



# SUSTAINABILITY REPORT

2024 —————



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## Letter from our President

Dear Stakeholders,

Today, with more than fifty years of history and an international presence, we are a global player with deep roots in the Italian territory — a source of constant inspiration and responsibility for us.

Our story began in 1954, thanks to the vision of my father, Ferdinando Pasotti, who transformed war remnants into a resource by recycling materials to produce iron wheels and axles for agricultural trailers. An idea that, seen through today's lens, can be considered ahead of its time in terms of sustainability, where recycling and reuse are key elements in the product life cycle.

Leonessa S.p.A., as we know it today, was founded in 1971 and represents the productive core of our group, the Leonessa Group.

After years of engagement in major industrial and socio-economic settings, I can confidently affirm that sustainability — understood as the harmonious integration of the three ESG dimensions (Environmental, Social, and Governance) — now represents the new paradigm of responsible competitiveness.

It is no longer a choice, but a necessary condition to face the challenges of our time and build a solid, fair, and innovative future.

That is why we look forward to a sustainable future, where decisions are guided by environmental and social responsibility. Because true progress is not only growth, but growth that respects the world to come.

This vision led to the natural and shared decision to draft our first Sustainability Report.

It is a concrete and inclusive commitment, built thanks to the contribution of all company functions. It reflects our intention to measure our business impact, communicate it transparently, and continuously improve it through clear goals, structured actions, and conscious governance.

For us, sustainability means integrating environmental responsibility, people's well-being, and economic resilience.

It means valuing human capital, passing on our founding values to new generations, believing in their potential, and investing in their growth.

This first report marks the beginning of a journey — a path we aim to enrich year after year, keeping alive the culture of respect that has always guided us: respect for the environment, for our customers, for our suppliers, for our employees, and for the community.

Our purpose — and our wish for everyone — is simple yet powerful: to **keep a youthful perspective and ideas constantly in motion.**

I would like to thank everyone who contributed to this work, especially our internal team, and all of you — stakeholders, partners, clients, and communities — who continue to believe in us.

Your support inspires us to move forward with determination and passion in building a solid, innovative, and increasingly sustainable company.

Sincerely,



Gabriella Pasotti  
President – La Leonessa S.p.A.

## Leonessa Group

La Leonessa S.p.A. is part of the industrial holding **Leonessa Group** and directly or indirectly controls a number of operating companies specialized in the production and marketing of slewing bearings, steering rings, and components for the agricultural and industrial sectors.

The Group is composed of:

- **La Leonessa S.p.A.**, a manufacturer of slewing bearings and steering rings;
- **Fad Assali S.p.A.**, a manufacturer of agricultural axles, with a secondary branch in Poland for international distribution;

- **La Leonessa of North America Inc.**, a commercial company serving the North American market;
- **F.V. Engineering S.r.l.**, specialized in design and engineering services;
- **La Rocchetta S.r.l.**, active in the real estate sector;
- **Leonessa Bearings Yancheng Co., Ltd**, a Chinese manufacturer of slewing bearings and rings.

The Group operates with a strong international presence, supporting its global customers from the design phase through to the finished product.



# Key Milestones in Our History



Our story began in 1954 with the founding of FAD - Fabbrica Assali e Dischi, established by Ferdinando Pasotti. His pioneering vision led to the reuse of military surplus materials to create iron wheels and axles for agricultural trailers - an early example of circular economy in action.

1954



1971

In 1971, La Leonessa S.p.A. was founded as the productive core of the Group. Over the years, it evolved to become an international benchmark in the field of precision mechanics.

1996 marked an important milestone in terms of quality, with the company obtaining its first ISO 9001 certification.

1996



2004

In 2004, La Leonessa North America was founded as a strategic expansion into the U.S. market.



In the same year, Agri Stefen was acquired.



2012

In 2012, Leonessa Bearings Yancheng was established in China, strengthening the Group's presence in the Asian market.



2010

In 2010, the inauguration of the new hot forging department at the Carpenedolo (BS) plant expanded the Group's production capacity.



2010

In 2010, FAD Assali officially rejoined the Group through a reacquisition.

In 2013, the Group expanded further with the establishment of F.V. Engineering, a company specialized in design and technical development.

2013



In 2022, the Group obtained its first ISO 14001 certification, confirming its commitment to environmental sustainability.

2022



2015

In 2015, the commercial headquarters of Leonessa of North America was inaugurated in Indianapolis, Indiana, to strengthen the sales network and enhance customer proximity in the U.S. market.



2023

In 2023, a new Gleason gear cutting machine was installed, capable of machining up to 3,500 mm in diameter, further expanding the Group's production capacity.

## Basis of Preparation and Methodological Notes

### Company Classification and Voluntary Adoption of the Standard

La Leonessa S.p.A. is the parent company of an industrial group operating globally, with locations in the United States and China.

The company is classified as a **medium-sized enterprise** under Directive 2013/34/EU, as it does not exceed more than two of the thresholds defined for this category — namely total assets, net turnover, and number of employees.

Although not subject to the reporting requirements of the Corporate Sustainability Reporting Directive (CSRD), the company has **voluntarily chosen to adopt the VSME Standard** for the preparation of its first Sustainability Report, recognizing its proportional, practical approach as a valuable tool for clearly structuring its ESG commitment.

This decision reflects the company's intent to structure its ESG approach with **consistency** and **transparency**, by adopting a standard suited to its operational characteristics and aligned in content with the principles of the European Sustainability Reporting Standards (ESRS). It also serves as a step toward future regulatory compliance and a way to strengthen the trust of its stakeholders.

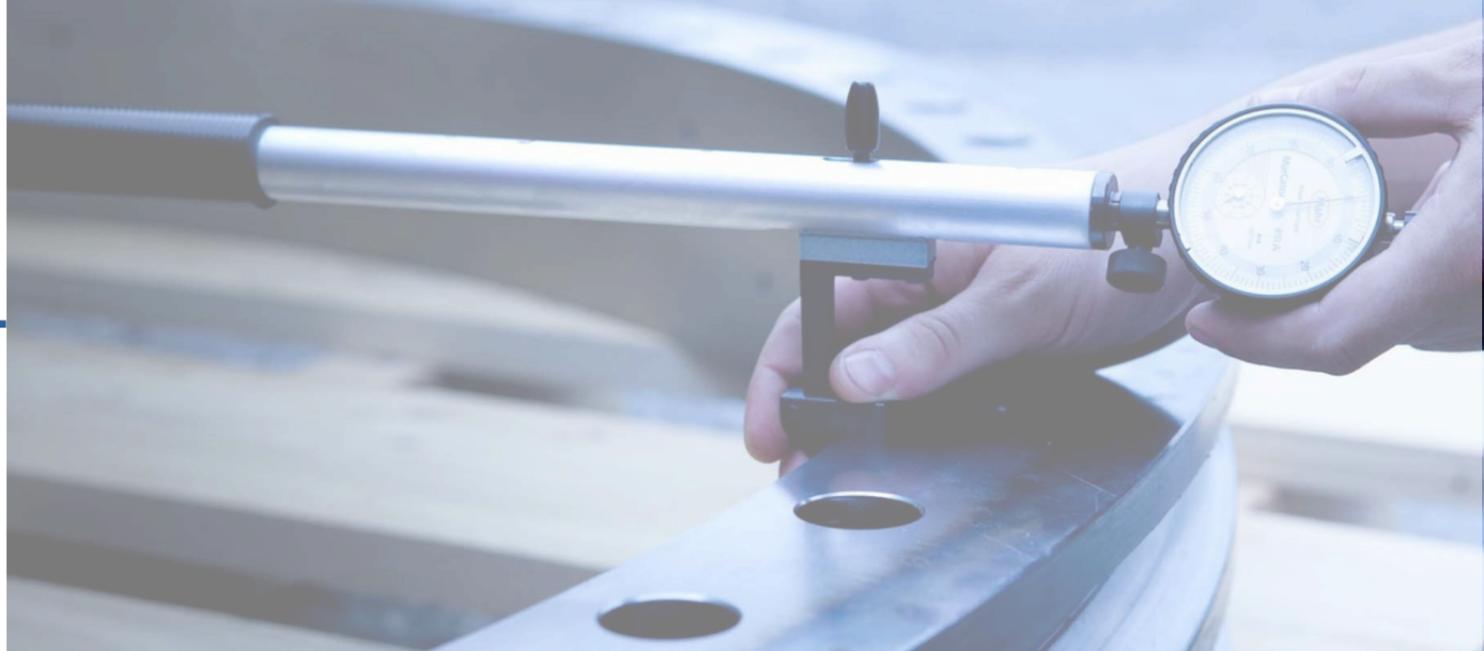
Although it does not have legal value, the VSME Standard helps the company structure its sustainability strategy in a transparent, accessible, and stakeholder-aligned way.

### Module in Use

La Leonessa S.p.A. has adopted **Option B** of the VSME Standard, applying both the Basic Module (metrics B1–B11) and the **Comprehensive Module** (metrics C1–C9), which includes the additional disclosure of qualitative and quantitative information aligned with the expectations of banks, investors, and business partners. The decision to follow the Comprehensive Module reflects the company's commitment to providing a broader, more structured, and transparent representation of its sustainability approach.

As required by the VSME Standard, La Leonessa S.p.A. confirms the full adoption of the Basic Module as a prerequisite for the complete application of the Comprehensive Module. This ensures consistency and a progressive reporting path.

The company also confirms the use, where applicable, of the terms defined in Appendix A of the VSME Standard, in order to ensure interpretative consistency and alignment with the technical terminology set out in the standard.



### Summary of ESG Impacts, Risks, and Opportunities

La Leonessa S.p.A. recognizes that its activities have both **positive** and **potentially negative impacts** on people and the environment. At the same time, environmental and social dynamics can significantly influence the company's **continuity** and **performance** in the short, medium, and long term.

