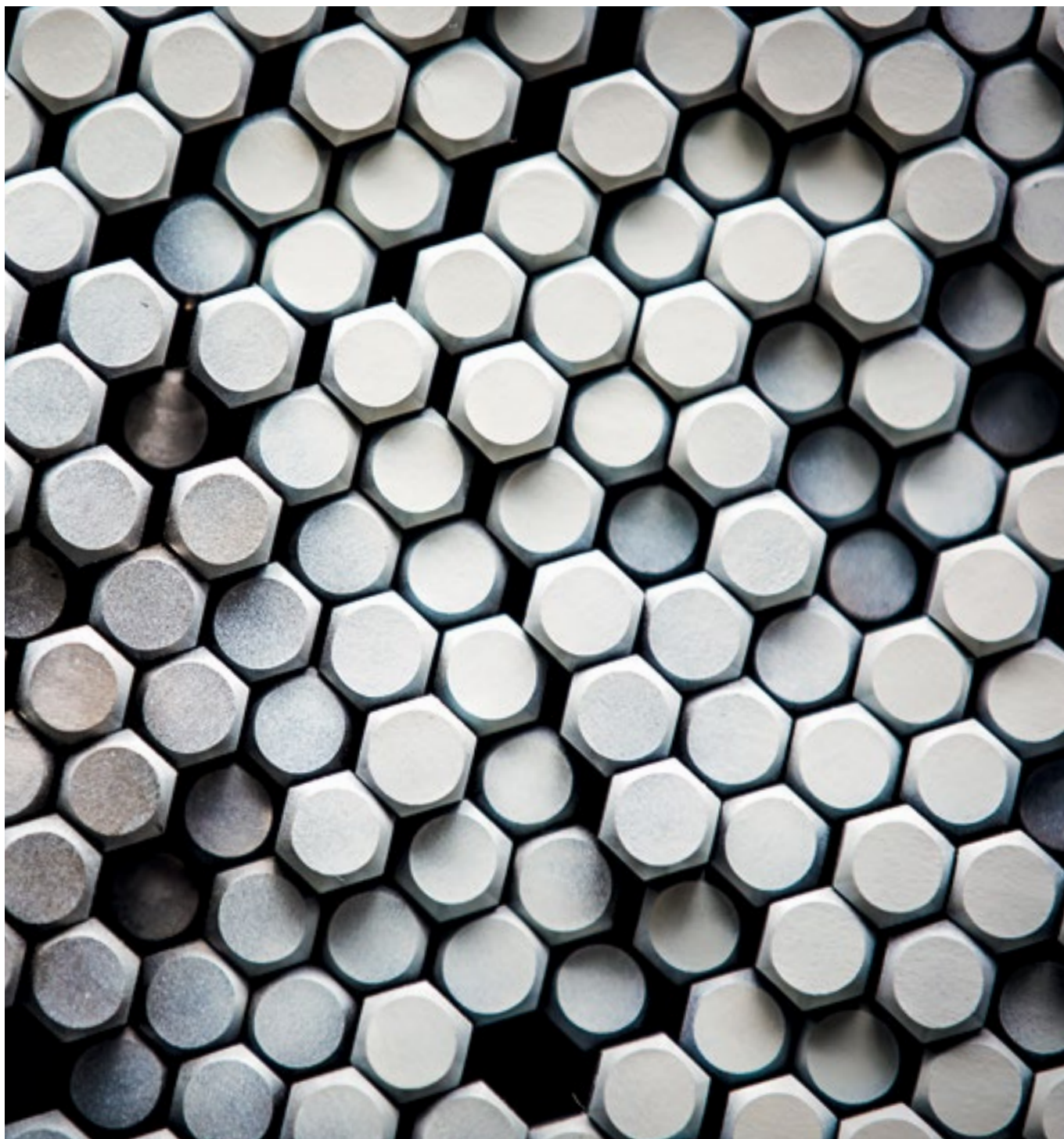


SUSTAINABILITY REPORT

2018



SUSTAINABILITY REPORT 2018

The second edition of the report includes a limited selection of consolidated indicators expressing the Agrati Group core business in a defined sustainability context.

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Letter to stakeholders

From the President & CEO Cesare Agrati



It is with great pride that I present and introduce the second edition of the Agrati Group Sustainability Report.

The purpose of this document is to explain what running a sustainable business means to us from an environmental, economic and social perspective.

The information contained in this report represents a concrete response to the increasingly marked and conscious focus of all of our stakeholders (shareholders, customers, employees, suppliers, associates and local communities) for sustainability as well as the growing demand for accountability and compliance with national and international legislation.

We are fully aware that sustainability is an essential value that will accompany our growth.

Nothing that is recounted in the following pages would have been achievable without the passion of those working together, day after day, in order to contribute to the continuous improvements and long-term sustainability of our productive organization.

Team philosophy means being equipped with an articulated framework of resources, energies, competences, ideas, vision and solutions that - if integrated - are able to assure the vital nourishment necessary for growth.

Throughout 2019 we consolidated a monitoring framework for various sustainability indicators, enriching the second edition of this report with the goal of ensuring an integrated comprehension of the corporate activities, its performances, strategies and overall impact on the territory, people and environment.

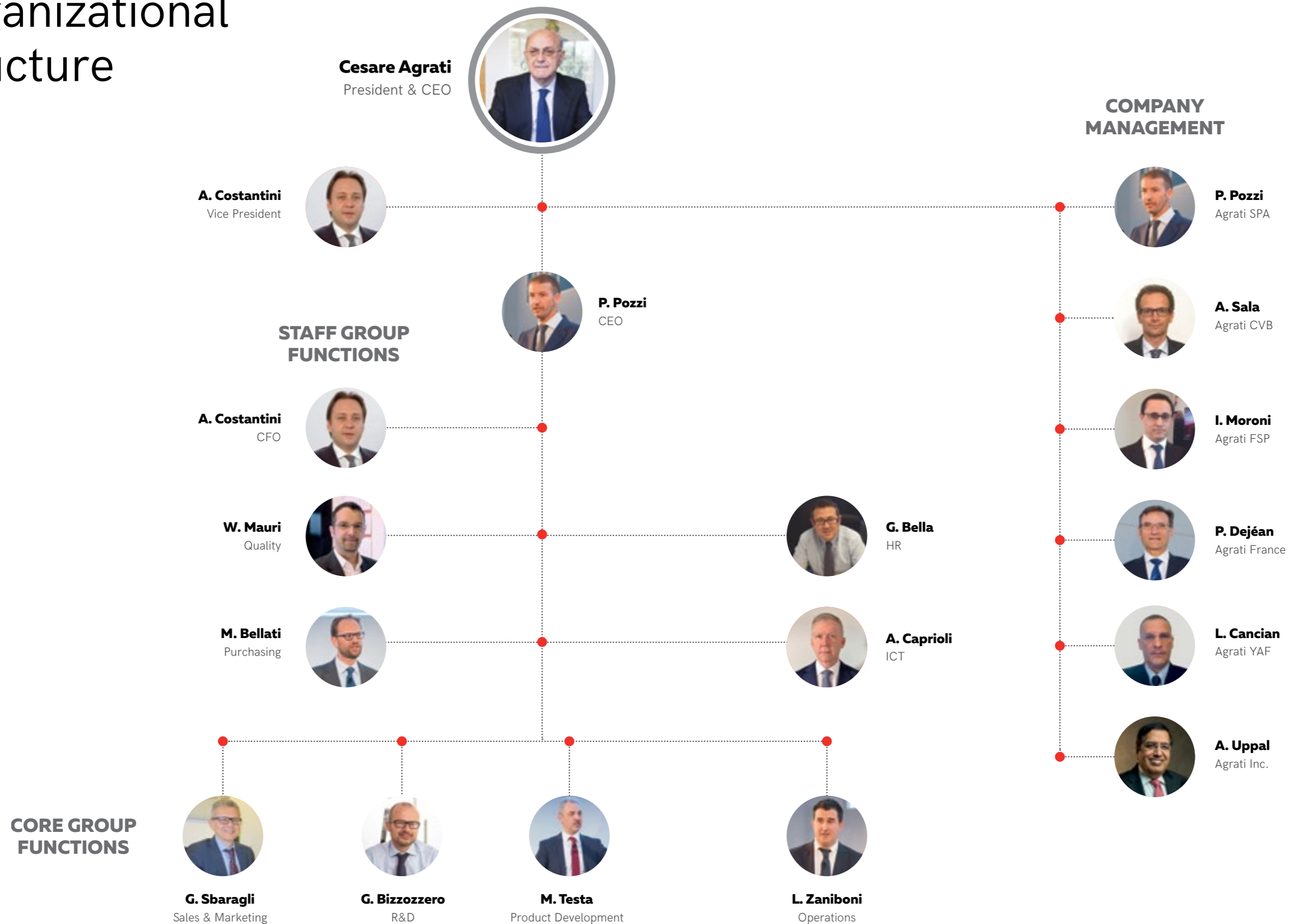
From 2020 onwards, we are going to be innovative even further presenting a dedicated version prepared in accordance with the criteria required by the global reporting standards (GRI) and in line with EU Directive on disclosure of non-financial information (2014/95/EU), transposed in Italy by the Legislative Decree no. 254 of December 30, 2016.

Passion in doing sustainable business and trust in our abilities — it is from these words that we commence building the future each day.



Cesare Agrati
President & CEO

Organizational structure



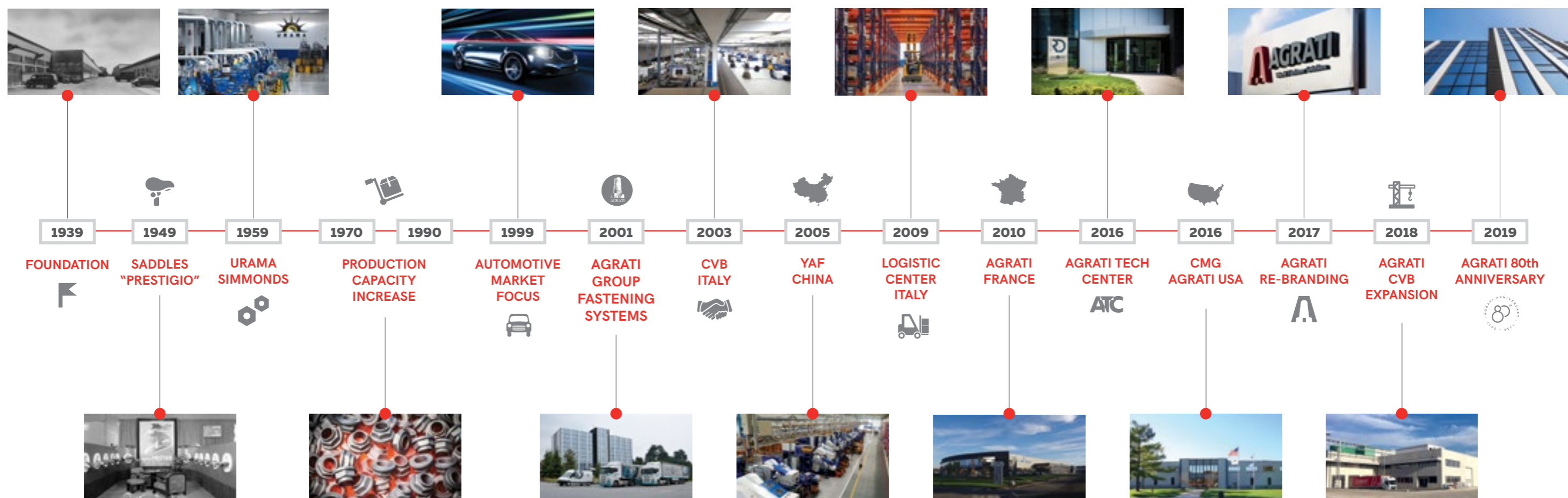


FIRST PART - REPORT 2018

**VALUES
HISTORY
IDEAS**

1939-2019

A story that continues

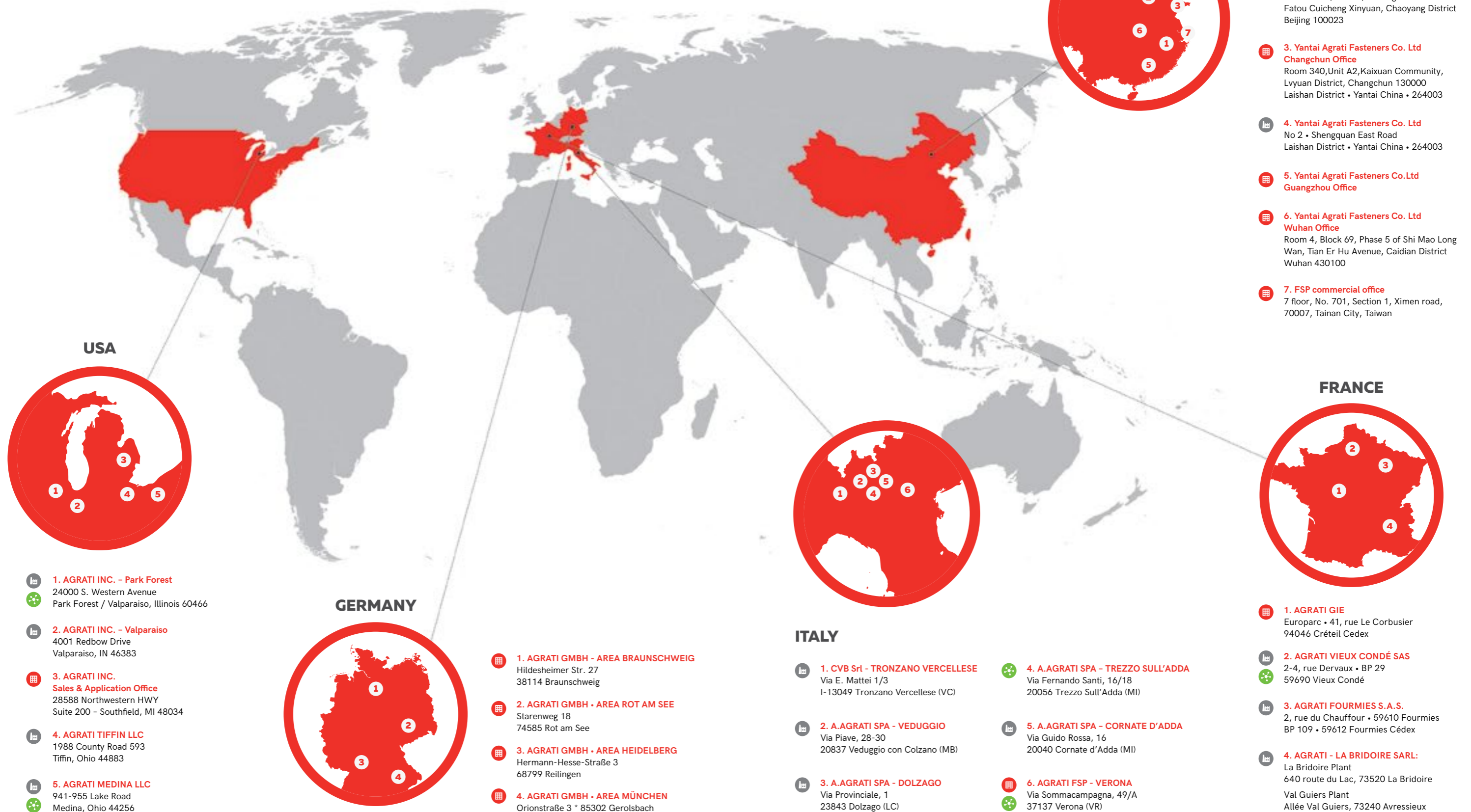


The history of Agrati began in 1939 in Brianza as a small manufacturing company with only 20 employees; a simple company with a relatively low production volume.

Today AGRATI GROUP is a leading multinational in fastening systems with an annual production of 160,000 tons on 3 continents.

Past. Present. Future.
Tradition. Culture. Values.
Italy. Europe. World.
A long history of passion and pride.

Agrati in the world





Skills, technology, co-design

Agrati is one of the world's five leading high resistance metallic fastener manufacturers in the automotive industry where the Group has focused its efforts for several years by directly supplying vehicle manufacturers (OEM) and leading components suppliers (TIER1).

For Agrati, this market represents more than 90% of global sales; specifically: 60% intended for OEM and 30% for TIER1.

Agrati is recognized in the OEM sector as one of the leading manufacturers of fasteners essential to both Chassis and Powertrain applications. This recognition was proven by the numerous technical partnerships and co-design activities with all leading European, American and Chinese auto manufacturers.

In TIER1, Agrati has focused on fastener or engineered part production for Seating applications (structure and mechanisms), Braking (brake clamps, front and rear, gap recovery systems, electric parking and actuators), Powertrain and Electrical.

The wide range of products is an element of distinction from main competitors. Agrati is one of the few manufacturers able to supply high resistance screws and bolts, complex nuts and shaped parts and is one of the very few able to provide the full range in all leading markets on a global level. The product range sold by Agrati on the market is 61% represented by high resistance bolts, 15% by advanced form parts (AFP), 11% by nuts and 8% by special self-tapping and self-drilling screws.

