

2024 *Sustainability* Report



2024 Sustainability Report

Italy

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Highlights Italy

€100,535,742

2024 Turnover

676

Number of employees in 2024

€111,897,707

Economic value distributed

42,785 GJ

Energy consumed



-8.31%

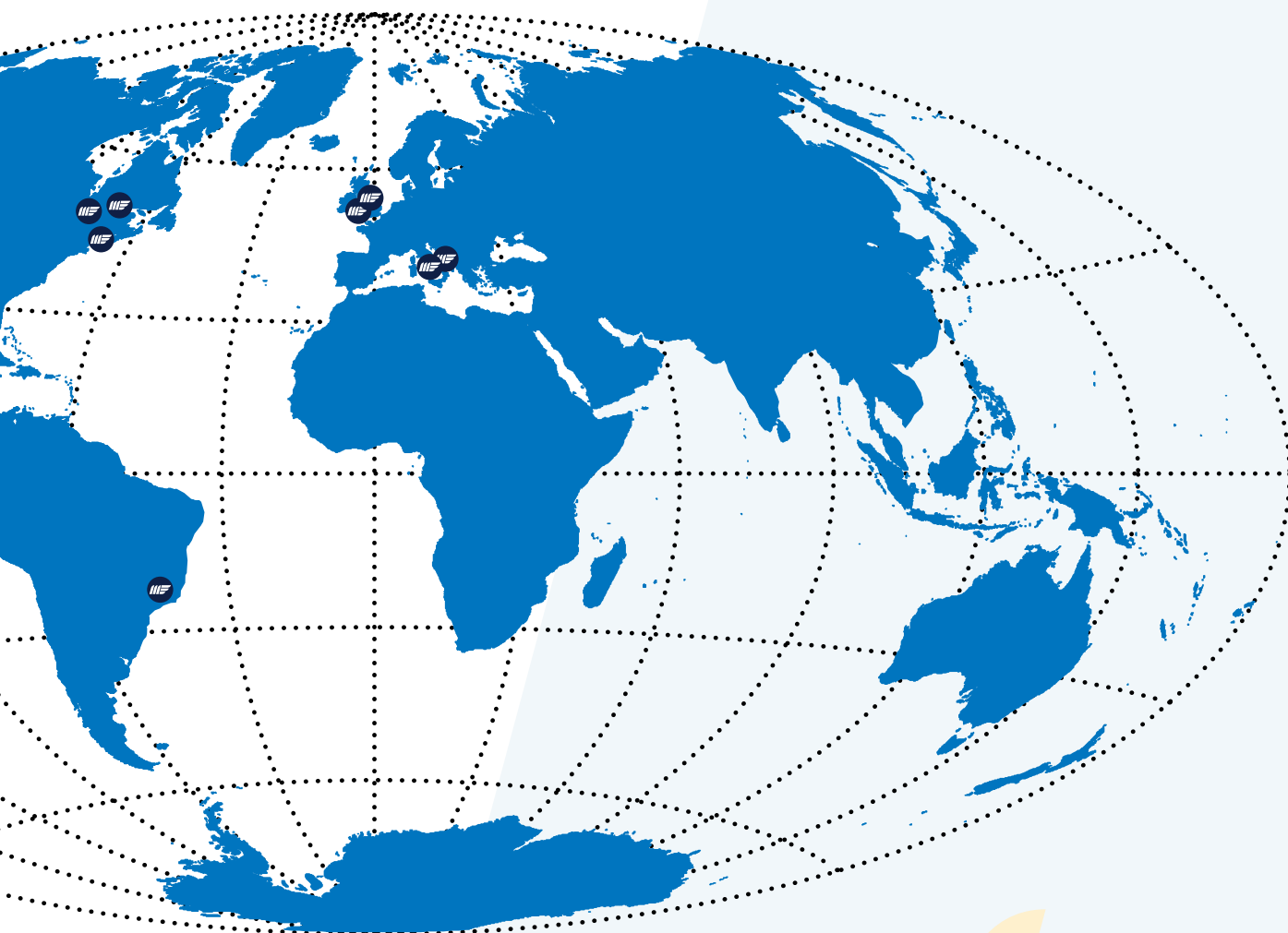
Emissions intensity (Scope 1 and Scope 2)

875 tCO₂e

Scope 1

2019 tCO₂e

Scope 2



-8.99%

Energy intensity

Letter to Stakeholders

[GRI 222]



Dear Stakeholders,

I am pleased to present the 2024 Sustainability Report of MAGROUP Magnaghi Aerospace. Through these pages, we aim to share not only the achievements reached, but also the integrated vision guiding our journey towards a resilient, ambitious and responsible future.

For our Group, sustainability is not a secondary objective, but the essential foundation for generating value over time. We operate with the awareness that industrial success is inseparable from respect for the interests of all our stakeholders. In this context, open dialogue and shared objectives are the strategic levers through which we foster a company culture deeply rooted in ESG (Environmental, Social, Governance) principles.

2024 marked a year of significant evolution. We directed our investments towards technological upgrades and accelerating the digital transition, both of which will remain central to our future agenda.

To give substance to this commitment, we approved a five-year roadmap setting out clear objectives and actions focused on three key pillars: Planet, People and Culture. This journey positively influences how all our employees operate and how everyone interacts along our value chain.

In the aerospace sector, our challenge is to balance cutting-edge technological innovation with the protection of ecosystems and social well-being. We are radically transforming every management process to evolve into an increasingly inclusive organisation, based on three pillars:

- Planet: Through the Landing Green project, we are implementing our decarbonisation strategy (Scopes 1, 2 and 3), reducing emissions and investing in renewable energy sources to minimise our carbon footprint.
- People: The renewal of Top Employer certification and UNI PDR 125/2022 certification for Gender Equality confirms our commitment to creating a fair, inclusive and merit-based working environment.
- Culture and Governance (Culture): We promote ESG rigour across the entire supply chain. We work with our partners to transform the supply chain into a “value chain” based on the circular economy and shared responsibility.

However, the true driving force of MAGROUP lies in its human capital: a unique combination of 80 years of craftsmanship expertise and cutting-edge technological skills. Over the past year, we invested heavily in talent through innovative hybrid learning models, with the aim of making the company an organisation capable of continuous evolution and of developing emerging professional skills. In this context of growth, occupational health and safety remains our top priority, supported by a culture of prevention that involves every employee throughout the world.

.....

In conclusion, I would like to express my deepest gratitude to the entire MAGROUP team. The results described in this Report are not only technical achievements, but a direct reflection of your dedication and courage in imagining a different kind of aviation. It is thanks to this shared responsibility that we can now view global challenges not as obstacles, but as scenarios in which to reaffirm our excellence. I invite you, our Stakeholders, to read these pages as a manifesto of a commitment that does not merely await change, but drives it with determination. Because at MAGROUP, the future is not a distant destination: it lands here every day.

HERE LANDS THE FUTURE.

Paolo Graziano
CEO & Executive Chairman
MAGROUP Magnaghi Aerospace



Profile and identity



About us

GRI 26|

over
80 years
of activity

MAGROUP Magnaghi Aerospace traces its roots back to **1936**, with the establishment of Magnaghi Aeronautica Spa, specialised in the design and production of landing systems. **Over more than 80 years of operations, we have produced over 20,000 landing gears for more than 7,000 aircraft**, consolidating our reputation as a reliable partner for the main players in the sector.

From 2013 to 2023, we experienced a decisive phase of **international expansion**, opening facilities in the United States, Brazil, the United Kingdom and Canada. Today, our **global presence** allows us to bring expertise and innovation to international markets, responding with agility to the challenges of an ever-evolving sector.

In Italy, we operate three production plants located in Naples, Brindisi and Arienzo, where we continue to strengthen our production and technological capabilities. **MAGROUP is more than a manufacturer of landing systems: we are innovators in aerostructures, equipment, hydraulic and electronic systems**, areas in which we stand out for the use of advanced technolo-

gies and our ability to promptly respond to customer needs.

Our growth path does not stop here.

We continue to look to the future with the same passion and dedication that have guided us since day one, determined to leave a meaningful mark in the aerospace industry.

more than
20,000
landing gears

for more than
7,000
aircraft



The Group



MAGROUP Magnaghi Aerospace consists of ten entities, each of which actively contributes to the overall value of the Group by providing expertise and maintaining high quality standards. Working in synergy, these companies aim to offer customers efficient solutions capable of bringing ideas to life.

In line with the scope of reference, we present below the entities included in this Sustainability Report:

Magnaghi Aeronautica SpA: With a vision focused on innovation and the development of internal professional skills, Magnaghi Aeronautica is among the few international players capable of designing, certifying, producing and maintaining complete landing systems independently. The company continues to invest in advanced technologies, ensuring leadership in the aerospace sector.

Salver SpA: Since its establishment in 1970, Salver has

focused on research and technological development to improve control and precision in production processes, reducing time and costs. With a particular focus on increasing technological and production capabilities, Salver has qualified for the Airbus 220 aeronautical programme, producing key wing components such as flaps and spoilers in advanced composite materials using patented technologies.

Metal Sud Srl: The company stands out for its superior production capabilities and treatments compliant with European regulations, such as the REACH Regulation. Its high quality standards are certified by NADCAP. In addition, Metal Sud is qualified by major international aerospace manufacturers.

These companies represent examples of excellence in the aerospace sector, thanks to their commitment to innovation and process quality.

COUNTRY	COMPANY SITE	Resources as at 31 December 2024
 ITALY	Magnaghi Aeronautica	295
	Salver	356
	Metal Sud	33
 UK	Magnaghi UK	110
 USA	Magnaghi USA	78
 CANADA	Magnaghi CANADA	204
 BRAZIL	Magnaghi do Brasil	295
	Total resources	1,371

The current landscape

During 2024 the **Aerospace & Defence** sector underwent a phase of **profound transformation**, characterised by sustained recovery and accelerated **digital innovation** and **sustainability**.

Global demand for air transport continued to grow, with an increase of 11.9% in passen-

The adoption of digital technologies such as **artificial intelligence** and **machine learning** enabled optimisation of predictive maintenance, improved operational efficiency and reduced environmental impact. According to Deloitte, over 80% of industry operators have already implemented or plan to integrate AI solutions into their processes in the coming years.

On the defence front, geopolitical tensions and international instability led to a **significant increase in investments**. Global spending exceeded 2,400 billion dollars, with an increasing focus on emerging technologies such as unmanned systems, space capabilities and solid rocket engines. The budget requested by the

United States Department of Defense for 2025, amounting to 849,8 billion dollars, reflects the commitment to greater industrial resilience and **modernisation of military infrastructure**.

An area experiencing strong growth is **advanced air mobility (AAM)**, which includes the development of electric vertical take-off aircraft (eVTOL). Designed to operate in urban

ger traffic and a capacity expansion of 10.2% **compared to the previous year**. This trend fuelled the need for new aircraft and advanced maintenance, repair and overhaul (MRO) services, strengthening the strategic role of aerospace companies in the global value chain.

At the same time, sustainability became an essential pillar for companies in the sector.

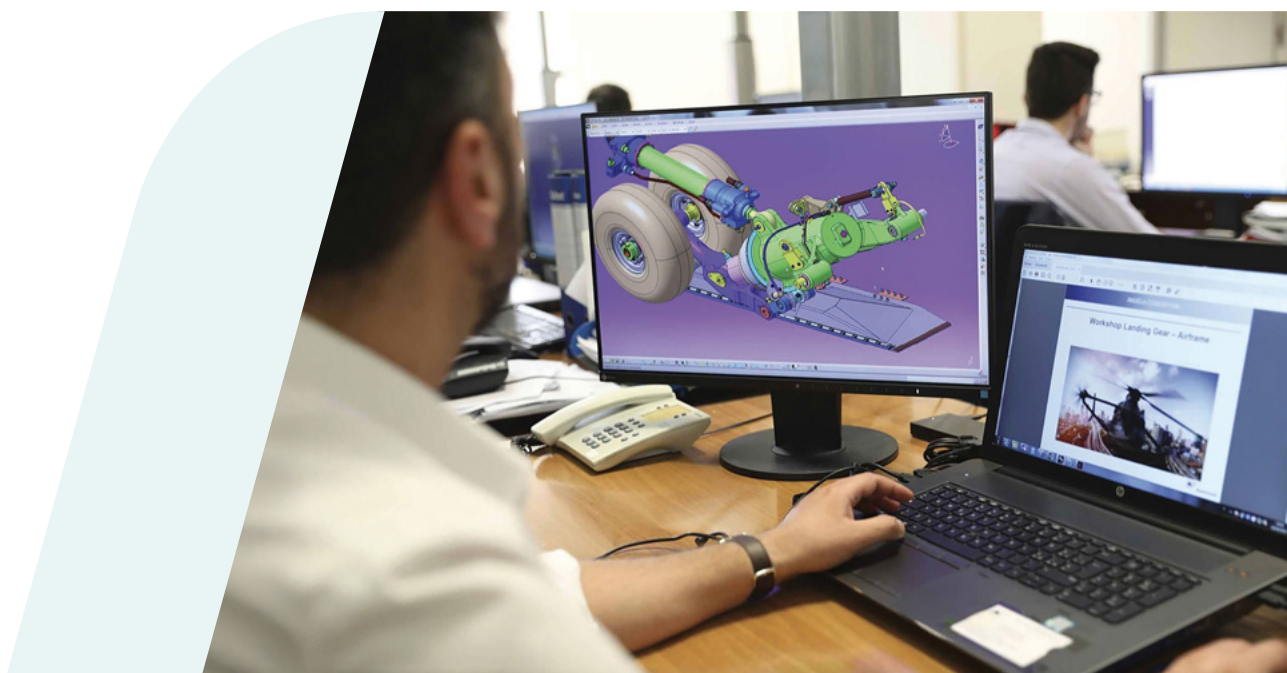


environments with low emissions, these aircraft are attracting significant investment and are rapidly approaching certification and commercialisation, with the aim of entering service as early as 2025.

