

**2022**  
SUSTAINABILITY  
REPORT



SWITCH ON  
THE FUTURE



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## Letter to our stakeholders



Dear Stakeholders,

I am pleased to introduce you to the first Sustainability Report of the Coeclerici Group, which marks the beginning of a strategic process for the rigorous measurement of ESG (Environmental, Social and Governance) factors in terms of both our results and impacts, with a view to increasing sharing and transparency with all stakeholders such as collaborators, shareholders, customers, suppliers and communities of all the territories in which the Group operates.

The Group's growth strategy has always been and will continue to be based on medium/long-term investments consistent with its vision and mission of balancing business goals with a commitment to environmental sustainability and corporate social responsibility - in other words, "creating a home." This involves acknowledging and meeting the needs of the environment in which we operate, appreciating culture and local differences, and actively engaging with the local population.

The Group's sustainability policies aim to ensure compliance with the highest standards in terms of occupational health and safety, protect and improve individual and collective well-being, and implement an action plan to gradually compensate for the CO2 emissions of our activities until achieving climate neutrality in the long term.

In this regard, analyses and feasibility studies are currently underway to define the strategic path for implementation, aligning the Group's growth vision with the ambition to actively contribute to environmental sustainability.

*In conclusion, the Group's sustainability policy establishes a model for the sustainable development of our activities that can meet the needs of the present generation without compromising the ability for future generations to meet their own needs.*

A handwritten signature in black ink, appearing to read 'Paolo Clerici'.

Paolo Clerici  
President and Chief Executive Officer

## How to read this Report

In 2021, Coeclerici launched the process of integrating sustainability - with the across-the-board involvement of top management and all business areas - to **measure and communicate the social, environmental and economic value produced by the Group's** choices and activities to its various stakeholders.

As a result of the first reporting cycle, a **first internal drafting of the Sustainability Report** was prepared, while a **dedicated section of the website** was created, which presents keywords, ESG KPIs and the main initiatives carried out in connection with the three dimensions of ESG.

This document is the result of the second reporting cycle, which was guided by the following **objectives**:

- reinforce **governance**, developing the sharing of a corporate culture oriented to CSR and Sustainability at all responsibility levels
- increase internal **awareness** and systematize the sustainability practices already in place
- develop a **set of multidimensional KPIs** for measuring ESG performance, in line with the **GRI** (Global Reporting Initiative) Reporting Standards and in connection with the SDGs of the **UN 2030 Agenda** intercepted by Coeclerici's action
- **give a clear and understandable account** - even for people not within the industry - of the strategies, policies and environmental, social and economic value produced
- strengthen the **relationship with our stakeholders** and allow them to make a conscious and informed assessment of the Group's sustainability and its results.

## A good Report requires method!

Rendersi conto per rendere conto® is the method used by Refe – Strategie di sviluppo sostenibile, the company that has been supporting Coeclerici in the definition of the Group's sustainability measurement, reporting and communication process.



The internal analysis - **rendersi conto** - explains the Group's identity, choices and operation, with the due verification of how its choices and actions translate into results, effects and impacts for its stakeholders. External communications - **rendere conto** - reveal and ensure the transparency, verifiability and understandability of Coeclerici's actions and of the environmental, economic and social value produced by it.

The Sustainability Report is divided into five sections.

**IDENTITY AND GOVERNANCE:** it illustrates the distinctive features of the Group and explains its mission, vision, values and main stages over time. It describes its business model, fields of business and its presence in the world. It illustrates the Group's internal governance system, in terms of the members and functions of its bodies, and gives a first map of its stakeholders.

**SUSTAINABILITY, ETHICS AND INTEGRITY:** it illustrates the topics that are relevant to the Group's sustainability - resulting from its first materiality assessment - and their connection with the Goals of the UN 2030 Agenda for Sustainable Development. The section ends with the illustration of the Group's management systems, certifications and ethics and integrity policies.

**SOCIAL VALUE:** it gives a picture of the type of customers and markets served, focusing on relationship methods and on innovation and digitalization projects and processes, particularly those developed by the Industry area. This is followed by an in-depth analysis of the composition, profile and management policies of the people working for the Group. The section ends with an illustration of the initiatives promoted for reference communities and territories.

**ENVIRONMENTAL VALUE:** it reports the main environmental impacts of Coeclerici's activities, in connection with the most strategic issues for the Group's sustainability: energy efficiency and the fight against the climate crisis, circular economy and waste management, responsible use of raw materials and other materials, mitigation of mining site impacts and protection of biodiversity.

**ECONOMIC VALUE:** this last section illustrates - after a brief introduction on the Group's economic and financial performance - its economic performance in terms of generated, distributed and retained economic value. The section then discusses the procurement process.

With this Sustainability Report, prepared on a voluntary basis, the Coeclerici Group anticipates the EU regulatory requirements on ESG reporting laid down by the Corporate Sustainability Reporting Directive.







# Highlights 2022

Over  
**125**  
years of  
company history

**14 Countries**  
in which  
the Group operates

**3 manufacturing**  
facilities in Italy

SOCIAL

**1,263**  
people  
work for the Group

**96.8%**  
permanent  
contracts

**22.6%**  
female  
managers and top managers

More than **20**  
nationalities  
represented amongst the Group's staff

**90,834** hours of training  
including on health and safety, between 2020 and 2022

More than **€ 740** thousand  
donated to Foundations and Associations

ENVIRONMENTAL

**965** thousand GJ  
total energy consumption,  
-25.7% since 2021

**15,768**  
tons of CO<sub>2</sub>e  
direct emissions (Scope 1),  
-25.7% since 2021

**1,719**  
tons of CO<sub>2</sub>e  
indirect emissions (Scope 2),  
-26.5% since 2021

More than **200** tons  
estimate of avoided emissions  
thanks to the photovoltaic system  
installed on one of our Industry  
area facilities

**77%**  
non-hazardous waste produced  
by our Industry area systems

**96%**  
waste produced by our  
Commodities area sent  
for recycling

**2.8** mln cm  
purified wastewater  
from the mining site

More than **95** thousand  
trees replanted since 2019,  
on the 77 hectares of restored land  
at the mining site

ECONOMIC

**€ 90.2** mln  
value of EBITDA,  
+71% since 2021

**€ 1.4** bn  
economic value generated  
by the Group

**90.6%**  
percentage of economic  
value redistributed  
to stakeholders

**€ 67** mln  
value of investments in business  
expansion and diversification  
projects since 2020

# IDENTITY AND GOVERNANCE



## The mission

Founded in Genoa in 1895, Coeclerici is a **reference point in commodity supply for the steel and chemical industries and in the design and implementation of high-tech customized solutions that can** be applied in different fields, such as **Converting, Packaging and other industrial sectors.**

To seize the opportunities offered by cutting-edge business sectors, the Group is constantly developing **growth and diversification** strategies, through innovation policies, investments, acquisitions and the constant improvement of its production resources.

Coeclerici focuses on **Italian excellence.** After more than a century of history and of creating value for the country, the Group remains true to and develops its business on an **entrepreneurial model based on the values of the real economy and on new sustainable development models.**

**Italian entrepreneurship and a global mentality,** Coeclerici is an Italian group that operates in the energy and industrial sectors.

## The values of the Group

### Specialization

High level of specialization as a result of concentrating investments and experience on its *core business*

### Growth

Strong focus on development, through *strategic partnerships* and acquisitions all over the world

### Internationality

Widespread presence across five continents, ensuring the reliability of its services and creating a transparent and ongoing relationship with its customers

### Reliability

High level of reliability thanks to the creation of a 'new market model', with integrated turnkey solutions and medium-long term contracts at costs not tied to fluctuations in the raw materials market

### Innovation

Introduction of innovative aspects in business management and continuous improvement of its activities

### Transparency

Utmost transparency and governance based on ethics, professionalism and independence of management

### Social and environmental responsibility

Investment in cutting-edge technologies to reduce its environmental impact and ensure the best health and safety conditions at work. Respect for different cultures and promotion of human capital growth

# A story spanning over a century

Today, Coeclerici is a Group that is **active in different sectors with high added value**, focusing on new **growth strategies** consistent with global sustainable development policies. To increase its resilience, face the challenges of an ever-changing world and consolidate its business, the Group has developed a new business model over the past few decades that is based also on the **diversification of investments in successful and innovative markets**.

One of the first major transformations of the Coeclerici Group was its departure from the shipping sector in 2005 – following the sale of its own ships and then of the bulkcarrier management company – and from the transshipment sector in 2018.

This process was reinforced with the acquisition of the IMS Deltamatic Group – today **IMS Technologies** – an international reference point for the Italian tradition in **cutting-edge technologies and mechanics**.

The alliance between these two major organisations has enabled them to **spread Made in Italy innovation, quality and expertise across five different continents**.

Below are the **main stages** of over 125 years of history of the Coeclerici Group, in terms of business transformation and growth.



## 1895-1936

**Henry Coe & Clerici** was founded in Genoa by Henry Coe and Alfonso Clerici Sr.

After starting its business as an importer of coal from the United Kingdom, it became the **first company to import U.S. coal into Italy** and then expanded into the **shipping sector**. In 1913, the Group bought its first dry cargo vessel: the 'Tirreno'.

In 1916 Henry Coe left the company, selling his stake to **Alfonso Clerici Sr.**



## 1936-1969

In 1936 **Jack Clerici**, Alfonso's son, joined the company.

After the **Second World War**, the company **consolidated its presence in international markets** and developed trade relations with the United States, England, South Africa, Australia and, at the end of the 1950s, with the USSR.

In 1964, the company signed an agreement for the **exclusive right to sell Soviet coal on the Italian market**.



## 1970-1997

In the early 1970s, the company name dropped its co-founder Henry's name and became **Coe & Clerici**. In 1989 the company was renamed **Coeclerici**.

Coeclerici **strengthened its shipping business** by buying barges to transship coal within port basin areas: this was a strategic step **towards the development of its logistics business**.

In 1992, Jack Clerici handed management of the company over to his son **Paolo Clerici**, the current President and CEO.



## 1998-2000

Coeclerici signed a **contract with Murmansk Commercial Sea Port and financed port dredging operations** so as to be allowed to use ships capable of carrying up to 130,000 tons, breaking all records for the export of coal to Russia.

In 2000 in Murmansk, **Coeclerici loaded the first Capesize ship ever in a Northern Russian port**.



## 2002

The Group financed the **completion of a mine for the extraction of raw materials in Kemerovo, Russia**, and signed its first long-term supply agreement, granting Coeclerici the **exclusive right to sell the minerals from the mine on the international market**.

The Group signed a 10-year **partnership with the Murmansk Port for the exclusive use of its moorings and a storage area**.





## IDENTITY AND GOVERNANCE



### 2003-2005

Coelerici managed a **fleet** of no less than **91 ships**, i.e. 47 Capesize and 44 Panamax ships.

The Group opened offices in China and Indonesia, consolidating its **presence in emerging markets**.

**Coelerici reorganized its business by creating three specialist divisions: Mining** for the acquisition and management of coal mines, **Trading** for the marketing of commodities for the industry and **Shipping** for transoceanic bulk transportation.

## SUSTAINABILITY, ETHICS AND INTEGRITY



### 2007-2010

In 2007, Coelerici acquired 60%, and later (2010) 100%, of RAG Trading Asia Pacific Ltd, a company marketing coke and coking coal, based in Singapore and with offices in Australia, Indonesia, India and China. **Its trading business in the Asian market was strengthened.**

**In 2008, Coelerici acquired 100% of Korchakol**, a low-volatility coal mine located in Kuzbass, Siberia, becoming the **first and only Western company to acquire a coal mine in Russia** for steel and chemical use.

## SOCIAL VALUE



### 2011-2012

In 2012 Coelerici **opened an office in Miami to sell coal-related raw materials** in the Americas and seek **new logistics opportunities**.

The Trading division acquired the assets of the American company Coal Network Inc. through the establishment of Coelerici Coal Network LLC, thus entering the **American coal market**.

## ENVIRONMENTAL VALUE



### 2013-2014

The Group decided to **strengthen its Shipping division**, establishing daCC Maritime Limited, a **joint venture with the D'Amico Group** for the purchase of four Supramax ships.

The Group won a tender for the **expansion of the Korchacoal mine**, increasing its reserves to 60 million tons.

## ECONOMIC VALUE



### 2016-2017

For the purpose of diversifying its business, **Coelerici acquired 67% of the IMS Deltamatic Group**, a **manufacturer of industrial machinery and systems** for converting, packaging and automotive industries.

**Coelerici launched its business diversification strategy, with the creation of the Industry area.**

In 2017, Coelerici acquired full control of IMS Deltamatic.



### 2018

In May 2018, IMS Deltamatic SpA changed its name to **IMS Technologies SpA**. The new identity reflected the Group's strategy aimed at developing business lines through **technological innovation**.

**Coelerici closed its Logistics division and concluded its experience in seaborne coal transshipment.**



### 2019

Coelerici obtained an **extension of its mining licence**, increasing its reserves by 57 million tons.

The Industry area, with a view to long-term business development and for the purpose of entering new, particularly promising markets, incorporated the US-based company IMS Technologies Inc. and opened a representative office in Russia.



### 2020

The **Korchakol mine obtained three ESG certifications**: ISO 9001:2015 for quality, ISO 14001:2015 for environmental protection and ISO 45001:2018 for occupational health and safety.

At an auction, Coelerici was granted the business branch of the company Laem System Srl, an important player in the **flexible packaging** industry.



### 2021

Through its subsidiary Coelerici Far East, Coelerici opened a **representative office in Vietnam**.

The Industry area entered the business **of manufacturing machines for the Non-Woven Fabric sector**.



### 2022

Coelerici began developing the **project to expand its facility in Calcinate**, in line with the need to increase the production capacity of the site following the increasing number of registered orders. **Photovoltaic panels** began to be installed on the roof of the Calcinate facility, in accordance with the Group's **sustainability** strategy.



# Group structure and business areas

Structure of the Group as of December 31, 2022



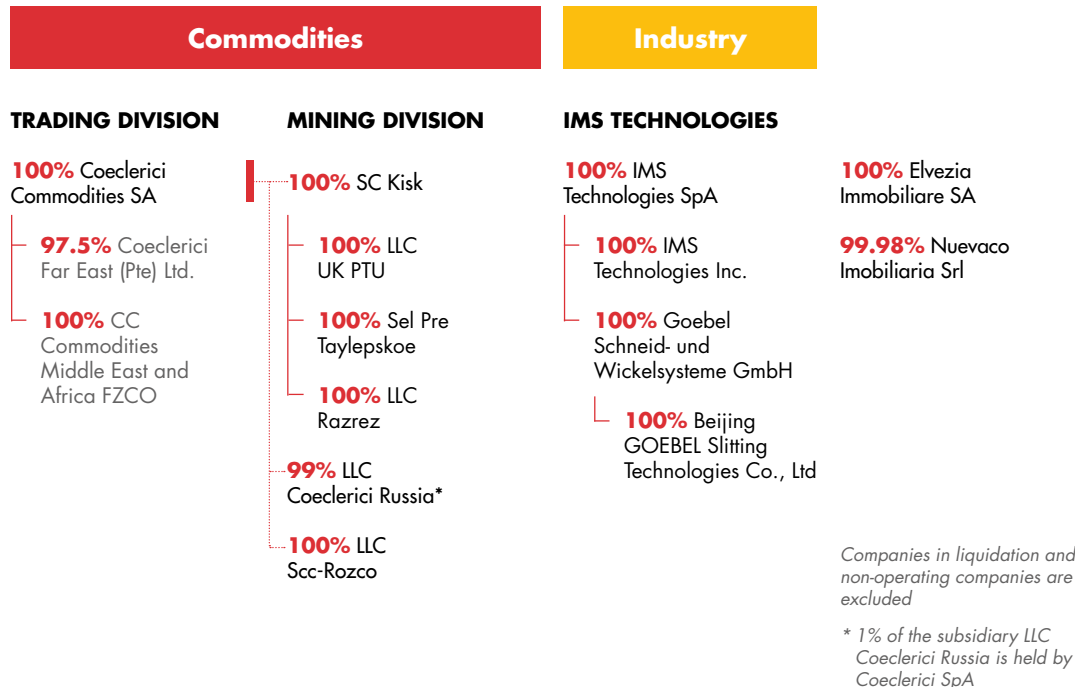
Coeclerici SpA

The Coeclerici Group operates in **two business areas: Commodities and Industry.**

The Commodities area includes the **Mining** division, which deals with the extraction of raw materials for the steel industry, and the **Trading** division, whose activity consists in the marketing of commodities.

The **Industry** area represents **mechanical excellence** in the construction of industrial machinery for the converting and packaging sectors.

**Coeclerici S.p.A. is the Group's Holding Company**, which coordinates and supports the activities of the two business areas.



## Coeclerici Commodities S.A. is now part of the Trading division

Since August 2022, following the Russia/Ukraine war, the Group has stopped selling coal in Europe in accordance with the sanctioning measures through the subsidiary Coeclerici Commodities SA, which has become part of the Trading division. The Russian company that owns the mine continues to carry out its activities (including the sale of coal both on the domestic market and in that part of the international market not subject to sanctioning measures) under the direction of local management, preserving jobs and commitments to local communities. The Group is no longer involved in the management and coordination of Russian companies, also in compliance with the Sanction Compliance Policy adopted at Group level in order to ensure compliance with both European and Swiss regulations.



## Commodities: new energy for an ever-changing world

### Trading division

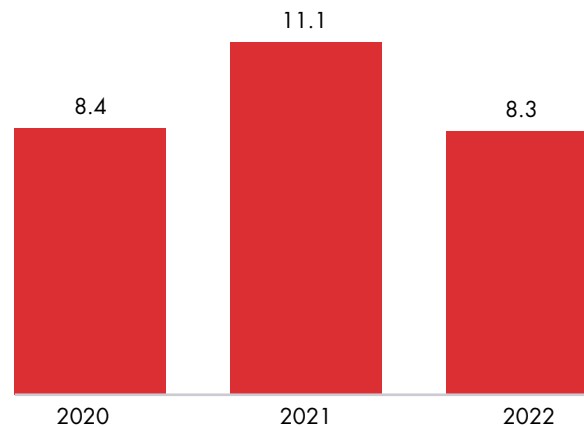
The Trading division oversees the **sale of commodities** every day all over the world, with a network of customers in **more than 25 countries**. It has a consolidated and extremely diversified **international presence** as well as **partnerships** with leading international raw material producers in the sector.

The functions of the division also include market intelligence activities, namely the adoption of methods, activities and tools to collect, analyse and apply data related to the competitive environment.

In **2022**, the Trading division contributed positively to the increased profitability of the commodities business area, especially thanks to the **consolidation of historic markets and products**, such as Australian commodities to India, and the **expansion into new markets**, such as Vietnam.



Commodities handled (mln tons)



€ **1.335** mln

turnover of the Business Commodities area

**8.3** mln tons

commodities handled by the Trading and Mining divisions

**1.3** mln tons

raw materials produced by the Korchakol mine



## Towards energy transition: vanadium

Energy storage systems will play a fundamental role in the **energy transition**, as well as for the **resilience of electricity grids**. In the coming years they will be strategic in reducing global greenhouse gas emissions, ensuring the **storage of energy generated from intermittent renewable sources**, such as wind and solar energy.

With this in mind, in 2022 the Trading division acquired 3% of the Australian start-up **Vecco Group** PTY Ltd, which is active in the sustainable production and processing of **vanadium for batteries**. In the first half of 2023, the division increased its investment to 5%.

Vanadium offers **great potential in the production of batteries** characterised by high durability, efficiency and number of cycles, safer than other types of batteries and storage systems and with additional advantages in terms of scalability and storage. Compared to the most common lithium-ion batteries, they produce 27 to 37% **less CO<sub>2</sub> emissions**.



## Mining division

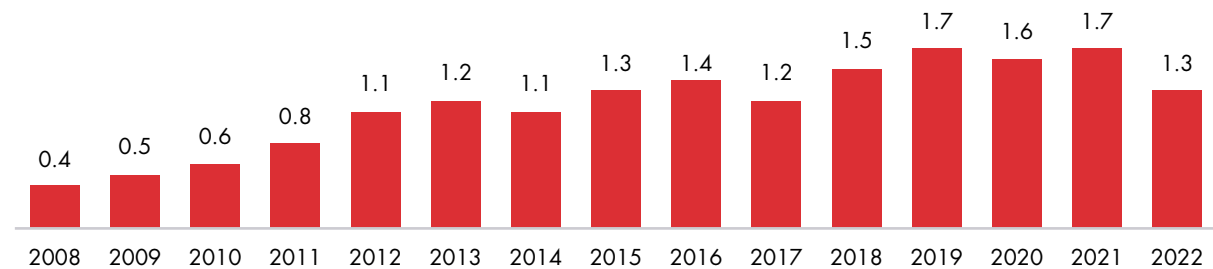
The main areas of expertise and business managed by the Mining division include **mining and extraction, the processing of prime materials and logistics.**

In 2008, the Coeclerici Group acquired 100% of the company owning the right to exploit the Korchakol open-pit mining site, together with the transport company connecting the mine to the railway network, allowing for the transport of raw materials to European and Asian destinations.

The raw materials extracted are **mostly metallurgical coal, a component of the steel production process** characterised by a low content of ash, sulphur and phosphorus. Compared to thermal coal used for electricity generation, this type of product is of higher quality and has a lower environmental impact.

Commodity production (mln tons)

**+225%** since 2008



In the course of Group management, the number of people employed at the mining site has grown by 63%, reaching 872 in 2022.

## A central role in the social and economic development of the mining area

Production and employment figures give evidence of the **role played by the Mining division in the economic and social development of the mining area**. In fact, in recent years, the Korchakol site has become a **management model for other local mines**. To achieve and maintain the highest health and safety standards as well top environmental performance in operations, the division has always **prioritised**:

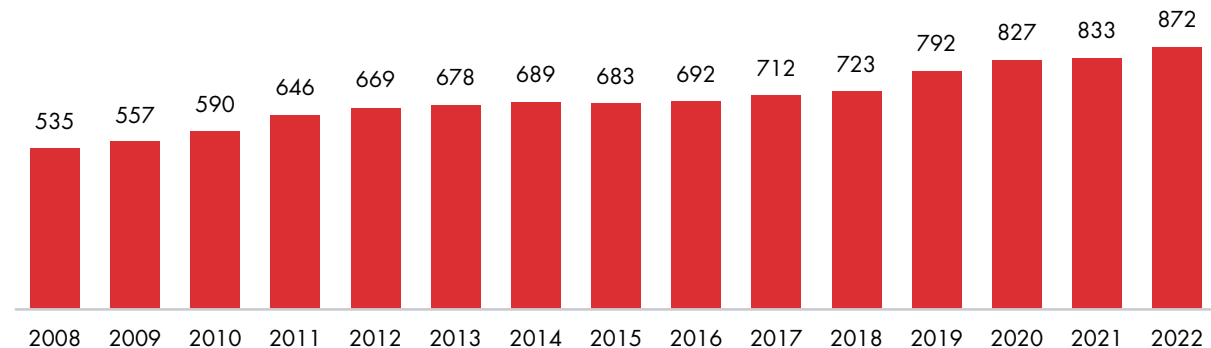
- **health and safety and respect for the human rights** of employees, contractors and visitors, taking steps to avoid any form of discrimination, harassment or damage to personal dignity
- **the promotion of a positive work culture**, which recognizes the fundamental role of employees for business success
- **collaboration with local communities**.

In the last year, despite the conflict between Russia and Ukraine and the Group's internal reorganisation, the Russian company that owns the mine continued its activities under the direction of local management, maintaining its commitments to the community and further increasing the number of people employed.



**Employees - Mining**

**+63%** since 2008



€ **93.6** mln  
turnover of the Industry area

More than **14,000**  
machines installed all over the world

**3**  
manufacturing facilities in Italy

**4**  
registered brands

## Industry: IMS Technologies, a strong and global group

IMS Technologies evolves from the **union of different companies specialised in the design and production of high-performance industrial machines**. Since 1851, it has been developing advanced and innovative machines, which today are tailored to meet companies' needs.

**The converting division represents the main business** in terms of weight on sales and strategic development, accounting in 2022 for 83% of the total value of orders acquired. The division is specialised in the design and manufacture of **primary and secondary converting machines** – such as winders, slitter rewinders, inspection rewinders and embossing machines – in the fields of **paper and board, aseptic packaging, plastic film, flexible packaging, alufoil, tobacco and non-woven fabric**.

