



SUSTAINABILITY REPORT

20
23



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INTRODUCTION TO THE CORPORATE SOCIAL RESPONSIBILITY REPORT

We understand **corporate social responsibility** as a strategic approach to business management, as a set of economic, legal, ethical, and discretionary responsibilities and expectations in the hands of the companies, as well as an integral part of business strategies. There is no social responsibility if the company does not operate within a context of rules, laws, and respected norms.

Starting from this premise, if a company adopts actions with a positive impact and respect, and aligns with people and the environment, its results will improve for the better and the idea that social responsibility, and by extension sustainability, has a predictive capacity regarding the company's performance over time stems from this line of thought.

Every company should constructively commit to meeting the needs of society, demonstrating that it does more than selling products and services.

We can identify three responsibilities for companies:

- Creating jobs and economic growth through a well-conducted company
- Managing companies fairly and honestly towards workers and customers
- Being more involved in improving the conditions of the community and the environment where it operates

Social responsibility should be intended as a value creation tool, that is, as a fundamental element of business strategy. Through social responsibility, the company creates value as the most advanced form of strategy possible. To have social responsibility for value creation, it is necessary for the company to innovate itself, its way of operating and thinking, and apply sustainable business models as the impact is fundamental on the company's strategy and operations.

The identifiable benefits are:

- Shared values with the community and institutions
- Promotion of competitiveness and innovation
- Development of sustainable business models
- Integration of business into the community
- Development of people
- Social responsibility incorporated into business strategy

Social responsibility, considering all that has been described, is an essential element of business management and not only an ethical attitude; it is a tool used to make correct management decisions, just as **sustainability** that-is a business management tool derived from social responsibility and integrates it by completing it.

The foundations of sustainability are essentially three:

- environmental impact (**E - environment**)
- social inclusion (**S - social**)
- corporate responsibility (**G – governance**)

These criteria help determine the future performance of the company, balancing expected profits with potential risks and reinforcing the idea that knowing sustainability, applying it in concrete actions and business strategies, has a predictive power on future results.

a. SUSTAINABILTY REPORT

This document aims at describing **NICRO SPA** from the perspective of social responsibility and sustainability, facing ESG topics and relating its actions to the points of the **UN's 2030 Agenda**, the document titled "Transforming our world.

The 2030 Agenda for Sustainable Development," which recognizes the close connection between human well-being, the health of natural systems, and the presence of common challenges for all countries.

The **Sustainable Development Goals (SDGs)** are 17 interconnected goals defined by the UN as a strategy to achieve a better and more sustainable future, internationally identified with the acronym **SDG (Sustainable Development Goals)**.

These goals aim at facing a wide range of issues related to economic and social development, including defeating poverty and hunger, the right to health and education, access to water and energy, support for work, inclusive and sustainable economic growth, combating climate change and protecting the environment, managing production and consumption patterns, supporting social and gender equality, justice, and peace.

Below are the 17 goals:



Environmental, social, and corporate governance factors are those that qualify an activity as sustainable. In investment decisions, considering **ESG factors** means directing capital towards companies and projects deemed sustainable, such as projects that respect the environment, are attentive to the inclusion and well-being of workers, and promote diversity in governing bodies.

This document aims to be a guide and a report within the area of sustainability, describing, through data, the impacts of NICRO Spa and its activities.

The term "impact" is commonly used to describe a contact, event, aspect, or element, considered in relation to the effects that may be felt.

For example, **environmental impact** (according to Article 5, point c of Legislative Decree 152/2006) refers to the alteration of the environment conceived as a system of relationships between anthropic, naturalistic, chemical-physical, climatic, landscape, architectural, cultural, agricultural, and economic factors, as a result of the implementation of plans, programs, or projects on the territory in the various stages of their realization, management, and decommissioning, as well as any malfunctions and other consequences.

Social impact is commonly defined as the set of consequences on people and communities resulting from an action, activity, project, program, or policy.

Economic impact analysis generally refers to the estimation of the effects that a particular project or activity generates on the reference economy, whether positive or negative.

Reputational impact, on the other hand, refers to the improvement or deterioration of the company's image perception by customers, workers, shareholders, investors, or regulatory authorities, resulting from positive or negative actions and communications regarding the company itself, its products or services, and its behaviors.

Therefore, this document, due to the topics covered and its structure, constitutes the Sustainability Report, the Social Report, and the Non-Financial Reporting of NICRO Spa. Although the goals are global, the company, through its actions, contributes to their pursuit, as described below:



Solidarity parcels in support of local families.



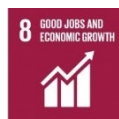
Territorial support activities towards sport for all ages
Investment and support for the region in the health sector with a service that remains active over time



School internships of students from local institutes and support of entities.



Energy production through photovoltaic panels
Presence of charging stations for electric cars
Energy Management through 50001 Certification



Welfare plan and production bonuses
New initiatives described on the following pages have been added



Re-use of scrap and reduction of the amount of waste



Reducing CO2 emissions through offsetting actions and sustainable mobility
Please refer to the Caravaggio planting project
Use of hybrid and euro6 transport vehicles



Objective 'Zero Impact Company' (Local Action Plan 2023-2025)



Collaboration with Social Ethics Seal
Collaboration with Social Cooperative 'Il Susino'
Strategic and social actions shared with network companies

b. PRINCIPLES OF EDITING

At the head of this document, is the observation that every company, in different ways and to varying extents, possesses and manifests a certain ethical direction that guides its strategic choices and daily actions.

For this reason, the company's Governance has the opportunity to make explicit the purposes assigned to its activities and the rules that regulate the behaviors and actions of all the people who, in various capacities, are part of it.

The editing principles, adopted from international guidelines, refer to the sphere of ethics, legal doctrine, and accounting practice. As indicated by these same guidelines, the quality of the document's formation process and the information contained is guaranteed by adherence to the following principles:

- **Responsibility:** in this report, are identified the categories of stakeholders to whom the company must account for the effects of its activities.
- **Identification:** complete information regarding the ownership and governance of the company is provided.
- **Transparency:** the information contained in this report is structured objectively.
- **Comparability:** the document is drafted in such a way that allows for comparison between different reports over time.
- **Understandability, clarity, and intelligence:** the information contained is presented clearly.