An element of distinction for the Group is represented by the Agrati Tech Center (ATC): a research laboratory where fastening systems are developed for customers and advance co-design activities, one-of-a-kind in the world's fastener manufacturer panorama, are conducted.

Globalization has represented a precise target for the company over the last 10 years: the strategy implemented since 2006 has lead to the creation of a production site in China exclusively focused on the local automotive market, the consolidation of Agrati's position in Europe and the acquisition of a leading fastener manufacturer in the United States. Agrati is now able to cover the world's three leading automotive markets with a distribution that includes 60% sales in Europe, 32% in NAFTA and 8% in China.

Globalization and technical excellence are the two cornerstones of our future growth strategy. For Agrati, the weight must be evenly distributed between the various markets according to their potential and continue to increase technical skills to maintain the fasteners' technical leadership and increase part shares.

Innovate to grow, together

INNOVATION MANAGEMENT

Innovation has become a key factor in the company's strategic plans nowadays. Some studies have confirmed that at least 90% of corporations believe that innovation is a priority. The same studies show how companies with the capacity to innovate manage to have growth rates above the market average, demonstrating the positive correlation between innovation and growth. In order to face the future challenges of the automotive sector, Agrati has decided to set itself ambitious goals regarding innovation, reviewing its approach and organisational model. First of all, an Innovation Team has been set up comprised of resources who, with various roles, have the objective of dealing with technological discontinuity, proposing radical solutions and modifications that can characterise the years to come. To support this strategy, Agrati has also decided to open up to the outside world by adopting a so-called open innovation approach, involving other entities of various natures. This includes realities such as Universities, Research Centres, accelerators and start-ups along with also companies operating in sectors that may seem quite detached from Agrati's core business yet with which synergies and initiatives of common interest can arise.

Agrati's activities dedicated to innovation are basically divided into two dimensions: product and process.

INNOVATION DAY

Developing the ability to innovate is also achieved through the creation of a corporate culture focused on innovation. To this end, Innovation Day is held each year as a celebratory moment that involves customers, suppliers and external partners, with the aim of showing how invention, new technologies and the continuous pursuit of high-performance solutions can represent the winning strategy in an extremely competitive

market. Through this event, Agrati can compare other industrial realities in the automotive sector and more, exchanging opinions and ideas on the main trends and technological developments underway in order to identify new business opportunities.

PRODUCT INNOVATION: AGRATI TECH CENTER

The ATC is an integrated team of experts involved in different fields and areas concerning fastening (material engineering, moulding and mechanical processes, coatings, design, applications and experiments). This department employs highly specialised personnel in various technical fields including mechanical, chemical, material science and aeronautical engineers.

The Agrati Tech Centre mission is to develop and promote innovative solutions, aiming to be a reliable, dynamic partner, with an elevated technical competence to ensure comprehensive and profitable support in the field of fastening systems.

The ATC team:

- offers in-depth and continuously updated skills and experience combined with modern and reliable machinery and instruments;
- can fully meet the customer's technical requests;
- develops tailor-made designed and engineered solutions;
- carries out all the possible research required in the "design by experiment" approach on the fastening systems;
- works with universities and research institutes with an open and clear approach.

Thanks to the combined and synergistic work of these people and a dedicated staff, Agrati was able to launch one of its core businesses: co-design. This multi-disciplinary service involves all Agrati skills in fastener

design, analysis and validation, starting from a blank page to the mass production of a fully functional component or all fixtures of a vehicle, with the product and assembly process validated by the customer.

ATC activities lead to a gradual and constant customer fidelity and is based on a work approach that involves the customer's technicians and engineers being proactive and able to anticipate the technical needs and demands each day.

ATC'S ROLE IN EHS SUSTAINABILITY

The co-design projects mainly aim to define the best and functional joint in consideration of the customer's various objectives including the right mechanical resistance, optimal weight, tailor made dimensioning, the best choice of raw materials, resistance class and surface finishes in compliance with international standards, along with REACH and RoHS regulations.

As a direct consequence, ATC actively partners with OEMs and Tiers, in achieving suitable outcomes in the assembled components, dedicated to weight reduction and CO2 emission aspects.

What's more, Agrati customers also have the opportunity to make their production process more efficient, being attentive to ergonomics, safety and productivity of assembly lines to promote worker well-being.

ATC is fully involved in the supply network concerning the development and industrialisation of functional surface coating solutions: over the last 3 years ATC has managed 70 projects to research and develop products with tailor-made surface coatings aimed at achieving the desired performance, such as prevention of different types of corrosion, the control of the friction coefficient, the request for aesthetic requirements, and the efficiency of the application processes in accordance with existing regulations.

Ecoplate, Highblack, Silverwheel, Agratilube, ATcote are some examples of the surface coatings developed. Thanks to direct cooperation with the other internal departments, ATC constantly works to solve problems and to improve the moulding process (finished element analysis, experimentation and investigations to increase the useful life of the moulding tools), to minimise and better manage waste, to employ high-performance chemical products with the aim of improving fundamental processes such as the preparation of the raw material (from annealing to drawing) and heat treatments.

PROCESS INNOVATION: INDUSTRY 4.0

For Agrati, Industry 4.0 means the possibility of introducing innovation and technological advancements in the various phases of the process in order to digitise and automate the production process as much as possible. In particular, the scope of such development is to: monitoring the machines for production control and progress, geolocation for managing logistics in handling materials, introducing AGV/SDV, visual checking systems auto-applied to specific operations, predictive maintenance and the application of technological solutions related to ergonomics to reduce operator fatigue. Undertaken recently, this path has allowed Agrati to enter a new context of digitisation in the processes, enabling a virtuous circle that starts from the collection of production data that is then managed and processed in cloud computing infrastructure for the structured management of big data aimed at the continuous improvement of efficiency and productivity.

In terms of sustainability, various initiatives to improve production processes are aimed at increasing efficiency and energy savings through the reduction of the power required or through the recovery and reuse of energy consumed at certain stages. The concept of circular economy is also one of the guidelines behind the development of innovative fastening solutions intended to increase the chances of recycling materials and components. Last but not least is the continuous modernisation of plants for the management of operator safety and environmental protection.

FUTURE OBJECTIVES

To continuously meet the expectations of the automotive sector, Agrati will continue to work to improve its products and propose effective fastening solutions. To this end, the Agrati efforts will aim to identify components, materials, functional characteristics, technical specifications, etc. able to offer customers innovative and competitive products and services. On this path, the approach shall be increasingly open to comparison and the influence of the outside world.

A photograph of a mountain peak with several wind turbines. The turbines are silhouetted against a bright, hazy sky. The mountain is dark and silhouetted against the sky. The background shows a range of mountains under a blue sky with some clouds.

SECOND PART - REPORT 2018

SUSTAINABILITY ROUTES: a conscious choice

Highlights 2018


233.779

Added value
(k€)


652.912

Net revenues
(k€)


44.889

Total CAPEX
(k€)


0,58 m3/Ton

Efficiency in
water consumption


25,18

Hours of training
per capita


89.62 Tep/Ton

Energy efficiency



over
160.000 Ton

Total production


2.669

Agrati Group
Employees

Our philosophy

Our sustainability commitment is one of the keys that allow the company to maintain its position as market leader, which is not only based on the quality of the products, but in founded on the Group's philosophy. A philosophy that has its roots in the following principles:

- develop the business in a logic of continuous improvement and aim to produce excellent products and services with "Zero defects", "Zero environmental impact", "Zero accidents";
- enhance the active and proactive participation of the people who work in Agrati, with particular attention to the development of skills;
- preserving and protecting the environment, health and safety of workers and the surrounding population, in full compliance with the safety regulations applicable to individual production companies;
- be a global supplier for customers;
- always keep the customer listening policy active and develop a relationship of close collaboration and trust with them;
- improve productivity and the efficiency of the supply chain and reduce environmental impact through the use of cutting-edge technologies.

The competitive context in which Agrati operates, the challenges of sustainable development and the need to take into account the interests of all stakeholders, reinforce the importance of clearly defining the values and responsibilities that Agrati recognizes, accepts, shares and assumes, helping to build a better future for all.

Commitment to Quality, EHS & Sustainability

Agrati footprint is made by 12 production units and 5 logistics platforms, as well as several commercial and technical offices close to the major customers.

A) MANAGEMENT SYSTEM

The management systems applied to the various Group plants have been implemented and are maintained in accordance with international standards:

Country	Legal Entity	Plant	ISO 50001	ISO 14001	OHSAS 18001	ISO 9001	IATF 16949
ITALY	A AGRATI SPA	Veduggio	✗	✓	✓	✓	✓
		Dolzago (Urama)	✗	✓	✓	✓	✓
		Cornate d’Adda	✗	✓	✓	✓	✓
		Trezzo sull’Adda	✗	✓	✓	✓	✓
ITALY	AGRATI FSP srl	Verona	✗	✗	✗	✓	✓
ITALY	CVB srl	Tronzano Vercellese	✗	✓	✓	✓	✓
FRANCE	Agrati Vieux Condé SAS	Agrati Vieux Condé SAS	✓	✓	✓	✓	✓
	Agrati Fourmies SAS	Agrati Fourmies SAS	✓	✓	✓	✓	✓
	Agrati La Brindoire SARL	Agrati La Brindoire SARL	✓	✓	✓	✓	✓
USA	Agrati Inc.	Park Forest	✗	✓	✗	✓	✓
		Valparaiso	✗	✓	✗	✓	✓
		Medina	✗	✓	✗	✓	✓
		Tiffin	✗	✓	✗	✓	✓
		Southfield	✗	✗	✗	✓	✓
CHINA	YAF Ltd. (Yantay Agrati Fasteners)	YAF	✗	✓	✓	✓	✓

✓ Yes ✗ No

Agrati has a quality manual that outlines the operation of the company with all its internal processes. Each corporate procedure requires that a Process Manager undertakes to delegate the execution of their tasks to the personnel in their department. This responsibility, however, cannot be delegated. It is the obligation of each Management to determine the basic requirements of the personnel to be assigned to a given task and to assess the training needs, on the basis of the skills necessary to execute a given task/activity, measuring the effectiveness—where possible—including through the activity being carried out.

PROGRAMMES
Following the acquisition of the American Group “Continental Midland”, Agrati launched a project to integrate the five American units into the Group’s Quality System. The project, launched in early 2019 under the name “Agrati 2020 Project”, commenced in May 2019 for the sites of Park Forest, Valparaiso and Southfield, whilst the last two sites of Medina and Tiffin are scheduled by December 2019. On the EHS side, the American operating units are working to achieve health and safety certification (ISO 45001) by the end of 2019, to flank the ISO 14001 certification already obtained.



B) GROUP POLICY

All Group Policies reissued in 2019—Quality, EHS (Environment, Health and Safety) and CSR (Corporate Social Responsibility)—include systemic commitments and complete the strategic vision of the upper management.

The short- and medium-term goals and missions derive from the policy documents, as well as from the principles contained in the Group's Code of Ethics.

B.1) QUALITY POLICY

Agrati has implemented a management system to ensure the company sustainability.

Main goals:

- satisfy the norms and the customer specific requirements
- achieve excellent quality and service performance
- develop with the customer innovative fastening solutions
- deploy the APS global industrial system
- analyse and reduce risks, develop opportunities
- motivate staff to achieve the targets

We are committed to put in place the best organization and resources to achieve our goals and commit to continuous improvement.

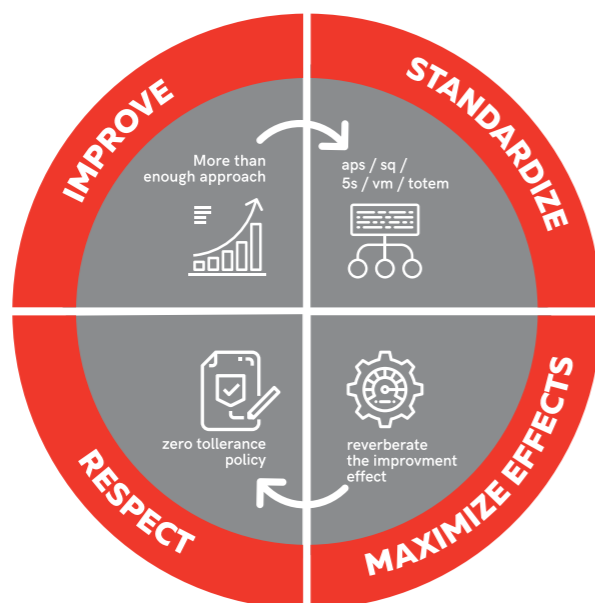
In this way we reach the satisfaction of our customers, employees and shareholders.

OUR TARGETS

- Zero defects
- Zero delay
- «Lean Thinking» in all plants

STEP 2019

- IPB (customer claims): < 45
- On Time Delivery: > 95%
- Continuous quality costs reduction
- Reduction of any internal scrap or waste



B.2) ENVIRONMENT, HEALTH AND AND SAFETY POLICY

In line with our strategy, and Code of Ethics, Agrati is committed to provide safe, healthy and environmentally-friendly workplaces wherever it operates.

Our ambition is to be recognized as the best EHS player in fastening world.

With our Environmental Programs we minimize the environmental impact of our operations.

With our Risks Control Plans, we create a safer environment by controlling our main High Risks Activities.

With the Health and Wellness Programs, we take care of health and wellbeing of our employees. With our Values we will help to meet our collective EHS challenge and leverage the EHS culture in our organization.

Each Country / Legal Entity will define their own policy by defining the objectives and setting appropriate actions and targets according to their local Regulation.

OUR EHS COMMITMENT

- Zero accidents
- Care for people's Safety and Health
- Zero Environmental damage
- Care for the workplaces where Agrati operates
- Continuous improvement of our EHS performance
- Full legal compliance

OUR EHS STRATEGY

1) Visible EHS Active Leadership

Line management takes EHS responsibility and leads by example.

2) EHS Performance

We drive the continuous improvements of EHS Performance through measureable objectives and targets.

3) Robust EHS Management System

Our internal processes ensure compliance with the rules and regulations as well as the control of H&S risks and Environmental impacts. Prevention and protection measures are continuously improved through the return of experience.

4) Workforce Engagement

Reinforce EHS culture for both employees & contractors.



B.3) SUSTAINABILITY & CORPORATE SOCIAL RESPONSABILITY POLICY

Respect for the Environment, Health and Safety prerogatives are essential for the sustainable development of Agrati in the world.

Respect for the Environmental, Health and Safety prerogatives are essential for the sustainable development of Agrati in the world.

To be recognized as a Leader in our sector, we must ensure that our business is sustainable, producing profitability, but addressing the health, safety and well-being of our employees, as well as the environment in which we operate.

At the same time, we must integrate our ambitions and the expectations of our people and all the stakeholders in our daily decision-making process.

Integrating Sustainability in our strategy and processes, we anticipate environmental and social challenges, manage the risks and opportunities they entails and ensure long-term growth.

To follow this path, we must all be actively involved: managers, employees and business partners - individually and collectively.

OUR SUSTAINABILITY COMMITMENT

We strive to:

1) Act as a stakeholder oriented organization:

- assess customers' expectations and adapt our offering accordingly;
- involve ourselves in the life of local communities;
- be recognized as a responsible company.

2) Developing solutions for sustainable growth:

- Co-design to suggest to our clients and eco-friendly design;
- deploy eco-design processes;
- integrate innovative green solutions to lead on energy efficiency.

3) Manage our operations in a responsible way:

- Ensure safety excellence with and for our employees and contractors;
- continuously reduce the environmental footprint of our operations;
- develop a sustainable supply-chain;
- respect human rights.

4) Promote the health and well-being of all employees



Commitment to suppliers

Agrati is committed to develop valuable relationships with suppliers that share the principles and respect the high ethical standards that Agrati is inspired by.

The Group constantly reviews the suppliers panel with whom it collaborates, and is always looking for partners that can help it achieve its goals.

For this reason, Agrati has defined its own rules of conduct with suppliers in the Group Supplier Quality Manual: Agrati recommends all its suppliers manage EHS issues with systems based on ISO 14001 and OHSAS 18001 standards.

All the Group's suppliers, prior to qualification, must sign the Sustainability Chart, a document expressing their intention to commit themselves adhering to the Group's Code of Ethics and to the other requirements established by the Group such as REACH, Conflict Minerals and Labor Standard.

The supplier qualification process requires a Risk Assessment, which includes the verification of the application of EHS activities.

A team of 7 auditors is responsible to submitting the suppliers to periodic quality audits in which the topics of EHS importance within the activities of the supplier are subject to verification.

Up to date, 117 out of the 189 main Group suppliers have been audited.

Every six months, all suppliers are subject to the Vendor Rating assessment based on Business Sustainability Analysis, with particular statements on EHS topics.

The Group's production activities involve the use of a large variety of qualified suppliers, mainly for the following materials/processes:

- **STEEL** that comes in wire rod of various diameters mainly for product cold forming
- **COATINGS** to protect products against corrosion and provide the necessary friction coefficient requested by customers' specifications
- **MECHANICAL PROCESSES** such as turning, milling and rolling to produce the thread
- **CHEMICALS** used in the initial wire rod preparation and in various internal phases of the production process
- **TOOLS** used primarily in cold forging and product rolling

Agrati towards CSR

Complying with the Environment, Health and Safety prerogatives is essential for Agrati’s sustainable development worldwide.

