



**SUSTAINABILITY
REPORT
2024**

INTRODUCTION

FOUNDED ON OUR LONG FORGING HERITAGE, WE ARE BUILDING A FORWARD-THINKING AND SUSTAINABLE FUTURE FOR FORGITAL PEOPLE

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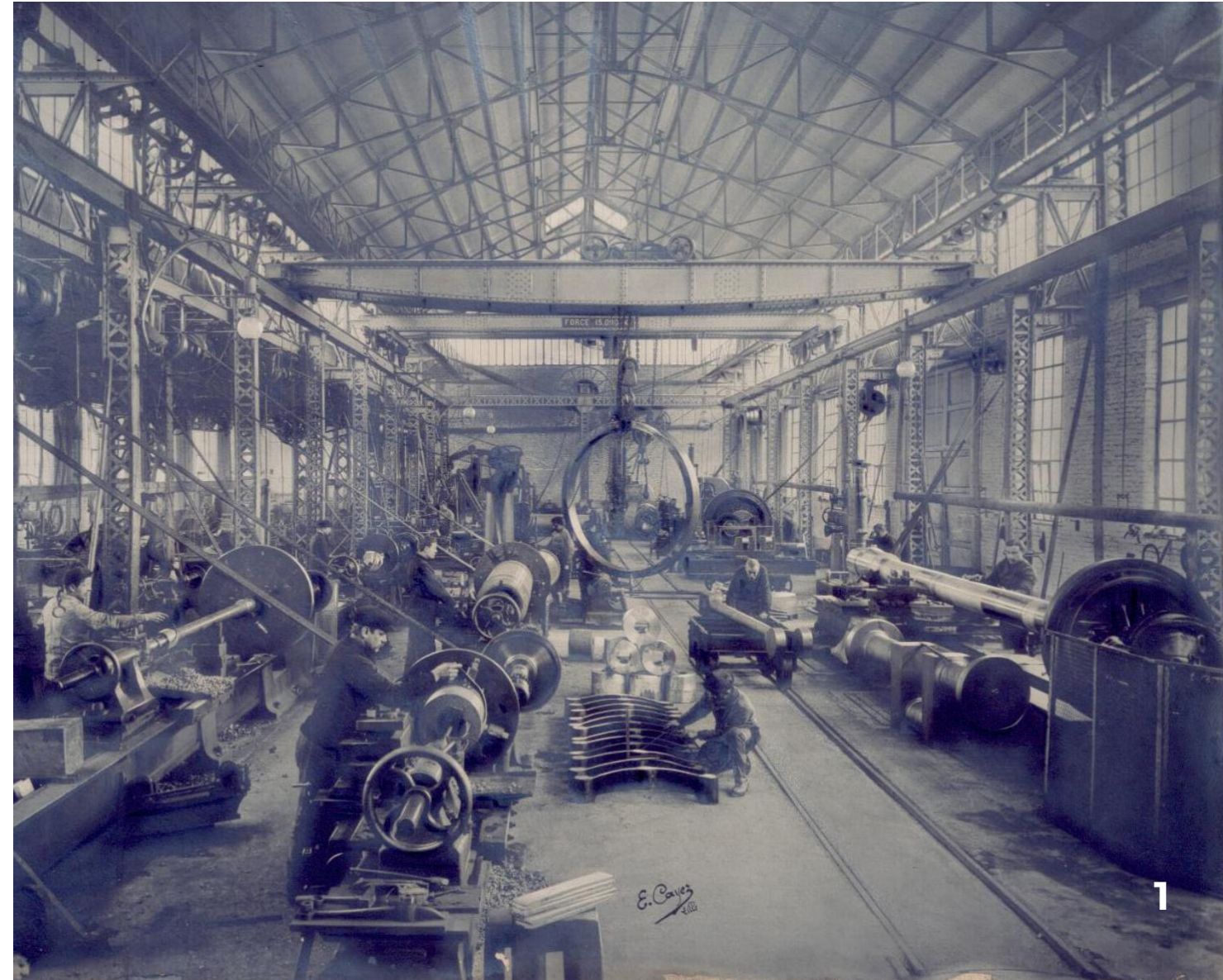
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CEO'S STATEMENT

FORGING AHEAD IN A YEAR OF CHANGE

Dear Stakeholders,

2024 has been a year of preparation and transformation for Forgital. Late in the year, we signed an agreement with Stonepeak, a milestone that set the stage for our next chapter. The transaction officially closed in 2025, giving us time to plan carefully and ensure a smooth transition. This partnership provides Forgital with the resources and support to continue investing in our people, our operations, and innovation, while staying true to the values that have defined our company for generations.

While our ownership structure has evolved, our purpose remains the same. We are committed to deepening our expertise, safety, and integrity in everything we do. Over the past year, we continued to strengthen these foundations by making progress in reducing energy consumption and emissions and expanding our Women's Network, which has quickly become a space for connection, mentorship, and growth across the organization.

Adapting to a changing environment

The global landscape is shifting, and 2025 brought new challenges and opportunities.

In Europe, sustainability regulations are still evolving. The applicability of the new CSRD reporting standards has been postponed, while other initiatives such as new supply-chain due diligence requirements are moving forward. We are staying focused on these developments and preparing our processes to meet future obligations.

In the United States, the beginning of 2025 marked significant policy changes with a new administration taking office. Trade tensions intensified, leading to new tariffs and rules that added complexity to global supply chains. Policies on diversity, equity, and inclusion also shifted, creating new compliance requirements. While regulations may vary, our commitment remains constant. Forgital will continue to comply fully with local laws while upholding our belief in fair, safe, and respectful workplaces everywhere we operate.

Our priorities for the year ahead

As we look to 2025, we are concentrating on several key areas:

- **Safety first.** Protecting the health and well-being of our people remains our top priority.
- **Environmental progress.** We are focusing on energy efficiency, exploring new technologies to reduce emissions, and expanding the use of renewable energy wherever possible.
- **Resilient and responsible supply chains.** We are strengthening human rights and environmental standards with our suppliers while navigating new trade and tariff challenges.
- **Developing talent.** Through apprenticeships, technical training, and programs like the Women's Network, we are building the skills and leadership our future requires.
- **Governance and accountability.** With Stonepeak's support, we are enhancing oversight and strengthening internal controls to ensure sustainable, long-term growth.

Looking forward with confidence

Forgital has always been about more than the parts we produce. It is about the people who trust us, from our employees to our customers and communities, and about the role we play in building a safer, more sustainable future.

The year ahead will bring its share of uncertainty but also great opportunities. With a stronger foundation, a clear purpose, and the support of our new partners, we are ready to navigate change and keep delivering for those who depend on us.

Thank you for your continued trust and commitment as we move forward together.

With appreciation,

Meddah Hadjar
Chief Executive Officer



LETTER TO STAKEHOLDERS

STRENGTHENING OUR PATH TOWARDS SUSTAINABLE GROWTH

Dear Readers,

It is both an honor and a privilege to step into the role of Chief Financial Officer at Forgital Group. As I present the 2024 Sustainability Report, I reflect with great pride on the strength of our organization—a company with a clear vision, a solid foundation, and a deep commitment to sustainability.

The year 2024 marks another key milestone in Forgital's journey. We closed the year with €507 million in sales revenue, reaffirming our robust market position. Aerospace continues to be the cornerstone of our business, representing 74% of total revenue, while the Industrial segment contributed 26%. The Aerospace sector delivered an impressive 38% growth compared to 2023, more than offsetting the 16.0% decline in Industrial. This resulted in an overall 18% increase in revenue—an achievement that underscores the strength and resilience of our diversified portfolio.

These results reflect the strategic path we have charted in recent years, as well as the unwavering commitment and expertise of our people—whose dedication and sense of responsibility are the driving forces behind Forgital's success. Together, we will continue to build on this foundation.

Our financial achievements in 2024 have been paralleled by significant advancements in sustainability. Continuing with the strategic framework established in 2021, we have integrated environmental and social responsibility deeper into our operations. Through targeted initiatives, we've seen measurable improvements across key performance indicators. We have also remained steadfast in advancing the three pillars of our sustainability strategy—Environmental, Social, and Governance. While challenges remain, our direction is clear, and our commitment is stronger than ever.

In parallel, we've made important strides toward aligning our practices with the Corporate Sustainability Reporting Directive (CSRD). This year, we launched a comprehensive internal review and gap analysis, mobilizing cross-functional teams to enhance the structure, traceability, and auditability of our ESG data. Beyond mere compliance, this effort represents a strategic opportunity to increase transparency, strengthen decision-making, and embed sustainability further into our governance framework.

Our sustainability journey is far from over. It requires ongoing innovation, targeted investments, and a culture that embraces change. I look forward to partnering with the entire Forgital team to build a resilient, responsible, and forward-thinking business—one that not only creates value today but secures a sustainable future for generations to come.

A sincere thank you to all the people of Forgital Group for their dedication and tireless efforts. It is with great excitement that I begin this journey alongside you.

Warm regards,



Xavier Carnoy
Chief Financial Officer
Forgital Group





OUR SUSTAINABILITY STRATEGY

FORGING FORWARD

In common with the forging industry worldwide, our main sustainability impacts are environmental ones, particularly energy sourcing and consumption, as well as materials sourcing and recycling. As we prioritize the establishment of a sustainable long-term future and strive to lead the way in our sector, we are among the pioneering forging companies worldwide in addressing these vital sustainability challenges through a comprehensive and transparent governance framework.

Our objective is to motivate other companies in the sector to emulate Forgital by disseminating best practices concerning emissions reduction, responsible materials sourcing, and recycling. Through this approach, we aim to accelerate the much-needed transformation within the industry.

After the setting of a reduction target for Scope 1 and 2 emissions, which has been publicly disclosed and reported, Forgital process continues with the measuring of Scope 3 emissions, involving key players along its supply chain.

Since 2021, we have dedicated substantial efforts to consolidate and formalize our sustainability approach. Through a meticulous materiality assessment and engagement with our key stakeholders, we have identified four pivotal areas of focus: Innovation, Social Impact, Environmental, and Governance. By focusing our strategy on these four pillars, we aim to advance Forgital towards a sustainable future.

In this framework, the Group has set out ten strategic objectives, each with corresponding targets, as detailed in the present report. This report has been prepared with reference to the Global Reporting Initiative (GRI) Standards, which currently serve as Forgital's main reference framework for sustainability reporting. At the same time, the company has already embarked on a structured pathway to align with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

In this context, the report includes selected methodological and content elements that anticipate the new European regulatory framework, with particular attention to the double materiality approach. This reflects Forgital's commitment to enhancing transparency and integrating sustainability more deeply into its business strategy, in view of full compliance with future reporting obligations.



ENVIRONMENT

- 1 Operational efficiency
- 2 Decarbonization
- 3 Transparency and responsibility – carbon, waste and materials

SOCIAL

- 4 Safe and attractive workplace
- 5 Diversity, inclusion and equal opportunities
- 6 Employee life cycle

GOVERNANCE

- 7 Ethics and integrity across the whole value chain
- 8 ESG risks mitigation

INNOVATION

- 9 R&D and product safety
- 10 Advanced manufacturing and technology systems



FORGITAL AT A GLANCE

A LEADER IN FORGED COMPONENTS

Forgital is a leading, vertically integrated Group focused on the manufacturing of seamless rolled rings in rectangular or profiled sections, as well as assembled fan modules, covering the largest range of sizes.

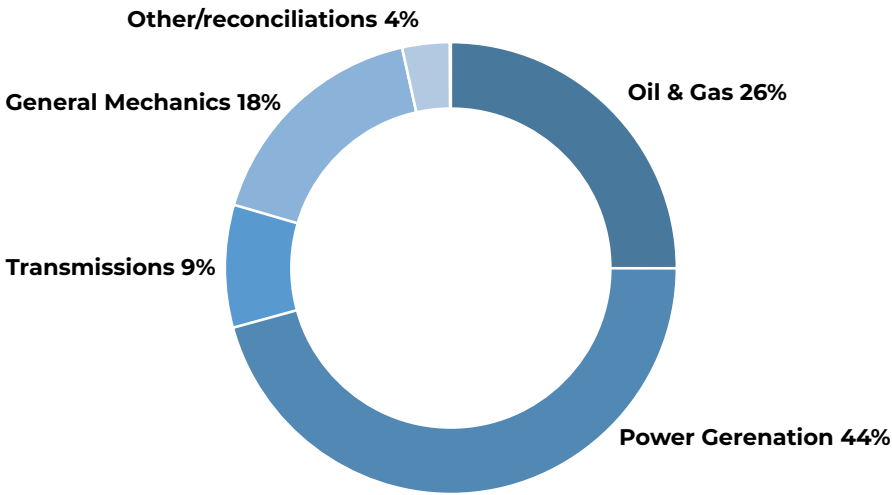
Forgital Compact Supply Chain simplifies the production process of customers through an integrated system of technologies and services which encompasses all the steps of the project: from the pre-processing to the post-processing phase (including finishing, welding and macroetching).

Its expertise lies in forging and lamination of rolled rings, utilizing state-of-the-art techniques across a diverse spectrum of materials such as titanium, nickel, cobalt alloys, carbon steel, alloy steel, stainless steel, and aluminum. Forgital caters to a wide array of clientele, encompassing prominent aircraft aero-engine suppliers as well as clients operating within the oil and gas, transmission, power generation, and general mechanics sectors. Group's specialized offerings adhere to rigorous customer specifications, and Forgital boast a proven track record of reliability and timely delivery schedules.

Established in 1873, Forgital runs nine facilities located across Italy, France, and the USA, comprising three forging companies, three machining shops, two testing laboratories, and one distribution center. Referring to 2024, it was overseen by the Italian holding company Orizzonti 2 S.p.a. As of June 30, 2025, Stonepeak acquired Forgital, which is since then overseen by Stonepeak Efesto Upper Holdings S.p.A.

The Group employs 1,105 individuals and maintains a worldwide network of sales agencies. Forgital's headquarter is in Velo d'Astico, Vicenza, Italy, where primary manufacturing facility is also situated.

In 2024, the Group reported sales revenue of 507.3 million euro. Aerospace remained the dominant segment, contributing to 74% of total sales, while industrial markets accounted for the remaining 26%. Within the industrial segment Power Generation represented 44% of sales, Oil & Gas 26%, General Mechanics 18%, Transmissions 9%, and Nuclear together with Reconciliations made up the remaining 4%.

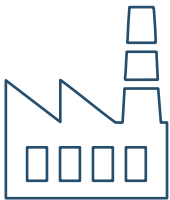




FORGITAL AT A GLANCE continued

In 2024, the Group delivered a strong growth in turnover, registering an 18.4% year-over-year increase. This performance was primarily driven by the Aerospace sector, which saw a substantial rise of 38.5% versus 2023. This growth effectively offsets the 16.0% decline in the Industrial segment over the same period.

In Europe, Forgital is the leading company for forged and ring rolled components for commercial aeroengine, space, defence and industrial markets. Our innovative approach is applied on site via our world-class facilities.



9

FACILITIES IN
ITALY, FRANCE
AND THE USA



1,105

EMPLOYEES



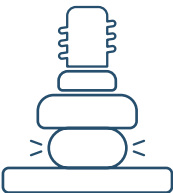
€ 507.3 M

SALES
REVENUE 2024



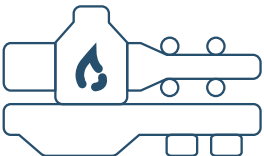
136,000

TONS OF RAW
MATERIAL
CAPACITY



8

HYDRAULIC
PRESSES,
RANGING FROM 1,200
TO 12,000 TONS



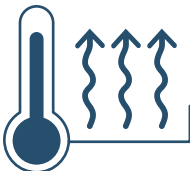
9

HOT ROLLING
MILLS



64

HEATING
FURNACES



40

HEAT TREATMENT
FURNACES



WHAT WE DO

FORGED COMPONENTS FOR HIGHLY SPECIALIZED APPLICATIONS

GRI 2-1; GRI 2-6

Forgital is one of the few vertically integrated forging companies in Europe, and this enables us to offer a uniquely streamlined service to clients. Forgital supplies highly specialized forged components to two main markets, the Aerospace and Space sector and the Industrial sector. Each sector is served by a dedicated Forgital division.



WHAT WE DO continued

Aerospace and Space sector

The sector is characterized by a limited number of major international players, most of whom are supplied by Forgital. The Group delivers tailor-made components designed to meet the specific requirements of each client, typically within medium- to long-term contracts. Building strong, lasting professional relationships is a key success factor in this business. The Group offers an integrated system of technologies and services, from production to assembly, supporting the needs of original equipment manufacturers (OEMs), with Forgital often acting as the sole supplier of specific critical parts.

Forgital has expanded into the aero-engine market, joining the select group of companies qualified to supply critical components for aircraft engines including turbojet and turboprop used in the most important aircraft currently in production.

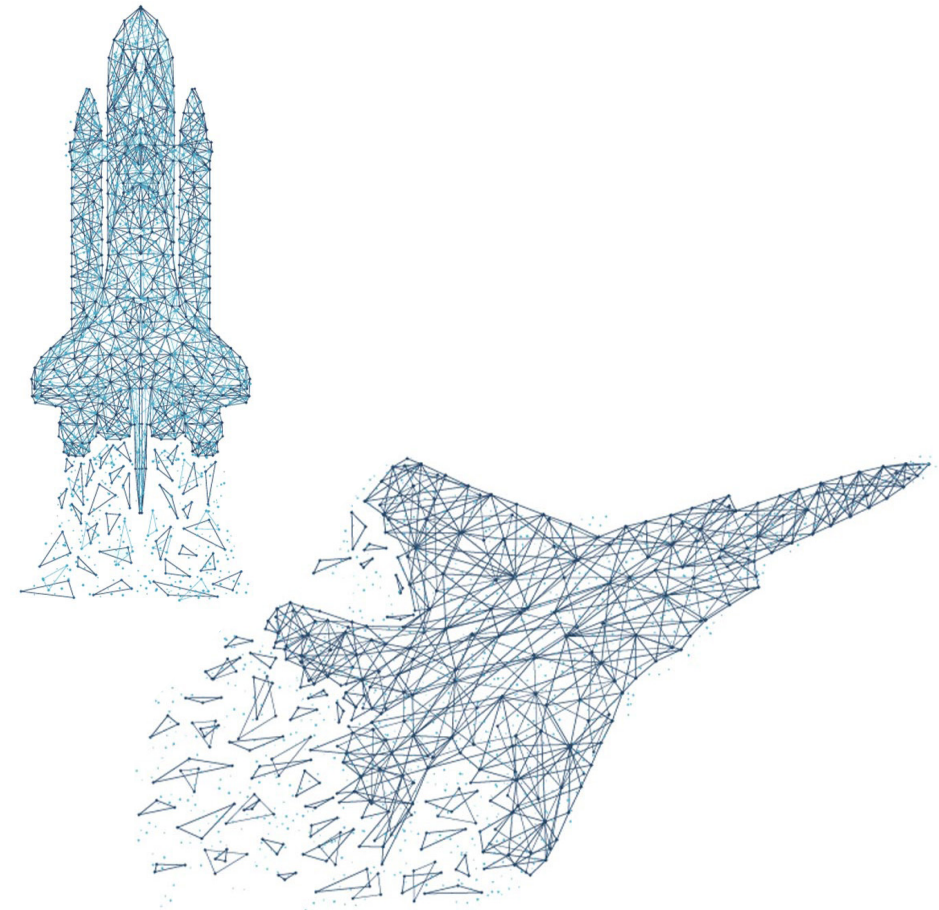
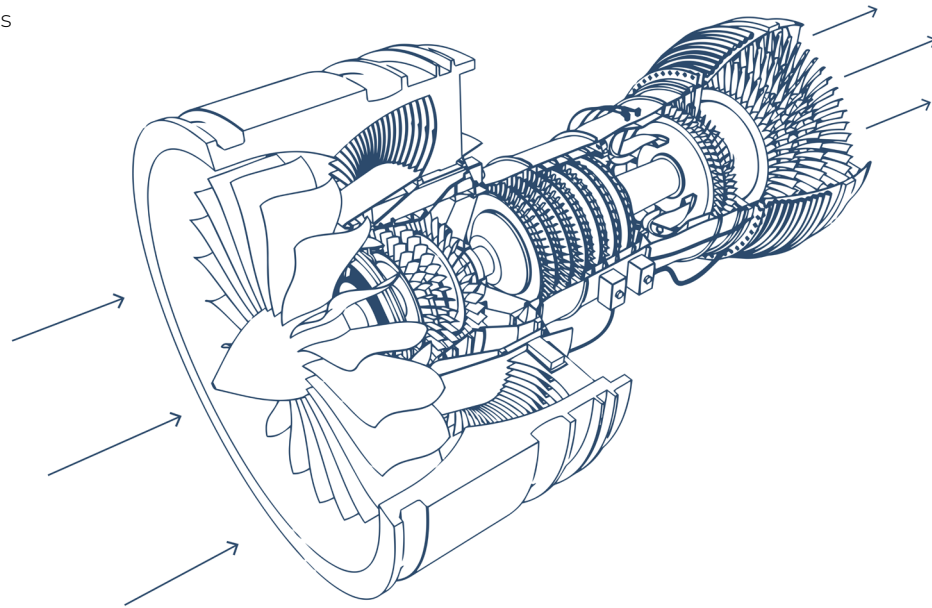
Forgital is also an established partner in the space industry, supplying components for launch vehicles, satellites, and orbital stations.