In addition to converting, there is the **packaging** division. Rotomac is a **global leader** in the production of rewinding as well as packaging and accessory machinery for food wrapping, with over 1,500 machines installed all over the world. It designs, develops and manufactures customized machines and plants that convert aluminium foil, plastic film and baking paper from mother rolls into rolls for household, catering and professional use markets.

watch the video





**CONVERTING**

Leading manufacturer of slitter rewinders for the production and conversion of paper and board, aseptic packaging, plastic film, flexible packaging, alufoil, tobacco and non-woven fabric. Manufacturer since 1972 of slitter rewinders and inspection rewinders in the flexible packaging converting sector.

**PACKAGING**

Specialized in the manufacturing of rewinders and ancillary equipment for the production of alufoil, film and baking paper rolls for household and professional use.

**MOULDING**

A leading brand in the market of aluminium die-casting systems. The latest generation of high-speed machines, together with a highly qualified team, ensure total production flexibility and the highest product quality.

Finally, the moulding division designs and manufactures gravity, low-pressure and die-casting moulds for aluminium alloys, used in various sectors, including the automotive sector.

The brands of IMS Technologies:



# Coeclerici in the world

The Group has developed a strong international presence over time and currently operates in **14 countries around the world**.





## Holding company

Headquarters	Address	Use
Milan	Piazza Generale Armando Diaz, 7	Headquarter

## Commodities

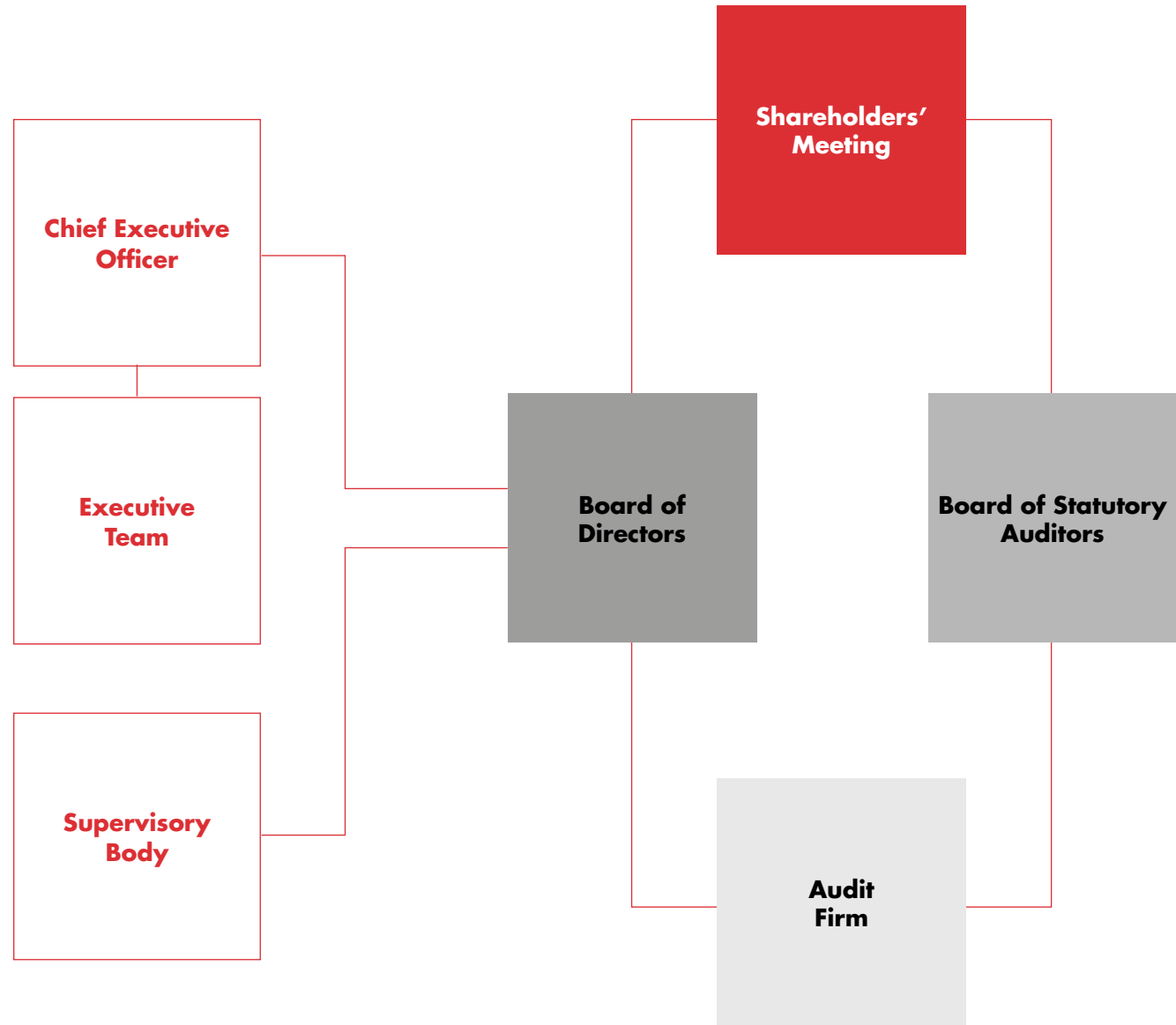
Headquarters	Address	Use
Lugano	Palazzo Mantegazza, Riva Paradiso 2	Office
Amsterdam	Singel 250	Office
Brisbane	Level 22, 127 Creek Street	Office
Dubai	Unit 13 Block C - Dubai Silicon Oasis, Techno Hub 1, 60th Street	Office
Jakarta	Menara Karya 10th Fl Unit F, Jl. HR Rasuna Said Block X-5 Kav.1-2	Office
Hanoi	Room L05, 20th Floor, LienVietPostBank Tower, 210 Tran Quang Khai, Trang Tien ward, Hoan Kiem district	Office
Johannesburg	4th Floor The First, CNR Bierman and Cradock	Office
Moscow	Mitnaya Str. 1, build. 1, 3rd floor	Office
Mumbai	106, Hallmark Business Plaza Sant Dyaneshwar Marg. Bandra (East)	Office
Novokuznetsk	Ordzhonikidze str.35, office 1405	Mining site
Beijing	Room 1002, AnLian Plaza 38, Dongsanhuan Road (North), Chaoyang District	Office
Singapore	16-01 Shaw House Tower 350 Orchard Road	Office

## Industry

Headquarters	Address	Use
Calciate	Via Cav. Beretta, 25	Office and manufacturing facility
Casale Monferrato	Via G. Brodolini 42/44	Manufacturing facility
Seriate	Via Comonte, 10	Manufacturing facility
Darmstadt	Europaplatz, 4	Office
Hamilton	5 Commerce Way, Unit 150	Office
Beijing	Room 311, Building 1, Bright ChangAn BLD, No.7 JianGuoMenNei Street	Office

# Governance

The governance structure of Coeclerici consists of the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors, as well as the External Audit Firm and the Supervisory Body.



## Shareholders' Meeting

The Shareholders' Meeting elects the Board of Directors (BoD) and the Board of Statutory Auditors, setting their remuneration, it is called at least once a year and, inter alia, it approves the financial statements for the year and decides on the allocation and distribution of profits. Shareholders' meetings are attended by the sole shareholder, the Directors and the members of the Board of Statutory Auditors.

## Board of Directors

The Board of Directors has the broadest **ordinary and extraordinary management powers** and, therefore, the power to carry out all necessary and appropriate acts to achieve the corporate purpose, excluding those that are reserved by law for the Shareholders' Meeting.

The current Board of Directors was **appointed on 10 May 2022**, with an annual term of office until the approval of the financial statements for the 2023 financial year.

It **consists of 11 members**, including two executive and non-independent members and eight independent members with a non-executive role (73%). 91% of its members (10 out of 11) are men, 82% (9 out of 11) are more than 50 years old.

## Executive Team

It is responsible for **laying down and implementing the Group's strategic lines**, as well as evaluating their effectiveness in order to establish and implement any corrections.

Its members hold **top positions** within the Group.

It meets at least monthly and in case of any additional need.



### Members of the Board of Directors

Name and Surname	Role	Executive/Non-executive	Independence
Paolo Clerici	President and Chief Executive Officer	Executive	×
Andrea Clavarino	Executive Vice President	Executive	×
Corrado Papone	Vice President	Non-executive	✓
Giacomo Clerici	Vice President	Non-executive	×
Antonio Belloni	Director	Non-executive	✓
Giorgio Cefis	Director	Non-executive	✓
Jody Vender	Director	Non-executive	✓
Teresio Gigi Gaudio	Director	Non-executive	✓
Rosa Cipriotti	Director	Non-executive	✓
Lucio Stanca	Director	Non-executive	✓
Urbano Faina	Director	Non-executive	✓

## Board of Statutory Auditors

The Board of Statutory Auditors has a **control function**, supervising, among other things, compliance with the law and the adequacy of the Company’s organisational and administrative-accounting structure.

The current Board of Statutory Auditors is composed of **three standing auditors and two alternate auditors**. All members serve for three financial years and may be re-elected.

The current Board – two men and one woman – will lose office upon the approval of the Financial Statements as of December 31, 2023.



## Supervisory Body

The Body has the task **of supervising the operation of and compliance with the Model adopted pursuant to Decree 231**.

One of its fundamental characteristics – in addition to its independence, autonomy and professionalism – is the **continuity of its supervision**, which it must report to corporate bodies. For this reason, following its investigations and control and monitoring activities, it must provide the Board of Directors and the Board of Statutory Auditors with a report on the work done and on the progress of implementation of Model 231 and the Code of Ethics.

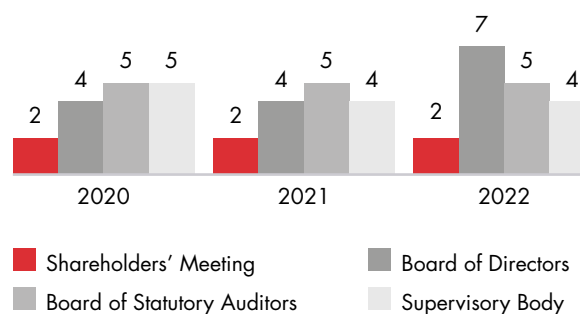
The Supervisory Body has **two members**, both of whom are men: one is aged between 30 and 50 and the other is over 50 years old.

## Audit Firm

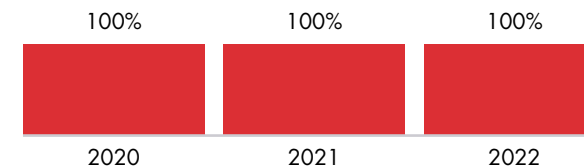
It carries out the checks required by auditing standards in order to **give an opinion on the financial and consolidated financial statements**, as well as on the **correctness** of the Company’s administrative and accounting procedures.

EY SpA, appointed by the Shareholders’ Meeting, is in charge of the statutory audit of the Group’s financial and consolidated financial statements for the 2021-2023 three-year period.

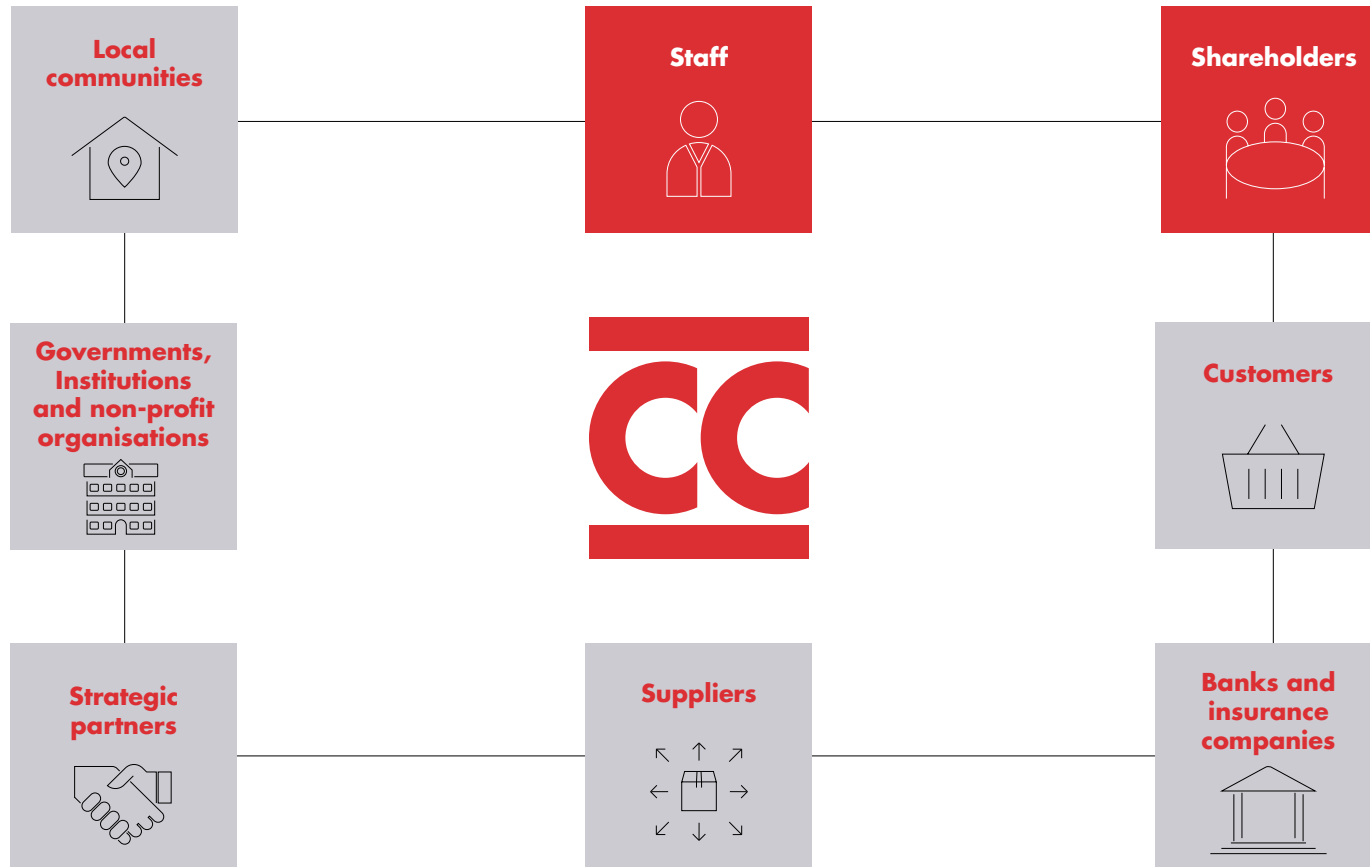
Meetings of corporate bodies



Meeting attendance rate - all bodies



# Coeclerici's stakeholders



# SUSTAINABILITY, ETHICS AND INTEGRITY





# The Coeclerici's sustainability path

In 2021 Coeclerici embarked on a path to sustainability – strongly supported by its President and Board of Directors – which involved top management and the different levels of responsibility, thanks to the establishment of a Steering Committee and of an enlarged Working Group consisting of managers from all business areas and divisions.

The Steering Committee and the Working Group participated in setting the reporting scope and process and were involved in identifying significant topics for the Group's sustainability. To this end, a first materiality assessment was carried out which – according to a gradual approach and with a view to strengthening internal awareness – initially involved only internal stakeholders.

Subsequently, the Working Group – consisting of a network of ESG managers and representatives acting as 'ambassadors' in each Group division – was involved in collecting all the information and data necessary for setting up the reporting process. In addition, based on the analysis of the status quo, the Working Group is now evaluating all improvement objectives and the actions to put in place for the furtherance of Coeclerici's path to sustainability.

Following the first reporting cycle, a first internal Zero draft of the Sustainability Report was prepared, along with a sustainability section of the Group's website, which includes keywords, ESG KPIs and main initiatives implemented in terms of environmental, social and economic value produced.

Continuing the ESG measurement and disclosure process, the drafting of this 2022 Sustainability Report was an opportunity to carry out a first complete materiality assessment, with the involvement of external stakeholders, and to prepare the first materiality matrix of Coeclerici.

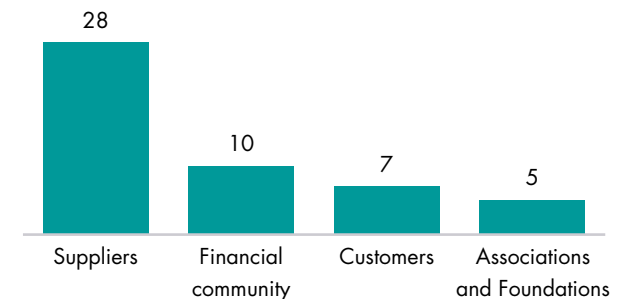
The objective of the Group, which started this process completely voluntarily, is also to anticipate the regulatory requirements of the European Union, recently confirmed by the entry into force of the Corporate Sustainability Reporting Directive.

## Sustainability topics

The following topics are relevant to the Group's sustainability – i.e. they have a direct or indirect impact on Coeclerici's ability to create and preserve social, environmental and economic value over time – and are the result of the materiality assessment carried out in 2023, which involved 110 persons.

The number of internal stakeholders involved (60) was more than double the number of stakeholders who took part in the previous assessment (28). The external stakeholders who participated in the assessment for the first time (50) were, for the most part, the Group's suppliers, while the rest were representatives of the financial community, customers, associations, foundations and beneficiaries of donations.

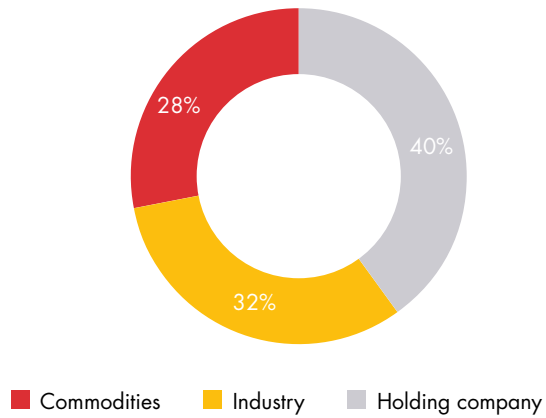
External stakeholders involved by type



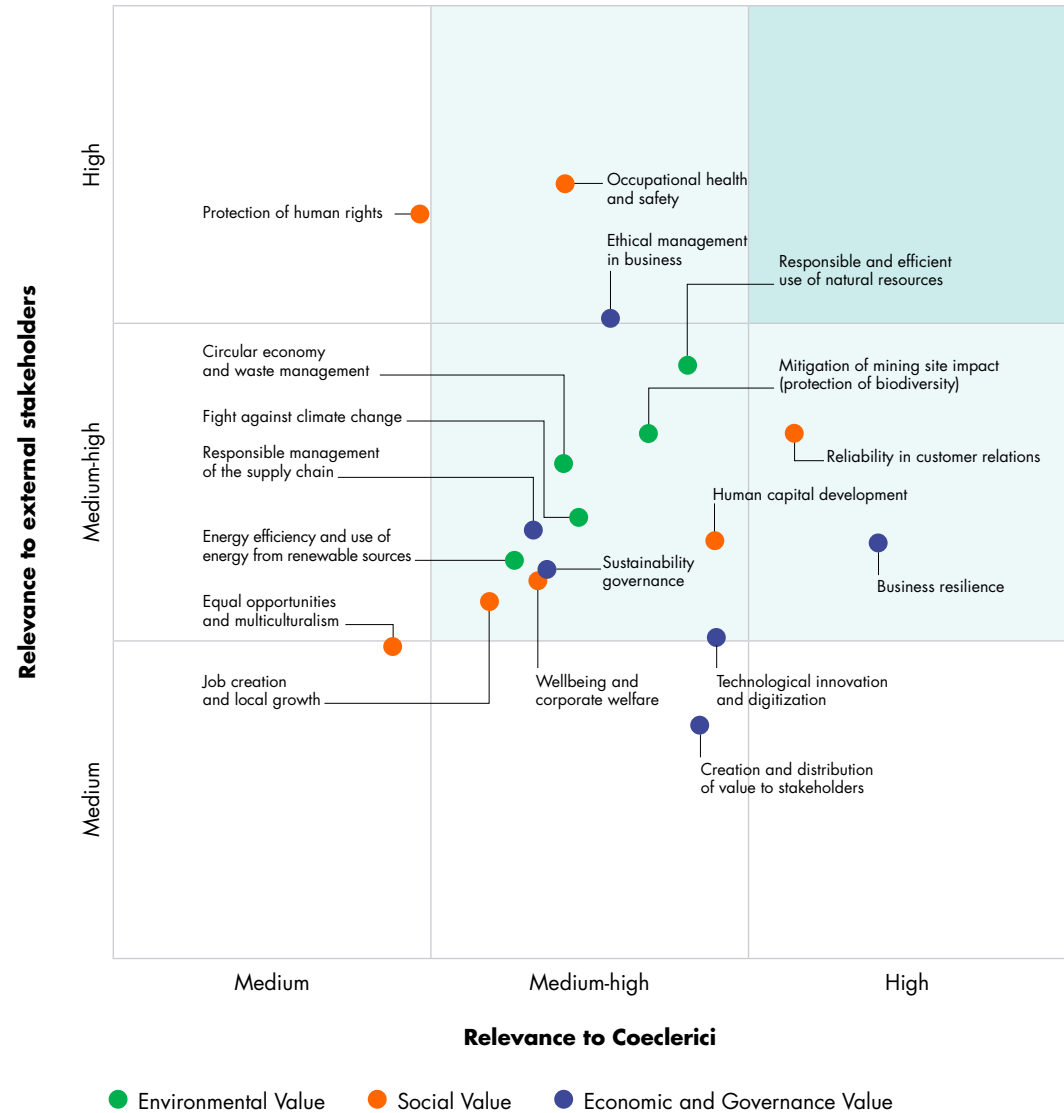


Both internal and external stakeholders are **representative of all the Group's business areas and divisions**: 40% of the stakeholders involved are related to the Holding company, 32% to the Industry area and 28% to the Commodities area.

