



Sustainability

Report

Reporting year: 2025

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INTRODUCTION

In 2025, the European regulatory framework on sustainability has become even more structured, reinforcing the role of **Sustainability Reporting** as an essential tool for companies to ensure the transparency and accountability of their operations. The implementation of the *Corporate Sustainability Reporting Directive* (CSRD) and the application of the *European Sustainability Reporting Standards* (ESRS) have consolidated a reporting model based on measurability of impacts, comparability of data and integration of environmental, social and governance factors into corporate strategies. This development is part of the **European Green Deal** and aligns with the principles of the United Nations' **2030 Agenda**, whose *17 Sustainable Development Goals* continue to serve as a shared benchmark for policies and business decisions.

Against this backdrop, Molla Srl considers its **Sustainability Report**, now in its third edition, as an expression of a substantial and ongoing commitment that goes beyond mere regulatory compliance. The 2025 financial year marks a significant step in the company's journey, aimed at systematically integrating ESG principles into decision-making processes, operational management and strategic planning, with the aim of achieving an increasingly sustainable balance between economic growth, environmental protection and social progress.

This report aims to provide a clear, comprehensive and verifiable account of the company's performance and commitments, as part of a transparent dialogue with all its stakeholders. The publication of this document confirms Molla Srl's determination to play an active role in the transition towards a sustainable development model, being aware that creating long-term value requires consistency, accountability and strategic vision.

LETTER TO STAKEHOLDERS

Dear All,

With this document, Molla Srl presents its 2025 Sustainability Report, now in its third edition, as a summary of the organisation's commitment to pursuing ESG objectives and continuously improving its performance.

The document offers an integrated overview of the company's financial results and key environmental and social performance indicators, highlighting the company's structured approach to sustainability within its operational processes.

In terms of governance, Molla Srl operates in accordance with its code of ethics and adopts control and risk management systems designed to ensure transparency, integrity and long-term stability.

In the social sphere, the priority is health and safety at work, supported by targeted investments, continuous training and shared objectives. The company also promotes an inclusive working environment that prioritises people's well-being, maintaining an active connection with the local area and contributing to the development of the local community.

As regards the environmental aspects, the main areas of focus concern energy, sustainable materials, emissions, water resources and waste management. The actions undertaken are aimed at reducing environmental impacts, improving energy efficiency and ensuring the responsible use of resources.

Whilst aware that it is at the beginning of its journey, Molla Srl looks to the future with confidence, valuing the contribution of its people and its supply chain as a fundamental lever for achieving its sustainability objectives.

Alessandra Riganti

Chairman of the Board of Directors

COMPANY DETAILS

COMPANY NAME	MOLLA SRL
LEGAL FORM	Limited Liability Company
TAX CODE / VAT NUMBER	00015360126
SHARE CAPITAL	1'000'000,00 €
REGISTERED OFFICE	Via Roccolo 2 – 21048 Solbiate Arno (VA) Italia
TURNOVER	108'190'563,07 €
REGISTERED WITH THE CHAMBER OF COMMERCE OF	Varese
R.E.A. NO.	36326

HIGHLIGHTS

ENVIRONMENT

81 tonCO₂e/mln€

Emissions intensity
for Scope 1 e 2

(-37,3% compared to 2024)

SOCIAL

6,8 hours/operator

Vocational training and H&S

(+1% compared to 2024)

GOVERNANCE

+ 45.000

Tons produced

1. COMPANY DESCRIPTION

In order to provide a better understanding of the context underlying this report, a brief overview of Molla Srl is provided below, covering its history, the products it offers, its customers and supply chain.

1.1 About Us

Molla Srl is a family-owned limited liability company with its registered office in **Solbiate Arno, Varese**. It is now in its fourth generation. The company is specialized in the production of hot-rolled rings and bevel gears made of steel which are then used in earthmoving equipment, agricultural machinery and heavy transports.

1.2 Our History

Ours is a family-run business, founded in **1942** as a forge specialised in the production of small forgings. In the 1960s we started to focus on the production of hot-rolled rings, and over time we have continuously improved our processes by adopting the latest technologies. These include heat treatment, which was introduced in 2000. All of this allows us today, after four generations, to continue offering our customers quality, service and professionalism. From a quality perspective, the company has voluntarily certified its performance since 1994 under the UNI EN ISO 9001 standard. In 2015, we achieved IATF 16949 certification. Our commitment to ensuring ever-higher standards is not limited to quality alone: since 2005, we have also been certifying our environmental performance according to the UNI EN ISO 14001 standard.

1.3 Our Facilities

Our products are manufactured exclusively in Italy across **three production sites**. The main, historic one is located at Via Roccolo 2 in Solbiate Arno. This is where the rolling operations take place. It also houses the executive offices and the sales, technical, planning and IT departments. Production is organized across eleven lines that ensure a constant flow of products without the risk of interruption, offering extremely fast response times and flexibility. The site covers over 30,000 square meters, divided into three warehouses with a total of 15,000 square meters of covered space.

Over time, two additional facilities have been added to the historic one: in 2000 the heat treatment plant in Morazzone (Via delle Industrie 4), and in 2011 the warehouse for steel storage and bar cutting (also in Solbiate Arno, Via Grandi 3/5). The Morazzone plant (6 km from the main facility) includes four highly automated, methane-fired continuous furnaces with controlled atmospheres. The installation of the latest one was completed in 2025, alongside the expansion of the production areas in the sandblasting department. The turning department, which was introduced in 2015, is also located in Morazzone. The site covers an area of over 36,500 square meters, 19,500 of which are under roof. The Solbiate Arno facility in Via Grandi houses the raw material warehouse (entirely covered), the cold-cutting shop for bars and the administrative offices. It currently covers an area of over 16,000 square meters (recently expanded).

1.4 Our Products

Molla Srl is specialized in the production of **hot-rolled rings and bevel gears** made of steel, primarily intended for gear manufacturing. Dimensions and weight vary according to customer specifications: they can range from 3 kg to 150 kg in weight, from 120 mm in inside diameter to 1000 mm in outside diameter, and from 25 mm to 210 mm in height. Of the eleven production lines currently in operation, five are dedicated solely to the production of rings, another five can produce both products, while the eleventh is dedicated to the production of bevel rings. Once the rolling and hot forming phases are complete, the products undergo heat treatment (more specifically, normalizing, isothermal annealing, and tempering) and, if requested by the customer, turning. Since our products are made entirely of steel, they are 100% recyclable.

1.5 Our Market

Molla Srl operates in the following sectors: **heavy transport** (40%), **agricultural machinery** (25%), **earthmoving machinery** (20%) and, to a lesser extent, industrial applications (15%) such as forklifts and cranes. Our customers are both Italian and international. The largest portion of our portfolio consists of European customers, closely followed by Italians. Another very important market for us is the American one (which also includes countries such as Canada, Mexico, Brazil and Argentina).

Market	% of the total
Italy	35%
Europe	45%
America	20%

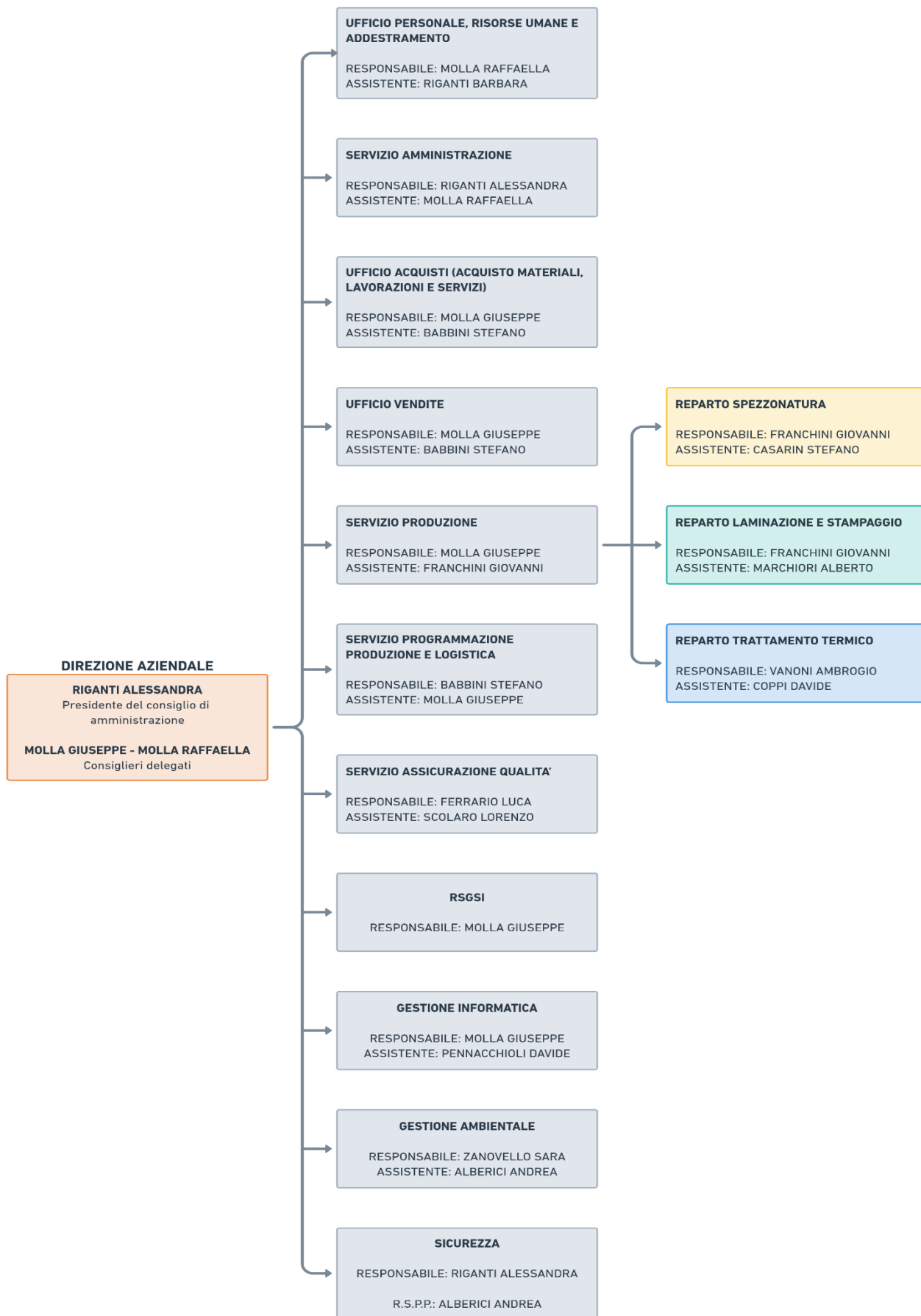
1.6 Our Supply Chain

As for our supply chain, it consists of the following suppliers:

