **historical suppliers**, **new suppliers** have also been integrated in the supplier portfolio, particularly in the components area. This choice, which strategically balances consolidated suppliers and new commercial relationships, guarantees a perfect mix between longstanding experience and *know-how* on the one hand and innovative solutions on the other, in particular to respond to the stimuli of the production range.

The supplier selection process is currently guided by parameters focused on **quality, price and availability**. In the medium-term, the Group has set itself the objective of creating a structured evaluation system aligned with the standards of responsible management of the value chain, and has begun to integrate information on sustainability performance, including energy and environmental certifications, into its requests to suppliers.

Strategic suppliers are required to sign the **General Purchase Conditions** and comply with the **Code of Ethics**. Within its General Purchase Conditions, reference is made to compliance with the principles of the Code of Ethics and current legislation on anti-corruption. In this context, in addition to the quality and type of supply, efforts are required on the part of suppliers **to minimize the environmental impact** resulting from waste, sewage, air pollution and noise. In case of supply or use of chemical substances of any kind by suppliers, prompt written notification and receipt of an updated copy of the product safety data sheet is required. In addition, suppliers are encouraged to promote an eco-friendly workplace with reference to the Universal Declaration of Human Rights, the ILO Tripartite Declaration on Principles Concerning Multinational Enterprises and Social Policy, and the OECD Guidelines for Multinational Enterprises.

Starting from the reporting period, AB Impianti and AB Service have adopted a new **supplier portal**, designed to simplify the management of supplier documentation, in particular economic and safety documentation. In the **short term**, the Group’s objective is to further develop the portal to include timely sustainability-related information, including sustainability reports that suppliers may be in possession of and documentary support relating to the actions implemented with a view to climate strategy.

In the **long term**, on the other hand, the Group has defined the objective of structuring a supplier due diligence procedure that complies with the best practices on the European and international market, selecting suppliers based on qualitative and quantitative social and environmental criteria. The Group is planning the adoption of a portal where suppliers will be able to qualify **independently**, allowing it to verify the documentary obligations that suppliers are required to comply with **in real time**. In addition, the portal will integrate essential technical criteria for participation in tenders, thus guaranteeing a more immediate selection and aligned with the Group's sustainability objectives.

Although the AB Group does not present any **direct risks of forced and child labor** along the supply chain, the Purchasing Department is committed to developing guidelines for suppliers to ensure that external partners also operate in accordance with the Group's ethical standards. However, it is important to recognize that, given the complexity and breadth of the supply chain, the effectiveness of such guidelines may be limited.

PROGETTO DOABLE

With the aim of redefining the relationships between the subjects who interact in the market through the Group's wealth of knowledge and experience, AB has started collaborating with **Progetto DOABLE**, a limited liability benefit company.

Progetto DOABLE aims to create a complete and concrete form of sustainability, promoting a **paradigm shift** on multiple levels: **cultural, social** and **corporate**. This objective is pursued through the concept of *Corporate Identity*, the translation of a specific way of thinking about the enterprise, which adopts an operating model capable of guiding current and future activities.

At the core of the company's *Corporate Identity* lie its mission, vision and purpose, separate but interdependent concepts – as well as tools – that are direct expressions of its *Value System*.

- **Mission:** help customers, sensitive to sustainability-related criteria, to meet their needs, through services and products that provide ideas, methods and tools drawn from a collective heritage of experiences;
- **Vision:** create a virtuous ecosystem capable of releasing untapped energy and potential, enabling a network of interdependent subjects to become a community and produce a positive impact on the economy, society and the biosphere;
- **Purpose:** redefine relationships in the working world.



To put the AB philosophy into practice, the Group has decided to adopt and internally promote **two services conceived and provided by Progetto DOABLE**:

aDoormore

aDoormore: a platform dedicated to promoting sustainability throughout the supply chain, by encouraging responsible practices with a low environmental impact. On the platform, each participant can share the sustainability projects they have carried out so that other members of the *community can replicate them*;



aDoormore Contest: a platform dedicated to promoting sustainability within the corporate ecosystem, where each employee can evaluate sustainability projects already carried out in the past and promote new design ideas to drive the company's sustainable development.

YouAreThePilot

YouAreThePilot: an innovative support mechanism dedicated to smaller companies, both within the production chain and for the benefit of customers, whose size is often smaller than that of the Group. The initiative aims to foster business growth and consolidation by providing access to knowledge and experience. A *peer-to-peer orienteering* approach is adopted, a factor that creates a beneficial synergy for both parties involved, contributing to the progress and solidity of the entire production chain.

ADOORMORE

The platform, an initiative able to fully meet "SDG 17, Partnerships for the goals", was inspired by the idea of making the innovation process **horizontal**, creating a climate of collaboration between stimulating and productive companies.

The platform involves the entire supply chain, without factors discriminating participation, helping to create a *community* that is a driving force for the implementation of sustainability actions, also enabling less mature suppliers from an ESG point of view to implement new initiatives based on those shared by partners.

The involvement of suppliers starts from the *aDoormore white paper*, a statement outlining the AB Group's sustainability goals, in its role as a leader. Thanks to this approach, the platform points suppliers in a specific direction, a factor that makes it possible to monitor alignment with the goals defined in the Group's strategic plan and allowing to direct efforts towards shared goals.

To provide transversal and comprehensive support, the **aDoormore** project develops along two lines of action:

- from a **content transmission** point of view, monthly **meetings** are organized to share **ideas** and **data** related to the world of sustainability. During these events, regulatory updates are shared and the actions carried out by suppliers during the month are analyzed, helping to identify any eventual gaps together and discuss future objectives;
- from a **practical** point of view, instead, the platform supports the publication on the feed of content related to sustainability initiatives carried out by suppliers, helping to generate new projects.

Members of the *community* are supported by the AB staff who looks after the platform, in the context of the **DOABLE** project. The aim is to give those who wish to create a post, the opportunity to provide specific information regarding actions that could be carried out in the environmental, social and governance fields. To facilitate the development of new projects, particularly for small suppliers, the platform also includes a database in which about thirty AB initiatives concerning sustainability have been listed as examples.

The posts are detailed and complete and include a description of the project, the internal business areas and external stakeholders involved, the objectives to be achieved, the organization necessary to ensure the success of the initiative, the contribution of the various departments to the project, the evaluation of the challenges encountered in terms of implementation of the initiative, based on indications that include the allocation of resources.

The platform has a symbolic annual fee, used to cover the running costs. Post visibility is limited to subscribers. The value of the platform is significant for suppliers, which acquire a huge competitive advantage, also due to the acquisition of up-to-date sustainability expertise and the development of innovative projects.

To enable a detailed overview of the participants, the AB Group has carried out a supplier "clustering" process. Among these, **strategic, medium-sized suppliers** were identified, which could really make a difference if engaged in a sustainability path and **larger suppliers**, considered to be drivers in the field of sustainability.

At the end of 2023, during the **FuturaExpo** event, the Group carried out **strategic suppliers** engagement activities through *vis-à-vis* meetings aimed at underlining the relevance of the platform in terms of enrichment for all the partners involved, particularly in terms of preparing for the stringent regulatory obligations that will involve all parties and that will require shared efforts.

The platform will be officially launched in January 2024, an initiative in line with the Group's efforts in responsible value chain management. In fact, starting from the development of a *scorecard* that is part of the *vendor rating system*, which will assign an ESG score to suppliers, the Group will identify any eventual monitorable gaps that can be addressed through the development of projects which, for example, include those shared on the platform.

FUTURE GOALS

The AB Group firmly believes in the active involvement of its suppliers as a key element to **improve sustainability performance**. For this reason, the Group has defined the following medium-long term objectives:

- adoption, planned for 2025, of the **Policy on sustainable purchasing** which, by better defining the *vision* of the AB Group with a view to ESG-related aspects, will also serve as a set of reference guidelines for suppliers looking to collaborate with the Group;
- introduction of a new **Vendor Rating** system aimed at evaluating the performance of the supply of products and services with a view to *risk management* and ESG criteria, in line with the provisions of the new CSRD legislation;
- the expansion of the *community* of partners participating in the **Adoormore** platform.



AB Ambiente

AB Ambiente operates in the **agricultural sector** and, in particular, carries out the following activities:



management of a stable with 700 dairy cows;



production and sale of milk entrusted to a producer cooperative and intended mainly for the cheese processing and production industry;



cultivation of land for the production of livestock feed and the generation of agricultural biomass used in cogeneration plants;



operation of two cogeneration plants powered by biogas with the associated transfer of electricity to the national grid and use of thermal energy in the Group's industrial complex.

The idea of operating in a business so different from that of the Group in the strict sense is also linked to the desire to internally **test the AB Group's solutions** related to agriculture and the circular economy.

The company relies on **its own personnel** consisting of ten people, 50% of whom are employed in livestock management, 30% in land cultivation and 20% in plant management.

In terms of **stakeholders**, AB Ambiente collaborates with several **academic institutions**, including the engineering faculty of the University of Brescia, the University of Parma for projects related to the reduction of noise generated by the equipment that AB manufactures and, finally, the University of Cremona for studies and research in the livestock field. The research activity is also carried out internally within the company, with studies focused on biomethane, carbon dioxide recovery and digestate treatment, primarily for the reduction of ammoniacal nitrogen.



FUTURE GOALS

AB Ambiente is currently in the growth phase, with a focus both on the **development of internal** technologies, as well as on a **geographical expansion** towards new plants.

For this reason, the following short-medium term objectives have been defined:

- complete the **construction of a new livestock facility** in Monticelli d'Oglio (BS);
- complete the installation, at the current breeding sites, of a **photovoltaic plant** with a capacity of 700 kW and a 600 kW storage system and the introduction of a further photovoltaic plant at the new site with a capacity of 550 kW and a 400 kW storage system. The ultimate goal is to **purchase 90% less energy** from the national grid, thanks to the reliance on self-produced energy and the storage capacity of its plants.

ANIMAL WELFARE

AB Ambiente cares about the welfare of the animals it manages. For this reason, the 700 cows belonging to its stable are exclusively used for lactation.