From the internal risk analysis process, several key environmental aspects have emerged:

- **Climate change** represents a concrete risk for the company. Extreme weather events may disrupt the supply chain, delay the availability of raw materials, or block internal production processes. These issues can affect the company's ability to meet delivery times, ensure product quality, and maintain full operational efficiency.
- **Greenhouse gas emissions** from production processes are another area of responsibility that the company aims to address.
- **Rising temperatures** and changing environmental conditions may require greater attention during quality control. Materials and components may react differently, increasing the risk of wear or defects.

In the social and governance areas, the following elements have emerged as relevant:

- **Occupational health and safety** are a strategic priority, along with employee well-being and the development of skills.

- In the area of governance, there is a clear need to **strengthen measures related to compliance, transparency, and ESG risk management** along the value chain.

La Leonessa S.p.A. is therefore committed to:

- defining and monitoring **measurable environmental targets**, such as the reduction of CO<sub>2</sub> emissions;
- requiring the same level of **environmental commitment** across its supply chain;
- enhancing its **operational resilience**, including through the updating of internal emergency plans and the geographical diversification of suppliers;
- progressively integrating **sustainability** into its **strategic assessment** of financial risks and opportunities;
- maintaining a strong focus on health and safety, compliance, and transparency.

These measures, some of which have already been initiated, form the foundation for a solid transition toward a more responsible industrial model — one capable of preserving economic, social, and environmental value over time.

### Methodological Principles and Information Quality

The company is committed to ensuring that all information contained in this Sustainability Report is prepared in accordance with the core principles of the VSME Standard: relevance, accuracy, comparability, clarity, and verifiability.

To ensure **relevance**, the contents have been selected based on their actual impact on the company's environmental, social, and economic aspects, as well as on the expressed or implicit expectations of stakeholders.

The **accuracy** of the information is ensured through an internal data collection and validation process, which directly involves the responsible departments and is consistent with the company's existing management systems.

To promote **comparability**, the report uses indicators aligned with those provided by the VSME Standard and, where possible, with internationally recognized metrics. Data is presented using the same scope and structure to enable comparison across future reporting periods. Clarity has been pursued through the use of plain language, tables, charts, and infographics, along with a structure designed to make information accessible even to non-technical stakeholders.

Finally, **verifiability** is ensured through the traceability of sources, internal supporting documentation, and the possibility to perform checks on the reported information.

### Additional information

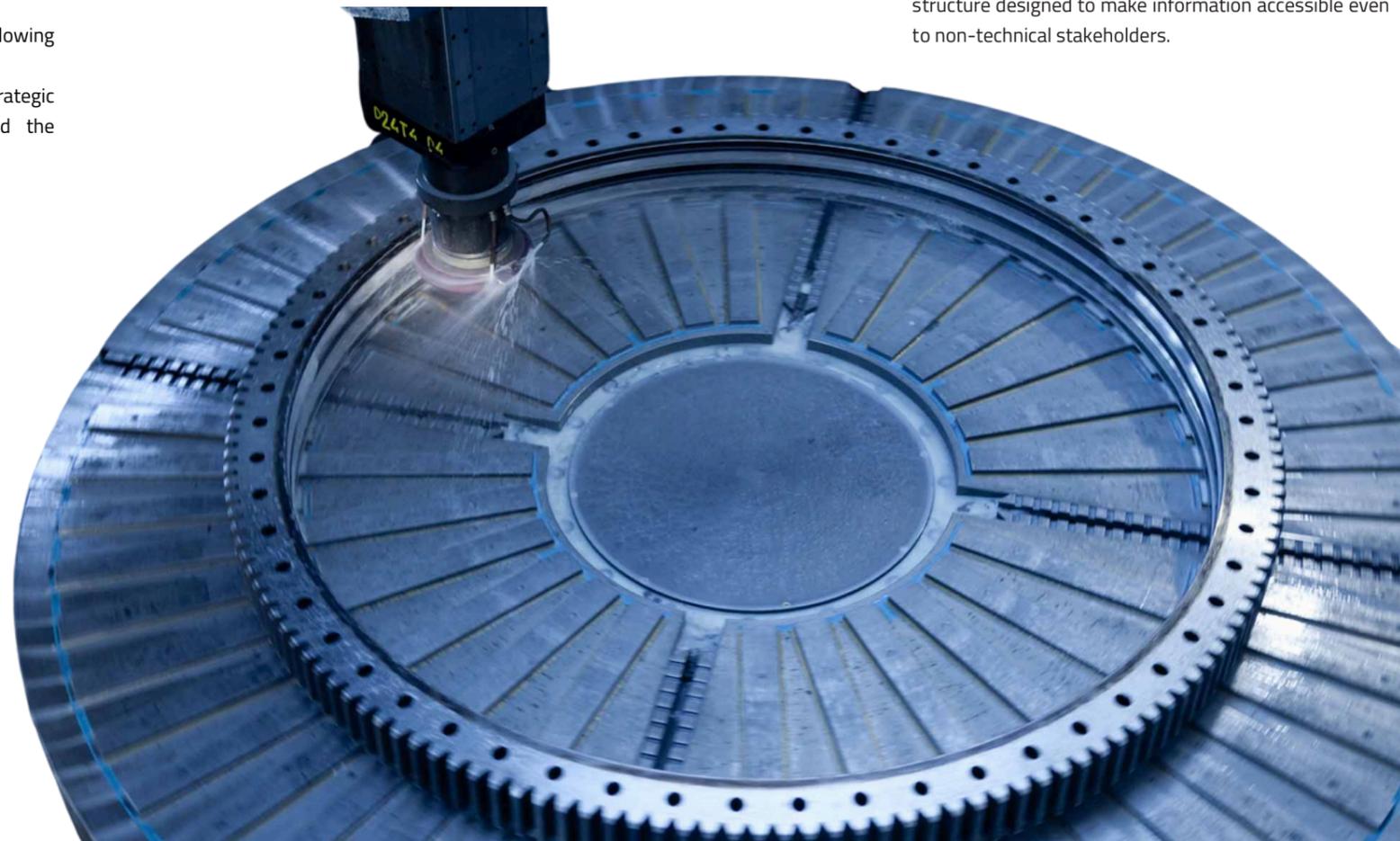
In this Sustainability Report, La Leonessa S.p.A. has chosen **not to include the calculation of Scope 3 greenhouse gas** (GHG) emissions, as complete and verifiable data across the entire value chain is not yet available. However, the company acknowledges the importance of this emissions category and has **initiated a supply chain mapping process**.

This process involves identifying and analyzing suppliers and the various stages of the product life cycle, collecting data on processes, materials, and transportation in order to estimate emissions generated throughout the entire supply chain.

In the meantime, the company has **included selected additional qualitative information** as recommended in Appendix B of the VSME Standard and identified as high priority:

- **Climate change:** The company has recognized the risks associated with extreme weather events, which may disrupt the supply chain, damage facilities and infrastructure, or indirectly impact material quality.
- **GHG emissions management:** The company has already implemented initiatives to reduce Scope 1 and 2 emissions, and has begun mapping and engaging the supply chain to address Scope 3 emissions.
- **Climate and operational resilience:** Internal measures to respond to climate-related events are being updated, with a focus on strengthening emergency plans and diversifying supplier logistics.
- **Product quality and safety:** Extreme environmental conditions may affect material properties, requiring more rigorous quality control measures.

The selection and disclosure of these topics - not mandatory, but relevant to the company's nature and industry sector - reflect La Leonessa S.p.A.'s responsible approach to building a sustainability report that is not only compliant, but also useful and aligned with the industrial reality in which it operates.



### Non-Applicable Disclosures

Some information required by the standard is **not applicable** to the company's context and has therefore been omitted, as it is not relevant according to the "if applicable" principle. Specifically:

- For **disclosure requirement B5 (Biodiversity)**, it is specified that the production plants in Carpenedolo and Montichiari are not located in areas of high environmental sensitivity, nor are they near protected habitats. As a result, no significant impact on the surrounding natural capital has been identified.
- For **disclosure requirement B10 (Remuneration, collective bargaining, and training)**, information on the Gender Pay Gap is not required, as the company's workforce is below the threshold of 150 employees set by the standard.
- Lastly, it is noted that the company is subject to an A.U.A. (Autorizzazione Unica Ambientale), which regulates atmospheric emissions through specific limits and monitoring parameters. The analytical data required under **disclosure requirement B4** (Air, water, and soil pollution) is periodically submitted to the relevant authorities. Therefore, it is not reported here in detail but is available upon request from the competent bodies, as stipulated by the authorization. Additionally, the company is ISO 14001 certified, confirming the existence of an Environmental Management System (EMS) aimed at monitoring and reducing the environmental impact of its activities.

### Frequency, Publication, and Consistency with Financial Data

This report has been prepared in **alignment with the reporting period of the company's annual financial statements** and will be updated on an **annual basis**.

If certain data remain unchanged in the future, La Leonessa may declare their invariance and refer to the previous reporting year.

The primary purpose of the Sustainability Report is to inform business partners, financial institutions, and other actual or potential stakeholders.

To this end, it will be made publicly available as a **separate document from the annual financial statements**.

The information contained in the financial statements of La Leonessa S.p.A. is consistent with the content reported in this document.

The company is committed to ensuring alignment between financial and ESG data, and to facilitating the connection between them by including explicit references wherever possible.

### Basis of Preparation of this Report

This Sustainability Report has been prepared by La Leonessa S.p.A. in accordance with the **Basic Module and Comprehensive Module** (Option B) of the VSME Standard and in compliance with applicable regulatory requirements.

As this represents the company's first ESG reporting exercise, no comparative data from the previous year is included. Comparative figures will be provided starting from the second reporting year, as required by the VSME Standard.

