



The New Normal

SUSTAINABILITY REPORT
2024



The new normal is rooted in authentic connections.

Points that come together to form
a common path, where sustainability
is not just a goal, but a shared journey.

Only by creating solid ties can we
face the challenges that lie ahead,
with courage and vision.

Contents

LETTER TO STAKEHOLDERS	6
METHODOLOGICAL NOTE	8
HIGHLIGHTS	10

ABOUT AB	12
The profile	14
The story	16
The structure of the Group	18
The mission	22
Values, cultural traits and leadership model	24
Sustainability governance	29
AB solutions	32
Research, development and innovation	40
The customers	42
Tools for responsible management	44
TOWARDS THE NEW NORMAL	
Sustainability, a continuous journey	48
The contribution to the UN 2030 Agenda	52
Stakeholders	54
Progetto Doable	56
Dual relevance analysis	58

GOVERNANCE	70
G1 – Business conduct	72
Governance structure	72
Policies	74
Actions	76
G1 – Animal welfare	78
Policies	78
Actions	78
G1 – Management of relationships with suppliers	82
Policies	82
Actions	83
Metrics	85
Data privacy & cybersecurity	87
Policies	87
Actions	88

ENVIRONMENT	90
E1 – Climate change	93
Policies	93
Actions	94
Metrics	96
E2 – Pollution	99
Policies	99
Actions	99
E3 – Water and marine resources	101
Policies	101
Actions	101
Metrics	102
E4 – Biodiversity	103
Actions	103
E5 – Circular economy	105
Resource inflows	105
Policies	105
Actions	106
Metrics	108
Policies	109
Actions	109
Waste	111
Policies	111
Actions	111
Metrics	113

SOCIAL	114
S1 – Own workforce	116
Policies	116
Working conditions	119
Actions	119
Equal treatment and opportunities for all	123
Actions	123
Training and skills development	126
Actions	126
Metrics	129
Health and safety	137
Policies	137
Actions	138
Metrics	144
S2 – Workers in the value chain	146
Policies	146
Actions	146
S4 – Consumers and end users	148
Policies	149
Actions – AB Group	149
Actions – AB Ambiente	150

DETAILED INFORMATION	152
GRI – ESRS INTEROPERABILITY INDEX	164

IN 2024 AB HAS REINFORCED A SUSTAINABILITY PATH ALREADY STARTED IN PREVIOUS YEARS, MAKING IT INCREASINGLY MORE STRATEGIC, CONCRETE AND SHARED.

Dear Stakeholders, 2024 closes for AB with the strong awareness that we have taken a further step along our journey towards an **increasingly more sustainable, integrated and shared development model**. It has been a year of consolidation and strategic maturation, in which we have made our vision of the “New Normal” even more concrete: an approach in which **sustainability is no longer a secondary element**, but an integral and essential part of every business process.

We have worked with great determination to strengthen the Group’s ESG governance, guided by a clearly defined and structured **action plan**. The updating of the dual relevance analysis, implementing stakeholder engagement tools and adopting an **ESG Action Plan** are just some of the key milestones that have guided our choices in 2024. All this, with a clear goal in mind: to generate shared value, reduce negative impacts and seize the opportunities that the ecological and energy transition offers us.

The numbers speak for themselves: **93.08% of our revenues derive from activities eligible according to the European Taxonomy**, confirming the consistency between our core business and the environmental objectives of the European Union. Our specialization in technologies aimed at energy sustainability positions us as a reference partner for customers and territories that want to face the challenge of decarbonization with courage and concreteness.

But for us, sustainability does not end with the environment. **At the heart of our commitment are people**: employees, customers, partners, local communities. In 2024 we strengthened the policies aimed at the enhancement of human capital and launched an ambitious project that, starting in 2025, will involve Italian Agricultural Institutes, combining training and sustainability to cultivate the talent of the future.

We look to the future with a sense of confidence, well aware that every goal achieved is the result of fertile soil, prepared with care, commitment and vision. Our sincere thanks go out to all of you who contribute to making this journey possible on a daily basis.

AB THUS CONSOLIDATES ITS ESG COMMITMENT, UNITING PEOPLE, LOCAL TERRITORIES AND INNOVATION IN A SUSTAINABLE AND FUTURE-ORIENTED MODEL.

The President,
Graziella Calzavacca

Letter to Stakeholders

Methodological Note

The AB Holding S.p.A. Group (hereinafter also referred to as the **“AB Group”**, **“AB”** or the **“Group”**) presents, 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 complete representation of activities, projects, commitments, objectives and goals achieved in the ESG field. The Report is part of a broader process undertaken by the Group to **integrate sustainability into its business model**. The drafting of the Report was based on the **interoperability between the GRI Standards and the European Sustainability Reporting Standards (ESRS)**, as outlined in the correspondence matrix jointly developed by the GRI Foundation and European Financial Reporting Advisory Group (EFRAG). The Document was therefore drafted in accordance with the Global Reporting Initiative Standards 2021 (hereinafter also referred to as the **“GRI Standards”** or **“GRI”**), according to the **“with reference to”** option. At the same time, the Report has been integrated taking into account the European Sustainability Reporting Standards (hereinafter also referred to as the **“ESRS”**) developed by the EFRAG (European Financial Reporting Advisory Group) and adopted by the European Commission in July 2023 with the Delegated Regulation (EU) 2023/2772. In particular, all the quantitative indicators included were selected, on the basis of the principle of relevance, from those provided for by the ESRS, with a view to gradually aligning with the new European regulatory framework on sustainability reporting.

This approach allows continuity with the information practices adopted in previous years, while promoting an orderly transition towards the requirements of the Corporate Sustainability Reporting Directive (hereinafter also referred to as **“CSRD”**).

This Document, in fact, is part of a **regulatory transition phase** that sees the gradual transition from sustainability reporting based on voluntary standards – such as, for example, the GRI – to the application of mandatory ESRS standards, which pursue the objective of improving and standardizing ESG reporting among companies subject to the CSRD.

As a result, **quantitative** data was collected according to the ESRS standards (see GRI-ESRS Interoperability Index; Detailed information), while information of a **qualitative** nature was collected in line with the disclosures required by the GRI standards (see GRI-ESRS Interoperability Index).

In line with the economic and financial reporting, all information and data contained in the Sustainability Report refers to the period between **1 January 2024 and 31 December 2024** (hereinafter referred to as **2024**).

The time horizons referred to within the Document are in line with those defined by the ESRS Standards (ESRS 1 – 6.4):

- **SHORT TERM:** the period adopted by the Group as the reference period of its Reports (2024);
- **MEDIUM TERM:** up to five years from the end of the short-term reference period;
- **LONG TERM:** over 5 years.

The reporting **perimeter** is represented by all Group companies: **AB Holding S.p.A.** (hereinafter also referred to as **“AB Holding”**), **AB Impianti S.r.l.** (hereinafter also referred to as **“AB Impianti”**), **AB Power S.r.l.** (hereinafter also referred to as **“AB Power”**), **AB Ambiente Soc. Agricola S.r.l.** (hereinafter also referred to as **“AB Ambiente”**), **Enviroexperts Italia S.r.l.** (hereinafter also referred to as **“Enviroexperts Italia”**), **AB Energy S.p.A.** (hereinafter also referred to as **“AB Energy”**), **AB Service S.r.l.** (hereinafter also referred to as **“AB Service”**), **AB Fin-Solution S.p.A.** (hereinafter also referred to as **“AB Fin-Solution”**) and all **foreign companies** (for details refer to the sociogram provided in the “The structure of the Group” section); any limitations have been appropriately indicated within the Document.

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 most significant sustainability issues for the Group, as described in the “Dual relevance analysis” section, in line with the requirements of the GRI Standard 3: “Material Topics 2021” and the ESRS Standard 1 – 3.3 “Dual relevance”.

The information presented was obtained through forms for the collection of quantitative data and 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 any information and clarifications on the contents of the Report, please email **sustainability@gruppoab.it**.

Plants designed
to last at least

15
YEARS

up to 25 years
with normal maintenance

Contribution to the SDGs



Plants installed in 2024

34 34 7

ECOMAX®
cogenerators

BIOCH4NGE®
plants

CH4LLENGE
plants

Product development with a view to

» ENERGY
EFFICIENCY



» CIRCULARITY



» CAPTURE AND
REUSE OF CO₂



Integrated Management System

CERTIFICATIONS

UNI EN ISO 9001
Quality Management System

UNI EN ISO 45001
Occupational Health
and Safety Management System

UNI EN ISO 14001
Environmental Management System

UNI CEI EN ISO 50001
Energy Management System

UNI EN ISO 3834
Quality Requirements
for Fusion Welding of Metal Materials

UNI EN 1090
Steel and Aluminum Structural Components

REG. (EU) NO. 573/2024
F-GAS FLI

DIRECTIVE 2014/68/EU
Pressure Equipment Directive (PED)

Our people

1,215
employees

95%
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

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.

Since its origins in 1981, the Group's focus has been on **developing innovation in order to support the energy world**, accompanying companies on the path towards greater competitiveness through energy savings and the limitation of polluting emissions into the environment.

AB's leadership in the **cogeneration** sector has also progressively expanded to **biofuels**, with systems for the purification and liquefaction of biomethane (RNG) and for the **capture of emissions**. The Group places its expertise, production capacity and an excellent quality service at the center of its business activities, with the aim of providing the best **energy sustainability** solutions and being a reference partner for its customers.

The growing sensitivity of industrial customers towards decarbonization-related issues is transforming the energy market in a significant way. The energy solutions required today are no longer limited to efficiency and economic advantages, but increasingly aim to reduce environmental impact and the carbon footprint.

In this evolutionary scenario **cogeneration continues to play**

a strategic role, even though the key to success lies in its integration within hybrid energy systems that maximize the contribution of different renewable sources. To respond to this complexity, AB has developed Smart Energy 360, an advanced intelligent energy resource management system that optimizes the coordinated use of cogeneration, photovoltaics, batteries, fuel cells and heat pumps.

At the same time, the Group's systems can already support **the use of biofuels and decarbonized fuels** such as biomethane and hydrogen, accelerating the transition process towards sustainable industrial production. This integrated approach allows customers to simultaneously reduce energy costs and climate-changing emissions, taking advantage of the opportunities offered by the ongoing energy transition.

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.

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 operational areas are located, whose mutual proximity guarantees a streamlined and effective management of business processes. AB also looks after structural choices, with a strong focus on optimizing production processes and organizational well-being. 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.

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.



AB was born in 1981 from an idea of the young electro-technical specialist Angelo Baronchelli, today still CEO of the Group.



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 BIRTH 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 the ECOMAX® biogas cogeneration system began, integrating all its components into a container.



NEW MARKETS

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, Asia and Australia.



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.



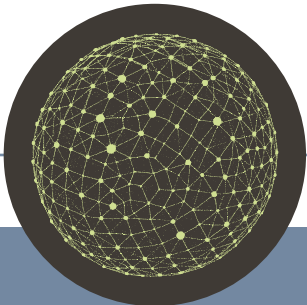
BIOFUELS AND TREATMENT OF EMISSIONS

In 2019, AB launches BIOCH4NGE®, the innovative upgrading system of biogas into 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.



SUSTAINABILITY IS THE NEW NORMAL

AB aims to integrate sustainability into all internal processes and wants to be a reference point in this path for customers and stakeholders, offering solutions aimed at decarbonization and actively collaborating with partners, schools/ universities and local communities, to enable a shared growth.

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 companies¹ in different countries.

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

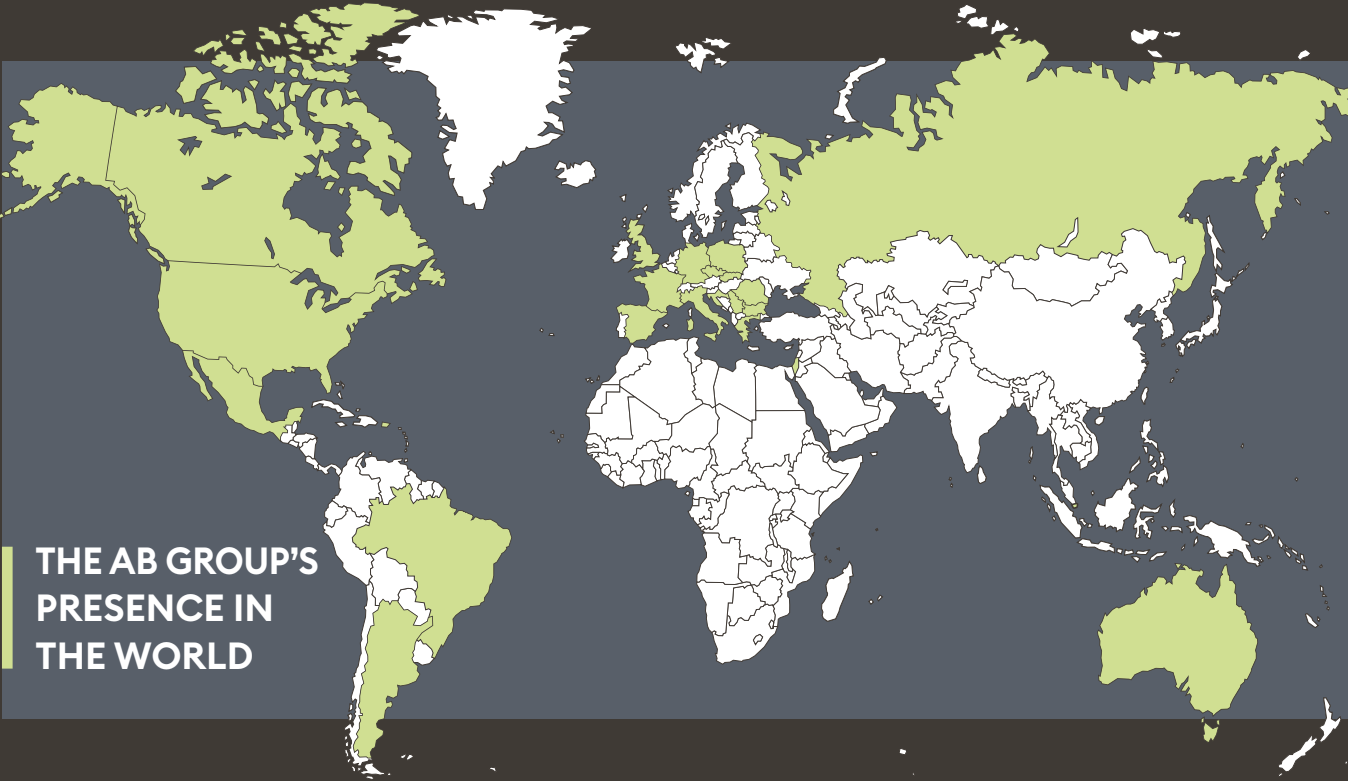
AB ENERGY is the reference commercial company for the Italian market.

AB IMPIANTI (internally referred to as “**AB ENGINEERING**”), with over 140 engineers, is dedicated to the engineering, production, installation and start-up of the plants.

AB IMPIANTI also carries out the construction activity of the plant in its entirety, while **AB POWER** and **ENVIROEXPERTS ITALIA** specialize in specific components ancillary 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 financing solutions.

1. During 2024, a new operational headquarters was opened: AB Energy Australia S.A.U.



AB Holding S.p.A.



AB AMBIENTE²

AB Ambiente is the AB Group company dedicated to agricultural production for livestock farming and cogeneration plants, respectively for the production of milk and electricity.

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 manages pilot plants dedicated to the production of biogas and biomethane, which actively support the Group’s research and development activities.

AB Ambiente’s activities are 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.

The 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.

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

For some years now, the “**GLOCAL**” organizational restructuring initiative has been launched, with a particular focus on foreign countries: the aim is to make the latter autonomous from an economic, financial and governance point of view. For this reason, individuals have been identified who, through a path of professional development, have gained adequate skills and expertise to cover the role of General Manager (GM) of the different companies.

To date, the path can be considered completed, although the GMs still hold roles with a limited responsibility for their areas and in coordination with the central management, in line with the Group’s strategic guidelines.

2. 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 mission

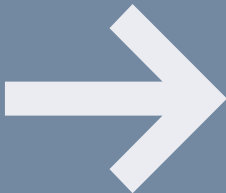
Today, AB is one of the main points of reference in the context of the ongoing transition in the energy sector, thanks to a presence that ranges from cogeneration from biogas and natural gas to the treatment of emissions into the atmosphere. The Group provides solutions that meet the needs of a wide 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 revamping interventions after the first 15 years of operation,

the result of careful research and eco-design development.

In the future, it is expected that more focus will be placed on this strategic vision, expanding the field of action towards sectors that to date have been less present. This, for example, includes: the landfills within which biogas is produced that can be exploited in the logic of cogeneration, the liquefaction of CO₂ in a form and quality suitable for the food & beverage sector, the development of technologies for the reduction of ammonia nitrogen from digestate, as well as the continuous development of technologies dedicated to **Primary Energy Saving (PES)**, which until now has achieved results of up to 42%, but the goal is to reach 55% through the implementation of fuel cells. On the other hand, long-term projects are aimed at developing technologies capable of supporting the diffusion of hydrogen as an energy carrier, including the construction of electrolyzers.

The main 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: 1) guiding the business, 2) guiding change and 3) 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 interpreta-

tion 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.

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.

EXCELLENCE

The excellence of AB 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.

SUSTAINABILITY

Since 1981, we have been working alongside companies wishing to improve their competitiveness while saving energy and reducing emissions into the environment, thanks to our energy sustainability solutions.

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.

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.

DETERMINATION

AB wants to continue to be the “thinking center” of energy sustainability solutions. 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.

THE 6 CULTURAL TRAITS “CARDS”

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 – 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	LEADING PEOPLE value human resources – 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	LEADING CHANGE facilitating change – 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
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Sustainability governance

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

Within this system, there are two main actors: 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 aspects related to product and technological innovation. The **HR Sustainability Manager** is the person who, within the Coordination Committee, not only oversees the aspects pertaining to the area of his/her competence, but is also the figure in charge of coordinating the activities of the entire Group.

Specifically, the Sustainability Steering Committee is assigned the following tasks:

- **definition of sustainability policies:** the Steering Committee is responsible for defining policies, guidelines and action plans that integrate ESG principles into the Group's daily operations;
- **advice and support to the Board of Directors:** the Steering Committee, together with the Coordination Committee, provides recommendations and support to the Board of Directors of AB Holding on sustainability-related issues;
- **monitoring and sharing ESG data:** the Steering Committee, with the support of the Coordination Committee, coordinates the collection of qualitative and quantitative information in the ESG field and shares it in the event of requests for the completion of questionnaires by external stakeholders;
- **support to the drafting of the ESG Report:** the Steering Committee reviews the general structure of the ESG Report and its contents, ensuring that communication to stakeholders is complete, transparent and aligned with the reference standards;
- **ESG risk management:** the Steering Committee, with the support of the Coordination Committee and the HR Sustainability Manager, periodically identifies, manages and monitors risks

related to environmental, social and governance factors and develops the appropriate mitigation strategies;

- **monitoring of ESG regulatory compliance:** the Steering Committee ensures that the AB Group complies with the applicable international regulations and standards on sustainability;
- **support for innovation and continuous improvement:** the Steering Committee promotes innovation and continuous improvement in sustainability practices through the search for new technologies, approaches and ideas that can improve the Group's product, environmental and social performance;
- **stakeholder engagement:** the Steering Committee facilitates the engagement of stakeholders, including employees, customers, suppliers and local communities through dedicated initiatives and activities;
- **promotion of the culture of sustainability:** the Steering Committee promotes training and awareness programs for employees, as well as initiatives to encourage sustainable practices among the company population and external stakeholders;
- **collaboration with other departments:** the Steering Committee constantly collaborates with the various corporate areas in order to integrate virtuous sustainability practices in all Group departments.

The Sustainability Steering Committee meets at least **three times a year** and, for each meeting, draws up a report which, after having been verified by the Committee itself, is signed by the Chairman and filed according to the procedures defined.

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

In particular, the Coordination Committee deals with:

- promoting the drafting of ESG action plans and overseeing the management of sustainability-related issues relevant to the Group;
- structuring and evolving the sustainability reporting process, with particular attention to the regulatory developments defined by the Corporate Sustainability Reporting Directive (CSRD);
- analyzing and assessing the need for consultancy support on ESG-related aspects and ensuring periodic updates with third parties on the progress of projects;
- reporting to the Sustainability Steering Committee and the Board of Directors of AB Holding on the activities carried out in the field of sustainability.

The Coordination Committee meets periodically and as often as necessary to ensure the optimal performance of its activities.

The Sustainability Steering Committee and the Coordination Committee also collaborate on the approval of the Group ESG Report. Currently, the process 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 of AB Holding Spa.

AMBASSADORS OF SUSTAINABILITY

In 2024, the AB Group introduced significant organizational innovation with the creation of the **"Sustainability Team Ambassador"**, a strategic initiative aimed at promoting an increasingly aware and participatory corporate culture on ESG-related issues.

The program was initiated through an internal engagement campaign on a voluntary basis, aimed at motivated employees who are sensitive to environmental, social and governance sustainability issues.

Candidates were asked to describe, with the help of a short motivational video, the strategic value that they believe sustainability has within AB. The process led to the selection of eight Ambassadors, appointed at the "Sustainability Talk" corporate event at the end of the year.

Ambassadors act as internal promoters of sustainability initiatives, facilitating the dissemination of content, stimulating dialogue between colleagues and contributing to the implementation of cross-cutting projects, including the AB² program (to be officially launched in 2025). Their role is designed to encourage the adoption of sustainable behaviors in daily business life and to strengthen the sense of belonging within the organization.



AB solutions

The AB Group is characterized by its role as an **“environmental regenerator”**, which emerges through a mission that goes beyond the simple provision of technological solutions, to embrace a broader vision of systemic transformation. This identity choice reflects the Group’s commitment to actively facilitate **the transition of its customers and stakeholders towards a more sustainable business model**, in line with the climate objectives set by the European Union.

The Group’s environmental regeneration strategy rests on four main 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.

The Group’s operational approach is based on a philosophy of optimizing existing resources, systematically favoring the **reconversion and upgrading of active plants**³ over the construction of new infrastructure. For newly built plants, the Group adopts design guidelines aimed at guaranteeing a technical life of 20 years.

3. This approach is particularly effective in biomethane applications, with the replacement of the main engine and the conservation of auxiliary systems.

DURABILITY ASSESSMENT METHODOLOGIES

The evaluation of the durability of plants is based on a systematic analysis by component categories, including the characterization of the life cycle of the individual elements, the scheduling of maintenance interventions, the technical specifications of the system and the construction methodologies adopted. This analytical framework, structured by macro-components, allows a differentiated evaluation of the technical life of each element making up the plant.

The solutions that the Group offers and that support the deployment of this strategy are the following: natural gas cogeneration, biogas cogeneration, CCHP, biogas-to-biomethane upgrading, liquefaction of biomethane and CO², photovoltaic and capture and storage of emissions.

NATURAL GAS COGENERATION



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.

Benefits and sectors served

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

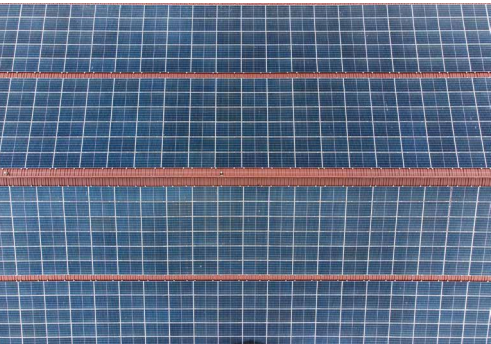


Biogas is a fuel that can be obtained from the **anaerobic digestion of different raw materials**, such as agricultural biomass (e.g. by-products, agricultural waste and animal waste), agro-industrial waste (e.g. food chain processing waste) or the organic fraction of municipal solid waste (OFMSW). The 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.

Benefits and sectors served

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; moreover, one of the key outputs of the anaerobic digestion process is **digestate**, a fertilizer **used** in agriculture. The main sectors affected by this solution are **agriculture**, wastewater treatment and landfills.

CCHP



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.

Benefits and sectors served

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 food & beverage world and the plastic industry.

BIOGAS-TO-BIOMETHANE UPGRADING



Biomethane (RNG) is a renewable gas that is obtained by subjecting the raw biogas to a carbon dioxide purification process, known as **upgrading**.

Benefits and sectors served

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



The **liquefaction of biomethane (RNG)** 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.

Benefits and sectors served

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



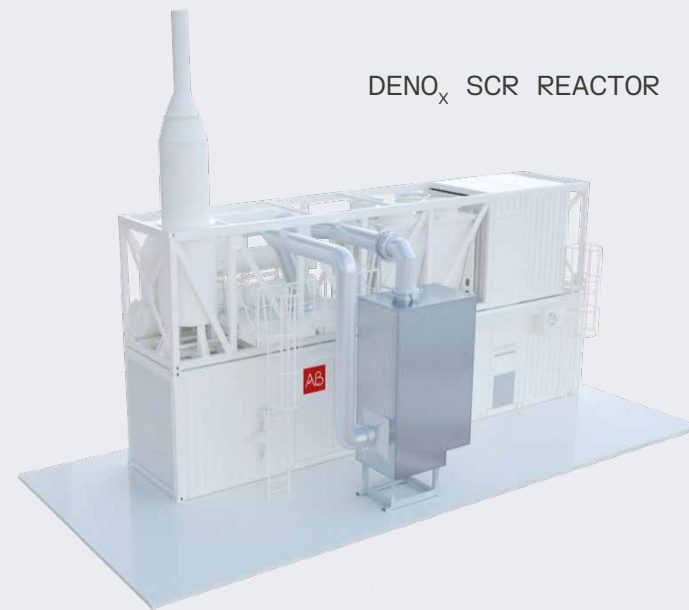
Pollutant emissions occur in the form of solid, liquid or gaseous substances that cause pollution of environmental matrices, with harmful consequences on the environment and human health. The main categories of pollutant emissions into the atmosphere classified to date are as follows:

- **atmospheric particulate matter (PM):** these are fine particles in the air, often generated by fossil fuel combustion processes and industrial activities;
- **nitrogen oxides (NOX):** gaseous pollutants generally formed by high temperature combustion processes;
- **sulfur oxides (SOX):** 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 (VOC):** 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:

DENOX 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 NOX 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 20 mg/Nm³). Their characteristics are presented below:

REGENERATIVE THERMAL OXIDIZERS (RTO)



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.

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 recognizes that, in addition to the numerous benefits generated by its technological solutions, there are also potential negative environmental impacts that require careful consideration. In this perspective, the organization actively engages in the identification and implementation of effective mitigation measures. A relevant example concerns the use of significant quantities of lubricating oil of petroleum origin for the operation of the plants. To reduce the environmental impact associated with this use, the Group has long been collaborating with consortia specialized in the disposal and recovery of waste oil, promoting the launch of circular economy processes.

A further area of commitment concerns the protection of soil and the prevention of its conversion to uses that compromise its ecosystem functionality. In this sense, the Group actively



OIL MIST TREATMENT SYSTEMS

participates in sector entities such as the Italian Biogas Consortium and the European Biogas Association, promoters of precision agriculture initiatives focused on sustainability. These practices make it possible to avoid competition with food crops (ILUC – Indirect Land Use Change), contributing to the conservation and improvement of soil fertility, also through the increase of organic carbon content.

EUROPEAN TAXONOMY

The Group’s strong specialization in the development of plant solutions aimed at supporting a sustainable transition process finds a natural continuity in the analysis of the product portfolio according to the criteria of the **European Taxonomy**. The AB Group’s business model is, in fact, based on activities that aim to generate a positive environmental impact, in line with the EU’s objectives.

The European Taxonomy, established by Regulation (EU) 2020/852, is a **classification system** of sustainable economic activities introduced by the European Union to direct investments towards practices that contribute substantially to the achievement of the EU’s climate objectives.

To be considered sustainable, an economic activity must contribute significantly to **at least one of the six environmental objectives** defined by the Taxonomy:

- climate change mitigation;
- adaptation to climate change;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

In addition, the activity must comply with the principle of “Do No Significant Harm” (DNSH), in other words not cause significant damage to any of the other five objectives. It must also be carried out within a business context that ensures compliance with minimum criteria of a social nature (Minimum Safeguard Guarantees – MSG).

In this context, the AB Group has embarked on a structured path of progressive alignment with the Taxonomy, recognizing the strategic importance of this tool for the transition to an increasingly more sustainable business model. The Group’s integrated approach to sustainability does not only consider the Taxonomy as regulatory compliance, but also as a concrete opportunity to accelerate the transition to sustainable business practices, actively contributing to the EU’s environmental objectives.

The project, launched in the second half of 2024, is divided into a structured methodology that includes:

- the identification of business activities falling within the scope of the Taxonomy according to Article 8 of Regulation (EU) 2020/852;
- the detailed assessment of the eligibility criteria;
- the subsequent analysis of the alignment criteria for the eligible activities.

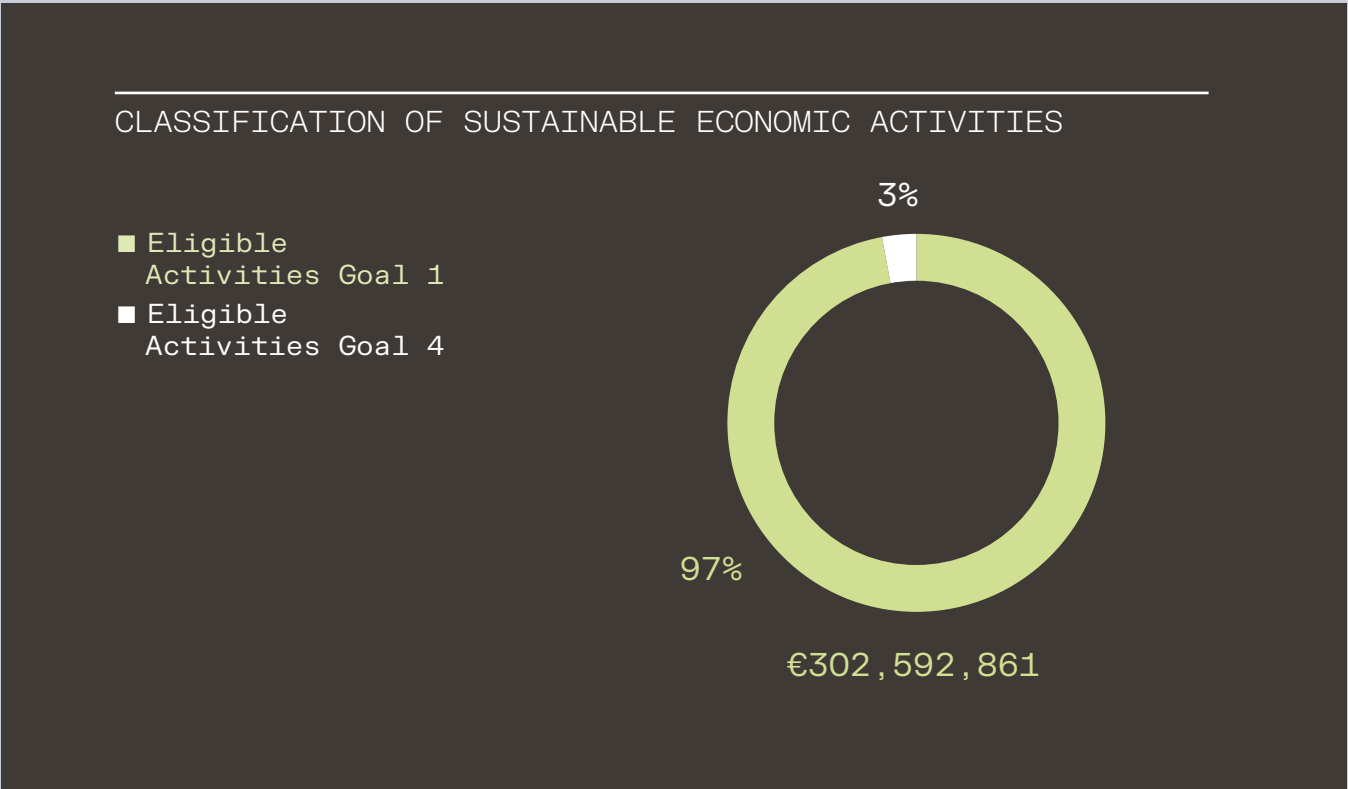
The analysis carried out made it possible to identify the revenue items associated with economic activities provided for by the Taxonomy Regulation (so-called eligible activities):

ENVIRONMENTAL GOALS	ELIGIBLE ACTIVITIES	REVENUES (AMOUNT IN EUROS AS AT 31.12.2024)
1. Climate change mitigation	Electricity generation using solar photovoltaic technology	4,909,000
1. Climate change mitigation	Cogeneration of heat/cool and power from bioenergy	82,870,498
1. Climate change mitigation	High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	35,946,108
1. Climate change mitigation	Landfill gas capture and utilization	1,602,085
1. Climate change mitigation	Installation, maintenance and repair of energy efficiency equipment	168,450,536
4. Transition to a circular economy	Sale of spare parts	8,814,635
Total revenue from eligible activities		302,592,861
Total revenues		325,076,019

The results show that **93.08%** of the Group’s revenues derive from eligible activities according to the European Taxonomy, confirming the strategic coherence between the AB’s core business and the environmental sustainability objectives defined by the European Union. The Group is active in six distinct eligible economic activities, with particular specialization in the bioenergy and gaseous fossil fuel cogeneration sectors, as well as in the installation, maintenance and repair of energy efficiency equipment.

Moreover, as shown in the graph below, the distribution of revenues by environmental goals shows a primary concentration in **Goal 1** relating to **climate change mitigation** and in **Goal 4** relating to the **transition to a circular economy**, reflecting the Group’s strategic focus towards solutions that accelerate the transition.

Over the next few years, the Group will proceed with the subsequent evaluation phase to determine the actual alignment of eligible activities to the Taxonomy.



Research, development and innovation

The Group's approach to technology and innovation consists of two main functions: on the one hand, **product innovation**, which acts 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 projects for the development of strategic and innovative solutions.

The latter is headed by **AB Grade**⁴, 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. During 2024, the R&D function was reorganized through the introduction of two new business units, one dedicated to technological scouting and the other to the management of intellectual property.

When developing new products, **three key guidelines** are followed:

- energy efficiency;
- enhancement of resources with a view to circularity;
- development of technologies for capturing and reusing climate-altering emissions.

The initiatives related to each strategic guideline are detailed in the reference sections (see E1 Climate change; E5 Circular economy).

