

**2019
2020
2021**

SUSTAINABILITY PROFILE



mastering
the science
of metals

www.fomasgroup.com 

Reporting Process

The reporting process involved various functions and departments of the Group. This allowed FOMAS Group to be represented in its complexity, highlighting the Group's commitment to sustainability.

Benchmarking analysis and actual positioning

Analysis of industry trends and best practices in sustainability strategy, governance and reporting (i.e. benchmarking).

1

Mapping and "as is" analysis of FOMAS Group' sustainability profile, Gap analysis to define the company's positioning on ESG and sustainability issues, and the improvement actions needed to achieve the predefined objectives.



Definition of an Action Plan

After having performed the benchmark analysis, the actions of most strategic importance have been identified in order to improve future FOMAS Group sustainability performances.

2

This process involved the main areas of importance in order to build a sustainability culture and a Group pathway.



Data and information collection

Interviews with data owners of each function to share most relevant activities during the years and definition of the list of KPIs that each function collected.

3

This process involved the main functions and departments of the Group. In addition, specific data owners were identified.



Disclosure of information

The draft of this presentation has been composed and it can be shared with all stakeholders.

4

Each section was drafted thanks to all the information gathered in the previous steps of the process.

Letter to Stakeholders

Dear stakeholders,

As we are all aware of, in September 2015, all 193 Member States of the United Nations adopted a plan for achieving a better future for all — laying out a path over the next 15 years to end extreme poverty, fight inequality and injustice, and protect the planet. At the heart of “Agenda 2030” are the 17 Sustainable Development Goals (SDGs) which clearly define the world longed for — applying to all nations and leaving no one behind.

The new Global Goals result from a process that has been more inclusive than ever, with Governments involving for the first time business, civil society and citizens from the outset.

Fulfilling these ambitions will take an unprecedented effort by all sectors in society — and business will play a very important role in the process.

FOMAS Group, since its foundation, has always included in its business model various topics which today find their setting within a specific SDG Goal. I’m referring to production efficiency, safety and supporting communities as few examples.

With the introduction of the 2030 Agenda we decided to embrace a more assessable approach by starting a process that delivered a first image of our Group in terms of sustainability.

The study took into account the years starting from 2019 to 2021, a timeframe that presented unique circumstances and opportunities that required us to react, adapt, and assess our priorities across our global operations.

With this in mind, a benchmarking analysis and actual positioning of the Group was performed; after which a reporting process involving various functions and departments of the Group was completed.

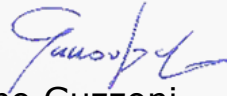
In the following presentation you will find the results of this analysis, a transparent picture of the Group that we consider the starting point of our journey to a more mindful sustainable approach.

The priorities that FOMAS Group first identified in 2019, and upon which we have been achieving marked progress, continue to drive our operations throughout 2023 and will remain instrumental as the new FOMAS Group sustainability path is defined.

Currently we are defining our Sustainability strategy which will be shared with all our stakeholders by the end of the year.

We are confident that by working side by side with all our stakeholders we will achieve our business goals the right way, safeguarding people and the planet to the utmost of our abilities.

Sincerely,


 Jacopo Guzzoni
 President & CEO

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01 Introduction

Pillars of FOMAS Group strategy

As part of the process of defining the Group's sustainability strategy, FOMAS Group has defined five strategic pillars to guide its actions and its business in a more responsible and sustainable growth and development. These five pillars represent the major areas of action on which the Group aims to improve its performance and on which it places most emphasis as they are areas of strategic importance.

1



Mastering the science of metals

2



Awareness and commitment for the planet

3



People – centric

4



Creating shared value for the community

5



Embracing the change with our partners



Mastering the science of metals

- Promote Boards of Directors' accountability on sustainable practices
- Support continuous improvements and awareness on ethical business conducts



Awareness and commitment for the planet

- Calculate Group and Products' carbon footprint
- Develop a Decarbonization Strategy
- Identify climate change risks and opportunities that impact the Group



Embracing the change with our partners

- Map Group's suppliers on a risk-based approach
- Conduct ESG assessment and audits plan in the supply chain



People - Centric

- Promote awareness and trainings on sustainability issues
- Implement Diversity & Inclusion initiatives
- Develop strategies to improve employees' well-being and development



Creating shared value for the community

- Take care of the strategic importance of the relationship with the communities where the Group operates
- Define a Corporate Citizenship Policy
- Support enhancement and development of local communities

02 Identity

MARTENSITIC ST13
STAINLESS STEEL

Historical milestones

First steps

- **1956**: foundation of FOMAS S.p.A. (Osnago, Italy)
- **1969** acquisition of ASFO S.p.A. (Chiuppano, Italy), production of large rings.
- **1990**: acquisition of HOT ROLL S.r.l (Busano, Italy), production of small rings.
- **1996** : Greenfield BAY-FORGE Private Ltd. (Chennai, India), production of open-die forgings and large rings.

Early 2000

- **2005** : acquisition of LA FOULERIE S.A.S. (Carignan, France), production of small rings.
- **2006** : greenfield FOMAS Precision Forging (Dalian) Co., Ltd., production of small and large rings.
- **2009** : association to M4U (Busano, Italy), machining of small rings.

2010

2017

- **2011**: ASFO S.p.A. adds a second plant from greenfield in Villamarzana, Italy increasing its production capacity (12.550 Ton Press + ESR)
- **2014**: acquisition of Ajax Rolled Ring & Machine, now FOMAS, Inc. (York, SC, USA), production of small and large rings.
- **2017**: Greenfield MIMETE S.r.l. (Biassono, Italy), production of metal powders for additive manufacturing.

2020

2022

- **2020**: acquisition of M4U Laminati (Busano, Italy), machining of rolled rings.
- **2022**: foundation of MadeInAdd, a Joint Venture of FOMAS Group in partnership with CDP Venture Capital Sgr and PUNCH Torino.

Our Values, Mission, Vision and Purpose

Purpose

The Purpose of the Group is to enable sustainable energy, reliable power and limitless motion by moving the needle in mastering the science of metals with a responsible approach

Mission

The mission of the Group is: "play to win with innovation, responsiveness and a passionate commitment to long-term partnerships."

Vision

The vision of the Group is: "be a multicultural, people-centric organization leading our core businesses by leveraging cutting-edge competencies in the science of metals and embracing the digital transformation."