Main Aero applications:

- Fan case modules
- High & low pressure compressors
- Combustion chambers
- Turbines

Main Space applications:

- Launchers
- Space pressurized modules

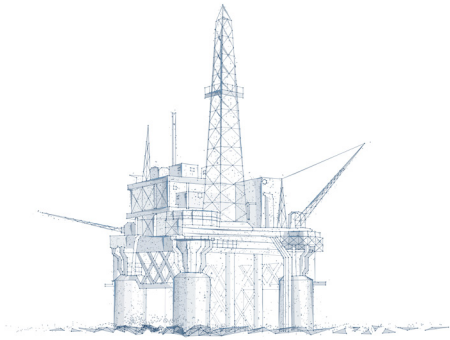


WHAT WE DO continued

Industrial sector

This sector is characterized by numerous clients and strong competition. Trading relationships are of a more transactional nature, and contracts are typically short term. However, the strong client relationships that Forgital builds in this sector, even though shorter term, represent a critical success factor for the delivery of long-term value to the Group.

The Group designs and supplies a huge variety of forged components for applications in several industrial sectors. Forgital products serve industries such as Oil and Gas and Nuclear, but are also applicable in the new energy industries such as Hydropower or Wind Power.

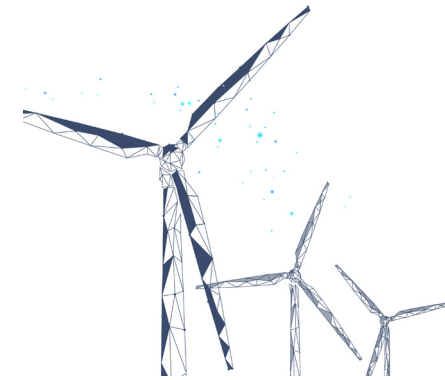


Oil & Gas

The Group started its experience in hot rolling profile with the oilfield sector. The great competitive advantage and the high-quality level of components provided by Forgital are the key factors for long-term relationships with customers.

Main applications:

- Drilling Subsea
- Valves
- Surface

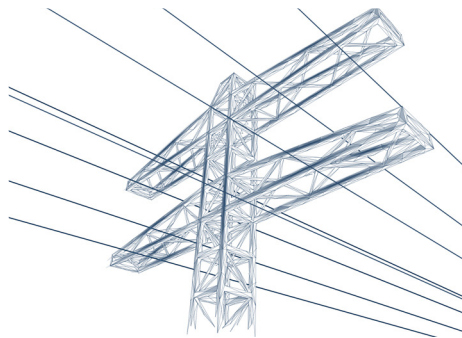


Transmission

This sector requires components that are engineered for demanding conditions, such as on-shore and off-shore wind applications or steel and industrial plants.

Main applications:

- Main bearings
- Gear boxes
- Pitch and Jaw bearings
- Couplings

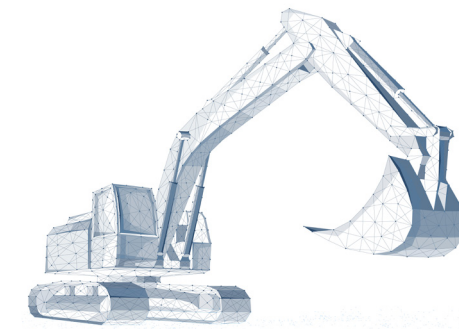


Power Generation

The leadership of Forgital in this sector originated in the early 1970s, with its involvement in nuclear energy development projects in Europe.

Main applications:

- Gas turbines
- Hydroelectric turbines
- Steam turbines
- Nuclear turbines



General Mechanics

Thanks to the know-how acquired in the rolling and machining of rings and forged parts, Forgital provides customized solutions for industrial machinery, production plants, and complex mechanical systems in this wide sector.

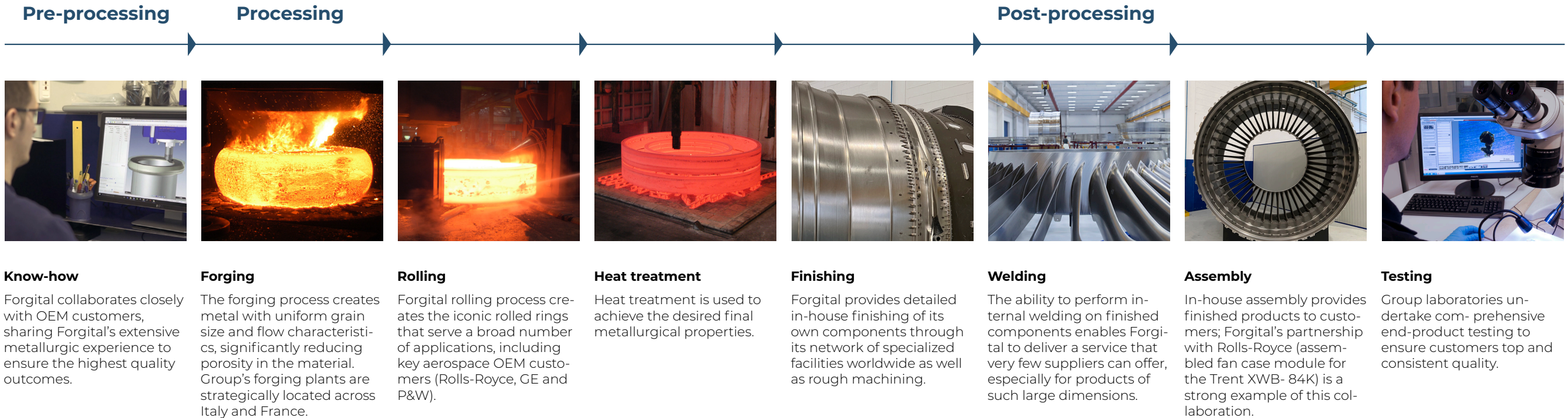
Main applications

- Construction
- Mining



WHAT WE DO continued

OUR INTEGRATED SERVICES AND CAPABILITIES





FORGITAL'S VALUES

OUR VALUES ARE EMBEDDED IN OUR CORPORATE DNA

Forgital is an organization built by the hands of many over more than 150 years. Our strong heritage of excellence and leadership, combined with the family ethos of a business built by consecutive generations, means that values are embedded in our corporate DNA.



We focus on leadership

Forgital people are fundamental to our results. We focus on teamwork, leadership and performance at every level, to ensure that our products are always the very best in the market and our people are empowered to perform at their best.



Customer satisfaction is our mantra

Our success is built on a continual focus on our customers – understanding exactly what they need and ensuring consistently high-quality product delivery. Relationships are at the heart of everything we do and building enduring relationships is as important to us as building enduring products.



Integrity

We take full responsibility for our actions and build our relationships on respect. Likewise, we demand respect for the highest ethical principles in all our business engagements from suppliers and stakeholders.



Excellence in quality

Our excellent reputation is underpinned by an unrelenting focus on improvement of quality in all aspects of our business, and by our dedication to ensuring our customers experience the highest standards in all interactions with us.



Teamwork

To maintain our technological excellence, we are constantly looking for new opportunities for innovation and development.



Belonging

Our family heritage and responsibility to our people are central to Forgital's culture. We take care of the health and wellbeing of our co-workers. We aim to ensure a safe and supportive workplace, recognizing and respecting the part we play in the fabric of our local communities.

OUR HISTORY

WE ARE AN EVOLUTION OF AN ENTREPRENEURIAL FAMILY BUSINESS

GRI 2-1

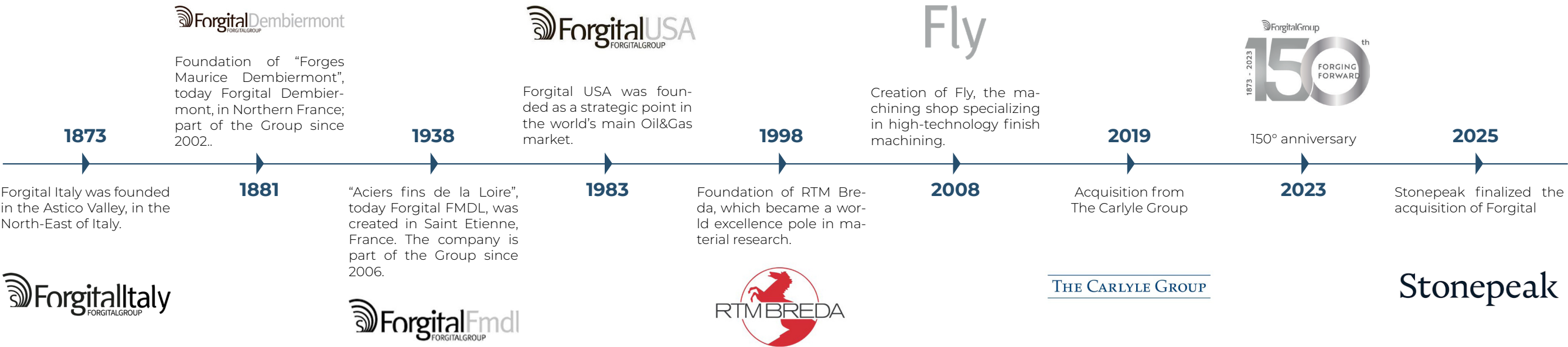
Forgital represents the evolution of a family-owned business with roots tracing back to 1873 in Italy. Our expansion journey has been propelled by substantial industrial investments and the penetration of European and international markets. More recently, we have strengthened our presence through the acquisition of two prominent French companies in our sector, which are now known as Forgital FMDL and Forgital Dembiermont. Our commitment to growth remains evident through recent endeavors, including the acquisition of the service-oriented company RTM Breda and the establishment of Fly, a cutting-edge machining facility.

In September 2019, Forgital became a part of The Carlyle Group, starting its journey in the integration and promotion of ESG principles.

In 2023, Forgital Group celebrated a significant milestone, marking 150 years of continuous operation.

At the end of 2024, Forgital embarked on a major strategic transformation with the entry of Stonepeak as its new ownership partner. Stonepeak is a global investment firm specializing in infrastructure and real assets, known for partnering with businesses to foster sustainable growth and long-term value creation.

This transition marked the beginning of a new chapter for Forgital, centered on enhancing manufacturing excellence and accelerating progress in sustainability. The acquisition was closed in June 2025.



FORGITAL'S STRATEGIC APPROACH

FORGITAL'S CORPORATE STRATEGY IS BASED ON FIVE PILLARS



- 1 Integration**
Be the leading integrated and independent European provider of mission-critical integrated and finished products and services, from forging to final machining, testing and assembly.
- 2 Improvement**
Accelerate operational improvement and efficiencies through continuous improvement and enhancing business mix to reduce costs.
- 3 Market share**
Win market share through further diversification of materials, platforms, components, technology and clients, further penetrating other engine sections.
- 4 Financial**
Deliver best-in-class financial performance and value creation through operational excellence and working capital improvements.
- 5 Technical**
Enlarge technical capabilities through investments in technology and talents.

LEADING THE SECTOR

THE FORGITAL DIFFERENCE

With 150 years of forging experience, and a deep knowledge of our materials and techniques, we are experts in our sector.

					
Technical expertise	Unique culture	Multi-facility infrastructure	Geographically diverse locations	Vertically integrated	Long-term relationships
Our technical expertise has been refined in countless and diverse sectors of the engineering industry, and through many years' experience of developing parts required for the most critical conditions. We have outstanding problem-solving capacities, which we harness for the benefit of our partners.	This unique expertise is embedded in our culture and our people. As the most important employer in our community, we have many colleagues who have been loyal to Forgital throughout their careers. This gives them lived experience of forging processes handed from colleague to colleague, which enables us to produce to unrivalled standards of excellence. It is the combined wisdom of the many Forgital people who came before us that enables us to meet the high expectations of our customers today.	In addition to our human capital, our multi-facility infrastructure provides a unique advantage for our customers. Our strategically located operational sites enable us to meet customer requirements across both Europe and the USA, and our manufacturing flexibility helps to protect supply chain integrity, so we are able to meet challenging customer timelines.	Our dispersed locations also represent shorter shipping distances, which offer efficiencies in time, money and carbon emissions. The combined capacity of our multiple sites is high, enabling us to meet all customer volume requirements.	We are recognized as one of the few vertically integrated forging companies offering the comprehensive process control that OEMs prefer. Our Compact Supply Chain is an integrated system of technologies and services, unique in the sector.	Our focus on building valuable long-term relationships and partnerships that allow innovation to flourish means that we work together with customers of excellence on projects of excellence.

28,105
HOURS OF
TRAINING TO OUR
EMPLOYEES

79.3%
OF EMPLOYEES
WITH REGULAR
PERFORMANCE
EVALUATION

8.3
INJURIES RATE

- 71.4%
IN COMPLAINTS
RELATED TO PRODUCED
PIECES OVER
THE PAST 5 YEARS

84%
OF WHITE COLLARS
TRAINED ON
ANTI-CORRUPTION

100%
GREEN ELECTRIC
ENERGY FOR
ITALIAN PLANTS

4TH
YEAR OF
SUSTAINABILITY
VOLUNTARY REPORTING



HIGHLIGHTS OF THE REPORT 2024

FORGITAL'S PERSPECTIVE ON SUSTAINABILITY

PRIORITIZING OUR ESG STRATEGY

The long-term stability of our business and industry increasingly depends on a set of critical sustainability factors. These include the responsible sourcing of raw materials, proper waste management and recycling, energy availability and pricing, cost of commodities, employee well-being, and climate change mitigation.

Forgital is aware of the growing regulatory focus on sustainability at the European and global level. To stay ahead of this evolution, we have been actively strengthening and formalizing our Group ESG strategy since 2021. This has involved the creation of a structured framework to guide our sustainability initiatives, ensuring transparency, accountability, and measurable progress. We also established a dedicated sustainability team, to enhance the necessary expertise and governance structure.

Guided by our ESG plan, we are pursuing targeted actions while also preparing to address emerging challenges. Customers are increasingly attentive to supply chain compliance with ESG standards, and our proactive strategy plays a key role in reinforcing strong commercial relationships.

Although Forgital is not yet subject to the obligations of the Corporate Sustainability Reporting Directive (CSRD), we have voluntarily launched the alignment process in 2025. This proactive step marks our commitment to a responsible, phased transition aligned with the European Sustainability Reporting Standards (ESRS).

After conducting our initial materiality assessments in 2022 and 2023 in accordance with the GRI Standards, Forgital carried out its first double materiality assessment in 2025. This exercise, aligned with CSRD and ESRS requirements, represents an evolution from a single-impact approach to a more comprehensive analysis. It considers both the actual and potential impacts of our operations on people and the environment, as well as the financial risks and opportunities that sustainability-related issues may generate for the company. Accordingly, this report anticipates selected CSRD-aligned assessment and mapping activities. At the same time, we continue to base our 2024 reporting on the GRI Standards, maintaining consistency with the approach adopted in recent years.

To ensure our business model and strategy remain aligned with what matters most today and in the future, it is essential to understand how we affect the world around us — and how it affects us.



STAKEHOLDERS

OUR PRIMARY STAKEHOLDERS

GRI 2-29

Forgital would not exist without our set of committed and motivated stakeholders.

Our first materiality assessment, in line with the GRI Standards, was carried out to identify the significant impacts generated by Forgital on the economy, the environment, and society. We've the been able to identify and categorize our primary stakeholders. This valuable insight has guided our first materiality analysis, as well as our approach to managing and engaging with stakeholders.

This report details our stakeholder engagement activities, with a focus on the following objectives:

1. Understanding the sustainability issues deemed significant by stakeholders within Forgital's operational context, which will contribute to the gradual development and refinement of the materiality matrix (this process established the basis of the current double materiality analysis, to be aligned with the coming CSRD reporting standards).
2. Assessing the alignment between internal and external stakeholders' expectations regarding how sustainability issues are addressed within the Group.

To achieve these objectives, we've identified key stakeholders such as the supervisory body, statutory auditors, employees, and collaborators (embracing the total working population across all group plants), as well as clients and raw materials suppliers who have participated in dedicated virtual surveys tailored to their respective categories.

Value Creation for Shareholders and Other Stakeholders

While our core focus has always been on generating value for our shareholders, we recognize the evolving landscape wherein value creation for other stakeholders is gaining prominence. As such, we are increasingly attuned to the value we bring to our customers and communities through the lens of Environmental, Social, and Governance considerations.

Forgital has identified 14 primary stakeholder groups, classified as follows:

Key stakeholders	Institutional stakeholders	Operational stakeholders	Stakeholders to inform
- Shareholders - Management - Supervisory body - Clients - Raw materials suppliers	- Institutions and public bodies - Standardization bodies	- Employees and collaborators - Competitors - Banks and insurers	- Services suppliers and subcontractors - Local communities - Research partners - Media

MATERIALITY ANALYSIS

SIMPLE MATERIALITY:
FIRST IDENTIFICATION OF MATERIALLY IMPORTANT TOPICS

GRI 3-1; GRI 3-2

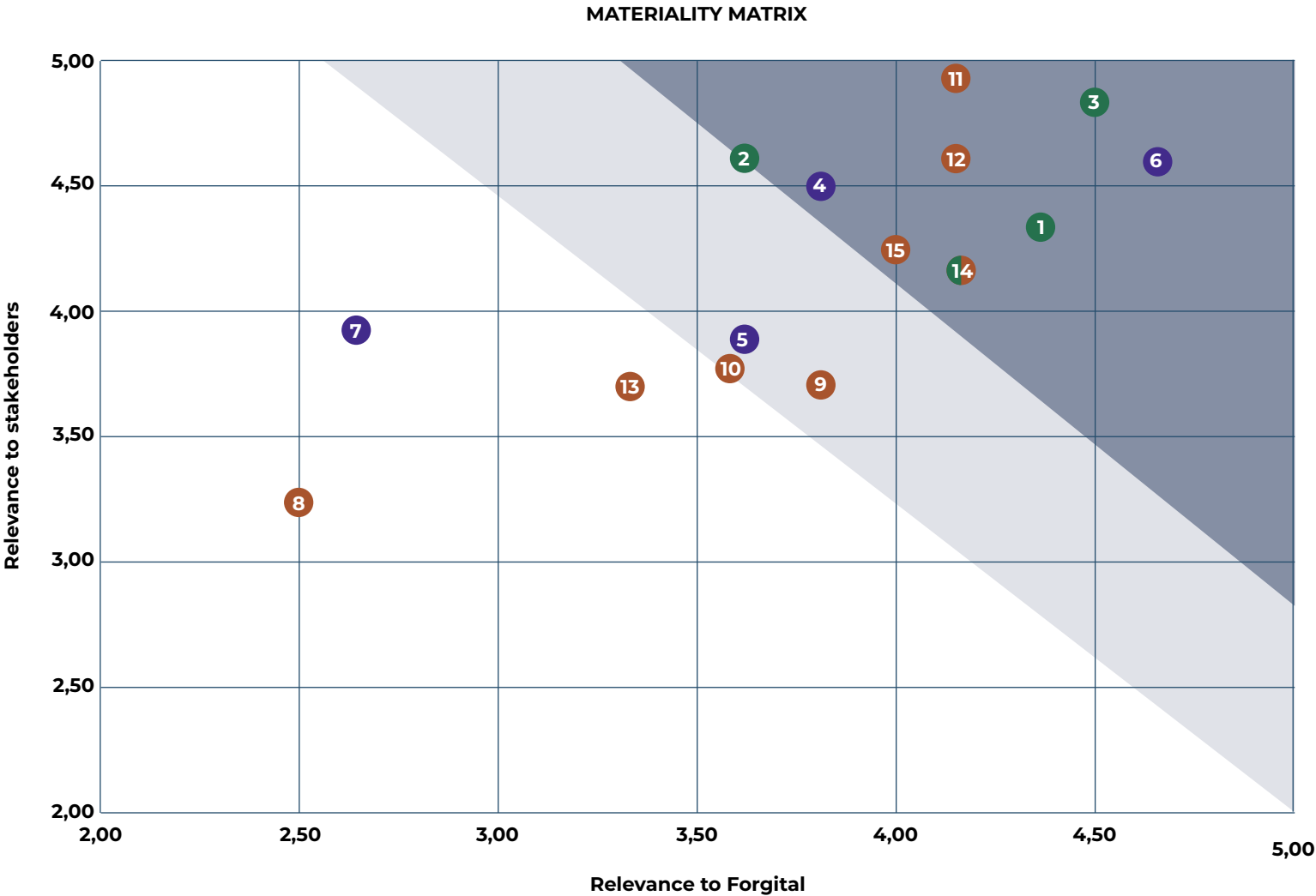
This analysis identifies the most significant environmental, social and economic topics to Forgital and its stakeholders; they are and must be the subject of attention by the organization and are reported in this document.

Our key stakeholders (supervisory body, employees and collaborators, clients and raw materials suppliers) were asked to input into this exercise, sharing opinions on the 15 potentially material topics initially identified, assigning each a score from one to five, and selecting the three topics they considered to be most important.

The results of this analysis are shown in Forgital's materiality matrix, which maps out the importance of the sustainability topics from both the Company's (x-axis) and stakeholders' (y-axis) perspectives. All those topics located in the top right band have been identified as material. Three other topics were found to be "immaterial" from stakeholders' perspectives, but highly strategic and already managed by the Group – shown in the bottom left band.

All these topics will be covered throughout the report.

The process began in 2022 with the definition of the first materiality matrix; in 2023, the same materiality questionnaire has been submitted to evaluate any changes in stakeholders' priorities on ESG issues. The materiality matrix updating process has substantially reconfirmed the positioning of all 15 material themes, obtaining a value higher than three in all the clusters involved in the definition of the matrix (Stakeholder and Forgital Group).



