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BUILDING A SUSTAINABLE FUTURE

SUSTAINABILITY
REPORT

2019





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LETTER FROM THE CEO



4

5

The Company is, within all stakeholder categories, increasingly viewing sustainability issues across the board as relevant. The common approach has changed significantly over the past few years and recent events related to the Covid-19 pandemic have further raised awareness in this area. Social and environmental issues are also making their presence strongly felt in the financial sector.

Manni Group has included Sustainability among the three development drivers, together with Internationalisation and Innovation, as we are confident that our positioning will allow us to make a positive contribution in all areas in which we operate. However, a special role to this end will be played by innovative systems and solutions intended for the construction business, which is one of the industries causing the strongest environmental impact.

Indeed, buildings account for 40% of air pollution, accommodating people whose health must be protected, considering also public spaces. Moreover, albeit with much delay, we have embarked on an indisputable path that is leading to what we like to call “a construction business for the buildings of the future”.

“Rule 22 - Aware of its being accountable to current stakeholders as well as future generations, the Group promotes a holistic and cross-cutting approach to sustainability that defines every aspect of its business, allowing it to continue to grow and strive in a fair and sustainable manner, while relying on investments in product and process innovation development.

Managers are required to implement and supervise the management of business, production, commercial and new product development processes in accordance with the Sustainability Guidelines set by the Holding Company. The Business Sustainability Officer (BSO) function is tasked with the drafting of the action plan as required during the start-up phase of the Business Sustainability Programme and committed to its annual approval by the Board of Directors of the Holding Company. The BSO is responsible for performing the above-mentioned audit”.

SOURCED FROM MANNI GROUP'S CORPORATE GOVERNANCE DOCUMENT

We focus on all aspects of sustainability, comprising economic, social and environmental issues. Therefore, we look beyond these latter aspects, as we consider the economic viability of business choices, which underpin the survival and development of the company in the long term while ensuring the social interactions of our activities.

Essentially, we have taken steps both within and outside our company. This has led to the launch of a plan aimed at reducing the environmental impact and to the drafting of guidelines for Management that were set out in the Group's Corporate Governance document. Research and Development endeavours also got underway with a view to supporting product and service innovation by relying on materials that are more natural, feature greater thermal efficiency and comply with the most stringent certifications, while focusing on circular economy practices, which are part and innate of our business.

In 2016 we therefore adopted our Business Sustainability Programme, a five-year programme that is updated on an annual basis and is driven by our Sustainability Policy. The purpose of this programme is to direct the Group towards a shared management of environmental impacts, the main ones being climate change and resource use. This principle is implemented by sharing the approach reflected in the Sourcing Policy with our suppliers and by increasingly engaging all the Stake-

holders. We are qualifying our suppliers, paying increasing attention to the sustainability content of their proposition and to their responsible acting.

More and more standards and assessment frameworks in the construction business require information and certifications on the products and services offered, including the impacts generated by the activities of the entire supply chain. Our long-standing organisational set-up has enabled us to obtain certifications such as EPD (Environmental Product Declaration), innovative labels such as Declare, GHG (Green House Gases) emission inventories verified and carried out in accordance with ISO 14064:2019, which are extended not only to direct emissions (categories 1 and 2) but also to indirect, supply chain-related, emissions pertaining to haulage and the production of the goods used.

During 2019 the Group non-financial disclosure was further improved by extending the content of our Group Sustainability Report according to the GRI Standard Framework, which is based on the principles of accuracy, balance, clarity, comparability, reliability and timeliness. A materiality analysis was therefore carried out to become cognizant of and reflect the view of all Stakeholders in company decisions.

Our 75-year long history bears witness to the fact that developing investments and relying on an organisation with a holistic, long-term vision means making the company's

business sustainable. This is the essence of the concept of Sustainability. Indeed, today's challenge is to combine the speed of change and the drive for continuous innovation with long-term goals and investments.

We want to lead by example and encourage those who have only just begun to approach these issues, because investing in Sustainability makes a company more credible and attractive, while significantly reducing some risk areas and opening up new scenarios and relations.

Wishing you an insightful reading,

Enrico Frizzera
MANNI GROUP CEO

1

75 YEARS
OF STEEL



1.1

Identity

Manni Group promotes innovation in the processing and use of steel in all its applications, developing solutions and engineering services to meet structural, energy efficiency and sustainability requirements.

These actions enable the Group to encourage sustainable conduct and choices in businesses, users and consumers across different markets, from large infrastructure to Oil & Gas and mechanics. Manni Group is committed to encouraging the dissemination of sustainable, safe and efficient construction practices through constant research and development endeavours relating to products, services and solutions for steel constructions, building renovation, consumption and emission reduction and the promotion of renewable energy sources.

75 years of committed and forward-looking efforts, during which the company has dealt with market changes with great dedication, adapting skilfully to the new situations during the business internationalisation process, while embracing the Circular Economy philosophy.

Group in figures

15

Operating companies

81

Countries served

115
MILLION €

Net Asset Value

1,156

Employees

432
THOUSAND

Tons of steel

**OVER
10,000**

Customers served

603
MILLION €

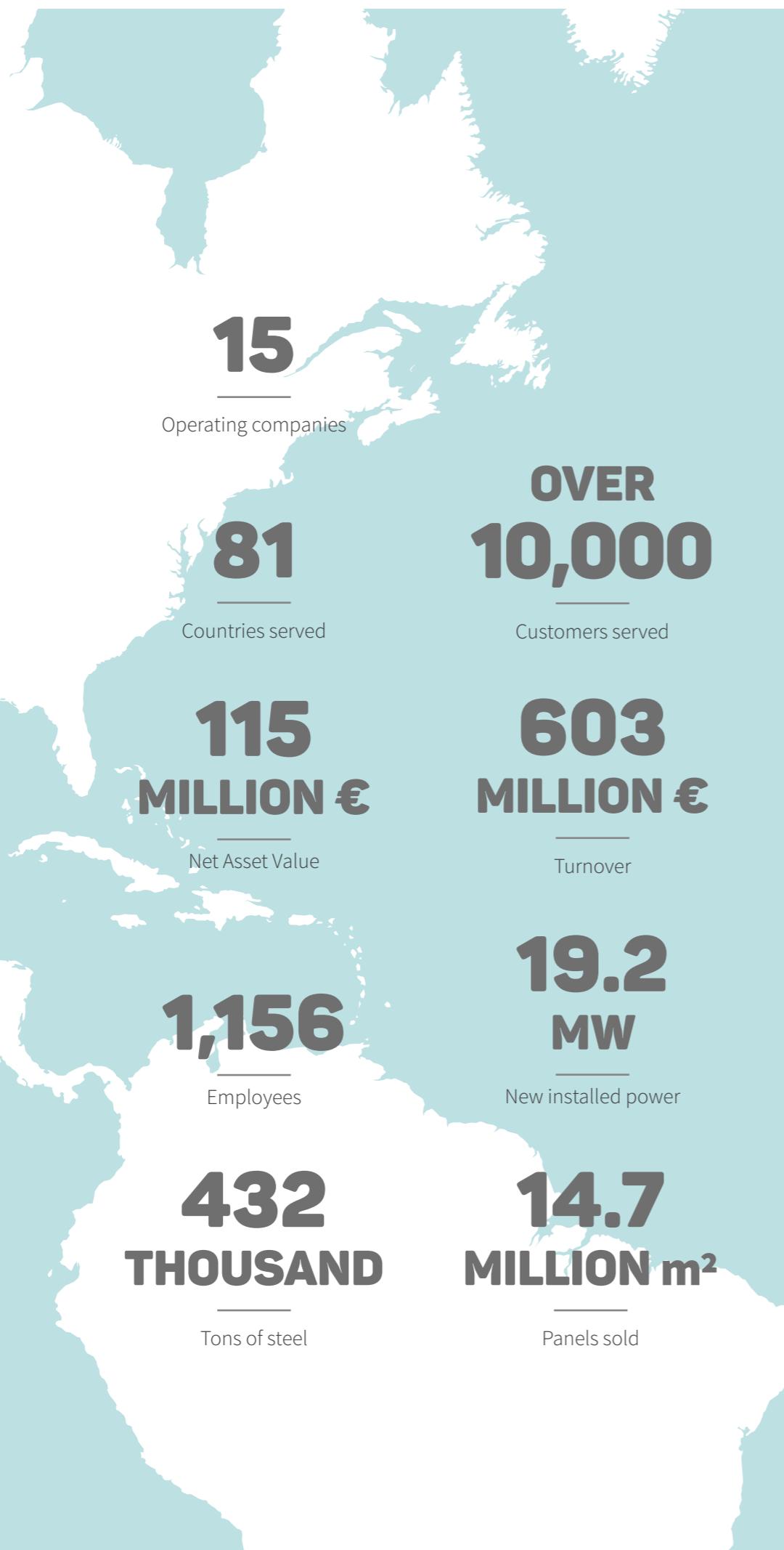
Turnover

19.2
MW

New installed power

14.7
MILLION m²

Panels sold



◆ MANNI GROUP

HEADQUARTERS
Verona Head-office

◆ RENEWABLE ENERGY AND SERVICES

MANNI ENERGY
Verona

MANNI IMMOBILIA
Verona

MANNI STORE
Turin

ICOM ENGINEERING
Verona

MAETRICS
Verona

◆ STEEL

MANNI SIPRE
Mozzecane (Verona)
Div. 1: Metal sheets
Div. 2: Laminates and pipes
Div. 7: Beams

Crema (Cremona)
Div. 8: Beams
Div. 9: Commercial

Monteprandone (Ascoli Piceno)
Div. 6: Beams

Campoformido (Udine)
Div. 3: Beams

MANNI INOX
Verona
Via Righi Div.
Via Torricelli Div.

MANNI GREEN TECH
Verona

Houston (TX)
Manni Green Tech
USA

▲ PANELS

ISOPAN
Trevenzuolo Div. (VR)

Patrica Div. (FR)

ISOPAN IBÉRICA
Tarragona, Spain

ISOPAN EST
Bucharest, Romania

ISOPAN DEUTSCHLAND
Plötz-Halle, Germany

ISOPAN RUS
Volgograd, Russia

ISOCINDU
Guanajuato, Mexico

ISOPAN FRANCE
Paris, France

ISOPAN MANNI GROUP CZ
Prague, Czech Republic

1945

Origins

Luigi Manni starts a company for the trade of ferrous materials and recovered metals

1960

The turning point

Industrial development begins under the direction of Giuseppe Manni

Manni Prodotti Siderurgici (Verona, Italy) is established

1969

Establishment of Manni Siderurgica (Verona, IT)

1970

Industrialisation

1972
Manni Sipre is established, the first pre-processing service centre for steel beams in Europe (Verona, Italy)

1980

Diversification

Officine Riunite F.lli Lancini (Crema, Italy) is acquired.

1982

Opening of the Manni Group headquarters, the Palazzetto (Verona, Italy)

1987

The second Manni Sipre centre is established (Crema, Italy)

1989

Isopan is acquired for the production of insulated metal panels (Frosinone, Italy)

1990

Restructuring

1991
Francesco Manni joins business operations

1993

Commerciale Siderurgica Veronese is acquired

1995

Gruppo Manni SpA is established (Verona, Italy)

1996

Icom Engineering is established, engaging in metal structure design and consulting services

2000

A new management dimension

The new industrial holding company Gruppo Manni HP is established (Verona, Italy)

2001

Isopan Ibérica is established (Tarragona, Spain)

2002

Sub-holding company Isopan SpA is established in Trevenzolo (Verona, Italy)

2007

Isopan Est is established (Bucharest, Romania)

2008

C.S.I. – Centro Servizi Inox – is established (Verona, Italy)

2010

International expansion

2011
Manni Energy is established (Verona, Italy)

2012

Isopan Deutschland GmbH is established (Halle, Germany)

2014

Manni Sipre incorporates Malavolta SpA
2017
Isopan Rus (Volgograd, Russia) and Isocindu (Guanajuato, Mexico) are launched

2018

An R&D department is established for the development of new technologies applied to products

2019

Isopan International, the holding company of Isopan foreign companies, is established

First edition of Manni Group Design Award

2015

Innovating the future

Manni Store is established, engaging in the distribution of Group products in the north-western Italian market

2016

Special services and re-branding

Manni Group's Business Sustainability Office is established

2020

75th Anniversary

75th anniversary since the establishment of Manni Group



1.3 History

Manni Group is a well-established leading company in the international market of steel processing and metal insulating panels, playing a key role in the field of renewable energy and energy efficiency. Established in Verona in 1945 by Luigi Manni as a trade, in the sixties it becomes an industrial business under the guidance of Giuseppe Manni, expanding further across Europe and then worldwide when his son Francesco joins him in 1991.

During 2019, Manni Group also witnessed the:

- Establishment of Isopan International, focused on the corporate organisation and leading the management of the foreign subsidiaries;

- Laying of the foundation stone of the new Isopan Deutschland plant;

- Acquisition of Mætrics, a company responsible for monitoring consumption and energy efficiency.

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Business areas

By relying on the 21 companies forming part of its organisation chart, i.e. 2 holding companies, 15 operating companies, 3 commercial companies and 1 sub-holding company, Manni Group operates in three different business areas, engaging in the production, processing and marketing of highly technological steel products and advanced design services.

Ownership remains in the hands of the Manni family, with the Group being only formed by joint stock companies and/or limited liability companies.



STEEL BUSINESS UNIT

Manni Sipre is a European leader in semi-finished steel products, components and structural systems intended for construction. Together with Manni Inox, which engages in stainless steel processing, it is a major point of reference for stainless steel users. Manni Green Tech is the company that operates in the production and processing of light steel profiles.