- Raw material suppliers: mainly steel mills, as the company purchases entire heats for the production of its products. The main suppliers are Italian but, depending on needs, foreign suppliers are also used, though rarely.
- Machinery and spare parts suppliers: heavy machinery is central to our production, therefore it is important to have quality products and spare parts available promptly.
- Service providers.
- Utility suppliers: the Organisation reviews periodically the pricing terms offered by its suppliers to secure the most cost-effective supplies among those that ensure continuity and quality.
- Carriers: transportation providers are selected directly by our customers, whereas for internal transport between plants we rely on a trusted carrier.
- Maintenance providers: maintenance services for the plants are entrusted to qualified suppliers who, if necessary, employ personnel who meets legal requirements.
- Consultants: for consulting services related to safety and the environment, the company relies on established consultants who are periodically evaluated.
- Analysis laboratories: the company uses qualified laboratories for environmental analyses, which are also periodically evaluated.

Analysing the geographical distribution of our suppliers, it emerged that in 2025 all raw materials were purchased exclusively from Italian ones.

1.7 Organisation Chart



1.8 Alignment with the European Taxonomy and the ATECO Code

The European taxonomy is a classification system created by the European Union to determine whether an economic activity can be considered environmentally sustainable. Its legal framework is based on EU Regulation 852/2020, which sets out the EU's environmental objectives, namely:

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

For each of these objectives, the European taxonomy identifies the activities that can make a substantial contribution to their achievement (**eligible activities**) and defines the technical screening criteria that must be met for an activity to be considered aligned. This is the case if the activity:

- contributes substantially to the achievement of at least one of the objectives listed above;
- does not cause any significant harm to any of the other objectives;
- meets the technical screening criteria identified for the activity;
- complies with a set of minimum social safeguards, which represent the actions taken by a company to align with the *OECD Guidelines for Multinational Enterprises* and the *UN Guiding Principles on Business and Human Rights*.

With regard to Molla Srl, its business activity is classified under the following Ateco code:

Main activity: 25.5 – metal forging, deep drawing, stamping, and roll forming; powder metallurgy.

As at the reference date, Molla Srl's activities are not yet included among those specifically covered by the European Taxonomy. Therefore, in accordance with the current regulatory framework, capital expenditure (CapEx), operating expenditure (OpEx) and turnover are currently classified as "Not Eligible". The Organisation nevertheless adopts a proactive and transparent approach to the management and reporting of its ESG performance, with the aim of operating in accordance with the "Do No Significant Harm" (DNSH) principle and progressively aligning itself with developments in the European regulatory framework.

2. GOVERNING, MANAGEMENT AND SUPERVISORY BODIES

The governance structure of Molla Srl consists of the Board of Directors (BoD) and the Board of Statutory Auditors, which serves as the statutory auditor. The Board of Directors consist of three members, two of whom are women. Decision-making processes and the monitoring of economic, environmental and social impacts are managed with the support of company executives. With regard to the reporting period under review, no particular issues of concern have emerged. Please refer to Chapter 8, “*Governance Aspects*,” for a more in-depth analysis of the company’s corporate governance.

3. OUR STAKEHOLDERS

A stakeholder is a person, group or organisation that:

- has an interest in the organisation;
- can influence it;
- can be influenced by it.

As Molla Srl embarks on its journey toward sustainability, identifying and managing stakeholders is an essential prerequisite for achieving its goals. It is, in fact, very important to consider the perspectives and priorities of stakeholders, making them an integral part of decision-making processes regarding sustainability. The principles guiding Molla Srl's stakeholder engagement are **inclusivity**, **materiality** and **transparency**: this implies the involvement of all those who are directly or indirectly impacted by the company's activities.

Based on these premises, the Organisation conducted an in-depth analysis of the categories of stakeholders with whom it interacts, identifying those who most influence or are influenced by its activities. The results are presented in the following chart.

STAKEHOLDER CATEGORY	MAIN FORMS OF INVOLVEMENT
Members	Financial reports and financial statements of companies, company website
Customers	Periodic satisfaction surveys, company website
Employees	Internal communication tools (memos, mailing lists, etc.), regular meetings, collective bargaining, periodic satisfaction surveys, training courses
Suppliers and supply chain stakeholders	Specific meetings, communications to suppliers, company website
Organisations and institutions	Regular communications, company website
Local communities	Dialogue with local institutions
Trade associations	Meetings with industry representatives, periodic surveys (currently registered with UNIVA and UNISA)
Labor unions	Regular communications and meetings, participation in staff training courses
Financial institutions	Specific meetings, regular updates
Insurance companies	Specific meetings, regular updates

4. MATERIALITY ANALYSIS

Molla Srl has conducted a materiality assessment in accordance with the **double materiality principles** outlined in the ESRS (*European Sustainability Reporting Standards*). In this way we were able to identify the most relevant ESG topics, which form the basis of the company’s sustainability reporting and related action plans. As part of this analysis, a specific assessment was also carried out regarding the risks arising from acute and chronic climate events that could realistically occur in the area where the company operates. In particular:

- **Acute risks:** include extreme and sudden events such as storms, floods, and heatwaves;
- **Chronic risks:** relate to long-term changes such as rising average temperatures, changes in precipitation patterns and sea level rise.

The results of the double materiality assessment are presented below:

ACUTE RISKS		
TYPE	QUALITATIVE ANALYSIS	QUANTITATIVE ANALYSIS
Extreme temperatures	Heatwaves (or cold spells) can significantly affect climate control requirements and, in the worst cases, make production areas unusable, with repercussions on order and projects deadlines.	Between 2011 and 2025, the number of days falling within hot periods has almost always been higher than the median of the 1981–2010 reference period. In North-West Italy, 52 days of intense heat were recorded during the year. ¹
Damage from tornadoes, heavy rainfall or hail	The increasing frequency of extreme weather events such as floods, hailstorms and tornadoes can compromise the operational continuity of production.	In the last two years, Lombardy has been the Italian region that recorded the highest number of extreme events (111). ²
Drought	Prolonged periods of drought can lead to difficulties in sourcing raw materials locally and to an increase in procurement costs.	High risk (0,6-0,8). ³ In the last two years, the average of damages caused by prolonged drought have tripled compared to the previous two-year period (from 2 to 6). ⁴

CHRONIC RISKS		
TYPE	QUALITATIVE ANALYSIS	QUANTITATIVE ANALYSIS
Increase in average temperature	An increase in average temperatures, especially on hot days, can lead to a greater need for cooling in production areas and create working difficulties, with potential impacts on meeting project and orders deadlines.	In 2025, temperatures at the national level once again remained above the median of the reference period (1981–2010). In North-West Italy, positive anomalies of +1.5°C for minimum temperatures and +2.1°C for maximum temperatures were recorded, consistent with the warming trend observed in recent years.
Water stress	High water stress could, in the long term, lead to issues in water supply, linked to increased costs or consumption restrictions imposed by regulatory measures.	Medium-high risk (20-40%). ⁵

¹ Source: ISTAT – Rapporto BES 2023, Ambiente, p. 230 - www.istat.it/it/files//2024/04/10.pdf

² Source: Legambiente - Osservatorio nazionale Città Clima - <https://cittaclima.it/mappa>

³ Source: World Resources Institute - Water Risk Atlas – Indicatore “Drought Risk”

⁴ Source: Legambiente - Osservatorio nazionale Città Clima - <https://cittaclima.it/mappa>

⁵ Source: World Resources Institute - Water Risk Atlas – Indicatore “Water Stress”

The double materiality analysis also requires that each of the topics outlined in ESRS 1 be assessed according to two perspectives:

- **Impact materiality:** the impacts that the Organisation generates or has contributed to generating through its activities with respect to one of the identified topics;
- **Financial materiality:** the ability of an identified topic to trigger risks or opportunities affecting the Organisation’s financial performance and development prospects.

For each topic presented in the table below, potential impacts, financial risks and opportunities were analysed, taking into account the magnitude of the stakeholders involved, the positive or negative extent of such impacts and the likelihood of their occurrence. High-impact topics and those capable of generating significant risks or opportunities were then identified and assessed on a scale where “high” represents the highest value and “low” the lowest. For the purposes of this report, only the topics that achieved a significant level in both impact materiality and financial materiality were selected.