The company had adopted the following initiatives to ensure a high standard of living for livestock:

- the barn is equipped with a **cooling system** to provide relief to animals during the hottest times of the year;
- a system for **vaporizing a fly-repellent product** is present, to prevent insects from entering the barn and increase the comfort of the animals;
- **automatic awnings** are installed that close and open in response to external weather conditions, protecting animals from wind-related discomfort and ensuring a stable and comfortable environment;
- **large spaces** are guaranteed, to allow animals to move freely and lie down easily;
- the **milking** activity is **fully automated** thanks to the presence of seven robots that leave the animals free to decide in total autonomy when to be milked;

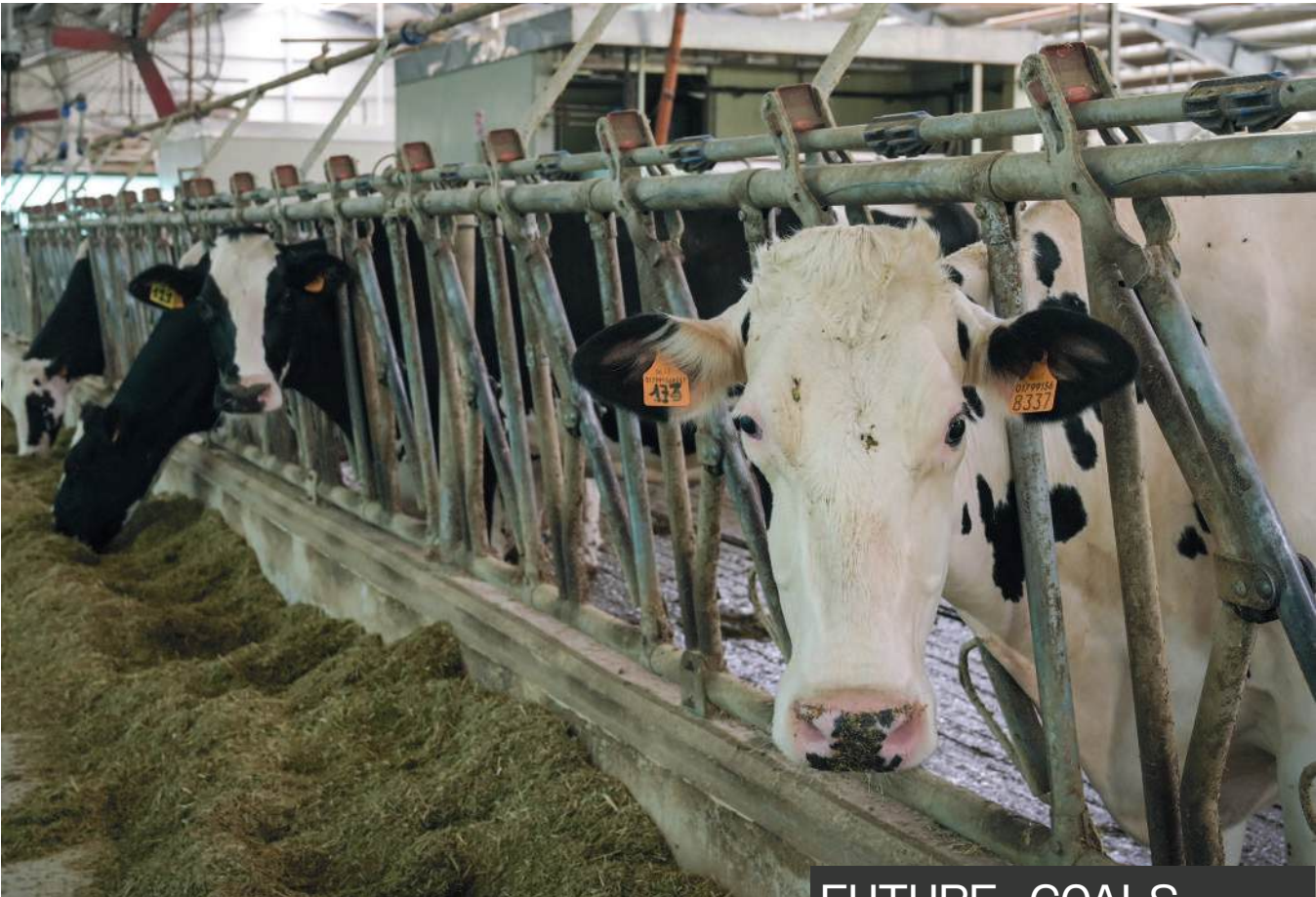
- **livestock health** is constantly monitored by milking robots, which analyze the milk and report if an animal is at risk of mastitis or other health problems;
- the company is frequently subjected **to controls** on the welfare and hygienic conditions of its animals **by the Health Protection Agencies (ATS)** and their veterinarians;
- the milking machines undergo **annual maintenance** which prevents malfunctions. In case of anomalies, the system is remotely controlled and programmed to stop and release the animal;
- **90% of the animals'** diet consists of **internally produced food**, including hay, wheat, maize and triticale, an artificial hybrid of rye and durum wheat. The remaining 10%, primarily consisting of soybeans and other raw materials, is purchased externally.

"STALLA MODELLO" CALL

In carrying out its business activities, AB Ambiente pays great attention to product quality, animal welfare and energy efficiency. For this reason, it has decided to take part in the **"Stalla Modello"** project, with the aim of expanding its production capacity to meet market needs and improve its ESG-related performance, with a view to a market characterized by a steady growth in the demand for responsible and high quality raw materials.

In fact, the project contributes to objectives such as the improvement of the natural environment, hygiene and animal welfare, the efficiency of agricultural and livestock production processes and the creation of models and programs with a strong positive impact on the national agricultural and livestock fabric.

If successful, AB Ambiente intends to allocate the funds received to activities such as the purchase and renovation of stables and land according to the most modern standards of animal welfare and energy and water efficiency, the acquisition of highly automated machinery and the creation of sewage distribution networks.



FUTURE GOALS

AB Ambiente aims to **automate the animal feed supply process**, by replacing the current manual distribution with autonomous wagons that distribute feed 24/7 and thus meet the nutritional needs of the cattle.

SUSTAINABLE FARMING

The company is committed to ensuring the conduct of **sustainable agricultural practice**-saimed at minimizing the environmental impact associated with the cultivation of land and linked to aspects such as soil consumption, water management and the use of renewable resources.

First, a **crop rotation system** is adopted, which benefits **health** and **soil fertility**, optimizing soil nutrients and reducing the presence of pests and weeds.

In addition, plant protection products are used to control the number of insects that could damage crops.

Second, the circularity of the livestock farming activity is guaranteed thanks to the **reuse of biogas and digestate** generated during the anaerobic digestion process²⁷ of substances such as livestock manure, plant biomass, animal by-products, etc. On the one hand, biogas is used in cogeneration plants to produce energy and heat. On the other, digestate is used to fertilize the land to be cultivated, as it is rich in nutrients such as nitrogen, phosphorus and potassium.

Finally, given the type of activity carried out, AB Ambiente accounts for the majority of the Group's **water consumption**, with a supply of **39.30 ML** in 2023.

The water, entirely withdrawn from wells, is mainly used for irrigation of agricultural fields and drinking water for livestock.

The agricultural company constantly strives to optimize its water consumption, for example by using a so-called **"drop by drip" irrigation system**, which makes it possible to **save about 70%** of water compared to a traditional irrigation system, or through a **pivot system** developed by AB Impianti, which adapts to the shape of the terrain, also allowing to irrigate the corners of the fields. In addition, the **rainwater recovery system**, which made it possible to respond with resilience to the drought period experienced in 2023, proved to be extremely beneficial. This system allows rainwater to be collected, stored and reused, thus helping to reduce the demand for drinking water, decrease surface runoff – and consequently mitigate the risk of flooding – and save water and economic resources.

27. During the anaerobic digestion process, bacteria decompose organic matter in the absence of oxygen, producing biogas and a residual material called digestate.

FUTURE GOALS

AB Ambiente aims to **continue to support the development of the Group's research and development activities, but also intends to continue its R&D efforts carried out internally and in collaboration with various universities** to guarantee sustainable agricultural practices, which protect the health of the soil and enable an efficient use of water resources.

FOOD QUALITY & SECURITY

For AB Ambiente, it is essential to ensure the **quality and safety of the milk** that is produced and subsequently shared with cooperatives and the dairy industry. For this reason, three types of checks are carried out:

- a **first check** is carried out by the milking robots, which analyze the milk and report the presence of blood or other anomalies, automatically leading to the rejection of the product;
- a **second check** is carried out by the cooperatives to which AB Ambiente transfers its milk, which verify the quality of the milk when received;
- a **third control** is carried out during the periodic inspections carried out by the Health Protection Agencies (HPAs).

In addition, every week checks are carried out on the herd by external consultants to verify its state of health and respond promptly to any problems.

Finally, AB Ambiente is a member of **Coldiretti**, the National Confederation of Direct Farmers, and adheres to their integrated quality system, the **SQNPI Lombardy Region**, recognized at a European level.

Community engagement

Despite its international scope, the Group maintains a **deep connection with its origins**, actively participating in numerous **initiatives** involving the local community and promoting **constant communication** with its stakeholders through social media, the corporate website and the local press. In particular, the main stakeholders with whom it interfaces are the inhabitants of the local territory, training institutions and universities, sports and cultural associations and charities.

Initiatives and commitments for the benefit of the local territory include:



SPONSORSHIPS

1. **Sports sponsorships** confirmed during the reporting period:
- Orzi Basket;
 - Vanoli Basket Cremona;
 - U.S. Cremonese;
 - River Basket;
 - Tennis Club Orzinuovi;

- ACF Brescia Calcio Femminile;
 - Orceana Calcio;
 - Pedale Orceano;
 - Gruppo Bocciofili Orceano;
 - U.S. Offanenghese;
 - Piscina Sporting Club Soncino;
 - Atletica Chiari.

In addition, the following **sports sponsorships were initiated during the reporting period:**

- AS Villaclarene Società Calcio Dilettanti;
- Croce Verde Volontari Pubblica Assistenza Orzinuovi OdV;
- Team Putiferio ASD Pompiano.



CULTURAL ACTIVITIES

2. **Sponsorships of cultural activities** activated during the reporting period:
- Associazione Dutur Kaos;
 - Support provided to artist Giovanni Battista Mondini for the creation of a sculpture dedicated to poet and writer Alda Merini located at the Navigli in Milan;
 - Municipality of Villachiara – Culture Sector;
 - Municipality of Orzinuovi – Foppa Exhibition.