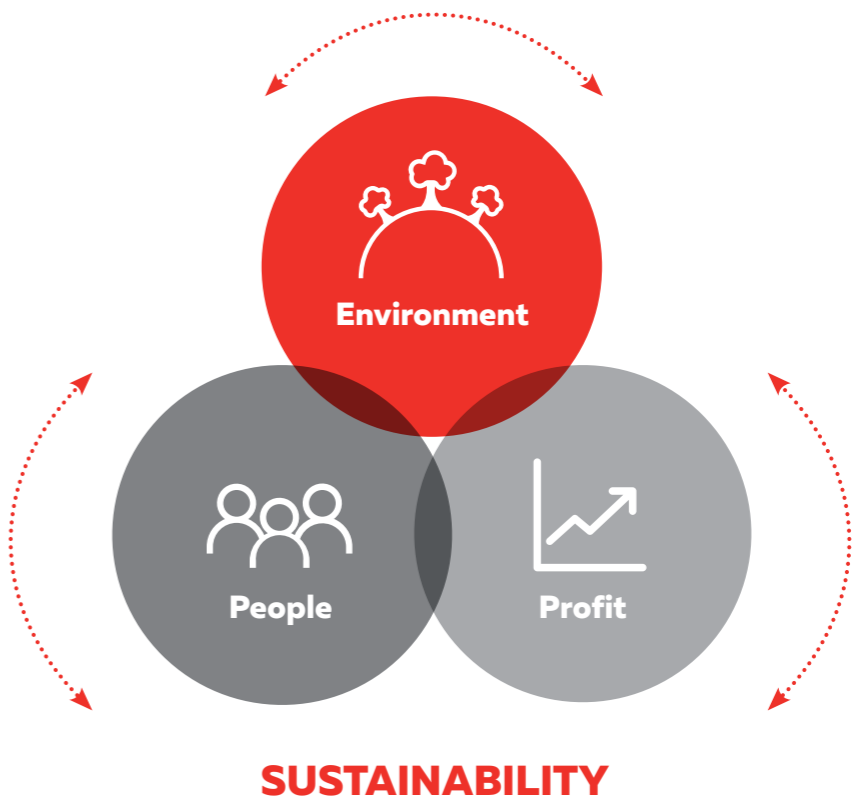
In order to proactively shape the global fastening solutions market and be recognized as a leader in its sector, Agrati must ensure that its business produces profitability, but at the same time is sustainable, meaning that it focuses on the health, safety and well-being of its employees, as well as the environment in which it operates.

At the same time, Agrati is committed to integrating the ambitions and expectations of its employees and all concerned stakeholders.

By combining sustainability with its strategy and processes, the company is able to anticipate social and environmental challenges, manage risks and the opportunities they involve and ensure a long term growth.

The first operational steps to follow this path have already been made, actively involving executives, employees and business partners - individually and collectively - and publishing the guidelines of this new company policy on the intranet.

This policy reconciles economic objectives with social and environmental objectives, with a view to sustainability.





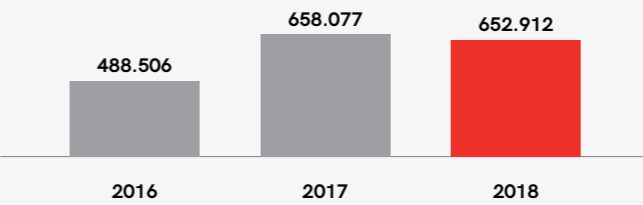
ECONOMIC SUSTAINABILITY



2018 Highlights

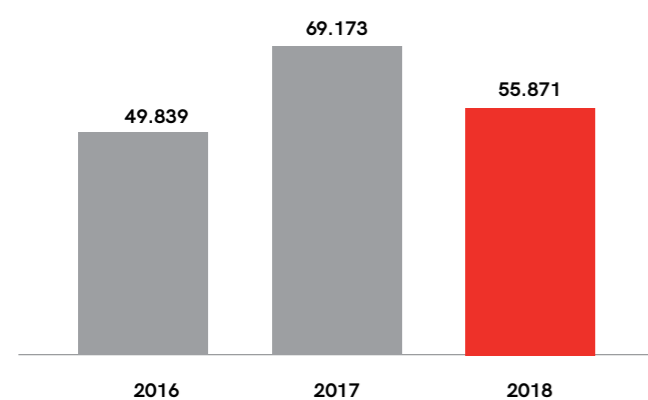
As of 2017, the Company voluntarily adopted the international accounting standards (hereinafter also referred to as the “International Financial Reporting Standards” or “IFRS”) issued by the International Accounting Standards Board (“IASB”) with the aim of increasing the comparability of annual financial statements with respect to national and international competitors with clear advantages in terms of greater transparency, disclosures and greater ease of access to the credit market.

+ Net revenues (k€)



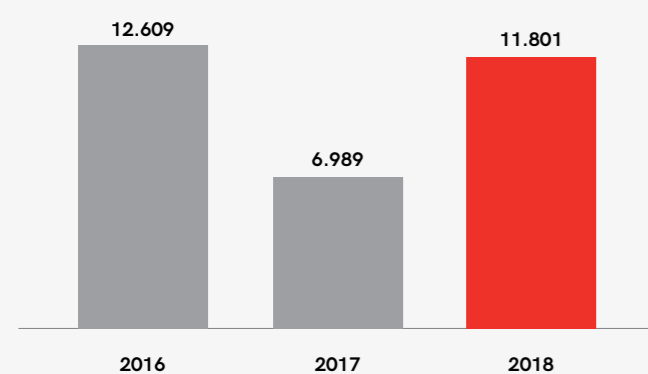
Net revenues earned in 2018 amounted to 652.912.000 euro, down 0,8% compared to 2017, with a decrease in absolute value of 5.165.000 euro. The variation in revenue at constant exchange rates was rather positive at 0,7%, mainly due to the evolution of the exchange rate of the US Dollar.

+ Operating income (EBIT) (k€)



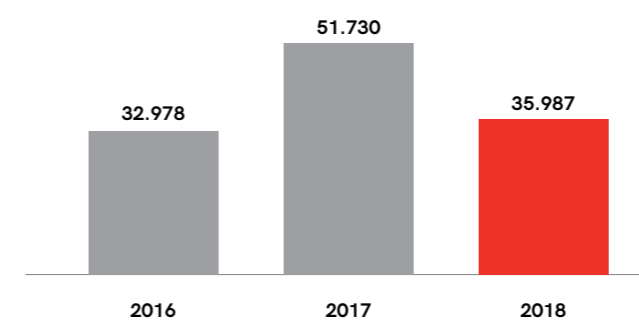
The operating outcome is equal to 55.871.000 euro — a 19.2% decrease compared to the previous year due to the weakness of the market in the second half of the year, to the increases in the costs of raw materials that have not been possible to transfer to the customer in full throughout the year, to the financial results of the subsidiaries in the US, negatively impacted by logistical difficulties that have emerged throughout the second quarter, and to the introduction of duties on imports of steel as mentioned.

+ Taxes for the period (k€)



The impact of the current and deferred taxes for the year on pre-tax profit is actually equal to 24,7% compared to 11,9% of the previous year, due to the less positive effect of the "Trump" tax reform.

+ Net profits (k€)



The 2018 financial year ended with a net profit of 35.987.000 euro, down 15.743.000 euro compared to the previous year as a result of the loss in non-recurring income and due to the lower positive effect of the American corporate tax reform.



ENVIRONMENTAL sustainability

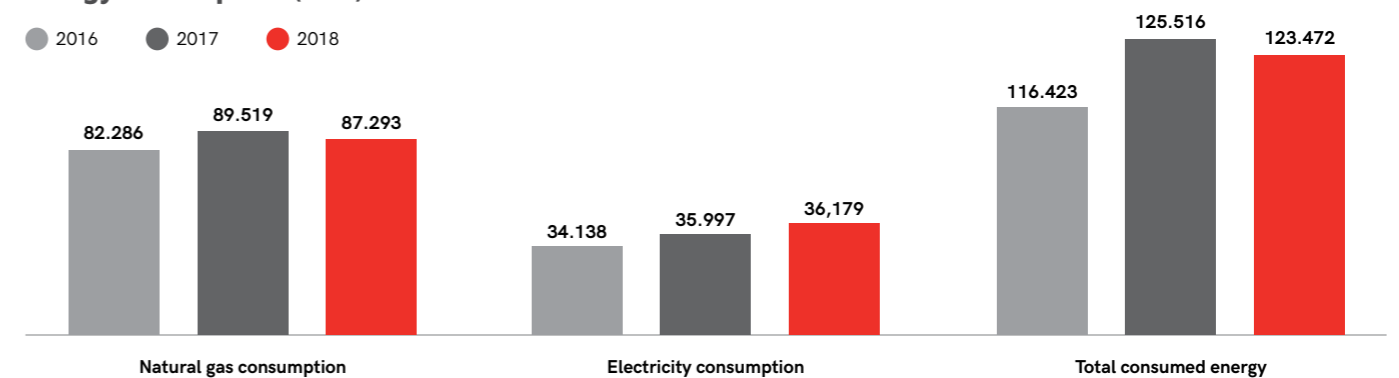
Italy



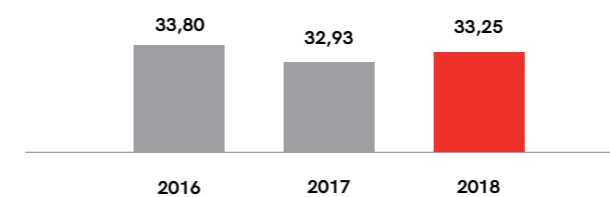
ENERGY

Energy consumption (MWh)

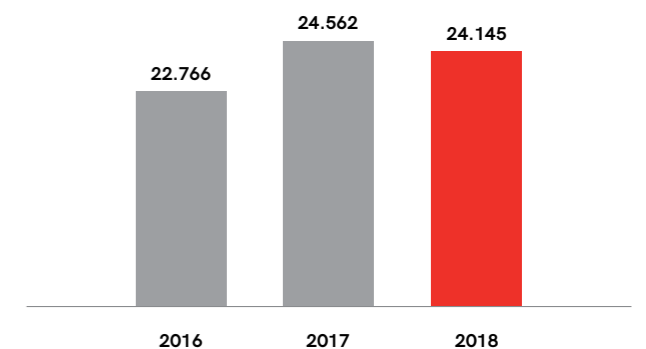
● 2016 ● 2017 ● 2018



Energy efficiency (Tep/Ton)



CO2 emissions from energy consumption (Ton CO2 eq)



In general, the indicators are influenced by a decrease in production volumes in 2018 compared to the year 2017, particularly in the main Italian production site of Veduggio, as well as exceptional events such as the decommissioning of the radiant bar heating system in the CVB plant.

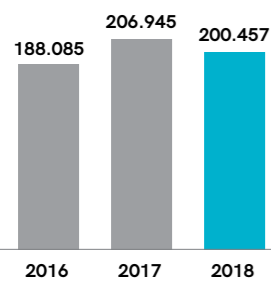
The slight improvement in 2018 emissions compared to 2017 is consistent with the decrease in production volumes. Overall energy efficiency has improved by comparing the 2016 figure with that of 2018 (from 33,80 TOE/over cumulative production workshops to 33,25 TOE/over cumulative production workshops, (being -1,6%), thanks also to the increase in global production volumes going from 419.294 tonnes in 2016 to 451.960,20 tonnes in 2018. There is a slight deterioration in 2018 compared to 2017. This means that the fixed consumption for operating the entire production is not compensated by the improvements enacted in the last year.

Equivalent CO2 emissions improved in correlation with the amount of energy used.

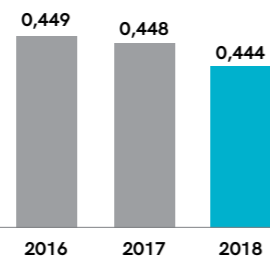


WATER MANAGEMENT

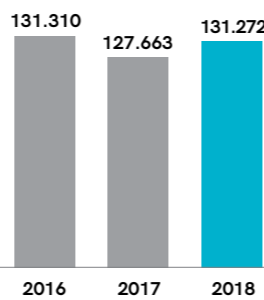
Water consumption (m3)



Water consumption efficiency (m3/Ton)



Water processed in purifiers (m3)



A gradual increase in water usage is noted between 2016 and 2017, which decreased slightly in 2018.

The ability to manage the volumes of water within the purification plants during the three years of observation appears almost stable.

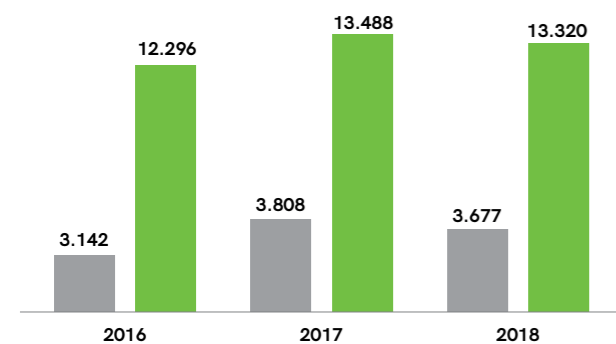
Of course, one positive is the figure on efficiency in the consumption of water — albeit minimal — recording a steady improvement: from 0,449 m3/over cumulative production workshops in tonnes in 2016 to 0,444 m3/over cumulative production workshops in tonnes in 2018. This means that water management in the processes is optimal and has not been subject to large variations even considering the differing production levels.



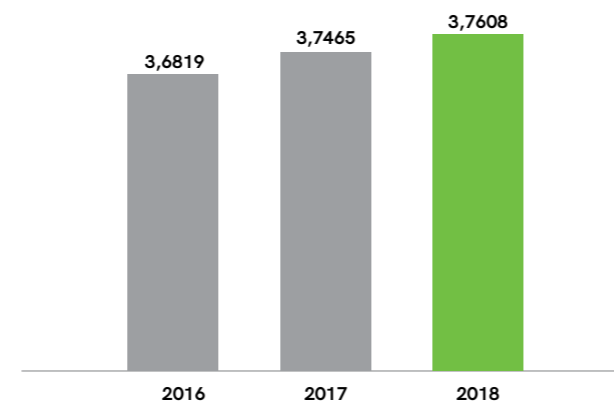
WASTE

Solid waste production (Ton)

● Hazardous waste ● Non-hazardous waste

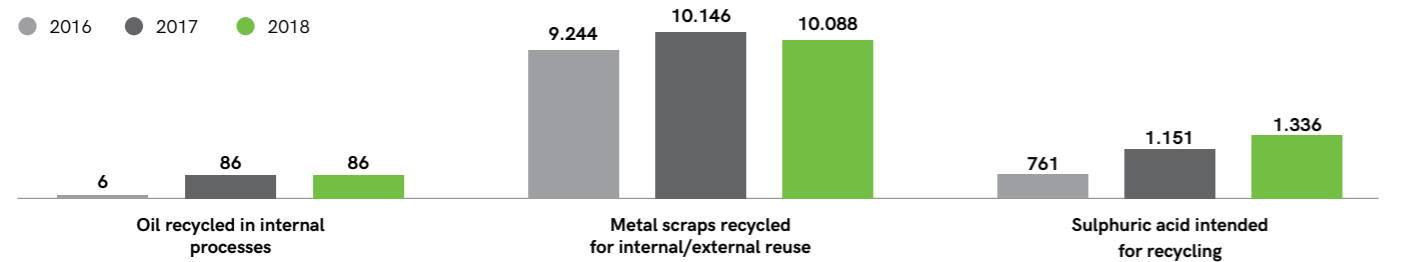


Waste production efficiency (Ton/Ton of forged product)



Recycled materials (Ton)

● 2016 ● 2017 ● 2018



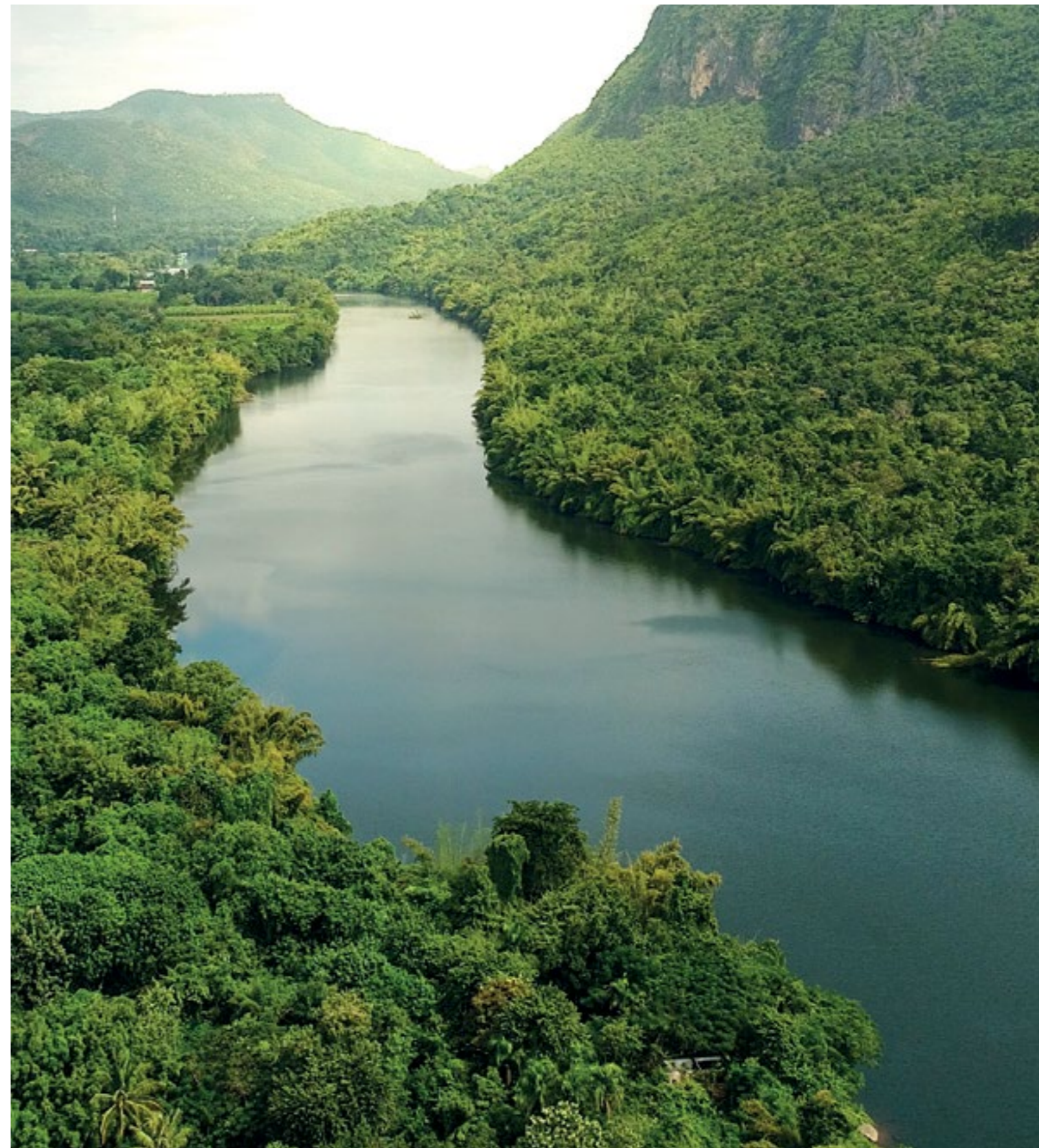
Between 2016 and 2017, the production of hazardous waste (which also includes waste water) increased before decreasing in 2018, consistent with the overall decrease in production volumes for Italy and with non-hazardous volumes.