ENVIRONMENT				
TOPIC	SUB-TOPIC	IMPACT MATERIALITY	FINANCIAL MATERIALITY	DOUBLE MATERIALITY
E1 Climate change	Climate change adaption	HIGH	HIGH	Yes
	Climate change mitigation	HIGH	HIGH	Yes
	Energy	HIGH	HIGH	Yes
E2 Pollution	Air pollution	MED	LOW	No
	Water pollution	MED	LOW	No
	Soil pollution	MED	LOW	No
	Pollution of food resources and organisms	LOW	LOW	No
	Substances of concern and very high concern (SVHC)	MED	LOW	No
E3 Water and marine resources	Water withdrawals	MED	LOW	No
	Water consumption	MED	LOW	No
	Water use	LOW	LOW	No
	Water discharges into basins, seas and oceans	LOW	LOW	No
	Habitat degradation and pressure on marine resources	LOW	LOW	No
E4 Biodiversity and ecosystems	Direct impacts on biodiversity loss	LOW	LOW	No
	Impact on species	LOW	LOW	No
	Impacts on the condition and extent of ecosystems	LOW	LOW	No
	Impacts on ecosystem services and dependence on them	LOW	LOW	No
E5 Circular economy	Incoming resources and their use	LOW	LOW	No
	Outgoing resources related to products and services	LOW	LOW	No

	Waste	HIGH	HIGH	Yes
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SOCIAL				
TOPIC	SUB-TOPIC	IMPACT MATERIALITY	FINANCIAL MATERIALITY	DOUBLE MATERIALITY
S1 Own workforce	Working conditions	HIGH	HIGH	Yes
	Equal treatment and opportunities	HIGH	HIGH	Yes
	Other work-related rights	HIGH	HIGH	Yes
S2 Workers in the value chain	Working conditions	MED	LOW	No
	Equal treatment and opportunities	MED	LOW	No
	Other work-related rights	MED	LOW	No
S3 Affected communities	Economic, social and cultural rights of communities	MED	LOW	No
	Civil and political rights of communities	LOW	LOW	No
	Specific rights of indigenous communities	LOW	LOW	No
S4 Consumers and end users	Impacts related to information for consumers and/or end users	MED	LOW	No
	Personal safety of consumers and/or end users	MED	LOW	No
	Social inclusion of consumers and/or end users	LOW	LOW	No

GOVERNANCE				
TOPIC	SUB-TOPIC	IMPACT MATERIALITY	FINANCIAL MATERIALITY	DOUBLE MATERIALITY
G1 Business behaviour	Corporate culture	HIGH	HIGH	Yes
	Protection of whistleblowers	HIGH	MED	Yes
	Animal welfare	LOW	LOW	No
	Political engagement and lobbying activities	HIGH	MED	Yes
	Management of supplier relationships and payment practices	HIGH	MED	Yes
	Corruption and bribery	MED	MED	Yes

The analysis carried out shows that the **material topics** to be considered for Molla Srl are the following:

TOPIC		SUB-TOPIC	RELATED RISK/IMPACT
E1	Climate change	Climate change adaptation	Costs related to interventions aimed at mitigating potential negative impacts at company sites. Inadequacy of production processes
		Climate change mitigation	Difficulties in managing Scope 3 emissions
		Energy	Higher-than-expected costs due to fluctuations
E5	Circular economy	Waste	Incorrect classification leading to errors in treatment/disposal and consequent environmental damage
S1	Own workforce	Working conditions	Failure to comply with workplace safety requirements
		Equal treatment and opportunities	
		Other work-related rights	Irregularities in the management of labour law aspects
		Personal safety of consumers and/or end users	
G1	Business behaviour	Corporate culture	Failure to implement whistleblowing procedures
		Protection of whistleblowers	
		Political engagement and lobbying activities	Unintentional involvement in cases of corruption or bribery, with potential repercussions on business continuity
		Management of supplier relationships and payment practices	
		Corruption and bribery	Reputational damage and loss of eligibility to participate in public tenders

5. OUR POLICIES

The following paragraphs outlines the policies that the Organisation intends to adopt and implement in the areas of social responsibility, environment, health and safety.

5.1 Environmental Policy

Molla Srl is committed to managing its operations, products and services with a focus on continuous improvement, with particular regard to the environment and the health of its stakeholders. The management, recognising that better environmental protection can only be achieved through prevention and control, is committed to consistently promoting the necessary measures in order to:

- implement management systems and procedures that comply with the requirements of the UNI EN ISO 14001 standard, in order to prevent and/or avoid not only any harm or danger to public health, safety and well-being, but also any environmental damage to flora, fauna and, more generally, the ecosystem;
- ensure that the management system in use is maintained in line with developments in international regulations;
- ensure continuous compliance with applicable laws, regulations and standards and periodically verify their proper implementation;
- pursue continuous improvement in environmental performance and the prevention of pollution;
- monitor potential sources of pollution, paying particular attention to air, water, soil and subsoil quality;
- ensure a careful assessment of the context in which the company operates and the needs of stakeholders;
- ensure the assessment and prevention of environmental risks across all process activities;
- take the necessary measures to prevent unintentional releases into the atmosphere, periodically monitoring pollutants and atmospheric emissions (CO₂ and GHG);
- manage waste collection and disposal responsibly;
- optimise the use of resources and energy, with particular attention to reducing water consumption, monitoring energy consumption and using energy from renewable sources;
- where technologically feasible, reduce the use of hazardous substances or, in any case, ensure they are managed carefully;
- limit noise pollution caused by company activities;
- carry out a preliminary environmental impact assessment before undertaking the construction of a new plant or the implementation of a new process;
- coordinate environmental management activities with quality management activities, promoting an integrated approach to both aspects;
- adequately involve the entire organisational structure in the implementation of the company's strategic principles and improvement programmes concerning environmental issues, with particular attention to decarbonisation;
- ensure that the necessary measures are in place to deal with environmental emergencies and mitigate their impacts;
- raise awareness among all staff and those working on behalf of the company of the importance of complying with the law and protecting the environment;
- communicate to stakeholders its commitment to the environment, health, safety and sustainability;
- share this environmental policy with all staff and make it available to anyone who requests it.

5.2 Social Policy

The management of Molla Srl has established a social responsibility policy that takes into account the needs of its customers, employees and all stakeholders. In particular, it is aimed at:

- improving the quality of life in accordance with the concept of sustainable development, with full respect for the community, and taking into account the integration of social, environmental and economic policies;
- implementing a system of communication and dialogue with all the company's partners to provide immediate access to information on the products and services supplied and on the integrity and ethical quality of its offering;
- taking ongoing action to involve, motivate and develop the skills of all staff in order to achieve the set objectives, through continuous training, information and awareness-raising initiatives;
- complying with national and supranational regulations on worker protection, ILO (*International Labour Organisation*) conventions and the principles of social responsibility;
- selecting suppliers on the basis of their adherence to ethical principles and ensure that, in turn, they ensure compliance by their own suppliers and subcontractors;
- ensuring the protection of workers' rights, health and safety;
- demonstrating its commitment to social responsibility through the application and promotion of ethical principles and the continuous improvement of its employees' working conditions.

The company employs all the tools at its disposal to ensure that this policy reflects the management's commitment to all internal and external stakeholders. The objectives set by Molla Srl are intended to fulfil the commitments made within the company (as set out in its social policies), satisfying stakeholders and thereby enhancing the company's image and reputation in the market. The achievement of these objectives will be continuously monitored through stakeholder satisfaction surveys and the analysis of complaints.

5.3 Health and Safety Policy in the Workplace

Molla Srl, aware of the need for a systematic and ongoing approach to managing issues related to health and safety in the workplace, has chosen to commit itself actively to achieving continuous improvement in the health and safety conditions. The policy developed with this objective in mind establishes that:

- compliance with current legislation and any other obligations the Organisation may have undertaken regarding occupational health and safety is treated as a priority;
- preventive measures and internal investigations aimed at safeguarding workers' health and safety are prioritised, so as to significantly reduce the likelihood of accidents, occupational illnesses or other non-compliance;
- information on workplace risks is shared with all workers and that their training is provided and updated with specific reference to the tasks they perform;
- consultation with workers, including through their health and safety representative, is guaranteed on matters relating to health and safety at work;
- all workers are trained, informed and made aware of their responsibilities to carry out the safety-related tasks assigned to them;
- measurable objectives are set for the continuous improvement of health and safety in the workplace, and that these objectives are communicated to all stakeholders;
- the design of machinery, plant and equipment, workplaces, operating methods and organisational aspects is carried out in such a way as to safeguard the health of workers, third parties and the community in which the company operates;
- emerging needs arising during work activities are addressed promptly and effectively;
- cooperation between the various company resources, collaboration with business organisations and with relevant external bodies are promoted;
- the policy, objectives and their implementation are periodically reviewed in order to achieve continuous improvement in the management of health and safety within the company;
- measures are put in place to ensure that all suppliers working on behalf of the company pay attention to health protection in the workplace, complying with the Organisation's requirements;
- health and safety aspects are integrated with the Organisation's commitment to the environment and quality.

6. ENVIRONMENTAL ASPECTS

As regards environmental matters, no damage to the environment occurred during the financial year under review, nor were any fines or penalties imposed on the company for environmental offences or damage. The Organisation's various consumption figures are set out in detail below.