Values

Proactivity



Integrity



Meritocracy



Accountability



Reliability



Transparency

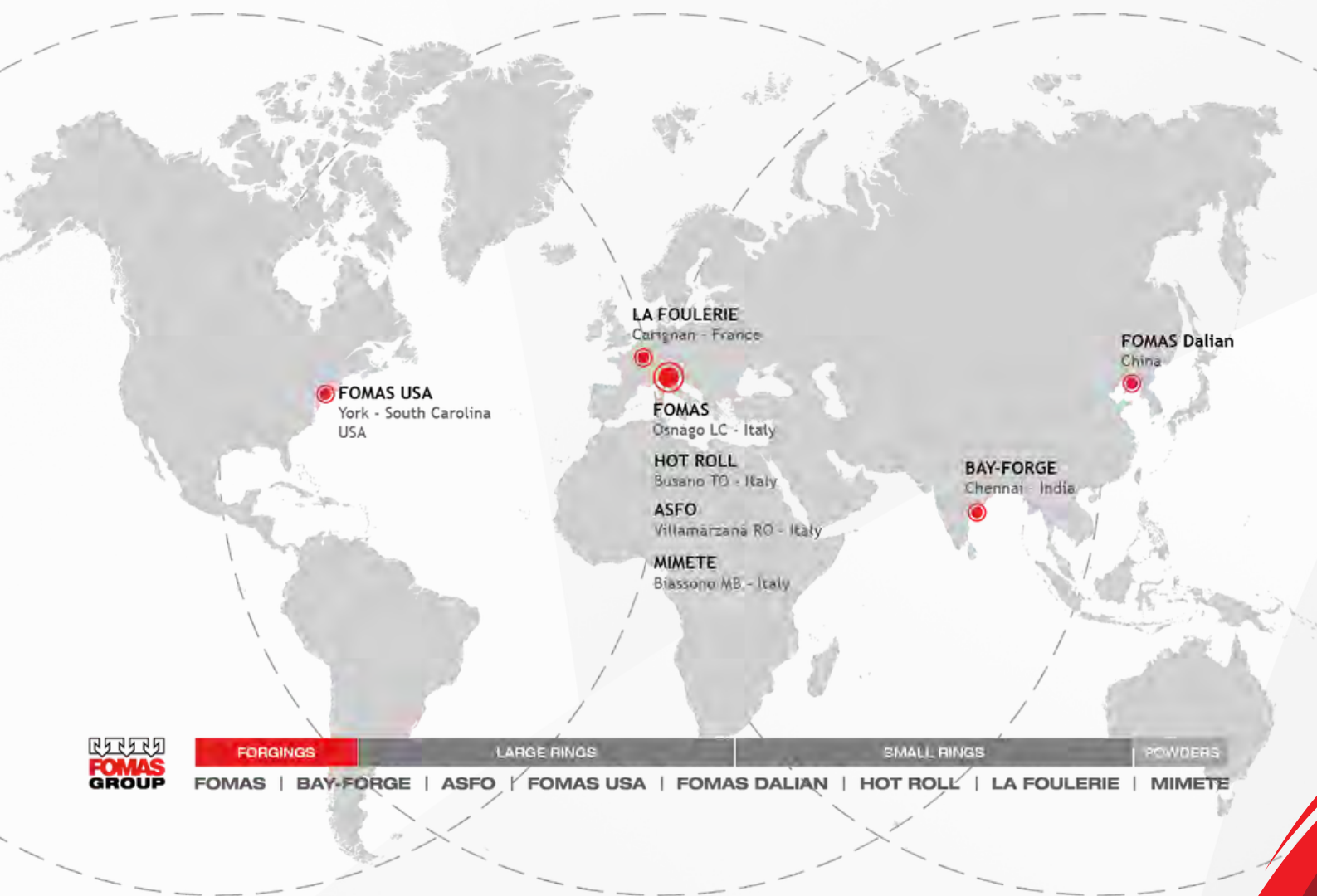


Trust



A truly global footprint

Group headcount as of September 2022: 1.431



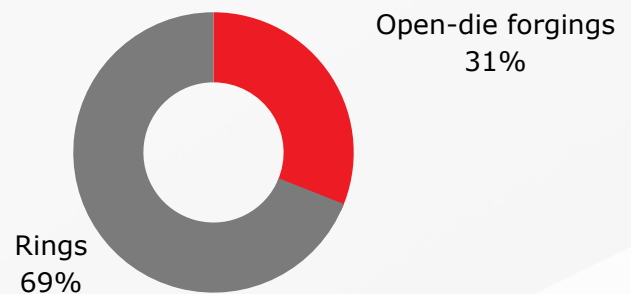
Production overview and markets served

GROWTH AND RISK MITIGATION THROUGH DIVERSIFICATION

FOMAS Group produces products made of steel, alloys and other materials that are mainly used in the conventional, nuclear, and renewable power generation markets; oil and gas, aerospace and defense, construction, plant engineering, and other industrial activities.

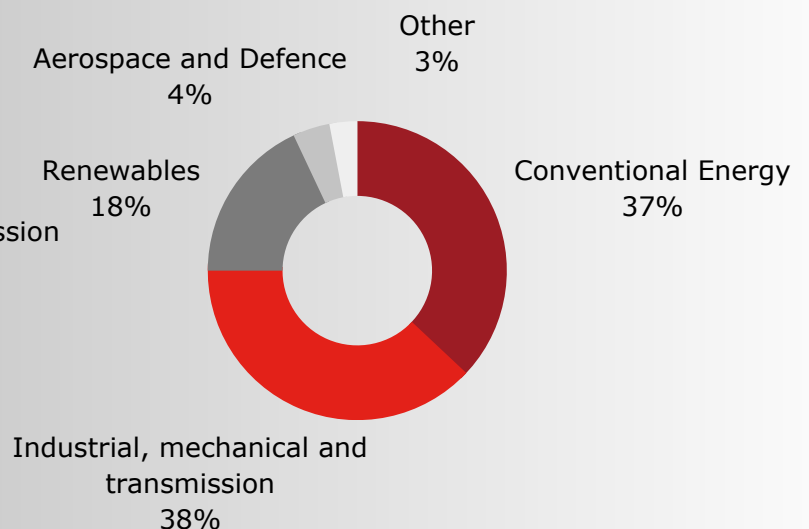
Production overview

69% Rings
31% Open-die forgings



Markets served

38% Industrial, mechanical and transmission
37% Conventional energy
18% Renewables
4% Aerospace and Defence
3% Other



Identity – Financial statement

€ 397 million Direct economic value generated:
revenues

+ 14.8 % Increase in economic value
generated compared to 2020

03 **Governance**

Ethics and integrity

FOMAS GROUP HAS ADOPTED A CODE OF ETHICS THAT ILLUSTRATES GROUP'S FUNDAMENTAL VALUES, BASED ON A GENERAL PRINCIPLE OF RESPONSIBILITY AND DILIGENCE.

The Code of Ethics represents a general, non derogable principle of the Organization, Management and Control Model adopted by the Group's Italian companies, pursuant to Italian Legislative Decree 231/2001, as well as the basis for the Group's behavior in conducting its business. The addressees of the Code of Ethics are the members of the corporate bodies, the management, the employees and the external collaborators, understood as all those who, for various reasons (suppliers, service providers, consultants, customers, etc.) collaborate with the Group.

Proactivity Be positive and open towards continuous improvement and innovation

Integrity Be honest and an example in ethical actions

Meritocracy Be objective and fair while recognizing merits

Accountability Be responsible for actions and performances

Reliability Be committed to your word while delivering sound results

Transparency Be straightforward and follow a fair process

Trust Be trustworthy by truly living all other values every day

04 Protection and Development of People

BEARING
STEEL 100Cr6

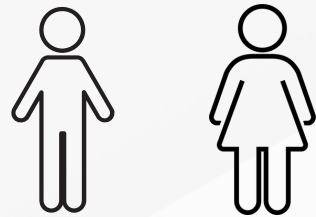
FOMAS Group people composition

FOMAS Group is aware that its personnel is an intangible asset of primary value, necessary for the achievement of company goals and the maintenance of optimal quality standards. For this reason, the entire personnel management process is guided by the principle of equal opportunities and without any form of discrimination, guaranteeing growth paths based exclusively on personal merits and skills, and aimed at consolidating the level of professionalism of each individual.

Furthermore, every company of the Group is committed to ensuring that no episodes of intimidation, mobbing, or stalking occur in the workplace; requests or threats aimed at inducing people to act against the law and the Code of Ethics, or to adopt behavior detrimental to the moral and personal convictions and preferences of each person, are not tolerated.

1,418

Number of employees at
31.12.2021



88%

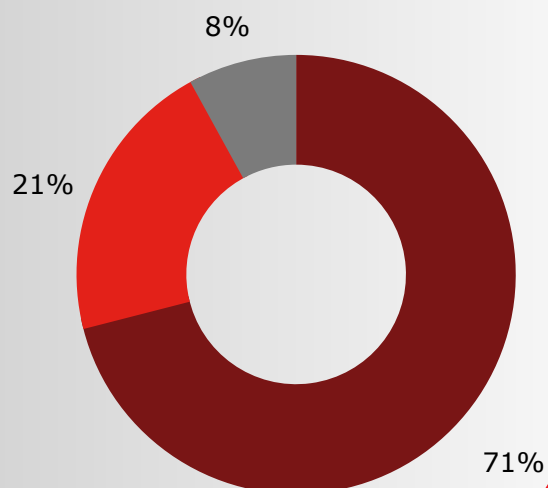
Men

12%

Women

Employees for Geographic Area

71% Europe
21% Asia
8% USA

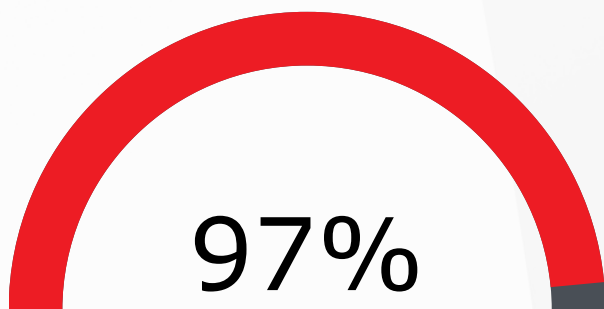


FOMAS Group people contracts

PEOPLE PROTECTION AND DEVELOPMENT ARE KEY PRIORITIES FOR FOMAS GROUP, AS WELL AS MILESTONES OF OUR STRATEGY.