This document is addressed to all the organization's stakeholders, and in these pages, the Governance briefly explains the choice that led to the drafting of the social report, with the aim of:

- Building stakeholder loyalty
- Measuring the organization's performance
- Promoting internal communication
- Informing the community

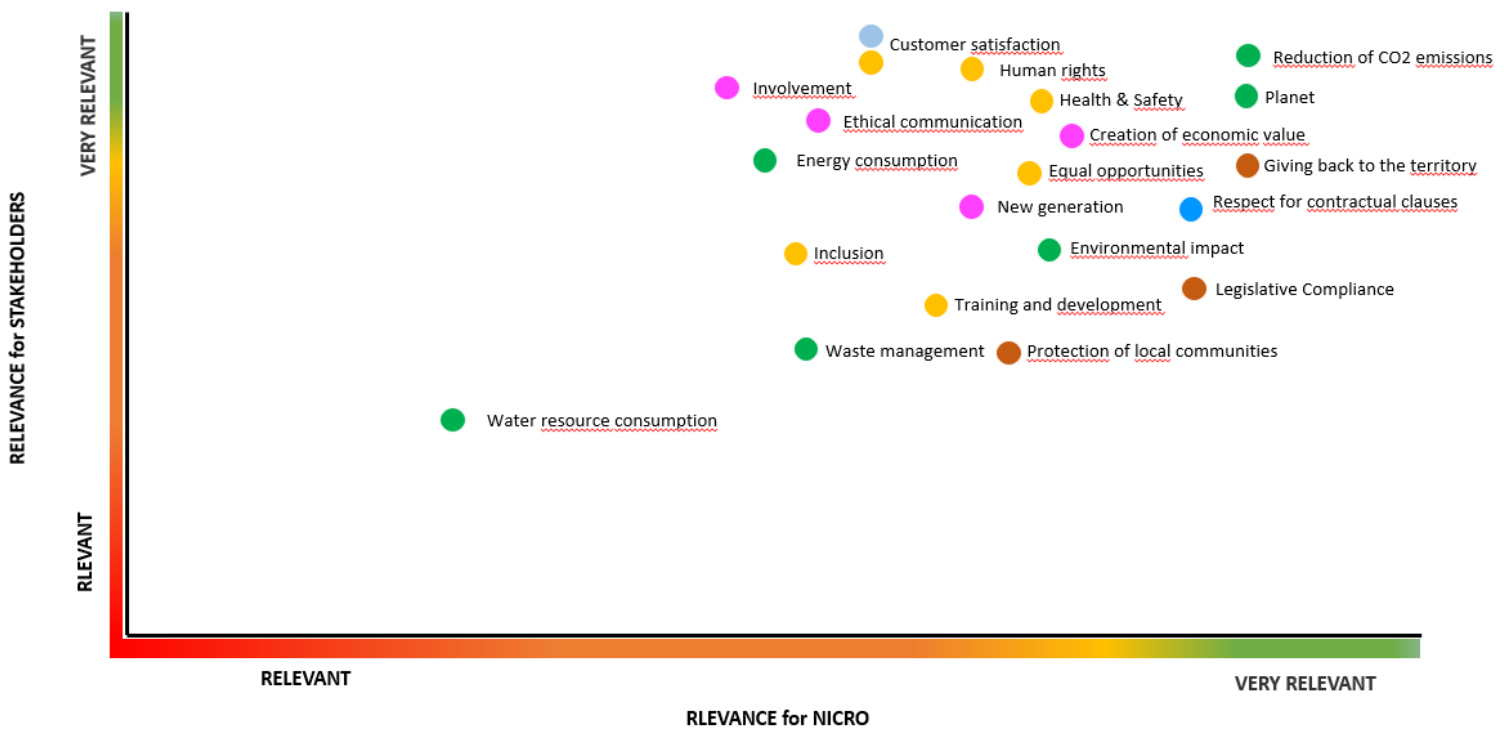
This reporting document aims to be a moment of storytelling for NICRO Spa, both internally and externally, about the actions taken towards people, the territory, and the community, as well as the results achieved from these actions.

c. MATERIALITY ANALYSIS

In a rapidly evolving competitive context like the current one, the success of an organization also depends on its **ability to understand and respond to external challenges**. It is therefore particularly important to identify the aspects that most directly impact activities.

For this reason, a materiality analysis is prepared, structured to deeply understand the impact that social responsibility issues have on the organization and its stakeholders, as it is a central theme for all organizations that want to face the process of change.

Below is the analysis prepared by NICRO Spa:








Legend of the categories in the matrix:

- EMPLOYEES AND THEIR FAMILIES
- ENVIRONMENT AND TERRITORY
- CUSTOMERS
- NETWORK
- SUPPLIERS
- BANKS AND INSTITUTIONS

1. NICRO SPA - THE COMPANY



-  Vailate
-  1976
-  Turnover 2023 €12,4 MIL
-  Export >50%
-  Steel, Energy, Heat treatment, Petrochemical, Marine, Engineering
-  50 employees
-  ISO 9001:2015, ISO 3834-2:2021, ISO 14001:2015, ISO 45001: 2018, ISO 50001:2018

a. HISTORICAL EVOLUTION

Founded in 1976 as a company producing specific equipment for heat treatment furnaces, over the years NICRO SpA has expanded its scope by entering new sectors such as steel, oil & gas, and naval.

In 2013, production moved to the new plant in Vailate (CR), doubling its production space.

In 2019, with the construction of an additional plant, the company achieved its highest economic result, surpassing €13.5 million turnover. Following the pandemic, in 2020, the company experienced a 50% decrease of the turnover, which then returned to pre-Covid levels by 2023.

Thanks to continuous investments in innovative machinery, numerous certifications obtained, and ongoing professional updates, the company is able to offer its clients a privileged collaboration, proactively leveraging its experience to create custom products suitable for the most complex industrial plant projects.

Today, the company is at the forefront both in terms of production, with the best technical solutions in cutting, bending, rolling, assembly, and welding, and in terms of organization and IT, thanks to investments in management and business intelligence.

The keywords '**innovation**' and '**production flexibility**' fully reflect the company's capabilities, which boasts collaborations with national and international leaders in the engineering sector and the design and construction of plants and products for high-temperature and/or highly corrosive environments.

THE QUALITY OF PRODUCTION, THE EXPERIENCE GAINED OVER DECADES OF ACTIVITY AND CONSIDERABLE PRODUCTION FLEXIBILITY, HAVE ENABLED THE COMPANY TO EXPAND WELL BEYOND NATIONAL BORDERS, EXPORTING PRODUCTS TO THE MOST IMPORTANT COUNTRIES IN THE WORLD.

b. AD HOC SOLUTIONS FOR EVERY NEED

NICRO Spa is specialized in the production of **custom components** based on specific customer requirements, with nearly fifty years of experience in **managing alternative materials** to achieve the best performance, evaluating potential modifications to construction drawings to enhance performance and lifespan.

IRON AND STEEL



HEAT TREATMENT



ENGINEERING



OIL & GAS



MARINE



POWER ENVIRONMENT



The company is specialized in the processing of high-nickel-content steel alloys.

The products and materials processed have special characteristics that make them suitable for **various industrial application sectors** in the steel, petrochemical, and naval industries.

The long-standing relationship with the heat treatment sector is fundamental, as well as with companies in the energy-environmental and engineering fields.

C. SERVICES

REPARATIONS

NICRO Spa is specialized in the reconditioning and repairing of various types of products, thanks to a dedicated and well-equipped workshop.

MATERIALS RESEARCH

Every industrial application or process requires appropriate temperatures and materials that can withstand such temperatures or better resist wear and corrosive conditions. The extensive knowledge of raw materials, place the company as an absolute leader in the sector for finding and proposing the best solutions.

PRODUCT ENGINEERING

The experience gained over more than forty years of work allows us to face any situation and find solutions, even through the modification of construction drawings. The delicate process of reverse engineering is made possible by a competent and trained team to address problems in various fields.

PACKAGING AND SHIPMENT

The experience of working with various markets and countries has made the company attentive to studying the best solution for the transportation of products, designing specific structures to ensure easy and safe transport even for the most complex creations.

d. MANAGEMENT SYSTEMS

The reputation for **professionalism** and **reliability** that the company has built over the years is the result of two strategic elements: the continuous updating of qualified personnel and the meticulous control of all work phases and the results obtained.