DONATIONS

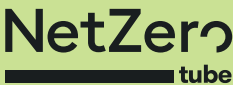
3. **Donations to charities** disbursed in the reporting period:
- Corpo Volontari Parco Oglio Nord;
 - Cuori Grandi Onlus – Mozambique;
 - Fondazione Job Academy Bergamo;
 - Associazione Amici dei Pompieri di Orzinuovi;
 - Per La Famiglia Soc. Coop. Onlus;
 - Parish Church of S. Maria Assunta in Orzinuovi – Caritas;
 - Parish Church of S. Maria Assunta in Orzinuovi;
 - Parish Church of S. Chiara in Villachiara;
 - Parish Church of SS. Bernardo da Mentone - Oltressenda Alta (BG);
 - Scuola dell’Infanzia Luigi Mantova di Villachiara;
 - Associazione Rete di Daphne OdV;
 - Croce Verde Volontari Pubblica Assistenza Orzinuovi OdV;
 - Associazione Calima Odv Orzinuovi – Africa.



LOCAL EVENTS

4. **Sponsorship of local events** confirmed during the reporting period:
- "Strade Basse" sporting event
 - Borgo San Giacomo;
 - Luciano Zanchini soccer tournament in Orzinuovi;
 - Orzi Summer Night.
- In addition, during the reporting period the Group sponsored the following events locally:
- Parish Church of S. Michele Arcangelo Gnari, Coniolo Festival;
 - Dog show event for amateurs – Bizio Annamaria;
 - "Si può fare" APS – Concert;
 - National Alpine Association – Pompiniano.

NETZERO TUBE PORTAL

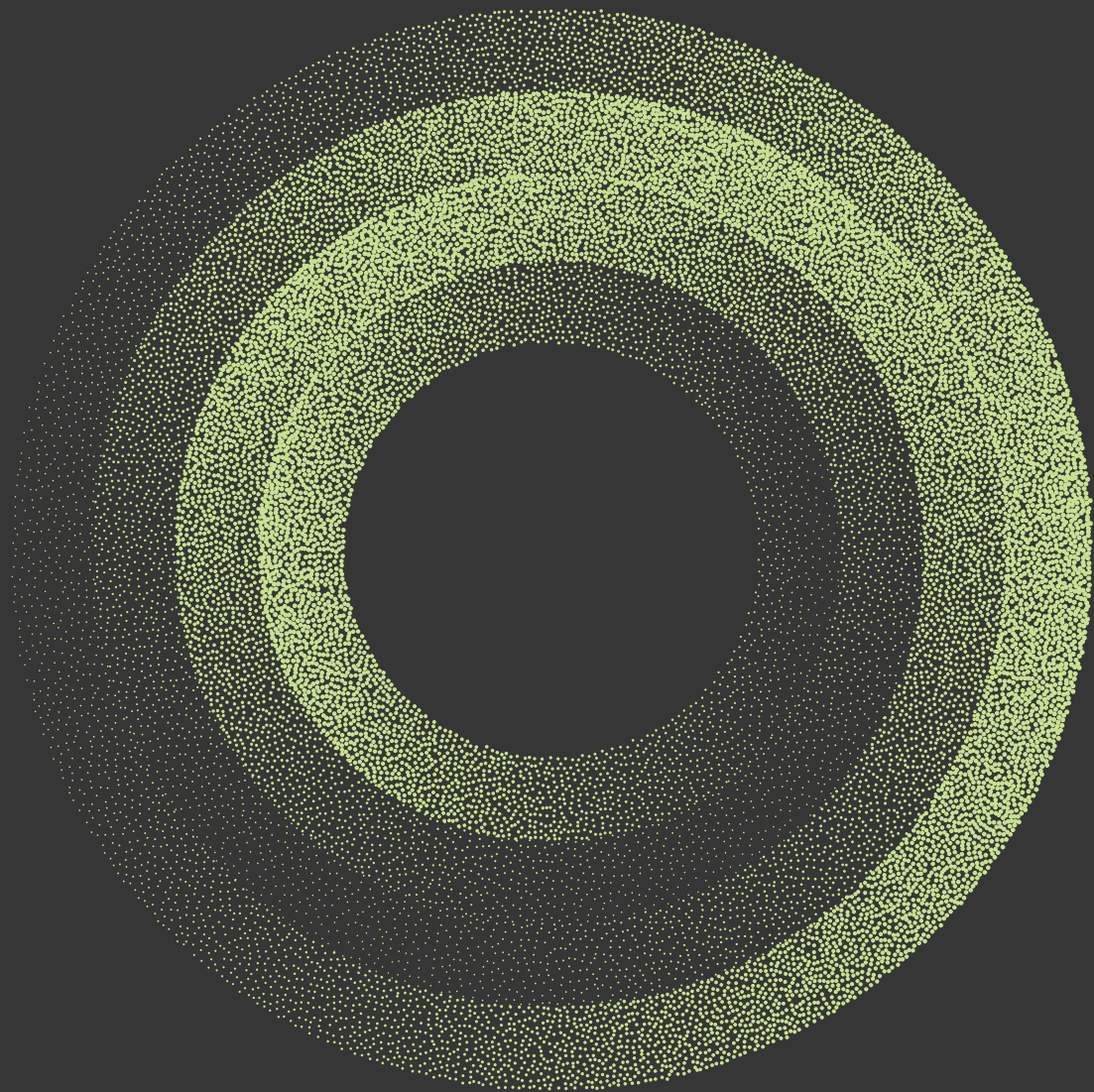


NetZero Tube was founded in 2022, with the aim of circulating knowledge on the production of alternative energies through cogeneration, biogas and biomethane in order to promote the energy transition. AB is the editor of the portal, consisting of three video channels: the Biogas Channel, the Cogeneration Channel and the Biomethane RNG Channel. Through these web channels AB promotes information and technical-scientific dialogue at international level on topics such as natural gas and biogas cogeneration, biomethane, sustainability and energy efficiency.



4

Detailed
information



The human capital of the AB Group

MATERIAL TOPIC: COHESIVE WORK ENVIRONMENT

GRI 2-7 EMPLOYEES

TOTAL NUMBER OF EMPLOYEES PER TYPE OF EMPLOYMENT (FULL-TIME AND PART-TIME), BY GENDER (2023)

Employees	Women	Men	Total
Full-time	158	908	1,066
Part-time	71	8	79
Total	229	916	1,145

TOTAL NUMBER OF EMPLOYEES PER TYPE OF EMPLOYMENT (FULL-TIME AND PART-TIME), BY GEOGRAPHICAL AREA (2023)

Employees	Women	Men	Non-EU	Total
Full-time	835	110	129	1,074
Part-time	70	1	0	71
Total	905	111	129	1,145

TOTAL NUMBER OF EMPLOYEES PER TYPE OF EMPLOYMENT CONTRACT (PERMANENT AND FIXED-TERM), BY GENDER (2023)

Employees	Women	Men	Total
Permanent	11	40	51
Fixed-term	218	876	1,094
Total	229	916	1,145

TOTAL NUMBER OF EMPLOYEES PER TYPE OF EMPLOYMENT CONTRACT (PERMANENT AND FIXED-TERM), BY GEOGRAPHICAL AREA (2023)

Employees	Women	Men	Non-EU	Total
Permanent	56	7	0	63
Fixed-term	850	103	129	1,082
Total	906	110	129	1,145

GRI 2-8 NON-EMPLOYEE WORKERS

OTHER WORKERS BY EMPLOYMENT CATEGORY (2023)

	Women	Men	Total
Interns (University)	3	4	7
Work-school alternation internships	0	47	47
Staff on leasing contracts	0	83	83
Other (please specify)	0	0	0
Total	3	134	137

GRI 2-30 COLLECTIVE BARGAINING AGREEMENTS

EMPLOYEES	2023	%
Covered by collective bargaining	918	80%
Not covered by collective bargaining	227	
Total	1,145	

GRI 401-1 NEW HIRES AND TURNOVER

HIRES BY GENDER AND AGE GROUP (2023)

	Women	Men	Total
<30	29	76	105
30-50	33	83	116
>50	14	19	33
Total	76	178	254

HIRING RATE²⁸ (2023)

	Women	Men	Total
<30	3%	7%	10%
30-50	3%	8%	11%
>50	1%	2%	3%
Total	7%	17%	24%

28. The hiring rate (or positive turnover) were calculated as follows: no. of employees / headcount at the beginning of the period x 100.

TERMINATIONS BY GENDER AND AGE GROUP (2023)

	Women	Men	Total
<30	15	10	25
30-50	20	77	97
>50	10	50	60
Total	45	137	182

REASONS FOR LEAVING (2023)

	Women	Men	Total
Resignations	43	127	170
Retirements	0	3	3
Layoffs	2	2	4
Other reasons	0	5	5
Total	45	137	182

TERMINATION RATE²⁹ (2023)

	Women	Men	Total
<30	1%	1%	2%
30-50	2%	7%	9%
>50	1%	5%	6%
Total	4%	13%	17%

OVERALL TURNOVER RATE³⁰ (2023)

	Women	Men	Total
<30	4%	8%	12%
30-50	5%	14%	19%
>50	2%	6%	8%
Total	11%	28%	39%

HIRES BY GENDER AND GEOGRAPHICAL AREA (2023)

	Women	Men	Total
Italy	26	159	185
EU	2	23	25
Non-EU	2	42	44
Total	30	224	254

29. The termination rate (or negative turnover) was calculated as follows: no. of terminations / headcount at the beginning of the period x 100.

30. The turnover rate (also known as the overall turnover) was calculated as follows: (hired+terminated employees during the period) / average headcount for the period x 100.