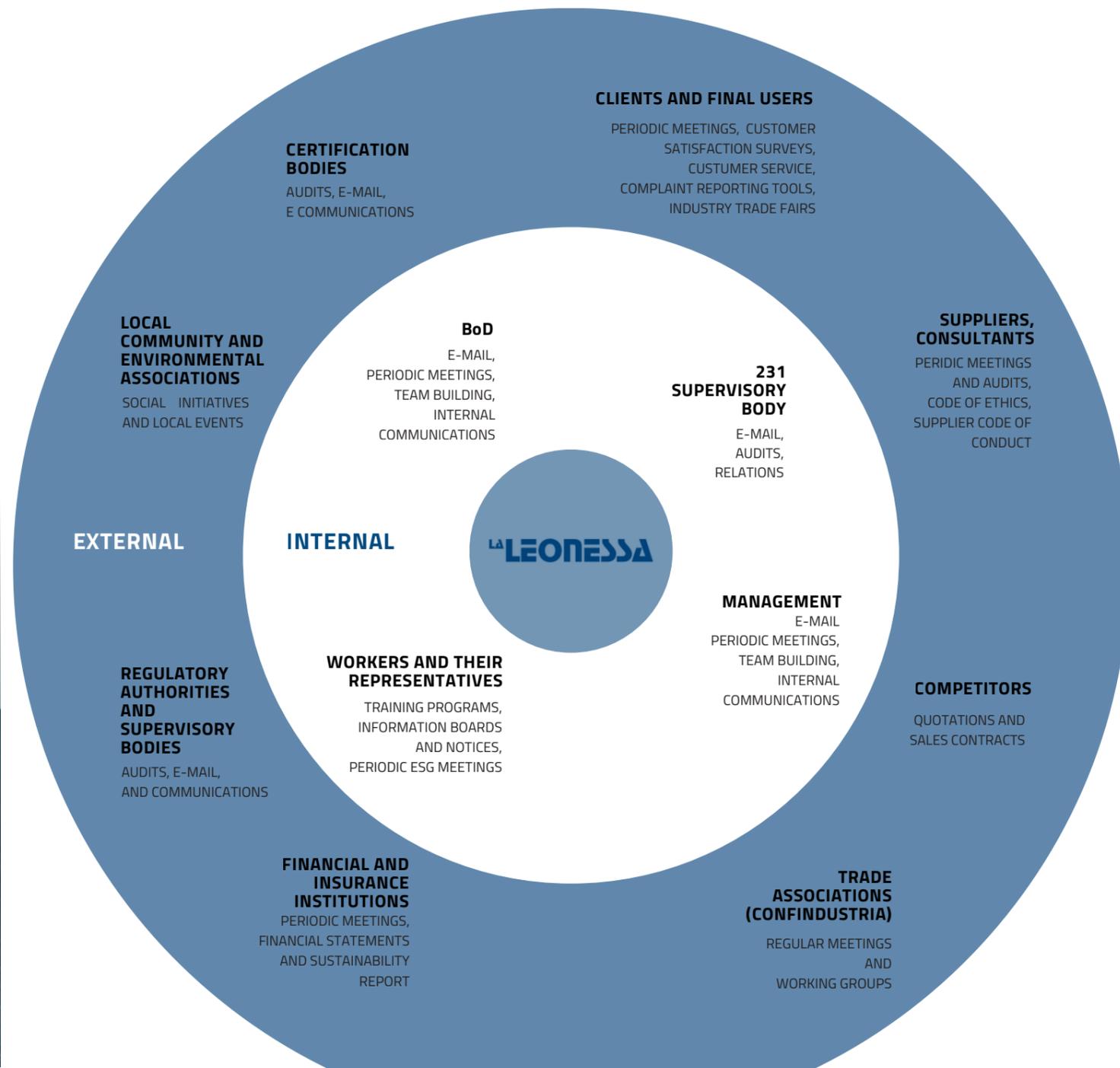
The document has been prepared on an **individual** (non-consolidated) basis, and therefore includes information exclusively related to La Leonessa S.p.A., without incorporating data from other entities within the Leonessa Group.

**No information has been omitted** due to confidentiality or sensitivity concerns during the preparation of this report.

## Our Stakeholders

The relationship with stakeholders is a central element for La Leonessa S.p.A., which recognizes the importance of ongoing and transparent dialogue.

For each stakeholder category, the company has identified dedicated channels of engagement, in order to promote effective communication and build long-lasting, mutually valuable relationships.



Chapter 1

# La Leonessa S.p.A. The Company

With more than fifty years of experience and an established presence in major international markets, **La Leonessa S.p.A.** is today a benchmark company in the **production of slewing rings and base bearings** for industrial applications.

Founded within the entrepreneurial initiative of Ferdinando Pasotti, who established FAD in 1954, the Company has successfully evolved from a small-scale artisanal business into the **leading entity of an industrial group** operating globally, while maintaining a strong commitment to innovation and quality.

The main corporate information is reported below:

- Legal form: Joint Stock Company (S.p.A.)
- Economic activity sector (NACE): 28.15 – Manufacture of bearings, gears and driving elements
- Revenue: €31,686,000
- Total assets: €37,238,711
- Number of employees: 142 direct employees
- Country of main operations: Italy

Leonessa S.p.A. carries out its manufacturing and management activities primarily at **two operating sites** located in the Province of **Brescia**:

- Main plant: Viale Santa Maria 90, 25013 Carpedolo (BS)
- Secondary plant: Via Madonnina 110, 25018 Montichiari (BS)

Both facilities represent significant assets for the Company in terms of production capacity and infrastructural value.

The Company holds the following certifications:

- **ISO 9001:2015** – Quality Management System
- **ISO 14001:2015** – Environmental Management System

Both certifications are issued by accredited third-party bodies, confirming the Company's ongoing commitment to process improvement and environmental sustainability. The Company has also adopted an Organizational, Management and Control Model pursuant to Legislative Decree 231/2001.

## Corporate Strategy and Business Model

La Leonessa S.p.A. is active in the design and manufacture of **slewing rings for industrial applications**. The Company operates with an approach focused on **innovation**, manufacturing **integrity**, and **sustainability**, positioning itself as a reliable partner at a global level.

### Main products and services

The main products manufactured include:

- **Standard and custom slewing rings**, available in various sizes, used for the transmission of rotational motion and axial/radial loads.

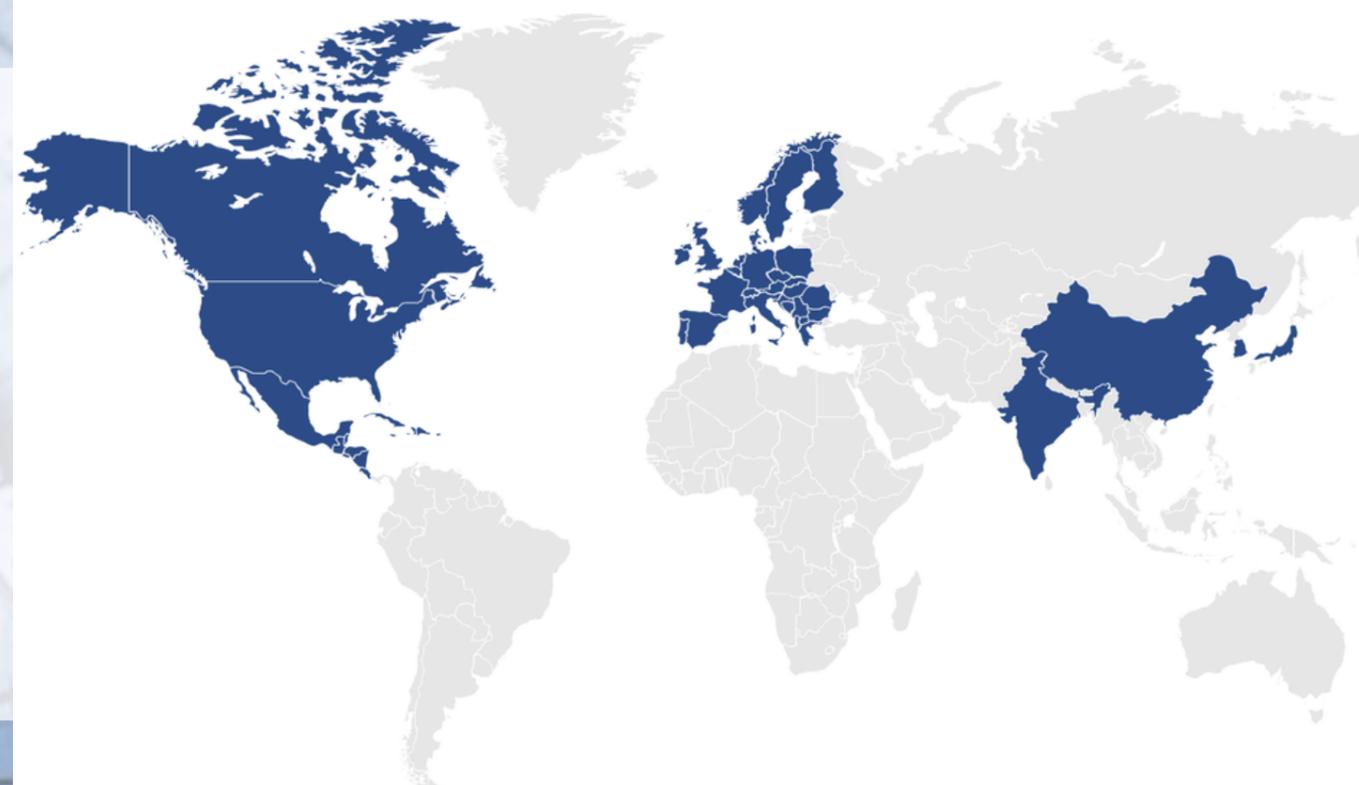
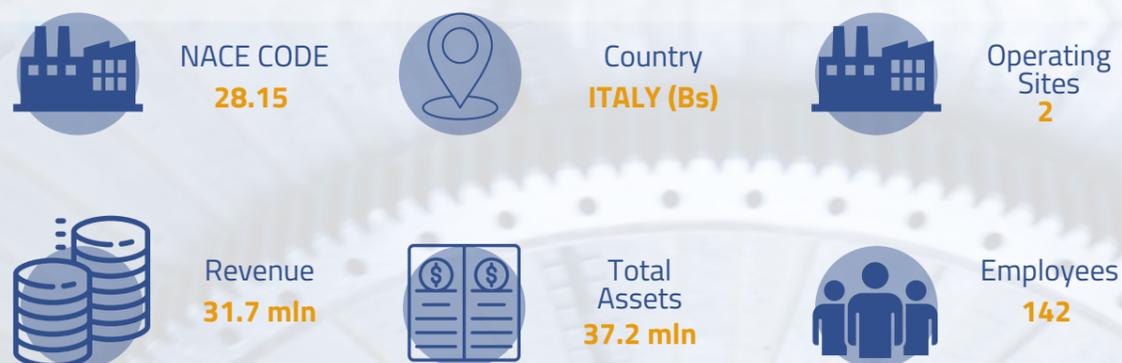
- **Customized solutions** tailored to specific application requirements;
- **Co-design services, testing, and technical support for customers.**