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 participates in CTI, ISO, EBA, BIP and CEI working groups with the aim of providing a contribution to technical and regulatory development on emission abatement. In 2024, the results of the **“BIOMASS HUB – Biomethane for a sustainable society: development of an Italian circular economy laboratory from biomethane”** were shared, which saw the participation of ten partners, including the AB Group. The initiative aimed to promote an innovative model for **reusing organic waste** through the efficient production and management of electricity, biomethane and fertilizers, with a view to the circular economy and the closure of the waste cycle to zero waste. The results were significant, particularly in terms of technology integration

and experimental activities. The project has also made it possible to identify good practices in the field of biomethane

production and digestate management, contributing to the advancement of knowledge in this strategic field.

4. The process for creating innovative solutions comes to life thanks to the input received from AB Grade's Senior Management team who, together with the R&D Manager, define the scope and objectives of the project. This is followed by planning, brainstorming, research, prototype production and, in the event of a positive outcome, the transition to the engineering department for final development.



The customers

The Group’s customers primarily belong to the **agricultural** and **industrial** sectors. These are **small, medium and large companies**, primarily located in Europe, Canada, the United States, Brazil, Mexico and Australia.

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.

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.

AB Service, the company specialized in the after-sales service of all systems built by AB plays a central role in customer service. This, through a dense network of technicians operating in the countries where AB is active, as well as its Control Room, which ensures 24/7 assistance to guarantee optimal performance and reliability of the systems over time (see S4 – Consumers and end users).

During 2024, the company embarked on an **important overhaul of its organizational structure**⁵, with a focus on greater proximity to customers and more efficient operational management.

On this point, in 2024 **local meetings** were organized in Emilia-Romagna, Piedmont and

Veneto to share updates on technological innovations of particular interest to customers. During these events, direct discussions with AB after-sales service technicians were scheduled, with the aim of analyzing organizational changes and collecting informal feedback on customer satisfaction. The feedback collected during these interactions allowed the Group to define concrete actions to further strengthen its organizational structures and review some specific aspects related to the organization and the product.



5. This is a long-term initiative, which will continue in 2025 with a significant restructuring of the Service Engineering business units, accompanied by an increase in the number of resources allocated to this area, facilitating the launch of multiple innovative projects based on the integration of emerging technologies.

Tools for responsible management

For the AB Group, continuous improvement is not only a strategic objective, but a true guiding principle. It originates from the deep awareness that the future is built through daily experience and attentive and constant listening to requests from all stakeholders. In this perspective, one of the key tools for the implementation of the Group's strategic vision is a constantly evolving **Integrated Management System (IMS)**⁶. Originally developed with a particular focus on AB Impianti, the corporate Integrated Management System has been progressively extended to other Group companies, as part of an approach focused on harmonization and consolidation of good practices. The System fully complies with the following international reference standards:

UNI EN ISO 9001
Quality

UNI EN ISO 45001
Health and Safety

UNI EN 14001
Environment

The basis of AB's Integrated Management System is the **Integrated Corporate Policy**, which serves as a framework for defining objectives, managing processes and guiding the behavior of the entire organization.

6. An Integrated Management System (IMS) is a system that unifies, in a single model, the ISO standards for quality (ISO 9001), the environment (ISO 14001) and occupational health and safety (ISO 45001).

To confirm the Group's commitment to maintaining high levels of performance and complying with the specific regulations for

each operating sector, the certifications currently held by AB are shown below:

CERTIFICATIONS	CERTIFIED COMPANIES	START OF CERTIFICATION PROCESS
UNI EN ISO 9001 Quality management system	AB Impianti	AB Service
UNI EN ISO 45001 Occupational health and safety management system	AB Impianti	AB Service
UNI EN ISO 14001 Environmental management system	AB Impianti	AB Service
UNI CEI EN ISO 50001 Energy management system	AB Impianti ⁷	
UNI EN ISO 3834 Quality requirements for fusion welding of metal materials	AB Impianti	
UNI EN 1090 Steel and aluminum structural components	AB Impianti	
Reg. (EU) No. 573/2024 F-GAS FLI	AB Impianti AB Service	
Directive 2014/68/EU Pressure Equipment Directive (PED)	AB Impianti	

During 2024, the AB Group launched a **structured process of extending the IMS to AB Service and foreign companies**, with the aim of ensuring homogeneous and integrated governance at an international level. However, the **unique regulatory and cultural characteristics of the countries in which the Group operates** have necessitated the adoption of a flexible

and differentiated approach, based on the contextualization and progressive adaptation of policies and procedures with respect to the specific regulations provided for by national laws. To this end, AB has implemented a comprehensive plan that includes:

- the **sharing of the Integrated Corporate Policy as**

7. It should be noted that the UNI CEI EN ISO 50001 Certification only involves the location in Via G. Agnelli, Orzinuovi (BS).

- a common foundation** at the Group level;
- the **localized adaptation of SGI protocols**, in particular for aspects relating to health, safety and the environment;
 - a **systematic document review**, to ensure the consistency of the content with the regulations in force and the specific operational characteristics of each context.
- In addition, to facilitate internal dissemination and ensure more efficient management of documentation, the development of an **integrated SGI digital platform** has been initiated. The new interface, currently being completed, will enable:
- **rapid consultation** of documents by department, type and subject area;
 - **timely** and centralized updating of procedures;
 - the inclusion of a **section focused on recommendations and feedback** from employees, to support the culture of continuous improvement;
 - **viewing deadlines and results of internal and external audits.**

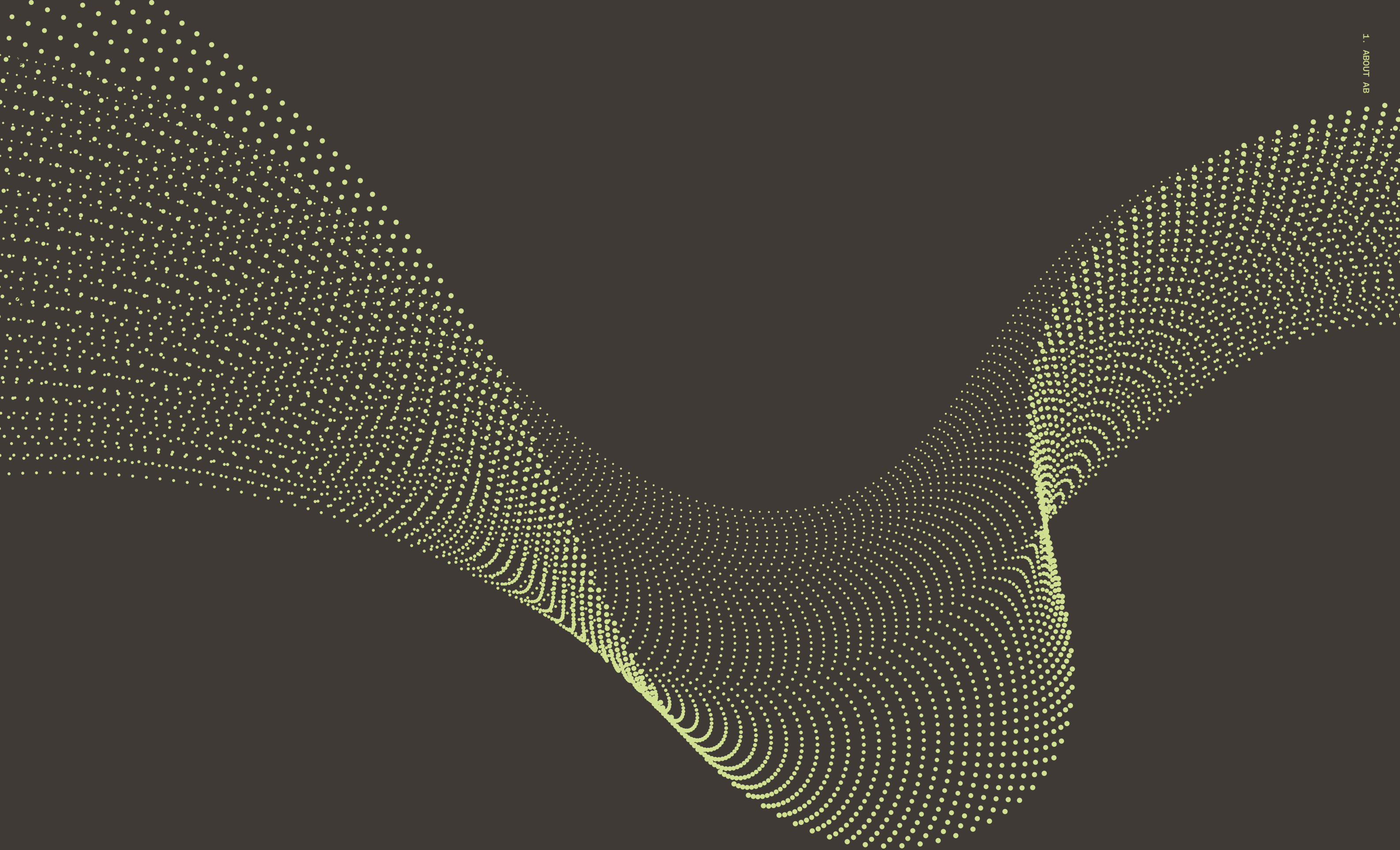
FUTURE ACTIONS

To further strengthen its commitment to an integrated and responsible governance, and aligned with the most advanced standards, the AB Group has planned the following actions in the **medium term**:

- formal adoption of the SGI page;
- extension of the scope of the IMS to other departments;
- adaptation of the IMS to the requirements of the **SRG 88088:24 Social Responsibility and Governance**⁸ **certification.**

8. The SRG 88088:20 Social Responsibility and Governance certification defines the requirements of a Sustainability Management System. The requirements are applicable to all organizations, regardless of their size, legal nature, territory, guidelines and type of products and services provided.





Towards the New Normal

TOWARDS THE NEW NORMAL

Sustainability, a continuous journey

During 2024, AB consolidated its path of reflection and strategic maturation in the ESG field started in previous years, clearly defining the concept of a **“NEW NORMAL”**. This vision is based on the principle that **sustainability must be a natural part of the Group’s processes and objectives**.

Some key stages of this organic integration process are presented below:

- **materiality analysis (2023)**, with an initial identification of the most significant sustainability issues for the Group and the corresponding actual and potential, positive and negative impacts on society and the environment;
- **mapping (2023) and deployment of a stakeholder engagement system (2024)**, with the structuring of channels and engagement tools to capture the perceptions and possible contribution of stakeholders to the Group’s ESG performance (see Stakeholders);
- **ESG Assessment (2023)**, through which an analysis of the controls and methods for managing ESG-related aspects by the Group

was carried out, with the corresponding mapping of existing policies, procedures, tools and initiatives;

- **ESG Action Plan (2024)**, through which the areas and intervention activities for the creation of shared value and the strengthening of the Group’s ESG safeguards have been identified;
- **dual relevance analysis (2024)**, with the updating of the relevant sustainability issues and their denomination in accordance with the ESRS, the review of the positive and negative impacts generated by the Group towards the environment and people and, finally, the identification of external risks and opportunities capable of having a financial impact on AB’s business (see Dual relevance analysis).

These actions have guided and continue to guide the strategic integration of sustainability in every aspect of the Group’s business, outlining a clear path towards the **“NEW NORMAL”**, where AB is positioning itself as a point reference in the sustainability **JOURNEY**:

- **for its customers**: in the provision of solutions and ser-

vices focused on achieving sustainability objectives, mainly energy and environmental and, consequently, also economic;

- **for all stakeholders**, 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 it to effectively adapt to ever-changing scenarios**.

A NEW BEGINNING STARTING FROM ANTICA FRATTA

The concept of the “NEW NORMAL” was born on February 29, 2024 at the Antica Fratta estate, during an intensive workshop of the ESG Committee dedicated to defining AB’s sustainable vision for 2030.

The meeting started from a key premise: sustainability is not a foreign element to be grafted into AB’s business, but a characteristic already actively present in the company’s DNA. The challenge is to make this feature increasingly more explicit and structured, harmoniously integrating regulatory pressures, innovation drives and supply chain dynamics with the Group’s consolidated identity.

Through team coaching and creative reflection, the workshop generated a significant conceptual evolution: alongside the traditional role of “environmental regenerator”, **AB recognized its calling as a “social regenerator”**. This dual identity, further developed by a dedicated working group, constitutes the foundation of the company’s “new normal” which, starting in 2025, will operationally translate this expanded vision through initiatives aimed at customers, suppliers and institutions (see Stakeholders).



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 address 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 following SDGs:



ESRS TOPIC	SDG
E1 Climate change	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION
E2 Environmental pollution	3 GOOD HEALTH AND WELL-BEING 6 CLEAN WATER AND SANITATION 14 LIFE BELOW WATER 15 LIFE ON LAND
E3 Water and marine resources	6 CLEAN WATER AND SANITATION
E4 Biodiversity and ecosystems	6 CLEAN WATER AND SANITATION 14 LIFE BELOW WATER 15 LIFE ON LAND
E5 Circular economy	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
S1 Own workforce	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
S2 Workers in the value chain	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
S4 Consumers and end users	3 GOOD HEALTH AND WELL-BEING 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
G1 Business conduct	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 15 LIFE ON LAND 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS
Cybersecurity	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Stakeholders

In accordance with the definition provided by the ESRS (ESRS 1 – 3.1), stakeholders **are those who can exert an influence on the company or be influenced by it.** In particular, these consist of two main groups:

- **involved stakeholders:** the people or groups whose interests are or could be influenced (positively or negatively) by the company’s activities and its direct and indirect business relationships along the value chain;
- **users of sustainability statements:** the main users of general financial information, such as investors, lenders etc., and other users of sustainability-related information, such as business partners, trade unions, civil society etc.

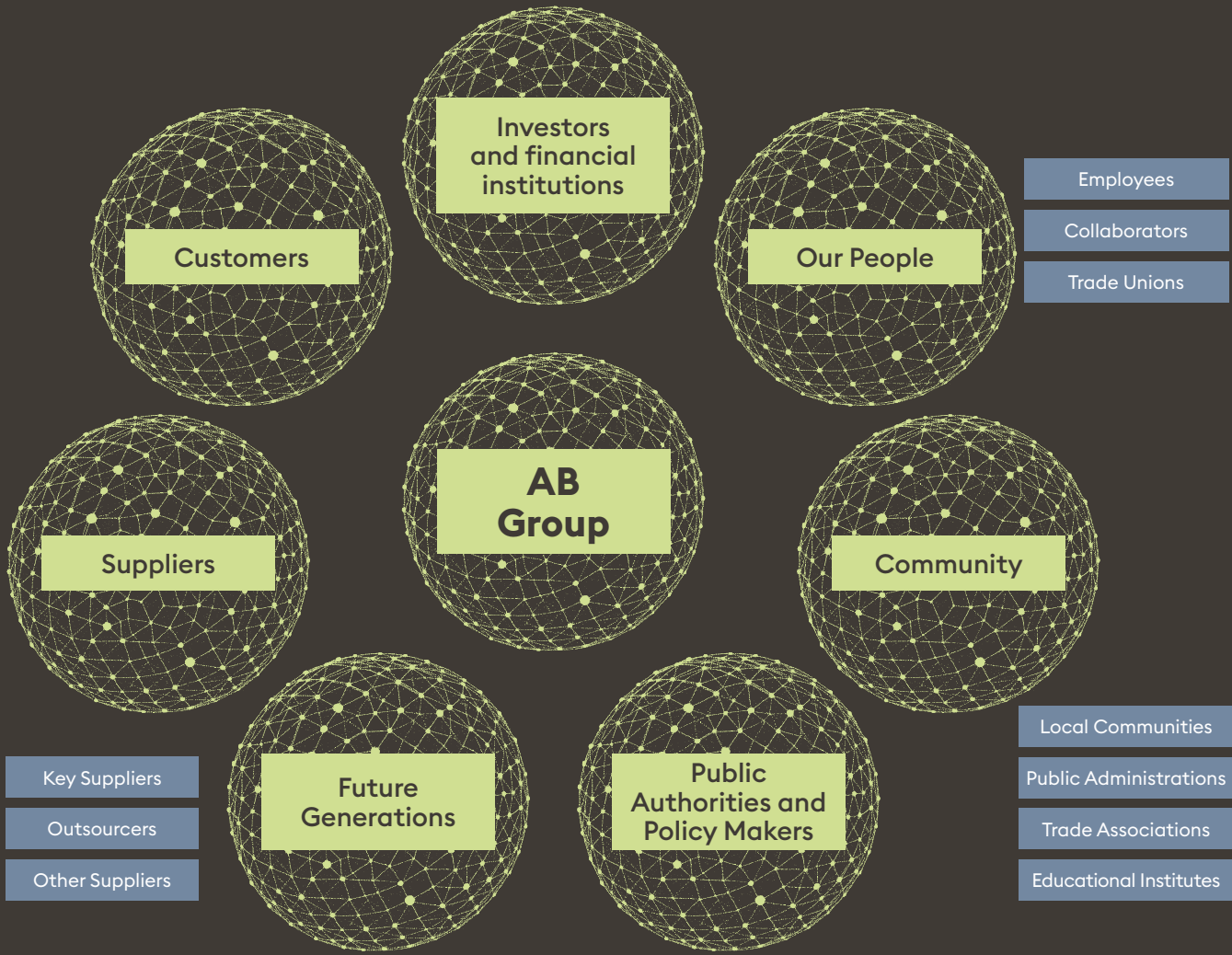
In 2023, the Group’s management carried out a stakeholder identification activity as part of a dedicated workshop: this activity produced a precise and detailed mapping of the categories of stakeholders with which the Group dialogues and interacts during the course of business.

The mapping is divided into seven macro-clusters, broken down into individual categories

for some groups of subjects (see the infographic on the side).

In line with the progressive integration of sustainability into the Group’s strategic DNA and the achievement of the “NEW NORMAL”, during 2024 the Group completed the following activities:

- 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. The results of the questionnaires exposed a widespread and shared sensitivity towards issues such as environmental protection, the well-being of people and business integrity. In particular, participants showed a particularly



strong focus on reducing greenhouse gas emissions and optimizing energy consumption, recognizing the fundamental importance of adopting more sustainable practices. On the social front, great importance has been attributed to the promotion of gender equality,

considered a key element to ensure equity and inclusion within the organization and along the entire value chain. In addition, the value of the active involvement of stakeholders – understood as key partners in the Group’s sustainability path – was underlined.

FUTURE ACTIONS

In the short term, the Group intends to further develop the engagement and support offered to stakeholders through a specific project called AB² (AB squared), which leverages the role of “**social regenerator**” that AB intends to assume in the future and integrate into its mission, alongside that traditionally covered as an environmental regenerator. Designed and shared internally during 2024, AB² will become operational at the beginning of 2025 and will be aimed at three categories of stakeholders: customers, suppliers and public and private institutions.

PROGETTO DOABLE



With the aim of redefining, through the Group's wealth of knowledge and experience, the relationships between the subjects who interact in the market, AB has started collaborating with **Progetto Doable** Società Benefit.

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 Corporate Identity of Progetto Doable 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 translate this philosophy into practical and tangible actions, AB has decided to internally promote **two services designed and provided by Progetto Doable**:



aDoormore: (see A closer look: 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.



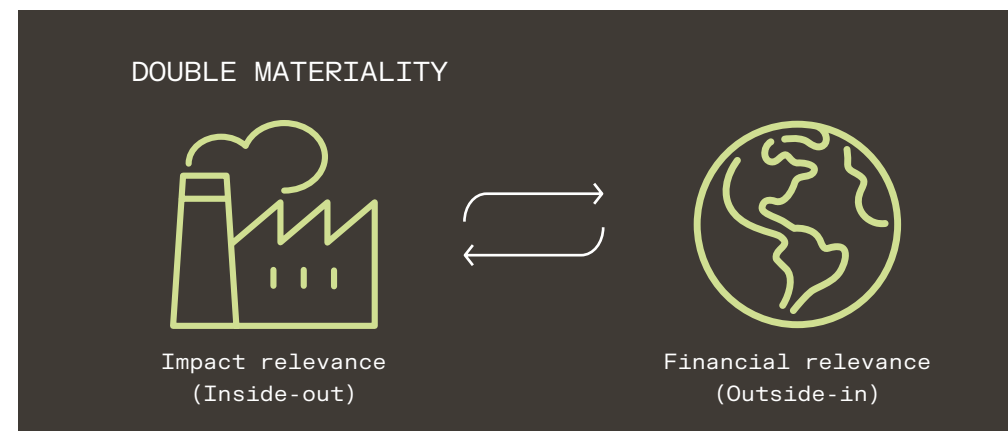
YouAreThePilot: an innovative support mechanism dedicated to smaller companies, both within the production chain and for the benefit of the Group's customers. The initiative aims to foster business growth and consolidation by providing access to knowledge and shared experience. The peer-to-peer approach adopted favors a virtuous exchange, generating value for both parties involved and contributing to the progress and solidity of the entire production chain.

Dual relevance analysis

In 2024, the Group conducted its first **dual relevance analysis** in accordance with the provisions of the ESRS (ESRS 1 – 3.3, 3.4, 3.5). This process integrates the impact materiality analysis previously carried out according to the 2021 GRI Standards, identifying the relevant impacts, risks and opportunities (hereinafter also referred to as **IROs**) to be included in the sustainability report.

In particular, the dual relevance analysis makes it possible to determine whether and how a sustainability issue is relevant considering two interdependent dimensions:

- **the impact relevance** (so-called “inside-out” perspective): considers the **positive and negative impacts**, actual and potential, on people or the environment in the short, medium or long term. Impacts include those related to the company’s operations and the upstream and downstream value chain, including through its products and services and its business relationships (not only direct⁹);
- **the financial relevance** (so-called “outside-in” perspective) considers **the risks and opportunities** faced by the company from the outside, analyzing how external ESG factors can significantly influence the Group’s economic performance and financial value. Unlike the identification of impacts, the analysis of risks and opportunities is based on external factors that are not under the direct control of the company, but derive from the socio-economic and environmental context in which it carries out its activities and maintains its business relationships. A sustainability issue is therefore considered relevant from a financial point of view if it has or can reasonably have significant financial effects on the company.



⁹ Business relationships include those positioned within the company’s value chain, upstream and downstream, and are not limited to direct contractual relationships.

Compared to the impact materiality analysis according to GRI, the dual relevance approach offers an even more strategic and integrated vision of sustainability, improving risk management, business opportunities and transparency towards stakeholders and investors, positioning itself as a highly effective ESG management tool.

IRO IDENTIFICATION AND EVALUATION PROCESS

The dual-relevance analysis process was divided into the following phases:

PHASE A:

Understanding the context

AN accurate analysis of the Group’s activities, business relationships, reference stakeholders, upstream and downstream value chain was carried out, paying particular attention to **potentially critical elements in terms of ESG**.

The context analysis also included an in-depth look at the current regulatory framework, the sustainability context and the socio-political and geographical situation in which the Group operates.

PHASE B:

Identification of sustainability issues and related IROs

For the identification of relevant sustainability issues, the Group relied on the indications of Delegated Regulation (EU) 2023/2772:

- **ESRS 1 – Appendix A – RA16**: proposes a list of sustainability issues covered in the thematic ESRS (e.g. E1 Climate change);
- **ESRS 1 – Appendix E**: provides some guidelines, in the form of a flowchart, to assess whether the sustainability issue under consideration is relevant or not.

To ensure the completeness of the IRO determination process, a mapping of the sustainability issues indicated in ESRS 1 (RA 16) was carried out, together with the related sub-topics and sub-sub-topics. A comparison was then made between the sustainability issues identified by the legislation and the material issues previously identified in the impact materiality analysis carried out for the 2023 ESG Report.

This approach made it possible to integrate the results of the context analysis and previous materiality assessments, conducted in line with the GRI standards, to identify – in a structured way – the impacts, risks and opportunities applicable to the Group.

MATERIAL TOPICS	ESRS
Energy Management & Emissions	E1 Climate change - Energy
	E2 Environmental pollution
Climate change & Energy transition	E1 Climate change - Adapting to climate change
	E1 Climate change - Climate change mitigation
Material sourcing	E5 Circular economy
Circular economy & Waste Management	
Water management	E3 Water and marine resources
Health & Safety	S1 Own workforce - Working conditions
Cohesive work environment	
Development of human resources	S1 Own workforce - Equal treatment and opportunities for all
Diversity and Inclusion	
Community Engagement	
Customer Centricity	S4 Consumers and end users - Personal safety of consumers and/or end users - Health and safety
Technology & Innovation	
Business Ethics	G1 Business conduct
Responsible and engaged Supply Chain	S2 Workers in the value chain
Cybersecurity	Cybersecurity ¹⁰
Economic Performance	

Once the relevant sustainability issues were identified, we proceeded with **the identification of the possible impacts**, risks and ESG opportunities according to the indications of ESRS 1 on the impact relevance (ESRS 1 – 3.4) and financial relevance (ESRS 1 – 3.5), as described above.

10. It should be noted that the "Cybersecurity" theme is the only one not covered by the list of sustainability issues provided for by the ESRS 1 (RA 16). It was however included as it represents a topic of great importance for the Group.

PHASE C

Assessment of the relevance of IROs

The impacts, risks and opportunities were assessed through a workshop with the company’s front lines. In particular, for each IRO, an evaluation was requested (with a score from 1 to 5) based on the following parameters:

RELEVANCE ASSESSMENT CRITERIA

Impact relevance (inside-out)	Impacts (ESRS 1 – 3.4 § 45-46)	– Probability
		– Extent of impact
Financial relevance (outside-in)	Risks Opportunities (ESRS 1 – 3.5 §51)	– Scope of impact
		– Irremediability (only for negative impacts)
		– Probability
		– Extent of impact

PHASE D

Validation and prioritization of IROs

Following the completion of the evaluation of the IROs, as well as previously in the identification phase, the results were the subject of an internal discussion with the company’s front lines. This process has made it possible to identify issues that exceed the relevance threshold and that, consequently, must be considered for reporting purposes.

The determination of the **relevance threshold**¹¹ was made in accordance with the provisions of the ESRS, taking into account the significance of the information with respect to the issue addressed and its ability to respond to the cognitive and decision-making needs of the users of the report. All the topics analyzed have exceeded the relevance threshold and have therefore been included in this Document.

11. The relevance threshold was determined at an overall score of 2.5, so only the IROs that were above it were included in the table.

The table below summarizes the most relevant **IROs** for the AB Group for each relevant sustainability issue:

SUSTAINABILITY ISSUE	NATURE OF THE IMPACT	DEFINITION OF THE IMPACT
E1 Climate change - Adapting to climate change	Positive impact	Positive contribution to the durability of plants guaranteed by the development of plant solutions (=related to the components of cogenerators) and structural solutions (=e.g. compared to biological ones) that take into account the increased probability of the occurrence of physical phenomena related to climate change (e.g. heat waves, water stress, evolution of weather conditions resulting in extreme or chronic phenomena).
	Opportunities	Extension of legal obligations that intensify sustainability requirements and require compliance with the DNSH criterion for energy infrastructures.
E1 Climate change - Climate change mitigation	Positive impact	Positive contribution to the energy transition extended to the entire value chain, especially with regard to the company's customers, thanks to the support in development activities in the use of renewable energies capable of reducing emissions and promoting the fight against climate change.
	Negative impact	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 impact	Increased emission impact (Scope 1) due to methane emissions generated by cattle breeding.
	Opportunities	Increase in market shares resulting from the attraction of new customers who need support in the sustainable transition of their business.
E1 Climate change - Energy	Positive impact	Improvement in the efficient and sustainable use of energy in all business processes, through timely monitoring of consumption, plant improvement and transition towards low-impact supply sources (increase in self-production and 100% renewable supplies) with the activation of smart grid initiatives at the Group level.
	Opportunities	Lower energy dependence linked to traditional sources such as coal and oil with consequent lower economic repercussions due to price variability (e.g. spikes in fossil energy prices or introduction of new carbon taxes).
	Risk	Greater financial risks related to the instability and discontinuity of energy supplies caused by geopolitical crises (e.g. conflicts, tariffs and sanctions between governments).

E2 Environmental pollution	Positive impact	Reduction of the level of pollutants (including SoC, SVHC, EPs) in the environmental matrices, guaranteed by the implementation, control and maintenance of state-of-the-art filtration/treatment systems in order to operate in compliance with environmental permits and according to the precautionary principle.
	Opportunities	Expansion of business opportunities resulting from the development of new technological solutions capable of enabling cutting-edge effluent decontamination performance (gaseous, liquid, solid) that are able to anticipate and comply with more restrictive regulations than the current ones in terms of the minimum content of pollutants permitted in discharges and wastewater that are introduced into the environmental matrices.
E3 Water and marine resources	Positive impact	Optimization of water resources used through wastewater treatment plants, technologies and/or practices to recycle or reuse water.
	Negative impact	Depletion in the quality and functionality of water resources due to the accidental release of contaminants caused by insufficient monitoring, control and containment systems of wastewater.
	Risk	Risk of water scarcity linked to climate variability (e.g. drought phenomena) and consequent impairment of productivity.
E4 Biodiversity and ecosystems	Positive impact	Reduction of environmental impact through the adoption of sustainable agricultural practices to protect soil and biodiversity (e.g. precision farming, assisted evolution technologies, optimization of water resources used, minimization of the use of chemical substances, use of organic food, adoption of correct waste management).
	Negative impact	Depletion of the biodiversity present within the company due to water and soil pollution phenomena associated with improper management of animal manure linked to accidental events.

E5 Circular economy	Positive impact	Reduction of the consumption of natural resources through circular economy solutions focused on the use of renewable and/or recycled and/or recyclable materials and the ability to recondition and/or reuse plant components (reuse, disposal, recovery and reconversion of materials).
	Positive impact	Initiatives to redevelop the Group's real estate assets and use of disused areas/buildings for the development of new offices instead of the construction of new buildings.
	Positive impact	Contribution to the circular economy along the value chain through technical solutions designed to support customers in adopting circular practices and systems that favor the efficient use of industrial and agricultural by-products for energy production.
	Opportunities	Amplification of business opportunities following the fulfilment of regulatory requirements (e.g. EXPR) that require solutions placed on the market that meet high standards of durability, recyclability and efficiency.
	Risk	Risk of business discontinuity due to fluctuations in costs and availability of raw materials and market instability.
S1 Own workforce - Working conditions	Positive impact	Positive contribution to the quality of life and well-being of workers – and their families – thanks to the improvement of the balance between private and working life (through welfare and well-being solutions) and the creation of a stimulating and collaborative working environment.
	Negative impact	Increase in the number of accidents and injuries with serious consequences due to a rise in burn-out episodes and work-related stress and due to insufficient prevention and monitoring activities (e.g. training, monitoring, etc.).
	Risk	Indirect costs due to occupational diseases and accidents involving employee absences, turnover and decreased productivity.

S1 Own workforce - Equal treatment and opportunities for all	Positive impact	Enhancing the diversity (in terms of age, gender, ethnicity, inclusion of people with disabilities, etc.) of underrepresented categories and raising awareness among company staff on the topic, through the definition of principles, guidelines and specific actions that promote an inclusive working environment that respects plurality and heterogeneity.
	Positive impact	Greater attraction and retention of resources through the establishment of concrete support mechanisms for employees in the parenthood area and through the acquisition of new skills generated by projects specifically oriented towards research and the enhancement of differences (project in collaboration with the Ca' Foscari University of Venice).
	Positive impact	Positive contribution to the employability and competitiveness of resources on the market (individual advantage) and increased resilience and ability to face the complexities of the modern world (collective advantage) through appropriate, targeted and up-to-date training programs.
	Negative impact	Reduction of retention due to the failure to respect diversity and equality due to discriminatory treatment, conditioned by factors such as gender identity, sexual orientation, religion, ethnicity and language.
	Risk	Difficulty in recruiting resources adequate to the needs of the Group, due to current phenomena affecting the availability of professionals (e.g. emigration to countries that offer better salaries, low female presence in the sector, lack of channels for regular immigration, etc.).
	Risk	Management charges concerning the male workforce due to incentive systems and/or regulatory obligations to support births more oriented towards equality in parental roles (e.g. extension of paternity leave, family leave, etc.) and which, for this reason, will result in a longer period of absence from work.
S2 Workers in the value chain	Positive impact	Improvement of working conditions in the value chain through the introduction of a Supplier Code of Conduct and through involvement and partnership initiatives (e.g. aDoormore initiative), with subsequent monitoring of the same through inspection activities, audits and other available monitoring tools (e.g. commercial agreements).
	Negative impact	Precarization of work in the supply chain deriving from purchasing policies that prioritize aspects not related to the well-being of workers (e.g. tight delivery times compared to shared timeframes) instead of ESG-related evaluation parameters.
	Risk	Loss of suppliers and consequent reduction of opportunities to ensure proper diversification associated with the failure of entities currently present in the supply chain to adapt to regulatory obligations relating to specific ESG issues (e.g. fair remuneration; DE&I policies, etc.)

S4 Consumers and end users - Personal safety of consumers and/or end users - Health and safety	Positive impact	Protection of the safety of the end users of the plants through devices such as after-sales services, remote and field support and predictive maintenance based on big data and artificial intelligence.
	Negative impact	Threat to the safety of end users due to accidents in installed plants due to inefficiencies, delays and interruptions in maintenance services.
	Risk	Changes in the reference legislation on safety requirements and environmental impact indicators of final products that causes delays and discontinuities in sales.
	Risk	Reputational losses related to extraordinary incidents involving plants sold to customers and a decrease in the company's market share due to purchasing policies that favor the non-European market.
G1 Business conduct	Positive impact	Positive contribution to the creation of correct and ethical business relationships thanks to the greater capacity of due diligence in the supply chain, through the integration of ESG-related criteria in the selection and qualification of suppliers (e.g. vendor rating) and the sharing of sustainability best practices capable of positively influencing the opportunities for change of the company's stakeholders (e.g. aDoormore and You Are The Pilot).
	Positive impact	Promotion of ethical and responsible behavior in the company population and among all stakeholders through awareness-raising initiatives and implementation of appropriate safeguards (e.g. training on Model 231, whistleblowing system, etc.).
	Negative impact	Difficulty in ensuring high standards of compliance in commercial relations resulting from the delay in adapting governance safeguards for all Group companies (e.g. antitrust, lobbying to influence public financing policies, false declarations, conflicts of interest with respect to public and private tenders, anti-corruption).
	Opportunities	Structured integration of sustainability into the corporate fabric and processes as a result of an obligation to include ESG objectives throughout the value chain and the rewards provided for in the incentive systems for the installation of technological solutions in the Group's catalog.
G1 Business conduct - Animal welfare	Risk	Risk of business discontinuity associated with phenomena of disruption of the supply chain linked to random factors (e.g. polycrisis situations) and/or inherent in supply chain compliance (e.g. difficulty in meeting regulatory requests, such as CBAM, EXPR, etc.) and/or the verification of companies' real and verified conduct.
	Positive impact	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) and adherence to certified management systems (e.g. Classyfarm).