Stakeholders concerned, by business area



## The materiality matrix



























# The contribution of Coeclerici to sustainable development

**Coeclerici's sustainability topics** - illustrated below from the most relevant one and connected to the three dimensions of sustainability - have been **correlated with the 17 Objectives of the UN 2030 Agenda** (SDGs) through a detailed analysis of the 169 sub-targets intercepted by the Group's priorities. For each issue and SDG, **ESG KPIs have been identified that measure the contribution of Coeclerici to sustainable development.**



Sustainability topics	UN 2030 Agenda	2022 ESG KPIs
<b>Occupational health and safety</b>		<p><b>52,227</b> hours of health and safety training between 2020 and 2022</p> <p><b>478</b> Group employees trained on average per year</p> <p><b>4</b> minor work-related injuries in total, with frequency and severity rates decreasing since 2021</p>
<b>Reliability in customer relations</b>		<p><b>Feedback</b> collection system, launched by IMS to obtain a customer satisfaction index and improve service quality</p>
<b>Business resilience</b>		<p><b>€ 90.2 mln</b> value of EBITDA, +71% since 2021</p> <p><b>€ 67 mln</b> value of investments in business expansion and diversification projects since 2020</p>
<b>Responsible and efficient use of natural resources</b>		<p><b>7.5 thousand m<sup>3</sup></b> of water used at IMS facilities</p> <p><b>2.8 mln m<sup>3</sup></b> of purified wastewater from the mining site</p>
<b>Ethical management in business</b>		<p><b>NO</b> violation of the Code of Ethics in the 2020-2022 three-year period</p>

Sustainability topics	UN 2030 Agenda	2022 ESG KPIs
<b>Mitigation of mining site impact</b>	  	<p><b>77 hectares</b> of mining site land recultivated since 2019</p> <p><b>More than 95 thousand</b> trees replanted since 2019, on restored land</p>
<b>Protection of human rights</b>	 	<p><b>NO</b> reported human rights violations in operations falling under Group control</p>
<b>Human capital development</b>	 	<p><b>38,607</b> total hours of training between 2020 and 2022 (excluding safety training)</p>
<b>Circular economy and waste management</b>	 	<p><b>96%</b> of waste produced by the mining site sent for recycling</p> <p><b>195.5 thousand m<sup>3</sup></b> of rainwater collected and reused at the mining site</p>
<b>Technological innovation and digitization</b>	 	<p><b>6</b> new patents registered by IMS since 2020</p>
<b>Fight against climate change</b>	  	<p><b>15,768 tons of CO<sub>2</sub>e</b> direct emissions (Scope 1), -25.7% since 2021</p> <p><b>1,719 tons of CO<sub>2</sub>e</b> indirect emissions (Scope 2), -26.5% since 2021</p> <p><b>Over 200 tons of CO<sub>2</sub>e</b> estimate of the emissions avoided thanks to the photovoltaic system installed on one of the Industry facilities</p>
<b>Responsible management of the supply chain</b>	 	<p>Contracts include specific clauses related to the commitment of Coeclerici, customers and suppliers to respecting human rights</p>
<b>Sustainability governance</b>		<p><b>110</b> internal and external stakeholders involved in the materiality assessment to define the relevance of the Group's sustainability issues</p>

Sustainability topics	UN 2030 Agenda	2022 ESG KPIs
Creation and distribution of value to stakeholders	 	<p>€ 1.4 bn economic value generated by the Group, more than tripled since 2020</p> <p>90.6% of economic value redistributed to stakeholders</p>
Wellbeing and corporate welfare	 	<p>Recognized insurance coverage, healthcare, accident insurance policies and pension contributions granted to all Group staff</p> <p>52 cases of parental leave granted since 2020</p> <p>Smart working introduced after being tested during the pandemic</p>
Energy efficiency and use of energy from renewable sources	  	<p>965 thousand GJ total energy consumption, -25.7% since 2021</p> <p>80% rate of replacement of existing lights with LED lights in one of the Industry area facilities</p> <p>€ 5.5 mln invested in the renewal of vehicles and machinery with a lower environmental impact for the mining site</p>
Job creation and local growth	 	<p>1,263 employees, + 3.4% since 2020</p> <p>More than € 740 thousand donated to Foundations and Associations</p>
Equal opportunities and multiculturalism	 	<p>22.6% of staff are women (managers and top managers)</p> <p>More than 20 nationalities are represented amongst the Group's staff</p>

# Business ethics and integrity



Companies, being legally responsible entities, may be sanctioned for certain crimes committed on behalf or for the benefit of the Company.

**In 2012, Coeclerici voluntarily adopted the Organisation Model** provided for by Legislative Decree 231 of 8 June 2001, subsequently **updated in 2013 and in 2016**, consolidating the transparency and responsibility of the Organisation, in line with industry best practices.

Adoption of the model, in fact, is designed **to define structured procedures, rules and controls in order to prevent and reduce the risk associated to possible offences.**

The Group has defined a **Code of Ethics** – which applies to Coeclerici SpA, to all its Italian and foreign subsidiaries and to the recipients of the Code – and set up a **Supervisory Body** Any actual or presumed violation of the Model can and should be reported to the Supervisory Body.

## Organisation Model 231

Coeclerici acknowledges the importance of **ensuring fairness and transparency in business and corporate activities** and of having an internal control system that can prevent any illegal behaviour on the part of its directors, employees, collaborators and business partners.

## Purpose of the Organisation Model 231

### Awareness of individual responsibilities

To make all those acting in the name and on behalf of the Company aware that, in the event of a violation of the Model, they may commit offences subject to criminal sanctions imposed on them, in addition to the administrative sanctions imposed on the Company.

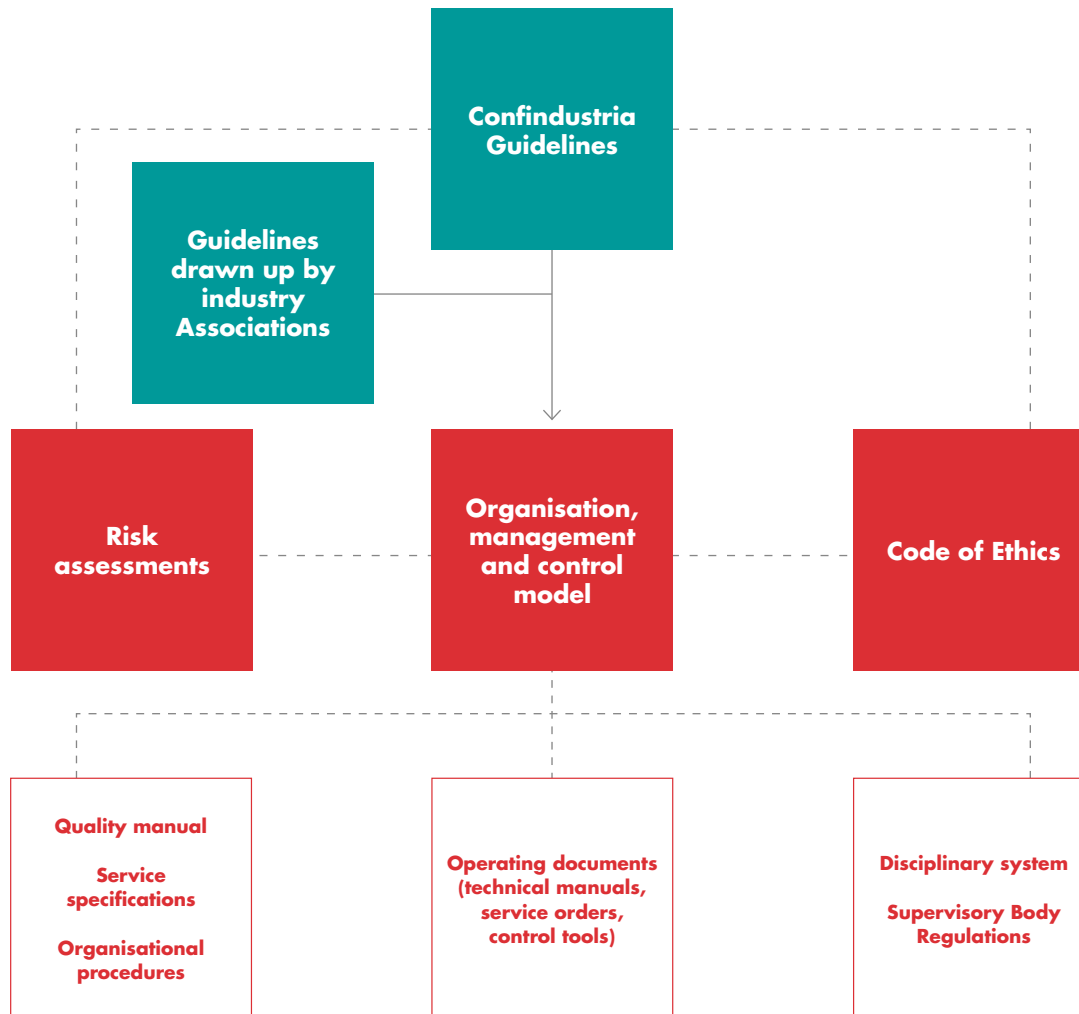
### Condemnation of any unlawful conduct

To firmly condemn such unlawful conduct, as it is contrary both to the law and to the ethical principles that Coeclerici intends to comply with in the implementation of its corporate mission.

### Timely intervention to combat crimes

To allow the Company to intervene promptly so as to prevent or combat crimes by monitoring business areas exposed to the risk of crime.

To draft the model, the Company referred to the sector's **methodological guidelines** developed by Confindustria.



The following principles are followed when defining and applying the document:

- **clear and formalised allocation of powers and responsibilities**, consistent with the duties assigned;
- **segregation of duties**, so that the authorisation to carry out a transaction must always be given by someone other than those who record, operationally execute or control the transaction, without compromising efficient business management;
- **definition of adequate rules of conduct**, making sure that business is carried out in accordance with laws, regulations and the integrity of corporate assets;
- **preparation of regulatory documents** for each operation, consisting of powers of attorney, powers, delegated powers and procedures;
- **traceability of operations** – both linked to operational and control activities – aimed at ensuring that each operation, transaction or action is verifiable, documented, consistent and appropriate.



## Code of Ethics

The Code of Ethics **defines and explains the values and principles of conduct** that inspire the activities and relations with all the parties with which the Company deals for the achievement of its mission. It is considered an integral part of the Company's Organisation, management and control model.

With the Code of Ethics, the Company undertakes to **spread and consolidate a culture of health and safety at work** – developing risk awareness and knowledge of prevention and protection measures – **promoting responsible behaviour** on the part of all its workers.

The document explains and describes:

- company **mission**
- fundamental **values**
- **principles of conduct** to be used in **business management and** when **dealing with stakeholders** – staff, collaborators, competitors, customers, suppliers, Public Administration, Supervisory Authority
- **system for the implementation, dissemination and control** – reports and sanctions – of the Code, also through the Supervisory Body.

**In the 2020-2022 three-year period, there were no violations of the Code of Ethics.**

## Certifications

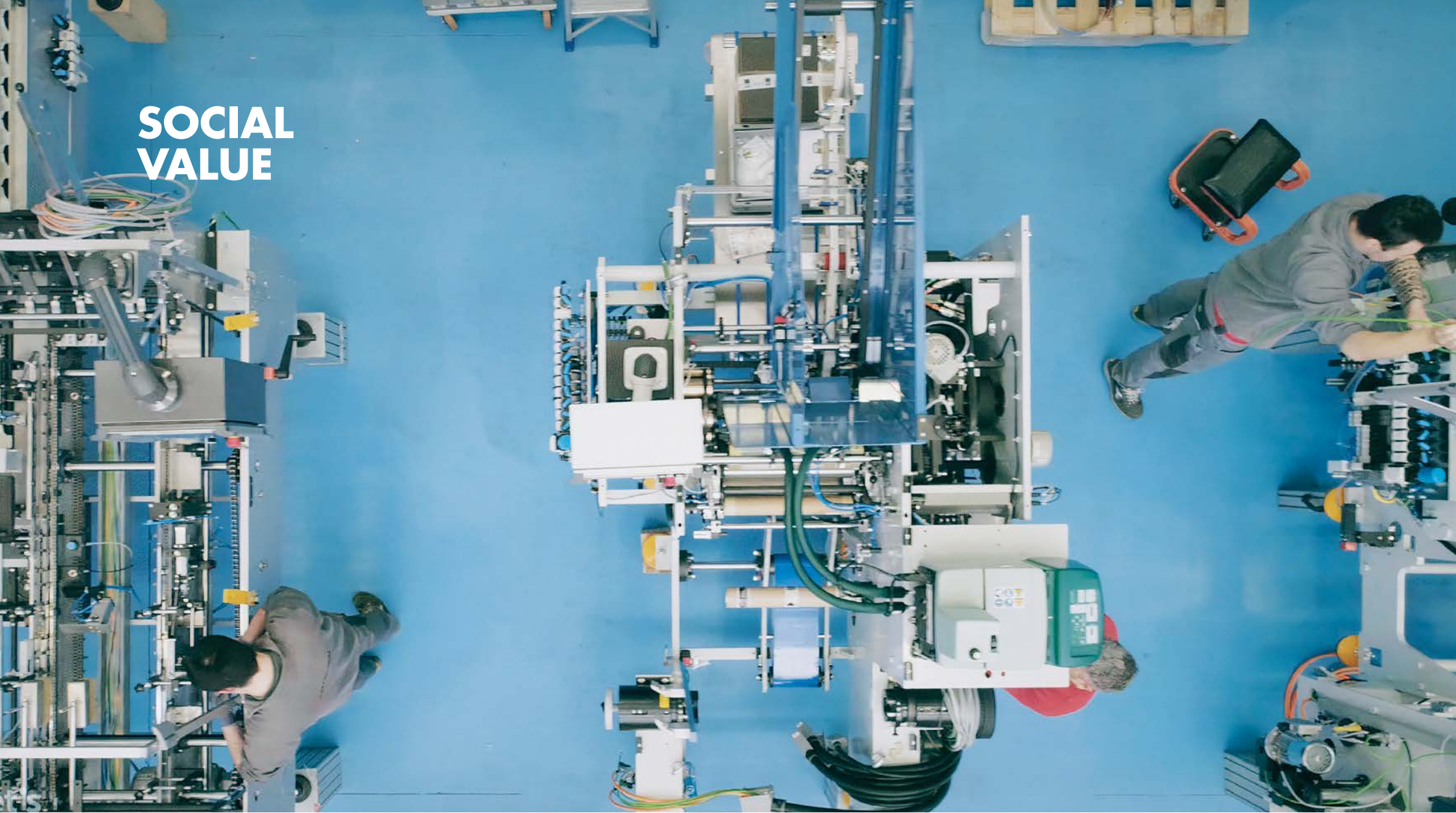
The launch of a process aimed at implementing a management system based on the most requested certifications testifies to the Group's commitment to **constantly improving its organisational and production processes.**

**In 2020 the Korchakol mine was ISO 9001, 14001 and 45001 certified** in relation to Quality, the Environment and Occupational Health and Safety, respectively.

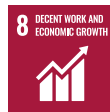
**IMS Technologies is working to obtain the same certifications:** the project was launched in 2022, the ISO 9001 standard is expected to be achieved by 2023 and the others by the first half of 2024.



# SOCIAL VALUE



**SUSTAINABLE DEVELOPMENT GOALS**  
17 GOALS TO TRANSFORM OUR WORLD



# Highlights



## Reliability in customer relations

Feedback collection system,

launched by IMS, to obtain a customer satisfaction index and improve service quality



## Technological innovation and digitization

6

new patents registered by IMS since 2020



## Human capital development

38,607

total hours of training between 2020 and 2022 (excluding health and safety training)



## Equal opportunities and multiculturalism

22.6%

of managers and top managers are women

More than 20

nationalities represented amongst the Group's staff



### Occupational health and safety

52,227

hours of health and safety training between 2020 and 2022

478

Group employees trained on average per year

4

minor work-related injuries in total, with frequency and severity rates decreasing since 2021



### Wellbeing and corporate welfare

Recognized

insurance coverage, healthcare, accident insurance policies and pension contributions granted to all Group staff

52

cases of parental leave granted since 2020

Smart working

introduced after being tested during the pandemic



### Protection of human rights

No

reported human rights violations in operations falling under Group control



### Job creation and local growth

1,263

employees, + 3.4% since 2020

More than € 740 thousand

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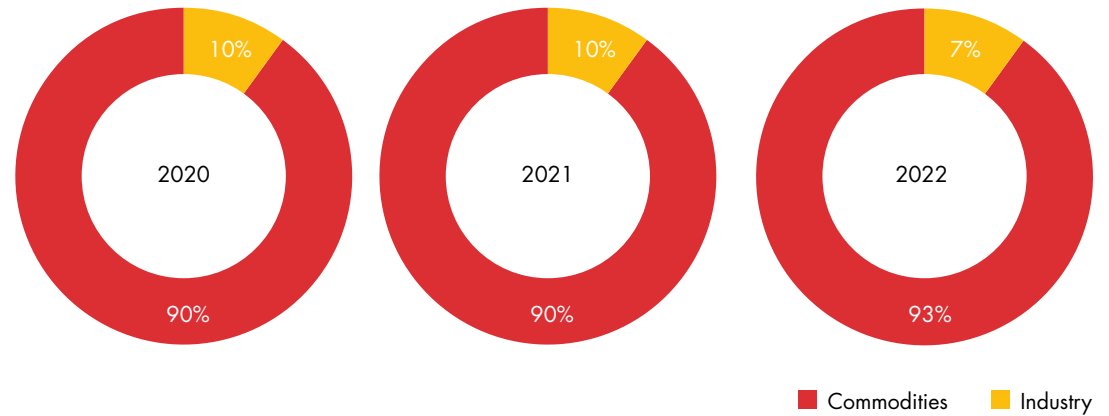
# Customers

## Business areas and relevant markets for the Group

In 2022, the **turnover** of the Coeclerici Group – **1.4 bn euros**, more than tripled since 2020 – derived **from the Commodities area (93%)** and **from the Industry area (7%)**.

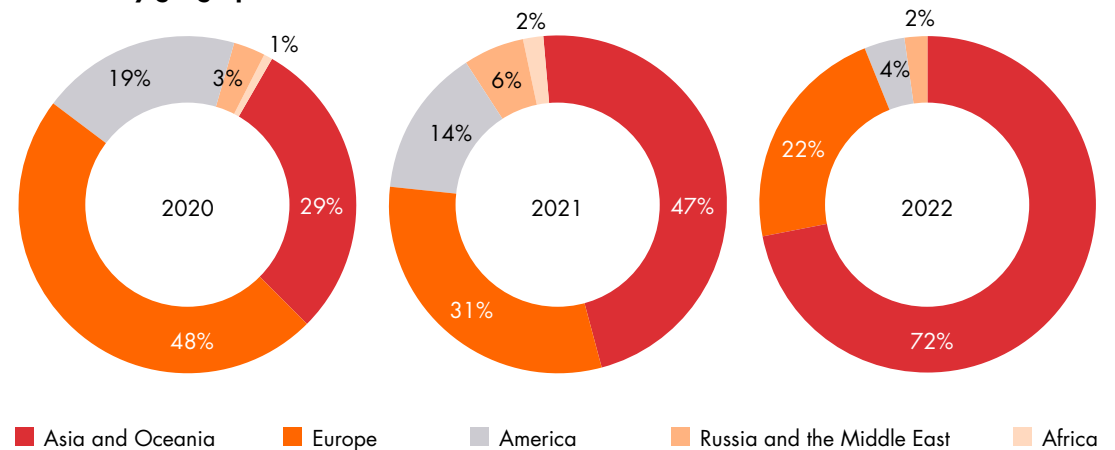
The booming **Asian and Oceanic market** accounted alone for 72% of the Group’s revenues, followed by Europe (22% of revenues) and America (4%). The remaining 2% derived from activities related to the Russian, Middle Eastern and African market.

Turnover by business area



**€ 1.4 bn**  
the Group’s turnover,  
more than tripled since 2020

Turnover by geographical area



## Commodities

In 2022, the **turnover** of the Commodities business area – **1.3 bn euros** – was mainly concentrated on the **Asian and Oceanic markets (73%) and on the European market (22%)**, while the remaining part derived from the American (3%), Russian and Middle Eastern (2%) markets.



€ 1.3 bn

turnover of the Commodities business area

## Trading

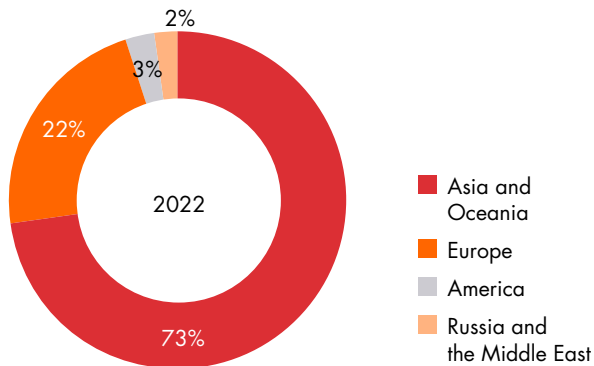
In the 2020-2023 three-year period, the tons of commodities handled by the Trading division increased by 5.1%, reaching 6.8 million in 2022, with a 9.4 million peak in 2021.

Since 2020, the division **has changed the way contracts are handled**. Until 2019, all transactions were managed in terms of purchase and sale of materials, following their actual acquisition by the Group. Now part of the business is managed indirectly, acting only as ‘agent’ between buyers and sellers.

## Mining

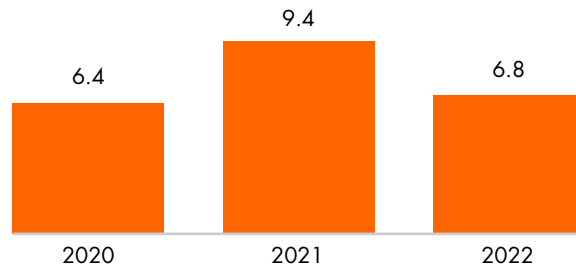
Over the three-year period, the tons handled by the Mining division fell by 24%. Sales focused mainly on high-quality commodities, characterised by a low content of ash, sulphur and phosphorus and intended for steel production. This represents a precise **business choice**: to make the steel sector grow, which is a **more sustainable market, especially in environmental terms**.

Turnover by geographical area - Commodities



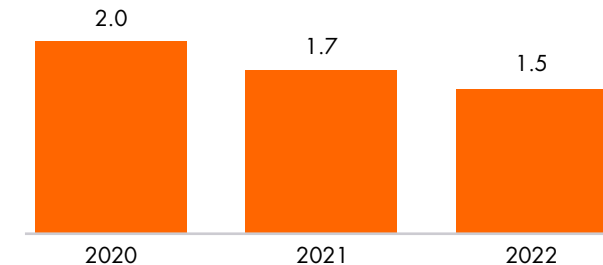
Tons handled - Trading

(mln tons)



Tons handled - Mining

(mln tons)



## Industry

In 2022, the **turnover** of the Industry business area – **93.6 million euros** – was mainly concentrated on the **Asian and Oceanic markets** (53%), which continued to grow **over the three-year period**, as well as on the **European** (23%) **and American** (16%) **market**. Inbound orders reached an **all-time high** during the year.



**€ 93.6 mln**  
turnover of the Industry  
business area

**Converting and packaging** were the main product categories sold.

**In 2022, the converting sector** alone accounted for **82.6%** of the area's **turnover**.

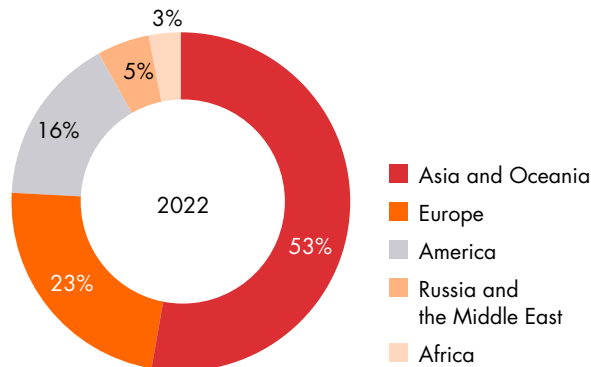
In the last three years, most converting customers have been in the **converting paper** and **converting film** market: in 2022 the latter produced **most of the production value**, with a more than 600% growth since 2020, in particular thanks to the **increase in sales in the Chinese market**.

In 2021, IMS – adopting a strategic approach and seeking new markets similar to its already existing brands – **identified the non-woven fabric sector as a new area in which to position itself**, integrating its offer with a new product at an advanced design and construction stage.

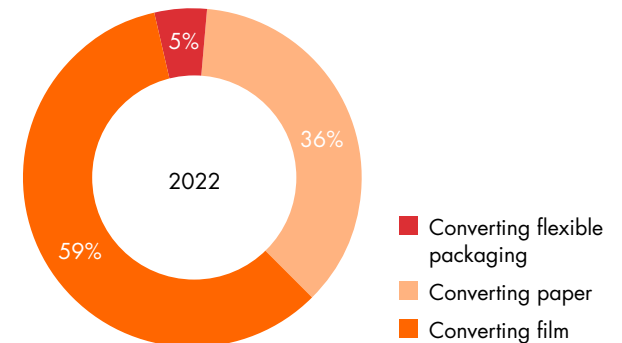
IMS launched a **business growth action plan**, which includes several initiatives, some of which are already underway while others are in the pipeline.

These include the **reorganisation of the network of agents and distributors**, the expansion of the Calcinate facilities, the re-layout of production departments, the **growth of the support service**, the development of new products and the **use of new technologies** (for example the Artificial Intelligence of Things, AloT) as **enablers of the digital transition**.