NICRO SPA is certified ISO 9001, ISO 14001, and ISO 45001, covering all issues related to product quality, the environment, and workplace safety. Additionally, the company obtained the 50001 certification for the Energy Management System during the year, with the aim of certifying the actions taken to improve energy efficiency.

In the production field, in addition to the sector certification ISO 3834-2, are also met the requirements of the regulations for welding processes ASME IX, EN 288.3, EN 287.1 and the welding personnel obtained

qualification certificates for MIG/TIG, electrode, plasma methodologies, and for the different materials used from the most important certification bodies. With particular reference to the area of management systems, it is noted that in 2023 was added a person dedicated to the management, development, and maintenance of the systems.

As further assurance on all the work carried out in our facilities, the company provides control of the products at all stages of production up to the finished product, issuing specific certificates, such as:

- Dimensional certificate
- Certificate of chemical analysis 3.1B
- Certificate for pressure tests
- Certificate for weld tests with penetrant liquids
- Balancing certificate

In the company premises, it is possible to carry out pickling activities on medium and large-sized products, reducing costs, time, and the environmental impact of transportation.

With the support of a well-equipped external analysis laboratory, radiographic and ultrasonic tests on welds are also carried out.

e. TAXONOMY

This sustainability report takes into account the indications of the taxonomy regulation, which indicates and recognizes the company's activities aimed at pursuing its European environmental objectives such as:

- **Climate risk mitigation**

Regarding climate risk, described in a specific paragraph of this document, the company believes that the main sources of risk related to its activities are linked to CO₂ emissions generated (e.g., energy use, production, transportation, etc.); for mitigation, the company has decided to:

- Use self-produced renewable energy through a photovoltaic system
- A project for emission offsetting through planting and/or agroforestry regeneration is underway

- **Climate risk adaptation**

See the previous point.

- **Sustainable use and protection of water and marine resources**

Water consumption data are addressed in this document; the company uses water in the pickling and passivation process, which is managed in a specific protected area.

- **Transition to a circular economy with waste reduction and recycling**

The company has implemented separate waste collection for all types of waste, which are disposed of according to regulations by authorized waste disposal companies for proper management.

- **Pollution prevention and control**

For pollution prevention and control, the company refers to the authorizations in its possession and the ISO 14001 certification of the environmental management system.

- **Ecosystem health protection**

Refer to the points described above.

f. VALUE OF THE PRODUCTION

The analysis conducted on the pre-pandemic three-year period 2017-2019 shows a steady increase, particularly due to the consolidation of the relationship with a client in the marine sector. The data for 2020 shows a sharp decline with a reduction of around 40% in revenue caused by the global pandemic situation, which forced the company to suspend activities for almost two months, inevitably compromising orders from key sectors.

In 2021, the turnover returned above €10 million, carrying the problems arising from the continuous increases in raw material costs, including Nickel.

For 2022, the Governance's goal of exceeding €11 million turnover was achieved; it should also be noted that the reported data does not include orders destined for the Russian market, which were canceled after the outbreak of the conflict between Russia and Ukraine and the consequent sanctions imposed by the EU. In 2022, about 60% of the production value was generated by Italian clients. However, it is forecasted that in the current year (2023), there will be a reversal of these percentages.

For 2023, the Governance's goal of exceeding €12.5 million in revenue was achieved, as evidenced by the data in the table below, also considering the postponement to 2024 of some significant orders due to late deliveries of raw materials; in 2023, for the first time in the company's history, the value of exports exceeded the value of Italian clients.

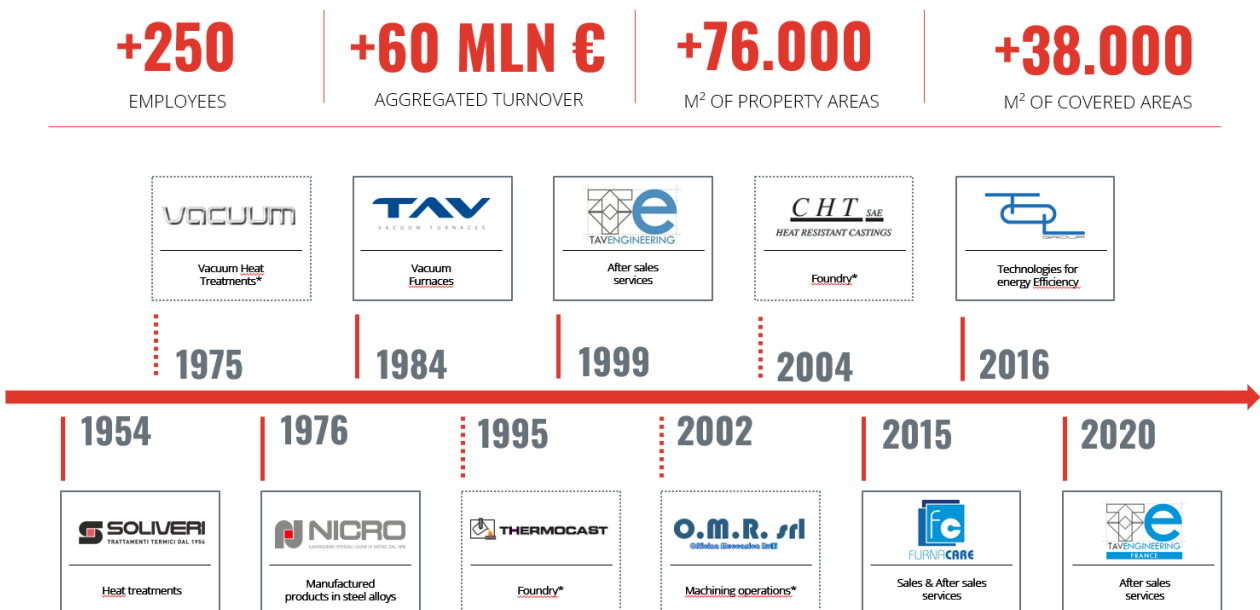
For 2024, the economic value target is to exceed €13 million, also aiming to improve the gross operating margin.

	2017	2018	2019	2020	2021	2022	2023
Turnover	10.779.947 €	12.692.870 €	13.547.847 €	8.150.631 €	10.654.148 €	11.776.070 €	12.461.638 €
% previous year change		17,75%	6,74%	-39,84%	30,72%	10,53%	5,82%

The data reported in the table shows that, compared to the -39% recorded in 2020 due to the pandemic, the figure as of 12/31/23 indicates an overall increase of 47.07%, which compensates for and surpasses the 2020 figure.