Cybersecurity	Positive impact	Positive contribution to performance in terms of compliance and business continuity determined by the development and implementation of proportionate and relevant cybersecurity safeguards that make it possible to maintain high standards of computer security to protect the company's know-how, the functionality of its internal IT systems and the control of the systems installed at customers' premises.
	Opportunities	Greater attractiveness to both private and public administration customers as a result of the application of the NIS 2 regulation, aimed at ensuring cooperation between Member States in terms of data and information exchanges and obliges value chains to evaluate the adequacy of suppliers in terms of guarantees offered with regard to supply chain compliance.



Below we present the list of sustainability issues classified according to their level of relevance in three categories: **priority, high and medium-high.**

This subdivision reflects their critical nature with respect to the company’s strategic objectives and stakeholder expectations, supporting a clear understanding of the issues of greatest impact and relevance for decision-making.

SUSTAINABILITY ISSUE	RELEVANCE
G1 Business conduct	● ● ●
E1 Climate change - Climate change mitigation	● ● ●
E2 Environmental pollution	● ● ●
E5 Circular economy	● ● ●
S4 Consumers and end users - Personal safety of consumers and/or end users - Health and safety	● ● ●
S1 Own workforce - Equal treatment and opportunities for all Cybersecurity	● ● ●
E1 Climate change - Energy	● ● ○
S1 Own workforce - Working conditions	● ● ○
S2 Workers in the value chain	● ● ○

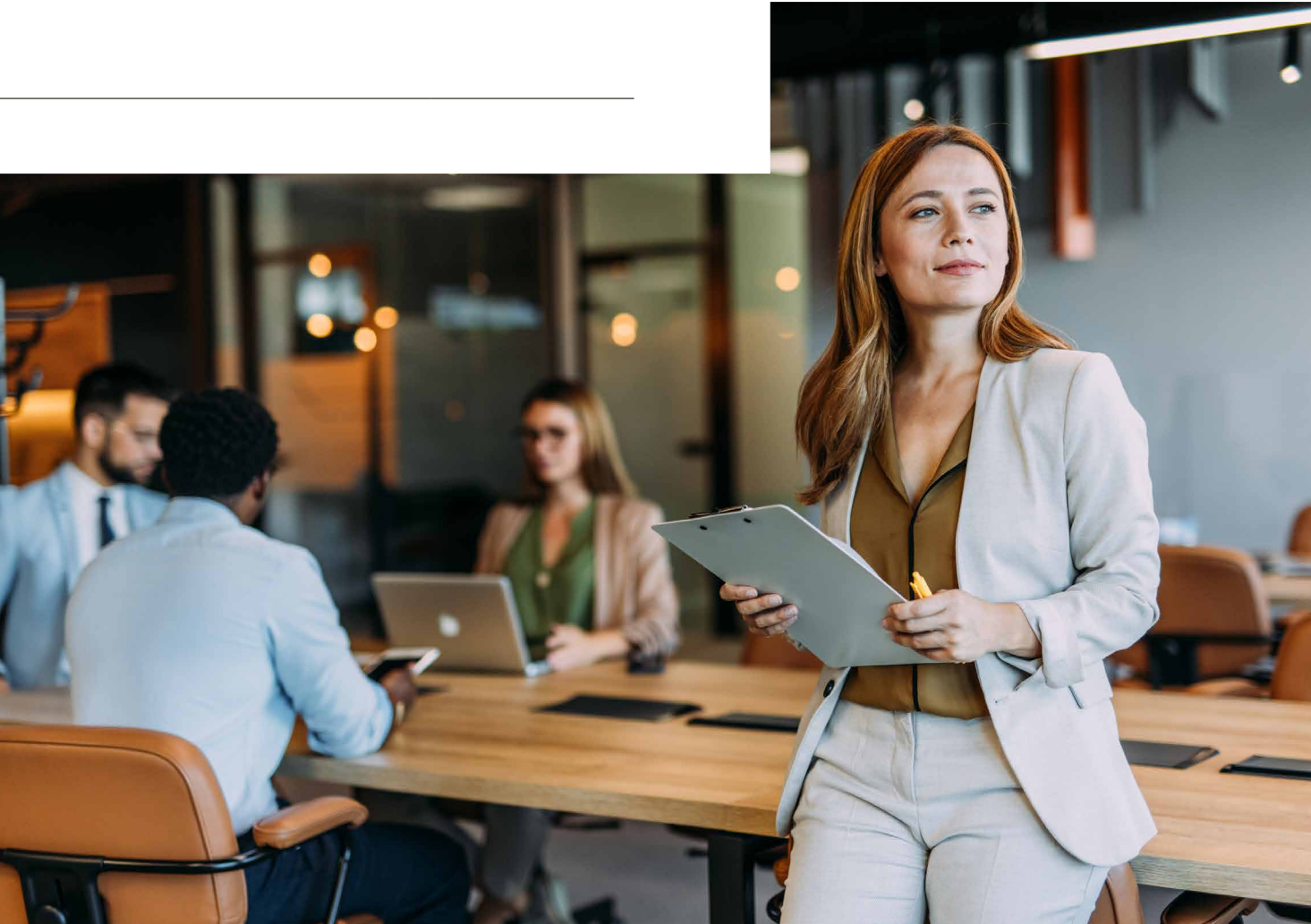
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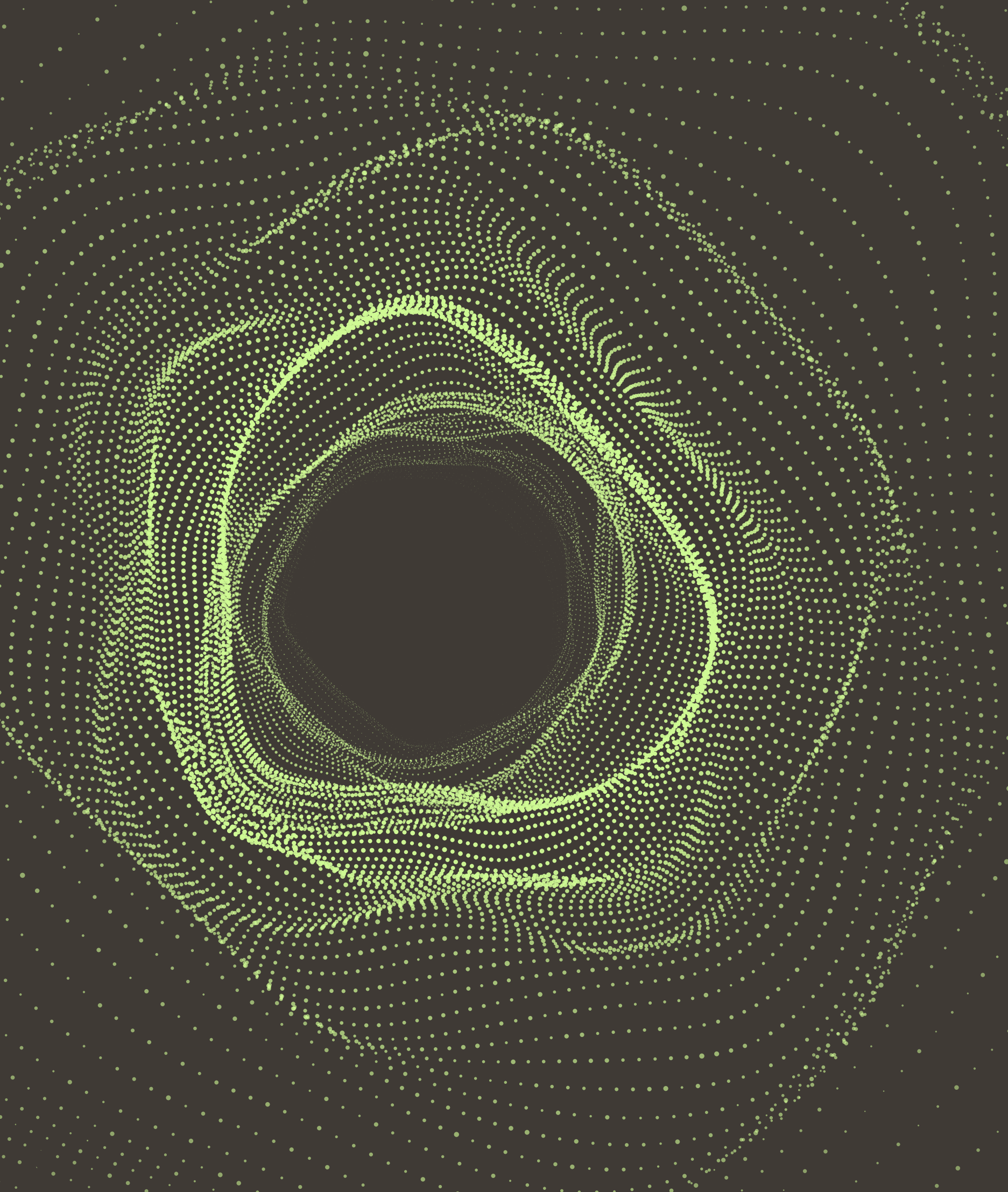
● ● ●
Priority

● ● ○
High

● ○ ○
Medium-high

SUSTAINABILITY ISSUE	RELEVANCE
E1 Climate change - Adapting to climate change	● ● ○
E3 Water and marine resources	● ○ ○
G1 Business conduct - Animal welfare	● ○ ○
E4 Biodiversity and ecosystems	● ○ ○





2

Governance

G1 – Business conduct

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.

COMPOSITION OF THE BOARD OF DIRECTORS OF AB HOLDING AS OF 31.12.24

Member	Role	Gender	Age	Executive/ Non-executive	In office since
Graziella Calzavacca	President	F	63	Executive	29/06/2022
Angelo Baronchelli	CEO	M	65	Executive	29/06/2022

The **selection and appointment process** of the members of the Board of Directors of Group companies is based on criteria of technical competence, integrity and professionalism. The latter are identified through a careful and rigorous evaluation of the profiles, with particular attention to the experience gained in the economic-financial, legal and organizational sectors, in line with the needs 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. All AB Group Companies are under the direction and coordination of the Parent Company AB Holding Spa.

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 • G. Calzavacca	• A. Baronchelli • E. Calzavacca	• A. Baronchelli • C. Baronchelli • E. Calzavacca	• A. Baronchelli
AB Ambiente	AB Fin-Solution	Enviroexperts Italia	
• G. Calzavacca • A. Baronchelli • C. Baronchelli • G. Colossi	• A. Baronchelli • G. Calzavacca • R.N. Zucchi	• G. Foglia	

WORLDWIDE COMPANIES – BOARD OF DIRECTORS

AB Energy România	KWE AB Energy Polska	AB Energy España	AB Energy USA	AB Energy Australia
• A. Baronchelli • G. Foglia	• A. Baronchelli • I. M. Kunc-Lyczko • P. Petruccioli	• C. Baronchelli • R. N. Zucchi	• E. Calzavacca • P. Ruggeri	• R.N. Zucchi • P. Ruggeri • D. Garry
AB Energy Česká	AB Energy Srbija	AB Energy Hrvatka	AB (Cogeneration) Energy Israel	AB Energy Puerto Rico
• P. Petruccioli	• G. Foglia	• G. Foglia	• C. Baronchelli • A. D'Aloia • E. Lavi	• E. Calzavacca • P. Ruggeri
AB Energy (UK)	AB Energy Do Brasil	AB Energy Canada	AB Energy Rus	
• A. Baronchelli • P. Petruccioli	• M. Cavalli	• A. Baronchelli • J. M. Buij • R. N. Zucchi • S. Riboldi	• OOO Severny Project	
AB Energy Argentina	AB Energy Deutschland	AB Energy France	AB Energy Mexico Cogeneracion	
• D. Botana	• C. Baronchelli • E. Calzavacca	• A. Baronchelli • A. D'Aloia	• A. Baronchelli • P. Ruggeri	
AB Canada Investment	AB Energy Bulgaria	Cogeneration AB Energy Hellas	AB Energy Singapore	
• G. A. Fiorella • R. N. Zucchi • P. Ruggeri	• G. Foglia	• A. Baronchelli • G. Foglia	• P. Ruggeri • H. L. B. Kharmis	

The guiding principle of the process is the pursuit of **professional excellence**, considered an essential element to ensure effective oversight of the strategic direction and corporate control functions, as well as to ensure full regulatory compliance and the achievement of long-term business objectives. The Group, well aware of the importance of **expanding the range of skills and perspectives**

POLICIES

The AB Group has adopted a **structured system of formalized policies and procedures** aimed at strengthening organizational responsibility and promoting a corporate culture based on integrity and transparency. Through a clear assignment of roles and responsibilities, the Group is committed to preventing illegal behavior, strengthening stakeholder confidence and ensuring structured and effective oversight of decision-making, management and control processes.

The policies and procedures adopted by the AB Group in terms of business ethics play a central role:

- the **Code of Ethics**;
- the **Organization, Management and Control Model** pursuant to Legislative Decree 231/2001 (also known as “**Model 231**”)¹²;
- the **Whistleblowing channel** and the **Whistleblowing** procedure;

present in the Boards of Directors, is committed to carefully monitoring international best practices to guide its growth.

The supervisory bodies of the Parent Company AB Holding S.p.A are the **Board of Statutory Auditors**, composed of three members, the **auditing firm (Brixia Revisione S.r.l.)** and the **Supervisory Body** pursuant to Legislative Decree 231/2001.

- the **ABway Manual**.

The **Code of Ethics**, currently applied to **AB Holding, AB Impianti, AB Service** and the majority of the foreign companies of the AB Group is a founding element of the Group’s corporate culture, representing its value card. The document defines the ethical and conduct principles that must inspire the daily actions of all those who work in the name or on behalf of the company, both internally and in relations with customers, suppliers, partners, public and private bodies. The Code is supported by a **training, communication and monitoring system**, which guarantees its correct application within the company. The document is available on the Group’s corporate **website**.

Model 231, currently adopted by the **AB Holding, AB Service and AB Impianti** companies, constitutes a fundamental pillar of the AB Group’s governance system. Its main purpose

is to **prevent the commission of crimes**, through a systemic and proactive approach to risk management. In line with best practices, the Model is built on a careful mapping of sensitive activities, the adoption of control protocols and the clear definition and allocation of roles and responsibilities.

The document is divided into **various sections**:

- **scope and glossary**;
- references to Legislative Decree 231/2001, as well as to the applicable national and international regulatory framework;
- **description of the Model**, its inspiring principles and the areas of risk covered;
- definition of the tasks and powers of the **Supervisory Body (SB)**;
- description of the **disciplinary system** applicable in the event of violations;
- methods adopted to **communicate, disseminate and update** the Model.

Model 231 – General Part – can be consulted in full on the **corporate website**.

To complement this monitoring, the **Whistleblowing Procedure** governs the ways in which employees, collaborators and stakeholders can report – including anonymously – illegal behavior, violations of Model 231, the Code of Ethics or other applicable regulations. The procedure applies only to Italian companies and provides clear **operating instructions** for sending and managing reports through the available channel.

In addition, it formally assigns to the **Whistleblowing Committee** the responsibility to assess the admissibility and substantiation of the reports, as well as to promote the appropriate corrective or disciplinary actions.

As evidence of the tangible commitment to professional conduct, in line with corporate values, the Group has also drafted and made available the **ABway Manual**, an internal guide that translates the founding principles of organizational identity into concrete behaviors. These include:

- **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

12. The Organization, Management and Control Model pursuant to Legislative Decree 231/2001 is a tool designed to document the set of rules, procedures and protocols adopted by companies to prevent the commission of offences that could entail legal liability for the entity.

- 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.

ACTIONS

To consolidate and strengthen its **responsible governance** system, the AB Group has implemented several **initiatives** during the reporting period covered by this Report.

Among these, the Group has established **internal working tables**, which meet on a regular basis, aimed at aligning and strengthening corporate policies and their uniform application across all Group companies. This path, which saw the strong participation of local General Managers (GMs), led to a **review of the organizational structure** and laid the foundations for the implementation, by the Boards of Directors of the various subsidiaries, of corporate policies that previously only applied to Italian companies. To support this evolution, the **Process Management** business unit was created in 2024, tasked with guiding the implementation of the corporate policies being formalized and developing an operational

plan for their extension at an international level.

In parallel, the Group has strengthened the monitoring of the **reporting mechanisms** of illegal behavior or behavior that does not comply with corporate values, consolidating the operation of the whistleblowing system. In fact, an internal reporting channel is fully operational within AB, through a **digital platform**, compliant with applicable national and European legislation. The system allows individuals to make reports – including anonymously – in compliance with the principles of confidentiality, whistleblower protection and traceability of subsequent actions.

- The platform is **accessible through the corporate website** by all employees, collaborators and external stakeholders of the Group's Italian companies and guarantees:
- a structured and timely handling of reports,
 - transparent case management,
 - the definition of corrective and disciplinary actions, as necessary,
 - continuous monitoring of the system, to ensure its effectiveness and compliance over time.

During the reporting period covered by this Report **no reports were received**.

FUTURE ACTIONS

With the aim of further consolidating its responsible governance system and ensuring an evolution consistent with the highest regulatory standards, the AB Group has defined a plan of **strategic interventions** in the **medium term**.

Planned actions include:

- the updating and translation into English, Spanish and French of the Group's **Code of Ethics**;
- the updating of the **Model 231** of the AB Holding, AB Impianti and AB Service companies;
- the organization of **training sessions** on Model 231 aimed at top management and the entire corporate population of companies that have adopted the Model, with specific in-depth analysis of corruption offences and related prevention procedures;
- the adoption of the **Sales Code of Conduct**, with the aim of addressing anti-corruption issues in a direct and structured manner and providing a clear and consistent framework for sales-related conduct within the Group;
- the creation of a standardized and codified procedure aimed at **regulating the exercise of the powers to decide and act** by the appointed administrative bodies for the European countries where the figure of the General Manager (GM) is operational;
- compliance with the **NIS 2 Directive** through the appointment of the Point of Contact (PoC) responsible for compliance management and the **definition of a detailed plan** that meets all the requirements provided for in the Directive;
- the implementation of a **Group compliance framework**;
- the structuring of a **Group anti-corruption management system**;
- the drafting of a **policy on the management of conflicts of interest**;
- the extension of whistleblowing policies to **foreign Group companies**;
- the drafting of a **Supplier Code of Conduct**;
- the updating of the **GDPR model**;
- the completion of the **"Going Digital"** project for digital archiving.

13. The European Whistleblowing Directive (2019/1937) provides for the obligation for companies within the scope of application to adopt an internal reporting system and to implement structured reporting mechanisms that comply with requirements provided for by the legislation in question.

G1 – Animal welfare

The theme of animal welfare is significant for the AB Group exclusively with regard to AB Ambiente, a company that operates in the **agricultural sector** and which, among the various activities carried out¹⁴, oversees the breeding of over 800 dairy cows¹⁵.

POLICIES

Governance

The management of this aspect is the responsibility of the company's **Board of Directors**, which defines the strategy for the adoption of systems oriented towards animal welfare – whose feasibility is evaluated by the **General Manager** – and approves the necessary investments. The operational aspects are managed by the **Zootechnical Services** business unit.

Commitments

As formally communicated in a post published on the aDoor-more platform, the Group is publicly committed to ensuring that animals are healthy, free from pain and that they can enjoy the so-called “**Five Freedoms**”¹⁶:

- freedom from hunger, thirst and poor nutrition;
- freedom from environmental hardship;
- freedom from illness and injury;
- freedom to exhibit species-specific behaviors;
- freedom from fear and stress.

ACTIONS

The actions taken to ensure a high level of animal welfare are as follows:

- 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

14. The activities carried out include the production and sale of milk, the cultivation of land for the production of livestock feed and the generation of agricultural biomass used in cogeneration plants, the operation of two cogeneration plants with associated transfer of electricity to the national grid and use of thermal energy in the Group's industrial complex.

15. The milk produced is entrusted to a producer cooperative and is mainly intended for the cheese processing and production industry.

16. The activities carried out include the production and sale of milk, the cultivation of land for the production of livestock feed and the generation of agricultural biomass used in cogeneration plants, the operation of two cogeneration plants with associated transfer of electricity to the national grid and use of thermal energy in the Group's industrial complex.

- 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, is purchased from third-party producers.

“STALLA MODELLO” CALL

AB Ambiente is committed to ensuring animal welfare through advanced technologies and ethical practices, adhering, among other things, to a supply chain project called “Stalla Modello”.

The project aims to improve the environment, hygiene and living conditions of animals, while also optimizing energy and water efficiency. With the support of a qualified team, made up of barn managers, feeders and veterinarians, AB Ambiente has launched a series of strategic investments to achieve its objectives, focusing on the modernization of facilities, technological innovation and the optimization of resources. Some the main modernization interventions carried out include the purchase and renovation of obsolete barns, investment in technologies and automation, as well as in renewable electricity production plants.



During 2024, AB Ambiente embarked on a **significant expansion of its livestock business**, considerably increasing the number of cows managed compared to the 700 units of the previous year. This growth is the first step in a broader development strategy that includes a further expansion of the number of animals raised and the extension of the company's scope of action.

In line with this expansionary strategy, during the year a **second operating site was created in Monticelli (BS)**, where the introduction of the new animals has already begun. To ensure high standards of management and animal welfare even at this stage of dimensional growth, the company has implemented a more structured organizational system through several innovative initiatives:

- installation at the Orzinuovi site of a **robotic system for the preparation and distribution of customized feed**, which optimizes processes based on the real needs of animals, reduces food com-

petition, lowers energy consumption, consequently reducing CO₂ emissions, and improves the efficiency of economic results;

- **introduction of a specific professional figure** in charge of the daily monitoring of the quality and quantity of animal rations, as well as the management of incoming and outgoing flows (loading/discharges);
- **animal health monitoring** through software that analyzes their movement and sounds an alarm in the event of abnormal behavior, such as reduced movement or long stay in stalls.

FUTURE ACTIONS

AB Ambiente has defined the following objectives for the short-medium term:

- extend the application of the robotic system for the preparation and distribution of feed to the Monticelli location (2025);
- entrust the aforementioned professional figure with a coordinating role in relations with the University in the context of research and development projects on animal nutrition (2025).



G1 – Management of relationships with suppliers

The relationship with suppliers is a strategic element for the AB Group, which aims to build solid and lasting collaborations based on trust, transparency and sharing of values.

POLICIES

To ensure a structured, transparent and aligned management of the relationship with suppliers to the highest international standards, the AB Group has drafted a series of strategic documents that regulate the relationship with suppliers, defining guiding principles, operating standards and shared responsibility criteria.

The founding element of this system is the **Code of Ethics**, which represents the essential value reference for all business partners. The document defines the expected conduct, promoting a culture based on **integrity, legality, equity, transparency**, as well as **protection of human rights**, respect for the environment, inclusion and safety in the workplace. The signing of the Code of Ethics by suppliers is a necessary condition for initiating and maintaining a contractual relationship with the Group.

In line with these principles, during the reporting period covered by this Report, the Group

has started the drafting of a **Sustainable Procurement Policy**, a strategic document aimed at systematically and measurably integrating ESG (Environmental, Social, and Governance) criteria into purchasing processes. The policy, which will be formalized by the end of 2025, is a key tool for guiding supply choices towards the selection of qualified, responsible operators aligned with the Group's sustainable development goals.

Through the policy, the AB Group will engage at all levels of its organization in virtuous practices that will include, among others:

- the inclusion of environmental, social and economic sustainability criteria in the **evaluation and selection of suppliers**, with great attention to the management and monitoring of impacts throughout the supply chain;
- the **preferential selection** of suppliers that demonstrate attention to the protection of the environment and

people, with an active management of environmental impacts and a tangible commitment to the recycling and reuse of materials, as well as respect for human rights;

- requiring suppliers to maintain **certified management systems**, with a focus on quality, the environment, health and safety and cybersecurity.

ACTIONS

In order to ensure responsible supply chain management, the Group implements initiatives to consolidate practices already adopted, alongside new initiatives that aim to further strengthen the operational efficiency, sustainability and resilience of its supply system.

In line with previous reporting periods, the Group pursued a balance between **continuing relationships with historical suppliers** and the **integration**

of new partners. This strategy – in particular as relating to components – allows the Group to combine the experience and reliability of consolidated relationships with the innovative drive given by new players, in response to the evolution of the offer and new production needs.

In terms of **contractual requirements**, all suppliers are required to sign the General Purchase Conditions and adhere to the principles of the Group's



Code of Ethics. These principles, which include compliance with anti-corruption, security, environmental protection and human rights regulations, are inspired by internationally recognized references, such as the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO Tripartite Declaration.

In 2024, the Group conducted an in-depth analysis of its supply chain, with a particular focus on sources of raw materials. In this context, the Group has verified that its suppliers – primarily consisting of dealers and intermediaries/facilitators – do not source from geo-politically unstable areas, so as to minimize the risk of interruptions and ensure the continuity of supplies. In general, the Group favors suppliers located in Europe, adopting a **proximity criterion** focused on operational flexibility and less exposure to geopolitical risks.

During the reporting period covered by this Report, the Group also initiated a significant transformation of the **supplier selection and qualification process**, integrating the ESG (Environmental, Social and Governance) criteria into the **Vendor Rating** system. Maintaining some traditional evaluation parameters – including quality, delivery times, price competitiveness and reliability – as key requirements, the new framework is divided into three fundamental processes:

- **ESG assessment:** systematic analysis of environmen-

tal, social and governance aspects, including the possession of certifications and management policies for relevant sustainability issues;

- **assessment of financial soundness:** verification of economic and financial reliability through the analysis of financial statements, economic performance indicators, credit rating and financial history of business partners;
- **verifying participation in the aDoormore** platform (see aDoormore).

To support this new approach, the Group has introduced a section on ESG-related issues within its qualification management software. The system combines operational performance indicators with environmental and social parameters – also originating from another dedicated platform – allowing a more complete, dynamic and consistent analysis with the goals of continuous improvement of responsibility along the supply chain. The system, initially aimed only at service providers, will gradually be extended to the entire supplier fleet.

FUTURE ACTIONS

To further strengthen the sustainability of its supply chain, the Group has planned a number of initiatives in the medium term. These include:

- the implementation of a **self-qualification** portal accessible from the corporate website, which will facilitate the early evaluation of potential suppliers, while allowing the immediate verification of the documentary and technical requirements deemed essential for participation in calls for tenders;
- the development and deployment of **management software** dedicated to suppliers to further optimize the evaluation process, increasing operational efficiency and adherence to the most advanced industry standards;
- the development and dissemination of **specific guidelines for suppliers**, in order to ensure that external partners also operate in accordance with the Group's ethical standards¹⁷;
- **participation in Futura Expo 2025**, in which the Group – in its role as leader – will meet its supply chain in order to present an innovative project that aims to promote the sharing and implementation of good sustainability practices. The project will involve the use of a dedicated digital platform, which will allow initiatives to be made accessible and replicable quickly and easily.

With these actions, the AB Group aims to integrate ESG-related factors already in the selection phase of suppliers, thus creating a qualified, reliable supply chain consistent with its sustainability objectives. The aim is to generate a virtuous circle in which environmental and social responsibility becomes an integral part of the purchasing and selection processes, contributing to the construction of a more ethical, transparent and resilient ecosystem.

METRICS

In the management of relations with suppliers, the AB Group adopts an approach based on transparency, fairness and compliance with contractual commitments. The high level of compliance with these conditions – with 95% of payments made on time – confirms the Group's focus on building reli-

able and stable business relationships. This virtuous behavior contributes to strengthening partner confidence and supporting the overall resilience of the Group's supply chain.

17. Given the complexity and extent of the supply chain, the effectiveness of these guidelines may have operational limitations.

aDoormore

The **aDoormore** 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, with the aim of 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 white paper, viewable in the aDoormore platform in the dedicated section, which is a statement of all the sustainability objectives of the AB Group 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:

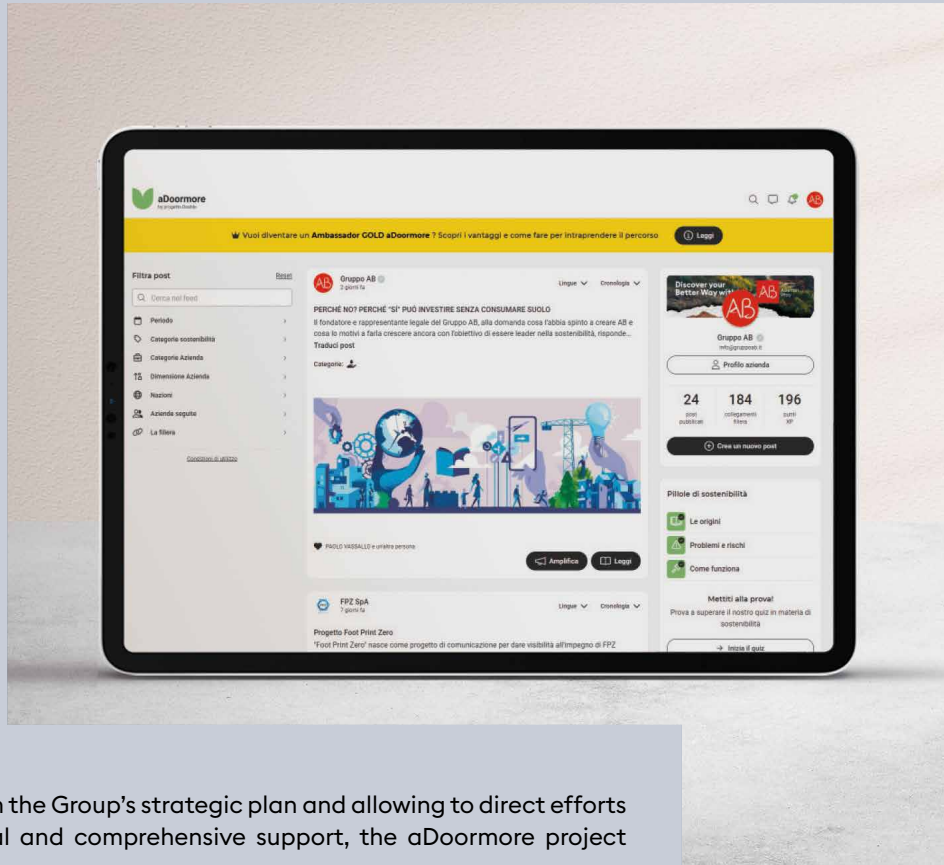
- from a content **transmission point of view**, **monthly meetings** are organized to share **ideas** and **data** related to the world of sustainability. During these events, regulatory updates are shared and the actions carried out by suppliers during the month are analyzed, helping to identify any 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.

The members of the community receive technical assistance from the appointed AB staff and the Progetto Doable for the publication of the contents and specific suggestions on the possible actions to be taken in the environmental, social and governance (ESG) field. 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 collected 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.

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.

The platform has been implemented in AB starting from 2024, in harmony with the efforts made by the Group regarding the responsible management of the value chain. Through the development of a scorecard – integrated into the **Vendor Rating** system and aimed at assigning an ESG score to suppliers – the Group will be able to identify any monitorable gaps, which can be closed through the development of targeted projects, including initiatives shared through the platform.



Data privacy & cybersecurity

The AB Group considers **information security** and **personal data protection** as strategic factors to protect information assets and turn them into a competitive advantage. Personal information and data is considered a fundamental asset for the activity and management of relationships with interested parties. For this reason, the Group pays particular attention to the elements

that support information and enable its management, including organization and processes, technological and physical infrastructures and people.

In recent years, the Group has made significant investments in these areas, with the adoption of **latest generation digital systems** and implementing virtuous models and specific projects in the field of data protection and cybersecurity.



POLICIES

The continued spread of new information technologies exposes the company to risks related to both financial and criminal involvement, while creating problems related to its image and security. In this context, the AB Group has adopted all the security measures deemed necessary for the processing of personal data and has provided the personnel involved with clear and consistent instructions regarding these measures.

Given that the use of corporate IT and telematic resources must always be inspired by the principles of diligence and fairness, attitudes intended to support every act or behavior carried out as part of the

employment relationship, the AB Group has drawn up an **ICT Policy** that applies to all employees, regardless of role or level of classification, as well as to all collaborators – including temporary workers, consultants, interns, agents, sales force and other external agents – who use corporate IT tools. In particular, the ICT Policy regulates the use of:

- fax machines, photocopiers and printers;
- PCs;
- antivirus programs;
- email;
- passwords;
- the corporate network;
- mass storage devices;
- mobile phones;
- Office 365.

ACTIONS

In the wake of the work initiated during the previous reporting period, 2024 also saw the onset of numerous **structural and operational initiatives** aimed at maintaining an optimal operation of IT systems and processes, thus guaranteeing the **absence of external complaints** concerning incidents of privacy violations and data leaks, theft or loss of information, a strategic goal for the Group. These include:

- the adoption of the Group’s “**Security Framework**”, which operates on three levels of security – predictive, proactive and preventive – and guarantees constant monitoring and control of systems;
- updating **cybersecurity threat intelligence** tools to monitor information and potential data breaches on servers and the web;
- **simulation of attacks and phishing** to test the Group’s ability to detect and mitigate potential threats;
- the extension of the **SASE** (Secure Access Service Edge) security framework to foreign companies in order to facilitate personnel working remotely, while ensuring complete data protection from external threats.

As regards the **assessment of the risk associated with cybersecurity** and the mitigation of potential threats and vulnerabilities of its systems, the Group constantly updates the systems through a rigorous monthly

patch management process, ensuring that all known critical issues are promptly resolved. The security of updates is verified through periodic assessments conducted by the **Security Operations Center (SOC)**, which monitors and evaluates the effectiveness of the measures implemented.

Other activities supporting the development of **advanced data governance systems** included controlled and partitioned access to systems and infrastructure, implementation of SSO and dual authentication, assessment of the management system and rationalization of profiles in the Active Directory for segregation of duty purposes, selection of the Middleware platform for monitoring interfaces between systems.

2024 also saw the adoption of targeted strategies aimed at ensuring **the continuity of the service provided**, increasing the ability to recover information in the event of an attack. This was possible thanks to the following activities:

- renewal and **upgrading of backup systems**, which ensure greater resilience and data recovery speed;
- enhancement of the **internal infrastructure** and of the external connection through the redundancy of communication lines, ensuring greater reliability and stability of operations;
- installation of new UPSs and evaluation of new redun-

dant generators, thus ensuring continuous protection against power outages and ensuring operational continuity even in critical situations.

The Group recognizes the crucial importance of employee **training and awareness** as fundamental levers to fuel a path

of continuous improvement. For this reason, AB constantly strives to provide **continuous training** to staff on cybersecurity. To this end, **specific training** on topics such as cybersecurity, the NIST Framework and the NIS Directive¹⁸ was also provided in 2024.

The attention to compliance with mandatory regulations sees AB engaged as an **key participant** in important initiatives in the field of **Network and Information Security** as required by the NIS2 Directive. In this context, in 2024 an assessment was carried out by a third party relating to the adoption of “**adequate and proportionate technological, operational and organizational measures**”, in order to ensure compliance with applicable cybersecurity regulations at a national and European level. The approach to information security adopted so far by the Group has already allowed to obtain discreet results.