HIRING RATE (2023)

	Women	Men	Total
Italy	2%	15%	11%
EU	0%	2%	2%
Non-EU	0%	4%	4%
Total	3%	21%	24%

TERMINATIONS BY GENDER AND GEOGRAPHICAL AREA (2023)

	Women	Men	Total
Italy	8	114	122
EU	3	16	19
Non-EU	4	37	41
Total	15	167	182

TERMINATION RATE (2023)

	Women	Men	Total
Italy	1%	11%	11%
EU	0%	1%	2%
Non-EU	0%	3%	4%
Total	1%	16%	17%

OVERALL TURNOVER RATE (2023)

	Women	Men	Total
Italy	3%	25%	28%
EU	0%	4%	4%
Non-EU	1%	7%	8%
Total	4%	38%	39%

MATERIAL TOPIC: DEVELOPMENT OF HUMAN RESOURCES

GRI 404-1 AVERAGE ANNUAL TRAINING HOURS PER EMPLOYEE, PER GENDER AND CATEGORY

AVERAGE ANNUAL TRAINING HOURS PER EMPLOYEE (2023)			
	Women	Men	Total
Executives	0	0	0
Managers	5	3	4
Office workers	7	24	18
Manual workers	4	62	59
Apprentices	14	73	53
Total	1	47	45

GRI 404-2 PROGRAMS FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS

TYPE OF TRAINING				
	Women	Men	Total participants	Total hours
Anti-corruption	0	0	0	0
IT – Privacy	0	0	0	0
Managerial	28	75	103	5,880
Health and safety	64	462	526	8,321
Technical-professional	69	428	497	37,716
Other	0	0	0	0
Total	161	965	1,126	51,917

GRI 404-3 PERIODIC EVALUATION OF PERFORMANCE AND PROFESSIONAL DEVELOPMENT

EMPLOYEES (2023)				
	Women	Men	NO.	%
Executives	0	4	4	100%
Managers	6	19	25	100%
Office workers	189	319	508	100%
Manual workers	33	572	605	100%
Apprentices	1	2	3	100%
Total	229	916	1,145	100%

MATERIAL TOPIC: DIVERSITY & INCLUSION

GRI 401-3 PARENTAL LEAVE

EMPLOYEES WHO ARE ENTITLED TO PARENTAL LEAVE (2023)			
	Women	Men	Total
	10	18	28

EMPLOYEES WHO HAVE TAKEN PARENTAL LEAVE (2023)			
	Women	Men	Total
	10	18	28

EMPLOYEES WHO RETURNED TO WORK AT THE END OF PARENTAL LEAVE (2023)			
	Women	Men	Total
	10	18	28

EMPLOYEES WHO SHOULD HAVE RETURNED TO WORK AT THE END OF PARENTAL LEAVE (2023)			
	Women	Men	Total
	10	18	28

EMPLOYEES WHO RETURNED TO WORK AT THE END OF PARENTAL LEAVE AND WHO ARE STILL EMPLOYED BY THE ORGANIZATION 12 MONTHS AFTER RETURNING TO WORK (2023)

	Women	Men	Total
	10	18	28

RETURN-TO-WORK AND RETENTION RATES OF EMPLOYEES WHO TOOK PARENTAL LEAVE (2023)

	Women	Men	Total
Return-to-work rate ³¹	100%	100%	100%
Retention rate ³²	91%	75%	80%

GRI 405-1 DIVERSITY IN GOVERNING BODIES³³ AND AMONG EMPLOYEES

DIVERSITY IN GOVERNING BODIES, BY AGE AND GENDER (2023)

	Women	Men	Total
< 30	0%	0%	0%
30 - 50	8%	75%	83%
> 50	8%	8%	17%
Total	17%	83%	100%

DIVERSITY IN GOVERNING BODIES, BY GENDER AND GEOGRAPHICAL AREA (2023)

	Women	Men	Total
Italy	17%	25%	42%
EU	0%	25%	25%
Non-EU	0%	33%	33%
Total	17%	83%	100%

DIVERSITY AMONG EMPLOYEES BY AGE AND GENDER (2023)

	<30			30-50			>50		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executives	0%	0%	0%	0%	75%	75%	0%	25%	25%
Managers	0%	0%	0%	24%	60%	84%	0%	16%	16%
Office workers	11.6%	20.3%	31.9%	22.4%	37%	59.4%	3.1%	5.5%	8.7%
Manual workers	0%	19.7%	19.7%	1.8%	62%	63.8%	3.6%	12.9%	16.5%
Apprentices	33.3%	0%	33.3%	0%	66.7%	66.7%	0%	0%	0%
Total	5.2%	19.4%	24.6%	11.4%	50.9%	62.4%	3.3%	9.7%	13%

31. The return to work rate is calculated as follows: (no. of employees who actually returned to work after parental leave / no. of employees who should have returned to work after parental leave) x 100.

32. The retention rate is calculated as follows: (no. of employees who are still employed by the company 12 months after returning to work after parental leave / no. of employees who returned from parental leave during the previous reporting periods) x 100.

33. According to the 2021 GRI Standards, "governance body" refers to a committee or board that oversees the strategic guidance of the organization, the effective monitoring of management and the accountability of the governing bodies towards the organization in general and towards stakeholders. In the specific case of AB Group, this refers to the Board of Directors.

DIVERSITY AMONG EMPLOYEES, BY GENDER AND GEOGRAPHICAL AREA (2023)

	Italy			EU			Non-EU		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executives	0%	50%	50%	0%	0%	0%	0%	50%	50%
Managers	23.1%	73.1%	96.2%	0%	0%	0%	0%	3.8%	3.8%
Office workers	33.4%	55.7%	89.1%	1.9%	3.7%	5.6%	1.4%	3.9%	5.2%
Manual workers	5.5%	64.2%	69.7%	0%	13.7%	13.7%	0%	16.6%	16.6%
Apprentices	33.3%	66.7%	100%	0%	0%	0%	0%	0%	0%
Total	18.5%	60.5%	79%	0.9%	8.8%	9.7%	0.6%	10.7%	11.3%

GRI 405-2 RATIO OF BASIC SALARY TO AVERAGE SALARY OF WOMEN COMPARED TO MEN³⁴

BASIC SALARY³⁵ (2023)

	Women to men ratio
Executives	0.00%
Managers	0.98
Office workers	0.77
Manual workers	0.60
Apprentices	1.00

AVERAGE SALARY³⁶ (2023)

	Women to men ratio
Executives	0.00
Managers	0.98
Office workers	0.60
Manual workers	0.28
Apprentices	1.00

34. The reporting scope of the data provided covers AB Holding, AB Impianti, AB Power, Enviroexperts Italia, AB Energy, AB Service and AB Fin-Solution.

35. The calculation compared the basic salary of women with that of men. The basic salary refers to the minimum, fixed amount paid to an employee for carrying out their duties.

36. The calculation compared the average salary of women to men, taking into account the actual income received, then re-proportioned with respect to part-time contracts, more commonly used by female employees than by male employees in the company. The average salary is understood as the basic salary plus any additional amounts paid to an employee.

MATERIAL TOPIC: HEALTH AND SAFETY

GRI 403-8 WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

EMPLOYEES (2023)

	NO.	%
Number and percentage of employees covered by an OHSMS ³⁷	917	79%
Number and percentage of employees covered by an OHSMS and subject to internal audits ³⁸	696	60%
Number and percentage of employees covered by an OHSMS audited or certified by independent third parties	0	0%

NON-EMPLOYEES (2023)

	NO.	%
Number and percentage of employees covered by an OHSMS ³⁹	22	100%
Number and percentage of employees covered by an OHSMS and subject to internal audits	22	100%
Number and percentage of employees covered by an OHSMS audited or certified by independent third parties	0	0%

GRI 403-9 ACCIDENTS AT WORK

EMPLOYEES (2023)

	NO.	%
Number and rate of deaths as a result of accidents at work	0	0%
Number and rate of accidents at work with serious consequences (excluding deaths) ⁴⁰	7	2.49%
Number and rate of accidents at work ⁴¹	30	10.65%
<i>Of which in progress</i> ⁴²	2	
Number of <i>near-misses</i> recorded	22	
The number of hours worked	2,815,987	
The number of working days lost due to accidents at work ⁴³	612	
Severity index ⁴⁴		0.21%

37. The Management System currently covers only Italy and not foreign offices.

38. The reporting scope covers AB Impianti and AB Service.

39. The reporting scope covers temporary workers employed by AB Impianti.

40. The reporting scope covers AB Ambiente, AB Impianti and AB Service.

41. The reporting scope covers AB Ambiente, AB Impianti, AB Service, ABE Canada, AB Energy France, AB Energy do Brasil and AB Energy Polska.

42. The reporting scope covers AB Service.

43. The reporting scope covers AB Ambiente, AB Impianti, AB Service, AB Energy France, AB Energy do Brasil and AB Energy Polska.

44. The severity index was calculated as days of work lost due to accidents at work * 1.000 / hours worked

NON-EMPLOYEES (2023)

	NO.	%
Number and rate of deaths as a result of accidents at work	0	0%
Number and rate of accidents at work with serious consequences (excluding deaths)	0	0%
Number and rate of accidents at work ⁴⁵	4	59.25%
<i>Of which in progress</i>	0	0%
Number of <i>near-misses</i> recorded	0	0%
The number of hours worked	67,500	
The number of workdays lost due to accidents at work	42	
Severity index ⁴⁶		0.62%

45. The reporting scope covers AB Impianti.

46. The severity index was calculated as days of work lost due to accidents at work * 1.000 / hours worked

GRI 403-10 OCCUPATIONAL ILLNESSES

EMPLOYEES (2023)

	NO.
Number of deaths resulting from occupational illnesses	0
Number of cases of recordable occupational illnesses	0
Main types of occupational illnesses	0

NON-EMPLOYEE WORKERS (2023)

	NO.
Number of deaths resulting from occupational illnesses	0
Number of cases of recordable occupational illnesses	0
Main types of occupational illnesses	0

Environmental impact management

MATERIAL TOPIC: ENERGY MANAGEMENT & EMISSIONS

GRI 302-1 IN-HOUSE ENERGY CONSUMPTION

ENERGY CONSUMED	UNIT OF MEASUREMENT	2023
ELECTRICITY		
Electricity purchased from the grid	GJ	4,204,64
<i>of which from renewable sources</i>	GJ	1,976.35
Electricity purchased with Guarantee of Origin contracts	GJ	0.00
Self-produced renewable electricity	GJ	11,348.97
Self-produced non-renewable electricity	GJ	0.00
Total Electricity	GJ	15,553.61
Less: renewable self-produced energy sold to the grid	GJ	9,592.96
Less: non-renewable self-produced energy sold to the grid	GJ	0.00
TOTAL	GJ	5,960.64
Of which from renewable sources	GJ	3,732.19
FUEL FOR VEHICLES		
Diesel	GJ	
Petrol	GJ	
LPG	GJ	
Methane	GJ	
NATURAL GAS (METHANE) FOR HEATING OR OTHER USES		
Methane	GJ	1,475,48
TOTAL	GJ	1,475,48

GRI I 302-3 ENERGY INTENSITY

47. National average conversion factor, ISPRA 2023 data.

INDICATORS	UNIT OF MEASUREMENT 2023	
Energy consumption	GJ	15,553.61
Production value	€	378,504,354
Intensity index	GJ/€	0.0411

GRI 305-1 DIRECT GHG EMISSIONS (SCOPE 1)