Finally, **supply chain and human capital management** represent a crucial challenge. Companies are facing component shortages, logistical delays and difficulties in attracting skilled labour. To address

these issues, digital solutions are being adopted to improve the visibility of flows, alongside innovative strategies for training and retaining talent.

In this dynamic, complex scenario, **MAGROUP Magnaghi Aerospace** confirms its role as a **proactive player**, capable of interpreting market developments and investing with foresight in sustainability, innovation and industrial development.¹



¹ Source: Deloitte (2024), "2025 Aerospace and Defense Industry Outlook", Deloitte Insights. Available at <https://www.deloitte.com/us/en/insights/industry/aerospace-defense/aerospace-and-defense-industry-outlook.html>

Vision, mission and values

VISION

Our ambition is to never miss a flight, bringing at least a part of ourselves on board every aircraft.

MISSION

We base our aerospace manufacturing operations on three pillars: our people, who combine established craftsmanship with continuously evolving

production skills; our deep roots of 80 years, which make us aware of our role; and our constant focus on innovation as an enabling driver for our ambitions and those of our customers.

VALUES

#EXCELLENCESEEKERS

MAGROUP is driven by excellence. Our people strive for perfection in their actions and work, aiming to exceed previously achieved results.

#CLEAR&TRANSPARENCY

MAGROUP's reliability depends on its ability to honour commitments and on individual responsibility: fundamental conditions for achieving sustainable success.

#AEROSPACEEVOLUTION

Development means the ability to change by entering new markets, acquiring new technologies and providing useful responses to our customers. For us, aerospace means evolution.

#DISCOVERYCULTURE

Our talents come from different countries, and our strength lies in the power of uniqueness. We believe that the growth of our company is directly linked to the value of our people and to a new concept of work based on equality among individuals, beyond gender.

#HISTORY_IS_FUTURE

We are pioneers of the future with a long tradition, deep roots and expertise. We are proud of our origins and know exactly where our vision is heading.

#SUSTAINAFLY

MAGROUP is committed to sustainability by rethinking landing gear and aerostructure projects, increasing employees' environmental awareness and strengthening its social and environmental commitment. We believe in the power of change.

#UNICITY&INCLUSION

We promote an inclusive company culture and flexible working models that support work-life balance and parenthood. We are committed to ensuring equal pay.

Operations and global presence

MAGROUP Magnaghi Aerospace stands out in the aerospace industrial landscape for a **vertically integrated production model** that covers the entire product life cycle, from initial design to final delivery. This approach allows us to exercise direct, continuous control over quality, reliability and technological innovation, which have always characterised our offering.

Magnaghi – Naples, the central, historic hub for landing system production.

Salver – Brindisi, specialised in the production of composite material components.

Metal Sud – Arienzo, focused on high-precision mechanical processing.



Our international presence is strong and strategically distributed: we operate through ten production facilities in five countries, with three sites in Italy representing the Group's operational core.

At a geographical level, in 2024 the Group strengthened its **position in Europe**, where 49.7% of sales were generated, while 38.2% was achieved in non-European international markets. These results demonstrate the strength of our business relationships and our **ability to operate effectively in diverse global contexts**.



The path to
sustainability



Our approach to sustainability

At MAGROUP, we consider sustainability a central element of our operations. Our activities affect the environment, communities and the areas where we operate, and we aim to manage this impact responsibly and transparently. For this reason, in 2023 we launched a structured sustainability journey, voluntarily undertaking an **ESG Assessment** in line with the **GRI Standards®**, the international guidelines for reporting environmental, social and governance performance.

This analysis allowed us to measure our performance objectively, broadening the scope beyond environmental aspects to include social responsibility and governance. Through this process, we gained a clearer understanding of our contribution to the United Nations **Sustainable Development Goals (SDGs)**, identifying priority areas on which to focus our efforts and defining concrete strategies to achieve them.

In line with this commitment, we identified the most relevant ESG topics for our sectors, translating them into progressive, measurable actions. This led to our **first Sustainability Report**, published in 2023 as a tool to monitor and ensure transparency of the Group's performance, and initially that of the Italian companies.

At the same time, we launched a **decarbonisation** process involving three Group companies: Magnaghi Aeronautica, Salver and Metal Sud. In collaboration with **Up2You**, we performed an analysis of **Scope 1 and Scope 2** emissions relating to 2022, gaining greater awareness of our impact and defining targeted reduction actions. In 2024 the analysis was extended to **Scope 3** emissions relating to 2023, providing a more comprehensive view across the entire value chain.

To support this process, we introduced a **sustainability training module**, provided to the management of the Italian companies, with the aim of integrating ESG principles into all functions and promoting a shared, continuous improvement approach.

This document represents **MAGROUP's second Sustainability Report**, relating to 2024. As with the previous edition, the reporting scope covers the Group's Italian companies, with the aim of consolidating data collection and management processes. In the coming years, we intend to progressively extend the analysis to all Group companies, as part of a shared, structured sustainability process.

Stakeholder engagement

| GRI 2-29 |

Stakeholders are individuals or groups that have an **interest in a company's activities** and decisions. They may **be affected** by its actions, and in turn **influence its decisions** through their support, opinions and expectations.

Building an **open, continuous and transparent dialogue** with our stakeholders is essential for us: only through relationships based on mutual trust can we promote balanced and truly sustainable growth.

Long-standing relationships have supported our integration into a network of excellence that includes institutional stakeholders, industrial partners and leading research

centres, such as the **CIRA – Italian Aerospace Research Centre**. At the same time, they have enabled us to build positive connections with **local areas and communities**, contributing to the socio-economic and technological development of the regions where we operate.

Below are the main stakeholder categories with which MAGROUP engages and interacts on a systematic basis.



Figure 1 - MAGROUP stakeholder map

Engagement initiatives

Dialogue and stakeholder engagement are an essential first step to gain an in-depth understanding of their expectations, interests and assessments of the company's operations. A structured and proactive approach enables more informed objective-setting, strengthens

decision-making quality and consolidates relationships based on mutual trust.

In 2023 MAGROUP launched a **process to identify and map stakeholders**, with the aim of building increasingly direct and continuous relationships in the years ahead,

Figure 2 - Stakeholder interests and engagement methods

Stakeholder	Interest	Engagement methods
Financial community	- Sustainable investments with long-term returns - Support to companies in ESG matters	- Company financial statements - Minutes of BoD and shareholders' meetings - Company extracts - Dedicated meetings - Budget and business plan - Emails - Website
Suppliers and partners	- Continuity of employment relationships and long-standing experience - Business integrity - Economic and social sustainability	- Technological development - Special projects - Synergies - Website - Contract documents - Periodic meetings - Registration in the supplier register - Emails - Social media
Institutions and Public Administration	- Responsible governance - Transparent management - Regulatory compliance	- Website - Financial statements - Periodic disclosures
Community and local area	- Support for local initiatives - Financial support to local associations	- Financial and non-financial support to local areas - Meetings - Website - Donations - Cultural events
Human resources	- Employment stability - Workplace well-being - Career development - Training	- Responsible governance - Website - Notice boards - Individual meetings - Training initiatives - Emails - Newsletters
Academic sector	- Collaboration opportunities - Financial strength - Financing	- Special projects - R&D - Trade fairs and events - Career days - Company visits - Conferences - Collaborations
Trade associations	- Product quality - Product safety	- Innovation - Statistics - Website - Discussion meetings - Emails with data sharing - Company events
Customers	- Product quality and safety - Customer care	- Business integrity and customer satisfaction - Customer service - Website - Press releases - Complaint management and dispute resolution - Dedicated meetings and web meetings
Certification bodies	Regulatory compliance	Audits

based on systematically listening to their needs. For each category identified, interests were analysed and the most effective interaction methods defined, laying the foundations for an inclusive governance model.

From 2024, this process was further developed through the introduction of an **on-**

line questionnaire, which made it possible to gather priorities in a structured manner **directly from the stakeholders**. This tool supported broader, more transparent and measurable participation, helping to integrate emerging needs into corporate strategies and decisions.



Materiality assessment

GRI 31 | GRI 32

As part of preparing the **second Sustainability Report**, MAGROUP conducted its first **external materiality analysis** to strengthen stakeholder dialogue and ensure increasingly transparent, inclusive reporting aligned with the expectations of the context in which it operates. The analysis made it possible to **identify ESG topics considered most material** by our stakeholders, integrating external input with the internal perspective of management.

The questionnaire was sent to **430 internal and external stakeholders**, including employees, customers, suppliers, institutions, research bodies and local communities.

The responses gathered were then integrated with management's internal assessments to **combine the external perspective with the organisational view** and define a shared set of priorities.

Topics assessed

The topics submitted for below, structured according to the three ESG dimensions: stakeholder and organisational assessment are set out

Material topic	Description	SDGs
Energy and energy efficiency	Efficient, responsible use of energy, with the aim of reducing consumption, costs and environmental impact.	   
Waste management	Reduction, separate collection, recycling and sustainable disposal of waste materials.	 
Atmospheric emissions	Monitoring and reduction of pollutants and greenhouse gas emissions generated by company operations.	  
Material management	Responsible sourcing and use of resources to minimise waste and impact.	 

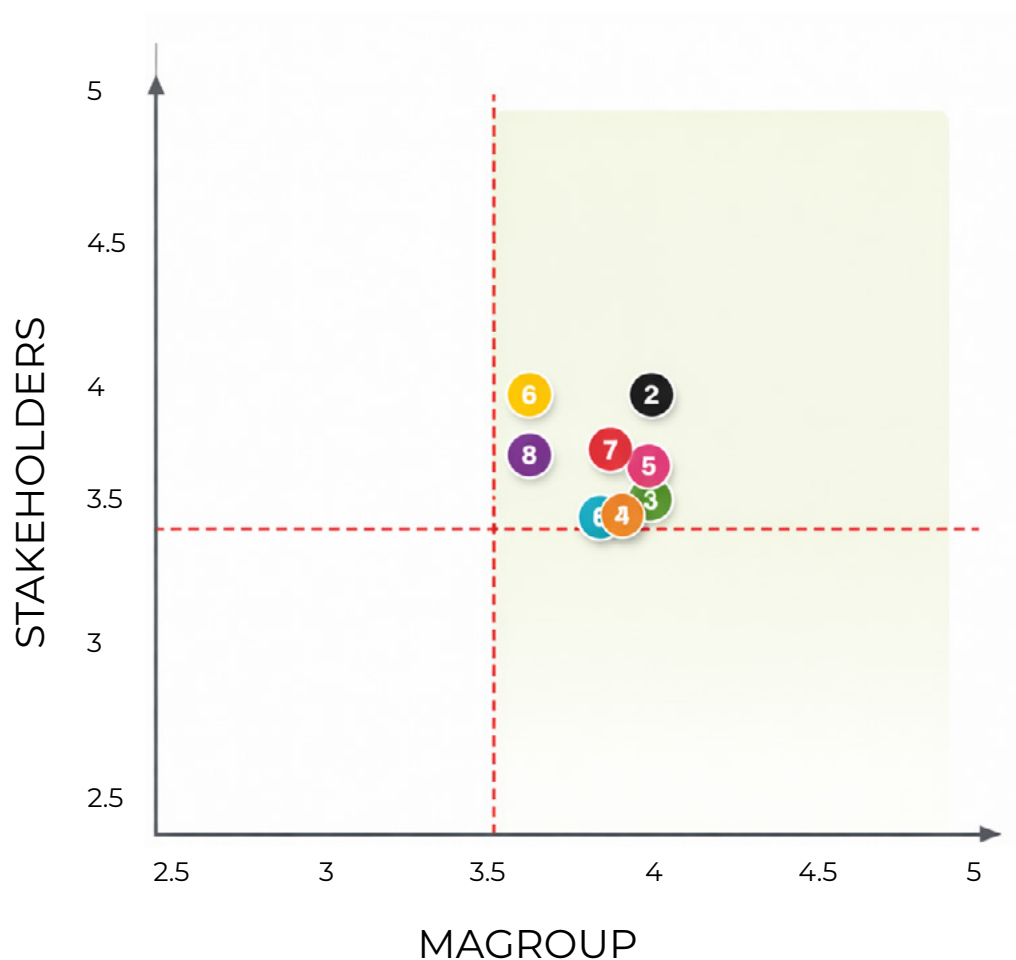
Material topic	Description	SDGs
Skill development	Continuous training and leveraging of internal know-how.	   
Relationship with local areas and communities	Creation of positive impacts through dialogue, partnerships and support for local initiatives.	   
Occupational health and safety	Promotion of a safe environment and a culture of prevention.	  
Privacy and data security	Protection of personal and sensitive data of customers, employees and stakeholders.	
Product/service quality and safety	Rigorous controls to ensure compliance, reliability and customer satisfaction.	   
Diversity, inclusion and equal opportunities	Promotion of a fair, inclusive environment that values differences.	  
Welfare and workplace well-being	Creation of a positive environment that supports physical and mental well-being.	  
Customer satisfaction	Building long-term relationships through listening and responsiveness to needs.	