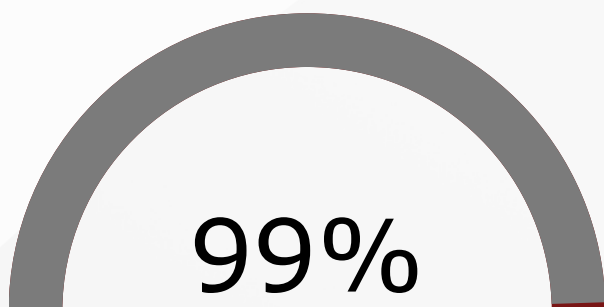
The graphs represented here below show the commitment of the Group towards the employment of our people. As a matter of fact out of 1,418 people employed in the group 1,381 are permanent employees and 1,402 employees are full-time workers.

Employees per type of contract



97% Permanent employees
3% Temporary employees

Employees per employment type



99% Full-time workers
1% Part-time workers

People trainings and development

At FOMAS Group, training people is fundamental to the success and growth of the Group. Investing in personnel training for FOMAS Group means a long-term investment in the workforce and Company's competitiveness. Great attention is paid to health and safety courses, which have increased by 136% since last year.



9.7h

Hours of training per year for FOMAS Group employees



+41%

Of training hours with respect to the previous year

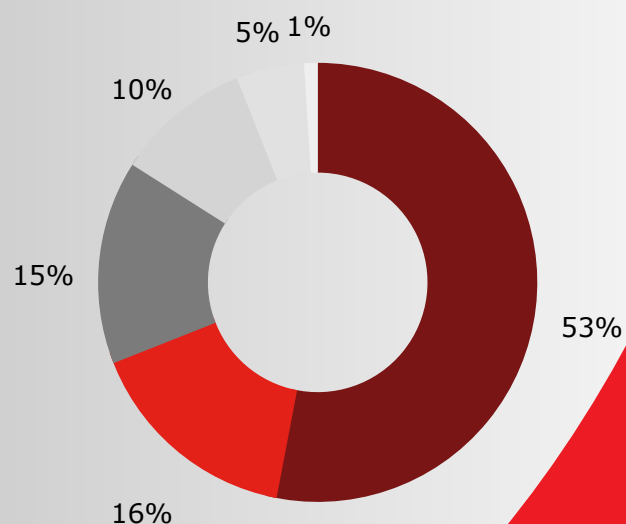


+136%

Health and Safety courses hours increase

Training hours by type of training courses

- 53% Health and Safety
- 16% Technical work and learning in the field
- 15% Quality/Certifications
- 10% Languages (english course)
- 5% Other
- 1% Anti-corruption (231 model)



Health and Safety Qualitative

THE ORGANIZATION ASSESSES HEALTH AND SAFETY RISKS IN ACCORDANCE WITH THE LEGISLATIVE REQUIREMENTS OF THE COUNTRIES IN WHICH IT OPERATES.

Through the UNI EN ISO 14001:2015 and UNI EN ISO 45001:2018 Integrated Management System, FOMAS Group management expresses its desire to promote an environmental, health and safety culture based on the centrality of the human factor.

Risk management for people

The analysis and management of risks to people is reinforced by the certification process ISO 45001.

This requires assessing all existing risks to people's health and safety, taking immediate action on identified gaps, and proceeding with a root cause risk elimination approach.

Group's Integrated Management System

This system is the result of the aggregation of the Management Systems of the individual plants and the Best Practices developed by the various group companies around the world. FOMAS Group's Health, Safety and Environment Policy is based on the following points: Knowledge and expertise, Involvement and Leadership, Continuous improvement.

HSE trainings

The planning of training activities is the responsibility of the individual plant, based on analysis carried out by the area specialists. Training needs emerge from risk assessment activities. The design of the course is carried out on the basis of national legislative protocols. Training provided in the HSE area requires specific qualifications that vary from country to country. HSE training is carried out both internally and externally. Effectiveness is evaluated through tests, practical trials and internal audits.

HSE Strategic plan

Each site of the Group acts on the basis of an HSE strategic plan that includes all relevant aspects and impacts in a standardized manner. This plan is the basis for tracking projects improvements and includes both general Group's objectives and local site objectives, such as specific improvement actions. Each plant in the Group relies on specialized physicians for the implementation of specific health protocols.



05 Our pathway towards decarbonization

FOMAS Group Carbon Footprint 2021

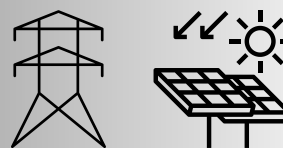
FOMAS Group Carbon Footprint comprehends: Scope 1, Scope 2 and Scope 3. Considering the Group's business and peculiarities, relevant Scope 3 categories were identified, in line with the GHG Protocol.

Scope 1



20.6%

Scope 2



6%

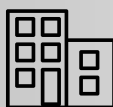
Scope 3

1. Purchased Goods and Services



70%

2. Capital Goods



1.1%

4 e 9. Upstream and Downstream transportation and distribution



1.4%

5. Waste generated in operations



0.8%

6. Business Travel



0.03%

7. Employee Commuting

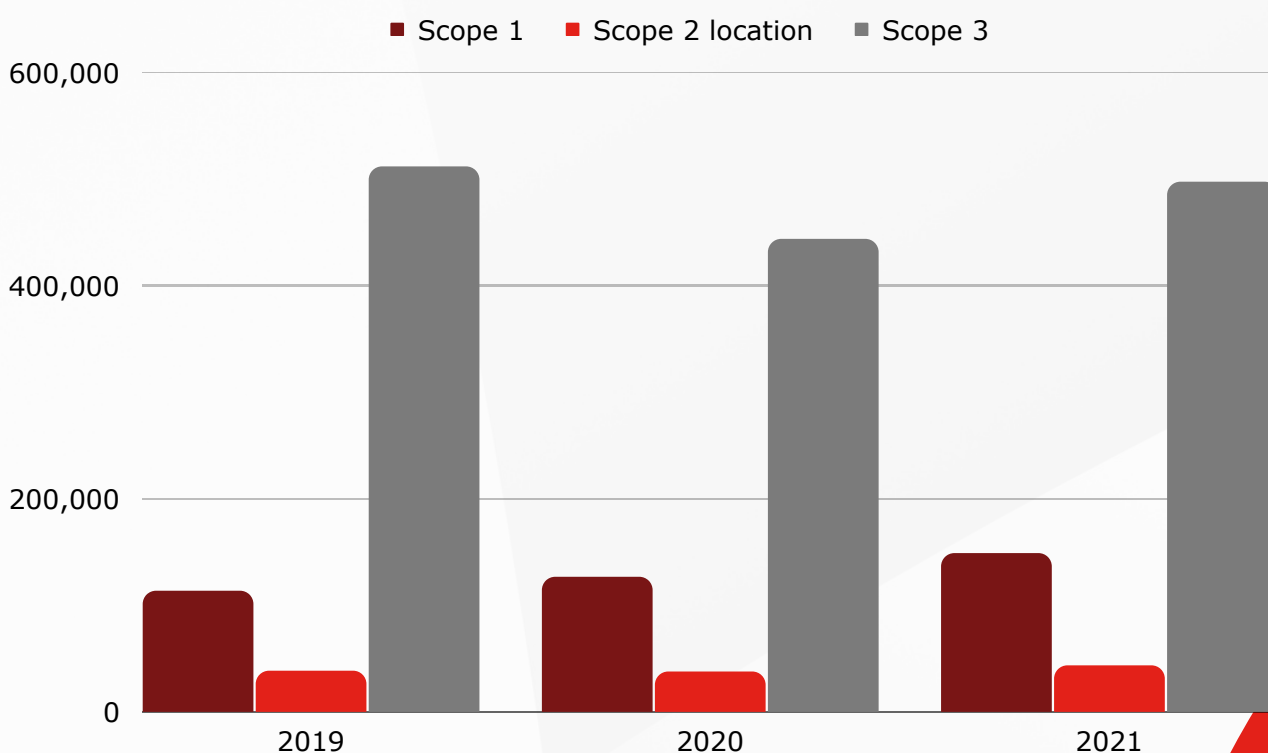


0.001%

*Partial Data provided from BAY-FORGE Private Ltd. and FOMAS Precision Forging (Dalian) Co., Ltd. (as not in the system).