PANELS BUSINESS UNIT

Isopan is among world leaders in the production of insulating metal panels for walls and roofs targeting key international markets. In addition to commercial companies Isopan CZ and Isopan France, it controls the following five foreign companies through Isopan International:

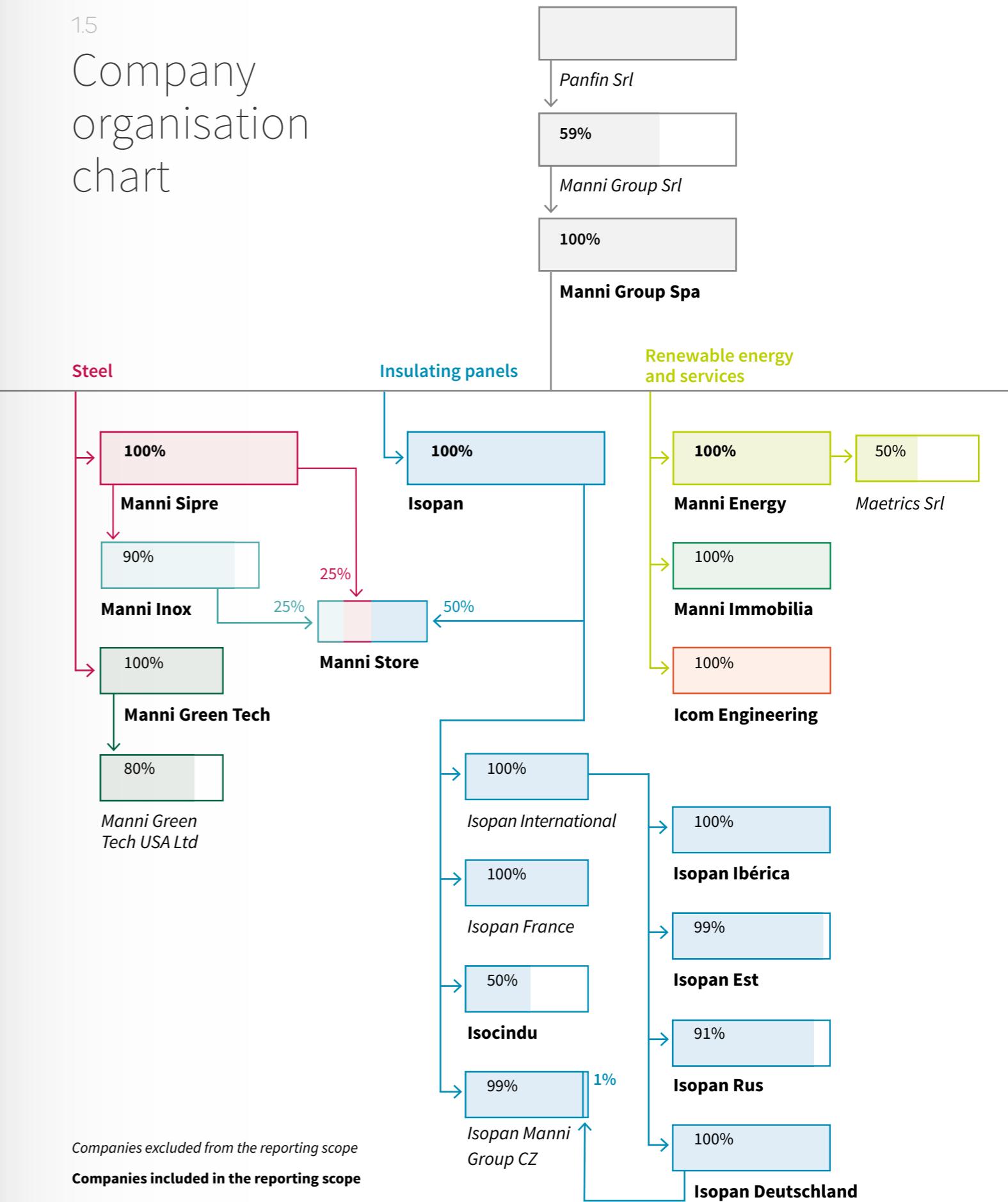
- Isopan Ibérica (Spain)
- Isopan Est (Romania)
- Isopan Deutschland (Germany)
- Isopan Rus (Russia)
- Isocindu (Mexico)

SERVICES BUSINESS UNIT

Manni Energy is the company engaging in renewable energy plant engineering and installation, Operation and Maintenance services and energy efficiency. Manni Energy participates in the various renewable energy functions through some of its subsidiaries. Moreover, the Group is controlled by two other holding companies, Panfin Srl and Gruppo Manni Srl, and controls Manni Immobiliare, the Group's real estate company, and design company ICOM Engineering. Manni Store, on the other hand, covers the north-western Italian market, distributing the Group products

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Company organisation chart





Prysmian Group Headquarters

Manni Group is a leading technical and strategic partner in today's steel industry in terms of competence, quality, innovation and service capability: a company committed to promoting sustainable, safe and efficient construction practices through constant research and development endeavours relating to products, services and solutions for steel constructions, building renovation, consumption and emission reduction and the promotion of renewable energy sources.

1.6

Presence on international markets

Steel Business Unit
Panels Business Unit

AMERICA

Argentina ●
Brazil ●
Colombia ●
Costa Rica ●
Guatemala ●
French Guiana ●
Martinique ●
Mexico ●
Panama ●
Peru ●
Suriname ●
United states of America ●
Uruguay ●
Venezuela ●

AFRICA

Algeria ●
Ivory Coast ●
Egypt ●●
Ethiopia ●
Libya ●
Morocco ●●
Mauritania ●
Mauritius ●
Nigeria ●
Senegal ●●
South Africa ●
South Sudan ●

EUROPE

Albania ●●
Austria ●●
Belgium ●
Bielorussia ●
Bosnia and Herzegovina ●●
Bulgaria ●
Croatia ●●
Czech Republic ●●
Denmark ●
Estonia ●●
Finland ●
France ●●
Germany ●●
Great Britain ●
Greece ●●
Hungary ●●
Ireland ●
Italy ●●
Kosovo ●
Latvia ●
Lithuania ●●
Luxembourg ●
North Macedonia ●
Malta ●●
Moldova ●
Monaco ●
Montenegro ●
Norway ●
Poland ●●
Portugal ●
Romania ●●
San Marino ●●
Serbia ●●
Slovakia ●●
Slovenia ●●
Spain ●●
Sweden ●
Switzerland ●●
The Netherlands ●
Ukraine ●

ASIA

Armenia ●
Azerbaijan ●
India ●●
Israel ●
Kazakhstan ●
Kyrgyzstan ●
Lebano ●
Russia ●
Singapore ●
Sri Lanka ●
Thailand ●
Turkey ●
Uzbekistan ●

OCEANIA

Australia ●
French Polynesia ●●

18

19



2

THE GROUP'S COMMITMENT



21

Manni Group's development drivers

Manni Group's forward-looking vision, based on skills and values acquired during its 75-year old business history, rests on three closely interwoven drivers:

- Innovation
- Sustainability
- Internationalisation

They are considered as medium/long-term assets, the results of which can most undoubtedly benefit all of the Group's Business Units.

Internationalisation allows the Group to diversify its activities at a geographical level, spreading risk and investment across European and non-European markets. Moreover, the challenge posed by different cultural contexts enables the organisation and its employees to grow and develop skills within an international environment.

Innovation allows Manni Group to respond to the new market needs and improve production processes, making them increasingly efficient and effective while involving a low environmental impact, offering high-added-value products.

To this end, the creation of the Research and Development division reflects the will to explore new avenues thanks to technology, consistent with product and system innovation projects, while embracing sustainability and digitisation principles.

Manni Group considers sustainability as a way of doing business, an approach enabling long-term development in harmony with the environmental and social context in which the company operates.

Steel and the construction market, to which Manni Group has always linked its name — together with the mechanics and plant engineering sectors — allow a practical contribution to be made to the fight against climate change and to the transition to a circular economy model, in which business partners are also involved. As a steel-industry group, we feel duty-bound to reduce the impact of the construction business on the planet and to contribute to the promotion of alternative construction systems.

Since 2016, Manni Group has included sustainability in its Governance system. Manni Group has adopted a Sustainability Policy that requires the establishment of a Business Sustainability Officer function reporting directly to the CEO of the Holding Company. The policy reflects the concept of sustainability in governance-related documents, with reliance being made on the annual report as a way to reach the stakeholders and report on its actions. By adopting a Sustainability Policy, the Group also pursues

target-oriented goals relating to emission reduction, circular economy and product life cycle, involving the supply chain in reaching these goals. Finally, Manni Group also sets out to contribute to the achievement of the United Nations SDGs through its operations.

With a view to protecting the environment, Manni Group also embraces the prudential approach introduced by the UN, according to which a given operation must be carried out with due account being taken of environmental impact.

About the Sustainable Development Goals (SDGs)

On 25 September 2015, the United Nations approved the Agenda 2030 for Sustainable Development and its 17 Sustainable Development Goals (SDGs), consisting of 169 targets to be achieved by 2030. The implementation of the Agenda requires a strong involvement from all parts of society, from businesses to the public sector, from civil society to philanthropic institutions, from universities and research centres to information and culture professionals.



Manni Group promotes the health and well-being of its employees through its health and safety policies and corporate welfare



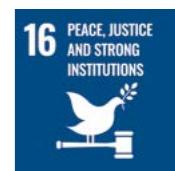
By training and informing its employees and promoting education improvement through corporate welfare, Manni Group supports inclusive and fair learning opportunities.



Operating in the steel sector and influencing a supply chain consisting of over 270 suppliers of raw materials and semi-finished products, Manni Group supports responsible circular economy, production and consumption practices.



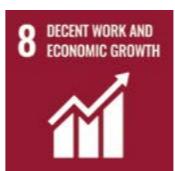
Manni Group has reduced its Green House Gases emissions by 20% in absolute terms over the past 4 years and intends to pursue further challenging reduction milestones in the future.



By relying on its governance structure, organisational model and Code of Ethics, anti-corruption and risk management system, Manni Group contributes to creating solid institutions and fair and ethical behaviour.



Through the activity of Manni Energy, the Group contributes to ensuring access to low-cost, reliable, modern and renewable energy systems.



With over 1,100 employees and many collaborators in different countries around the world, Manni Group's operations have been stimulating economic growth and full employment for 75 years.



Products for off-site and dry construction, using steel as a construction material, adoption of digitised production technologies: Manni Group encourages the construction of resilient infrastructure and promotes innovation.



Renewing cities — hence reducing their environmental impact — with high-performance seismic and fire resistance products allows Manni Group to promote sustainable cities and communities.

Research and Development

In 2018, the Manni Group Research and Development (R&D) Division was established, with the aim of addressing some of the main sustainability issues in terms of statics, earthquake-proofing, fire protection, environment, while paying attention to the aesthetic functional and architectural impact of group products. The R&D Division has so far enabled all Group companies to innovate products and processes. An example of this is to be found in the Leaf technology, developed for the Isopan panels, ensuring a significant improvement in the thermal performance of buildings and using halogen-free flame retardants (www.isopan.it/leaf). Another example is provided by the Green Roof solution intended for green roofs, designed in partnership with Daku.*

In addition, the company participates in specific innovative construction projects funded by the European Union, such as Step-Up and Rezbuild**. The aim of the StepUP innovation project is to develop a “Plug & Play” system capable of combining the “passive” component (envelope) with the “active” component, related to the plants and to the production and storage of energy, to be used to

5

Active partnerships with universities

2

Ongoing innovative projects funded by the European Union

* www.isopan.it/prodotti-speciali/greenroof

** To learn more, visit their respective websites: Step-Up: stepup-project.eu and Rezbuild: rezbuildproject.eu



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2.2 Dialogue with the stakeholders

Manni Group's Penta Value provides an overview of the intangible assets developed in line with the Strategic Vision and Corporate Values. Value creation is indeed the result of long-term growth combined with a strong focus on intangible assets, while paying appropriate attention to risks: the Penta Value highlights the intangible assets to achieve this growth, such assets being developed in line with the Strategic Vision and the relevant Corporate Values.

With a view to promoting an open and transparent dialogue and an inclusive approach to expand relations with all stakeholders, Manni Group has developed a whole range of communication and engagement tools. Such an approach allows the Group to gain important feedback on its performance, with a view to continuous improvement.

Manni Group's stakeholder acknowledgement is based on the Code of Ethics, where reference is also made to the Penta Value.

STAKEHOLDERS' ENGAGEMENT IN 2019

The following view shows the tools for active listening to and engagement with the Group's different stakeholders, reflecting the various interests Manni Group caters for.

| Stakeholder group* | Stakeholders | Engagement method | Frequency |
|------------------------------|--|--|--------------|
| Customers | Active | Customer satisfaction survey | Annual |
| | | Feedback from sales network | Daily |
| | | Public general meeting | Annual |
| Shareholders | Shareholders | Direct contact with the Board of Directors | Quarterly |
| | | Public general meeting | Annual |
| Employees | Company employees | Internal newsletter | Monthly |
| | | Meetings with unions | Quarterly |
| | | Public general meeting | Annual |
| Suppliers | Raw material or service suppliers | Integrated assessment questionnaire** | Biennial |
| | Lending institutes | Public general meeting | Annual |
| Institutions and environment | Trade associations | | |
| | Local institutions | | |
| | Non-profit organisations, voluntary work | Public general meeting | Annual |
| | Schools and universities | | |
| All stakeholders | | Materiality analysis questionnaire | Three-yearly |

*Ref. Penta Value

** This is not administered to credit institutions, but only to suppliers of raw materials or services

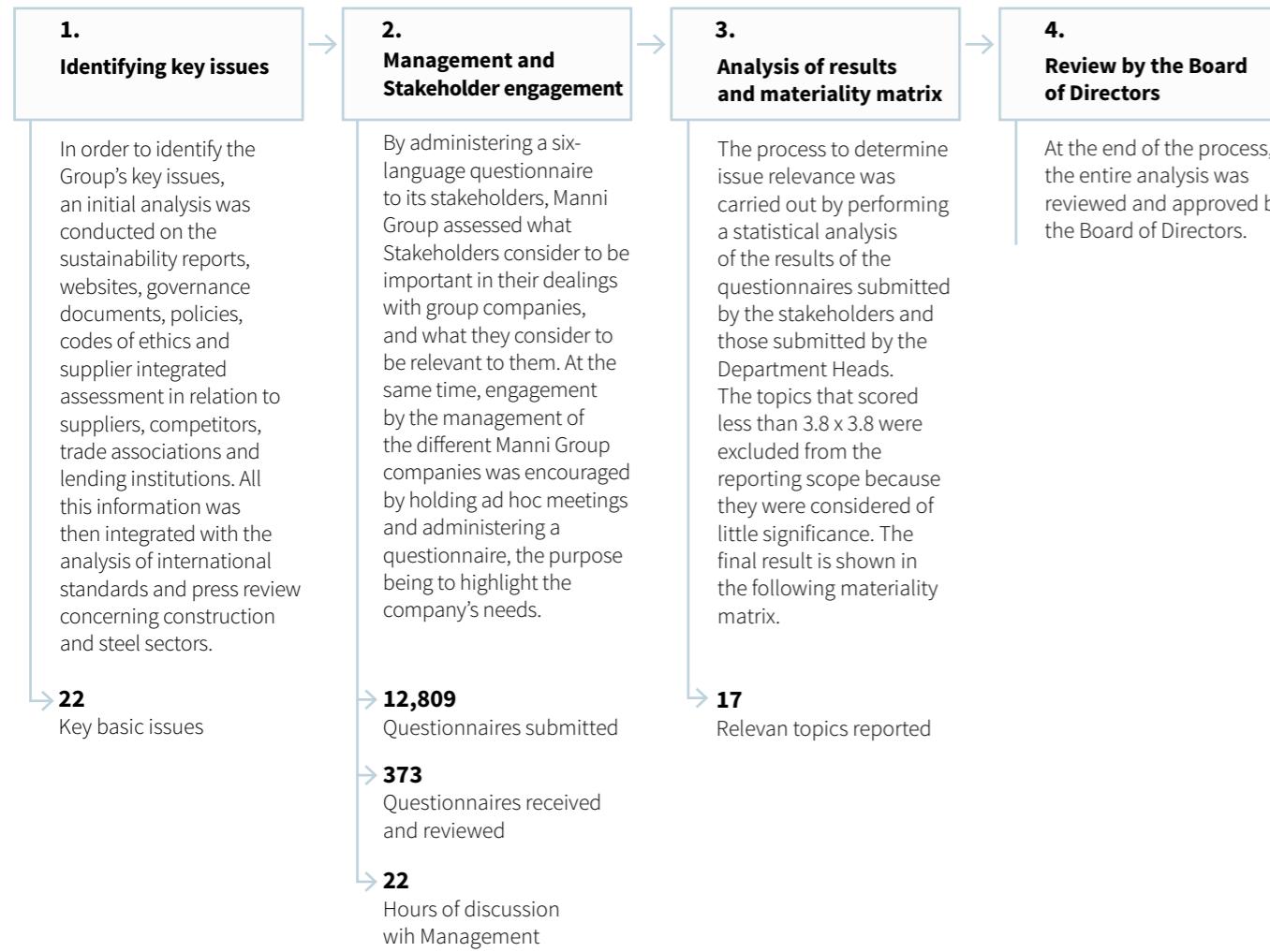
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2.3

Materiality analysis and materiality matrix

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Our active and constant dialogue with the internal and external Stakeholders — based on transparency and trust values — led in 2019 to the first Materiality Analysis, which was completed using an online questionnaire in six languages distributed to over 12,000 contacts.