2. GOVERNANCE

NICRO Spa is part of a **network of companies** in which the Soliveri family (100% of the company's share capital) is present in the shareholding and/or management of companies that have been established since 1954 and have developed in the engineering world:



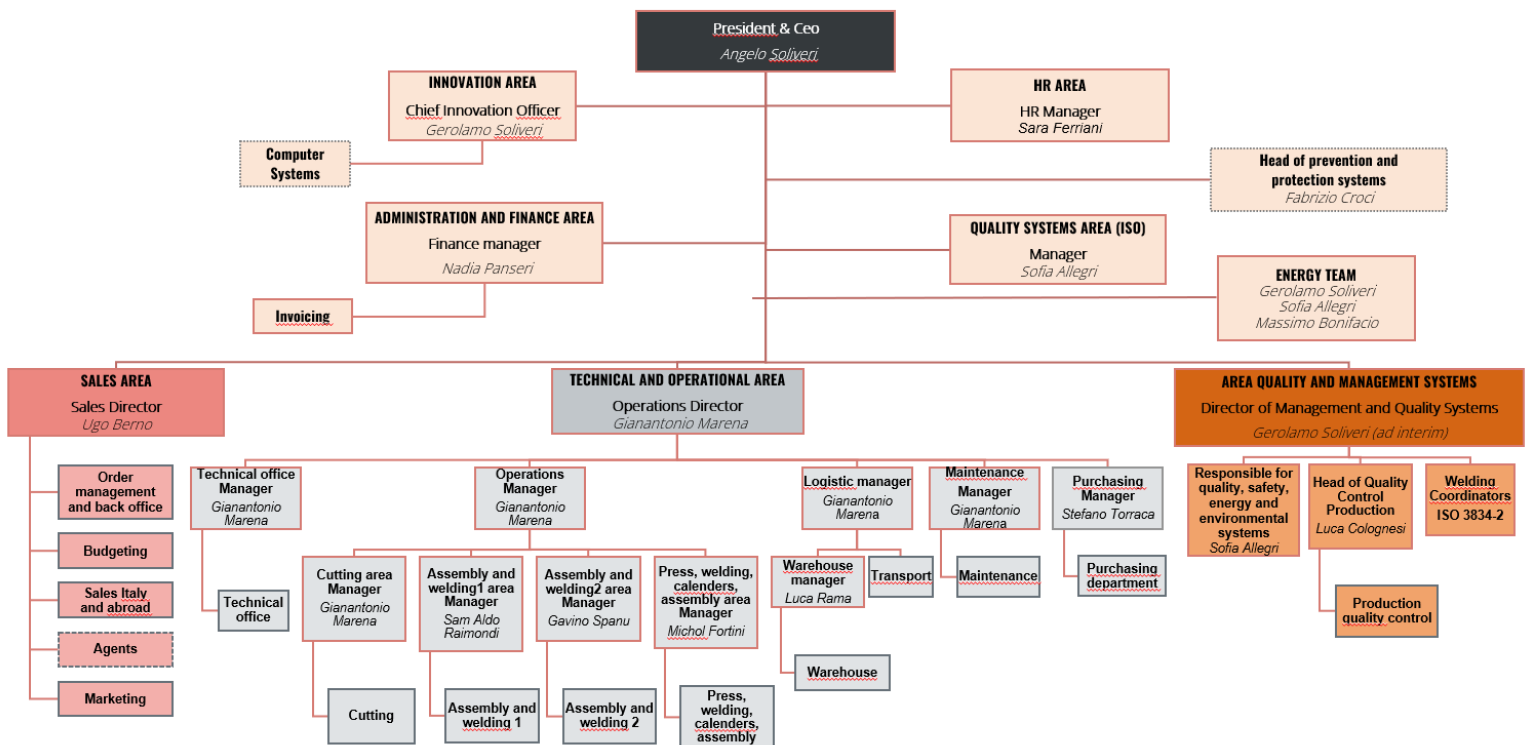
*No longer part of the Network

a. ORGANISATIONAL STRUCTURE

NICRO Spa has established an **organizational structure** that is, on one hand, focused on the production of products, and on the other hand, dedicated to the development and prototyping of new solutions and new products to offer to clients. These two facets of the company coexist and collaborate to meet the expectations of clients and the market in general.

The structure is further complemented by the commercial function, which handles sales and client relations, and is linked to the marketing and communication office, the purchasing function, logistics, and maintenance of production facilities. Quality, human resources, and economic-financial management complete the structure.

Below is the functional organizational chart:



b. STAKEHOLDERS OF THE ORGANIZATION

The term "stakeholders" refers to all internal and external parties to the organization that have any kind of interest in the organization itself, which materializes in a series of expectations, informational needs, and economic interests.

The following tables list the main stakeholders identified by the organization in order to verify the ability to meet the needs and requests of each through open, transparent, and trust-based dialogue, along with their respective expectations.

The stakeholders identified by NICRO are:

PRIMARY STAKEHOLDERS	CUSTOMERS	SUPPLIERS	INSTITUTIONS	OTHER
Workers	Companies and institutions that purchase products, as well as all users of the products produced	Companies supplying raw materials, external machining companies, forwarders and in general all parties involved in the sale of materials, services or products	Government and international control entities Local / national institutions, ATSS	Territory in which the company is based
Workers' families				Trade Unions
Management				Financial Institutions
Shareholders				Competitors
Planet				Schools, universities and research laboratories
Future generations				Onlus and other interested associations

Each of the categories and types of stakeholders identified in the previous table has more or less explicit expectations, which NICRO SPA summarizes as follows:

PRIMARY STAKEHOLDERS	
Workers, and workers' families	Retention of employment and income from employment or collaboration; environment useful to development and growth; healthy and wholesome environment
Management:	Safeguarding of the corporate purpose; achievement of turnover, profit and non-turnover targets; development opportunities also in sectors not currently covered by the company
Shareholders	Safeguarding of the corporate purpose; achievement of turnover, profit and non-turnover targets; development opportunities also in sectors not currently covered by the company
Planet	The planet in which we live and carry out our activities as people and as an organisation; respect for the planet in terms of natural resources, living beings and plants; conscious use of everything the planet provides us with
New generations	People who will live on the planet in the coming period and who will benefit or suffer from current decisions; find a planet where it is possible to live and develop oneself; find a working and corporate world consistent with one's values, ethical and responsible

CUSTOMERS	
Companies that will buy the products	Products conforming to orders and specifications; products meeting performance requirements; meeting deadlines for deliveries - maintaining contractual conditions including price - keeping promises and commitments
All users of the products manufactured	Products that are safe from a performance point of view with respect to specific conditions of use and application

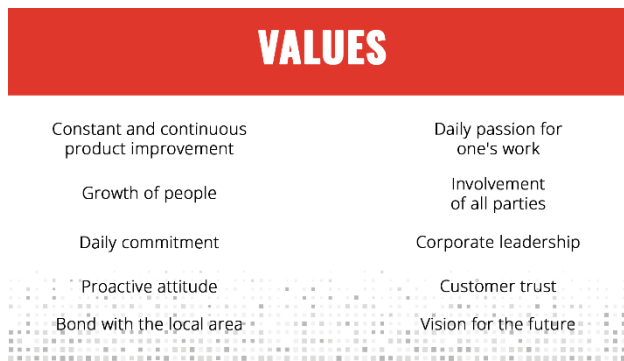
SUPPLIERS	
Companies supplying raw materials, external processors, transporters and in general all parties involved in the sale of materials, services or products	Fulfilment of contractual conditions including price <ul style="list-style-type: none"> - keeping promises and commitments - - payment of invoices and services according to agreed deadlines

INSTITUTIONS	
Government and international control bodies Local and National institutions, reference organisation of the activities, ATS	Compliance with current legislation and directives in the various matters applicable to the organisation