FUTURE ACTIONS

In the context of a continuous commitment to operational excellence, information and data security, as well as the harmonization of information technology management practices, the AB Group has identified the following medium-term strategic priorities:

- structuring an **integrated and comprehensive** approach to cyber risk management, enabling the company to simultaneously manage different types of risks, while improving the overall resilience of the organization and ensuring greater protection against emerging threats;
- **adoption of digital platforms dedicated to continuous training** on issues related to computer security, with systems for verifying the acquired skills;
- revision of the **global ICT policy**, making it more modular and scalable, so as to adapt to the evolution of systems and the specific characteristics of different business contexts;
- conducting a first assessment of the hypothesis of obtaining the **ISO 27001:2022** certification;
- **adaptation to the European Directive NIS2** in compliance with the deadlines provided for by the same;
- structuring of the **corporate digital archive** to enable the training of Artificial Intelligence systems and launch of projects aimed at creating chatbots to support daily operations.

18. It should be noted that the specific training topics vary depending on the roles and frameworks involved.

3

Environment

It should be noted that, for the information included in this section, the reporting perimeter is represented by the following companies: AB Holding S.p.A., AB Impianti S.r.l., AB Ambiente Soc. Agricola S.r.l., Enviro- experts Italia S.r.l., AB Energy S.p.A., AB Service S.r.l., KWE AB Energy Polska Spółka z.o.o., AB Energy România S.r.l., AB Energy Deutschland GmbH, AB Energy Do Brasil Ltda, AB Energy Srbija DOO.

Any exceptions are appropriately indicated in the text.



POLICIES

Governance

Responsibility for the management of the issue is shared between the Energy Management team, the Facility team, Management and the Group HSE business unit, which, in particular, oversees compliance with current regulations.

Commitments

- AB, in line with its environmental policies and with the aim of contributing to the fight against climate change, adheres to the **Brescia 2050 Pact promoted by the Futura Expo¹⁹**, through which it undertakes to:
- Quantify its emissions of greenhouse gases and pollutants.
 - Define long-term actions and strategies for the decarbonization and zeroing of emissions, waste and consumption of natural resources.
 - Implement the interventions and measures referred to in the previous point, bringing tangible changes and innovations to corporate activities (e.g. efficiency improvements, adoption of renewable energy sources, sustainable logistics and mobility, etc.);
 - Neutralize any residual emissions by 2050 by means of additional, quantifiable, credible, permanent and socially responsible compensations.

Strategy

The Group’s contribution to the fight against climate change focuses on two complementary **strategic dimensions**. On the domestic front, AB is committed to constantly monitoring its energy consumption and minimizing its environmental impact through energy efficiency measures and the production of energy from renewable sources. On the external front,

19. For more information, please visit the page.

on the other hand, the Group positions itself as a key player in the value chain, providing its customers with innovative plant solutions that support the transition to more sustainable business models.

The external dimension represents the **core of the company's climate strategy**. In recent years the Group has, in fact, focused on introducing new approaches for the production

ACTIONS

The Group has launched a structured program for the **installation of photovoltaic plants** at its various operational sites. To date, AB has completed the installation of photovoltaic plants in all locations where the technical feasibility²⁰ had already been verified, while the remaining facilities are undergoing preliminary installation checks.

of renewable gases (e.g. LNG), and reducing emissions (e.g. methane emission reduction systems). These innovations are part of a broader **diversification strategy** that has transformed AB from a “single-product” and “single-sector” company – originally based on cogeneration – into an integrated ecosystem of decarbonization solutions (see AB solutions).

AB Impianti has implemented a specific procedure for the **definition and monitoring of the energy-environmental parameters** relevant to each operational site, including energy, water and gas consumption, through the installation of special measuring instruments. The monitoring infrastructure integrates with specialized soft-

20. It should be noted that the installation of a 544 kW photovoltaic system at the Orzinuovi location, a project that was part of the 2023 objectives, has been completed.



were aimed at collecting and processing data, facilitating real-time monitoring of emissions and energy consumption.

The **energy diagnosis** conducted in 2023 identified some opportunities for improvement, such as monitoring energy consumption and other energy management initiatives and the implementation of strategies to optimize the consumption of the company's vehicle fleet (e.g. methane-powered vehicles). Compared to the last diagnosis carried out in 2019, LED relamping interventions have been completed to make indoor and outdoor lighting systems more efficient.

In terms of **Greenhouse Gas (GHG) emissions**, the Group measures Scope 1²¹ and Scope 2²² emissions in accordance with the provisions of the Greenhouse Gas Protocol.

On the Scope 3²³ front, to reduce the impact related to business travel by its employees, in 2024 the AB Group reconfirmed its **partnership with Air France and KLM** in the “**SAF –**

Sustainable Aviation Fuel” project, to reduce the impact of air transport. In particular, the SAF Program 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 volume²⁴ 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.

Finally, in 2024, the **first plant for the liquefaction of CO₂**²⁵, was installed, which enables the capture and transformation of carbon dioxide that would otherwise be released into the atmosphere.

21. Scope 1 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).

22. Scope 2 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.

23. Scope 3 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.

24. It should be noted that the Scope 3 quantitative data relating to the aforementioned category is not reported in this Document.

25. A CO₂ liquefaction plant collects and purifies the gas by removing impurities and moisture. Subsequently, the CO₂ is compressed at high pressure and cooled by means of a refrigeration system until it reaches very low temperatures (around -56 °C). Under these conditions, CO₂ turns into a liquid. The liquid CO₂ is then further purified and finally stored in cryogenic tanks at a low temperature and high pressure, ready for transport or industrial use.

AB AMBIENTE

Slurry management is a strategic element to contain the carbon footprint of livestock farming, since the anaerobic decomposition of livestock wastewater generates significant amounts of methane (CH₄) and nitrous oxide (N₂O), greenhouse gases, respectively, with a global warming potential 25 and 298 times higher than carbon dioxide²⁷.

AB Ambiente has implemented an operational protocol that **minimizes the issues of exposure of slurry to the environment during the collection phase**. Typically, slurry is collected and treated within one hour of collection, thus reducing direct greenhouse gas emissions.

The slurry is then transferred to underground tanks, where it is stored before being fed into the anaerobic digestion chain that feeds the Group's cogeneration plants. This efficient and controlled management helps to limit emissions of methane and other climate-altering gases, improving the overall carbon footprint of livestock activities.

27. Source: IPCC Fifth Assessment Report, 2014 (AR5) – Global Warming Potential (GWP) for CO₂ over a 100-year time horizon.

FUTURE ACTIONS

- With the aim of further mitigating its impact, the AB Group has defined a plan of **medium-term strategic interventions**. Planned actions include:
- continue with the installation of photovoltaic plants starting from the Roma-nengo and Monticelli sites (by 2025);
 - install battery storage systems at the Monticelli site (2025);
 - apply the procedure for defining and monitoring the energy and environmen-tal parameters at each AB Impianti operational site;
 - carry out significant interventions on the AB Ambiente²⁸ cogeneration plant, with the replacement of the existing unit and the installation of a new cogenerator dedicated to AB Impianti for the Via Agnelli production center (by 2025);
 - define a **commuting plan based on an employee survey**, with the aim of pro-moting transport characterized by low environmental impact.
 - create a **complete snapshot of Scope 1, 2 and 3 greenhouse gas emissions**.

27. Specifically, the plan is to convert the AB Ambiente plant to biomethane, enabling the production of biogas to be fed into the grid and the integration of a 600 kW cogenerator using exclusively renewable energy.

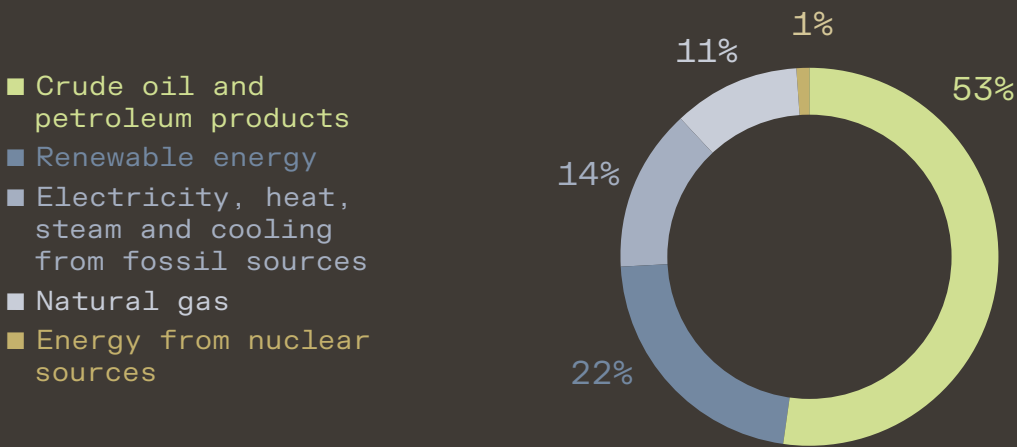
METRICS

Energy consumption

- During the year there was an energy consumption of **17,360 MWh**. The compo-sition of the energy mix on which the Group relies is diversified and reflects the specific operational needs of the different locations. The most significant component is crude oil and petroleum products, which make up **53%** of the total energy mix and are mainly destined for the company fleet, through the use of petrol and diesel for transport and logistics activities.
- The energy mix is comple-mented by the non-renewable energy purchased (represent-ing **14%** of the total), by nat-ural gas (accounting for **11%** of consumption) and finally by fuels from renewable sources and other alternative

energy sources that contrib-ute in a residual way to the remaining share. The overall figure was acquired through the analysis of the energy bills of the various Group companies and the fuel pur-chase documents.

ENERGY CONSUMPTION BY SOURCE



Emissions

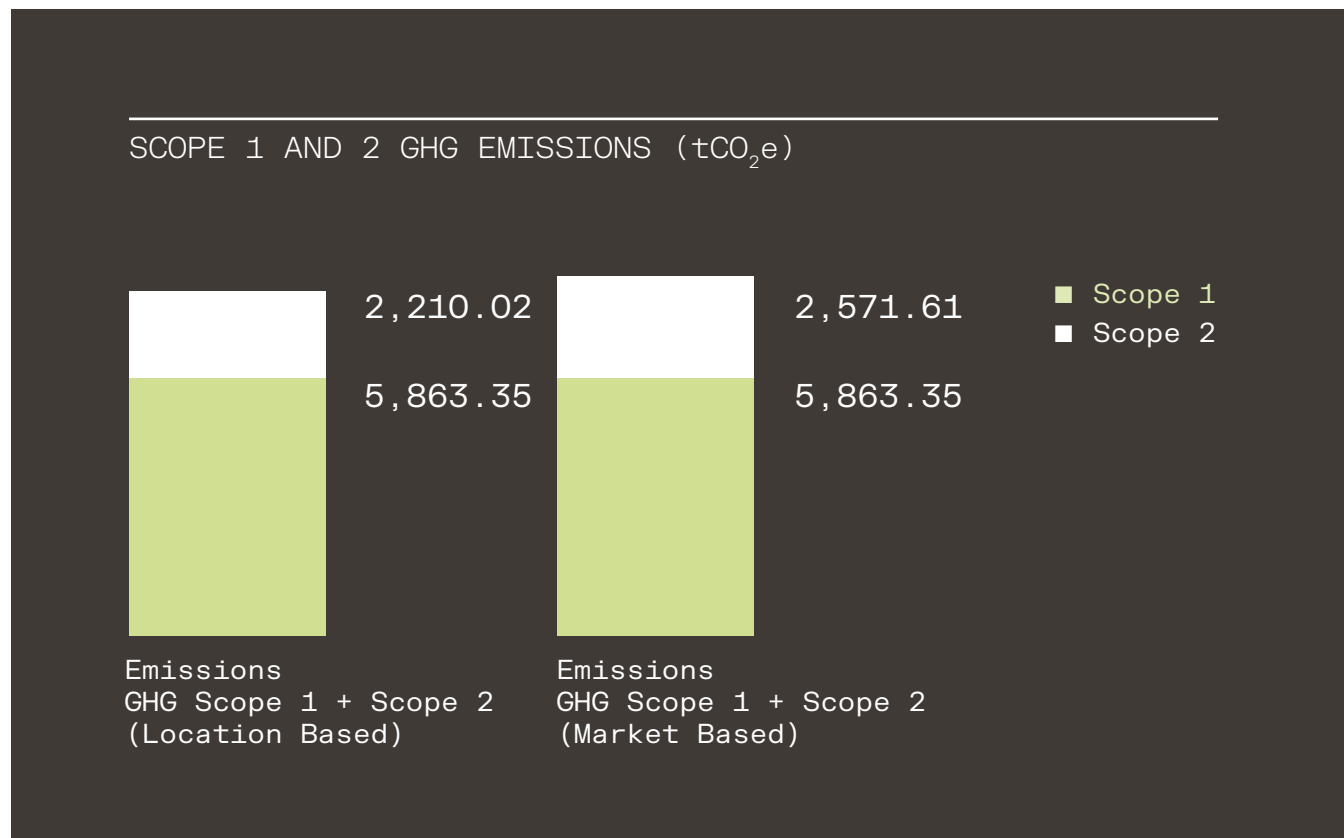
Below we present a complete snapshot of the AB Group’s GHG Scope 1²⁹ and Scope 2 emis-sions, which amount to a total of **8,073 tCO₂**, according to a location-based approach, and a total of **8,434 tCO₂**, following a market-based approach. The totals are different because the two calculation approaches consider different aspects:

- **location-based:** this method reflects the average impact of the local network and considers the average inten-sity of emissions from the electricity grid in the geo-graphical area in which an organization operates, without taking into account its specific choices regard-ing the purchase of energy (e.g. purchase of renewable energy);

- **market-based:** this method reflects the contractual decisions that the organiza-tion makes in the supply of energy, taking into account the specific choices regard-ing the purchase (e.g. pur-chase of renewable energy and/or Guarantees of Origin).

28. With reference to the reporting perimeter indicated at the beginning of the “Environment” section, please note the exclusion from Scope 1 data of emissions associated with the vehicle fleet of the following companies, due to the unavailability of verifiable quantitative data: AB Energy Do Brasil Ltda, AB Energy Srbija DOO. This limitation in the data collection process has been documented in accordance with the transparency requirements of the reporting standards applicable to greenhouse gas emissions.

E2 – Pollution



The Group has not signed contracts for the direct supply of electricity from renewable sources with related certification through Guarantees of Origin (GO).

Consequently, the difference between Scope 2 emissions calculated according to the location-based method and those determined with a market-based approach does not reflect company-specific energy supply strategies, but derives exclusively from the application of different emission factors in the calculation methodology. For the location-based approach, the total energy mix of suppliers was taken into consideration, while for the

market-based approach, the residual mixes were applied. The conversion factors used were published by the Association of Issuing Entities (AIB 2023) for the European locations and by the International Energy Agency (IEA 2024) for the other locations.

POLICIES

The management of the theme is shared between the Energy Management team, the Facility team, Management and the **Group HSE business unit** which, in particular, manages the measurements and verifies compliance with the values and requirements.

Strategy

Similar to what has been described on the subject of climate change (see E1 – Climate change), the Group's approach to limiting pollution of environmental matrices hinges on **two strategic levers**:

- **internal lever**: the Group carefully monitors its polluting emissions, ensuring that they remain at the levels provided for by current legislation;
- **external lever**: the Group supports its customers in the implementation of advanced pollutant emission abate-

ment systems. The product offer focuses, in particular, on secondary abatement systems, technological solutions designed specifically to reduce pollutants and ensure compliance with the environmental standards provided for by current legislation (see AB solutions).

This strategy allows the Group to actively contribute to environmental protection, both through careful internal oversight, as well as through the technological support provided to its customers.

ACTIONS

The Group, also by virtue of the permits in place at some of its locations²⁹, monitors the pollutant **emissions into the atmosphere** for which it is responsible, such as fluorinated gases (F-gas), nitrogen oxides (NOX), sulfur oxides (SOX),

volatile organic compounds (VOC) and atmospheric particulate matter (PM), linked to the following impact-generating activities:

- **cooling systems**: continuous checks are carried out, on which interventions are car-

29. 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.

- ried 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;
 - **operation of the cogeneration engine:** dust, carbon monoxide (CO), volatile organic compounds (VOC) and nitrogen oxides (NO_x) are monitored;
 - **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.
- All activities related to air emissions are governed by current regulations on emission points, which establish the limits and procedures for the control of polluting emissions.

AB AMBIENTE

The impact of livestock activities is mainly attributable to the presence of nitrogenous substances, with a potential climatic effect linked to the emissions of methane (CH₄) and nitrogen oxides (NO_x). These emissions are significantly reduced through the timely collection of slurry and the use of anaerobic digestion plants, which allow for the collection and treatment of biomass (in particular slurry), avoiding the release of harmful substances into the atmosphere.



FUTURE ACTIONS

With the aim of further mitigating its impact, the AB Group has planned the following actions:

- invest in **abatement systems** of nitrogen oxides (NO_x) and volatile organic compounds (VOC);
- build a **Nitro-Denitro**³⁰ plant to compensate for the increase in the number of livestock in AB Ambiente and optimize the management of livestock slurry (by 2025).

30. A Nitro-Denitro system removes nitrogen from slurry through two biological phases. In nitrification, aerobic bacteria transforms ammoniacal nitrogen into nitrates using oxygen. In denitrification, in the absence of oxygen, other bacteria reduces nitrates to nitrogen gas, which is released into the air. The process can take place in a single reactor alternating aerobic and anoxic conditions.

E3 – Water and marine resources

POLICIES

Governance

The management of the theme is shared between the Energy Management team, the Facility team, Management and the Group HSE business unit which, in particular, manages the measurements and verifies compliance with the values and requirements.

Strategy

The AB Group's strategy for responsible water management focuses specifically on the controls implemented by AB Ambiente, where the use of water resources is relevant due to agricultural activities and livestock breeding. The activities of the

Group's core business, in fact, do not involve particularly significant water consumption, making AB Ambiente the main focus in terms of the optimization and containment of water consumption.

ACTIONS

Group

AB adopts a water management system divided into three levels of intervention:

- **recovery and reuse of wastewater:** priority is given to the recovery of wastewater through a treatment and recycling system that allows the water used in the main production activities to be reused. Engine washing systems are an exception,

where this practice is not applicable;

- **responsible treatment and disposal** : water that cannot be subjected to recovery practices follows differentiated disposal channels, such as discharge into the sewerage system, discharge into special areas for first flush waters, or management as liquid waste at authorized facilities;

- **savings-focused corporate culture:** the Group conducts continuous awareness-raising activities among employees regarding conscious

consumption, encouraging the use of water resources according to criteria of strict operational need.

AB Ambiente

The controls that AB Ambiente has in place to ensure the optimized and responsible management of water resources are as follows:

- use of a **“drop by drip” irrigation system**, which releases water gradually through flexible tubes with small holes, thus saving about 70% of water compared to a traditional irrigation system;

- use of an adaptive **pivot system**, developed by AB Impianti, which consists of a rotating structure that irrigates the fields in a circular manner, adapting to the shape of the terrain and reaching all cultivated areas with greater precision;
- **rainwater recovery** through a special system that allows rainwater to be collected, stored and reused.

METRICS

- In 2024, the Group withdrew a total of **108,537 m³** and discharged **108,257 m³** of water, for a **total consumption of 280 m³**;
- With respect to the total, AB Ambiente is responsible for **103,160 m³** (95%) of the water withdrawn, **103,160 m³** (95%) of the water discharged and a total water consumption of 0 m³.

The **supply** of water is primarily sourced through **wells** (95%) and the **aqueduct** (5%)³¹, and its **primary destinations** are

the irrigation of agricultural fields and the watering of livestock (AB Ambiente), together with painting processes, dust filtering treatment and activities related to engine washing, drinking water dispensers and toilets (Group AB).

E4 – Biodiversity

It should be noted that the information included in this section refers only to the AB Ambiente Soc. Agricola S.r.l. company.

ACTIONS

AB Ambiente relies on sustainable agricultural practices that actively contribute to the preservation of ecosystems. In particular, the following actions should be noted:

- **adoption of a crop rotation system:** this established agronomic practice brings multidimensional benefits to soil health and fertility, optimizing the availability of soil nutrients through diversified crop cycles. Rotation naturally disrupts the biological cycles of pests and weeds, reducing selective pressure and maintaining the balance of the agricultural ecosystem. In addition, it promotes the microbiotic diversification of the soil and improves its physical structure;
- **careful management of the barn and animal welfare:** the company adopts breeding practices that guarantee optimal animal welfare conditions, reducing stress and preventing diseases. This attention limits the

need for pharmacological and antibiotic treatments, reducing the risk of environmental contamination from chemical residues;

- **use of digestate as a natural fertilizer:** the digestate generated during the anaerobic digestion process of livestock slurry, plant biomass or animal by-products is used as an organic fertilizer in agricultural land. In addition to effectively replacing chemical fertilizers, the use of digestate improves soil quality, helps close the nutrient cycle and stimulates microbial diversity;
- **definition of an integrated phytosanitary management plan:** as part of the SQNPI (National Integrated Production Quality System) certification, the Group has defined a strict pesticide use plan that completely excludes the use of chemical pesticides and herbicides. This approach favors biological control methods and

³¹. The information on the breakdown of withdrawals by sources of supply applies only to Italian companies.

E5 – Circular economy

The AB Group is actively engaged in the development and adoption of **responsible practices**, with an integrated approach that reflects a vision of responsibility extended upstream and downstream of its business activities, from the procurement phase to waste management.

In particular, in the procurement phase, the AB Group faces the challenges related to the sustainability of **raw materials**, the **selection of suppliers** according to environmental, social and governance criteria and the **optimization of the use of materials** with a great deal of determination. Downstream, the Group promotes the adoption of technological solutions that reduce environmental impact, increasing the **durability of products** and reducing the amount of **waste generated**.

For the benefit of customers and the supply chain, the AB Group proactively shares its know-how, contributing to the creation of an increasingly virtuous, circular and innovation-oriented industrial ecosystem.

Resource inflows

POLICIES

Governance

The AB Group is committed to integrating sustainability at every stage of its value chain, also adopting environmental, social and economic criteria in the procurement processes and in the selection of suppliers. The theme is managed by the **Procurement & Supply Chain (PSC)** business unit.

In 2024, in line with the Group's ESG objectives, the drafting of the **Sustainable Purchasing Policy** was started. This document will formalize AB's commitments to promote procurement practices aligned with the highest international standards, with a focus on:

- preference for goods and services with **a low environmental impact throughout the entire life cycle**;

prevention techniques that preserve the auxiliary fauna, pollinators and the microbial biodiversity of the soil.

FUTURE ACTIONS

In the medium term, the Group is planning **a structured process to define specific controls and governance for biodiversity**. Starting in 2025, the systematic application of the principles of the phytosanitary plan will progressively extend to all cultivated areas, consolidating the commitment to regenerative agriculture, which can actively contribute to the protection of local biodiversity.



- the request for **compliance with recognized standards** of environmental protection and energy efficiency;
- the integration of stringent **health and safety** criteria

ACTIONS

The AB Group has launched several initiatives aimed at promoting increasingly sustainable procurement and reducing the environmental impact of the materials used in its production processes. These include:

- **use of materials with a low environmental impact**, such as **water-based paints**³² which, despite having slightly lower performance than traditional alternatives, guarantee significant advantages in terms of reducing the ecological footprint. The paint products used in the processing cycles are procured from a leading global company in terms of eco-compatible solutions and are acquired by the Group through the intermediation of specialized dealers;
- **optimization of processes in order to reduce waste**, with the introduction of the **nesting** process for cutting materials, which led to a substantial reduction in metal waste. The residual steel – a highly recyclable material – is recovered by a partner company that makes scheduled pickups, providing timely reports on the percentage of recov-

in the selection of materials, products and services;

- the promotion of supply chains that adopt **ethical and sustainable practices** throughout the chain.

- ery with respect to the raw material purchased;
- renewal of Air France’s **SAF** program for the third consecutive year, which has allowed us in recent years to significantly reduce CO₂ emissions related to **AB** employee travel through flights;
 - **request for certifications** for metal products, including **Certification 3.1**³³ and the **Declaration of Performance (DOP)**, a mandatory legal certificate for construction products that contains information on the intended use of the product, its performance characteristics and other elements useful for its traceability;
 - **replacement of trench covers sheets** with a technically advanced cover material, completely recyclable and not classified as special waste, with the aim of significantly reducing the overall environmental impact deriving from covering and protection activities;
 - **reduction of packaging complexity** for which the Group uses the plant container as the only packaging, except for special logistical needs, including shipments by sea and international

32. It should be noted that the Group uses alternative formulations only in specific exceptional cases.

33. Certification 3.1 aims to certify the conformity of the material on the basis of tests carried out on the casting and the batch analyzed (EN 10204 standard) and to allow the correct tracking of the product and the supply chain (UNI EN 1090).

- shipments, which require the use of additional protective materials;
- **reorganization of the interconnection and support components**³⁴, including piping and other accessories, through the adoption of dedicated wooden crates that enable a volumetric optimization during transport and a more efficient management of spaces in the handling and storage phases;
 - **creation of the PSC Sustainability Team** in order to effectively integrate sustainability principles into

daily procurement activities and facilitate the transition towards more sustainable practices, acting as a reference point for the adoption of innovative solutions and for the promotion of collaborations with suppliers engaged in social and environmental responsibility initiatives.

34. It should be noted that the practice has been adopted as standard for the Series 6 and the Bioplant line. The extension to other lines is planned for 2025.

FUTURE ACTIONS

- In order to further strengthen the sustainability of processes related to raw materials, the AB Group has planned the following actions in the medium term:
- introduction of a **sandblasting system integrated into the production cycle**, in order to reduce water consumption and the use of chemicals through the elimination of the washing phase, significantly improving the environmental impact of the entire process;
 - implementation of a **circular system for pallet management** based on the reuse of pallets as part of an internal handling circuit between production plants;
 - **pallet redesign** with the aim of optimizing the use of wood, addressing the current oversizing of packaging compared to actual operational needs, through the development of calibrated solutions based on the specific parameters of weight and volume of the products to ensure technical adequacy and rationalize the use of material resources;
 - extension to all product lines of the **system for reorganizing interconnection and support components** through the adoption of dedicated wooden crates;
 - development of a **differentiated packaging policy by type of product**, aimed at reducing unnecessary packaging through the definition of specific solutions that take into account the technical, logistical and handling characteristics of each item;
 - **sharing the Sustainable Purchasing Policy** with direct suppliers through structured email communications and face-to-face events;
 - increase in ESG training activities, through knowledge sharing events and periodic updates, in order to strengthen the culture of sustainability within the department.

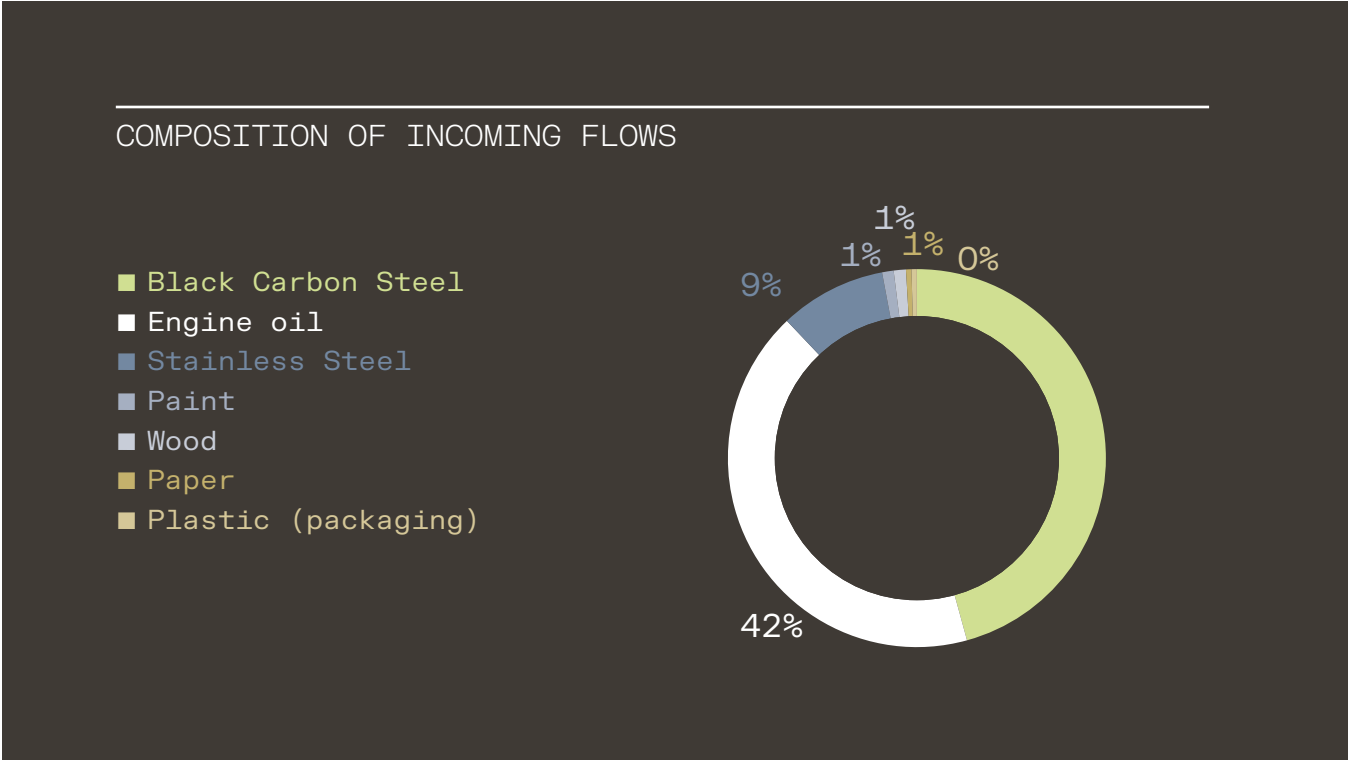
METRICS

As reported in the table below, in 2024, the total overall weight of relevant **technical and biological** products and materials used during the reporting period was **4,596.77 tons**. The main types of materials include **carbon steel** and **stainless steel** in the form of sheet

metal, beams and tubes in various sizes, **engine oil** and **paints**. In addition, for packaging, the Group acquires materials such as **wood**, **plastic**, **paper** and **cardboard**.

INBOUND RESOURCE FLOWS	U.O.M	2024
Black Carbon Steel	t	2,102.00
Stainless Steel	t	419.00
Engine oil	t	1,940.00
Paint	t	45.38
Paper	t	21.20
Wood	t	48.03
Plastic (packaging)	t	21.16
Total	t	4,596.77

In order to provide a comprehensive overview of the composition of the **inflows** of the AB Group, the graph below is presented:



POLICIES

In the context of the Quality Management System, the Group has adopted a structured policy aimed at ensuring the **complete traceability of production processes**. This approach allows each operational phase to be monitored in a timely manner, ensuring conformity with quality standards, regulatory compliance and timely corrective actions.

ACTIONS

In the reporting period covered by this Report, the Group has made significant progress in terms of **product optimization**, with the integration of **eco-design** criteria right from the design phase and initiatives aimed at reducing the environmental impact of production processes. Among the actions implemented, the Group continued with its **digitization** of procedures and systems with IoT technologies (Internet of Things³⁵). This approach has had a dual impact in terms of:

- **document dematerialization**: the **Paperless Project** was further developed, which involved the progressive replacement of paper media with digital tools (tablets and monitors) within the plant control areas and production processes. The initiative has promoted greater efficiency in the consultation of technical and administrative documents and has

In addition to formal procedures and mandatory registers, the Group is engaged in the development of guidelines, operational practices and support tools, in order to facilitate the management of key processes characterized by significant interaction between different business functions.

contributed to a significant reduction in the use of paper, in line with the Group's environmental objectives;

- **waste reduction**: the introduction of a centralized digital architecture has made it possible to monitor the operational data of machinery and IT systems in real time. This has allowed to improve the management of energy consumption of machinery and servers, as well as to implement **predictive diagnostics** systems for maintenance, with a consequent reduction in material waste and prolongation of the life cycle of the equipment.

As part of its commitment to the adoption of virtuous **circular economy** practices, the AB Group carries out the following circularity initiatives:

- **recovery of naval containers**: whenever possible, instead of creating new containers for its plants, the Group adopts an approach

35. 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.

- of recovery and reuse of existing naval containers;
- **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 cleaning 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 reconditioning of spark plugs** and/or of the raw materials that make them up which can be reused;
- **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.

In addition, during the reporting period covered by this Report, a structured system of **component recovery** was implemented, which provides for:

- sending reusable materials to a dedicated **internal recovery warehouse**;
- the **complete traceability** of the components through structured identification and cataloguing processes;
- monthly management of components for **reallocation to new sales orders**;
- the **complete recovery of crates and plants** in the event that they are not collected by the customer;
- the **analysis and regeneration** of obsolete components that can be recovered through the intervention of the Engineering area.

FUTURE ACTIONS

With a view to the continuous improvement of production processes, the Group looks to the future with a **medium-term** action plan aimed at consolidating and expanding the integration of ESG-related principles into its operational and industrial strategies. These include:

- the establishment of a **multidisciplinary working group** within the Industrial business unit, tasked with translating the ESG strategic guidelines defined by the Steering Committee and the Coordination Committee into concrete actions, thus ensuring that the principles of environmental, social and governance sustainability are effectively integrated into the business unit's daily production activities and decision-making processes;
- the study of **collaborative and anthropomorphic robotic systems** and **artificial intelligence solutions**, with the aim of increasing efficiency and reducing the environmental impact of operations.

Waste

The Group adopts a systematic and responsible approach to waste management, with particular attention to the treatment of substances and materials classified as hazardous. The management activities

are carried out in compliance with current environmental regulations and aim to minimize the environmental impacts of waste generated by operational activities.

POLICIES

Governance

Responsibility for the management of the theme is entrusted to the **HSE** (Health, Safety & Environment and Quality) department, which is responsible for monitoring activities,

interacting with environmental service providers, document management and coordinating with other corporate functions to promote continuous improvement.

Policies

Currently, the AB Group has not adopted a **formalized policy** for waste management. However, it has a structured operating procedure in place that defines the process phases, as well as the roles and responsibilities of the departments involved in a timely manner. This procedure is the internal reference tool to ensure compliance with current environmental regulations and to ensure effective, safe and traceable management of waste generated by the Group's activities.

ACTIONS

As part of the AB Group's commitment to increasingly more sustainable resource management, particular attention is paid to the **waste management** phase, considered an integral part of a broader strategy oriented towards circularity and

environmental responsibility. The initiatives adopted aim to structure a systemic and transparent approach throughout the life cycle of the materials, involving both the internal actors of the organization and end customers.