Materiality Analysis entails identifying and assessing the priority of all relevant issues (material topics), i.e. the issues or topics that can influence the opinion and actions of Stakeholders and, as a result, the company's ability to create lasting and shared value.

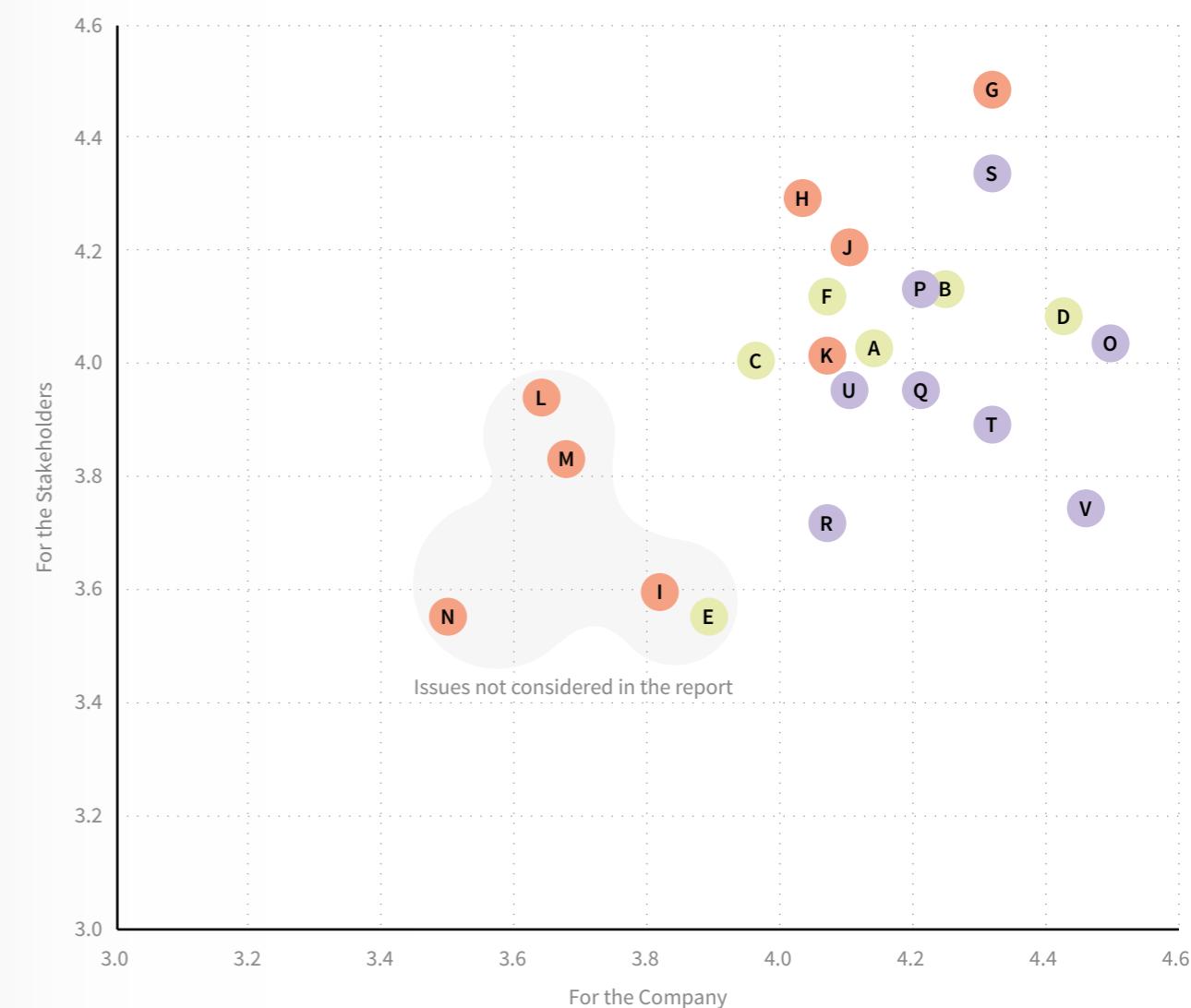
Manni Group's BSO (Business Sustainability Officer) began to consider conducting this analysis as early as 2018, when the annual report was drafted. The objectives being pursued by the BSO through this analysis tool include:

- Providing the Board of Directors with a guidance tool
- Providing useful information for the definition of corporate and sustainability strategies

- Aligning the annual report with international standards
- Updating the Sustainability Policy based on a process shared with Stakeholders
- Analysing possible ESG risks (together with the Enterprise Risk Management (ERM) function)
- Considering ESG issues when mapping risks (together with the ERM function)

By relying on such a listening and exchange process, the Group is able to assess the extent to which it understands and meets the expectations and needs of its Stakeholders, while identifying the areas where its commitment must be increased and those where the approach adopted must be pursued.

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Materiality matrix

| Environmental issues | Social issues | Economic issues |
|---|--|----------------------------------|
| A Energy efficiency and air emissions | G Health and safety in the workplace | O Research and innovation |
| B Circular economy | H Professional training | P Product and safety and quality |
| C Natural resources and raw materials | I Talent attraction and partnerships with universities | Q Ethics and compliance |
| D Compliance with environmental regulations | J Human capital empowerment | R Corporate governance |
| E Environmental management tools | K Social responsibility, ethics and values | S Customer satisfaction |
| F Renewable sources | L Corporate welfare | T Economic value generated |
| Key basic issues | M Supporting employment | U Dealing with suppliers |
| | N Contributing to community welfare | V Internationalisation |

3

CORPORATE GOVERNANCE



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3.1 Structure

Manni Group holding company manages shareholdings and coordinates the Group, including by relying on sub-holding companies.

The meetings of the Holding company's Board of Directors, which meets at least every three months, are a place where ideas are shared, all the more so in today's fast-changing scenarios. In this connection, the methods based on which strategic decisions are made are periodically reviewed and controlled according to set patterns to ensure their effectiveness over time.

By issuing a defined Corporate Governance document, Manni Group sets out a number of rules on the key aspects that adjust the Group's governance as needs for external delegation — and, therefore, the need to deal with risks — increase, the underlying goal being to ensure that autonomy and control are appropriately balanced.

Supporting this delegation process there is a qualified Audit Programme and Risk Management Department, specific training plans also for new employees in order to guarantee responsibility and autonomy. The system of delegations, policies and internal procedures was reorganised in 2019. The Board of Directors of the holding company also sets out to provide company stakeholders with a clear vision of a fair and responsible business.

The Board of Directors of the Holding Company includes representatives of business owners and independent members. The Board of Directors of the Group boasts a whole range of high and wide-ranging skills, as it strongly believes that a qualified leadership at the helm of the holding company, together with the management expertise of its subsidiaries, will generate value.

The tasks and structure of the Supervisory Board are described in a dedicated chapter on page 36.

In the pursuit of its internationalisation effort and in the light of the management complexity of its geographical distribution, the Group decided to extend Governance to all its foreign subsidiaries.

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3.2 Risk Management

The Enterprise Risk Management (ERM) system at Manni Group considers all areas of risk assessment and management in respect of risks connected to the business.

In addition to traditional risk categories, the Group's ERM system dynamically extends the management of new risks arising from changes in the market, corporate structure, the Group's geographical structure and governance, vesting Management with significant powers.

Indeed, taking and managing risk appropriately has become essential in order to create value and profit for shareholders. It is therefore necessary to ensure a fair balance that protects the company against potential losses and damage, while giving leeway to Management to engage in distributed entrepreneurship.

The ERM process starts from the Governance in place at the Holding company, where the extent of risk tolerance is defined as a guiding element of the Risk Management plan.

The development of ERM activities, which was extended to all industrial Group companies, further led to the adoption of a process-based Integrated Control Model, allowing all control levels to be reorganised with a view to integration, efficiency and quality.

One of the main responsibilities of the Board of Directors is to obtain assurance that the processes of the organisation operate in accordance with the metrics established in pursuing the defined objectives. Furthermore, management process effectiveness must be achieved by ensuring that the level of risk is consistent with the assessments decided by the Board of Directors.

At least once a year, the Board of Directors reviews the Group's risk tolerance and its management framework, analysing the impact of various scenarios and adopting the relevant measures to ensure compliance with the policies undertaken.

Thanks to the support of the BSO function and by relying on a tailor-made approach, the Group's ERM system will incorporate all the ESG issues arising from the Materiality Analysis at the end of 2019.



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3.3 Certifications

Over the years, Manni Group has paid special attention to ongoing compliance with international best practices and to the improvement of the processes underlying the management of both business and sustainability risks. As a result, group companies have progressively obtained certifications attesting to the quality standards extended to their employees, the market and the community.

A process is underway within the Group to standardise the management systems and related certifications and to extend such certifications to all the main areas. As of 2020, Manni Group Spa will also launch the process for certifying its anti-corruption monitoring system in accordance with ISO 37001 Standard. These further steps forward show the innovative and at the same time responsible nature of the Group.

Manni Sipre

- UNI EN ISO 9001:2015
- UNI EN ISO 14001:2015
- UNI ISO 45001:2018
- UNI EN 1090-1:2012
- UNI EN ISO 3843-2
- AISIC: Certified Fabricator

Isopan

- UNI EN ISO 9001:2015 Multisite certification
- CE marking for panels both in Italy and in Europe according to the European Regulation CPR 305/2011
- Adoption of EN 13501 Standard

Manni Energy

- UNI EN ISO 9001:2015
- UNI EN ISO 14001:2015
- SOA Category OG 9 (Class VI) and OG 10 (Class II)
- UNI CEI 11352:2014

4

HUMAN CAPITAL



32

Manni Group views the people who work every day with dedication and passion as a company strategic asset. Their knowledge and skills underpin the Group's ability to innovate and pursue excellence. Aware of the key role played by its people, Manni Group is constantly committed to instilling a sense of belonging and motivation in all those who work for the company.

Recognising people and their diversity as a value and an asset will, externally, feed into a commitment to becoming acquainted with and taking into account the needs of local communities and, internally, to ensuring equal opportunities and parenting by encouraging the dissemination of welfare policies and a fair work-life balance.

The company also strives to develop the skills of its employees to support their professional and cultural development, promoting lifelong learning and continued training with a view to creating a safe, healthy and sustainable working environment.

33

Looking to the future is also of paramount importance. To this end, Manni Group supports the participation of younger generations in the workplace, cultivating and enhancing their skills.

The internationalisation project promoted within Manni Group also continued to gain momentum, with colleagues from different companies exchanging and sharing professional skills and experiences. This is an opportunity that allows employees to pursue careers in other Group locations, both in Italy and abroad.

All these endeavours, which are crucial to the company's development goals, are implemented by Manni Group with a view to ensuring a constant exchange between employees and associates, so as to allow them to grow and develop in a healthy and stimulating working environment.

4.1

Health and Safety

The Group considers the prevention of accidents, the protection of the working environment and the protection of its own employees to be of strategic importance. On the basis of this assumption, all the companies manage this aspect independently and in accordance with the regulations in force in their own country.

Due to its production characteristics, Manni Sipre also relies on a certified Management System. Since 2019, this system has been upgraded from OHSAS 18001 to the more recent UNI ISO 45001. All other Italian companies base their management system on the provisions of the Consolidated Act on Health and Safety at Work (Legislative Decree 81/08).

The foreign Isopan companies take into account system guidelines provided by parent company Isopan Spa, adapting them to the different national regulations.

100%

Employees covered by a health and safety management system

The Group has defined a structure of delegations and sub-delegations pertaining to health and safety accountability, the purpose being to ensure timely supervision across all different group companies.

In compliance with local regulations, a periodic meeting is planned with the participation of the Employer, the Prevention and Protection Service Manager, the Workers' Safety Representatives and the designated occupational doctor.

Occupational health and safety management systems are based on risk assessment, to be conducted in accordance with the regulations in force, in which the designated physician and workers' representatives are involved. This assessment will result in such mitigation and control measures as necessary to ensure the health and safety of workers. Examples include training, health surveillance, emergency management procedures, technical process instructions and technical safety instructions. More specifically:

- Monitoring is extended to both injuries and accidents as well as near misses, i.e. near injuries and near accidents; moreover, causes, follow-ups and related actions are identified by using specific modules and internal investigations;
- Regular health surveillance is guaranteed in accordance with local regulations;
- Health and safety training and periodic refresher courses are delivered in accordance with the regulations;

- All the training phases are recorded and, where necessary, employees are issued a licence enabling them to perform their job;
- The above-mentioned aspects are submitted to Management on a yearly basis for its review, together with the specific training plan, for the purpose of both complying with legal requirements and delivering quality or optional refresher courses. On that occasion, the annual objectives for improvement are also established.

The workers' health not directly related to the working environment is also protected through company welfare initiatives and healthcare schemes aimed at facilitating personal health based on second-level agreements, which are also covered in chapter 6.2.

4.2

Human capital training and empowerment

Manni Group's vision is based on internationalisation, digitisation and sustainability: three milestones that can be reached through technology and, more importantly, people. The Group believes that personal and corporate objectives should be aligned at all times in relation to the needs and expectations of the different generations currently coexisting and working within the company.

Strategically, therefore, the company's Human Resources department has resolved to integrate skills and Personnel Administration and Management systems with new projects concerning people knowledge, engagement, development, satisfaction and performance. As a result, personnel management tasks have been enhanced to include new knowledge and tools relating to recruiting, training, internal communication and the performance management process, which was officially launched in June 2019 for all Manni Group, Manni Energy and Manni Green Tech companies having a service record in excess of 6 months.

Through this process, each manager, having defined the Department

objectives, will now be able to integrate quantifiable and measurable result items with the observation of direct reports' behaviour, this being a structured and objective activity based on communication and constant dialogue with direct reports.

118

Staff participating in the Performance Management project

Manni Group strongly believes in lifelong learning, with the aim of providing continued training to its employees and collaborators, thereby furthering the retention of an "active working population" and supporting employment.

Individual and group English, Spanish or German language courses are also delivered to encourage international collaboration between group companies. Worth noting is also the permanent refresher training service of The European House Ambrosetti, addressed to 35 top and middle managers. Its aim is to stimulate and increase continued education and networking through a programme consisting of live meetings — distributed across Italy — and many live webinars. In addition, workshops and global summits addressing a whole range of topics are held, so that the many refresher training needs may be best fulfilled at all times.