6.1 Electricity consumption

Breakdown of consumption by source, location and intensity

SITE	CONSUMPTION (KWh/year)	ENERGY INTENSITY PER TURNOVER (MWh/€ million turnover)	ENERGY INTENSITY PER TONS PRODUCED (MWh/tons produced)
Cutting Department (Via Grandi – Solbiate Arno)	584.856,00	-	10,60
Rolling Department (Via Roccolo – Solbiate Arno)	34.267.098,00	-	750,23
Heat Treatment Department (Via dell'Industria – Morazzone)	4.447.926,00	-	100,23
TOTAL	39.299.880,00	363,25	861,06

Compared to 2024, the specific consumption of electricity per tons produced fell by 10.5%.

6.2 Natural gas consumption

Breakdown of consumption by source, location and intensity

SITE	CONSUMPTION (Nm ³ /year)	INTENSITY PER TURNOVER (Nm ³ /€ million turnover)	INTENSITY PER TONS PRODUCED (Nm ³ / tons produced)
Cutting Department (Via Grandi – Solbiate Arno)	66.175,00	-	1,20
Rolling Department (Via Roccolo – Solbiate Arno)	527.818,00	-	9,57
Heat Treatment Department (Via dell'Industria – Morazzone)	2.312.827,00	-	41,92
TOTAL	2.906.820,00	26.867,59	52,69

6.3 Assessment of T.O.E.

To ensure that energy consumption figures are comparable, all consumption – electricity and gas – is now converted into **tons of oil equivalent (TOE)**. This standardised unit of measurement allows energy from different sources to be expressed in a single, uniform format, making it easier to compare and analyse.

ELECTRICITY (TOE)	NATURAL GAS (TOE)	TOTAL (TOE)
8.683,31	2.491,14	11.174,45

As shown in the table, the majority of the company's energy consumption is due to the use of **electricity**, which is primarily used to support production activities. This breakdown of energy consumption is particularly beneficial when considering its environmental impact, a topic which will be explored in greater detail in the chapter on GHG emissions.

6.4 Waste

Description of origin, breakdown by location

SITE	NON-HAZARDOUS WASTE (Kg/year)	HAZARDOUS WASTE (Kg/year)	% OF RECYCLED WASTE
Cutting Department (Via Grandi – Solbiate Arno)	1.876.540,00	2.840,00	99,87%
Rolling Department (Via Roccolo – Solbiate Arno)	2.804.571,00	415.197,00	87,45%
Heat Treatment Department (Via dell'Industria – Morazzone)	690.444,00	10.620,00	98,49%
TOTAL	5.371.555,00	428.657,00	92,81%

With regard to waste management, it should be noted that 92.81% of the waste produced by Molla Srl is sent to recycling facilities. Only a small portion (7.19%) is sent for disposal. Compared with the previous year, the percentage of waste sent for recycling has increased slightly by 0.53%.

6.5 Water abstraction

Breakdown of consumption by source, location and intensity

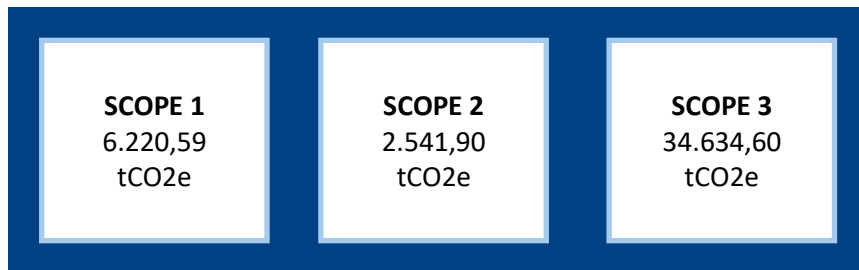
SITE	WATER SUPPLY	CONSUMPTION (m ³)	INTENSITY PER TURNOVER (m ³ /€ million turnover)	INTENSITY PER TONS PRODUCED (m ³ /tons produced)
Cutting Department (Via Grandi – Solbiate Arno)	Tap water for domestic use	887		
	SUBTOTAL	887		0,016
Rolling Department (Via Roccolo – Solbiate Arno)	Tap water for domestic use	3.112		
	Water drawn from a private well under licence	11.261		
	Recycled rainwater	33.976		
	SUBTOTAL	48.349		1,059
Heat Treatment Department (Via dell'Industria – Morazzone)	Tap water for domestic use	3.314		
	Water drawn from a river flood control reservoir	8.584		
	Recycled rainwater	11.953		
	SUBTOTAL	23.851		0,537
TOTAL		73.087	675,40	1,612

The table shows that most of the water used in the company's processes (62.8%) comes from rainwater harvesting, whilst the remainder (27.2%) comes from surface water or groundwater, under a licence for use. Water drawn from the mains supply is used solely for domestic purposes (facilities, changing rooms, filtered drinking water dispensers) and accounts for 10% of the total.

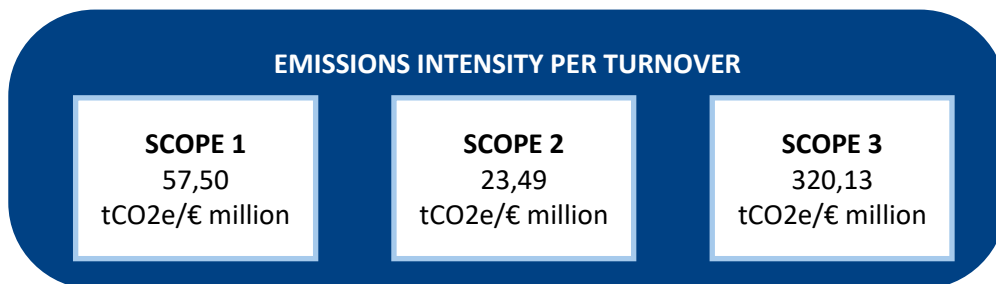
6.6 Greenhouse Gases Emissions

The consumption figures listed above in the individual tables correspond to total CO₂ equivalent emissions of **43,397.1 tons**. The calculations used for this conversion refer to international standards based on the IPCC (*Intergovernmental Panel on Climate Change*). To better understand the sources of these emissions and to implement targeted measures, it was decided to break down the total emissions into the three scopes identified by the *GHG Protocol*, namely:

- **SCOPE 1:** it includes direct greenhouse gas emissions generated by sources owned or directly controlled by the company. Examples include emissions from company vehicles, internal production processes and the heating systems of the Organisation’s premises;
- **SCOPE 2:** it refers to indirect greenhouse gas emissions associated with the production of electricity, heat or steam purchased from third parties and used by the Organisation;
- **SCOPE 3:** the broadest of the three categories, it includes all other indirect greenhouse gas emissions associated with the Organisation’s activities but occurring outside its direct boundaries. These emissions may stem from a wide range of sources, such as raw material suppliers, employee travel, the production of purchased goods and waste disposal.



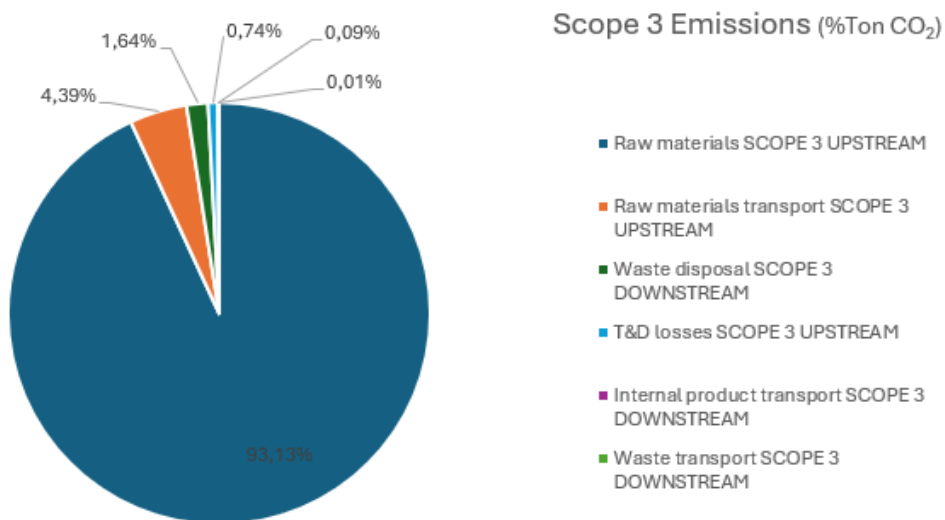
In accordance with legal requirements, the Organisation’s greenhouse gas emissions are presented below, expressed in relation to the 2025 turnover and the tons of steel produced, in order to demonstrate the environmental impact of Molla Srl’s operations:



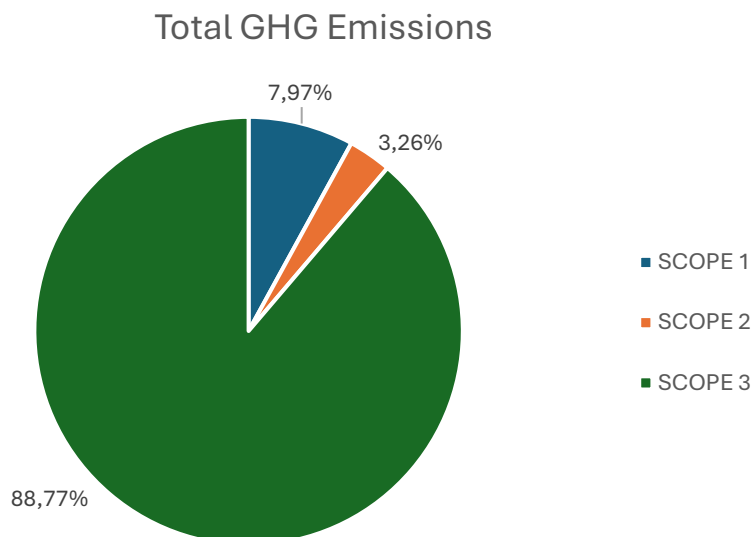
In 2025, the **calculation of Scope 3 emissions** was further refined compared with the previous report, including, in addition to emissions linked to energy sources, the following parameters:

- purchased materials
- transport of purchased materials
- internal movement of materials
- management of generated waste
- transport of waste
- energy losses in transmission and distribution

On the contrary, given the negligible significance of the figure, the value related to staff commuting was excluded from the calculation.