Also increasing in the same period was the production of non-hazardous waste as the largest element and which also includes fractions of non-recyclable paper and wood.

In 2018, total waste (hazardous and non-hazardous) decreased consistently with the reduction in production volumes.

The efficiency index trend in waste management over the three years is substantially stable. Waste management resulted in optimal Waste Recovery (oil recovery, sludge management, rationalisation of chemical usage...) but is not able to positively improve the efficiency index.

Positive data has been clearly gleaned on the waste components destined for recycling and reuse: oils destined for reclamation rose from 6 tonnes in 2016 to 86,4 tonnes in 2018; metal scraps from 9.226 tonnes in 2016 became 10.088 tonnes in 2018 and the sulphuric acid destined for reclamation rose from 761 tonnes in 2016 to 1.336 in 2018 (+76%).



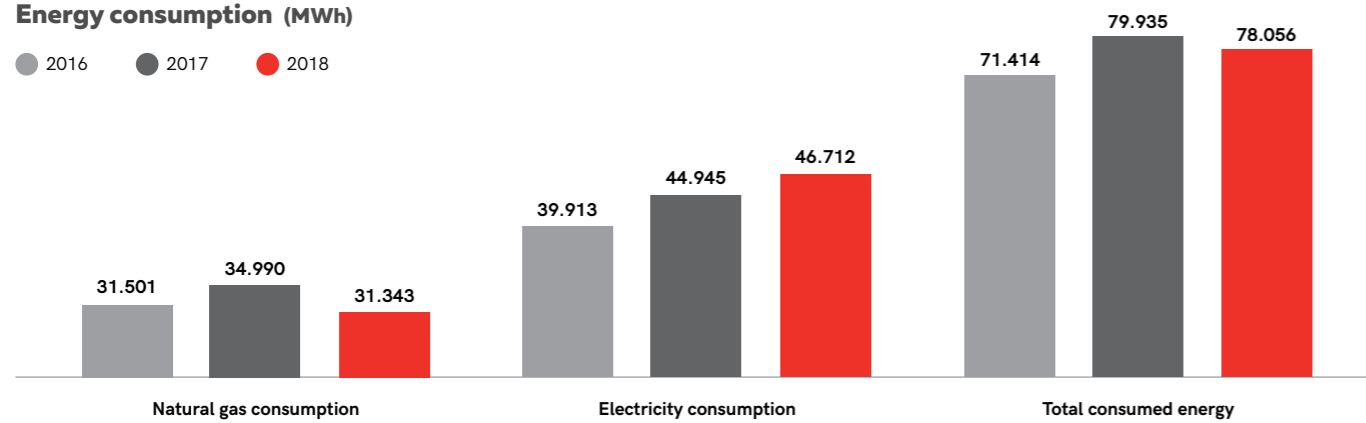
France



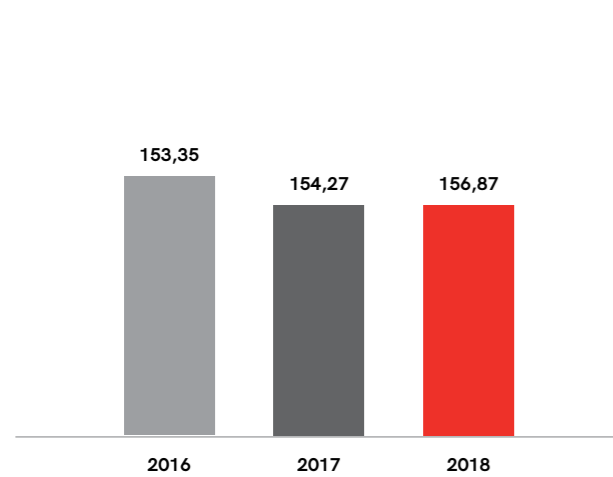
ENERGY

Energy consumption (MWh)

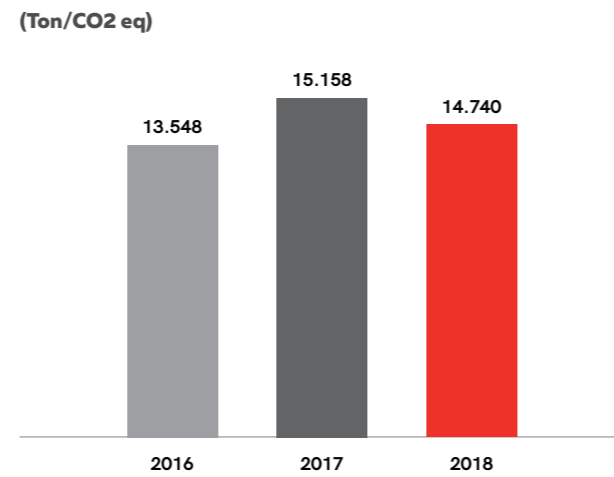
● 2016 ● 2017 ● 2018



Energy efficiency (Tep/Ton)



CO2 emissions from energy consumption (Ton/CO2 eq)



Agrati France has three production sites, being located in Vieux Condé, Fourmies and La Bricoire.

With regard to the latter plant in La Bricoire, some of the productions have been transferred over the last two years to the new Val Guiers plant, which currently supports the historic La Bricoire plant and which obviously has new production lines. This has led to general increases in electricity consumption and total energy consumed (in TOE) which have thus had a general impact on Agrati France's consumption.

Thus, it can be noted that the quantities of electricity consumed increased gradually from 39.913 MWh in 2016 to 46.712 MWh in 2018, despite a 2% decrease in production volumes from 2018 to 2017, which went from 75.947 to 74.593 tonnes of over cumulative production workshops.

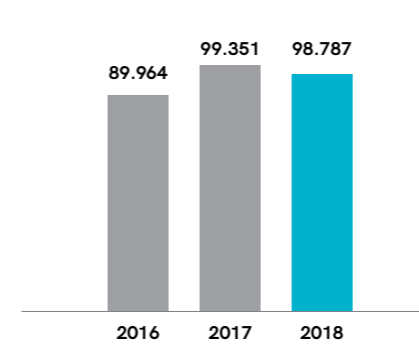
Such considerations also have a negative impact on energy efficiency which recorded a slight deterioration in the three years under observation, although since July 2018, all plants have been equipped with an Energy Management System (ISO 50001). This means that plant efficiency and good energy management practices are not yet able to bring a positive change to the trend, expected to appear in the next few years.

Carbon dioxide emissions decreased from 15.158 tonnes of CO2 in 2017 to 14.740 tonnes of CO2 in 2018.

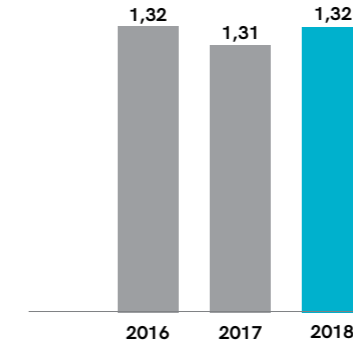


WATER MANAGEMENT

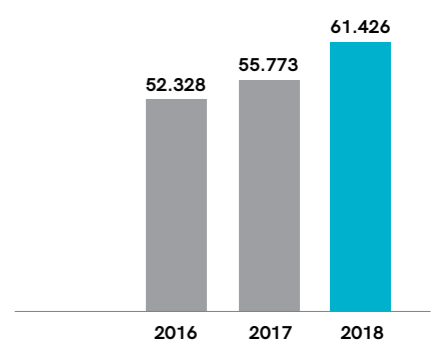
Water consumption (m3)



Water consumption efficiency (m3/Ton)



Water processed in purifiers (m3)



The decrease in water consumption throughout 2018 compared to 2017 is directly correlated to the decrease in global production. Despite the new heating and surface treatment plants in Vieux Condé and Val Guiers, global water consumption decreased from 99.351 m3 in 2017 to 98.787 m3 in 2018.

The efficiency of water consumption remains almost stable, with minimal changes over the three-year period despite the change in production volumes and notwithstanding the new plant installations that envisage water consumption, demonstrating a correct estimate of the water supply, demonstrating optimal management of the resource.

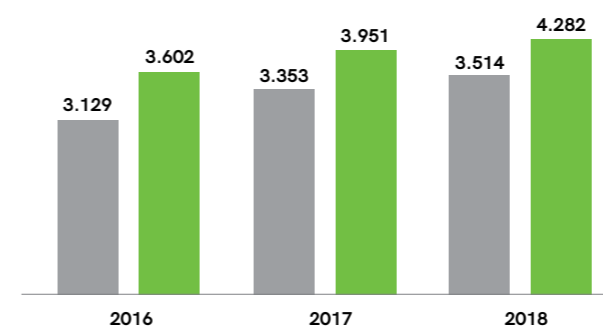
The volume of water sent to sewage treatment plants increased slightly as of 2016.



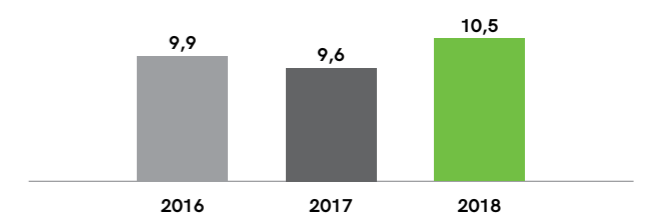
WASTE

Solid waste production (Ton)

● Hazardous waste ● Non-hazardous waste

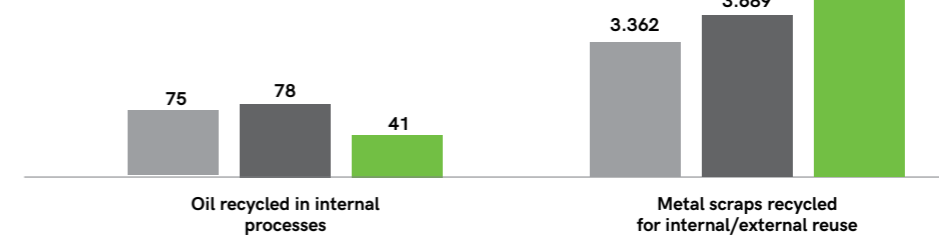


Waste production efficiency (Ton/Ton of forged product)



Recycled materials (Ton)

● 2016 ● 2017 ● 2018



The amount of total waste produced increased as a whole from 6.731 tonnes in 2016 to 7.796 tonnes in 2018. The set-up phase of the Val Guiers production site resulted in inefficiencies and consequently also an increase in the waste produced.

The compensatory actions implemented in the individual plants (such as the elimination of cardboard packaging, the increase in separated collection) were not enough to lower the efficiency index of waste that reached 10,5 in 2018.

The processes of waste reclamation from the collection of scrap metal inside the plants implies a greater attention to the environment and care in the collection and enhancement of these elements (passing from 3.362 tonnes of metal waste in 2016 to 3.996 tonnes in 2018).

Sulphuric acid is not recyclable and is therefore destined to disposal as hazardous waste.

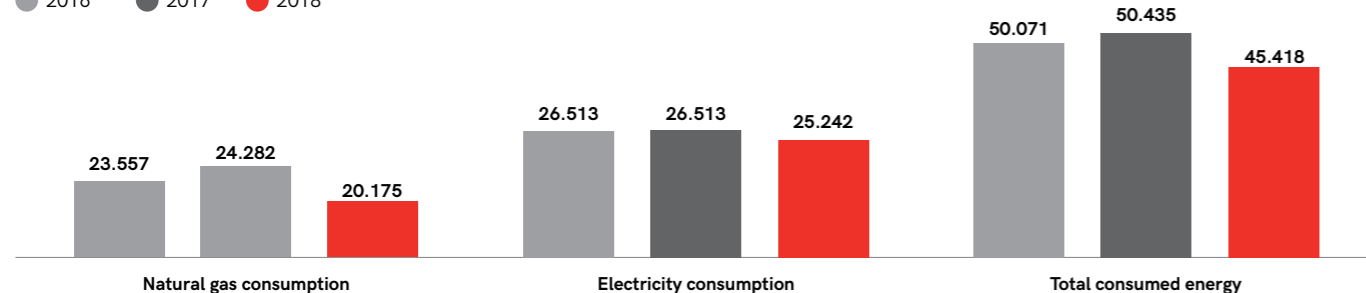
USA



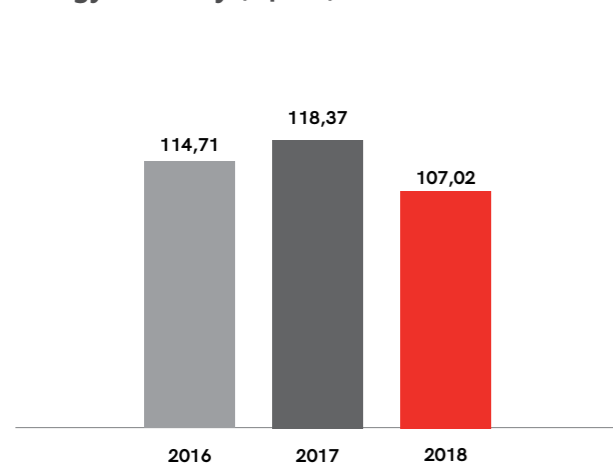
ENERGY

Energy consumption (MWh)

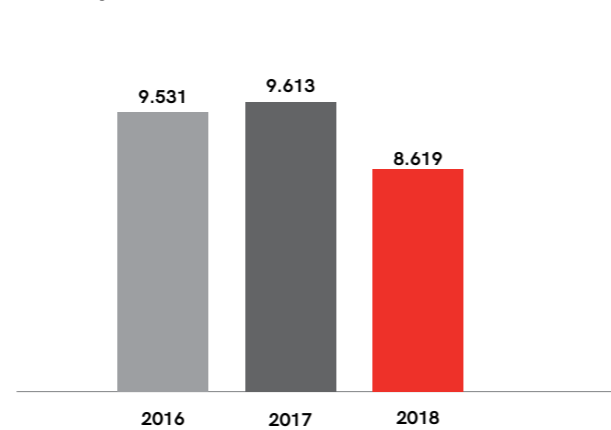
● 2016 ● 2017 ● 2018



Energy efficiency (Tep/Ton)



CO2 emissions from energy consumption (Ton/CO2 eq)



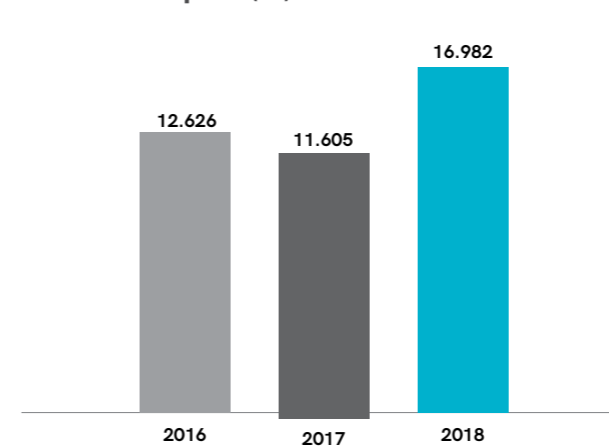
In the Agati Inc. plants located in Medina, Tiffin, Park Forest and Valparaiso, the consumption of natural gas and electricity decreased between 2016 and 2018. The consumption of natural gas is correlated with the trend of external temperatures and weather conditions. The use of electricity, on the other hand, is directly related to the processes of production efficiency.