Turnover by geographical area



Converting turnover by type





## Reliability in customer relations



### Commodities - Trading

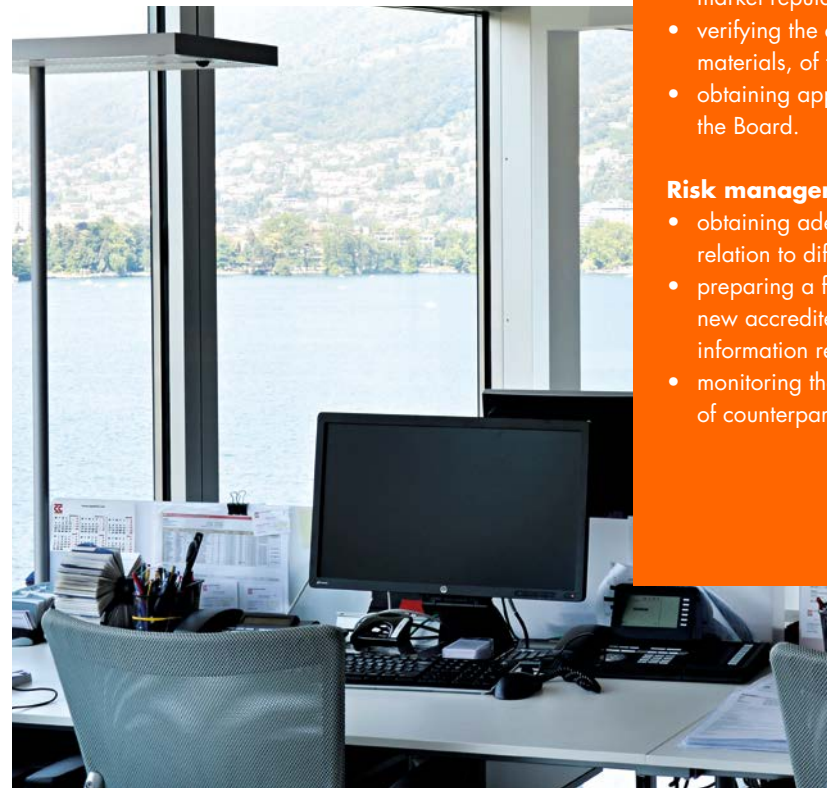
The Trading division is characterised by the presence of **historic customers**, with whom traders have an **ongoing and constant relationship**. In line with its development plans, the division is constantly striving to expand its pool of established customers.

These activities are accompanied by **one-time sales**, based on market needs. In these cases, with a view to risk management, the Group adopts more stringent procedures for **evaluating the soundness of its contractual counterparties**.

In Trading contracts, the **'know your customer'** form is used, which refers to several information requested from customers to identify them and verify their identity. These procedures are aimed at **preventing money laundering, terrorism financing and other illegal activities**.

The implementation of these procedures is essential to ensure that business operations are conducted in a legitimate manner and in compliance with regulations.

In the case of strategic customers – also depending on their location – **control visits are planned through site inspections**.



### The role of Traders and Risk Managers

**Traders**, acting as intermediaries with customers, take care of:

- verifying the identity of customers and suppliers;
- acquiring financial information from counterparties, to be provided to the risk manager;
- evaluating counterparties' reliability and market reputation;
- verifying the country of final destination of materials, of the end user and their end use;
- obtaining approval from Management or the Board.

**Risk managers** are responsible for:

- obtaining adequate insurance protection in relation to different operations, when required;
- preparing a financial analysis for each new accredited counterparty, thanks to the information received from traders;
- monitoring the possible evolution and trend of counterparties' exposure.

## Commodities - Mining

In the Mining division, the local management of the mining site, in full autonomy and thanks to a system of **direct commercial relationships**, systematically supports its customers, ensuring high customer satisfaction.

The product intended for the **steel sector** needs to be very stable by reason of its nature and uses. Precisely for this reason, the product supplied to each customer is the result of an **in-depth and customised study**, in order to find the best blend tailored to different end uses.

**At the start of a new contractual relationship**, the division adopts procedures aimed at **verifying** – from a financial, economic and financial point of view – **whether the prospective new customer is trustworthy** and whether the conditions for a lasting collaboration are met.



## Industry

The type of relationship between the Group and its customers depends on its duration and stability.

**A constant dialogue is maintained with historic customers** – through telephone contacts, video conferences and visits to their facilities – to **strengthen the relationship**.

As for **new prospective customers** that are active in the relevant market but that haven't yet bought from IMS, an exploratory relationship is established, aimed at understanding their needs and offering a service that is as customised and effective as possible. IMS carries out an important **scouting** activity, also participating in the most important **trade fairs**.

The Group's customer relations **have deeply changed** in recent years. The Group **has moved away from a passive approach**, focused on retaining existing customers and accepting requests from new companies based on product availability, **to an active approach**, based on an in-depth **direct search for prospective customers**, also by implementing a **structured network of local agents**. In addition, **new technologies** are now used which allow IMS to significantly expand its customer base, with a subsequent increase in production and sales.

The main innovations include:

- **new, more responsive websites**, allowing the company to obtain more than 4/5 new contacts every week;
- reinforcement of Group **positioning on Google**;
- **webinars presenting** machines;
- **international fairs**.

The Customer Relationship Management (CRM) system has been integrated with a marketing tool that receives specific information on the use of the website and other business applications, in order to guide the sales department in the implementation of proposals, also through *ad hoc* customizations.

As for sales methods, IMS does not use distributors for its products. **The company always has a direct relationship with its end customers.**

The quality of the relationship also results from the **reliability** and **timely and decisive management** of any problems encountered by customers. For this reason, a careful **support innovation policy** has been launched, aimed at updating the complaints management system, customer care, the supply of spare parts and technical support. In particular, this innovation process has touched upon four main aspects: **processes, skills, digitization and organisation**.

## Our next-generation support service philosophy

watch the video



**SURE, We Care!**



## Processes

IMS has launched a **comprehensive review of all sales, customer support and operations processes related to its support service.**

The innovations include:

- **price list logics**, allowing for an acceleration of the support service process;
- **procedures for estimating and budgeting accessories and rebuildings**, which involve an accurate technical feasibility study and the subsequent preparation of a detailed offer;
- **new complaint management procedures**, with the formalization of two distinct levels of support - **help desk and field support service** - and a management process through **different analysis levels** - from the first level support service up to the other levels of intervention where the direct involvement of an operator is required. The benefit for the customer consists in immediate resolution – in the event of the first-level help desk’s involvement – or in an in-depth analysis if the claim is moved up to the second level of technical analysis, with a greater likelihood of finding the most effective solution.

**Partnership processes with branches** have also been **redefined**, so that the headquarters can also manage claims opened at branches, where necessary. Shared procedures have been defined among all the Group’s support service centres, ensuring **homogeneous responses and support standards for customers.**

## Skills

Since 2020, a **technical and behavioural training** plan has been launched for support service operators, both internally and using external companies.

## Digitization

Also starting in 2020, IMS launched a **project for the digitization of its entire support service**, with the adoption of a Group **CRM platform** at the Sales Marketing and Service function, which has digitized all previously introduced processes, including:

- ticketing systems;
- bidding system;

- technicians planning;
- customer intervention reports;
- visual service systems, which allow for video connections with customers to verify problems;
- communication channels (calls and chats), designed to lead everyone to the CRM platform.

The portal monitors with maximum transparency all processes and activities related to customer relations management. The platform includes a shop area for ordering and executing orders for all types of machines sold by the Group.





## Organisation

Until 2018, only some of the Group's brands had their own support service unit, which was often configured as a specific unit, not interfaced with other units. A 'satellite' support service was thus offered, managed in small units with different procedures and outputs, also based on different products. Between 2019 and 2020, following a detailed analysis, IMS started integrating and rationalizing management into **a single centralized support service** for all the Group's brands. This was possible thanks to the creation of a **technical-commercial hub**, with strong specific know-how on individual brands, accompanied by **four local support service centres with geographical expertise** – an American branch, a Chinese branch, a German branch and the Group's headquarters for the rest of the world – capable of taking care of customers on a local basis, in relation to their specific needs.

With the restructuring of the support service, four main communication channels have been identified to manage customer relations:

- the **mailing service**, for customer assistance and for requesting spare parts – is currently the most used channel;
- a specific **telephone number** for each support service point;
- a **chat channel**, for communications that require a quick contact and response between the customer and the support service;
- a **self ticketing channel**, where to create and enter tickets, accessing the management system directly.



## A new quality indicator

One of the biggest and most recent innovations, the CRM platform has allowed, starting from the end of 2022, for the implementation of a **customer satisfaction indicator**. Customers' assessments following their interaction with the support service will allow IMS, as from 2023, to have **high-value data** with a view to improving the service offered and managing complaints and any non-compliance. This process is in line with all relevant issues for the purpose of the ISO 9001 Quality Certification currently being obtained.

## Technological innovation and digitization



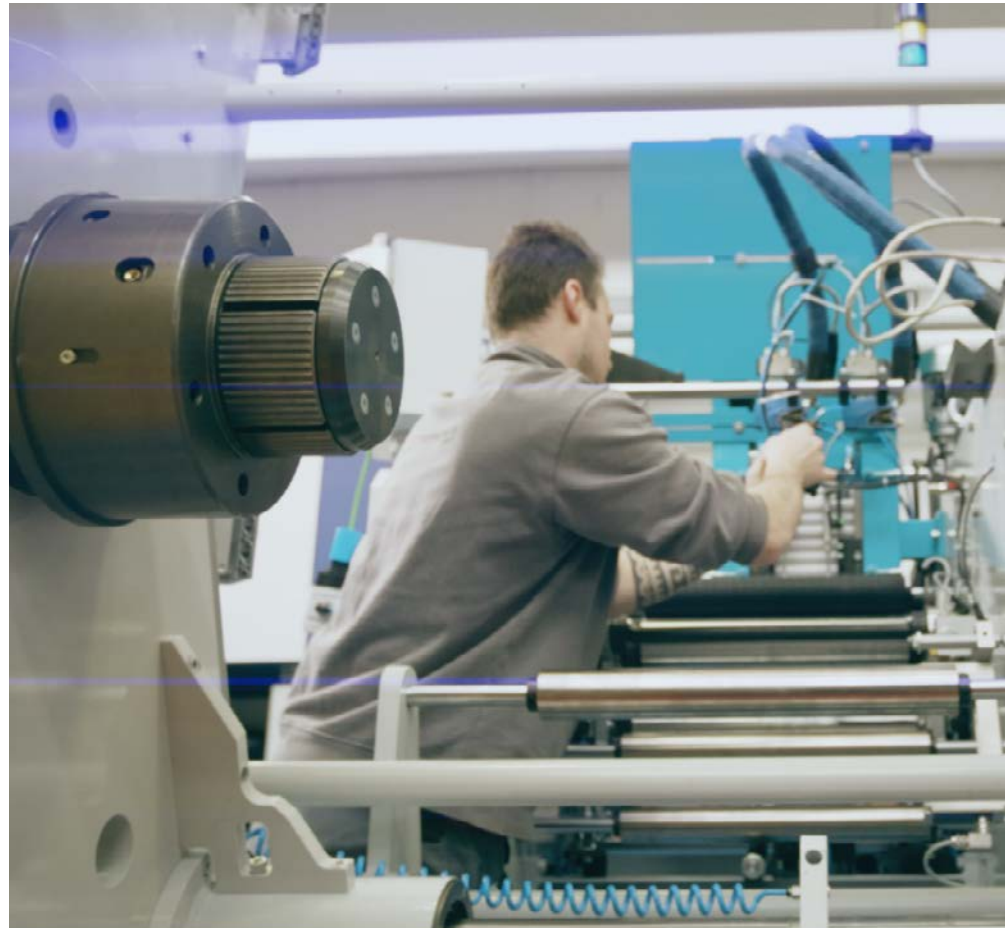
### IMS is strongly oriented to innovation.

Being innovative for IMS means:

- developing new solutions – products – for the market
- developing new ways to implement internal processes (decision-making, production, support or other processes).

**Product innovation** is aimed at putting on the market, in accordance with the company's business model, **products and services that meet customers' expectations**. The IMS product portfolio is particularly rich and can meet the most diverse needs in the field of converting, flexible packaging and packaging. The Industry area's customers include, in addition to large multinational industrial companies, also smaller companies that intend to make a qualitative leap towards the industrial dimension.

**Process innovation**, on the other hand, is linked to the creation of value for the company, i.e. to the continuous search for new, efficient, repeatable ways of doing a job. The greatest **benefits** produced by this type of innovation will come in terms of **timeliness, quality and costs**. The adoption of innovative tools, along with access to technology enabling Industry 4.0, are at the heart of process innovation.





## Digitization

As part of the innovation pursued by IMS, **digitization – viewed as enabling technology – is strategically important**, both in product innovation and process innovation.

**In relation to customers – GO DIGITAL** – digitization is developed through:

- the adoption of **smart components** (PLC, HMI, drive etc.) that communicate via fieldbus and allow for control and adjustment operations as well as remote maintenance (via router)
- the adoption of the **IMS (MAIA) data platform** that allows customers to connect the machine to their ERP or other production management systems, also via the cloud, and to monitor the functions of the machine itself (or of several machines connected to each other, even where installed in different facilities). The digitization process makes it possible to no longer consider only the physical machine as a product for sale, but also – and increasingly – the service that comes with it.

In relation to IMS – **BE DIGITAL** – digitization consists of reviewing processes, usually with a Business Process Reengineering approach, and translating them into highly efficient work sequences, supported by corporate IT systems (ERP, CRM, PLM, BI, etc.).



### MAIA - Machine Artificial Intelligence Application - IoT Platform



MAIA® – the **Industrial IoT platform** developed for IMS customers – is a cloud-based application with which users can **collect data from machines and view them via customised, easy-to-use and highly representative dashboards**.

Using sensors and intelligent devices on machines, the platform acquires and analyses important data on the **operation** of machines and on their production processes. The platform uses machine learning processes and artificial intelligence algorithms to monitor the individual components of machines, keeping track of all activities and planning **maintenance** in advance. **Preventive and predictive maintenance** operations are thus simplified, thereby containing costs and increasing productivity. The platform also **provides suggestions on machine settings** with which to **optimize business operations** and improve product efficiency and quality.

MAIA is available on fixed and mobile platforms and the service can be accessed anywhere and at any time. With MAIA, operators have greater control over the system and can intervene promptly in the event of machine downtime, failure or systemic error.



## Product innovation

IMS has an *engineering department* consisting of more than 50 designers (mechanical, electrical, software designers) working according to two approaches:

- **development of solutions intended to satisfy a large part of the reference market.** These are modular, configurable solutions that can meet the most diverse requirements of a part of the market that has similar needs. Product development conceived in this way uses a stage & gate design approach and is normally characterised by a generally long time to market (18-24 months) and the possibility to make a prototype;
- **development of customer orders.** This means customising the solutions developed according to the first approach to the specific needs of a customer. The solutions (machinery or systems) offered by IMS are generally highly configurable (at least 80%), but,

where the specific needs of the customer require special integrations, the *engineering department* takes care of providing them. The *time to market* for projects of this type is reduced to an average of 12 months. Only in case of a strong strategic value – penetration into a sector, customer size, acquisition of new technologies etc. – is IMS available to develop solutions that are even more customised.

The evolution of the IMS business model involves the transition from an essentially **Engineering To Order** (ETO) approach to a more **Assembly To Order** (ATO) approach. This shift, which started around 2020, has resulted in a progressive revision of organisational models, skills and tools, as well as in the need to invest in *change management*.



### Mylab - A new approach to product development



*Mylab* – the **Customer Innovation and Application Center of IMS** – is a 800 m<sup>2</sup> area directly connected to the company's headquarters and the Calcinate production hub, which encourages the **exchange of know-how** between employees. In this area, manufacturers and converters operating in different sectors can meet experts, view the machines in operation, carry out tests with specific materials, explore new applications and technologies, participate in training courses.

In recent years, IMS has been increasingly committed to **developing machinery with technological innovation features consistent with sustainability**. The main ones include:

- **eXTRASLIT**, the brand new fully electric slitter rewinder for all film substrates and flexible packaging materials. It is the first machine in the eSeries range, designed to meet the needs of the primary and processing industry in a more efficient and sustainable way;
- **ICEBREAKER 165 SG**, ROTOMAC's next-generation automatic rewinding machine that, in addition to its exclusive embossing system, features significant improvements that ensure higher performance in the production of plastic films, alufoil and baking paper rolls.

In 2022, the IMS Technologies product development area worked on new important projects as part of its growth strategy in the reference markets. In particular, this involved what follows:

- Design and construction, with installation scheduled for 2023, of a **slitter rewinder for non-woven fabric with carrying drums**, a sector that represents a strategic area of growth for IMS.
- **Inline slitter rewinder for tobacco in rolls** (cast leaf), developed ad hoc for a well-known tobacco multinational company. The tobacco sheet, after leaving the continuous production plant, enters the cutter where it is cut into strips to size and rewound in reels. Patents have been filed for this machine, completely designed by IMS, which is intended to equip the customer's manufacturing facilities in various parts of the world. The product that comes from the tobacco processed on the IMS machine will be used to produce a valid alternative to traditional smoking with a lower impact on smokers' health.



## Grant from the Fund for Sustainable Growth

Demonstrating the commitment of IMS to innovation, **in 2023 the Ministry of Business and Made in Italy confirmed the eligibility to the Fund for Sustainable Growth** of the company's research and development project concerning a **new family of slitter rewinders with carrying drums for the digital and sustainable converting of paper, non-woven fabrics and the like**.

In particular, the Ministry and the competent bodies verified "the technical feasibility, economic and financial sustainability, technical quality and impact of the project." In the face of a total recognised cost of 4.8 million euros, a total benefit of **1.7 million euros** was granted.



## Rotomac a 2023 Sustainability Awards finalist

**The coreless roll by Rotomac – a brand of IMS Technologies – is a finalist in the 2023 Sustainability Awards**, the competition organised by Packaging Europe that is entirely dedicated to sustainability issues and that promotes the adoption of cutting-edge technologies and best practices in packaging.

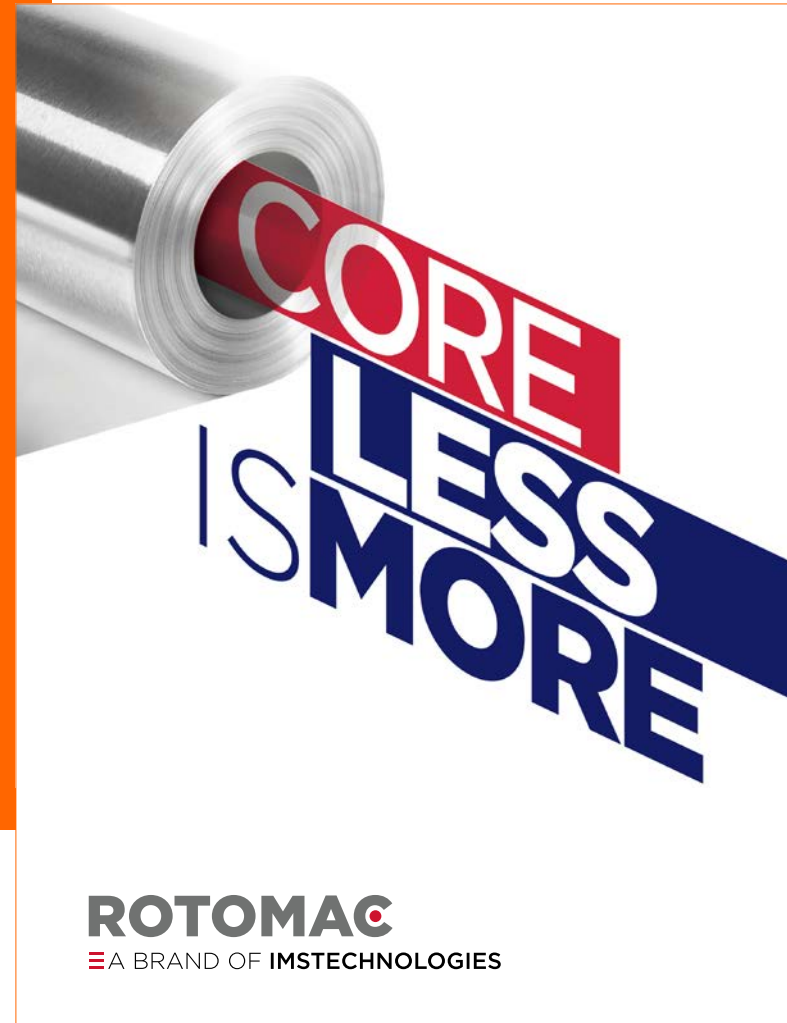
The Rotomac project, resulting from years of research, development and experimentation, competes in the **'Pre-commercialized Climate'** category, which brings together pre-commercialized innovations that promote the efficient use of resources, reducing the overall impact of the product on the environment.

The coreless alufoil roll designed by Rotomac represents **a significant innovation**, as the traditional cardboard core is replaced by a thin sheet of paper.

This brings multiple **sustainability and efficiency** benefits:

- the heart of the new coreless roll weighs only 7.2 grams, **reducing paper use** by 73%;
- the annual production of coreless rolls requires transportation by a single truck, compared to the eight trucks needed to move the cores of traditional rolls, **reducing logistics and storage costs**;
- fewer trucks mean **lower CO<sub>2</sub> emissions**, with an expected 87.5% reduction in emissions from transport.

On top of these benefits, **production and storage costs are reduced** for manufacturing companies as a result of the lower use of paper and adhesive materials.



# The people working for Coeclerici



Over the years, Coeclerici has experienced significant growth, also thanks to the great **cohesion, passion and contribution of everyone working for the Group**. Their long-standing experience, vast *know-how* and high skills have sustained growth at a global level whilst respecting the company's **identity values**. This expansion is based on the values and characteristics that have made Coeclerici stand out since its foundation, making the Group proud to preserve the peculiarities of a **family-run business in a global competitive environment**.

This is why Coeclerici invests every day to reinforce the **sense of belonging and motivation** of its employees, i.e. its greatest asset, developing their **skills and abilities**, cultivating their **talent** and promoting **meritocracy**.

Creativity, intelligence, tenacity, balance, personal experience, respect for the work of others and flexibility are only some of the main qualities of the people working for the Group.

The strategic aspects of human resource management include:

- **training** and coaching;
- employee **well-being**;
- performance **evaluation** and monitoring with incentive systems.

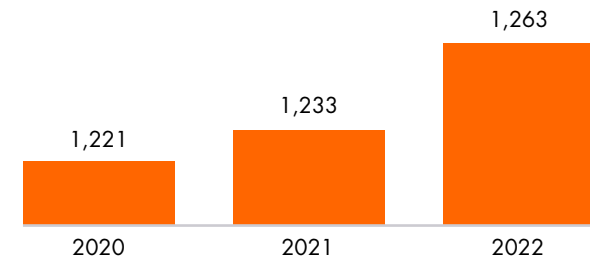
This paragraph gives a consolidated picture of the people working for Coeclerici, with sections dedicated to single business areas where this is useful to understand their specificities.

## Staff members and their profile

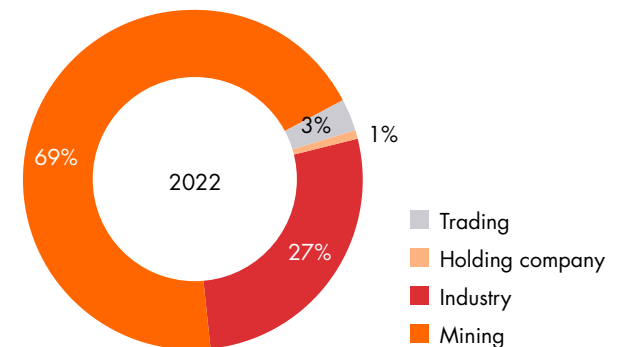
In 2022, the Coeclerici Group had **1,263 employees**, +3.4% since 2020.

**72.2%** of people are employed in the **Commodities** area – 69% in the Mining division and 3.2% in the Trading division – followed by the Industry area (26.5%) and the Holding company (1.2%).

### Staff trends



### Staff by division in 2022



2022

1,263

employees, +3.4% since 2020

---

96.8%

permanent contracts

**Permanent contracts** represent **96.8%** of active contracts, which shows how much Coeclerici focuses on establishing long-term relationships with its employees, an investment for the Group but also and especially for people. **1.7%** of employees work under **part-time permanent contracts**, a contract used almost equally between women and men. The people working for the Group are supported by apprentices and trainees.

**63.5% of staff are factory workers** engaged in the Mining and Industry divisions, followed by office workers (28.1%), managers and top manager (8.4%).

The category of office workers is the one with the highest percentage of women, i.e. 48.2% in 2022.

Overall, **women** represent **24.5%** of the Group's staff, while men 75.5%.

**22.6% of managers and top managers are women.** This percentage shows that Coeclerici cares about the professional success of women within the organisation and considers them to be a strategic asset for the Group.