Below is a graph showing the percentage breakdown of GHG emission sources across the three Scopes:



6.7 Analysis of Material Themes

This chapter analyses the issues that have emerged in material terms from an **environmental perspective**. For each of these, objectives and action plans are established to ensure that progress towards the set targets is kept under constant review.

ADAPTATION TO CLIMATE CHANGE



CONTEXT

Climate change could affect resource procurement processes, particularly in relation to energy. For this reason, the company has long held insurance cover – even before the recently introduced regulatory requirement came into force – but believes it is essential to continue addressing the technical and practical issues associated with the risks caused by climate change.



OBJECTIVES

- To ensure that profitability targets are met even in the case of climate change and extreme weather events, such as floods or landslides;
- Reduction of financial exposure to acute climate-related events.



ACTION PLAN

To achieve these objectives, it is necessary to assess the adequacy of insurance cover for damage caused by extreme weather events.

The Key Performance Indicators (KPI) to be monitored are as follows:

- Energy use and intensity (see previous sections);
- Emissions broken down by the three scopes and by intensity (see previous sections);
- Mapping of insurance cover, including monitoring the adequacy of limits and excesses.

CLIMATE CHANGE MITIGATION



CONTEXT

Molla Srl's contribution to mitigating climate change involves reducing emissions associated with the production and administrative activities carried out at its premises.



OBJECTIVES

- Reduction of GHG emissions;
- Improvement of process energy efficiency;
- Reduction in specific energy consumption (kWh/tons) by at least 3% per year through technological improvements and the optimisation of established processes.



ACTION PLAN

Evaluation of the launch of energy efficiency projects for production lines with the aim of closely monitoring energy consumption and planning targeted efficiency measures. Gradual replacement of production line equipment with lower-impact technological solutions.

The KPIs to be monitored are as follows:

- Energy use and intensity (see previous sections);
- Emissions broken down by the three scopes and by intensity (see previous sections).

ENERGY



CONTEXT

Energy consumption is analysed on a regular basis in order to optimise its usage and achieve continuous energy savings. As regards electricity, the highest consumption is at the rolling facility in Via Roccolo (Solbiate Arno) and is linked to the use of electromagnetic induction furnaces used for heating the raw material.

Another widely used energy source is natural gas: essential for heat treatment processes and equipment preparation, it represents one of the main sources of GHG emissions. The highest consumption levels are found at the Morazzone plant.



OBJECTIVES

- Reduce of energy consumption wherever possible;
- Achievement of 100% of electricity from renewable sources by 2030.
- Optimising natural gas consumption.



ACTION PLAN

In order to achieve the objectives listed above, we are pursuing different initiatives:

- the gradual procurement of electricity from renewable sources (10–15% per year), accompanied by certificates of origin.
- the construction of on-site photovoltaic power generation systems. In particular, for the plants in Morazzone and Via Grandi (Solbiate Arno), photovoltaic panels are to be installed across the entire available surface area (approximately 150–170 kW for each plant).
- Optimisation of natural gas consumption through careful planning of heat treatment campaigns.

As regards the reduction in the use of natural gas, the projects currently underway concern the heating of the equipments, for which efforts are being made to replace traditional natural gas burners with electric heating systems.

In this case, the KPIs to be monitored are energy consumption and intensity (see the preceding sections).

WASTE



CONTEXT

Molla Srl pays particular attention to its impact on the circular economy and, where feasible, promotes waste reduction and material recycling. On average, more than 90% of the waste produced by the company is sent for recycling



OBJECTIVES

- Choice of technological and manufacturing solutions that are increasingly oriented towards the use of recyclable or recoverable materials;
- Promotion of the circular economy.



ACTION PLAN

The Organisation intends to continue, and where possible expand, its current policy on the recycling and recovery of production waste.

In this case, the KPIs to be monitored are the tons of waste produced.

7. SOCIAL ASPECTS

People are one of the pillars of Molla Srl, and the sustainable social strategy pursued to date is based on mutual respect, ethics and fairness in the workplace. All employees are required to adhere to our **Ethics Code**, which forms an integral part of their employment contract. At present, the company employs only permanent staff. External personnel working within the company are regarded as service providers and not as external workers.

7.1 Internal Resources

Molla Srl's human resources are constantly monitored: the pursuit of maximising employees' productivity, alongside the need to provide training and ensure health and safety in the workplace, are the pillars that guide the company's sustainable social strategy.

The figures below are reported as at 31st December 2025. Staff turnover is shown as a percentage, derived from a comparison with the figures obtained in the previous financial year, from 1st January 2025 to 31st December 2025. The region to which the data pertains is not specified, as all three sites are located in the province of Varese. However, a breakdown of the figures across the three sites has been provided to give an overall view of the distribution of the information.

Genere

		VIA ROCCOLO	VIA GRANDI	MORAZZONE	TOTAL
2025	NR OF EMPLOYEES	125	15	58	198
	MEN	115	11	54	180
	WOMEN	10	4	4	18

Genere and type of employment

FRAMEWORK	WOMEN		MEN	
WORKER	14	8,6%	148	91,4%
SUPERVISOR	2	7,1%	26	92,9%
MANAGER	2	25%	6	75%
EMPLOYER	1	100%	0	0,0%
BoD*	2	66,7%	1	33,3%

* Members of the Board of Directors are classified within the category of managers.

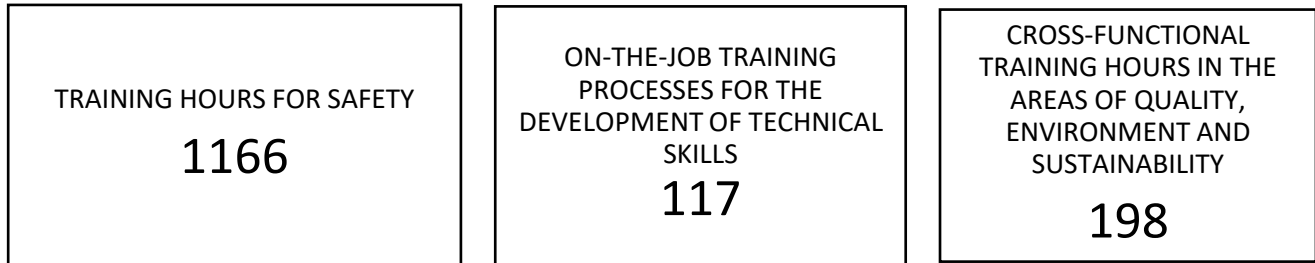
Employees hired during 2025: 12 individuals, of whom 1 is a woman and 11 are men.

Overall turnover rate (%): 8.7%, calculated as the ratio between the number of employees hired and the number of employees who left, relative to the average annual workforce (expressed as a percentage). In 2025, there were a total of 5 resignations, of which:

- 2 voluntary resignations;
- 2 retirements;
- 1 layoff.

7.2 Education

Education is a key element for the continuous improvement of the production process: by enhancing employees' skills, fundamental objectives are achieved in terms of quality, safety and sustainability. Below is a brief overview of the figures describing 2025.:



7.3 Hiring Policy

All employees of our company are covered by the **National Collective Labour Agreement (CCNL) for the Metalworking Industry** (22nd November 2025)⁶ with the exception of managers, who are instead covered by the National Collective Agreement for Managers, which provides for different provisions on certain matters.

The company's hiring policy starts from level D2, which is the second level defined by the Metalworking CCNL. Below this level there is an additional level, D1, which is not applied by Molla Srl. The approach adopted by the company management allows employees to progress within the organisational structure based on their skills, attendance and personal reliability. As a result, employees' classification levels may change according to internal organisational needs.

No specific educational qualifications are required at the hiring stage for line operators. Conversely, standard requirements apply to managerial and administrative roles, which must hold a diploma and/or a degree and possess language skills. Furthermore, the company tends to favour candidates living in the Varese area in order to strengthen ties with the local community. In the case of managerial positions, however, individuals from outside the local area have also been hired where specific competencies were considered more important than proximity to the company.

⁶ For further information on the CCNL (Contratto Collettivo Nazionale di Lavoro) and its regulations, please refer to the following link:
<https://www.federmeccanica.it/images/files/ccnl/20210205-CCNL-Federmeccanica-Assistal-Fim-Fiom-Uilm-1.pdf>

7.4 Remuneration and Welfare Policy

Molla Srl's remuneration policy complies with the provisions set out in the National Collective Labour Agreement for the Metalworking Industry of 22nd November 2025, in force until 30 June 2028. Each employee's remuneration consists of the contractual salary plus variable bonuses determined on the basis of the responsibilities and skills required for each role.