The energy efficiency indicator improved from 114.71 TOE/over cumulative production workshops in 2016 to 107.02 TOE/over cumulative production workshops in 2018. Carbon dioxide emissions related to industrial processes have correspondingly decreased with an improvement in impact in terms of climate altering gases.

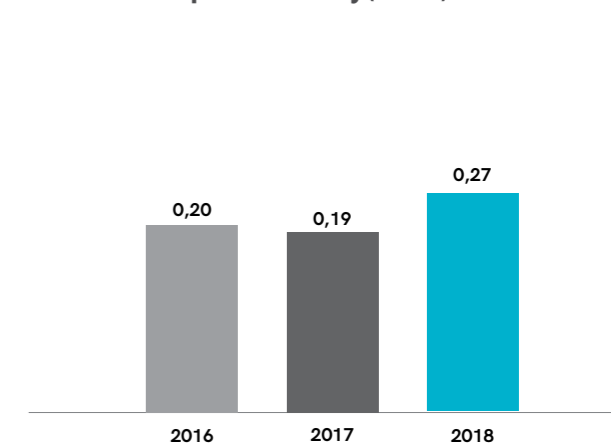


WATER MANAGEMENT

Water consumption (m3)



Water consumption efficiency (m3/Ton)



With regard to water consumption in production processes, absolute values increased in the three years under observation (2016-2018).

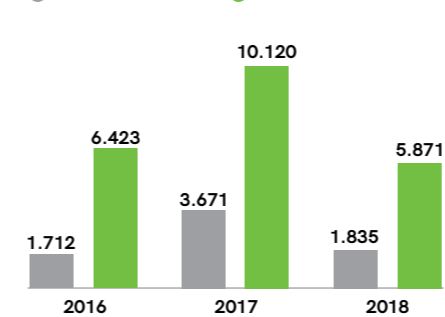
The slight increase in production volumes from 2018 to 2017 (2%) and the mix of production had a negative influence both on the absolute value of water consumption in m3 (due to the increase in surface and thermal treatments) and on the efficiency index m3/over cumulative production workshops in tonnes.



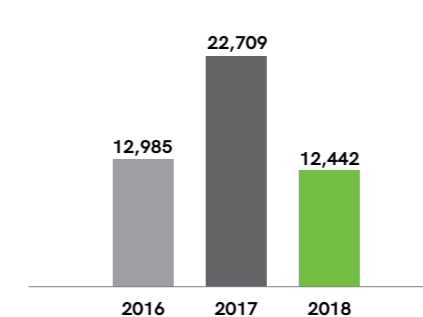
WASTE

Solid waste production (Ton)

● Hazardous waste ● Non-hazardous waste

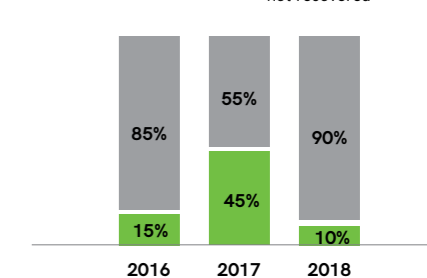


Waste production efficiency (Ton/Ton of forged product)



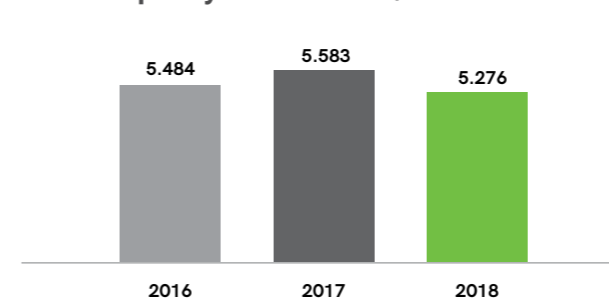
Share not recycled/non-hazardous waste (%)

● Recovered scraps ● Non-hazardous waste not recovered



Recycled materials (Ton)

Metal scraps recycled for internal/external reuse



Most of the waste produced in US plants Agrati Inc. consists in non-hazardous waste and a smaller proportion of waste classified as hazardous by US environmental legislation.

Total waste production decreased in 2018 compared to 2017 figures. The amount of metal waste produced and salvaged for internal use or for sale on the market remains almost stable in quantitative terms whilst the percentage of metal waste destined for salvaging has risen (90% in 2018).

In 2018, the efficiency of waste production compared to finished products improved over the three years to 12,4 [tonnes/over cumulative production workshops in tonnes]*100.

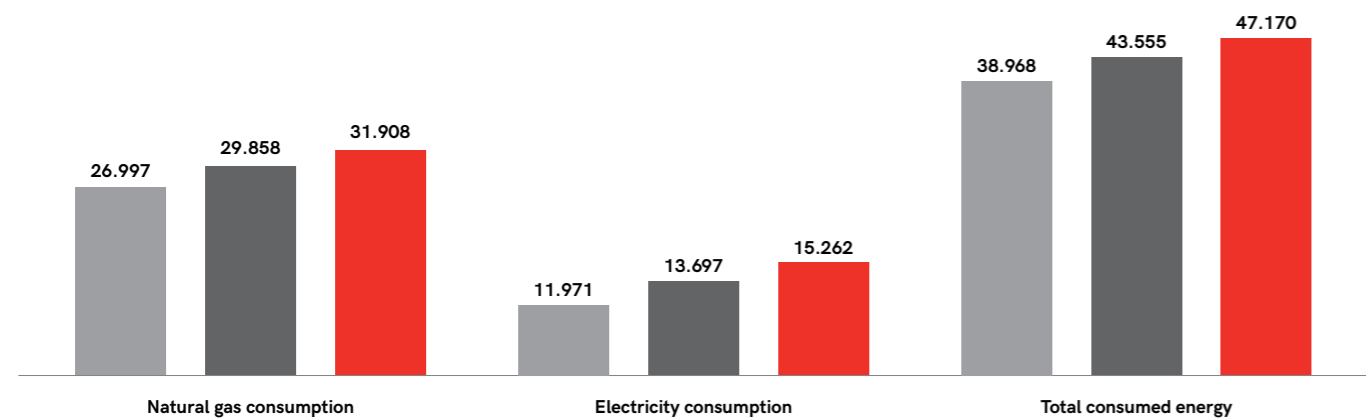
CHINA



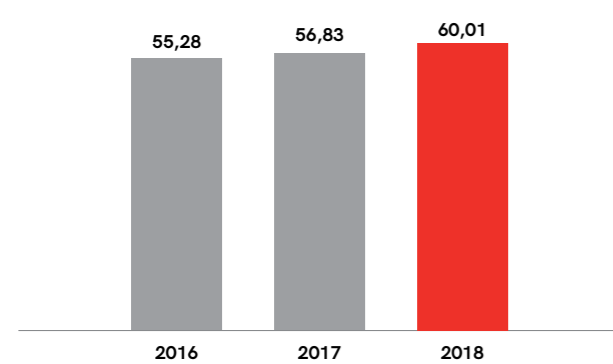
ENERGY

Energy consumption (MWh)

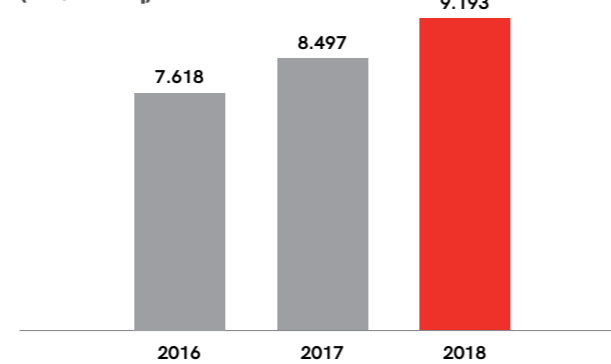
● 2016 ● 2017 ● 2018



Energy efficiency (Tep/Ton)



CO2 emissions from energy consumption (Ton/CO2 eq)



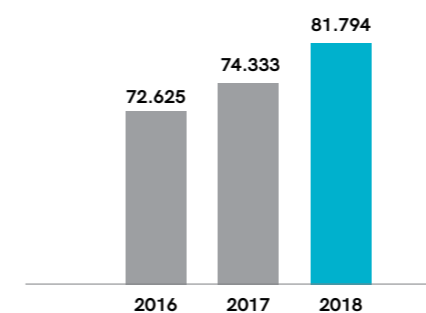
Compared to 2017, gas consumption in 2018 increased by 6.9%, due to the disadvantageous production mix.

For example, the heat treatment batches, with high gas consumption, increased by 7,3% compared to 2017 but cumulative excess production only increased by 3%. Electricity consumption also increased (+11%) due to the heating and cooling of production divisions that saw a rise in production hours in 2018 compared to 2017. In the same way, the values of total energy consumed (TOE) increased along with the tonnes of CO2 eq., issued in view of the production increase (3,3% more than in 2017).

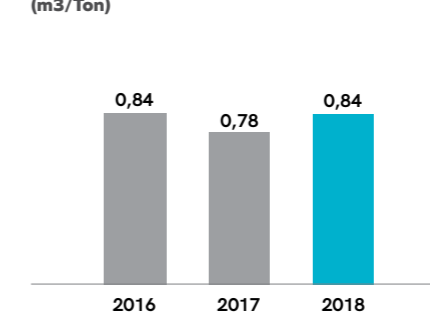


WATER MANAGEMENT

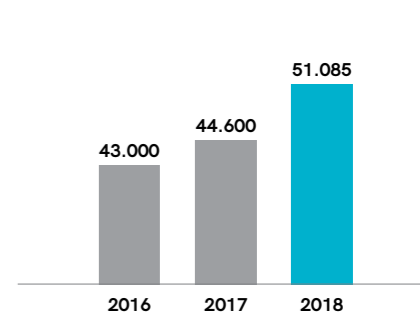
Water consumption (m3)



Water consumption efficiency (m3/Ton)



Water processed in purifiers (m3)



Compared to 2017, water consumption in absolute terms (m3) increased by 10%, consistent with the upturn in production but also due to a more accurate measurement system than was used in the past.

For the same reason, the consumption of treated water in sewage treatment plants also increased considerably (+15%).

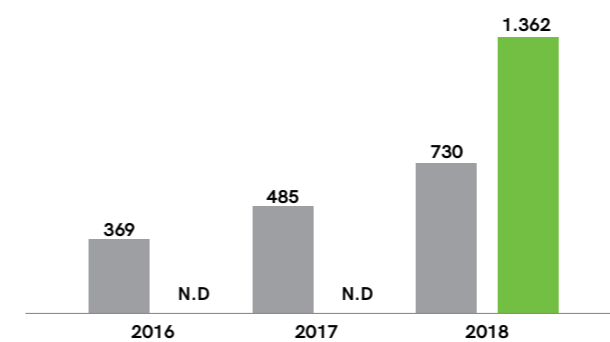
The efficiency of water consumption (m3/over cumulative production workshops in tonnes) worsened (+6,6%).



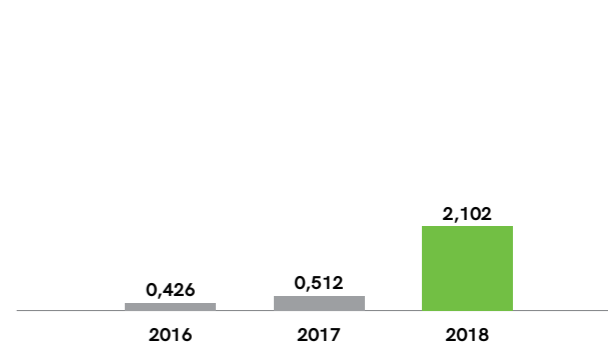
WASTE

Solid waste production (Ton)

● Hazardous waste ● Non-hazardous waste N.D.

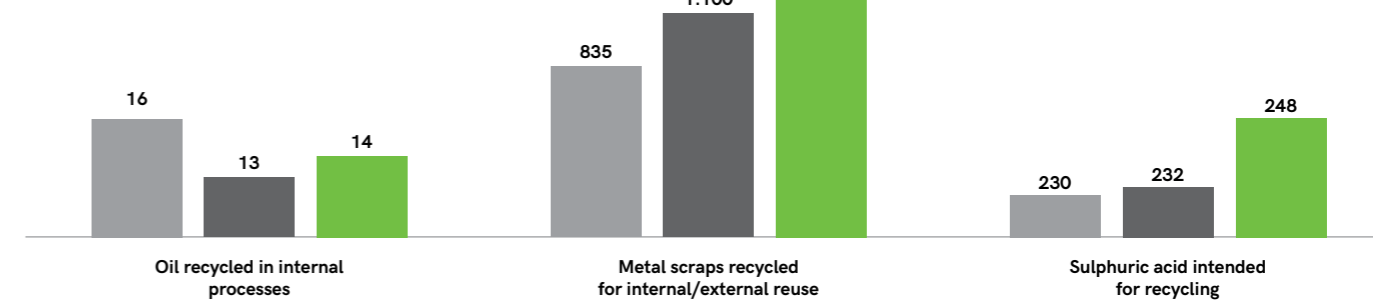


Waste production efficiency (Ton/Ton of forged product)



Recycled materials (Ton)

● 2016 ● 2017 ● 2018



There was an upsurge in waste produced in the three years attributable to the increase in production but also due to a better result as of 2018.

It should also be noted that only the quantities of hazardous waste were accounted for prior to 2018. Of the non-hazardous waste, only metal scraps were considered. For the same reason, waste efficiency data is not entirely accurate, with the exception of 2018.

The overall waste salvaging process is steadily improving: the salvaging of oils from processes increased by 5% compared to 2017, whilst the salvaging of metal waste improved by 10% from 2017 to 2018, going from 1.100 tonnes in 2017 to 1.208 tonnes in 2018. Sulfuric acid salvaging improved by 11% from 2017 to 2018.

Agrati Group

The Agrati Group recorded an overall reduction in the over cumulative production workshops [in tonnes] of 1% from 2017 to 2018, whilst increasing by 8% comparing 2016 in respect of 2018.

The main increments in this specific productive indicator for the period 2017 to 2018 are relative to the plants of CVB (+16%), Tiffin (+13%) and La Bridoire (+11%).

In every country and plant in which Agrati operates, the laws in force on environmental matters are respected and ISO 14001 certifications adopted. In defining the Agrati Group's areas of environmental commitment, consumption and impacts were subdivided according to the territory in which the plants are located — the United States,

Italy, France and China — with a final evaluation of the Agrati Group as a whole.

Furthermore, the monitoring and analysis areas were divided into the main sectors of interest and impact of the energy, water and waste production activities.

The data concerning these specific sectors has been collected on the single plant and therefore includes both the information regarding the productions and the general management activities.

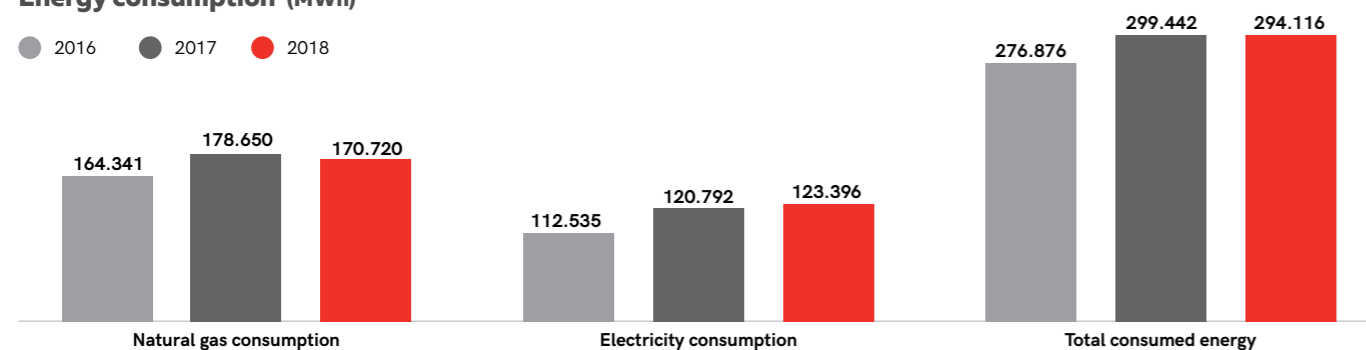
In this new edition of the sustainability report, we analysed three years (2016, 2017 and 2018) with the aim of using 2016 as the year of reference and presenting the evolution over five years of production activities and their environmental impact.