OTHER	
Territory in which the company is based	Compliance with reference legislation on the various environmental and other aspects involved - respect for people and territory - respectful relationship between company and citizenship
Trade Unions	Respect for workers' rights and management of relations with the company; opportunities for confrontation
Insurances	Conclusion of policies on a legal and consistent basis - provision of truthful information
Banks	Compliance with any financial commitments that may exist and have been agreed upon
Competitors	Fair competition activities in line with current legislation, including sectoral legislation - opportunities for collaboration
School and Universities	Opportunities to interact with the company, support students in the company life experience, support the company in the development of products and projects
Research laboratories	Opportunities for collaboration, product and project development, contribution to innovation
Onlus and other possibly interested associations	Supporting and charitable activities also through the organisation of cultural and non-supporting activities

c. **VALUES, MISSION & VISION, CODES OF CONDUCT**

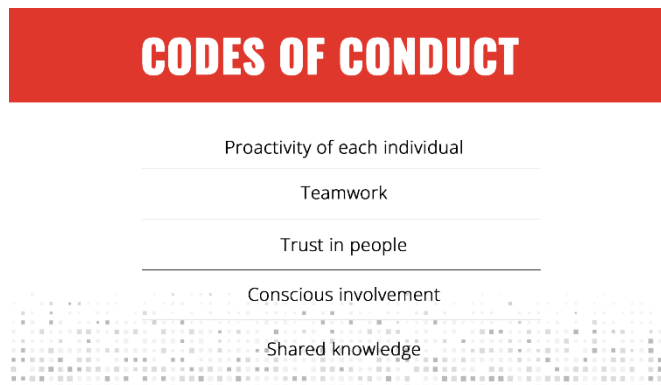
To define and align its choices and objectives, NICRO established guiding values, shared with its people and displayed within the company, which are:



Mission and vision statements have been defined to guide the company and its people towards the future:



And to achieve the objectives while respecting everyone and valuing people, things, and the territory, Nicro defined his code of conduct:



3. ENVIRONMENT

a. ENERGY MANAGEMENT

NICRO Spa strongly believes in eco-sustainability and a conscious and responsible industry, as evidenced by the attainment of the 14001 certification and the investments made to reduce environmental impact and improve the quality of life and work for people.

In the external yard, has been created a covered waste storage area, with a dedicated system for filtering and disposing of first rainwater and yard washing water. Thanks to this area, the company can properly dispose of production waste and other refuse.



Several strategies were implemented in the design and construction of the new Vailate headquarters to optimise the relationship between energy requirements and emission levels.

The climate control of the offices and part of the production area is managed through a state-of-the-art heat pump system, which uses only electricity for heating, cooling, and the production of hot water.

The modern office facades are clad with steel sheets and Alucobond aluminium composite panels with a polyethylene core, a material with special characteristics that allows for low energy consumption.

Almost all of the electricity used in the company comes from the photovoltaic system installed on top of the main building, which, with a total peak power of 200 kW, allows us to produce an average of 360 MWh annually.

This ensures that more than 50% of the plant's energy needs are met. This translates into an average annual saving of over 160 tons of CO₂ and 68 tons of Oil Equivalent.

Below are the data related to electricity consumption compared to each other:

	2017	2018	2019	2020	2021	2022	2023
Energy consumption	616.125,64 Kw/h	702.989 Kw/h	853.097,44 Kw/h	631.618,2 Kw/h	637.647,8 Kw/h	756.976,7 Kw/h	613228,84 Kw/h
% change from previous year		14,10%	21,35%	-25,95%	0,95%	18,71%	-18,99%

The progressive increase over time is determined by the increase of production in line with turnover, and in particular, for 2019, the increase is linked to the start-up of the second production area. The electricity consumption data is drastically reduced in 2020 due to the stop of activities during the health emergency period.

To reduce electricity consumption, it is also important to note that the entire main building has been equipped with full LED lighting, replacing the existing halogen lamps using an operational leasing formula that includes energy analysis, lighting design, installation, routine maintenance, and lamp disposal.

Compared to the year 2023, as indicated in the table, the total consumption was 613,228.84 kWh, of which 397,234.00 kWh was from the electrical grid, 333,018.84 kWh was self-produced through photovoltaic panels, of which 215,994.84 kWh was self-consumed, and the remaining part was fed back due to non-use.

Most of the energy production is achieved through photovoltaic panels, resulting in less energy exchange on-site and instead a purchase. The image below shows the positioning, extension, and integration into the roof of the described and recently installed systems.



NICRO Spa primarily uses thermal energy for heating offices and production departments. Below are the data related to thermal energy consumption:

	2017	2018	2019	2020	2021	2022	2023
Consumption of thermic energy	15.003 mc	21.316 mc	16.819 mc	18.385 mc	19.770 mc	27.800 mc	27.709 mc
% change from previous year		42,08%	-21,10%	9,31%	7,53%	40,62%	-0,33%

The trend in thermal consumption is strongly influenced by the increase in average annual temperatures in the geographical area, as thermal energy is not used for production and business processes.

The increase in consumption in 2018 is linked to the activation of heating in the second production plant (officially inaugurated at the beginning of 2019), which impacts 1,600 square meters of heated area, not present in the consumption of previous years.

The consumption for 2023 is divided between 20,869 cubic meters used in Nicro 1 and 6,840 cubic meters in Nicro 2.

b. ENVIRONMENTAL IMPACT

Environmental impact encompasses all direct and indirect, positive or negative, temporary or lasting consequences that a series of actions can cause. For NICRO Spa, the **environmental impact** is given by all those actions necessary for the conduct of its business. The company's impact on the environment is an important aspect and must be monitored on one hand and managed consciously on the other, through significant safeguarding actions and commitments. Over the past few years, the company has committed itself in this regard, especially with a view to growth and development.

During 2022, an **emission filtration system** was installed in the welding department to replace the existing one, as well as the installation of a new system in the NICRO2 warehouse. In 2023, specific sensors for detecting electricity consumption were installed on various machines to understand their actual use in reference to the indications of the 50001 certification, in particular five meters on the most energy-intensive machines: Laser 6030, Laser 5060, Laser 3D, Press Brake, Plasma Cutting; the installation was carried out as the organization continues to monitor electricity consumption through more efficient use of equipment,

concentrating production based on workloads, thus avoiding start-up, standby, and shutdown operations of the machines, and through data analysis, monitoring the proper functioning and wear of the machinery.


NICRO Spa, year after year, is committed to improving and always being at the forefront in this regard, seeking solutions that can support and make this choice concrete. The company's commitment to environmental attention covers various areas, including:

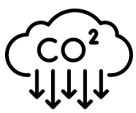
- The total recovery of sheet metal cutting waste, which will then be melted and regenerated by steel manufacturing companies
- The recovery of material from repaired artifacts for different uses
The management of waste and hazardous materials, stored in a protected area and differentiated through a certified and documented process
- The reduction of energy consumption thanks to the new LED lighting system extended to the entire production site
- Actions in the field of circular economy
- The use of water dispensers instead of plastic bottles
- The service of collecting, washing, repairing, and returning work suits


NICRO Spa, in its **production** and **research activities**, is committed to complying with the legislation, standards, and regulations in force in the environmental field; in fact, the company, in accordance with current regulations, has the necessary authorizations, particularly for emission points E-01 and E-03 authorized on 30/10/2013. The emission point E-02 (for substantial modification) and E-04 (new emission) application was sent on 21/03/2018 and authorized by tacit consent until 20/03/2033; for the emission point E-07, the application was sent by certified email on 27/11/2022 and authorized by tacit consent until 26/11/2037. (also refer to legislative compliance in the context of ISO 14001 certification)


Specifically, in addition to adopting technologies and processes that offer the best environmental performance, the company evaluates the environmental performance of new processes or new plants in advance, opting for those with the least environmental impact. In the design and processing phases, the approach is aimed at reducing waste and the production of waste.