With this in mind, AB has implemented a series of concrete actions to improve the traceability, reduction and conscious management of waste, strengthening its active role in promoting sustainable practices. The actions implemented in this regard include:

- **automatic integration of the waste management service in maintenance contracts** stipulated with customers, in order to ensure a more structured and transparent approach in this regard;
- **adoption of a portal** that guarantees complete traceability of the waste life cycle, offering total visibility on the final destination of the materials, documenting through the fourth copy of the identification form each phase of the process, from intermediation to transport, up to the type of final treatment;

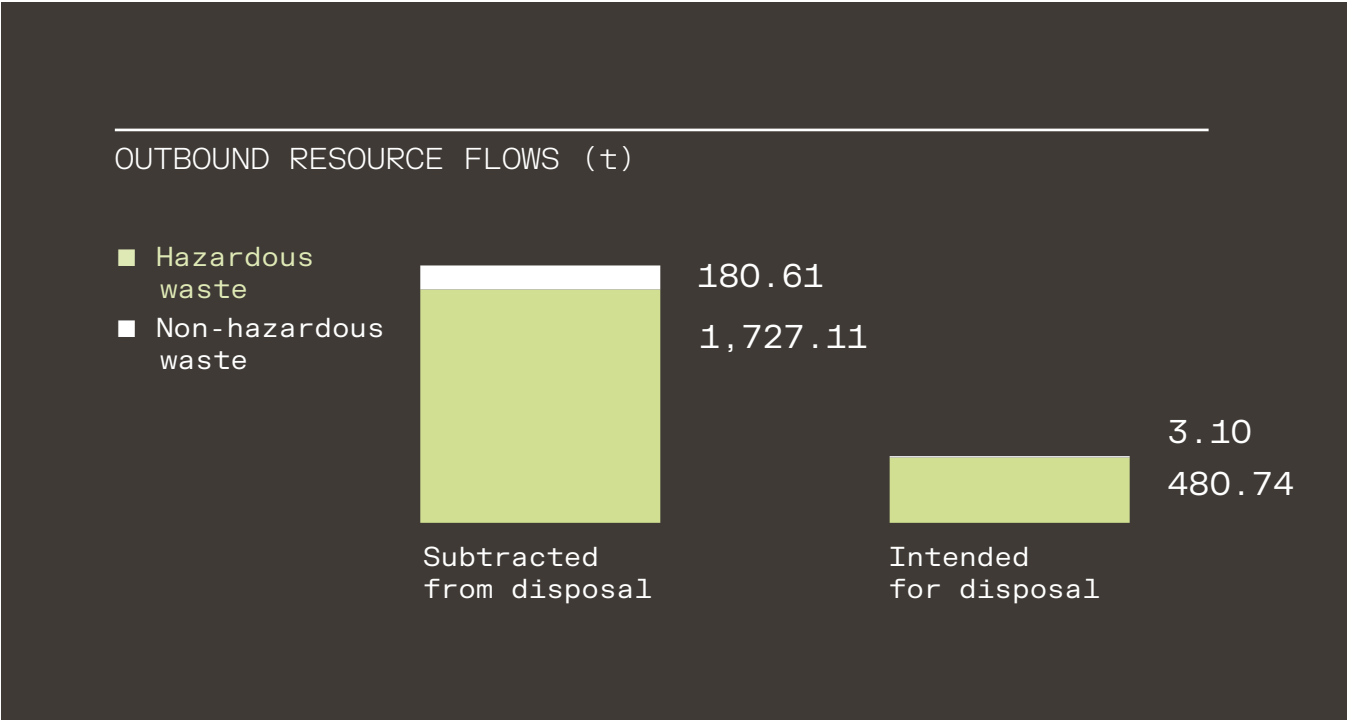
- **definition of programs aimed at employees for the reduction of waste in the workplace.** The initiative saw the establishment of a working table dedicated to activities of a preparatory nature to the correct management of separate waste collection in offices, as well as the installation of water dispensers and the distribution of reusable water bottles for all employees in order to eliminate a significant source of single-use plastic waste;
- **provision of ad hoc training for customers** on the correct end-of-life management process of products and sharing with them of a “Plant Manual” containing all the necessary instructions, so as to provide tangible support to users and achieve responsible waste management.

METRICS

The AB Group waste flows include **operational waste** and **office waste**. **Operating waste** mainly includes **packaging materials, ferrous and non-ferrous metals, rock wool, spent oils, filters, batteries, glycol, washing water, paint residues, solvents, decommissioned electrical components** and **veterinary waste**. **Office waste**, on the

other hand, includes the typical components of separate waste collection, namely paper, plastic, glass, organic and non-recycled waste.

In order to provide an overview of the **quantities of waste generated** by the Group and their **characterization between hazardous and non-hazardous**, the graph below³⁶ is shown:



36. The classification shown in the graph divides waste into four categories based on hazardousness (hazardous/non-hazardous) and final destination (recovered/disposed of), starting from the reference EWC (European Waste Code) codes. For certain data, the destination of each EWC is known, while for those not available, estimates were used based on the treatments most frequently applied to each EWC code at the treatment plants. In compliance with the disclosure obligation E5-5 37 b) and c) it should be noted that the treatments applied to the reported waste fall into the “Other recovery operations” and “Other disposal operations” categories.

With regard to the methodologies applied to the calculation of quantities, it should be noted that for Italian companies the data deriving from the Waste Identification Forms (FIR) and the waste loading and unloading registers were used. For foreign sites, on the other hand, an approach was adopted based on the use of average production coefficients of waste generated during installation and maintenance activities, differentiated according to the type of product (Jenbacher, MAN engines, ECOMAX®, BIOCH4NGE®, CH4LNG systems). These coefficients were processed through the analysis of the AB Service and AB Impianti operational data relating to the 2023-2024 two-year period.

4

Social

S1 – Own workforce

Governance

At AB, the management of issues related to **working conditions** and **equal treatment for all** is entrusted to the **Human Capital** strategic area, which operates based on an integrated approach through **three complementary business units**:

- **Human Resources (HR)**: responsible for core HR processes, including HR Business Partner, talent acquisition, talent management and the implementation of welfare policies;
- **Sustainability Management**: through a series of cross-disciplinary initiatives, promotes corporate culture and the integration of sustainability principles into HR processes, working in synergy with the Guidance Committee and the Coordination Committee;

- **Knowledge Transfer**: ensures the enhancement and sharing of company know-how, contributing to professional growth and the maintenance of skills.

Issues related to Diversity & Inclusion are integrated into organizational processes through the **Human Capital** business unit. Since 2024, governance in this regard has been strengthened with the establishment of the **D&I Committee** – an advisory body with a cross-functional composition – and the **Permanent Observatory**, tasked with analyzing the impact of cultural, linguistic and generational differences on corporate performance, as well as overseeing “traditional” HR Analytics.

POLICIES

Human resource management is one of the priorities of the AB Group, which is committed to ensuring a daily professional experience that is not only productive, but also stimulating and aligned with the real needs of people.

This commitment is an integral part of the AB’s **People Strategy**, a document formalized in 2024, whose roots lie in the Group’s vision, focused on **continuous training, motivation, the engagement of people** and the **enhancement of professional capital**.

The Group’s **People Strategy** is based on the following key principles:

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

To support this commitment, the **Code of Ethics** also plays a key role, constituting the Group’s value card and addressed to all internal and external stakeholders. For employees, the Code of Ethics is a behavioral reference point, in line with the principles of integrity, responsibility and respect.

From a procedural point of view, the Group adopts an **HR procedure** that governs the entire human resources management process, with a particular focus on the assessment of training needs and training manage-

ment, aimed at developing skills in line with corporate values.

In addition, with a view to ensuring a flexible working environment that is attentive to different individual needs, the Group has adopted a **policy on smart/remote working**. To ensure effective management of remote activities, the document entrusts team and/or department managers with the task of planning a balanced alternation between remote work and on-site presence, taking into account the nature of the activities to be carried out and paying particular attention to the needs of those who reside away from the company’s offices.

The policy identifies **three types of smart/remote working**, applicable to eligible workers and governed by a specific regulation:

- **flexible**: provides for one to three days of on-site work per week, in cases where i) work activities require the use of tools or infrastructure available only on site; ii) high interaction between colleagues is necessary, such that remote work would be inefficient; iii) one-to-one interviews or meetings are

planned; iv) strategic meetings with customers and/or suppliers are planned;

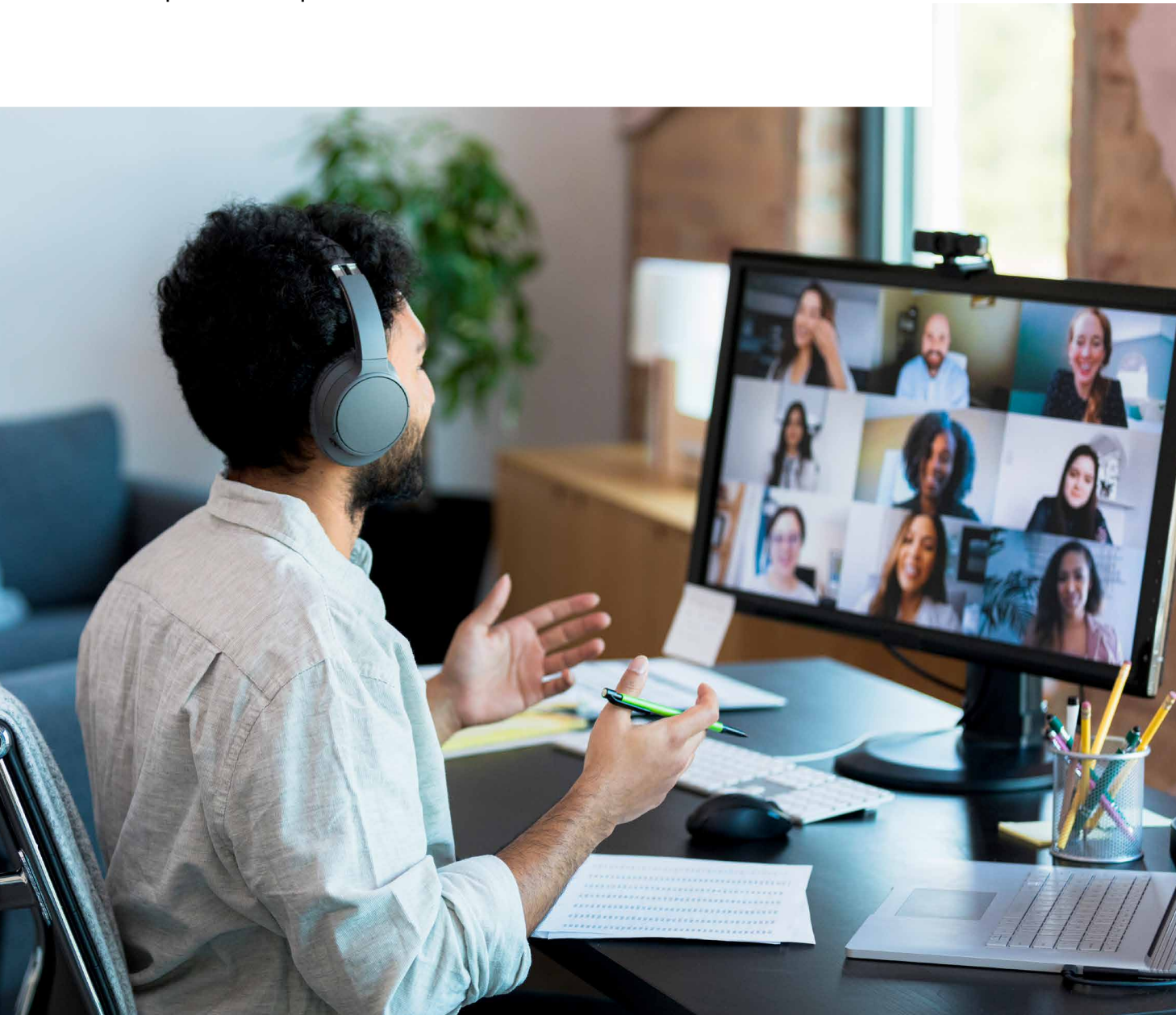
- **mainly on site:** requires on-site presence for at least four or five days a week;
- **remotely:** allows the activity to be carried out completely

remotely; this option is reserved for employees who reside at a considerable distance from the office and for whom the nature of the work carried out does not require their physical presence.

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

In terms of diversity, the Group has published a **position paper** that clearly defines the principles and guidelines to ensure **a fair, inclusive and difference-friendly working environment**. The document is a tangible expression of the Group’s identity, which recognizes authentic value in diversity.

For the AB Group, in fact, it is not a question of adhering to the rhetoric of the free expression of diversity, but of actively promoting the acceptance and enhancement of the differences that make each person unique.



Working conditions

ACTIONS

The well-being of people is a fundamental pillar of AB’s corporate culture and a strategic driver in the management of human capital. During the course of 2024, the Group strengthened its commitment in this direction, consolidating and expanding a series of initiatives aimed at improving the overall work experience, promoting an inclusive environment and stimulating the active involvement of employees.

As a tangible demonstration of its commitment, in 2024, the Group obtained for the third time the recognition of **Top Employer**, registering an increase in scores and positioning itself above the average of the Italian companies awarded, reaching a value just two points from the world average.

In addition, the Group consolidated its **differentiated welfare program** started during the previous reporting period.

The system is specifically designed to encourage permanence in the company, enhance internal growth and improve the work-life balance of employees. The program operates according to an incremental logic: employees with a seniority of less than two years do not have access to the additional welfare credit while, from the third year on, an additional welfare credit proportional to the employee’s seniority within the company is recognized. The system, based on a unified platform that allows access to all the services provided for by the applicable regulations on the matter, applies uniformly to all employees, regardless of the collective bargaining agreement applied, guaranteeing equal treatment in access to services.

In line with the values of equity and inclusion that guide the Group’s work on a daily basis, **salaries** are defined through



mechanisms overseen by the Human Resources department, which monitors and adapts them according to **three key principles**:

- **internal fairness**, to ensure that salaries are consistent and fair with respect to the tasks performed; to this end, the Group has developed **internal remuneration matrices** that outline salary expectations for each specific position;
- **complexity of the position and role**, with attention to the level of responsibility and skills required;
- **competitiveness with respect to the market**, ensured through a classification system according to a corporate “grade”, which divides employees into professional clusters and attributes a value to the different positions, based on specific indicators comparable with the remuneration practices of 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, in order to **enhance results and recognize merit**, AB applies reward mechanisms throughout the Group. These systems, differentiated by geographical area, take into account both company and individual performance, the latter evaluated according to management guidelines.

In order to understand the needs of employees and guide future strategic lines of action, the first **organizational climate survey** was conducted in 2024, aimed at staff working in Italian companies. The initiative registered a high participation, with about 700 responses collected, confirming the widespread interest and involvement among employees. The survey analyzed all the main typical dimensions of the organizational climate, while also including a number of elements related to sustainability issues.

Among the initiatives launched in previous reporting periods, aimed at improving the working environment and promoting business involvement, the following are confirmed:

- **Sustainability Talks**, events dedicated to strengthening internal communication and disseminating a shared culture on sustainability;
- **aDoormore Contest**, a competition dedicated to sustainability, carried out through the platform with the same

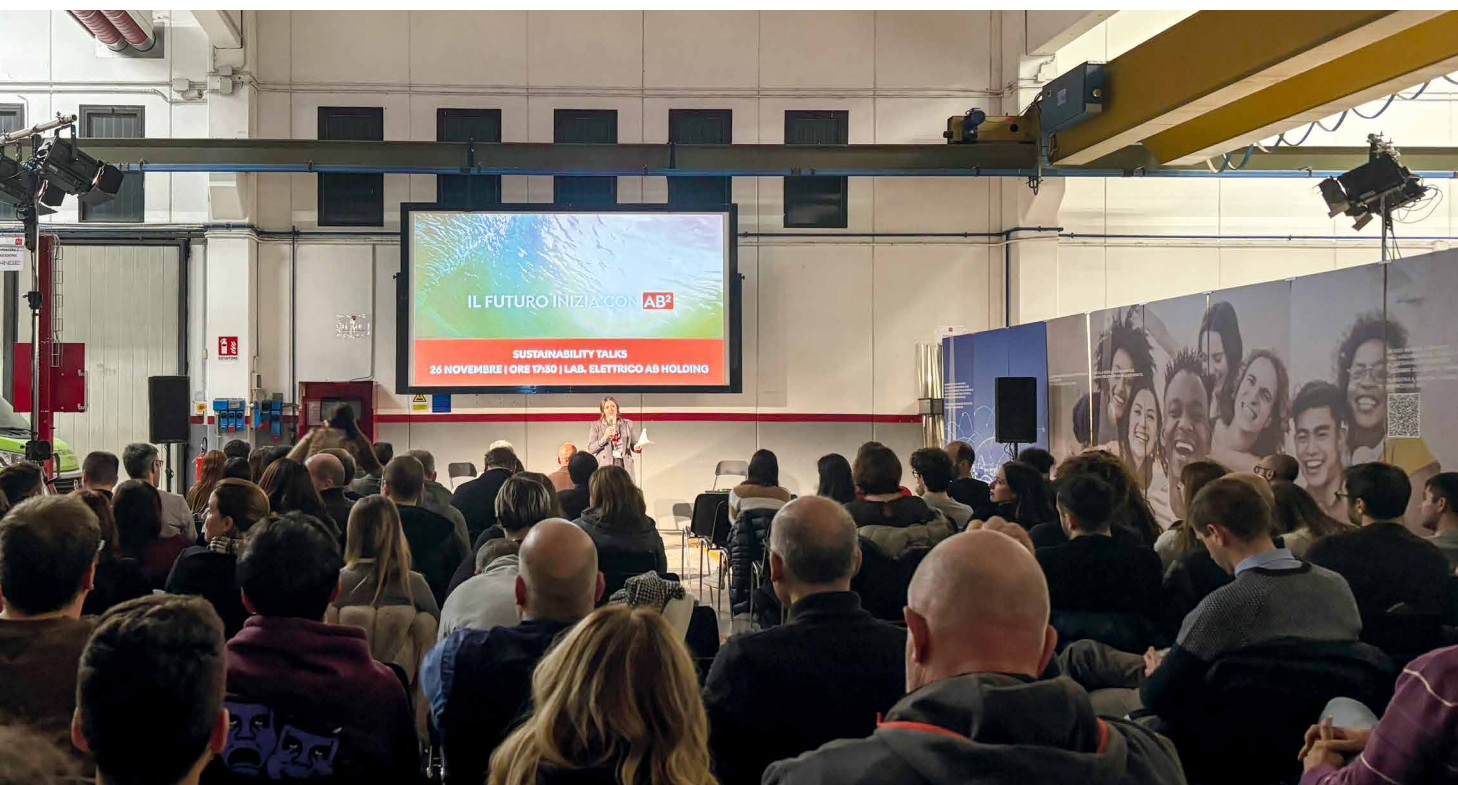
name. The project, based on collaborative dynamics, involves employees from the Group's Italian companies, organized in teams, through an information and training campaign on the principles of sustainability. The initiative also includes a census of sustainable projects already carried out by the Group and a prize competition aimed at collecting and selecting new proposals to be implemented.



AB CARES

In the path towards the adoption of an organizational model that is increasingly more attentive to people's well-being and the balance between professional and private life, the Group has created AB Cares, a structured program to support parenting in the company. The program, which will be officially launched next year during an in-person open day event, is divided into three main components:

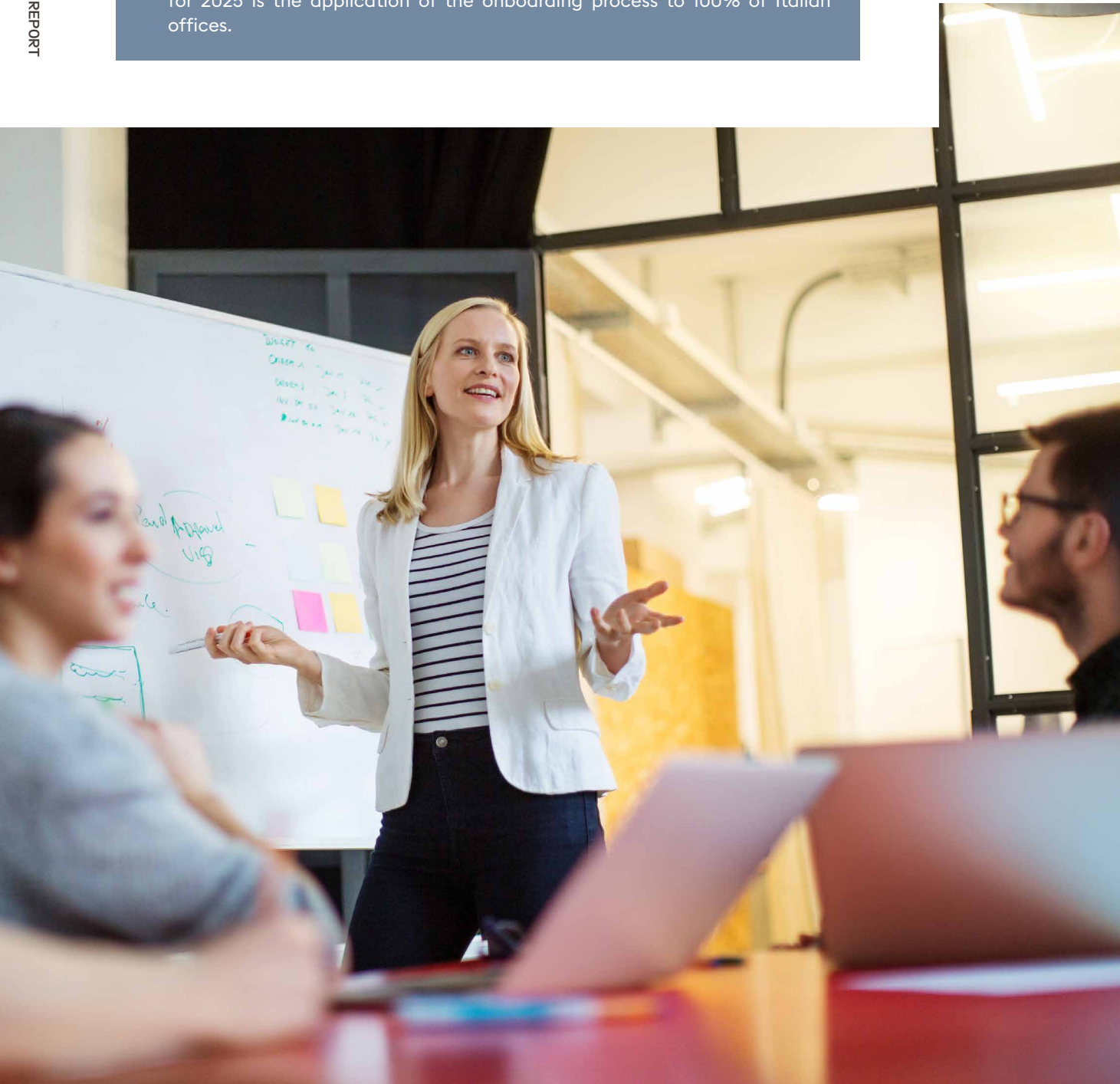
- **enhancement of absences due to parental leave**: starting from the analysis of the critical issues reported by parents returning from leave, including information and relational disconnection from the company during their absence, an individual coaching course has been structured aimed at enhancing the transversal skills acquired through the parental experience, facilitating their transfer to the professional field;
- **creation of a support community for parents**: to counteract the sense of isolation reported by parents – both in the corporate as well as in the social spheres – an internal community with periodic group coaching sessions and training webinars on specific parenting issues was created;
- **provision of financial support** through an additional welfare credit for each child, income support during parental leave, the paid extension of parental leave – with two additional months at 80% of the salary for fathers and one month at 80% for mothers – and a one-off contribution for new parents;
- **creation of an information point** to help raise employees' awareness of parental leave regulations and the opportunities offered by the company in this area.



FUTURE ACTIONS

The AB Group has defined a medium-term **strategic action plan** aimed at further strengthening organizational well-being and employee engagement. The plan provides for:

- **extension and consolidation** of the corporate climate survey, which will be administered annually and will also be extended to **foreign companies**;
- **development of training and information content** in the form of short videos dedicated to specific relevant sustainability issues, in order to enrich – through the support of technical profiles – the interdisciplinary vision of corporate sustainability;
- **consolidation of the AB Cares program** in support of parenthood;
- **implementation of a structured onboarding process**, aimed at offering new hires support and guidance on the practical aspects of working life within AB; the initiative aims to facilitate inclusion in the corporate culture, providing hires with the right encouragement and the necessary resources. The target for 2025 is the application of the onboarding process to 100% of Italian offices.



Equal treatment and opportunities for all

ACTIONS

In terms of **diversity and inclusion**, the AB Group has adopted a systemic approach, based on dedicated governance and the implementation of targeted initiatives. Among the actions implemented, the following should be noted:

- **inclusive employer branding**: the Group actively integrates social objectives into employer branding actions, aiming not only at the selection of the best talent from a technical point of view, but also at the identification of people who share AB's corporate values; this commitment is materialized through participation in meetings in schools and high schools,

promoting corporate values and principles of work ethics of universal relevance;

- **fair and transparent selection processes**: the Group's selection and hiring processes are designed to ensure transparency and fairness, providing candidates with clear and complete information, including remuneration details;
- **consolidation of the ABreak project**: the Group has launched the "ABreak" project, developed in collaboration with Inchiostro Società Cooperativa Sociale, which has seen the introduction of a travelling food truck managed entirely by people with



- disabilities; the initiative responds to two complementary objectives, on the one hand, to meet the request of employees for greater food diversification and social time, on the other, to take concrete action in favor of diversity and inclusion;
- **establishment of the D&I Committee:** in 2024 the Group established the **D&I Committee**, an advisory body with a cross-functional composition, involving representatives from HR, Legal and other corporate departments; the Committee plays a strategic direction and project support role, while operational responsibility is entrusted to the **Human Capital** department, with the coordination of the **Sustainability Manager**;
 - **development of a partnership with the Ca' Foscari University:** in 2024 an innovative PhD program was launched in collaboration with the Ca' Foscari University of Venice, focusing on the issues of diversity and inclusion. The multi-year project is open to both internal AB professionals and external students, with the aim of fostering a mutual enrichment between a business perspective and an academic approach. Through a path of research, analysis, theoretical study and field experimentation, the collaboration aims to reflect on the theme of diversity in all its forms, providing the AB Group with new ideas that allow it to transform the intrinsic complexity deriving from the natural presence of diversity into the opportunity to maximize operational efficiency and build a common cultural context in which people can recognize each other.

THE PERMANENT OBSERVATORY

During 2024, the AB Group strengthened its commitment to monitoring and enhancing human capital through the consolidation of the **Permanent Observatory**. Structured along two strategic macro-areas, the Observatory integrates academic research and measurement tools to support more informed decisions and promote an increasingly more fair, inclusive and continuous improvement-oriented working environment.

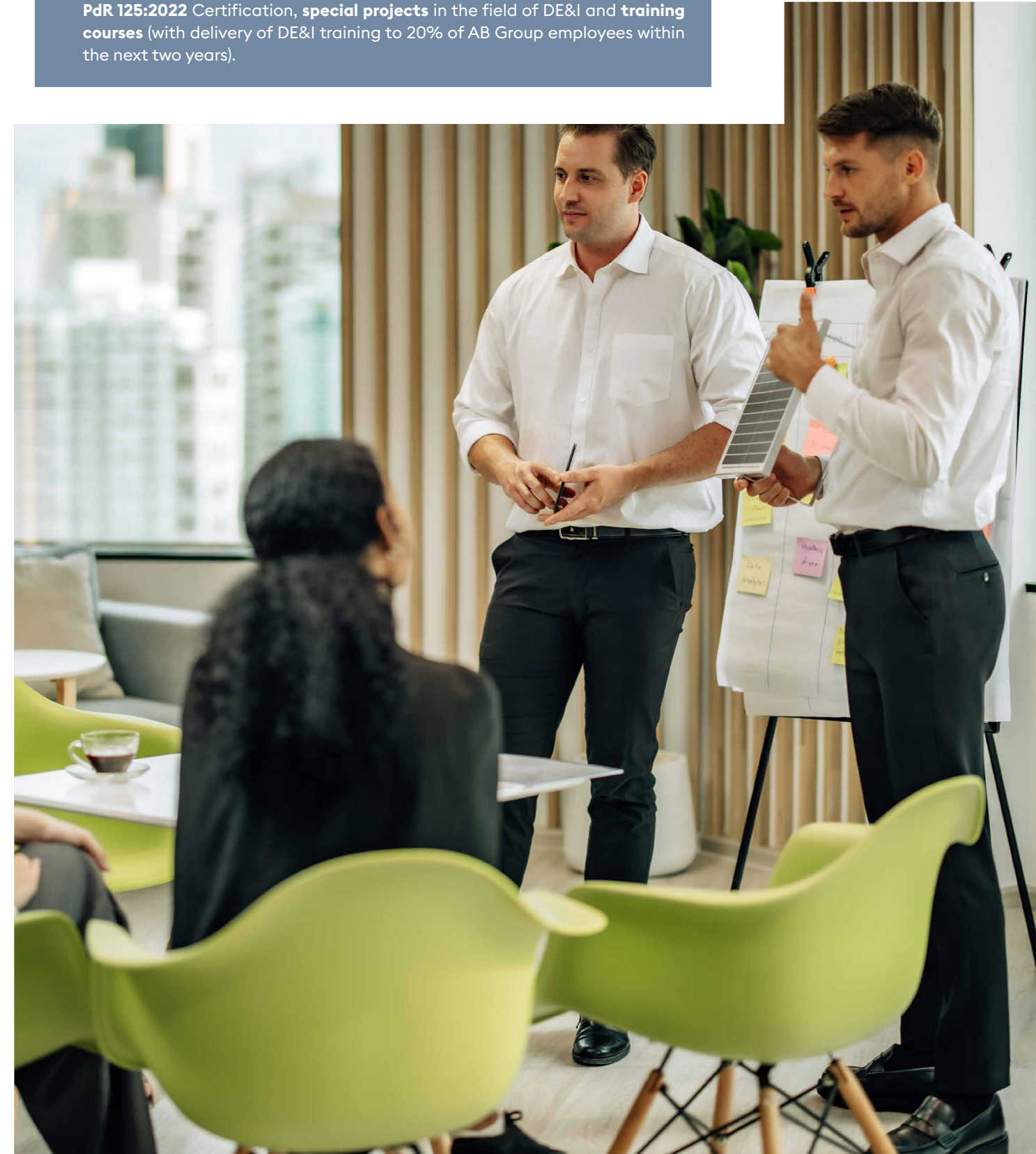
In terms of **sustainability**, the initiative is directly connected to the industrial PhD program launched in collaboration with the Ca' Foscari University, focused on closely exploring the themes of Diversity & Inclusion. The three-year research program, which is currently in the planning and study phase, aims to explore the theme of diversity and inclusion in an innovative way, offering the AB Group cutting-edge tools and methodologies to develop operational practices capable of managing diversity in a strategic way. The proposed approach will not only promote a more inclusive environment, but will help define a distinctive vision that will also become a fundamental competitive lever in terms of attracting and retaining talent.

In terms of **HR ANALYTICS**, the main innovation was the creation of a unified HR data repository, with indicators such as absenteeism and labor costs. The project provided for a structured process of data collection and normalization, processing using Power BI and development of intuitive dashboards for displaying information.

FUTURE ACTIONS

In the process of strengthening an inclusive corporate culture, the AB Group has defined a **medium-term** action plan aimed at promoting the principles of diversity and inclusion. The main actions planned in this regard include:

- launch of the **Community Special Project**, a strategic initiative focused on the promotion of strategic projects aimed at the internal and external community, such as, for example, "AB al quadrato";
- **continuation of the collaboration with the Ca' Foscari University of Venice**, with the aim of strengthening the links between the academia and the business worlds and nurturing the culture of sustainability and inclusive leadership;
- **introduction of a governance structure dedicated to D&I**, including **UNI/PdR 125:2022** Certification, **special projects** in the field of DE&I and **training courses** (with delivery of DE&I training to 20% of AB Group employees within the next two years).



Training and skills development

ACTIONS

The AB Group's strategy in the field of training consists of an integrated ecosystem of initiatives that respond to the different needs of professional development, from autonomous

training to specialist skills, up to the structural transfer of company know-how. The actions implemented in this regard include:

TRAINING

- **Promoting autonomous and continuous learning** through self-learning tools. In particular, the Group provides employees with access to a series of courses on the **Coursera** platform and on the **Success Factor** management system, which can also be used during working hours, including training courses not strictly related to their role;
- **financing of higher education courses:** where deemed consistent with professional development objectives, the Group financially supports bachelor's degrees, master's degrees and industrial PhDs for employees who request them;
- **structuring the HANS 10+ program for commercial excellence:** in 2024 the Group launched the multi-year "HANS 10+" program,

dedicated to the Sales area. The program, dedicated to the memory of a deceased collaborator of the AB Group and accompanied by the symbol of excellence represented by the suffix "10+", is a strategic initiative to support the overall reorganization of the Sales business unit. The cyclical structure of the program includes training activities concentrated in the first half of each year, with the initial phase focused on mapping skills and identifying areas for improvement to define personalized training plans.