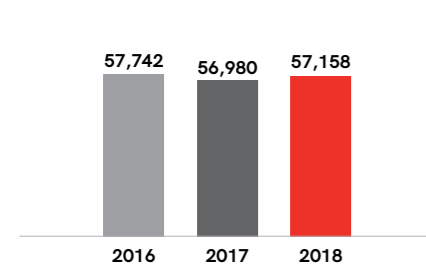
ENERGY

Energy consumption (MWh)

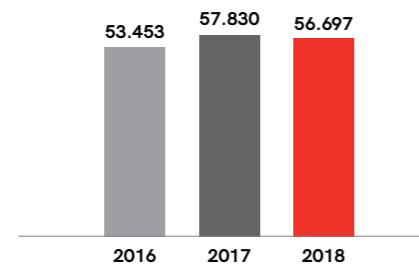
● 2016 ● 2017 ● 2018



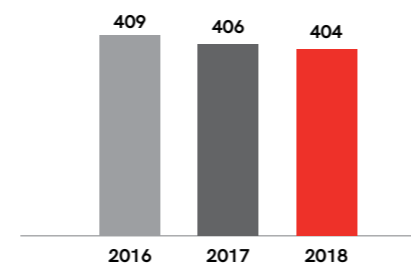
Energy efficiency (Tep/Ton)



CO2 emissions from energy consumption (Ton/CO2 eq)



Energy from renewable sources (photovoltaic panels) (MWh)



For production processes, the forging phase represents the most energetic point of the entire work cycle. Natural gas and electricity are used in the combustion processes. In the overall assessment of energy consumption, a global increase in consumption in absolute terms can be seen for 2017 compared to 2016, before slightly falling in 2018, consistent with the reduction in production volumes.

Energy efficiency increased in 2018 compared to 2017 — albeit by little — from 56,98 to 57,16 (+0,3%).

Carbon dioxide emissions relative to the production processes presents a trend that is consistent with the energy consumption—the plants have maintained the same technological set-up in the three years and there have been no significant changes, with the exception of the CVB, Tiffin and La Bridoire (Val Guiers) plants that have seen a growth in the number of systems to sustain the increase in

production volumes.

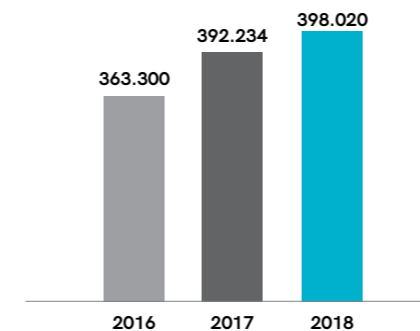
In the Italian sites in which the Agrati Group operates, it produces energy from renewable sources using photovoltaic panels positioned on the plant roofs. The quantity produced was equal to 409 MWh in 2016, 406 MWh in 2017 and 404 MWh in 2018. The 0.5% decline recorded in 2018 compared to 2017 is due to the expansion of the production departments in the Veduggio (Agrati 3) plant that led to a disconnection of energy recorders for safety reasons.

In any case, it can be considered that the Agrati Group's choice to utilise renewable energy sources (solar and geothermal energy in the CVB plant) is headed in the right direction in order to demonstrate its commitment to environmental sustainability.

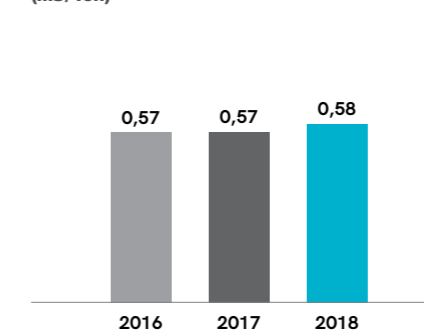


WATER MANAGEMENT

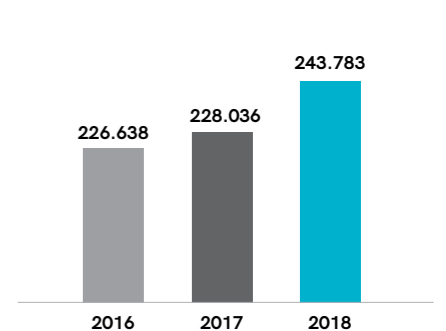
Water consumption (m3)



Water consumption efficiency (m3/Ton)



Water processed in purifiers (m3)



Water consumption related to production processes is mainly due to surface treatments and thermal processes, increasing slightly in absolute values over the three years despite a slight downturn in the values of over cumulative production workshops (in tonnes).

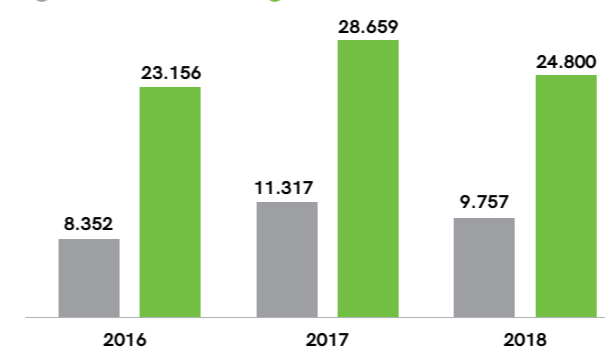
The water is processed in downstream purification systems and then returned to the water bodies from which it was taken to allow for other uses. It is noted that between 2016 and 2017, efficiency in water use has remained almost equal, whilst in 2018 a slight deterioration (+2,5%) was recorded, confirming in any case the attention and safeguarding that the Agrati Group pays to this important resource in all of the plants and countries in which it operates.



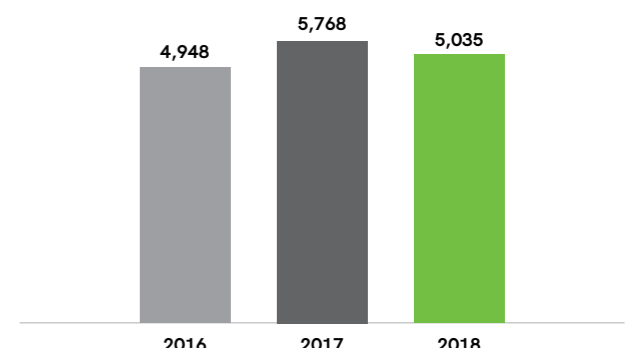
WASTE

Solid waste production (Ton)

● Hazardous waste ● Non-hazardous waste

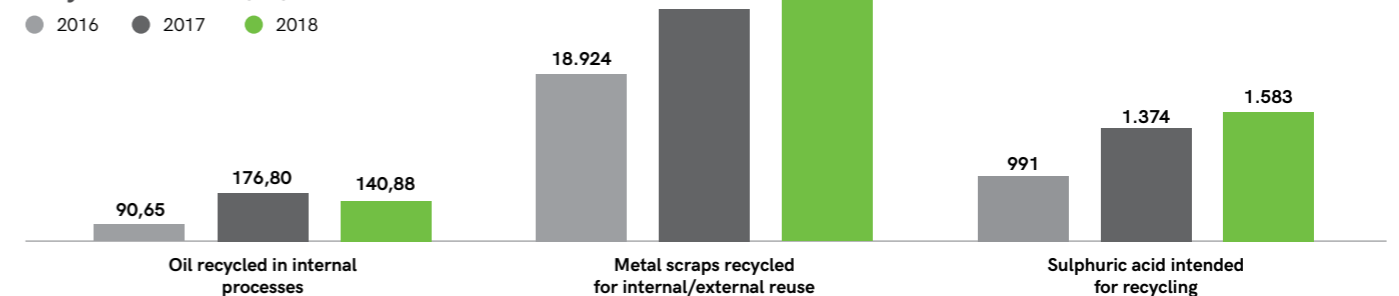


Waste production efficiency (Ton/Ton of forged product)



Recycled materials (Ton)

● 2016 ● 2017 ● 2018



The production of hazardous and non-hazardous waste decreased in value between 2017 and 2018, consistent with the downturn in production volumes.

On the other hand, the trend reversal of the efficiency index in the production of waste [tonnes/over cumulative production workshops in tonnes]*100 was positive, which improved in 2018 compared to 2017 by 12,7%, going from 5,8 to 5. The salvaging of metal waste, which was re-inserted into the steel production processes feeding the constant reclamation process improved from 2016 (72%) to 2018 (83%).

The amount of sulphuric acid recovered improved from 2017 to 2018 by 15,2%.

The data on the reclamation of oils in absolute terms (tonnes) did not improve from 2017 to 2018, basically due to there being no variations in technological or production processes that could support the proper management of waste.

Without a doubt, the Agrati Group's strategy is one of progressive recycling of substances that have a strong environmental impact and which are instead processed and reused in production processes (circular economy), creating savings on new resources on the one hand and reducing waste with significant environmental impact on the other.

Our materials towards the circular economy

STEEL

The steel used by Agrati for cold forming is basically of two types:

— **Steel from SCRAPS**, produced through melting of high quality scrap metal recovered from the production processes in electric arc furnaces (EAF process - Electric Arc Furnace)

— **MINERAL steel**, product for iron ore reduction with Carbon Coke (BOF process - Basic Oxygen Furnace)

The EAF process for the production of steel from scrap intrinsically requires less use of natural resources and is therefore preferred where process technology allows the use of such material.

PACKAGING

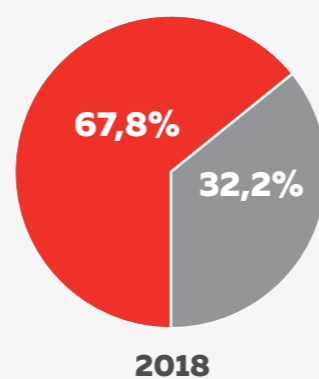
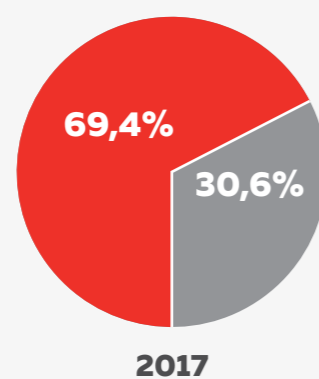
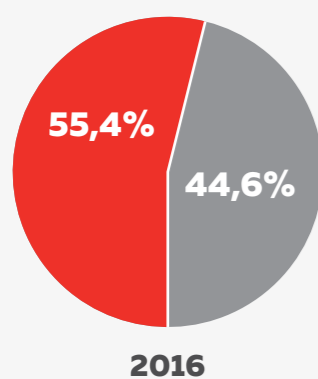
The Agrati Group uses metal drums to handle its products in the various production phases. Product packaging for shipments to end customers is instead made of reusable plastic containers (KLT) or of cardboard packaging collected on wooden pallets.

For cardboard and wood, recycled and reusable materials are preferred.



+ Raw material composition

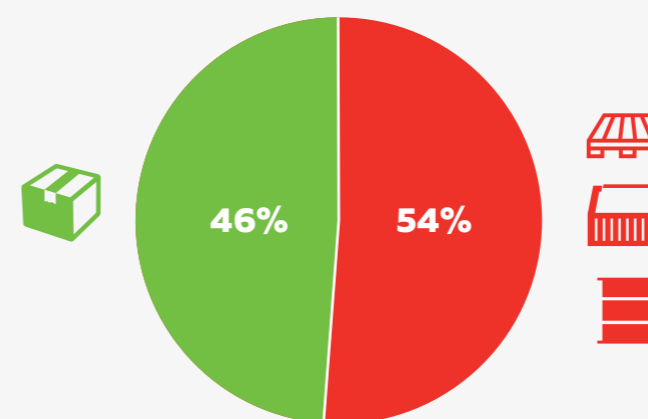
● Scrap ● Iron Ore



Agrati is mainly using steel from scrap. The huge increase of the usage of Steel from scrap between 2016 and 2017 is justified by the acquisition of CMG (Continental Midland Group) factories in USA, where steel from scrap is mainly used. The increase of Iron ore steel share in 2018 is based on the increase of more complex products which require the usage of such steel.

+ Finished product packaging

● Ton sold in cardboard (recyclable material)
● Ton sold in Returnable (plastic) and Reusable (wood) packaging



At the group level, the material sold in 2018 was mainly distributed using recyclable, reusable or returnable materials. This is just one example of the attention paid to the packaging used for the finished product, with a view to a circular economy inside and outside the company's walls.



SECOND PART - REPORT 2018

SOCIAL SUSTAINABILITY

HR Highlights 2018



2.669

Agrati Group
Employees



7,9

Accident frequency
in the Group



16%

Female employees in
work-force



6,20%

Employees turnover



25,18

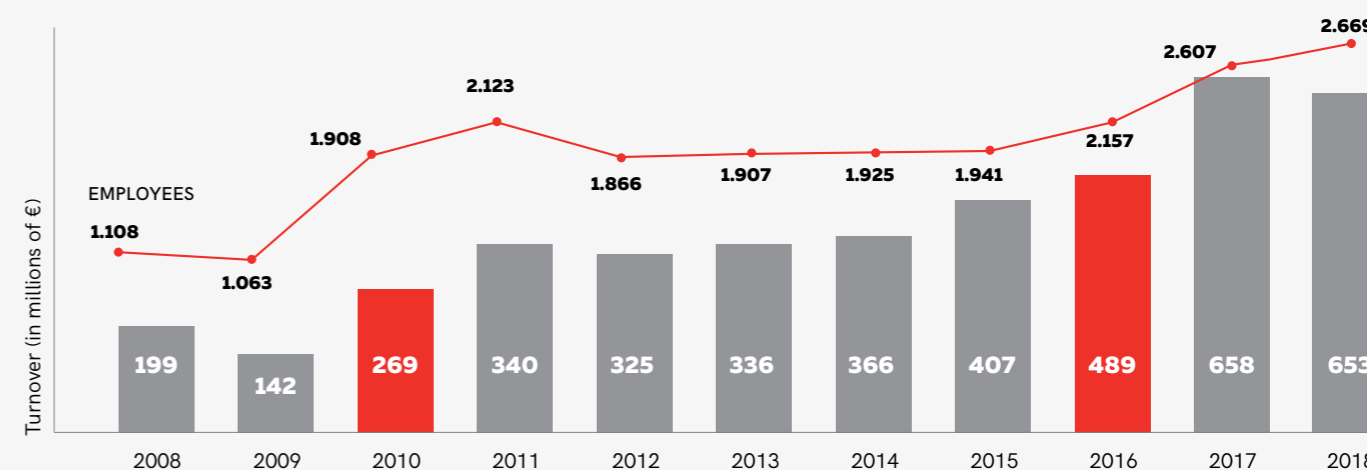
Hours of training
provided to each
employees

People

Human resources represent the fundamental asset of Agrati.

Skills, motivation and passion are the mix of quality that the people who work in Agrati place in their daily work.

+ Employees and turnover



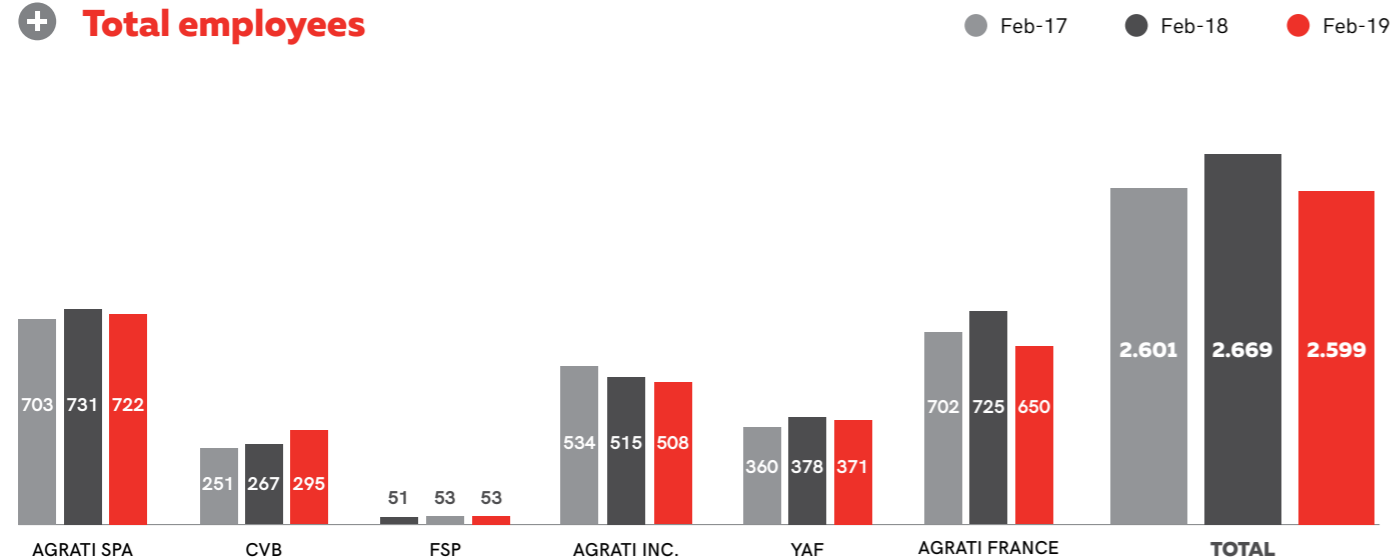
Staff representation at 31.12

The Company is committed to provide safe, stimulating and rewarding work environments, offering ample space for personal growth, professional learning opportunities and, above all, a working environment where there is constant attention to people and respect for their work.