EMISSION CATEGORY		TCO2EQ
Scope 1	methane for heating	83.19
	company vehicle fleet and work equipment	7,986.70
	refrigerant gas leaks	10.86
	AB Ambiente (lactating cows)	2,551.92
TOTAL		10,632.67

GRI 305-2 INDIRECT GHG EMISSIONS FROM ENERGY CONSUMPTION (SCOPE 2)

EMISSION CATEGORY		TCO ₂ EQ
Scope 2	purchased from the national grid	300.42
	purchased intergroup (renewable)	0.00
	self-produced and consumed	0.00
TOTAL		300.42

AB EMISSION INDEX COMPARED TO THE NATIONAL AVERAGE		KGCO2EQ PER KWH OF ENERGY CONSUMED
market based	AB Group performance	69.53
location based ⁴⁷	national average kgCO ₂ per KWh	257.20
percentage of emissions saved thanks to the solutions adopted by the Group		73%

GRI 305-4 INTENSITY OF GREENHOUSE GAS (GHG) EMISSIONS

INDICATORS	UNIT OF MEASUREMENT	2022	2023
Emissions Scope 1 + Scope 2 Loc Based	tCO ₂ e	n.a.	11,743.97
Production value	€	375,973,424	378,504,354
Intensity index	tCO ₂ e/€	n.a.	0.0310
INDICATORS	UNIT OF MEASUREMENT	2022	2023
Emissions Scope 1 + Scope 2 Mkt Based	tCO ₂ e	n.a.	10,933.09
Production value	€	375,973,424	378,504,354
Intensity index	tCO ₂ e/€	n.a.	0.0289

GRI 305-7 NITROGEN OXIDES (NOX) , SULFUR OXIDES (SOX) AND OTHER RELEVANT AIR EMISSIONS

OTHER EMISSIONS		
	Unit of measurement	Quantity 2023
Total dust	Kg/year	82.80
Total dust	Kg/year	141.10
VOCs	Kg/year	667.30

MATERIAL TOPIC: CIRCULAR ECONOMY & WASTE MANAGEMENT ⁴⁸

48. The amount of waste generated is attributable to the following companies: AB Ambiente, AB Impianti, AB Energy, AB Power, ENVIROEXPERTS, AB Service, KWE ABE POLSKA.

49. Of the waste generated, not all of it was disposed of in 2023. In fact, about 6.5 tons of waste, attributable to the AB Impianti company, were generated in 2023 and disposed of the following year.

GRI 306-3 WASTE GENERATED⁴⁹

EWC	EWC (EUROPEAN WASTE CODE) DEFINITION	WASTE DESCRIPTION	UNIT OF MEASUREMENT	2023	
				Non-hazard-ous waste	Hazardous waste
120114	Processing sludge containing dangerous substances	Engine washing tank bottom sludge	t	0.00	1.49
120102	Filing and shavings of ferrous materials	Filing and shavings of ferrous materials	t	3.00	0.00
120121	Spent grinding tools and materials other than those accounted for in item 120120	Spent disks from hoses or grinders	t	2.30	0.00
120199	Waste not otherwise specified	Iron sheet metal scraps	t	460.49	0.00
120301	Aqueous washing solutions	Container washing water	t	0.00	29.36
120301	Aqueous washing solutions	Parts washing water	t	0.00	25.68
120301	Aqueous washing solutions	Engine and boiler washing water	t	0.00	166.60
120301	Aqueous washing solutions	Wastewater from boiler washing activities (fume side and water side)	t	0.00	0.00
130205	Unchlorinated mineral oils for engines, gears and lubrication	Waste oil	t	0.00	95.73
130208	Other engine, gear and lubricating oils	Other engine, gear and lubricating oils	t	0.00	2.58
130802	Other emulsions	Oil-water emulsion	t	0.00	14.45
130802	Other emulsions	Oil-water emulsion (compressor condensate)	t	0.00	7.10
140601	Chlorofluorocarbons, HCFC and HFC	Empty refrigerant gas cylinders	t	0.00	0.28
150101	Paper and cardboard packaging	Clean paper and cardboard packaging	t	62.07	0.00
150102	Plastic packaging	Clean plastic packaging	t	24.41	0.00
150103	Wooden packaging	Pallets and wooden packaging waste	t	138.81	0.00
150106	Mixed material packaging	Mixed packaging materials / Agricultural tarpaulins	t	59.31	1.00
150110	Packaging containing residues of hazardous substances or contaminated by such substances	Packaging soiled with or containing oil/thinner/ paints	t	0.00	8.85
150110	Packaging containing residues of hazardous substances or contaminated by such substances	Paper/plastic soiled with paint	t	0.00	4.37

EWC	EWC (EUROPEAN WASTE CODE) DEFINITION	WASTE DESCRIPTION	UNIT OF MEASUREMENT	2023	
				Non-hazardous waste	Hazardous waste
150202	Absorbents, filter materials, rags and protective clothing contaminated by dangerous substances	Dirty rags	t	0.00	15.52
150202	Absorbents, filter materials, rags and protective clothing contaminated by dangerous substances	Filters from the abatement system used for painting	t	0.00	2.64
150202	Absorbents, filter materials, rags and protective clothing contaminated by dangerous substances	Painting system water filter sheets	t	0.00	0.00
150202	Absorbents, filter materials, rags and protective clothing contaminated by dangerous substances	Plant replacement air filters and filter cells	t	0.00	8.45
150203	Air filters	Air filters	t	0.12	0.00
160107	Oil filters	Spent oil filters	t	0.00	3.38
160114	Antifreeze liquids containing dangerous substances	Spent glycol	t	0.00	28.04
160117	Ferrous metals	Waste iron and miscellaneous metals	t	38.61	0.00
160119	Plastic	Plastic	t	0.00	0.00
160120	Glass	Glass	t	0.21	0.00
160121	Hazardous components	Waste components contaminated by hazardous substances	t	0.00	0.37
160211	Disused equipment containing chlorofluorocarbons HCFC, HFC	Discontinued systems containing F-gas (air conditioners, etc.)	t	0.00	0.70
160213	Disused equipment, containing dangerous components, other than those referred to in items 160209 to 160212	Disused electrical/ electronic equipment (monitors)	t	0.00	0.17
160214	Disused equipment, other than those referred to in items 160209 to 160213	Disused electrical/ electronic equipment	t	13.10	0.00
160216	Components removed from disused equipment, other than those referred to in item 160215	Components from disused electrical/electronic equipment	t	1.43	0.00
160303	Inorganic waste containing hazardous substances	Iron dust	t	0.00	2.31
160303	Inorganic waste containing hazardous substances	Unused expired products	t	0.00	0.05
160304	Inorganic waste, other than that referred to in item 160303	Unused fireproof insulation material	t	0.14	0.00

EWC	EWC (EUROPEAN WASTE CODE) DEFINITION	WASTE DESCRIPTION	UNIT OF MEASUREMENT	2023	
				Non-hazardous waste	Hazardous waste
160305	Organic waste containing hazardous substances	Unused/waste product (Merlin Acid) for cleaning and sanitizing milking machines	t	0.00	0.00
160306	Organic waste, other than that referred to in item 160305	Waste silicone cartridges	t	0.06	0.00
160505	Gases in pressure containers	Empty gas cylinders	t	0.46	0.00
160506	Unused laboratory chemicals	Unused laboratory chemicals	t	0.00	0.10
160601	Lead batteries	Exhausted lead-acid batteries	t	0.00	6.99
160604	Alkaline batteries	Alkaline batteries	t	0.01	0.00
160605	Other batteries and accumulators	Lithium batteries	t	0.05	0.00
160801	Spent catalysts containing gold, silver, rhenium, rhodium, palladium, iridium or platinum	Spent catalyst pads	t	0.78	0.00
160803	Spent catalysts containing transition metals or compounds, not otherwise specified	Catalytic tiles	t	2.87	0.00
161001	Aqueous liquid waste containing hazardous substances	Wastewater from boiler washing activities (fume side and water side)	t	0.00	79.23
161002	Non-hazardous aqueous liquid waste	Wastewater from boiler washing activities (fume side and water side)	t	8.19	0.00
170202	Glass	Glass scraps	t	0.25	0.00
170203	Plastic	Welding/plastic pipes	t	2.12	0.06
170401	Copper, bronze and brass	Copper, bronze and brass	t	0.00	0.00
170402	Aluminum	Aluminum profile scraps	t	0.30	0.00
170405	Iron and steel	Sheet metal or tubular scraps in stainless steel	t	228.55	0.00
170407	Mixed metals	Parts, scraps and components in miscellaneous metals	t	27.18	0.00
170411	Cables, other than those referred to in item 170410	Copper ropes, cables, wires and bars	t	8.04	0.00
170603	Other insulating materials containing or replaced by dangerous substances	Rock wool	t	0.00	5.42
170604	Insulating materials, other than those referred to in items 170601 and 170603	Scraps from sandwich/ corrugated panels	t	11.13	0.00

EW C	EW C (EUROPEAN WASTE CODE) DEFINITION	WASTE DESCRIPTION	UNIT OF MEASUREMENT	2023	
				Non-hazardous waste	Hazardous waste
170802	Gypsum-based building materials, other than those referred to in item 170801	Plasterboard	t	7.37	0.00
170903	Mixed waste from construction and demolition contaminated by hazardous substances	Mixed waste from construction and demolition contaminated by hazardous substances	t	0.00	3.20
170904	Mixed waste from construction and demolition other than those referred to in items 170901 and 170903	Construction/demolition building material	t	31.47	0.00
180202	Waste that must be collected and disposed of by applying precautions to avoid infections	Infectious waste from livestock (needles, syringes, medicines, etc.)	t	0.00	0.17
190904	Spent activated carbon	Spent activated carbon from biogas plants	t	4.10	1.60
200121	Fluorescent tubes and other waste containing mercury	Disused neon	t	0.00	0.15
200307	Bulky waste	Various bulky waste (chairs, doors, etc.)	t	1.16	0.00
020104	Plastic waste (excluding packaging)	Black hoses	t	8.00	0.00
080111	Waste paints and varnishes containing organic solvents or other hazardous substances	Painting sludge/Spent thinner	t	0.00	19.90
080120	Aqueous suspensions containing paints or varnishes, other than those referred to in item 080119	Painting system water	t	71.60	0.00
080201	Coating waste powders	Waste paint powder	t	2.04	0.00
080318	Spent printing toners, other than those referred to in item 080317	Spent printing toners	t	0.05	0.00
Total			t	1,219.78	535.92
Total			t	1,755.70	