- Environment
- 1 Energy and emissions
 - 2 Operations impacts
 - 3 Respect for the environment
- Governance
- 4 Economic performance and market presence
 - 5 ESG governance
 - 6 Ethics and integrity
 - 7 Tax
- Social
- 8 Community engagement
 - 9 Diversity and equal opportunity
 - 10 Human rights
 - 11 Occupational health and safety
 - 12 Product quality and client satisfaction
 - 13 Sustainability awareness and training
 - 14 Sustainable sourcing
 - 15 Wellbeing and personal development

MATERIALITY ANALYSIS continued

DOUBLE MATERIALITY ASSESSMENT

As part of the double materiality assessment required by the CSRD and structured in accordance with the ESRS, Forgital has updated its stakeholder classification. Stakeholders are grouped based on their relevance in relation to both the organization’s **sustainability impacts** and its **exposure to sustainability-related financial risks and opportunities**.

This classification supported the mapping of impacts, risks and opportunities (IROs) along the value chain, and informed the prioritization of material topics.

As a result of this process, **7 affected stakeholder** groups and **6 users of sustainability statements** were identified as relevant to the sustainability context.

Affected stakeholders	Characteristics	Value chain location
Clients	Companies or public or private institutions that maintain business relations with Forgital or benefit from collaborations with the business	Dowstream
Material Suppliers	All the partners or companies by which Forgital is supplied with raw materials or with equipment and systems for production	Upstream
Employees and Collaborators	All direct employees and external collaborators who, while being employed by third-party companies, undertake permanent work activities within Forgital facilities	Own Operation
Local Communities	All the citizens residing in territories potentially affected by the presence of Forgital.	Across the value chain
Supplier Services	All the partners or companies by which Forgital is supplied with services	Upstream
Value Chain Workers	Employees and contractors of suppliers who are involved in various stages of production, logistics, and distribution.	Across the value chain
Nature [silent stakeholder]	Ecosystems surrounding Forgital operations across its value chain including water, soil, air, and biodiversity potentially impacted by resource extraction, emissions, and waste across manufacturing, and downstream stages until disposal.	Across the value chain

MATERIALITY ANALYSIS continued

Users of sustainability statements	Characteristics
Governments, Regulators and Supervisory Bodies	Encompasses national governments, environmental agencies, and other international regulatory bodies that set policies affecting Forgital ’s operations, particularly in mining and chemical manu- facturing.
Standardization bodies	All entities that issue regulations and other instruments to regulate activities and standards for the protection of the environment, people, governance and the wider economy
Investors and shareholders	Individual and institutional investors who own shares in the company.
Media	Newspapers, television channels and social media.
Civil Society	Academia, local community, associations and non-governmental organizations (NGOs)
Competitors	Companies and organizations that operate in the same market or have the same client targets as Forgital.

The review of the materiality assessment is based on Forgital's value chain, operations and collaboration with various stakeholders. The purpose has been to identify positive and negative sustainability impacts and identify potential financial risks and opportunities. The materiality assessment has been prepared on the basis of a review of sustainability-related material and business processes in the organisation and has subsequently been evaluated and reviewed by the Executive Board.

Forgital's double materiality assessment (DMA) approach consisted of four phases to determine material topics and provide input for the strategy development. These phases included:

- 1. value chain and stakeholder mapping;
- 2. identification of IROs, generating a list of topics and related impacts, risks and opportunities that are potentially material from an impact perspective and financial perspective
- 3. assess of the IROs, assessing the materiality of impacts and financial risks & opportunities and related sustainability topics
- 4. prioritisation and validation of material IROs.



MATERIALITY ANALYSIS continued

The Double Materiality Analysis was completed in 2025. According to best practices, the results will be reviewed annually and refreshed every three years.

The materiality assessment was based on input from Forgital's subject matter experts in climate, environment, social responsibility, health and safety, investor relations, and compliance.

Materiality is considered “double” because the analysis takes into account two perspectives:

- **Impact perspective:** the effects that the business has on the world (**POSITIVE** or **NEGATIVE impacts**).
- **Financial perspective:** the effects that external factors have on the business (**FINANCIAL RISKS** or **OPPORTUNITIES**).

Impacts, Risks, and Opportunities (IROs) can be either **ACTUAL** or **POTENTIAL**, and can occur across the value chain:

- Within Forgital's **own operations**
- In the **upstream** value chain
- In the **downstream** value chain

During the assessment phase, Forgital evaluated, scored, and prioritized each topic:

- The significance of impacts was assessed based on **severity** (scale, scope, and irremediability) and **likelihood**.
- The significance of financial risks and opportunities was assessed based on **magnitude** and **likelihood**.

A topic was considered material if its impact or financial score exceeded the defined thresholds. Separate thresholds were applied to positive and negative impacts, in line with the precautionary approach required by the ESRS, in order to prioritize potential adverse impacts¹.

The analysis identified a total of 29 material IROs, including 11 negative impacts and 4 Positive impacts. From the financial side, there are 12 material risks and 2 significant opportunities.

¹ Precautionary principle is a risk management approach where priority is given to identifying and mitigating potential adverse impacts, even if full scientific certainty is lacking.



MATERIALITY ANALYSIS continued

ENVIRONMENT

E1 Climate change			
Direct GHG Emission (Scope 1)	⊖	A	▢▢▢
GHG Emissions from energy sources (Scope 2)	⊖	A	▢▢▢
Supply chain and other indirect GHG emission (Scope 3 emission)	⊖	A	▢▢▢
Climate transition risks	⚠	P	▢▢▢
Physical climatic risks	⚠	P	▢▢▢
Carbon emission regulation risk	⚠	P	▢▢▢
Carbon taxation risk	⚠	P	▢▢▢
Low-carbon solutions development	💡	P	▢▢▢
Operational risk from energy price volatility	⚠	P	▢▢▢
E2 Pollution			
Potential soil and groundwater contamination	⊖	P	▢▢▢
Environmental impact in the supply chain	⊖	P	▢▢▢
Air emissions pollution	⊖	P	▢▢▢
E3 Water and marine resources			
Water consumption	⊖	A	▢▢▢
E5 Resource use and circular economy			
Hazardous waste generation	⊖	A	▢▢▢
Metal scrap recycling	⊕	A	▢▢▢

SOCIAL

S1 Own workforce			
Impacts to Health and safety impacts in own operations	⊖	P	▢▢▢
Potential workplace discrimination, harassment and mobbing on employess	⊖	P	▢▢▢
Work-Life balance	⊕	A	▢▢▢
Promotion of gender inclusion and women's health support initiatives	⊕	A	▢▢▢
Challenging working conditions	⚠	P	▢▢▢
Risk of Health & Safety incidents in own operations	⚠	P	▢▢▢
Career development of professionals	💡	P	▢▢▢
Talent attraction and retention	⚠	P	▢▢▢
S3 Affected communities			
Social impacts of raw material extraction in mining industry	⊖	P	▢▢▢
Job creation and economic growth	⊕	A	▢▢▢

GOVERNANCE

G1 Business Conduct			
ESG risks in supplier management	⚠	P	▢▢▢
Resilience and ESG performance	⚠	P	▢▢▢
ESG related reputational risk	⚠	A	▢▢▢

ENTITY-SPECIFIC

Product safety and quality	⚠	P	▢▢▢
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LEGEND

⊕	Positive impact	⚠	Financial risk	▢▢▢	Own Operations
⊖	Negative impact	A	Actual	▢▢▢	Upstream
💡	Financial Opportunity	P	Potential	▢▢▢	Downstream



MATERIALITY ANALYSIS continued

Despite the methodological shift required by the CSRD, the analysis confirmed consistency across several key themes that had already emerged in the initial materiality assessment, including:

- Climate change (E1): in particular, mitigation — already a central focus — was reconfirmed as an area of high impact and financial risk.
- Resource management and circularity (E5): reaffirmed as a priority area for industrial efficiency and stakeholder expectations.
- Working conditions and corporate culture (S1): already central to Forgital's HR policies, these topics were reaffirmed as critical, especially in light of new regulatory requirements.
- Business conduct (G1): the importance of a good corporate governance was reaffirmed, in line with legislation and ESG principles.

This shift toward the double materiality approach will strengthen Forgital's ability to understand and manage its environmental, social, and governance responsibilities, as well as the strategic risks and opportunities related to sustainability. The framework outlined by the CSRD represents not only a regulatory obligation but also an opportunity to enhance transparency and embed sustainability more deeply into the business model. The process will remain dynamic: thresholds, impacts, and priorities will be periodically reviewed in light of regulatory developments, market changes, and stakeholder expectations.

It is important to note that the double materiality assessment presented in this report represents a first implementation step toward full alignment with the CSRD and ESRS requirements. While the process has been carried out with methodological rigor, as regulatory expectations evolve, the scope, granularity, and stakeholder base of the assessment will be progressively expanded and refined. This phased approach reflects our commitment to a structured, transparent transition aligned with upcoming compliance obligations.

FORGING FORWARD

OUR FOUR STRATEGIC PILLARS

Today's success at Forgital stands as a testament to the unwavering dedication and commitment of past generations—individuals who worked tirelessly to build a resilient foundation for our people and the communities we serve.

Rooted in a 150-year legacy of forward-thinking and purposeful action, our approach to sustainability is guided by the same enduring values. It looks ahead—toward the next 150 years—with the aim of safeguarding the well-being of future generations of Forgital's people, their communities, and global society at large.

Our strategy, Forging Forward, is structured around four strategic pillars. These pillars were defined through a rigorous benchmarking process that included input from industry peers. They form the basis for ten strategic objectives that will shape our roadmap through 2030. These objectives are the concrete expression of the material and high-level strategic topics identified in our first materiality matrix.

The development of this matrix began in 2022 and was refined in 2023 through a broader and deeper engagement with stakeholders, as described in the previous chapter.

Following our recent double materiality assessment, our strategy has been confirmed and reinforced. Nevertheless, it remains dynamic and will be further refined as our sustainability journey progresses—ensuring alignment with the evolving priorities of our stakeholders.

The Group's strategic objectives were defined through a comprehensive multi-level engagement and analysis process, which included:

- Internal desk analysis, examining certified management systems, production processes, and governance structures.
- Research into stakeholder expectations, including input from supervisory bodies and shareholders.
- Assessment of global and European sustainability trends and emerging risks.
- Sector-specific analysis of sustainability risks and opportunities.
- Review of positioning and practices adopted by national and international peers, clients, and competitors.

To support the successful implementation of these objectives, a dedicated set of targets, actions, and Key Performance Indicators (KPIs) has been established to monitor and measure progress.

The specific targets are presented in the following table.

ENVIRONMENT

- 1

Operational efficiency
- 2

Decarbonization
- 3

Transparency and responsibility – carbon, waste and materials

SOCIAL

- 4

Safe and attractive workplace
- 5

Diversity, inclusion and equal opportunities
- 6

Employee life cycle

GOVERNANCE

- 7

Ethics and integrity across the whole value chain
- 8

ESG risks mitigation

INNOVATION

- 9

R&D and product safety
- 10

Advanced manufacturing and technology systems

OUR STRATEGIC OBJECTIVES AND TARGETS

ENVIRONMENT

High-level strategic objectives		Targets
1	Operational efficiency	• 25% reduction in energy intensity
2	Decarbonization	• 30% reduction in Group Scope 1 and 2 GHG emissions (target set in 2022) • 30% reduction in Group Scope 3 emission (target set in 2024)
3	Transparency and responsibility – carbon, waste and materials	• Share our environmental responsibility goals transparently with our stakeholders • Implement waste recycling

SOCIAL

High-level strategic objectives		Targets
4	Safe and attractive workplace	• Target zero injuries • Implement upgraded Group HR and H&S data collection process
5	Diversity, inclusion and equal opportunities	• Formalize our diversity, inclusion and equality activities
6	Employee life cycle	• Develop Group Human Resources Development Plan

GOVERNANCE

High-level strategic objectives		Targets
7	Ethics and integrity across the whole value chain	• Formalization of Group ESG commitment and strategy • Integration of shared value across the value chain
8	ESG risks mitigation	• Integration of ESG factors into risk mapping • Implementation of a data collection system for all Group entities to consolidate information • Definition of an ESG financing framework

INNOVATION

High-level strategic objectives		Targets
9	R&D and product safety	• Offer and promote ESG focused products or services • Understand the ESG impacts of own products
10	Advanced manufacturing and technology systems	• Enhance and innovate production systems

ENVIRONMENT





INTRODUCTION TO ENVIRONMENT

GRI 302-1; GRI 302-3; GRI 302-4;
GRI 305-1; GRI 305-2; GRI 305-3, GRI 305-4; GRI 305-6

At Forgital, sustainability is closely linked to our ability to innovate and operate efficiently. By adopting and implementing new technologies, we aim to strengthen our competitiveness while reducing the use of energy and resources. A central pillar of this journey is decarbonization: although particularly challenging for the forging sector, we view it as a fundamental requirement and a critical factor for long-term success. Our commitment focuses on lowering carbon emissions by improving efficiency, cutting consumption, limiting reliance on fossil fuels, and encouraging the shift to renewable energy. Alongside these priorities, we are reinforcing our governance to ensure that our sustainability objectives are concrete, measurable, and achievable. We also embrace a responsible approach to all environmental impacts, from reducing waste and pollution to promoting practices that maintain resources for the future, not only to safeguard our business, but also to create lasting value for future generations.

We are also in the process of reassessing our reduction targets to ensure they more accurately reflect changes in the production mix and the related environmental impacts. Moreover, the value of Forgital's production has undergone such a significant change that it can no longer be exclusively compared through an economic intensity index. For this reason, we are studying how to restructure both our energy intensity and emission intensity indicators so that, in the coming years, our decarbonization strategy becomes more accurate, reliable, and aligned with the actual evolution of our operations.

Key environmental targets for 2024

- 25% reduction in energy intensity by 2030 (against 2019 baseline)
- 30% reduction in Group Scope 1, 2, 3 emissions by 2030 (against 2023 baseline)

Methodological note on rounding

All quantitative data have been checked for accuracy and consistency. For presentation purposes, in line with the GRI Standards' principles, quantitative indicators have been rounded according to their nature:

- energy consumption and GHG emissions are rounded to whole units (tons, GJ, etc.);
- percentage indicators are rounded to two decimal places;
- intensity ratios or other values showing very small variations are reported with up to six decimal places, where necessary to highlight significant differences.

Any differences between totals and the sum of components are solely due to rounding.



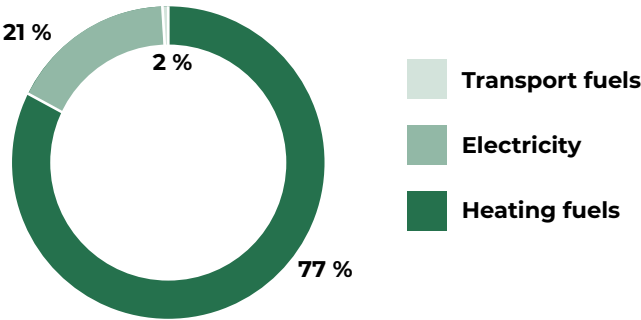
COMMITMENT TO ENERGY EFFICIENCY IN OPERATIONS

Our production plants have the most significant energy consumption and environmental impact of all Forgital activities, given the type of processes undertaken, and the high production volumes needed. Each of our subsidiaries has appropriate organizational functions to monitor the use of energy and environmental reglementary compliance.

- The energy consumption of our Group can be divided into three categories:
- heating fuels, also intended for powering systems, plants and machinery, as well as heating systems
 - electricity, directly produced or purchased from the market, intended both to power systems, plants and machinery, and to power some heating systems; and
 - transport fuels, which include consumption relating to the company car fleet and those relating other vehicles used throughout the premises (e.g. forklifts).

GRI 302-1: Energy consumption within the organization		UoM	2024	2023	2022
Heating fuels	Natural Gas	GJ	825,314	815,753	771,840
	Coal	GJ	-	1090	907
	Other (please specify) (Diesel+LPG)	GJ	55	47	-
	Total heating fuels consumption	GJ	825,370	816,844	772,747
Electricity	Consumption of electricity purchased from renewable sources	GJ	163,221	146,290	-
	Consumption of electricity purchased from NON-renewable sources	GJ	60,950	55,775	185,117
	Electricity produced by photovoltaic system	GJ	306	357	475
	Electricity produced by photovoltaic system consumed	GJ	296	346	456
	Electricity produced by photovoltaic system sold	GJ	10	10	19
	Total electricity consumption	GJ	224,468	202,412	185,574
	Electricity from renewable sources	%	72.85%	72.44%	0.25%
Transport fuels	Gasoline	GJ	1,126	2,407	703
	Diesel	GJ	15,738	14,817	15,564
	LPG	GJ	1	2	464
	Total transport fuels consumption	GJ	16,867	17,226	16,732
Total energy consumed		GJ	1,066,705	1,036,483	975,054

The below graphic shows Group's energy consumption by source (GJ)



COMMITMENT TO ENERGY EFFICIENCY IN OPERATIONS

continued

The Group's overall energy profile is characterized by three main areas of consumption, which reflect the energy-intensive nature of our production processes:

- Heating: the largest share of the Group's energy consumption comes from natural gas, essential for forging and heat treatment processes. The combustion of gas is crucial for initiating and sustaining the high temperatures required in the furnaces.
- Electricity: electricity accounted for 21% of total consumption in 2024, making it the second-largest energy source. The Group has undertaken initiatives to reduce reliance on fossil fuels, including the installation of photovoltaic systems at Forgital Italy and the purchase of green energy for Italian plants and, from 2026, for French plants too.
- Transport fuels: transport fuels represented the smallest share of energy consumption (2%), mainly linked to on-site material handling and the use of cars and vans for passenger and off-site material transportation.

A residual share of emissions also derives from process fuels and refrigerant gases.

As illustrated in the table below, Forgital's energy consumption in 2024 increased compared to the previous years, despite a reduction in the number of tons produced. This can be explained by the company's expanding range of highly technological and high-performance products, which use lighter raw materials but require more complex and energy-intensive production processes. Consequently, there is an increase in energy intensity per ton produced, while energy intensity relative to turnover has decreased, as these advanced products have generated higher revenue.

GRI 302-3: Energy intensity	UoM	2024	2023	2022
Energy consumption	GJ	1,066,706	1,036,483	975,055
Energy intensity	GJ/t	33.64	31.47	26.31
	GJ/€	0.0022	0.0026	0.0029

All our subsidiaries are dedicated to consistently pursuing technical, managerial, and organizational solutions to enhance energy reduction and efficiency efforts. Furthermore, a series of maintenance and continuous energy efficiency improvement measures are being explored across the business, including in:

- motors and machinery;
- furnace combustion systems;
- compressed air systems;
- ventilation systems.

Several energy consumption reductions projects were implemented during 2024. The most significant improvement came from removing water-cooled doors from three furnaces, which resulted in lower electricity usage for cooling water management and reduced methane consumption for compensating heat loss from the furnaces.

Additionally, conducting preventive and predictive maintenance on our main production plants and extraction and ventilation systems ensures their sustained high performance, optimizing efficiency and reducing electricity and gas consumption. To support these efforts, the Group introduced a series of training activities to raise employee awareness about energy waste, especially during new employee induction and within specific departments.

The table below show a general overview of the projects and their results.

COMMITMENT TO ENERGY EFFICIENCY IN OPERATIONS

continued

GRI 302-4: Reduction of energy consumption (2023 baseline)	Types of energy included in the reductions	UoM	Amount of reductions in energy consumption
Removal of water-cooled door from furnace F87 Reduction of electricity consumption for management of cooling water and methane for compensation of heat removed from the furnace	Electric and Gas	GJ	4,329 ¹
Removal of water-cooled door from furnace F70 Reduction of electricity consumption for management of cooling water and methane for compensation of heat removed from the furnace	Electric and Gas	GJ	3,351 ¹
Removal of water-cooled door from furnace F61 Reduction of electricity consumption for management of cooling water and methane for compensation of heat removed from the furnace	Electric and Gas	GJ	2,377 ¹
Heating for tank (F97)	Electric and Gas	GJ	1,153 ¹
Replacement of boiler K1 (CT OME) with new Unical boiler K69. Improved combustion efficiency	Gas	GJ	218 ¹
Efficiency activities of compressed air distribution network and loss repair	Electric	GJ	7,016 ¹
Cleaning of heat exchanger bodies for regenerative burners of furnaces FA2-F61-F70-F76-F87 Increase in the furnace's average annual efficiency by 3%	Gas	GJ	879 ¹
Direct use of machinery heat to heat Fly production areas	Gas	GJ	1,866 ¹
E-power FLY Efficiency by reducing harmonics and electric disturbances - Improved power quality	Electric	GJ	33 ²

1 Estimation

2 Direct Measurement

ENERGY SAVING GOOD PRACTICES

Case Study

Reduction in Gas Consumption at Fly Through Improved Energy Management

In 2024, thanks to more **attentive management of internal thermal energy**, Fly was able to avoid using the heating system in its production departments. The heat generated by the lathes in the mechanical workshop proved sufficient to ensure adequate comfort conditions for workers.

Analysis of past conditions revealed that the combination of machine-generated heat and the heating system often led to thermal excess, which sometimes required cooling even during winter months. As a result, the decision was made not to activate the heating system in production areas—eliminating an inefficiency and advancing toward a more responsible use of energy.

