ADVANCE HOLDING

Sustainability Report 2024

TOGETHER TO BE BETTER

INTRODUCTION

OUR THIRD SUSTAINABILITY REPORT

Our 2024 Sustainability Report, as approved by the ADH Group's top governing board, is the main platform by which the Group discloses and reports on its environmental, social and economic performance.

The report was prepared in accordance with the Global Reporting Initiative's GRI Standards 2021, featuring a "with reference" reporting level. In parallel, it marks an important step towards alignment with the new ESRS standards introduced by the Corporate Sustainability Reporting Directive (CSRD). Indeed, in 2024, ADH updated its materiality analysis and performed a dual materiality analysis in line with the CSRD requirements.

In this paper, where possible, the corresponding ESRS have been associated with the topics covered, including those that are not fully covered, with a view to gradually adapting to the new European requirements.

HIGHLIGHTS
SUSTAINABILITY ESG

The Highlights below refer to the ADH Group's key ESG indicators

ENVIRONMENTAL

REGENERATED MATERIALS
81,771.8 MT

WATER RESOURCES CONSUMED
307 ML

ATMOSPHERIC EMISSIONS - CO2-EQ. (SCOPE 1 + SCOPE 2)
9,440.32

ELECTRICITY CONSUMED
180,308.26 GJ

OF WHICH FROM RENEWABLE SOURCES
17.881,18 GJ

HIGHLIGHTS
SUSTAINABILITY ESG

The Highlights below refer to the ADH Group's key ESG indicators

SOCIAL

EMPLOYEES
170

OPEN-ENDED CONTRACTS
69%

TRAINING HOURS
3,800

AVERAGE TRAINING HOURS PER EMPLOYEE
20

CHARITY DONATIONS AND SPONSORS
175,894 €

PROCUREMENT FROM LOCAL SUPPLIERS
82% Italy

HIGHLIGHTS
SUSTAINABILITY ESG

The Highlights below refer to the ADH Group's key ESG indicators

GOVERNANCE

REVENUES

158,737,800 €

REVENUES REST OF THE WORLD

44%

REVENUES IN ITALY

56%

INVESTMENTS CAPITALIZED IN THE YEAR 2024

3.6 ML/€

PRODUCTION SITES

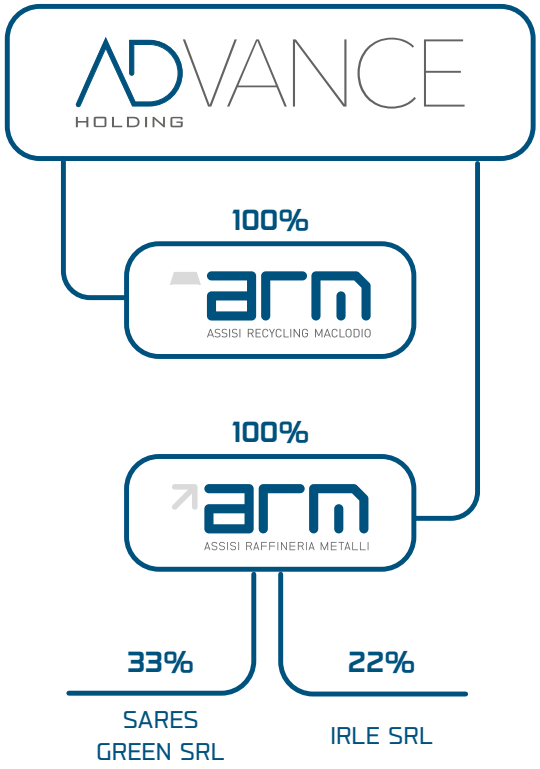
2

THE GROUP

ADVANCE HOLDING

The history of the ADH Group began with Mario Assisi, the founder, who started a brass refinery in Sarezzo (BS) in the 1960s. Over the years, the business grew and consolidated, ensuring progressive steady growth.

Advance Holding S.p.A. (ADH) was established in 2018 through the merger of Assisi Raffineria Metalli S.p.A. and Assisi Recycling Maclodio S.p.A., both leading companies operating in the metal industry with a view to creating a new competitive player in national and international markets.