Overview of carbon footprint results

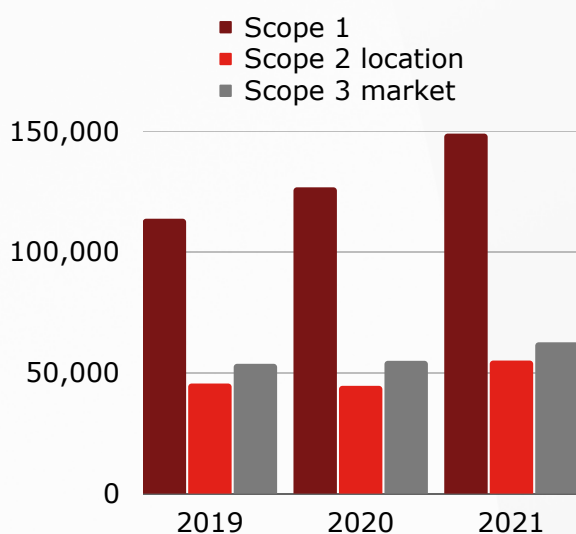
FOMAS Group Emissions by Scope and year



	Scope 1	Scope 2 location	Scope 3
2019	113566,9 449	38612,33 584	511253,9 675
2020	126619,5 105	37852,46 583	443272,1 52
2021	148835,4 828	43629,67 32	496904,7 364

FOMAS Group Carbon Footprint 2021

Scope 1 & Scope 2 Emissions 2019-2021



The Group's energy supply, used for the calculation of Scope 1 and Scope 2, is a mix of different sources:

- **natural gas**
- **diesel, gasoline for owned car fleet**
- **electricity**

Scope 1 and 2, both Location and Market Based, have been increasing from 2019 to 2021 with an average rate of:

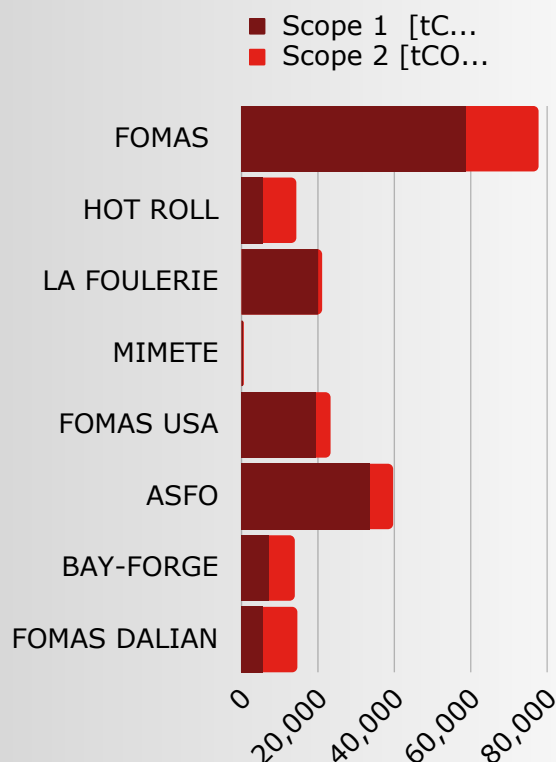
- **Scope 1: 14.5%**
- **Scope 2 Location Based: 10.7%**
- **Scope 2 Market Based: 8.15%**

2021 GHG Emissions Scope 1 and Scope 2 (Location Based)

The emissions are presented per legal entity on the left column charts. The stacked columns represent the level of emissions of Scope 1 and Scope 2 Location Based.

The graph shows FOMAS S.p.A (Italy) production facility has the highest GHG emissions level followed by ASFO and FOMAS, Inc. LA FOULERIE S.A.S. presents relatively lowest Scope 2 Location Based emissions compared to the other legal entities.

MIMETE S.r.l has relatively low emissions which are non-visible in graph (Scope 1: 276.4 tCO₂eq and Scope 2 Location Based: 141 tCO₂eq).



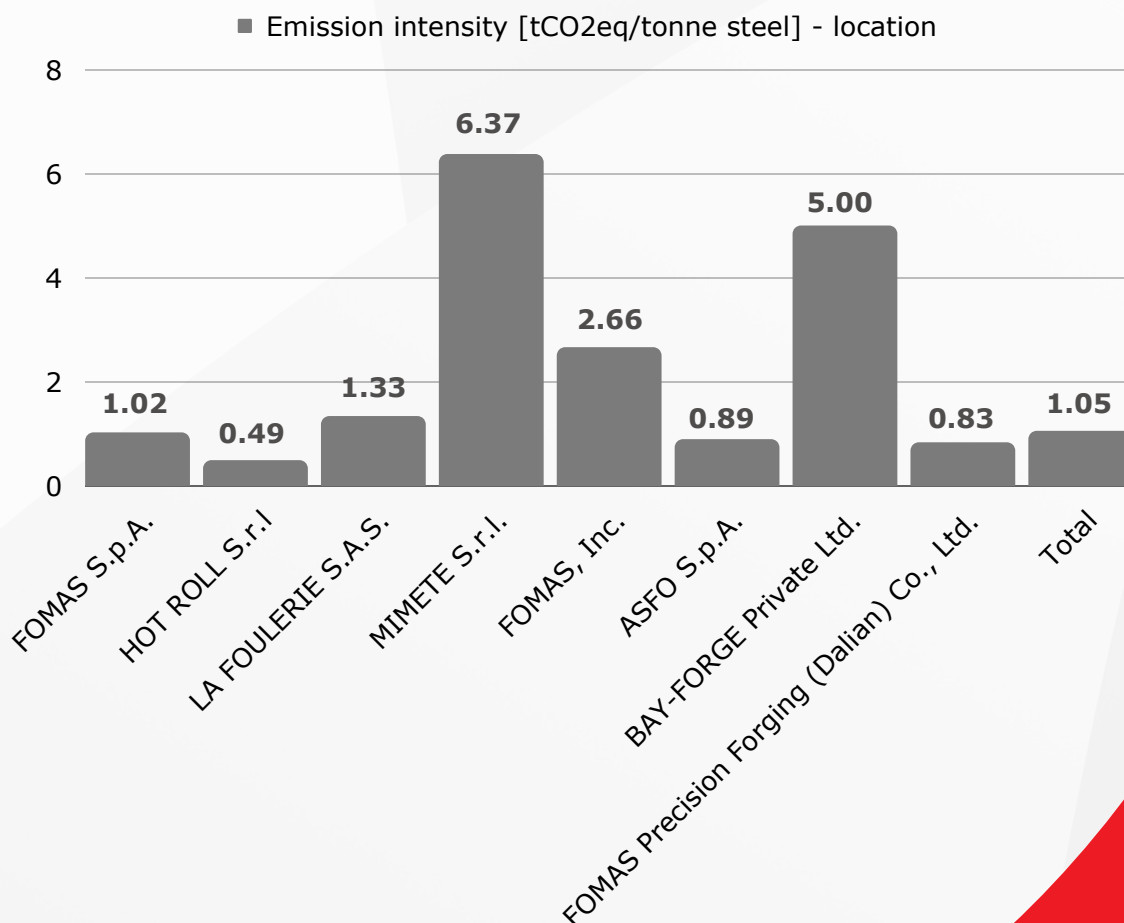
Scope 1 and Scope emission intensities

The Scope 1 & 2 emission intensity is calculated as: Sum of Scope 1 & Scope 2 Location Based tCO₂eq/ tonne of steel worked. This index provides an idea of the relative worked steel emission intensity and can provide some interesting insights:

- Even though MIMETE S.r.l presents relatively low absolute emissions (see page 23) it has indeed the highest emission intensity value, due to the nature of its process.
- BAY-FORGE Private Ltd. also presents relatively higher value compared to others, thus is mostly due to the heavy utilization of gasses.