In January the company pays a bonus of equal value to all employees, whereas in August a bonus is awarded based on absenteeism during the months from January to July. Furthermore, Molla Srl rewards excellent performance through an incentive scheme in the form of monetary bonuses based on results achieved.

The company's bonus scheme also includes welfare benefits, namely non-monetary benefits such as shopping vouchers and fuel vouchers provided within the contribution and tax exemption limits set out by current legislation. In this way such bonuses do not contribute to the formation of employees' taxable income, thus offering tax advantages for both employees and the company itself.

Finally, further welfare schemes include *Metasalute* and *Cometa Fund*. The former is a supplementary healthcare fund for workers in the metalworking industries, to which the company subscribes in accordance with the provisions of the current National Collective Labour Agreement. In addition to basic healthcare cover, *Metasalute* allows workers to allocate part of their flexible benefits to the fund, further enhancing their healthcare cover. *Cometa Fund*, on the other hand, offers employees the opportunity to supplement their statutory pension with a supplementary pension. For employees enrolled in the fund, the company regularly pays the contributions required by the contractual provisions and the fund's regulations.

During the financial year, the **gender pay gap** was also analysed across the entire workforce, revealing very low figures (an average of 2.2% and a median of 2.4%). Analysis of the quartiles shows that, despite men outnumbering women, female employees are distributed across all pay levels, including a significant presence in the highest quartile. Even when considering only the white-collar workforce, which is characterised by greater homogeneity, the differences are minimal. Overall, the data highlight a balanced pay structure and substantial parity in comparable positions.

7.5 Safety and Accidents

Health and safety at work is one of the key issues to which the company has always paid great attention. Given the nature of the work carried out, which can sometimes be hazardous for staff, it is essential to ensure a high standard of safety. For this reason, the **legal obligations regarding health and safety** are strictly adhered to, and a **system of constant monitoring** is in place across the sites, as well as the delivery of all required training courses.

In addition to providing the protective equipment required by law, the company proactively supplies customised ear protectors to reduce the consumption of disposable earplugs. Although not part of formal procedures, near misses and accidents are tracked and analysed to identify the causes and ensure they do not recur in the future. There are also teams that receive regular training in first aid, fire safety and environmental emergencies, as well as a health and safety service headed by an internal Health and Safety Manager (RSPP) who meets regularly to analyse near misses and health and safety requirements.

With regard to any **accidents and near misses**, below is a summary table comparing incidents that occurred in 2023, 2024 and 2025:

YEAR	NR OF WORKED HOURS	NR OF EXPOSED WORKERS	NR OF ACCIDENTS	NR OF ACCIDENTS > 40 GG	NR DAYS OF PROGNOSIS	F.R.	I.R.	S.R.
2023	378.351,00	199	13	1	246	34,36	6,53	0,65
2024	352.481,00	198	11	1	176	31,21	5,56	0,50
2025	379.825,50	198	14	4	583	36,86	7,07	1,53

Notes:

- **Frequency rate (F.R.):** the ratio of the number of accidents to the measure of exposure to risk. The unit of measurement represents the number of accidents per million hours worked.
- **Incidence rate (I.R.):** the ratio of the number of accidents to the annual workforce. It expresses the number of accidents per 100 workers exposed in a year.
- **Severity rate (S.R.):** the ratio of working days lost due to accidents to the measure of risk exposure. It expresses the days lost per thousand hours worked.

According to the survey carried out in **2025**, the main causes of accidents were as follows:

- crushing of the upper limbs;
- slips/falls on level ground;
- failure to follow operating procedures (negligence);

It is worth noting that, as part of its efforts to improve cardiac safety at its production facilities, in 2025 the company equipped all its plants with defibrillators. The devices have been registered with the *Regional Emergency Agency* and are available to the employees in accordance with the procedures established by that body. Furthermore, the company has trained its staff through the *S.O.S. del Seprio* association and plans to extend this project into 2026 as well.

7.6 Partnerships and Donations

Since its foundation, Molla Srl has demonstrated itself to be a company with deep roots in the local area where it was established and has grown. Our connection with the surrounding community has always been a key focus of our social responsibility strategy. This is demonstrated both by our commitment to providing employment opportunities for local residents, with a preference for those living in the Varese hinterland, and by a series of donations and support initiatives for the local community as well. These are provided on a regular basis and anonymously.

7.7 Analysis of Material Themes

This chapter analyses the issues that have emerged as key areas from a **social perspective**. For each of these, objectives, action plans and monitoring procedures are established to ensure that progress towards the set targets is kept under constant review.

OWN WORKFORCE



CONTEXT

Nowadays, the workforce is more valuable than ever, both because of the difficulty in finding suitable professionals and because of the need to offer better and more attractive working, given the shortage of qualified staff relative to demand.

Consequently, health and safety in the workplace are of fundamental importance, which is why the Organisation carries out health surveillance in accordance with the provisions of current legislation and is committed to implementing the objectives listed below.



OBJECTIVES

- Supply of ongoing training and health and safety in the workplace for its employees;
- Commitment to tracking and analysing near misses and accidents;
- Recruitment of professionally trained and motivated workforce for both production and administrative/office roles;
- Promotion of a suitable, fair and inclusive working environment, supporting the fight against all forms of discrimination.



ACTION PLAN

In order to achieve the objectives listed above, the Organisation undertakes to:

- Improve its training provision, both in terms of health and safety in the workplace and in the area of professional development
- Provide opportunities for non-professional training (for example, the acquisition of soft skills).

The KPIs to be monitored are as follows:

- Data regarding our own workforce (see the previous sections);
- Hours of training delivered.

8. GOVERNANCE ASPECTS

As outlined in Chapter 2 of this report, the corporate governance structure of Molla Srl comprises the Board of Directors and the Board of Statutory Auditors, which acts as the supervisory body. With effect from 5 January 2018, the company's decision-making body was reduced from five to three members, two of whom are women. Members of the Board of Directors are appointed for an indefinite term.

With regard to the management of economic, environmental and social impacts, the Board of Directors works closely with the managers of the various company departments, as indicated in the company organisation chart (see chapter 1.7 of this report).

The frequency of communication and management of economic impacts depends on the needs of the different operational areas. With regard to economic and social impacts, this occurs on average monthly. For environmental impacts, however, it takes place every six months.

The company adopts a policy of prompt reporting of critical issues, in accordance with the provisions of the Code of Ethics, via email or meetings between the Board of Directors and department heads. During the reporting period analysed, no critical issues were reported to the highest governing body.

Furthermore, although Molla Srl does not yet have a specific committee responsible for sustainability-related topics, the creation of such a committee is one of its sustainability objectives to be achieved in the future. Currently, sustainability issues are assessed directly by the Board of Directors, with the support of the relevant company departments.

8.1 Ethics, Integrity and Anti-Corruption

On 3rd December 2021, the Board of Directors of Molla Srl approved the new **Code of Ethics**, which covers the following key areas:

- General principles
- Business principles
- Human rights and social principles
- Environmental principles

The **general principles** are based on international conventions and the principles set out in the *UN Global Compact*. They define a set of ethical and social standards to which staff must adhere and which must be observed by anyone who deals with the company. The **business principles** reject dishonesty in all its forms, including corruption, money laundering and conflicts of interest. They establish the principles of loyalty, legality, fairness and reliability in the use of company property and resources, in sales, competitive practices, in the protection of privacy and in the management of confidential information. With regard to production activities, counterfeit materials and parts are not permitted.

The **principles of human rights and social issues** reject all forms of discrimination, forced labour, child labour and human trafficking. Instead, they uphold equal opportunities and freedom of association. With regard to working hours and remuneration, the company complies with the statutory minimum wage and all applicable laws in this area. As already explained in the relevant chapter, health and safety in the workplace require the Organisation to provide personal protective equipment, as well as adequate training and instruction to all its

employees. Finally, the **environmental principles** comply with UNI EN ISO 14001 and are summarised in the chapter on environmental policy.

The **Code of Ethics** is of great importance in our dealings with employees and suppliers. It is an integral part of every employee's employment contract, and employees are required to observe and comply with its provisions and to refrain from any actions that might compromise or harm the company. Employees also have a duty to promptly inform their superiors of any breaches of the Code. In this regard, in December 2023 a *Whistleblowing* platform was launched on the company's website, enabling all its stakeholders to report any breaches or infringements committed by or against the Organisation.

With regard to its suppliers, the company is committed to upholding the principles of its Code of Ethics both in their selection and in the establishment of supply terms. Should suppliers engage subcontractors, they are required to ensure that the latter also adhere to these principles.

8.2 Compliance with Laws and Regulations

To ensure compliance with laws and regulations, Molla Srl has obtained the following certifications:

- **ISO 14000 certification** to ensure formal environmental compliance. Molla Srl has been certified to the UNI EN ISO 14001:2015 standard since 2005. This system ensures compliance with mandatory standards and regulations, as well as the application of an implementation plan based on the principle of "continuous improvement". In addition to voluntary certification, our plants operate under strict environmental authorisation requirements: the plant in Via Roccolo (Solbiate Arno) operates under the IEA (*Integrated Environmental Authorisation*) scheme, whilst the one in Morazzone operates under the SEA (*Single Environmental Authorisation*) scheme.
- **ISO 9001 and IATF 16649 certifications**, both obtained on a voluntary basis, to ensure general formal compliance. In addition to verifying quality performance, these certifications ensure compliance with the standards and regulations applicable to the company.
- **Ecovadis and SAQ 5.0**: Molla Srl has been involved in assessing its sustainability rating for some time. In 2023, it completed the Ecovadis assessment questionnaire, achieving a bronze medal (68th percentile) and committing to the assessment process for the next four years. Furthermore, the company completes the SAQ 5.0 questionnaire (previously 4.0) for sustainability assessment within the automotive sector. These questionnaires enable verification of compliance with both regulatory requirements and the minimum standards demanded by its business partners.
- **TISAX certification**: In 2024, the company obtained the TISAX (*Trusted Information Security Assessment Exchange*) certification, a data security assessment scheme for automotive companies designed to ensure that information and data are collected, managed and stored correctly.