Coeclerici allows all employees – regardless of their sex – **to pursue any career, lifestyle and activity without being discriminated against.**

2022

63.5%

factory workers out of the total number of employees

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24.5%

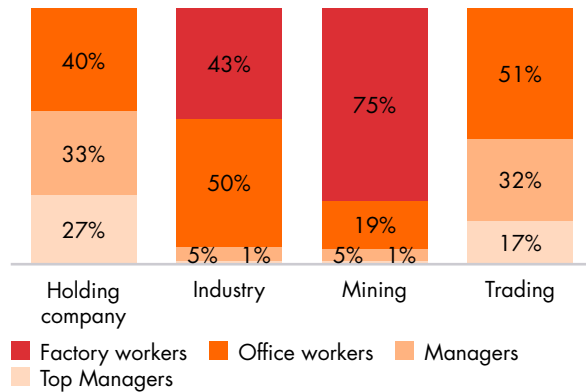
women out of the total number of employees

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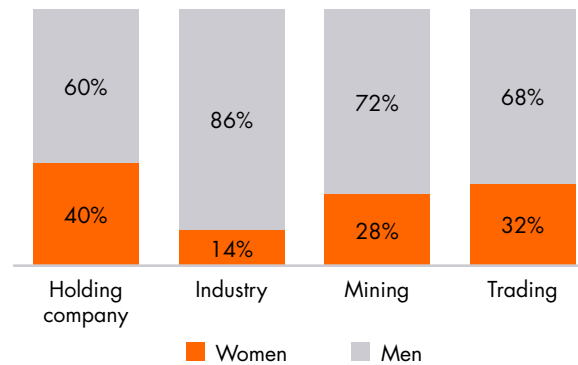
22.6%

of managers and top managers are women

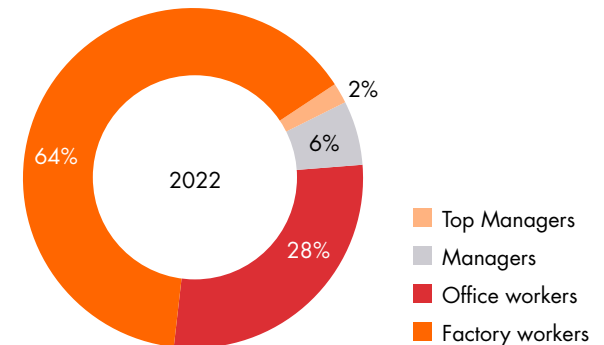
**Staff by division and category in 2022**



**Staff by division and gender in 2022**



**Staff by category**





The rights, opportunities, different needs and wishes of each employee must be equally evaluated. For this reason, in the course of recruiting, training and ordinary activities, importance is given to the professional qualities, experience and strengths of candidates, regardless of their sex, age and origin.

In the 2020-2022 three-year period, **staff members aged between 30 and 50 increased**, reaching 61.5% of the total, whereas the number of staff members under 30 (13.0% of the total) and over 50 (25.5% of the total) declined.

**The average age** of men rose from 41.2 in 2020 to 41.7 in 2022, while that of women rose from 43.8 in 2020 to 44.0 in 2022.

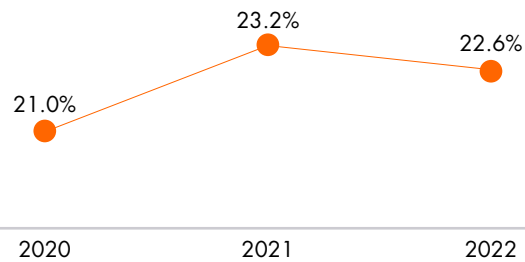
Coeclerici's staff consist of people with different cultures, working together, forging creativity and innovation.

**Multiculturalism** helps define the Group's activity from the point of view of more than **20** different **nationalities**.

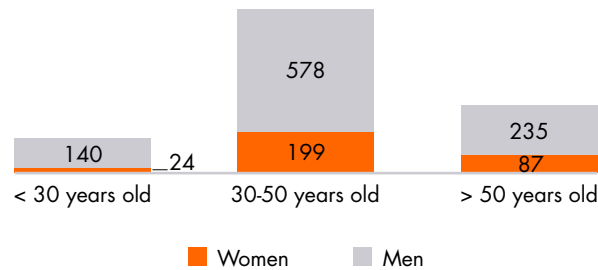
**The average company seniority is 7.6 years for women and 6.3 years for men, a figure which remained unaltered over the three-year period.** 55.8% of employees have been working for the Group for less than 5 years.

The Group strongly believes in the **exchange** between different business areas and divisions. Over the years, employees and managers have often changed roles or moved within divisions, in order to develop soft skills, improve business performance and grow professionally.

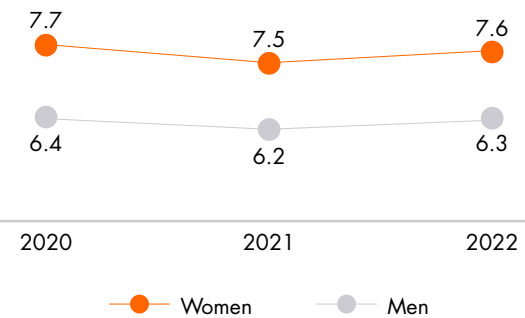
**Female Managers and Top Managers**



**Staff by age and gender in 2022**



**Average company seniority by gender**

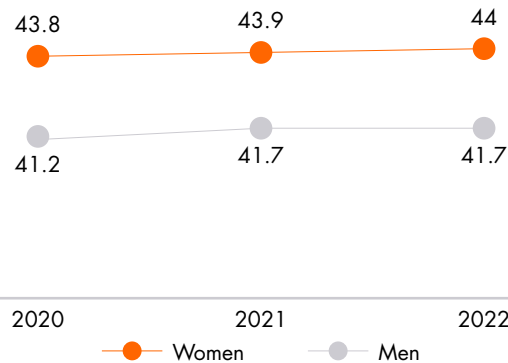




An award for those who have been working for Coeclerici for more than 10-20-30 years

Over the years Coeclerici has granted **awards to staff members who have demonstrated a strong sense of belonging** to the Group, remaining within the company for **more than 10-20-30 years**. Such awards are intended to thank workers for their loyalty to the company and for sharing its values and identity.

Average age of staff by gender



2022

**41.7** years old  
the average age of men

**44** years old  
the average age of women

**7.6**  
average company seniority  
for women, 6.3 for men

More than **20**  
different nationalities

## Hires and terminations

In the 2020-2022 three-year period, the number of hires and terminations remained roughly the same.

In 2022, the Group hired **253 people**, + 9.1% compared to 2020. Of the new hires, 53.8% were between 30 and 50 years old, 80.6% were men and 77.5% worked in the Commodities area.

In 2022, the employment of **223** people was **terminated**, down 19.2% compared to 2020.

Furthermore, during 2022, several **projects were launched to hire young university and school graduates**.

In particular, the **Trading division** welcomed three interns. The **Industry division** started collaborations with several schools, undertaking to welcome:

- **four work experience students** from the following schools: I.I.S.S.Majorana (IT and electronics/electrical engineering course), ITIS Paleocapa (mechanics), IS Lotto (international marketing relations);
- **two extracurricular interns**, assigned to the communications/marketing and information systems areas;
- **one curricular intern** from ITS Lombardia Meccatronica, assigned to the mechanical assembly area.



Hires and terminations



## Training and growth of human capital



In the **2020-2022 three-year period**, the Group provided a total of **38,607** hours of training, not including those on health and safety.

In 2022, the hours dedicated to training returned to levels similar to those of 2020, following the peak recorded in 2021, due to the cyclical nature of some refresher courses, and focused on the following issues:

- specialist techniques;
- languages;
- cybersecurity;
- management education.

With a view to valuing human capital, in addition to training, every year Coeclerici holds **talks with its employees to measure and assess their performances**. Other than being important for assessment purposes, these talks give employees the **opportunity to voice their expectations and growth prospects**.



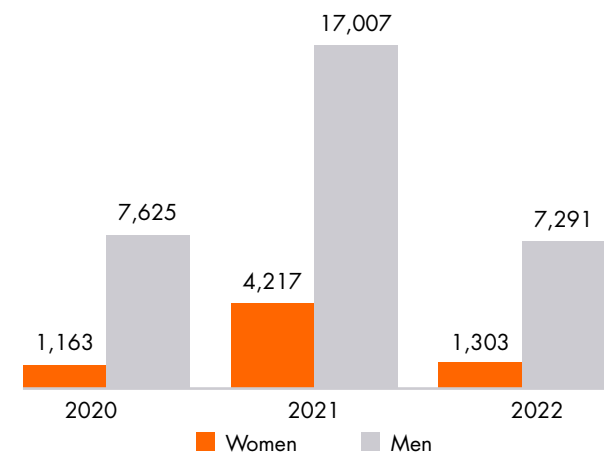
2022

**38,607**  
total training hours  
between 2020 and 2022

---

**1,300**  
training hours on cybersecurity

Training hours



The Group's **remuneration policies** are based on:

- **economic sustainability** – they are defined at the time of preparing the annual budget
- **external comparability** – benchmark of the sector

The Group has put in place an annual **MBO (Management by Objectives) incentive plan** for top positions, which formalizes corporate, individual and quality targets, the achievement of which is rewarded with a predetermined variable bonus.



## Cybersecurity

In an increasingly digitized world, cybersecurity is a crucial issue for online security. With the exponential increase in **cyber threats**, the protection of data, digital identities and critical infrastructure has become an imperative, in terms of both privacy and financial well-being.

Like any company, Coeclerici is faced with increasingly sophisticated threats. A cyber attack can cause tremendous financial **damage**, ruin the company's reputation, and jeopardize customer trust. At the same time, cybersecurity depends on corporate culture: employee awareness is essential to prevent violations and human errors that might have serious consequences.

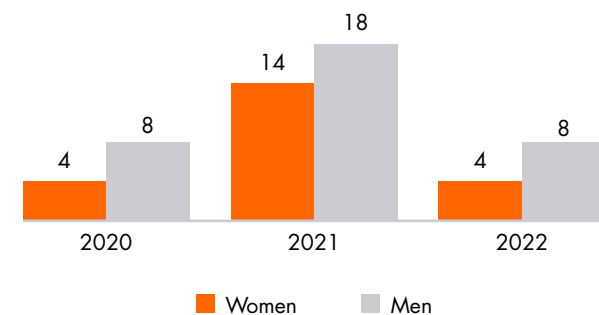
For this reason, in 2022 Coeclerici launched a training course for its entire workforce, with **more than 1,300 hours of dedicated e-learning training**, monthly sessions and simulated phishing attacks. This year the Group is implementing a **specific procedure** for managing IT security incident responses. Insurance has also been taken out to fully cover such incidents. The cybersecurity strategy for the 2022-2024 three-year period includes various **mitigation measures**, which, in addition to training, concern:

- the protection of the data centre and company devices, in relation to which no data losses occurred in 2022 such as to require disclosure to public officials and the application of sanctions
- the segregation of computer networks
- Information Security and privacy controls.

**Average training hours by category**



**Average training hours by gender**





# Occupational health and safety

Each business area and division adopts different occupational health and safety policies based on the type of activity concerned and its risks.

In 2022, a **total of 19,426 hours of dedicated training were provided**, involving **546 employees**.

## Industry

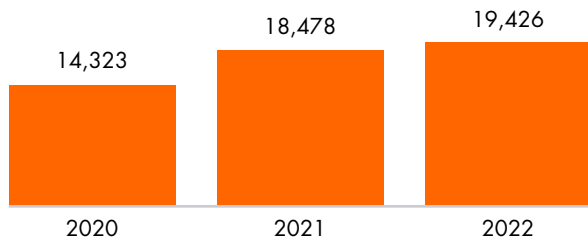
The Industry area operates while always maintaining high levels of **workers' awareness, training and information** in relation to compliance with prevention measures, the use of Personal Protective Equipment (PPE) and compliance with procedures. Every employee – both new hires and in the case of a change of job or department – receives adequate training and information on the specific risks of their duties.

## Management systems and certifications

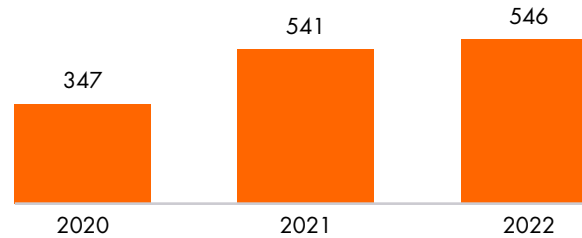
In 2020, a **Health and Safety Management System** was introduced, subject to internal audit, which in 2022 covered 276 workers (+11.3% since 2020, compared to a 2.0% reduction in total staff). In addition to the company's employees and the employer, the Workers' Safety Representative and the Company Physician have a fundamental role in the Health and Safety Management System.

In 2022 a project was launched aimed at obtaining the corresponding **ISO 45001 certification on Health and Safety** (in addition to the 9001 and 14001 certifications on Quality and the Environment), which is expected to be achieved by 2024.

Hours of health and safety training - Group



Employees trained in health and safety - Group



2022

**52,227**  
hours of health and safety training between 2020 and 2022

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**546**  
trained employees within the Group

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**4**  
minor work-related injuries in total



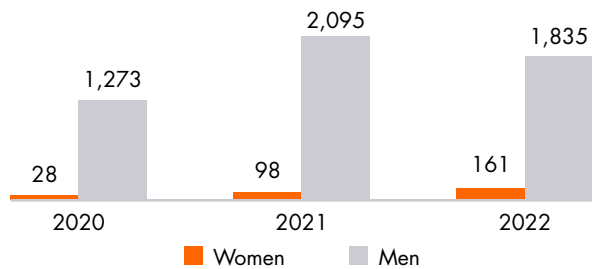
*Specific training*

In 2022, the hours of training and refresher courses on safety **increased** by 53.4% compared to 2020, slightly below the 2021 peak.

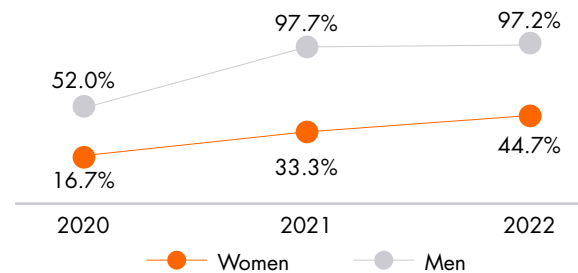
The increase in training hours is also reflected in the number of people trained: 97.2% of men and 44.7% of women.



**Hours of training and refresher courses on safety - Industry area**



**Percentage of people trained on health and safety - Industry area**



### Work-related injuries and near misses

In 2022, **4 work-related injuries** occurred, involving employees in the Industry area.

IMS has prepared and intends to reinforce a **protocol for the management of Near Misses**, i.e. any work-related event that has the potential to cause an injury but that, only by a fortuitous or random event, does not actually cause an injury.

Both the injury frequency rate and <sup>1</sup> the severity rate<sup>2</sup>, equal to 3.7 and 0.15 respectively in 2022, are lower than in 2021 and higher than in 2020, the year in which no accident occurred.

<sup>1</sup> (Recordable work-related injuries (IMS employees)/Hours worked by employees) \* 1,000,000  
<sup>2</sup> (Days lost due to injury (IMS employees)/Hours worked by employees) \* 1,000

**Recordable work-related injuries - Industry area**



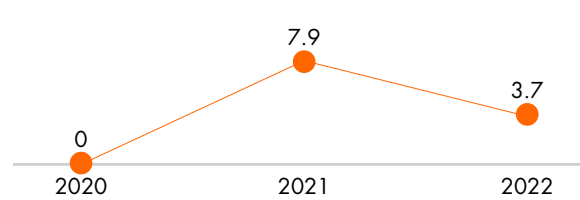
### Employee and non-employee health and safety outside company facilities

To ensure the health and safety of non-employees working in IMS facilities, information relating to the safety systems of each contractor is collected and steps are taken to coordinate interventions designed to prevent and protect the workers engaged in contracted work against the risks to which they are exposed.

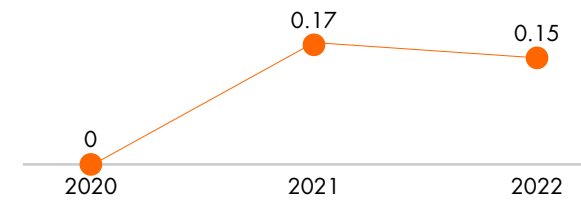
As for IMS employees working outside company facilities, it is the company's responsibility to provide the necessary tools to operate safely (PPE) and any information to protect them while carrying out their duties, as well as to make sure that the working conditions on construction sites and third-party company facilities are aligned with its standards.



**Frequency rate of recordable work-related injuries - Industry area**



**Severity rate of recordable work-related injuries - Industry area**



## Commodities - Mining

### Health and safety management system

In 2022, 850 Mining division workers were covered by an internally audited **Health and Safety Management System**, up 5.9% since 2020, in addition to 81 non-employees, whose work was controlled by the organisation. Overall, 97.3% of the total number of employees in the 2020-2022 three-year period were covered by the Management system.

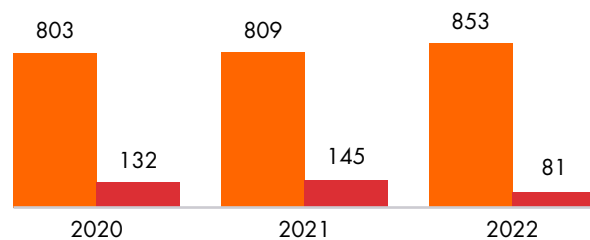
Being aware that people are its most important asset, the Group gives **utmost priority to ensuring staff safety during daily operations**, striving to be a leader in the sector both in the Mining division and in all its business areas.

Mining inherently involves risks and dangers.

The company's **objective** is to:

- apply robust risk management rules;
- offer a fatality-free work environment;
- eliminate serious injuries;
- encourage staff to 'choose safety', empowering people to do so.

**Workers covered by a health and safety management system - Mining**



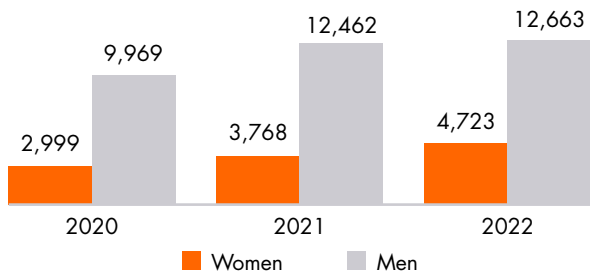
- Employees covered by a health and safety management system
- Non-employees covered by a health and safety management system



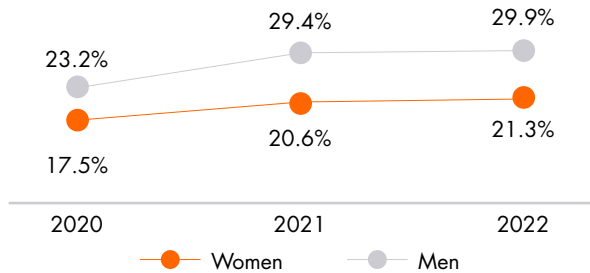
### Specific training

In 2022, the hours of training and refresher courses on safety amounted to 17,386, a **constant increase** since 2020 (+34.1%), while the percentage of trained people reached 29.9% for men and 21.3% for women.

**Hours of training and refresher courses on safety - Mining**



**Percentage of people trained in health and safety - Mining**





*Work-related injuries*

In the 2021-2022 two-year period, **a single injury occurred**, in the Mining division, in 2021. The main types of injuries that occurred over the three-year period were falls, ruptured tendons, injuries from rolling, crushing, bruising or slipping.

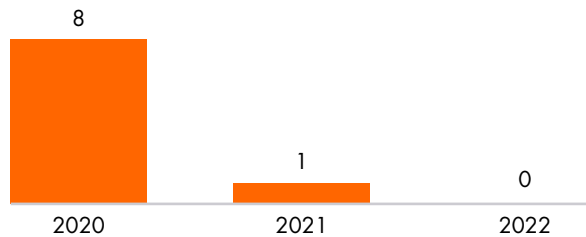
Both the injury frequency rate<sup>3</sup> and the severity rate<sup>4</sup> have been **steadily decreasing** since 2020, thanks to investments in training, information and personal protective equipment (PPE), as well as a result of **raising the awareness** of all employees in relation to safety issues.

No injuries were reported in the Trading division over the three-year period.

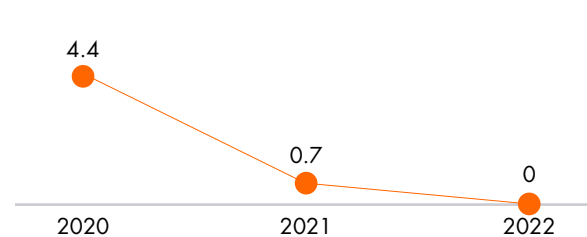


<sup>3</sup> (Recordable work-related injuries/Hours worked by employees) \* 1,000,000  
<sup>4</sup> (Days lost due to injury/Hours worked by employees) \* 1,000

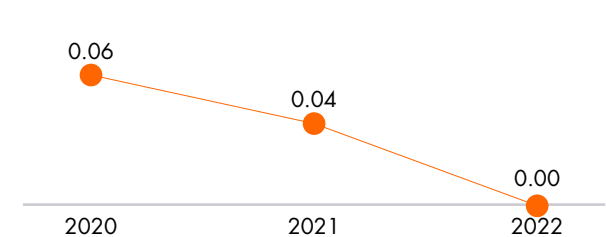
**Recordable work-related injuries involving employees - Mining**



**Frequency rate of recordable work-related injuries - Mining**



**Severity rate of recordable work-related injuries - Mining**



## Wellbeing and corporate welfare



Over the years, the Group has undertaken various initiatives aimed at **promoting the well-being and health of its workers and their families.**

Depending on business areas and offices, the Group's staff benefit from insurance coverage, health care, accident insurance and pension contributions.

**Some of the initiatives** promoted by the Group in this respect – demonstrating sensitivity and attention to its employees – include:

- annual medical check-up
- in-house vaccination campaign, planned even before the Covid pandemic and reinforced as a prevention measure
- paid leave for medical visits, supporting the reconciliation between private and work life.

On top of these benefits, the Groups has **preferential agreements** with various types of medical centres, gyms, restaurants and other services and offers the free supply of water, hot drinks and snacks at the Group's facilities as well as ticket restaurants in some countries.





## Parental leave

Parental leave is a period of optional leave from work granted to parents in order to care for their children in the first years of their life and meet their emotional and relational needs. Over the three-year period, **52 requests for parental leave** were made overall.

In particular, over the three-year period, the Industry division and the Mining division received 15 and 37 requests for leave, respectively, made by female employees in 80% and 89.2% of cases.

Coeclerici has always authorised **optional parental leave** with the aim of meeting the needs of its workers and their families.



## Smart working

Smart working was introduced in response to the Covid emergency in compliance with regulatory provisions enacted during the pandemic emergency. This **measure** was subsequently **maintained and regulated** – through internal regulations or agreements with corporate and local trade unions – in order to strike a better **work/life** balance and meet family needs such as, for example, the need to care for one’s children and family members in case of illness.



## Corporate events

Every year the Group has the pleasure of organising a **Christmas gathering** - strongly wanted by its President - to exchange greetings with all staff and their guests.

This event, demonstrating the attachment of the people who have worked for Coeclerici for many years, is often attended even by former Group employees.

IMS Technologies also organises **annual business events, open to all employees and their families**.

Between 2020 and 2021, more than 460 people, including IMS employees and family members, participated in **guided tours** to the Galata Maritime Museum in Genoa, the Genoa Aquarium and the ‘Leonardo Da Vinci’ National Museum of Science and Technology in Milan.



## Human Rights

As laid down in the Code of Ethics, one of the key principles of the Coeclerici Group in the conduct of its business is **compliance with the laws and regulations in force** wherever it operates.

This also applies to employment relationships and, above all, to their **lawfulness**: the enhancement of human resources, respect for **personal dignity** and the condemnation of any form of discrimination are key values.

The attention paid to employees and the Group's commitment are also translated into the promotion of **individual well-being**, the dissemination of a culture of **occupational health and safety** and the achievement, by the Korchakol mine, of ISO 9001, 14001 and 45001 certifications, which IMS Technologies aims to obtain by 2023 (ISO 9001) and by the first half of 2024 (ISO 14001 and 45001).