81

Total participation in Ambrosetti events

The employees of Italian companies benefited from a total of 2,085 hours of training during 2019, i.e. an average of about 3 hours per employee. This figure pertains solely to training outside the company, to which training hours delivered at the workplace must be added. Specific monitoring is being set up with respect to the latter. The preparation of this report has made it necessary to extend the reporting scope to the training received by employees. In this regard, the company has planned to initiate a specific process to trace such information and to extend this approach to overseas companies.

Corporate welfare

In addition to training, Manni Group encourages reliance on services that can contribute to improving the quality of life of workers.

Through second-level negotiation, in July 2019 all Group employees were given the opportunity to access the corporate welfare platform — which the Services BU has been accessing since 2018 — and thus be able to take advantage of a number of agreements.

These agreements make it possible to benefit from facilities on different categories of services and products, ranging from personal and family health to education and training costs, from leisure to travel, from technology to fashion.

4.3 Ethics and Values

Manni Group relies on a specific organisational model for each company that complies with the local standards of the countries where group companies operate. In Italy, this model is consistent with the directives of Legislative Decree 231/01, on which the company's Code of Ethics is based, in order to prevent misconduct and possible offences. Already renewed in 2018 following a participatory project course dedicated to corporate ethics, the Code applies to the entire workforce of group companies. With this in mind, the Ethics Committee was then established with the task of overseeing compliance with the principles set out in the text. These values and rules of conduct were developed by the Ethics Committee itself and then approved by the Board of Directors.

Other Committees were also established, including several technical and operational Committees whose periodic meetings are monitored by the Supervisory Board. The information flows sent by these bodies to the Supervisory Board make it possible to provide the governing bodies with relevant information on environmental and social issues that may arise, including Top Management reviews of the management systems implemented or mandatory periodic meetings on safety.

All new members of Manni Group's governing body, employees who carry out activities on behalf of the organisation as well as business partners undergo specific training on a regular basis regarding corporate responsibility, with the first cycle of lessons being held from 2011 to 2013, while the second cycle — started in 2016 — was completed in 2019.

The Code of Ethics, translated into all the languages of the countries in which the Group operates, is delivered to each member of the company's governing body, employees who carry out activities on behalf of the organisation and business partners, urging them to read the document, which is available on the corporate website and, therefore, can also be accessed by third parties.

At Manni Group, the Organisational Model is managed through the Cloud governance 2.0 system, which makes it possible to analyse and manage the risk of crime, assess the risk of any sensitive activity, establish non-compliance and require corrective actions on the part of the process owner, which are then assessed by the Supervisory Board.

With regard to group companies, in particular, 148 sensitive activities potentially at risk of corruption are monitored, out of a total of 292 operations assessed and managed. The most significant risks, identified during the relevant analysis, pertain to political corruption and bribery between private individuals. In the former case, the risk of direct crime was considered — within Manni Group — as marginal, albeit the Supervisory Board's keeps a strong

focus on crimes committed by partners or other company stakeholders. As to bribery between private individuals, the Supervisory Board scrupulously monitors sales reps' operations.

The independent Supervisory Board has relations with the Board of Statutory Auditors and the Independent Auditors and receives reports relating to any misconduct (whistleblowing). It therefore performs constant audits, based on which quarterly reports are created for each group company. The Group's foreign subsidiaries are also subject to the same system, which implements the regulations of the respective countries.

The company's Management considers environmental protection to

be an essential and priority objective: all production and service activities are therefore primarily aimed at environmental compliance requirements.

Manni Group considers compliance with environmental regulations as the minimum but essential condition for the legitimacy of production processes.

Manni Group is therefore committed to implementing and maintaining an effective environmental management system at the production site, while pursuing a policy of continuous improvement of its environmental performance, allocating adequate financial, technological and professional resources. Likewise, the Group endeavours to ensure that its activities are carried out in

compliance with current legal requirements. More specifically, no breach of environmental laws and regulations are to be reported for 2019.

292

Operations assessed
by the Supervisory Board

37

148

Sensitive anti-corruption
activities monitored



5

38

SOCIAL COMMITMENT



Over the years, Manni Group has supported multiculturalism by encouraging an open and stimulating work environment, resulting from exchanges between different backgrounds and values. This sensitivity, which proves to be crucial every day also as part of the Group's internationalisation experiences, has led to support various humanitarian projects and solidarity endeavours. In 2019, this commitment resulted in a total of € 60,000 worth of donations, in addition to personal voluntary work performed.

PRO DUBBO

As part of its efforts to further multicultural integration and an open working environment, Manni Group supports humanitarian projects and solidarity initiatives such as the construction of the paediatric hospital "Dubbo St. Mary Primary Hospital" in Areka, Ethiopia, to which the company makes a significant contribution every year through the "Pro Dubbo" Onlus foundation, founded by Chairman Giuseppe Manni.

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BRFVr – BRAIN RESEARCH FOUNDATION

The Brain Research Foundation Verona aims to promote biomedical research on the nervous system by contributing to the development of neuroscience and, in particular, neurology and neurosurgery in Verona, involving private individuals and institutions and funding research endeavours of the University of Verona and the Azienda Ospedaliera Universitaria Integrata.

BOSCO CHILDREN

In Addis Ababa, on the other hand, the Group participates in the mission of the "Bosco Children" Institute, which provides shelter to the city's street children. Most notably, the donation of a pumping system powered by energy produced by a photovoltaic system donated by Manni Energy has been guaranteeing water supply since 2015.

6



SUSTAINABILITY OF THE SUPPLY CHAIN

40

41

6.1 Customer orientation

For the past 15 years, Manni Group companies have been relying on a function whose main focus is to deliver an increasingly accurate and efficient service to its customers, resulting in some interesting innovations being introduced in the past year:

- Streamlined production and service organisation to ensure timely delivery, including for small orders.
- Technical department's increased focus on customer orientation.
- Introduction of self-declared certifications regarding technical product specifications.
- Internal newsletter to inform and keep all staff up to date with the latest technical and commercial developments.

With a view to transparency, customers are granted free access to Manni Group's plants for on-site inspections.

More specifically, the Panels BU has implemented a technical prescription and advisory service for customers having more specific needs with a view to helping to chose the best technical and application solution, consistent with the objectives set out by the customer.

In 2019, the electronic version of the customer satisfaction survey was also introduced. The related questionnaire gives some insights into expectations, satisfaction with the results achieved and provides a comparison with the rest of the market. It was administered as a first test to 500 selected customers within the Trevenzolo plant operating perimeter, with 34 replies expressing appreciation for the quality of the services and the variety of the Isopan product range. It also showed that the increasing need for flexibility expressed by the market. The survey will certainly be improved and extended to other Isopan entities in the coming years.

The service centres of the Steel BU provide their customers with technical and commercial support with professionally trained personnel who also act as a service for logistics aspects.

More generally, group companies rely on customer service as their strong point, with the considerable organisational and management effort made also playing a role to this end. Indeed, the recent upgrading of IT systems was aimed at achieving precisely this goal. The new SAP system, which became fully operational at Manni Sipre and Manni Inox in 2019 following a great effort in terms of commitment and organisation, and at Isopan Spa as of 2020, ensures accuracy, timeliness, reliability, transparency and flexibility.

GDPR

The European Union's GDPR Regulation governing the processing of personal data and privacy became effective and binding on all European companies.

The data managed as part of Manni Group operations concern three types of stakeholders:

- Commercial and administrative information concerning customers
- Commercial and administrative information concerning suppliers
- Personal and sensitive information concerning employees

In line with the GDPR provisions, the company uses suitable procedures for the collection of consent to the processing of data and the appropriate management thereof. In addition, all internal IT systems have been upgraded to prevent any data leakage or — should this occur — to report any such event immediately and remedy it. Such an organisation ensured that no data leakage of any kind occurred during 2019, despite the theft of three corporate computers and a smartphone to date there are no substantiated complaints on the subject.

6.2 Suppliers and Partners

SOURCING POLICY

Being aware of the importance of supplies, in 2017 Manni Group launched a plan for the upgrading of sourcing policies. The issues addressed during discussions with suppliers for the development of these sourcing policies relate to circular economy, climate-altering emissions, development strategy, innovation, management and certification systems, training, health and safety, relations with local communities and risk management. This project was reflected in the Sourcing Policy document, which was published in the course of 2018. The text contains the main principles on which the Group's development vision, Code of Ethics and Sustainability Policy are based, making sourcing choices consistent with the evolution of corporate strategies. It also incorporates the principles set out in the United Nations Global Compact.

The growing importance of sourcing for the company's businesses has led the Group to consolidate the purchasing policy development plan, involving the main suppliers for the five main categories of products and services purchased:

- Steel
- Chemicals
- Mineral wool
- Independent contractors
- Transport

In the light of this Policy, the company and all the Group's subsidiaries will therefore undertake to integrate the social and environmental variable into supply chain management.

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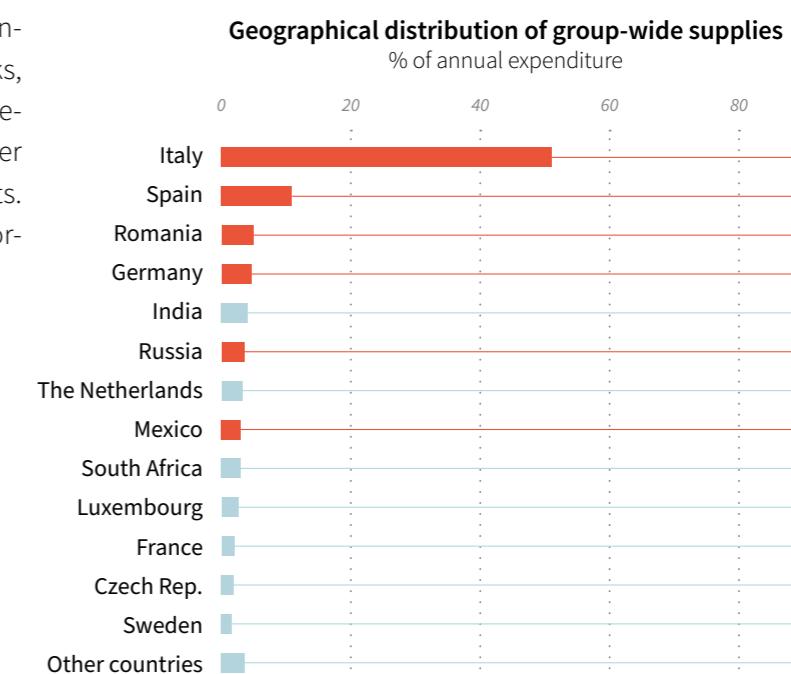
Core active suppliers

More specifically, this analysis showed that the consumption of primary resources and the impact on climate change are supply chain factors that need to be mitigated in advance in order to limit their effects.

The integrated assessment process allowed detailed information to be collected from the main core suppliers, accounting for more than 50% of annual expenditure (2017 figure).

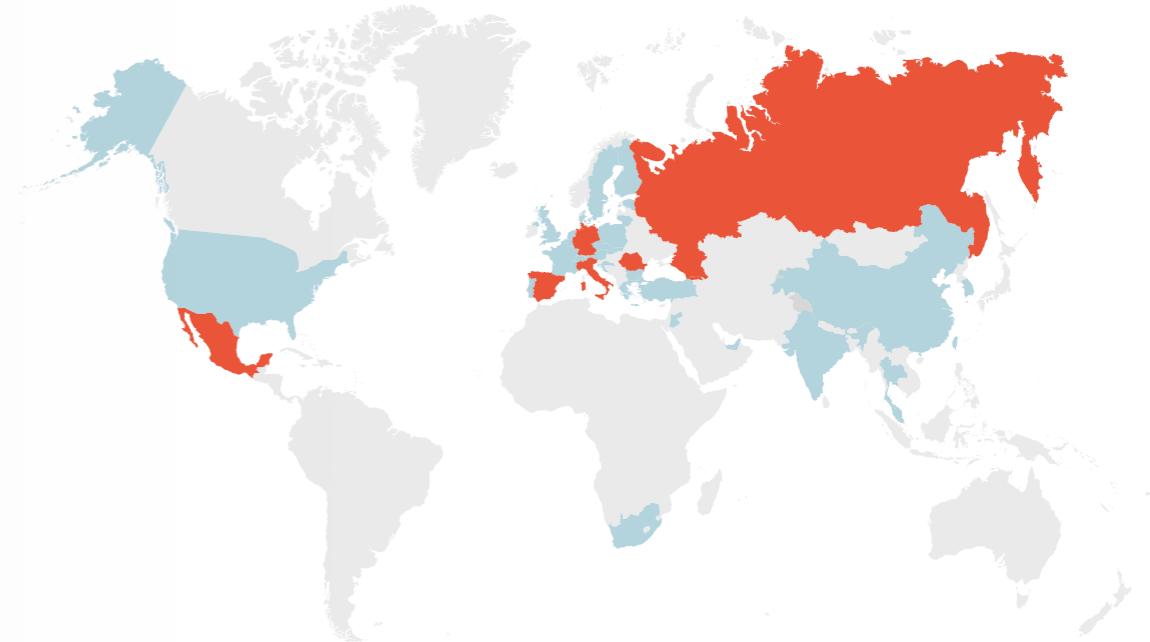
This is expected to gain momentum in the coming years thanks, among other things, to the implementation of online tools, together with possible second party audits. These tools focus on sharing information concerning:

- Management and certification systems
- Corporate strategies
- Circular economy
- Air emissions
- Innovation
- Training
- Health and safety
- Risk management
- Ethics and the fight against corruption



Countries of origin of supplies

Countries of origin where a group production company has operations



Value of annual expenditure used in local purchases, compared to the companies for which the supply is intended

A supply expenditure is considered as local if it originates from the same country as the business name being supplied.

49%

2017

52%

2018

56%

2019

6.3

Partnerships



Manni Group's commitment to creating sustainable supply chains and circular economic models is underpinned by strategic partnerships with projects, business initiatives and leading companies, as well as by joining national and international cultural, social and humanitarian organisations considered as relevant to its activities.



A platform for sharing events, magazines and updates on new technologies that provide an outlook for the future of the construction industry. By relying on different players, such as technicians and professionals, Rebuild compares specific expertise and know-how.

This is the Trentino Technology District for Energy and Environment, which promotes environmental sustainability through innovation and development in the building sector. More specifically, it provides support to companies in projects for innovation and enhancement of real estate assets throughout their entire life span.



A non-profit association committed to spreading and reinforcing regenerative sustainability principles, with a view to a world without fossil fuels. ILFI promotes a number of endeavours with high quality standards for buildings, material producers and environmental protection.



The mission of this association is to promote and encourage thermal and acoustic insulation — in both the building and manufacturing sectors — by implementing technical and regulatory content and keeping up with developments in the construction industry.



It is the University of Padua Foundation, providing companies and investors with networking and innovation support services. The mission of the Foundation is to enhance the scientific and technological synergies between the University of Padua and the business world.