In the last 10 years the composition and numbers of employees have evolved and changed in harmony and

consistency with the growth of Agrati. Particularly significant from the standpoint of growth in the workforce were the years 2010 and 2016, respectively the years in which the Group expanded with the entry of the subsidiary Agrati France and the American Agrati Inc. Throughout 2018, the Group's staff remained stable with a divergent trend between the first and second half in alignment with market conditions.

+ Total employees

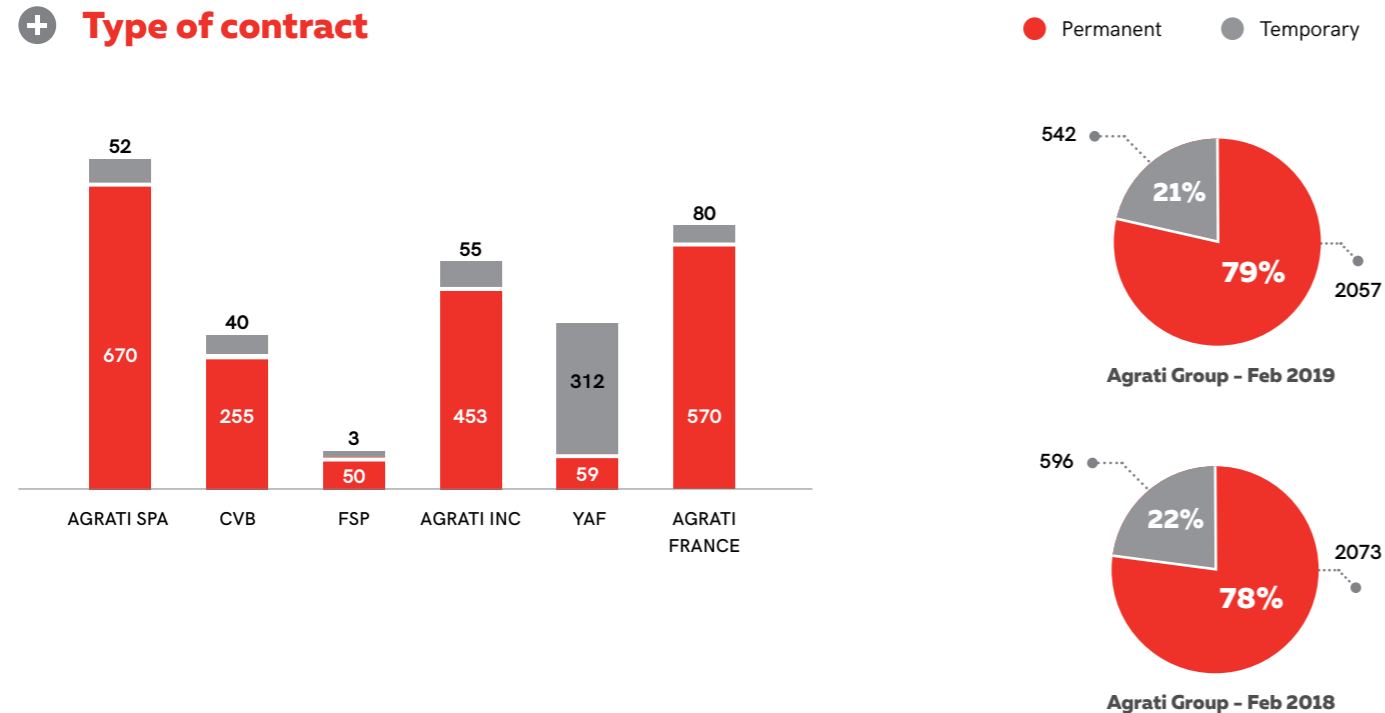


The survey conducted at the end of February 2019 on the staff of the Group companies (with the exception of commercial branches) shows the composition of the personnel in terms of contract types and gender.

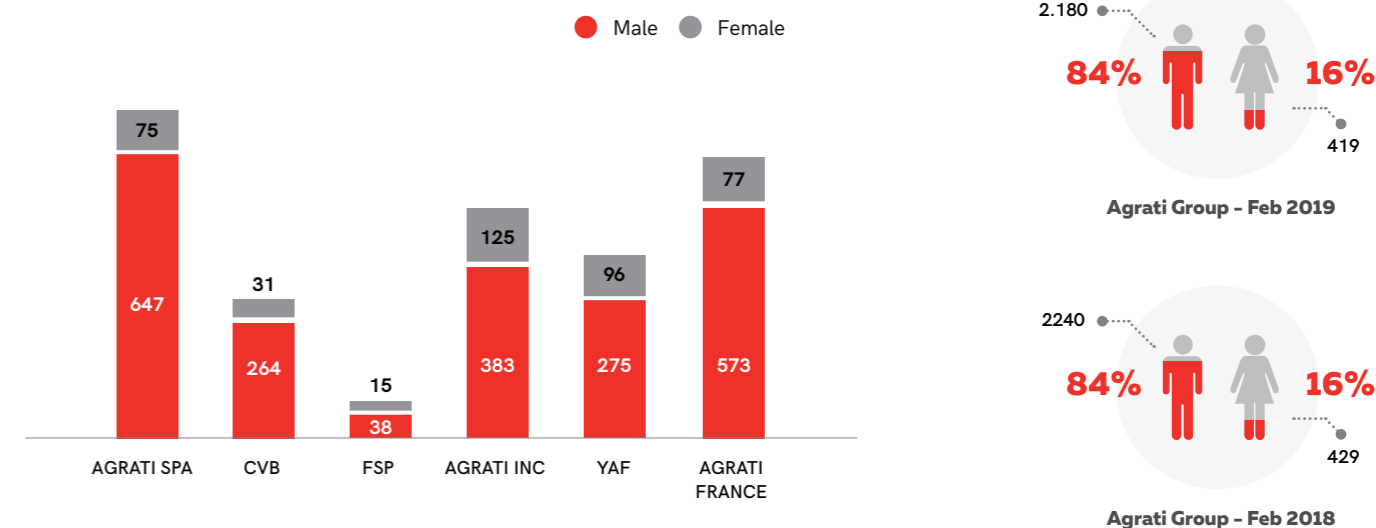
Total employment compared with previous years remained stable. The recurrent contractual typology is that of a permanent contract (about 80%).

Gender distribution remained unchanged (16% female staff), with a higher percentage in American and Chinese affiliates. The Group is committed to promoting measures that can achieve a better balance between male and female resources in the medium term, even if the processes of reference present a factor of difficulty in achieving this objective.

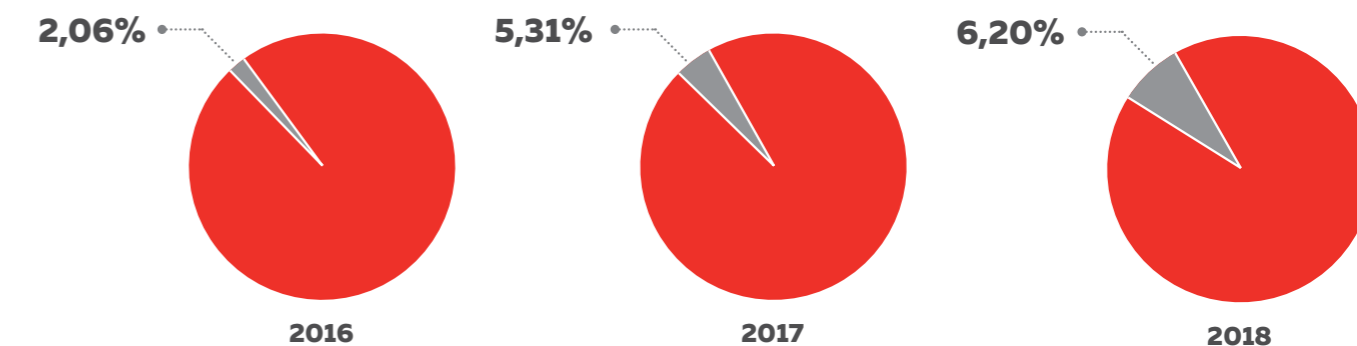
+ Type of contract



+ Gender



+ Employee turnover



Corporate turnover, measured in terms of voluntary resignation of personnel on the average workforce, reveals comforting trends and certainly below the general average of the sector. This is one of the most qualifying parameters for assessing the well-being of the Agrati Group staff together with the biennial Survey that measures the satisfaction rate of Group employees (with the exception of the American subsidiary, all companies showed levels above 70%).

Both indicators are closely monitored within Agrati Care's business projects and represent the result of the personnel

management policies that the company has enacted to promote the development of a positive corporate climate. During 2018, the data pertaining to company turnover showed a growth entirely attributable to figures coming from the US subsidiary, where intercompany mobility facilitated by positive macroeconomic developments has been particularly high in all business roles and functions.

Vocational development and training

It is a fundamental point of Agrati's corporate policy to offer equal opportunities for learning and professional growth for all employees. In 2007, the Agrati University was established as a testimony of this commitment to the training and development of human resources.

Agrati University is a permanent corporate structure that takes care of transmitting the core skills of the various processes to employees through the work of qualified and certified internal trainers.

In 2017, 71 courses were provided for 677 employees, whilst in 2018 Agrati University organised 129 courses involving 1050 employees.

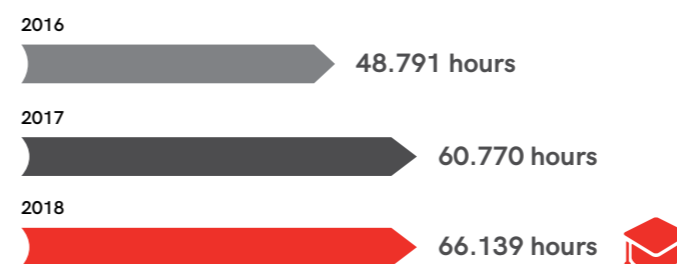
The graph presented on this page shows the total training hours for the last 3 years, divided by thematic areas. In detail, it is noted that the second training area is that relating to

employee health and safety. The Group is particularly committed to the definition and implementation of a policy that safeguards people's health and safety.

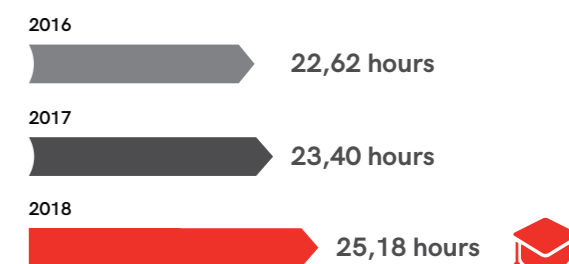
Within this framework, there is a massive training undertaking that contributes to raising awareness and building a widespread and pervasive culture in all of the Group's units, combined with the use of the most modern BOV (Behavioural Observation Visit) technologies. The pursuit of the goal of "zero accidents", in fact, is still somewhat far off for the Group and thus means rendering both procedures and machinery available that guarantee safety whilst also dispensing cultural tools and approaches to this philosophy.



Hours of training that the Agrati group provides to its employees

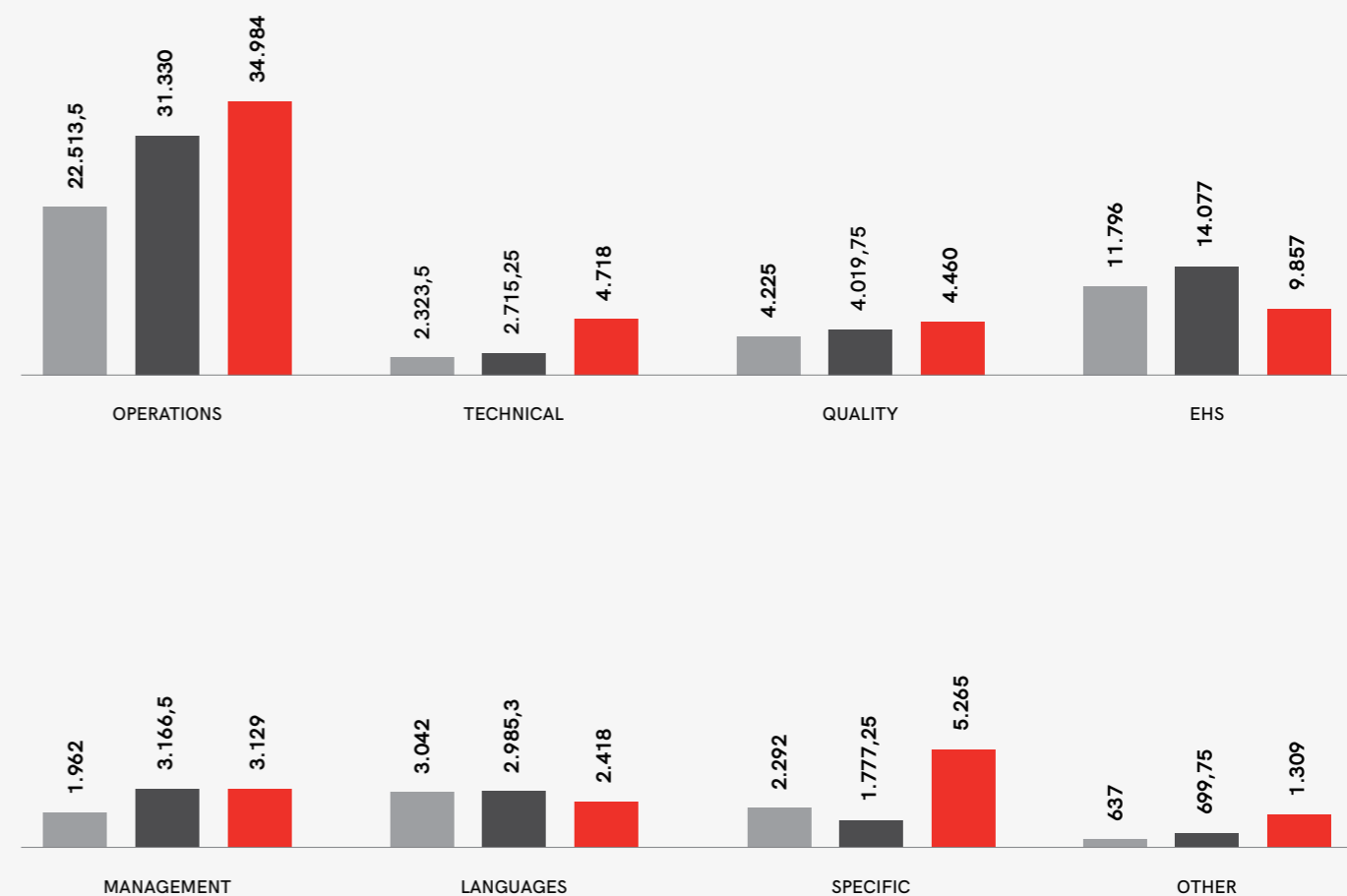


Hours of training for each employee



Main training areas (hours)

2016 2017 2018



Talents in Agrati

Constant attention is given to those that Agrati defines business talents: Key people and potential young people.

The company follows these talents with custom processes that monitor their career and development within the company to promote their professional growth within the Group, enhance their commitment and their skills.

In terms of promoting young people for some years, Agrati has developed a series of partnerships with local schools and universities in order to anticipate their future needs for resources and to ensure privileged access to the best talents leaving schools and universities...



Agrati Care

Agrati has always considered it essential to guarantee the involvement and satisfaction of its employees.

Agrati Care is the name of the project that includes all the activities developed by Agrati and conducted to take care of employees and to make sure they are satisfied with their work and their company.

Some of the activities implemented by Agrati Care to guarantee a good "quality of life" in the company are:

- clear, transparent, objective and meritocratic interpersonal relations management;
- the implementation of company welfare policies that integrate national and contractual actions and which enable them to act for the benefit of employees and their families. These policies include, for example, income support, health promotion and work-life balance;
- the commitment to provide safe, stimulating and rewarding workplaces;
- the use of two-year surveys conducted on staff to understand their feelings and the improvements necessary to ensure their serenity.

Agrati evaluates the effectiveness of Agrati Care on people in a simple and clear way, measuring the company turnover, the percentage of surveys, the improvement proposals generated by the employees and the level of overall satisfaction.