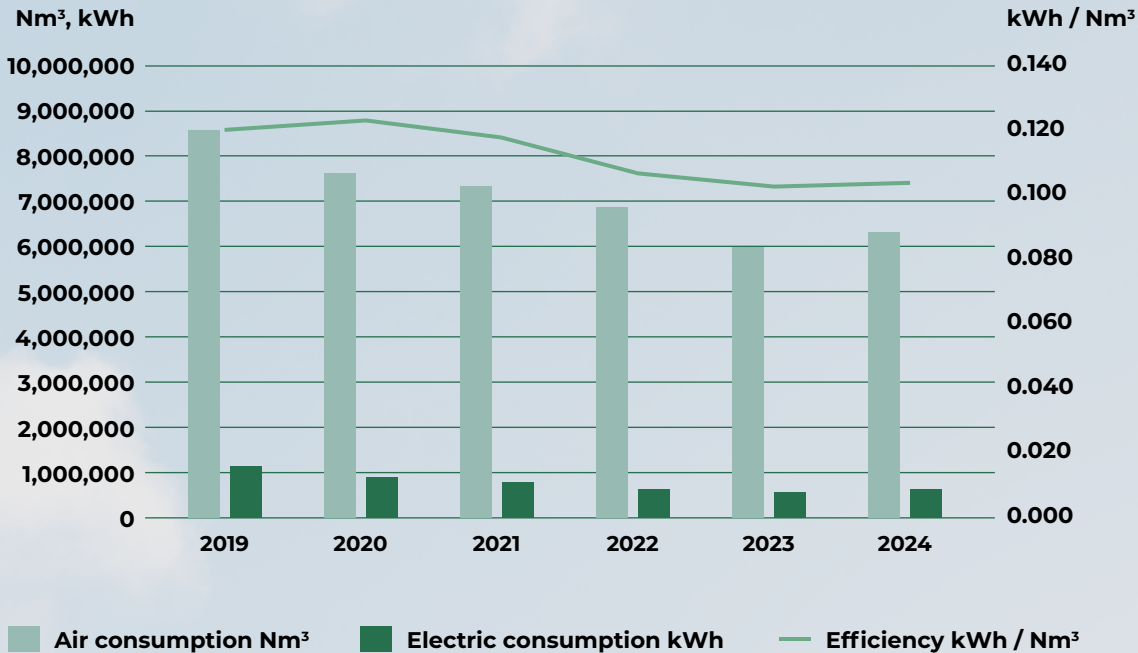
Assuming the same level of consumption as in 2023, it is estimated that approximately 52,000 cubic meters of gas were saved, resulting in a **reduction of around one-third of Fly's Scope 1 emissions**.

This is a good practice that has been recognized and will be carried forward into the future.

Efficient Compressed Air Management

Compressed air is a vital resource in industrial operations, yet it remains one of the least energy-efficient utilities, with up to 80% of the energy used for compression dissipated as heat. At Forgital, we are fully aware that even minor leaks in compressed air systems can lead to significant energy waste, operational inefficiencies, and increased carbon emissions.

Graphic shows the relation between compressed air and electric consumption, showing efficiency trend.



Limiting compressed air losses means:

- Reducing electricity consumption and associated CO₂ emissions
- Enhancing system stability and process continuity
- Lowering operational costs by reducing compressor workload
- Aligning with ISO 50001 and ESG goals, reinforcing our sustainability strategy

To address these challenges, Forgital has implemented a **structured and proactive approach**, including:

- **Regular preventive maintenance** and targeted leak detection campaigns
- **Continuous monitoring and performance diagnostics**
- **Technological upgrades** to improve energy efficiency (such as investments in high efficiency compressors, pressure optimization and switch on/off compressor management called Optimizer 4.0)
- **Employee engagement** through simple but impactful daily practices

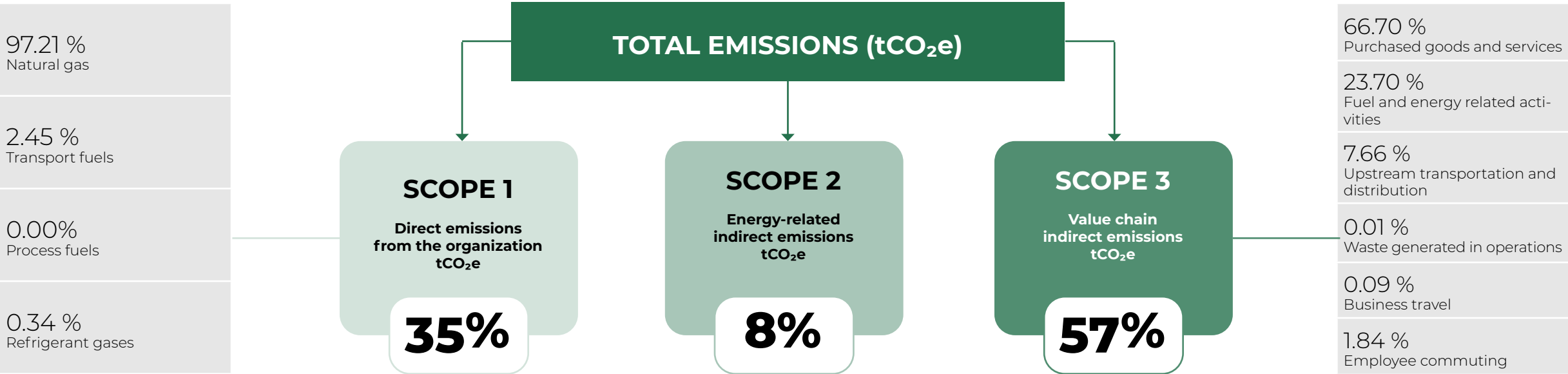
Among the good practices promoted internally, particular focus has been placed on:

- Promptly reporting air leaks from tools, hoses, and fittings
- Closing shut-off valves when equipment is not in use, to prevent unnecessary losses

These combined actions have delivered measurable results. In 2024 alone, energy efficiency interventions related to compressed air leaks and maintenance activities have enabled us to **save over 184,000 kWh** (1.825.000 m³ of compressed air), contributing tangibly to our decarbonization objectives.

Compressed air efficiency is not only a technical challenge—it is also a shared cultural responsibility that reflects our commitment to continuous improvement and sustainable operations.

EMISSIONS



Greenhouse gas emissions are a direct consequence of energy consumption and represent a primary driver of global warming, with severe impacts on both flora and fauna. To mitigate these effects, Forgital's Sustainability Plan foresees the gradual replacement of fossil fuels with more environmentally responsible alternatives. These investments reflect our commitment to adopting low-carbon technologies and maximizing energy efficiency, particularly in areas where technical constraints limit other options.

Aligned with the increasing integration of sustainability as a core principle of economic and social progress, Forgital Group continues to reinforce its efforts to monitor and reduce its environmental footprint through the systematic measurement of its carbon footprint. This commitment is implemented through a structured action plan, which includes:

- The development of a methodology for calculating the organizational GHG inventory in accordance with the Greenhouse Gas Protocol (WBCSD/WRI, 2004);
- Ongoing monitoring of Scope 1 and Scope 2 performance, with historical comparison against previous years;
- Further refinement and expansion of Scope 3 emissions reporting, now in its second year;
- The identification of economically efficient emission reduction measures, supported by the data collected through the GHG inventory.

To ensure methodological robustness, Forgital has partnered with Spinlife, a specialized consultancy established within the University of Padua, providing technical support throughout this process.

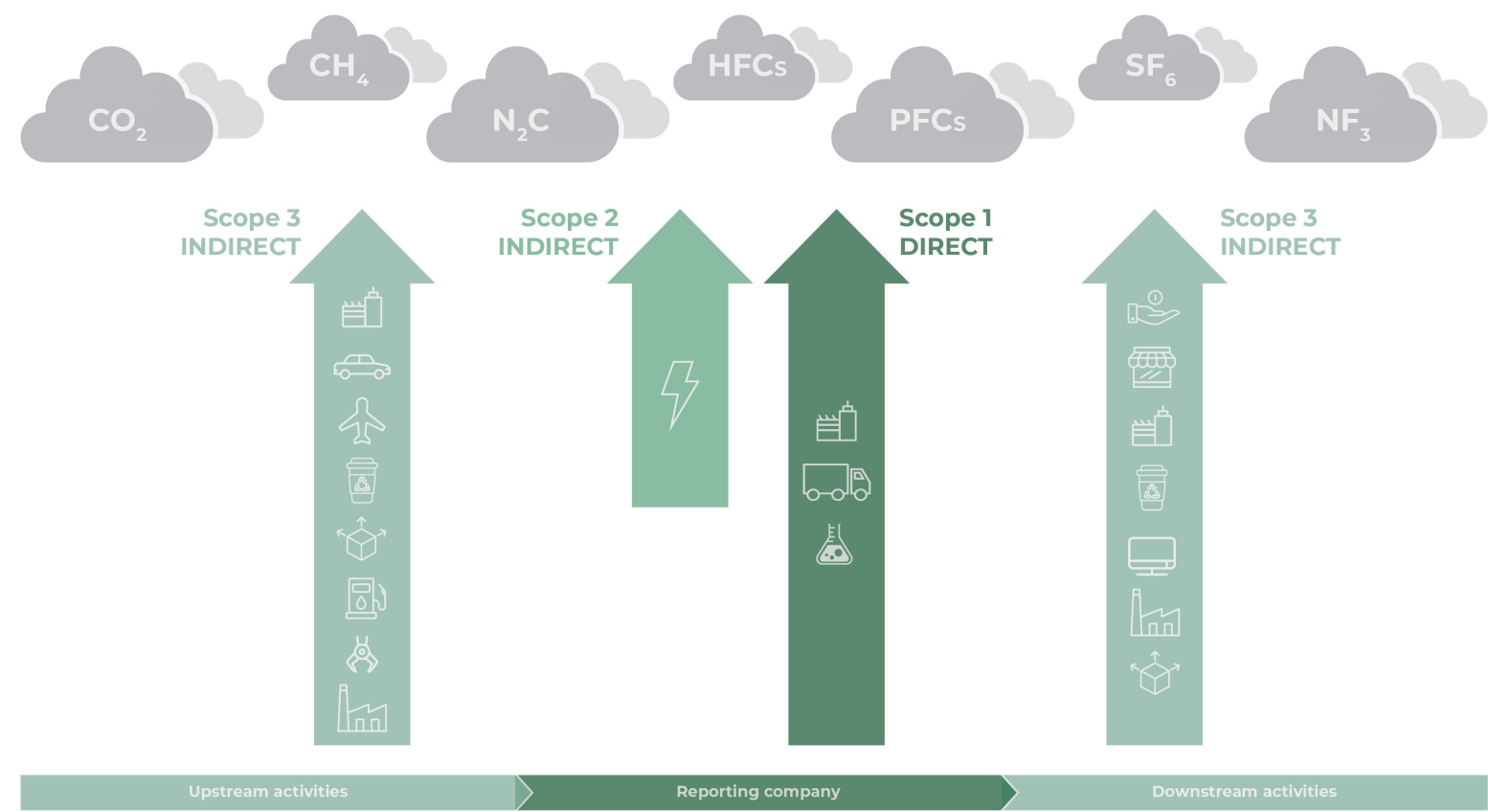
While Scope 1 and Scope 2 emissions reporting is now well consolidated, particular attention has been devoted to the development of Scope 3 reporting, especially regarding the identification of relevant categories within the 15 defined by the GHG Protocol. A comprehensive mapping of all potentially applicable emission and removal categories was conducted, and a significance assessment was performed based on the following criteria:

- Magnitude: the scale and volume of emissions;
- Level of influence and control: Forgital's capacity to influence or manage the source of emissions;
- Access to information: the availability and reliability of data needed for quantification.

EMISSIONS continued

Each criterion was associated with a scoring system, enabling the selection of the most significant subcategories to be included in the reporting of indirect emissions. These selected categories will be further detailed in the relevant section (see page 34).

In 2024, as part of the effort to enhance data accuracy, data collection sheets were distributed to the Group's raw material suppliers, with the objective of increasing the share of primary data used in the inventory. This initiative marks a step toward improving the quality and transparency of Scope 3 emissions reporting.

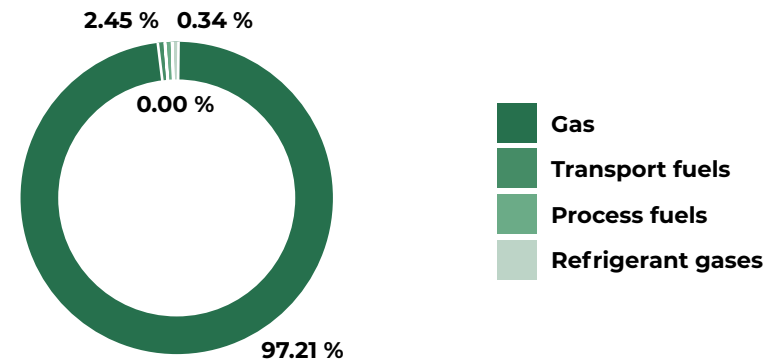


EMISSIONS continued

Scope 1 emissions

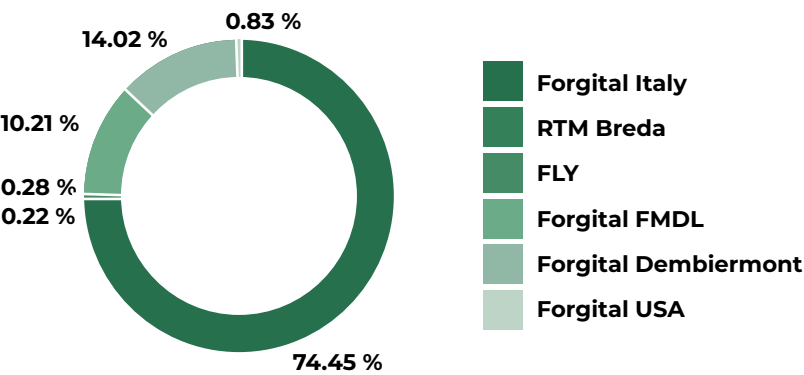
Natural gas consumption represents almost entirely Forgital's Scope 1 GHG emissions, accounting for nearly 97 % for each year. This comes essentially from the heating required for forging and heat treatment activity, with combustion of natural which is also used for space heating, but demand from this activity is minimal.

Scope 1 GHG emissions by source



The majority of the Group's Scope 1 emissions (two-thirds) originate at Forgital Italy, that has the highest production tons output. The remaining factories, Forgital FMDL and Forgital Dembiermont, represent almost all the remaining emissions, whilst the other sites account for less than 2% of Forgital 2024 Scope 1 GHG emissions.

Scope 1 GHG emissions by company



Forgital's Scope 1 emissions increased from 2023 to 2024. As explained for energy consumption, this increase is directly linked to the growing offer of products made from high-performing raw materials, which lead to an increase in energy demand, particularly natural gas. These advanced products, although more efficient and technologically sophisticated, require more complex and energy-intensive production processes, resulting in higher direct (Scope 1) emissions, mainly from the use of fossil fuels like natural gas.

GRI 305-1: Direct (Scope 1) GHG emissions	UoM	2024	2023	2022
Natural gas emissions	tCO ₂ e	49,035	47,458	39,269
Transport fuels	tCO ₂ e	1,236	1,217	1,191
Process fuels	tCO ₂ e	0	2	72
Refrigerant gases	tCO ₂ e	171	168	76
Total Scope 1 GHG emissions	tCO ₂ e	50,444	48,847	40,609

1 Emission factors from Ecoinvent v 3.9.1.

EMISSIONS continued

Scope 2 emissions

The second largest source of energy consumption at Forgital Group is electricity, which falls under Scope 2 GHG emissions. Since 2023, all electricity purchased for the Group's Italian plants is covered by Guarantees of Origin (GO), which certify that the energy consumed comes entirely from renewable sources.

This decision reflects a concrete commitment to decarbonization, consistent with Forgital's broader environmental strategy: the voluntary use of GO-certified electricity plays a strategic role in reducing indirect emissions and supporting the renewable energy market. It allows the Group to reduce its reliance on fossil fuels and to invest confidently in energy efficiency measures, low-carbon technologies, and sustainable production practices.

To further extend this approach, similar energy supply agreements are planned for the Group's French plants starting in 2026.

Ultimately, this choice strengthens Forgital's alignment with international sustainability goals, enhances its environmental reputation, and contributes to long-term business resilience in an increasingly regulated and climate-conscious market.

The impact of this decision is particularly evident when comparing the two Scope 2 accounting methods: the location-based approach, which reflects the average grid mix of the region, and the market-based approach, which takes into account specific contractual choices such as the purchase of renewable energy and GO certificates. Through the market-based method, Forgital can clearly demonstrate its shift toward clean energy sources.

GRI 305-2: Energy indirect (Scope 2) GHG emissions ²	UoM	2024	2023	2022
Electricity emissions – Location-Based method	tCO ₂ e	12,771	11,507	9,737
Total Emissions Scope 2 LB	tCO ₂ e	12,771	11,507	9,737
Electricity emissions – Market Based method	tCO ₂ e	997	974	NA
Total Emissions Scope 2 MB	tCO ₂ e	997	974	NA

2 In order to ensure consistency with previous reporting years, emission factors from the International Energy Agency (IEA) Emission Factor Database have been used. In the calculation of the market-based emissions, the Italian emission factor is manually cancelled to account for the purchased Guarantees of Origin.

EMISSIONS continued

Scope 3 emissions

For the Scope 3 emissions category, the focus was on the most representative categories based on a significance analysis. Using a scoring system based on magnitude, level of influence and control by the Group, and access to information, a list of subcategories deemed significant for Forgital was defined:

- Purchased goods and services (Category 1)
- Fuel and energy related activities (Category 3)
- Upstream transportation and distribution (Category 4)
- Waste generated in operations (Category 5)
- Business travel (Category 6)
- Employee commuting (Category 7)

All of these are categories referring to activities upstream of the supply chain. The most significant item is Category 1, which includes the purchase of raw materials. These materials were characterized by selecting items that are part of the finished product or directly contribute to their production:

- Raw materials, divided according to product families, specifically: Aerospace alloys, Steel alloys, Aluminum, Stainless steel, and Steel.
- Packaging: the standard packaging of the finished product is made of wood or plastic (PVC).
- Lubricants, used in the production process.

All other items within purchases have been excluded because the necessary data is not available, and it is estimated that the GHG emissions generated by these materials are negligible in the overall total.

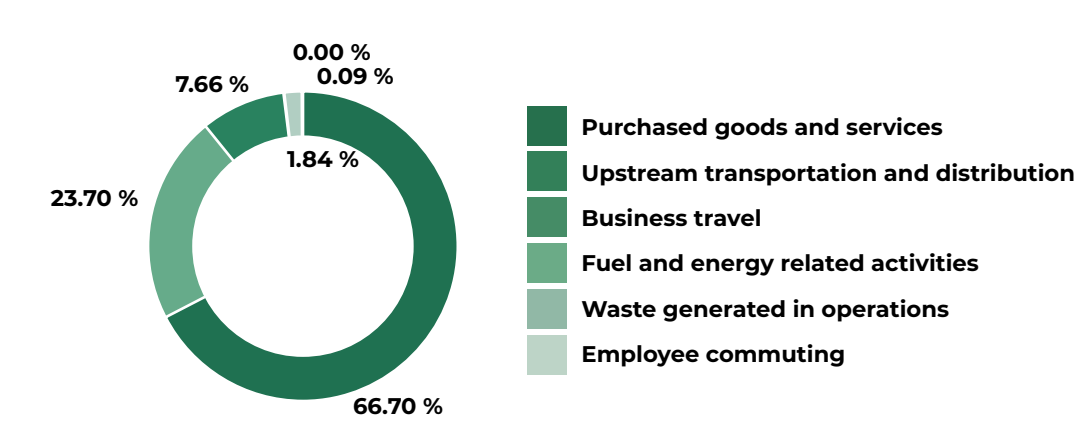
GRI 305-3: Other indirect (Scope 3) GHG emissions ³				
Category	Emission source	UoM	2024	2023 ¹
Category 1	Purchased goods and services	tCO ₂ e	65,444	53,445
Category 3	Fuel and energy related activities	tCO ₂ e	23,254	15,754
Category 4	Upstream transportation and distribution	tCO ₂ e	7,513	5,220
Category 5	Waste generated in operations	tCO ₂ e	2	3,525
Category 6	Business travel	tCO ₂ e	92	88
Category 7	Employee commuting ⁴	tCO ₂ e	1,807	1
Total Scope 3 emissions (market-based approach)		tCO ₂ e	98,114	78,035

³ Emission factors for Scope 3 categories from Ecoinvent v 3.9.1.