TRAINING IN AB SERVICE

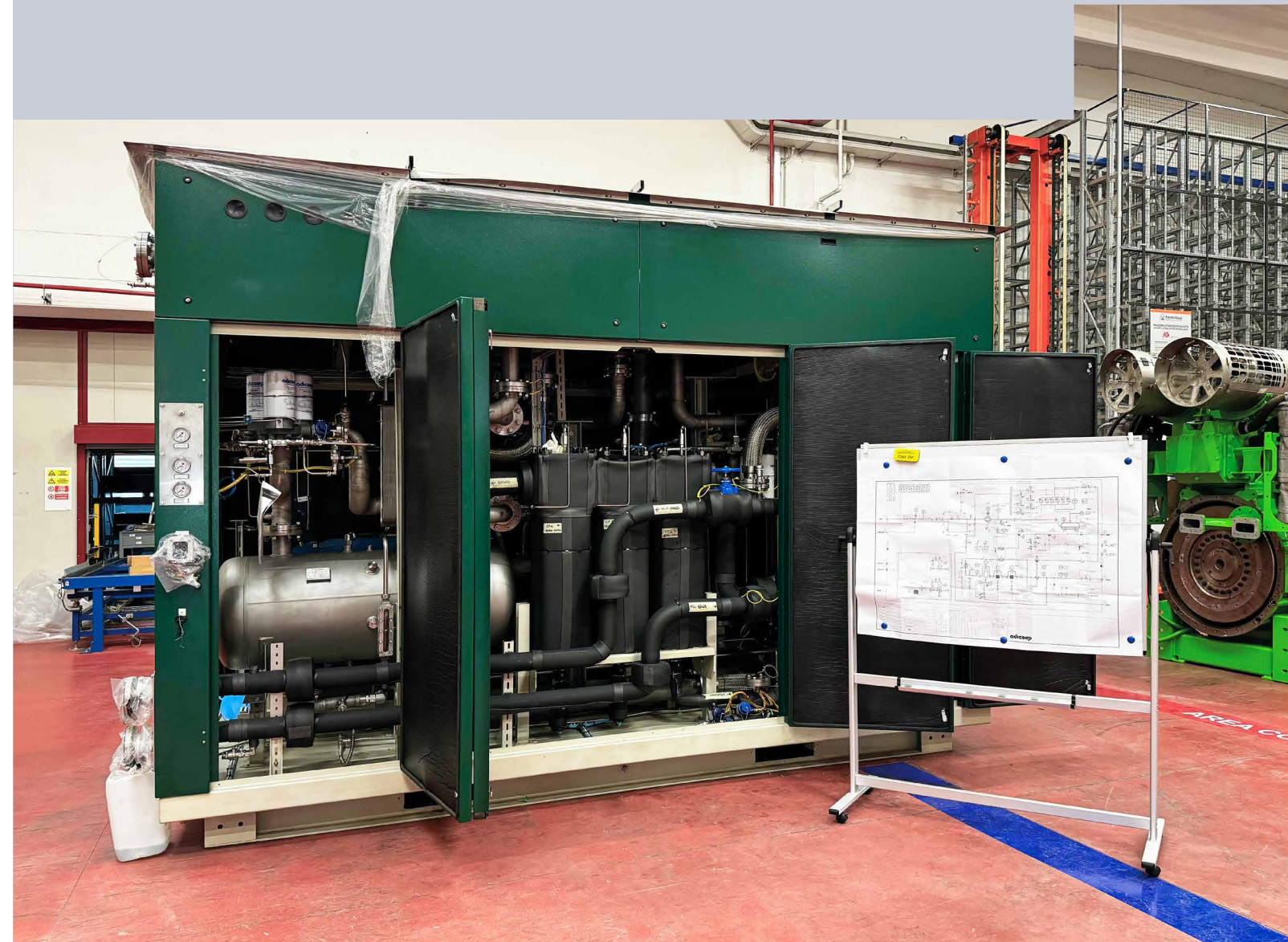
In 2024, AB Service inaugurated a new **multifunctional warehouse** that houses the entire product portfolio (engines, medium voltage cells, components) and includes an area dedicated to simulating field activities in a safe and controlled environment.

This space has become the center of employee training through a practical approach: after a theoretical introduction, participants are directly involved in the main maintenance activities, with the aim of reproducing real operating conditions. This mode has become the **training standard** within AB.

During the reporting period covered by this Report, specialized courses were also organized for selected groups of employees, aimed at developing the expertise on AB plants through simulated exercises and continuous support by experienced personnel.

For each AB Service professional technician, an **individual training plan is defined**, designed to progressively develop the skills required by the role held.

Also in 2024, AB also consolidated the **Academy Service** program, focused on the training and selection of young graduates. The course offers technical training in the mechanical, electronic and electromechanical sectors, with the aim of facilitating the entry of new resources into the world of work and proactively responding to the Group's employment needs.



SKILLS DEVELOPMENT AND TALENT MANAGEMENT

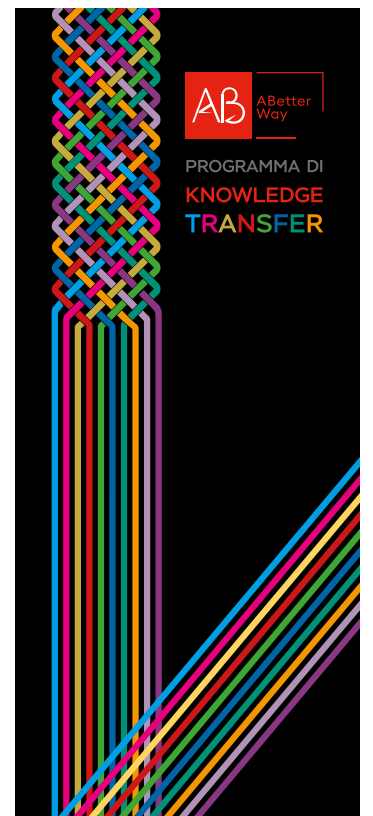
- **Consolidation of the annual evaluation and development system:** the **HR Talent Management** team, in collaboration with the **HR Business Partners**, coordinates the process of developing the managerial and technical skills of employees. This process is performed annually, with the support of the “Success Factors” software, through which the relevant HR Business Partners send 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.
- **Review of the leadership model:** The Group has redefined the managerial role by extending traditional responsibilities to the creation, preservation and sharing of knowledge. This evolution transforms managers into facilitators of knowledge sharing, promoting a corporate culture based on the sharing of know-how as a lever for improving performance and as a catalyst for innovation.
- **Strengthening of training evaluation systems:** the Group has consolidated a structured system to measure the effectiveness of training courses. The process is divided into **three phases**: an immediate learning assessment through practical tests or questionnaires during the delivery of the course; the collection of feedback from participants; and, finally, a long-term impact assessment, aimed at measuring changes in performance resulting from the training received.
- **Creation of a structured system for the management and transfer of business knowledge:** in 2024 a network of about fifty selected “Experts” was established, with the aim of promoting a structured transfer of skills, in particular for the benefit of younger employees. The program is supported by a figure dedicated to coordination and specific tools to ensure the effectiveness of knowledge transfer. To the initiative, an **incentive system** that includes targeted welfare measures, funds for advanced training and specialization opportunities is planned. An innovative meritocratic system based on internal contests monitors knowledge transfer activities, rewarding the most active experts in the sharing of skills with additional welfare credits.
- **Adoption of the Syllotips** technology platform: in support of knowledge management initiatives, the Group has adopted an artificial intelligence-based platform that facilitates **quick** access to corporate know-how. The system allows new hires not only to interact directly with the Experts, but also to formulate specific questions by receiving answers generated by the AI, creating an effective bridge between consolidated experience and new resources.



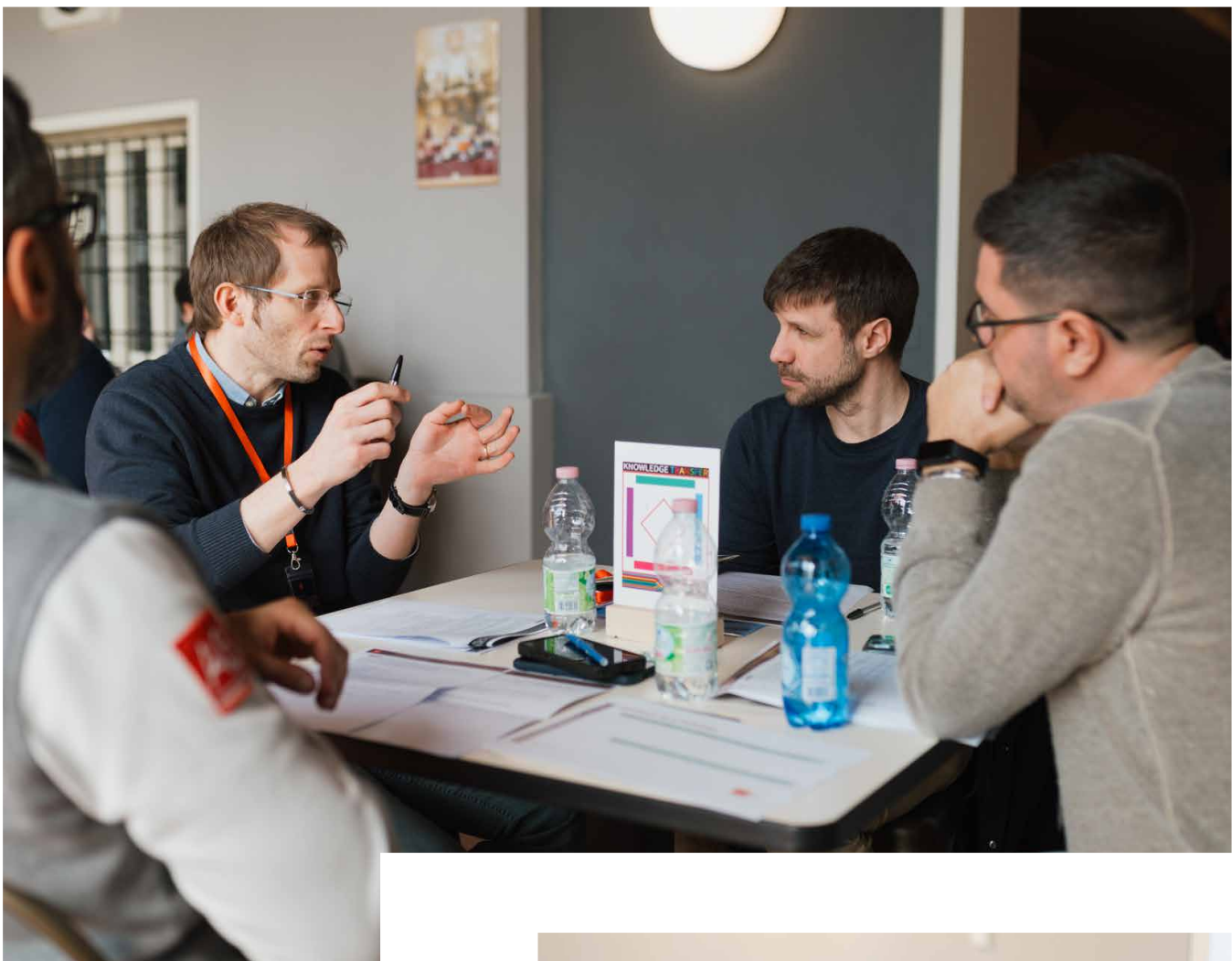
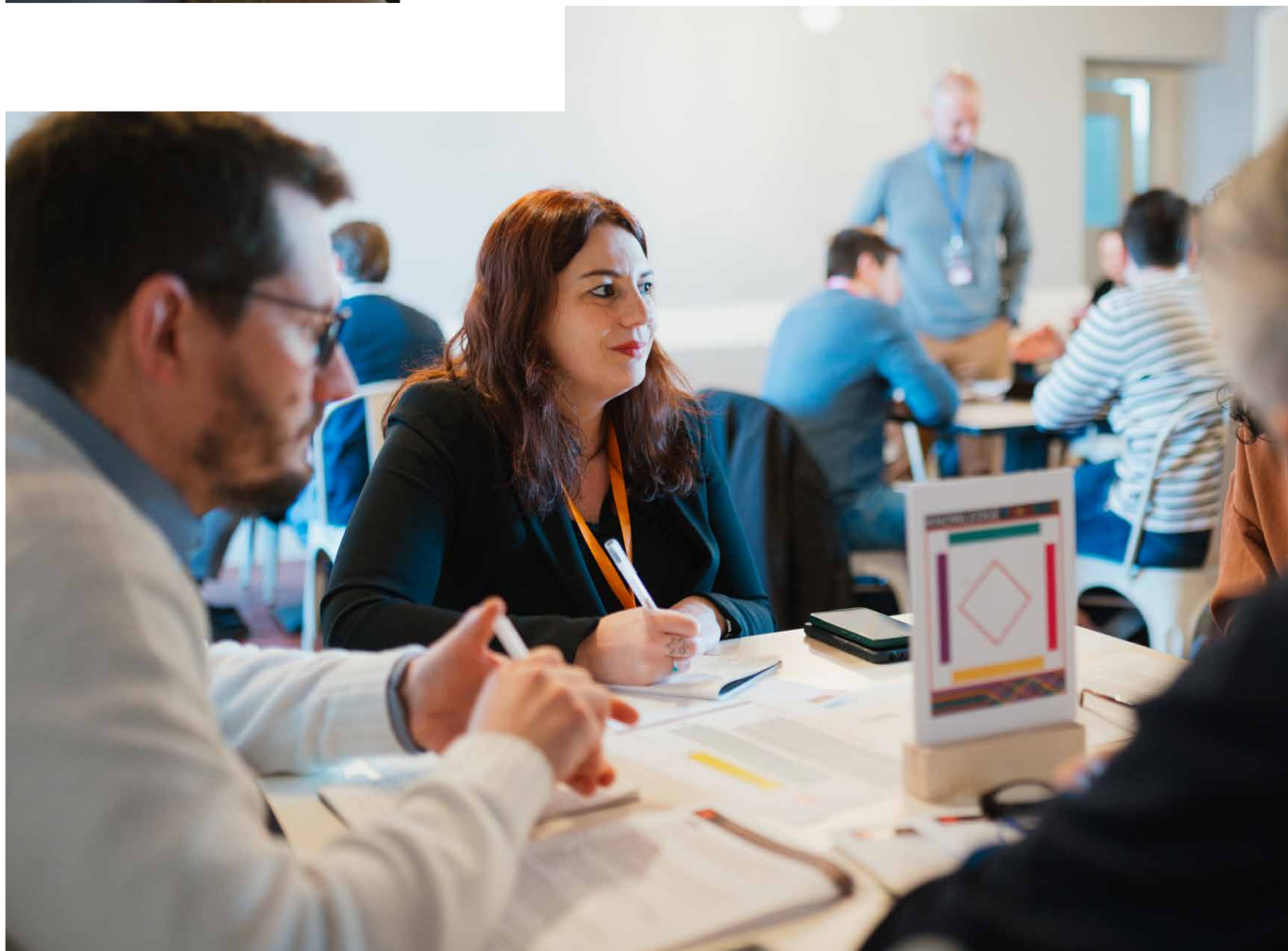
METRICS

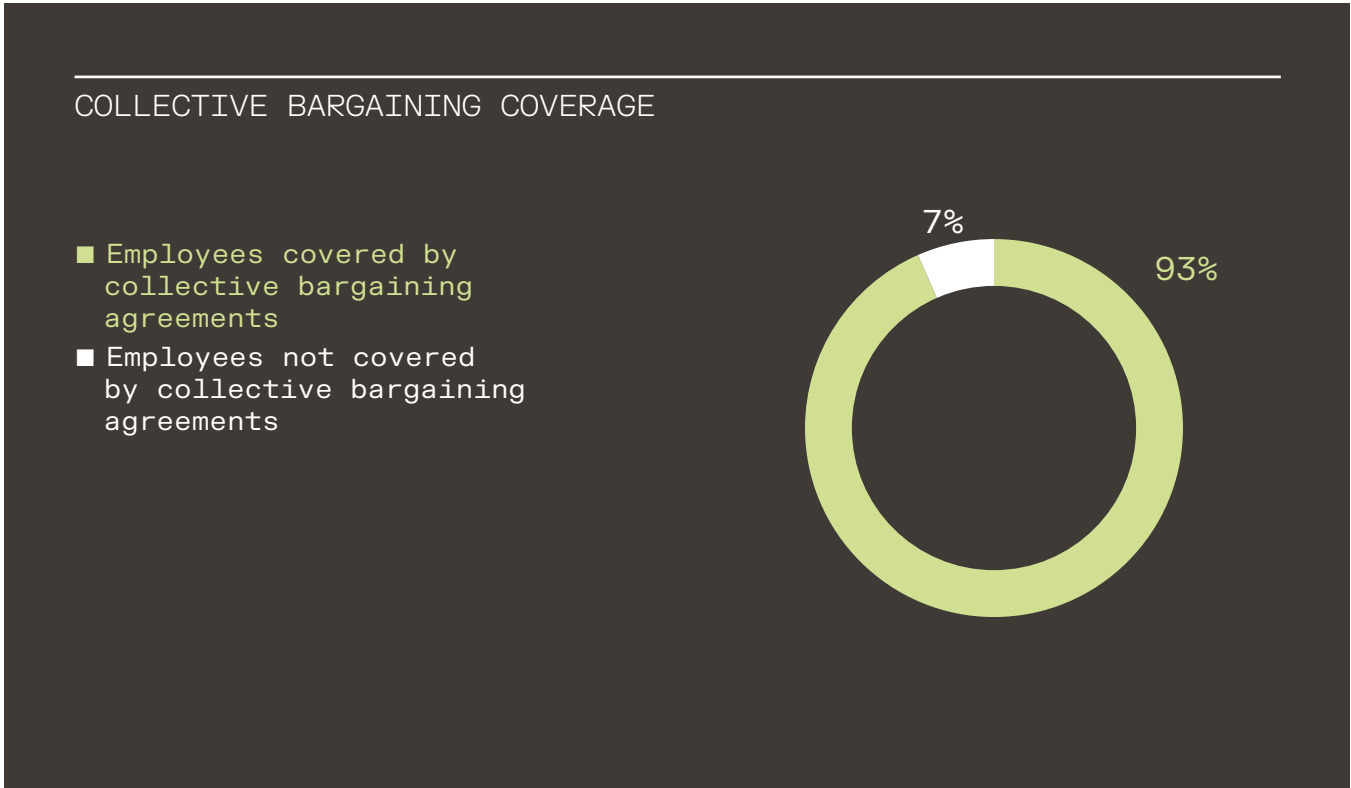
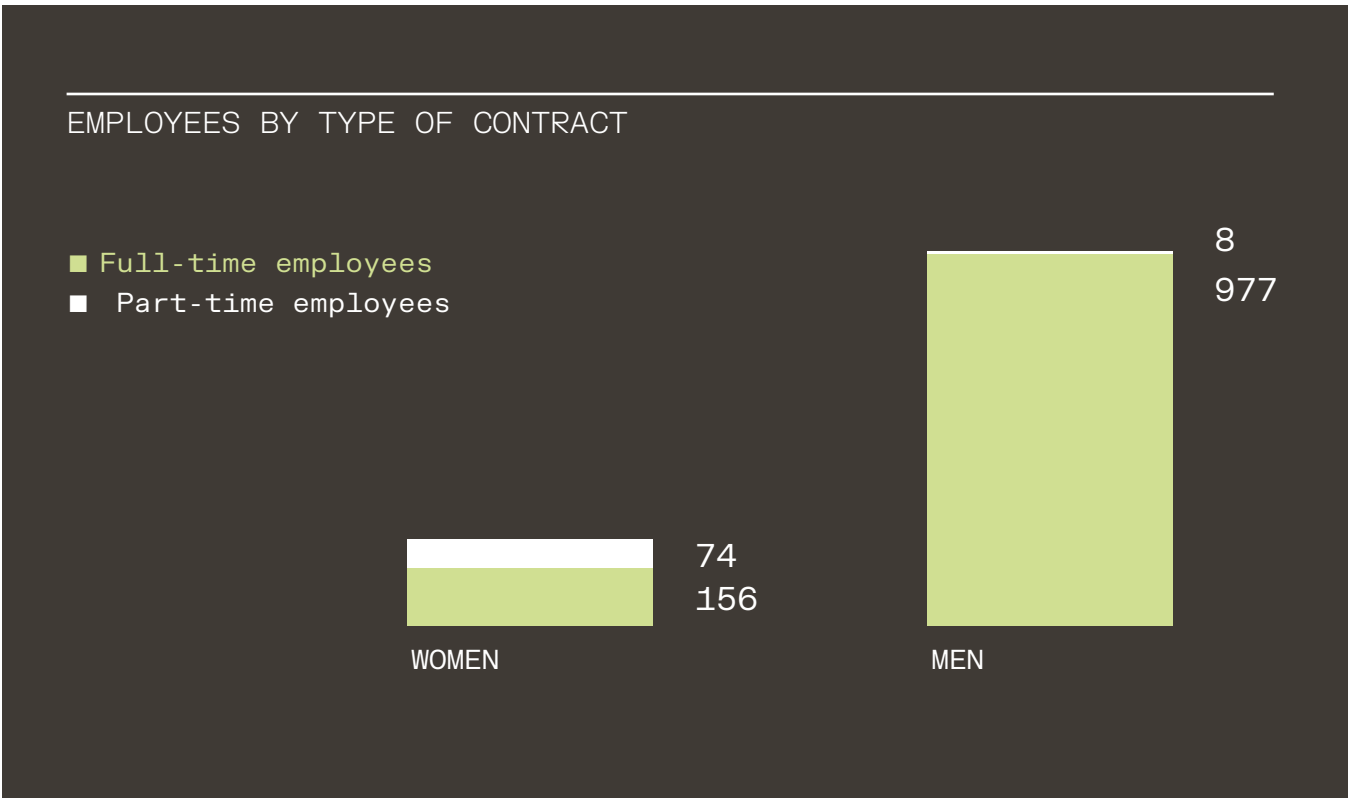
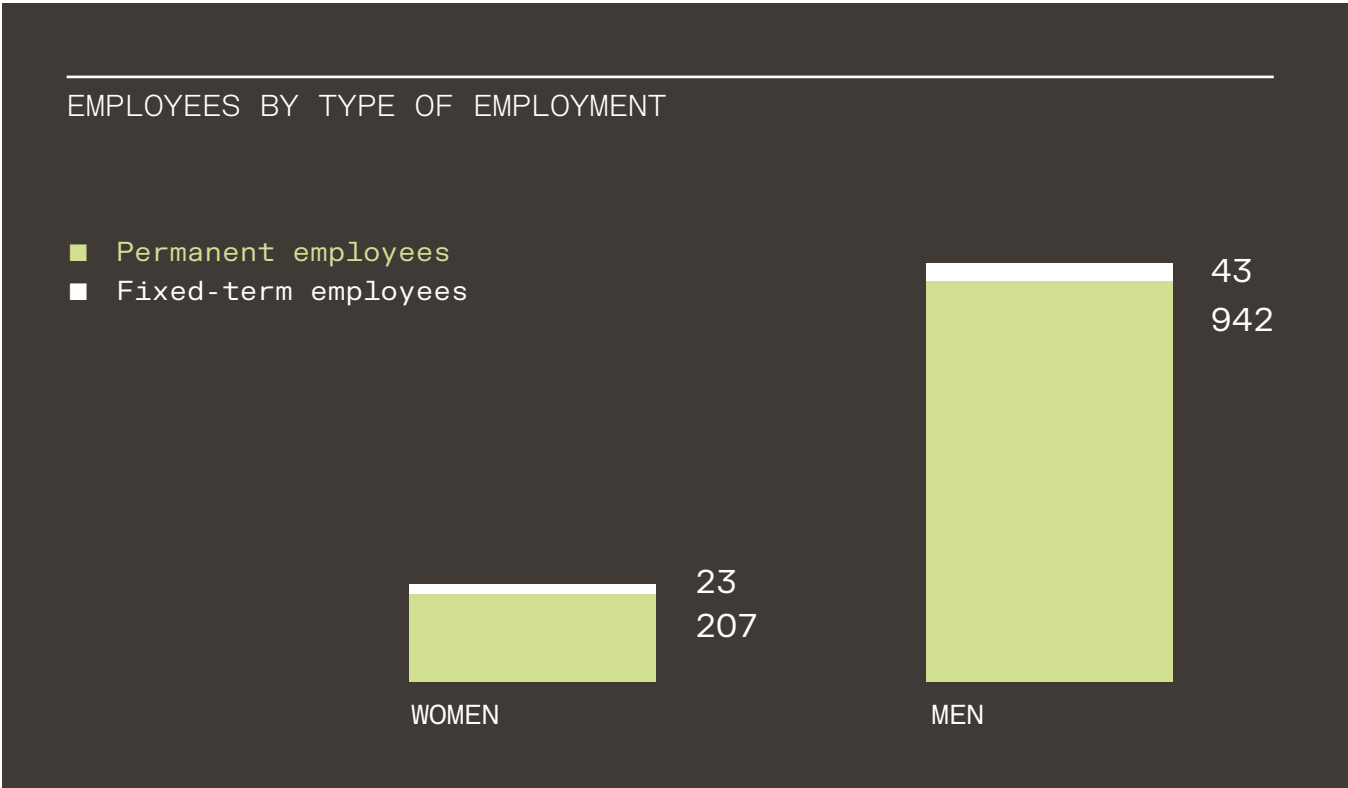
In 2024, the Group recorded a total of **1,215 employees**³⁷, with **95%** of the workforce on a **permanent** contract, confirming the strong focus on employment stability and staff retention.

93% of employees have a full-time contract, while the remaining **7%** work part-time.



37. It should be noted that the number of employees is calculated as of 31/12/2024.





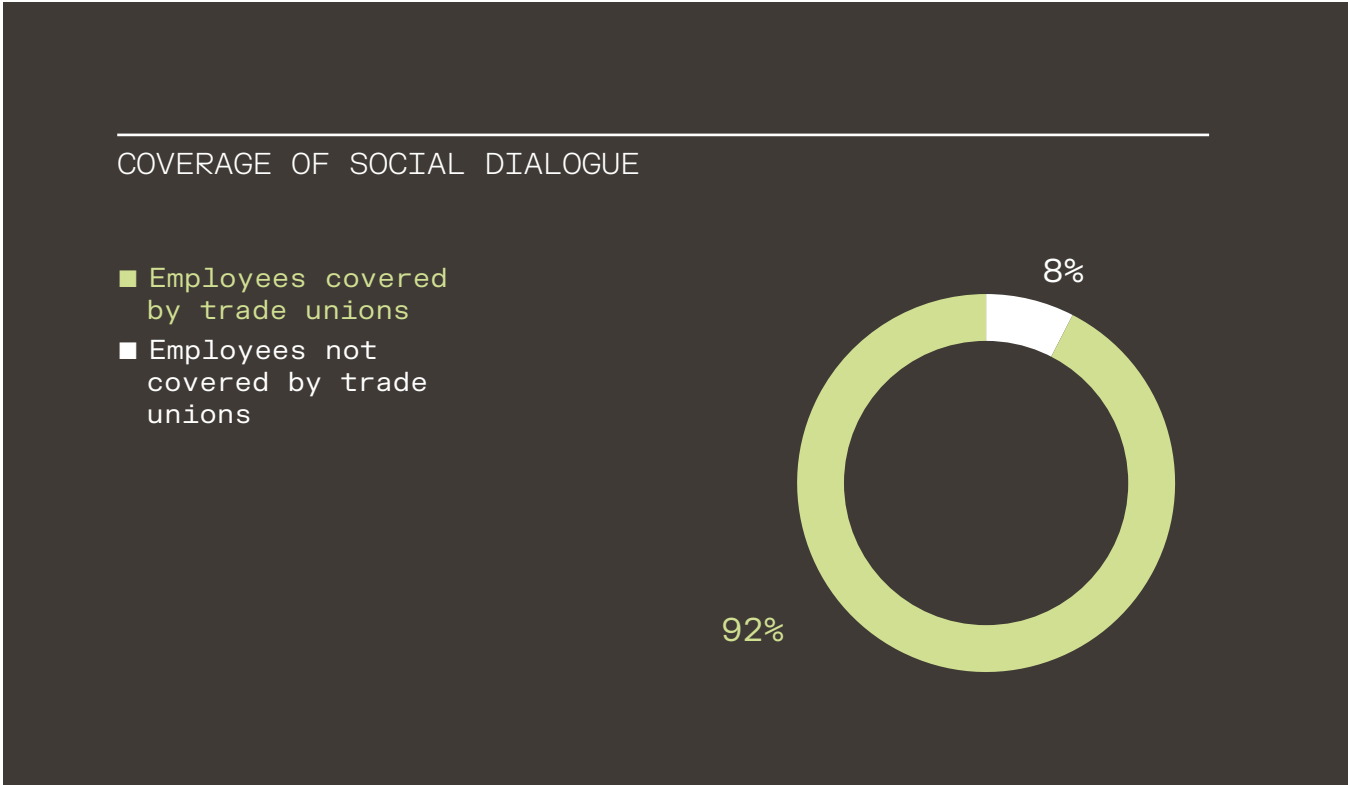
The **turnover rate**³⁸ of personnel stands at **11.97%**, a value considered under control with respect to the Group's size and business sector. The AB Group also employs **64 non-employee workers**, of whom **4** are self-employed and **60** provided by agencies specializing in recruitment, selection and administration of personnel.

As a demonstration of the commitment to **contractual transparency and universal protections**, in 2024, **1,135 employees**, or **93.4%** of the total³⁹, are covered by **collective bargaining agreements (CCNLs)**.

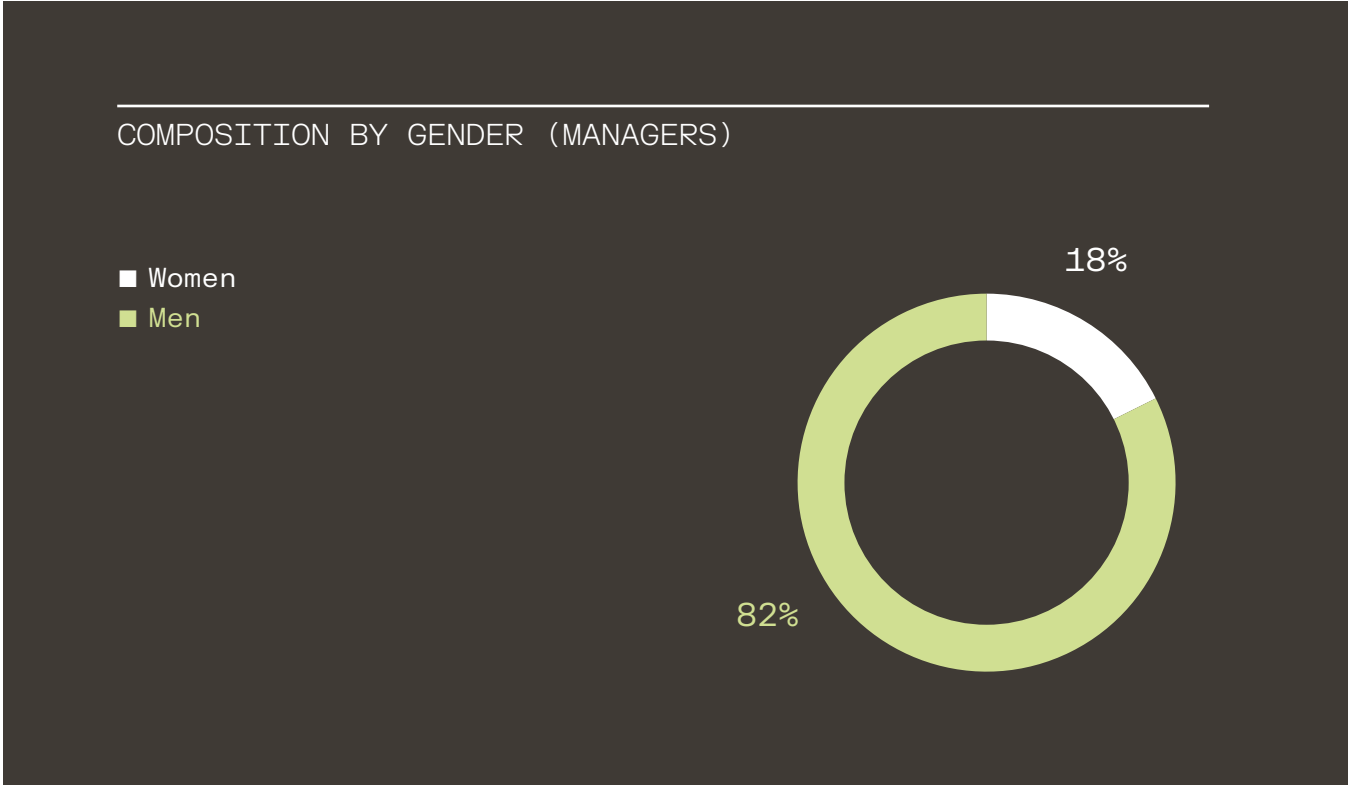
38. The turnover rate is calculated by comparing the fixed-term and permanent employees who, on a voluntary basis, due to dismissal and retirement during 2024, left the Group with the total employees in force at 31 December 2023.

39. In line with the disclosure obligation S1-8 60 c), it should be noted that all employees for locations outside the EEA are covered by collective bargaining agreements.

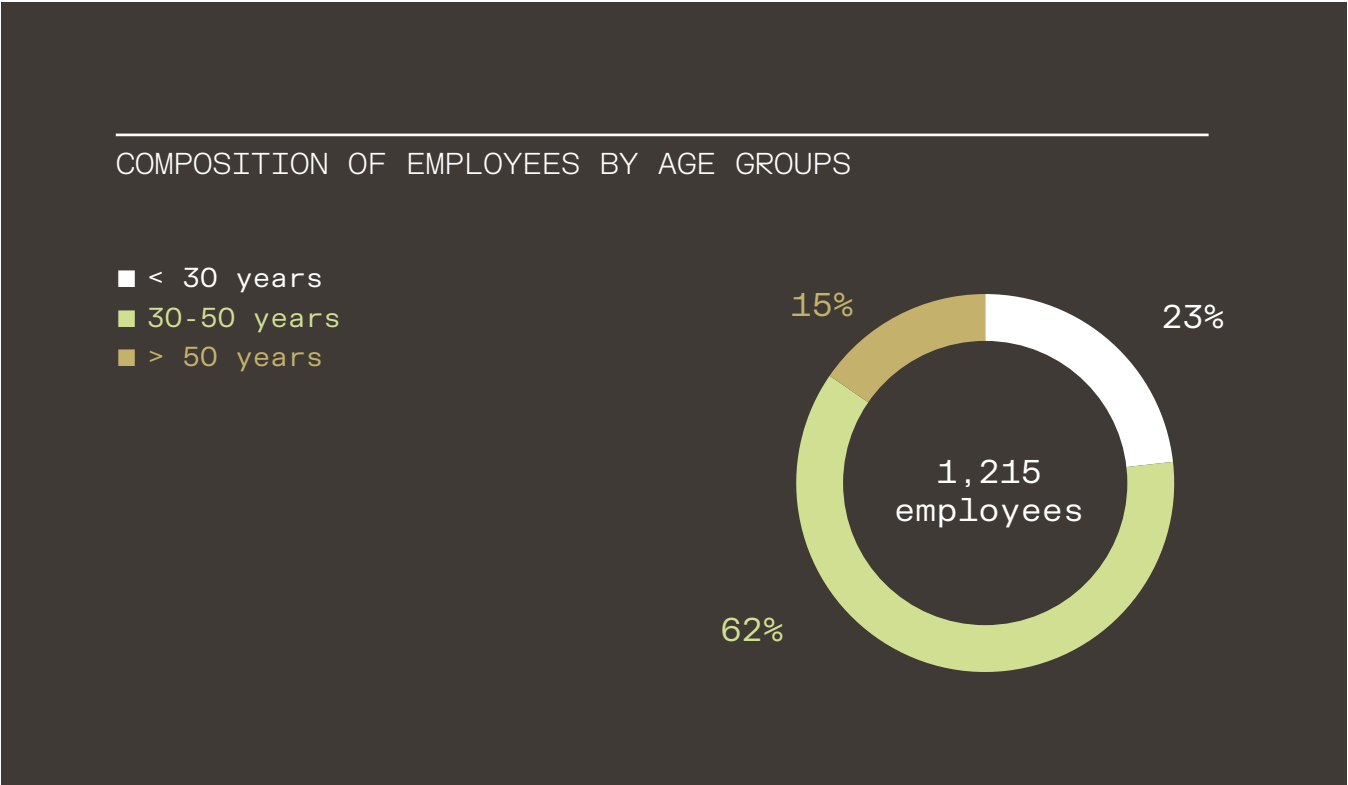
In 2024, **7.6%** of employees (92 people) are covered by forms of trade union representation, confirming the presence of a structured **social dialogue** within the Group.