GRI 306-4 WASTE DIVERTED FROM DISPOSAL

HAZARDOUS WASTE (2023)	UNIT OF MEASUREMENT	AT AN EXTERNAL SITE	ON-SITE	TOTAL
Reuse	t	0.00	0.00	0.00
Recycling	t	0.00	0.00	0.00
Other recovery options	t	149.27	0.00	149.27
Total hazardous waste diverted from disposal	t	149.27	0.00	149.27
NON-HAZARDOUS WASTE (2023)	UNIT OF MEASUREMENT	AT AN EXTERNAL SITE	ON-SITE	TOTAL
Reuse	t	0.00	0.00	0.00
Recycling	t	0.00	0.00	0.00
Other recovery options	t	1,118.40	0.00	1,118.40
Total non-hazardous waste diverted from disposal	t	1,118.40	0.00	1,118.40
Total waste diverted from disposal	t	1,267.66	0.00	1,267.66

GRI 306-5 WASTE DIRECTED TO DISPOSAL

HAZARDOUS WASTE (2023)	UNIT OF MEASUREMENT	AT AN EXTERNAL SITE	ON-SITE	TOTAL
Incineration (with energy recovery)	t	0.00	0.00	0.00
Incineration (without energy recovery)	t	0.00	0.00	0.00
Directed to disposal	t	27.11	0.00	27.11
Other disposal operations	t	357.59	0.00	357.59
Total hazardous waste directed to disposal	t	384.70	0.00	384.70

NON-HAZARDOUS WASTE	UNIT OF MEASUREMENT	AT AN EXTERNAL SITE	ON-SITE	TOTAL
Incineration (with energy recovery)	t	0.00	0.00	0.00
Incineration (without energy recovery)	t	0.00	0.00	0.00
Directed to disposal	t	10.93	0.00	10.93
Other disposal operations	t	85.91	0.00	85.91
Total non-hazardous waste directed to disposal	t	96.84	0.00	96.84
Total waste directed to disposal	t	481.54	0.00	481.54

MATERIAL TOPIC: WATER MANAGEMENT

GRI 303-3 WATER WITHDRAWAL

WATER WITHDRAWN (2023)	UNIT OF MEASUREMENT	DRINKING WATER (≤1,000 MG/L TOTAL DISSOLVED SOLIDS)	OTHER TYPES OF WATER (>1,000 MG/L TOTAL DISSOLVED SOLIDS)
Surface water	ML	0.00	0.00
Groundwater (well)	ML	39.31	0.00
Seawater	ML	0.00	0.00
Produced water	ML	0.00	0.00
Third-party water resources (aqueduct)	ML	4.99	0.00
Total	ML	44.30	0.00

GRI 303-3 WATER WITHDRAWAL

WATER WITHDRAWN (2023)	UNIT OF MEASUREMENT	DRINKING WATER (≤1,000 MG/L TOTAL DISSOLVED SOLIDS)	OTHER TYPES OF WATER (>1,000 MG/L TOTAL DISSOLVED SOLIDS)
Surface water	ML	0.00	0.00
Groundwater (well)	ML	0.00	0.00
Seawater	ML	0.00	0.00
Third-party water resources (sewer)	ML	44.02	0.00
Authorized discharge of first flush waters	ML	0.03	0.00
Aqueous liquid waste	ML	0.00	0.28
Total	ML	44.05	0.28

GRI 303-5 WATER CONSUMPTION

WATER CONSUMED	UNIT OF MEASUREMENT	2023
Water withdrawal	ML	44.30
Water drainage	ML	44.33
Water consumption	ML	-0.03 ⁵⁰

50. The conversion of the original data from cubic meters (cm) to mega liters (ML), as required by the GRI 303 - Water and effluents standard, was carried out considering a density of 1. However, it should be noted that the water discharged may include aqueous liquid waste with varying density, which could cause slight conversion discrepancies. For this reason, the water consumption specified in the table and deriving from subtracting the water discharged from the water withdrawn is negative for some decimals. For this reason, in such cases please consider the water consumption as equal to 0.

Responsible value chain

MATERIAL TOPIC: RESPONSIBLE AND ENGAGED SUPPLY CHAIN

GRI 204-1 PROPORTION OF SPENDING ON
LOCAL SUPPLIERS

SUPPLIERS BY REGION 2023

	NO.	%
Italy	350	88%
EU (excluding Italy)	45	11%
Non-EU	2	1%
Total	397	100%

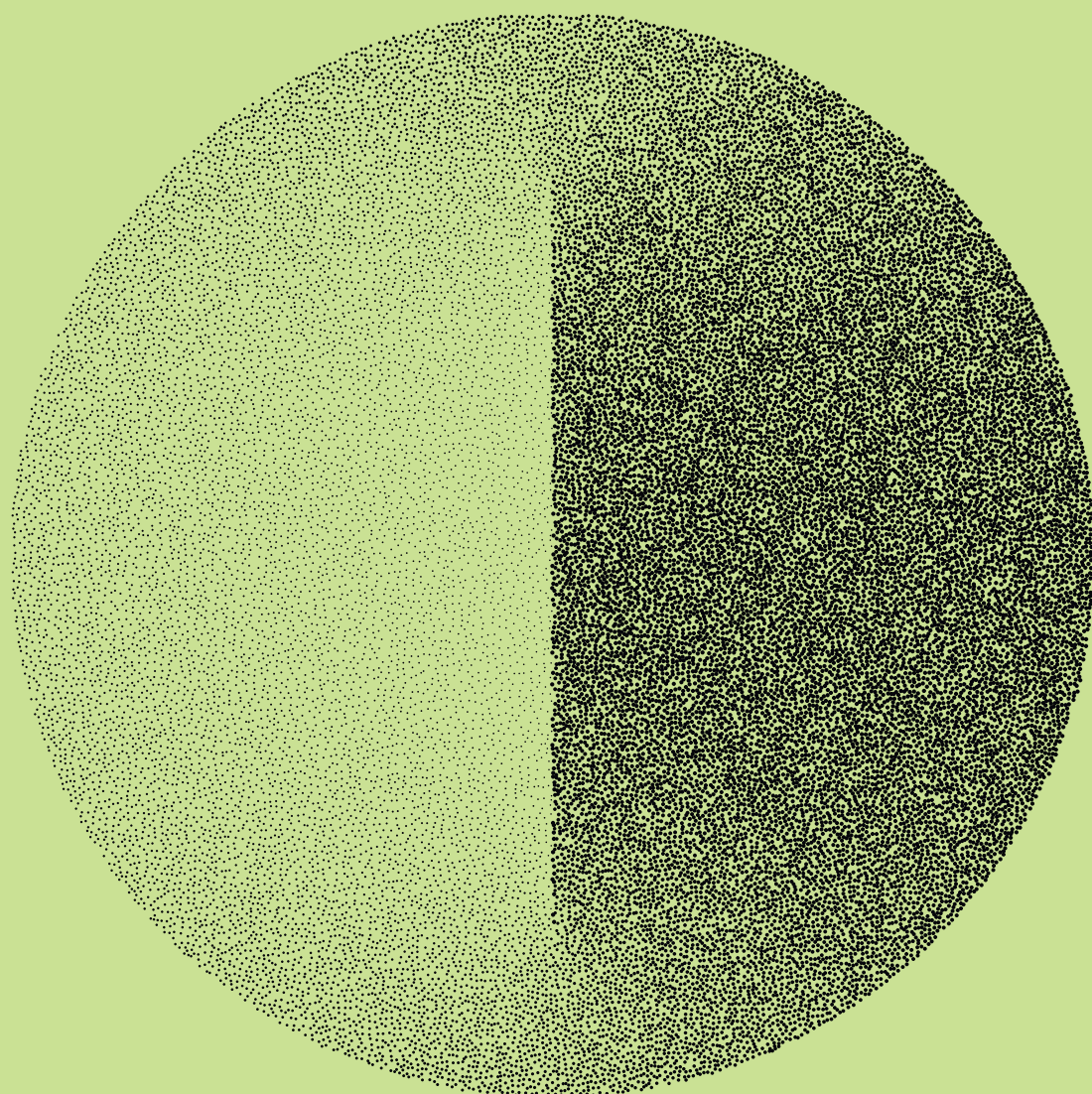
EXPENDITURE 2023

	%
Italy	73.23%
EU (excluding Italy)	23.34%
Non-EU	3.42%
Total	100%



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GRI Content Index



This Sustainability Report has been prepared according to the *"in accordance with" option*.

GRI	INFORMATION	SECTION	NOTES
GRI 2 – GENERAL INFORMATION			
The organization and its reporting practices			
2-1	Organizational details	Methodological Note; The structure of the Group	
2-2	Entities included in the organization's sustainability reporting	Methodological Note	
2-3	Reporting period, frequency and point of contact	Methodological Note	
2-4	Information review	Methodological Note	
2-5	External assurance		This Sustainability Report is not subject to external assurance.
Activities and workers			
2-6	Business activities, value chain and other business relationships	The Profile; The business areas; Responsible value chain	
2-7	Employees	The human capital of the AB Group; Cohesive work environment; Detailed information	
2-8	Non-employee workers	The human capital of the AB Group; Cohesive work environment; Detailed information	
Governance			
2-9	Governance structure and composition	Governance structure	
2-10	Appointment and selection of the highest governance body		The appointment of the Board of Directors is the responsibility of the Shareholders' Meeting, in accordance with Article 2383 of the Italian Civil Code.
2-11	Chairman of the highest governance body		The Chairman of the Board of Directors is not a senior executive of the Group.
2-12	Role of the highest governance body in controlling impact management	Sustainability Committee	
2-13	Delegation of responsibility for impact management	Sustainability Committee	
2-14	Role of the highest governance body in sustainability reporting		This Sustainability Report were approved by the Board of Directors on 13/11/2024.
2-15	Conflicts of interest		Conflict of interest is managed in accordance with the provisions of the Italian Civil Code.
2-16	Communication of critical issues		

GRI	INFORMATION	SECTION	NOTES
2-17	Collective knowledge of the highest governance body	Development of human resources	
2-18	Performance evaluation of the highest governance body		Currently there are no mechanisms in place for evaluating the performance of the Board of Directors in managing impacts on the economy, the environment and people.
2-19	Remuneration policies		The remuneration of the members of the Board of Directors provides for a fixed amount.
2-20	Remuneration determination process		The remuneration of the members of the Board of Directors is determined by the Shareholders' Meeting at the time of appointment.
2-21	Annual Total Remuneration Report		In 2023, the ratio between the total annual remuneration of the individual receiving the maximum remuneration and the median value of the total annual remuneration of all employees (excluding the aforementioned person) is 3.21.
Strategy, policies and practices			
2-22	Sustainable Development strategy statement	Letter to Stakeholders	
2-23	Commitment in terms of policy	The contribution to the UN 2030 Agenda; Tools for responsible management; Additional references provided within the different sections relating to material topics	
2-24	Integration of policy commitments		Ref. 2-23
2-25	Processes aimed at remediating negative impacts		During 2023, no reports were received regarding negative impacts in the management of ESG-related aspects.
2-26	Mechanisms to request clarification and raise concerns	Methodological note; Business ethics	
2-27	Compliance with applicable laws and regulations		No cases of non-compliance with applicable laws and regulations were recorded during the reporting period.
2-28	Membership in associations		The Group participates in some trade associations, including EBA – European Biogas Association, CIB, Italcogen, CogenEurope, AIB (Confindustria Brescia) and Coldiretti.