This association defines precise design parameters and criteria in the area of sustainability. It relies on the support of qualified companies, Italian communities of professionals and associations involved in the building sector. GBC Italia is part of a wider network that includes over 70 countries, one of the world's largest green building organisations.

In addition, through its companies based in Italy, Manni Group participates in and contributes to the activities of the entities and associations listed below:

→ **Confindustria** (Association of Italian Manufacturers)

→ **ANRA** (National Association of Corporate Risk Managers and Insurance Managers)

→ **AIPPEG** (Italian Association of Manufacturers of Ribbed Panels and Elements)

→ **ASSOFERMET** (National association of businesses engaging in the trade, distribution and pre-processing of steel products, non-ferrous metal dealers, ferrous scrap dealers and metalware distribution firms).

→ **UNICMI** (National union of industries for the construction of metal building envelopes, windows and doors)

Finally, through its foreign companies Manni Group participates in the following national local associations:

→ **Isocindu**

- MCI (Metal Construction Association)
- ANETIF (National Association of TIF Plants, A.C)
- Italian Chamber of Commerce in Mexico

→ **Isopan Iberica**

- PIMEC (Catalan Association of Small and Medium-sized Enterprises in Catalonia)
- Italian Chamber of Commerce in Barcelona

→ **Isopan Est**

- Confindustria (Manufacturers' Association)
- Italian Chamber of Commerce

→ **Isopan Rus**

- NAPPAN (Russian Association of PU Sandwich Panel Manufacturers)

- Italian-Russian Chamber of Commerce
- Russian Federation Chamber of Commerce and Industry, Volgograd branch
- GIM Unimpresa - Association of Italian Entrepreneurs in Russia

→ **Isopan De**

- BGHM (Agency for Occupational Accident and Safety at Work)
- ITKAM (Italian-German Chamber of Commerce)
- AHK Spanien (Chamber of Commerce abroad from Germany to Spain)
- GEMA (Society for music rights)
- IHK (Chamber of Commerce and Industry)
- GEZ (Organisation of German Public Broadcasting Institutions)
- PPA-Europe (European Association of panel and profile manufacturers)



Declare.

Isopan's special products are the first in Italy to have obtained the DECLARE label in March 2019.

Thanks to Leaf and Green Roof, Isopan has been awarded the label for the transparency of construction materials.

Declare is the label created by the International Living Future Institute (ILFI) that certifies the safety of materials used in products intended for the construction market.

Each product bearing the Declare label declares that it does not contain "ingredients" that are on the Red List, i.e. the list of the most hazardous materials in the construction industry.

6.4

Sustainable building

Dry construction systems feature a reliable method for constructing safe, high-performing buildings based on definite deadlines and costs. Over the last 10 years, Italy has witnessed a growing interest in this kind of construction, hallmarked by fast turnaround times, lower environmental impact, earthquake and fire safety, energy efficiency, acoustic comfort.

Manni Group plays a leading role in this sector as it relies on steel, the ideal material for this type of buildings, which the Group still considers to be a key area for its operations.

Dry construction techniques are well suited to being industrialised. Indeed, building components are not made on construction sites but using industrial techniques and technologies rather, and are then hauled and assembled on site. This method is known as "off-site".

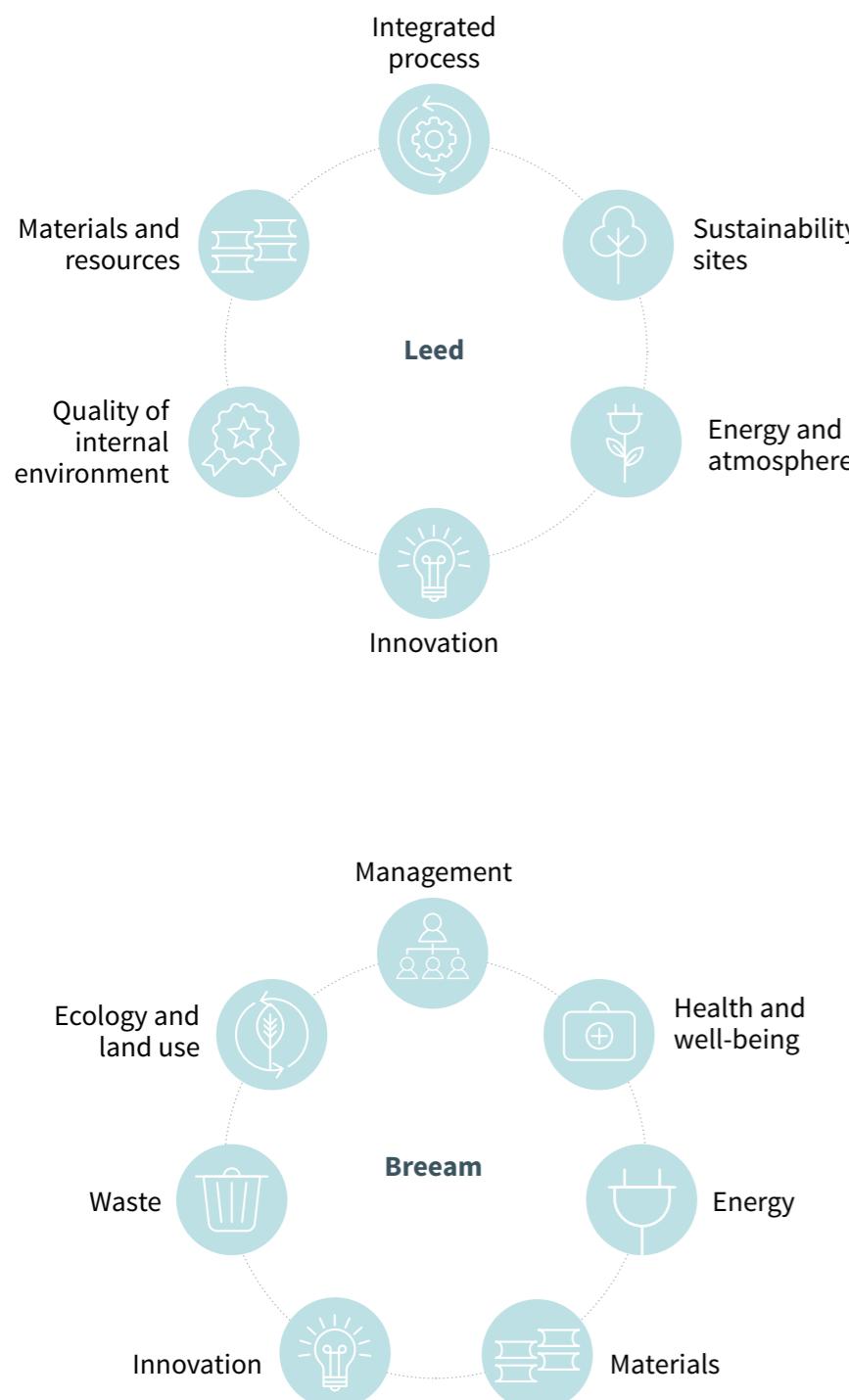
Since significantly less operations are required to be carried out on construction sites compared to traditional construction methods, operators' safety will also benefit from a dry construction approach. More details about aspects related to modern construction methods can be viewed at www.rebuilditalia.it.

"The construction industry in Europe uses about 36% of energy, accounts for about 40% of annual CO₂ emissions, is responsible for 50% of raw material extraction and 1/3rd of drinking water consumption. As a result, the construction industry is not only a driving force behind global economy, considering that it involves 18 million jobs in Europe alone, but it also plays a key role in achieving the climate objectives set out in the Paris agreements".

Green Building Council



Areas of contribution to LEED® and BREEAM® building sustainability ratings from the use of Isopan products



Contributions to sustainability protocols in construction

Thanks to the cooperation with Habitech and by relying on its GreenMap programme, the mapping of Isopan products' contributions to obtain the LEED® building certification was extended to products made with Leaf technology and to the BREEAM® rating. Compared with the 2016 mapping, the points that can be achieved with Isopan products — for the purposes of building sustainability ratings — increased thanks to the certifications obtained in recent years. Isopan panels also comply with the requirements of the Minimum Environmental Criteria (Criteri Ambientali Minimi - CAM) as reflected in the National Action Plan on Green Public Procurement of the Italian Ministry for Environment.

Manni Group Design Award

The decision to hold an international contest, in collaboration with Young Architects Competition (YAC), was one way to celebrate a 75-year long history, such as that of our company. By staging the first edition of Manni Group's Design Award "Xi'An Train Station", the company provided a great opportunity to put into practice the key principles of dry construction and off-site construction: sustainability, material recycling and energy saving. The participating architects were tasked with designing the new station in the city of Xi'An, China, with 8 million inhabitants and a millenary history. The architect community responded with enthusiasm, with excellent proposals from 75 different countries. The winners of Manni Group's Design Award were assessed by an outstanding jury made up of 14 of the most distinguished experts in contemporary architecture of international renown, such as Patrik Schumacher, (Zaha Hadid Architects), Ben van Berkel (UNStudio) and Stefano Boeri, Chairman of the Triennale di Milano Foundation.



1st Prize: The wave / Mograph Studio



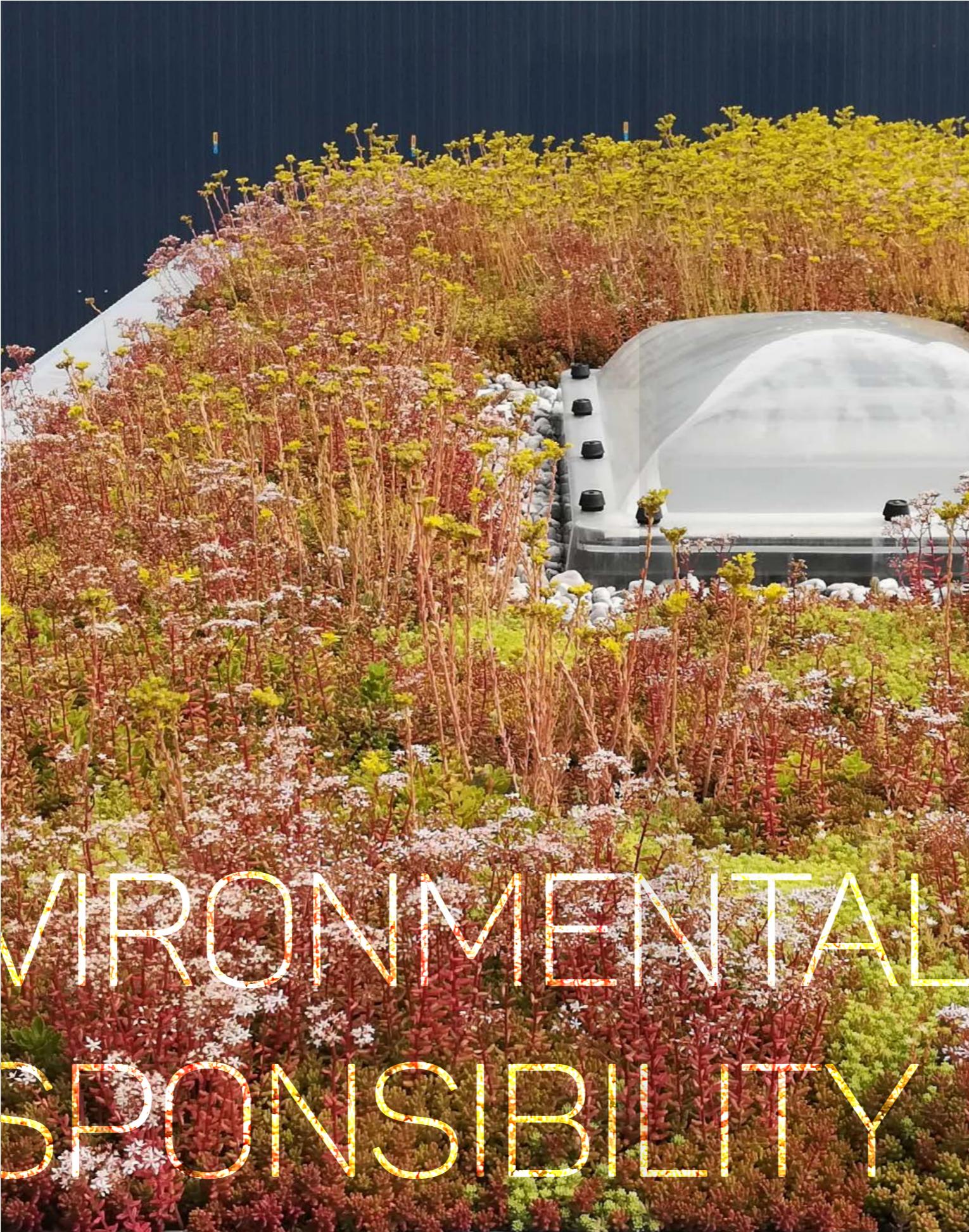
2nd Prize: High speed pagoda / Atelier_62



3rd Prize: Chariot / DS-WORKS

7

ENVIRONMENTAL RESPONSIBILITY



7.1

Energy strategy

- Replacement of gas boilers with high efficiency systems
- Lighting engineering installations
- Enhancement of compressed air production and distribution processes

Bearing witness to Manni Group's focus on renewable energy sources and energy efficiency is a Company part of the Group which is entirely dedicated to these issues: Manni Energy. Since its establishment in 2011, the company has been engaging in providing design, maintenance and energy efficiency services to customers and consultancy to all group companies.

The Group's production plants are mainly powered by electricity, while in the case of the Isopan plants alone, the consumption of natural gas as a source of thermal energy is similar to the consumption of electricity.

Other energy sources, albeit to a much lesser extent, include Liquid Petroleum Gas, diesel and fuel oil.