Material topic	Description	SDGs
Innovation, Research and Development	Investment in competitive and sustainable processes and products.	  
Supply chain management	Coordination and monitoring from an ethical and responsible perspective.	   
Risk and impact management	Identification and mitigation of economic, social and environmental risks.	   
Responsible governance	Transparent, inclusive and ethical management model.	   
Business ethics and integrity	Commitment to operating with propriety and clarity in communication and decision-making.	   

The materiality matrix

The analysis of the questionnaire's results led to the creation of the **Materiality Matrix**, a key tool that made it possible to organise and re-

present priority sustainability topics for stakeholders and those material to the organisation.



Specifically, among **social topics**, the following are material:

1. Relationship with local areas and communities
2. Occupational health and safety
3. Employee skill development
4. Customer satisfaction
5. Product/service quality and safety
6. Welfare and workplace well-being

Among **governance topics**, those identified as material are:

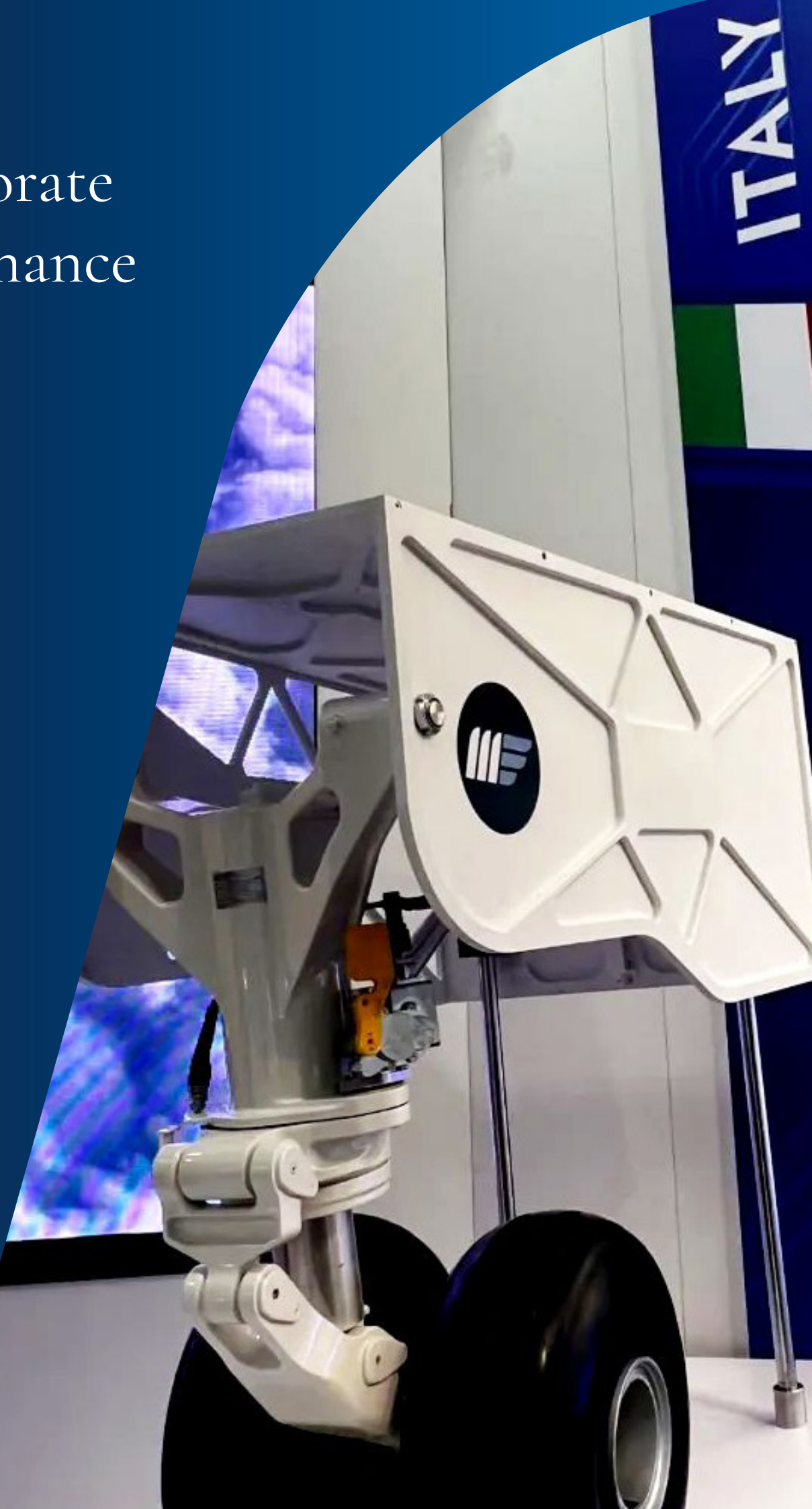
7. Product innovation, Research and Development
8. Responsible governance

Overall, the assessment expressed by stakeholders is **consistent and aligned with the priorities identified by MAGROUP management**, confirming the robustness and representative nature of the analysis process carried out.





Corporate governance



The organisational structure

GRI 29 | GRI 4051

Magnaghi Holding S.p.A. is the **parent company** that exercises control over all operating companies in the Group, collectively identified as **MaGroup**. The parent company has adopted a traditional governance system, a well-established model that ensures clarity of roles, transparency of responsibilities and robustness in decision-making processes.

The **Board of Directors** of Magnaghi Holding SpA consists of five members, including the Executive Chairman, Paolo Graziano. The composition is completed by three directors and the Vice-Chair of the Board, who bring **complementary expertise and diverse perspectives** to support decision-making focused on sustainable growth and innovation. This body is responsible for defining the Group's strategic direction and ensuring coordination among subsidiaries, guaranteeing operational consistency and continuity in management.

The **Board of Statutory Auditors** oversees the propriety and transparency of corporate activities and consists of five members: three

standing auditors and two alternates. This control body is responsible for monitoring corporate management and compliance with applicable regulations, ensuring that company practices are consistent with accounting and legal principles and strengthening the **integrity of the governance system**.

Magnaghi Holding also relies on a **legal representative** and two entities appointed as **common representatives of bondholders**, ensuring structured, effective management of relations with holders of its bonds. The legal representative, having a specific mandate, represents the company in legal and administrative operations, facilitating day-to-day management.

The two entities appointed as common representatives of bondholders play a key role in **protecting investors' rights**. They act in the name and on behalf of all holders of bonds issued by Magnaghi Holding, coordinating their interests and ensuring compliance with contractual agreements relating to bond issues.

Transparency, ethics and compliance

GRI 216 | GRI 226 | GRI 227 | GRI 2053 | GRI 4061

At MAGROUP, ethics and transparency remain the foundation on which we build every decision and strategic choice. They are not abstract principles, but concrete references that guide our way of operating and strengthen the Group's credibility. The **Code of Ethics and Conduct** continues to be our daily point of reference: not just a set of rules, but a practical tool that translates the values of integrity, respect and responsibility into tangible actions. In 2024 our Code of Ethics was further expanded to explicitly include our **commitment to gender equality**. This focus was formally recognised with the earning of **UNI PdR 125:2022 certification**, a milestone that demonstrates the Group's commitment to turning principles into tangible, measurable results.

Compliance with national and international regulations remains a distinctive feature of our conduct. Over the past three years, no significant cases of non-compliance were recorded. This result confirms that we view compliance not only as a legal obligation but also as an **ethical responsibility**.

Transparency also remains a core value. We focus on clear, timely and complete communication, because the **trust of our stakeholders** is built through accessible information and without grey areas. Indeed, the **whistleblowing system** introduced in recent years has strengthened a culture of responsibility. It consists of a secure, confidential platform, compliant with regulations, which allows anyone to report potential issues without fear of retaliation.

Privacy and data security

We operate in a sector where the secure management of sensitive data is crucial not only for our reputation but also for safeguarding global security.

For this reason we strictly comply with Regulation (EU) 2016/679, adopting rigorous measures to ensure the protection of information, both internal and that of our partners. Our commitment is led by a **Privacy Officer**, an external consultant, who oversees the entire privacy and data security management system, ensuring compliance and continuous alignment with the latest regulations.

In 2023 we provided **in-depth cybersecurity training to all our personnel, in collaboration with Cyberguru**, strengthening employees' skills in preventing cyberattacks and recognising threats, with a particular focus on internally managed phishing simulations.

In 2024 the **Cyberguru** programme was **successfully completed**, ensuring full staff training in cybersecurity. At present, no additional specific initiatives are planned in the area of data security. However, **the objective for the future is registration with NIS (Network and Information Systems)** for the census of companies concerned with cybersecurity, to further improve the protection and security of corporate infrastructure.

Our goal is to create an ecosystem in which information is managed with the highest level of confidentiality and integrity, recognising that protecting data means protecting the future, both for us and for the people and organisations we work with.

Economic performance

| GRI 2011 |

At MAGROUP, we believe that economic results are not merely financial indicators, but a tangible reflection of a journey shaped by vision, resilience and shared responsibility. Every figure we present tells a story of informed choices, targeted investments and a constant commitment to turning challenges into opportunities for sustainable growth.

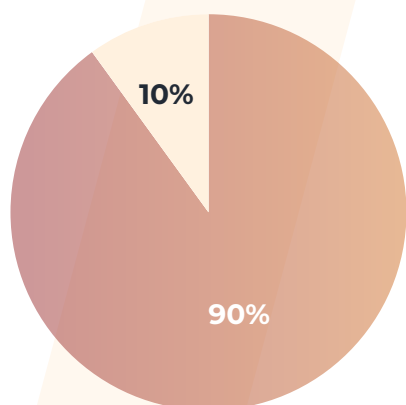
For us, **transparency** means not only reporting performance, but offering stakeholders a clear, comprehensive interpretation of the value we have generated and distributed. We view results in this perspective: not as a static endpoint, but as a step in an evolving journey that strengthens trust and supports shared development.

The economic figures reported below represent the **consolidated results of the three companies included in the reporting scope** and refer to the years **2022-2024**. This information does not provide a global view of the Group's economic performance, but rather offers a specific overview of the economic results of the three Italian companies.

2023 marked a phase of strong recovery, with results confirming the robustness of the growth process undertaken after the difficulties linked to the pandemic. In 2024, despite an **international context characterised by economic and geopolitical instability**, financial results confirmed the Group's ability to generate value and increase profitability and cash flows, further consolidating the positive trend already observed.

In the 2024 financial year, the three companies included in the scope generated net revenues of **100,5 million euros**, an increase of **16%** compared to **86,8 million euros in 2023**. Total profit amounted to **1,9 million euros**, albeit with different trends across the companies: **Salver** recorded a loss of approximately **0.6 million euros**, mainly due to increased external and raw material costs, exacerbated by inflationary dynamics and non-recurring extraordinary items. In contrast, **Magnaghi Aeronautica** and **Metal Sud** closed the year with positive results of **1.57 million euros** and **0.94 million euros** respectively.

ECONOMIC VALUE GENERATED %



- Revenue from sales and services
- Other income

The analysis of the **economic value generated and distributed**, calculated on the consolidated financial data for the period, highlights the companies' ability to transform revenues derived largely from the **sale of finished products (95%)** and to a lesser extent from **non-core activities (5%)** into resources allocated to key stakeholders. The economic value received includes the share of other income received from the Public Administration in the form of operating grants, mainly intended to support the company's investment activities.