GRI	INFORMATION	SECTION	NOTES
Stakeholder engagement			
2-29	Stakeholder engagement approach	Stakeholders	
2-30	Collective bargaining agreements	AB's human capital	Metalworking national collective bargaining agreement (CCNL Metalmeccanico) Trade national collective bargaining agreement (CCNL Commercio) Trade managers Metalworking managers Agricultural national collective bargaining agreement (CCNL Agricolo) Cleaning national collective bargaining agreement (CCNL Pulizie)
SPECIFIC STANDARDS			
GRI 3 MANAGEMENT OF MATERIAL TOPICS			
3-1	Process to determine material topics	Materiality analysis	
3-2	List of material topics	Materiality analysis	
Material topic: Business ethics			
GRI 3 MANAGEMENT OF MATERIAL TOPICS			
3-3	Management of material topics	Business ethics	
GRI 205 ANTI-CORRUPTION			
205-1	Operations assessed for risks related to corruption		
205-2	Communication and training about anti-corruption policies and procedures		
205-3	Confirmed incidents of corruption and actions taken		In 2023, no cases of corruption were recorded.
GRI 206 – ANTI-COMPETITIVE BEHAVIOR			
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices		In 2023, no legal actions were taken against the company.
Material topic: Cybersecurity			
GRI 3 MANAGEMENT OF MATERIAL TOPICS			
3-3	Management of material topics	Data privacy & cybersecurity	
GRI 418 CUSTOMER PRIVACY			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data privacy & cybersecurity	In 2023, the Group received no complaints regarding the violation of privacy or recorded incidents of leaks, theft or loss of customer data.

GRI	INFORMATION	SECTION	NOTES
Material topic: Climate change & Energy transition			
GRI 3 MANAGEMENT OF MATERIAL TOPICS			
3-3	Management of material topics	Climate change & Energy transition	
Material topic: Technology & Innovation			
GRI 3 MANAGEMENT OF MATERIAL TOPICS			
3-3	Management of material topics	Technology & Innovation	
Material topic: Customer Centricity			
GRI 3 MANAGEMENT OF MATERIAL TOPICS			
3-3	Management of material topics	Customer Centricity	
Material topic: Cohesive Work Environment			
GRI 3 MANAGEMENT OF MATERIAL TOPICS			
3-3	Management of material topics	Cohesive Work Environment	
GRI 401 EMPLOYMENT			
401-1	New employee hires and employee turnover	Cohesive Work Environment;	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Cohesive Work Environment	
401-3	Parental leave	Diversity & Inclusion;	
Material topic: Development of human resources			
GRI 3 MANAGEMENT OF MATERIAL TOPICS			
3-3	Management of material topics	Development of human resources	
GRI 404 TRAINING AND EDUCATION			
404-1	Average hours of training per year per employee	Development of human resources; Detailed information	
404-2	Programs for upgrading employee skills and transition assistance programs	Development of human resources; Detailed information	
404-3	Percentage of employees receiving regular performance and career development reviews	Development of human resources; Detailed information	
Material topic: Diversity & Inclusion			
GRI 3 MANAGEMENT OF MATERIAL TOPICS			
3-3	Management of material topics	Diversity & Inclusion	
GRI 405 DIVERSITY AND EQUAL OPPORTUNITIES			
405-1	Diversity in governing bodies and among employees	Diversity & Inclusion; Detailed information	
405-2	Ratio of basic salary to average salary of women compared to men	Detailed information	

GRI	INFORMATION	SECTION	NOTES
GRI 406 NON-DISCRIMINATION			
406-1	Incidents of discrimination and corrective measures taken		In 2023, two episodes of discrimination were recorded.
Material topic: Health & Safety			
GRI 3 MANAGEMENT OF MATERIAL TOPICS			
3-3	Management of material topics	Health & Safety	
GRI 403 OCCUPATIONAL HEALTH AND SAFETY			
403-1	Occupational health and safety management system	Health & Safety	
403-2	Hazard identification, risk assessment and incident investigation	Health & Safety	
403-3	Occupational health services	Health & Safety	
403-4	Worker participation, consultation, and communication on occupational health and safety	Health & Safety	
403-5	Worker training on occupational health and safety	Health & Safety	
403-6	Promotion of worker health	Health & Safety	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health & Safety	
403-8	Workers covered by an occupational health and safety management system	Health & Safety; Detailed information	
403-9	Work-related injuries	Health & Safety; Detailed information	
403-10	Work-related ill health	Health & Safety; Detailed information	In 2023, no occupational illnesses were recorded.
Material topic: Energy Management & Emissions			
GRI 3 MANAGEMENT OF MATERIAL TOPICS			
3-3	Management of material topics	Energy Management & Emissions	
GRI 302 ENERGY			
302-1	Energy consumption within the organization	Energy Management & Emissions; Detailed information	
302-3	Energy intensity		The energy intensity index in 2023 is 0.04.
GRI 305 EMISSIONS			
305-1	Direct (Scope 1) GHG emissions	Energy Management & Emissions; Detailed information	

GRI	INFORMATION	SECTION	NOTES
305-2	Energy indirect (Scope 2) GHG emissions	Energy Management & Emissions; Detailed information	
305-4	GHG emissions intensity		The emission intensity index in 2023 is 0.02.
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Energy Management & Emissions; Detailed information	
Material topic: Circular economy & Waste Management			
GRI 3 MANAGEMENT OF MATERIAL TOPICS			
3-3	Management of material topics	Circular Economy & Waste Management	
GRI 306 WATER DISCHARGES AND WASTE			
306-1	Waste generation and significant waste-related impacts	Circular Economy & Waste Management	
306-2	Management of significant waste-related impacts	Circular Economy & Waste Management	
306-3	Waste generated	Circular Economy & Waste Management; Detailed information	
306-4	Waste diverted from disposal	Circular Economy & Waste Management; Detailed information	
306-5	Waste directed to disposal	Circular Economy & Waste Management; Detailed information	
Material topic: Water management			
GRI 3 MANAGEMENT OF MATERIAL TOPICS			
3-3	Management of material topics	Water management	
GRI 303 WATER AND EFFLUENTS			
303-1	Interactions with water as a shared resource	Water management	
303-2	Management of water discharge-related impacts	Water management	
303-3	Water withdrawal	Water Management; Sustainable farming; Detailed information	
303-4	Water drainage	Water Management; Detailed information	
303-5	Water consumption	Detailed information	

GRI	INFORMATION	SECTION	NOTES
Material topic: Responsible and engaged Supply Chain			
GRI 3 MANAGEMENT OF MATERIAL TOPICS			
3-3	Management of material topics	Responsible value chain	
GRI 204 PROCUREMENT PRACTICES			
204-1	Proportion of spending on local suppliers	Collaboration with suppliers; Detailed information	
GRI 301 MATERIALS			
301-1	Materials used by weight and volume	Procurement of materials and services; Detailed information	
301-2	Recycled input materials used	Procurement of materials and services; Detailed information	
GRI 308 SUPPLIER ENVIRONMENTAL ASSESSMENT			
308-1	New suppliers that have been selected using environmental criteria	Collaboration with suppliers	
308-2	Negative environmental impacts in the supply chain and measures taken	Collaboration with suppliers	
GRI 414 SUPPLIER SOCIAL ASSESSMENT			
414-1	New suppliers that have been selected using social criteria	Collaboration with suppliers	
414-2	Negative social impacts in the supply chain and measures taken	Collaboration with suppliers	
Material topic: Animal welfare			
GRI 3 MANAGEMENT OF MATERIAL TOPICS			
3-3	Management of material topics	Animal welfare	
Material topic: Sustainable farming			
GRI 3 MANAGEMENT OF MATERIAL TOPICS			
3-3	Management of material topics	Sustainable farming	
Material topic: Food quality & security			
GRI 3 MANAGEMENT OF MATERIAL TOPICS			
3-3	Management of material topics	Food quality & security	





THE OPERATING MECHANISM

The aDoormore Contest is a platform for sharing sustainability-related projects, where users can publish and take inspiration from sustainable initiatives, exchange ideas and inspire each other.

The Group has chosen to take advantage of the Contest's gamification mechanism to motivate all departments to actively participate.

Each department (AFC, Legal, Strategic and Operational Marketing, Human Resources, Supply Chain, HSE, Product, Services, R&D, ICT) is assigned specific sustainability initiatives that can be pursued. These initiatives are described through specific *statements*, targeted actions that directly refer to the 17 Sustainable Development Goals (SDGs). The *statements* provide concrete examples of activities that each department can carry out to contribute to the achievement of the individual SDGs, making these macro-goals – often perceived as abstract – more tangible and easier to apply.

In particular, each Business Process Owner (BPO), together with their work group, has the responsibility to:

- Study the SDG objectives assigned to their area to understand the underlying goals and rationale;
- In line with the Group's sustainability strategy and together with its working team, identify the priority SDGs on which it is necessary to improve and address the existing gap through a new dedicated project, also paying close attention to the economic sustainability and actual feasibility of the same.

A central AB editorial team is in charge of verifying various elements, including the consistency between the project and the associated SDG objective, the operational feasibility of the project and the completeness of the content. The posts approved by the editorial staff can then be definitively published by the user on the platform and made public to all AB employees.