All these values, together with the **contribution provided to the local development** of the areas where the Group operates, are indicative of its attention to respect for the human rights of all those with whom it enters into business and commercial relationships.

Coeclerici strives to **ensure good working conditions**, including **equal opportunities, without any discrimination** based on sex, race, age, sexual orientation, religious beliefs and any other ground.

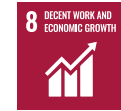
No human rights violations in the operations conducted under the Group's control have been reported.

All Group employees are hired with the **formalization of written contracts**, even where not expressly required by law, as in the United States.

The Russian company that owns the mine is subject to periodic checks and audits to verify compliance with labour law regulations, and, in accordance with them, it applies an annual indexation to wages to adjust them to inflation.

Specifically, with regard to IMS, **second-level agreements have been developed with trade unions** in Italy and Germany to offer employees higher wages than those required by national collective agreements. Furthermore, in Italy, as required by law, staff residence permits are duly monitored and filed.

The **contracts** concluded by the Trading Division include clauses related to the commitment of Coeclerici, its customers and suppliers to respecting human rights, anti-corruption laws and all the laws in force worldwide, consistently with the Coeclerici Group's Code of Ethics.



## Paying attention to communities and local development



The objective of the Coeclerici Group in the development of its business is to **'create a home' in the territories and communities in which it operates**. This means recognising and satisfying the needs of the environment, appreciating local culture and differences, and interacting actively and genuinely with communities.

The Group – also through the **Foundation Paolo e Giuliana Clerici** – implements and supports projects in the social and environmental, cultural and sports fields.

**In 2022, the Foundation Friends of Genoa was founded** – whose Board of Directors includes Paolo Clerici – to relaunch the Ligurian capital and promote its artistic and cultural heritage, both in Italy and abroad.



**In 2022**, the Foundations and Associations supported by the Group and by the Fondazione Paolo and Giuliana Clerici with a **more than € 740 thousand** donation included:

- *Fondazione Tettamanti Onlus, engaged in studying and treating childhood leukaemia and hemopathies*
- *Fondazione Artistica Poldi Pezzoli Onlus*
- *CharityStars S.r.l.*
- *FAI – Fondo per l'Ambiente Italiano*
- *Fondazione IEO-MONZINO*
- *Comitato Telethon Fondazione Onlus*
- *Flying Angels Foundation Onlus*
- *Associazione Amici di Cometa Onlus*
- *Fondazione AIRC per la Ricerca sul Cancro*
- *A.R.P.A.I. – Associazione per il Restauro del Patrimonio Artistico Italiano*
- *Associazione Centro Dino Ferrari, engaged in research on neuromuscular and neurodegenerative diseases*
- *Comunità San Patrignano Società Cooperativa Sociale*
- *Giovine Orchestra Genovese Onlus*
- *ANLAIDS Onlus*
- *Associazione Promotori Musei del Mare Onlus*
- *Federazione Nazionale dei Cavalieri del Lavoro*
- *Fondazione Malattie Renali del Bambino*

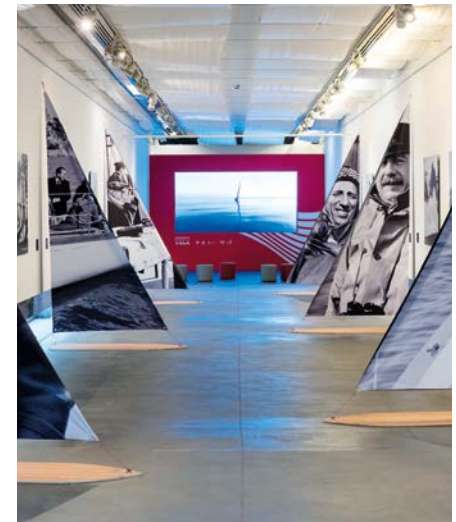


### Foundation Paolo e Giuliana Clerici

The Foundation, established in October 2017 by Paolo and Giuliana Clerici and supported by Coeclerici S.p.A., was created with the objective of contributing – also through philanthropic activities with cultural, civic, solidarity and social utility purposes - to the **enhancement of local territories and their communities**.

The Group's commitment, formalised in its Articles of Association, consists in **donating 1% of its consolidated profit to the Foundation every year**: in 2022, 280,000 euros were donated. The most important **contributions** include the Galata Maritime Museum in Genoa, the Itaca project – engaged in mental health – and Flying Angels, the only Italian organisation dealing with the air transport of seriously ill children in need of specialized health care.





## Social and environmental initiatives

### Projects for Milan

In the city of Milan, where the Group's Holding company is headquartered, Coeclerici is engaged in **projects for the improvement and maintenance of green areas and urban design**.

In particular, it has already supported the renewal and **reconstruction of the city's flower beds** in areas of greatest artistic value, including the **flowerbed in Piazza**



**Cairolì**, in front of the Sforza Castle. The works were curated by the Italian landscape architect Ermanno Casasco.

The Group also participated in the innovative **LED lighting project for the historic Poldi Pezzoli museum**, sponsoring works in three rooms dedicated to Alfonso Clerici, the company's founder, and to two of its two historic partners and vice-presidents, Urbano Rattazzi and Alfonso Menada.

### Contribution to Lombard hospitals for the Covid-19 emergency

During the pandemic, the Coeclerici Group **donated 200,000 euros to the San Raffaele and Sacco hospitals in Milan and to the Hospital in Bergamo**. In particular, 100,000 euros were donated to the Hospital in Bergamo, one of the areas that was most affected by the emergency, and 50,000 euros to each of the two hospitals in Milan.

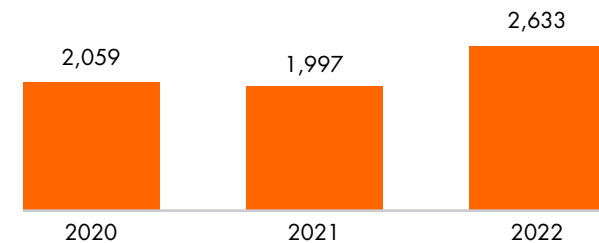
### Support for the Team Healing Hearts

IMS Technologies Inc., the Group's US subsidiary, has made a USD 5 thousand donation to the **Team Healing Hearts** of South Jersey, an entity within the largest and oldest charitable organisation in the United States for the **fight against heart diseases**.

### Supporting the community of Novokuznetsk

**Every year, Coeclerici donates part of the coal extracted from the mine to local communities** so as to **meet the daily needs** of the population, in particular its employees and the retired workforce. Overall, in the three-year period in question, 6,689 tons of coal were donated to the local community.

Coal donated to the local community (tons)





## Jack Clerici Park in Genoa

In December 2019, the **park in Via Martin Piaggio** was inaugurated, with which Coeclerici paid homage to the city of Genoa, celebrating the memory of Jack Clerici – a historic shipowner and Genoese entrepreneur – who played a key role in the development of the city’s maritime and commercial sector.

The planted area, designed in compliance with the tradition of Genoese and Ligurian green spaces, is located in front of the building that housed the historic headquarters of Coeclerici and covers an **area of about 800 square meters**. The plants include **about 1,100 bushes of 56 different species, all duly labelled**, with shrubs of different sizes and characteristics.

The park, in addition to having an educational and information purpose, purifies air: the plants in the park, in fact, are ‘smog eating’ plants that can intercept heavy metals and substantially contribute to **CO<sub>2</sub> reduction**.





## IMS Technologies opens its doors to students

On the occasion of the PMI Day 2022 – the National Day of Small and Medium Enterprises – IMS Technologies welcomed **70 eighth grade students** from the A. Moro School in Calcinate, illustrating first the company’s history and functions and then letting them have direct experience of the production department and its machines. The students particularly appreciated the possibility of meeting the company’s various professional figures, which is **particularly helpful to youngsters when choosing** which high school to go to.

As a partner of ITS Lombardia Meccatronica, IMS participated in the **Open Day at Km Rosso** in May and in the **Job Festival**, organised in collaboration with Confindustria Bergamo, interviewing 15 young graduates.



## Active for good

In September 2021, the Coeclerici Group joined the charity initiative promoted by Active for Good to **combat malnutrition among children in developing countries**. 179 employees of the Group, organised into 22 teams, competed in 60 sports, participating in a **team-building programme** for a dual purpose: to **stay active and healthy and to donate meals to malnourished children**. The calories burned during sustained physical activities were monetized and converted into 2,409 packages of lifesaving therapeutic food for children affected by SAM (Severe Acute Malnutrition), a condition that affects children between the age of 6 and 59 months whose weight for height is extremely low. To date, an estimated 20 million children suffer from SAM, and the majority are in Southeast Asia and sub-Saharan Africa.

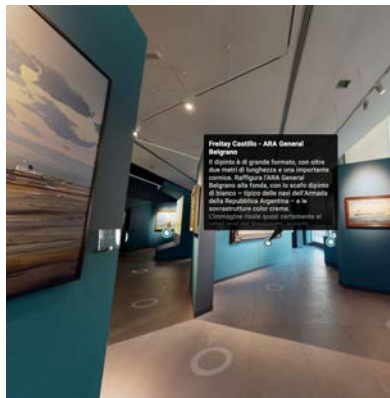
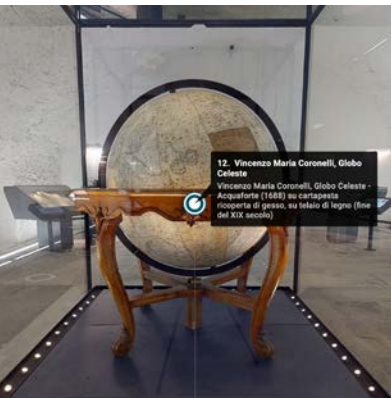


## Cultural initiatives

### Galata – Museo del Mare (Maritime Museum) in Genoa

**Coeclerici fully financed the renovation and fitting of a new room in the Galata Maritime Museum.** The project was strongly promoted by Paolo Clerici to reaffirm his historical and emotional link with the museum, the city and its cultural institutions.

The Coeclerici Room hosts the exhibition called ‘Navigare nell’Arte’, which offers a selection of **100 works donated to the museum** and chosen from amongst the more than 250 works of the Maritime Collection of the Paolo and Giuliana Clerici Foundation, one of the most important private collections in Italy and Europe dedicated to seafaring. Since its inauguration in June 2018, **the Coeclerici Room has been visited by more than 300 thousand people.**



The room includes an educational area for children, to ‘play with ships’, and a unique example of a ‘tactile picture’ to offer visually impaired visitors an unprecedented way of enjoying art.

Thanks to the Galata digitization project, funded by Coeclerici, the ‘Navigare nell’Arte’ exhibition can also be digitally and remotely visited on the **Virtual Tour 360° platform.**

The Room leads to the **Coeclerici Terrace, a beautiful outdoor panoramic space** that is used to host conferences and cultural events. A meeting and reference place that offers visitors an extraordinary experience of enjoying the city and its historic centre, marked by history and its centuries-old relationship with the sea. The model of the Raffaello turboship and the bell aboard the Leonardo da Vinci turboship are displayed in the loggia, in memory of the glorious season of Italian transatlantic liners in the 1960s.



The collaboration between MUMA and the Paolo and Giuliana Clerici Foundation has also led to the creation of the ‘**Storia della Marineria Mercantile Italiana**’ (History of Italian Mercantile Shipping) **series**, consisting of 5 volumes of high scientific value – 4 of which have already been published – which traces the exciting history of Shipping in Italy with images and an engaging language, telling the story of human and entrepreneurial events involving shipowners, captains and sailors.

## Sala dell'Annunziata in Pietrasanta

The Coeclerici Group **fully funded the restoration and enhancement of the Sala dell'Annunziata** in the Cloister of Sant'Agostino, an important 16th century convent area in Pietrasanta, which is now the prestigious exhibition and event venue of the Luigi Russo Centre.

Completed in 2023, the project involved a complex **restoration of frescoes** dating back to the early 17th century, in addition to the **modernization** of the facility by installing new air conditioning and lighting systems, renewing furniture, adding 100 seats, using multimedia

tools and Internet connection, so as to offer a welcoming and functional environment to the community.

The implementation of the project required funding for more than 350,000 euros, including 90,000 euros for the first phase in 2020-2021 and more than 260,000 euros for project completion.

## Photographic exhibition in the cloister

In Pietrasanta, from December 2021 to January 2022, in the cloister of Sant'Agostino at the Sketches Museum, **Luca Forno** - a professional specialized in reportage, industrial photography and art reproductions - held the **photographic exhibition called 'Fotografia in Chiostro'** sponsored by Coeclerici. With his photos, Forno illustrated the world of sculpture by focusing on sketches, which represent the first materialization of an artist's thought.





## Initiatives to support sports

Coeclerici also shows its commitment to the **promotion of sports in Italy and abroad.**

### Tennis

In Italy, the Coeclerici Group supports 'Mytennis', an amateur association for the promotion of **tennis**, and the 'Santa Margherita Ligure Tennis Club'. Abroad, it has been sponsoring Indonesian professional tennis players **Jessy Priskila Rompies** since 2017 and **Vivi Sofiana Marisca** since 2022.



### Dakar Rally

In 2022, IMS Technologies and the Coeclerici Group sponsored one of the four Tecnosport team crews competing in the 44th edition of the **Dakar Rally**. **Giacomo Clerici**, Managing Director of Coeclerici Far East Ltd, drove one of the Classic category cars. The company also sponsored the 45th edition, which began on 31 December 2022, in which **Urbano Clerici**, Deputy Chairman and CEO of Coeclerici Commodities SA, competed, **winning no less than five special stages** despite an engine failure.



## Sports initiatives in Kuzbass

Various sports in the Siberian Kuzbass region are supported by the mining site owned by the Group.

In this area, the mine sponsors:

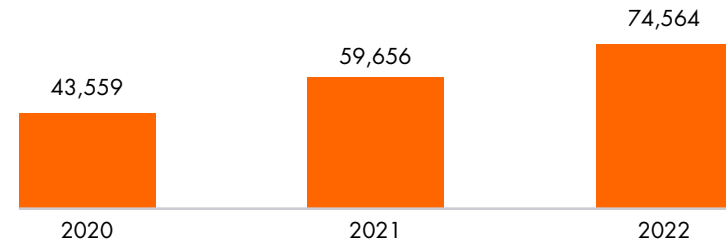
- the 'Murman' professional ground hockey team in Murmansk;
- the 'Kosmos' amateur ice hockey team in Kaltan;
- the 'Complex sport school' youth football team in Kaltan;
- the 'Sport Club Youth of Zapsib' swimming team in Novokuznetsk;
- the Golf Tournament in Rantau.

Among them, the young members of the 'Sport Club Youth of Zapsib' have recently achieved outstanding results, winning national and regional championships and competitions.

In particular, the Group supports the purchase of sports equipment and tickets for children and their families for regional, national and international competitions.



Sports sponsorships (€)





# ENVIRONMENTAL VALUE



**SUSTAINABLE DEVELOPMENT GOALS**  
17 GOALS TO TRANSFORM OUR WORLD







**Energy efficiency and use of energy from renewable sources**

965 thousand GJ

total energy consumption, -25.7% since 2021

80%

rate of replacement of existing lights with LED lights in one of the Industry area facilities

€ 5.5 mln

invested in the renewal of vehicles and machinery with a lower environmental impact for the mining site



**Fight against climate change**

15,768 tons of CO<sub>2</sub>e

direct emissions (Scope 1), -25.7% since 2021

1,719 tons of CO<sub>2</sub>e

indirect emissions (Scope 2), -26.5% since 2021

More than 200 tons of CO<sub>2</sub>e

estimate of avoided emissions thanks to the photovoltaic system installed on one of our Industry area facilities



**Circular economy and waste management**

96%

percentage of waste produced by the mining site sent for recycling

195.5 thousand m<sup>3</sup>

of rainwater collected and reused at the mining site



**Responsible and efficient use of natural resources**

7.5 thousand m<sup>3</sup>

of water used at IMS facilities

2.8 mln m<sup>3</sup>

of purified wastewater from the mining site



**Mitigating the mining site impact**

77 hectares

of mining site land recultivated since 2019

More than 95 thousand

trees replanted since 2019, on restored land

# Environmental policy and certifications

The Coeclerici Group **meets the highest international safety standards with respect to the environment**, in all the countries of the world in which it operates.

**‘People and the environment first’** is the lever that has always guided Coeclerici in pursuing its business. Protecting the environment and improving people’s quality of life are in fact the two main drivers of the Group’s development model, supporting **economic growth and entrepreneurship** whilst ensuring **security and prosperity for future generations**.

Coeclerici, being aware of the responsibilities resulting from the management and development of its business, has undertaken the following initiatives over the years:

- application of the strictest **international protection standards on occupational health and safety**, regardless of less strict local regulations;
- development of advanced technologies and procedures aimed at **reducing environmental risks**;
- **support for the social and economic** realities of the territories in which it operates, respecting local cultures;
- integration and improvement of local knowledge and experience through **continuous training and specialisation programs**.

## Commodities - Mining

As evidence of its commitment to protecting the environment and the health of its workers, the Korchakol mine has obtained the following certifications in recent years:

- **ISO 9001** – Quality Management System
- **ISO 14001** – Environmental Management System
- **ISO 45001** – Occupational Health and Safety.



### A model of excellence

The mining site is one of the first mining sites in Russia to achieve these objectives and represents an **example of excellence in the Green Kuzbass project**, promoted by the Governor of Kemerovo to give a ‘green’ change to the activities carried out in the area. This is an important and concrete milestone in the evolution of sustainable development policies and gives evidence of the company’s **constant commitment to reducing the environmental impact** of metallurgical coal, an irreplaceable source in steel production for the next twenty years.

## Industry

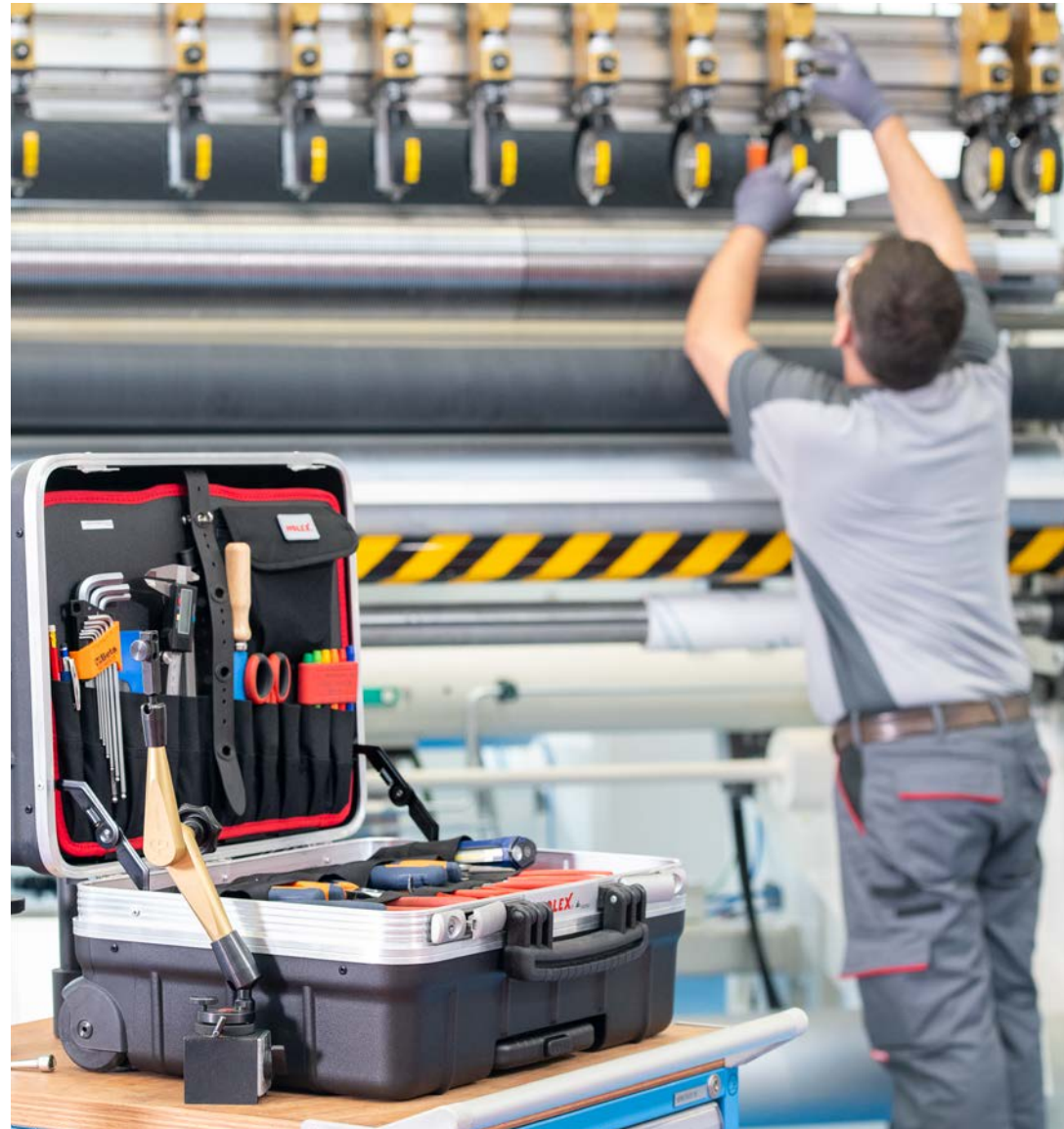
A project is underway that will lead IMS to corporate certification, i.e. to obtaining a recognition certificate attesting to the creation, application and maintenance of a **management and organisational system** that complies with specific international reference standards.

Specifically, processes have been launched at IMS to obtain certifications relating to:

- **ISO 9001** – Quality Management System (by 2023)
- **ISO 14001** – Environmental Management System (by the first half of 2024)
- **ISO 45001** – Occupational Health and Safety (by the first half of 2024).

With a view to meeting separately the requirements of multiple management systems and avoiding the resulting diseconomies from the redundancy of documents and management processes, IMS has adopted an **Integrated Management System** that meets the requirements of all three ISO certifications.

The Integrated Management System is a model that rationalizes the requirements of each system, meeting the requirements of the applicable standards whilst optimizing business costs.



# Energy efficiency and the fight against climate change

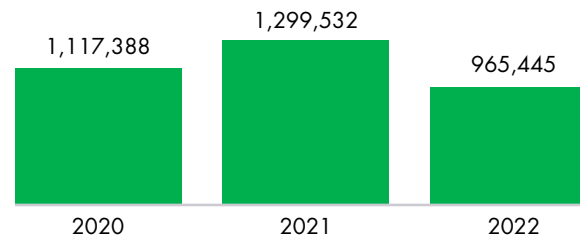


## Energy consumption

In 2022 the Group's **energy consumption** amounted to 965,445 Gigajoules overall, mainly attributable to the Mining division.

Consumption **declined** by 13.6% compared to 2020, in line with the reduction in excavation activities, reflected in the decrease in excavated rock mass (-16.3% since 2020) and in the commodities extracted (-18.8% since 2020).

**Total energy consumption (GJ)**



## Commodities - Mining

### Energy consumption at the mining site

In 2022, consumption at the mining site, equal 946,871 GJ, accounted for **98.1%** of the Group's **total consumption**, with a **13.8% decrease since 2020**, especially linked to the reduction in electricity (-22.7%) and diesel (-14.0%) consumption.

As a result, compared to 2020, the mining-specific **energy intensity index went down by 11.1%**, calculated in relation to *haulage*<sup>5</sup>.

In the 2020-2022 three-year period, a **total of 5.5 million euros were invested in renewing the fleet of vehicles and machinery**, with the aim of reducing consumption and making it more efficient.