With regard to health and safety compliance, the company has an internal prevention and protection system in place to ensure compliance with current legislation. During the reporting period under review, no irregularities or penalties relating to compliance with laws and regulations were identified.

8.3 Analysis of Material Themes

This chapter analyses the issues identified as key areas from a **governance perspective**. For each of these, objectives, action plans and monitoring procedures are established to ensure that progress towards the set targets is kept under constant review.

CORPORATE CULTURE



CONTEXT

Molla Srl's Code of Ethics applies to all of the company's stakeholders in the performance of their duties. The principles of fairness, commitment and loyalty towards colleagues and third parties must be upheld. Any breach of laws and regulations would have legal consequences for the company obligations and would also damage the company's reputation and standing.



OBJECTIVES

With regard to corporate culture and governance, the main objective is to pursue sustainable growth and address market challenges, whilst safeguarding the company's financial stability in accordance with the core values set out in its code of ethics.



ACTION PLAN

In this regard, the company intends to implement a structured communication plan to share information with all stakeholders regarding good corporate conduct, its code of ethics and the sustainability strategies it has adopted.

The KPI to be monitored is the number of communications sent to stakeholders.

COMPLIANCE, CRIME PREVENTION AND WHISTLEBLOWER PROTECTION**CONTEXT**

Following the entry into force of Legislative Decree 24/2023, the company has implemented a secure whistleblowing channel that enables all stakeholders to report any breaches of rules and regulations committed by or against the Organisation.

**OBJECTIVES**

With regard to legality and crime prevention, the main objective is to maintain a strict ban on all forms of corruption by promoting transparency amongst all stakeholders, whilst ensuring the anonymity of whistleblowers.

**ACTION PLAN**

The company intends to continue monitoring the performance of its KPIs in order to assess the effectiveness of its corporate prevention system. The analysis of the KPIs and of the needs of its stakeholders will be used to make the necessary amendments to the code of ethics.

The KPIs to be monitored are as follows:

- Number and type of reports received;
- Number of sanctions related to legal proceedings.

RELATIONS WITH SUPPLIERS AND PAYMENT TERMS



CONTEXT

Relationships with suppliers are crucial to ensuring operational efficiency and achieving the desired results. For this reason, it is essential to work with qualified suppliers who share the Organisation's principles and objectives.



OBJECTIVES

- Increased exchange of information with key suppliers regarding sustainable development issues;
- Collection of information on the number of suppliers that have obtained environmental and social certifications.



ACTION PLAN

Molla Srl intends to continue applying the supplier qualification procedure set out in its environmental management system in order to assess the sustainability performance of its supply chain.

The KPIs to be monitored are as follows:

- Number of certified suppliers;
- Number of suppliers involved in the assessment process.

METHODOLOGICAL NOTE

This document represents the third edition of our **Sustainability Report**, completed on a voluntary basis by the Organisation and having a non-financial nature. This report demonstrates Molla Srl's commitment to tracking its environmental, social and governance data. It outlines the ESG (Environment, Social, Governance) performance and results achieved by the company during the **2025 financial year** in accordance with the provisions of the European Parliament's *Corporate Sustainability Reporting Directive* (CSRD) and the *European Sustainability Reporting Standards* (ESRS).

The report was approved on **12 May 2026** by the Board of Directors, which endorses its content and objectives. This edition is also available on the Organisation's website, in both Italian and English, to make it accessible to all the company's stakeholders. This document has not been subject to a compliance assessment by external audit firms.

The information has been collected and compiled using a strategic approach based on the principle of materiality, in order to ensure the completeness and transparency of the data and the involvement of all stakeholders. In doing so, the material issues of greatest relevance to the Organisation in terms of economic, social and environmental impact have been identified.

The data and information contained in this document relate to the financial year **2025** (from 1st January 2025 to 31st December 2025). Unless otherwise specified, all data used for the calculations set out in this document are to be regarded as actual, non-modelled data.

The scope of the data and information contained in this report covers the entire Organisation across all its sites, namely: the headquarters of the rolling and production department (Via Roccolo 2, Solbiate Arno), the site of the cutting and raw materials warehouse (Via Grandi 3/5, Solbiate Arno) and the heat treatment plant (Via dell'Industria 4, Morazzone).

Below are the main regulatory references followed in the compilation of this report and a specific correlation table identifying the topics and definitions used in the document in relation to the *Environmental Sustainability Reporting Standards* (ESRS) and as required by the European Commission's CSRD directive.

MAIN REGULATORY REFERENCES

This document has been drawn up using the following technical and methodological guidelines:

- The 17 *Sustainable Development Goals* (SDGs) of the UN's 2030 Agenda for Sustainable Development;
- EU Directive 2022/2464 of the European Parliament and of the Council of 14th December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards corporate sustainability reporting;
- The *European Sustainability Reporting Standards* (ESRS), part of the *Corporate Sustainability Reporting Directive* (CSRD) designed to standardise sustainability reporting in the EU and which entered into force on 5th January 2023;
- EU Regulation 2019/2088 of the European Parliament and of the Council of 27th November 2019 on sustainability-related disclosures in the financial services sector;
- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18th June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088;
- The proposal of the Directive of the European Parliament and of the Council on corporate sustainability due diligence and liability (*Corporate Sustainability Due Diligence and Amending Directive*);
- EU Delegated Regulation 2139/2021, which supplements Regulation (EU) 2020/852 of the European Parliament and of the Council, setting out the technical screening criteria to determine under what conditions an economic activity may be considered to contribute substantially to the mitigation of climate change and whether it does not cause significant harm to any other environmental objective;
- EU Delegated Regulation 2178/2021, which supplements Regulation (EU) 2020/852 of the European Parliament and of the Council, specifying the content and presentation of the information that undertakings subject to Article 19a or Article 29a of Directive 2013/34/EU must disclose regarding environmentally sustainable economic activities, and specifying the methodology for complying with this disclosure requirement;
- Commission Delegated Regulation (EU) 2023/2486 of 27th June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council, establishing the technical screening criteria for determining the conditions under which an economic activity may be considered to contribute substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to the prevention and reduction of pollution, or to the protection and restoration of biodiversity and ecosystems, and whether it does not cause significant harm to any other environmental objective;
- EU Regulation 1818/2020, which supplements Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU climate transition benchmarks and for EU benchmarks aligned with the *Paris Agreement*;
- The *Greenhouse Gas Protocol* (GHG), an international standard for greenhouse gas accounting;

- The *Global Logistics Emissions Council Framework* (GLEC), an essential tool for identifying KPIs (*Key Performance Indicators*) in the field of CO2 emissions;
- ISO 26000, which helps organisations contribute to sustainable development;
- EU Regulation 2022/1288, which specifies the content, methodologies and presentation of information relating to sustainability indicators and adverse sustainability impacts;
- The EBA (*European Banking Authority*) guidelines, which stipulate that credit institutions must incorporate ESG factors and the associated risks into their credit policies and risk analysis procedures, including in relation to the impact of environmental factors and climate change.

TOPICS AND DEFINITIONS

This report has been drawn up using the themes and definitions set out in ESRS 1 and ESRS 2:

ACTIONS	Actions or action plans that the Organisation intends to implement in order to achieve its objectives and through which it intends to manage materiality impacts, risks and opportunities.
MEMBERS OF THE VALUE CHAIN	Individuals or organisations upstream and downstream of the Organisation's value chain. Members are considered downstream when they <i>receive</i> the Organisation's services or products as inputs; they are considered upstream when they <i>provide</i> their own services or products as inputs to the Organisation.
BUSINESS RELATIONSHIPS	Relationships between the Organisation and its partners, members of the value chain and any other entities associated with the Organisation.
DISCLOSURE CONTENT	A disclosure content sets out the required content of the information that an entity discloses when reporting on policies, actions or objectives, in accordance with a disclosure requirement in an ESRS or on an entity-specific basis.
MATERIALITY ANALYSIS	The process which, through the ongoing and direct involvement of the stakeholders, enables the identification and assessment of the issues that are a priority for all the stakeholders of a company.
DOUBLE MATERIALITY	The double materiality analysis is the final outcome of a comprehensive process of assessing all the ESG issues that the company identifies as material and which must therefore be disclosed in its sustainability report. Materiality is assessed from both a financial and an impact perspective.
FINANCIAL MATERIALITY	A sustainability issue has financial implications for a company when it gives rise to risks or opportunities that affect the company's cash flow, results, financial position, performance, cost of capital or access to finance over the short, medium and long term.
IMPACT MATERIALITY	A sustainability issue is considered significant in terms of impact when it relates to the actual, potential, positive or negative impacts of the Organisation on people or the environment over the short, medium and long term. This includes impacts caused by or to which the Organisation has contributed, as well as impacts that are directly linked to the Organisation's operations, products and services through its business relationships.
METRICS	Qualitative and quantitative indicators that the company uses to measure and report on the effectiveness of the implementation of its sustainability policies and against its targets over time.
POLICY	A policy is a set of general objectives and management principles that the Organisation uses to guide its decision-making processes. Each policy is the responsibility of designated individuals, specifies its scope of application and includes one or more objectives (linked, where applicable, to measurable targets). A policy is approved and reviewed in accordance with the Organisation's applicable governance standards. A policy is implemented through actions or action plans.
SEVERITY OF A NEGATIVE IMPACT	The severity of a negative impact is determined by (i) its scale: how serious the impact is; (ii) its scope: the extent of the impact; and (iii) its irreversibility: whether and to what extent the negative impacts can be resolved, that is to say, whether it is possible to restore the affected environment or people to their previous state.
SUPPLY CHAIN	The full range of activities or processes carried out by entities upstream of the Organisation, which supply products or services used in the development of the Organisation's own products or services. This includes upstream entities with which the Organisation has a direct relationship (often referred to as first-tier suppliers) and entities with which it has an indirect relationship.