ASSISI
RAFFINERIA METALLI

Headquartered in Sarezzo (BS) Assisi Raffineria Metalli specializes in the recovery of raw materials from waste though an industrial selection and sorting process that transforms non-ferrous scrap into high-quality products to be fed back to the production cycle again

ASSISI
RECYCLING MACLODIO

Assisi Recycling Maclodio S.p.A. started producing semi-primary and secondary aluminium ingots from scrap in 2014 in Maclodio, in the province of Brescia.

Since 2018, the company has accelerated its organisational and qualitative growth, thanks to the supply chain synergies created within the group, thereby consolidating its position on the domestic and European markets

TOGETHER TO BE BETTER

The motto "Together to be Better, together to be the Best" embodies the ADH Group's mission, clearly expressing how the background and solidity of Assisi Raffineria Metalli and the innovative and dynamic approach of Assisi Recycling Maclodio aim to contribute together to sustainable growth as well as a way of doing business that is increasingly aware and sustainable.

In pursuing its business targets, the Group places environmental, social and economic sustainability at the very core of its strategy, with a particular focus on circular economy

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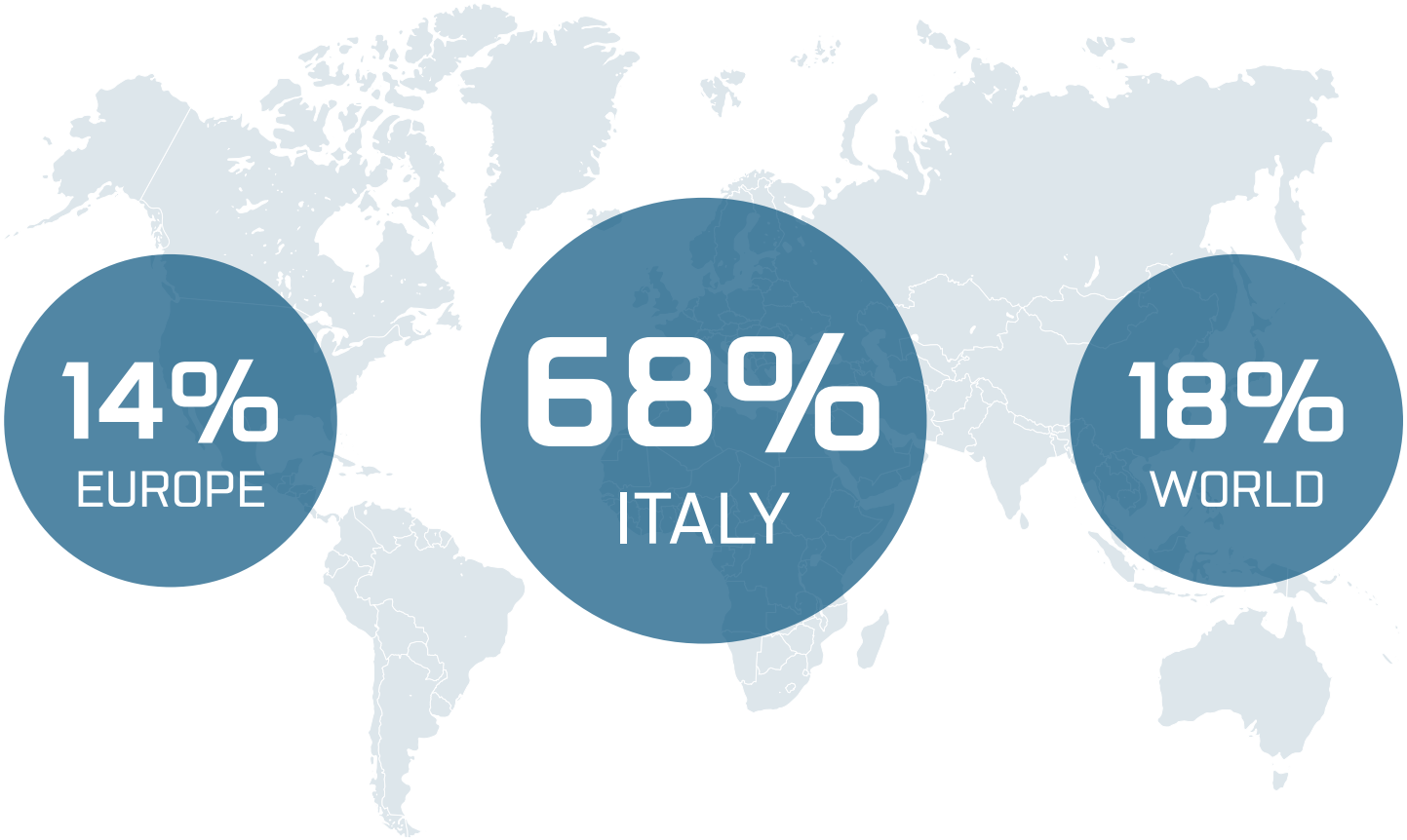
THE OFFERING