2022

# 965,445 GJ

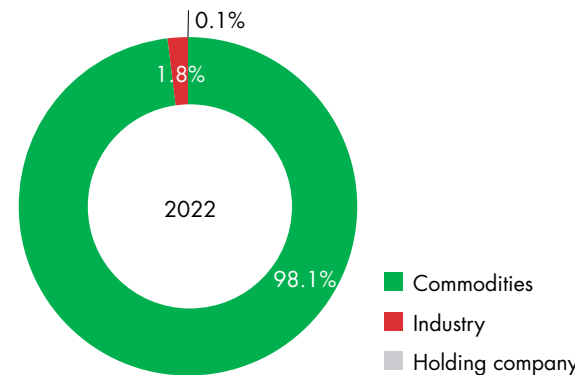
total energy consumption,  
-25.7% since 2021  
-13.6% since 2020

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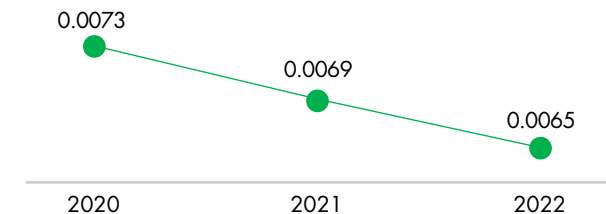
# 98.1%

the impact of consumption of the Mining division for the management of the mining site

**Breakdown of total energy consumption - 2022**



**Energy intensity index (GJ/tons\*km) - Mining**



<sup>5</sup> *Haulage* is the product between the weight of the material transported – rock extracted, soil moved for excavation purposes, rock mass used for the road surface, etc. – and the average distances covered by work vehicles

## Industry

In 2022, energy consumption in the Industry area was equal to 17,547 GJ, down compared to 2020 (-3.4%).

At the same time, compared to 2020, the energy intensity index in the Industry area declined by 55.9%.

IMS has been investing in recent years in **energy efficiency projects and interventions** and in the increased **use of energy from renewable sources**.

In particular, the following actions are under way:

- installation of photovoltaic systems;
- installation of LED lights;
- equipment renewal.

### Photovoltaic systems

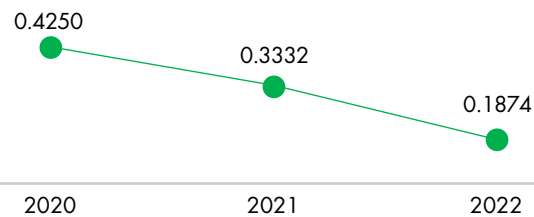
The Group started the construction of a **latest-generation photovoltaic system** on the roof of its Calcinate facility, which came into operation in 2023.

The plant can **cover about a third of the facility's electricity consumption**: its **estimated annual production is 385,000 kWh**, reducing at the same time the company's dependence on energy suppliers as well as CO<sub>2</sub> emissions. It is estimated that **more**

**than 200 tons of carbon dioxide emissions are avoided every year**, corresponding to what is absorbed by more than 10,000 trees.

In addition, photovoltaic panels will be installed in 2024, with an installed power of equal value, on the roof of the new shed to be completed in the course of 2023.

Energy intensity index (GJ/k€) - Industry





### LED lights with low energy consumption

Between 2021 and 2022, a **campaign was launched to replace existing lights with latest generation LED lights with low energy consumption** both inside the facilities of Calcinate and Seriate and in the squares outside the two facilities.

At the **Casale** facility, about **80% of the lights have been replaced with LED lights, with estimated savings of about 34.5 tons of CO<sub>2</sub>**, corresponding to that absorbed by about 1,700 trees.

### New compressor at the Seriate facility

In 2021, an old compressor at the Seriate facility was replaced with a **new state-of-the-art machine equipped with an inverter** which, together with new equipment installed in the Calcinate compressor room, has led to the **reduction of compressed air waste and thus energy consumption**.

IMS is also investing in developing **automatic workplace climate adjustment systems**.



## COMMODITIES

2022

**-13.8%**

energy consumption reduction at the mining site since 2020

**€ 5.5** mln

Invested in the renewal of vehicles and machinery with a lower environmental impact

## INDUSTRY

More than **200** tons of CO<sub>2</sub>e

estimated emissions avoided thanks to the production of renewable energy from the latest-generation photovoltaic system installed in Calcinate

**80%**

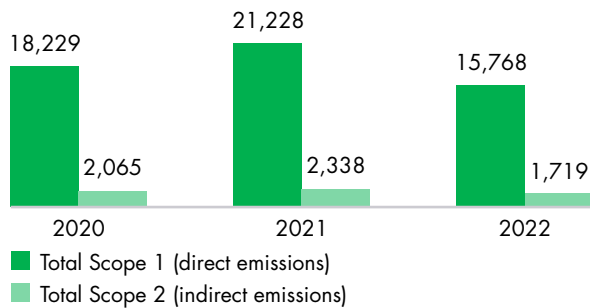
rate of replacement of existing lights with LED lights at the Casale facility



## Emissions

In 2020, the Group launched, along with the reporting project, the **first measurement of its Carbon Footprint**, quantifying the emissions produced by its operations according to the GHG Protocol method, limited to Scope 1 and Scope 2.

**Total direct and indirect emissions (tCO<sub>2</sub>e)**



In 2022, the direct emissions (Scope 1) produced by the Group's activities amounted to **15,768 tons of CO<sub>2</sub>e**, while indirect emissions (Scope 2) amounted to **1,719 tons of CO<sub>2</sub>e**.



### Greenhouse Gas Protocol

The Greenhouse Gas Protocol (GHG) defines the classification of corporate emissions, the quantification methods as well as disclosure guidelines. In particular, the GHG Protocol breaks down greenhouse gas emissions into three main categories depending on their direct or indirect origin with respect to the company's scope:

- **Direct emissions (Scope 1)** – these are direct emissions from sources owned or controlled by the organisation, falling within the organisational boundaries of the company. These emissions are associated with the use of fossil fuels to power company vehicles or boilers for space heating or for production. They also include emissions deriving from proprietary means of transport powered by fossil fuels, as well as those deriving from the loss of refrigerant gases from cooling systems.
- **Indirect emissions (Scope 2)** – these are indirect emissions generated in the production of electricity purchased from the grid and consumed by the Group. They also include any steam or heat purchased from district heating.
- **Indirect emissions (Scope 3)** – these include indirect emissions resulting from the Group's activity, coming from sources outside its scope but within its value chain. These emissions are generated both upstream and downstream. For example, they include emissions from: goods/services purchased; employee mobility and business travel; waste disposal.

Both Scope 1 and 2 showed a reduction over the three-year period, equal to -13.5% for Scope 1 emissions and -16.8% for Scope 2 emissions. The **reduction in emissions is mainly attributable to lower energy consumption** (electricity and fuel) **of the Mining division**.

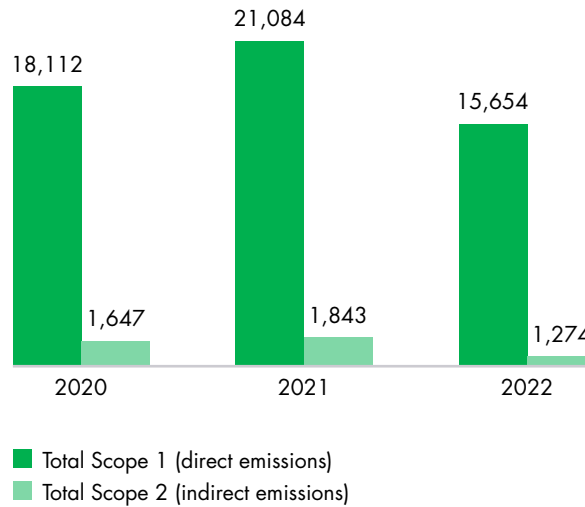
**15,768** tons of CO<sub>2</sub>e<sup>2022</sup>  
 direct emissions (Scope 1),  
 -25.7% since 2021  
 -13.5% since 2020

**1,719** tons of CO<sub>2</sub>e  
 indirect emissions (Scope 2),  
 -26.5% since 2021  
 -16.8% since 2020

## Commodities - Mining

The activities **of the mining site** represent the **main source of the Group's emissions**: they account for 99.3% of direct emissions (Scope 1) and 74.1% of indirect emissions (Scope 2). The Trading division, on the other hand, accounts for a negligible share of emissions: 0.0% of direct emissions (Scope 1) and 0.6% of indirect emissions (Scope 2).

**Total direct and indirect emissions - Mining (tCO<sub>2</sub>e)**



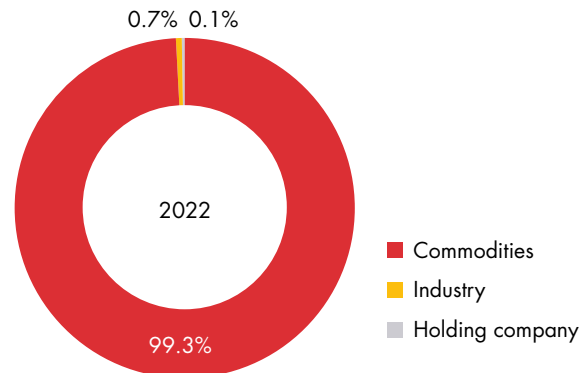
2022

**99.3%**  
impact of the Mining division's emissions on total direct emissions (Scope 1)

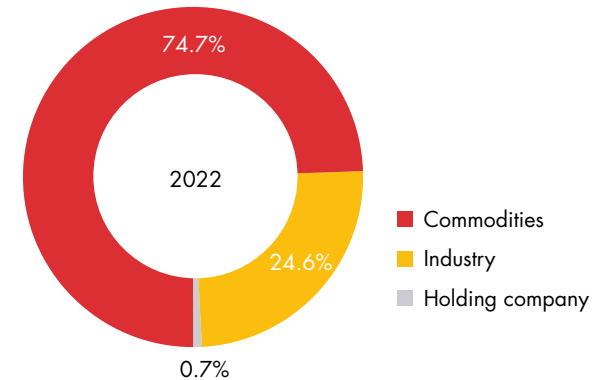
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**74.1%**  
impact of the Mining division's emissions on total indirect emissions (Scope 2)

**Breakdown of Scope 1 emissions - Group**



**Breakdown of Scope 2 emissions - Group**



The improvement in emission figures over the three-year period is mainly attributable to lower electricity and fuel consumption – directly proportional to the amount of rock mass excavated for mining (-16.3% since 2020) – which resulted in a 13.6% decrease in direct emissions (Scope 1) and in a 22.7% decrease in indirect emissions (Scope 2).

The reduction in emissions from the mining site, however, is limited by the impossibility of using energy from renewable sources – due to the characteristics of the geographical context – and by the absence of low-emission excavation equipment on the market.

For this reason, the Group is exploring the possibility of implementing an action plan providing for the gradual compensation of annual CO<sub>2</sub> emissions, whilst continuing its search for the best technologies.

## Industry

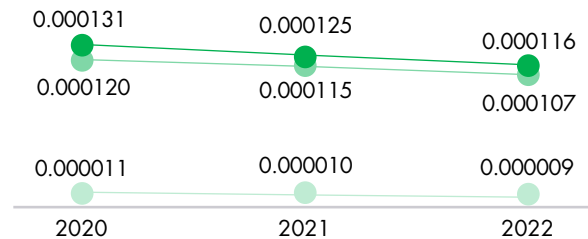
The Industry area accounts for 0.7% of direct emissions (Scope 1) and for 24.6% of indirect emissions (Scope 2) of the Group.

The emission intensity of IMS, calculated as the ratio between emissions and turnover, recorded a steady decrease over the 2020-2022 three-year period. The intensity of direct emissions (Scope 1) fell by 56.7% and the intensity of indirect emissions (Scope 2) by 51.2%.

The improvement in emission figures over the three-year period is due to a significant increase in turnover (+119%) and a 5.2% reduction in direct emissions (Scope 1) compared to a 7% increase in indirect emissions (Scope 2).

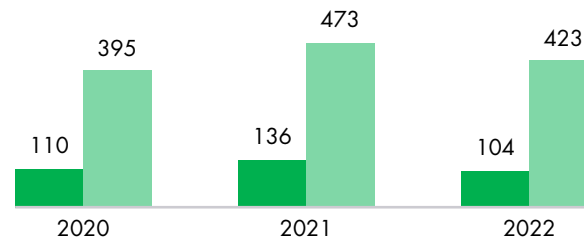
Emission intensity index - Mining

(tCO<sub>2</sub>e/tons \* km)



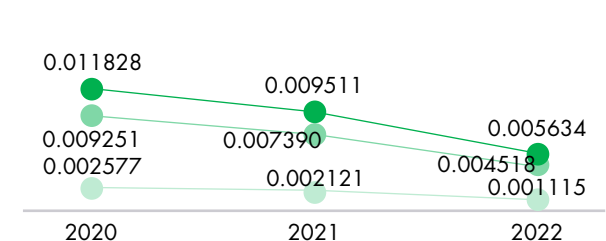
- Emission intensity index Scope 1
- Emission intensity index Scope 2
- Total emission intensity index

Total direct and indirect emissions - Industry (tCO<sub>2</sub>e)



- Total Scope 1 (direct emissions)
- Total Scope 2 (indirect emissions)

Emission intensity index - Industry (tCO<sub>2</sub>e/k€)



- Emission intensity index Scope 1
- Emission intensity index Scope 2
- Total emission intensity index

# Circular economy and waste management



Given the peculiarities of the two business areas, this topic is reported through specific focus sections rather than in a consolidated way.

## Industry

In 2022, the total waste produced by IMS facilities in Italy amounted to **600,788 kg**, a substantially stable value since 2021 (+0.3%) and an increase compared to 2020 (+16.7%).

- In particular, the increase recorded last year was due to:
- the relocation of processes previously carried out at the German facility in Darmstadt in 2021
  - the resulting increase in annual production hours of the sites

- the increase in the number of ferrous shavings produced in the facility, due to an increase in the production of moulds by the Moulding division.

In 2022, **77% of waste consisted of non-hazardous waste**, with a 3.9% reduction in hazardous waste production since 2021 and a 25.6% increase compared to 2020.

Hazardous waste – managed in accordance with regulatory requirements – consists mostly of paints, lubricating oils, solvents, emulsions and solutions for machinery, i.e. **products used in production processes**.

INDUSTRY

2022

**600,788 kg**

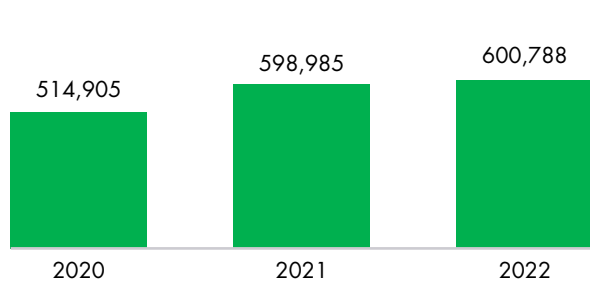
waste produced, in line with 2021

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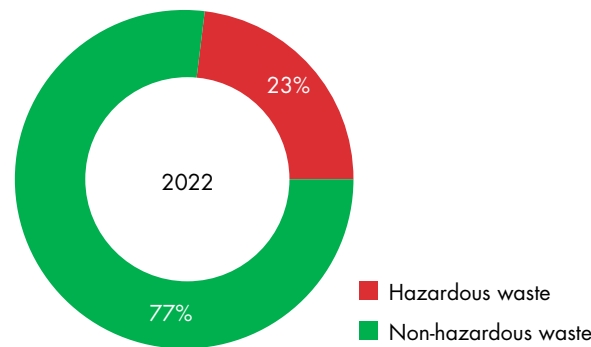
**77%**

of non-hazardous waste out of the total amount of waste

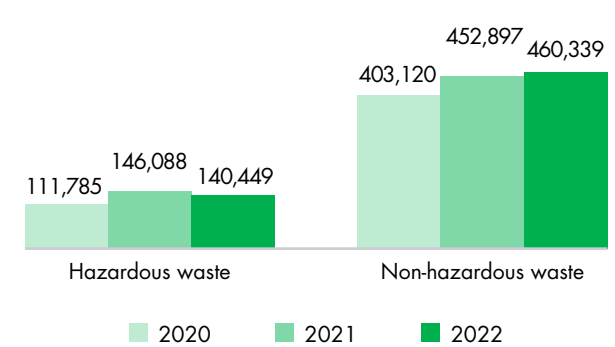
**Total waste produced - Industry (kg)**



**Type of waste produced - Industry**



**Waste produced by type - Industry (kg)**



## Commodities - Mining

### Waste produced by mining

In 2022, the waste produced during the entire mineral extraction cycle – which represents a residual part of treated and managed waste<sup>6</sup> – included **vehicle spare parts** accounting for 48% of total waste, followed by iron and metal residues (29% of the total) and the category of oils, paints, fuels and other chemical products, which – accounting for 16% of total waste – require special attention in their management and disposal.

<sup>6</sup> Most waste materials are related to the preparation of the excavation site, in particular rock mass extracted following blasting and soil excavated to reach the appropriate level for the extraction of raw materials.

In 2022, **96% of the waste produced by mining was sent for recycling**, using an external company. Only **4% of waste was sent to landfill disposal**, in a constant proportion over the three-year period.

### COMMODITIES

2022

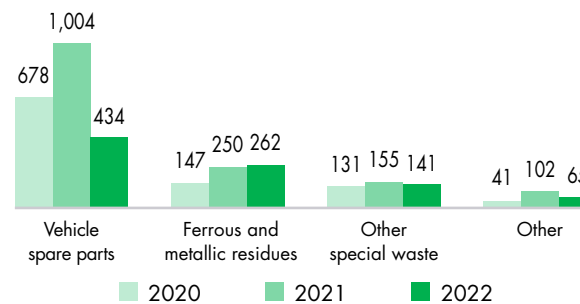
**901.6 tons**  
of waste produced

**96%**  
of waste produced sent for recycling

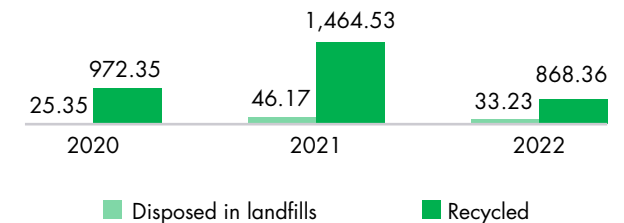
**48%**  
of waste deriving from vehicle spare parts



Waste produced by type - Mining (tons)



Waste produced by final destination - Mining (tons)





# Responsible and efficient use of raw materials and other materials



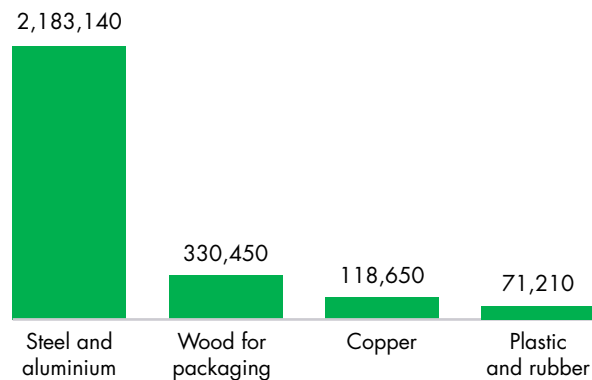
Given the peculiarities of the two business areas, this topic is reported through specific focus sections rather than in a consolidated way.

## Industry

### Materials used at IMS facilities

At the Calcinatè, Casale and Seriate facilities, **the most used materials are aluminium and steel**, which are used for machinery construction. Alone they account for 92% of the total final weight of the products sold.

**Materials for machine manufacturing and packaging - Industry 2022 (kg)**



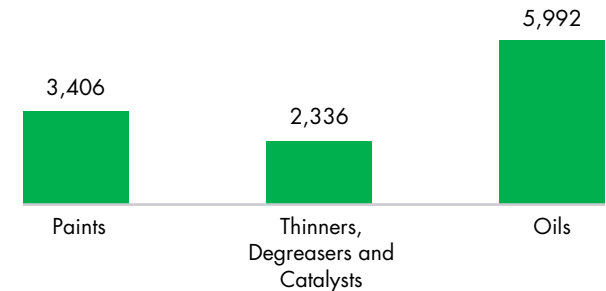
The other materials used are **copper** – used for all electronic components and internal cables (about 5% of the total) – plastic or rubber **materials**, and **wood, used for packaging finished products**, the quantity of which varies over the years depending on the number of machines sold and their type.

A less substantial impact from a quantitative point of view – though equally significant in the light of the complexity of their use, management and disposal – is that of **process materials** – paints, thinners, degreasers, catalysts and oils – used in various stages of the production process.

The most impactful category of process materials is that of **lubricating oils**, which are used to lubricate and cool machinery, accounting alone for 51% of process materials, followed by **paints** (29%) and other materials (20% of the total).

In order to reduce production-related pollutant emissions, IMS is progressively replacing solvent-based paints with water-based paints.

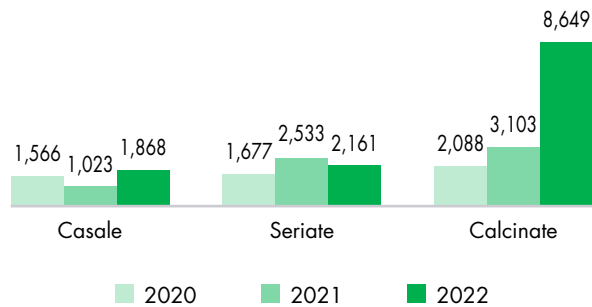
**Other materials used in the production process - Industry 2022 (kg)**



### Use of water at IMS facilities<sup>7</sup>

In 2022, water consumption at IMS facilities amounted to **12,676 m<sup>3</sup>**, more than double the figure of 2020 due to a significant water leak at the Calcinate facility. Excluding the leak and considering the pandemic of 2020 and 2021, facility consumption showed limited changes over the three-year period.

**Water consumption at IMS Technologies facilities - Industry (m<sup>3</sup>) \***



\* Consumption shown in the graph is the result of estimates.

<sup>7</sup> Casale's water consumption for 2020 was calculated by reparametering consumption until 30/04 compared to the rest of the year.

### Commodities – Mining

#### Mining site water withdrawals

In 2022, water withdrawals at the mining site amounted to **21,360 m<sup>3</sup>**, an increase compared to the previous two years following the commissioning of a new well to carry out maintenance and cleaning operations necessary to make vehicle use more efficient and reduce the related consumption.

Fresh water is extracted from **underground wells** in the 'Barsuchiy' and 'Barsuchiy-1' subsoil sites both for the supply of drinking water and for technological water supply to plants.

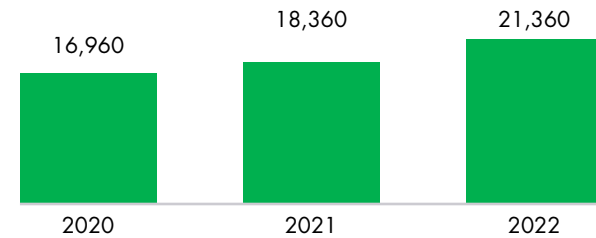
The extracted water is used **both for domestic needs** – canteen, showers, laundry, health care centre and local irrigation – and **for ancillary needs** – such as the boiler, unaccounted processes and inside garages.

**Well management and maintenance** – i.e. removal of sediment and waste inside each pumping column – is carried out by a third party organisation to which all maintenance activities have been outsourced.

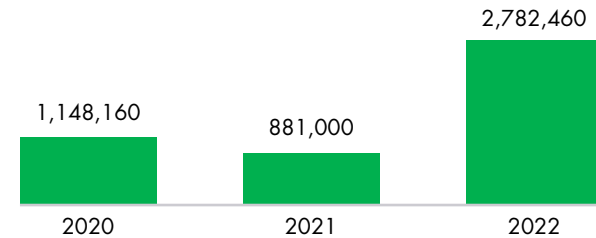
### Wastewater

Every year, large quantities of wastewater are collected near the mining site, which are **sent to treatment plants before being returned to the environment**. In 2022, **2.8 million m<sup>3</sup>** of water were collected and sent for treatment, an increase compared to the past due to operational needs resulting from the expansion of excavations.

**Water withdrawals - Mining (m<sup>3</sup>)**



**Wastewater sent for treatment - Mining (m<sup>3</sup>)**



Surface wastewater and water from excavations are conveyed to treatment plants and, after being purified, are used as a **source of technological water supply** throughout the mining site or discharged through a special pipeline **into the Bezimyanni stream**, a tributary of the Tailep River.

In particular, purified wastewater is used for **irrigation** to reduce dust related to:

- the road seat
- mining area during excavation
- controlled flares and blasting at the mining site
- landfill surface areas.

The capacity of the **treatment plants** used by Coeclerici is 3,772 m<sup>3</sup> per hour and the total volume of wastewater discharge must not exceed 8.2 million m<sup>3</sup> per year: these limits are not exceeded by the Group.