STAKEHOLDER	<p>Parties that may influence or be influenced by the company. These can be divided into two groups:</p> <p>1) <i>Key stakeholders</i>: individuals or groups whose interests are affected, either positively or negatively, by the company's activities and its direct and indirect business relationships throughout the value chain;</p> <p>2) <i>Users of sustainability reports</i>: the main users of general financial reporting (existing and potential investors, lenders and other creditors, including asset managers, credit institutions and insurance companies), as well as other users, including the company's business partners, trade unions and social organisations, civil society and non-governmental organisations, governments, analysts and academics.</p>
SUSTAINABILITY ISSUES	<p>The section of the report dedicated to corporate governance, which presents information on sustainability issues prepared in accordance with the CSRD and the ESRS.</p>
OBJECTIVES	<p>Measurable, results-oriented objectives that the company aims to achieve in relation to material impacts, risks and/or opportunities.</p>
TRANSITION PLAN	<p>A transition plan is a specific type of action plan adopted by an organisation in connection with a strategic decision, relating to (i) a public policy objective; (ii) a specific action plan for an entity, organised as a structured set of objectives and actions, linked to a key strategic decision, a major change in the business model, and/or particularly significant actions and allocated resources.</p>
VALUE CHAIN	<p>The value chain is the entire range of activities, resources and relationships relating to the company's business models and the external environment in which it operates, which the company uses to create its products or services from conception through to delivery, consumption and end of life. Activities, resources and relationships include:</p> <ul style="list-style-type: none"> • those working within the Organisation, such as human resources; • what takes place throughout its supply, marketing and distribution channels, such as the procurement of materials and services, and the sale and delivery of products and services; • the financial, geographical, geopolitical and regulatory contexts in which the Organisation operates.
GOVERNING BODY	<p>A person or group of people who, from the highest level of an organisation, lead and oversee it. This is the body with the highest decision-making authority (CEO or equivalent).</p>
BUSINESS MODEL	<p>The system that the Organisation uses to transform inputs into outputs through its activities and to achieve its strategic objectives by creating value in the short, medium and long term. An organisation may have more than one business model.</p>
FOSSIL FUELS	<p>Fossil fuels are non-renewable, carbon-based energy sources, such as solid fuels, natural gas and oil.</p>
GOVERNANCE	<p>The system by which a company is managed and controlled in the interests of its shareholders and other stakeholders. Governance involves a set of relationships between the company's management, its Board of Directors, shareholders and other stakeholders. It provides the structure and processes through which the company's objectives are set, progress against performance targets is monitored and results are assessed. The term <i>governance bodies</i> refers to the administrative, management and supervisory bodies with the highest decision-making authority within the company.</p>
SUSTAINABILITY IMPACTS	<p>The impact that the company has or may have on the environment and people, including effects on human rights, as a result of its activities or business relationships. These impacts may be actual or potential, negative or positive, short-term or long-term, intentional or unintentional, reversible or irreversible. They reflect the company's contribution, whether negative or positive, to sustainable development.</p>
STRATEGY	<p>Strategy refers to the process by which company management plans commercial, operational or financial decisions, taking into account both the operating environment and the resources available, in order to achieve the objectives set by the Organisation. In the context of sustainability reporting, these objectives relate to ESG issues.</p>

<p>FINANCIAL OPPORTUNITIES FOR SUSTAINABILITY</p>	<p>Sustainability-related financial opportunities are uncertain environmental, social or governance events or conditions which, if they were to occur, could have a significant positive impact on a company's business model, strategy, ability to achieve its objectives and targets, and ability to create value; as such, they may influence the company's decisions and those of its business partners regarding sustainability.</p>
<p>FINANCIAL RISKS RELATED TO SUSTAINABILITY</p>	<p>Sustainability-related financial risks are uncertain environmental, social or governance events or conditions which, if they were to occur, could have a material adverse effect on a company's business model, strategy, ability to achieve its objectives and create value, and may therefore influence its decisions and those of its business partners regarding sustainability. Like any other risk, sustainability-related risks are a combination of the magnitude of an impact and the probability of its occurrence.</p>

CORRELATION TABLE

Ref. ESRS	DR	Description	Report Ref.
ESRS 2	BP-1	General framework for preparing the sustainability statement	Ch. 1
	BP-2	Disclosures relating to specific circumstances	Ch. 1
	GOV-1	Role of the Board of Directors, management and supervisory bodies	Ch. 5
	GOV-2	Information provided to the company's Board of Directors, management and supervisory bodies and sustainability-related matters	Ch. 5
	GOV-4	Statement on due diligence	Ch. 5, 6, 7
	GOV-5	Risk management and internal controls over sustainability reporting	Ch. 5, 6, 7
	SBM-1	Strategy, business model and value chain	Ch. 4
	SBM-2	Stakeholder's interests and perspectives	Ch. 6
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and the business model	Ch. 7
	IRO-1	Description of the process for identifying and assessing material impacts, risks and opportunities	Ch. 7
	IRO-2	Disclosure requirements in the ESRS covered by the company's sustainability statement	Ch. 7
ESRS E1	E1-1	Transition plan for climate change mitigation	Ch. 8, 9
	E1 SBM-3	Material impacts, risks and opportunities, and their interaction with the strategy and business model	Ch. 7, 9
	E1 IRO-1	Description of the processes for identifying and assessing relevant climate-related impacts, risks and opportunities	Ch. 7
	E1-2	Policies relating to climate change mitigation and adaptation	Ch. 8, 9
	E1-3	Actions and resources relating to climate change policies	Ch. 9
	E1-4	Targets relating to climate change mitigation and adaptation	Ch. 9
	E1-5	Energy consumption and mix	Ch. 9
	E1-6	Scope 1, 2, 3 and total GHG emissions	Ch. 9
	E1-7	Greenhouse gas removal and mitigation projects financed through carbon credits	Ch. 9
E1-9	Expected financial impacts of material physical and transition risks and potential climate-related opportunities	Ch. 7, 9	
ESRS E5	E5 IRO-1	Description of processes for identifying and assessing resource use and the impacts, risks and opportunities associated with the circular economy	Ch. 7, 9
	E5-1	Policies relating to resource use and the circular economy	Ch. 8, 9
	E5-2	Actions and resources relating to resource use and the circular economy	Ch. 9
	E5-3	Objectives relating to resource use and the circular economy	Ch. 9
	E5-6	Expected financial effects of resource use, and of the risks and opportunities associated with the circular economy	Ch. 7, 9
ESRS S1	S1 SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	Ch. 7, 9
	S1-1	Policies relating to the Organisation's workforce	Ch. 7, 9

	S1-2	Processes for engaging the Organisation's workforce and employee representatives regarding impacts	Ch. 7, 9
	S1-3	Processes for addressing adverse impacts and channels for the workforce to raise concerns	Ch. 7, 9
	S1-4	Take action regarding material impacts on the workforce, approaches to managing material risks and pursuing material opportunities relating to the workforce, as well as the effectiveness of such actions	Ch. 7, 9
	S1-5	Targets relating to the management of material adverse impacts, the advancement of positive impacts and the management of material risks and opportunities	Ch. 7, 9
	S1-6	Characteristics of the Organisation's employees	Ch. 7, 9
	S1-7	Characteristics of non-employee workers within the Organisation's workforce	Ch. 7, 9
	S1-8	Collective bargaining coverage and social dialogue	Ch. 7, 9
	S1-9	Diversity metrics	Ch. 7, 9
	S1-10	Living wages	Ch. 7, 9
	S1-11	Social protection	Ch. 7, 9
	S1-12	People with disabilities	Ch. 7, 9
	S1-13	Training and skills development metrics	Ch. 7, 9
	S1-14	Health and safety metrics	Ch. 7, 9
	S1-15	Work-life balance metrics	Ch. 7, 9
	S1-16	Remuneration metrics (pay gap and total remuneration)	Ch. 7, 9
	S1-17	Incidents, complaints and significant impacts on human rights	Ch. 7, 9
ESRS G1	G1 GOV-1	Role of administrative, management and supervisory bodies	Ch. 5, 11
	G1-1	Business conduct and corporate culture	Ch. 5, 11
	G1-2	Management of supplier relationships	Cap. 5, 6, 11
	G1-3	Prevention and detection of active and passive corruption	Ch. 11
	G1-4	Instances of active or passive corruption	Ch. 11