The ADH Group's offering mainly includes:

- PRIMARY ALUMINIUM ALLOY SCRAP,
- CRUSHED OR FLOATED, CRUSHED ALUMINIUM CANS,
- DRIED ALUMINIUM CANS,
- PRIMARY ALUMINIUM SECTIONS,
- PRIMARY ALUMINIUM SHEETS,
- ALUMINIUM CASINGS, AS WELL AS OTHER FERROUS AND NON-FERROUS MATERIALS,
- ALUMINIUM INGOTS.

MARKETS
SERVED

30
COUNTRIES



GOALS
FOR SUSTAINABLE GROWTH

FOR FURTHER INFORMATION,
PLEASE REFER TO **CHAPTER 1.2**

In pursuing its sustainability mission, the ADH Group adopts a methodical and comprehensive approach to analysing the internal and external context in which it operates, which is crucial in directing the company's actions and strategies.

Each year, the Group carries out a double materiality analysis, combining the traditional assessment of the impact of its operations on people and the environment with what the CSRD refers to as financial materiality: a risk and opportunity assessment linked to specific management practices and ESG issues on the company's economic and financial results.

After this analysis, ADH identified 10 goals from the UN's 2030 Agenda and 11 material target topics, considered relevant for both stakeholders and the Group in the medium and long term. The company then identified its guidelines for its next sustainability goals, setting out on a path of increasingly close involvement with suppliers and employees, aware that sharing sustainability goals and choices with stakeholders is a crucial step towards achieving important results of common benefit.

For further information, please refer to chapter 1.2 (top right).

The sustainability report also aims to describe how ADH is pursuing these sustainability goals. This summary version briefly illustrates the Group's main topics and goals.

GOAL 3
HEALTH AND SAFETY

FOR FURTHER INFORMATION,
PLEASE REFER TO **CHAPTER 3.3**

Protecting the health and safety of its employees is a top priority and is a basic requirement for the efficiency of the Group's processes. The company implements all the organisational procedures to ensure the wellbeing of its staff, by taking daily measures to prevent injuries and occupational diseases

In this view, ADH is constantly committed to ensuring:

- modern facilities;
- protective equipment in place;
- compliance with hygiene standards and accident prevention regulations;
- ongoing training for all the people who work with, in and for the company on a daily basis. .

In addition, all those responsible for occupational safety identified by 81/08 have been given responsibility, with the aim of:

- promoting the continuous improvement of the workers' health and safety conditions;
- carrying out periodic assessments of the risks related to workers' health and safety;
- promoting appropriate preventive and corrective actions.

FUTURE OBJECTIVES:

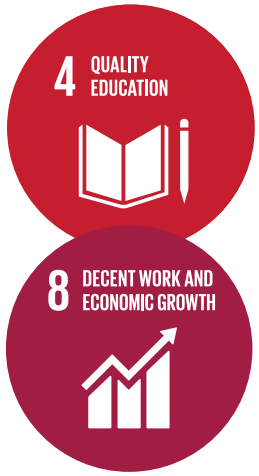
Implementing safety awareness programmes using non-traditional methods and promoting a healthy lifestyle.

Starting in 2025, undertaking preparatory tasks for the 45001 certification, aiming to achieve it within the following two years.

GOAL 4-8

TRAINING AND WELL-BEING OF PEOPLE

FOR FURTHER INFORMATION,
PLEASE REFER TO **CHAPTER 3.2**



ADH's ethical commitment to its employees aims at a continuous search for solutions to increase the spending power, health and well-being of each of them.

These objectives are expressed in specific initiatives and activities:

- creating airy and living spaces to promote conviviality among employees
- granting benefits to employees (fuel vouchers, shopping vouchers, production bonuses)
- providing support for parenthood, through welfare vouchers for new parents.
- enabling smart working policy, in case of special needs.