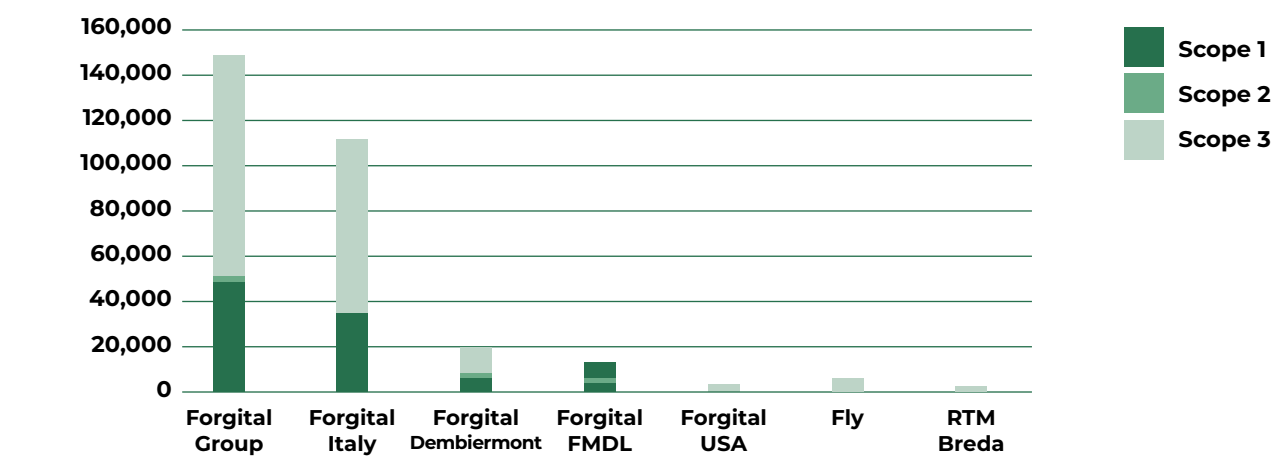
⁴ Referring to 2024, the data related to the “Employee Commuting” category were obtained by calculating the weighted average of the distances associated with each individual facility and multiplying this by the total number of actual commuting days of the employees at that facility. In addition to these figures, emissions related to smart working have also been included. For 2023, only emissions related to smart working were accounted for.

EMISSIONS continued

Scope 3 emissions – sub-categories



The below graphic shows total emissions detailed by plant.



The Forgital Italy production site, which has the highest production volume, is also the primary responsible of Scope 3 emissions.

Scope 3: engagement with suppliers on emissions.

The Group has started a process of supplier engagement through targeted surveys focused on the supply chain, with the aim of raising awareness on the quantification and reduction of emissions.

Main suppliers have been invited to respond to specific questions designed to assess their ESG maturity.

Furthermore, the Group is committed to improving and expanding the quality of data related to indirect (Scope 3) emissions by replacing database-derived estimates with specific and accurate data wherever possible. Some raw material suppliers have already contributed to this effort by sharing their carbon footprint calculations, enabling Forgital to incorporate more precise and primary data into its inventory.

Although the project is still at an early stage, we are confident in its development and its contribution to a more transparent, data-driven, and sustainable value chain.

Compared to 2023, there is an overall increase in GHG emissions, mainly attributable to:

- The increase in reported emission sources in 2024. To make its GHG emissions inventory more accurate, Forgital decided to extend the analysis to include more emission sources that were not assessed last year (due to both the perceived insignificance of their contribution and difficulties in data collection). It is estimated that the emissions associated with the newly considered sources (such as the purchase of auxiliary materials and employee commuting) account for around 2% of the total—demonstrating the validity of the materiality assessment established during the first year of analysis.
- The aforementioned change in the group's production mix, which, over time, is increasingly shifting towards a product catalog characterized by more complex production cycles. These require more furnace cycles and, consequently, higher energy consumption. This affects not only the production phases carried out within the group but also Scope 3 emissions related to the purchased raw materials.

EMISSIONS continued

Emissions intensity

Referring to the 2024 emissions intensity, as illustrated in the table below, Scope 1 GHG emissions per ton produced increased compared to 2023, indicating a higher environmental impact per unit of production. However, the intensity relative to turnover showed a significant improvement, with a 16.7% decrease, reflecting greater economic efficiency.

Scope 2 emissions, under the location-based approach, also recorded an increase in intensity per ton produced, while the turnover-based intensity decreased by 7.1%, again pointing to improved performance in relation to economic output. Under the market-based approach, Scope 2 intensity remained substantially unchanged.

Scope 3 intensity, on the other hand, increased +5.7%. This trend is primarily due to the type of raw materials processed during the year, many of which are energy-intensive in both their extraction and steel mills production phases. Part of the increase is also linked to a newly considered sources of emissions, as already explained.

GRI 305-4: GHG emissions intensity	UoM	2024	2023	2022
Scope 1 GHG Emissions	tCO ₂ e	50,444	48,847	40,609
Scope 1 GHG Intensity	tCO ₂ /ton	1.5909	1.4831	1.0958
	tCO ₂ /€	0.00010	0.00012	0.00012
Scope 2 GHG Emissions - Location based method	tCO ₂ e	12,771	11,507.69	9,737
Scope 2 GHG Intensity - LB	tCO ₂ /ton	0.4028	0.3494	0.2627
	tCO ₂ /€	0.000026	0.000028	0.000029
Scope 2 GHG Emissions – Market based method	tCO ₂ e	997	974	-
Scope 2 GHG Intensity - MB	tCO ₂ /ton	0.0315	0.0296	-
	tCO ₂ /€	0.000002	0.000002	-
Scope 3 GHG Emissions - Market based method	tCO ₂ e	98,114	78,035	-
Scope 3 GHG Intensity - MB	tCO ₂ /ton	3.0944	2.3693	-
	tCO ₂ /€	0.000203	0.000192	-

With reference to the target set in 2023 —reducing Scope 1, 2, and 3 emission intensity relative to turnover by 30% by 2030⁵—the current reductions in Scope 1 and 2 are aligned with the trajectory toward this goal. However, we are aware that further actions need to be defined and implemented along the value chain to address Scope 3 emissions.

5 Initially aiming to reduce Scope 1 and 2 emission intensity relative to turnover by 30% by 2030 (baseline: 2019), Forgital nearly achieved this by 2023. As a result, the Group revised its target to include Scope 3 as well, setting 2023 as the new baseline while maintaining the 2030 goal.

TRANSPARENCY AND RESPONSIBILITY

The third element of our environmental pillar, “transparency and responsibility”, refers to the impacts of our business in addition to carbon emissions, such as other emissions and waste. It also represents further commitment to transparency of our CO2 emissions. It considers our impact on the flora and fauna in the areas surrounding the Company’s production plants as well as more global impacts.

Other emissions

The greenhouse gas emissions from the combustion process are not the only contributors to climate change. Other pollutants can also affect the environment around Forgital's sites, and it is the Company's responsibility to minimize its impact on the atmosphere and surroundings. Production sites utilizing forge furnaces and heat treatments operate under environmental permits issued by local authorities to control methane gas combustion emissions, primarily NOx and dust. At a Group level there is no formal continuous monitoring of these types of emissions, however compliance with these stringent regulations is certified annually by local environmental authorities.

Forgital Italy conducts periodic monitoring of emissions generated by furnaces and employs dedicated abatement systems—such as bag and cartridge filters—for controlling emissions from press and lathe extractors. Regular and scheduled maintenance activities are carried out to ensure these filtration systems remain efficient and fully operational. Moreover, operating practices allow for a more effective management of the shutdown and ignition of the furnaces, which save methane and reduce combustion gas (NOx) emissions.

Although these good practices significantly reduces emissions, a residual release of nitrogen oxides (NOx) and particulate matter during metal processing cannot be entirely eliminated. Nonetheless, the associated risk is considered not material due to the preventive and corrective measures in place, which guarantee high abatement values and keep dust and metal emissions close to the technical minimum.

Another important emission is that of ozone-depleting substances (ODS).

The ODS emissions of Forgital are immaterial. The ozone-depleting potential of the refrigerant gases used is null, and in the last three years, leakages of refrigerant gases were recorded amounting to 0 tons of CFC-11 equivalent.

Even though refrigerant gases represent a small impact on the environment, Forgital pays particular attention to their monitoring as they are classified as substances with high global warming potential (GWP).

GRI 305-6: High global warming potential substances used	UoM	2024	2023	2022	GWP ⁶
R-134a	t	0.010	-	0.004	1,430
R-410a	t	0.019	0.065	0.034	2,088
R-407c	t	0.005	0.011	-	1,774
R-404a	t	0.042	-	-	3,922

6 Source: IPCC Fourth Assessment Report (AR4).

TRANSPARENCY AND RESPONSIBILITY continued

Waste management

Forgital's waste management remains a key aspect of its business and sustainability strategy. The company is actively improving waste management at the Group level through specific actions outlined in its Sustainability Plan, with a strong focus on minimizing environmental impact. In the coming years, Forgital plans to set a dedicated waste reduction target to further enhance its sustainability efforts.

Waste management at Forgital complies with all relevant environmental regulations, prioritizing recycling and recovery over landfill disposal whenever possible. Given that forging and rolling processes generate significant quantities of metal scrap, efficient recycling plays a key role in promoting production circularity. On average, over 90% of non-hazardous waste—such as metallic scrap, rolling shavings, and processing residues—is recovered annually. Following finishing operations, these residual materials are systematically collected and recycled, contributing to waste reduction and lowering the need for virgin raw materials. Recovered materials are either sold to third-party companies or returned to customers, particularly when initially provided as raw input. This good practice has been listed among positive impacts in the double materiality analysis.

To ensure compliance and efficiency in waste disposal, employees receive dedicated training on internal procedures and regulatory requirements. Service providers responsible for waste collection, transportation, and final management are closely monitored to ensure proper authorization and operational standards. Additionally, Forgital promotes the separate collection of non-production waste through awareness campaigns, ensuring proper sorting in production areas as well as in offices and communal spaces such as changing rooms, break rooms, and cafeterias.

WATER MANAGEMENT - A MODEL OF ENVIRONMENTAL STEWARDSHIP

© Christel Sasso / Safran

Forgital Group has been awarded by our customer Safran in the prestigious “**Safran Low Carbon Challenge**”, winning first place in the “**Water Management**” category.

Safran, one of Forgital's strategic aerospace customers, with whom the Group shares long-term partnerships based on innovation, quality, and sustainability goals, established the Low Carbon Challenge to reward its suppliers who develop innovative and high-impact decarbonization solutions.

This recognition reflects not only our ongoing environmental commitment but also our responsiveness to local stakeholder expectations regarding the responsible use of natural resources.

Water is a critical resource for our operations. Since the early 2000s, Forgital has implemented a comprehensive programme aimed at the recovery, cooling, purification, and reuse of process water, progressively reducing our environmental footprint through a series of **targeted technical interventions**. These included:

- Construction of four water storage tanks (500 to 1,000 sqm) with dedicated cooling systems (up to 4 MW) and automated control panels
- Installation of a filtration and oil separation plant for process water
- A rainwater recovery and treatment system, in place since 2016, collecting runoff from rooftops and yards via a complex underground network
- Most recently, the completion of a 1,200 sqm tank, with integrated sludge and rainwater treatment and automation systems, has brought water recovery efforts close to full completion.

These combined actions led to a **90% reduction in groundwater withdrawals**, now limited to the physiological replenishment losses during evaporative cooling.

Importantly, this project was not driven by cost-saving motives, but by a genuine commitment to environmental preservation, in response to the appeals of local authorities and communities. By substantially reducing groundwater dependence and preventing soil and surface water pollution, our water strategy contributes significantly to circularity and resource conservation.

Although water management may not directly affect carbon emissions, its indirect impact is substantial: reducing the energy needed for treatment and distribution and fostering a culture of sustainability. Moreover, it supports our broader ambition to embed low-carbon principles across all company practices, cultivating environmental awareness and accountability among all employees.

SUPPLIER DAY 2025

 SAFRAN

Case Study

ENVIRONMENT ROADMAP

Action	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	SDGs
TARGET: 25% of energy intensity reduction	E.1 Setting of a Group's energy consumption reduction target										
TARGET: 30% of Group's Scope 1 and 2 GHG emissions reduction		E. 2 Evaluation of possible solutions to convert operations to sustainable energy sources									
		E.3 Group's Scope 1 and 2 GHG emissions reduction target setting									
						E.4. Starting the process for the adoption of Science Based Targets					
						E.5 Definition of a program to compensate the residual Scope 1 and 2 GHG emissions, if any					
TARGET: 30% of Group's Scope 3 GHG emissions reduction		E.6 Calculation of Group's GHG Scope 3 emissions									
			E.7 Get setting								
TARGET: Improve Group's environmental reliability				E.9 Definition of a roadmap to adopt a centralized Environmental Group data collection process and identification of roles and responsibilities							
						E.10 Readiness Assessment for each site aimed to obtain environmental management system certifications for all sites (e.g. ISO 14001)					
TARGET: % of recycled waste (TBD)				E.11 Integration of specific questions related to waste management into stakeholder engagement surveys							
				E.12 Group's waste reduction target setting							



TEMPERATURE
ELEVATE

SOCIAL

- 3 GOOD HEALTH AND WELL-BEING
- 5 GENDER EQUALITY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 10 REDUCED INEQUALITIES

 **ForgitalGroup**

SOCIAL INITIATIVES - BUILDING SHARED VALUE

SUPPORT TO LOCAL COMMUNITIES

Forgital actively supports “**I Bambini delle Fate**” (Fairies’ Children), an organization committed to fostering inclusion through projects aimed at young people and families affected by autism or other disabilities. Our long-standing partnership is part of the “Doing Business in the Social Field” program, which delivers **direct and tangible support to local families**, positively influencing their daily lives.

One of the projects linked to “I Bambini delle Fate” network is the collaboration with ENGIM, a local non-profit organization dedicated to **guiding and professionally training young people with disabilities, supporting their integration into the workforce**. This initiative aims to help them develop their skills and abilities, boosting their self-confidence, self-worth, and paving the way for personal and social independence.

We are proud to support these remarkable initiatives, driven by our belief that a company’s true value lies not only in its financial performance but also in its ability to make a meaningful impact within the local community.

WOMEN’S HEALTH

Building on the initiatives launched in previous years, special focus has been placed on **raising awareness and promoting prevention for women’s health**. The event was open not only to female employees but also to colleagues interested in supporting their partners and family members.

A professional midwife provided valuable **insights into age-specific preventive measures**, discussing screening programs, the prevalence of female cancers, and key diagnostic examinations. Additionally, practical guidance was shared on nutrition and physical activity to help maintain overall well-being.

FORGITAL TOGETHER: SPORT, CONNECTION, AND TEAM SPIRIT

Forgital Together is the name chosen for the revival of company’s historic sports group, which is relaunching with a rich and diverse program. In addition to **traditional sports activities**, the initiative offers a **wide range of experiences**: from trekking to cycling excursions, exploring new sports like padel or boxing, to wine appreciation courses, visits to local wineries, and even go-kart challenges and indoor climbing.

Each activity is led by a colleague who voluntarily takes on the role of organizer, sharing passion and expertise. The company supports the initiative by contributing financially, reducing the cost for employees. The initiative has a dual purpose: to encourage interaction between colleagues from different locations and departments, creating opportunities for connection and socialization outside the workplace, and to strengthen the sense of belonging to the Group.

In a rapidly evolving work environment, Forgital Together represents an innovative and sustainable approach to fostering internal relationships. Through fun and shared experiences, we enhance synergy and create a true team spirit, making the team more cohesive and forward-looking.

WELFARE

As part of the Welfare project, employees have access to several exciting opportunities:

- A **wellbeing platform**, offering discounted memberships to thousands of fitness centers, access to an online psychological support service, a consultation service with expert nutritionists, as well as free access to a variety of On-Demand or live training sessions across multiple categories. The platform also includes a dedicated space for learning, webinars, and meditation.
- **Discount platforms** with exclusive access to promotions across various product categories, helping employees **enhance their purchasing power**.



INTRODUCTION TO SOCIAL

GRI 2-7; GRI 2-8; GRI 2-19; GRI 2-20; GRI 2-21; GRI 2-30;
GRI 401-1;GRI 404-1; GRI 404-2; GRI 404-3; GRI 405-1

Employees and collaborators are at the heart of our success. Their commitment, expertise, and innovation drive our ability to deliver long-term value to clients, communities, and stakeholders. For this reason, the development of human resources has always been a central principle of our strategy. Training plays a fundamental role, supporting both new hires as they integrate into our culture and long-standing employees as they continue to grow and adapt to evolving business needs. We offer a wide range of programs designed to strengthen competencies and technical expertise, but also to foster leadership, collaboration, and personal growth.

Our approach goes beyond skills development. We are committed to building an inclusive and supportive work environment that recognizes the centrality of people in creating sustainable value. This commitment is reflected in our focus on seven key people priorities, identified through a deep prioritization process:

- Skills and training;
- Employee engagement and wellbeing;
- Employment;
- Remuneration;
- Performance management;
- Diversity, equity and inclusion; and
- Health and safety.

Each of these areas is essential to ensuring that Forgital remains not only a competitive and innovative company, but also a responsible employer that places people at the center of its sustainability journey.

Skills and training

At Forgital, personal growth is highly valued for every staff member, regardless of their formal level. For the entire Group population, an annual update is made to the development plan.

To assist our people in their roles, we have established dedicated development plans aimed at boosting skills and fostering levels responsibility and role awareness. These initiatives empower our employees to progress towards newer and more complex responsibilities gradually.

Moreover, cross-company training takes place frequently, to encourage interaction between our departments, and to support our colleagues in potential departmental rotations. Our employees enjoy the opportunity for change and to operate in various roles in different production lines. Our training approach gives them the opportunity to trial different roles and practice the skills needed.

The skill evaluation process using skill matrices—launched in 2023 at Forgital Italy and extended in 2024 to other Italian companies within the Group—follows a structured approach consisting of three distinct phases:

- 1) Observation and monitoring of behaviors and results;
- 2) Evaluation of the knowledge and skills levels of employees;
- 3) Feedback interviews to focus attention on skills gaps and the corresponding development needs to undertake.

The assessed competencies include both technical skills, specific for each role, and soft skills, defined according to identified clusters.

The common soft skills for all staff include Problem Solving and Teamwork; those required for white-collar workers are Effective Communication, Proactivity, and Result Orientation; for blue-collar workers, the focus is on Quality, Social Skills, and Planning; and the essential soft skill for managers is People Management.

Key social targets

- Develop enhanced HR & H&S data collection process
- Zero injuries
- Update diversity, inclusion and equality programme
- Develop groupwide HR development approach

An overview of the training hours in 2024

GRI 404-I: Average hours of training	UoM	2024		2023		2022	
		total	average	total	average	total	average
Total hours of training	h	28,105	25.43	29,840	28.53	28,475	28.11
hours of training divided by:							
Men	h	23,156	24.37	24,223	26.91	26,062	29.85
Women	h	4,949	31.93	5,618	38.48	2,413	17.24
Executives	h	79	2.93	309	12.88	172	6.88
Managers	h	2,101	19.45	1,117	11.40	1,935	20.81
Office Staff	h	5,201	19.05	4,919	18.42	6,446	22.86
Factory Workers	h	20,724	29.73	23,495	35.76	19,922	32.50

In 2024, a slight decline in total training hours was recorded, primarily due to the heightened demands placed on technical and production departments. The increased focus on operational priorities temporarily constrained the resources and time available for training initiatives.

Forgital Group's training initiatives are designed to provide ongoing learning opportunities for employees at every level. Our primary objective is to cultivate a strong emphasis on safety across all daily operations, fostering a culture of sharp awareness. We continue to prioritize comprehensive training to encourage the right behaviors across our workforce, ultimately supporting the delivery of high-quality service to our clients.

In 2024, Forgital placed particular emphasis on training in key areas such as People Management, Administration and Finance, Information Technology, and Cybersecurity Awareness.

In addition, targeted sessions were delivered to strengthen language proficiency, deepen knowledge in technical and metallurgical subjects, and enhance a range of soft skills essential for professional growth and effective collaboration. Training can be delivered through various methods such as in-person sessions, online courses, e-learning modules, or blended training approaches. This versatile methodology offers flexibility, enabling us to tailor the training experience to meet diverse needs effectively.

A fundamental part of training are induction programs, which are specifically designed to support new hires or employees moved to new roles.

Finally, it's worth mentioning that the extensive specialization of Forgital's workforce, essential for the Group's operations, poses a potential risk. Our employees' skills are in high demand from both our clients and competitors, making them highly sought-after. Forgital considers high staff turnover as a loss of investment and thus place significant and ongoing emphasis on retaining and attracting talent.

In this sense, with the aim of enhancing collaboration with local entities, Forgital is engaged in several initiatives in partnership with high schools and universities, to invest in young people and identify new talents. Among the training activities offered, particular emphasis is given to visits to Group companies by students from vocational schools and high schools. Through these visits, young people can both gain practical insights into significant production environments and begin to familiarize themselves with the job market. In 2024, the Group hosted around a hundred and thirty students from high schools and universities



Employee engagement and wellbeing

The Forgital Group considers its human resources as a critical asset. Our efforts concentrate on monitoring and enhancing employee engagement across all departments. We recognize the significant value that employees contribute to the company and actively support them in achieving their goals, be they corporate or personal.

To manage the effectiveness of employee wellbeing the Group monitors the following KPIs:

- Employee turnover rate;
- Absenteeism rate;
- Gender;
- Headcount by site.

Forgital invests time and effort into building positive relations amongst all employees at every responsibility level and believes that sharing of corporate values and objectives is an important factor in the building of these relationships. It's important to ensure that employees understand the business, and regularly inform them about market trends, the Company's upcoming challenges, the most significant order acquisitions, and future corporate objectives.

To promote information sharing, enhance transparency, and facilitate collaboration among employees, Forgital has developed a new corporate intranet. This platform serves as a central access point for updates, projects, and initiatives, simplifying communication processes and breaking down information barriers. Moreover, the intranet has proven to be an effective communication tool for ESG topics, disseminating key procedures and documents such as the code of ethics and the whistleblowing policy.

Vacancies are shared internally to keep employees informed about open vacancies and allow them to apply for new roles, enabling career development in their specialist area. We also encourage professional development through applying for roles in other areas. Forgital informs current employees about new open positions, to give them the opportunity to make an internal application to a different role inside the Company.