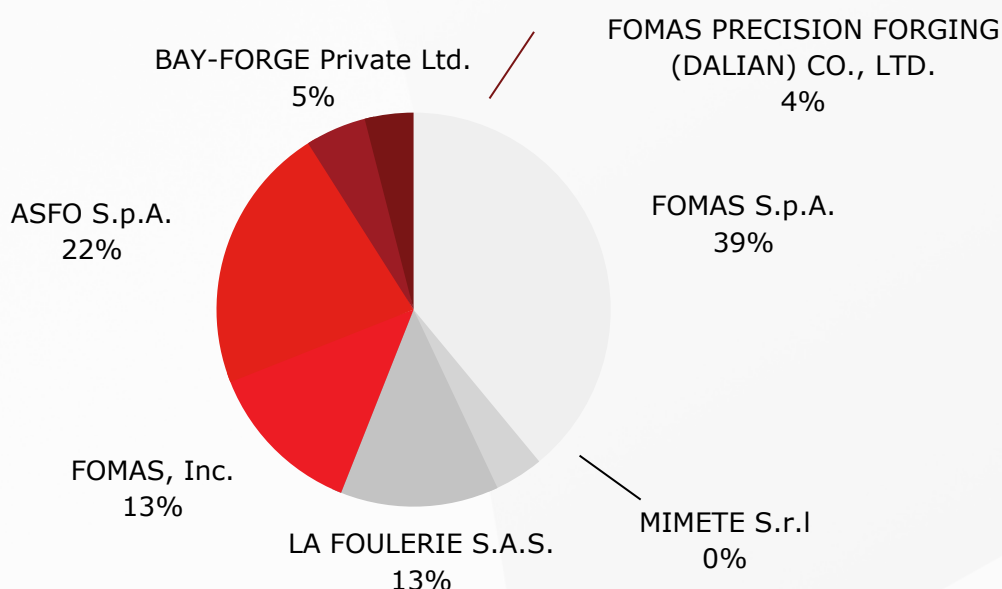
The last column "Total" is calculated as total Scope 1 & Scope 2 Location Based emissions of the Group divided the sum of steel worked.

Scope 1 & 2 (location Based) Emission intensity 2021 [tCO₂eq/tonne of steel worked]



Scope 1 breakdown

2021 – Scope 1 Contribution by Legal Entity

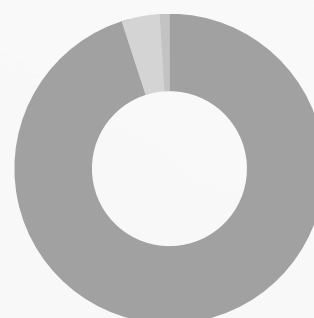


2021 – Scope 1 GHG emissions by type

95% of the Group Scope 1 emissions are due to Gas consumption, 4% by Propane gas and 1% Fuel Oil. The other categories have relatively low impact but are hereby presented to provide an idea of their low weights on FOMAS Group Scope 1 total emissions.

95%	Gas - Scope 1
4%	LPG - Scope 1 [tCO ₂ eq]
1%	Fuel oil - Scope 1 [tCO ₂ eq]
0%	Diesel - Scope 1 [tCO ₂ eq]
0%	Propane - Scope 1 [tCO ₂ eq]
0%	R410A - Scope 1 [tCO ₂ eq]
0%	R134A - Scope 1 [tCO ₂ eq]
0%	R407C - Scope 1 [tCO ₂ eq]
0%	R22 - Scope 1 [tCO ₂ eq]
0%	Company's Fleet - Scope 1 [tCO ₂ eq]

LPG - Scope 1 [tCO₂eq]
4%



Gas - Scope 1
95%

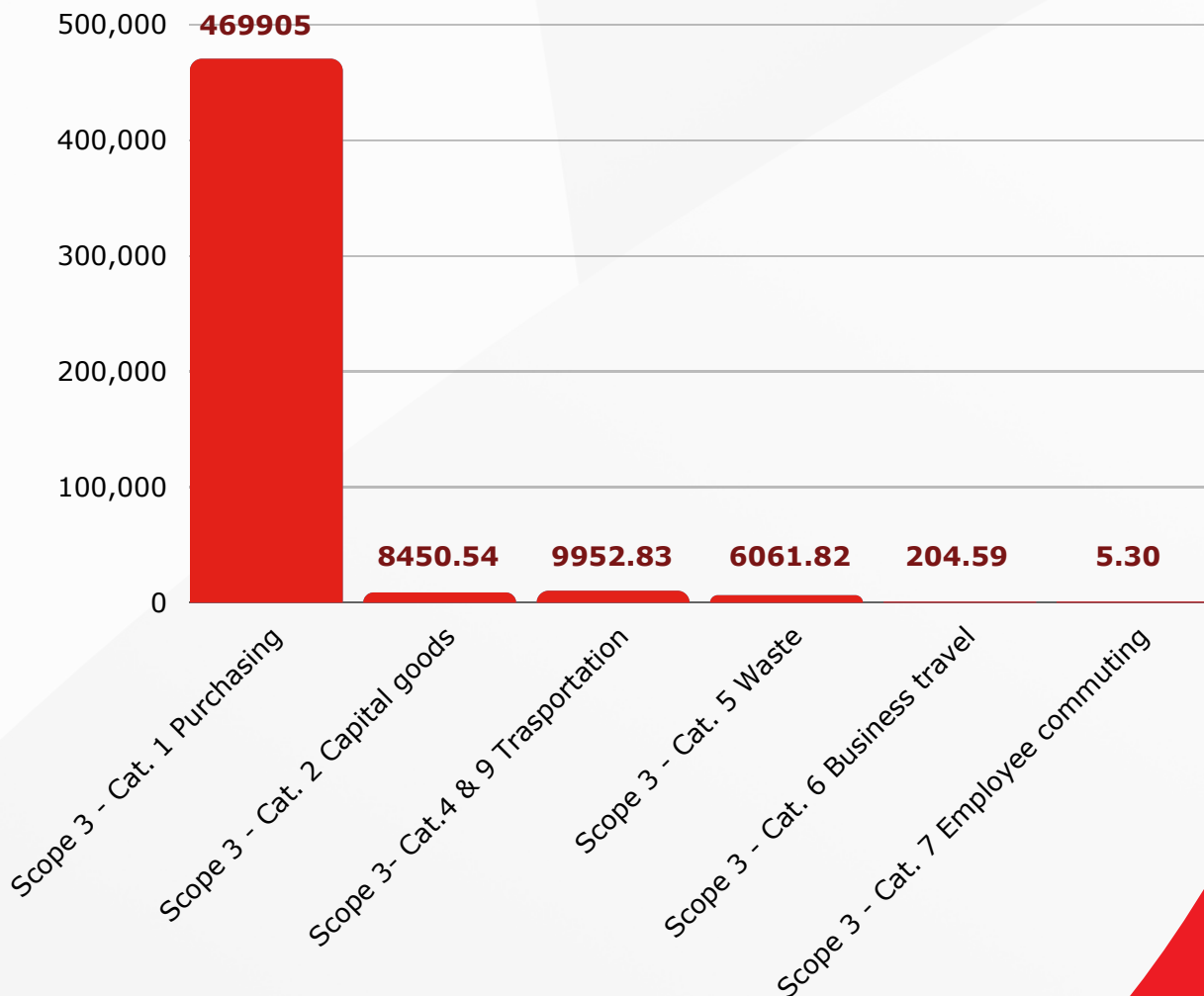
Scope 3

2021 Scope 3 Emissions by category

Results for 2021 Scope 3 emissions by category are illustrated in the histogram above. Cat.1 Purchase Goods and Services represents most of the Scope 3 emissions (95%) with an absolute value of ca 500k tCO₂eq, the order of magnitude in absolute terms is almost 50X second highest Category Transport (note, the graph vertical axis has a break).