Each person who works for the group is recognised for their value and uniqueness with a small gift on his or her birthday.

In line with corporate development and social sustainability, the ADH Group includes training programmes in its HR policies. In 2024, this includes:

- Cyber-security training
- Team leader and leader coach training
- Waste management training
- UNI EN ISO 14067 training

FUTURE GOALS:

Keep providing training courses for employees to boost company growth by increasing the average number of training hours per employee.

Listening to problems and suggestions about training sessions.

Organising courses to raise awareness among all employees about language use and gender stereotypes.
Starting in January 2025, implementing a food delivery service (with a rich and healthy menu, able to satisfy all dietary requirements).

GOAL 10
DIVERSITY AND INCLUSION

By promoting integration among different members of staff and the professional development of each employee, the Group is committed to protecting and promoting values such as meritocracy, loyalty, professionalism, dedication and teamwork, avoiding any form of discrimination and encouraging inclusive relationships where diversity is seen as an opportunity for all.

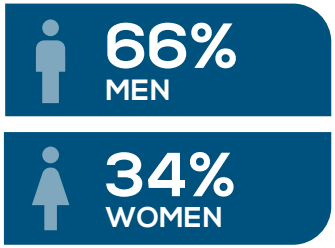
During 2024, the Group implemented the **Diversity and Inclusion Policy, through which it is committed to:**

- select, hire, pay, train and evaluate people based on merit and expertise, without discrimination, in accordance with the principle of equality;
- ensure a working environment based on loyalty, fairness, collaboration, mutual respect and trust;
- provide working conditions that are adequate in terms of safety and health, and respectful of everyone's moral integrity;
- oppose any form of intimidation, hostility, isolation, undue interference, conditioning or harassment;
- guarantee employees the opportunity to express their personality and reasonable protection of their privacy;
- intervene in cases of behaviour that does not comply with the above-stated principles.

FUTURE GOAL:

Increasingly improving gender equality within the company, not only to promote fairness and inclusion, but also to achieve a more productive, innovative and sustainable environment.

Raising awareness among all employees about gender stereotypes, promoting the use of inclusive language



GOAL 6

RESPONSIBLE WATER MANAGEMENT

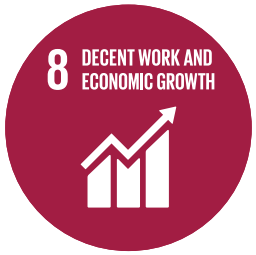
Water consumption is one of the primary environmental impacts of the Group's production process. More specifically, ARM Assisi Recycling relies on this resource for the proper performance of its main business.

A detailed analysis of the areas in which ADH operates has revealed that none of them are at risk of water stress. In any case, the Group focuses its attention on all types of actions and controls that prevent water wastage.

FUTURE GOAL:

Pursuing ongoing useful initiatives to implement industrial water saving projects and evaluating water dispensing systems in offices to reduce the use of plastic bottles.

GOAL 8
CUSTOMER SATISFACTION



ADH has always made it a point of strength to be responsive and able to satisfy customer requests in the shortest possible time..

Feedback from customers, used as a representative sample of the entire ADH Group customer base, reveals a high degree of satisfaction among them

FUTURE GOAL:

Maintaining customer satisfaction levels through annual customer satisfaction ratings.

Setting up a relationship process that gets the company involved with customers in projects that help develop new, more sustainable business models.

GOAL 9

BUSINESS CONTINUITY

The Group's business continuity, meaning operational or corporate continuity, i.e. the ability to continue to carry out its operations and provide products and services following equipment breakdowns, natural disasters or cyber attacks, is guaranteed by systematic processes and procedures for assessing company performance. The Group, which is constantly monitoring its plants using sophisticated IT tools at both production sites, guarantees a predictive system aimed at limiting the risks of any production stoppages or external breaches. During the reporting period, there were no significant production shutdowns or stoppages.

INNOVATION:

The ADH Group's investments in technological innovation in recent years have mainly focused on the implementation of innovative Industry 4.0 solutions, optimising costs and monitoring performance.

FUTURE GOAL:

Adopting the best technologies, the most innovative ones that optimise production and reduce consumption.