NICRO Spa has defined, among its management objectives related to the environmental component, the implementation of a plan that can make it a zero-impact company by 2025, and for this purpose, an evaluation is underway to determine what impacts are generated in addition to those already considered in the last report, in particular, the data monitored are:


	KM TRAVELLED BY COMPANY VEHICLES				
	2019	2020	2021	2022	2023
	68.000 Km	69.500 Km	138.272 Km	141.728 Km	147.436 km
Contribution	Please refer to the agroforestry regeneration project described on the following pages				
Mileage detail	<ul style="list-style-type: none"> - km 29699 Citroen DS7 ibrid - km 35635 Peugeot 3008 diesel - km 27395 Seat Leon ST Ibrid - km 7906 Scudo diesel - km 24447 Nissan Qashqai petrol - km 9495 Hyundai Tucson diesel - km 12859 Ducato diesel 				


	CO2 EMITTED BY COMPANY VEHICLES (323 kg / 1000 km)				
	2019	2020	2021	2022	2023
	21.964 Kg	22.448 Kg	44.661 kg	45.778 kg	47.621 kg
Contribution	Land investments in planting, upgrading and management of green areas				

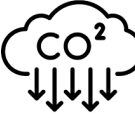
	PAPER REAMS USED (units)				
	2019	2020	2021	2022	2023
	210	180	240	260	215
Contribution	Use of FSC / PEFC paper and adoption of procedures to reduce printing by digitising processes - for 2023, the calculation is made overall between reams A4 and A3				


	ROLLS OF FILM FOR PACKAGING (units)				
	2019	2020	2021	2022	2023
	288	144	144	258	258
Contribution	Under analysis				

	COFFEE GLASSES (units)				
	2019	2020	2021	2022	2023
	6100	5000	5550	6000	6500
Contribution	Use of paper or washable products - the increased figure refers to the greater number of people present				

	WOODEN PACKAGING				
	2019	2020	2021	2022	2023
	38.400 Kg	4500 Kg	21.450 Kg	50.760 Kg	48.763 kg
Contribution	Optimising procurement				

	ORGANISATION PCS AND SERVER (units)				
	2019	2020	2021	2022	2023
	ND	30	32	37	37
Contributo	Under analysis				





	EMISSIONE CO ₂ PC-SERVER				
	2019	2020	2021	2022	2023
	ND	4572 Kg	4877 Kg	5639 Kg	5639 Kg
Contribution	Land investments in planting, upgrading and management of green areas				

	WATER CONSUMPTION				
	2019	2020	2021	2022	2023
	ND	3891 mc	5388 mc	7572 mc	7485 mc
Contribution	No interventions are planned				

c. WASTE MANAGEMENT

NICRO Spa, in the performance of its work activities, produces various types and kinds of waste, all managed in reference to current regulations; furthermore, NICRO, having implemented an **environmental management system** according to the ISO 14001 standard, pays maximum attention to waste management as well as differentiation.

Below are data and considerations related to waste over the last 5 years:

	Number of CERs disposed of in the time period	21
	Occasional waste (i.e. related to particular operations)	5 types
	Average quantities per waste disposed of last year	7800 kg
	Number of CERs handled last year	16
	Number of hazardous CERs out of movements last year	9
	Hazardous waste (average % of total)	3%

In 2019, the external area for the storage of scrap materials was completed, allowing for better waste differentiation (scrap metal, iron, wood, paper and cardboard, plastic and packaging, hazardous waste identified as such).



d. CLIMATE CHANGE

NICRO Spa, in the performance of its work activities, impacts climate change, as described in the taxonomy section of this document regarding CO2 emissions related to production and direct and indirect transportation activities; at the same time, the company is committed to reducing these emissions through various activities.

Climate change impacts the company in terms of heating and cooling management, which is handled with home automation and remote management tools. The effects of climate change could also impact the company's activities as it is located in an area classified as CAT NAT risk with the danger of structural damage however, there are no nearby watercourses, so there is no risk of flooding.

The company is evaluating the opportunity to conduct a transition risk analysis according to European just transition guidelines.

4. HUMAN RESOURCES & WELFARE

a. RESOURCES GROWTH

In a context of change and a push towards an innovative approach, people represent the foundation of the business strategy that NICRO Spa intends to pursue:

- The consolidation of the importance of roles through training and sharing
- The definition of a model of distinctive competencies that also includes soft skills
- Attention to compensation management issues through the introduction of bonuses, benefits, and welfare initiatives
- An approach to performance management that helps focus on the relevant points of people's contributions
- Focus on some key processes, such as onboarding, employer branding policies, and talent search

The resulting strategy is centered on creating a new paradigm strongly oriented towards achieving results, where people are given all the tools to contribute to the company's success and their own.

b. CONTEXT ANALYSIS

Total Resources	Women	% Women	Men	% Men	Average stay	Average age	Average distance in km from the company	Welfare Services
48 at 31/12/19	5	10,2%	43	89,8%	12 years	45	10,6	4.000€ - 1,37% of the turnover
47 at 31/12/20	5	10,6%	42	89,4%	13 years	45	10,2	750€ - 0,43% of the turnover
48 at 31/12/21	5	10,4%	46	89,6%	13 years	45	10,2	750€ - 0,36% of the turnover
49 at 31/12/22	5	10,2%	44	89,8%	12 years	44	10,2	See details below
54 at 31/12/23	6	11,1%	48	88,9%	12 years	44	10,2	See details below

c. WELFARE AND WELLBEING RESOURCES

Attention to compensation management issues through the introduction of bonuses, benefits, and welfare initiatives is an important element in NICRO's strategies, in addition to employee well-being, which is considered a priority for companies, as well as creating a healthy and rewarding work environment to retain highly qualified and productive staff.

In this perspective, Nicro Spa has paid particular attention to corporate welfare as an integral part of its entrepreneurial culture oriented towards sustainability, not only environmental and economic.

Through investments and initiatives aimed at improving the quality of life of company resources, families, and the territory where the company is located, the decision to launch a welfare plan stems from a genuine desire to share benefits with those who contribute to the company's success every day. Referring to the 2021 financial statements, the voluntary distribution equally among everyone was €750. In the previous three-year period (related to the results of 2017, 2018, and 2019), the amount distributed was €4,000 per person, managed on a Welfare platform and therefore fully usable for the purchase or reimbursement of a wide variety of services.

In 2022, the first agreement for the management of bonuses was concluded, a reward system based on KPIs through second-level internal negotiation that provides a bonus upon reaching certain EBITDA thresholds and personal performance parameters – a three-year agreement. The new agreement will refer to the 2022 management data and will be distributed upon the approval of the financial statements in the spring of 2023.