### Reference Markets

La Leonessa S.p.A. operates globally, with an established presence in:

- **Europe**
- **North America** (United States, Canada)
- **Asia**

### KEY FIGURES AND CERTIFICATIONS



Foreign markets represent a significant share of the Company's revenue, with a growing trend. **Slewing rings** are used across a **wide range of sectors**, including:

-  Earthmoving and construction machinery
-  Lifting and logistics
-  Wind and solar energy
-  Agricultural machinery
-  Railway and maritime industry
-  Industrial automation and robotics

**Key business relationships**

La Leonessa S.p.A. operates in synergy with a solid and diversified network of:

- over **1,000 active customers**, with long-standing relationships built on quality, reliability, and customization capabilities;
- approximately **100 qualified suppliers**, mainly Italian and European, specialized in mechanical processing, heat treatments, and the supply of steel and metal components. All suppliers are subject to verification processes covering quality requirements, legal compliance, and respect for human rights.

**Strategic sustainability-related elements**

La Leonessa's strategy increasingly integrates ESG principles, with a focus on:

- **Environmental**
  - procurement of **100% renewable electricity**;
  - **responsible management of metal scrap** (chips, shavings) through recycling and recovery.
- **Social**
  - investments in occupational **health and safety**;
  - employee **wellbeing benefits** (scholarships, meal vouchers, performance-related bonuses);
  - initiatives to promote continuous **training** and skills development.
- **Governance**
  - adoption of an Organizational, Management and Control Model pursuant to Legislative Decree 231/2001;
  - adoption of a **Code of Ethics**;
  - adoption of an **integrated QHESS policy**;
  - implementation of a **whistleblowing** channel.

In the medium term, the Company aims to:

- introduce structured **ESG indicators** into supplier evaluation processes and strategic decision-making;
- develop a **Life Cycle Assessment (LCA)** of its products to highlight sustainability performance across the entire life cycle;
- strengthen **sustainability reporting** as a lever for communication and competitiveness with international customers.



**100 suppliers**



**1,000 clients**

# Sustainability Practices, Policies and Initiatives

La Leonessa S.p.A. adopts an **integrated approach to sustainability**, encompassing **environmental, social and governance aspects**. The Company is committed to improving its performance through established practices and long-term oriented initiatives.

At present, the Company's ESG-related policies are not yet publicly available; however, La Leonessa is assessing the opportunity to make relevant documents and guidelines accessible also to external stakeholders and supply chain partners.



<p><b>Reduction of energy consumption:</b> the Carpenedolo and Montichiari plants use electricity sourced 100% from certified renewable sources.</p>	<p><b>Health and safety and wellbeing:</b> preventive measures, continuous training, and a strong focus on fostering a safety culture.</p>	<p><b>Organizational, Management and Control Model</b> pursuant to Legislative Decree 231/2001</p>
<p><b>Waste management and circularity:</b> the materials used, primarily ferrous, are fully recyclable at end of life. Production waste (chips and shavings) is recovered and valorized by specialized operators.</p>	<p><b>Corporate welfare:</b> La Leonessa supports its employees through scholarships, meal vouchers, performance-related bonuses, and childcare-related benefits.</p>	<p><b>Whistleblowing Channel</b></p>
<p><b>SEnvironmental Management System</b> compliant with ISO 14001.</p>	<p><b>CSR:</b> Inclusive support to local community, with attention to vulnerable groups.</p>	<p><b>Integrated QHESS Policy</b></p>
<b>FUTURE PROJECTS AND MONITORED TARGETS</b>		
<p><b>Life Cycle Assessment (LCA)</b> of products, aimed at identifying improvement opportunities across the entire production cycle.</p>	<p><b>Strengthening internal ESG culture,</b> through monthly communications and awareness-raising initiatives addressed to employees.</p>	<p><b>Active engagement of suppliers</b> in sustainable practices and the adoption of ESG criteria in their selection.</p>
<p><b>Reduction of the carbon footprint,</b> through further energy efficiency measures and process optimization initiatives.</p>		

# Environmental Responsibility Commitment to the Environment

La Leonessa S.p.A. recognizes the **environment** as a **strategic element** in defining its industrial priorities. In 2024, the Company continued its commitment to reducing **environmental impacts** through the adoption of certified renewable energy, the recycling of waste materials, and the continuous improvement of its production processes.

The ISO 14001-certified Environmental Management System guides the **identification of significant environmental aspects** and the implementation of **concrete actions to support sustainability**.

The Company has also set a **target to reduce GHG emissions by 10% by 2030**.

ITEM	KEY DATA
<b>Energy consumption</b>	11,078.67 MWh, of which 2,582.9 MWh (23%) from renewable sources
<b>GHG emissions (Scope 1+2)</b>	2,361.84 tCO <sub>2</sub> eq, of which 1,072.49 tCO <sub>2</sub> eq Scope 1 and 1,289.35 tCO <sub>2</sub> eq Scope 2
<b>Emission intensity</b>	0.217 tCO <sub>2</sub> eq per tonne of steel used
<b>GHG reduction target 2030</b>	-10% emissions intensity (Scope 1+2 per tonne of processed steel) compared to 2024
<b>Waste generated</b>	1,140,360 kg of waste generated, of which 84% sent for recycling
<b>Water</b>	13,791 m <sup>3</sup> of water withdrawn, of which 10,344 m <sup>3</sup> consumed
<b>Sites in situated in biodiversity sensitive area</b>	None of the production sites are located in protected areas or areas of high environmental vulnerability
<b>Land use</b>	Predominantly industrial land use, limited sealed soil, no significant impacts identified
<b>Climate transition plan</b>	Expected by 2026
<b>Climate risk</b>	Addressed through adaptation measures and energy transition strategies

## Energy and GHG Emissions

In 2024, La Leonessa S.p.A. monitored and reported its **energy consumption** and related **greenhouse gas emissions** in accordance with the GHG Protocol Corporate Standard. During the year, energy supply was managed through two distinct approaches: in the first months of the year, electricity was sourced based on the national energy mix (location-based approach), while in the subsequent months (from July to December) the supply was fully covered by 100% **renewable energy certificates**. Approximately 10% of the electricity consumed was self-generated through a photovoltaic system.

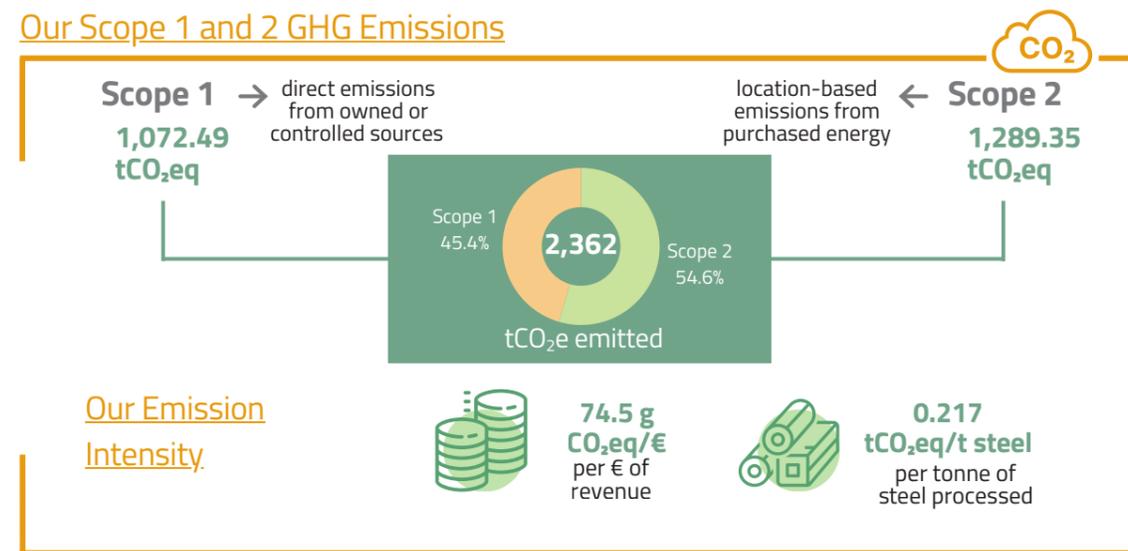
In addition, the Company consumed **natural gas** for thermal and production purposes, amounting to **547,001 Sm<sup>3</sup>**, equivalent to approximately **5,849,490 kWh**. Based on the data collected, the gross greenhouse gas emissions generated by the Company's activities (Scope 1 and Scope 2) amounted to **2,361.84 tonnes of CO<sub>2</sub> equivalent**. To assess environmental performance in a more detailed manner, emissions intensity was calculated, defined as the ratio between emissions and key business parameters: revenue (equal to €31,686,000 in 2024) and physical output (equal to 10,881 tonnes of steel processed).