CAPITALIZED INVESTMENTS

3.6 M

GOAL 12-13

ENSURING SUSTAINABLE PRODUCTION AND CONSUMPTION

CLEAR ETHICAL VALUES
compliance with key values that reflect the company's commitment to honesty, social responsibility, and sustainability.

CODE OF ETHICS
a code of conduct that provides guidelines for proper behaviour and for managing ethical dilemmas.

ETHICAL LEADERSHIP
top management promotes ethical behaviour models, actively supporting an ethical culture within the organisation.

TRAINING AND AWARENESS
training programmes for all employees, to ensure they understand the importance of corporate ethics and know how to apply it in their daily work.

WHISTLEBLOWING AND PROTECTION SYSTEM
secure and confidential channels for reporting misconduct, thus ensuring protection from retaliation and promoting transparency.

MONITORING AND ASSESSMENT
carrying out periodic checks to ensure that behaviour complies with established ethical principles and take corrective action if necessary.

SOCIAL RESPONSIBILITY
engaging in corporate social responsibility initiatives, and contribute positively to the community and the environment.

CIRCULAR ECONOMY

IMPACT ON CIRCULAR ECONOMY

FOR FURTHER INFORMATION,
PLEASE REFER TO **CHAPTER 2**

Through its operations, Assisi Raffineria Metalli returns both non-ferrous metals (mainly aluminium, but also copper, zinc, lead, magnesium, etc.) and ferrous metals (carbon steel and stainless steel) to the production cycle as regenerated raw materials, thereby generating the following benefits:

- Reduced need to extract fossil raw materials;
- Reduced need for landfill disposal;
- Reduced carbon footprint, on average by at least one order of magnitude, compared to what is needed to produce these metals from ore.

THE RECOVERY CHAIN

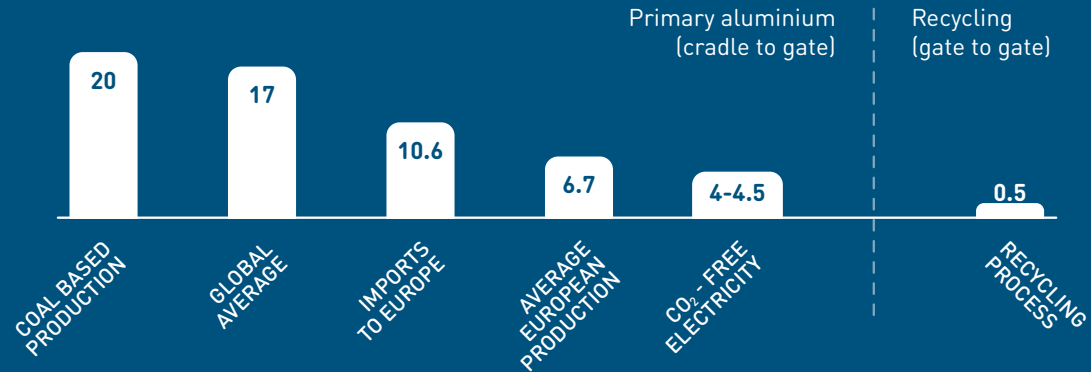
FOR FURTHER INFORMATION,
PLEASE REFER TO **CHAPTER 2**

The reuse of ever-increasing quantity of recycled aluminium is one of Assisi Recycling Maclodio's targets, in the knowledge that the European industry in this sector will make a significant contribution to achieving the EU's climate neutrality goals.

The lightweight and excellent physical properties of aluminium, combined with its endless recyclability, make it a perfect ally for the environment and a crucial element for the development of future mobility. By increasing the efficiency of the recovery and recycling of this material, it is estimated that CO2 emissions in the industry could be reduced by up to 39,000,000 tonnes/year by 2050 at European level.

"Secondary aluminium derived from recycling requires 95% less CO2 than primary aluminium produced from bauxite mining."