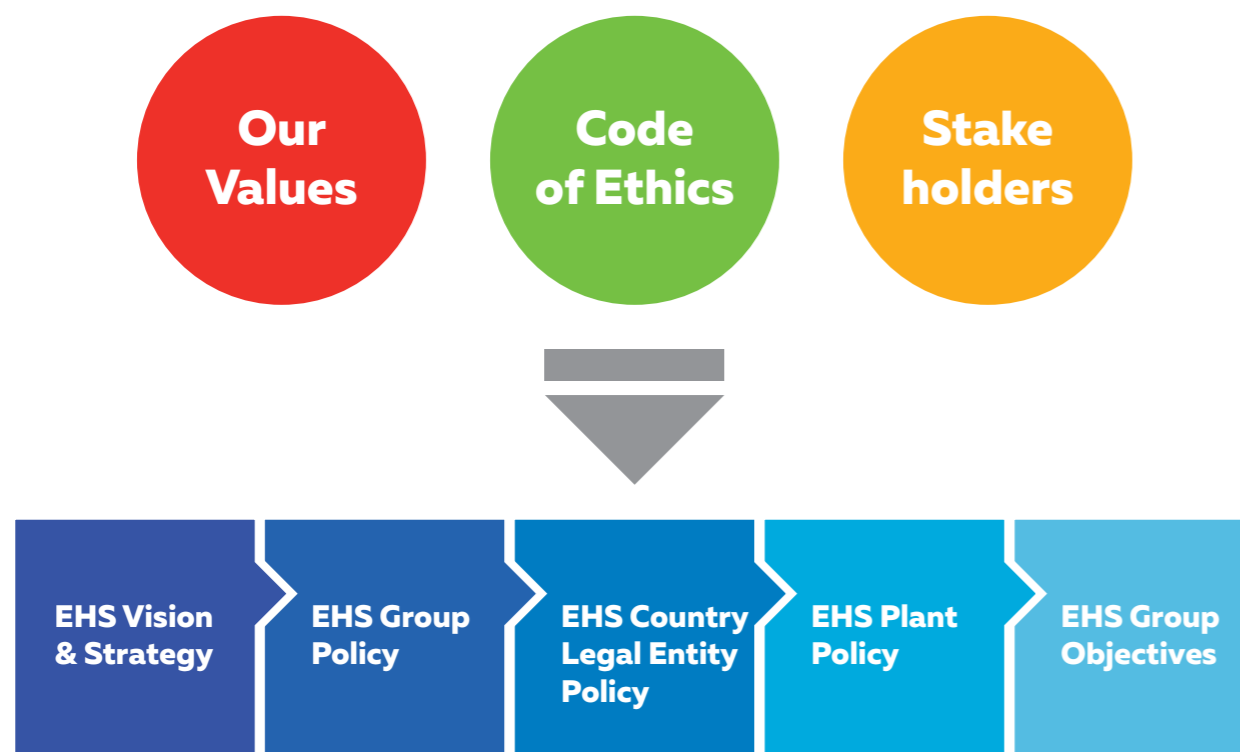
Environment, Health & Safety

EHS STRATEGY

For the definition of the Vision and the long-term EHS strategy, Agrati has based itself on the following input elements: stakeholder needs, the Code of Ethics and Values of Agrati.

After the definition of vision and strategy, the EHS and CSR policy documents were defined at Group level, and therefore the specific policy documents for each country and each individual Plant.

The EHS objectives have been defined taking into account the outcomes of the analysis of the health and Safety risks assessment, environmental impact, risks and opportunities in general.



GOVERNANCE EHS

Agrati can boost good cultural bases on the environment, health and safety.

There are many active prevention programs, just to name a few: the assessment of health and safety risks, continuous training interventions, motivational and control programs, the sharing of results and actions with internal stakeholders, the investments made in these years, certainly essential to provide new productive leaps, but also useful to make workplaces safer. It's important, in this context, the role played by senior management, both motivationally and materially.

These premises represent the starting point to ask the internal and external specialists to propose new management tools, selected and proven, with a view to continuous improvement. Work towards ever higher safety standards is a process that is enriched constantly by new tools.

Some of these tools are now being launched, for example the Behavioural Observations, the planned General Inspections to be carried out by the operators themselves, the "EHS Games" to involve all workers.

Other new tools will be adopted in the coming months and years. The culture of prevention, as well as the activities aimed at changing wrong behaviours, are transformations that take time, but Agrati is working in the right direction in order to achieve them.

Everyone's commitment is essential, and without it, any improvement is impossible. There is a slogan in Agrati: "Everyone has a role to play in EHS", in other words every business environment, every person can and must contribute to the EHS cause. This principle is referred to today by the new certifications (referred to in chapter "Commitment to quality and safety") ISO 14001 and ISO 45001, meaning an approach to

the shared subject is required based on the objectives, policies and actions of EHS.

The EHS Organizational Model of Agrati Companies in the world has been modified over time to identify the main EHS referent in the Plant Director. An EHS specialist, delegated by Plant management, coordinates the health and safety risk prevention measures, as well as the environmental impacts of one or more Plants.

At the end of 2017, the Group EHS Coordinator was included in the Organization, with the aim of strengthening the culture of prevention through the involvement of the entire Organizational structure, also thanks to the adoption of new prevention methods and tools. Some examples in this sense - already implemented or being launched - are:

- accurate analysis of incidents (promotion of problem solving methods with involvement of several corporate actors under the guidance of EHS managers);
- production of REX, with the idea of capitalising and sharing negative experiences;
- production of Good Practices, with the idea of capitalising and sharing positive experiences;
- planned General inspections that directly involve the operators, to perform simple checks on compliance with standards in a limited area of work;
- behavioural observations with the involvement of non-operative people in behavioural verification activities, to increase the culture of safety in a positive and non-coercive way.



Agrati is strongly and constantly committed to pursue its path of change and innovation.

In particular, significant improvement targets have been set with the aim of achieving a further and drastic reduction in the ISR and IFR indices. The defined plan concerns interventions on technical, procedural and behavioural aspects.

Group severity index (ISR)

	YEAR	Days lost	ISR*
Agrati Group	2016	840	0,17
	2017	1371	0,28
	2018	653	0,13

Accident frequency in the Group (IFR)

	YEAR	LTAs	IFR**
Agrati Group	2016	49	10
	2017	59	12
	2018	41	7,9

2018 saw a reversal of the trend to the positive, both for Relative Strength Index and for the Income Situation Indicator.

The organisation hopes to further improve its safety performance in 2019 or to at least to achieve consolidation

* ISR = n. of days lost/Hours worked x 1,000

** IFR = n. of accidents with more than 24 hours lost / Hours worked x 1,000,000



Communication in Agrati

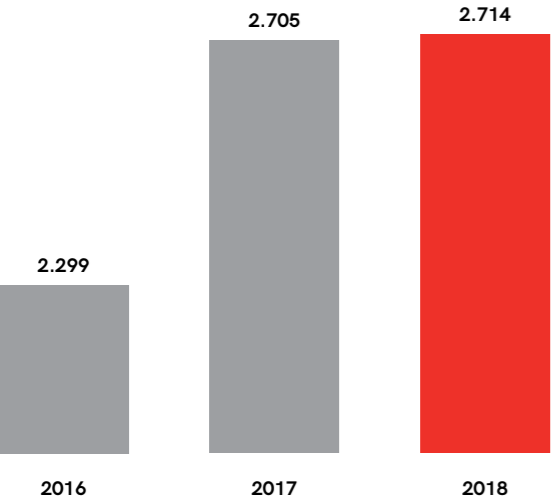
Internal communication represents an important element in Agrati for the development and sharing of activities.

The main initiatives, the periodic thematic information, the news and the production datas are amplified through IT totems located inside the all Agrati plants.

For PC owners, access to the company intranet is guaranteed, where documentation is freely available to the all employees.

Internal communication is an instrument validly used by Agrati also to increase cohesion among people through popular tools, such as the Agrati Magazine: a quarterly journal drawn up in Italian, French and English distributed throughout the Group where the latest Agrati Group new, the main projects, a summary of possible customer and supplier audits, curiosities from the fasteners and automotive world are communicated. Issues such as those concerning corporate welfare initiatives and communication with the outside world, such as the announcement of participation in fairs or other events, are also addressed.

+ CAPEX EHS - Capital expenditures (k€)



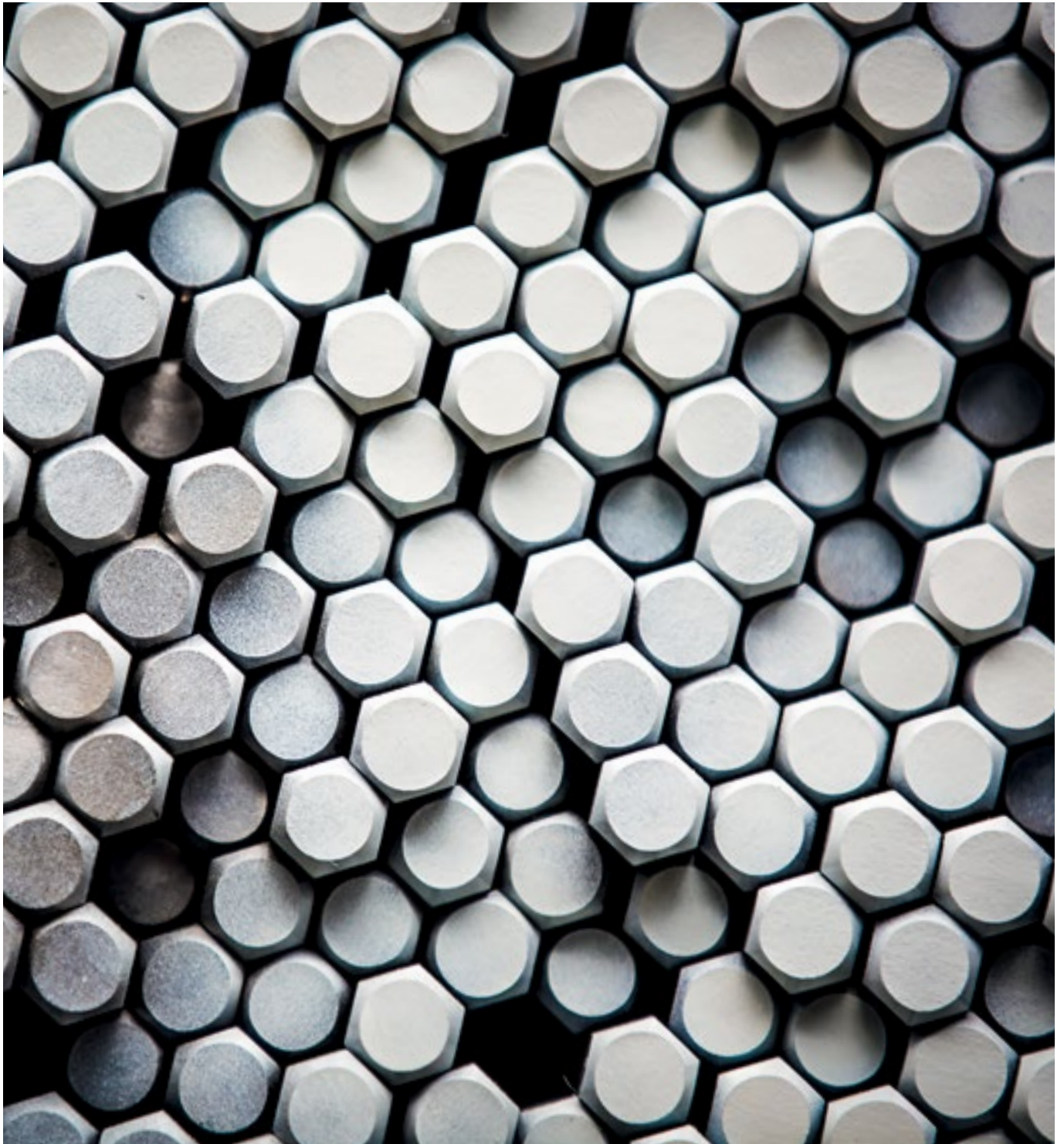
As evidence of Agrati's commitment, we report the investments for environmental protection and safety of workers and the community that the Group has sustained for the years 2016, 2017 and 2018.



Notes

Indicator name	Unit of measure	Definition	Definition	page no.	Source documents
Net revenues	k€	Data Line In the Income Statement	Economic Sustainability	31	2017 Annual Financial Report
Operating income (EBIT)	k€	Operating result (rows A + B + C + D + E + F + G)	Economic Sustainability	32	2017 Annual Financial Report
Taxes for the period	k€	Data row M Income Statement	Economic Sustainability	32	2017 Annual Financial Report
Energy gas consumption	MWh	Quantity of natural gas, supplied by a connection to an external supply network, exploited by stationary emission sources measured in MWh (MWh), excluding the energy exported from the site.	Environmental sustainability	32,38,40,42,44	Balance Score Card active for each plant and on the Group level; Environment, Health and Safety Reporting Manual rev00
Electricity consumption	MWh	Amount of electricity consumed for the activities of the production site (plant) measured in MWh	Environmental sustainability	32,38,40,42,44	Balance Score Card active for each plant and on the Group level; Environment, Health and Safety Reporting Manual rev00
Total energy consumption	MWh	Sum of the quantities of electricity and gas used in the production site	Environmental sustainability	32,38,40,42,44	Balance Score Card active for each plant and on the Group level; Environment, Health and Safety Reporting Manual rev00
Energy efficiency	Tep/Ton	Tep/Over cumulative production workshops in Tonnes where TEP = MWh *1.000 * 0,000187 + m3 gas * 0,00082	Environmental sustainability	32,38,40,42,44	Balance Score Card active for each plant and on the Group level; Environment, Health and Safety Reporting Manual rev00
CO2 emissions from energy consumption	Ton CO2 eq	CO2 emissions from direct energy sources (fuel used in production sites controlled by the Agrati Group) in tons	Environmental sustainability	32,38,40,42,44	Balance Score Card active for each plant and on the Group level; Environment, Health and Safety Reporting Manual rev00
Water consumption	m3	Total volume of water consumed calculated in cubic metres (m3)	Environmental sustainability	36,39,41,43,45	Balance Score Card active for each plant and on the Group level; Environment, Health and Safety Reporting Manual rev00
Efficiency in water consumption	m3/Ton	m3 / Over cumulative production workshops in Tonnes	Environmental sustainability	36,39,41,43,45	Balance Score Card active for each plant and on the Group level; Environment, Health and Safety Reporting Manual rev00
Water processed in purifiers	m3	Total volume of water sent to internal or external processing plants	Environmental sustainability	36,39,41,43,45	Balance Score Card active for each plant and on the Group level; Environment, Health and Safety Reporting Manual rev00
Hazardous solid waste production	Ton	Amount of hazardous waste produced in tons	Environmental sustainability	36,39,41,43,45	Balance Score Card active for each plant and on the Group level; Environment, Health and Safety Reporting Manual rev00
Non-hazardous solid waste production	Ton	Quantity of non-hazardous waste produced in tons	Environmental sustainability	36,39,41,43,45	Balance Score Card active for each plant and on the Group level; Environment, Health and Safety Reporting Manual rev00
Total solid waste production	Ton	Total waste production	Environmental sustainability	36,39,41,43,45	Balance Score Card active for each plant and on the Group level; Environment, Health and Safety Reporting Manual rev00
Waste production efficiency	%	[Total waste production (Ton) / Over cumulative production workshops in Tonnes] *100	Environmental sustainability	36,39,41,43,45	Balance Score Card active for each plant and on the Group level; Environment, Health and Safety Reporting Manual rev00

Indicator name	Unit of measure	Definition	Definition	page no.	Source documents
Recovered materials: oil reused in internal processes	Ton	Amount of oils recovered in plants and reused in production processes	Environmental sustainability	36,39,41,43,45	Balance Score Card active for each plant an on the Group level;
Recycled materials: Recycled metal scraps	Ton	Quantity of metal scraps recycled and sold	Environmental sustainability	36,39,41,43,45	Balance Score Card active for each plant an on the Group level;
Recycled materials: sulphuric acid intended for recovery	Ton	Quantity of sulphuric acid recovered and transferred to processing plants	Environmental sustainability	36,39,41,43,45	Balance Score Card active for each plant an on the Group level;
Raw material composition: mineral and scrap	%	Purchased raw material composition	Environmental sustainability	46	Balance Score Card active for each plant an on the Group level;
Packaging quantity of the finished product sold	Ton	Quantity of cardboard and metal material contained in the packaging of the finished product measured by the parent company at the plant in Veduggio and sold to the market	Environmental sustainability	47	Calculation applied to the Veduggio plant (IT) year 2016
Net revenues	million Euro; no.	Value of net revenues from the approved budget next to the total workforce number	Social sustainability	51	Approved financial statements; calculation of the total workforce (workers on permanent contracts and temporary workers) for the period 2008-2017
Employee turnover	%	Voluntary resignation of staff on the average workforce	Social sustainability	53	Internal Files
Total staff	No.	Sum of the number of workers with permanent contracts + number of workers with temporary contracts	Social sustainability	52	Balance Score Card active for each plant an on the Group level;
Type of contract	No.	number of workers on permanent contracts + number of workers on temporary contracts	Social sustainability	52	HR Data Base; HR Report
Gender	No.	Type analysis of the total workforce	Social sustainability	53	HR Annual Survey
Hours of training provided to employees	No.	Amount of training hours	Social sustainability	55	Balance Score Card active for each plant an on the Group level;
Hours of training / employee	No.	Average of the amount of training hours per employee	Social sustainability	55	Formula (line 26 / line 23)
Training areas	type		Social sustainability	55	Internal Files
ISR	No.	The number of days lost due to accidents related to a 1 000 hour joint exposure. Employees of the Agrati group + temporary workers	Social sustainability	60	Balance Score Card active for each plant and on the Group level; Environment, Health and Safety Reporting Manual rev00
IFR	No.	The number of injuries and accidents at work suffered by Agrati Group employees + temporary workers with one day lost or more, referring to a common exposure of 1 000 000 hours.	Social sustainability	61	Balance Score Card active for each plant and on the Group level; Environment, Health and Safety Reporting Manual rev00
Capex Capital expenditure - EHS	k€	Capital expenditure included in the annual budgets and allocated to the EHS sector	Social sustainability	62	Environment Health and Safety Budget 2016 and 2017



SUSTAINABILITY REPORT 2018

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