To support the well-being of employees, Forgital highlights some initiatives adopted to promote work-life balance. These measures reflect the efforts to create a supportive work environment that values the contribution of each individual and enhances overall well-being.

Forgital has established individual agreements for remote work (smartworking), allowing employees to work remotely for up to 12 days per month. This initiative has been implemented taking into account compatibility with various roles within the company. By providing adequate IT tools, the company ensures that all employees can efficiently perform their duties remotely. This not only helps reduce commuting and carbon emissions but also enables employees to better manage their personal commitments. The supplementary agreement signed for Forgital Italy includes granting two additional paid leave days beyond what is stipulated by current regulations for significant events such as the birth of a child or family bereavement.

In June 2024, an engagement survey was conducted across all employees of the Forgital Group, with the support of Great Place to Work. The responses were subsequently analyzed by external consultants, ensuring full confidentiality of the collected data.

The results showed an improvement in trust towards the company's executives, particularly in relation to strategic vision, operational management, and work organization.

There was also a positive shift in the overall perception of work processes, compensation and benefits, as well as a notable enhancement in internal communication.

Building on these results, the improvement initiatives will continue in alignment with those implemented in the previous year, taking into account the progress achieved and aiming to further consolidate the identified growth areas.

Employment

In 2024, the number of employees increased compared to the previous year, with a particularly notable growth in the Italian and French entities of the Group.

This trend was primarily driven by the expansion of production capacity and the corresponding rise in labor demand, aligned with higher sales volumes.

At the same time, a slight uptick in employee turnover was observed, reflecting broader dynamics currently underway in the labor market.

The company acknowledges that the percentage of new female hires remains low, and further efforts are needed to enhance the company's attractiveness to female talent. While concrete improvements have yet to be seen, support and strategic reflection in this area are expected to stem from the “Forgital Women Network” initiative, officially launched in 2024.

GRI 401-1: New hires	UoM	2024		2023		2022	
		No.	%	No.	%	No.	%
Total employees at 31 December	No.	1,105 ¹		1,046		1,013	
Total New Hires	No.	187	16.9%	152	14.5%	75	7.4%
Men	No.	161	14.6%	123	11.8%	65	6.4%
Women	No.	26	2.3%	29	2.8%	10	1.0%
< 30 years	No.	76	6.9%	74	7.1%	32	3.2%
30 ≤ x ≤ 50 years	No.	89	8.0%	67	6.4%	32	3.2%
> 50 years	No.	22	2.0%	11	1.1%	11	1.1%

GRI 401-1: Leavers	UoM	2024		2023		2022	
		No.	%	No.	%	No.	%
Total employees at 31 December	No.	1,105 ¹		1,046		1,013	
Total Terminations	No.	128	11.6%	119	11.4%	85	8.4%
Men	No.	111	10,0%	96	9.2%	77	7.6%
Women	No.	17	1,6%	23	2.2%	8	0.8%
< 30 years	No.	42	3,8%	31	3.0%	18	1.8%
30 ≤ x ≤ 50 years	No.	64	5,8%	59	5.6%	44	4.3%
> 50 years	No.	22	2,0%	29	2.8%	23	2.3%

¹ We wish to underline that 2024 Sustainability Report shows 1,105 units as total number of employees employed by the Group as of 31.12.2024 (as per GRI standards), while 2024 Financial Statement shows 1139 units as average number of employees employed by the Group across the year.

FORGITAL ACADEMY

As part of its commitment to professional development and workforce training, Forgital Italy continues to promote the “Forgital Academy” initiative. This structured training program is designed for unemployed individuals in the local area and spans three weeks, focusing on core skills required for roles in welding, tooling, and machining departments. Participants have the opportunity to gain hands-on experience, develop new professional competencies, and undergo evaluation for potential employment at Forgital upon completing the program. In addition, the curriculum includes health and safety training, culminating in a certification that supports their future professional activities.

The Academy serves a dual purpose: addressing the shortage of qualified candidates with relevant technical preparation and offering a pathway for reskilling and reintegration into the workforce for individuals with limited experience. Notably, the program has also helped attract female candidates interested in entering the traditionally male-dominated mechanical workshop sector.

In 2024, Forgital held two editions of the Academy, counting 15 participants and resulting in the hiring of 11 individuals in its Machining division.

The table GRI 2-7 shows an overview of the number of employees shown by type of contract and by country. Data refers to total Group employee headcount, split by permanent or temporary contract type, excluding the members of the Board of Directors that are not employees, interns, or third-party contractors. Data was obtained from direct measurements from Forgital sources.

GRI 2-7: Employees divided by type of contract	UoM	2024			2023			2022		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of employees	No.	950	155	1,105	900	146	1,046	873	140	1,013
Permanent contract	No.	925	150	1,075	863	143	1,006	867	140	1,007
Temporary contract	No.	25	5	30	37	3	40	6	-	6
Full time	No.	940	133	1,073	891	122	1,013	864	117	981
Part time	No.	10	22	32	9	24	33	9	23	32

The number of employees covered by collective agreements represents 97% of the workforce. This includes all European employee contracts in Italy and France, which align to national collective bargaining agreements integrated into local agreements. In the USA, only individual contract agreements are prevalent.

GRI 2-7: Employees divided by country	UoM	2023				2022				2021			
		Italy	France	US	Total	Italy	France	US	Total	Italy	France	US	Total
Number of employees	No.	795	278	32	1,105	765	246	35	1,046	751	227	35	1,013
Permanent contract	No.	785	258	32	1,075	745	226	35	1,006	751	221	35	1,007
Temporary contract	No.	10	20	0	30	20	20	-	40	-	6	-	6
Full-time	No.	770	273	31	1,074	740	238	35	1,013	727	219	35	981
Part time	No.	25	5	1	31	25	8	-	33	24	8	-	32

Non-employee workers (including temporary workers) were 34 (with 32 male workers and 2 female workers).

Remuneration

Annually, Company Management sets guidelines and variable incentive targets for the upcoming fiscal year, all aimed at realizing the enhancements outlined in the Company’s strategic goals.

The Management by Objectives (MBO) incentive plan is open to executives, managers, and sales accounts. Each manager is assigned specific targets, which are aligned with both Group and individual objectives. These targets are defined by the finance department and subsequently endorsed by HR. Final bonuses are paid following the approval of our consolidated financial statements. Currently, performance indicators predominantly revolve around financial targets, although Forgital is actively seeking to broaden their scope to include ESG objectives. Among these objectives are the zero-injuries target, process improvement, and product cost efficiency.

After the closing of the annual performance evaluation, proposals for employee salary reviews are gathered from respective departments. These proposals are then approved by functional heads and subsequently confirmed by the Human Resources department, according to budget targets.

An overview of remuneration data is provided below.

GRI 2-21: Annual total compensation ratio	UoM	2024
Median of the total annual salary of all employees, excluding the individual with the highest salary	€	35,440.65
Total annual salary rate	%	7.9 %

Rate of percentage increase in total annual salary	UoM	2024
Median of the percentage increase in total annual pay of all employees, excluding the individual with the highest salary	%	5 %
Rate of percentage increase in total annual salary	%	0 %

Data refer to total Forgital Group employee headcount as of 31.12.24.

Not included: Temporary employees (with an interim contract), internships, collaborators and board of Directors members (non-executive directors).

Performance management

As previously mentioned, the skill matrix evaluation system has been rolled out across all Italian companies, with the aim of gradually extending its adoption to all legal entities within the Group.

This initiative contributed to a notable improvement in the Group's performance management practices, resulting in 79.3% of employees receiving a formal performance evaluation in 2024.

This marks a significant step forward in promoting a culture of continuous development and merit-based recognition in human capital management.

For senior managers and managers, there exists a formal annual MBO (Management by Objectives) incentive process encompassing both Group-wide and individual targets. Meanwhile, at local level, alternative performance evaluation systems are utilized. These assessments are founded upon competencies and skills matrices applicable to both office and manufacturing employees.

Below, the data pertaining to performance measurement is provided.

GRI 404-3: Performance evaluation	UoM	2024	2023	2022
% of employees who received a regular performance evaluation	%	79.3 %	49.4 %	63 %
Executives	%	77.8 %	95.8 %	96 %
Men	%	76.0 %	95.5 %	95 %
Women	%	100 %	100 %	100 %
Managers	%	78.7 %	63.3 %	75 %
Men	%	73.2 %	67.1 %	74 %
Women	%	96.2 %	53.6 %	81 %
White Collar Staff	%	66.3 %	46.1 %	32 %
Men	%	65.5 %	43.4 %	34 %
Women	%	67.7 %	51.1 %	28 %
Blue Collar Workers	%	84.5 %	47.0 %	75 %
Men	%	84.5 %	47.7 %	75 %
Women	%	85.2 %	29.2 %	58 %



Diversity, equity and inclusion

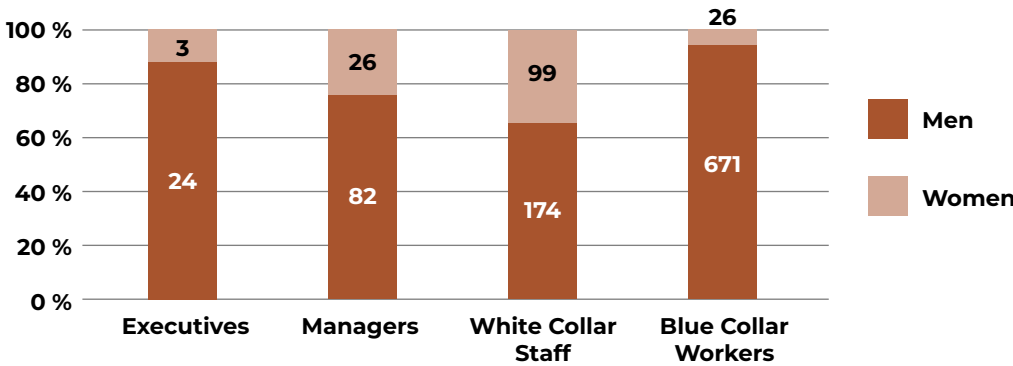
Forgital upholds a strong commitment to promoting equal opportunity and eliminating discrimination. Any breach of this commitment is acknowledged as a violation of the Code of Ethics. The document delineates fundamental principles such as morality, dignity, and equality. Additionally, it provides an exhaustive overview of our internal policies, encompassing equal opportunities, prevention of child labor, and the protection of human rights within the Company.

To uphold these principles, any employee is trained periodically to ensure the adherence to equal opportunity and human rights principles throughout Forgital.

Forgital is aware of the critical importance of tackling gender diversity challenges, and recognizes that the sector remains predominantly male-dominated, underscoring the need for meaningful progress toward gender equality and equitable opportunities for everyone. Its commitment lies in identifying and implementing innovative strategies to bridge these gender gaps and foster a more equitable and inclusive workplace for all employees. One such initiative is the Forgital Women Network project, introduced in 2024 and described in detail at end of the chapter.

An overview of diversity at Forgital Group is reported in the following tables. For both tables, data resulted from direct measurement.

Diversity by type of contract



GRI 405-1: Diversity of governance bodies	2024		2023		2022	
	No.	%	No.	%	No.	%
Total members of governance bodies	9		8	100%	8	100%
Men	7	78%	7	87%	7	87%
Women	2	22%	1	13%	1	13%
< 30 years	-	-	-	-	-	-
30 ≤ x ≤ 50 years	4	44%	3	37%	3	37%
> 50 years	5	56%	5	63%	5	63%

GRI 405-1: Diversity of employees	UdM	2024		2023		2022	
		No.	%	No.	%	No.	%
Total employees	n	1,105		1,046		1,013	
Executives	n	27	2%	24	2%	25	2%
Men	n	25	2%	22	2%	22	2%
Women	n	2	0%	2	-	3	-
< 30 years	n	0	0%	-	-	-	-
30 ≤ x ≤ 50 years	n	11	1%	13	1%	13	1%
> 50 years	n	16	1%	11	1%	12	1%
Managers	n	108	10%	98	9%	93	9%
Men	n	82	7%	70	6%	72	7%
Women	n	26	3%	28	3%	21	2%
< 30 years	n	3	1%	4	-	4	-
30 ≤ x ≤ 50 years	n	67	6%	69	7%	59	6%
> 50 years	n	38	3%	25	2%	30	3%
White Collar Staff	n	273	25%	267	26%	282	28%
Men	n	174	16%	175	17%	185	18%
Women	n	99	9%	92	9%	97	10%
< 30 years	n	58	5%	57	5%	38	4%
30 ≤ x ≤ 50 years	n	157	14%	154	15%	178	17%
> 50 years	n	58	6%	56	5%	66	7%
Blue Collar Workers	n	697	63%	657	63%	613	61%
Men	n	670	61%	633	61%	594	59%
Women	n	27	2%	24	2%	19	2%
< 30 years	n	112	10%	127	12%	81	8%
30 ≤ x ≤ 50 years	n	365	33%	337	32%	327	33%
> 50 years	n	218	20%	193	19%	205	20%

Health and Safety

GRI 403-1; GRI 403-2; GRI 403-3; GRI 403-4; GRI 403-5; GRI 403-6; GRI 403-7; GRI 403-9

Ensuring the health and safety of employees across all sites is a fundamental moral obligation Forgital holds towards its workforce. The Group has consistently adhered to relevant legislation and continually endeavors to enhance working conditions within production facilities. The overarching goal is to minimize accidents to zero and prioritize the well-being of the staff.

Forgital Group policy is firmly oriented towards achieving excellence, maintaining the highest standards of health and safety in the workplace, and enhancing environmental and energy performance. To effectively manage health and safety concerns, our subsidiaries follows these key practices:

- Strategically plan health and safety processes and initiatives based on identified risks and opportunities.
- Efficiently manage primary and supporting processes.
- Regularly and systematically monitor safety performance.
- Continuously strive for improvement in workplace safety.

Through comprehensive training programs, routine health and well-being checks, attainment of ISO 45001 and ISO 14001 certifications, and a well-structured corporate welfare program, Forgital has successfully avoided any adverse impacts on the economy, environment, and people this year.

Health and safety – top priorities are:

- Increase credibility and manage reputation in health and safety;
- Grow our export opportunities by meeting H&S requirements of international clients;
- Meet requirements of investors, facilitating access to capital;
- Decrease the injuries rate; and
- Increase efficiency in meeting the legal and regulatory obligations of the Company.

To prevent and protect its workers and to reduce their exposure to occupational risks such as injuries, accidents, and occupational diseases, Forgital has adopted a safety system, managed by each subsidiary according to its own specific requirements – both legislative and organizational.

Forgital Italy represents the global point of reference, as it holds an internationally certified Occupational Health and Safety Management System in compliance with ISO 45001:2018 standard1. Furthermore, Forgital Italy oversees health and safety through an Integrated Management System, based on:

- Quality Management (ISO 9001:2015, EN9100:2016 and AS9100 Rev. D);
- Environmental Management (ISO 14001:2015);
- Energy Management (ISO 50001:2018); and
- Health and Safety Management (ISO 45001:2018).

Also Fly holds the Health and Safety Management and Environmental Management ISO certifications.

Safety performance is regularly assessed through questionnaires and internal surveys. The Group conducts ongoing and thorough reviews of risk assessment documentation, engaging periodically with worker safety representatives and supervisors. Safety concerns are addressed in meetings with emergency management teams. Forgital adheres to legislative requirements, conducting evaluations of work activities and implementing continuous improvement processes. In the event of any incidents, appropriate responses are promptly initiated, and measures are taken to mitigate risks.

Incidents are closely monitored and subjected to comprehensive investigations to ascertain their root causes. Key individuals involved are interviewed to gain insight into the events and underlying factors, facilitating the implementation of corrective actions.

At Forgital, the predominant types of injuries observed within each subsidiary typically involve cuts and limb crushes.

Moreover, a regular health monitoring is provided. This service involves an appointed doctor who assesses the suitability of workers for their tasks, checks health conditions in the workplace, and drafts, together with the Forgital HSE department, a health protocol providing clear and precise guidance for the identification of risk-related tasks.

Working teams actively participate in guaranteeing a healthy and safe workplace. Forgital Italy and Fly have a committee in which workers' representatives and other key figures (such as HSE Manager, union representatives, HR department, appointed doctor, and the employer) participate. In addition, each worker can report any problems via written communication through dedicated mailboxes. There are also monthly follow-up meetings with team leaders and foremen, at which problems or reports can be communicated.



HEALTH AND SAFETY continued

The Group holds health and safety training courses on a regular basis for all employees. Specific training courses are also planned for external personnel who need special skills.

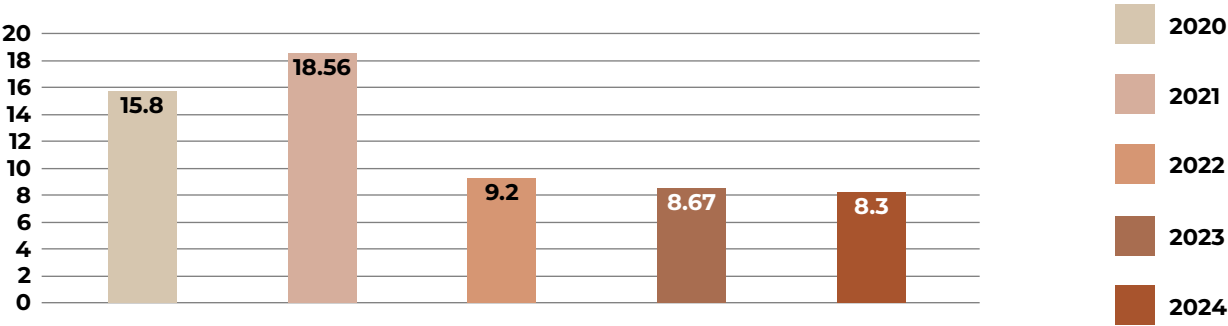
The following table shares our work-related injuries for 2024.

GRI 403-9: Employees' injuries	UoM	2024		2023		2022	
		n	Rate	n	Rate	n	Rate
Recordable work-related injuries at 31.12	No.	15	8.30	15	8.67	15	9.20
Hours worked	h	1,808,007		1,729,228		1,631,243	

The total injuries rates are calculated as follows: (total recordable work-related injuries/hours worked) x 1,000,000.

The injury rate in 2024 stood at 8.3, showing a reduction of 4.27% compared to the 2023. This result continues the positive trend from previous years, highlighting the effectiveness of company initiatives focused on workplace safety and employee health protection, fostering a progressively stronger and more proactive safety culture over the long term.

Below graphic show frequency index in the last 5 years:



WOMEN NETWORK - WOMEN'S SUCCESS IS COMPANY SUCCESS

Case Study

The project, launched in March of this year, was created to empower, energize, elevate, and connect the women working within the Forgital Group.

The Forgital Women Network aims to share inspirations, visions, and experiences through organized activities and meetings, strengthen and promote informal training and networking initiatives, and foster collaboration and personal growth. This initiative seeks to highlight the role of women within the company and support their professional development journey.

Women's networks within companies play a crucial role in promoting gender equality, diversity, and inclusion. These networks, composed of groups of female employees coming together to support one another, can have a profound impact both on individual employees and the organization as a whole.

Among the activities promoted:

- **Support and Mentorship:** A key element where more experienced individuals can offer guidance and encouragement to younger or less experienced colleagues, helping them develop skills and grow professionally.
- **Professional Development:** Through the organization of workshops, seminars, and training sessions on topics relevant to career advancement.
- **Networking:** Providing women with opportunities to expand their professional networks both within and outside the company.

Women's networks are one of the tools for promoting gender equality and the professional advancement of women within companies. They offer support, development opportunities, advocacy for inclusive policies, and contribute to creating a more equitable corporate culture.

For this reason, Forgital has chosen to invest in this project, fostering a more dynamic, fair, and productive work environment.

Various events have been proposed:

- **Techniques to Improve Public Speaking:** Exploring the impact of emotional intelligence on interpersonal relationships, leadership, and, more broadly, the journey toward better self-awareness and confidence. These skills are essential for addressing stereotypes and biases that hinder women's efficiency, supporting a growth process crucial for improving relationships and communication styles. (A double session with a Business & Life Coach).
- **Focus on Negotiation Techniques:** Covering topics such as managing potential conflicts, planning strategies, evaluating concessions, and adopting techniques to maintain composure and clarity even in the most challenging situations. (A session led by the Group's CCO, an expert in negotiation techniques).
- **"Women Network Meets":** A series of meetings with inspiring female entrepreneurs and role models.
- **Site tour of Italian Group Companies:** to enhance networking and knowledge of the Forgital world.
- **Awareness-raising activities** on the International Day for the Elimination of Violence against Women, including a seminar on psychological violence, providing key insights for understanding and preventing it. The initiative will be expanded with additional meetings also in 2025.

The network has already garnered interest and participation from all Italian companies within the Group, with the aim of extending the project to international subsidiaries.