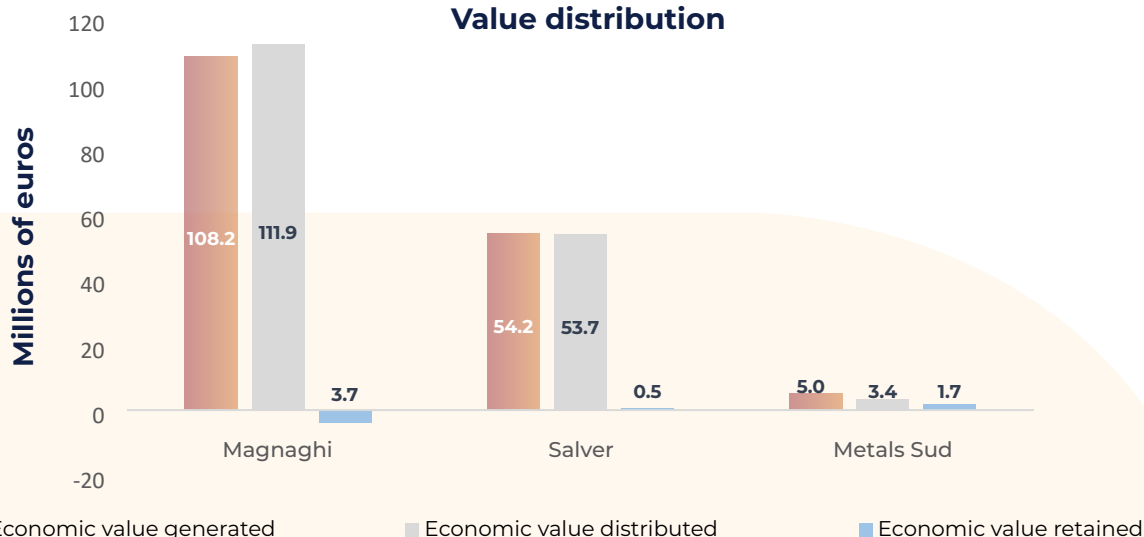
In 2024, the value distributed exceeded the value generated, reaching **103.4%**: a fig-

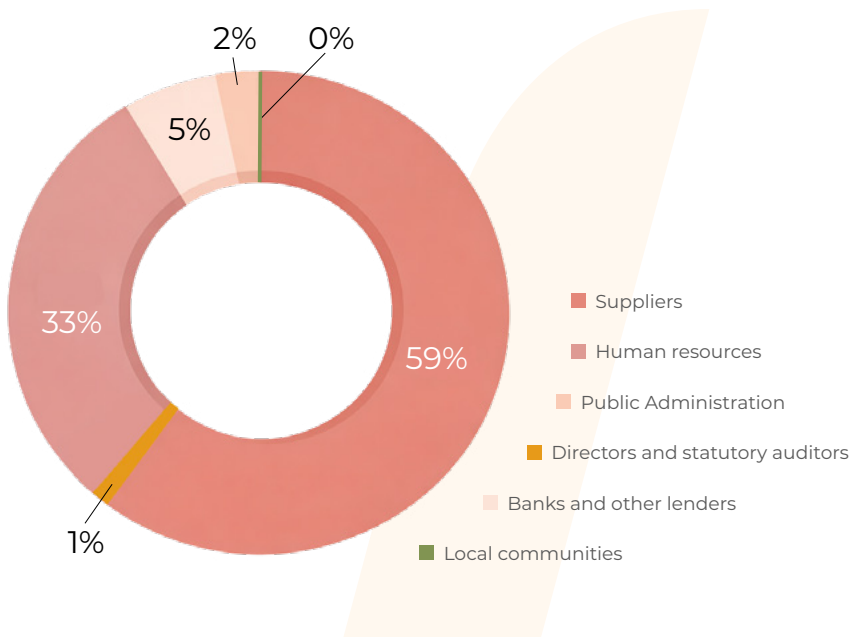
ure that reflects the Group's intention to reinvest in its people and value chain. The breakdown shows that **59% went to suppliers, 32.7% to employees, 0.9% to Directors and Statutory Auditors** in the form of remuneration, **1.7% to the Public Administration** in the form of taxes, **0.02% to the community** and **5.6% to banks and lenders**.

The **economic value retained**, calculated as the difference between the value generated and distributed, represents the portion allocated to **strengthening equity** and supporting the Group's future strategies.

Below is the breakdown of

Value distribution





the consolidated economic value generated and distributed by Salver SpA, Magnaghi Aeronautica and Metal Sud Srl, in accordance with GRI Standards.

To ensure greater clarity, below we present the **reconciliation between retained value and the net result for the period** reported in the financial statements. The statement includes depreciation and amortisation of tangible and intangible assets, provi-

Economic value directly generated and distributed (€)	2022	% of total	2023	% of total	2024	% of total
Economic value generated and received	98,594,691	100.0%	95,474,013	100.0%	108,179,891	100.0%
Economic value generated	84,988,354	86.2%	88,123,443	92%	103,312,292	95.5%
Economic value received	13,606,337	13.8%	7,350,570	8%	4,867,599	4.5%
Economic value distributed	89,988,955	91.3%	92,701,305	97.1%	111,897,707	103.4%
Suppliers	47,031,443	47.7%	51,380,940	55.4%	66,027,710	59.0%
Directors and statutory auditors	1,364,280	1.4%	1,148,948	1.2%	1,043,124	0.9%
Human resources	33,737,177	34.2%	33,745,562	36.4%	36,622,165	32.7%
Banks and other lenders	5,220,822	5.3%	6,031,752	6.5%	6,309,685	5.6%
Public administration	2,577,194	2.6%	367,842	0.4%	1,877,049	1.7%
Local communities	58,038	0.1%	26,261	0.0%	17,975	0.02%
Economic value retained	8,605,736	8.7%	2,772,708	2.9%	(3,717,817)	3.4%

Reconciliation with the financial statements (€)	2022	2023	2024
Economic value retained	8,605,736	2,772,708	(3,717,817)
Unallocated economic value	(15,941,700)	4,147,036	(5,619,107)
2) Changes in inventories of work in progress, semi-finished and finished products	(18,477,144)	624,311	(3,754,227)
3) Changes to contracted work in progress	-	-	-
4) Increases in fixed assets for internal work	(3,849,712)	(5,552,978)	(6,183,320)
of which other	(1,507,840)	(153,087)	-
7) Costs for services	1,034,772	2,433,946	1
10 a) Amortisation of intangible assets	2,419,718	3,071,291	3,390,250
10 b) Depreciation of tangible assets	3,036,189	3,588,881	3,685,459
10 c) Other impairments of fixed assets	338,419	470,000	-
10 d) Impairment of receivables included in current assets and cash and cash equivalents	20,008	-	77,056
11) Changes in inventories of raw and ancillary materials, consumables and goods	(234,039)	(1,565,374)	(2,842,970)
12) Provisions for risks	-	-	-
13) Other provisions	-	-	932,464
14) Other operating expenses	1,834,486	707,125	1,354
17) Other interest and financial expenses	-	-	131,698
17 bis) Exchange rate gains and losses	(556,557)	522,920	(1,056,872)
Profit for the year	24,547,436	(1,374,327)	1,901,290

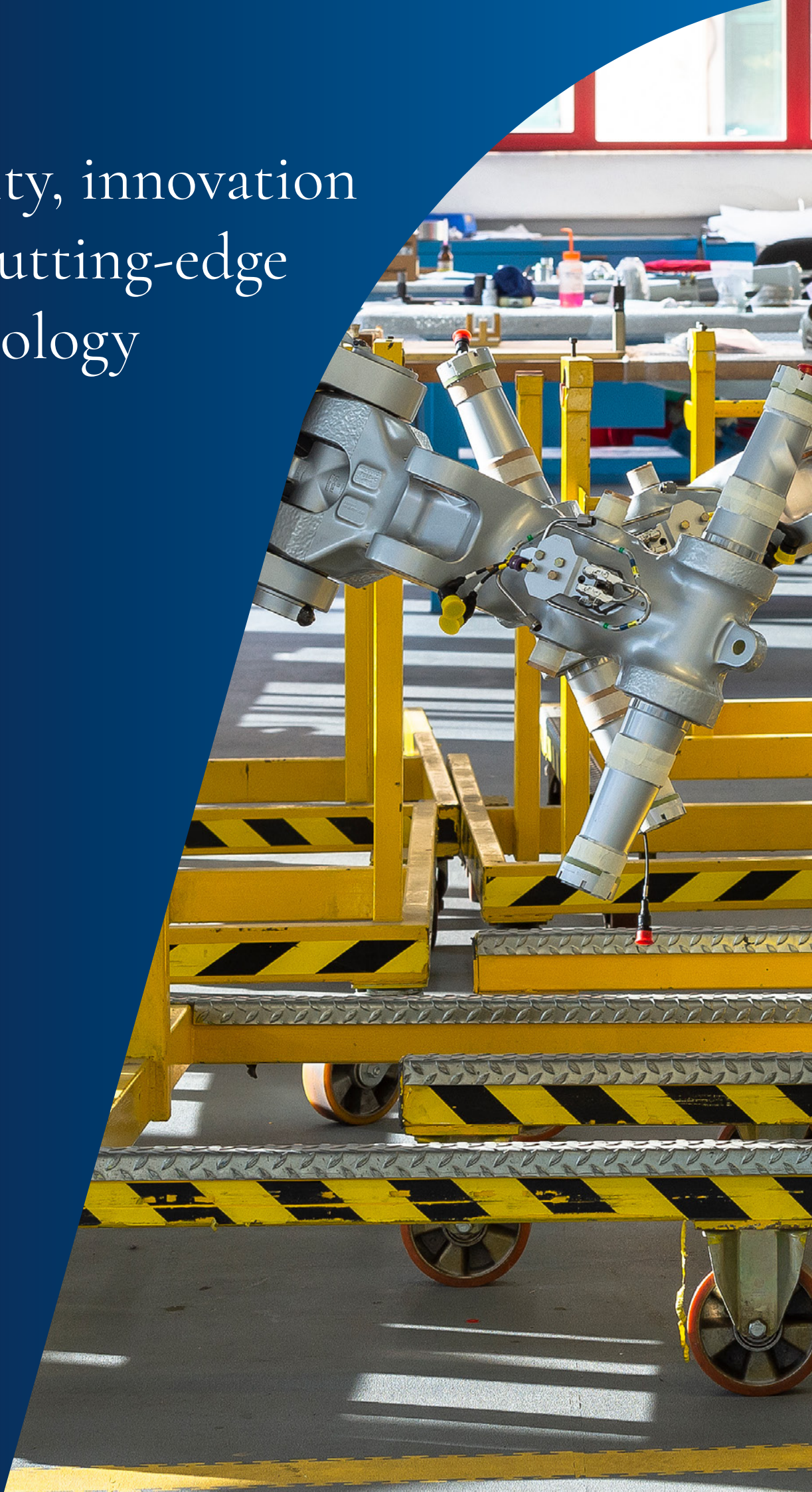
sions, impairment of financial assets and deferred taxation. The table represents the consolidation of the finan-

cial statements of the three companies included in the reporting scope.





Quality, innovation
and cutting-edge
technology



Quality

For those operating in the aerospace sector, quality means **reliability, safety and compliance with the most demanding standards**. At MAGROUP, this principle guides every action, ensuring continuity between daily operations and the goals we aim to achieve.

Our companies – Salver, Metal Sud and Magnaghi Aeronautica – have adopted a management system compliant with the most rigorous international standards, such as **UNI EN ISO 9001:2015** and **UNI EN ISO 9100:2018**, cer-

tifying the ability to ensure quality at every stage of work and to pursue continuous improvement in complex sectors such as aerospace and defence.

All three Group companies have also earned **NADCAP certification (National Aerospace and Defense Contractors Accreditation Program)**, an international recognition that attests to the technical excellence and safety of our production processes. This milestone confirms our commitment to meeting the most stringent

CERTIFICATIONS

Certifications	Salver	Metal Sud	Magnaghi
NADCAP Chemical Processing			
NADCAP Composites	✓		
NADCAP Non-Destructive Testing			
NADCAP Surface Enhancement			✓
UNI EN ISO 9001:2015			
UNI EN 9100:2018	✓	✓	✓
UNI EN ISO 14001:2015			
UNI PdR 125:2022	✓	✓	✓

requirements of a highly competitive and regulated market.

Our quality management system is based on **monitoring key indicators**. These include **On Time Delivery**, which measures delivery punctuality, and **On Quality Delivery**, which certifies product compliance and reliability. Meeting deadlines and

ensuring high standards is not just a matter of procedures, but an expression of our efficiency and focus on customer needs.

Through continuous analysis of these figures, we refine processes and continuously improve products and services, **turning every result and feedback into an opportunity for growth**.