Source	Renewable (MWh)	Non-renewable (MWh)	Total (MWh)
Electricity from photovoltaic system	539.06	0	539.06
Purchased electricity (from 01/07/24 certified 100% green)	2,043.84	2,646.28	4,690.12
Natural gas	0	5,849.49	5,849.49
<b>Total energy consumption</b>	<b>2,582.90</b>	<b>8,495.77</b>	<b>11,078.67</b>

### Our Energy Consumption

The data refer to the Company's overall energy consumption. They are reported in aggregated form, as the Montichiari site does not have a significant impact on total consumption: it is not equipped with a photovoltaic system, it hosts low-energy activities and machinery, and it does not include energy-intensive departments such as the hot processing department present at the Carpenedolo plant.

### Our Scope 1 and 2 GHG Emissions



The Company has set a target to **reduce the emissions intensity of its Scope 1 and Scope 2 (market-based) emissions by 10% by 2030**, compared to 2024 levels.

The selected indicator measures tonnes of CO<sub>2</sub> equivalent per tonne of steel processed, covering 100% of Scope 1 and Scope 2 emissions. Scope 3 emissions are not currently included within the boundary; however, a progressive expansion to the most relevant categories, such as transportation and purchased goods and services, is planned. The actions envisaged to achieve this target include:

- the supply of **electricity from certified renewable sources**;
- **energy efficiency measures** on plants and machinery.

- the design of a **photovoltaic system** at the production sites, currently under assessment, which could contribute to a reduction in electricity consumption of up to 10%;
- periodic **monitoring of energy consumption and emissions**;
- **internal awareness-raising initiatives** aimed at **reducing waste and optimizing production processes**.

The adoption of a **formal climate transition plan** is expected by **2026**, in line with the Company's continuous improvement path in environmental performance and with the objective of enhancing the circularity of ferrous materials used in production processes.

Our GHG Reduction Target



## Water, Air and Soil Pollution

La Leonessa S.p.A. is subject to environmental authorizations, such as the Single Environmental Authorization (A.U.A.).

In addition, the Company is certified in accordance with **ISO 14001**, which ensures the existence of an **Environmental Management System (EMS)** designed to **monitor, control, and reduce the environmental impacts** arising from its production activities.

In compliance with applicable legal requirements, the Company adopts measures to **control air emissions, water discharges, and waste management**, ensuring that all parameters remain within regulatory limits.

The ISO 14001 system also provides for the **periodic assessment** of **significant environmental aspects**, including potential impacts on air, water and soil, with the objective of continuously improving the Company's environmental performance.

## Biodiversity and Land Use

The **production plants** of La Leonessa S.p.A. located in Carpenedolo and Montichiari **are not situated in biodiversity sensitive area**. As a result, the identification of sites located in or near environmentally sensitive areas is not applicable. The Company's activities are carried out in compliance with **local ecological balances**.

The production sites occupy areas primarily designated for **industrial activities**, with a limited presence of built-up land. In the immediate surroundings, land use is predominantly agricultural, with no significant impacts on natural ecosystems or protected areas.

## Water Resources Management

During 2024, the Carpenedolo site of La Leonessa S.p.A. **withdrew a total of 11,334 m<sup>3</sup> of water** for its production activities. Of this amount, **3,123 m<sup>3</sup> were discharged** after treatment. In addition, **2,105 m<sup>3</sup> of water were withdrawn from the public water supply** and used exclusively for sanitary purposes.

The water consumption of the Carpenedolo site, calculated as the difference between water withdrawn for production activities and water discharged, amounted to 10,316 m<sup>3</sup>.

Water withdrawal and consumption at the Montichiari site, as reported in the table, are not significant.

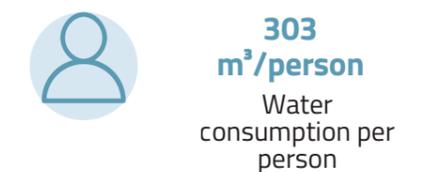
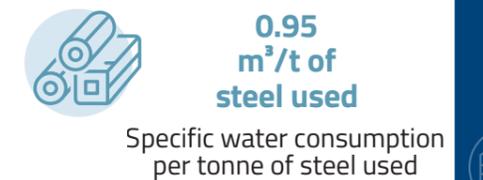
As both production sites are located in **areas of high water stress**, water management represents a critical aspect. For this reason, La Leonessa S.p.A. has implemented **water recirculation systems** to reduce waste and continuously **raises employee awareness** of the importance of using water responsibly and only in the quantities strictly necessary.

### Our Water Management

	Carpenedolo Site	Montichiari Site	Total
Withdrawal for production uses (well)	11,334 m <sup>3</sup>	0	11,334 m <sup>3</sup>
Withdrawal for sanitary uses (public water supply)	2,105 m <sup>3</sup>	352 m <sup>3</sup>	2,457 m <sup>3</sup>
<b>Total withdrawal</b>	<b>13,439 m<sup>3</sup></b>	<b>352 m<sup>3</sup></b>	<b>13,791 m<sup>3</sup></b>
<b>Discharge</b>	<b>3,123 m<sup>3</sup></b>	<b>324 m<sup>3</sup></b>	<b>3,447 m<sup>3</sup></b>
<b>Consumption</b>	<b>10,316 m<sup>3</sup></b>	<b>28 m<sup>3</sup></b>	<b>10,344 m<sup>3</sup></b>



### Our Water Intensity



## Waste Management and Circularity

In 2024, La Leonessa S.p.A. generated a total of **1,140,360 kg of waste**, of which approximately **84% was recycled**, confirming the Company's concrete commitment to the application of circular economy principles. The share of **hazardous waste** accounted for **11.7%** of total waste generated.

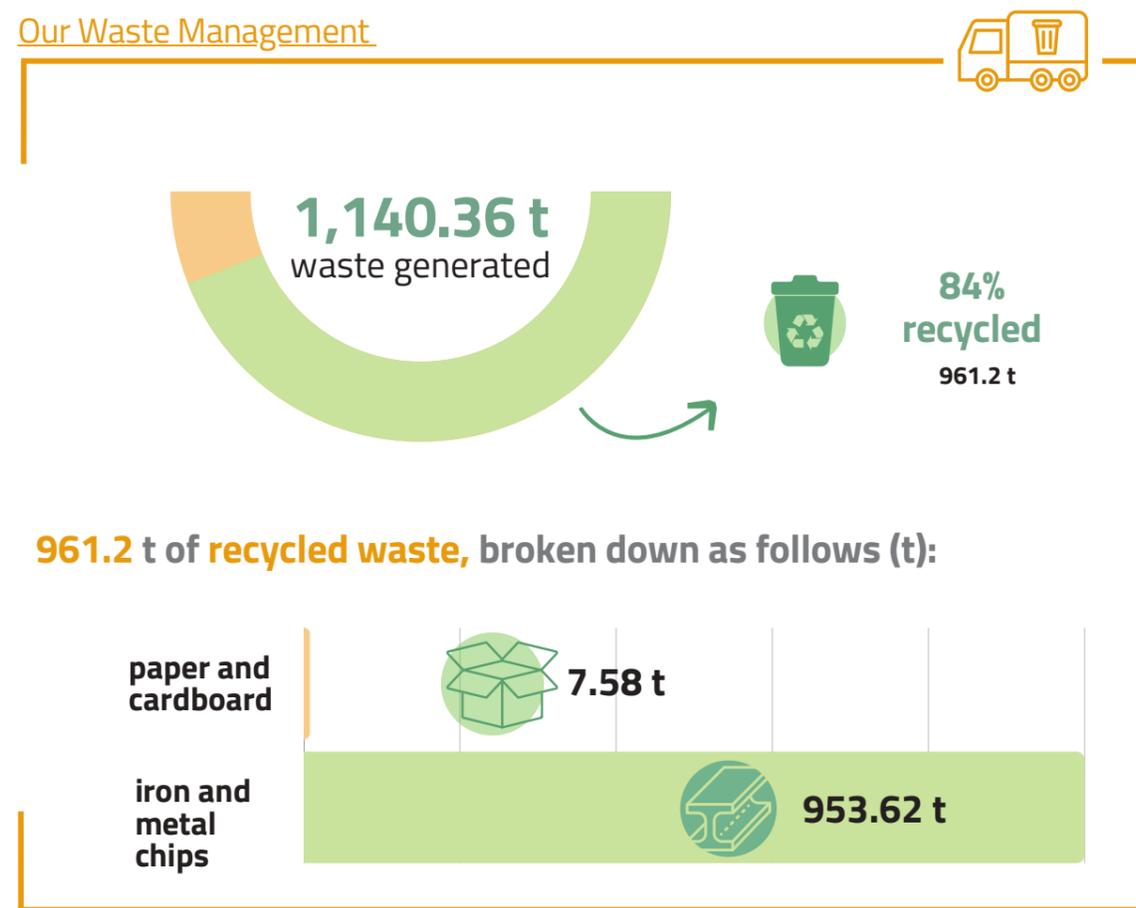
In detail, approximately **953,620 kg of iron and metal chips** arising from production processes were recycled, together with **7,580 kg of paper and cardboard**. The management of these waste streams represents the most significant component of the virtuous recovery and valorisation cycle of the raw materials used.

Plastic waste is collected through the municipal waste collection system and is sorted directly within the production departments.

**Company personnel** are regularly **trained** and made **aware** of proper waste segregation practices, ensuring a conscious and responsible management of all materials.

This integrated approach, shared with employees, enables La Leonessa S.p.A. to significantly **reduce the environmental impact** of its operations, while promoting a **corporate culture oriented towards sustainability** and resource efficiency.