SOCIAL ROADMAP

Action	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	SDGs
TARGET: Structure an HR and H&S data collection process	S.1 Formalization of a centralized HR Group data collection process (employees, training) policy and identification of roles and responsibilities										
	S.2 Design of a roadmap to adopt a centralized H&S Group data collection process and identification of roles and responsibilities										
TARGET: Zero injuries	S.3 Evaluation of innovative solutions for H&S protection										
	S.4 Readiness assessment for each site aimed to obtain H&S management system certifications for all sites (e.g. ISO 45001)										
TARGET: Structure a formal diversity, equity and inclusion program	S.5 Evaluation of innovative projects and initiatives (e.g. creation of the Forgital Women Network) to promote D&I in the Group										
TARGET: Design of a Group HR Development Plan	S.6 Implementation of a formal Group HR Development Plan (e.g. extension of skill matrix evaluation in all legal entities)										



INNOVATION



 **ForgitalGroup**

INNOVATION DRIVING GLOBAL COMPETITIVENESS

Fly, our highly specialized mechanical workshop has undertaken an important industrial challenge aimed at reinforcing its presence in the global aerospace market. The project, titled **“Nickel Superalloy Components for Next-Generation Aeronautical Turbofan Engine Turbines,”** marks a strategic step toward integration into the most critical phases of the aerospace value chain. This particularly concerns the production of engine “Cases” for the hot section, located downstream of the combustion chamber.

These components house the turbine and are **exposed to extreme thermal and dynamic operating conditions**. To withstand such stresses, high-performance nickel-based superalloys—specifically Waspaloy and Inconel 718—are used. These materials offer excellent mechanical properties but also pose **significant manufacturing challenges** due to their complex geometry, thin walls, and stringent requirements for tolerance, surface roughness, and concentricity, all while avoiding residual stress induced by production processes.

The project represents a significant technological leap and is supported by a **robust collaborative network** with the University of Padua, the University of Trento, and the Autonomous Province of Trento. These partnerships strengthen the synergy between industry, academia, and local institutions, enabling the development of advanced skills, knowledge sharing, and the adoption of cutting-edge technologies.

The new components will be supplied to two of the world’s leading manufacturers of aeronautical turbofan engines. Fly’s innovation is not only technical but also systemic—serving as a **lever for sustainability, competitiveness, and resilience** for the entire Forgital Group.

Case Study



VALUE IS CREATED THROUGH INNOVATION

Key innovation targets

- Offer and promote ESG focused products or services
- Understand the ESG impacts of our products
- Enhance and innovate production systems

At Forgital, our commitment to innovation is driven by our firm dedication to exceeding customer expectations across quality, efficiency, operational excellence, and sustainability, with a particular emphasis on reducing CO2 emissions. This integrated approach ensures that our products and services consistently are highly valued by our many world-class customers.

Our innovation process at Forgital is designed to add tangible value for our customers, primarily by maintaining an unwavering focus on enhancing production efficiency. We prioritize initiatives aimed at optimizing material utilization and minimizing energy consumption. Leveraging our global presence, we strategically minimize transportation costs and emissions whenever possible. For us, operational efficiency isn't just a goal; it's a means of delivering enhanced value to our customers and fostering enduring partnerships, which form the heart of our business reputation.

Forgital occupies a distinctive position within our customers' value chains. Our streamlined service, known as the Forgital Compact Supply Chain, covers every aspect from responsibly sourcing materials from top-tier suppliers to transforming them into technically complex components suitable for highly specialist and challenging applications. This comprehensive "end-to-end" approach simplifies the procurement process for our customers, ensuring a superior quality product, and fostering an environment conducive to ongoing product innovation. This commitment to excellence sets us apart as a leader in the industry.

Forgital key targets regarding sustainable innovation are important, but they are temporarily slowed down due to other company priorities, especially in the environmental and governance fields. However, the company is committed to continuing to pursue sustainability through innovation, balancing the resources allocated to various objectives.

Our innovation process

Our approach to innovation begins with collaborative co-engineering, where we work alongside clients right from the critical design phase. By partnering closely with them, we assist in determining the optimal forging profile and the most suitable heat treatments for their designs. Drawing upon our extensive materials expertise, we guide them in selecting materials that not only excel in the forging process but also meet their requirements beyond.

Our commitment to continuous improvement drives us to constantly innovate in both design and materials, aiming to enhance product quality, performance, and sustainability. Led by our cross-functional team (comprising members from Quality Assurance, Product Quality, Process Engineering, and Production), this iterative process involves ongoing evaluation and refinement of our products and processes to uncover more effective solutions.

Forgital's unique technical proficiency in heat treatments has been refined across various sectors of the engineering industry. With extensive experience in developing parts to withstand the most demanding conditions, we thrive on creatively solving technical challenges.

Setting the benchmark for quality in the industry, we employ a comprehensive array of testing protocols. From mechanical and chemical analyses to corrosion tests, metallography, non-destructive tests, and failure analysis, our rigorous testing procedure ensures that our products meet the highest standards of quality and performance, setting them apart in the market.

However, most of the production processes where Forgital's innovation trajectory would be evident in recent years are closely tied to the manufacturing of specific components covered by Non-Disclosure Agreements with our customers, thus making them unable to be disclosed publicly.

TECHNOLOGICAL INNOVATION SUPPORTING QUALITY AND SUSTAINABILITY

Case Study

Over the past year, RTM Breda—the Forgital Group's laboratory specialized in testing and metallurgical and engineering consulting—has strengthened its commitment to technological innovation by developing, in collaboration with a strategic supplier, a **new machine for creep and stress rupture testing**. These are critical tests used to evaluate the behavior of metallic materials and alloys subjected to high loads and temperatures over extended periods, and they are widely used in the aerospace and energy sectors.

This initiative represents a version 2.0 of a system previously developed by RTM, in collaboration with an external partner. It has been completely redesigned through a **co-design approach** to specifically address the **technical needs of the Group and the aerospace industry**.

The new equipment stands out for its advanced performance in terms of **precision, reliability, and operational flexibility**. It features a three-zone furnace with advanced thermal control and a highly customizable software interface accessible remotely. The system supports programming up to ten steps—including dwell time, ramps, load, and temperature. Data collected during testing is stored on a dedicated server and analyzed using specialized graphical visualization software.

The measuring systems, which are highly configurable (LVDT and contact extensometers), enable tests up to 50 kN and 1000°C, ensuring maximum stability of testing parameters.

Special attention has been paid to **ergonomic efficiency, ease of use, and reduced energy consumption**. The manual control mode, combined with the system's flexibility in adjustments and calibration, allows for optimized sensor use based on different application ranges. Additionally, the use of rod-type contact extensometers facilitates direct measurement of specimen deformation, making the process fast, accurate, and easy to adjust. The compactness of the integrated electronics also contributes to reducing the overall footprint of the machine.

This initiative reaffirms Forgital's commitment to investing in **high value-added technological solutions** that not only raise quality standards but also make a concrete contribution to the Group's goals of sustainability and industrial competitiveness.

INNOVATION ROADMAP

Action	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	SDGs
TARGET: Offer and promote ESG focused products or services			I.1 Define a roadmap to bring ESG focused products or services to market								
			I.2 Structure a marketing and communication system for the ESG benefits of products and services								
			I.3 Following Stakeholder Engagement Plan, identify and involve a cluster of clients to deeply understand needs and expectations in terms of products and services with ESG attributes								
TARGET: Understand the ESG impacts of own products							I.4 Carry out a product/process LCA				
TARGET: Enhance and innovate production systems			I.5 Adoption of a predictive maintenance system								
			I.6 Adoption of an automated activities prioritization system								

GOVERNANCE



 **ForgitalGroup**



INTRODUCTION TO GOVERNANCE

GRI 2-2; GRI 2-9; GRI 2-10; GRI 2-11; GRI 2-12; GRI 2-13; GRI 2-14; GRI 2-15; GRI 2-16; GRI 2-17; GRI 2-23; GRI 2-24; GRI 2-25; GRI 2-26; GRI 2-27; GRI 205-2; GRI 205-3

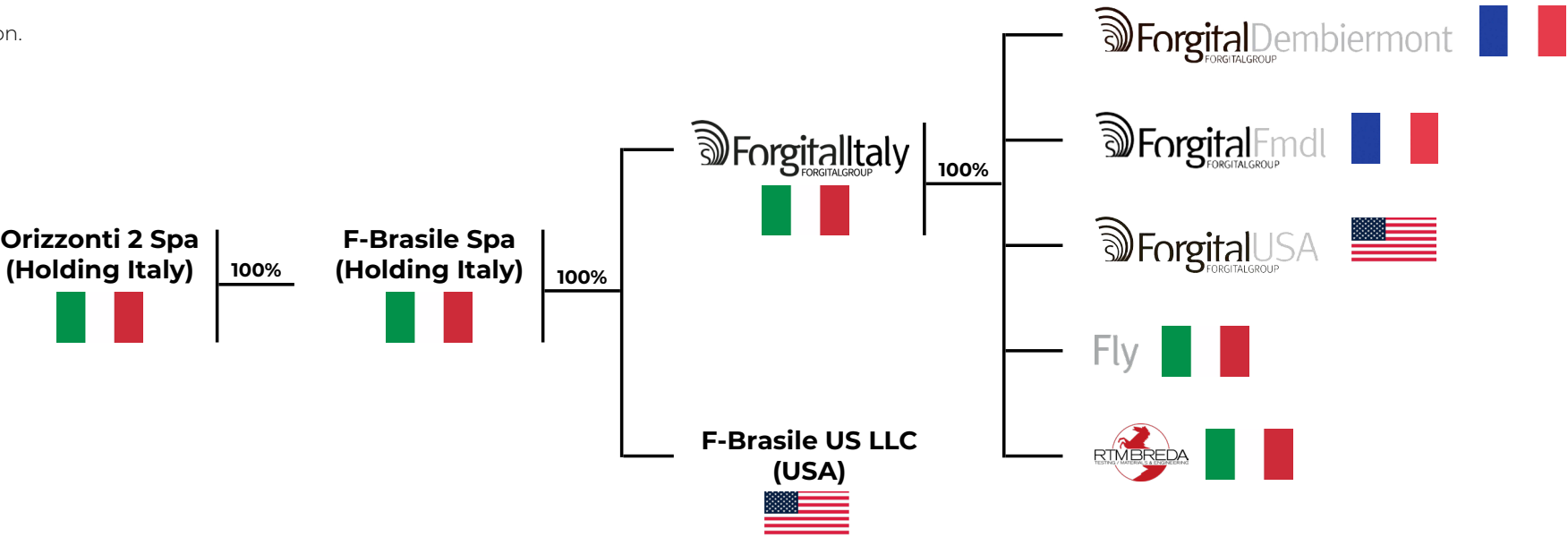
Ethical management is an essential component of any successful business operation. It has played a fundamental role in shaping our enduring reputation as a leader in our industry. At Forgital, we firmly believe that issues such as corruption, unfair competition, and unsafe working conditions not only undermine societal wellbeing, but also erode trust and credibility.

While adherence to basic legal requirements is imperative, it is not enough. Unethical behavior can persist even within the bounds of legal compliance. Good ethical judgement enables the Group to safeguard against such lapses and foster enduring business prosperity.

Upholding good ethics and demonstrating integrity have positive impacts across our entire value chain, fostering trust in our relationships with both internal and external stakeholders and supporting the overall reputation of the business. Internally, ethics and integrity are indispensable in cultivating a working environment founded on trust and mutual respect.

Our approach to governance covers four fundamental areas:

- 1. Leadership and structure;
- 2. Ethics and integrity; and
- 3. Product quality and customer satisfaction.
- 4. Sourcing



Key governance targets

- Monitoring and updating of the Group ESG commitment and strategy
- Integration of shared value across the value chain
- Integration of ESG factors into risk mapping
- Structure a legal quantitative data collection system
- Definition of an ESG financing framework

LEADERSHIP AND STRUCTURE

As of June 30, 2025, Stonepeak acquired Forgital, which is since then overseen by Stonepeak Efesto Upper Holdings S.p.A. Present report describes Forgital's 2024 leadership and structure, thus referring to Orizzonti 2 S.p.A. as holding company.

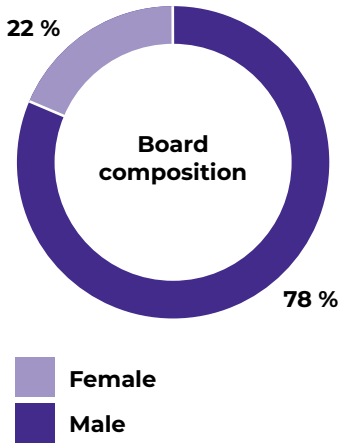
The highest governance body consists of a Board of Directors (hereinafter called the “Board”), which comprises nine members (seven males and two females), of which one chairman and one CEO. There is also a Strategic Committee made up of four members, who represent the investors’ interests.

The shareholders’ meeting appoints the Orizzonti 2 Board of Directors every three years. The Board then appoints the Strategic Committee. The appointment of the members of the Board of Directors takes place in accordance with the provisions of the articles of association and by resolution of the shareholders’ meeting. The president of the Board is not a senior executive.

The Board defines and approves Group policies, the management and implementation of which are delegated to the legal representatives and related officers of individual subsidiaries.

- The Board is also responsible for:
- approving the Sustainability Report
 - appointing the Board of Statutory Auditors;
 - approving the organizational model across Group companies;
 - appointing the leads in charge of health, safety and environment.

In terms of our sustainability commitments, the Board delegates responsibility for managing the impact of the organization on the economy, environment and people. Group Business Reviews are held on a quarterly basis, while those of the individual subsidiaries are held monthly; a rapid progress review is scheduled every 15 days between the Group CEO, the Group CFO, some members of the Strategic Committee and the Investors. Moreover, as required by legislation, to ensure the prevention and mitigation of conflicts of interest, the Board annually notifies interested parties and reports on any conflict of interest in the financial statements.



GRI 2-9: Highest governance body composition	UoM	2024			2023			2022		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Age of highest governance body members (<30)	No.	-	-	-	-	-	-	-	-	-
Age of highest governance body members (30-50)	No.	3	1	4	3	-	3	3	-	3
Age of highest governance body members (>50)	No.	4	1	5	4	1	5	4	1	5



ETHICS AND INTEGRITY

The Board is informed of significant concerns regarding potential or actual adverse effects on stakeholders, brought forward through grievance mechanisms and other channels. These matters are discussed during quarterly Business Reviews. It's noteworthy that in the fiscal year 2024, there were no substantial issues of concern raised.

The Board is regularly updated by the Group CFO on developments related to the sustainability strategy, including goals and targets throughout the year. A dedicated function is responsible for managing ESG matters.

In 2025, an ESG Committee was established, bringing together key group functions with the aim of overseeing, guiding, and coordinating the company's initiatives in the field of ESG and sustainability.

To ensure the maintenance of responsible corporate conduct, Forgital has several policies in place, including:

- our Code of Ethics (which expresses values and fundamental principles that distinguish the company's operations as well as the main policies regarding human resource management, human and workers' rights, relations with third parties, and anti-corruption policy). The document, which undergoes the Board approval, is publicly available on the Forgital website; it is applicable to all Group entities to enhance the sharing of the core values internally and with business partners.
- our new whistleblowing procedure, adopted at Group level in 2024. Traditional reporting channels (telephone channel and dedicated mailboxes) have been integrated with the adoption of a dedicated external platform, to guarantee the confidentiality of the personal data of the complainant and of the report itself. The management of the reporting channel is entrusted to an Ethic committee, composed by 2 internal members and an external one, which oversees the management of the Whistleblowers reporting.
- our general conditions of sale and purchase. These documents report the rules established by the Code of Ethics, as well as our GHG protocol and the adoption of PPE.

The policies are disseminated through Company communications systems, through employee training, and through well-communicated updates to clauses in our purchase and order confirmations, which are shared across the business.

If any negative ethical behavior is detected within Forgital, our primary framework for addressing it is the 231 Organizational Model. This model comprises protocols that govern and delineate the corporate structure and management of its sensitive processes. When properly implemented, the 231 Organizational Model serves to mitigate the risk of criminal offenses. Oversight of the model's application is delegated to an independent entity known as the Supervisory Body. This body is responsible for ensuring compliance and is informed of any deviations related to products and processes. It's important to note that this oversight is applicable only to companies that have embraced the 231 Organizational Model, namely Forgital Italy, Fly, and RTM Breda, all of which are subject to the Supervisory Body's oversight.¹

In the last 5 years, there were no instances of non-compliance documented.

¹ The Italian Legislative Decree 231/2001 establishes a framework of rules and procedures aimed at preventing unlawful conduct within organizations.



ANTI-CORRUPTION

The Company's Code of Ethics serves as reference point for anti-corruption efforts. It effectively mitigates the risk of illicit activities by communicating clear guidelines and behavioral standards to various stakeholders, including corporate bodies, employees, collaborators, consultants, suppliers, clients, and contractors associated with Forgital. In 2024, all newly hired employees were provided with and acknowledged receipt of the Code of Ethics.

Additionally, the Supervisory Body oversees the effectiveness of the evaluation system, transparency, and integrity of internal controls. It annually produces a report on the system's status, offering recommendations to senior management. Despite the formal 231 Organizational model is not implemented across all companies, the dissemination process ensures adherence to standards at the operational level throughout the Group.

Notably, there have been no reported instances of corruption within the Company from 2020 to 2024.

Below is an overview of the quantitative data concerning the communication and training activities related to anti-corruption policies and procedures. Training records are maintained by the Human Resources department. The key documents—such as the Code of Ethics, the 231 Organizational Model, and the Whistleblowing Procedure—are available both on the Forgital website and through the Company Information System. Anti-corruption principles are also referenced in Forgital's general conditions of sale and purchase. All policies and procedures are publicly accessible to stakeholders via the corporate website: www.forgital.com.

As governing bodies are responsible for steering and overseeing anti-corruption efforts—as well as for reviewing and approving the related procedures—they have been fully informed of the content and scope of the anti-corruption policies implemented across all plants in Italy, France, and the USA. In light of their role, they did not take part in specific training activities.

Detailed training on anti-corruption is in progress. In 2024, the training has involved 98% of Italian employees (including executives, managers, office staff and factory workers). Beginning of 2024, a dedicated training on the new whistleblowing procedure has been launched for Italian companies.

For French and US companies, a specific training on ethics and anti-corruption will be put in place in 2025. All employees have been already informed on the adoption of Group Code of Ethics and new Group Whistleblowing Procedure through specific communications, with the documents available on the Forgital website and the company intranet.



ANTI-CORRUPTION continued

GRI 205-2: Communication of anti-corruption policies and procedures	UoM	2024			2023			2022		
		Italy	France	US	Italy	France	US	Italy	France	US
Number of members of the governing bodies to whom the organization's anti-corruption policies and procedures have been communicated	n	21	2	1	20	1	1	20	1	1
Number of employees to whom the organization's anti-corruption policies and procedures have been disclosed	n	795	278	32	765	246	35	724	-	-
of which Executives	n	17	8	2	16	8	1	18	-	-
of which Managers	n	63	42	3	70	24	4	78	-	-
of which White collar staff	n	227	38	8	207	54	6	201	-	-
of which Blue collar workers	n	488	190	19	472	160	24	435	-	-
Total Members of governing bodies	n	21	2	1	20	1	1	20	1	1
Total Employees	n	795	278	32	765	246	35	751	227	35
of which Executives	n	17	8	2	16	8	1	18	6	1
of which Managers	n	63	42	3	70	24	4	78	13	2
of which White collar staff	n	227	38	8	207	54	6	202	71	9
of which Blue collar workers	n	488	190	19	472	160	24	453	137	23
Percentage of members of government bodies to whom the organization's anti-corruption policies and procedures have been communicated	%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Percentage of employees to whom the organization's anti-corruption policies and procedures have been disclosed	%	100%	100%	100%	100%	100%	100%	97%	-	-
of which Executives	%	100%	100%	100%	100%	100%	100%	100%	-	-
of which Managers	%	100%	100%	100%	100%	100%	100%	100%	-	-
of which White collar staff	%	100%	100%	100%	100%	100%	100%	100%	-	-
of which Blue collar workers	%	100%	100%	100%	100%	100%	100%	96%	-	-



ANTI-CORRUPTION continued

GRI 205-2: Communication of anti-corruption policies and procedures	UoM	2024			2023			2022		
Anti-corruption training		Italy	France	US	Italy	France	US	Italy	France	US
Number of members of government bodies who have received anti-corruption training	n	-	-	-	-	-	-	-	-	-
Number of employees who received anti-corruption training	n	781	-	5	493	-	-	557	-	-
of which Executives	n	7	-	1	7	-	-	7	-	-
of which Managers	n	63	-	1	48	-	-	61	-	-
of which White collar staff	n	227	-	3	152	-	-	169	-	-
of which Blue collar workers	n	480	-	-	286	-	-	320	-	-
Total Members of governing bodies	n	21	2	1	20	1	1	20	1	1
Total Employees	n	795	278	32	765	246	35	751	227	35
of which Executives	n	17	8	2	16	8	1	18	6	1
of which Managers	n	63	42	3	70	24	4	78	13	2
of which White collar staff	n	227	38	8	207	54	6	202	71	9
of which Blue collar workers	n	488	190	19	472	160	24	453	137	23
Percentage of government body members who received anti-corruption training	%	100%	-	-	-	-	-	-	-	-
Percentage of employees who received anti-corruption training	%	98%	-	16%	64%	-	-	74%	-	-
of which Executives	%	41%	-	50%	44%	-	-	39%	-	-
of which Managers	%	100%	-	33%	69%	-	-	78%	-	-
of which White collar staff	%	100%	-	38%	73%	-	-	84%	-	-
of which Blue collar workers	%	98%	-	-	61%	-	-	71%	-	-

PRODUCT QUALITY AND CUSTOMER SATISFACTION

NON-GRI 1

Forgital Group caters to a diverse clientele, involving prominent aircraft and aero-engine original equipment manufacturers (OEMs), as well as customers operating within the oil and gas, transmission, power generation, and general mechanics sectors. Given the nature of our customers’ business, Forgital’s products and services must adhere to stringent standards, owing to the potential impact they can have on the health and safety of individuals.