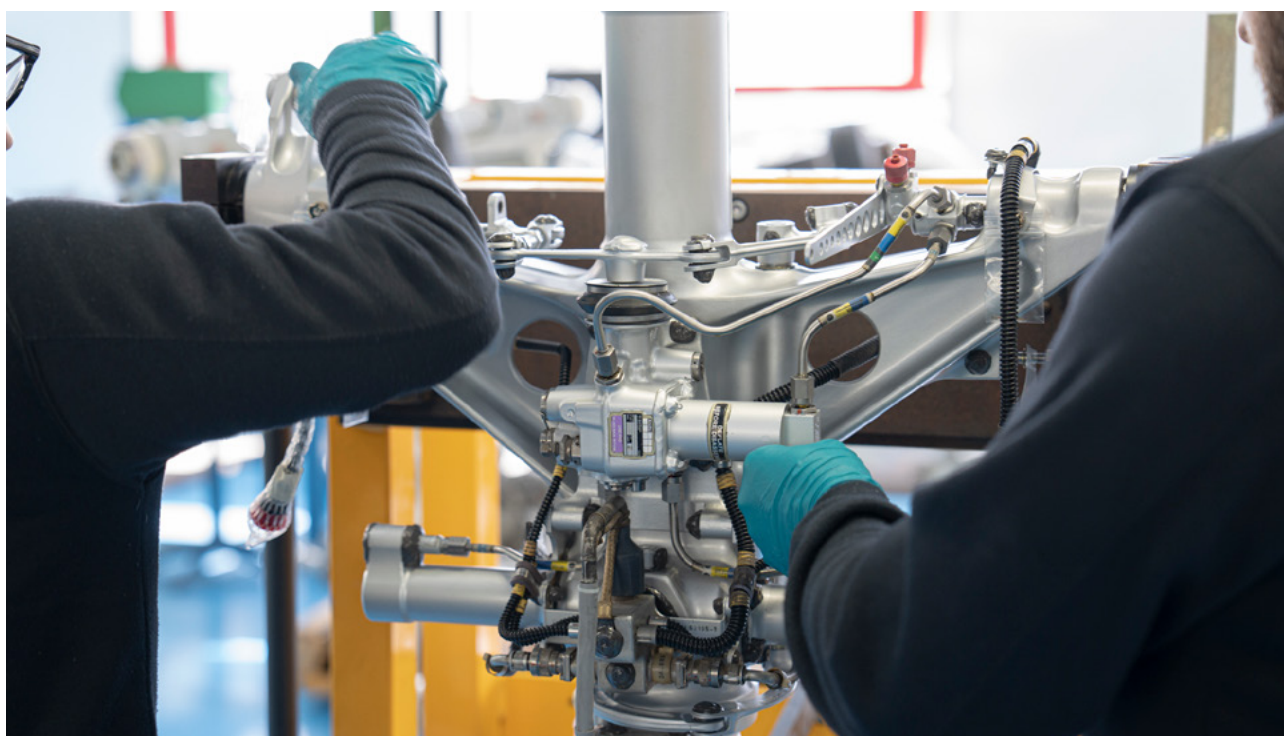
Cutting-edge engineering

As recognised leaders in the civil and military aerospace sector, **we continuously invest in research and development, convinced that this is the key to our success.** This commitment has enabled us to strengthen our global competitiveness, standing out for quality and reliability.

Every day, we dedicate resources and expertise to developing increasingly efficient and safe solutions, in response to the challenges of an ever-evolving industry. We collaborate with leading universities and research centres – including **CIRA**,

the **Federico II University of Naples**, the **University of Sannio** and the **University of Campania Luigi Vanvitelli** – creating synergies that enrich our know-how and keep us at the forefront.

Our company culture, based on excellence, has made us a **partner of choice for major aircraft manufacturers**, with whom we share common goals of innovation and sustainability. Anticipating future industry needs is an integral part of our mission. For over six years, we have operated in an environment compliant with REACH standards, developing products



with reduced environmental impact by **eliminating substances such as chromium and cadmium** and using **water-based paints**.

In 2024 we introduced a **friction material for braking systems** intended for large aircraft, designed to reduce the release of particles into the atmosphere. At the same time, we are developing a fully proprietary and sustainable braking system, in collaboration with companies specialised in chemical technology and industrial applications.

Finally, the **Academy** infrastructure has been completed, with offices dedicated to engineers and a **laboratory for advanced testing**, including tests on innovative braking systems. The objective is to make the new area operational by the end of 2025, together with the completion of equipment and test rigs required for future research activities.

ANGELA PROJECT

MAGROUP is opening new horizons with **ANGELA**, an

advanced project for the development of the landing system of **LifeRCraft**, the helicopter designed to set new speed records. In collaboration with **Airbus Helicopters**, MAGROUP is designing and developing an innovative system for a long-range rotorcraft that combines high cruise performance with reduced consumption and emissions. The project also stands out for its low noise level, benefiting both sustainability and operational productivity.

The first demonstration flight was successfully completed in 2024, paving the way for future developments. The goal of ANGELA is to bring the landing gear system to **TRL6 (Technology Readiness Level)**, ready for integration into **LifeRCraft**, the advanced version of the **X3 prototype**. This aircraft aims to become a new benchmark in the sector, combining a highly competitive efficiency-cost ratio with superior take-off and landing performance and a potentially reduced impact in terms of emissions and noise.



WINDRUNNER PROJECT

MAGROUP is also a key player in the Windrunner project, in collaboration with **Radia** and **Leonardo**, focused on developing a transport aircraft designed to support **logistics linked to energy and hydrogen production through wind power installations**. This initiative builds on the technological growth achieved by MAGROUP over the past 20 years and on a heritage that dates back to 1936.

With Windrunner, we confirm our **ingenuity, flexibility and capacity for innovation**, bringing aerospace know-how into a strategic sector such as energy, alongside leading partners.

LILIUM PROJECT

We are collaborating with Lilium on the development, production and qualification of the main landing gear and nose structures of the **Lilium Jet**, a fully electric aircraft designed to redefine air mobility.

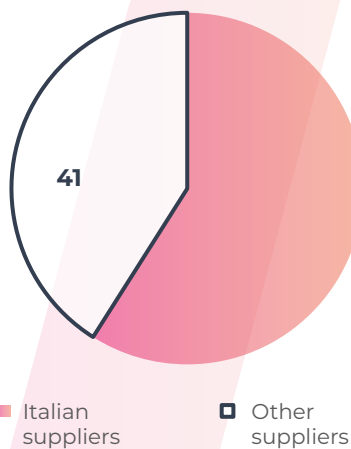
The jet uses electric propulsion not only for vertical take-off but for all phases of flight, introducing a new technological approach to the sector. Through this partnership, we help ensure reliable, safe performance in take-off and landing operations.



Our value chain: partners and suppliers

[GRI 26] | GRI 2041

**SUPPLY EXPENDITURE
2024 %**



In line with our commitment to a sustainable future, **MAGROUP** promotes transparency and responsibility throughout the supply chain. We ask our suppliers in Italy and abroad to share our values of **sustainability and innovation** by signing a **certificate of compliance with sustainability performance** at the time of each contract.

We provide all partners with the **MAGROUP Code of Ethics**, which defines the Group's expectations regarding ethical behaviour and sustainable practices, promoting a **shared culture of sustainability**.

To gain deeper insight into suppliers' capabilities and commitments, we require completion of a **questionnaire** dedicated to technologies and certifications in use. This allows us to **map the quality of our partner network** and identify **opportunities for continuous improvement**.

For **MAGROUP**, **local presence is a conscious choice that combines the value of local expertise with an open,**

international outlook.

By supporting the Italian economy through the purchase of national products and services, we aim to maintain a balance between tradition and innovation, contributing responsibly to the growth of business **Made in Italy**.

In 2024, **59% of our supply expenditure² was allocated to Italian suppliers**, confirming our focus on local areas.

Specifically, Metal Sud and Magnaghi Aeronautica respectively allocated 98% and 70% of their expenditure to national partners, reflecting a shared commitment to supporting local businesses.

In 2024 we launched an **advanced supply chain mapping project** through the **Sinesgy** platform, with the aim of gaining deeper insight into the sustainability performance of our partners.

As suppliers complete the survey, the platform will provide a **broader, more dynamic view** of their operations,

² Total supply expenditure of the three Italian companies included in the scope of the 2024 Sustainability Report.



enabling **continuous monitoring** and better alignment with our **ESG objectives**.

Through this initiative, we aim to **engage and support our partners** in a shared growth process, promoting **concrete actions over time for the benefit of the environment and the communities** we operate in.

During 2024, with the support of a qualified provider, we also organised a **training course dedicated to CBAM (Carbon Border Adjustment Mechanism)**, the European instrument that introduces a carbon adjustment mech-

anism at borders. This initiative allows us to **proactively prepare** for the impact of CBAM on the supply chain and to **strengthen the integration of sustainability into our company processes**.





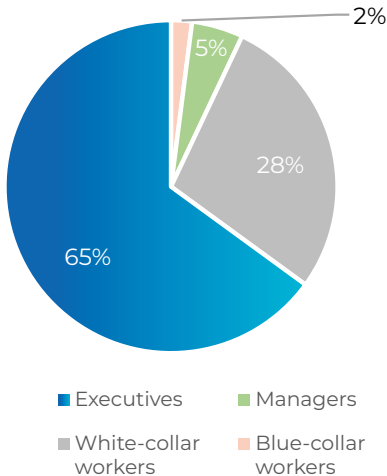
Responsibility
towards people
and the
community



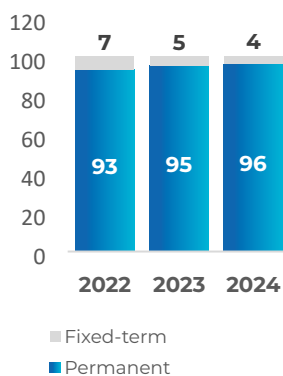
Human capital

[GRI 27] [GRI 4011] [GRI4051]

Professional roles in
MAGROUP 2024



2024
MAGROUP
workforce %



Not merely components of a system, but true drivers of change: people make the company's growth and evolution possible.

In 2024 the total workforce of the three companies included in the reporting scope reached **676 employees**, recording **a turnover of X% compared to the previous year**.

This result reflects our commitment to promoting sustainable growth while creating new opportunities and developing the skills of all members of our team.

The majority of the workforce consists of **blue-collar workers (65%)** and **white-collar workers (28%)**, roles that form the backbone of our daily operations. Completing the workforce are **managers (5%)** and **executives (2%)**, who play an essential role in the Group's coordination and strategic leadership.

MAGROUP strongly believes in the value of knowledge, skills and know-how exchange, made possible by discussions and collaboration between people

from different generations.

Across the three companies included in the reporting scope, the age distribution remains balanced: 54% are aged between 30 and 50, 37% are over 50, while 9% are under 30.

With regard to the inclusion of **protected categories**, in 2024 the number of employees in these categories remained unchanged compared to the previous year, confirming MAGROUP's ongoing commitment to equal opportunities and to valuing diversity within the organisation.

The Board of Directors of Magnaghi Holding, which manages the Magnaghi Group, consists of 21 members, all male, the majority of whom are over 50.

In 2024, **96% of our total workforce** was employed on a **permanent basis**, confirming our commitment to ensuring stability and professional continuity. In addition, **99.9% of employees** work **full-time**, while only **0.01%** are **part-time**.



Diversity and inclusion

| GRI 4013 |

“When no one is left behind, everyone moves forward.”

At Magnaghi, we believe that **diversity is not only an ethical value** but also a strategic driver of innovation and competitiveness.

For this reason, in 2023 we introduced our **Equal Pay Policy**, which represents a key milestone in our inclusion strategy. This commitment extends across all company processes: recruitment, hiring, performance evaluation, continuous training and professional development. The objective is to ensure that every individual has equal opportunities for growth and contribution to the Group's success.

Among the concrete results we set as objectives last year is the appointment of a woman to the Board of Directors.