– Regarding gender diversity in senior management, 3 out of 17 members are women, or 17.6%.



In terms of **age and gender**, the Group’s staff consists mainly of people in the **30-50 years (62%)** age group, followed by young people **under 30 (23%)** and **over 50 (15%)**. This demographic profile reflects a company structure in full operational maturity, but at the same time capable of attracting young talent.



The employment of **people with disabilities**, who make up **3.86%** of the total, is in line with regulatory obligations and is characterized by the following gender distribution: **2.30%** (28 employees) male compared to **1.56%** female (19 employees).

As evidence of AB’s commitment to the growth and enhancement of its people, in 2024 **100%** of staff was subject to periodic **analysis of performance**⁴⁰, as evidence of a structured system that is equally accessible to all categories.

The Group also shows significant commitment in the field of training, with differentiated programs depending on the employment category. In 2024, the average hours of training per employee amounted to **44.18**⁴¹.

In terms of **parental leave**, it should be noted that, in the reporting period covered by this Report, the number of employees entitled to family leave amounted to **1,208 (99.18% of the total workforce)**.

During the year, **14.40%** took advantage of this benefit, for a total of **175 employees, 13 women and 144 men**.

40. During the data collection process for the current year, it was not possible to consolidate complete and reliable information regarding the number of periodic reviews carried out for each employee. This limitation in the availability of data has led to the exclusion of this indicator from this report as required by the disclosure obligation SI-13 RA 77. The AB Group undertakes to implement, during the next financial year, adequate monitoring systems to ensure the systematic detection and inclusion of this metric in future sustainability reports.

41. In compliance with the disclosure obligation SI-13 83 b) it should be noted that in 2024 training hours for female employees amounted to 23.65, while for male employees to 47.98.

Health and safety

Governance

Occupational health and safety management is entrusted to the **Health, Safety & Environment (HSE)** department, responsible for both the implementation of initiatives in this area, as well as the coordination of human resources involved in the organization of related activities.

In 2024, the formalization of the functional powers relating to **management roles** was completed, through specific appointments, accompanied by the necessary training and the related contractual documentation.

POLICIES

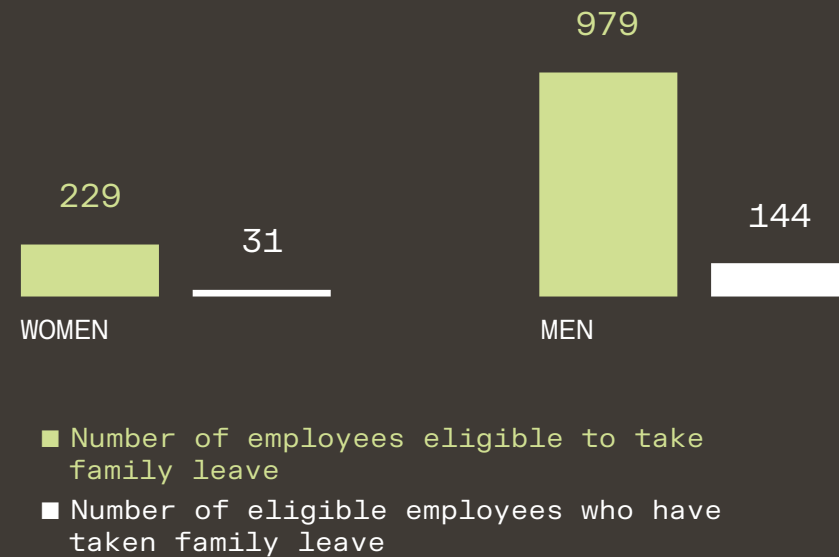
The AB Group places the concrete commitment to the protection of the health, safety and well-being of its employees at the very center of its sustainability strategy.

Through its **Integrated Policy**, the Group ensures a rigorous process of identification and application of all regulations and contractual requirements relating to occupational health and safety, recognizing these aspects as fundamental and essential. To strengthen the effectiveness of its prevention and protection system, a structured risk analysis was carried out, aimed at planning and implementing the related control measures.

In the fourth quarter of 2024, the strategic document entitled

“Wellbeing AB Position Paper” was formalized, which defines the Group’s approach to organizational well-being, specifying roles, responsibilities and areas of intervention. In order to promote well-being – and in particular physical well-being – in the workplace, the **WHP Program**, which has been adopted for over 10 years and coordinated by the **HSE** department, is also confirmed. The WHP Program operates in close synergy with the **D&I Program**, under the responsibility of the **HR** department.

PARENTAL LEAVE (no.)



In 2024, the **gender pay gap**⁴² stood at **12.30%**. The value of the gender pay gap is negatively affected by overseas locations in Canada, Germany, Israel and Romania due to the different distribution of roles between female and male employees. In fact, in the offices indicated, there is a greater presence of men in executive and managerial positions and, at the same time, a greater number of part-time contracts among female employees, elements that significantly affect the calculation of the overall pay differential.

The **ratio between the highest salary received in the organization and**

the median annual salary of all employees (excluding the highest value)⁴³ is equal to **5.10**. This data indicates a relatively balanced salary distribution within the Group.

42. It should be noted that the gender pay gap was determined on the basis of the average gross hourly wage. This value was obtained by dividing the sum of each employee's gross annual income by the number of paid working hours in the year separately as for all male and female employees of the AB Group. For each legal entity, the gender pay gap was calculated using the following formula: Gender Pay Gap (%) = (Average Gross Hourly Compensation of Male Employees - Average Gross Hourly Compensation of Female Employees) / Average Gross Hourly Compensation of Male Employees x 100.

43. The pay gap is calculated as the ratio of the total annual remuneration received by the person with the highest salary to the total median annual remuneration of all other employees (excluding the person with the highest salary). For the AB Group, only the ratio relating to Italian legal entities was presented, as these are more representative both in terms of the number of employees and the type of contracts applied.

ACTIONS

During the reporting period covered by this Report, the AB Group has implemented several initiatives with a **triple purpose**: to guarantee the highest standards of safety at work, to promote structured opportunities for social interaction between employees outside the usual professional dynamics and to promote a balanced lifestyle, for the benefit of people’s physical and mental health.

In 2024, AB extended the implementation of an **integrated management system to foreign locations**, standardizing operating procedures, work instructions and monitoring of near misses. The approach has been systematically applied throughout the Group and, in particular, in the Brazil and Poland branches, which have required the development of specific initiatives aimed at ensuring the direct involvement of local staff.

In accordance with the Consolidated Law on Safety, the AB Group has developed its **Risk Assessment Document (RAD)**, which identifies, for each site and activity, the **risks** (including physical, chemical, biological, ergonomic and psychosocial risks) and defines the preventive and protective measures to be taken to reduce or eliminate these risks. The DVR also includes an **improvement plan**, which provides for periodic verification of the effectiveness of the measures implemented. To ensure consistency and traceability, the Group has developed

an **Improvement Log**, created in collaboration with all the departments involved. The Log details the actions planned for each site, establishing a unique and easily monitored operational reference.

During the reporting period covered by this Report, an intense **internal audit** activity was carried out, mainly aimed at verifying compliance with integrated management systems. To support this strategy, the company has invested in the **training of internal staff**, qualifying the participants as certified auditors in the three main ISO regulations:

ISO 45001:
Management systems for occupational health and safety.

ISO 14001:
Environmental management systems.

ISO 9001:
Quality management systems.

The training courses involved several resources from the HSE department. To strengthen performance monitoring in this area, specific **quantitative indicators** related to the audits carried out have been introduced.

The **external audits** mainly concerned construction sites. In 2024, about 60 external audits were completed, with overall

positive results. The findings primarily concerned aspects related to responsibilities not directly pertaining to AB, confirming the high standards implemented by the Group.

In terms of training, the Group ensures full compliance with legal requirements through a **centralized register** containing the list of all employees and the planning of courses over time.

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. Courses are generally delivered through **specialist external companies**, with content tailored to AB’s specific operational needs. With regard to work instructions and the inclusion of new hires, particular attention is paid to specific aspects related to corporate characteristics and procedures.

As a strategic mitigation measure, the Group confirmed in Italy, Brazil and Poland the **“Zero Accidents Project”**, which includes several activities and a strong communication aspect. The project is based on **three fundamental principles**:

- direct involvement of workers through competitions involving prizes to encourage reports and proposals;

- promotion of communication on health and safety issues;
- adaptation of the management system to the ISO 45001 Standards.

As part of the project, in 2024 the Group confirmed for the second consecutive year its adherence to the **European Safety Week**, involving around 800 people, including employees and external stakeholders. During the events, employees were able to directly test **Innovative Personal Protective Equipment** (PPE), participate in awareness-raising meetings and hear direct testimonies from members of the National Association of Mutilated and Disabled Workers (ANMIL), with whom targeted training meetings were organized.

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

In order to improve the well-being of employees and foster opportunities for sharing, the Group has also confirmed the following initiatives:

- **Yoga, Pilates and Physiotherapy:** the initiative has seen the organization of Yoga and Pilates courses, designed to offer employees the opportunity to enjoy time focused on well-being, ideal for recharging their energy and encouraging physical activity during their lunch break;
- **Sustainable Mobility Week:** as part of the European Mobility Week 2024, AB has decided to promote the use of alternative methods to private cars, such as bicycles, with the aim of generating a positive impact on the environment and the physical well-being of employees;

- **events dedicated to families** focused on issues of social importance; the first meeting was organized with the collaboration of Green Cross and Fire Brigade volunteers and provided practical information on the management of emergencies in the domestic sphere, while the second focused on road safety.

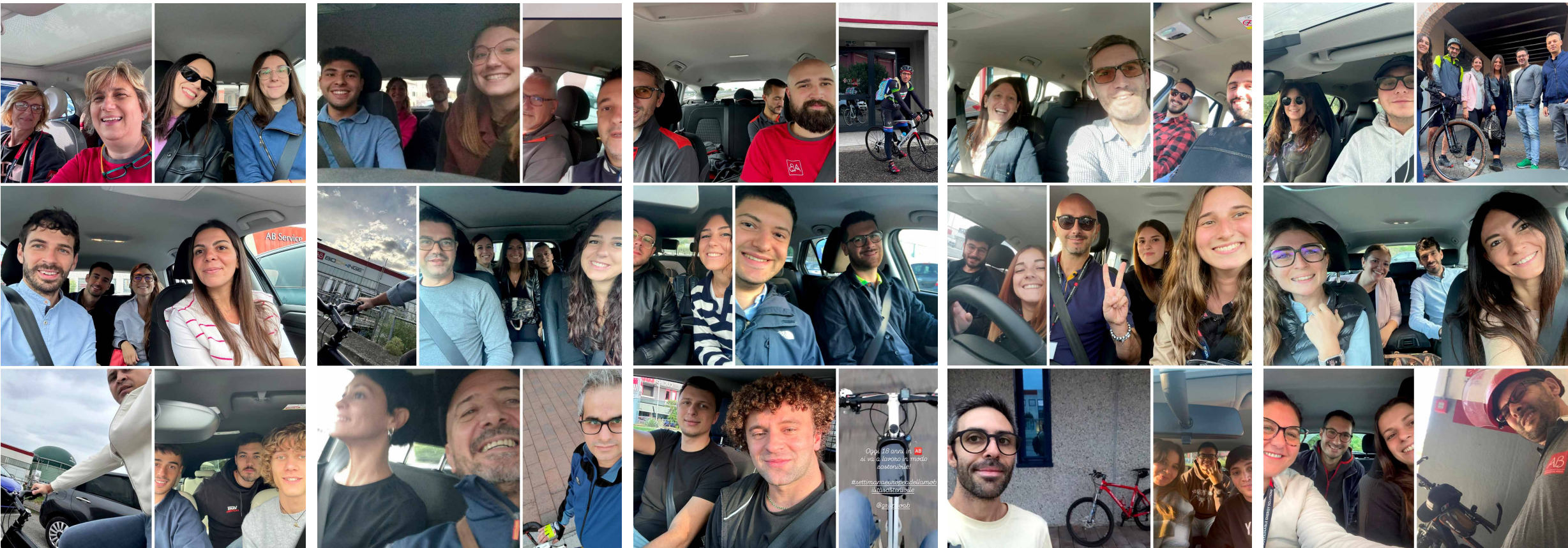
In 2024, AB took an active part in **two** important health and safety working groups:

- **Confindustria Safety Observatory:** made up of 20 selected companies, it aims to develop and disseminate good practices concerning safety, in particular towards SMEs. The AB Group plays an active role in the working group, intervening as a speaker in at least one annual meeting focused on specific issues. The Observa-

tory also promotes the sharing of best practices among members, with the aim of extending their application to other industrial companies;

- **WHP Program Coordination Table:** AB represents the industrial sector and coordi-

nates the local subgroups for the province of Brescia. The Table also involves ATS (local Health Protection Agencies) and the Lombardy Region, with the aim of introducing new operational practices and proposing improvements to existing protocols.



THE WHP PROGRAM

The AB Group adheres to the Workplace Health Promotion program called **WHP – Workplace Health Promotion**, aimed at promoting the adoption of healthy lifestyles and fostering a healthy and safe working environment for all employees, also with a view to social welfare progress.

The project is managed by the AB 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 HSE, Marketing and HR departments, 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.

The **“Workplaces that promote health – WHP Lombardy Network”** program, is part of the actions envisaged by the Regional Prevention Plan of the Lombardy Region. It contributes to the processes of promoting health in the workplace, specifically overseeing the prevention of behavioral risk factors of chronic and degenerative diseases, including poor diet, a sedentary lifestyle, smoking and harmful alcohol consumption.

- 2024 saw the organization of several events as part of the WHP Project. These include:
- **ABeTogether:** two days open to employees and their families, with the aim of spending time in the name of physical activity and cultivating ties outside the work environment; the days were organized in Madonna di Campiglio and in the Fucine di Casto Park;
 - **Health Week in AB,** a series of initiatives dedicated to the psycho-physical well-being of employees: in 2024, the training-experiential sessions covered mindfulness practices, insights into the prevention of major cancer diseases, physiotherapy treatments to improve posture and time management techniques to reduce stress;
 - **AB ENERGY RUN:** the fourth edition of the non-competitive race open to AB employees, friends and family of all ages;
 - **AB CHALLENGE:** now in its ninth edition, the challenge took place at the Orceana Calcio Orzinuovi sports field and saw the participation of more than 300 members, with the aim of bringing together employees and their families in sports activity initiatives;
 - **WHP Outdoor Contest:** a competition for employees of AB’s overseas offices, which involved sending a photo of them engaged in outdoor or nature activities, with the aim of sharing virtuous practices with colleagues and raising awareness of the importance of regular physical activity.

During the 2024 financial year, the “WHP Diary” (Workplace Health Promotion) was updated, a document that summarizes in an organic way all the various health and well-being promotion initiatives implemented by the Group.

FUTURE ACTIONS

- In order to further strengthen the governance of occupational health and safety and promote well-being in the company, the AB Group has planned the following actions in the medium term:
- **formalization of additional functional powers relating to the production, construction and service areas,** with a particular focus on aspects related to occupational health and safety;
 - **organization of events dedicated to employees’ families,** with a focus on promoting healthy lifestyles for children. The initiative will engage families in a path of awareness on health-related issues, strengthening the link between individual well-being and social context, with a view to prevention and shared care.

AB CHALLENGE



AB RUN 24



ABE TOGETHER - MADONNA DI CAMPIGLIO



METRICS

The AB Group applies the **Occupational Health and Safety Management System (OHSMS)**⁴⁴ to **98%** of the workforce, confirming its commitment to the protection of people and the prevention of occupational risks. The adoption of the system has enabled a structured and integrated approach to safety management, helping to consolidate the positive results already achieved in previous years.

In 2024, **19 accidents** were recorded, with a **rate** equal to **10.26**⁴⁵. The data shows an improvement compared to previous years, confirming the effectiveness of the preventive policies adopted and the effective implementation of the planned controls.

None of the incidents identified were attributed to deficiencies in the surveillance systems or inefficiencies in the use of Personal Protective Equipment (PPE). However, the analysis of **near misses** highlighted the need to pay particular attention to certain behaviors.

These elements confirm the strategic importance of maintaining high levels of awareness and training. The construction of a solid safety culture is, in fact, a continuous process, which requires constant commitment and a gradual, structured and constantly evolving approach.

In addition, in the reporting period covered by this Report, there were no **deaths** related to accidents or work-related ill health, nor new established cases of **work-related ill health**⁴⁶.

44. All the employees of the legal entities included in the reporting scope are covered by a health and safety management system, with the exception of AB Ambiente Srl and EnviroExperts Italia Srl. The percentage coverage of employees was calculated by weighting the number of employees covered by the management system in relation to the total number of employees included in the scope of consolidation, taking into account the presence or absence of formalized management systems for each legal entity.

45. The rate of accidents at work was calculated as: number of accidents divided by the total number of hours worked by employees and multiplied by 1,000,000. The following legal entities have been excluded from the reporting scope of this indicator, due to the unavailability of data relating to hours worked per employee: AB Energy Do Brasil Ltda, AB Energy France SARL, KWE AB Energy Polska Spółka z o.o.

46. It should be noted that the evaluation by INAIL of a report relating to AB Service is in progress.

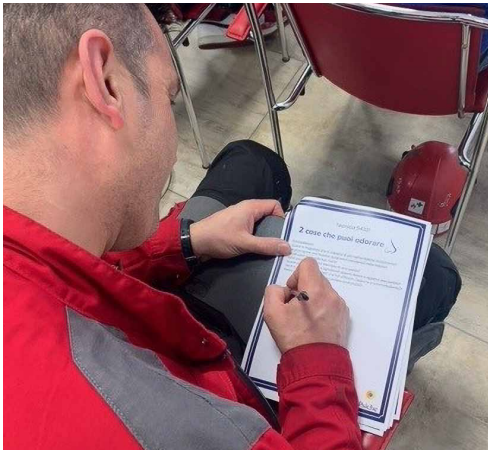
ABE TOGETHER - FUCINE DI CASTO PARK



BCF DREAM CUP



HEALTH WEEK 2024



S2 – Workers in the value chain

POLICIES

The AB Group adopts a structured and transparent approach in the management of its supply chain, based on corporate policies and procedures that reflect the principles of integrity, legality and sustainability. The two main reference documents in this regard are:

- the **Code of Ethics**, which is the Group’s value card and applies to all stakeholders, including suppliers and business partners. The document defines the fundamental principles of conduct, including legality, transparency, fairness, respect for human rights and protection of the person. Suppliers are required

to read and formally adhere to it, committing to comply with its contents in the context of commercial relations with the AB Group;

- **Sustainable procurement policy**, a document that includes specific requirements regarding quality, regulatory compliance, social and environmental responsibility.

Through these policies, the Group aims to promote a responsible supply chain, consistent with its values and ESG-related objectives, strengthening relationships of trust with partners and contributing to the creation of shared value.

ACTIONS

In 2024, the AB Group consolidated its commitment to sustainable and responsible supply chain management, promoting initiatives aimed at engaging external partners and disseminating the safety culture beyond organizational borders. The main actions undertaken in this regard include:

Sustainability Community⁴⁷: The program stood out for its

innovative approach to raising awareness on health and safety issues. The initiatives, documented during meetings with suppliers, included training and discussion sessions attended by internal and external stakeholders. This approach has fostered a wider sharing of corporate values and a greater collective awareness of risks and safe behaviors;

47. For more information, please refer to the “A closer look: aDoormore” section.

- **engagement with contractors**: The AB Group organized a dedicated meeting with about 25 contractors, aimed at discussing strategic issues such as the adoption of HSE certifications and the introduction of innovative tools, including the “**construction site license**”. The initiative strengthened dialogue with external partners, promoting alignment on operational standards and compliance requirements;
- **qualification of suppliers**: With the aim of making the supply chain more transparent, a portal has been developed dedicated to the qualification of suppliers⁴⁸ in terms of performance and services. The tool makes it possible to standardize the selection and monitoring

criteria, improving the traceability of processes and helping to ensure high standards of quality, sustainability and safety among all the actors involved.

48. For more information, please refer to the “G1 – Management of relationships with suppliers” section.



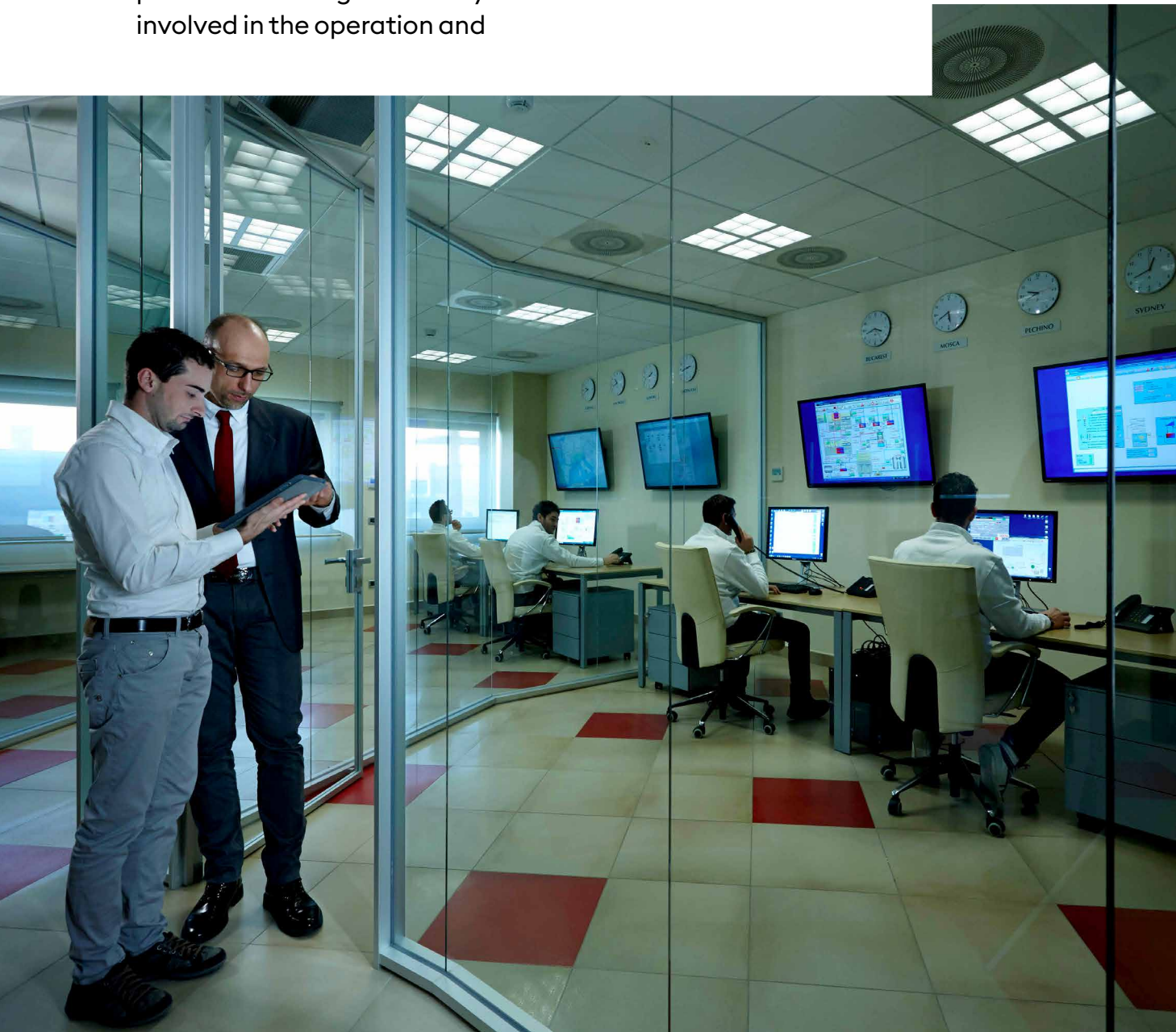
S4 – Consumers and end users

The consumers and end users relevant to the AB Group are divided into two categories, corresponding to the Group's main areas of activity:

- **plant operators:** technical personnel who use the plant solutions supplied by AB Impianti on a daily basis. They represent the professional target directly involved in the operation and

management of the installed technologies;

- **domestic consumers:** individuals who buy and consume milk and dairy products produced from the livestock raised by the agricultural company managed by AB Ambiente, engaged in the agri-food sector.



POLICIES

The AB Group has structured the management of relations with its customers through an organizational model specialized by sector.

ACTIONS – AB GROUP

To guarantee the health and safety of the end users of the plants produced, the Group has implemented an integrated system of controls that operates on multiple levels.

The **continuous 24/7** support, available both remotely and through direct interventions in the field, is ensured by a wide network of specialized maintenance technicians. The organization follows a comprehensive surveillance model: one technician for every eight engines, one Service Area Manager (SAM) for every eight technicians and one Regional Service Manager and every eight SAMs.

The Group has developed advanced **continuous monitoring systems** of its plants based on Big Data, automation and artificial intelligence, which facilitate predictive maintenance interventions, reducing the risk of malfunctions and improving operational safety. The structured classification of maintenance interventions as urgent, non-urgent and pre-

ventive guarantees timely management of anomalies, while the digitization of processes through the Service App and the use of self-diagnosis algorithms in the software ensure centralized real-time monitoring of all plant operating parameters.

The communication channels between the customer and AB Service are always active: the customer can report critical issues and request assistance, while the system automatically responds by confirming that maintenance has been carried out.

To ensure high standards of quality in service and maintenance, the Group has also developed a **Training Center** dedicated to continuous training and technical updating of specialized personnel.

AB SERVICE CONTRACTS

Maintenance services are regulated by multi-year contracts, consisting of two types:

- **“full service”** contracts, the most commonly used formula, which includes ordinary and extraordinary maintenance, active technical assistance 365 days a year for the entire life cycle of the plant; in this case, the Group is responsible for any failures or damages;
- **annual warranty contracts**, which cover the plant for the first year of operation; at the end of this period, any costs and responsibilities fall on the customer, who can still opt at any time for the transition to the “full service” model.

Most contracts provide for minimum operating thresholds of the plants, which can reach up to 98%. In the event of non-compliance with the contractual threshold, AB grants the customer a refund.

The Group periodically distributes a **satisfaction questionnaire** to its customers. Through the monitoring of different KPIs, such as the quality of the service, the communication channels used and compliance with health and safety regulations,

AB detects any critical issues and promptly intervenes to improve them. Complaints, whose number is small compared to the volume of sales, are handled through a well-defined procedure.

ACTIONS – AB AMBIENTE

For AB Ambiente, ensuring the quality and safety of milk produced and destined for cooperatives and the dairy industry is a top priority. To this end, a control system divided into **three levels** is adopted:

- **automated controls:** the milking robots analyze the milk in real time, detecting any anomalies (such as the presence of blood), which automatically determine the rejection of the product;
- **controls at collection time:** the purchasing cooperatives carry out quality checks on the milk received, directly at loading time;
- **institutional controls:** the Health Protection Agencies (HPAs) carry out periodic inspections to verify compli-

ance with applicable health regulations. To complete this system, every week external consultants carry out checks on the health of the herd, to identify and promptly manage any issues. 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.



5

Detailed
information

Detailed information

ESRS 2 – GENERAL INFORMATION

SBM-1 - STRATEGY, BUSINESS MODEL AND VALUE CHAIN

ACTIVITY	UNIT OF MEASUREMENT	REVENUES 2024
Electricity production with solar photovoltaic technology	M EUR	4.91
Cogeneration of heat/cooling and energy from bioenergy	M EUR	82.87
High efficiency cogeneration of heat/cooling and electricity from gaseous fossil fuels	M EUR	35.95
Landfill gas capture and utilization	M EUR	1.60
Installation, maintenance and repair of energy efficiency equipment	M EUR	168.45
Spare parts sales	M EUR	8.81
Cogeneration plant rental	M EUR	13.98
Other	M EUR	8.50
Total	M EUR	325.08

ESRS G1 – MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

G1-6 PAYMENT PRACTICES

	2024
Indicate the average time taken by the company to pay an invoice from the date on which the contractual or legal payment term begins to be calculated, expressed in number of days;	0
Provide a description of the company’s standard payment terms in number of days per main category of suppliers	90
Percentage of payments that comply with these standard terms;	95.00%
Provide the number of judicial proceedings currently pending due to payment delays;	0
Provide additional information necessary to provide sufficient context. If it has used representative sampling to calculate the data referred to in point (a), the company shall declare this and briefly describe the methodology used.	

ESRS E1 – CLIMATE CHANGE

E1-5 ENERGY CONSUMPTION AND ENERGY MIX⁴⁹

	UNIT OF MEASUREMENT	REVENUES 2024
1) Consumption of fuel from coal and coal products	MWh	0
2) Consumption of fuel from crude oil and petroleum products	MWh	9,167.23
3) Consumption of fuel from natural gas	MWh	1,850.23
4) Consumption of fuels from other non-renewable sources	MWh	0
5) Consumption of electricity, heat, steam and cooling from fossil sources, purchased or acquired	MWh	2,469.52
6) Total energy consumption from fossil sources (sum of lines 1 to 5)	MWh	13,486.98
Share of fossil fuels in total energy consumption	%	77.69%
7) Consumption from nuclear sources	MWh	81.79
Share of nuclear sources in total energy consumption	%	0.47%
8) Consumption of fuels for renewable sources, including biomass (also includes industrial and urban waste of biological origin, biogas, renewable hydrogen, etc.)	MWh	0
9) Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired	MWh	2,616.02
10) Consumption of self-produced renewable energy without resorting to fuels	MWh	1,175.30
11) Total energy consumption from renewable sources (sum of lines 8 to 10)	MWh	3,791.32
Share of renewable sources in total energy consumption	%	21.84%
Total energy consumption (sum of rows 6, 7 and 11)	MWh	17,360.09

E1-5 ENERGY INTENSITY RELATIVE TO NET REVENUES⁵⁰

	UNIT OF MEASUREMENT	REVENUES 2024
Total energy consumption of activities in sectors with a high climate impact compared to net revenues deriving from these activities	MWh / M EUR	53.40

49. The energy quantification of fossil fuels was carried out by conversion into MWh applying the standardized conversion coefficients published by the UK Department for Environment, Food & Rural Affairs (DEFRA 2024). The determination of the composition of the energy mix of the electricity supplied (renewable, non-renewable and nuclear share) was derived through the analysis of the contractual specifications reported in the billing documentation provided by the energy supplier for each operational site of the AB Group.

50. The AB Group operates mainly through four NACE codes:
- AB Impianti S.r.l.: 27.11 - Manufacture of motors, generators and electrical transformers
- AB Service S.r.l.: 43.21 - Installation of electrical systems
- AB Energy S.p.A.: 46.60 - Wholesale of other machinery, equipment and supplies
- AB Ambiente S.r.l.: 01.10 - Cultivation of non-permanent agricultural crops
All activities identified by the aforementioned codes are classified as "high climate impact sectors" according to the reference legislation. As a result, all energy consumption and revenues of the AB Group are associated with economic activities characterized by a high climate impact.
The energy intensity is calculated as the ratio between the total energy consumption and the value of revenues for the year (millions of Euros).
The calculation of energy production from renewable sources included the electricity generated and fed into the grid for sale to third parties, quantified at 1,118.86 MWh in the reporting period considered.

E1-5 LINK BETWEEN ENERGY INTENSITY BASED ON NET REVENUES AND THE INFORMATION CONTAINED IN THE FINANCIAL DISCLOSURE

	UNIT OF MEASUREMENT	2024
Net revenues from activities in high climate impact sectors used to calculate energy intensity	M EUR	325.08
Net Revenue (other)	M EUR	0
Total Net Revenue	M EUR	325.08

E1-5 ENERGY PRODUCTION

	UNIT OF MEASUREMENT	2024
Energy production from renewable sources ⁵¹	MWh	2,294.16
Energy production from non-renewable sources	MWh	0

E1-6 GHG EMISSIONS

	UNIT OF MEASUREMENT	2024
Scope 1 GHG emissions ⁵²		
Gross Scope 1 GHG emissions	tCO ₂ e	5,863.35
Percentage of Scope 1 GHG emissions covered by regulated emissions trading systems	%	0%
Scope 2 GHG emissions ⁵³		
Gross Scope 2 GHG (Location Based)	tCO ₂ e	2,210.02
Gross Scope 2 GHG (Market Based)	tCO ₂ e	2,571.10
Significant Scope 3 GHG emissions		
Total gross indirect GHG emissions (Scope 3)	tCO ₂ e	n.a.
Total GHG emissions (Location Based)		
	tCO ₂ e	8,073.37
Total GHG emissions (Market Based)		
	tCO ₂ e	8,434.96

51. The calculation of energy production from renewable sources included the electricity generated and fed into the grid for sale to third parties, quantified at 2,294.16 MWh in the reporting period considered.

52. Direct greenhouse gas emissions were quantified on the basis of corporate transport fuel consumption and direct fossil fuel consumption, applying the standard emission factors published by the UK Department for Environment, Food & Rural Affairs (DEFRA 2024). For Italian legal entities, where applicable, the emission factors of the Istituto Superiore per la Protezione e la Ricerca Ambientale (ISPRA 2024) were used, while for non-European locations the emission coefficients defined by the respective national environmental reference authorities were applied. There are no Scope 1 greenhouse gas emissions covered by regulated emission allowance trading systems.

53. Indirect emissions from purchased energy include those associated with electricity and heat consumption. The calculation of indirect greenhouse gas emissions was carried out using the emission factors of the national grids in which the AB Group operates, published by the Association of Emitting Entities (AIB 2023) for European offices and by the International Energy Agency (IEA 2024) for the remaining offices. For the location-based approach, the total energy mix of suppliers was taken into consideration, while for the market-based approach, the residual mixes were applied.