The year-end production bonus not paid in the pay check, the funds related to the baby bonus, and the €200 welfare provided by the national collective labour agreement (CCNL) are loaded onto the welfare platform. Through the partnership with Edenred, Nicro Spa provides employees with a partner that offers a wide range of services. With the loaded credit, they can book (or request reimbursement for) medical visits, school books, school meals, summer camps for their children, as well as travel, sports, and amusement parks for adults.

In 2023, a series of initiatives were also carried out, including, for example, smart working for office employees, for which specific regulations are provided, to facilitate the balance between professional and personal life.

There are also more specific activities related to the sector, such as the laundry service for production. Since 2019, the new uniforms for production operators, certified and guaranteed thanks to collaboration with a well-known company in the textile rental sector, are treated by a specialized laundry. In this way, Nicro's attention to employee safety is not limited to the work environment but extends to the home environment, which is no longer at risk of being contaminated by potentially hazardous dust.

In short, welfare services bring Nicro closer to the well-being of the entire territory through that of its employees.

To support employees' families, in addition to the laundry service, Nicro Spa has introduced several initiatives; from extending bereavement leave to 5 days, to the Baby Bonus, a welfare contribution of €500 granted starting from July 1, 2024, for each employee with preschool-age children, provided annually for each child until the fifth birthday.

Additionally, the company offers facilitated access to breast ultrasounds at the Caravaggio Breast Center, with which Nicro has a long-standing collaboration following the donation of an ultrasound machine. The facilitated access is available to all female employees, as well as employees' families (mothers, wives, and daughters). In addition, all medical visits are paid for thanks to a special leave.

Since 2019, the company has also periodically proposed moments of aggregation and team building, with the aim of improving corporate relationships. These activities help employees resolve daily issues, generate a sense of belonging, support relationships, and foster skill growth. Not least, they also contribute to getting to know people in a non-invasive and more "intimate" way, establishing relationships, increasing collaboration, raising the level of trust among colleagues, motivating the work group, and enhancing cohesion and integration.

In 2022, for the first time in the company's history, NICRO Spa organized a "Family Day," opening its doors to employees' families and friends. The event was a great success, bringing over 150 people to visit the company premises, learning from their relatives and/or friends about the activities carried out by the company, the products made, and the target markets.



d. HEALTH & SAFETY AT WORK

NICRO Spa is committed to promoting and implementing actions aimed at preventing any behaviour whether negligent or intentional,- that could endanger resources and the occupational safety management system. All company resources actively contribute to maintaining an optimal standard of corporate safety by refraining from dangerous behaviours.

Through its occupational health and safety policy, the company provides proper training for its personnel on the subject and ensures the management, control, and monitoring of identified risks through the adoption of appropriate preventive and corrective measures. In particular, the company guarantees specific training for personnel hired directly or through an agency, at all organizational levels.

The data on accident monitoring provide us with important information on a very small number, considering that the company operates in the metalworking sector.

Workspace Accidents:

	2017	2018	2019	2020	2021	2022	2023
Number of accidents	3 of which 1 ongoing	1	2	0	2	2	3
Average duration working days	16,5 ongoing excluded	15	17	0	14,50	5	18

NICRO Spa aims for the continuous improvement of the safety and health of its workers through various investments, such as:

- Obtaining ISO 45001 certification for its safety management system
- Revamping machinery (Industry 4.0) with the adjustment of safety procedures
- Using a dedicated mobile platform for work and maintenance at heights
- Equipping all forklifts with blue safety lights to improve pedestrian awareness of forklift movements and blind spots
- External management of washing and checking uniforms for all production personnel

e. TRAINING AND SKILLS DEVELOPMENT

The company constantly invests in training, developing technical-specialist skills in specific areas and enhancing managerial skills, working towards the creation and dissemination of a common identity. Training on privacy and workplace safety is conducted continuously and included in the onboarding process for new employees, a prerequisite for access to specialized training managed internally. In data reporting, training in the field of worker health and safety is included and specified, given its mandatory nature.

In 2023, various training courses were provided, aimed at different company areas for a total of 887 hours distributed among 100% of the employees, as evidenced by the registration documentation that is part of the company's management systems.

The update and training courses are differentiated to cover the needs of all areas: quality, commercial, purchasing, administration, human resources, management, production, logistics.

Among the most important are certainly those on Lean Management, which fits into Nicro's continuous improvement process, evolving over the years to represent a market partner always in step with the times. With the aim of improving the performance of various departments, the course analyzes the physical flows of materials, products, and information within the company, the current production and warehouse layouts, and the management of times and processes, to eliminate waste and increase overall efficiency, also involving personnel in the proposed improvement activities. From the analysis of current (AS-IS) and ideal (TO-BE) flows to the discussion of the applicability of improvements to the current layout, personnel are involved in every phase and trained through the support and coaching of professionals experienced in lean management and kaizen philosophy for building a theoretical standard of continuous improvement.

f. INTERNSHIPS AND SCHOOL-TO-WORK ALTERNATION

Believing in the potential of synergy between education and the world of work, NICRO SPA promotes training projects for internships and school-work alternation for students of technical high schools.

Since 2018, it has been an active part of the professional training center Consorzio ENFAPI in Treviglio (Bg). ENFAPI is in fact, a professional training center that has been carrying out its training activities since 1972, offering courses for students, companies, and workers.

The company is also present today within the Board of Directors of the Institute with the aim of developing ad hoc courses for young people to gradually integrate them into the work environment. In 2022, were initiated two internships in the production field.



In 2023, Nicro participated for the first time in the PMI Days organized and promoted by Confindustria Bergamo. Nicro welcomed two classes of third-year middle school students from the IC Spirano Institute in Brignano Gera D'Adda.

The PMI Days were an opportunity to bring young people closer to the world of work, showing how a real

production company operates, what the roles in a metalworking company are, and how everyone works together every day to achieve a common goal.



5. SOCIAL AND TERRITORIAL COMMITMENT

a. SOCIAL INCLUSION

Always attentive to social issues, NICRO Spa has collaborated on projects with various organizations operating at both local and international levels. The commitment to social causes is not intended as charity but as support through concrete actions for the development of the projects and activities of the associations that the company supports.

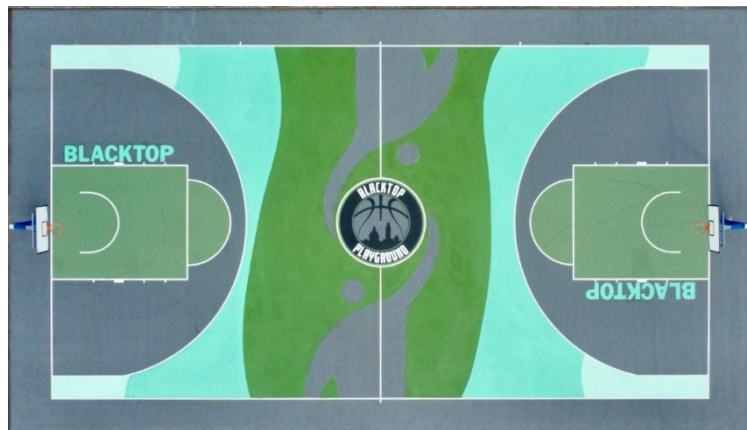
A partner of the company is the Social Cooperative "IL SUSINO" of Caravaggio (Bg), which proposes as its institutional purpose the carrying out of various activities aimed at the employment of disadvantaged people. The type A and B Social Cooperative is founded on the idea that a disadvantaged person, if appropriately supported and assisted by ordinary workers prepared for this task, can be introduced to work and operate in an organized context with business criteria.