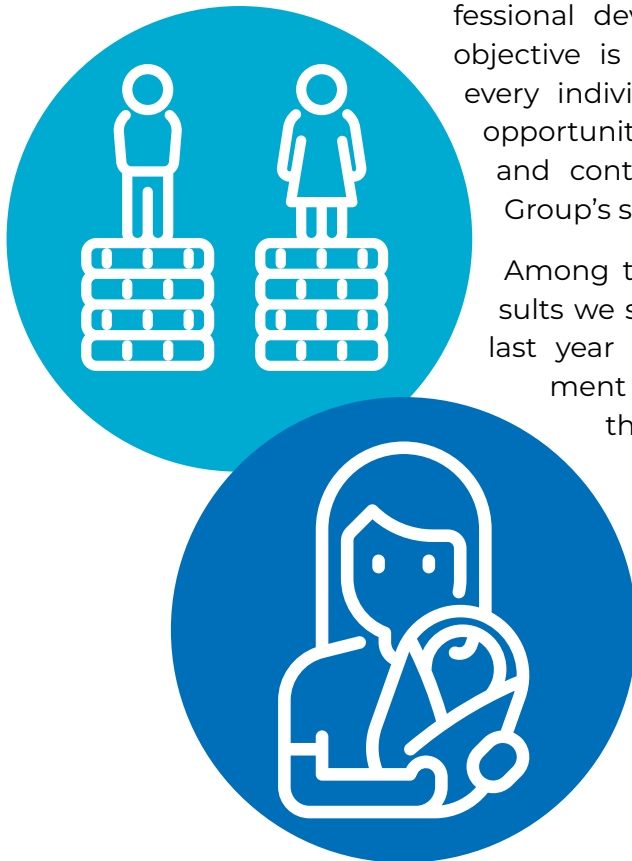
At the same time, we introduced initiatives to support our female employees: **a breastfeeding room with refrigerator, reserved parking spaces for pregnant women and two hours of paid leave for parents during children's first days of school.**

Over the past three years, no cases of discrimination were recorded, confirming an increasingly inclusive working environment.

In 2024 the Group also earned **PdR 125:2022 certification**, which certifies the adoption of an advanced gender equality management system. In the same year, all employees participated in a four-hour **training programme dedicated to diversity and inclusion.**

Among the **milestones achieved**, in line with last year's objectives, was the appointment of a **woman to the Board of Directors.**

Looking ahead to 2025, we intend to involve 100 employees in the **“La Luna nel Grano”** platform, which will offer practical tools on **inclusive language, parenthood and support for returning after maternity leave.**



These commitments reflect our intention to build an increasingly inclusive working environment, where valuing differences becomes a driver of collective growth



GENDER EQUALITY CERTIFICATION

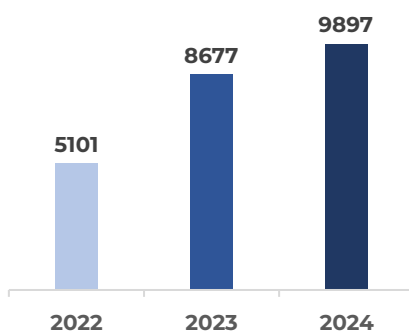
**MAGROUP HAS A QUALITY MANAGEMENT SYSTEM CERTIFIED
BY KIWA CERMET ITALIA SPA ACCORDING TO THE STANDARD
OF UNI/PDR 125:2022 FOR THE ITALIAN PLANTS :
MAGNAGHI AERONAUTICA SPA
SALVER SPA
METALSUD SRL**



Training and skills development

[GRI 4041]

Training provided (hours)



Training is not only about transferring knowledge, but about creating space for curiosity, stimulating creativity and preparing our employees to become drivers of change.

In a context that values continuous growth and innovation, training is a **strategic investment** that strengthens competitiveness, creates opportunities for personal and organisational development and fosters a forward-looking culture.

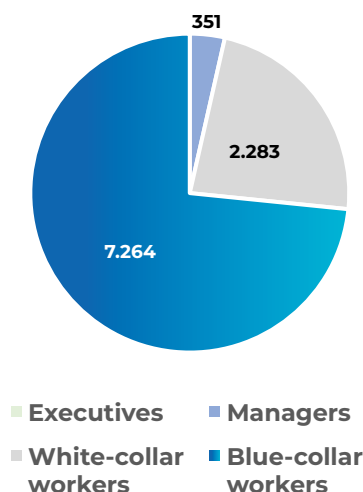
In 2024, MAGROUP provided a total of **9,897 hours of training**, marking an increase of 14% compared to the previous year, confirming our commitment to strengthening employee skills and consolidating a company culture based on continuous learning.

The distribution of the training hours focused primarily on blue-collar workers (73%), reflecting the attention given to **strengthening operational skills**, followed by white-collar workers (23%) and managers (4%), who play a key role in linking management and operational staff. Thanks to this

investment, **our employees were able to develop both technical and soft skills**. The training catalogue continued to offer a wide range of courses in technical areas, soft skills and cross-cutting abilities, without limiting participants' choice, thus ensuring **maximum flexibility in meeting individual needs**.

This strong focus on training is fully integrated into our **incentive system**, which rewards individual and collective results in terms of productivity, quality, absenteeism and alignment with Group values. Through this focus on professional development, MAGROUP renews its commitment to investing in people, in the belief that company growth inevitably depends on **employee well-being and progress**.

Distribution of training hours by professional category 2024



Employee well-being



Workplace well-being is the foundation on which we build our concept of shared success: not just a good working environment, but a true ecosystem where care for people is reflected in a stronger, shared company culture.

With this vision, in **2022** we launched an internal survey to better understand what “well-being” means for our employees, the results of which provided valuable insights for improvement. Although the survey was not repeated in 2024, we remain convinced that open dialogue and continuous listening are essential tools to support the growth of both people and the organisation.

In **2024** benefits previously reserved exclusively for permanent employees were **extended to fixed-term and part-time contracts**, reinforcing the principle of equal opportunity and access to services.

For the third consecutive year, MAGROUP was certified as a Top Employer, a recognition that underscores our ongoing commitment to the care and development of our people.

Among the initiatives supporting well-being, we offer a **company coach** who supports employees in achieving personal and professional goals, contributing to individual development and improved performance. A **welfare platform** is also active, providing numerous tailored services. **Company discounts remain in place with the San Carlo Theatre in Naples, sports centres and diagnostic clinics**, not to mention with local hotels, facilitating access to cultural, health and leisure opportunities. **Remote working** remains a tool to better balance private life and work needs.

At Magnaghi Aeronautica, employees can access the **company canteen** with a minimal contribution. Initiatives dedicated to **well-being at the table** were also organised, including a day with a **nutritionist**, alongside prevention initiatives related to smoking. At Salver, **discounts at sports centres** remain in place, supporting a healthy lifestyle and overall well-being that combines body and mind.



Support for local communities

[GRI 228]



In **2024** MaGroup strengthened its commitment through numerous **social, environmental and corporate sustainability initiatives**, promoting values such as **innovation, solidarity and responsibility**.

Through collaboration with **3Bee**, a naturetech company committed to protecting ecosystems, we **adopted a beehive** to contribute to tackling the loss of biodiversity and protecting the health of our planet.



During the **Easter holidays**, we donated chocolate eggs to young patients at **Santobono Pausilipon Hospital** in Naples, to **Caritas in Brindisi** and to families in the **Sanità district of Naples** – a simple but meaningful gesture to bring a moment of comfort to those facing difficult situations.

Another key pillar of our commitment concerns **youth education and dialogue with the academic world**.

During the **Christmas holidays**, we gave out **handcrafted items made by young detainees at the Nisida juvenile detention centre**. This project, which we strongly support, offers **opportunities for rehabilitation and social reintegration** through training and work.

In collaboration with local schools and universities, we offer young people growth opportunities through **work-study programmes (PCTO)**. At the **Arienzo** and **Brindisi** sites, students can engage with an industrial environment, developing **technical and professional skills** in a context of excellence.

In collaboration with **Komen Italia** and with the support of **Kamen**, we also took part in the **Pink Tie Ball**, an event dedicated to the **fight against breast cancer** and fundraising for scientific research and prevention, supporting women affected by the disease.

Furthermore, we launched **two PhD programmes** with the **Mercatorum Telematic University**, with the aim of supporting **advanced education and applied research**.

Our responsibility towards local areas also extends to the **protection of the environment and biodiversity**.

We firmly believe that **investing in young talent** means contributing not only to the growth of our company but also to that of the wider community.

In 2024, for the second time, we had the honour of receiving recognition as part of the **“CEO for Life”** project, which highlights business leaders committed to building a sustainable future.

>>>

Support for local areas

The award in the **Innovation & Sustainability** category represents an important confirmation of our efforts to **integrate technology, innovation and social responsibility**.

MAGROUP is also an active member of important associations such as **AIAD** (Federation of Italian Companies for Aerospace, Defence and Security), **Confindustria**, **Aerospazio Puglia** and **CIRA** (Italian Aerospace Research Centre), with which we share the goal of **pro-**

moting the development of Italian industry based on innovation and business ethics.

Every initiative undertaken in 2023 and 2024 reflects our commitment to **generating a positive impact, both locally and globally**, always placing people and the environment at the centre.

For MaGroup, **inclusion, sustainability and sharing** are a **daily mission** that guides us in creating value for the community and future generations.



Occupational health and safety

GRI 4031 | GRI 4032 | GRI 4033 | GRI 4034 | GRI 4035 | GRI 4036 | GRI 4039 |

No corporate result can be considered satisfactory if it is not achieved while ensuring the safety of those who contribute to our success every day.

Our processes include milling, turning, drilling, boring, fitting and grinding, as well as lapping, thermal and protective treatments, non-destructive testing and inspections. We produce complex assemblies – such as shock absorbers, actuators and landing gears – and manage the lamination and curing of composite materials in autoclaves, with precise control of temperature, pressure and vacuum. Aerostructure assembly operations complete the value chain, including flaps, MLGDs, spoilers and other key components.

These processes require **advanced technical skills** and **constant physical effort** from our operators. For this reason, we pay the utmost attention to risk prevention and the protection of each worker's health, ensuring safe working environments, appropriate equipment and continuous training focused on awareness and personal responsibility.

Every individual plays an active role in **recognising and preventing risks**, proposing improvements and contributing to strengthening a culture of prevention that grows day by day. Observations gathered in the field, ongoing discussions with supervisors and managers, and dialogue during meetings and training sessions represent a valuable source of knowledge and awareness.

These are complemented by structured tools such as **periodic surveys, systematic monitoring of near misses** and **regular communication** on health and safety through internal channels.

This **participatory approach** is also reflected in our internal organisation. We have established a health and safety management system that includes **Workers' Safety Representatives** (RLS) and a **dedicated HSE Office**. Coordination meetings between the HSE Office and the RLS are held quarterly to identify and assess risks and define the most effective preventive measures. At the same time, the HSE Office meets monthly with management to assess the effectiveness

of actions taken, ensuring a proactive, integrated management of occupational health and safety.

To support overall employee well-being, we have a **company infirmary** operating four days out of five, staffed by qualified medical personnel. The service provides **health-care, motivational support and psychological counselling**, promoting balanced physical and mental well-being. The Company Physician and nursing staff collaborate with various departments to identify and assess health risks, carry out medical examinations, provide advice to employees and ensure the availability of first aid equipment and materials.

In 2024 more than **557 hours of safety training** were provided, involving 117 employees. Training programmes addressed the specific aspects of each department, strengthening awareness of safe behaviours. At the same time, initiatives were promoted to encourage **healthy lifestyles**, focusing on proper nutrition, physical activity and

the prevention of harmful behaviours and dependencies.

In 2024 the injury rate was 13, in line with previous years, for a total of **14 incidents**: 11 at Salver, 2 at Magnaghi Aeronautica and 1 at Metal Sud. These figures should be interpreted in relation to the size of each company, considering that Salver has the largest workforce.

To further improve safety management, a new project was launched in collaboration with the local health authority (ASL) and a new Head of the Prevention and Protection Service (RSPP) was appointed, strengthening the technical and organisational oversight of operations.

The company also implemented a **structured process for investigating occupational incidents**, based on defined sequential phases and methods. In the event of an incident, an investigation team is immediately called up, consisting of the RSPP, Workers' Safety

Representatives and specialised technicians. The team gathers information through inspections, interviews and photographic documentation, analysing the circumstances in detail, identifying risk factors and determining direct and root causes.

Corrective actions are defined according to the hierarchy of controls, prioritising

the elimination of hazards at the source, substitution with safer solutions, introduction of engineering controls, revision of procedures and the strengthening of training and protective equipment where necessary. All results are formalised in detailed reports, which form the basis for the continuous improvement of the safety management system.





Responsibility towards the environment





Energy and energy efficiency

[GRI 3021]

We recognise how crucial it is to adopt a responsible approach and carefully manage our environmental impact.

Despite the challenges of a competitive market, we are committed to taking **concrete steps** towards a more responsible use of resources. Although our efforts are still developing, they represent a significant contribution towards a better future, with the aim of continuous improvement.

Energy resource management at MaGroup is based on a strategy involving all Group

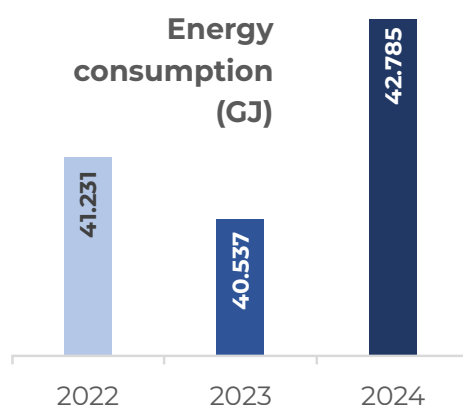
companies, with initiatives aimed at increasing energy efficiency.