The volume of discharged wastewater is recorded daily to make sure that the **required standards are maintained** and to ensure compliance with the **actual concentration of pollutants** in outgoing wastewater, as established by the authorisation issued by the Federal Service for the Supervision of Natural Resources.

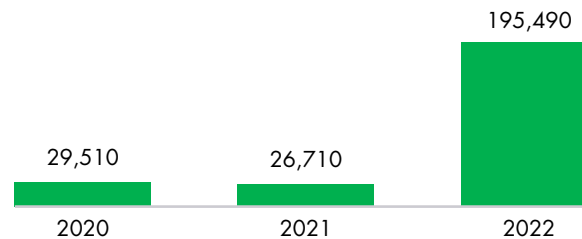
At the wastewater discharge site – near the Bezimyanni stream – the water must meet the standards established for the water bodies of the Ob River basin, as defined by the Federal Service for Water Resources.

### Reuse of rainwater

In addition to wastewater, rainwater is also collected and used as a **source of technological water supply**. This water is mainly reused to wash roads and the mining site during extraction operations in order to reduce dust, especially during warmer months.

In 2022, **195,490 m<sup>3</sup>** of rainwater were used, an increase compared to previous years due to the extension of dusty surfaces.

**Use of rainwater for operations - Mining (m<sup>3</sup>)**



# Mitigation of mining site impacts and protection of biodiversity



Reporting on this issue concerns only the activities related to the management of the mining site in the Commodities area.

## Commodities – Mining

### Excavation and opening of new mining seams

One of the activities with the greatest environmental impact, related to mining and excavation operations and carried out before mining operations – is ground preparation and the opening of new extraction seams.

Good management of this phase is essential both **to protect biodiversity** and **to maintain** and **return the mining area** to the territory and to the community **once mining has been completed**.

### Material produced by stripping activities

Most waste materials resulting from mining are represented by the **rock mass taken from the mining site in the excavation process**, during mineral extraction.

Last year the volume of stripped rock mass from sites decreased by 16.3% compared to 2020, dropping to the lowest figure over the three-year period, after the peak reached in 2021 due to the opening of a new mining vein.

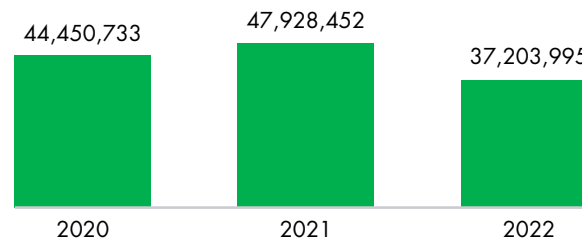
**No disposal or recovery process is envisaged for excavated rock mass.** After being extracted, they are **stored near the extraction point so that they can be reused** in coverage and recovery processes.

To evaluate **the efficiency of mining activities** and better understand the trend of data, the stripping ratio<sup>8</sup> trend over the last three years needs to be examined.

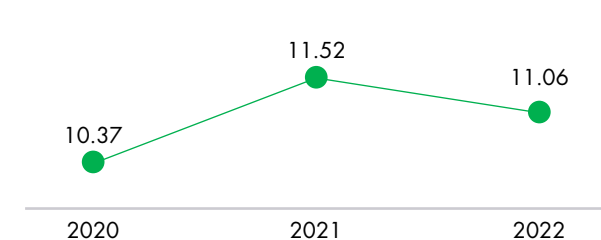
The trend of the index shows a 6.7% increase over the three-year period, with an average figure of 11.0 m<sup>3</sup> of rock removed for each ton of extracted raw material.

<sup>8</sup> In surface mining, the stripping ratio refers to the volume of material that must be removed to extract a given amount of ore. The units identifying the stripping ratio may vary depending on the type of mine. As for specifically the mine managed by the Group, it consists of the ratio between the volume of excavated rock mass and the weight of the commodities extracted.

Stripping volume (tons)



Stripping ratio (m<sup>3</sup>/tons)



**Waste from excavations must be removed in a specific manner and must be suitably stored,** depending on its characteristics and the type of soil, in such a way that it can be later reused for recovery operations, in particular with regard to the vegetative layer of soil.

The same type of steps must be taken in relation to **deforested land in the areas surrounding the mining site.** The possible expansion of the extraction point or the commencement of new excavation points have an impact on existing vegetation that will be restored at the end of mining operations.

In the 2020-2022 three-year period, a wooded area of 270,400 square meters was removed, to be **duly restored.**

### *Morphological restoration of excavation areas*

Coeclerici has always been attentive to the **morphological and biological restoration** of excavated areas. The **recultivation of mining land** previously removed and excavated is a fundamental and mandatory operation, which takes place by reusing the soil removed during excavation and site preparation.

In 2019, out of **230.3 m<sup>3</sup>** of excavated soil, Coeclerici reused **238.8 m<sup>3</sup>** of it for the morphological restoration of an area no longer used for mining. In fact, part of the soil preserved from previous years was added to the extracted land awaiting recovery (**21.0 m<sup>3</sup>**).

Following land covering and restoration, the Group proceeds with **replanting**, in order to re-establish the pre-mining ecosystem of existing forests: **biodiversity is thus restored** both from a faunal and vegetative point of view.

In 2019, **77 hectares of land** were recultivated and **95,560 thousand trees were planted in territories previously used for mining**, which were then taken care of over the 2020-2022 three-year period.

The mining site is regularly checked by authorities in relation to compliance with environmental regulations. In the 2020-2022 three-year period, the site was considered **compliant with all morphological restoration obligations.**



### The vegetative layer (top soil) and the ground below

**Top soil** is the surface layer of soil containing the roots in which all **water, gas and nutritional exchanges take place between plant roots and the surrounding underground environment.**

It is therefore essential to protect this part of the soil to make sure that **biodiversity is maintained and protected.** For this reason, mining companies are required to preserve, treat and **restore** this part of soil extracted during excavations and the opening of new seams.





# ECONOMIC VALUE



**SUSTAINABLE DEVELOPMENT GOALS**  
17 GOALS TO TRANSFORM OUR WORLD





### Business resilience

€ 90.2 mln

EBITDA (earnings before interest, taxes, depreciation and amortisation), +71% since 2021

€ 67 mln

value of investments in business expansion and diversification projects since 2020



### Creation and distribution of value to stakeholders

€ 1.4 bn

economic value generated by the Group, more than tripled since 2020

90.6%

of economic value redistributed to stakeholders



### Responsible management of the supply chain

The contracts concluded by the Trading Division include clauses related to the commitment of Coeclerici, customers and suppliers to respecting human rights

# Economic performance of the Group and business resilience

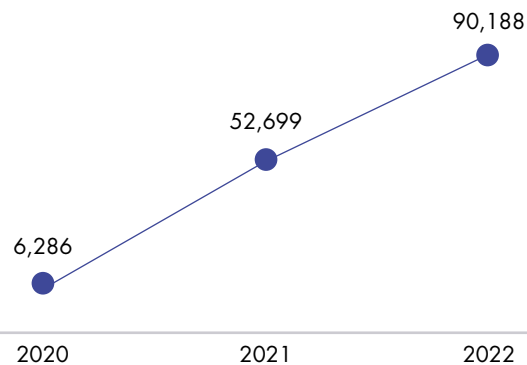


In 2022, the Coeclerici Group generated **significant operating margins**.

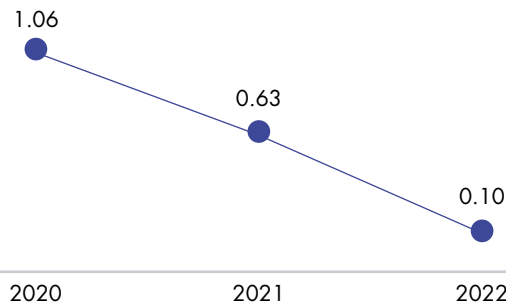
The 2022 financial year was characterised by the **excellent performance of the Commodities area**, with significant operating margins for both mining and trading, whose profitability reached an **all-time high**. Despite the reduction in the tonnage handled, good sales policies allowed the area to improve the quality of operations.

On the contrary, the Industry division – despite a significant increase in sales – recorded a negative net result, due to significant **increases in the cost** of raw materials, components and energy, which affected the marginality of the machinery sold and, consequently, profitability.

**EBITDA** (thousands of euros)



**NFP/Equity Index**



2022

**€ 90.2 mln**

EBITDA (earnings before interest, taxes, of depreciation and amortisation)

**€ 77.7 mln**

EBIT (earnings before interest and taxes)

**€ 48.5 mln**

net profit for the year

**€ 1.4 bn**

economic value generated by the Group, more than tripled since 2020

**€ 1.3 bn**

economic value distributed to stakeholders, 90.6% of the value generated

## Investments

In the 2020-2022 three-year period, the Group **invested 67 million euros**. The main investments concerned:

- The **new Calcinate facility for IMS Technologies**, worth about 6.5 million euros, bringing the number of facilities in the business area to four. The work is expected to be completed by the end of 2023. In addition to technical equipment, machinery and photovoltaic panels for roof coverage, with a view to future expansion, a much larger area than the 5,500 m<sup>2</sup> occupied by the facility was purchased.
- The **participation in the Australian start-up Vecco Group PTY Ltd**, which is active in the sustainable production and processing of **vanadium** for batteries. As of 2023, the Group's total investment was 2.8 million euros (5% stake).
- **BEF Biosystems**, an **innovative biotechnology company** specialized in insect breeding, in the production of technology for the management of their life cycle and in the production of derivatives intended for animal nutrition. Coeclerici S.p.A. invested 1.5 million euros in 2022, obtaining a 13.4% stake in its share capital.

The remaining part was allocated to systems and machinery to improve the production efficiency of the mining site.

**Over the three-year period, investments totalled 67 million euros.**



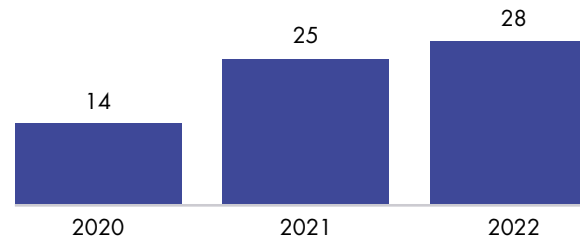
### Circular economy for a sustainable agricultural supply chain: Bef Biosystem

In 2022, Coeclerici invested 1.5 million euros to acquire 13.4% of the share capital of **BEF Biosystem**, an innovative **biotechnology company** specialized in **insect breeding**, in the production of technology for the management of their life cycle and in the **production of derivatives intended for animal nutrition**.

BEF Biosystem was founded with the objective of creating a participatory **agro-sustainable supply chain** helping to **reduce food waste and waste in general**, while making human and animal nutrition more sustainable.

The innovative project involves the establishment of a **circular network of companies** engaged in breeding the 'soldier fly' (*Hermetia Illucens*) to be used for the production of animal feed. BEF Biosystem provides network farms with the larvae to raise, the technology necessary for the entire growth process and insect nutrition products by **recovering waste materials from the plant production** of other companies. The farms within the network provide the energy needed to power the breeding systems, drawing on their **biogas** plants. Once the growth process is complete, BEF Biosystem collects the larvae, processes them and sells them to companies in the food supply chain.

Investments (mln €)





# Creation and distribution of economic value to stakeholders

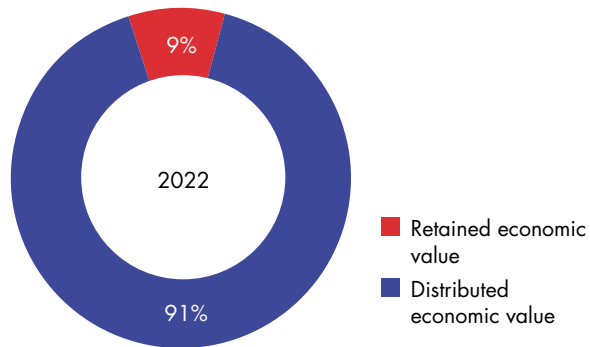
In 2022, the economic value generated by Coeclerici was equal to € 1.4 bn, more than tripled compared to 2020.

Revenues from sales and services are the main growth factor.

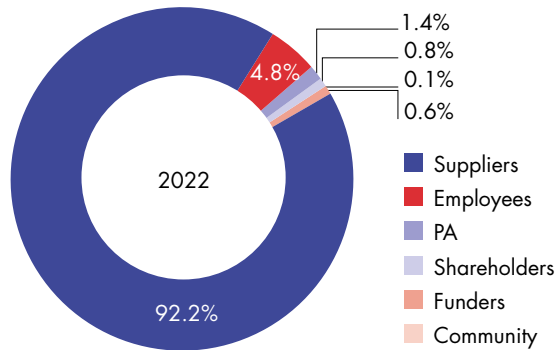
For the **Commodities** area, revenues posted a strong increase thanks to the increase in commodity reference indices. For the **Industry** area, instead, the increase in revenues was due to the increase in orders and production volumes, in particular for the Converting division.

Economic value generated and distributed (thousands €)	2020	2021	2022
<b>Economic value generated</b>	<b>415,791</b>	<b>655,340</b>	<b>1,417,762</b>
Revenues from sales and services	412,308	652,849	1,428,640
Other revenues	5,403	1,449	1,414
Financial income and interest	253	102	360
Foreign exchange gains and losses	-2,173	940	-12,652
<b>Distributed economic value</b>	<b>416,260</b>	<b>609,744</b>	<b>1,284,218</b>
Suppliers	358,928	537,885	1,183,842
The people of Coeclerici	46,503	50,821	62,228
Public Administration	-683	10,885	18,231
Funders	5,344	5,185	8,329
Community	1,168	968	1,588
Shareholders	5,000	4,000	10,000
<b>Retained economic value</b>	<b>-469</b>	<b>45,956</b>	<b>133,544</b>

Retained and distributed economic value



Retained and distributed economic value



In 2022, the economic value distributed to stakeholders was equal to 90.6% of the value generated. In particular, most of the value was allocated to suppliers (92.2%), while the rest to staff (4.8%), the Public Administration (1.4%), shareholders (0.8%), funders (0.6%) and the community (0.1%).

# Responsible supply chain management



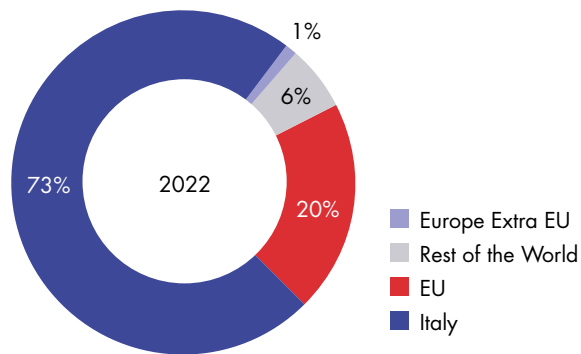
Overall, in 2022 the Coeclerici Group's **supply expenses** amounted to **1,209.3 million euros**.

Each business area manages its supply chain autonomously. This chapter summarises the main characteristics of supplies in terms of **geographical origin of suppliers** and **procurement processes**.

## Industry

In 2022, IMS used 1,455 suppliers. Of these, **73.4% come from Italy**.

Suppliers by geographical area - Industry



## Procurement process

About 90% of IMS suppliers are **long-standing suppliers**.

IMS is committed to achieving **a high level of performance by its suppliers**, through specific policies regulating controls at their headquarters, inspections and timely checks in order **to monitor their quality levels** and ensure working and safety conditions aligned with the highest national and global standards.

Since there is currently no structured list of suppliers, these are qualified through the registry, according to a 'reasonable man' standard, which is used to carry out checks on suppliers' compliance with regulations and their adherence to the Group's values.

A Register of Supplies is expected to be created in the coming years in order to standardize the process of supplier enrolment and qualification, supported also by ongoing certification processes.

## INDUSTRY

2022

**1,455**

suppliers, 73.4% based in Italy

## Being launched:

the implementation of the supplier portal

## COMMODITIES

**144**

suppliers of the Mining division, 85% based in Russia due to the local nature of many procurement processes connected to the mining site

**74**

suppliers of the Trading division, 96% based in non-EU European countries

**All** suppliers are required to comply with the Group's Code of Ethics

## Digitization of the supply chain

Digitization is one of the pillars on which the growth of IMS is based. To be able to operate efficiently and effectively, the most innovative and cutting-edge methods must be adopted, in particular within three main areas:

- **Digitization of the supply chain** – i.e. digital supply management – to allow for the exchange of information through systems and minimize the risk of errors by reducing interactions between people. This is possible thanks to the use of software that exchanges information, data and drawings, avoiding manual procedures that involve greater possibilities of human errors and additional costs for the company.



### IUNGO The supply chain management platform

IMS has implemented IUNGO, the **supply chain management platform** that helps companies digitize their purchasing processes via the lungoMail technology. The platform was first used by the company in 2019 in its 'light' version, but this did not allow for many of the **upgrades currently being implemented and under development**.

The platform is a complete communication tool that can provide **greater effectiveness to the purchasing team, reducing the time needed to manage suppliers** in many of the most routine activities.

The IUNGO platform has many advantages; for example, buyers:

- have visibility of all purchase orders in a single *dashboard*
- have evidence of orders that must be managed through a colour legend
- always know whether the order has been seen by the supplier, thanks to a confirmation check
- can send the order to the supplier automatically
- can send automatic reminders to the supplier
- can easily and quickly export information within their management system.



### Supplier Portal

During 2022 the Supplier Portal was implemented, namely a **platform for the exchange of data** between IMS and the supply network with which to share the PE2 system for **archiving** and **managing drawings** and the JDE management system. Suppliers can find in the Portal all the orders issued to them and can select and download the relevant drawings.

This tool **will reduce the time** for sending and managing purchase orders, will minimize the possibility of typos and will provide suppliers, where available, with formats suitable for the most advanced CAD/CAM systems. Reliability **tests** are underway on the system in order to release it into production in the first months of 2023.

- **Digital management of suppliers' warehouses**, in order to improve their efficiency and minimise, also in this case, errors and waiting times associated with each operational phase
- **Sensitivity in the selection of new suppliers**, focusing on suppliers offering innovative solutions in line with the Group's development objectives, i.e. suppliers that adopt remote machine control solutions and have started a digitization process consistent with that of Coeclerici.

## Commodities – Mining

In 2022, the Mining division used 144 suppliers. Most supplies are **related to the purchase of commodities from third parties (48.2%)** – aimed at creating blends for specific customer needs – and to the **expenses incurred for the transport and logistics of raw materials** extracted from the mine (32.5%), which include both road transport to the train station and rail transport to the Murmansk port.

Due to the **local nature of many supply processes**, most of the division’s suppliers are Russian companies.

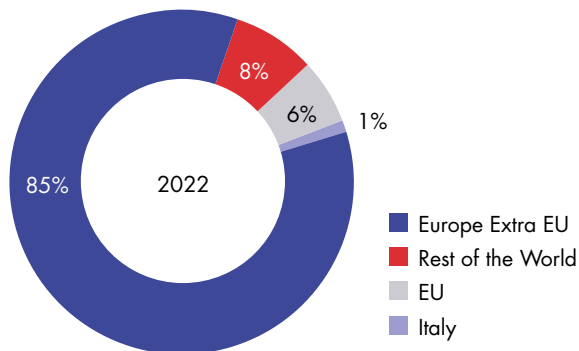
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### Value of supplies

The value of supplies in this business area can be influenced by several factors, including:

- the **volume effect** – which influences the amount of raw materials that need to be purchased from third parties and the related transport costs
- the **commodity price effect** – a change in the purchase price significantly influences the final cost
- the **ruble/dollar exchange rate effect** – a fluctuation in the exchange rate significantly influences the purchase costs of commodities and transport
- the **place of sale effect** – the place of sale significantly affects transport costs, based on the distance to be covered
- the **mode of transport** adopted – if the cost is borne by the purchaser (freight forward), it does not appear in the representation that has just been noted.

### Suppliers by geographical area - Mining



### Procurement process

The procurement process is a strategic element for the division and involves extensive planning. It starts with a **60-month plan**, defining **how much and how to produce** in the mine. This is a crucial step as it allows for the **analysis and definition of the product sales mix**. These choices **also influence the procurement process of the mining site** – in particular in relation to the purchase of raw materials from third parties – which is essential to create the ideal product blend to be supplied to customers.

In fact, in addition to the extraction of raw materials by the Mining division, the process also **involves purchases from reliable third-party suppliers**. The quality of the product purchased depends on various factors, such as the type that is requested by the market and its destination, as well as on the starting characteristics and those to be achieved for the creation of the ideal mix – such as sulphur content.

Quality is an element that is determined by the customer, with whom **ranges and parameters are defined** which the product must comply with throughout all process stages, from the mine to arrival at the port and up to the final destination.

**Checks are thus carried out to make sure that product quality is not altered** by factors – such as humidity – that may worsen the conditions of raw materials and potentially lead, where the parameters are not met, to the payment of a penalty or to the refund of shipment costs. In the three-year reporting period, there were no cases of shipments reimbursed to the customer due to lower quality than that envisaged.

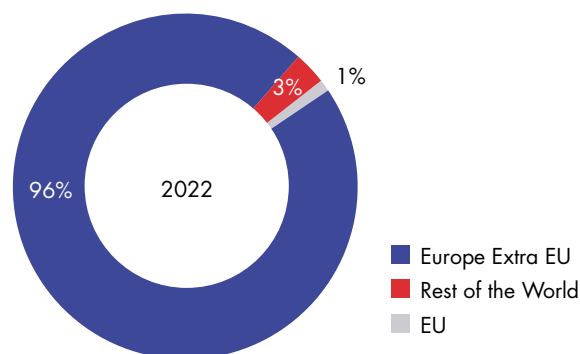
Suppliers are generally selected by launching tenders.

## Commodities – Trading

In 2022, the division used **74 suppliers**.

**56.8%** of all suppliers are related to the **purchase of commodities** for sale and trade, while **13.5% to transport and logistics costs**. Many suppliers are related to the remaining types of purchases (21.6%) – insurance costs and other ancillary costs – which represent a minimum share of the total value of supplies. **Almost all suppliers come from European countries outside the EU.**

Suppliers by geographical area - Trading



### Procurement process

The division relies on **traders** located all over the world for the collection and exchange of information with other traders, with the aim of identifying market opportunities to buy and resell commodities or act as a broker.

To ensure that the parties involved are trustworthy, an **information verification process** is applied, in which everyone – from the supplying company to the purchasing company or the final consumer – are controlled, allowing for an **evaluation that then leads to the contract for the purchase and sale** of raw materials. Appropriate safeguards are put in place also during the purchase and sale process, either through a **letter of credit** to protect the supplying company or through **credit insurance**, which determines a ceiling for each business transaction and for which an annual premium is paid.

**The contracts concluded by the division also require the supplier to comply with anti-corruption and human rights clauses**, as illustrated in the Group's Code of Ethics.



# GRI CONTENT INDEX



# GRI Content Index

<b>Declaration of use</b>	This Sustainability Report gives the following GRI disclosures for the 01/01/2020 - 31/12/2022 period for the company Coeclerici S.p.A., with reference to GRI Standards.
<b>GRI 1 used</b>	GRI 1 - Fundamental Principles - 2021 version

GRI STANDARD	DISCLOSURE	PAGE	
GRI 2: General Disclosures 2021	2-1 Organisational details	Pages 13 - 21	
	2-2 Entities included in the organisation's sustainability reporting	Pages 13 - 21	
	2-6 Activities, value chain and other business relationships	Pages 9 - 19, 38 - 50	
	2-7 Employees	Pages 51 - 66	
	2-8 Workers who are not employees	Pages 51 - 66	
	2-9 Governance structure and composition	Pages 22 - 24	
	2-11 Chair of the highest governance body	Page 23	
	2-14 Role of the highest governance body in sustainability reporting	Page 27	
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**IDENTITY AND GOVERNANCE**

**SUSTAINABILITY, ETHICS AND INTEGRITY**

**SOCIAL VALUE**

**ENVIRONMENTAL VALUE**

**ECONOMIC VALUE**

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COECLERICI SPA  
PIAZZA GENERALE ARMANDO DIAZ, 7  
20123 MILAN  
TEL. +39.02.62.469.1  
WWW.COECLERICI.COM  
sustainability@coeclerici.com