### Our Waste Management



## Product Recyclability

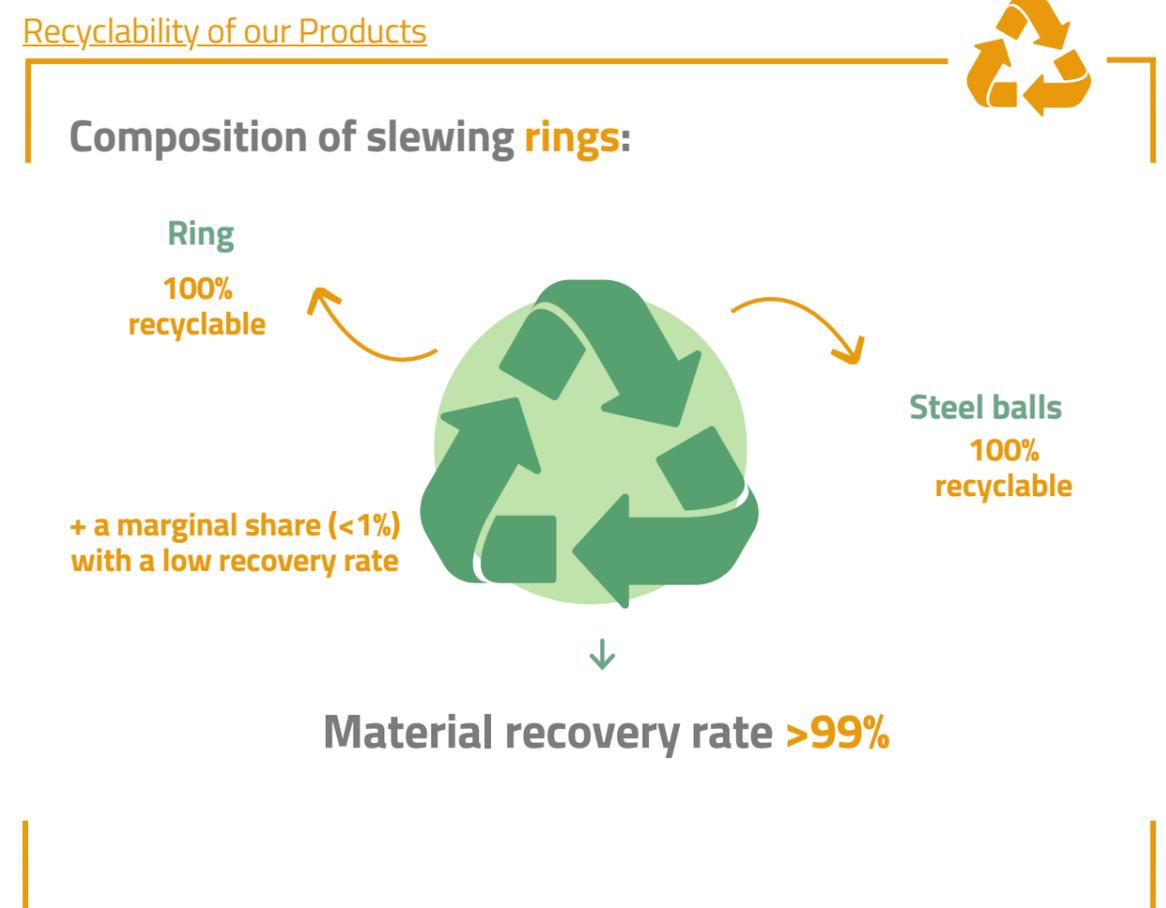
The products manufactured by **La Leonessa** have a **Material Recovery Rate** exceeding **99%**. The composition of the slewing rings mainly includes:

- **Inner and outer rings:** produced through the rolling of **second-generation steels**, sourced from remanufacturing processes rather than primary extraction. These components are fully re-meltable and recyclable at the end of their life cycle.
- **Steel balls:** entirely recyclable.

The only components with a **low recovery rate** are the **seals, spacers, and lubricating grease**, which represent a marginal portion of the product's total weight.

The use of second-generation steel helps reduce the consumption of virgin raw materials, lowering the associated environmental impact and strengthening the company's alignment with the principles of **circular economy** and **resource efficiency**.

### Recyclability of our Products



# Climate Risk

La Leonessa S.p.A. recognizes that **climate change** represents a tangible challenge for the manufacturing sector, with potential **physical and transition-related impacts** on business operations.

**Physical risks**, linked to the **increasing frequency of extreme weather events** and the **gradual rise in temperatures**, may **affect operational continuity and worker well-being**, particularly during the summer months.

Although the Carpenedolo and Montichiari facilities are not located in areas of high climate vulnerability, the company has implemented **adaptation measures**, such as: **monitoring weather events; improving thermal insulation** of buildings; enhancing the **efficiency of cooling systems**.

In parallel, La Leonessa is addressing **transition risks** arising from **evolving regulations, increasing supply chain pressure**, and the **gradual internalization of carbon costs**.

In response, the company has initiated a structured **ESG reporting** process, uses 100% **certified renewable energy**, and promotes the **responsible management of resources** - including plans to introduce tools such as Life Cycle Assessment (**LCA**) for its products.

This integrated approach enables the company to strengthen its resilience, **anticipate contextual changes**, and actively contribute to the **transition toward a more sustainable economy**.

## CLIMATE RISKS

### PHYSICAL



RISING TEMPERATURES



EXTREME WEATHER EVENTS

### TRANSITION



CARBON COST



SUPPLY CHAIN PRESSURES



EVOLVING REGULATIONS

## ADAPTATION STRATEGIES



THERMAL INSULATION AND COOLING



MONITORING OF WEATHER EVENTS



SUBSCRIPTION OF INSURANCE POLICIES



ESG REPORTING



RENEWABLE ENERGY



LCA

## Chapter 3

# Social

## Growing with Respect and Inclusion

La Leonessa S.p.A. confirms itself as a solid and responsible company that places **human capital** at the **core** of its strategy.

The company's commitment to people development and strong local roots is reflected in the **careful management of human resources** and continuous investment in **training**.

In addition, the company actively promotes numerous cultural, social, and corporate welfare

initiatives, recognizing the value of people as active members of the community.

From scholarships for employees' children to service awards, from support for local organizations and schools to the sponsorship of Paralympic athletes and community events, La Leonessa S.p.A. demonstrates a concrete and long-term commitment to creating social value and strengthening its **ties with the local community**.

ITEM	KEY DATA
Employees	142 (16 women, 126 men) as of 31/12/2024
Employment	Stable. 5 new hires in 2024
Turnover	5.59%
Health and Safety	1 injury in 2024 (not attributable to the company) 0 deaths in 2024
Collective bargaining	100% of employees covered by collective bargaining agreements
Training	11.44 average training hours per employee delivered in 2024
Human Rights	No human rights violations were recorded in 2024, either within the Company or across the supply chain



LA LEONESSA



ENVIRONMENT



SOCIAL



GOVERNANCE



# Workforce

As of December 31, 2024, La Leonessa S.p.A. had a total workforce of **142 employees**. Data is reported in headcount. Employees are divided as follows: **2 fixed-term contracts and 140 permanent contracts**.

From a gender distribution perspective, the workforce is composed of **126 men and 16 women**. At management level (considering executives only), the **female-to-male ratio is 0.25**, meaning that for every woman in a managerial position, there are four men.

## Turnover

Over the past four years, the company has maintained a **stable level of employment**, with an average workforce of approximately 145 employees.

Despite a challenging economic context, the company demonstrated its ability to **renew and strengthen its organizational structure**, hiring 5 new employees in 2024 (3.5% of the total workforce) and recording 8 departures, resulting in an annual **turnover rate of 5.59%**.

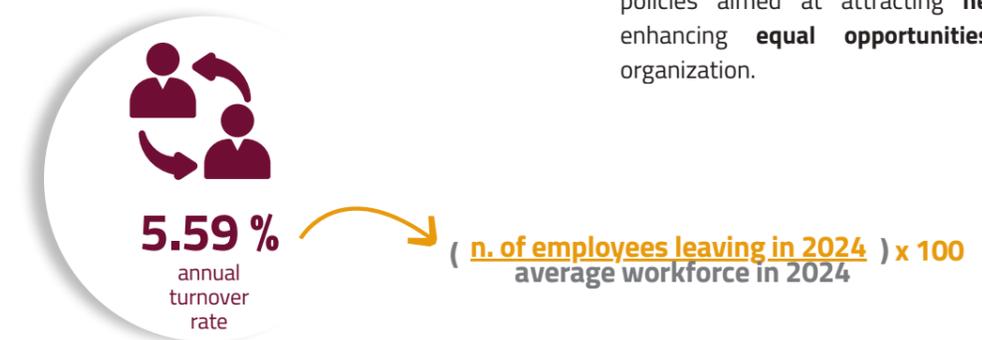
To flexibly respond to production peaks, La Leonessa also relies on **temporary staff**, with a total of 5 FTEs (Full-Time Equivalents) recorded in 2024.

This approach allows the company to safeguard the stability of its direct workforce while ensuring high standards of work quality.

## Towards a More Inclusive Future

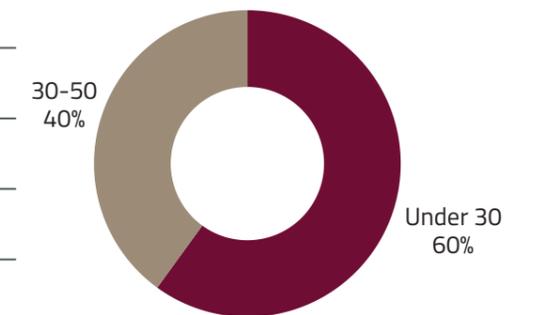
Although historically characterized by a predominantly male workforce, La Leonessa S.p.A. is committed to intensifying its efforts to promote **diversity and inclusion**.

This includes the implementation of targeted policies aimed at attracting **new talent** and enhancing **equal opportunities** across the organization.