NICRO SPA has activated an Article 14 Convention with the Cooperative, which has effectively hired a disadvantaged person within its work area, funded by the company. Over the years, activities have been initiated for the digitization of technical and commercial archives, as well as projects related to the production field.

b. SPORT & SOCIALITY

Since 2018, NICRO Spa has supported the ASD Basket86 Caravaggio club through sponsorship. This organization aims to promote the game of basketball with courses and sports programs involving over 200 boys and girls of all ages, from the youngest to the Serie D team. Since 2020, the company has been the sponsor of the Minibasket sector, providing uniforms for about 100 young athletes.

With the contribution of the Municipality and various local entities, NICRO SPA has helped create a public playground on the outskirts of Caravaggio. The project, completed in 2019, was embraced with great enthusiasm, creating a space for community gathering and the development of this sport in the area. NICRO SPA contributed as the main sponsor to the construction of the playing surface and the installation of modern lighting for evening use.



c. ENVIRONMENT & TERRITORY

In 2020 and 2021, thanks to the company's contribution, three beehives were installed in the social garden area of the Social Cooperative "Il Susino" in Caravaggio (Bg). The management of the beehives was entrusted to the company Apicolturaurbana, setting up important training projects for people with disabilities.

The environmental issue related to the slow and progressive decline of pollinating bees in our territories has become increasingly relevant.

In 2022, an important environmental project was initiated, supported and sponsored by NICRO SPA as the lead company. The project, which will officially start at the end of 2023, involves the planting of an area of over one hectare in the Municipality of Caravaggio, in the area adjacent to the Sanctuary of the Blessed Virgin. The intent is to create an urban orchard in the city's tourist area, rich in ornamental plants and flowers that create natural paths open to the public.

The short-term objectives of the project are:

- Initiate a scalable process for territorial regeneration
- Involve company resources and citizens in the planting through public events
- Start the production and processing of products with local cooperatives

The project has been initiated and is in progress!



d. HEALTH

The network of companies of which NICRO SPA is an integral part invested in 2022 in a project that could have an immediate social and educational impact on the territory.

At the beginning of 2022, an ultrasound machine was purchased for the Breast Center - ASST Bergamo Ovest located in Caravaggio (Bg), which is of significant importance in the field of prevention and screening.

The idea, promoted by Angelo Soliveri, President and CEO of NICRO SPA, Soliveri Srl, and Tav Vacuum Furnaces Spa, also benefited from the fundamental and valuable contribution of several companies in the network, namely Vacuum Spa, Tavengineering Spa, Thermocast Spa, with the participation of the Social Cooperative "Il Susino."

The project was made possible thanks to the collaboration with the Municipality of Caravaggio, and as in past years, the initiative is supported through the activities of the Rotary Club of Treviglio and Pianura Bergamasca, which managed the operation in all its aspects.

An important purchase from many points of view, aimed at increasing awareness of prevention and health in the territory.




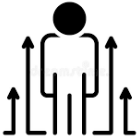




6. GOALS & COMMITMENTS FOR THE FUTURE

a. GOALS 2023

<p>Growth – opening up to new market areas in the world including, for example, North America where very little business is done today</p>	<p>The goal is considered to have been achieved as business activities are started in North America</p>
<p>Growth– development of engineering activities also through relations and partnerships with external specialised companies</p>	<p>The goal is considered to have been achieved as projects in Turkey and Sweden are started with external companies in partnership</p>
<p>Network – development of activities with network companies for common objectives such as training, trade fairs, technology investments</p>	<p>The goal is considered to have been achieved as a trade fair business activity was developed in cooperation with TAV and training courses on AI issues were scheduled</p>
<p>Training – targeted investment in skills improvement activities in specific areas (sales, people management and Lean Production) also with external support</p>	<p>Activities started at the end of 2023 and ongoing in 2024</p>
<p>Developing People – people involvement and team building activities through non-working moments</p>	<p>Target achieved with various activities planned and delivered</p>
<p>Environment – initiation and development of a multi-year project to reduce the company's overall environmental impact to zero emissions</p>	<p>Please refer to the description of the Caravaggio agro-forest project</p>
<p>Positive impact – recognition of the company's social and positive impact on the territory</p>	<p>Development of activities with local administrations and Confindustria Bergamo</p>

b. COMMITMENTS 2024

	<ul style="list-style-type: none"> • Growth - opening up to new market areas in the world including, for example, North and South America as well as India • Growth - development of engineering activities also through the relationship and partnership with external specialised companies • General Risk Assessment in order to identify the main risk areas also related to ecological transition
	<ul style="list-style-type: none"> • Network - development of activities with network companies for common goals such as training, trade fairs, technology investments
	<ul style="list-style-type: none"> • Training – investimenti mirati nelle attività di miglioramento delle competenze in aree specifiche (sales, HR, operation, quality) anche con supporto esterno
	<ul style="list-style-type: none"> • People development - people involvement and team building activities through non-work time and development of the welfare plan with new initiatives
	<ul style="list-style-type: none"> • Environment - initiation and development of a multi-year project to reduce the company's overall environmental impact to zero emissions
	<ul style="list-style-type: none"> • Positive impact - recognition of the company's social and positive impact on the territory

7. CONCLUSIONS

a. BOLLINO ETICO SOCIALE

Bollino Etico Sociale, is a certificate that helps us to enhance the social innovation actions implemented by our company regarding care for the land and people, for greater environmental sustainability, but also for life.

Since November 2019, NICRO has been a company certified with the Bollino Etico Sociale, choosing to incorporate innovation, ethics, and social responsibility within the corporate strategy, highlighting the values and objectives to measure and communicate the results of positive impact initiatives.

b. METHODOLOGICAL NOTE

This 2023 sustainability report provides key information regarding the company's sustainability strategy, actions, objectives, and economic, environmental, and social impacts.

The document has been prepared with reference to the Global Reporting Initiative (GRI) sustainability reporting guidelines.

NICRO's social reporting process is renewed every year, and the data presented in this report refer to the fiscal year ending December 31, 2023, maintaining the same reporting scope as the 2023 annual financial report.

For questions and comments regarding this report, please contact:

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With this Sustainability Report, the company has decided to communicate itself and its data in compliance with the principles stated at the beginning of this document, namely:

Responsibility	NICRO Spa hereby accepts responsibility for the data and information disclosed
Identification	NICRO Spa uses this document as an account of itself and the initiatives implemented as well as to communicate social impact data
Transparency	This document is considered by the company as an element for its transparency
Comparability	The budget contains datas from a three-year period in order to be able to make comparisons; the same mechanism will be used in the following years
Comprehensibility, clarity and intelligibility	This document is drafted according to the principles of international guidelines and in a manner considered as simple as possible

EDITORS

This report was written by:

Gerolamo Soliveri

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