Through constant annual investments, all Italian plants have been audited and are subject to continuous consumption monitoring, with the software of the newly acquired company Maetrics also playing a role to this end. They have also undergone continuous works of various kind, some of which have reached completion, while others are still underway and are also being extended to plants abroad, such as:

- Deployment of photovoltaic systems
- Installation of power quality systems
- Installation of inverters and of electric motors

24

Plants built

**19,2
MW**

New power installed in 2019

**4,6
MW**

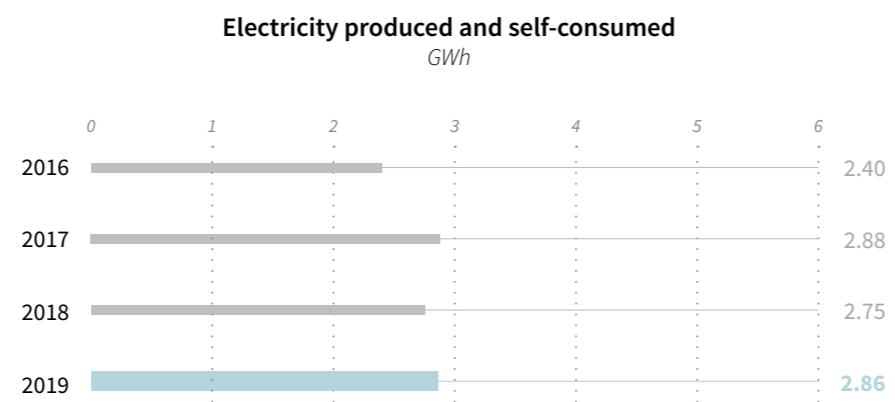
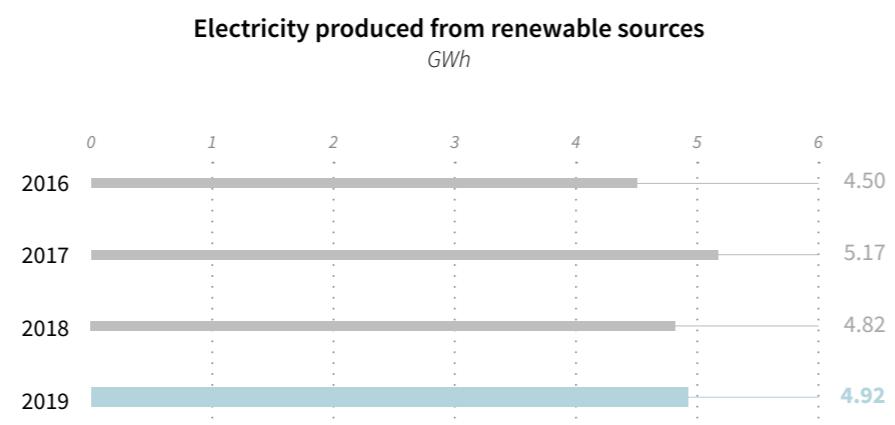
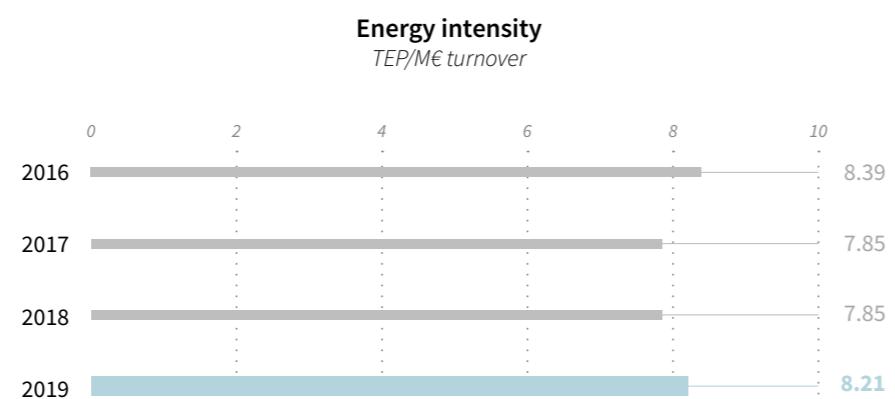
Photovoltaic power available to group companies

50

51

PPA-Sicily

In the second half of 2018, Manni Energy entered into the first ten-year Power Purchasing Agreement (PPA) in Italy, considered the longest term contract ever executed*. According to the PPA, 100% of the energy produced by the 5 plants built in Sicily in 2019 is intended for sale. The project, which was launched in partnership between Manni Energy and Canadian Solar, in agreement with Trailstone, was delivered fully operational in March 2020. It is expected that the 17.6 MW of photovoltaic power will produce an array of over 35 GWh per year, equivalent to over 17 thousand tons of CO₂ avoided**.



*Source: Renewable Energy Report, Milan Polytechnic, 2019

**Emission factor: 0.515 kgCO₂/kWh;
source: ISPRA, 2019

7.2

The fight against climate change

productive units, as described in details in the previous chapter.

During 2019, following discussions with the Scientific Committee of the Science Based Target initiative (SBTi), Manni Group revised its emission reduction targets. Based on guidance provided under the new UNI EN ISO 14064:2019 Standard - Part 1, the Group's inventory of annual emissions was extended to scopes 3 and 4 relating to upstream and downstream haulage and the production of purchased goods, which proved to be relevant during the initial screening phase, as they account for almost 99% of total emissions, with the entire value chain being included.

The new targets, much more ambitious and challenging than the previous ones, take into account the

demands of the Paris agreements and have already been fine-tuned and approved by Management and will be submitted for approval to the Science Based Target in Paris during 2020 to be officially disclosed during the same year.

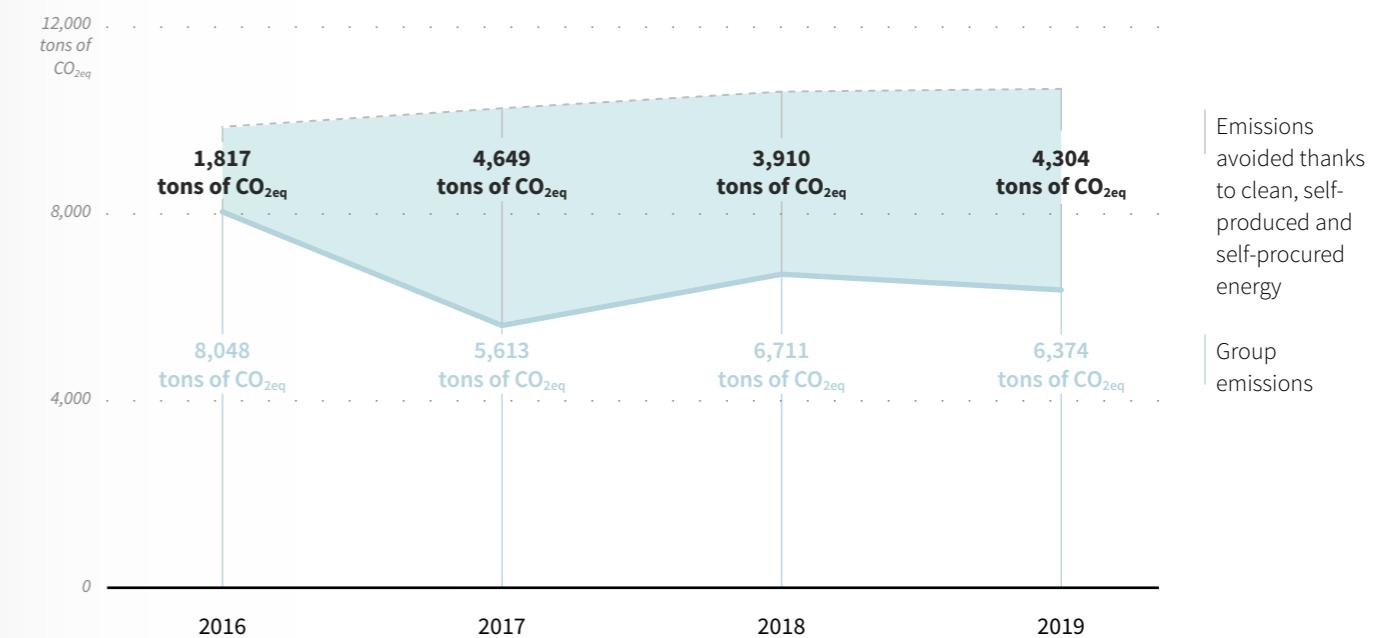
-15%

Target to reduce scope 1 and 2 emissions by 2021 compared to 2016

-21%

Reduction of scope 1 and 2 emissions achieved in 2019 compared with 2016

Total direct and indirect emissions from energy consumption
tons of CO_{2eq}





The Science Based Target Initiative, promoted by the Carbon Disclosure Project, World Resource Institute, WWF and UN Global Compact, provides guidance to companies in setting long-term emission reduction targets, which allow global warming to be kept within 2°C.

Carbon Footprint Italy

Carbon Footprint Italy (CFI), is the Italian Carbon Management Programme Operator established to disclose, in a professional and dependable manner, the results of the quantification of GHG emissions of products and organisations. CFI was presented during two events at the last COP held in Madrid, and addresses both product and organisation carbon footprint.

Manni Group, with its GHG emissions inventory prepared according to ISO 14064-1:2019 standard and verified by Bureau Veritas, is the first company to be registered as an organisation within the CFI programme.

For info:
www.carbonfootprintitaly.it

7.3 A Circular Business

By deploying initiatives based on the Circular Economy model, Manni Group is committed to increasing the use of recyclable materials and reducing its waste production.

Steel, a core element of Manni Group's business, abides by and reflects the principles of this economy, as its characteristics allow it to be remelted and reused many times without its physical properties being affected.

86% of the weight of the total waste produced by the Group's companies consists of steel scrap, which then undergoes a reselling and recycling process in order to be eventually resold on the market. In any case, over 91% of the waste produced was set aside for recovery.

Finally, less than 1% is considered as hazardous waste (this figure reflects an estimate, in that it also includes information from Mexico and Russia, where different legislations require a reclassification of hazardous classes to ensure consistency with the European classification, which is used as a reference).

The focus on resource consumption during the purchasing process — while monitoring the recycled content of the materials supplied and subsequently used in the manufacturing process — is yet another virtuous example of how the Group adopts an attitude geared towards

the circular economy model. Recycled content — i.e. the weight percentage of secondary raw material used for the production of goods — is governed by specific requirements in the construction industry. Indeed, the most stringent international certifications for building sustainability (LEED and BREEAM) as well as certain law and regulations applicable to public procurement (NAP GPP Minimum Environmental Criteria for construction), require designers to monitor and use a certain percentage of components made of recycled material.

In 2019, Manni Group purchased 432,000 tons of steel and holds certificates on the recycled content, issued by suppliers in accordance with ISO 14021, which covers 79% of them. It should be noted that some suppliers only use scrap as raw material for their production, with a 100% recycled content. The average recycled material content of steel ordered by Manni Group in 2019 stood at 49%.

The same analysis was extended to 13.2 thousand tons of mineral wool ordered. More than 9,200 tons were certified and more than 2,900 tons came from both pre and post consumer recycled mineral wool.

The average percentage of certified recycled content stood at 32%, while the average recycled content on total orders stood at 22%.

During 2019, discussions held with a number of partners in the chemical industry highlighted that this industry is geared towards lower environmental impact chemicals based on strong circularity-oriented practices.

The choices being made by Group's

100%

Scrap intended for recycling

100%

Mineral wool waste intended for recycling

49%

Average recycled content of steel used

22%

Average recycled content of mineral wool used

18%

Average recycled content for Isopan polyurethane foam panels

23%

Average recycled content for Isopan mineral wool panels

pan-Deutschland, with reference

being made to the Product Category Rules issued by the Institut Bauen und Umwelt (I.B.U.) and to the LCA study developed by Thinkstep.

During the same year, Isopan Spa started its own internal LCA process in relation to the first productions on the Italian territory, which led to the publication of 2 EPD certificates during 2019. These certificates relate to the life cycle of not less than 27 products included in Isopan's catalogue and were published thanks to the support of EPD International.

Available at www.environdec.com.

Manni Group plans to extend reliance on this analysis to all global productions, thanks to the new EPD Process system required under ISO 14025 update. Indeed, the Group believes that this type of certification and the ability to generate it can prove a key driver for the creation of a low environmental impact construction industry, enabling customers to operate in new markets with ease.

Recycled content*



*The average recycled content is calculated based on order data.

8

HIGHLIGHTS



8.1 Earning results

The results for 2019 showed virtually no change in the Group's positions, with a slight drop in volumes and turnover, this also being due to a drop in raw material prices, despite the slowdown in growth in all international markets that began in 2018.

There was an increase in markets and international customers served, consistent with the company vision, according to which Internationalisation is viewed as one of the three key drivers for development. The share of customers to whom highly qualified services and products are provided also increased, compared to the distribution of standard products.

Today, the Group offers its products and services in 81 countries through all its Business Units.

The Group's aggregate turnover in 2019 exceeded € 603 million, showing a 4% drop over the previous year (€ 630 million). The positive trend in investments continued, which in 2019 stood at € 14.4 million, up 17% compared to 2018.

2019 also saw an increase in the number of employees directly employed, standing at 1,156 as at 31 December 2019, reflecting the up-trend in the organisation's international development, research and

development endeavours and new services in which the Group has invested, with special reference to the innovation of sustainable products and building systems.

Despite geopolitical tensions and the widespread trade protectionism that affected commodity prices, EBITDA of the Steel and Panels Business Units proved positive, albeit stable, standing at € 20.6 million.

Capital and financial ratios showed an increase and a consolidation of Net Asset Value, while the net financial position increased to underpin investments, even though it proved to be well-balanced thanks to the optimisation of the Group's cash position.

The strategies adopted for the development of the Italian and international markets — which are witnessing a strong integration of the products and services offered by group companies — displayed encouraging signs, leading to believe that the positive growth trend can be maintained.

The closely monitored organisation of our companies, coupled with our focus on innovation and sustainability, allow us to reach a growing number of sectors and increase customer loyalty, while ensuring service continuity also in the challenging scenarios affecting the economy and society at large following the direct and indirect effects arising from the shock that hit us all at the beginning of 2020.

Economic value generated and distributed

Figures shown in €/m

| | 2018 | 2019 |
|------------------------------|--------|--------|
| Steel BU | | |
| Economic value generated | 289.93 | 272.52 |
| Economic value distributed | 285.81 | 266.72 |
| <i>Operating costs</i> | 262.95 | 243.59 |
| <i>Staff</i> | 20.75 | 20.88 |
| <i>Capital providers</i> | 0.80 | 1.00 |
| <i>Public Administration</i> | 1.31 | 1.25 |
| <i>Donations</i> | 0.00 | 0.00 |
| Economic value retained | 4.12 | 5.80 |
| Panels BU | | |
| Economic value generated | 298.86 | 282.21 |
| Economic value distributed | 286.80 | 272.10 |
| <i>Operating costs</i> | 261.94 | 245.75 |
| <i>Staff</i> | 22.21 | 23.86 |
| <i>Capital providers</i> | 0.70 | 0.80 |
| <i>Public Administration</i> | 1.93 | 1.63 |
| <i>Donations</i> | 0.02 | 0.06 |
| Economic value retained | 12.06 | 10.11 |
| Services BU | | |
| Economic value generated | 41.63 | 48.54 |
| Economic value distributed | 43.70 | 51.75 |
| <i>Operating costs</i> | 37.48 | 44.02 |
| <i>Staff</i> | 7.13 | 7.26 |
| <i>Capital providers</i> | 0.70 | 0.80 |
| <i>Public Administration</i> | -1.61 | -0.33 |
| <i>Donations</i> | 0.00 | 0.00 |
| Economic value retained | -2.07 | -3.21 |

| | 2018 | 2019 |
|------------------------------|--------|--------|
| Group aggregate total | | |
| Economic value generated | 630.42 | 603.27 |
| Economic value distributed | 616.31 | 590.57 |
| <i>Operating costs</i> | 562.37 | 533.36 |
| <i>Staff</i> | 50.09 | 52.00 |
| <i>Capital providers</i> | 2.20 | 2.60 |
| <i>Public Administration</i> | 1.63 | 2.55 |
| <i>Donations</i> | 0.02 | 0.06 |
| Economic value retained | 14.10 | 12.70 |