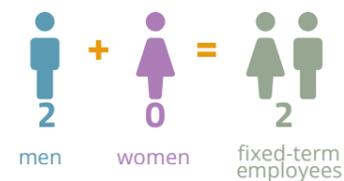
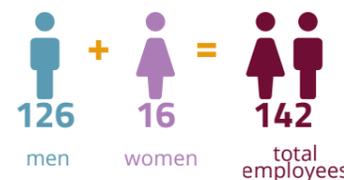
## 2024 New Hires

Category	Number of hires	%
Women	0	0%
Men	5	100%
<b>Total</b>	<b>5</b>	
Under 30	3	60%
30-50	2	40%
Over 50	0	0%
<b>Total</b>	<b>5</b>	



## Our 2024 Workforce

Category	Total	Men	Women
Employees	142	126	16
Fixed-term	140	124	16
Permanent	2	2	0



\*The ratio refers to executive management

## Health and Safety

La Leonessa S.p.A. reaffirms its ongoing commitment to **protecting the health and safety** of its employees, recognizing these aspects as essential for both individual well-being and corporate sustainability.

In 2024, the company achieved positive results that demonstrate the effectiveness of the policies and measures implemented:

- **Frequency rate: 0**
- **Severity rate: 0**, indicating no significant loss of working days due to injuries
- **No fatalities** from workplace accidents or occupational diseases

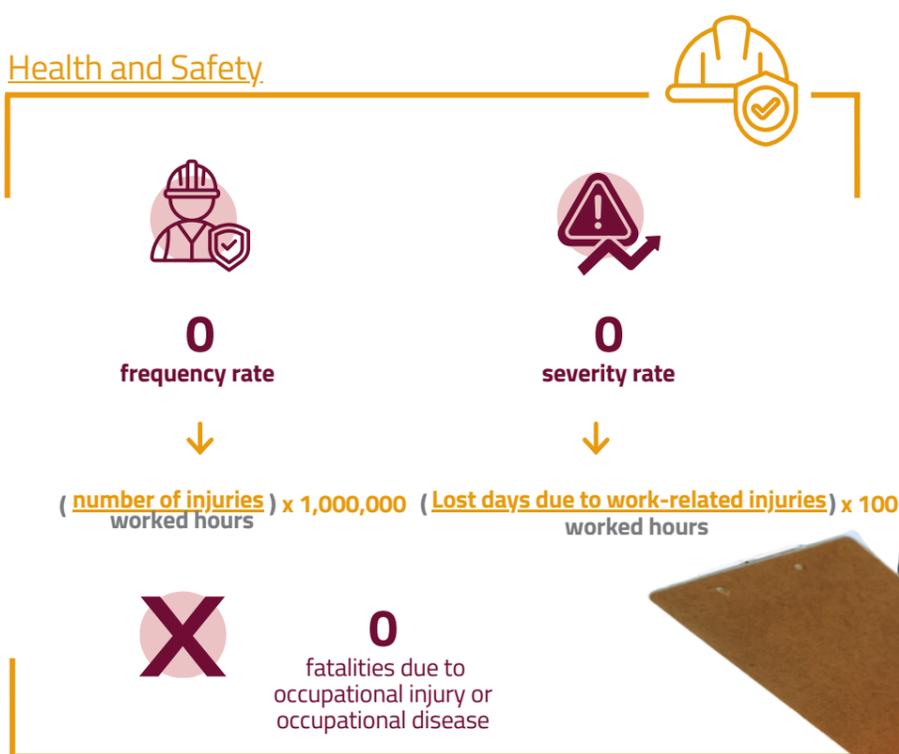
The **only incident** reported during the year was later confirmed as not attributable to the company's responsibility and was therefore recorded as zero - further evidence of the high quality of working conditions provided.

These results reflect La Leonessa S.p.A.'s ongoing focus on **prevention** and the **promotion** of a safe working environment, achieved through **continuous training, rigorous monitoring, and regular updates** to safety procedures.

The company recognizes that health and safety are not only a legal obligation, but also a fundamental value for social responsibility and long-term sustainable growth.

La Leonessa S.p.A. remains committed to continuous improvement, with the goal of **minimizing workplace accidents** and ensuring a healthy and safe environment for all employees.

### Health and Safety



## Remuneration, Collective Bargaining, and Training

### Remuneration and Collective Bargaining

Our company applies the relevant **National Collective Labor Agreement (CCNL)** and ensures that all wages are in line with or above the minimum levels established by Italian regulations. Remuneration data is not published here, as it is already verified through legal and contractual compliance checks. 100% of the company's employees are covered by the CCNL for the metalworking sector.



### Continuous Training: A Strategic Investment

La Leonessa firmly believes in **training** as a key driver of both **individual and collective growth**. In recent years, the company has significantly increased the number of training hours provided, with targeted programs focusing on safety, quality, production efficiency, and sustainability.

### Training 2024

Gender	Average training hours by gender
Men	11.65
Women	9.75
<b>Total</b>	<b>11.44</b>

In 2024, an average of 11.44 training hours per employee were delivered.

The company expanded its training initiatives for both **new hires** and long-serving staff, with the aim of:

- strengthening **technical and soft skills**;
- promoting a **culture of workplace safety**;
- raising awareness of **ESG issues** and the environmental impact of business activities.

### Collaboration with the Local Community

La Leonessa actively collaborates with local **schools** and **technical institutes** by hosting students for training internships and creating employment opportunities for future generations. This synergy with the local education system represents a concrete investment in the human capital of tomorrow.

In addition, in 2024, the company funded the creation of the "Sezione Primavera" (Early Childhood Section) at the "Maria Immacolata" Kindergarten in Carpenedolo (BS), dedicated to children aged 2 to 3.

For this section, employees' children are eligible for a 50% tuition fee subsidy, as a form of concrete support for families.



## Dynamic Welfare

### Corporate Welfare

For several years, we have implemented a **corporate welfare** system designed to promote the overall well-being of our people - both professionally and personally.

The system is managed through an integrated **digital platform**, developed with the support of qualified personnel and accompanied by targeted internal communication to ensure correct and effective use.

The platform is based on partnerships with local service providers and offers a wide range of benefits, including:

- shopping vouchers;
- recreational and socio-cultural activities;
- pension and social welfare services.

### Health and Supplementary Care

We recognize **health and well-being** as essential elements in ensuring a high quality of life for our people.

For this reason, we offer supplementary health care plans, which are also accessible to employees' family members.

Through enrollment in the industry healthcare fund **MetaSalute**, we ensure access to medical services under favorable conditions, including specialist visits, diagnostic tests, and surgical procedures at affiliated facilities — making a tangible contribution to the health and overall well-being of our workforce.

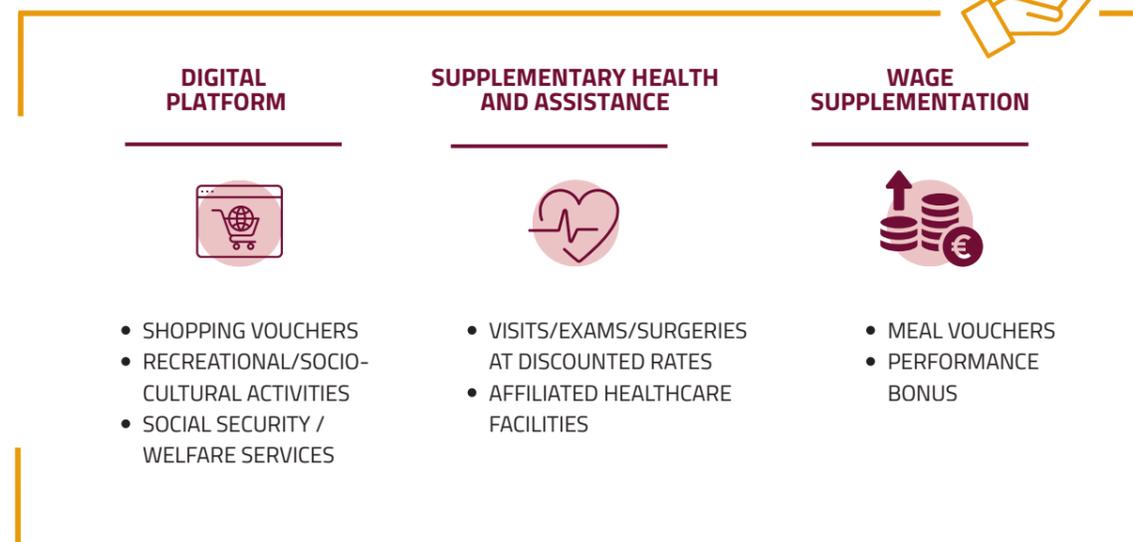
### Supplementary Compensation

To strengthen **financial support for our employees**, we provide meal vouchers and a performance-based bonus, linked to three key indicators: production, quality, and on-time delivery.

This bonus can reach up to €2,800 in addition to the standard compensation established by the applicable National Collective Labor Agreement (CCNL).

These measures are designed to recognize employee contributions, while also enhancing motivation and fostering long-term employee loyalty within the company.

### Our Welfare System



## Human Rights

### Human Rights Policies and Procedure

La Leonessa S.p.A. operates in accordance with key legal and voluntary ethical and sustainability frameworks, ensuring a **preventive approach to potential human rights violations**, both within its own workplaces and throughout its supply chain.

The **Organizational, Management and Control Model pursuant to Legislative Decree 231/2001**, together with the Code of Ethics, serves as a fundamental safeguard for **protecting individuals and upholding personal freedoms**.

Furthermore, the implementation of a **whistleblowing** channel compliant with current legislation strengthens the **internal control system**, enabling the secure reporting of any unlawful or unethical behavior.

The company's Integrated **QHES Policy** (Quality, Health, Environment, Safety, and Social Responsibility) demonstrates a cross-cutting commitment to **continuous improvement in all these areas**, in line with the company's core values.

### Serious Human Rights Incidents

In 2024, **no confirmed cases of serious human rights violations were recorded** either within the company or across the supply chain.

There were **no incidents involving child labor, forced labor, or degrading working conditions**, as confirmed by internal audits and the absence of any direct or indirect reports.

However, the company recognizes the importance of maintaining vigilant oversight of human rights compliance, particularly in relationships with suppliers and subcontractors - especially in non-EU contexts, where risks may be higher.