The implementation of the aDoormore Contest platform is part of the AB Group's commitment to the "New Normal", where sustainability is an integral part of strategic processes and objectives.

In the spirit of promoting the idea that sustainability is to be faced together, sharing our expertise to stimulate and copy each other, AB has found the ideal partner to promote this approach in Progetto Doable. The aDoormore Contest platform is, in fact, developed by Progetto Doable, a limited liability benefit company.

Through an interactive format similar to a social media network, the aDoormore Contest is a digital tool that facilitates the sharing of experiences and *best practices*, creating an open and constructive dialogue on initiatives already carried out and on future projects. Employees are the protagonists of the initiative, as well as the driving force behind it, as they create posts and express their appreciation of the projects through the interaction buttons provided. This not only enriches the Group's knowledge base, but also contributes to building a network of shared awareness and responsibility.

THE KEY GOALS: A CULTURE OF SUSTAINABILITY AND STAKEHOLDER ENGAGEMENT

The AB Group considers sustainability a holistic concept that concerns the organization as a whole and, in order to be pursued, a cultural alignment is necessary on the part of all the company's employees. The intent, in fact, is to actively promote a corporate culture oriented towards sustainability. By allowing each member of the Group to share and recognize the value of sustainable initiatives, an active participation in the construction of a shared culture is promoted, in which daily behaviors are aligned with the Group's founding values. AB wants to convey – among its employees and between employees and Management – what has been done and what is currently being done in the field of sustainability, bringing out its full value.

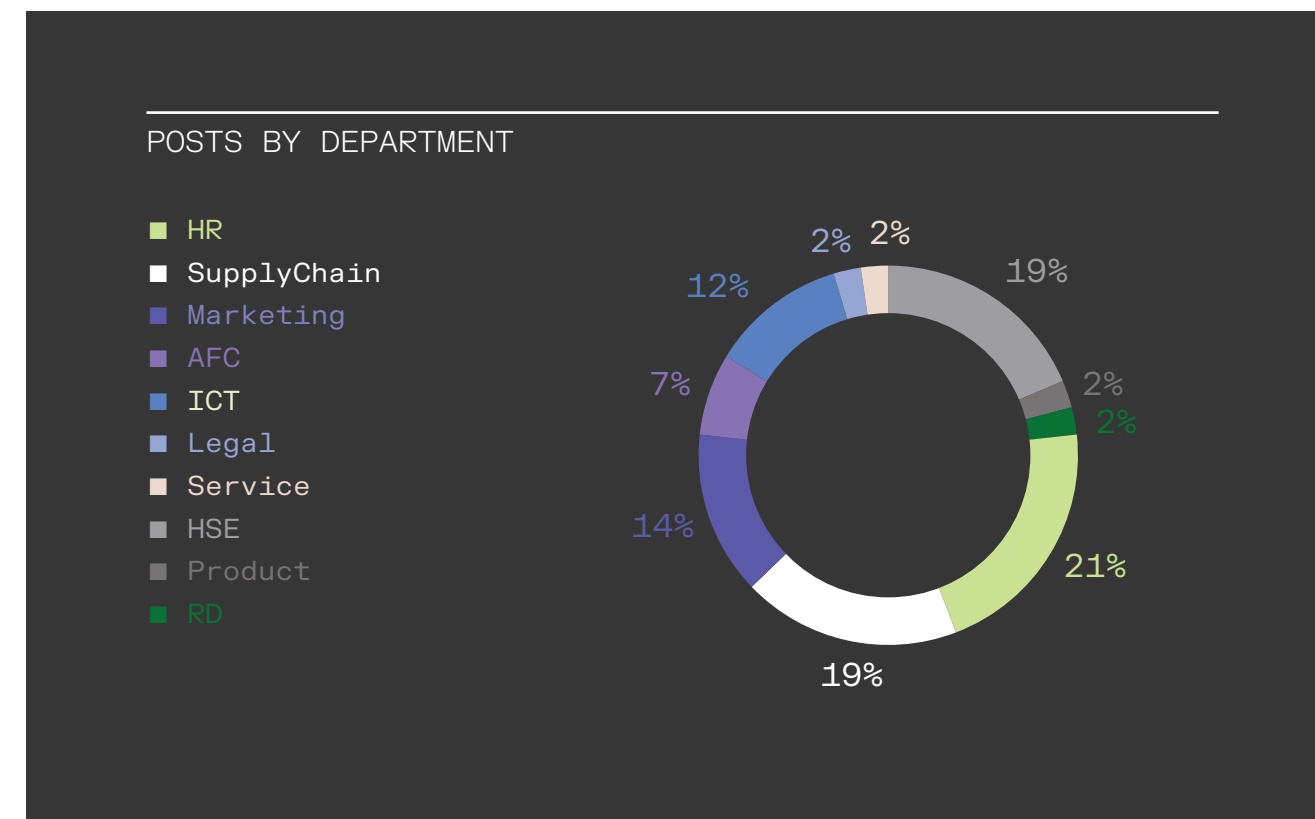
At the same time, the goal is to raise awareness among employees on issues related to sustainability and to stimulate all business areas to be proactive in the design and proposal of new initiatives. In this sense, the aDoormore Contest is a useful tool for ensuring the *stakeholder engagement* of employees, also with respect to what both the GRI principles and the European CSRD legislation require in this regard.

IMPACT IN NUMBERS: PLATFORM ANALYTICS

In 2023, 43 projects were carried out, equal to 73% of the project proposals that were made during the year.

The pie chart highlights the contribution of the different departments to the creation of the posts, demonstrating a high level of participation by all business areas. This result confirms that the platform is perceived as an engaging and motivating tool by users. Moreover, we can also observe a prevalence of projects proposed and developed by Human Resources, the Health, Safety and Environment department and the Supply Chain department, strategic sectors for achieving the Sustainable Development Goals.

The chart below highlights the number of posts, and therefore projects, associated with each Sustainable Development Goal. It can be observed that the Group's commitment extends to most of



the SDGs, involving as many as 14 of the 17 overall goals. This result reflects just how sustainability is an integral part of AB's actions and processes.

A SINGLE SPACE TO MANAGE EACH PHASE OF SUSTAINABILITY PROJECTS

The main advantage of the platform lies in the ability to access each phase of the sustainability project in a single centralized location. Each post provides detailed information regarding:

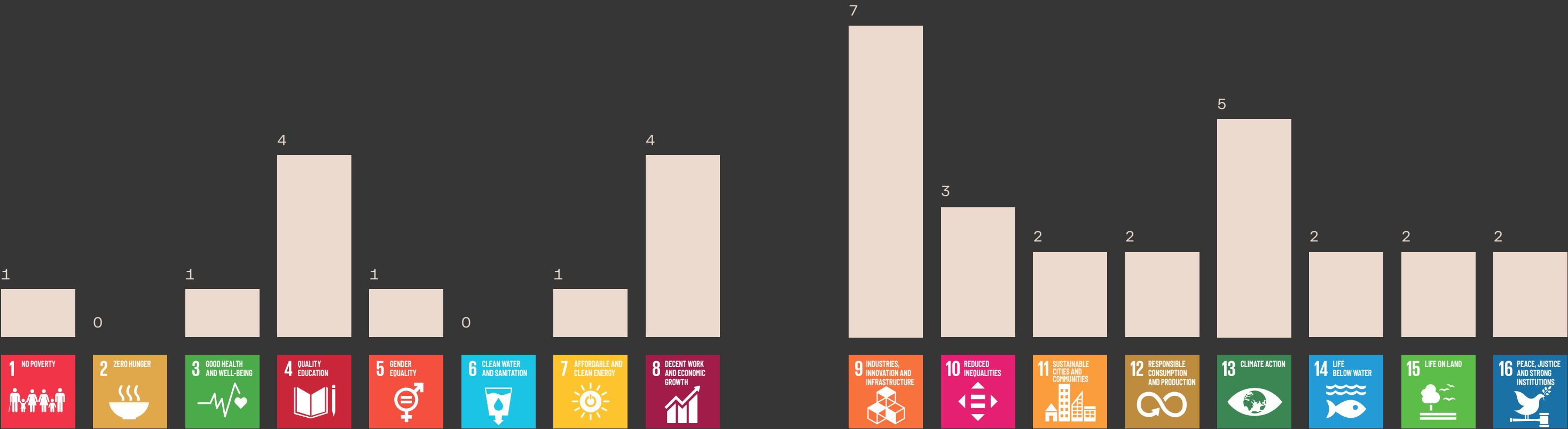
- The needs to be met, to clarify the objective of the work
- The business area or department involved, to make it clear who conducted and who supervised the project
- Who did what, detailing the specific responsibilities and concrete actions carried out in the preparation, implementation and adoption phases
- Timing of the project in terms of all the various phases: initial, intermediate, final with adoption of the project and deployment of the process
- The level of difficulty in terms of preparation
- The level of difficulty in terms of implementation
- The level of difficulty in terms of adoption
- The results obtained, illustrating the benefits achieved and providing concrete data.

EMPLOYEE ENGAGEMENT AND COMPETITION

The aDoormore Contest not only promotes greater awareness and implementation of sustainable practices, but makes the process engaging for users: employees in various departments can interact with posts using reactions. The projects that receive the most appreciation from the community allow the specific department responsible for them to move up in the overall rankings. At the end of the year, prizes are awarded to the top three departments.

This approach stimulates healthy competition between departments, encouraging them to constantly improve in order to outperform their competitors, while at the same time generating a positive impact on the environment and on society.

NUMBER OF POSTS PER SDG



CONCLUSIONS

The fact that all the posts published on the platform are the result of analysis, reinterpretation of processes, tools and projects aimed at promoting sustainable development across multiple dimensions is a valuable tool to avoid that sustainability is approached in a superficial manner, instead having concrete cases to refer to.

AB is convinced that, by listening to and integrating the opinions of all Group members, it will be able to grow and strengthen its positive impact on the environment and on society. The content of the posts is a value-added *know-how* that the Group wants to share, first within the organization and then externally, with the supply chain and with customers, allowing us to grow together. For this reason, while to date only AB Group employees in Italy have been involved in the platform, the inclusion of employees from foreign offices in the platform is planned in the future.

PROMOTING
SUSTAINABLE
DEVELOPMENT
ACROSS
MULTIPLE DIMENSIONS
IS VALUABLE TO AVOID
THAT SUSTAINABILITY
IS APPROACHED IN A
SUPERFICIAL MANNER.