In 2024 the three companies included in MaGroup's reporting scope recorded **total energy consumption of 42,785 GJ**, an **increase of 5.6%** compared to the previous year.

An analysis of the energy intensity index shows a significant improvement: **despite the increase in total consumption (+5.6%)**, revenue growth led to a **reduction in the energy/revenue ratio**, from 4.67 in 2023 to 4.25 in 2024.

This figure confirms that initiatives implemented by Group companies have not only helped contain environmental impact but have also improved energy efficiency relative to economic value generated.

Metal Sud, Magnaghi Aeronautica and Salver continued to implement **targeted measures** to improve energy effi-



Energy intensity index	UoM	2022	2023	2024
Energy consumption within the organisation	GJ	41,231	40,537	42,785
Turnover	EUR	57,994,907	86,755,917	100,535,742
Intensity index (GJ/Euro) x 10,000	GJ/€	7.11	4.67	4.25

ciency and promote responsible resource management.

Metal Sud uses electricity from the grid and natural gas, mainly for heating polymerisation furnaces, the core of the production process. Energy management is supported by **electric thermostats** that limit temperature to 60°C, ensuring thermal efficiency and reduced consumption. In

2024, electricity use remained stable, confirming the effectiveness of the practices adopted. In addition, with regional support, the company began **replacing asbestos roofing** on the plant with photovoltaic panels, a project that will increase environmental safety and energy autonomy.

Magnaghi Aeronautica adopted a pragmatic approach to managing its energy resources. Although specific procedures are not yet formalised, the maintenance team has established good operational practices, such as **time-controlled management of air conditioning systems**, reducing energy consumption during inactive periods. **The installation of a photovoltaic system is planned for 2025**, and

will be accompanied by a **monitoring system** to track energy consumption from both the grid and the new solar plant.

Measures planned for the coming years include installation of **thermal insulation systems, new doors and windows** and a **latest-generation compressor**, with the aim of improving building energy efficiency and reducing waste. Installation of electric vehicle charging stations is also planned.

Lastly, **Salver** has launched a broad **energy optimisation programme** including **plant relamping** and a technical study to define actual compressed air requirements.

At the same time, a project has been launched to **replace and improve efficiency of water cooling systems for autoclaves**, with the aim of completing installation of a new, more efficient cooling system by August 2025, replacing the current evaporative tower.

Efficiency improvements are also under way for the **pump fleet** for water and diathermic oil used in autoclave heating and cooling systems.

In October 2024 a **plant re-layout** project was also launched, involving the redesign of internal spaces, installation of a **new clean room** and the **relocation of certain departments** to a building unused for over ten years, currently under renovation. The new facility will host **modern systems** – including **next-generation painting booths** and high-efficiency **vacuum and compressed air systems** – enabling an overall rationalisation of existing infrastructure.

Emissions generated

| GRI 3051 | GRI 3052 |



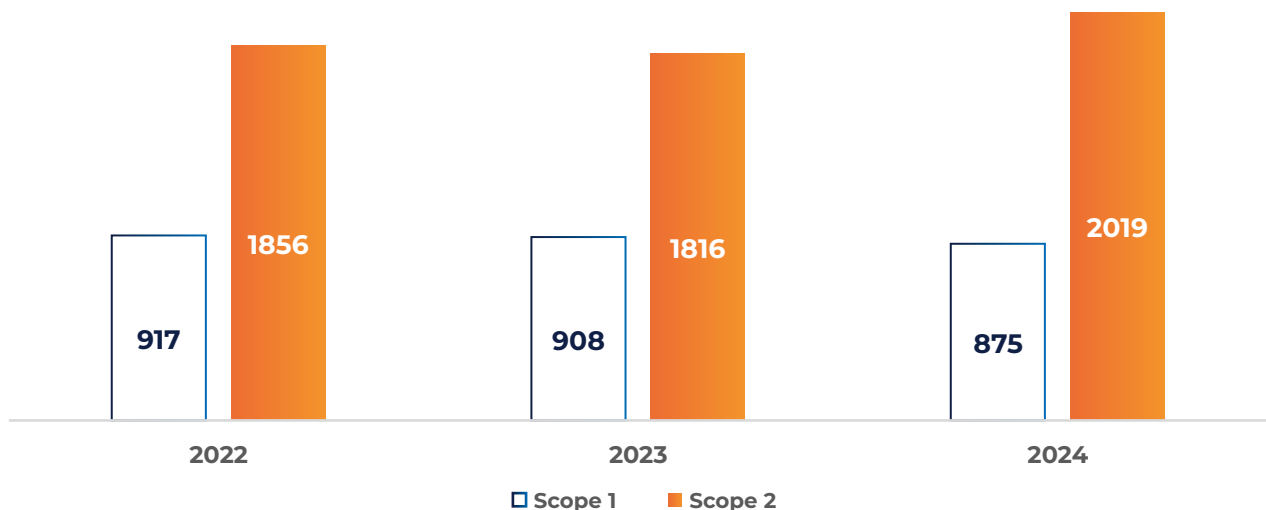
For MaGroup, managing greenhouse gas (GHG) emissions is a priority, as we believe that our commitment to sustainability must translate into concrete, measurable actions. In recent years we launched a structured process to monitor greenhouse gas emissions.

In 2022 we carried out an in-depth analysis of Scope 1, 2 and 3 emissions in collaboration with **Up2You** to define an effective decarbonisation strategy. This process enabled us to identify priority areas for action and implement targeted solutions.

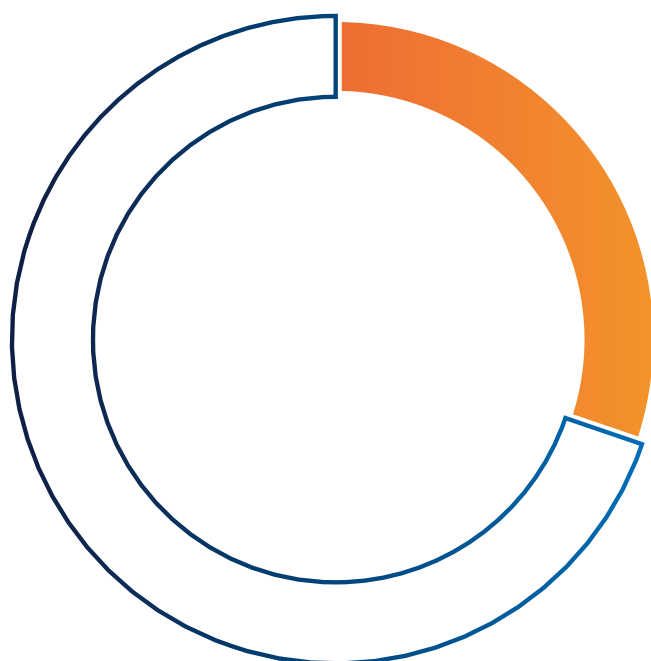
The collaboration initiated with Up2You in 2022 continued in 2024, further strengthening our commitment and enabling us to reinforce our climate strategy.

Magnaghi Aeronautica and Salver, both certified under the **UNI EN ISO 14001** environmental management system, stand out for their proactive approach to achieving environmental objectives. This certification allows for the precise monitoring of impacts and the definition of concrete, achievable objectives, supported by a shared environmental policy – **the HSE policy** – which guides

Scope 1 and Scope 2 GHG emissions



GHG emissions (2024)



■ Scope 1 □ Scope 2

In 2024 Scope 1 emissions, linked to direct consumption of fossil fuels, decreased by 3.63%, reaching 875 tonnes of CO₂ equivalent.

By contrast, **Scope 2** emissions, associated with electricity consumption, increased **by 11.18%**, reaching 2,019 tonnes.

In 2024 Scope 1 emissions accounted for only 30% of greenhouse gas emissions, due to the intensive use of electricity (Scope 2) required by our sector and production processes.

Overall, greenhouse gas emissions increased by 4.36% compared to 2022 and by 6.24% compared to 2023.³

This increase is also explained by higher production levels over the years. In fact, **the emissions intensity index decreased over the three-year period**, reaching an **8.31% reduction** in 2024 compared to the previous year.

all sustainability-related decisions. In both companies, solutions have already been introduced to promote sustainable mobility, such as the installation of **bicycle racks** to support low-impact commuting.

Looking ahead, one of Magnaghi's key objectives for 2025 is **the installation of electric vehicle charging stations**, contributing to the spread of zero-emission mobility.

³ Emissions for 2022 and 2023 were recalculated using updated emission factors, applied consistently across all three years, to ensure comparability of the time-series data.

>>>

Emissions generated

Emissions intensity index	UoM	2022	2023	2024
Total Scope 1 and Scope 2 greenhouse gases	tCO ₂ e	2,773	2,724	2,894
Turnover	EUR	57,994,907	86,755,917	100,535,742
Intensity index (tCO ₂ e/ Euro) x 100,000	tCO ₂ e /€	4.78	3.13	2.87

Waste and water resource management

| GRI 3035 | GRI 3063

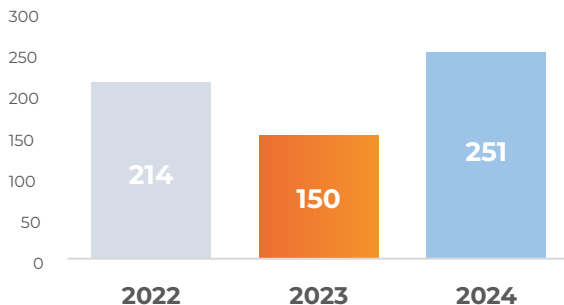
Operating in a sector that uses hazardous materials such as solvents, paints and oils, waste management is an **essential responsibility**. Every stage of the production process is carefully monitored to ensure safe, sustainable disposal.

In 2024 **hazardous waste** increased from **150 tonnes in 2023 to 251 tonnes**.

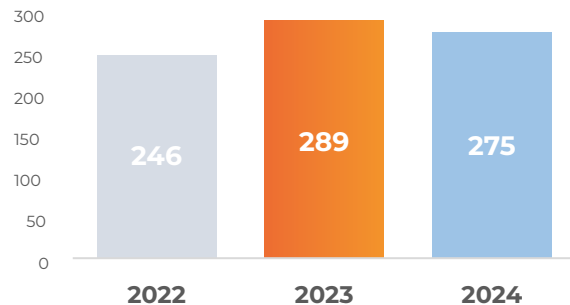
At the same time, monitoring along the value chain remains central: Magnaghi Aeronautica carries out **regular audits on suppliers responsible for disposal** to ensure that all operations comply with environmental regulations and that waste follows a safe, responsible life cycle.

We have also **strengthened separate waste collection**

Hazardous waste (t)



Non-hazardous waste (t)



In contrast, **non-hazardous waste** slightly decreased, from **289 tonnes in 2023 to 275 tonnes in 2024**, representing a **4.8%** reduction.

Overall, total waste production increased from **439 tonnes in 2023 to 526 tonnes in 2024**, an increase of **19.8%**, mainly due to the rise in hazardous waste.

and distributed **guidelines to users to promote reduced printing within the company**, with the aim of lowering paper use.

The waste **intensity index** increased from 5.06 in 2023 to 5.23 in 2024, showing **overall stability**. But **compared to 2022**, the index **decreased by 34.2%**. This trend sug-

gests that, despite the overall increase in waste generated, the impact relative to revenue decreased compared to 2022 and remained broadly stable compared to 2023, confirming the Group's ability to manage waste materials efficiently.

within the internal network.

On average, **50% of water is used in the production cycle**, while the remainder is used for civil purposes such as sanitation and irrigation.

At **Metal Sud**, each treatment line is equipped with

Intensity index	UoM	2022	2023	2024
Waste generated within the organisation	t	461	439	526
Turnover	EUR	57,994,907	86,755,917	100,535,742
Intensity index (t/Euro) x 1,000,000	t/€	7.95	5.06	5.23

In 2024, total water consumption reached **33,318 litres**, an increase of **28%** compared to 2023, while **consumption relative to revenue increased by 10.7%**.

The companies have implemented initiatives aimed at reducing water waste. For example, **Salver installed five meters to monitor consumption at different points**

a **mixed-bed resin system that allows recovery of washing water**, helping to reduce waste. The only exceptions are chromic waters, which require special treatment. These are treated in a physico-chemical plant to convert hexavalent chromium into trivalent chromium and are then safely disposed of at authorised facilities.