Our positive reputation for product quality and customer satisfaction is a fundamental asset for the organization, which we have built up over many years. Quality is an essential aspect of product safety, and reliability, safety and quality are essential to corporate reputation. Reputational damage can lead to negative economic impacts on the Group including loss of business to competitors.

Quality management

To effectively manage quality across the organization, Forgital Group appoints a Group Quality System Director and assigns various quality functions with distinct responsibilities for each production unit or operational company. Each employee overseeing these quality functions maintains regular communication with colleagues within their respective unit or company, enabling swift issue resolution, analysis of quality key performance indicators (KPIs), and seamless information flow to support operational progress.

In demonstrating our unwavering commitment to quality management, all Group companies have endorsed a Quality Policy and obtained certification in accordance with internationally recognized standards such as ISO 9001:2015 for industrial markets and EN9100:2016 for aerospace markets. Furthermore, in alignment with the Group’s dedication to delivering operational excellence to customers, Forgital Italy implemented an Integrated Management System in 2004, which is based on:

- Quality Management (ISO 9001:2015, EN9100:2016, equivalent to AS9100 Rev. D);
- Environmental Management (ISO 14001:2015);
- Energy Management (ISO 50001:2018); and
- Health and Safety Management (ISO 45001:2018).

Group companies have also gained a wide range of quality certifications, both from third parties and customers. One example that stands out and fills us with pride is our attainment of Nadcap accreditation for special processes, ensuring our compliance with the exacting production standards set by aerospace customers.

All product non-conformities are managed according to specific quality system procedures (Claims Management and Management of Non-Conformities). The entire management process is performed through the specific applications of the Company Information System. Complaints are recorded as non-conformities in the Company Information System and classified as “Customer Complaints”. In accordance with this procedure, a complaint management cycle is created by the Quality Assurance. The relevant department is then drawn on to identify the causes of the complaint, to define the corrective actions to be communicated to the customer, and to manage the outcome, which could be:

- concessions on claimed pieces;
- rework and/or repair;
- scrap of the pieces with reproduction; or
- other solutions agreed with the client.

Complaints also include other issues such as non-compliant packaging, damage during transport, and delivery delays. These also follow the same process described above.

Forgital has a dedicated sales assistance team which manages relations with our customers from the moment of placing an order through to shipment and post-delivery. This service is also in charge of managing client complaints from receipt to negotiation and reconciliation and is a focal point for our customers.

Our complaint process involves multiple Company areas, each of which can propose improvements and changes to the processes at any time. Opportunities for improving our audited processes are also gathered through internal Company audits.

All complaints are recorded in the Company Information System and made available across the business for multi-level consultation and verification. The summary data of the complaints is projected onto Company screens located across our sites. The details of complaints, exceptions, and outcomes are periodically published on the whiteboards located in each production department, to increase employees awareness.

GRI 2-25: Number of complaints	UoM	2024	2023	2022
Total number of complaints	No.	86	135	189
Percentage of complaints on produced pieces	%	0.12 %	0.17 %	0.21 %
Number of complaints that have been resolved through remedial mechanisms	No.	60	80	107
Percentage of users satisfied with the remedial mechanism	%	100 %	100 %	100 %
Number of complaints received in the reporting period from customers	No.	86	135	189

The positive trend in claims reduction is confirmed at Group level, with a 71.43% decrease in complaints related to produced pieces over the past five years. Additionally, a significant proportion of complaints have been successfully resolved through remedial mechanisms, ensuring high levels of user satisfaction.

PRODUCT QUALITY AND CUSTOMER SATISFACTION continued

GRI 2-6

To achieve outstanding outcomes in both product quality and operational processes, it's crucial to maintain consistent quality standards across the entire value chain, from suppliers to customers. Forgital recognizes the significance of cultivating a responsible supply chain and therefore selects only reliable and stable partners.

Moreover, the Group establishes robust industrial partnerships with associations and similar organizations who protect and support industrial Italian companies, such as:

- Confindustria: the primary representative association of manufacturing and service companies;
- AIAD, the Federation that represents the Companies for Aerospace, Defence and Security;
- Federacciai, the federation of steel companies.

This strategy contributes to increase:

- Quality Assurance: By partnering with trusted suppliers and organizations, Forgital can maintain consistent quality standards across their products and processes, reducing the risk of defects or inconsistencies.
- Risk Mitigation: Working with stable partners and industry associations helps mitigate risks such as supply chain disruptions or regulatory challenges, thereby safeguarding Forgital's operations and reputation.
- Innovation and Continuous Improvement: Collaborating with associations and other organizations allows Forgital to stay updated on industry trends, best practices, and regulatory changes, fostering innovation and continuous improvement in their operations.
- Sustainability and Corporate Responsibility: Developing a responsible supply chain aligns with modern expectations for corporate responsibility. By selecting partners with similar values, Forgital demonstrates its commitment to ethical business practices.

Overall, this approach helps Forgital maintain its competitive edge in the market while fulfilling its commitments to quality, reliability, and sustainability throughout the whole value chain.

Forgital's cross-functional team, comprising members from Quality Assurance, Product Quality, Process Engineering, and Production, collaborates on continuous improvement initiatives focused on boosting production effectiveness and efficiency. In pursuit of same goals, in 2024, a specialized collaborative working group persisted in efforts to minimize product defects and enhance overall quality standards.

Non-GRI: Rejects / Pieces produced	UoM	2024	2023	2022
Rejects	No.	765	710	858
Pieces Produced	No.	71,543	78,465	88,516
Rejects/Pieces Produced	No.	0.010	0.009	0.009
Rejects/Pieces Produced	%	1.06 %	0.90 %	0.96 %

Although a slight increase was recorded in the ratio of rejected parts to parts produced, the KPI continues to reflect a generally low level of defects across the Group. This variation is primarily attributable to the introduction of numerous new part numbers, which naturally involve a learning and optimization phase. Additionally, the percentage increase is also influenced by an overall reduction in the number of parts produced, which affects the relative weight of non-conformities. Despite these factors, the Group's performance remains stable, with only a limited rise in the incidence of rejects.

In conjunction with the efforts of the above mentioned cross functional team, Forgital addresses product non-quality using the Eight Definitions (8D) Model. Refined and honed over time, this framework empowers the organization to tackle instances of non-compliance by delineating a systematic approach to pinpoint root causes, execute corrective measures, and prevent recurrence.

In addition, to support failure investigations, RTM Breda can provide engineering and material science expertise through its Failure Analysis service and materials behavior model, Finite Element. This modelling represents an important step ahead in manufacturing, permitting engineers to simulate, in advance, the hot forging/rolling processes, validating the product itself and the tooling before the actual production commences.



SOURCING

Responsible Supply Chain and Raw Material Procurement

Forgital is committed to promoting an increasingly responsible supply chain by progressively integrating ESG criteria into its relationships with partners. For this reason, our purchasing conditions and orders require all suppliers to adhere to the Group's Code of Ethics, which outlines our expectations in terms of sustainability, legal compliance, and ethical business conduct.

To further strengthen governance on these topics, a dedicated Supplier Code of Conduct is currently under development and will be formally issued in 2025. As part of this ongoing strategy, Forgital launched its first ESG survey in 2024, targeting its main raw material suppliers. The initiative aims to assess their current ESG practices, with a specific focus on:

- Environmental aspects: such as emissions management, use of natural resources, and transparency of environmental policies;
- Social aspects: including occupational health and safety, labor rights, and compliance with relevant regulations;
- Governance aspects: such as corporate ethics, anti-corruption practices, data protection, and whistleblowing mechanisms.

This process represents a concrete first step towards developing a supply chain that is increasingly aligned with the Group's values and long-term vision for responsible growth.

Procurement Strategy and Risk Management

The procurement of raw materials is a key strategic function within the Group, as raw material costs directly impact product pricing, which in turn affects competitiveness and market positioning. Any significant fluctuations in material costs not only influence margins but can also lead to lost sales opportunities and reduced market share. In some cases, price volatility can also damage customer confidence and the Group's reputation.

At the same time, strategic sourcing activities such as securing long-term agreements and building strong supplier relationships play a fundamental role in expanding market reach and supporting the Group's economic performance.

The procurement team, in close coordination with suppliers, is responsible for maintaining supply chain continuity and sustaining competitiveness. Risk mitigation in the supply chain is primarily focused on ensuring material availability, maintaining quality standards, and guaranteeing timely deliveries. Activities undertaken include:

- Ongoing communication with key suppliers;
- Monthly review of vendor performance metrics (e.g. on-time delivery, material conformity);
- Audits and assessments where appropriate;
- Regular internal risk reviews, focused on identifying operational and supply-related risks (not yet inclusive of ESG risks in a systematic manner).

It is important to note that the Group's current risk management processes do not yet include a comprehensive evaluation of ESG-related risks, except through ad hoc initiatives such as the aforementioned ESG survey. However, the progressive integration of ESG criteria into supplier assessments is a clear objective within the broader sustainability roadmap.

When new raw materials must be sourced, Forgital selects suppliers from its pool of qualified vendors. In cases where a specific supplier is designated by the customer typically at the Purchase Order (PO) or Long-Term Agreement (LTA) stage the Group expects Original Equipment Manufacturers (OEMs) to ensure that such suppliers comply with relevant ESG expectations.

While the Group remains committed to favoring local procurement whenever possible, it also continues to invest in expanding and qualifying its supplier base to meet both technical specifications and sustainability criteria.

SOURCING continued

Conflict Minerals Policy

Each purchase order from Forgital is clearly stating the Conflict minerals policy, asking supplier to adhere to it. This Policy is sent once a year to all suppliers and every year, in January, Forgital analyses all purchased raw materials, checking which ones contain conflict minerals in a significant quantity. CMTR survey is then sent to all involved suppliers, with mandatory request to fill it. Forgital verifies that the smelters declared by suppliers are not blacklisted, using the lists provided by the Responsible Minerals Initiative. Based on the responses, Forgital's Quality department communicates the results to its customers.

Governance of Procurement and Cross-Functional Oversight

Supplier and purchasing performance are regularly discussed through structured, cross-functional meetings:

- A Quality Review Meeting is held periodically with participation from Purchasing, Sales, Engineering, Product Quality, and Operations departments to review procurement-related quality topics;
- A Monthly Purchasing Review is held with specific focus on procurement performance and supplier relations at Group level;
- Key stakeholders, including the Purchase Director, Sales Director, Quality Directors, and the COO, are actively involved in monthly Quality and Business Review meetings.

As of today, there have been no significant negative events to report within the scope of procurement or supplier management.

Support for Local Economies and Evolution of Sourcing Patterns

Forgital is committed to supporting local economies by prioritizing collaboration with domestic suppliers whenever feasible. This principle is applied across its manufacturing sites: suppliers located in Italy are favored for the Forgital Italy plant, while local partners in France are preferred for the Forgital Dembiermont and Forgital FMDL plants. The percentage indicated below represents the aggregated share of domestic suppliers across these plants, calculated annually based on the total volume of raw materials received at Group level. Over recent years, however, the share of spend allocated to local suppliers has shown a downward trend. This shift is mainly attributable to the strong growth of the aerospace segment a strategic and technically demanding sector for which, at present, there are no qualified domestic suppliers. As a result, Forgital has had to rely on international sourcing for specific raw materials required by this industry. While the Group remains committed to favoring local procurement whenever possible, it also continues to invest in expanding and qualifying its supplier base to meet both technical specifications and sustainability criteria.

GRI 204-1: Proportion of spending on local suppliers	UoM	2024	2023	2022
% of procurement volume to local suppliers	%	72 %	85%	84%
% of procurement spend to local suppliers	%	28 %	37%	46%

CYBERSECURITY AWARENESS

The increasing complexity and spread of cyber threats make cybersecurity a strategic priority for Forgital Group. In response to this evolving landscape, the Group has implemented a structured and comprehensive cybersecurity strategy aimed at safeguarding sensitive data, ensuring operational continuity, and maintaining customer trust. One example is the **Disaster Recovery procedure**, in place for over ten years, ensures the restoration of the IT platform according to predefined RPO and RTO parameters. In the event of a critical incident affecting the central server and, consequently, the IT activities of the various sites, essential services can be reactivated within defined timeframes, ensuring system resilience.

In 2024, the company also introduced the **Table Top Simulation**, a strategic exercise designed to assess the effectiveness of decision-making processes and the readiness of senior management in responding to complex cybersecurity scenarios.

In 2024, Forgital Italy and Fly issued a cybersecurity policy that defines the core principles and guidelines to protect organization's IT systems, networks, and sensitive information from unauthorized access, attacks, damage, or theft. The policy is based on the foundational principles of **Confidentiality, Integrity, and Availability** (CIA), which are essential for the effective management of information security.

The policy, that will be extended to all Group companies by the end of 2025, ensures that:

- Confidential data is accessible only to authorized personnel;
- Information remains accurate, complete, and compliant with data protection regulations such as GDPR;
- Data is available when and where needed to support operational continuity.

The Group has also implemented a centralized backup system for all its companies, enhancing resilience in the event of a cyberattack. As part of this, Forgital has adopted the **3-2-**



1-0 rule for backup management: maintaining 3 copies of data, stored on 2 different types of media, with at least 1 copy kept off-site, and 0 errors verified in the backups. This approach enhances resilience, minimizes operational risks, and ensures business continuity, reflecting the Group's commitment to digital sustainability and responsibility toward stakeholders and clients.

In 2024, Forgital Group also introduced an **USB usage policy**, aimed at minimizing risks associated with external storage devices. The policy restricts USB usage, allowing it only upon receiving proper authorization and completing specific training on associated risks such as data loss, malware, and social engineering, as well as on safe usage practices.

Recognizing that cybersecurity is no longer just a technical issue but a shared responsibility across all levels of the organization, Forgital continues to invest in **employee awareness and training**. Every employee plays a crucial role in identifying potential risks and adopting the right behaviours to prevent and respond to threats effectively.

For the fourth consecutive year, the Group has delivered an **online Security Awareness program** to all employees with a corporate email. The 2024 edition focused on the theme of "**Device Disaster**", underlining the importance of protecting devices from critical events that could compromise their reliability and security.

To assess the effectiveness of the training and monitor awareness levels, employees were also subjected to **two phishing simulations** during the year. In the first simulation, only **6.55%** of users were tricked, while the second, more sophisticated attempt saw a slightly higher rate of **18.21%**. These exercises provided significant insights for strengthening the organization's overall resilience. In 2025, the training platform has evolved with monthly simulations to keep attention high.

To date, **no specific negative cybersecurity events** have been recorded.

Case Study

GOVERNANCE ROADMAP

Action	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	SDGs
TARGET: Definition of a Group ESG commitment and ESG	G.1 Draw up a formal Group ESG strategy and policy										
	G.2 Identification of roles and responsibilities towards ESG issues, such as:										
	- Operational functions - Management-level oversight - Board-level oversight										
TARGET: Integration of shared values across the value chain	G.3 Internal training with a focus on Forgital Group approach to ESG:										
	- ESG commitment - Sustainability Plan - Sustainability Report										
	G.4 Extend the adoption of the Code of Ethics at a Group level										
	G.5 Extend the adoption of Whistleblowing policy at a Group level										
TARGET: Integration of ESG factors into risk mapping	G.6 Ensure access to the whistleblowing channel for all Group employees										
	G.7 Internal training on the principles of Code of Ethics, Business Conduct and Human Right										
	G.8 Integration of ESG factors into supplier assessment and monitoring										
TARGET: Structure a legal quantitative data collection system	G.9 Adoption of a Group policy for purchasing goods and services with positive sustainability benefits										
	G.10 Design of a roadmap to integrate ESG factors into risk mapping										
TARGET: Define ESG financing framework	G.11 Implementation of a legal quantitative data system for all locations (e.g. collection of ESG data of each plant using standard template for consolidation)										
	G.12 Assessment and selection of an ESG rating provider										



ANNEX



Forgital Group



METHODOLOGICAL NOTE

GRI 2-2; 2-3; 2-4; 2-5; 2-11

This Sustainability Report consolidates information on the entire Forgital Group, that is composed of:

- **Forgital Italy S.p.A.;**
- **Fly S.p.A.;**
- **RTM Breda S.r.l.;**
- **Forgital Dembiermont S.A.S.;**
- **Forgital FMDL S.A.S.; and**
- **Forgital USA Inc.**

Any limits to the scope of reporting are clearly identified in the text and do not significantly affect the understanding of the Group's business, its performance or its results.

The qualitative and quantitative information reported in the Sustainability Report derives from a data-gathering process performed at a Group level using Excel reporting packages.

The Report discloses the data for the period 1 January 2024–31 December 2024, is drafted annually, and is approved by the Board of Directors of Forgital Group.

Previous years' data are included for comparative purposes, in order to enable an assessment, over time, of the performance of the Group. Any restatement of data reported in previous years will be clearly indicated in the next documents. Compared to 2023 edition, the GRI 305-6 Table has been updated to correct a typographical error in the conversion unit from tonnes to kilograms in past years quantities.

The document was drafted with the aim of providing information that is reliable, complete, balanced, accurate, understandable and comparable, as required by the reporting standards used: GRI Sustainability Reporting Standards, 2021. This report has been prepared with reference to GRI Standards. A detailed overview of the indicators disclosed can be found in the GRI Content Index which provides a detailed description of all the topics covered in the document.

The document is not subjected to external assurance.

As mentioned on page 5, in the reporting period, Orizzonti 2 was the holding controlling the Group, and all data relating to governance refer to the latter company. To comply with the GRI 2-11 requirements, it is important to mention that the chair of the highest governance body is not also a senior executive.

In terms of environmental data (carbon), this is derived from an internal project focused on the development of a GHG inventory. The relative conversion factors used are reported in the “Environment” section.

Approved by Board of Directors on 16 October 2025.

GRI CONTENT INDEX

Statement of use
Forgital Group has reported with reference to the GRI Standards for the period 1 January 2024 to 31 December 2024.

GRI 1 used
GRI 1: Foundation 2021.

Applicable GRI Sector Standard(s)
Not applicable (no Sector Standards available).

GRI Standard/other source	Disclosure	Page
General disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	6-7; 12
	2-2 Entities included in the organization's sustainability reporting	76
	2-3 Reporting period, frequency and contact point	76
	2-4 Restatements of information	76
	2-5 External assurance	76
	2-6 Activities, value chain and other business relationships	7; 70-71
	2-7 Employees	49
	2-8 Workers who are not employees	49
	2-9 Governance structure and composition	64
	2-10 Nomination and selection of the highest governance body	64
	2-11 Chair of the highest governance body	76
	2-12 Role of the highest governance body in overseeing the management of impacts	64
	2-13 Delegation of responsibility for managing impacts	64

GRI Standard/other source	Disclosure	Page
General disclosures continued		
GRI 2: General Disclosures 2021 continued	2-14 Role of the highest governance body in sustainability reporting	64
	2-15 Conflicts of interest	66
	2-16 Communication of critical concerns	65
	2-17 Collective knowledge of the highest governance body	66
	2-19 Remuneration policies	50
	2-20 Process to determine remuneration	50
	2-21 Annual total compensation ratio	50
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	2-26 Mechanisms for seeking advice and raising concerns	69
	2-27 Compliance with laws and regulations	69
	2-28 Membership associations	70
	2-29 Approach to stakeholder engagement	17; 19-20
	2-30 Collective bargaining agreements	49



GRI Standard/other source	Disclosure	Page
Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	18-21
	3-2 List of material topics	18; 22
Material Topic: Sustainable Sourcing		
Procurement practices		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	72
Material Topic: Ethics and Integrity		
Anti-corruption		
	205-2 Communication and training about anti-corruption policies and procedures	67-68
	205-3 Confirmed incidents of corruption and actions taken	66
Material Topic: Energy and Emissions		
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GRI 305: Emissions 2016	302-1 Energy consumption within the organization	28
	302-3 Energy intensity	29
	302-4 Reduction of energy consumption	30
Material topic: Energy and Emissions, Respect for the environment		
Emissions		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	34
	305-2 Energy indirect (Scope 2) GHG emissions	35
	305-3 Other indirect (Scope 3) GHG emissions	36
	305-4 GHG emissions intensity	38
	305-6 Emissions of ozone-depleting substances (ODS)	39

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Material topic: Wellbeing and Personal Development		
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GRI 401: Employment 2016	401-1 New employee hires and employee turnover	48
Material Topic: Occupational Health and Safety		
Occupational health and safety		
GRI 3: Material Topics 2021	403-1 Occupational health and safety management system	53
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	53
	403-3 Occupational health services	53
	403-4 Worker participation, consultation, and communication on occupational health and safety	53
	403-5 Worker training on occupational health and safety	53
	403-6 Promotion of worker health	53
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	53
	403-9 Work-related injuries	54

GRI Standard/other source	Disclosure	Page
Material Topic: Wellbeing and Personal Development		
Training and education		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	46
	404-2 Programs for upgrading employee skills and transition assistance programs	45-46
	404-3 Percentage of employees receiving regular performance and career development reviews	51
Diversity and equal opportunity		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	52
Material Topic: Economic Performance and Market Presence		5
Material Topic: Product Quality and Customer Satisfaction		69-70

NON-GRI INDICATORS

GRI Standard/other source	Disclosure	Location	GRI Sector Standard Ref. no.
Material Topic: Product Quality and Client Satisfaction			
Non-GRI	Rejects/pcs. Prd. (%)	70	



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