E1-6 GHG INTENSITY COMPARED TO NET REVENUES

	UNIT OF MEASUREMENT	2024
Total GHG emissions (Location Based) compared to net revenues	tCO ₂ e / M EUR	24.84
Total GHG emissions (Market Based) compared to net revenues	tCO ₂ e / M EUR	25.95

E1-6 LINK BETWEEN GHG INTENSITY BASED ON NET REVENUES AND THE INFORMATION CONTAINED IN THE FINANCIAL DISCLOSURE

	UNIT OF MEASUREMENT	2024
Net revenue used to calculate GHG intensity	M EUR	325.08
Net Revenue (other)	M EUR	0.00
Total Net Revenue	EUR	325.08

ESRS E1 – CLIMATE CHANGE

E2-4 POLLUTION OF AIR, WATER AND SOIL⁵⁴

	UNIT OF MEASUREMENT	2024
Emissions of pollutants into the air	t	10.65
Emissions of pollutants into water	t	0.00
Emissions of pollutants into the soil	t	0.00

54. The company's emissions into the atmosphere derive mainly from the production activities of welding, painting and cutting of panels, which generate dust and volatile organic compounds (VOCs), as well as from the operation of the cogeneration engine which produces total dust, carbon monoxide (CO), volatile organic compounds (VOCs) and nitrogen oxides (NOx). Although it was not possible to analytically quantify each individual pollutant emitted, the pollutants identified and monitored are those indicated above, which represent the main types of substances released into the environment by business processes. The calculation was carried out using concentration values detected for each emission point and the average emission flow rate, using the INDAM laboratory test reports for the year 2024 as a data source.

ESRS E3 – WATER AND MARINE RESOURCES

E3-4 WATER CONSUMPTION ⁵⁵

	UNIT OF MEASUREMENT	2024
Water withdrawals	m ³	108,537.68
Water discharges	m ³	108,257.16
Total water consumption	m ³	280.52
Total water consumption in water-risk areas, including those with high water stress	m ³	0
Total volume of water recycled and reused	m ³	0
Total volume of stored water	m ³	0
Change in total volume of stored water	m ³	0
Share of the measurement obtained from direct measurements, sampling and extrapolation, or best estimates	%	100%
Total water consumption in own operations in m ³ per million EUR of net revenues	m ³ / M EUR	0.86

ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY

E5-4 INBOUND RESOURCE FLOWS

	UNIT OF MEASUREMENT	2024
Total weight of technical and biological products and materials used during the reference period	t	4,596.77
Percentage of bio-based materials (and biofuels used for non-energy purposes) that come from a sustainable supply chain	%	0.00%
Weight of secondary components reused or recycled and secondary intermediate products and materials used by the company for its products and services	t	n.a.
Percentage of secondary components reused or recycled and secondary intermediate products and materials used by the company for its products and services	%	n.a.

55. The data relating to water consumption was obtained directly from the documentation provided by the water service manager, with the exception of AB Energy Deutschland GmbH, for which the values were estimated considering a consumption of 50 L per person per working day, consistent with the national reference average.

E5-4 INBOUND RESOURCE FLOWS

	UNIT OF MEASUREMENT	2024
Black Carbon Steel	t	2,102.00
Stainless Steel	t	419.00
Engine oil	t	1,940.00
Paint	t	45.38
Paper	t	21.20
Wood	t	48.03
Plastic packaging	t	21.16
Total	t	4,596.77

E5-5 OUTBOUND RESOURCE FLOWS⁵⁶

	UNIT OF MEASUREMENT	2024
Subtracted from disposal		
Hazardous waste	t	1,727.11
Non-hazardous waste	t	180.61
Total	t	1,907.72
Intended for disposal		
Hazardous waste	t	480.74
Non-hazardous waste	t	3.1
Total	t	483.84
Total waste	t	2,391.56

56. The AB Group’s waste management is distinguished between operational and office waste, using different methodologies to ensure accuracy in reporting.

Operational waste
Operational waste includes packaging materials (paper, plastic, wood, mixed materials), ferrous and non-ferrous metals, rock wool, spent oils, filters, batteries, glycol, washing water, paint residues, solvents, discarded electrical components and waste from veterinary activities.
The methodology used to report this type of waste is as follows:
- for Italian legal entities, the data obtained from the Waste Identification Forms (FIR) and the waste loading/unloading registers were used;
- for foreign sites, an estimation methodology has been developed based on average waste production coefficients generated during installation or maintenance activities and differentiated by product type (Jenbacher, MAN engines, ECOMAX®, BIOCH4NGE®, CH4LNG systems). These coefficients were derived through the analysis of the AB Service and AB Impianti operational data relating to the 2023-2024 two-year period. The estimated quantities were then calculated by applying these coefficients to the number of units installed or subject to active service contracts during 2024.

Office waste
Office waste includes the typical components of separate waste collection such as: paper, plastic, glass, organic and non-recycled waste. All values are estimated using fixed coefficients per employee, both for Italian and foreign offices.
The classification shown in the table divides waste into four categories based on hazardousness (hazardous/non-hazardous) and final destination (recovered/disposed of), using the reference EWC (European Waste Code) codes. For certain data, the destination of each EWC is known, while for those not available, the estimates were based on the treatments most frequently applied to each EWC code at the treatment plants. The treatments applied to the reported waste fall completely within the “Other recovery operations” and “Other disposal operations” categories as required by sections E5-5 37 b) and c) of the reference legislation.

ESRS S1 – OWN WORKFORCE

S1-6 CHARACTERISTICS OF COMPANY EMPLOYEES

	UNIT OF MEASUREMENT	WOMEN	MEN	OTHER	NOT COMMUNICATED	TOTAL
Permanent employees	no.	207	942	0	0	1,149
Fixed-term employees	no.	23	43	0	0	66
Variable hours employees	no.	0	0	0	0	0
Total employees	no.	230	985	0	0	1,215

S1-6 CHARACTERISTICS OF COMPANY EMPLOYEES

	UNIT OF MEASUREMENT	WOMEN	MEN	OTHER	NOT COMMUNICATED	TOTAL
Full-time employees	no.	156	977	0	0	1,133
Part-time employees	no.	74	8	0	0	82
Total employees	no.	230	985	0	0	1,215

S1-6 CHARACTERISTICS OF COMPANY EMPLOYEES

	UNIT OF MEASUREMENT	2024
Number of employees who left the company during the reporting period	no.	137
Employee turnover rate ⁵⁷	%	11.97%

S1-7 CHARACTERISTICS OF NON-EMPLOYEE WORKERS IN THE COMPANY’S OWN WORKFORCE

	UNIT OF MEASUREMENT	2024
Number of self-employed workers	no.	4
Number of workers provided by companies that carry out research, selection and supply of personnel	no.	60
Total number of non-employees	no.	64

57. The turnover rate is calculated by comparing the fixed-term and permanent employees who, on a voluntary basis, due to dismissal and retirement during 2024, left the Group with the total employees in force at 31 December 2023.

58. It should be noted that all employees for locations outside the EEA are covered by collective bargaining agreements in line with the disclosure obligation S1-8 60 c).

S1-8 COVERAGE OF COLLECTIVE BARGAINING AND SOCIAL DIALOGUE⁵⁸

	UNIT OF MEASUREMENT	2024
Number of employees covered by collective bargaining agreements	no.	1,135
Percentage of total employees covered by collective agreements	%	93.42%
Number of employees covered by trade unions	no.	92
Overall percentage of employees covered by trade unions	%	7.57%

S1-9 DIVERSITY METRICS (SENIOR MANAGEMENT BY GENDER)

	UNIT OF MEASUREMENT	2024	PERCENTAGE
Women	no.	3	17.65%
Men	no.	14	82.35%
Other	no.	0	0.00%
Not communicated	no.	0	0.00%
Total Senior Management members	no.	17	

S1-9 DIVERSITY METRICS (EMPLOYEES BY AGE GROUPS)

	UNIT OF MEASUREMENT	2024	PERCENTAGE
< 30 years	no.	282	23.21%
30-50 years	no.	746	61.40%
> 50 years	no.	187	15.39%
Total	no.	1,215	

S1-12 PEOPLE WITH DISABILITIES

	UNIT OF MEASUREMENT	2024	PERCENTAGE
Women	no.	19	1.56%
Men	no.	28	2.30%
Other	no.	0	0.00%
Not communicated	no.	0	0.00%
Total	no.	47	3.86%

S1-13 TRAINING AND SKILLS DEVELOPMENT METRICS

	UNIT OF MEASUREMENT	EMPLOYEES WHO PARTICIPATED IN PERIODIC REVIEWS (BY GENDER) ⁵⁹	PERCENTAGE OF EMPLOYEES WHO PARTICIPATED IN PERIODIC REVIEWS
Female	no.	230	100%
Male	no.	985	100%
Other	no.	0	100%
Not communicated	no.	0	100%
Total	no.	1,215	100%

	UNIT OF MEASUREMENT	EMPLOYEES WHO PARTICIPATED IN PERIODIC REVIEWS (BY CATEGORY) ⁶⁰	PERCENTAGE OF EMPLOYEES WHO PARTICIPATED IN PERIODIC REVIEWS
Executives	no.	15	100%
Managers	no.	38	100%
Office workers	no.	529	100%
Manual workers	no.	633	100%
Total	no.	1,215	100%

	UNIT OF MEASUREMENT	TRAINING HOURS	AVERAGE HOURS OF TRAINING
Female	no.	5,438.50	23.65
Male	no.	48,244.50	48.98
Other	no.	0.00	0.00
Not communicated	no.	0.00	0.00
Total	no.	53,683	44.18

59. During the data collection process for the current year, it was not possible to consolidate complete and reliable information regarding the number of periodic reviews carried out for each employee. This limitation in the availability of data has led to the exclusion of this indicator from this report as required by the disclosure obligation S1-13 RA 77. The AB Group undertakes to implement, during the next financial year, adequate monitoring systems to ensure the systematic detection and inclusion of this metric in future sustainability reports.

60. During the data collection process for the current year, it was not possible to consolidate complete and reliable information regarding the number of periodic reviews carried out for each employee. This limitation in the availability of data has led to the exclusion of this indicator from this report as required by the disclosure obligation S1-13 RA 77. The AB Group undertakes to implement, during the next financial year, adequate monitoring systems to ensure the systematic detection and inclusion of this metric in future sustainability reports.

61. The following legal entities have been excluded from the reporting scope of this indicator, due to the unavailability of data relating to hours worked per employee: AB Energy Do Brasil Ltda, AB Energy France SARL, KWE AB Energy Polska Spółka z o.o.

62. All the employees of the legal entities included in the reporting scope are covered by a health and safety management system, with the exception of AB Ambiente Srl and EnviroExperts Italia Srl. The percentage coverage of employees was calculated by weighting the number of employees covered by the management system in relation to the total number of employees included in the scope of consolidation, taking into account the presence or absence of formalized management systems for each legal entity.

63. The rate of accidents at work was calculated as follows: number of accidents divided by the total number of hours worked by employees and multiplied by 1,000,000.

64. The gender pay gap was determined on the basis of the average gross hourly wage. This value was obtained by dividing the sum of each employee's gross annual income by the number of paid working hours in the year separately as for all male and female employees of the AB Group. For each legal entity, the gender pay gap is calculated using the following formula: Gender Pay Gap (%) = (Average Gross Hourly Compensation of Male Employees – Average Gross Hourly Compensation of Female Employees) / Average Gross Hourly Compensation of Male Employees x 100. To determine the AB Group's overall gender pay gap, a weighted average of the gender pay gaps by legal entity was applied. The weighting is based on the number of male and female employees present at each location as at 31 December of the reference year. This methodology ensures a fair assessment of the different salary scales between legal entities and minimizes fluctuations due to changes in exchange rates or adjustments in purchasing power. In addition, with regard to the AB Group, the following legal entities have been excluded from the calculation, as they have no employees or employees belonging to both genders: AB Energy Argentina S.A.U., AB Energy Australia S.A.U., AB Energy France SARL, AB Energy México Cogeneración, AB Energy Rus LLC, AB Energy España S.L., AB Energy (UK) Ltd, AB Energy Česká s.r.o., AB Energy Hrvatska D.O.O., AB Energy Puerto Rico LLC, AB Energy Bulgaria OOD, Cogeneration AB Energy Hellas E.P.E., AB Energy Singapore PTE LTD, AB Energy Srbija DOO.

65. The pay gap is calculated as the ratio of the total annual remuneration received by the person with the highest salary to the total median annual remuneration of all other employees (excluding the person with the highest salary). For the AB Group, only the ratio relating to Italian legal entities was presented, as these are more representative both in terms of the number of employees and the type of contracts applied.

S1-14 HEALTH AND SAFETY METRICS⁶¹

	UNIT OF MEASUREMENT	2024
Percentage of own workers covered by the company's health and safety management system based on legal requirements and/or recognized standards or guidelines ⁶²	%	98%
Number of deaths due to work-related injuries and illnesses	no.	0
Number of recordable accidents at work	no.	19
Hours worked	no.	1,852,393
Recordable workplace injury rate ⁶³	no.	10.26
Cases of work-related illnesses detected during the reference period among those who were part of the company's workforce in the past	no.	0

S1-14 HEALTH AND SAFETY METRICS

	UNIT OF MEASUREMENT	2024
Indicate the number of recordable work-related illness cases, subject to legal restrictions on data collection	no.	0
Number of days lost due to injuries and deaths at work due to accidents at work, work-related illnesses and deaths as a result of illnesses	no.	323

S1-15 WORK-LIFE BALANCE METRICS

	UNIT OF MEASUREMENT	WOMEN	MEN	OTHER	NOT COMMUNICATED	TOTAL
Number of employees eligible to take family leave	no.	229	979	0	0	1,208
Percentage of employees eligible to take family leave	%	99.57%	99.39%	0.00%	0.00%	99.18%
Number of eligible employees who have taken family leave	no.	31	144	0	0	175
Percentage of eligible employees who have taken family leave	%	13.48%	14.71%	0.00%	0.00%	14.40%

S1-16 REMUNERATION METRICS

	UNIT OF MEASUREMENT	2024
Gender pay gap ⁶⁴	%	12.30%
Ratio of the salary of the individual with the highest salary to the total median annual salary of all employees (excluding the person with the highest salary) ⁶⁵	EUR	5.10



GRI - ESRS Interoperability Index

GRI – ESRS
Interoperability index

GRI STANDARD	GRI DISCLOSURE OBLIGATION	ESRS DISCLOSURE OBLIGATION	SECTION	NOTES
The organization and its reporting practices				
GRI 2: General information	2-1 Organizational Details	See requirements set out in Directive 2013/34/EU	Methodological Note; The structure of the Group	
	2-2 Entities included in the organization's sustainability reporting	ESRS 1 5.1; ESRS 2 BP-1 §5 (a) and (b) i	Methodological Note	Any exception to the scope indicated in the Methodological Note is appropriately indicated in the Document.
	2-3 Reporting period, frequency and point of contact (2-3-a and 2-3-b)	ESRS 1 §73	Methodological Note	
	2-4 Information review	ESRS 2 BP-2 §13, §14 (a) - (b)	Methodological Note	Each revision is appropriately reported in the Document.
	2-5 External assurance	Please refer to the requirements for assurance set out in Directive (EU) 2022/2464		This Sustainability Report is not subject to external assurance.
Activities and workers				
GRI 2: General information	2-6 Business activities, value chain and other business relationships	ESRS 2 SBM-1 §40 (a) i - (a) ii, (b) - (c), §42 (c)	The profile; AB solutions; G1 Management of relationships with suppliers	
	2-7 Employees	ESRS 2 SBM-1 §40 (a) iii; ESRS S1 S1-6 §50 (a) - (b) and (d) to (e), §51 - §52	S1 Own workforce; Detailed information	
	2-8 Non-employee workers	ESRS S1 S1-7 §55 - §56	S1 Own workforce; Detailed information	
Governance				
GRI 2: General information	2-9 Governance structure and composition (2-9-b, 2-9-c-i, c-ii, c-v to c-viii)	ESRS 2 GOV-1 §21, §22 (a), §23; ESRS G1 §5 (b)	The structure of the Group; Sustainability governance	

66. The reporting scope of the data provided covers AB Holding Spa, AB Impianti Srl, AB Energy SpA, Enviroexperts Italia Srl, AB Service Srl, AB Ambiente Srl

GRI STANDARD	GRI DISCLOSURE OBLIGATION	ESRS DISCLOSURE OBLIGATION	SECTION	NOTES
GRI 2: General information	2-10 Appointment and selection of the highest governance body	The topic is not included in the list of sustainability issues referred to in ESRS 1 RA §16		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 topic is not included in the list of sustainability issues referred to in ESRS 1 RA §16		The Chairman of the Board of Directors is not a senior executive of the Group.
	2-12 Role of the highest governance body in overseeing impact management	ESRS 2 GOV-1 §22 (c); GOV-2 §26 (a) - (b); SBM-2 §45 (d); ESRS G1 §5 (a)	Sustainability governance	
	2-13 Delegation of responsibility for impact management	ESRS 2 GOV-1 §22 (c) i; GOV-2 §26 (a); ESRS G1 G1-3 §18 (c)	Sustainability governance	
	2-14 Role of the highest governance body in sustainability reporting	ESRS 2 GOV-5 §36; IRO-1 §53 (d)		This Sustainability Report was approved by the Board of Directors on 1/10/2025.
	2-15 Conflicts of interest	The topic is not included in the list of sustainability issues referred to in ESRS 1 RA §16		Conflict of interest is managed in accordance with the provisions of the Italian Civil Code.
	2-16 Communication of critical issues	ESRS 2 GOV-2 §26 (a); ESRS G1 G1-1 RA 1 (a); G1-3 §18 (c)	G1 Business conduct	
	2-17 Collective knowledge of the highest governance body	ESRS 2 GOV-1 §23	Sustainability governance	
	2-18 Performance evaluation of the highest governance body	The topic is not included in the list of sustainability issues referred to in ESRS 1 RA §16		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 (2-19-b)	ESRS 2 GOV-3 §29 (a) - (c); ESRS E1 §13	G1 Business conduct	The remuneration of the members of the Board of Directors provides for a fixed amount.
GRI 2: General information	2-20 Processes for determining remuneration	ESRS 2 GOV-3 §29 (e) Please refer to the requirements indicated in Directive (EU) 2017/828 for listed companies	G1 Business conduct	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 (2-21-a and 2-21-c) ⁶⁶	ESRS S1 S1-16 §97 (b) - (c)	S1 Own workforce	In 2024, 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 5.10 .

GRI STANDARD	GRI DISCLOSURE OBLIGATION	ESRS DISCLOSURE OBLIGATION	SECTION	NOTES
Strategy, policies and practices				
GRI 2: General information	2-22 Sustainable Development strategy statement	ESRS 2 SBM-1 §40 (g)	Letter to Stakeholders	
	2-23 Policy commitments (2-23-a-i ea-iv; 2-23-b, 2-23-d, 2-23-e, 2-23-f)	ESRS 2 GOV-4; MDR-P §65 (b) - (c) and (f); ESRS S1 S1-1 §19 - §21 and §RA 14; ESRS S2 S2-1 §16 - §17, §19 and §RA 16; ESRS S3 S3-1 §14, §16 to §17 and §RA 11; ESRS S4 S4-1 §15 to §17 and §RA 13; ESRS G1 G1-1 §7 and §RA 1 (b)	The contribution to the UN 2030 Agenda; Tools for responsible management	Further reference within the different paragraphs relating to the relevant sustainability issues
	2-24 Integration of policy commitments	ESRS 2 GOV-2 §26 (b); MDR-P §65 (c); ESRS S1 S1-4 §RA 35; ESRS S2 S2-4 §RA 30; ESRS S3 S3-4 §RA 27; ESRS S4 S4-4 §RA 27; ESRS G1 G1-1 §9 and §10 (g)		Reference within the different paragraphs relating to the relevant sustainability issues
	2-25 Processes aimed at remediating negative impacts	ESRS S1 S1-1 §20 (c); S1-3 §32 (a), (b) and (e), §RA 31; ESRS S2 S2-1 §17 (c); S2-3 §27 (a), (b) and (e), §RA 26; S2-4 §33 (c); ESRS S3 S3-1 §16 (c); S3-3 §27 (a), (b) and (e), §RA 23; S3-4 §33 (c); ESRS S4 S4-1 §16 (c); S4-3 §25 (a), (b) and (e), §RA 23; S4-4 §32 (c)		During 2024, no reports were received regarding negative impacts in the management of ESG-related aspects.
GRI 2: General information	2-26 Mechanisms to request clarification and raise critical issues	ESRS S1 S1-3 §RA 32 (d); ESRS S2 S2-3 §RA 27 (d); ESRS S3 S3-3 §RA 24 (d); ESRS S4 S4-3 §RA 24 (d); ESRS G1 G1-1 §10 (a); G1-3 §18 (a)	Methodological note; G1 Business conduct	
	2-27 Compliance with applicable laws and regulations	ESRS 2 SMB-3 §48 (d); ESRS E2 E2-4 §RA 25 (b); ESRS S1 S1-17 §103 (c) - (d) and §104 (b); ESRS G1 G1-4 §24 (a)		No cases of non-compliance with applicable laws and regulations were recorded during the reporting period.
	2-28 Membership in associations	“Political engagement” is a sustainability issue for the G1 requirement covered by ESRS 1 §RA 16. Therefore, this GRI disclosure obligation is covered by the MDR-P, MDR-A, MDR-T and/ or may be treated as an entity-specific metric to be reported according to ESRS 1 §11 and MDR-M (2b)		The Group participates in some trade associations, including EBA – European Biogas Association, CIB, Italcogen, CogenEurope, AIB (Confindustria Brescia) and Coldiretti.

GRI STANDARD	GRI DISCLOSURE OBLIGATION	ESRS DISCLOSURE OBLIGATION	SECTION	NOTES
Stakeholder engagement				
GRI 2: General information	2-29 Stakeholder engagement approach	ESRS 2 SMB-2 §45 (a) i - (a) iv; ESRS S1 S1-1 §20 (b); S1-2 §25, §27 (e) - §28; ESRS S2 S2-1 §17 (b); S2-2 §20, §22 (e) and §23; ESRS S3 S3-1 §16 (b); S3-2 §19, §21 (d) and §22; ESRS S4 S4-1 §16 (b); S4-2 §18, §20 (d) and §21	Stakeholders	
	2-30 Collective bargaining agreements	ESRS S1 S1-8 §60 (a) and §61	S1 Own workforce	In Italy, the active CCNLs (national collective bargaining agreements) are: 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: Material topics	3-1 Processes for determining material topics	ESRS 2 BP-1 §RA 1 (a); IRO-1 §53 (b) ii - (b) iv	Dual relevance analysis	
	3-2 List of material topics	ESRS 2 SBM-3 §48 (a) and (g)	Dual relevance analysis	
G1 Business conduct				
GRI 3: Material topics	3-3 Management of material topics	ESRS 2 SBM-1§ 40 (e); SBM-3 §48 (c) i and (c) iv; MDR-P, MDRA, MDR-M and MDR-T; ESRS S1 S1-2 §27; S1-4 §39 and RA 40 (a); S1-5 §47 (b) to (c); ESRS S2 S2-2 §22; S2-4 §33, §RA 33 and §RA 36 (a); S2-5 §42 (b) - (c); ESRS S3 S3-2 §21; S3-4 §33, §RA 31, §RA 34 (a); S3-5 §42 (b) - (c); ESRS S4 S4-2 §20, S4-4 §31, §RA 30 and §RA 33 (a); S4-5 §41 (b) - (c)	G1 Business conduct	
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	ESRS G1 G1-3 §AR 5	G1 Business conduct	
GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	ESRS G1 G1-3 §20, §21 (b) and (c) and §AR 7 and 8	G1 Business conduct	
	205-3 Confirmed incidents of corruption and actions taken	ESRS G1 G1-4 §25		In 2024, no cases of corruption were recorded.
GRI 206: Anti-competitive behavior	206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices	The topic is not included in the list of sustainability issues referred to in ESRS 1 RA §16		In 2024, no legal actions were taken against the company.

GRI STANDARD	GRI DISCLOSURE OBLIGATION	ESRS DISCLOSURE OBLIGATION	SECTION	NOTES
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that have been selected using environmental criteria	ESRS G1 G1-2 §15 (b)	G1 Management of relationships with suppliers	
	308-2 Negative environmental impacts in the supply chain and measures taken	ESRS 2 SBM-3 §48 (c) i and iv	G1 Management of relationships with suppliers	
GRI 414: Supplier Social Assessment	414-1 New suppliers that have been selected using social criteria	ESRS G1 G1-2 §15 (b)	G1 Management of relationships with suppliers	
	414-2 Negative social impacts in the supply chain and measures taken	ESRS 2 SBM-3 §48 (c) i and iv	G1 Management of relationships with suppliers	
GRI 415: Public policy	415-1 Political contributions	ESRS G1-5 § 29 (b)		The AB Group does not make financial or in-kind political contributions.
Cybersecurity				
GRI 418: Customer privacy	3-3 Management of material topics	ESRS S4 §10 (b); S4-1 §15 and §16 (c); S4-2 §20; S4-4 §31, §32 (a) and (b), §35, §AR 30, §AR 33 (a); S4-5 §41, §41 (b) and (c)	Data privacy & cybersecurity	
	418-1 Proven complaints regarding customer privacy breaches and loss of customer data	ESRS S4 S4-3 §RA 23; S4-4 §35	Data privacy & cybersecurity	In 2024, the Group received no complaints regarding the violation of privacy or recorded incidents of leaks, theft or loss of customer data.
E1 Climate change				
GRI 3: Material topics	3-3 Management of material topics	ESRS E1 E1-2 §24 and §25 (c) to (d); E1-3 §28; E1-4 §32 and §33	E1 Climate change	
GRI 302: Energy	3-3 Management of material topics	ESRS E1 E1-2 §25 (c) - (d); E1-3 §26; E1-4 §33	E1 Climate change	
	302-1 Energy consumed within the organization (302-1-a, b, c, e, g)	ESRS E1 E1-5 §37; §38; §RA 32 (a), (c), (e) and (f)	E1 Climate change; Detailed information	
	302-3 Energy intensity	ESRS E1 E1-5 §40 - §42	Detailed information	The energy intensity index in 2024 is 75.27.
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	ESRS E1 E1-4 §34 (c); E1-6 §44 (a); §46; §50; §RA 25 (b) and (c); §RA 39 (a) - (d); §RA 40; RA §43 (c) - (d)	E1 Climate change; Detailed information	
	305-2 Energy indirect (Scope 2) GHG emissions	ESRS E1 E1-4 §34 (c); E1-6 §44 (b); §46; §49; §50; §RA 25 (b) and (c); §RA 39 (a) - (d); §RA 40; §RA 45 (a), (c), (d) and (f)	E1 Climate change; Detailed information	
	305-4 Intensity of GHG emissions	ESRS E1 E1-6 §53; §54; §RA 39 (c); §RA 53 (a)	Detailed information	The emission intensity index in 2024 is 31.97 (Location Based) and 33.08 (Market Based)



GRI STANDARD	GRI DISCLOSURE OBLIGATION	ESRS DISCLOSURE OBLIGATION	SECTION	NOTES
E2 Environmental pollution				
GRI 305: Emissions	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	ESRS E2 E2-4 §28 (a); §30 (b) and (c); §31; §AR 21	E2 Pollution; Detailed information	
E3 Water and marine resources				
GRI 303: Water and water discharges	3-3 Management of material topics	ESRS E2 §AR 9 (b); E2-1 §12; E2-2 §16 and §19; E2-3 §20; ESRS E3 E3-1 §9; E3-2 §15, §17 to §18; E3-3 §20	E3 Water and marine resources	
	303-1 Interactions with water as a shared resource	ESRS 2 SBM-3 §48 (a); MDR-T §80 (f); ESRS E3 §8 (a); §RA 15 (a); E3-2 §15, §RA 20	E3 Water and marine resources	
	303-2 Management of water discharge-related impacts (303-2-iv)	ESRS E2 E2-3 §24 (2b)	E3 Water and marine resources	
	303-3 Water withdrawal	“Water withdrawal” is a sustainability issue for the E3 requirement covered by ESRS 1 §RA 16. Therefore, this GRI disclosure obligation is covered by the MDR-P, MDR-A, MDR-T and/ or may be treated as an entity-specific metric to be reported according to ESRS 1 §11 and MDR-M	E3 Water and marine resources Detailed information	
	303-4 Water drainage	“Water drainage” is a sustainability issue for the E3 requirement covered by ESRS 1 §RA 16. Therefore, this GRI disclosure obligation is covered by the MDR-P, MDR-A, MDR-T and/ or may be treated as an entity-specific metric to be reported according to ESRS 1 §11 and MDR-M	E3 Water and marine resources; Detailed information	
	303-5 Water consumption	ESRS E3 E3-4 §28 (a), (b), (d) and (e)	Detailed information	

GRI STANDARD	GRI DISCLOSURE OBLIGATION	ESRS DISCLOSURE OBLIGATION	SECTION	NOTES
E5 Circular economy				
GRI 301: Materials	301-1 Materials used by weight or volume	ESRS E5 E5-4 §31 (a)	E5 Circular economy; Detailed information	
	301-2 Recycled input materials used	ESRS E5 E5-4 §31 (c)	E5 Circular economy; Detailed information	
GRI 306: Waste	3-3 Management of material topics	ESRS E5 §AR 7 (a); E5-1 §12; E5-2 §17; E5-3 §21	E5 Circular economy	
	306-1 Waste generation and significant waste-related impacts	ESRS 2 SBM-3 §48 (a), (c) ii and iv; ESRS E5 E5-4 §30	E5 Circular economy; Detailed information	
	306-2 Management of significant waste-related impacts (306-2-a and c)	ESRS E5 E5-2 §17 and §20 (e) and (f); E5-5 §40 and §RA 33 (c)	E5 Circular economy; Detailed information	
	306-3 Waste generated	ESRS E5 E5-5 §37 (a), §38 - §40	E5 Circular economy; Detailed information	
	306-4 Waste not intended for disposal (306-4-a, b, c, e)	ESRS E5 E5-5 §37 (b), §38 and §40	E5 Circular economy; Detailed information	
	306-5 Waste intended for disposal (306-5-a, b, c, e)	ESRS E5 E5-5 §37 (c), §38 and §40	E5 Circular economy; Detailed information	
S1 Own workforce				
GRI 401: Employment	3-3 Management of material topics	ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §RA 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §RA 33; §RA 36 (a); S2-5 §39, §42 (b) and (c)	S1 Own workforce	
	401-1 New employee hires and employee turnover (401-1-b)	ESRS S1 S1-6 §50 (c)	S1 Own workforce; Detailed information	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees (401-2-a-ii, a-iii, a-iv, a-v and b)	ESRS S1 S1-11 §74; §75; §AR 75	S1 Own workforce	
	401-3 Parental leave (401-3-a and b)	ESRS S1 S1-15 §93	S1 Own workforce; Detailed information	

GRI STANDARD	GRI DISCLOSURE OBLIGATION	ESRS DISCLOSURE OBLIGATION	SECTION	NOTES
GRI 404: Training and education	3-3 Management of material topics	ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §RA 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §RA 33; §RA 36 (a); S2-5 §39, §42 (b) and (c); ESRS S1 §24 (a)	S1 Own workforce	
	404-1 Average hours of training per year per employee	ESRS S1 S1-13 §83 (b) and §84	S1 Own workforce; Detailed information	In 2024, the average hours of training for female employees amounted to 23.65, while for male employees it was 47.98.
	404-2 Programs for upgrading employee skills and transition assistance programs (404-2-a)	ESRS S1 S1-1 §AR 17 (h)	S1 Own workforce	
	404-3 Percentage of employees receiving regular performance and career development reviews	ESRS S1 S1-13 §83 (a) and §84	S1 Own workforce; Detailed information	
GRI 405: Diversity and equal opportunities	3-3 Management of material topics	ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §RA 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §RA 33; §RA 36 (a); S2-5 §39, §42 (b) and (c)	S1 Own workforce	
	405-1 Diversity in governing bodies and among employees (405-1-a-i and iii, 405-1-b)	ESRS 2 GOV-1 §21 (d); ESRS S1 S1-6 §50 (a); S1-9 §66 (a) - (b); S1-12 §79	S1 Own workforce; Detailed information	
	405-2 Ratio of basic salary to average salary of women compared to men	ESRS S1 S1-16 §97 and §98	S1 Own workforce; Detailed information	
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective measures taken	ESRS S1 S1-17 §97, §103 (a), §RA 103		In 2024, no incidents of discrimination were recorded.

GRI STANDARD	GRI DISCLOSURE OBLIGATION	ESRS DISCLOSURE OBLIGATION	SECTION	NOTES
GRI 403: Occupational health and safety	3-3 Management of material topics	ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §RA 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §RA 33; §RA 36 (a); S2-5 §39, §42 (b) and (c)	S1 Own workforce	
	403-1 Occupational health and safety management system (403-1-a)	ESRS S1 S1-1 §23 (1a)	S1 Own workforce	
	403-2 Hazard identification, risk assessment and incident investigation (403-2-b)	ESRS S1 S1-3 §32 (b) and §33	S1 Own workforce	
	403-3 Occupational health services	“Health and Safety” and “Training and skills development” are sustainability issues for the S1 requirement covered by ESRS 1 §RA 16. This GRI disclosure obligation is therefore covered by the MDR-P, MDR-A, MDR-T and/ or may be treated as an entity-specific metric to be reported according to ESRS 1 §11 and MDR-M	S1 Own workforce	
	403-4 Worker participation, consultation and communication on occupational health and safety		S1 Own workforce	
	403-5 Worker training on occupational health and safety		S1 Own workforce	
	403-6 Promotion of worker health	“Social protection” is a sustainability issue for the S1 requirement covered by ESRS 1 §RA 16. Therefore, this GRI disclosure obligation is covered by the MDR-P, MDR-A, MDR-T and/ or may be treated as an entity-specific metric to be reported according to ESRS 1 §11 and MDR-M	S1 Own workforce	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	ESRS S2 S2-4 §32 (a)	S1 Own workforce	
	403-8 Workers covered by an occupational health and safety management system (403-8-a and b)	ESRS S1 S1-14 §88 (a); §90 (2c)	S1 Own workforce; Detailed information	
	403-9 Work-related injuries (403-9-a-i, a-iii, b-i, b-iii, c-iii, d, e)	ESRS S1 S1-4, §38 (a); S1-14 §88 (b) and (c); §RA 82	S1 Own workforce; Detailed information	
	403-10 Work-related ill health (403-10-a-i, a-ii, b-i, b-ii, c-iii)	ESRS S1 S1-4, §38 (a); S1-14 §88 (b) and (d); §89; §AR 82	S1 Own workforce; Detailed information	

GRI STANDARD	GRI DISCLOSURE OBLIGATION	ESRS DISCLOSURE OBLIGATION	SECTION	NOTES
S2 Workers in the value chain				
GRI 3: Material topics	3-3 Management of material topics	ESRS G1 G1-2 §12	S2 Workers in the value chain	
S4 Consumers and end users				
GRI 3: Material topics	3-3 Management of material topics	The topic is not included in the list of sustainability issues referred to in ESRS 1 RA §16	S4 Consumers and end users	