More comparable in terms of Emissions are Cat.2 Capital Goods (1.6%), Cat. 4&9 Transports (2%) and Cat.5 Waste Generated (1.1%).

Cat. 6 and Cat. 7. are deemed non influential for the total value of emissions.



06 Embracing the change with our partners

Supply Chain

Supply Chain Management

FOMAS Group implements all verifications and prescriptions both in ethical terms and in terms of prevention such as requiring conflict mineral to be certified by its sources and to have regular recruitment of personnel for service companies.

Supplier assessment

Supplier performance monitoring systems are in place. All targets and indicators are requested and monitored periodically. Evaluations and responses to supplier performance improvement plans are periodically collected and analyzed in comparison with corporate objectives.

Communicating with suppliers

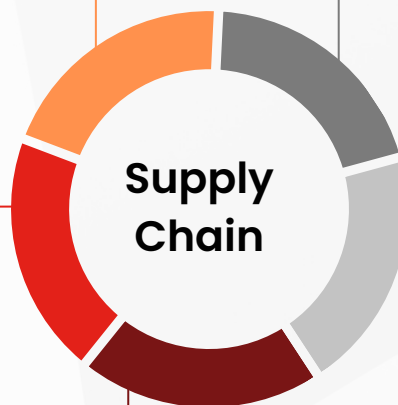
FOMAS Group communicates the needs and obligations to suppliers through its Policies, General Conditions and Specifications of product families, technical regulations and behavioral ethics. All FOMAS Group's stakeholders are punctually informed about the obligations to be guaranteed and managed. Periodic instruction alignments and step-by-step progress analyses are carried out on the set targets.

Actual or potential negative impacts

Supply risks, demand risk, process risk, decision risks, natural crises, cultural and geopolitical risk factors, logistical availability, reputational risk.

Positive Impacts

Stringent supply chain risk analysis with KPI system with suppliers; strengthening and structuring of integrated processes with the supply chain; supplier improvement plans. The benefits spread to internal customers as well as to the reputation and corporate quality impact.



Responsible sourcing and traceability

As part of FOMAS Group's commitment to corporate sustainability in its operations including the activities performed by its Business Partners, FOMAS Group companies have in place policies and procedures.

FOMAS Group Companies constantly carry out document-based Reasonable Country of Origin Inquiries on all tiers of respective supply chains, but have also implemented a rigorous conflict minerals sourcing policy, to ensure none of the materials necessary for their production processes is supplied in breach of law provisions on supply of Conflict Minerals (including cobalt and mica) from Conflict Countries.

FOMAS Group Companies ask their suppliers to complete proper Conflict Minerals Reporting Templates and Extended Mineral Reporting Templates, to confirm that all supplied products originate from non-DRC and/or adjoining countries' conflict areas, as well as official confirmations that any Conflict Minerals in respective supply chains do not support conflicts.

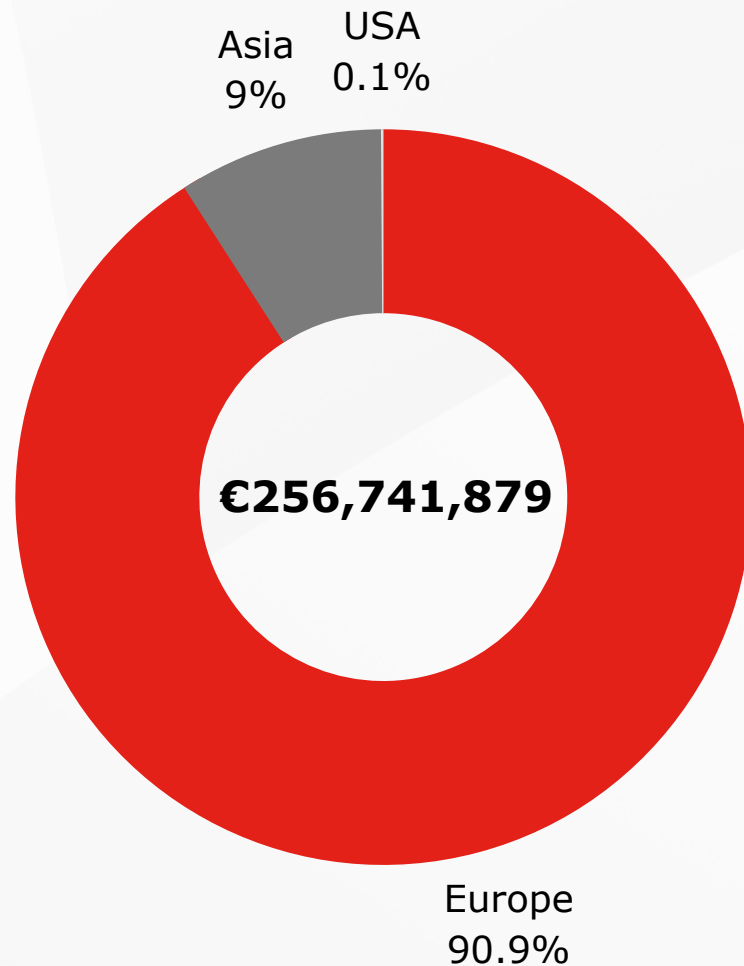
FOMAS Group Companies also respect OECD, Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. They also comply with the diligence requirements in the supply chain for Union importers of tin, tantalum and tungsten, their ores, and gold, originating in conflict zones or at high risk set forth in Regulation (EU) 2017/821.

*By "conflict minerals" we mean those minerals, such as tin, tungsten, tantalum, and gold, extracted under conditions of exploitation and violation of human rights and whose trade could directly or indirectly finance the purchase of weapons used in war conflicts.