Tonne of CO_2-eq/tonne of production



Fonte: Circular Aluminium Action Plan EA 2020)

CERTIFICATIONS

FOR FURTHER INFORMATION,
PLEASE REFER TO **CHAPTER 5**

ARM SAREZZO

SISTEMA DI GESTIONE QUALITÀ CERTIFICATO
CERTIQUALITY
UNI EN ISO 9001:2015

SISTEMA DI GESTIONE AMBIENTALE CERTIFICATO
CERTIQUALITY
UNI EN ISO 14001:2015

ARM MACLODIO

Sistema di management certificato SQS IATF 16949
Sistema di management certificato SQS ISO 9001
BRONZE | Top 35%
ecovadis
Sustainability Rating
NOV 2024

FUTURE GOALS:

- Incorporating and analysing ESG risks directly within the 231 Organisation, Management and Control Model.
- Mapping and assessing supplier due diligence
- Placing particular emphasis on cyber security and data protection, implementing security measures to protect information.

GOAL 7-13

CLIMATE CHANGES AND ENERGY EFFICIENCY

Mindful of environmental protection and sustainability, the ADH Group has decided to promote actions aimed at both mitigating the effects of climate change and reducing its impact on the climate.

CARBON FOOTPRINT

Since 2023, ARM RECYCLING has been measuring its carbon footprint in accordance with the international standard UNI EN ISO 14064:2019.

As a result of this study, the company's management has been able to identify and quantify the GHG emissions associated with its operations, taking into account both upstream and downstream processes in the ARM Recycling production cycle.

The impact of aluminium production was extrapolated from this analysis using a Gate-To-Gate approach, i.e. the data obtained by considering only the emissions linked to the intermediate phase of the life cycle (Core process), from entry to exit of the plant.

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RESULT OF GHG EMISSIONS RELATED TO OPERATIONS PERFORMED

0.319 KgCO2eq/kg of aluminium produced

FUTURE GOAL:

- **by 2025, completing the development of the CFP model using LCA methodology for aluminium ingots.**
- **initiating the process to achieve ISO 14001 certification for the Maclodio facility**

ENERGY CONSUMPTION

FOR FURTHER INFORMATION,
PLEASE REFER TO **CHAPTER 2.2**

The main energy consumption of the companies in the holding group is mainly attributable to the use of machinery in the two production sites, which requires ADH to carefully and accurately measure consumption. ARM Maclodio has signed a contract for the supply of energy from renewable sources for the plant in 2024. This aims to promote the use of energy from sustainable sources, reducing greenhouse gas emissions and contributing to the transition to a low-carbon economy.

ELECTRICITY FROM RENEWABLE SOURCES FOR THE MACLODIO SITE

100 %

ELECTRICITY FROM RENEWABLE SOURCES FOR THE SAREZZO SITE

50 %

FUTURE GOAL:

- **continuing to purchase certified green energy in the coming year**
- **update the energy diagnoses made**

GOAL 12-13

SUSTAINABLE PROCUREMENT

FOR FURTHER INFORMATION,
PLEASE REFER TO **CHAPTER 5.1**

ADH strives constantly to ensure reliable suppliers. This is guaranteed through ongoing research and qualification of suppliers, but also through quality checks on products and punctuality in deliveries, as well as the continuous involvement of stakeholders in the process of improving production parameters.

FUTURE GOAL:

- Launching a process in the coming years to map suppliers against their sustainability requirements

GOAL 8-11

ENGAGEMENT WITH THE LOCAL COMMUNITY

FOR FURTHER INFORMATION,
PLEASE REFER TO **CHAPTER 4.2**

The ADH Group pays great attention to its local area and community.

This has led to numerous initiatives being undertaken to ensure its protection and development:

- Support for the local football club: A.C. Valtrompia
- Sponsorship of local artists
- Sponsorship of the 'Il filo rosso' project run by the non-profit cooperative L'Aquilone, a project promoting social inclusion and raising awareness among the younger generation about disability issues.
- Sponsorship of the 'FABIETTO CON NOI' Association (an association created in memory of Fabio Pedretti, a young runner from Valtrompia, which organises charity sports tournaments).
- Sponsorship of the Mario Assisi Memorial Tournament (ARM founder).
- Contribution to the civil protection agency of Sarezzo.
- Donation to Le Rondini Foundation in Lumezzane (BS), supporting a PhD in orthopaedics in collaboration with the University of Brescia and ASST Spedali Civili local health authority.
- Sponsorship of various sporting activities.
- Collaboration with local educational institutions.

FUTURE GOALS:

Maintain financial aid for welfare-related cases.

Involving vocational schools and universities to encourage the integration of young talent into the company, ensuring job opportunities in the local community.

ADVANCE HOLDING

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TOGETHER TO BE BETTER