Intensity index	UoM	2022	2023	2024
Water resource consumed within the organisation	l	29,235	25,996	33,318
Turnover	EUR	57,994,907	86,755,917	100,535,742
Intensity index (l/Euro) x 10,000	l/€	5.04	2.99	3.31

Methodological note

GRI 21 | GRI 22 | GRI 23 | GRI 25

REPORTING BOUNDARY

Company name	Magnaghi Holding Spa
Ownership structure	Private
Legal form	Joint-stock company
Location of the registered office	Via Galileo Ferraris 76/80 - 80142 - Naples (NA)
Countries served	Europe and Non-EU

THE DOCUMENT

This document represents the second Sustainability Report of **Magnaghi Holding SpA** (also the “Group” and/or “**MaGroup**”). The information included in the document has been gathered and processed to ensure understanding of the company’s operations, performance, results and impacts. For the second year of reporting, it was decided to include only the Group’s Italian companies within the reporting boundary. Therefore, the boundary used in this document includes information relating to the operations of Magnaghi Aeronautica SpA, Salver SpA and Metal Sud Srl.

The Sustainability Report was prepared on a voluntary basis and represents an initial document to prepare for the European CSRD (Corporate Sustainability Reporting Directive) of 2022, which de-

fines sustainability reporting and transparency processes, requiring companies to provide detailed information on environmental, social and governance (ESG) matters. This directive expands the information subject to reporting compared to the previous NFRD (Non-Financial Reporting Directive), introducing new requirements for greater transparency regarding corporate practices.

The Sustainability Report is prepared annually and is published on the official MaGroup website.

For more information regarding the content of this document, the following email address can be contacted: **externalcomms@magroup.net**

REFERENCES USED

The Sustainability Report was prepared through the selection of indicators included in the GRI Sustainability Reporting Standards published by the Global Reporting Initiative (GRI), according to the “Referenced” reporting option. The set of GRI Standards indicators used for reporting is indicated in the GRI Content Index of this document.

The general principles applied in preparing the Sustainability Report are those established by the GRI Standards, namely: *materiality, inclusiveness, sustainability context, completeness, balance between positive and negative aspects, comparability, accuracy, timeliness, reliability and clarity.*

The selected performance indicators are those envisaged by the adopted reporting standards, representative of the specific sustainability areas analysed and consistent with the company’s operations and impacts. These indicators were selected based on an analysis of the material topics relevant to the company and its sector, as described in the section “Materiality Assessment”.

As part of the sustainability process, this analysis involved Top Management in assessing topics and assigning a value based on two aspects: importance and priority for the company.

This Sustainability Report was prepared with the methodological support of:



GRI standards



Reporting package

REPORTING BOUNDARY

This section provides details of the GRI indicators used in the document to ensure greater clarity and comparability of ESG performance over the three-year period in question.

GRI 302 - Energy

Fuel consumption broken down by renewable and non-renewable sources (GJ) ⁴	2023	2024
Natural gas		
<i>Natural gas for thermal uses (heating)</i>	15,315	14,750
<i>Natural gas for thermal uses (production)</i>	2.08	3
TOTAL NON-RENEWABLE SOURCES	15,317	14,753

Purchased energy consumption (GJ)	2023	2024
Electricity purchased from non-renewable sources	25,220	28,032
<i>With guarantee of origin</i>	-	-
TOTAL PURCHASED ENERGY CONSUMED	25,220	28,032
Self-generated electricity (GJ)		
Total self-generated electricity		
<i>of which total Electricity <u>consumed</u></i>		
<i>of which total Electricity <u>sold</u></i>		
TOTAL SELF-GENERATED ENERGY	-	-
TOTAL ENERGY CONSUMED WITHIN THE ORGANISATION	40,537	42,785

⁴ Source of conversion factors used:
Natural Gas: IPCC 2021 GWP 100 Vers.1.02
Electricity: IPCC 2021 GWP 100 Vers.1.00

Note that updated conversion factors were used and applied to the two-year data to ensure more accurate comparability

GRI 305 - Emissions

GHG emissions Scope 1 – tCO ₂ e ⁵	2022	2023	2024
Natural gas for thermal uses	916.59	907.99	874.50
Natural gas for production	0.199	0.123	0.19
Total Scope 1	916.80	908.10	874.69

GHG emissions Scope 2 – tCO ₂ e ⁶	2022	2023	2024
Electricity purchased	1855	1,816	2,018
Total Scope 2	1855	1,816	2,018

GRI 306-3 Waste

Hazardous waste (t)	2023	2024
080111	0.14	1.51
110109	0.00	0
110111	91.16	192.64
150110	2.06	7.908
150202	1.62	32.182
160213	0.00	0.1
170603	0.88	0
130307	2.80	0
200121	0.11	0.22
070210	4.76	3.14
080409	4.27	0
130204	0.33	0
140603	0.00	5.5
060313	5.60	7.89
Total hazardous waste (t)	150.02	251.09

Non-hazardous waste (t)	2023	2024
070213	117.24	133.72
080318	0.18	0.29

⁵ Source of emission factors used:

- Natural Gas: DEFRA 2024 | Fuels - Gaseous fuels - Natural gas [cubic metres]

⁶ Source of emission factors used:

- Imported electricity: ISPRA "ISPRA - Emission factors for electricity generation and consumption in Italy (Estimation of greenhouse gas emission factors from the electricity sector for gross electricity generation net of pumping, 2023)"

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150101	42.26	36.7
150103	20.44	26.8
150106	35.30	14.9
160214	4.40	0.24
170202	0	0.14
170405	52.14	26.25
200101	0.96	0
200301	13.33	15.42
080120	0.78	0
120104	2.16	5.22
200304	0	12.88
170802	0	3.12
Total non-hazardous waste	289.20	275.68

GRI 303-5 Water consumption

Water consumption (in megalitres):	2023		2024	
	All areas	Water-stressed areas	All areas	Water-stressed areas
Total water consumption	25.996	0	33.318	0
Changes in water storage if they have a significant impact on water resources	0	0	0	0

GRI 2-7 Employees

Employees by gender	2023	2024
Women	48	56
Men	589	620
Total	637	676

Employees by contract type	2023	2024
Permanent	602	651
Women	45	54
Men	557	597
Fixed-term	35	25
Women	3	2
Men	32	23
Total	637	676

Employees by employment type	2023	2024
Full-time	635	675
Women	47	55
Men	588	620

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Reporting package

Part-time	2	1
Women	2	1
Men	0	0
Total	637	676

GRI 405-1 - Diversity of governance bodies and employees by gender and by age group

GOVERNING BODIES by gender	2023			2024		
	Women	Men	Total	Women	Men	Total
Board of Directors	0	21	21	1	10	11
Board of Statutory Auditors						
Total	0	21	21	1	10	11
Percentage	0	100	100	9	91	100

GOVERNING BODIES by age group	2023				2024			
	<30 years	<30 years	<30 years	<30 years	<30 years	30-50 years	>50 years	Total
BoD	0	6	15	21				
Total	0	6	15	21				
Percentage	0%	29%	71%	100%				

White-collar workers	19	61	82	162	21	94	76	191
Blue-collar workers	35	255	145	435	40	258	143	441
Total	54	333	250	637	61	368	247	676
Percentage	8%	52%	39%	100%	9%	54%	37%	100%

PROTECTED CATEGORIES by professional category and gender	2023			2024		
	Women	Women	Women	Women	Men	Total
Executives	0	0	0	0	0	0
Managers	0	0	0	0	0	0
White-collar workers	2	9	11	2	9	11
Blue-collar workers	1	21	22	1	21	22
Total	3	30	33	3	30	33
Percentage	9%	91%	100%	9%	91%	100%

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GRI 401 – Turnover

Employees at the end of the period		2023			2024		
Gender		Women	Men	Total	Women	Men	Total
Total		48	589	637	56	620	676
New hires		2023			2024		
Gender		Women	Men	Total	Women	Men	Total
Up to 29 years		9	15	24	4	21	25
30-50		3	22	25	2	29	31
50		0	2	2	0	2	2
Total		12	39	51	6	52	58
Terminations		2023			2024		
Gender		Women	Women	Total	Women	Men	Total
Up to 29 years		0	2	2	1	3	4
30-50		8	22	30	0	16	16
50		1	8	9	0	14	14
Total		9	32	41	1	33	34

Reason for termination		2023			2024		
Gender		Women	Men	Total	Women	Men	Total
Voluntary resignations		8	26	34	0	22	22
Retirement		0	0	0	0	1	1
Other		1	6	7	0	11	11
Total		9	32	41	0	34	34
Turnover		2023			2024		
Gender		Women	Men	Total	Women	Men	Total
Positive turnover - hires	27%	7%	8.13%		13%	9%	9%
Negative turnover - terminations	-20%	-6%	-6.54%		-2%	-6%	-5%
Overall turnover	7%	1%	1.59%		10%	3%	4%

GRI 404-1 - Average hours of training per year per employee

Average training hours	2023			2024		
	women	men	Total	women	men	Total
Executives	117.0	89.6	94.2	-	-	-
White-collar workers - Managers	23.3	30.2	28.8	8.7	12.8	12.0
Blue-collar workers	0.3	41.1	13.2	14.6	16.5	16.5
Total	5.0	37.0	20.8	9.5	15.1	14.6

GRI 2-30 - Collective bargaining agreements

Collective bargaining agreements	2023	2024
Total number of employees	637	676
Number of employees covered by collective bargaining agreement	637	676
Percentage of employees covered by collective bargaining agreement	100%	100%

GRI 403 – Occupational health and safety

Worker training on occupational health and safety	2023		2024	
	No. of training hours	No. of employees involved	No. of training hours	No. of employees involved
Health and safety - general training	306	56	153	44
Health and safety - specific training	496	58	264	30

Health and safety - periodic refresher training	0	0	140	43
Total	802	114	557	117

Number of incidents	2023		2024	
	Employees	Non-employees	Employees	Non-employees
Total number of fatalities due to work-related injuries	-	-	-	-
Total number of serious work-related injuries (excluding fatalities)	1		3	-
Total number of recordable work-related injuries	13		14	-

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Reporting package

Type of incident	2023		2024	
	Employees	Non-employees	Employees	Non-employees
Falls and slips	2		2	
Road accident	-			
Struck by - hit by/against	8		9	
Other (specify):	3		3	

Injury rate	2023		2024	
	Employees	Non-employees	Employees	Non-employees
No. of hours worked	1,112,860		1,103,649	
Rate of recordable work-related injuries	12		13	

The rate of recordable work-related injuries is calculated as follows:

$$\frac{\text{Number of recordable work-related injuries}}{\text{Number of hours worked}} \times 1,000,000$$

GRI 204-1 – Proportion of spending on local suppliers

Spending on local suppliers	2022		2023	
	Euro	%	Euro	%
Total supplier spending	67,042,225	100%	67,924,912	100%
Budget spent on local suppliers	45,791,502	68%	46,146,235	68%

GRI CONTENT INDEX

MaGroup reported the information cited in this GRI content index for the period [01.01.2024 - 31.12.2024] with reference to the GRI Standards.

GRI STANDARDS	DISCLOSURE	PAGE
GRI 2: GENERAL DISCLOSURES 2022	2-1 Organisational details	
	2-2 Entities included in the organisation's sustainability reporting	
	2-3 Reporting period, frequency and contact point	
	2-6 Activities, value chain and other business relationships	
	2-7 Employees	
	2-9 Governance structure and composition	
	2-16 Communication of critical concerns	
	2-22 Statement on sustainable development strategy	
	2-26 Mechanisms for seeking advice and raising concerns	
	2-27 Compliance with laws and regulations	
	2-28 Membership associations	
GRI 3: MATERIAL TOPICS DISCLOSURES 2022	3-1 Process to determine material topics	
	3-2 List of material topics	
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Economic value directly generated and distributed	

**GRI 204:
PROCUREMENT
PRACTICES 2016**

204-1 Proportion of spending on local suppliers

205-3 Confirmed incidents of corruption and actions taken

GRI 302: ENERGY 2016

302-1 Energy consumption within the organisation

303-5 Water consumption

**GRI 305: EMISSIONS
2016**

305-1 Direct (Scope 1) GHG emissions

305-2 Energy indirect (Scope 2) GHG emissions

306-3 Waste generated

306-4 Waste diverted from disposal

**GRI 401: EMPLOYMENT
2016**

401-1 New employee hires and employee turnover

401-3 Parental leave

**GRI 403:
OCCUPATIONAL
HEALTH AND SAFETY
2018**

403-1 Occupational health and safety management system

403-2 Hazard identification, risk assessment, and incident investigation

403-3 Occupational health services

403-4 Worker participation, consultation, and communication on occupational health and safety

403-5 Worker training on occupational health and safety

403-6 Promotion of worker health

403-9 Work-related injuries

**GRI 404: TRAINING AND
EDUCATION 2016**

404-1 Average hours of training per year per employee

**GRI 406: NON-
DISCRIMINATION 2016**

406-1 Incidents of discrimination and corrective actions taken

Conclusion