Three-yearly change in main parameters

Figures shown in €/m

| | 2017 | 2018 | 2019 |
|------------------------------|--------|--------|--------|
| Steel BU | | | |
| Turnover | 269.49 | 289.93 | 272.52 |
| EBITDA | 7.63 | 6.22 | 8.04 |
| Investments | 1.90 | 4.25 | 3.11 |
| Panels BU | | | |
| Turnover | 271.39 | 298.86 | 282.21 |
| EBITDA | 13.62 | 14.70 | 12.59 |
| Investments | 6.84 | 6.41 | 10.85 |
| Services BU | | | |
| Turnover | 39.31 | 41.63 | 48.54 |
| EBITDA | -0.06 | -2.99 | -2.75 |
| Investments | 12.65 | 1.63 | 0.43 |
| Group aggregate total | | | |
| Turnover | 580.19 | 630.42 | 603.27 |
| EBITDA | 21.19 | 17.93 | 17.87 |
| Investments | 21.39 | 12.30 | 14.38 |
| Overseas turnover | 189.16 | 208.71 | 213.43 |
| NFP | 109.50 | 114.30 | 128.00 |
| FP (consolidated figures) | 108.00 | 111.00 | 115.00 |

8.2

Social results**Staff employed with Manni Group companies as at 31 December 2019**

| | 2018 | 2019 | | |
|-----------------------------|-------------------------|--------------------|------------------------|--------------------|
| | Non- permanent contract | Permanent contract | Non-permanent contract | Permanent contract |
| By gender | | | | |
| Men | 89 | 874 | 70 | 888 |
| Women | 24 | 153 | 32 | 166 |
| By geographical area | | | | |
| Italy | 54 | 645 | 45 | 680 |
| Spain | 0 | 72 | 0 | 76 |
| Germany | 31 | 40 | 31 | 42 |
| Romania | 0 | 108 | 0 | 121 |
| Russia | 26 | 75 | 23 | 74 |
| Mexico | 2 | 87 | 3 | 61 |
| | | | | |
| | 2018 | 2019 | | |
| | Full time | Part time | Full time | Part time |
| By contract type | | | | |
| Men | 961 | 2 | 956 | 2 |
| Women | 164 | 13 | 185 | 13 |

100% of the workers employed with Manni Group companies are covered by collective bargaining agreements, in line with the local law requirements of each company.

| | 2018 | | | | 2019 | | | |
|------------------|----------------------------|--------------|----------------------------|--------------|----------------------------|--------------|----------------------------|--------------|
| | Men | | Women | | Men | | Women | |
| | Managers and white collars | Blue collars |
| Job level | | | | | | | | |
| Italy | 256 | 341 | 102 | - | 261 | 342 | 122 | - |
| Spain | 26 | 35 | 11 | - | 30 | 35 | 11 | - |
| Germany | 23 | 38 | 10 | - | 32 | 29 | 12 | - |
| Romania | 42 | 48 | 18 | - | 38 | 63 | 20 | - |
| Russia | 30 | 44 | 27 | - | 27 | 46 | 24 | - |
| Mexico | 42 | 38 | 9 | - | 35 | 20 | 9 | - |

| | 2018 | | 2019 | |
|--------------|------------------|-----|--------------|-----|
| | By Business Unit | | | |
| Steel BU | | 396 | | 404 |
| Panels BU | | 638 | | 641 |
| Services BU | | 106 | | 111 |
| Total | 1,140* | | 1,156 | |

*This figure differs from the 2018 report in that it includes dismissals as at 31 December 2018.

Lost day rate %

| Company | 2018 | 2019 |
|--------------------|--------------|--------------|
| | % | % |
| Steel BU | 0.42% | 0.32% |
| Manni Sipre | 0.49% | 0.29% |
| Manni Inox | 0.02% | 0.58% |
| Manni Green Tech | 0.00% | 0.00% |
| Panels BU | 0.27% | 0.40% |
| Isopan Spa | 0.37% | 0.59% |
| Isopan Iberica | 1.04% | 0.85% |
| Isopan Est | 0.26% | 0.17% |
| Isopan De | 0.00% | 0.09% |
| Isopan Rus | 0.00% | 0.00% |
| Isocindu | 0.00% | 0.68% |
| Services BU | 0.02% | 0.00% |
| Manni Group | 0.03% | 0.00% |
| Manni Energy | 0.00% | 0.00% |
| ICOM Engineering | 0.00% | 0.00% |
| Manni Store | 0.00% | 0.00% |
| Total | 0.30% | 0.33% |

Note: Data measured in accident hours on total hours

No fatalities caused by accidents were reported.

8.3

Environmental results

Materials used and % average recycled content

| | 2018 | | 2019 | |
|--------------------------|-----------------|--------------------------|-----------------|--------------------------|
| | Quantity (t) | Recycled content (%)* | Quantity (t) | Recycled content (%)* |
| Steel BU | | | | |
| Steel | 314,413 | 61.5 | 291,001 | 59.2 |
| Panels BU | | | | |
| Pre-painted steel | 128,907 | 23.2 | 141,112 | 25.4 |
| Chemicals | 34,460 | n.a. | 35,189 | n.a. |
| Mineral wool | 14,499 | 20.0 | 13,209 | 22.1 |
| Total Manni Group | | | | |
| Steel | 443,320 | 47.9 | 432,113 | 49.1 |

*Recycled content is calculated based on order data, as opposed to the quantity of materials, which is calculated based on purchase data

Average recycled content % in Isopan panels

| | 2018* | | 2019 | |
|------------------|------------------------|------------------------|------------------------|------------------------|
| | Polyurethane panels | Mineral wool panels | Polyurethane panels | Mineral wool panels |
| Recycled content | 16.5% | 21.5% | 18.0% | 23.6% |

*The data of the recycled content pertaining to 2018 were recalculated compared to the previous report, using the recycled content data relating to the Panels BU only.

Total energy demand within the organisation

| | UoM | 2018 | 2019 |
|--------------|-----------------|--------------|--------------|
| Electricity | kWh | 17,198,931 | 17,020,587 |
| Natural gas | Sm ³ | 1,569,326 | 1,573,208 |
| Diesel oil | l | 386,892 | 436,566 |
| LPG | l | 80,432 | 80,573 |
| Fuel oil | l | 32,622 | 22,402 |
| Petrol | l | 721 | - |
| Electricity | TEP | 3,216 | 3,183 |
| Natural gas | TEP | 1,312 | 1,315 |
| Diesel oil | TEP | 343 | 387 |
| LPG | TEP | 50 | 50 |
| Fuel oil | TEP | 27 | 19 |
| Petrol | TEP | 1 | - |
| Total | TEP | 4,948 | 4,953 |

Total energy demand by BU and energy carrier

| | UoM | 2018 | | | 2019 | | |
|--------------|-----------------|--------------|--------------|-------------|--------------|--------------|-------------|
| | | Panels BU | Steel BU | Services BU | Panels BU | Steel BU | Services BU |
| Electricity | kWh | 10,221,955 | 6,577,935 | 399,042 | 10,384,471 | 6,267,237 | 368,879 |
| Natural gas | Sm ³ | 1,471,002 | 66,014 | 32,311 | 1,486,461 | 56,817 | 29,930 |
| Diesel oil | l | 266,507 | 83,299 | 37,086 | 306,798 | 104,276 | 25,492 |
| LPG | l | 23,504 | 56,928 | - | 25,974 | 54,599 | - |
| Fuel oil | l | 32,622 | - | - | 22,402 | - | - |
| Petrol | l | - | 721 | - | - | - | - |
| Electricity | TEP | 1,912 | 1,230 | 75 | 1,942 | 1,172 | 69 |
| Natural gas | TEP | 1,230 | 55 | 27 | 1,243 | 47 | 25 |
| Diesel oil | TEP | 236 | 74 | 32 | 271 | 93 | 22 |
| LPG | TEP | 14 | 35 | - | 16 | 34 | - |
| Fuel oil | TEP | 27 | - | - | 19 | - | - |
| Petrol | TEP | - | 1 | - | - | - | - |
| Total | TEP | 3,419 | 1,395 | 134 | 3,491 | 1,346 | 116 |

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Total direct greenhouse gas (GHG) emissions

(Category 1; UNI EN ISO 14064-1;2019)

| | UoM | 2018 | 2019 |
|--------------|---------------------------------|--------------|--------------|
| Steel BU | tons of CO _{2eq} | 443 | 477 |
| Panels BU | tons of CO _{2eq} | 3,763 | 3,837 |
| Services BU | tons of CO _{2eq} | 161 | 126 |
| Total | tons of CO_{2eq} | 4,367 | 4,441 |

Total indirect greenhouse gas (GHG) emissions from the use of electricity

(Category 2; UNI EN ISO 14064-1;2019)

| | UoM | 2018 | 2019 |
|--------------|---------------------------------|--------------|--------------|
| Steel BU | tons of CO _{2eq} | 202 | 0 |
| Panels BU | tons of CO _{2eq} | 2,141 | 1,933 |
| Services BU | tons of CO _{2eq} | 0 | 0 |
| Total | tons of CO_{2eq} | 2,343 | 1,933 |

Note: Calculation was based on the most recent emission factors relating to countries where consumption from national grid energy occurred
(sources: ISPRA, 2019; TERNA, 2019; Minambiente, 2019; IPCC, 2017; Simapro - Industry 2.0, 2019)

Unit energy demand by BU

| | UoM | 2017 | 2018 | 2019 |
|-------------|--|---------|---------|---------|
| Panels BU | TEP/m ³ insulation produced | 0.00344 | 0.00359 | 0.00364 |
| Steel BU | TEP/t steel sold | 0.00438 | 0.00441 | 0.00475 |
| Services BU | TEP/(# empl. x days worked) | 0.00453 | 0.00468 | 0.00393 |

Note: In order to comply with the legislation, reliance was made on ton of oil equivalent (TEP) as energy unit of measurement. Reference was made to the TEP conversion factors contained in the Circular letter issued by the Ministry for the Economic Development on 18 December 2014.

Total indirect greenhouse gas (GHG) emissions from upstream and downstream haulage and from production of goods used (Category 3.1, 3.2, 4.1; UNI EN ISO 14064-1;2019)

| UoM | Downstream haulage | | Upstream haulage | | Production of goods used | | |
|--------------|---------------------------------|----------|------------------|----------|--------------------------|----------|------------------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | |
| Steel BU | tons of CO _{2eq} | - | 7,166 | - | 16,568 | - | 497,356 |
| Panels BU | tons of CO _{2eq} | - | 13,973 | - | 15,706 | - | 581,843 |
| Services BU | tons of CO _{2eq} | - | - | - | - | - | - |
| Total | tons of CO_{2eq} | - | 21,139 | - | 32,274 | - | 1,079,199 |

Note: The data result from estimates and calculations submitted to third party for review in accordance with the Agreed-Upon Procedure (AUP).

Greenhouse gas (GHG) emission intensity
(Category 1+2; UNI EN ISO 14064- 1:2019)

| UoM | 2018 | 2019 |
|-------------|---|--------|
| Steel BU | tons of CO _{2eq} /tons steel sold | 0.0021 |
| Panels BU | tons of CO _{2eq} /m ³ insulation produced | 0.0062 |
| Services BU | tons of CO _{2eq} /(# empl. x days worked) | 0.0057 |

Note: Calculation was based on the most recent emission factors relating to countries where consumption from national grid energy occurred (sources: ISPRA, 2019; TERNA, 2019; Minambiente, 2019; IPCC, 2017; Simapro - Industry 2.0, 2019)

Total weight of waste by type

| | UoM | 2018 | 2019 |
|--|----------|---------------|---------------|
| Scrap or metal powders intended for recovery | t | 22,902 | 20,032 |
| Non-recoverable waste | t | 1,407 | 1,656 |
| Mineral wool intended for recycling | t | 106 | 315 |
| Packaging | t | 394 | 357 |
| Paper | t | 160 | 121 |
| Wood intended for recycling | t | 231 | 248 |
| Polyurethane foam | t | 201 | 179 |
| Hazardous packaging | t | 39 | 70 |
| Other material not pertaining to manufacturing process | t | 160 | 87 |
| Totale | t | 25,600 | 23,066 |

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METHODOLOGICAL NOTE



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REPORTING STANDARDS APPLIED

Manni Group's 2019 Sustainability Report contains information on governance, ethics, anti-corruption, environmental, social and anti-corruption issues and respect for human rights, such information helping provide Stakeholders with a clear view of the strategies, activities undertaken and results achieved by the Group in the pursuit of its economic growth and business development, while taking into account the expectations of the Stakeholders involved and with a view to continuous improvement.

This report represents Manni Group's Disclosure prepared in compliance with the Sustainability Reporting Standards published in 2016 by the Global Reporting Initiative – GRI (with "Core Option" application level). It should be noted that all reported GRI indicators refer to the GRI Standards version published in 2016, except for Indicator 403, which refers to the version published in 2018. The activities carried out in order to determine the contents of the report are described in chapter 2 of this document.

The previous report is included in the Annual Report 2018, published online at www.mannigroup.com in May 2019.

REPORTING BOUNDARY

The information presented in this document relates to the 14 Group companies which alone contribute almost entirely to the total consolidated financial statements. Namely:

- Manni Group Spa
- Manni Sipre
- Manni Inox
- Manni Green Tech
- Isopan Spa
- Isopan Ibérica
- Isopan Est
- Isopan Deutschland
- Isopan Rus
- Isocindu
- Icom Engineering
- Manni Energy
- Manni Immobilia
- Manni Store

Commercial companies Isopan Manni Group CZ, Isopan France and Manni Green Tech USA were included in the organisation chart and in the map on page 10 to indicate their presence in the territory. Financial companies Panfin Srl, Gruppo Manni Srl and sub-holding company Isopan International were only included in the organisation chart, as they are dedicated to the Group control. The newly-acquired company Maetrics Srl was only included in the organisation chart to complete disclosure, as the acquisition transaction was completed in 2019 and, therefore, only partial data and information were available.

The impact of the companies not included in the reporting boundary was not significant for the purposes of this Sustainability Report.

Information will be provided in the text in the event of changes to the reporting boundary. Any further limitations to the boundary are appropriately specified in the report.

DATA

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The economic and operating data contained in this document are to be considered as aggregated, i.e. including any inter-company transactions, and relating to the year ended 31 December 2019. The Group's consolidated financial statements are published in accordance with the Italian Civil Code.

For purposes of data comparison or contextualisation, data pertaining to previous financial years were included and appropriately stated, where available. These financial years do not date back further than 2016, the year in which Manni Group began to broaden its annual reporting activities. Any differences from previous editions of the report are due to new and more accurate calculation methods and are generally specified in the text.

REPORTING PROCESS

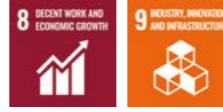
Manni Group Sustainability Report:

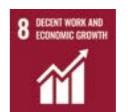
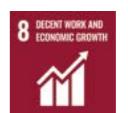
- Results from a complex internal data collection process involving several corporate functions and organisations, including Sustainability, Management Control, Corporate Affairs, Procurement, Human Resources, Management, Treasury, Prevention and Protection Service, Supervisory Board, Internal Control, Risk Management.
- Is prepared by the Business Sustainability Officer, who is responsible for data and information collection and process management, in conjunction with the Marketing Function, who is responsible for content creation.
- Is supervised and finally approved by the CEO, on behalf of the Board of Directors.
- Is subject to content approval following an audit performed by a certified independent organisation.
- Is made available to stakeholders by paper-based and electronic publication on the corporate website at www.mannigroup.com.