Among the actions implemented to monitor respect for human rights, both internally and throughout the supply chain, La Leonessa has introduced the following measures:

- **Ethical contractual clauses:** All supply contracts include a binding clause regarding the respect for human rights and working conditions, with the possibility of termination in the event of confirmed violations.
- **Supplier assessment:** The supplier qualification system is currently being updated to include ESG criteria, including a declaration on compliance with fundamental human rights.
- **Company Code of Ethics:** The Code enforces zero tolerance for any form of exploitation.
- **Confidential reporting:** A whistleblowing channel is active, also accessible anonymously, for reporting any violations, including suspected cases of exploitation or abuse.
- **Internal training:** In 2024, awareness-raising sessions were launched for the procurement team, focusing on human rights in the supply chain, social responsibility, and environmental sustainability, with reference to the requirements of ISO 14001 certification. The initiative aimed to strengthen internal awareness of ethical, environmental, and regulatory aspects related to supplier management.

The company is committed to upholding **high standards of social responsibility**, preventing any form of abuse, exploitation, or violation of human dignity, in line with the principles of the United Nations Global Compact and the Universal Declaration of Human Rights.

### Our Actions for Human Rights



## Commitment to Corporate Social Responsibility (CSR)

A **strong connection with the local area** and constant attention to people are the cornerstones of our vision of Corporate Social Responsibility.

Every initiative promoted in the cultural, educational, social, sports, and medical fields reflects the company's commitment to creating shared value, fostering social cohesion, developing human capital, and supporting **community well-being**.

Special attention is dedicated to corporate welfare and tangible support for employees' families.

A concrete example of this commitment is the establishment of the **Ferdinando Pasotti Scholarship**, awarded to children and siblings of employees who demonstrate outstanding academic merit.

Another significant initiative is the funding of the **"Sezione Primavera"** (Early Childhood Section) at the "Maria Immacolata" Kindergarten in Carpenedolo, dedicated to children aged 2 to 3. For this program, children of employees benefit from a 50% discount on tuition fees, demonstrating the company's desire to support a healthy work-life balance.

In line with an inclusive approach that is mindful of vulnerability, the company actively supports the world of disability through its collaboration with the **Active Sport Disabili Brescia** association - committed to promoting sports for individuals with physical disabilities - and through sponsorship of Paralympic champion **Francesca Porcellato**, a symbol of determination, talent, and inspiration for the entire community.

For La Leonessa, Corporate Social Responsibility is not an abstract concept, but a daily commitment that shapes every strategic and operational decision, in line with ESG principles and a long-term, sustainable, and people-centered vision.



### Chapter 4

## Governance Transparency and Integrity

The governance of La Leonessa is the foundation on which our commitment to sustainable and responsible growth is built. Our system is structured around a robust framework of regulatory tools, corporate policies, and listening channels, designed to ensure respect for human rights, the integrity of operations, and the highest level of transparency towards all stakeholders. At the core of this system lies the **Organizational, Management and Control Model** pursuant to Legislative Decree 231/2001, complemented by the Code of Ethics, which together define the principles and rules of conduct across all operational contexts, from our workplaces to the entire supply chain.

In support of this framework, the **whistleblowing** platform provides a secure and protected channel for reporting any potential irregularities, thereby strengthening our culture of legality and active oversight.

This structured approach is guided by the Integrated **OHES Corporate Policy** (Quality, Health, Environment, Safety and Social Responsibility), which strategically steers our actions towards continuous improvement and the pursuit of long-term, shared value creation aligned with our core values.

ITEM	KEY DATA
Convictions and sanctions for corruption and bribery	None
Exclusion from EU benchmarks	None
Women/men ratio on the Board of Directors	0.5 For every woman on the Board of Directors, there are two men



## Corruption and Exposure to High-Risk Sectors

### Convictions and sanctions for corruption and bribery

During the reporting period, La Leonessa S.p.A. did not record **any convictions or sanctions for violations of anti-corruption and anti-bribery laws.**

The Company is committed to preventing unlawful conduct and is safeguarded through the adoption and effective implementation of an Organizational, Management and Control Model pursuant to Legislative Decree 231/2001, which includes specific protocols aimed at preventing incidents of corruption and bribery.

### Exclusion from controversial sectors

La Leonessa S.p.A. **does not generate revenues from sectors excluded from European Union benchmarks**, such as:

- production and trade of tobacco;
- controversial weapons;
- production and use of pesticides;
- extraction, refining or combustion of fossil fuels.

The Company primarily operates in the **precision mechanics sector** and supplies components for operating machinery used in the construction, demolition, lifting, industrial automation, marine & offshore, and **renewable energy sectors**. Some of La Leonessa’s customers are in fact directly active in the **wind energy sector** and in clean technologies.

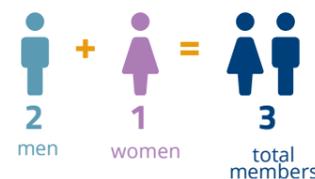
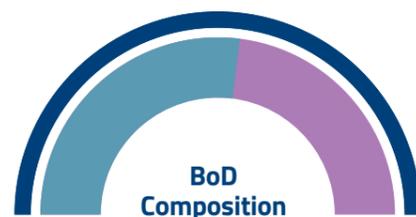
As of the date of preparation of this report, La Leonessa S.p.A. is therefore not excluded from European benchmarks.

## Gender Diversity in Corporate Governance

La Leonessa S.p.A. promotes **inclusive governance**, with a strong focus on valuing competencies and ensuring **gender equality**.

As of 2024, the Board of Directors is composed of three members, **one of whom is a woman serving as Chair of the Board**, representing **33%** of the total.

The presence of a female Chair of the Board represents a tangible sign of the Company’s commitment to **increasing female representation in top management positions**, in line with European directives and recognized sustainability best practices.



## Whistleblowing

For the purpose of ensuring the effective implementation of the Organizational, Management and Control Model pursuant to Legislative Decree 231/2001, and more generally to ensure compliance with the Code of Ethics, La Leonessa has established a **whistleblowing channel** through which both internal and external stakeholders may report any unlawful conduct or irregularities, including anonymously, and notify actual or suspected violations of laws and internal procedures.

In this context, La Leonessa has implemented a digital platform accessible to all workers, whether

permanent or temporary, enabling the reporting of potential breaches of the principles set out in the Code of Ethics and the Organizational Models.

All personal data are processed in compliance with Legislative Decree No. 24/2023 on the “protection of persons who report breaches of national legal provisions”, as well as with applicable data protection and privacy regulations, ensuring the **confidentiality** of the identity of the individuals involved and the security of data processing.

In 2024, no critical issues were identified, including concerns related to negative impacts on stakeholders.

## Cybersecurity and Digital Innovation

**Cybersecurity** threats represent a serious risk for organizations, exposing them to potential breaches of confidentiality, reputational damage, and significant financial consequences.

For this reason, **digital protection** cannot be considered merely a technical matter, but rather a key factor in ensuring business continuity, safeguarding customer trust, and strengthening the Company’s competitiveness.

In order to minimize the potential impact of data losses, the Company has implemented a **structured set of strategies and preventive measures**.

designed to prevent unauthorized access and detect anomalous behavior. In addition, the access management system ensures that only authorized personnel can view sensitive data, thereby contributing to the maintenance of high confidentiality standards.

Data management has been configured in compliance with the European Regulation on the **protection of personal data** (EU Regulation 2016/679 – GDPR) and in accordance with the provisions issued by the Italian Data Protection Authority in its Resolution of 27 November 2008, ensuring that data processing activities are carried out in line with applicable legislation.

### Our Cybersecurity System



## Appendix VSME Content Index

The information contained in this report refers to the following VSME disclosures.

Omitted information is indicated on page 6, under the section “Non-applicable information”.

Disclosure	Description	Section
B1	Basis for preparation	Chapter 1 - The Company p. 12
B2 + C2	Practices, policies and future initiatives for transitioning towards a more sustainable economy	Chapter 1 - Sustainability Practices, Policies and Initiatives p. 15
B3 + C3	Energy and greenhouse gas emissions	Chapter 2 - Energy and GHG Emissions p. 17
B4	Pollution of air, water and soil	Chapter 2 - Water, Air and Soil Pollution p. 18
B5	Biodiversity	Chapter 2 - Biodiversity and Land Use p. 19
B6	Water	Chapter 2 - Water Resources Management p. 19
B7	Resource use, circular economy and waste management	Chapter 2 - Waste Management and Circularity p. 20
B8	Workforce – General characteristics	Chapter 3 - Workforce p. 24
B9	Workforce – Health and safety	Chapter 3 - Health and Safety p. 26
B10	Workforce – Remuneration, collective bargaining and training	Chapter 3 - Remuneration, Collective Bargaining, and Training p. 27
B11	Convictions and fines for corruption and bribery	Chapter 4 - Corruption and Exposure to High-Risk Sectors p. 32
C1	Strategy: Business Model and Sustainability – Related Initiatives	Chapter 1 - Corporate Strategy and Business Model p. 17
C2	Description of practices, policies and future initiatives for transitioning towards a more sustainable economy	Chapter 1 - Sustainability Practices, Policies and Initiatives p. 15
C3	GHG reduction targets and climate transition	Chapter 2 - Energy and GHG Emissions p. 17
C4	Climate risks	Chapter 2 - Climate Risk p. 22
C5	Additional (general) workforce characteristics	Chapter 3 - Workforce p. 24
C6	Additional own workforce information - Human rights policies and processes	Chapter 3 - Human Rights p. 29
C7	Severe negative human rights incidents	Chapter 3 - Human Rights p. 29
C8	Revenues from certain sectors and exclusion from EU reference benchmarks	Chapter 4 - Corruption and Exposure to High-Risk Sectors p. 32
C9	Gender diversity ratio in the governance body	Chapter 4 - Gender Diversity in Corporate Governance p. 32







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