Supplier base

Purchase values by Geographical Area

90.9% Europe
9% Asia
0.1% USA



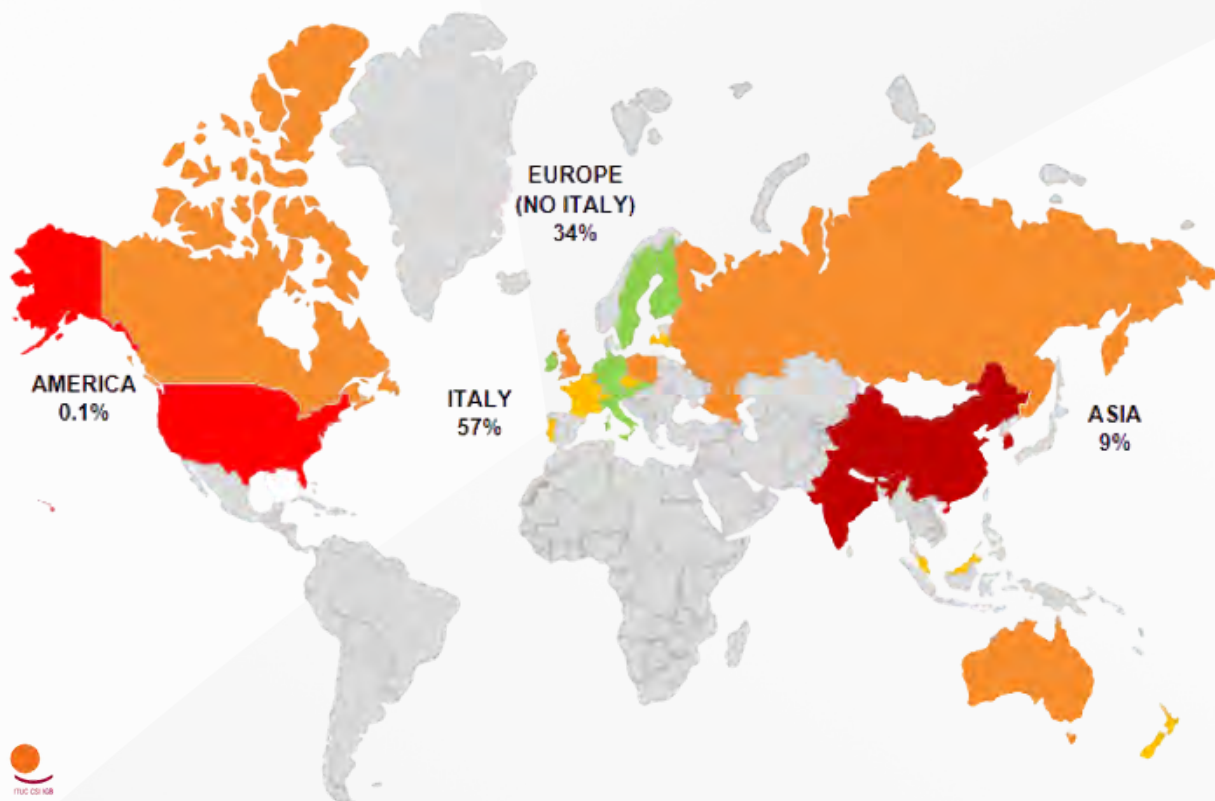
Supplier base

Purchase values by Geographical Area

The distribution of Purchase Value with respect to the geographical area of operation is shown on the map.

The map also shows the ITUC Global Rights Index by country of operation, which documents violations of internationally recognized labor rights by governments and employers.

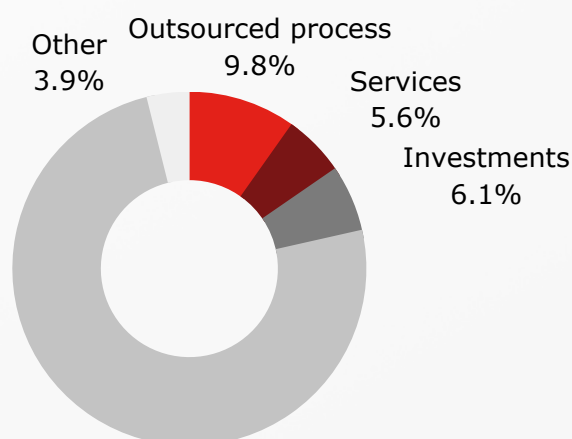
Survey's reference ITUC Global Rights Index



- 1 - Sporadic violations of rights
- 2 - Repeated violations of rights
- 3 - Regular violations of rights
- 4 - Systematic violations of rights
- 5 - No guarantee of rights

Supplier base

**Supplier per
type**
2,077 suppliers



Raw material and materials useful for processing
74.6%

Raw material and materials useful for processing	This category includes raw materials such as low-alloyed and chromium steel, unalloyed metals, aluminum, and materials which are useful for processing such as coke, petroleum products, chemicals, rubber, plastics, wood, and paper.
Outsourced processing	This category includes engineering services, technical testing and analysis services, scientific research and development services, and other professional, scientific, and technical services.
Investments	This category comprises investments in machinery and equipment not elsewhere classified, furniture, other manufactured goods, electrical equipment, computer and electronic products, and motor vehicles, trailers, and semi-trailers.
Services	This category includes services related to machinery and equipment repair and installation, transportation and warehousing support, computer programming and consultancy, retail, construction and real estate, security and investigation, rental and leasing, accommodation and food, advertising and market research, insurance and pension funding, employment, water transport, legal and accounting, management consulting, telecommunications, printing and recording, motion picture and television production, and human health.
Other	All other uncategorised items.

Quality product

Decades of experience have made FOMAS Group an essential partner to its clients. Its know-how allows the Group to optimize processes and materials, minimizing cost, and maximizing product quality. The Group has no quality-related certification at corporate level. Depending on the plant's sector of reference, the Group holds specific certifications.*

FOMAS Group has a Quality Management System which aims at providing products that meet customers requirements, going towards continuous improvement. This system has three main areas.

1

Monitoring processes (KPIs)

Top Management annually establishes performance indicators to monitor QMS processes (KPIs). For each KPI, the annual target to be achieved and the person responsible for achieving these targets are defined. The annual summary is reported in the annual Management Review and constitutes input for the definition of both indicators and related targets, based on the results of previous monitoring activities



2

Target setting

Quality objectives are planned, documented and communicated through 'Quality Improvement Plans', included in the Management Review, in which responsibilities, necessary activities, implementation timeframes and possible milestones are identified



3

Lesson learned

Top Management undertakes to review the company's Management Systems at least once a year on the 'lessons learned' approach (i.e. issues arising from past experience that should be taken into account to reduce the likelihood of recurrence, and information from external sources that may represent potential opportunities for continuous improvement)



FOMAS Group companies also contribute to guaranteeing product safety by:

- analyzing hazardous and contaminating elements and their associated risks;
- ensuring the repetitiveness of their production processes;
- immediately reporting to the customer, and subsequently analyzing, any event, defect or non-conformity that may have an impact on product safety;
- communicating and carrying out appropriate training activities for personnel.

This includes training dedicated to the concepts and principles of 'Safety Culture'.

(e.g. Automotive IATF, Aerospace EN9100 + Nuclear ASME, Oil & Gas ISO 29001) In addition to the above certifications, which concern the 'management system', some sites also hold certifications relating to the 'product', such as PED certification for the supply of components for pressure equipment. The ASFO site has obtained NADCAP aeronautical certification for non-destructive testing (ultrasonic and liquid penetrant) and heat treatment. The FOMAS S.p.A and MIMETE S.r.l laboratories have some tests accredited by ACCREDIA for 17025.)

Research and development

THE AIM OF THE R&D DEPARTMENT IS TO PROVIDE TECHNICAL KNOW HOW AND SUPPORT REGARDING MATERIALS, PRODUCTS AND PROCESSES AS WELL AS PROVIDING A CONTINUOUS INNOVATIVE APPROACH FOR THE COMPANY.

Among the many activities, that the highly qualified team of engineers focuses on:

- Technical evaluation of customer specifications, raw material suppliers, and new processes;
- Definition of best parameters and new experimentation for complex processes;
- Finite elements simulation of processes in order to forecast deformations during heat treatment, the plastic flow of material during forging, and maximum loads on the equipment during forging and rolling operations;
- Continuous updating on innovations regarding forging, rolling and powders production by dedicated projects and cooperation with universities, partners, and customers on specific items;
- Ongoing training programs for Group's personnel in order to increase the know-how within the company;
- Support to quality control; in-house failure analysis on specific issues, in order to understand and overcome critical aspects of complex projects.
- Benchmarking activities

Research and development

R&D	R&D ACTIVITIES	FUTURE ACTIVITIES
<p>FOMAS Group uses steel and aluminium as input products to be processed, the supply is carried out directly by steel mills and aluminium producers. In both cases, the metal can be produced from ore or recycled scrap.</p> <p>R&D FOMAS Group intervenes only in the raw material qualification (qualitative performance)</p>	<p>The main R&D activity in FOMAS Group investigates and studies the behavior of steels as process parameters change in order to improve processes with the aim of optimizing them and to cost-effectively achieve the product requirements imposed by customers. FOMAS Group produces from customers' precise directions.</p> <p>The work of R&D acts on the definition of the internal production process, the steel, and the chemical composition of steel</p>	<p>FOMAS Group wants to simulate activity with the use of software for the optimization of processes such as forging, hot rolling and heat treatment.</p> <p>New possible partnership with a supplier is being evaluated for the use of hydrogen instead of natural gas, and the development of a new hydrogen furnace for the FOMAS S.p.A Osnago plant.</p> <p>FOMAS Group is formalizing a partnership with the Turin Polytechnic for the optimization of process activities related to a certain type of steel that is very critical</p>

07 Creating shared value for the community

Sponsorship and membership associations

Three main types of sponsorships

FOMAS Group defines an Annual Sponsorship Project Plan tending towards three types of sponsorship: cultural - social - sports. Moreover, the Group is adding two new focus areas of sponsorship: Environment & Institutional.