Heartfelt thanks are extended to all those who have contributed and will contribute to the preparation of this document.



STATEMENT OF RECONCILIATION BETWEEN MATERIAL TOPICS, GRI INDICATORS AND SDG SCORES

| Material topics identified | Relevant GRI Standards | Stakeholders | SDGs |
|---|---|----------------------------------|---|
| Occupational health and safety | 403-1 403-2 403-3 403-4 403-5 403-6 403-7 403-8 403-9 | Employees |  |
| Customer satisfaction | - | Customers |  |
| Research and innovation | - | Customers |  |
| Compliance with environmental legislation | 307-1 | Environment Local communities |  |
| Circular economy | 301-1 201-2 | Environment Suppliers |  |
| Product safety and quality | 416-1 | Customers |  |
| Professional training | 404-1 404-2 404-3 | Employees |  |
| Human capital empowerment | 404-3 | Employees |  |
| Economic value generated | 201-1 | |  |

| Material topics identified | Relevant GRI Standards | Stakeholders | SDGs |
|--|--|--------------|---|
| Renewable sources | - | |  |
| Internationalisation | 204-1 | |  |
| Energy efficiency and air emissions | 302-1 302-3 302-4 305-1 305-2 305-3 305-4 305-5 | Environment |  |
| Ethics and compliance | 205-1 205-2 205-3 | |  |
| Social responsibility, ethics and values | 407-1 | Employees |  |
| Supplier relation | 308-1 414-1 | Suppliers |  |
| Natural resources and raw materials | 301-1 301-2 306-2 | Environment |  |
| Corporate governance | 102-19 102-20 102-29 102-30 102-31 102-32 | |  |

GRI TABLE OF CONTENTS

| Disclosure | Chapter - section | Omissions | Reasons | Explanation |
|--|---------------------|-------------------------|---------|-------------|
| 100 - UNIVERSAL STANDARD | | | | |
| GRI Topic: 102 | | | | |
| Organizational profile | | | | |
| 102-1 Name of the organization | | § 1.3 | | |
| 102-2 Main brands, products and services | | § 1.3 | | |
| 102-3 Location of headquarters | | § 1.3 | | |
| 102-4 Locations of operations | | § 1.2 | | |
| 102-5 Ownership and legal form | | § 1.4 | | |
| 102-6 Market served | | § 1.3 § 1.5 | | |
| 102-7 Scale of the organization (employees, revenues, capitalization, quantity of products or services) | | § 1.2 | | |
| 102-8 Employees by contract type and gender | | § 8.2 | | |
| 102-9 Description of the organisation's supply chain | | § 6.2 | | |
| 102-10 Significant changes to the organisation's size, structure, ownership or supply chain during the reporting period | | § 1.2 | | |
| 102-11 How the organisation applies the precautionary principle or approach | | § 2.1 | | |
| 102-12 Externally-developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes, or which it endorses | | § 2.1 § 6.4 § 7.2 | | |
| 102-13 Memberships of industry or other associations, and national or international advocacy organisations | | § 6.3 | | |
| Strategy | | | | |
| 102-14 Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organisation and its strategy for addressing sustainability | Letter from the CEO | | | |

| Disclosure | Chapter - section | Omissions | Reasons | Explanation |
|--|----------------------------------|-----------|---------|-------------|
| Ethics and integrity | | | | |
| 102-16 Description of values, principles, standards and norms of behaviour | | | | |
| Governance | | | | |
| 102-18 Government structure | | | | |
| 102-19 Description of the process for delegating authority for economic, environmental, and social topics | | § 3.1 | | |
| 102-20 Responsibility for economic, environmental, and social topics | | § 3.1 | | |
| 102-29 Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities | | § 3.2 | | |
| 102-30 Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics | | § 3.2 | | |
| 102-31 Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities | | § 3.2 | | |
| 102-32 Body or position that formally reviews and approves the organisation's sustainability report | Chapter 9 § Reporting process | | | |
| Stakeholder Engagement | | | | |
| 102-40 List of stakeholder groups engaged | | § 2.2 | | |
| 102-41 Percentage of total employees covered by collective bargaining agreements | | § 8.2 | | |
| 102-42 Basis for identifying and selecting stakeholders with whom to engage | | § 2.3 | | |
| 102-43 Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group | | § 2.3 | | |
| 102-44 Key topics and concerns that have been raised through stakeholder engagement, including how the organisation has responded to those key topics and concerns, including through its reporting | | § 2.3 | | |

| Disclosure | Chapter - section | Omissions | Reasons | Explanation |
|--|--|-----------|---------|-------------|
| Reporting Practice | | | | |
| 102-45 Functions involved in preparing the report | Chapter 9 § Reporting process | | | |
| 102-46 Process for defining the report content and the topic boundaries | Chapter 9 | | | |
| 102-47 Material topics identified in the process for defining report content | § 2.3 | | | |
| 102-48 Explanation of effects of any restatements of information given in previous reports, and the reasons for such restatements | Chapter 9 | | | |
| 102-49 Significant changes from previous reporting periods in the list of material topics and topic boundaries | Chapter 9 | | | |
| 102-50 Reporting period (e.g., fiscal year or calendar year) for the information provided | Chapter 9 § Data | | | |
| 102-51 Date of the most recent previous report | Chapter 9 § Reporting standards applied | | | |
| 102-52 Reporting cycle | Chapter 9 § Data | | | |
| 102-53 Contact point for questions regarding the report or its contents | Back cover | | | |
| 102-54 In accordance option chosen | Chapter 9 § Reporting standards applied | | | |
| 102-55 GRI Content Index | Cap. 9 § GRI Table of contents | | | |
| 102-56 External assurance | Chapter 9 | | | |
| 200 - TOPIC SPECIFIC STANDARD: ECONOMIC | | | | |
| GRI Topic: 201 | | | | |
| Economic performance | | | | |
| DMA 201 Describe the management approach for the economic performance topic using KPI GRI 103: Management Approach | § 8.1 | | | |
| 201-1 Direct economic value generated and distributed | § 8.1 | | | |

| Disclosure | Chapter - section | Omissions | Reasons | Explanation |
|--|-------------------|-----------|---------|-------------|
| Topic GRI: 204 | | | | |
| Procurement practices | | | | |
| DMA 204 Describe the management approach for procurement practices topic using KPI GRI 103: Management Approach | § 6.2 | | | |
| 204-1 Proportion of spending on local suppliers | § 6.2 | | | |
| Topic GRI: 205 | | | | |
| Anti-corruption | | | | |
| DMA 205 Describe the management approach for the anti-corruption topic using KPI GRI 103: Management Approach | § 8.1 | | | |
| 205-1 Operations assessed for risks related to corruption | § 4.3 | | | |
| 205-2 Communication and training about anti-corruption policies and procedures | § 4.3 | | | |
| 205-3 Confirmed incidents of corruption and actions taken | § 4.3 | | | |
| 300 - TOPIC SPECIFIC STANDARD: ENVIRONMENTAL | | | | |
| GRI Topic: 301 | | | | |
| Materials | | | | |
| DMA 301 Describe the management approach for the materials topic using KPI GRI 103: Management Approach | § 7.3 | | | |
| 301-1 Materials used by weight or volume | § 8.3 | | | |
| 301-2 Recycled input materials used | § 7.3 § 8.3 | | | |
| GRI Topic: 302 | | | | |
| Energy | | | | |
| DMA 302 Describe the management approach for the energy topic using KPI GRI 103: Management Approach | § 7.1 | | | |
| 302-1 Energy consumption within the organisation | § 7.1 § 8.3 | | | |
| 302-3 Energy intensity | § 7.1 § 8.3 | | | |
| 302-4 Reduction of energy consumption | § 7.1 § 8.3 | | | |

| Disclosure | Chapter - section | Omissions | Reasons | Explanation |
|---|-------------------|----------------|---------|-------------|
| GRI Topic: 305 | | | | |
| Emissions | | | | |
| DMA 305 Describe the management approach for the emissions TOPIC using the KPI GRI 103: Management Approach | | § 7.2 | | |
| 305-1 Direct (Scope 1) GHG emissions | | § 7.2 § 8.3 | | |
| 305-2 Indirect (Scope 2) GHG emissions | | § 7.2 § 8.3 | | |
| 305-3 Other indirect (Scope 3) GHG emissions | | § 7.2 § 8.3 | | |
| 305-4 GHG emission intensity | | § 7.2 § 8.3 | | |
| 305-5 Reductions of GHG emissions | | § 7.2 § 8.3 | | |
| GRI Topic: 306 | | | | |
| Effluents and waste | | | | |
| DMA 306 Describe the management approach for the “effluents and waste” topic using KPI GRI 103: Management Approach | | § 7.3 | | |
| 306-2 Total weight of waste by type and disposal method | | § 8.3 | | |
| GRI Topic: 307 | | | | |
| Environmental compliance | | | | |
| DMA 307 Describe the management approach for the environmental compliance topic using KPI GRI 103: Management Approach | | § 4.3 | | |
| 307-1 Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations | | § 4.3 | | |
| GRI Topic: 308 | | | | |
| Supplier environmental assessment | | | | |
| DMA 308 Describe the management approach for supplier environmental assessment using GRI KPI 103: Management Approach | | § 6.2 | | |
| 308-2 Negative environmental impacts in the supply chain and actions taken | | § 6.2 | | |

| Disclosure | Chapter - section | Omissions | Reasons | Explanation |
|--|-------------------|----------------|---|---|
| 400 - TOPIC SPECIFIC STANDARD: SOCIAL | | | | |
| GRI Topic: 403 | | | | |
| Occupational health and safety | | | | |
| DMA 403 Describe the management approach for the occupational health and safety issue using KPI GRI 103: Management Approach | | § 4.1 | | |
| 403-1 Workers' health and safety management system | | § 4.1 | | |
| 403-2 Hazard identification, risk assessment and accident analysis | | § 4.1 | | |
| 403-3 Occupational medicine services | | § 4.1 | | |
| 403-4 Processes for participation in, consultation and communication on occupational health and safety | | § 4.1 | | |
| 403-5 Worker training on occupational health and safety | | § 4.1 | | |
| 403-6 Promotion of worker health | | § 4.1 | | |
| 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | | § 2.1 § 6.4 | | |
| 403-8 Workers covered by an occupational health and safety management system | | § 4.1 | | |
| 403-9 Number of work-related injuries by type | | § 8.2 | Only Lost Day Rate data supplied | Central aggregate monitoring system under development |
| GRI Topic: 404 | | | | |
| Training and education | | | | |
| DMA 404 Describe the management approach for the training and education topic using KPI GRI 103: Management Approach | | § 4.2 | | |
| 404-1 Average hours of training per year per employee, divided by gender and job position | | § 4.2 | Data provided in aggregate form on Italy boundary | Overseas boundary data not available |
| 404-2 Programmes for skill management and continued training that support continued employment of employees and assist them in managing end of career | | § 4.2 | | Monitoring system yet to be completed |

| Disclosure | Chapter - section | Omissions | Reasons | Explanation |
|---|-------------------|----------------|---------|-------------|
| 404-3 Percentage of employees receiving regular performance and career development reviews, divided by gender and job position | | § 4.2 | | |
| GRI Topic: 407 | | | | |
| Freedom of association and collective bargaining | | | | |
| DMA 407 Describe the management approach for the freedom of association and collective bargaining topic using KPI GRI 103: Management Approach | | § 4.3 | § 6.2 | |
| 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | | § 4.3 | | |
| GRI Topic: 414 | | | | |
| Supplier social assessment | | | | |
| DMA 414 Describe the management approach for the supplier social assessment using KPI GRI 103: Management Approach | | § 6.2 | | |
| GRI Topic: 416 | | | | |
| Customer health and safety | | | | |
| DMA 416 Describe the management approach for customer health and safety using KPI GRI 103: Management Approach | | § 2.1 § 6.4 | | |
| 416-1 Assessment of the health and safety impacts of product and service categories | | § 2.1 § 6.4 | | |
| GRI Topic: 418 | | | | |
| Customer privacy | | | | |
| DMA 418 Describe the management approach for customer privacy using the KPI GRI 103: Management Approach | Chapter 6 | | | |
| 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | | § 6.1 | | |



Assurance Statement addressed to Manni Group stakeholders

1. INTRODUCTION

Manni Group has commissioned Bureau Veritas Italia S.p.A. ("Bureau Veritas") an independent assurance of its Sustainability Report 2019: (hereinafter, "2019 Report") for the purpose of providing findings over:

- the accuracy and quality of published information concerning its sustainability performance;
- the correct application of those reporting principles outlined in the Report's methodology, in particular Global Reporting Initiative Sustainability Reporting Standards (GRI Standards).

2. RESPONSIBILITY, METHODOLOGY AND LIMITATIONS

Manni Group alone had the responsibility of collecting, analyzing, collating and presenting information and data included in its 2019 Report. Bureau Veritas responsibility has been to perform an independent assurance against defined objectives and to reach the conclusions reported in this Statement.

The assurance performed has been a Limited Assurance in accordance to the ISAE 3000 standard, through sample application of audit techniques, including:

- review of Manni Group policy, mission, values, commitments;
- review of records, data, procedures and information-gathering systems;
- interviews to members of the working group responsible for drafting the 2019 Report;
- interviews to company representatives from various functions and levels;
- overall verification of information and general content of the 2019 Report.

The assurance activities have been performed remotely by video conference and we believe we have obtained sufficient and adequate evidence to support our conclusions.

The assurance has covered the whole 2019 Report, with the following limitations: for economic and financial information, Bureau Veritas only verified their consistency with the company's economic data approved by the Board of Directors; for the activities carried out beyond the accounting period (1st January 2019 – 31st December 2019) and for any claim related to policy, intentions and objectives, Bureau Veritas has only verified the coherence with the methodology requirements taken as a reference.



3. CONCLUSIONS

Following the assurance activities described above, nothing has come to our attention to indicate that information and data in the 2019 Report are inaccurate, incorrect or unreliable. In our opinion, the Report provides a trustworthy representation of Manni Group activities conducted by during the year 2019 and of main results achieved. Information is reported generally in a clear, comprehensible and balanced manner. In illustrating activities and achievements, Manni Group has paid attention to adopt an objective language, avoiding being self-referential.

With regards to the reporting methodology outlined by the organization in its Report, it is our opinion that principles from the GRI Standards (Stakeholder Inclusiveness, Sustainability Context, Materiality, Completeness, Accuracy, Balance, Clarity, Comparability, Reliability, Timelines) were duly implemented. Based on our assurance activities, a "Core" level of implementation has been achieved. We also confirm that our activities met the GRI requirements for external assurance.

4. DECLARATION OF INDEPENDENCE, IMPARTIALITY AND COMPETENCE

Bureau Veritas is a global organization specialized in independent assurance, inspection and certification activities, with over 180 years history, 77.000 employees and an annual turnover of over 4,8 billion euro in 2018.

Bureau Veritas applies internally a Code of Ethics and we believe there were no conflicts of interest between members of the assurance team and Manni Group at the time of the assurance.

Bureau Veritas Italia S.p.A.
Milan, 03rd June 2020


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1st prize winning project
in the *Manni Group Design Award* contest:
The wave by Mograph Studio.