Membership Associations

Federacciai, AIM - Associazione Italiana di Metallurgia, EPMA (associazione europea delle polveri metalliche, FIA, Forging Industry Association (More to come...)).

Policies and procedures

With regard to sponsorships, the Group has adopted VP 006 Procedure to manage sponsorships, detailing responsibilities and authorizing levels in line with the requirements of D.Lgs 231/01.

Other sponsorship projects

The Group participates or buys donations to purchase various equipment useful to the area where it operates.



Donations during Covid-19

During the COVID-19 health epidemic, health and social donations were made almost in all local communities where the Group operates.

Internal continuous improvement strategy

The Group is setting a new strategy for a continuous improvements towards a more structured approach towards the Group commitment into the local community and the involvement of the employees in the corporate strategy.

Pillars of the social strategy

The sharing and creation of value in the area is an integral part of the social strategy, with the aim of contributing to the enhancement of the area and to the economic and social progress of the communities in which the Group operates. The selection of projects supported by the Group is based on the desire to reflect its values and their positive impact on the community.



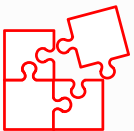
Social The Social focus brings together all initiatives aimed at healthcare (prevention, accessibility of services, research) and at the development and direct support of needy communities (people with disabilities, women and children...).



Cultural Commitment in terms of support to local cultural initiatives, such as promotions of local cultural sites, artistic and musical performances.



Sport The sporting sphere aims to encourage sporting activities and events by promoting team and sharing values.



Institutional (Next) The 'Institutional' area involves all projects in collaboration with schools and universities aimed at research, education and mentorship.



Environmental (Next) Projects in the field of environmental sustainability in the key areas of the Group's plants.

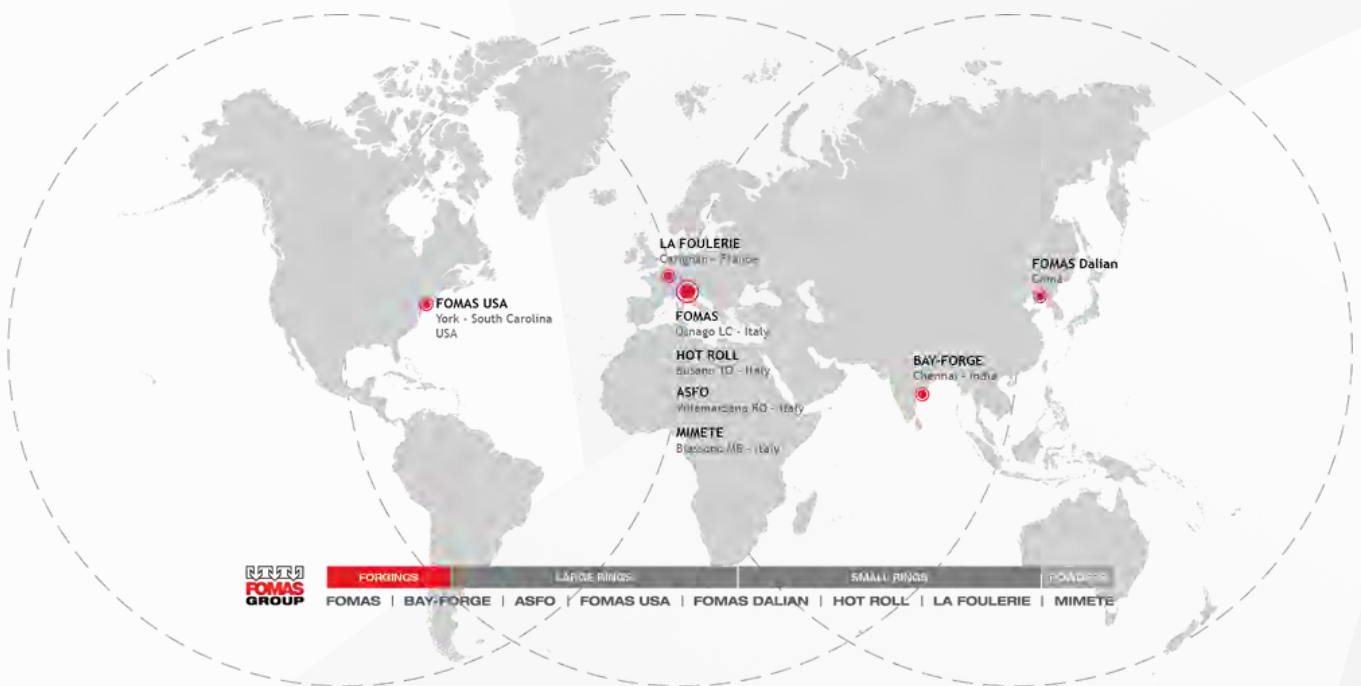
What we will do for the development of social sustainability...

Internal improvement project:

- Create a **culture of shared corporate social responsibility**.

To create continuous involvement and active participation, the Group aims to make communication clear and open. As a first step, a questionnaire will be sent to all Group employees to collect the different expectations, preferences and ideas and to make social responsibility a truly shared and common value.

- Selection of **projects to favor the local area while maintaining the common objective of the Corporate Strategy** of enhancing the 5 pillars of the Social, Cultural, Environmental, Sporting and Institutional world.



Strategic targets

- Inclusion and sharing with internal project teams
- Territorial development
- Support to local communities, with a focus on women and children
- Youth education and training
- Safeguarding the local artistic and historical heritage
- Environmental sustainability and sensitivity to the issue

08 Next steps

Sponsorship and membership associations

FOMAS Group recognizes that business activity is sustainable when it is able to guarantee a long-term competitive position by combining adequate economic results with the achievement of environmental and social targets according to a universally shared model to which all operators refer.

With this in mind, the Group has embarked on a process of maturing ESG issues, letting itself be inspired by the spirit and corporate culture that has guided the company in its growth.

FOMAS Sustainability Journey

FOMAS Group recognizes that business activity is sustainable when it is able to guarantee a long-term competitive position by combining adequate economic results with the achievement of environmental and social targets according to a universally shared model to which all operators refer.

With this in mind, the Group has embarked on a process of maturing ESG issues, letting itself be inspired by the spirit and corporate culture that has guided the company in its growth.

1 FOMAS Group as is
2019/2020/2021 Picture of FOMAS Group
Analysis in the field of sustainability in the following areas: environment, innovation, people, quality, health and safety, environment and customer relations executed through a series of management interviews and data collection.
STATUS: COMPLETED

2 Benchmark Analysis
Analysis of the approaches developed in the field of ESG and Sustainability by competitors and best practices operating in the operational sectors of FOMAS Group and recognized internationally.
STATUS: COMPLETED

3 Carbon Footprint
Calculation of Scope 1-2 emissions and Scope 3 indirect emissions in order to identify possible decarbonization levers according to a cost-benefit analysis.
STATUS: COMPLETED
PCF
HOT ROLL S.r.l CF product of two ring codes.
STATUS: COMPLETED
PCF
ASFO CF product of two ring codes.
STATUS: DATA COLLECTION

6 SDGs Definition
STATUS: IN PROGRESS

7 Decarbonization Strategy
Identify decarbonization levers to minimize/bring to zero the negative impacts of the FOMAS Group's operations.
STATUS: IN PROGRESS

4 Action Plan
Identification of ESG objectives/activities, such as for example the definition of Sustainability policies, projects in relation to specific company areas consistent and aligned with the strategic orientation of FOMAS Group, its values and corporate culture.
STATUS: IN PROGRESS

5 Company profile
Drafting of a document relating to the strategic positioning of FOMAS Group in the field of sustainability such as to guarantee an overview of the performance and objectives achieved in the following areas: environment, innovation, people, quality, health and safety, environment and customer relations.
STATUS: COMPLETED

2019 | 2020 | 2021 SUSTAINABILITY PROFILE

FOMAS S.p.A.
ASFO S.p.A.
HOT ROLL S.r.l
MIMETE S.r.l.
LA FOULERIE S.A.S.
BAY-FORGE Private Ltd.
FOMAS Precision Forging (Dalian) Co., Ltd.
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